

COUNTY OF MENDOCINO

STATE OF CALIFORNIA

FY 2022-23

Proposed Budget

June 7, 2022

**Interim Chief Executive Officer: Darcie Antle
and Executive Office Fiscal Team**

Picture Courtesy of Visit Mendocino

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**FY 2022-23 Proposed Budget Public Hearing
June 7, 2022
Presentation Schedule**

Tuesday – June 7th

Executive Office Budget Overview

Sheriff's Office Presentation

Planning & Building Services Presentation

Department of Transportation-Water Agency Presentation

Museum Presentation

Social Services Presentation

Public Defender

General Services-Parks Presentation

Community Partner Presentations:

Community Foundation of Mendocino County

West Business Development Center

Economic Development & Financing Corp

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

Department Presentations Will Cover:

- Total Budget with significant budget changes from prior year
- Total staffing
- Efficiencies, cost savings, and metrics
- Board of Supervisor Q&A

INTRODUCTION

This Fiscal Year (FY) 2022-23 Proposed Budget Report contains the FY 2021-22 projected fund balance, as estimated by Departments for the FY 2021-22 3rd Quarter Report in May, and a Summary of Adjustments recommended by the Chief Executive Officer (CEO). Also included is the FY 2022-23 Proposed Budget Summary, which contains the Auditor-Controller's projected revenue figures, the CEO's recommended adjustments, and a variety of other updates. At the end of the Budget Hearings to be held on June 7, 2022, it is requested that the Board of Supervisors adopt the CEO's recommendations included in this document. The CEO and Auditor-Controller will make any revisions directed by the Board of Supervisors to the Proposed Budget, and the FY 2022-23 budget will be presented for formal adoption on June 21, 2022.

BUDGET PROCESS OVERVIEW

Government Code § 29062 requires the Board of Supervisors to approve an Adopted Budget, on or before June 30th of each year. In January, the Board of Supervisors directed staff to prepare a budget for the Board of Supervisors to adopt in June. This process included two public workshops to allow the Board of Supervisors additional input into the budget process prior to development of the Proposed Budget. Once the Board of Supervisors considers the Proposed Budget and directs any changes, the budget will be presented for formal adoption by the Board of Supervisors on June 21st, which will provide the legal spending authority to the County for the new fiscal year. When the Auditor-Controller closes the books on the 2021-22 fiscal year and reports the final fund balance and reserve adjustments, the CEO will bring forward any additional adjustments that may be required as part of the FY 2022-23 1st Quarter review.

A recap of Mendocino County's Budget Process for the FY 2022-23 Proposed Budget: On March 10th, budget instructions for FY 2022-23 were issued by the Executive Office Fiscal Unit and distributed to County Departments at a Budget Kick-off Meeting. At this meeting, Departments were assigned a Net County Cost (NCC). The NCC for a Department is identified by taking the annual expenditures of a Department and subtracting the annual revenues derived by that Department. Most Departments operate at a loss and require infusions of discretionary general fund dollars in order to maintain services. Primarily property tax, sales tax, and transient occupancy tax finance these infusions of revenue, referred to as NCC. The pool from which the County provides these monies are limited, and is annually adopted in the County's budget as Budget Unit 1000, known as Non - Departmental Revenue. An update on these funds is represented in Exhibit A of this document. Departments were instructed to submit a balanced budget. The instructions included a process to request additional funding necessary to maintain current levels of service and a process to request funding for new expenses. Departments were required to provide detailed information related to requests for fixed assets, facility modifications, and additional staffing requests. This ultimately resulted in additional requests for funding of approximately \$7,206,969 over NCC assignments or 10.58% over revised projections.

FY 2022-23 Budget Development Calendar Board Related Dates in Bold

- **January 4, 2022 – Resolution 22-005 regarding budgetary authority**
- 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 10, 2022 – Net County Cost Assignments distributed
- **March 15, 2022 – FY 2021-22 Mid-Year (2nd Quarter) Budget Report & FY 2022-23 Budget Planning Workshop**
- March - April 2022 – Deadlines for Departmental submissions, budget & grant narrative submissions; Executive Office/Auditor-Controller Budget Conferences
- April 6, April 7, and April 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, 2022 – CEO Recommendations for draft Proposed Budget Published
- **June 7, 2022 – Final Budget Hearings for FY 2022-23**
- **June 21, 2022 – Final Budget Adopted for FY 2022-23**

Budget conferences with each department were held during the month of April. Executive Office Fiscal Unit and Auditor-Controller's Office staff met with representatives from each Department to review their budget requests, discuss their unique needs and concerns, and to review impacts and/or requests for additional funding. Department Heads were proactive, and together were able to identify a number of solutions to ultimately prepare a balanced FY 2022-23 budget.

