

Impact of Butte Fire on County Funds Unknown

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The Calaveras County Board of Supervisors is expected to decide Tuesday whether to continue its current fiscal priorities – conservative spending, public safety and maintaining low service fees – for the coming fiscal year or to adjust those priorities based on the impact of the Butte Fire.

The current year's General Fund budget authorized \$52.9 million in expenditures, of which 37 percent is allocated to public safety, 19 percent to general government, 11 percent to records and land use, 1 percent to health and human services, 1 percent to education and recreation, and 31 percent to all other departments.

For the upcoming fiscal year, county staff is proposing the budget be prepared assuming the same amount of money will be available as the past year, to continue to share resources and merge departments, and to increase or establish fees for using county services.

Some of those recommendations are contrary to the past year's priorities, such as avoiding balancing the budget by raising fees.

However, the supervisors already raised some Planning Department fees at its Feb. 23 meeting to shift the burden of processing applications from the taxpayers to building applicants.

The General Fund is the major money source over which the Board of Supervisors has control. The fund is supplied by money raised through charges for services, taxes, license and permit fees, and state and federal funds. Generally, the money from other taxes and fees must be used for the purposes the laws that established them require. The county auditor's office estimates \$53.8 million lost in property value as a result of the Butte Fire. That will equate to a loss of \$540,607 in total property tax revenue this year, including a \$72,000 blow to the General Fund.

Gov. Jerry Brown's proposed fiscal year 2016-17 state budget offers some relief in the form of \$597,000 for Calaveras County to offset property tax revenue losses for one year. However, the county staff report states that property tax revenue losses are expected to continue for several years.

At the same time, other taxes are generating more income than expected. Sales and use tax revenue is up 4 percent or \$85,091 above expected at mid-year and may generate \$170,000 more than expected if the upswing continues. Similarly, transient occupancy tax revenue is 13.4 percent over what was expected at this time in the budget, property transfer tax revenue is over 23.3 percent, building application fee

revenue is over 10.6 percent and septic system application fee revenue is over 17.7 percent.

The government is also running under budget having spent 36.4 percent of the budget funds halfway through the year, during which time 50 percent of the budget was expected to have been used. The staff report says this is a result of conservative spending by the heads of the different county department.

Currently, revenues exceed expenditures by \$436,736, which the staff report states can be accounted for by the advances received from the Rural Counties Representatives of California and California Disaster Assistance Act totaling \$3 million.

But fire-related expenses have not yet been posted and the staff report states the county's expected share to clean up the devastation from the wildfire will be difficult to cover.

The Federal Emergency Management Administration is expected to cover 75 percent of the costs of the cleanup and the California Disaster Assistance Act will cover 75 percent of the remaining 25 percent of the costs. That means the county's match is roughly 6.25 percent, which may end up reaching \$1.4 million.

The county's match for the total cost of cleaning up the fire can be paid either with cash or in-kind donations, which include volunteer time, gifts and services from businesses and nonprofits.

There are three major changes to the fiscal year 2015-16 budget adopted by the board in September: an expected \$10.8 million repayment from the state and federal governments for disaster relief along with a transfer of \$673,125 from the Teeter Fund to cover the county's share of the cost, receipt of a \$150,000 housing grant for Butte Fire victims through the Rural Counties Representatives of California, and the transfer of \$1.5 million from information technology infrastructure projects to the capital projects fund.

The Teeter Fund is a county savings account typically used for one-time purchases. It is funded through penalties paid on late tax payments and is expected to have a balance of \$6.7 million by June 30, or the end of the fiscal year.

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