

MENDOCINO COUNTY

PROPOSED BUDGET HEARINGS

FY 2022-23

June 7, 2022

INTERIM CHIEF EXECUTIVE OFFICER: DARCIE ANTLE

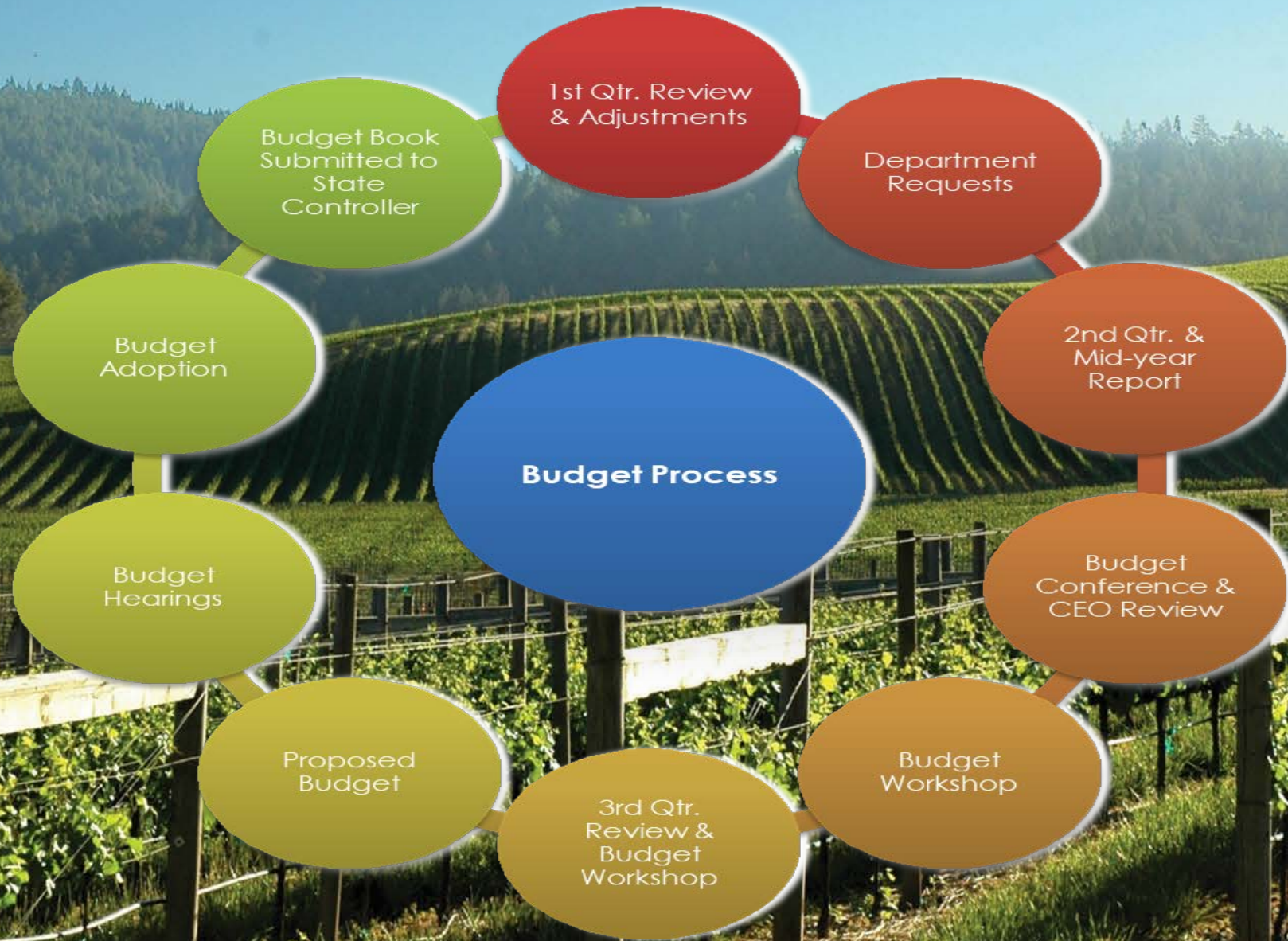


PRESENTATION OVERVIEW

- Budget Process
- Budget Calendar
- Discretionary Revenue (BU 1000)
- FY 2022-23 Narrative for Proposed Budget
- Prevention, Recovery, Resiliency and Mitigation (PRRM)
- PRRM – COVID-19
- Risk Management
- Workers Compensation
- Human Resources
- Health Benefits

- Leadership Initiative
- Public Safety Spending
- IT Master Plan
- IT Funding
- Department Presentation Schedule
- Fee Hearing
- CEO Actions & Recommendations
- Community Partner Presentation Schedule

BUDGET PROCESS



BUDGET CALENDAR

Board Related Dates in **Bold**

- February 2022 – Departments submit 2nd Quarter Mid-Year Projections
- February 2022 – Departments submit Facility Modification and Fixed Assets Requests to Facilities and Fleet
- March 10, 2022 – FY 2022-23 Department Budget Kick Off Meeting
- **March 15, 2022 – FY 2021-22 Mid-Year (2nd Quarter) Budget Report & FY 2022-23 Budget Planning Workshop**
- March 2022 – Budget Instructions and Net County Cost Assignments Distributed
- March 25, 2022 – Deadlines for Departmental Submissions, Budget & Grant Narrative Submissions
- April 6 – 8, 2022 Department Budget Conferences
- **April 19, 2022 – Fee Hearing and Budget Workshop**
- **May 3, 2022 – FY 2021-22 3rd Quarter Report & FY 2022-23 Budget Planning Workshop**
- May 27, 20201– CEO Recommendations for Draft Proposed Budget Published
- **June 7, 2022 – Final Budget Hearings for FY 2022-23**
- **June 21, 2022 – Adoption of Final Budget for FY 2022-23**
- September 2022 – FY 2021-22 Budget is Closed
- Fall 2022 – 1st Quarter Adjustments Brought to Board with any Prior Year Carryover

