



# County Administration Office

**Tracie M. Riggs**  
*County Administrative Officer*

**Eric L. Erhardt**  
*Assistant County Administrative Officer*

---

June 14, 2023

TO: Tuolumne County Board of Supervisors

FROM: Tracie Riggs, County Administrative Officer  
Liz Peterson, Senior Administrative Analyst

SUBJECT: Consideration of approving the Fiscal Year 2023-24 Budget with personnel recommendations as outlined in the budget document; classification, bargaining unit assignment and pay range listing; capital project lists; and Adopt the FY 2023-24 Budget Resolution

## **Budget Process and Priorities**

The County's budget process begins in January as the Board identifies their collective priorities and objectives for the year during the annual Board Workshop. These priorities provide direction for staff as they develop programs and services for the year and ultimately build the budget to pay for the services that achieve the Board's priorities. The Board's five priorities from last year have remained consistent this year, which are:

- Fire Prevention and Safety
- Public Safety
- Roads and Infrastructure
- Community Health and Prosperity
- Employee Excellence and Organizational Resilience

The Adopted Budget is the culmination of months of staff work. This year, the process changed from previous years in that the Recommended and Adopted Budget process is all taking place before July 1<sup>st</sup>. For the second year since its inception, the County's Budget Team, comprised of all Department Heads, Assistant/Deputy Department Heads, and their fiscal staff played a key role in the budget development process. The Budget Team created their respective budgets and met numerous times while the budget was being developed to be updated on the status and vote on recommendations to the County Administrative Officer. The Budget Team's information, insights, recommendations, and ideas were crucial to the development of this balanced budget for adoption. On June 6<sup>th</sup>, the Board was presented with the Recommended Budget for consideration and provided direction on the FY2023-24 Adopted Budget.

## **Beginning Fund Balance**

Like other years, all county departments and the finance team work together to estimate the projected year-end fund balance. This process was completed and presented to the Board on May 16<sup>th</sup>, with approximately 6 weeks of expenditures and revenues remaining to estimate. Unlike previous years, the estimated ending fund balance for FY22-23 in the General Fund of \$6,557,619 is also the beginning fund

“We Support the Board of Supervisors in achieving their goals through service & collaboration with the County Departments and the Community”

balance for FY23-24, since this Adopted Budget hearing is taking place before the current fiscal year has ended. Typically, the Adopted Budget would be brought to the Board for approval with actual fund balance. This year’s fund balance is estimated. Staff will come back to the Board in September with the updated actual fund balance once the previous fiscal year is officially closed.

The process of projecting ending fund balance involves analyzing current and historical data with departments as well as discussions about their projected spending and anticipated revenues. There are many variables that can impact this estimate and COVID-19 continues to add a lingering set of variables making this process even more challenging. Despite increases to salary and benefits this past fiscal year for all bargaining units, as a result of negotiations, a continued high vacancy rate resulted in salary savings for many departments, which also contributes to the ending fund balance. Revenues are also projected to come in higher than anticipated, which further grows ending fund balance. Lastly, contingencies in the General Fund for FY 22-23 ended at \$3,161,289 which further contributed to a high ending fund balance in the General Fund.

The following table as well as Attachment A shows the anticipated beginning fund balance for Fiscal Year 2023-24 for all funds:

FY 2023-24 Adopted Budget		
Beginning Fund Balance		
Governmental Funds		
Fund Number	Fund Name	Beginning Fund Balance
0001	General Fund	\$ 6,557,619
1101	County Roads	\$ 1,854,232
1105	Monument Preservation	\$ -
1107	Tuolumne County Fire Department	\$ -
1110	National Disaster Resiliency Comp.	\$ -
1121	Criminal Justice Facility	\$ 300
1124	Courthouse Construction	\$ -
1125	Fish And Wildlife	\$ 25,878
1140	Health Fund	\$ 1,332,676
1145	Behavioral Health	\$ 1,927,853
1146	Tuolumne County BH Housing	\$ 30,618
1150	Department Of Social Services	\$ 4,591,459
1165	American Rescue Plan	\$ 3,759,405
3301	Road Construction Capital Fund	\$ 279,251
3310	Airport Construction -Plant Ac	\$ -
3315	County Capital	\$ 1,329,391
3320	Capital-Housing	\$ -
<b>Total Governmental Funds</b>		<b>\$ 21,688,682</b>
Enterprise Funds		
Fund Number	Fund Name	Beginning Fund Balance
4430	Columbia Airport	\$ 238,743

