



County of Lake
STATE OF CALIFORNIA



Draft Recommended Budget

FISCAL YEAR 2026-2027

Board of Supervisors Meeting
JUNE 15 - 17, 2026

Administrative Office Role in Creating the Annual Budget



Admin staff send next year's Budget Manual to departments with information needed to prepare their budgets



Departments turn in their submissions for Admin review



Admin staff meets with departments to discuss budgets

- ✓ Admin ensures budgets which are transferring funds to another budget match
- ✓ The position allocation is modified with department requests and sent to Human Resources for review
- ✓ Form 1's are reviewed and entered into the standard format



The budget is finalized and presented to the Board for approval

The background of the slide features a collage of financial and technological elements. At the top left, the text 'Financial reports' is partially visible. Below it, there are various charts and graphs, including a line graph with peaks and valleys, and a bar chart. A smartphone is visible in the bottom left corner, displaying a calculator app with the number '100' on the screen. The overall theme is financial management and budgeting.

Financial reports

Objective: A Balanced Budget

It is the responsibility of the Administrative Office to present to the Board of Supervisors a budget that is:

- ✓ Structurally Balanced
- ✓ Preserving General Reserves
- ✓ Avoiding Reduction in Service Levels
- ✓ Avoiding Layoffs, Furloughs, and Benefit Reduction



Fiscal Challenges

- Inflation / Stagflation
- Increase in energy costs
- Increase in prices for goods and services
- Increase in liability insurance costs
- Large Board approved commitments

FY 26-27 Budget Overview (Amounts shown in millions)

All Funds	FY 2024-25 ADOPTED	FY 2025-26 ADOPTED	FY 2026-27 PROPOSED	Change from 2025-26
Appropriation	407.6	410.0	440.3	30.3
Revenue	309.2	334.2	362.4	28.2
Funding Gap	98.4	75.8	77.9	2.1
FTE	1118.4	1133.1	1113.4	(19.7)
General Fund	FY 2024-25 ADOPTED	FY 2025-26 ADOPTED	FY 2026-27 PROPOSED	Change from 2025-26
Appropriation	101.8	105.3	104.9	(0.4)
Revenue	79.4	87.1	87.3	0.2
Funding Gap	22.4	18.2	17.6	(0.6)
FTE	446	445	444	(1)

Fiscal Challenges

Reserves

- Maintaining at about 15-16% for General Fund Appropriations.
 - ❖ Per our policy, Government Finance Officers Association (GFOA) recommends 17-25%.
- The past couple of years, the Auditor's office has had to drawdown from the General Reserve (Fund 151) to cover cash flow while we are waiting for Property Taxes to be paid.
 - ❖ In FY 24/25 \$5,000,000 was loaned in December.
 - ❖ In FY 25/26 \$875,000 was loaned in October and \$4,000,000 was loaned in November.
 - ❖ These loans demonstrate the limited cash flow.

Fiscal Challenges

Unanticipated Drawdowns on General Fund for FY 25/26

- Additional 1.2 million to balance Planning and Code Enforcement
- Loan to Building & Safety Division
- Robin Lane Spill
- Hunger Relief

Anticipated Drawdowns on General Fund in FY 26/27

- Various departments will request loans for cash flow purposes
- Loans with Behavioral Health and Community Development remain outstanding
- Probation may be requesting additional General Fund due to State mandated requirements related to additional pretrial obligations

Cost Saving Options



No new positions added at Recommended

Hiring Freeze

No adjustments or increases to individual salary requests

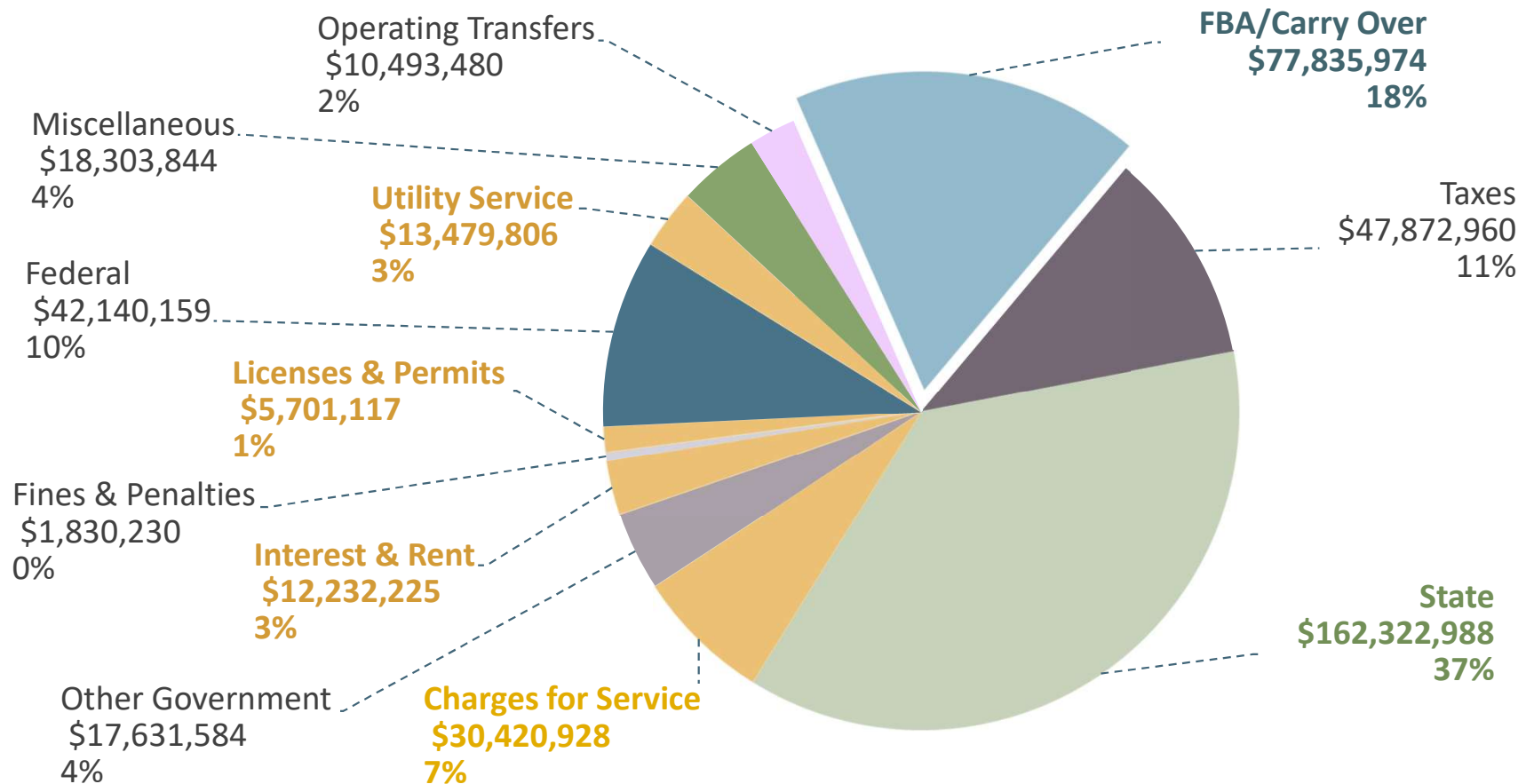
Remove vacant positions

Reduce General Fund Budgets by 5-10%

Contracts not fully executed by June 30, 2026, will be placed “on hold” until further notice