DISCRETIONARY REVENUE (BU 1000)

Revenue Description		2018/19 Adopted Budget	2018/19 Actual	2019/20 Adopted Budget	2019/20 Actual	2020/21 Adopted Budget	2020/21 Actual	2021/22 Adopted Budget	2021/22 Actual thru 5/11/2022	2021/22 Projected	2022/23 Projected
Current Secured Property Tax	821110	33,000,000	35,161,716	36,000,000	35,626,681	37,000,000	38,508,972	39,800,000	36,875,869	40,300,000	41,872,438
Current Unsecured Property Tax	821120	1,000,000	1,043,859	1,000,000	1,133,213	1,000,000	1,055,920	1,000,000	1,008,499	1,000,000	1,038,894
Current Supplemental Roll Taxes	821130	350,000	748,972	700,000	306,788	500,000	297,195	500,000	0	300,000	311,668
Prior Year Secured Taxes	821210	0	0	0	0	0	0	0	0	0	0
Prior Year Unsecured Taxes	821220	50,000	59,984	50,000	40,259	50,000	56,177	50,000	0	50,000	51,500
Penalties & Cost on Delinquent Taxes	821400	650,000	749,836	700,000	597,677	500,000	735,999	500,000	312,864	500,000	515,000
Sales and Use Tax - County 1% Share	821500	6,100,000	6,594,284	6,500,000	6,576,861	6,200,000	8,339,681	7,795,000	5,657,245	8,500,000	8,500,000
Sales and Use Tax - Public Safety	821510	0	0	0	0	0	0	0	0	0	0
Timber Yield Taxes	821600	500,000	883,448	800,000	590,180	800,000	513,694	800,000	224,489	440,000	440,000
Transient Occupancy Tax - Camp/RV	821699	0	0	0	0	600,000	740,929	700,000	491,256	700,000	700,000
Highway Property Rentals	821700	0	0	0	664	0	725	0	1,105	0	0
Transient Occupancy Tax - Room	821701	5,650,000	5,872,388	6,000,000	4,784,925	4,400,000	7,219,977	6,000,000	6,289,329	8,000,000	8,000,000
Property Transfer Tax	821702	700,000	615,913	600,000	634,469	700,000	1,087,609	700,000	822,176	800,000	800,000
Property Tax In Lieu of VLF Revenues	821704	11,300,000	11,797,060	11,800,000	12,174,566	12,200,000	12,601,893	12,600,000	12,914,420	12,915,000	12,915,000
Property Tax In Lieu of Sales Tax (Triple Flip)	821705	0	0	0	0	0	0	0	0	0	0
Williamson Act Replacement Tax	821706	550,000	580,538	580,000	598,362	598,000	609,901	600,000	656,188	600,000	600,000
Cannabis Tax Revenue	821707	1,050,000	3,711,693	2,500,000	5,575,900	4,000,000	6,159,180	6,500,000	1,819,959	3,000,000	1,500,000
Franchise Fees	822210	800,000	876,534	800,000	911,611	870,000	1,065,921	1,000,000	1,077,095	1,000,000	1,000,000
Forfeiture and Penalties	823300	0	0	0	0	0	0	0	0	0	0
Interest Income	824100	500,000	1,032,538	1,000,000	943,759	1,000,000	664,208	750,000	435,029	425,000	425,000
Motor Vehicle In Lieu	825150	40,000	35,807	36,000	58,824	50,000	53,971	50,000	84,979	85,000	85,000
SB90 Reimbursement (State Mandated Cost)	825398	0	0	0	21,372	0	13,215	0	0	0	0
Homeowner's Property Tax Exemption	825481	320,000	278,952	300,000	276,500	280,000	272,080	270,000	131,673	270,000	270,000
State Other: (State Roundabout Tax Shift)	825490	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Federal Grazing Fees	825650	0	1,154	0	199	0	1,440	0	0	0	0
Federal Land In Lieu Taxes	825660	640,000	810,909	800,000	699,132	700,000	733,482	735,000	768,913	770,000	770,000
Federal Other	825670	1,000	0	0	0	0	0	0	0	0	0
Other Government Agency Revenue (County RDA return)	825810	0	0	0	0	0	0	0	0	0	0
Solid Waste Fee	826315	0	0	0	0	0	0	0	0	0	0
County Cost Plan Charges/Property Tax Admin Fee	826402	2,600,000	2,595,366	2,600,000	2,551,138	3,275,153	3,203,410	3,985,000	1,255,779	3,400,000	3,400,000
Prior Year Revenue (PG&E Settlement)	827400	0	23	0	5,743	0	22,652,909	0	0	0	0
Sale of Fixed Assets	827500	0	2,000	0	0	0	0	0	0	0	0
Card Rebate Programs - US Bank & Bank of America	827700	80,000	258,413	90,000	112,931	100,000	125,819	135,000	76,535	135,000	135,000
Refund Jury & Witness Fees	827701	0	0	0	0	0	0	0	0	0	0
Tobacco Settlement Funds	827715	780,000	873,969	900,000	863,949	900,000	975,195	900,000	984,973	900,000	900,000
Operating Transfers In (21/22 CARES and PG&E Adjustments)	827802	0	0	0	0	0	0	0	34,654	35,000	
Total		66,791,000	74,715,357	73,886,000	75,215,700	75,853,153	107,819,503	85,500,000	72,053,029	84,255,000	84,359,500