4440	Pine Mountain Lake Airport	\$	15,217
4450	Ambulance	\$	4,204,155
4490	Solid Waste Management	\$	2,385,092
<b>Total Enterprise Funds</b>		<b>\$</b>	<b>6,843,207</b>
<b>Internal Service Funds</b>			
Fund Number	Fund Name		Beginning Fund Balance
5510	Liability Self Insurance	\$	85,837
5520	Unemployment Insurance	\$	537,269
5530	Telecommunications	\$	444,074
5540	Workers Compensation	\$	10,886,336
5550	Purchasing And Special Service	\$	137,193
5560	Insurance-Employee Group	\$	70,222
5570	Employee Leave Liability Fund	\$	1,946,160
5580	Post Retirement Insurance Fund	\$	6,136,771
5595	Information Technology Services	\$	752,000
<b>Total Internal Service Funds</b>		<b>\$</b>	<b>20,995,862</b>

**Use of Fund Balance for the General Fund**

The Board’s approved budget polices direct that the first use of General Fund beginning fund balance be used to fund the next year’s contingencies at no less than 1% of the General Fund operating budget. Excluding purely grant-funded cost centers, 1% would be \$994,430. For the FY 23-24 Adopted Budget, General Fund contingencies are budgeted at \$1,102,349.

The Board’s budget policy also allows up to 50% of the 10-year average of actual fund balance be applied toward funding ongoing operations for the following year, which equates to \$2,322,912. The following chart below details how General Fund fund balance is being used in the FY 23-24 budget:

<b>Use of General Fund Fund Balance</b>	
Estimated Beginning Fund Balance	\$ 6,557,619
Contingencies	\$ 1,000,000
50% of 10-year average of actual fund balance for operations	\$ 2,322,912
Transfer out to Fire	\$ 750,455
Transfer out to Roads for FY23-24 storms projects match	\$ 1,085,178
Transfer out to Capital for additional capital projects	\$ 399,074
Additional fund balance for operations	\$ 1,000,000
<b>Remaining Fund Balance</b>	<b>\$0</b>

**Budget Summary for All Funds**

Below is a chart which illustrates FY 2022-23 Adopted Budget compared to the FY 2023-24 Adopted Budget. Overall, there is an approximately 19% increase in appropriations in the FY 2023-24 Adopted Budget over the prior year Adopted Budget. This is primarily due to increases in salaries and benefits as a result of negotiations, increases in anticipated forest health projects implemented under the County’s Master Stewardship Agreement, Capital projects related to supporting the Board’s Homelessness priorities and increased road capital projects particularly for storm repairs.

<b>FY22-23 to FY 23-24 Adopted Budget Comparison</b>				
	<b>Adopted Budget Fiscal Year 2022-23</b>	<b>Adopted Budget Fiscal Year 2023-24</b>	<b>Change</b>	
General Fund	\$107,833,133	\$127,099,897	15%	
Governmental Funds	\$217,540,879	\$271,327,092	20%	
Enterprise Funds	\$18,008,312	\$18,473,662	3%	
Internal Service Funds	\$21,605,193	\$26,685,198	19%	
<b>All Budgeted Funds</b>	<b>\$257,154,384</b>	<b>\$316,485,952</b>	<b>19%</b>	
<b>Permanent Employees</b>	<b>728.1 (24.5 GF)</b>	<b>736.1 (16 GF)</b>	<b>8</b>	

**Personnel Changes**

The FY23-24 Adopted Budget proposes an increase of 8 Full Time Equivalent (FTEs), but all these new positions have revenue to offset their cost. The General Fund has a total increase of 2 FTEs this fiscal year over last, but the cost for each of those positions is covered by grants or other revenue sources. Furthermore, there are some deletions and additions of positions that do not increase the number of FTEs but do add capacity, flexibility, or promotional opportunities. A detailed list of all the proposed personnel changes is listed in Attachment B and the associated memo from Human Resources.