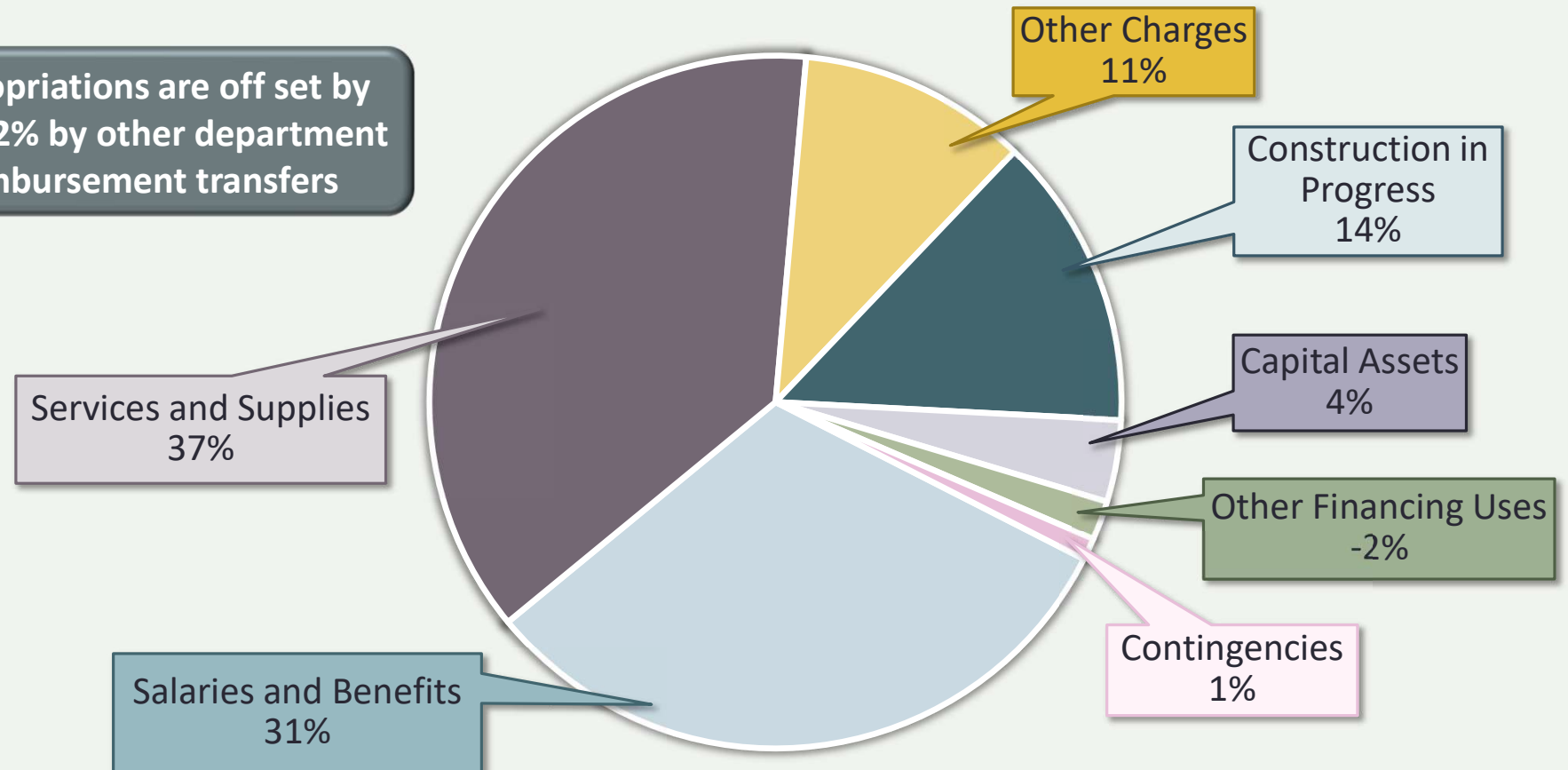
No New Extraordinary Requests

County-Wide Budgeted Revenue



County Wide Budgeted Appropriations

Appropriations are off set by about 2% by other department reimbursement transfers