FISCAL NARRATIVE FOR PROPOSED BUDGET

Non-Departmental Revenue is \$84,359,500

- Discretionary Revenue
- One-Time Money for One-Time Expenses
- Cannabis Business Tax Projections
- Prop 172 Funding
 - Misc. (Fire Agencies)
 - District Attorney
 - Sheriff-Coroner
 - Jail
 - Probation
- Departmental Voluntary Spending Reductions

PREVENTION, RECOVERY, RESILIENCY AND MITIGATION (PRRM)

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- PRRM continues to aggressively pursue and leverage grant funding for resiliency projects while working on recovery projects, previous disasters, and responding to the 2021 Hopkins Fire
 - Fiscal Year 2021-22 active grant funding totals \$37,681,780 (please see report for full listing of active grants)
 - Fiscal Year 2021-22 pending grant applications total \$7,227,753
 - As of the printing of this report we have received notification the pending CalFire Fire Prevention grant for \$1.8M will be awarded
 - Project will implement roadside fuels reduction in key locations in Covelo, and Laytonville areas as well as complete CEQA analysis for five future fuels reduction projects, extend the existing Community Chipper days for three years, and develop a primary design for an emergency evacuation route serving three single access subdivisions east of Ukiah (Deerwood, Eldorado, and Vichy Springs/Guidiville Rancheria)
- With the fire season fast approaching, PRRM is evaluating ways to better assist disaster survivors, including having a list of resources ready to delivery to survivors as soon as a disaster strikes
- With the majority of the projects listed in the 2017 Redwood Complex Fire Recovery Project Plan accomplished, the division will be working on a new recovery project plan which will serve as our long-term strategic framework
- With the addition of Travis Killmer, the Disaster Recovery Field Operations Coordinator, PRRM was able to expand its reach to community partners for stronger collaboration and a greater understanding of unmet needs
 - We would also like to congratulate Travis Killmer on receiving a Challenge Coin from Cal OES, for his work related to the Hopkins Fire recovery
 - This coin is rarely awarded to individuals outside of Cal OES



PREVENTION, RECOVERY, RESILIENCY AND MITIGATION (PRRM) – COVID-19

FEMA Eligible Projects/Costs

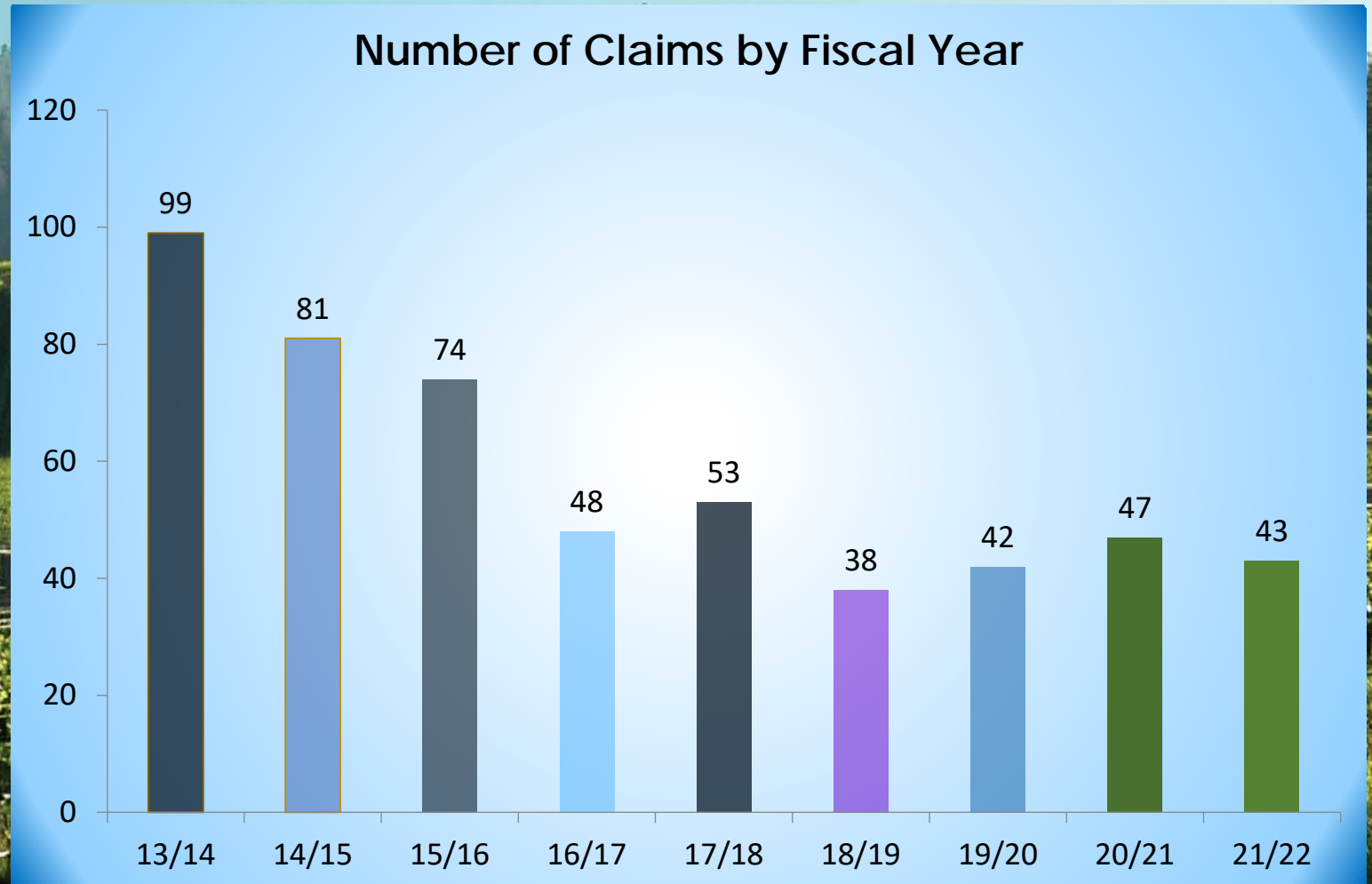
FEMA Eligible Costs	Incurred Costs	FEMA Obligated Amounts	FEMA – Pending Final FEMA Review (Currently Unobligated)	Payments Received from FEMA
Emergency/Department Operations Center	\$1,329,068	\$1,005,250	\$323,818	\$904,725
Emergency Medical Care/Alternate Care Site	\$608,634	\$336,204	\$272,430	\$302,584
Non-Congregant Shelter/Roomkey	\$1,938,219	\$339,598	\$1,598,621	\$101,250
Great Plates	\$13,600,686	\$7,832,494	\$5,768,192	\$7,416,596
Testing	\$190,527	\$-	\$190,527	\$-
Total	\$17,667,134	\$9,513,546	\$8,153,588	\$8,725,155