Not all of the proposed changes have completed the required meet and confer process with the employee bargaining groups so while the cost for all proposed personnel changes is contained in the FY 2023-24 Adopted Budget, not all job descriptions and other personnel changes can be approved by your Board at the Budget Hearing on June 20<sup>th</sup> nor implemented starting July 1<sup>st</sup>. Attachment B and the memo from Human Resources notes which items can be implemented because the meet and confer process is completed and the Job Code Listing and Pay Rate table in Attachment D only contains those changes have been approved by the employee bargaining groups. When the meet and confer process is complete for the other proposed changes, any remaining personnel changes, job descriptions, pay rate changes and bargaining unit assignments that have received approval from the employee bargaining groups will be brought back to your Board for approval at a later meeting. The Allocated Position List (Attachment C) and Job Code Listing (Attachment D) will be updated at that meeting to reflect any changes or rejections as a result of completing the meet and confer process.

## Summary by Fund—Governmental Funds

### General Fund

The General Fund is the Governmental Fund in which the Board has the most discretion to spend and allocate resources. Most other Governmental Funds are Special Revenue funds in which the revenues come primarily from state and federal agencies to provide specific services or for certain uses. For example, federal funds intended for social services programs cannot be spent on road paving; state funds meant for road projects cannot be used to pay for Sheriff’s deputies. The General Fund contains almost all the county’s discretionary revenue, which pays for services such as libraries, recreation, the county jail, animal control, administration and finance, public defender and probation, among others.

<b>General Fund Summary of Changes</b>				
	<b>Adopted Budget Fiscal Year 2022-23</b>	<b>Adopted Budget Fiscal Year 2023-24</b>	<b>Change</b>	<b>% Change</b>
Salaries and Benefits	\$58,761,314	\$62,705,361	\$3,944,047	6%
Services and Supplies	\$34,032,986	\$50,814,976	\$16,781,990	33%
Other Charges	\$2,553,735	\$2,579,590	\$25,855	1%
Fixed Assets	\$1,766,169	\$1,074,774	-\$691,395	-64%
Other Financing Uses	\$0	\$10,000	\$10,000	100%
Contingencies	\$3,387,771	\$1,102,349	-\$2,285,422	-207%
Transfers Out	\$7,331,158	\$8,812,847	\$1,481,689	17%
Transfers Interfund	\$0	\$0	\$0	0%
<b>Total</b>	<b>\$107,833,133</b>	<b>\$127,099,897</b>	<b>\$19,266,764</b>	<b>15%</b>
<b>Permanent Employees</b>	<b>435.5</b>	<b>437.5</b>	<b>2</b>	<b>0.46%</b>

General Fund appropriations for Fiscal Year 2023-24 is increasing by \$19,034,593 or 15% over last year’s Adopted Budget. \$12,167,326 of that is for the County’s forest health program and is completely offset by state and federal grants. Transfers Out also increased by \$1,481,696 which represents increases over last year for County Fire, County Capital and non-discretionary revenue transferred out for Public Health services. The final substantial increase in the General Fund from last year’s Adopted Budget is salaries and benefits, which increased by nearly \$4,000,000. During last fiscal year, the board approved MOU changes to all bargaining units which increased pay rates and with the majority of the County’s workforce employed for less than 5 years, many of our staff are working through their step increases, which also contributes to increases in salaries and benefits.

### **Special Revenue Funds**

#### Public Works Fund

The purpose of the Public Works Fund is to support road maintenance operations of the 612 miles of road the County maintains as well as Fleet services, which provides maintenance support for almost all vehicles in the County’s fleet, including the Sheriff’s Office. Overall, there is an increase of about \$1,000,000 in appropriations in the FY 2023-24 Adopted Budget over last year. There is a reduction in Rehab/Surface

Treatment expenses by about \$300,000 over last year but this budget contains an increase of about \$1,600,000 in appropriations for contingencies. The table below shows the changes between the FY 2022-23 Adopted Budget and the FY 2023-24 Adopted Budget.