Upon the conclusion of the budget conferences, the Executive Office Fiscal Unit continued to analyze requests for additional funding by comparing requests to prior year funding levels, requesting additional meetings with Department staff to develop a better understanding of their critical operational needs, and working with the Auditor-Controller's Office and the Executive Office/Facilities & Fleet Division on requests for vehicles, equipment, and facility modifications. After considering each Department request and based on the FY 2021-22 3rd Quarter projections for General Fund balance available for financing in FY 2022-23, a list of proposed funding level changes was developed and are included in this report. The adjustments entitled "FY 22-23 CEO Recommended Budget Adjustments to Departments Submitted NCC General Fund Budget Units (Attachment B), and FY 22-23 CEO Recommended Budget Adjustments to Departments Submitted Non General Fund Budget Units (Attachment C)" are based on impact statements and ultimately what each department entered in MUNIS.

The Proposed Budget presented for the Board of Supervisor's consideration is a balanced budget, as required by California Government Code § 29009, based on all currently available information. The budget is balanced in accordance with State code and built on Non Departmental revenue projections of \$84,359,500. The FY 2022-23 Proposed Budget includes funding for \$1,564,613 in one-time projects. Every year the County works to produce a budget that is balanced between the needs of the community and the revenue reality that is presented. All decisions and policies are solely the responsibility of the Board of Supervisors. The Chief Executive Officer serves as the administrative officer designated by the Board of Supervisors to advise and administer Board of Supervisors' direction in fulfilling the requirements of GC § 29009.

Total proposed Budget Unit 1000 (Non-departmental Revenue) available as of March 31, 2022, is \$84,359,500 with special fund allocations of: \$1,584,728 to Debt Service, \$3,919,041 to Transportation, \$1,435,571 to Library, \$293,605 to IT Reserve, \$700,000 to Fire Agencies, \$400,000 to Disaster Recovery, \$115,863 to Water Agency, a fund return of (\$56,910) from Capital Improvements, and a fund return of (\$500,000), from Cannabis Enforcement. Leaving \$76,467,604 for allocation to General Fund Departments for their Net County Cost (NCC) assignment. As stated in Attachment A, the total proposed Net County Cost for General Fund Departments is \$76,456,336.

Proposed Budget Guidelines, Goals, & Priorities

During the budget planning workshops held on April 19 and May 3, 2022, the Board of Supervisors recommitted to the following:

Budget Guidelines:

- Infrastructure Consolidations/Operational Efficiencies
- Reduction to County Expenses
- Invest in County Infrastructure
- Focus on Financial Sustainability and Identify Cost Savings whenever possible

Goals & Priorities:

On May 17, 2022, the Board of Supervisors adopted the 2022-27 Strategic Plan after a collaborative process among County leaders, staff, and citizens. The plan defines County priorities as:

- An Effective County Government Organization
- A Safe and Healthy County
- A Thriving Economy
- A Prepared and Resilient County

- **Fiscal Stability**
 - Debt mitigation and elimination
 - New Jail Additional Costs
 - Overall Facilities improvements – Roofs and HVAC
 - ADA Transition Plan
- **Financial Sustainability**
 - Maintain the reserve policy
 - One-time revenue will not be used for on-going expenses
 - Cannabis Program sustainability
- **Organizational Development**
 - Investing in the Organization’s future through the Leadership Initiative, succession planning, and recruitment/retention practices.
 - Identify and measure departmental performance metrics
 - Operational Efficiencies
 - Employee Salaries
 - Criminal Justice Staffing for new Mandated Transparency reporting
 - (SO, DA, PD, PR, JH, JA)
 - Facility Preventative Maintenance
- **Investment in Roads**
- **Economic/Business Development**
 - Support New Housing Development
 - Broadband
 - Grant Writer Program
 - Climate Initiatives
 - Use of Solar
 - Electric/Hybrid Vehicles
 - Small Business Support
- **Support for Emergency Services**
 - Staffing support for Local Emergency Medical Services (LEMSA)
 - Explore Emergency Medical Services (EMS) Joint Powers Authority (JPA)
- **Disaster Recovery and Resiliency**
 - Emergency Preparedness
 - Emergency Access Routes
 - Continued Pandemic Support
 - Hazard Mitigation
- **Local Homeless Issues**
 - Project HomeKey

- **Support Community Partners**

- Development of Water Agency
- Fire Districts
- Fire Safe Awareness / Forest Management
- Potter Valley Water Project
- Climate Action Committee
- County Service Area 3
- Other Special Districts/Agencies

In keeping with the fiscal management guidelines, goals, and priorities directed by the Board of Supervisors, the Executive Office has continued to focus on fiscal prudence and management while striving to implement the Board of Supervisors' goals and priorities as mentioned above.

CHIEF EXECUTIVE OFFICER'S PROPOSED BUDGET ACTIONS & RECOMMENDATIONS

Listed below is an overview of recommendations and actions, presented for Board of Supervisors consideration in keeping with the priority direction the Board has provided during the FY 2022-23 Budget Workshops:

CEO Recommended Actions on the Proposed Budget:

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 2022-23 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

CHIEF EXECUTIVE OFFICER'S PROPOSED BUDGET ACTIONS & RECOMMENDATIONS

Fiscal Stability

- Allocate \$1,722,5131 of ARPA funding to bring departmental staffing back to pre-COVID-19 levels.