American Rescue Plan Act (ARPA) Funding

- County of Mendocino was awarded \$16,849,976, of which \$8,424,988 was received in August 2021. The remaining 50% is expected to be received in August 2022
- As of March 2022, \$4,827,463 has been obligated to projects which support; public health Covid-19 response, address negative economic impacts, and water and sewer infrastructure
- During Fiscal Year 2021-22, Q1 presentation on November 16, 2021 the Board of Supervisors directed the remaining ARPA funding to be designated for County core services, infrastructure projects, and emergency funding before other considerations and to be appropriated using the final guidelines

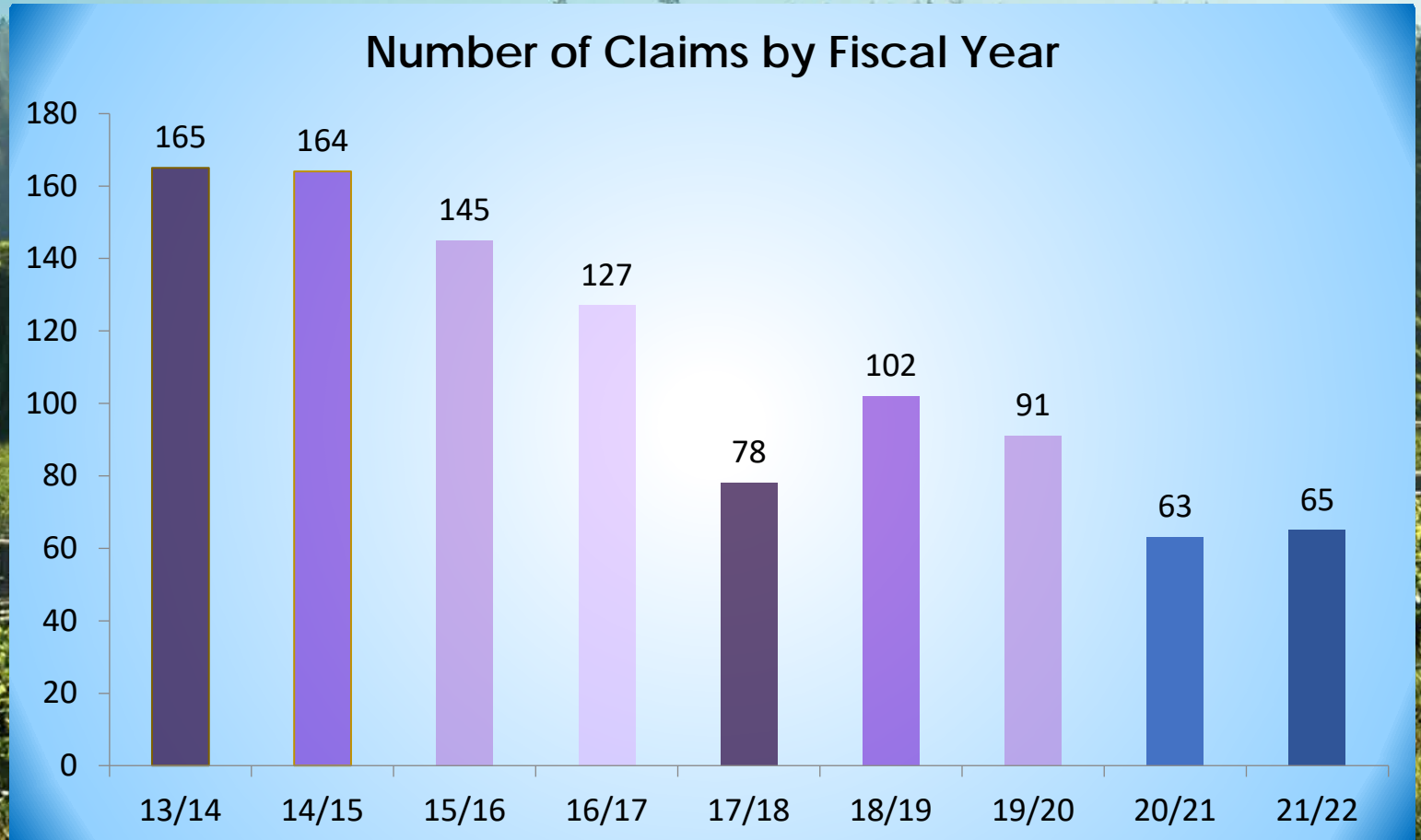
RISK MANAGEMENT

- Liability Premiums are on the Rise
- **\$295,113** in Performance Based Premium Discounts
- Safety Program Revitalization



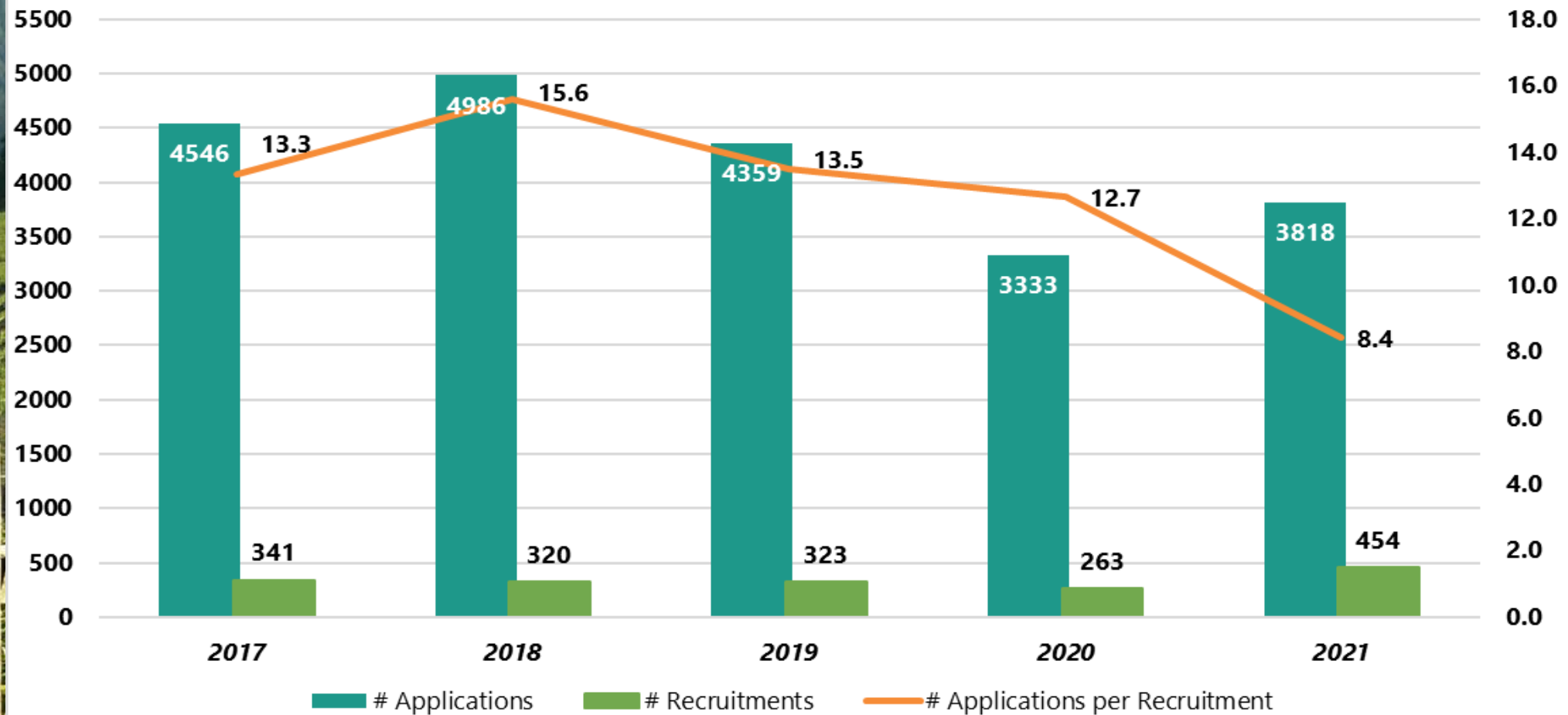