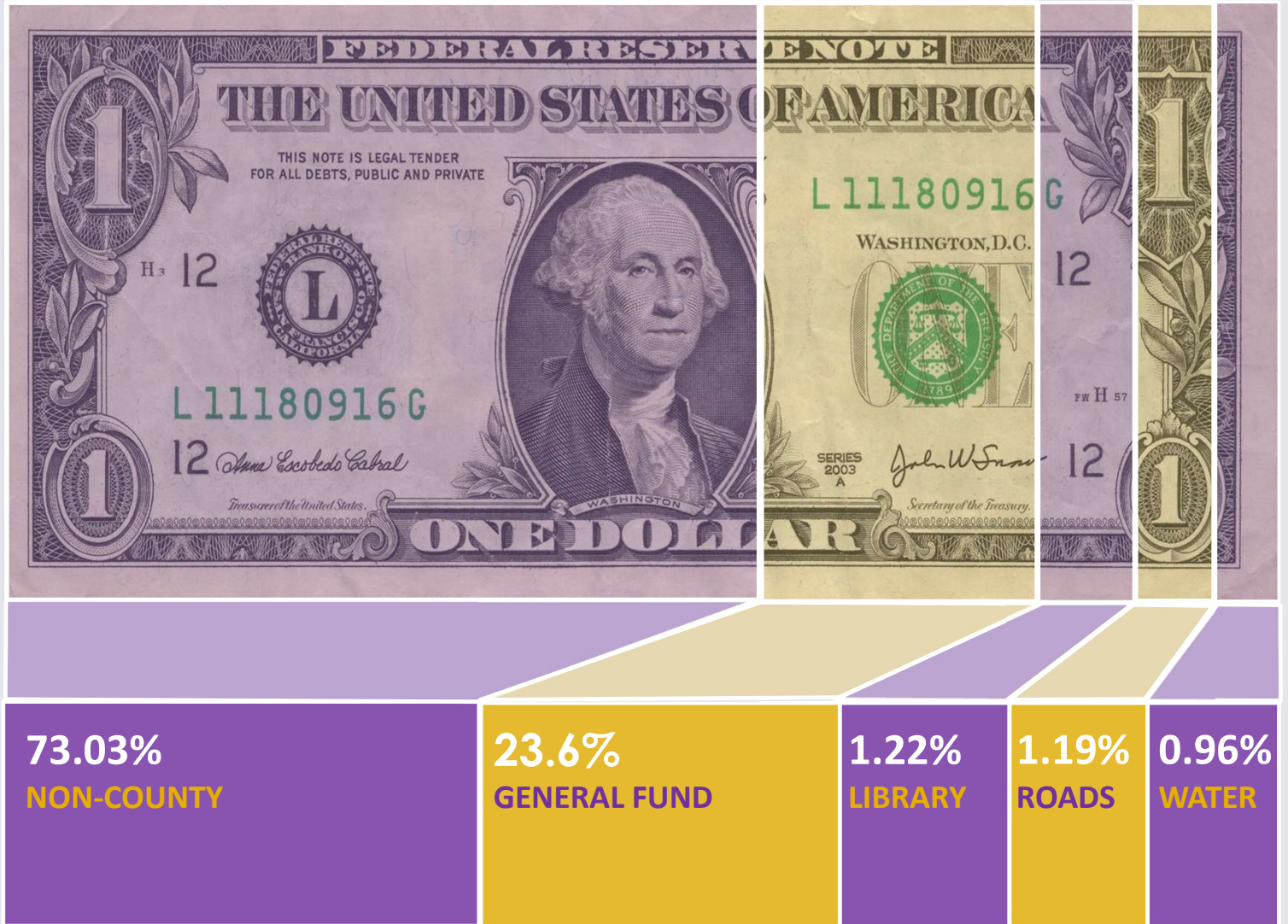
Fiscal Strategy

Prudent Budgeting

Reduced Volatility

Maintain Healthy Reserves

County Share of Tax Dollar (FY 25-26)





Fiscal Challenges

Actuals vs Net County Cost for General Fund budgets:

- Grants or other funding sources were not accrued back or were received after the accrual period.
- 5-year analysis: \$3,216,495.81 of unbudgeted General Fund was used.
- 3-year analysis: \$4,202,964.45 of unbudgeted General Fund was used.
- Current year through May, \$3,465,990 of unbudgeted General Fund may be used by various departments.
 - How does this happen?
 - 41 active budgets are connected to General Fund (001). If revenue does not come in as planned, and there is cash available in the fund, the expenditures will be paid.
 - How do we prevent it?
 - Monthly Balance Sheets
 - Regular billing to grants/programs for reimbursement
 - Open communication with Administration when an issue is presented

GENERAL FUND

Cash Available

Appropriations

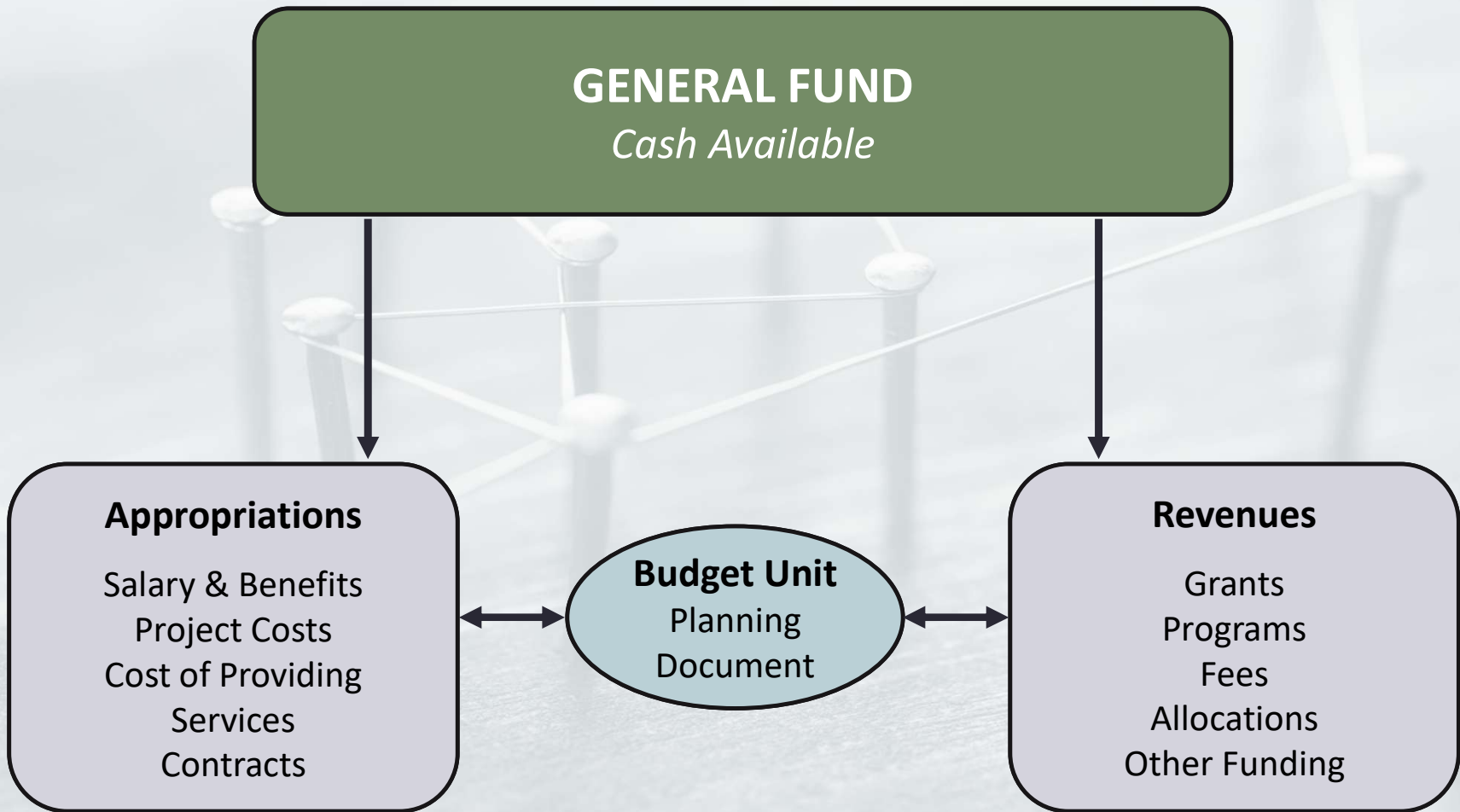
Salary & Benefits
Project Costs
Cost of Providing
Services
Contracts