Financial Sustainability

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

Organizational Development & Infrastructure

- Allocate \$213,648 to fund the local match for the Little River Airport utilizing FY21/22 carryover
- Re-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 to 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

State Budget Update

On May 13, 2022 Governor Newsom released his 2022-23 May revision. The Governor revised his \$46 billion revenue surplus, as assumed in his January Budget proposal, reporting a whopping \$97.5 billion operating surplus, with a discretionary surplus of \$49.2 billion.

The Governor’s budget reflects \$37.1 billion budgetary reserves and proposes to invest 94% of the remaining surplus for one-time expenditures to address some of the state’s pressing issues, including \$18.1 billion in direct relief to Californians, and \$37 billion for infrastructure (including \$20 billion for infrastructure previously proposed in his January budget proposal)

The \$18.1 billion of proposed direct relief includes a temporary reduction in the sales tax on diesel, a \$400 rebate to households based on registered vehicles, covering all family fees for subsidized childcare, retention bonus payments for hospital and nursing home employees, and funding for rental assistance and outstanding utility bill debts.

**2022-23 May Revision
General Fund Budget Summary**
(in millions)

	2021-22	2022-23
Prior Year Balance	\$37,698	\$15,425
Revenues and Transfers	\$226,956	\$219,632
Total Resources Available	\$264,654	\$235,057
Non-Proposition 98 Expenditures	\$165,590	\$145,071
Proposition 98 Expenditures	\$83,639	\$82,292
Total Expenditures	\$249,229	\$227,363
Fund Balance	\$15,425	\$7,694
Reserve for Liquidation of Encumbrances	\$4,276	\$4,276
Special Fund for Economic Uncertainties	\$11,149	\$3,418
Public School System Stabilization Account	\$7,293	\$9,519
Safety Net Reserve	\$900	\$900
Budget Stabilization Account / Rainy Day Fund	\$20,325	\$23,283

County Highlights

- \$1.6 billion for drought relief, including \$75 million for payments to affected farmers
- \$8 billion for investments in the state’s energy system
- \$17 billion in new infrastructure proposals, including:
 - \$1.1 billion of additional funding for the state’s middle-mile broadband network
 - \$500 million in new interim housing investments
 - \$150 million in additional Project Homekey funding
 - \$500 million in additional funding for the Active Transportation Program

- \$660 million to ensure public safety with funding for new officers and mental health support for law enforcement, support for victims of sex trafficking, increased efforts on internet crimes against children and tackling the opioid crisis.
- \$14.7 million to confront homelessness and the mental health crisis
- \$200 million for rebuilding local Public Health Departments
- \$47.1 billion climate commitment – an increase of \$32 billion this year to tackle pollution, build climate resilient water supplies, reduce the risk of catastrophic wildfires, ensure grid reliability and accelerate clean energy solutions.
- The Administration proposes to effectively eliminate the cultivation tax by lowering the tax rate to zero starting July 1, 2022

Government Finance and Administration- Includes a \$1.1 billion investment over two years to the California Department of Technology Broadband Middle-Mile Initiative. This funding is in addition to the \$3.25 billion provided in the 2021 Budget Act.

The May revision includes \$40 million over three years to provide competitive grants to local jurisdictions that provide matching grants to expand veteran-specific mental health service capacity. The program is aimed at supporting the creation of self-sustaining, ongoing programs for veterans that maximize existing federal programs.

Administration of Justice-Local Public Safety - The Governor’s January budget proposed \$356 million General Fund over three years for the Real Public Safety Plan, which focuses on bolstering local law enforcement response, improving and expanding tools and resources for prosecutors, and increasing efforts to get firearms off the streets. The revision builds off the January budget with the following criminal justice investments:

Officer Wellness Grants- Includes \$50 million one-time General Fund for grants to improve law enforcement officer health and well-being, build resiliency, decrease stress and trauma, and improve community trust and relations. These funds are in addition to the \$5 million one-time General Fund included in the Governor’s January budget for the Commission on Peace Officer Standards and Training (POST) to develop a Law Enforcement Wellness Program for officers.

Mobile Probation Centers- Includes \$20 million one-time General Fund to establish a competitive grant program for counties to create mobile probation centers, modeled after a program established by Placer County. Grant funding will be utilized to purchase vehicles and technology, including computers, internet, phones, televisions, and video communication. The mobile service centers will facilitate court appearances and pre-trial check-ins, complete needs assessments, and identify housing, employment, and other related services.

Missing Indigenous Persons - Includes \$12 million General Fund over three years to establish a competitive grant program to help California tribes locate and identify missing Indigenous persons. These funds will be available to provide resources for tribal police and prosecutors, counseling services, education, and other activities.

Proposition 47 Savings Estimate Each year, state savings from the implementation of Proposition 47 are transferred and reallocated through grant programs. The revision estimates net General Fund savings of \$161.1 million—an increase of \$13.8 million over the Governor’s January Budget projection. Sixty-five percent is allocated for grants to public agencies to support various recidivism reduction programs (such as mental health and substance use treatment services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victim services. This additional funding will bring the total allocated for these programs to approximately \$608.4 million General Fund since the passage of Proposition 47.