WORKERS COMPENSATION

- Loss Development Rate Reduction
- \$12,226 Surcharge Decrease
- Ergonomics



HUMAN RESOURCES

Number of Applicants per Recruitment



HEALTH BENEFITS

Fiscal Year 2021/22 Projected Health Fund Balance

	Fiscal Year 2021/22 7/1/21 - 6/30/22	Fiscal Year 2021/22 7/1/21 - 6/30/22 With \$4.6 Million ARPA Fund	Fiscal Year 2021/22 7/1/21 - 6/30/22 Without \$4.6 Million ARPA Fund
Projected Claims	\$15,323,778	\$15,323,778	\$15,323,778
Projected Plan Expense	\$3,921,395	\$3,921,395	\$3,921,395
Total Cost	\$19,245,173	\$19,245,173	\$19,245,173
Total Revenue	\$15,477,933	\$15,477,933	\$15,477,933
Health Fund Balance <i>(On June 30, 2021)</i>	(\$1,186,153)	(\$1,186,153)	(\$1,186,153)
Contribution - ARPA Fund	\$0	\$4,600,000	\$0
Health Fund Balance <i>(Estimated June 30, 2022)</i>	(\$4,953,393)	(\$353,393)	(\$4,953,393)

NOTE: As of 4/30/2022, the health fund balance is (\$4,876,166) deficit.