Public Works Fund Summary of Changes				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
Salaries and Benefits	\$5,592,036	\$5,777,895	\$185,859	3%
Services and Supplies	\$5,170,186	\$4,264,829	-\$905,357	-21%
Other Charges	\$56,000	\$0	-\$56,000	0%
Fixed Assets	\$216,518	\$0	-\$216,518	0%
Contingencies	\$1,188,741	\$2,746,311	\$1,557,570	57%
Allocations	\$734,867	\$1,156,336	\$421,469	0%
<b>Total</b>	<b>\$12,958,348</b>	<b>\$13,945,371</b>	<b>\$987,023</b>	<b>7%</b>

#### Tuolumne County Fire Department Fund

The primary sources of revenue for the Fire Fund are property taxes, State- Emergency Fire Fighting and transfers in from the General Fund. This fiscal year, total appropriations for the County Fire Fund have increased by \$5,076,940 because of additional grant funds through the SAFER grant and the Local Assistance and Tribal Consistency (LATCF) allocation to the County. These one-time funds are enabling the County to increase County Fire services this fiscal year from 2 full-time career staffed stations to 5 fully staffed stations through an increase in the County’s contract with CAL FIRE. This Fund also contains an additional Supervising Fire Inspector position to add capacity for the department to take on state-mandated CUPA inspections. There is offsetting revenue of \$110,000 for this position in the form of fees for service that will be charged after a completed CUPA inspection.

Fire Fund Summary of Changes				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
Salaries and Benefits	\$455,722	\$638,391	\$182,669	29%
Services and Supplies	\$4,897,550	\$9,935,440	\$5,037,890	51%
Fixed Assets	\$175,000	\$0	-\$175,000	-100%
Allocations	\$141,038	\$172,419	\$31,381	18%
<b>Total</b>	<b>\$5,669,310</b>	<b>\$10,746,250</b>	<b>\$5,076,940</b>	<b>47%</b>

#### National Disaster Resiliency Competition Fund

The National Disaster Resiliency Competition (NDRC) Fund contains two cost centers with both state and federal revenue dedicated to build the county’s two Community Resilience Centers. After years of planning and construction, these facilities were completed in FY 2022-23, but additional state and federal funding has been allocated to the County to add on radio towers, additional A/V equipment and some additional items at these centers. This work will be completed in FY 23-24.

National Disaster Resiliency Competition Fund Summary of Changes			
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change
Salaries and Benefits	\$107,438	\$10,000	-\$97,438
Services and Supplies	\$10,198,694	\$2,014,354	-\$8,184,340
<b>Total</b>	<b>\$10,306,132</b>	<b>\$2,024,354</b>	<b>-\$8,281,778</b>

### Health Fund

The Health Fund is comprised of the Public Health Department, the Tobacco Control Program, California Children’s Services, and the Women, Infants, and Children (WIC) program. Appropriations in this fund are increasing by about \$500,000 in FY23-24 over FY22-23 due to an increase in contingencies.

Health Fund Summary of Changes				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
Salaries and Benefits	\$5,545,359	\$5,878,323	\$332,964	6%
Services and Supplies	\$3,642,248	\$3,650,713	\$8,465	0%
Fixed Assets	\$25,000	\$0	-\$25,000	0%
Contingencies	\$793,398	\$1,256,771	\$463,373	37%
Allocations	\$852,234	\$535,832	-\$316,402	0%
Transfers Out	\$400,000	\$400,000	\$0	0%
<b>Total</b>	<b>\$11,258,239</b>	<b>\$11,721,639</b>	<b>\$463,400</b>	<b>4%</b>

### Behavioral Health Fund

The Behavioral Health Fund provides funding for integrated Mental Health (MH) and Substance Use Disorder (SUD) services, primarily focusing on the delivery of assessment and treatment interventions. BH also does prevention and outreach for both MH and SUD, with prevention being done mostly through contracts with local entities. For fiscal year 2023-24, there is a \$2.5 million dollar increase in appropriations. \$1.6 million is services and supplies. The largest contributing factor to this increase is the due to the county participating in an Inter-Governmental Transfer (IGT) requiring the county to pay the Medi-Cal matching funds up front. Furthermore, as a Cohort 1 for the Governor's CARE Court program this fund has added 4 additional positions to support this on-going mandated program.