Post Release Community Supervision (PRCS)- Includes \$20.9 million one-time General Fund for county probation departments to supervise the temporary increase in daily population of individuals on PRCS as a result of the implementation of Proposition 57, approved by the voters in 2016. This is \$2.3 million below the Governor’s January Budget projection, corresponding to fewer releases of incarcerated individuals than projected in 2021.

Community Corrections Performance Incentive Grant-The Community Corrections Performance Incentive Grant, established by Chapter 608, Statutes of 2009 (SB 678) was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. The revision proposes \$123.8 million General Fund annually through 2024-25 to provide county probation departments with a consistent level of funding based on prior performance. This builds on the January proposal of \$115 million one-time General Fund investment.

Victim Services-Includes investments to protect those who face a high rate of victimization.

Local Law Enforcement Aid-California Office of Emergency Services (CalOES) The revision includes \$25 million General Fund ongoing and five positions to provide local law enforcement mutual aid during disasters and emergencies. This funding will reduce local costs, accelerate response time, and provide sustainable participation of all 58 counties within the State Law Enforcement Mutual Aid system by minimizing funding considerations from the decision-making process.

Division of Juvenile Justice (DJJ) Realignment Consistent with Chapter 337, Statutes of 2020 (SB 823), DJJ ceased intake of new youth on July 1, 2021, with limited exceptions. DJJ is scheduled to close on June 30, 2023, pursuant to Chapter 18, Statutes of 2021 (SB 92). The revision reflects an estimated average daily population of 641 youth in 2021-22 and 430 youth in 2022-23, which represents a decrease of 16 and 114 youth in 2021-22 and 2022-23, respectively, compared to the Governor's January budget estimates. Currently, DJJ estimates there will be approximately 300 youth remaining in its care on June 30, 2023. Outlined in a plan released earlier this year, DJJ will work with youth, their Interdisciplinary Treatment Teams, their families, state and county officials, and community stakeholders to develop individualized transition plans and ongoing treatment strategies.

Most notably, there were no changes included in the revision to the \$100 million for county probation to improve and redesign juvenile facilities to better serve realigned youth.

Expanding the Returning Home Well Program-The revision adds \$3 million to the \$10.6 million included in the Governor's January budget proposal to continue the Returning Home Well program. This amount is proposed annually for three years to provide transitional housing to youth discharged by the Board of Juvenile Hearings in 2022-23. Transitional housing will be available to youth who are at risk of homelessness upon their release to support them in successfully reentering their communities.

Agriculture, Environment, and Natural Resources-The Governor's January budget included significant investments to prepare for, and protect against, our changing climate. The revision focuses investments on drought, with significant year-over-year investments in fire personnel, as well as major changes to the cannabis tax structure.

Drought-The January budget included \$750 million General Fund for drought response, setting aside \$250 million for spring proposals. It also allocates an additional \$1.6 billion to continue the state's drought response. Counties will see funding across a broad range of areas from water storage and infrastructure to water recycling and agricultural sector relief. Notably, the proposal does not include funding for dam safety and flood infrastructure, as proposed by a coalition of water and local government advocates.

Water Storage Infrastructure Investment-Proposes \$500 million for Proposition 1 Water Storage Investment Projects, to be allocated as projects begin construction over the next few years. This General Fund investment is intended to serve as a multi-year commitment to promote strategic water storage projects in the state that benefit water supply reliability and the environment.

Drought Relief Assistance for Small Agricultural Businesses-Includes \$75 million General Fund in 2022-23 for the California Small Agricultural Business Drought Relief Grant Program, to provide direct assistance to eligible agriculture-related businesses that have been affected by severe drought conditions. Grant awards range from \$30,000 to \$50,000, depending on annual gross revenue decline, and will be prioritized first to businesses located in regions hardest hit by drought impacts.

Other Drought Investments- Includes significant drought and water investments across multiple state agencies, mostly through existing funding programs.

Water Recycling, Groundwater, and Clean Water Programs-Proposes \$530 million to support water recycling and groundwater cleanup, advance clean drinking water projects, and continue aqueduct solar pilots.

Emergency Assistance, Food Assistance Support, and Direct Drought Relief- Proposes an additional \$553 million to support local emergency drinking water response, including the purchase and pre-positioning of water storage tanks; enhanced water rights enforcement and modernization tools; support for food assistance programs for farmworkers impacted by drought; grants to urban water districts and smaller community water suppliers for drought-relief projects; and support for data, research, and public education campaigns.

Water Bill Debt Relief Counties with water and wastewater systems will also see an additional investment of \$200 million to address residential water and wastewater arrearages.

Drought Education-Proposes an additional \$100 million one-time General Fund in 2022-23 for the “Save Our Water” outreach campaign to promote public awareness about the impacts of extreme drought and methods for water conservation.

Cannabis-Includes enormous changes to the current cannabis taxation scheme. The Administration proposes to effectively eliminate the cultivation tax by lowering the tax rate to zero starting July 1, 2022. In addition, the proposal would shift the point of collection and remittance from final distribution to retail. Under the current system, final distributors are responsible for remitting both cultivation and excise tax to the Department of Tax and Fee Administration. While the revision maintains the excise tax rate at 15 percent, the proposal includes the authority to increase this rate if tax revenues fall below the baseline amount within the Cannabis Tax Fund.