HEALTH BENEFITS

2022 Projected Health Fund Balance

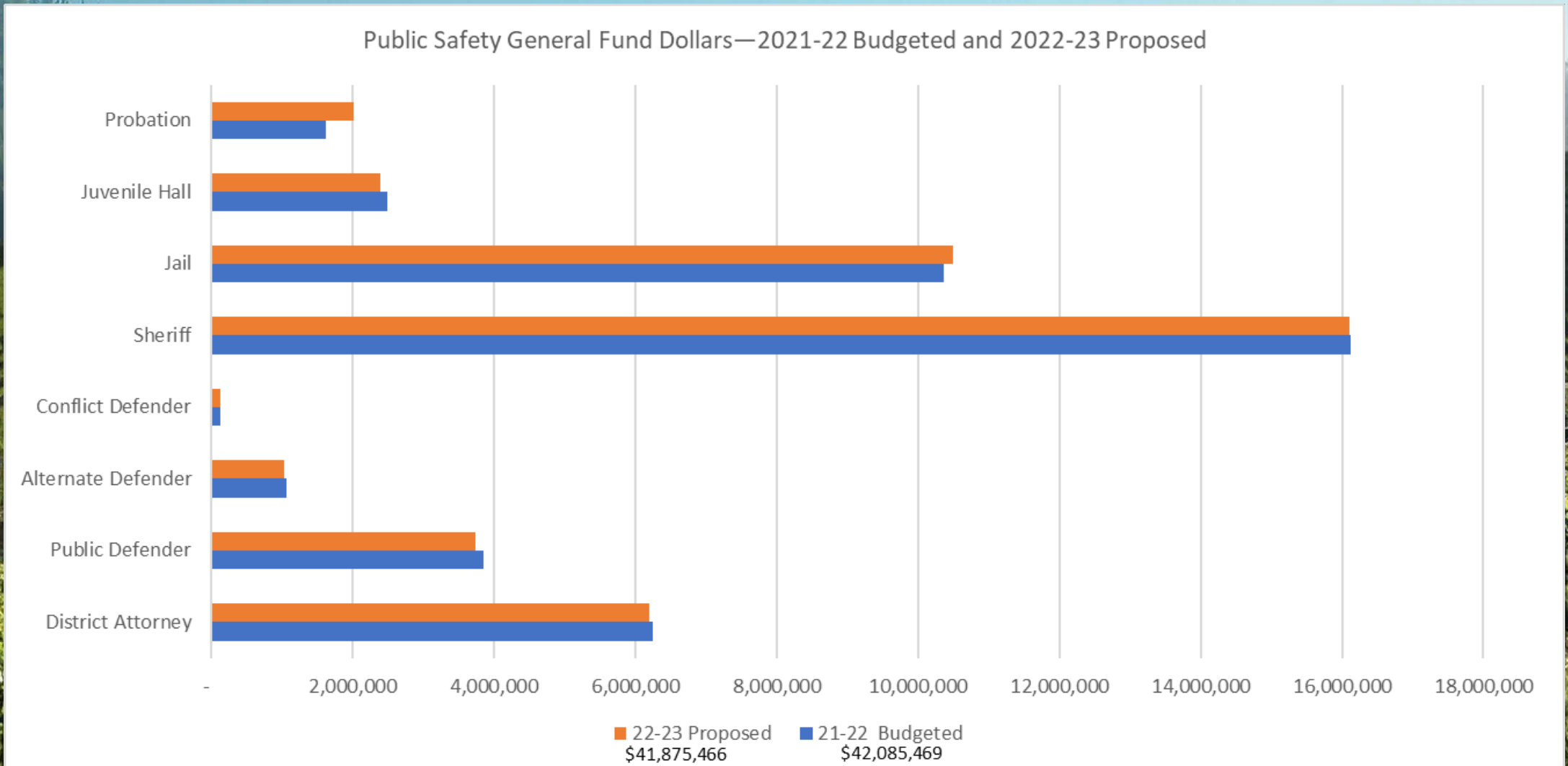
	2022	2022 With \$4.6 Million ARPA Fund	2022 Without \$4.6 Million ARPA Fund
Projected Claims	\$15,010,289	\$15,010,289	\$15,010,289
Projected Plan Expense	\$3,448,089	\$3,448,089	\$3,448,089
Total Cost	\$18,458,378	\$18,458,378	\$18,458,378
Total Revenue	\$15,725,255	\$15,725,255	\$15,725,255
Health Fund Balance <i>(On December 31, 2021)</i>	(\$4,990,657)	(\$4,990,657)	(\$4,990,657)
Contriibution - ARPA Funds	\$0	\$4,600,000	\$0
Health Fund Balance <i>(Estimated December 31, 2022)</i>	(\$7,723,780)	(\$3,123,780)	(\$7,723,780)

