

RESOLUTION NO. 11 - 7720

A RESOLUTION ADOPTING THE FINAL BUDGET FOR PLUMAS COUNTY AND THE DEPENDENT SPECIAL DISTRICTS THEREIN FOR FISCAL YEAR 2011-2012, IN ACCORDANCE WITH GOVERNMENT CODE §29092, AND OTHER BUDGETARY ADMINISTRATIVE CONTROLS IN ACCORDANCE WITH §29092

WHEREAS, the Proposed Budget for FY 2011-2012 for Plumas County was prepared and distributed according to law, and a copy of the Proposed Budget is on file with the Clerk of the Board; and

WHEREAS, the Board of Supervisors hearing on the Final Budget commenced on August 16, 2011 for the full consideration and discussion of all relevant matters, and was closed on August 16, 2011; and,

WHEREAS, the Board of Supervisors now seeks to adopt the Final Budget in accordance with Government Code §29000 et. seq., along with budgetary administrative controls, and adopt final budgets for Special District for which the Board of Supervisors is the governing board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, County of Plumas, State of California, as follows:

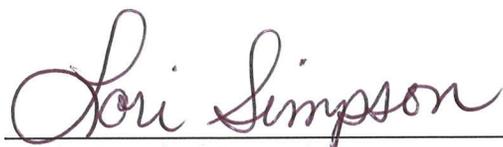
1. The recommended budget has been modified as the result of meeting with departments and conducting a Public Hearing in order to constitute the Final Budget for FY 2011-2012 for Plumas County and those Special Districts governed by the Board of Supervisors.
2. The Final Budget contains 360.020 positions, and totals of \$86,725,515 for all funds, and \$3,076,472 for all dependent districts.
3. **Exhibit "A"** to the Final Budget shall be a summary of the FY 2011-2012 Budget.
4. **Exhibit "B"** to the Final Budget provides the budget specifications required by subdivisions (a) through (g) of Government Code §29089 are hereby adopted as the 2011-2012 Final Budget.
5. **Exhibit "C"** to the Final Budget shall be added, which is incorporated by reference, showing additional budgetary assumptions and administrative controls authorized pursuant to Government Code §29092 and §29125.
6. **Exhibit "D"** is the Position allocation which sets forth the number and classification of all positions approved by the Board of Supervisors.
7. A copy of the Final Budget shall be filed with the County Clerk of the Board and State Controller as required by law.

The foregoing Resolution was duly passed and adopted by the Board of Supervisors of the County of Plumas, State of California, at a regular meeting of said Board held on the 20th day of September, 2011 by the following vote:

AYES: Supervisors Swofford, Thrall, Meacher, Kennedy, Simpson

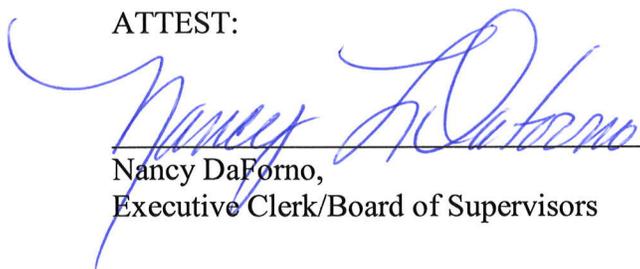
NOES: None

ABSENT: None



Chair, Board of Supervisors

ATTEST:



Nancy DaForno,
Executive Clerk/Board of Supervisors

COUNTY ADMINISTRATIVE OFFICE

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Jack Ingstad, CAO

September 20, 2011

Plumas County Board of Supervisors
Residents of Plumas County

SUBJECT: FY 2011-2012 Plumas County Budget

Dear Honorable Members of the Board and Residents of Plumas County:

I am pleased to present the County's Budget for Fiscal Year 2011-2012. The Final Budget contains 359.52 positions, and totals \$86,725,515 for all funds, and \$3,076,472 for all dependent districts. The County has eliminated approximately 111 positions from a high of 471 Full Time Equivalents (FTE).

The budget reduces gross wages for all departments by 4 percent with the exception of the Sheriff's department. The Sheriff's department agreed to reduce their General Fund contribution by \$250,000. The Board also allowed the Sheriff to carry forward a fund balance of \$484,430 in General Fund dollars and an additional \$1,046,181 in grant carry forward that the department saved during Fiscal Year 2010-2011. The Board has informed the Sheriff that, if county General Fund revenues continue to decline, it is unlikely the Sheriff's department will be allowed to retain unspent money or be immune from future wage and benefit reductions.