Homelessness-Includes \$650 million in homelessness funding over two years. The proposed investments are designed to complement homelessness funding approved in the 2021-22 Budget and aid in California’s response to the ongoing homelessness crisis. The revision proposes \$150 million in supplementary Homekey funding for FY 2022-23. Counties, cities, continuums of care (CoCs), and tribal governments have requested billions for projects in rounds 2 and 3 of Homekey. Additionally, the proposal includes \$500 million for fiscal years 2022-23 and 2023-24 to fund interim housing for unsheltered individuals while permanent housing solutions come online.

Housing, Land Use, and Transportation-Builds on the General Fund investments proposed for housing and infrastructure in the January budget proposal with \$2.7 billion in emergency rental assistance funding and an additional \$500 million for housing projects that reuse existing commercial sites in downtown areas.

The revision builds on his January proposals for General Fund investments in transportation infrastructure with an additional \$500 million allocation to the state’s Active Transportation Program. As part of a larger package of proposed financial relief measures for Californians, revision includes a proposal to suspend the state’s share of sales tax on diesel fuel for one year, as well \$750 million for incentive grants to transit agencies.

General Fund Allocations for Transportation Infrastructure-Proposes an additional \$500 million General Fund for active transportation project grants to local and regional transportation agencies. Governor’s January budget proposed a one-time \$5 billion General Fund allocation to the following transportation infrastructure projects, in exchange for authorization of \$4.1 billion in Proposition 1A bond funding for the High-Speed Rail project:

- Statewide transit and rail projects - \$2 billion
- Southern California transit and rail projects - \$1.25 billion
- Active Transportation Program - \$500 million (increased to \$1 billion by the May revision)
- Rail Grade Separation Projects - \$500 million
- State and local climate adaptation transportation grants - \$400 million split evenly between Caltrans and local and regional governments
- Reconnecting Communities: Highways to Boulevards Pilot Program - \$150 million
- Highway Safety Improvement Program bicycle and pedestrian safety projects - \$100 million, split evenly between CalTrans and local government.

Health and Human Services-Includes updated revenue assumptions for 1991 Realignment and 2011 Realignment. The updated projections for 2021-22 and 2022-23 indicate that Realignment revenues will continue to grow for both 1991 Realignment and 2011 Realignment above what was projected in January. The revision estimates revenues will grow by 11.5 percent in 2021-22 over 2020-21 levels and 5 percent in 2022-23 over 2021-22 levels. The Realignment revenue tables, including specific projections by subaccount, are included in the appendix at the end of this Budget Action Bulletin.

Behavioral Health

CARE Courts-Includes \$64.7 million for his new Community Assistance, Recovery, and Empowerment (CARE) Court proposal to fund state department and Judicial Branch costs for the new program. The Governor also notes that he is working with counties on cost estimates for new county responsibilities under the CARE Court framework. Additionally, significant CARE Court policy provisions remain unresolved, such as county sanctions, housing for participants, and how the eligibility and screening process will work.

Children and Youth Behavioral Health-Proposes additional augmentations to his multi-year Children and Youth Behavioral Health Initiative from 2021 to address urgent youth mental health issues. He proposes using \$290 million (General Fund) in 2022-23 for the following: • Youth suicide prevention (\$40 million) • Crisis response for schools and communities (\$50 million) • Wellness and mindfulness grants (\$85 million over two years) • Parent education (\$15 million) • Career development for high schoolers (\$25 million) • Digital assessments and interventions (\$75 million)

Child Welfare and Foster Care Child welfare services and foster care provides a range of services for children who are at risk of or have been victims of abuse and neglect. The revision includes \$988.8 million General Fund for these programs. Total funding for children's programs is more than \$9.2 billion, including federal funding, 1991 Realignment, and 2011 Realignment revenues.

Early Childhood Programs-Investments in early learning and childcare programs. These include: • \$157.3 million total to waive family fees for state subsidized preschool and childcare development services for 2022-23 that would be funded by federal funds, General Fund, and Proposition 98 General Fund. • \$200.5 million for grants for minor renovation and repair projects focused on childcare deserts and low-income communities. • \$413 million to support a full year of rate increases while the state works with stakeholders on the development of a single reimbursement rate structure.

CalWORKs-Includes an 11 percent increase in the CalWORKs grant levels. The increased grant costs total \$296.2 million in 2022-23.

COVID-19 Emergency-The Governor is preparing to unwind some of the state's COVID-19 public health emergency (PHE) flexibilities in 2022-23 but does not specify when this will occur. The proposal earmarks \$146 million (\$73 million General Fund) over 2022-23 and 2023-24 for the anticipated additional county workload associated with the resumption of Medi-Cal eligibility redetermination requirements. After the PHE ends, California will have 14 months to complete redeterminations for all Medi-Cal beneficiaries in the state. The revision also dedicates about \$85 million for health enrollment navigation and outreach for Medi-Cal, the transition of eligible individuals to Covered California, a public awareness campaign, and an innovative "Coverage Ambassadors" program to help eligible individuals maintain health care coverage.