Budget Unit

Planning
Document

Revenues

Grants
Programs
Fees
Allocations
Other Funding





One Time vs. Ongoing Costs

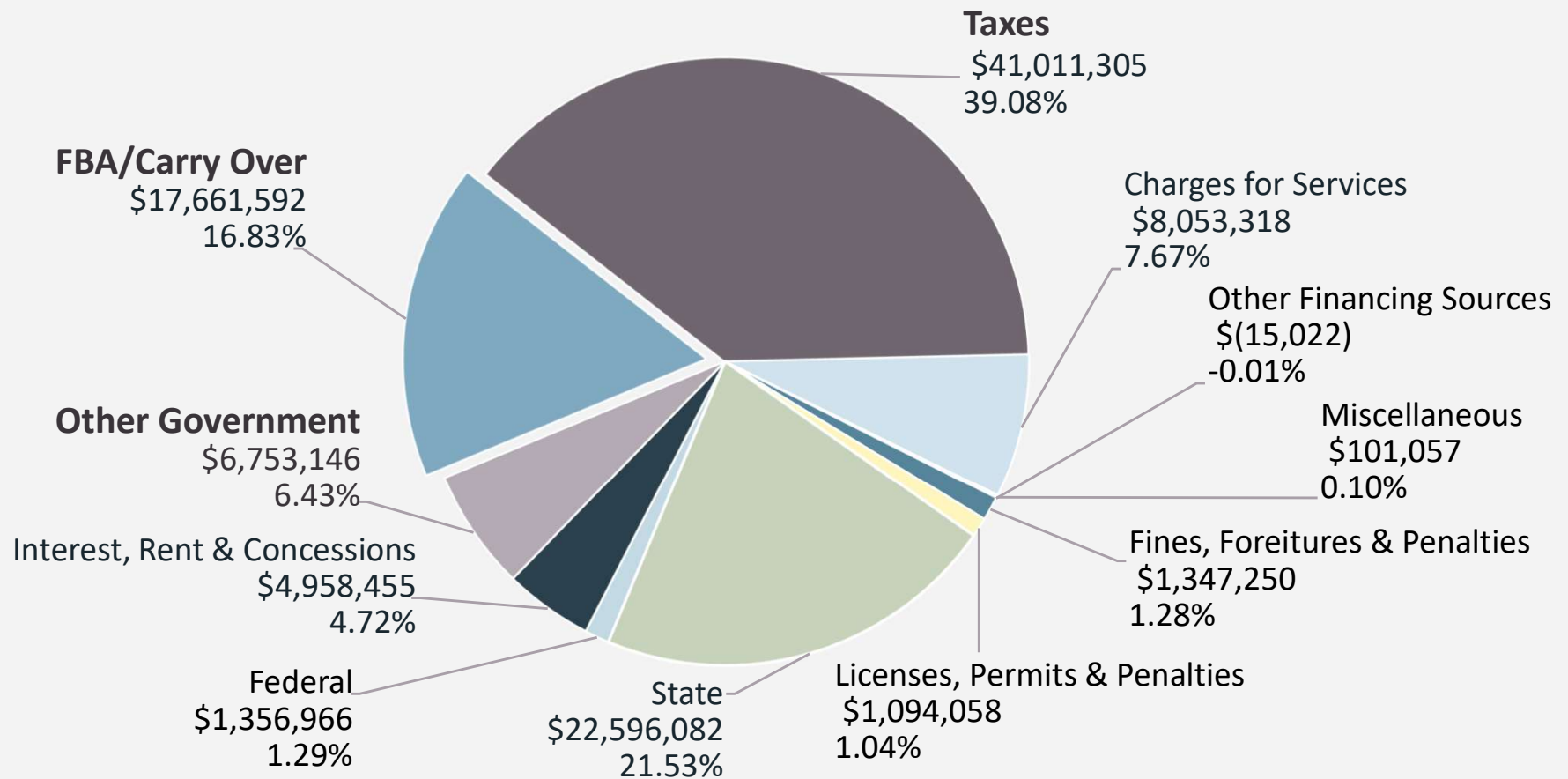
ONE TIME COSTS

- Capital Projects
- Furniture and Inventory
- Emergency & Disaster Response
- Technology Upgrades & Subscription

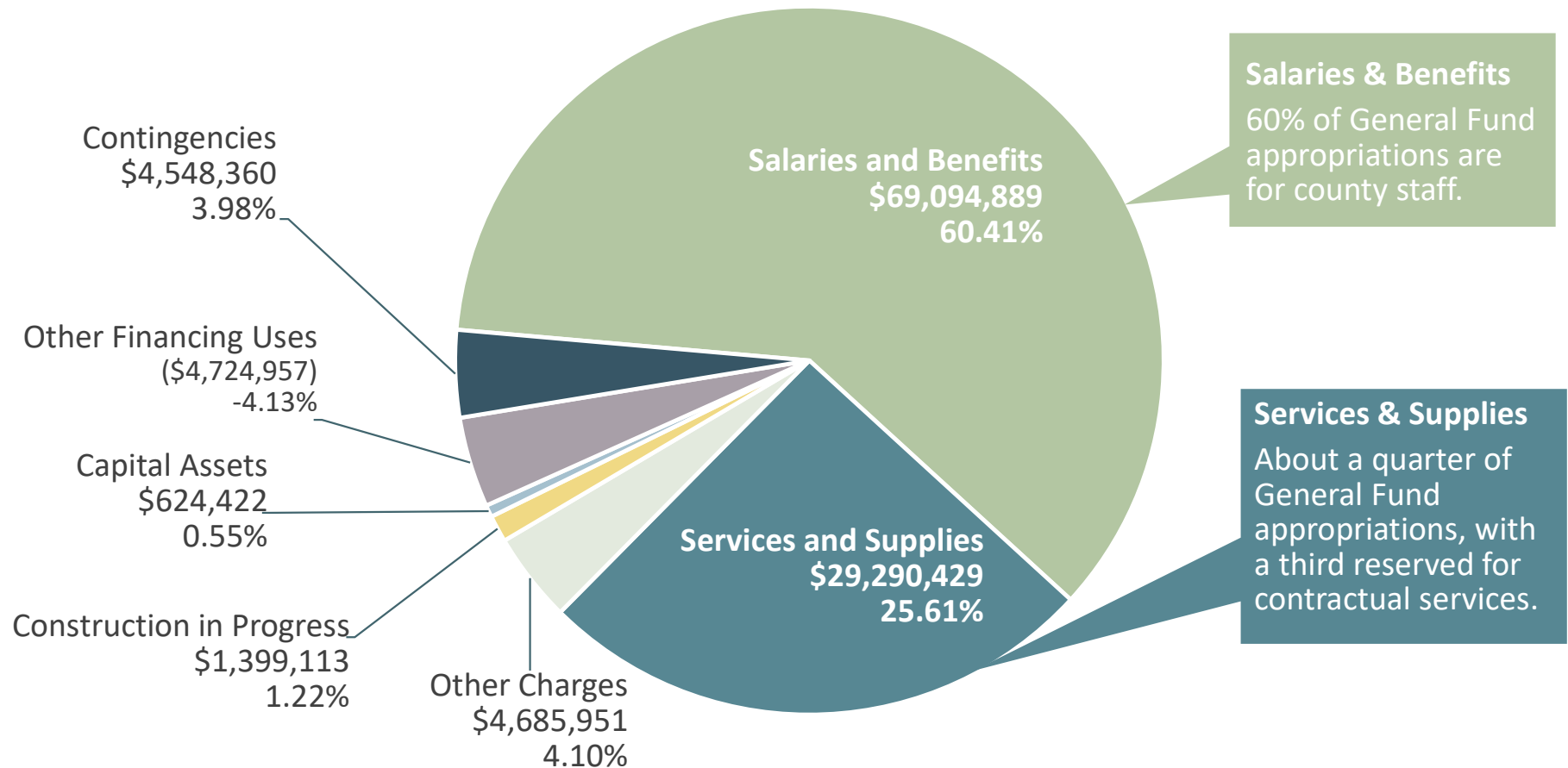
ONGOING COSTS

- Salary & Benefits
- Insurance
- Maintenance & Repairs
- Utilities
- Materials & Supplies
- Travel & Training
- Professional Services