Behavioral Health Fund Summary of Changes				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
Salaries and Benefits	\$7,485,625	\$7,961,828	\$476,203	6%
Services and Supplies	\$6,463,458	\$7,503,213	\$1,039,755	14%
Fixed Assets	\$210,000	\$1,075,000	\$865,000	0%
Contingencies	\$1,106,961	\$976,418	-\$130,543	-13%
Allocations	\$577,702	\$737,748	\$160,046	0%
Transfers Out	\$241,390	\$334,442	\$93,052	0%
<b>Total</b>	<b>\$16,085,136</b>	<b>\$18,588,649</b>	<b>\$2,503,513</b>	<b>13%</b>

Behavioral Health Housing Fund

The Behavioral Health Housing Fund provides funding for ongoing operations of Permanent Supportive housing for those with severe and persistent mental illness. There are currently two separate residential facilities with a total of 11 beds. Appropriations in this fund are decreasing only by about \$5,000 in the FY 2023-24 Adopted budget over last year.

<b>Behavioral Health Housing Fund Summary of Changes</b>				
	<b>Adopted Budget Fiscal Year 2022-23</b>	<b>Adopted Budget Fiscal Year 2023-24</b>	<b>Change</b>	<b>% Change</b>
Services and Supplies	\$67,000	\$65,995	-\$1,005	-2%
Fixed Assets	\$0	\$145,997	\$145,997	0%
Contingencies	\$26,561	\$22,218	-\$4,343	-20%
Transfers Out	\$145,997	\$0	-\$145,997	0%
<b>Total</b>	<b>\$239,558</b>	<b>\$234,210</b>	<b>-\$5,348</b>	<b>-2%</b>

Department of Social Services

The Social Services Fund is the largest special revenue fund within the Governmental Funds. The total appropriations for FY 2023-24 are nearly \$36,000,000. This is an increase of approximately \$3,200,000 over the FY 2023-24 Adopted Budget. This fund includes the Department of Social Services and the Welfare and Security Department. The most notable increases for this fiscal year are for salaries and benefits totaling about \$1,400,000 and Family Groups totally about \$800,000 due to CalWORKS Cases and payments increasing. There is an addition of 4 full time employees as compared to the prior year bringing the total number of staff in this fund to 122.5 FTE's.

<b>Department of Social Services Fund Summary of Changes</b>				
	<b>Adopted Budget Fiscal Year 2022-23</b>	<b>Adopted Budget Fiscal Year 2023-24</b>	<b>Change</b>	<b>% Change</b>
Salaries and Benefits	\$13,865,949	\$15,092,793	\$1,226,844	8%
Services and Supplies	\$3,077,106	\$3,810,503	\$733,397	19%
Other Charges	\$12,847,407	\$14,143,701	\$1,296,294	9%
Fixed Assets	\$90,000	\$400,000	\$310,000	0%
Contingencies	\$2,009,675	\$1,242,170	-\$767,505	-62%
Allocations	\$563,154	\$978,213	\$415,059	0%
Transfers Out	\$350,000	\$300,000	-\$50,000	0%
<b>Total</b>	<b>\$32,803,291</b>	<b>\$35,967,380</b>	<b>\$3,164,089</b>	<b>9%</b>

American Rescue Plan

Under the American Rescue Plan Act, Tuolumne County received approximately \$10.6 million dollars. The allocation was made in two payments and all funds are required to be obligated by December 2024. The County also received \$5,246,492 which is also being distributed in two separate allocations from the Local Assistance and Tribal Consistency Fund (LATCF) which came from the American Rescue Plan Act. The first allocation was received in fiscal year 2022-23 with the second allocation arriving in fiscal year 2023-24 . The



FY 2023-24 Adopted Budget contains appropriations in this fund in the amount of \$6,382,651, about \$1,000,000 less than what was appropriated last fiscal year. The ARP Fund had \$1,195,331 in contingencies in this fund in the FY 2022-23 Adopted Budget. In FY 2023-24, there is \$0 in contingencies and all funding is allocated for goods and services, including a transfer out to Fire for 1 year of fire services in Columbia in the amount of \$1,681,881.