Local Public Health funding-The Governor maintains the proposed \$200 million in the January Budget for rebuilding local public health departments.

Wildfire, Emergency Preparedness & Response

Wildfire and Forest Resilience-Adds wildfire and forest funding in two categories—ongoing and immediate. For the current year, and in response to the ongoing drought, includes \$83.1 million one-time General Fund to augment state fire protection.

Firefighting Workforce and Surge Capacity-Proposes an additional \$150 million and 465 positions at CAL FIRE, as well as support to the University of California (UC) Extension Fire Advisory Program. The proposal clarifies funding and builds upon several January budget proposals:

Conclusion/Next Steps

The Governor's May Revision is very recent, and changes are inevitable as negotiations begin. Mendocino County Executive Office staff will continue to work with its state lobbyists and monitor state and federal legislative and budget developments to stay informed of proposed changes. Some budget items inevitably have a big effect on Mendocino County and its residents. Mendocino County will continue to work with and support local partners in obtaining grant funding. County staff is committed to keeping a firm hold on information resources to be able to allow the Board to act proactively when needed.

Negotiations will now begin on the Budget Bill and first wave of budget trailer bills, which will be passed by June 15.

SUMMARY OF CHANGES IN THE FY 2022-23 PROPOSED BUDGET (FROM FY 2021-22)

This report includes budget adjustments recommended to the Board of Supervisors. A summary of the adjustments is included in Attachment B and Attachment C.

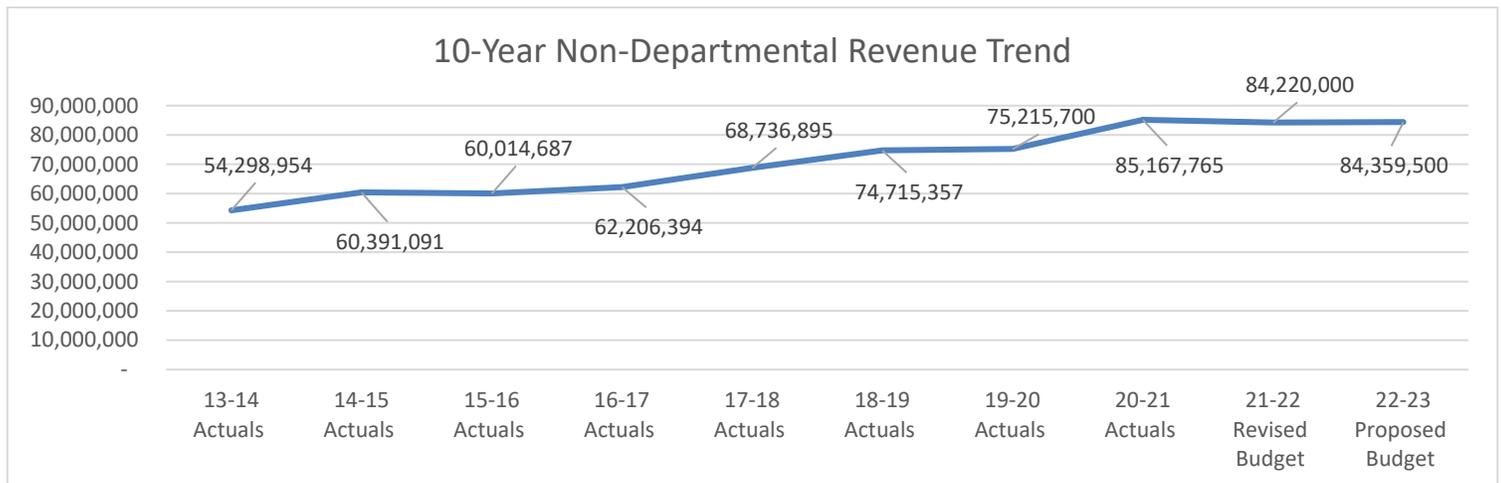
Salary and Benefits

FY 2019-20 the County entered into 3-year agreements with all eight bargaining units. These 3-year agreements expire in 2022 and bargaining unit negotiations began in with some bargaining units in FY 2021-22. This budget proposal includes a projected increase of 4% for Health Plan costs.

BU 1000 Discretionary Revenue

The projections for BU 1000 revenues were reduced by \$1,245,000 during the Mid-Year report, largely due to a \$3,500,000 anticipated in Cannabis Business Tax. The total FY 2021-22 revenue for BU 1000 is projected to remain flat going into FY 2022-23. A detailed breakdown of discretionary revenue projections is included as Exhibit A.

Budget Unit 1000 includes operating transfers of General Fund dollars to other funds. The FY 2022-23 Proposed Budget includes operating transfers to the Department of Transportation, Library, Debt Service Fund, IT Reserve, Disaster Recovery, Fire Agencies, and Water Agency. These operating transfers are further detailed in Attachment G and other various charts included in this report.