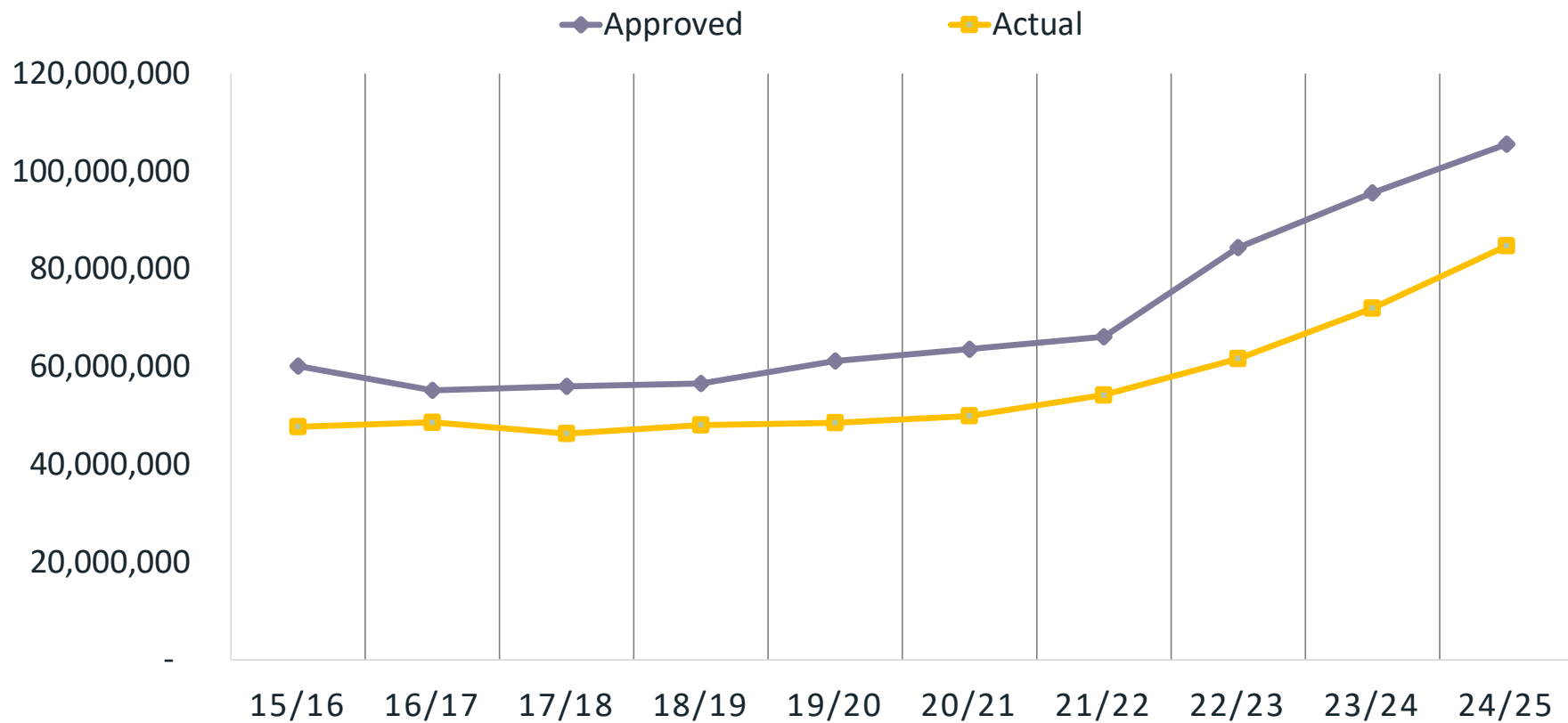
General Fund Budgeted Revenues



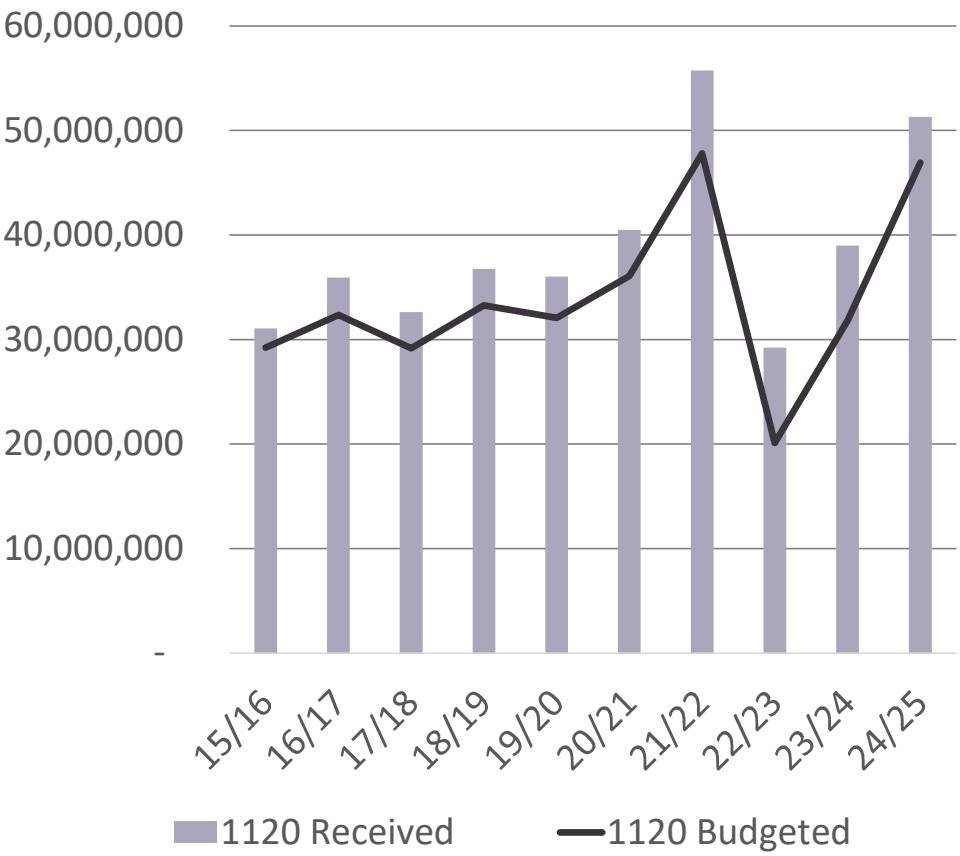
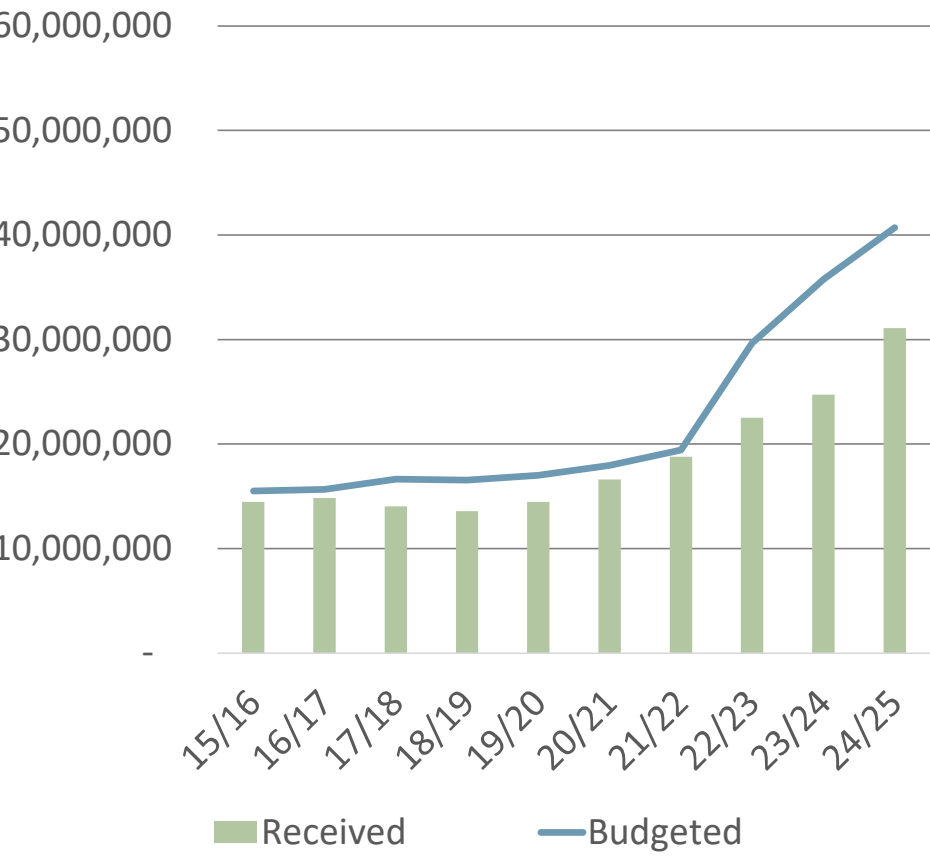
General Fund Budgeted Appropriations