Even with no cost of living adjustments in the past several years, Plumas County continues to be one of the better employers in the county with 41 County employees earning more than \$80,000. These earnings do not include benefits which remain generous with the County paying both the employees' share and the employer's contribution to employee retirement with CalPERS. The County share of the retirement contribution increased from 21.58 percent in FY 2010-2011 to 26.14 percent this Fiscal Year for law enforcement and from 12.2 percent to 14 percent for non-law enforcement. The employees' share, which the County currently pays, is 7 percent for non-law enforcement and 9 percent for law enforcement for a total of 30.58 percent of gross wages into retirement for law enforcement. The County is currently asking employee bargaining units to reduce the amount the County pays for the employee share of their retirement.

The County pays \$2,209,805 a year for employee retirement. CalPERS has 964 beneficiaries in Plumas County and paid out \$23,412,258 in benefits in 2010.

The General Fund Budget is \$21,969,901, which is approximately \$4 million less from the beginning of the recession. General Fund contingencies are budgeted at \$538,117, of which \$419,051 is transferred from reserves. Revenue estimates are reduced from last year's General Fund budget by approximately \$1.6 million.

The economy remains a serious concern. Assessed valuation of property in Plumas County saw a 5.3 percent decline, the most significant decline of any county in California. Only four counties in California saw growth in assessed valuation of property by more than 2 percent.

Highlights of the General Fund Budget

- Maintains status quo
- No General Fund services eliminated
- Fair is funded with reduction to fair managers salary
- Maintenance Worker is eliminated from Facility Services
- Eliminated .75 FTE library assistants (three .25FTE positions)
- Libraries to close Fridays
- Reduced Code Enforcement Officer to .7 FTE
- Eliminate .5 FTE Assistant Cook
- Reduced all General Fund gross wages by 4 percent (\$200,000 in savings)
- CAO's assistant and Records Management Coordinator positions not be filled upon retirements
- Economic Development was funded at \$78,000
- Funding eliminated for Tourism, Arts and Chambers
- General Fund contributions to Sheriff reduced by \$250,000, but Sheriff retains \$1,494,611 in carry forward
- Road Department to assist the Fair, Planning Department, Code Enforcement, and Engineering with revenue support for services they will provided to the Road Department
- Reduce Information Technology Telecommunications Technician position to .5 FTE
- Museum Deputy reduced to .75 FTE with .25 FTE to be funded by Museum Association
- General Fund Contingency funded at \$538,117
- Reduced General Fund travel and training by approximately 50 percent
- Bond Payment for Health and Human Services Building funded at \$1,021,625
- General Plan update fully funded
- General Fund Reserves and Contingencies are \$1,983,968
- Revenue from a potential sale for real property to the State for a new Courthouse is not included in the general fund revenues

Social Services

The Department of Social Services budget is a continuation of the Department's efforts to reduce costs for the administration of state mandated programs. In 2010-2011, the Department proposed budget plan reduced administrative costs by a total of \$268,000 including a reduction of salary and benefit costs of \$202,000. For 2011-2012 the budget continues to reduce

administrative cost reductions totaling more than \$415,000 bringing the two year total to nearly \$700,000.

Unfortunately, the continuing effects of the economic recession and cost considerations are not within the Department's direct control and will yield increases to certain cost centers, most notably CalWorks cash assistance, payments for Aid to Adoptions and for Group Home, Foster Care payments. Due to the projected growth in case counts for the CalWORKS cash assistance program, the Department estimated growth in such expenditures of about \$316,000 last year.

Because there has been no decline in the case count, the CalWORKS cash assistance cost center remains unchanged from 2009-2010. Further, in a ruling issued by the Federal Appellate Court with regard to the adequacy of state payments made on behalf of children placed in group home foster care, the Court ruled that payments for such care needed to be raised, on average, by close to 35 percent. As a result, the Department's estimate for Foster Care assistance increased for FY 2010-2011 by \$544,000. This year the Department expects that continued increases in Aid to Adoptions and Foster Care will add an additional \$179,000 to the program yielding total growth over the two year period of nearly \$725,000.

Department of Child Support Services

The Plumas County Department of Child Support Services is funded by state and federal sources. In the past seven years, the Department's budget allocation has remained flat. Due to the flat budget, the Department has reduced staffing by 40 percent during the last six years through attrition, which has prevented the need for layoffs. The Department has operated under budget, and has managed to maintain reserves of approximately \$400,000.

