



**FISCAL YEAR 2017-18
BUDGET POLICIES FOR RECOMMENDED BUDGET
FOR BOARD OF SUPERVISORS' APPROVAL MARCH 21, 2017**

1. INTRODUCTORY COMMENTS

The Tehama County Budget is a vital document that represents the County's explicit, collective plan to provide its valuable services to the citizens of Tehama County, whom we are all in the business of serving. The fundamental goal of our mutual actions as County employees and managers is asserted by our Mission Statement:

***Maintaining the public trust through the effective, efficient and
courteous delivery of essential services***

We should keep this goal in mind as we cooperatively develop our budget document.

The budget policies for FY 2017-18 are similar in form to those used in prior fiscal years. These policies are the initial step in the joint process of forming the budget. Staff members who have been involved in the budget process previously will find that the mechanics of the budget process are largely unchanged.

It is worth noting that these budget policies cannot cover all possible irregularities encountered during the budget process — situations will arise where staff will be unsure about the intended way to fill out a form or make a request. These situations arise in numerous ways, including expenditures and revenues related to grants, position vacancies, fixed asset purchases that are delayed until the next fiscal year, and many other possible ways.

As it is not feasible to provide written instructions that plainly and clearly communicate how every potential irregularity is to be handled, no such attempt is made. Instead, departments are urged to communicate with Administration the issues they encounter in developing their Recommended (formerly called 'Preliminary') Budget requests, and completing and submitting the budget forms as early in the process as possible. Doing so is likely the best way to promote a timely budget process that minimizes frustration and unnecessary paperwork. To communicate any issues or discuss any budget questions, call or email Trish Briel, Administrative Fiscal Manager (530-527-4655 ext. 3043, TBriel@co.tehama.ca.us).

2. BUDGET STRATEGY

The budget strategy for FY 2017-18 will be to maintain the status quo funding levels established in the FY 2016-17 Adopted Budget which included the 5% reduction in

Services and Supplies. A renewed commitment will be made to review all fees for service with the intent to bring an updated fee schedule to the Board for consideration during FY 2017 -18.

3. **BUDGET EVALUATION**

Departments will evaluate each expenditure and revenue account based on actuals for the past three years and make adjustments among line items as needed within the guidelines provided below. The goal of this step in the budget process is to align expenditure requests closely with actual department need, and align revenue requests with what is reasonable and attainable. Departments are encouraged to think of creative ways in which expenditures might be reduced while maintaining or improving service levels and to explore new revenue options.

4. **FORMS**

There are two sets of forms associated with the Recommended Budget process.

A. Auditor's Office – Due by April 14, 2017

The **Auditor's Recommended Budget Worksheets** include:

- Recommended Budget Requested *Expenditure* Budget Worksheet
- Recommended Budget Requested *Revenue* Budget Worksheet
- Additional forms and instructions included in the Auditor's packet.

The Recommended Budget Worksheets are to be completed and returned to the Auditor's Office by the end of the day on April 14, 2017. Departments complete two columns of information on these forms — the 'base' budget request and the 'new program' request. Guidance for completing the columns is found in the sections that follow.

B. Administrative Office – Due by April 21, 2017:

The **Administration Supplemental Budget Request Forms** include:

- Supplemental/New Program Budget Request Worksheet;
- Supplemental/New Program Budget Request Narrative; and,
- Summary of Vacant and Sunsetting Positions.

The use of the Supplemental Budget Request Forms is discussed in the sections that follow. These forms are due to the Administrative Office by the end of the day on April 21, 2017.

GENERAL FUND & PUBLIC SAFETY FUND BUDGET UNITS ONLY

5. SALARY AND BENEFITS

A. Regular Salary & Benefits:

On the Recommended Budget Worksheet to be returned to the Auditor's Office, please include in the 'base' column all regular salary and benefits, including all approved and known increases per the various employee bargaining unit MOUs currently in effect, as well as each employee's scheduled salary step increase. Budgeted salary and benefits shall include only current, regular allocated positions as adopted by the Board of Supervisors for inclusion in the Position Allocation List. If the department is requesting a change to the Position Allocation List through the Recommended Budget process, include the cost associated with this change in the 'new program' column of the Recommended Budget Worksheets (including any offsetting revenue associated with the position allocation request) and fill out and return to Administration a Supplemental Budget Request Form and a Supplemental Narrative explaining the request.

Extra Help and Overtime:

The base budget request may not exceed the FY 2016-17 Final Budget base appropriation except for approved, known increases per the various employee bargaining unit MOUs currently in effect. All requests for increased extra help and/or overtime must be listed in the 'new program' column of the Recommended Budget Worksheet returned to the Auditor's Office, and a Supplemental Budget Request and Supplemental Narrative must be sent to Administration.

B. Pay in Lieu of Vacation, Sick Leave Buy-Out, and Comp Time Payoff:

Appropriations for payment in lieu of vacations and buy-out of sick leave and comp time of retiring employees are not to be appropriated in the department's budget. This also applies to the semi-annual comp time cash-outs and sick leave incentives for public safety positions. These costs are to be submitted separately on the form provided by the Auditor and will be budgeted in special contingency. Non-General Fund and Non-Public Safety Fund departments need to budget for these expenses in their Salary & Benefit accounts.

C. Position Allocation List:

Identify any unfunded, allocated positions on the Summary of Vacant and Sunsetting Positions form provided. On the same form, identify all positions with FY 2016-17 sunset dates or FY 2017-18 year-end sunset dates, and include in your Supplemental Narrative whether or not you are requesting extension of the sunset date and the proposed funding for each position.