American Rescue Plan Fund Summary of Changes			
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change
Salaries and Benefits	\$549,129	\$0	-\$549,129
Services and Supplies	\$2,339,467	\$492,963	-\$1,846,504
Fixed Assets	\$3,394,119	\$4,207,807	\$813,688
Contingencies	\$1,195,331	\$0	-\$1,195,331
Transfers Out	\$0	\$1,681,881	\$1,681,881
<b>Total</b>	<b>\$7,478,046</b>	<b>\$6,382,651</b>	<b>-\$1,095,395</b>

## Capital Funds

### Public Works Capital Projects Fund

All major county road projects are funded through the Public Works Capital Projects Fund. The majority of the funding for Public Works Capital projects comes from state and federal revenue and a complete list of proposed projects for FY 2023-24 are listed in Attachment F and G, "Road Construction Budget. Appropriations in this fund is increasing significantly in the FY 2023-24 Adopted budget from \$6,070,757 in FY 2022-23 to \$34,569,418. This dramatic increase is attributed to the severe storm damage multiple county roads sustained as well as multiple projects that have been in the engineering and design phase that are now ready to be put out to bid in FY 2023-24.

Public Works Capital Projects Fund Summary of Changes				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
Services and Supplies	\$643,175	\$1,694,142	\$1,050,967	62%
Other Charges	-\$1,185,622	-\$346,593	\$839,029	-242%
Fixed Assets	\$6,608,204	\$33,216,869	\$26,608,665	80%
Other Financing Uses	\$5,000	\$5,000	\$0	0%
<b>Total</b>	<b>\$6,070,757</b>	<b>\$34,569,418</b>	<b>\$28,498,661</b>	<b>82%</b>

### County Capital Fund

The total appropriations for the County Capital Fund for FY 2023-24 are \$7,342,560, an increase of about \$600,000 over last year's Adopted Budget. The Buildings and Improvements line is reduced by about \$1,100,000 over last year but there is an increase of \$925,000 in this fund which comes from interest earned on the bond. This will be used to fund the design and construction of the walkway between the newly constructed courthouse and the jail as well as to design the Gardella Ranch Road design and

engineering, the next step in further building out the Law & Justice campus. There are some other large projects such as a generator for the Sheriff’s Dispatch center, a new roof for the County Administration building and some HVAC repairs and upgrades. A full list of 2023-24 projects can be view in Attachment E “County Capital Construction Budget”

County Capital Fund Summary of Changes				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
Salaries and Benefits	\$245,091	\$268,127	\$23,036	9%
Services and Supplies	\$221,585	\$264,213	\$42,628	16%
Other Charges	\$100,000	\$100,000	\$0	0%
Fixed Assets	\$6,098,975	\$6,710,220	\$611,245	9%
<b>Total</b>	<b>\$6,665,651</b>	<b>\$7,342,560</b>	<b>\$676,909</b>	<b>9%</b>

Capital-Housing Fund

This new fund was created as a part of year-end adjustments in FY 2022-23. Appropriations in this fund will be used to implement the State’s CARE Act requirements by October 2023 as well as for supportive living housing purchases and an opioid coalition led through Public Health in accordance with the lawsuit settlement, supporting opioid use reduction in Tuolumne County. Appropriations in this fund are budgeted at \$2,503,535. The revenue was received in FY22-23 and recognized by the Board at Year End in May, but all revenue and expense has been re-budgeted into FY 23-24.

Capital Housing Fund Summary of Changes				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
Services and Supplies	\$0	\$30,000	\$30,000	100%
Fixed Assets	\$0	\$2,473,535	\$2,473,535	0%
<b>Total</b>	<b>\$0</b>	<b>\$2,503,535</b>	<b>\$2,503,535</b>	<b>100%</b>

Enterprise Funds

Enterprise funds operate like businesses, drawing their revenue primarily from user fees. There are no notable changes in FY 23-24 to the four Enterprise Funds compared to FY 22-23.