General Fund: Approved vs. Actual



General Fund Revenues



General Fund Reserves

Fund	Title	Starting FY 25/26	Changes in FY 25/26	Balance
151	General Reserve	\$16,000,000	\$0	\$16,000,000
152	General Parks Reserve	\$3,000,000	(\$400,000)	\$2,600,000
153	Building & Infrastructure Reserve	\$8,480,451	(\$282,000) \$282,000	\$8,480,451
154	Technology Reserve	\$4,030,375	(\$4,000,000)	\$30,375
156	Budget Stabilization Reserve	7,446,997	(\$1,140,000)	\$6,306,997
157	General Designated Reserve	\$3,060,752	\$0	\$3,060,752

Major Services Provided By The County



Finance and Government Operations

Elections Administration
Marriage, Birth, and Death Certificate
Facility Maintenance
Distribution of Property Taxes



Children, Seniors, and Families

Child Protective Services, Adoption Assistance, and Foster Care
Medi-Cal, CalFresh, and CalWORKS administration
Adult Protective Services
Child Support Collection



Public Safety and Justice

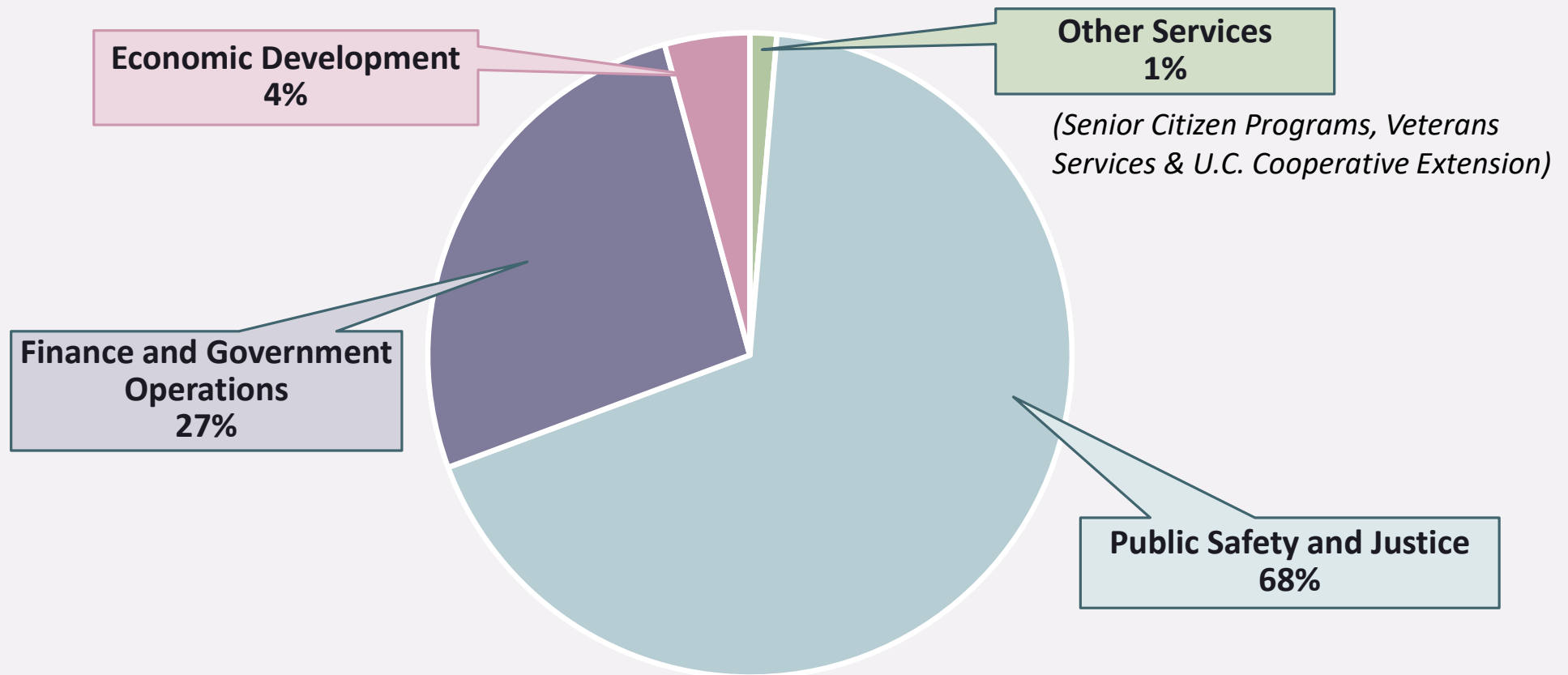
Criminal Prosecution and Defense
Jail Operation
Law Enforcement
Probation Supervision
Cause of Death Investigations