Keep in mind that changes to the Position Allocation List must be requested during the Recommended Budget process, as they will not be processed between July 1st and adoption of the Adopted Budget on or about September 19, 2017. Please review your allocation list, with specific attention to any sunset dates, and plan accordingly so that all necessary changes are included in the Recommended Budget process.

6. SERVICES & SUPPLIES

The total base budget in General Fund and Public Safety Services & Supplies accounts will remain unchanged from last year, except for the change in the amount of insurance charges in account 53150. The base budget for service and supply accounts is generally calculated as follows:

Total Adopted Budget from prior fiscal year in the service and supply accounts plus additional, ongoing expenses approved in the Adopted Budget, Mid-Year Budget or separately during the fiscal year

+/- Amount of change in Insurance account 53150
- Less One-time increases approved within the prior FY Adopted Budget
- Less Grant and/or trust funds included in prior FY Adopted Budget
= Total base budget amount in Services & Supplies accounts

Submit the base budget amount to the Auditor's Office on the Recommended Budget Worksheets. Budget requests that exceed the FY 2016-17 total base budget (except for the change in account 53150) must be listed in the 'new program' column of the Recommended Budget Worksheet and a Supplemental Budget Request form and Supplemental Narrative must be sent to Administration.

Departments receiving external funding for specific programs (i.e., grant-funded programs) or requesting to use resources from trust funds must budget for those requests as Supplemental Budget Requests. List both the expenditures and offsetting revenues in the 'new program' column of your Recommended Budget Worksheets, and provide a Supplemental Budget Request form and Supplemental Narrative to Administration.

7. OTHER COSTS

A. Other Charges:

List any amount budgeted with discretionary funds that exceed the adopted FY 2016-17 Final Budget in the 'new program' column of the Recommended Budget Worksheet. Identify by program any amounts budgeted based on specific program revenues. If the proposed program is new, list both the expenditures and offsetting revenues in the 'new program' column of your worksheets, and provide a Supplemental Budget Request form and a Supplemental Narrative to Administration.

B. Fixed Assets:

All non-essential fixed asset requests should be held for a future year or offset through discretionary and/or unanticipated (one-time) revenues or departmental expenditure reductions. List all fixed asset requests in the 'new program' column of the Auditor's Recommended Budget Worksheet, and provide a Supplemental Budget Request Form and Supplemental Narrative to Administration. Departments receiving external (grant) funding for specific fixed asset purchases should list these budget requests in the 'new program' column for both expenditures and the offsetting revenues.

8. REVENUE ACCOUNTS

For all revenue accounts, include in the 'base' column of the Recommended Budget Worksheet those requests that are exactly equal to the previous fiscal year's base request. Departments are strongly encouraged to carefully review all prior year revenue sources to determine whether the base request is accurate for FY 2017-18. In the 'new program' column, include any requests that deviate from the previous fiscal year's request, whether the request is less than or greater than the previous fiscal year. Provide an explanation of any revenue adjustments in a Supplemental Budget Form and Supplemental Narrative to Administration. Also, in the 'new program' column, list any revenue that directly offsets a proposed 'new program' expenditure (i.e., a grant funded program) and identify it in your Supplemental Budget Request Form and Supplemental Narrative.

9. VETERANS HALLS

The Veterans Halls in Red Bluff, Corning and Los Molinos may budget \$35,813 each, plus:

- A. FY 2017-18 revenues that are anticipated to be deposited into the Veterans Hall budget with the County Treasurer, and
- B. Any designated funds available from the prior year.

INDEPENDENT FUNDS

10. FIRE, PUBLIC WORKS, AND OTHER INDEPENDENT FUNDS

After applying policy 5.A. (Regular Salary & Benefits) and 5.B. (Pay in Lieu of Vacation, Sick Leave Buy-Out, and Comp Time Payoff) above, these Independent Funds may budget based upon the availability of resources for their respective purposes. Budgets submitted must include a projected source and use of funds for the coming budget year and the three succeeding years. Forward to Administration the budget plan and a narrative for each budget unit outlining goals and priorities

based on completed revenue projections and needs assessment for the four-year forecast. Include an itemized list of any proposed fixed assets or facility improvements, including proposed budget appropriations for each and a Summary of Vacant and Sunsetting Positions.

11. HEALTH SERVICES AGENCY, SOCIAL SERVICES, AND CHILD SUPPORT

After applying policy 5.A. (Regular Salary & Benefits) and 5.B. (Pay in Lieu of Vacation, Sick Leave Buy-Out, and Comp Time Payoff) above, these Funds may budget based upon the availability of resources for their respective purposes. Budgets submitted must include a projected source and use of funds for the budget year. Include an itemized list of any proposed fixed assets or facility improvements, including proposed budget appropriations for each and a Summary of Vacant and Sunsetting Positions.

12. OTHER REQUIREMENTS

- A. Supplemental Budget Requests should be understandable by someone who may be unfamiliar with the County budget process. Incomplete documents may be returned to departments for revision if they appear unclear or difficult to understand. Do not use undefined acronyms, including abbreviations for classification titles.
- B. Clearly identify the Fund and Budget Unit numbers on all submittals of Supplemental Budget Requests.
- C. The existing budget policy which provides that revenue shortfalls within State or Federally funded grant programs not be backfilled with General Fund monies will be upheld.
- D. Significant changes to staffing, expenditures and/or revenue must be explained, even if there will be no budget increase as a result.
- E. Return the **Recommended Budget Worksheets** to the Auditor's Office by April 14, 2017.
- F. Departments should submit one (1) original and nine (9) copies of the **Supplemental Budget Request** forms to Administration by April 21, 2017.

