



Legislation Text

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Memorandum

Date: September 14, 2021

To: The Honorable Lake County Board of Supervisors

From: Carol J. Huchingson, County Administrative Officer
By Stephen L. Carter, Jr., Chief Deputy County Administrative Officer

Subject: 9:30 A.M. - PUBLIC HEARING - Consideration of the Final Recommended Budget for Fiscal Year 2021-2022 for the County of Lake and Special Districts Governed by the Board of Supervisors

Executive Summary:

We are pleased to present, for your Board's consideration, the Fiscal Year (FY) 2021-22 Final Recommended Budget. This memorandum is intended to serve as an update to our June 9, 2021 memorandum introducing the FY 2021-22 Recommended Budget. For your reference, that memorandum is also attached to your agenda packet as much of it is still applicable.

Fund balance carry-over increased by just over \$7 million from FY 2020-21 to FY 2021-22 mainly due to the County's high vacancy rate and specific revenues that came in higher than anticipated. As we further stabilize County finances, staff recommends using a portion of it to increase your General Fund General Reserve to a total of \$12.5 million, which equates to 25% or 3 months of last fiscal year's General Fund (GF) actual expenditures.

Property tax: The increase in property taxes received between FY 2019-20 and FY 2020-21 was \$1,180,437.51, which equated to a 4.74% increase.

Sales Tax: Bradley-Burns (1%) Sales tax revenues received in FY 2020-21 equaled \$4,414,350.19 which was an increase of \$1,132,343.86 over FY 2019-20. Prop 172 sales tax revenues for FY 2020-21 equaled \$3,417,484.37 which was an increase of \$182,079.29 compared to FY 19/20.

Transient Occupancy Tax: Transient Occupancy Tax (TOT) revenues totaled \$1,098,227.28 in FY 2020-21 which was an increase of \$247,909.76 year over year.

American Rescue Plan Act (ARPA) also known as State and Local Fiscal Recovery Funds (SLFRF): The County received half of the \$12,506,226 SLFRF funds in May 2021 and the second half payment is expected to be received in May 2022. The SLFRF funds are being requested to be moved from BU 1920 to BU 1120 and will be tracked with project codes. As your Board is aware, your ad hoc committee is drafting a plan for use of these funds, for the approval of the full board in the

coming weeks.

Requested Positions additions since recommended budget:

- 1 Temporary Property Tax Coordinator I/II/III (funded through 9/17/2021) - BU 1121
- 1 Public Works Service Technician - BU 1903
- 1 Business Software Analyst - BU 2110
- 1 Deputy Sheriff (Road Map Task Force, "RMTF") - BU 2201
- 1 Public Information Officer - BU 2201
- 1 Deputy Sheriff Sergeant (RMTF) - BU 2201
- 1 Code Enforcement Officer (RMTF) - BU 2603
- 1 Staff Services Analyst I/II - BU 4012
- 1 Water Resources Field Maintenance Technician - BU 8107

The cost of new General Fund positions included in the Final Recommended budget are either absorbed within the department's net county cost or funded by cannabis tax.

In anticipation of your Board's completion of implementation of the CPS-HR Classification and Compensation (CC) Study of October 2019 payroll cost adjustments will be budgeted at mid-year. Staff plans for all labor agreements and resolutions to be brought forward for the consideration and approval of your Board on September 21, 2021.

Fiscal Impact:

Your approval of this Recommended Final Budget will enable the County to meet its statutory obligations and continue operations for FY 2021-22.

If not budgeted, fill in the blanks below only:

Estimated Cost: _____ Amount Budgeted: _____ Additional Requested: _____ Future Annual Cost: _____

Consistency with Vision 2028 (check all that apply):

☐ Not applicable

- | | | |
|--|--|--|
| <input type="checkbox"/> Well-being of Residents | <input type="checkbox"/> Public Safety | <input type="checkbox"/> Disaster Prevention, Preparedness, Recovery |
| <input type="checkbox"/> Economic Development | <input type="checkbox"/> Infrastructure | <input type="checkbox"/> County Workforce |
| <input type="checkbox"/> Community Collaboration | <input type="checkbox"/> Business Process Efficiency | <input type="checkbox"/> Clear Lake |

Recommended Action:

- 1) Adopt the Resolution Adopting the Final Recommended Budget for Fiscal Year 2021-22 as detailed in the attached, incorporating any changes desired by your Board following budget hearings.
- 2) Adopt the Resolution Establishing New Classifications, the Effective Date Thereof, and Amending the Position Allocation Chart for Fiscal Year 2021-22 to Conform to the Adopted Budget.
- 3) Approve Continuation of the Informal Hiring Freeze for General Fund departments, delegating authority to the County Administrative Officer to waive as appropriate.