Housing, Land Use, and Economic Development

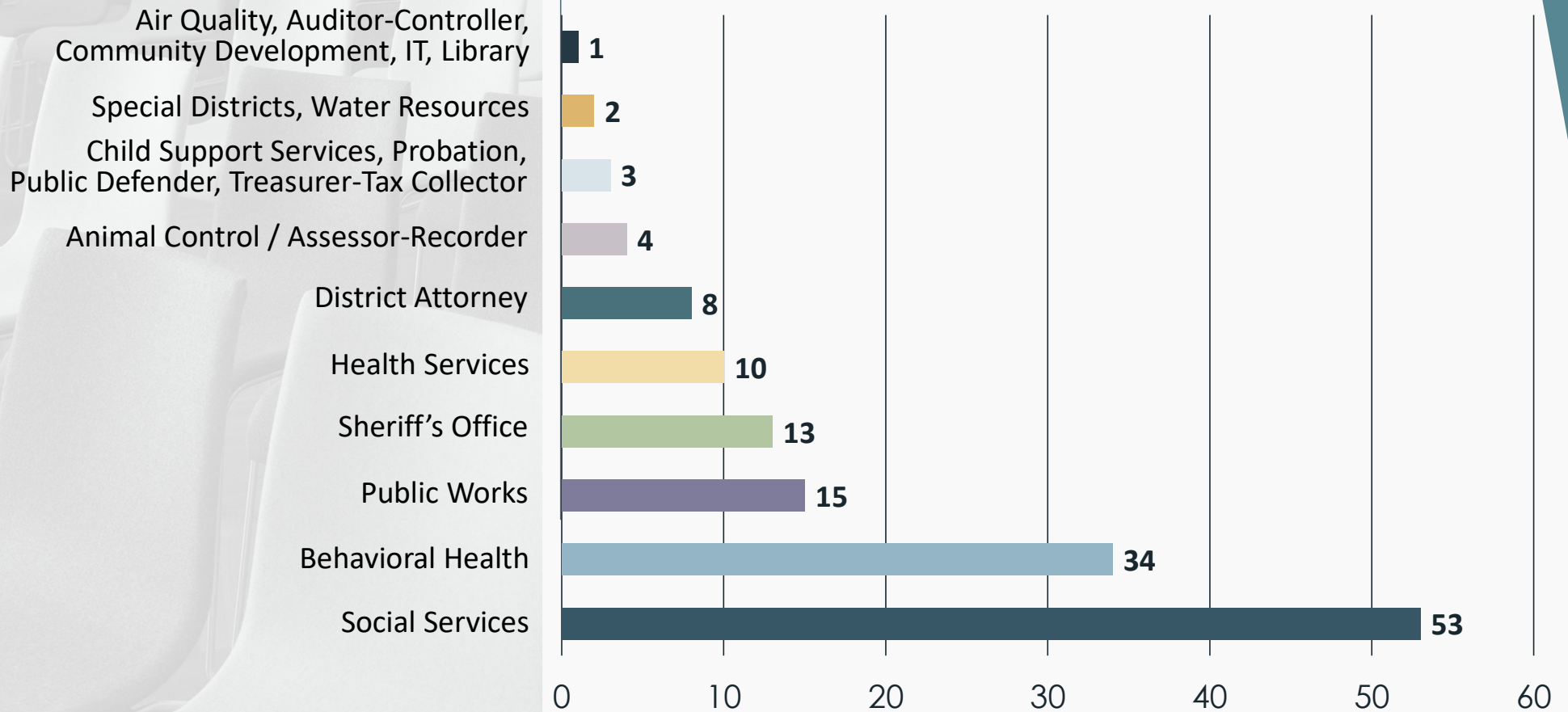
Planning and Zoning Enforcement
Park Operation and Maintenance
Roads Maintenance
Supportive Housing Plans
Implementing Economic Development Strategies

General Fund Net County Cost Allocations



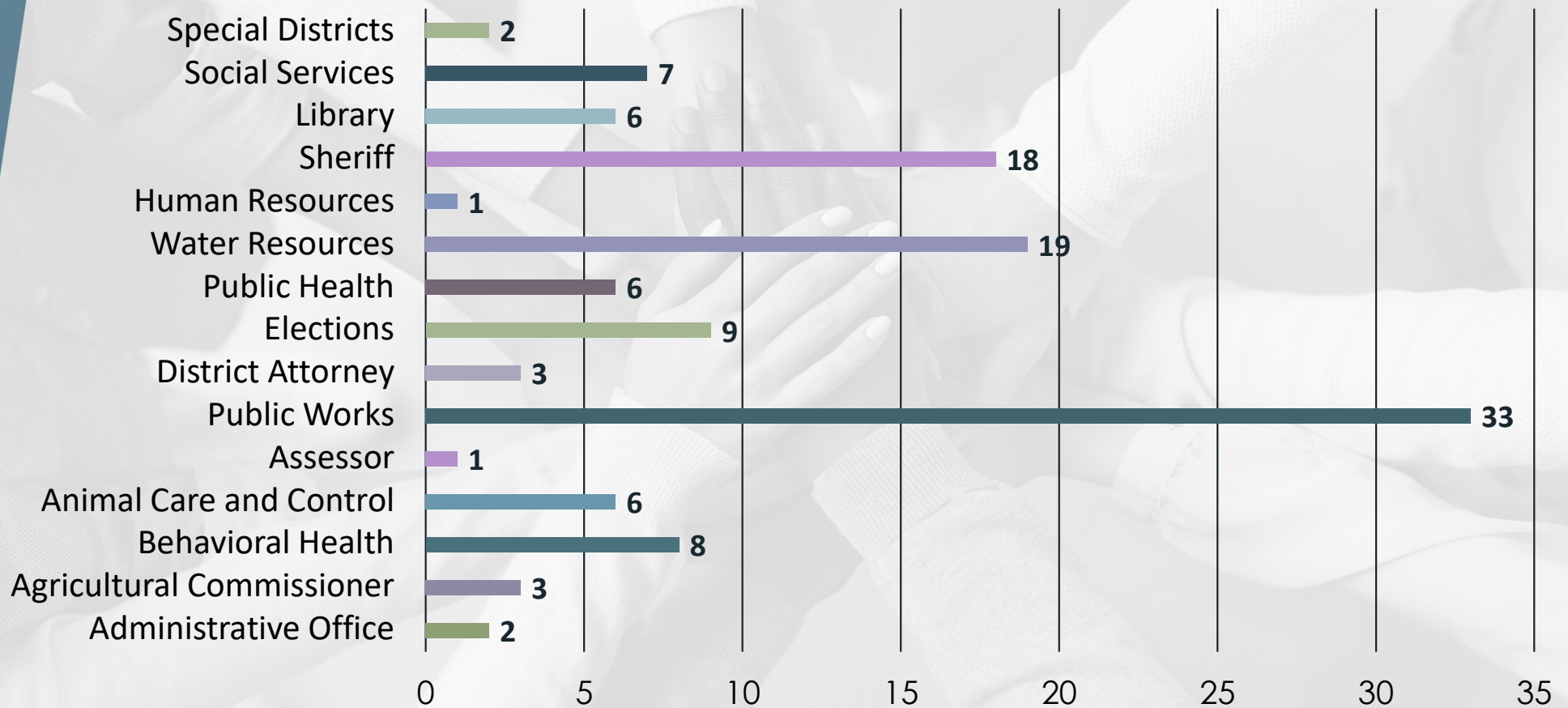
County-Wide Vacancies = 177
General Fund Vacancies = 54