LEADERSHIP INITIATIVE

- Leadership Book Club
- Leadership Mentor network
- High Performance Organization (HPO) Trainings
- Leadership Project Team Update
 - Customer Service
 - Operational Processes (Special Ops)
 - Employee Engagement
 - Survey Participation Percentages & Next Steps

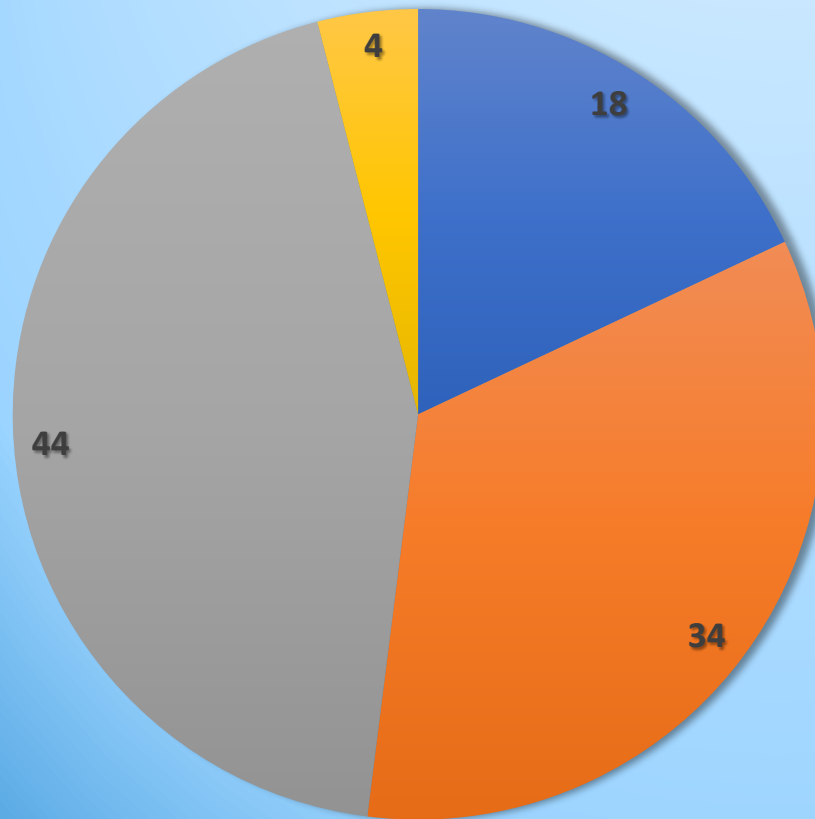
PUBLIC SAFETY GENERAL FUND DOLLARS

2021-22 BUDGETED & 2022-23 PROPOSED



IT MASTER PLAN

Initiative Status

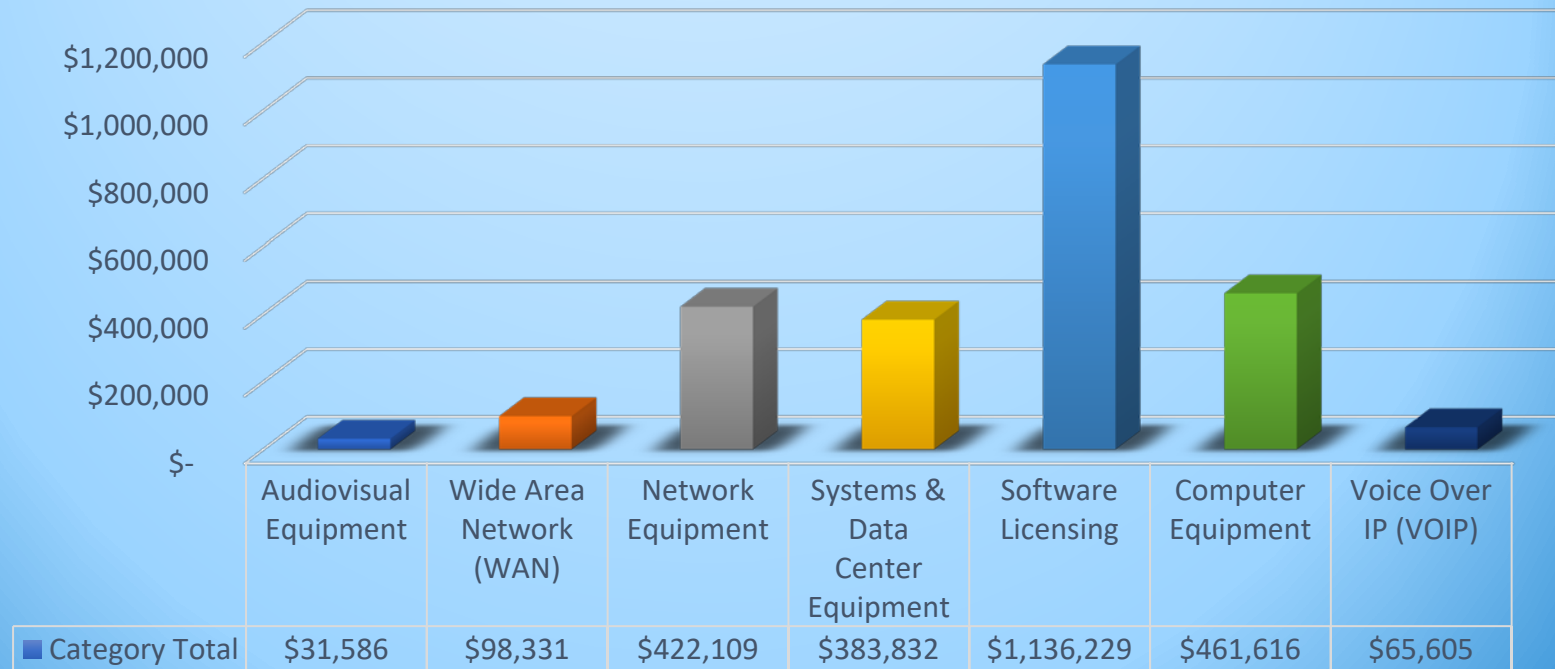


- **Active** - Initiatives currently receiving active efforts from IT staff.
- **Completed** - Initiatives that have had their recommendations and scopes met.
- **Held** - Initiatives held for a variety of reasons including budget, priority, staff availability, or mid to long term delays in goods and services.
- **Canceled** - Initiatives canceled due to lack of need and/or interest.

IT FUNDING

FY 2022-23 Enterprise Internal Service Fund

Allocations by Category



**Chart above does not reflect FY 22/23 Public Safety Microwave Radio Communications allocations. See proposed budget report for additional information.*

DEPARTMENT PRESENTATIONS

JUNE 7TH

- Planning & Building Services
- Transportation / Water Agency
- Museum
- Social Services
- General Services - Parks

FEE HEARING POLICY 32 UPDATE

- December 2022 Fee Hearing
- Executive Office Fiscal Team to Review Department Fees in October 2022
- Present Recommendation to Departments
- Final Approval by Board of Supervisors in December 2022

CEO FY 2022-23 ACTIONS AND RECOMMENDATIONS

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Fiscal Stability

- Allocate \$1,722,513 of ARPA funding to bring department staffing back to pre COVID 19 levels

Financial Sustainability

- Allocate \$115,863 of funding for the Water Agency
- Allocate \$4,600,000 of the American Rescue Plan Act (ARPA) grant to fund County of Mendocino's incurred health plan expenditures

Organizational Development & Infrastructure

- Allocate \$213,648 to fund the local match for the Little River Airport utilizing FY21/22 carryover
- Allocate \$175,000 to fund fencing project at Round Valley Airport from FY21/22 due to project delays

Investment in County Roads

- Allocate \$4,464,068 of SB 1 Road Maintenance and RMRA funding for corrective maintenance and use any available Road Fund to implement prioritized corrective maintenance (DOT)

Economic/Business Development

- Allocate \$25,000 to support the Mendocino County Arts Council
- Allocate \$104,000 direct Staff to continue departmental budgeting of Economic/Business Development contracts annually

Support for Emergency Services

- Allocate \$1,202,217 for the Coastal Valley and Cal Fire Dispatch contract