Columbia Airport Enterprise Fund

The Columbia Airport Fund does receive some State revenue, but the primary source of revenue comes from airport users. There are no major budgetary changes to the fiscal year 2021-22 Adopted budget over the prior year.

Pine Mountain Lake Enterprise Fund

While enterprise funds are intended to function much like a business, from a financial perspective, Pine Mountain Lake Airport does not generate enough revenue for its users to sustain operations. As a result, for the last several years the General Fund has subsidized the funding for the operation of the airport. The

Fiscal Year 2023-24 budget includes a transfer in from the General Fund in the amount of \$80,784 for ongoing operations.

Ambulance Fund

The Tuolumne County Ambulance is operated through a contract for services with Manteca District Ambulance (MDA). The Fiscal Year 2023-24 Adopted budget includes an increase of \$532,396 in appropriations. While the services are provided by MDA, the equipment and vehicles are the property of Tuolumne County.

Solid Waste Compliance Fund

The Solid Waste Division manages the Integrated Waste Management System in Tuolumne County. The system includes franchised haulers that provide garbage collection service and franchised operators that run the transfer and disposal infrastructure. The Division conducts household hazardous waste collections and coordinates universal waste services at locations throughout the County. FY 23-24 appropriations are budgeted at \$4,191,720, \$5,025 less than FY 22-23.

A summary of the Enterprise Funds is detailed below:

<b>Enterprise Funds Summary of Changes</b>					
	<b>Adopted Budget Fiscal Year 2022-23</b>	<b>Adopted Budget Fiscal Year 2023-24</b>	<b>Change</b>	<b>% Change</b>	
Ambulance	\$12,593,198	\$13,125,594	\$532,396	4%	
Columbia Airport	\$929,176	\$908,147	-\$21,029	-2%	
Pine Mountain Lake Airport	\$289,193	\$248,201	-\$40,992	-17%	
Solid Waste Management Compliance	\$4,196,745	\$4,191,720	-\$5,025	-0.12%	
<b>Total</b>	<b>\$18,008,312</b>	<b>\$18,473,662</b>	<b>\$465,350</b>	<b>3%</b>	

Internal Service Funds

The most notable change to Internal Service Funds in FY 23-24 is the addition of charges from the new Information Technology fund. At the FY 2022-23 Adopted Budget the Board approved the creation of a new Technology Internal Service Fund that was pre-funded with Fund Balance. In this FY23-24 Adopted Budget each department is being charged a portion of the costs to replace critical hardware and software used by each County department. Some of these costs were historically contained in the IT budget but the majority of the costs were never budgeted for and would require going into debt to replace or would become deferred maintenance issues, much like our existing buildings and infrastructure. This fund also contains expenses for computer purchases. Departments no longer budget for computers in their department services and supplies and instead IT charges departments for the cost to replace 20% of their computers each year. This ensures staff will have functioning computers that will always remain under the County’s 5-year warranty.

The other large increase in FY23-24 over FY22-23 for the Internal Service Funds is \$2,000,000 in payments to the County’s new Section 115 plan toward the County’s PERS pension obligation and toward Other Post Retirement Benefits (OPEB).

The chart below shows the changes from the FY 22-23 Adopted Budget to the FY 23-24 Adopted Budget:

Internal Service Funds Summary of Changes				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
Liability Self Insurance	\$2,806,300	\$3,593,122	\$786,822	22%
Unemployment Insurance	\$101,261	\$75,735	-\$25,526	-34%
Telecommunications	\$332,327	\$437,988	\$105,661	24%
Workers Compensation	\$3,550,871	\$3,841,116	\$290,245	8%
Purchasing and Special Services	\$864,577	\$1,060,320	\$195,743	18%
Employee Group Insurance	\$11,368,500	\$11,771,845	\$403,345	3%
Employee Leave Liability	\$1,800,000	\$1,900,000	\$100,000	5%
Post Retirement Insurance	\$781,357	\$2,716,200	\$1,934,843	71%
Information Technology Systems	\$0	\$1,288,872	\$1,288,872	100%
<b>Total</b>	<b>\$21,605,193</b>	<b>\$26,685,198</b>	<b>\$5,080,005</b>	<b>19%</b>

**Final Budget Summary:**

The Fiscal Year 2023-24 Adopted Budget is the culmination of months of collaborative efforts to achieve the Board’s priorities developed at their annual workshop and meet direction provided by the Board. It is in alignment with the Board’s goals and the community’s priorities.