Position Allocations - Vacancies



Extra Help Employees

Total Extra Help employees = 124
Total General Fund Extra Help = 69



Major Challenges for FY 2026-2027

1. Economic impacts from atypical Federal actions:
 - ✓ Program funding cuts
 - ✓ Inflation or tariff-related increases in costs for goods & services
2. Possible Economic Recession - Inflation / Stagflation
3. Health of State Budget
4. Disasters



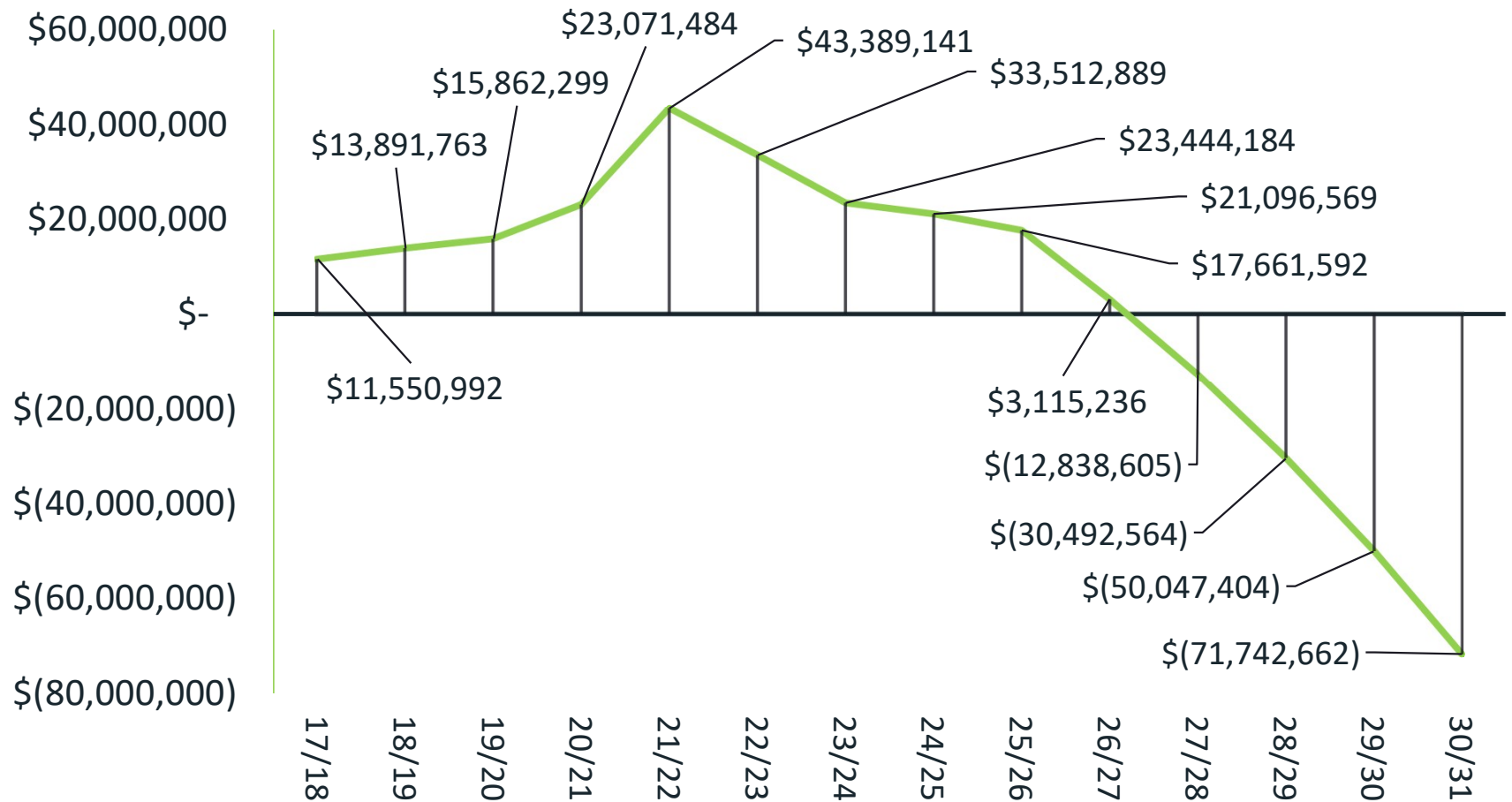
Key Takeaways

1. Costs to provide current level of services are growing faster than revenues, combined with low fund balances, means less ability to absorb any impact of a recession - inflation / stagflation.
2. The County is positioning itself to preserve services with close attention to the protective safety net services to our vulnerable populations.

General Fund Forecast

	24/25 Actual	25/26 Est. Actual	26/27 Projected	27/28 Projected	28/29 Projected
Beginning Fund Balance	\$ 23,444,184	\$ 21,096,569	\$ 17,661,592	\$ 3,115,236	\$ (12,838,605)
Revenues					
Property Tax's	\$ 32,453,558	\$ 33,545,893	\$ 35,349,805	\$ 36,263,437	\$ 37,200,682
Retail Sales & Use Tax	\$ 8,795,489	\$ 8,169,460	\$ 8,300,000	\$ 8,532,436	\$ 8,771,381
Reserve (Increase)/Decreases	\$ -	\$ 4,432,000	\$ -	\$ -	\$ -
Other Revenues	\$ 41,121,075	\$ 36,395,450	\$ 36,934,103	\$ 37,850,068	\$ 38,788,750
Total Resources	\$ 105,814,306	\$ 103,639,372	\$ 98,245,500	\$ 85,761,177	\$ 71,922,209
Expenditures					
Payroll & Benefits	\$ 52,577,865	\$ 58,528,760	\$ 69,014,994	\$ 71,701,053	\$ 74,709,083
Operating Expenditures	\$ 25,167,313	\$ 25,354,631	\$ 26,115,270	\$ 26,898,729	\$ 27,705,690
ARPA Expenses	\$ 6,972,559	\$ 2,094,389			
Total Expenditures	\$ 84,717,737	\$ 85,977,780	\$ 95,130,264	\$ 98,599,782	\$ 102,414,774
Ending Fund Balance	\$ 21,096,569	\$ 17,661,592	\$ 3,115,236	\$ (12,838,605)	\$ (30,492,564)

Five-Year General Fund Forecast





Any Questions?



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