- Allocate \$198,000 for grants to local ambulance providers (Anderson Valley, Covelo, and Laytonville)

Support Community Partners

- Allocate \$444,000 of Proposition 172 funding to support fire agencies
- Allocate \$700,000 of the Transient Occupancy Tax-Camping/Recreational Vehicle tax to the Fire Agencies

CEO FY 2022-23 ACTIONS AND RECOMMENDATIONS

The Executive Office recommends that the Board of Supervisors take action as follows:

Approve the FY 2022-23 Chief Executive Officer's Proposed Budget for the County of Mendocino, including:

- Direct the Auditor-Controller to encumber any unspent PG&E Disaster Settlement money from Fiscal Year 2021-22, in a General Fund office or department, for designated projects per the approved PG&E Settlement allocation;
- Direct the Auditor-Controller to create a Budget Unit, within the General Fund for Parks, and transfer \$320,000 of appropriations to the new budget unit from Budget Unit 1610, for Parks personnel;
- Direct the Auditor-Controller to create a new fund and Budget Unit for the Air Quality Management District for the purpose of tracking grant revenue and expenses involving those grants;
- Approve the adjustments detailed in the CEO Recommended Budget Adjustments to Departments Submitted, as outlined in Attachment B and Attachment C;
- Approve the FY 22-23 Department Funding Requests (Attachment A) directing the Auditor-Controller to return to the Board of Supervisors on June 21, 2022, with a formal resolution adopting the FY 2022-23 Mendocino County Budget based on the above direction;
- Approve amendments to the Position Allocation Table as listed in Attachment D, directing the Human Resources Director to return to the Board of Supervisors on June 21, 2022, with an updated Position Allocation Table;
- Approve the fixed assets/vehicles, structural improvements, and projects as listed in Attachment F;
- Direct the Executive Office to perform an administrative hiring review of each general fund requested position to be filled, granting new hires in public safety, revenue generating, and cost recovered positions, priority in approval;
- Accept the Fiscal Year 2022-23 Proposed Budget Report

COMMUNITY PARTNER PRESENTATIONS

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JUNE 7TH

- Community Foundation of Mendocino Co
- West Business Development
- Economic Development & Financing Group
- Arts Council of Mendocino County
- Mendocino Film Festival
- Mendocino Coast Children's Fund
- Covelo Cemetery District
- Mendocino County Resource Conservation District
- United Disaster Relief of Northern California

MENDOCINO COUNTY

BUDGET HEARINGS FY 2022-23