BU 1930 Teeter Plan

The Teeter Fund runs most of the year with a deficit cash balance and, therefore, incurs an interest “expense” instead of interest “revenue”. The County’s goal for the Teeter Plan is to always first cover any current year interest expense and any current year property tax delinquency, with the redemption revenues collected throughout the current year. After that, any excess revenues can be added to the General Fund as fund balance available. The Auditor-Controller’s 2022-23 projection for the Teeter Fund is to breakeven at this point and not have excess revenue to contribute to fund balance available. The following factors are contributing to the Teeter Plan performance projected for FY 2022-23:

- Interest rates are projected to remain the same as the prior year which will result in no increased interest expense to the county.
- The 2022-23 Teeter Plan is projected to cover the current year interest expense and delinquencies but not contribute to fund balance available.
- Both “Property Tax Delinquent Revenue” and “Penalty and Cost on Delinquency Revenue” are projected to be the same as the prior year.

Debt Mitigation & Elimination – Reserves & Contingencies

The General Fund Reserve was increased by \$2.5 million in FY 2021-22. The total County budget is over \$355.8 million, creating an operating budget of over \$29.6 million per month. The County's General Fund Reserve is still less than the one month of operational costs.

The proposed budget does not include a recommended dollar amount to fund the General Fund Reserve this year. The Reserve level is below the minimum amount allowed by Board of Supervisors' Policy #32. The policy sets the General Fund Reserve level at 6.35% of prior year General Fund appropriations. This Reserve is the County's primary protection against an economic downturn or significant emergency.

The Proposed Budget does not include a \$250,000 recommendation for consideration, to allocate funding for contingencies as required by Board of Supervisors' Policy #32. Contingencies are used for unexpected expenses that arise during the year. Contingencies would be the first source of additional funding tapped before an emergency or economic disaster required the use of the General Reserve.

Water Agency

Funding in the amount of \$115,863 is being allocated to the Water Agency for the Russian River Watershed Association, Inland Water and Power Commission, and Ukiah Valley Basin Groundwater Sustainability Agency annual memberships. These memberships are paid by additional funding allocations each budget year. The entities provide valuable services and inter-agency collaboration for the Water Agency.

Land Improvement

Funding in the amount of \$800,000 is being allocated for development of the bid documents for the approximately 36 remaining Trash Capture Devices in the Ukiah area and final installation on the Trash Capture Devices in Fort Bragg. This is to be under the operating transfer from BU 2910 as ARPA funding. The total estimated project cost is \$3 million over 10 years.

Funding in the amount of \$200,000 is being allocated for the preliminary portion of the construction of the Trash Capture Devices in the Ukiah area. This is part of the ARPA grant funding.

Funding in the amount of \$14,000 is being allocated for the purchase of a new large plotter as the current plotter will no longer be supported for updates and maintenance.

Round Valley Airport

Additional funding in the amount of \$5,500 is being allocated for Expenses related to developing the Airport Capital Improvement Plan.

A carryover of one-time funding from FY 21/22, in the amount of \$175,000, is being reallocated to Round Valley Airport for the construction of a perimeter security fence. This fence will reduce the frequent trespassing and vandalism that occurs at the airport, and reduce liability to the County.

Little River Airport

Funding in the amount of \$43,213 is being allocated to Little River Airport for the new ongoing costs of the Airport Operations Specialist.

Funding in the amount of \$125,000 is being allocated to update the Plans, Specifications, and Estimate for the Taxiway Reconstruction project. These updates are necessary to comply with FAA requirements.

A carryover of one-time funding from FY 21/22 in the amount of \$213,648 is being allocated to Little River Airport for the first of two years of local match of the Taxiway Reconstruction project. Anticipated total project costs are \$7,769,000, with \$427,295 in local match split between two fiscal years. All other project costs are anticipated to be funded by Federal and State grants.

County Road

The Chief Executive Officer and the Mendocino County Department of Transportation (MCDOT) recommend allowing \$4,464,068 of Senate Bill 1 (SB 1) Road Maintenance and Rehabilitation Account (RMRA) funding to be utilized in Fiscal Year 2022-23 for corrective maintenance pursuant to the Board of Supervisors' ongoing commitment to improving the County's Pavement Condition Index (PCI) pursuant to the January 9, 2019 MCDOT "20 year plan". The California State Association of Counties does anticipate RMRA funding will grow over the 20-year projections for SB 1 made when the bill passed in 2016, and the County expects to see increased revenue in future years for corrective maintenance.

Cannabis Program

Since the inception of the Cannabis Program (now Department) in 2017, the Program has been managed under multiple departments starting in the Department of Agriculture and then moving to Planning and Building Services in 2019. In each of these instances, the Cannabis Program's budget has been incorporated into the respective departments' budget which, in many cases, has challenged the ability to clearly determine the revenue and expenses associated with the Program's operation. Toward the end of the 2020-2021 Fiscal Year the County made the decision to turn the Cannabis Program into a stand-alone department.

The budget projections made by the Department for the 2022-2023 Fiscal Year estimate \$1.2 million in revenue. This is based upon continued growth of the department in staffing positions that generate revenue by serving the community of cultivators locally. Additionally, the Department believes that it could realize more funding through service as we are also transitioning the licensure of Cannabis Facility Business Licenses (CFBL's) into the Department's purview. Beginning in 2022, and continuing into Fiscal Year 2022-2023 the department is also collecting the fees associated with the processing of the County's Section 15168 Environmental Checklist, commonly known as Appendix G.