Fund Overview

All funds are balanced. The summary of each fund can be found in the Summary by Fund Schedule 1 and line-item budgets for every cost center within each fund (Governmental, Enterprise and Internal Service) can be found in their respective Budget Detail Reports. All of these items can be found on the county’s budget portal at the link listed below.

Capital Projects

The capital projects lists for County Capital projects, Capital Road Construction projects and Storm Capital Road Storm Construction projects are also available in the budget portal and attached to this memo in Attachments E, F and G respectively.

Personnel Actions

Attachment B contains the recommended personnel actions for approval by your Board at the public hearing on June 20<sup>th</sup>. The attachment includes the personnel changes and associated memorandum from Human Resources on revised position classifications. Attachment D is the classification and pay rate listing consistent with those requested personnel changes.

Appropriations for Contingencies by Fund

Appropriations for Contingencies by Fund				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
General Fund	\$3,387,771	\$1,102,349	-\$2,285,422	-207%
Public Works	\$1,188,741	\$2,746,311	\$1,557,570	57%
Public Health Fund	\$793,398	\$1,256,771	\$463,373	37%
Behavioral/Mental Health	\$1,106,961	\$976,418	-\$130,543	-13%
Tuolumne County BH Housing	\$26,561	\$22,218	-\$4,343	-20%
Department Of Social Services	\$2,009,675	\$1,242,170	-\$767,505	-62%
American Rescue Plan	\$1,195,331	\$0	-\$1,195,331	-100%
Ambulance	\$4,087,219	\$2,931,510	-\$1,155,709	-39%
Solid Waste Compliance Fund	\$1,013,379	\$2,384,147	\$1,370,768	57%
<b>Total</b>	<b>\$14,809,036</b>	<b>\$12,661,894</b>	<b>-\$2,147,142</b>	<b>-17%</b>

Appropriations for Contingencies by Fund				
	Adopted Budget Fiscal Year 2022-23	Adopted Budget Fiscal Year 2023-24	Change	% Change
General Fund	\$3,387,771	\$1,102,349	-\$2,285,422	-207%
Public Works	\$1,188,741	\$2,746,311	\$1,557,570	57%
Public Health Fund	\$793,398	\$1,256,771	\$463,373	37%
Behavioral/Mental Health	\$1,106,961	\$976,418	-\$130,543	-13%
Tuolumne County BH Housing	\$26,561	\$22,218	-\$4,343	-20%
Department Of Social Services	\$2,009,675	\$1,242,170	-\$767,505	-62%
American Rescue Plan	\$1,195,331	\$0	-\$1,195,331	-100%
Ambulance	\$4,087,219	\$2,931,510	-\$1,155,709	-39%
Solid Waste Compliance Fund	\$1,013,379	\$2,384,147	\$1,370,768	57%
<b>Total</b>	<b>\$14,809,036</b>	<b>\$12,661,894</b>	<b>-\$2,147,142</b>	<b>-17%</b>

**Recommendation:**

It is recommended the Board conduct a public hearing to consider the adoption of all budget actions contained in the FY 2023-24 budget document including:

1. All personnel recommendations as outlined in Attachments B, C and D.
2. The FY 2023-24 Adopted Budget Resolution as presented in Attachment H.

Please note that both the budget documents and budget resolution mentioned above may need to be changed based upon Board direction given during the public hearing. This will require a break during the meeting to allow the Auditor-Controller and CAO staff time to prepare revised documents for final action by your Board.

A copy of the full budget package, including the budget detail for every cost center, can be found here:  
<https://www.tuolumnecounty.ca.gov/131/Budget-Portal>