Mental Health Department

The Mental Health Department has five interlinked budget units. As a result of the recession and deteriorating Federal and State revenue projections, the Department has experienced significant specific reductions in revenues over the past three years and is budgeting specific reductions in revenues for the current budget year. State funding has been reduced each of the past 3 years by approximately \$130,000, Cal Works funding is reduced to termination, a loss of \$100,000 and previous Juvenile Justice funding of \$26,000 is projected as terminated. In addition the State of California is taking County designated MHSA funding from each California County and using these funds to cover the State's obligation to EPSDT, children's mental health MediCal eligible services.

The Mental Health Department has responded to these revenue losses by increasing billing efforts, increasing productivity, expanding cost containment and decreasing workmen's compensation costs. The net result is a budget that remains in balance with no threats to providing services at the current levels. The department currently has penetration rates, (rates that measure the number of people served) that are at or near the highest in the state per capita. Serving community members quickly and efficiently is part of the departments cost containment philosophy assuring problems are addressed before they become larger and require more expensive and more invasive measures. The department has reserves that assure its ability to address all anticipated catastrophic losses, and that in addition offer the department overall stability during chaotic transitional economic times.

The Board transferred \$1,000,000 from Mental Health reserves of \$6,184,177 to help provide mental health services to inmates being transferred to Plumas County by the State under AB 109.

Public Works

This year, the budget for Public Works is balanced without using reserves, except that \$1,000,000 is included for contingencies (to be approved by the Board of Supervisors prior to expenditure). The \$1,000,000 will be temporarily used for cash flow instances and is available in the event of unforeseen natural disaster costs. This fiscal year is the last year of the last Secure Rural Schools program enacted by Congress. Gas tax revenues and the securing of Prop 1B funds are “safeguarded” by the Legislative revalidation of the “State gas tax fix” in 2011. The Public Works budget maintains status quo road services provided during FY 2010-11. Congress is expected to make long term decisions by September 30th in regards to the next federal Highway Trust Fund law and the Secure Rural Schools program. The Public Works budget includes the earmarking of certain funds to assist the general fund by providing partial funding to 6 General Fund employees.

Solid Waste

This year, use of some existing solid waste surplus funds will result in a fully budgeted operation and capital improvement budget for the County program. At the same time, new solid waste franchise contracts and the implementation of a new CPI-rate increase program are expected to be in place by the end of this calendar year.

Public Health Department

The FY 2011-2012 Plumas County Public Health Agency budget includes the Divisions of Public Health Promotion and Clinical Services, Environmental Health, Senior Services, and the Veterans Services Office. Each of these budget units have undergone three consecutive years of cost cutting, leveraging like funds for key priorities, and strategically increasing revenue sources in an effort to move to a more sustainable future. Overall, these budgets reflect the agency’s response to a rise in demand for services, coupled with extremely challenging economic times.

FY 11-12 marks the first year in the last five that the Public Health Services budget 70560 will experience a slight increase due to the additional responsibility and funding associated with administering services related to publicly funded alcohol and other drug services. The majority of these funds will be passed through to community based counseling and treatment providers. The remaining divisions receive county General Fund contributions, and each division has a reduced General Fund contribution over FY 10-11. The Divisions of Environmental Health (-\$27,512), Senior Nutrition (-\$54,509), Senior Transportation (-\$4,226), and Veterans Services (-\$28,164) have a total General Fund contribution reduced \$114,411 from FY 10-11. To be better prepared for uncertainties in today’s economic climate, the Public Health fund, which receives revenues a quarter in arrears, has shifted from operating on a reimbursement basis often in the cash negative, to operating primarily in the cash positive, balanced against reserves, since 2009.

The following budget preparation guidelines were used as your Budget Officer and Budget Committee developed the 2010-2012 County Budget:

- Continue our core business at a high level of quality
- Attempt to reduced staffing from retirements instead of lay offs
- Evaluate existing program efficiencies and staffing levels
- Do not set the stage for maintenance backlogs to accomplish short-term gains
- Maintain adequate funding for Public Protection
- Remain conservative with revenue and expenditure forecasts
- Identify hidden and merging problems before they reach serious proportions
- Introduce long-range considerations into the annual budget process
- Adequately fund the General Plan Update
- Fund other on-going efforts to completion as not to waste spent money

My thanks to the Auditor, Human Resources Director, Assessor, Treasurer and County Counsel for their advice and assistance with the development of this budget. My special thanks to our employees that took time to offer budget saving ideas. I also wish to thank our department heads for their valuable assistance during this very difficult time.

Finally, without the guidance of our Budget Committee made up of Supervisor Simpson and Supervisor Meacher this budget would not have been possible. The entire Board of Supervisors deserves tremendous credit during this difficult budget process.

Sincerely,



Jack W. Ingstad
County Administrative Officer/Budget Officer