Cannabis Program staff has been working diligently to develop a fee schedule for the new Department, and plans to present to the Board of Supervisors. Staff are confident that once the fees are finalized and implemented a fee schedule for the new department will be able to more accurately reflect both revenues and expenses associated with the Cannabis Department operations.

Prevention, Recovery, Resiliency, and Mitigation (PRRM) Division

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. As the fire season is approaching, the division will be evaluating ways to better assist disaster survivors. This includes having a list of resources ready to deliver to disaster survivors as soon as a disaster strikes. With the addition of the Disaster Recovery Field Operations Coordinator position, PRRM was able to expand its reach to community partners for stronger collaboration and greater understanding of unmet needs.

As part of ongoing efforts to foster improved community resiliency and preparedness, PRRM staff have continued building connections with our community partners. In addition to working with our non-profit partners, staff has been regularly attending the meetings of Municipal Area Councils (MACs) to better understand and support the needs of residents in unincorporated areas of the County. PRRM staff is using these opportunities to interface with and listen to the needs of the community to better inform which grants and other funding opportunities to pursue in a manner that aligns with the real needs of our residents and partners. For example, PRRM has been collaborating with the Round Valley and Laytonville MACs and North County Fire Protection Districts to develop grant proposals that will improve the ingress/egress of evacuation routes through the implementation of hazardous fuels reduction projects.

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. The division will be releasing a recovery survey and soliciting community feedback at the beginning of fiscal year 2022-23 as we put together a new recovery project plan for all the recent disasters.

Active grant projects during the FY2021-22 are listed below along with grant applications that are still pending as potential projects for next fiscal year.

FY 21-22 Active Grant Projects	Grant Program	Award Amount	Non-federal Share
Redwood Complex Fire Recovery: Hazardous Tree Removal	CAL FIRE CA Climate Investment Fire Prevention Grant	\$ 1,001,450	\$ -
Redwood Valley Water District Infrastructure Retrofit - Phase I & II	HMGP DR-4344	\$ 5,991,244	\$ 1,997,081
Match for Redwood Valley Water District Infrastructure Project- All Phases		\$ 1,900,000	\$ -
Disaster Recovery and Economic Resilience Planning Project	EDA Disaster Supplemental	\$ 397,180	\$ 104,000
Western Hills Fuel Break	Fire Prevention Grant Program	\$ 1,652,200	\$ -
FY 2019 Public Safety Power Shutoff (PSPS) Resiliency Allocation	FY 2019 Public Safety Power Shutoff (PSPS) Resiliency Allocation	\$ 372,962	\$ -
General Plan Safety Element Update	HMGP DR-4353	\$ 124,372	\$ 41,457
Ignition Resistant Construction Phase I	HMGP DR-4353 (moved to DR-4308)	\$ 304,089	\$ 101,363
Update Zoning Code	Local Early Action Planning Grants Program (LEAP)	\$ 150,000	\$ -
Back-up Generators	Community Facilities Program	\$ 70,000	\$ 130,001
FY 2020 Public Safety Power Shutoff (PSPS) Resiliency Allocation	Fiscal Year 2020 Community Power Resiliency Allocation	\$ 186,481	\$ -
Multifamily Housing Program (MHP)	CDBG-DR MHP	\$ 6,591,778	\$ -
Mendocino County Transitional Housing Facility	Project Homekey	\$ 8,325,500	\$ -
Project Homekey Operating Subsidy	Project Homekey Operating Subsidy	\$ 1,344,000	\$ -
IT Emergency Communication Projects	CDBG-DR MIT	\$ 5,404,000	\$ 5,404,000
Mendocino County Community Wildfire Protection Plan Update	CDBG-Mit PPS	\$ 160,000	\$ -
Non-federal match for General Plan Safety Element Update	CDBG-Mit PPS	\$ 41,457	\$ -
Non-federal match for Local Hazard Mitigation Plan Update	CDBG-Mit PPS	\$ 62,500	\$ -
Homekey Phase II	CDBG-CV2&3	\$ 1,069,156	\$ -
Fire-Hazard Abatement Ordinance Implementation Public Services	CDBG PPS	\$ 187,064	\$ -
Fire-Hazard Abatement Ordinance Implementation Planning	CDBG PPS	\$ 107,936	\$ -
California Microbusiness Covid-19 Relief Grant Program (MBCRG)	California Microbusiness Covid-19 Relief Grant Program (MBCRG)	\$ 109,251	\$ -
Mendocino County Early Warning Sirens	HMGP DR-4382 (resubmitted to 4407)	\$ 129,161	\$ 43,054
Mendocino County Community Water Supply Replacement Project	Small Community Drought Relief Program	\$ 2,000,000	\$ -
		\$ 37,681,780	\$ 7,820,956

FY 21-22 Pending Grant Applications	Grant Program	Award Amount	Non-Federal Share
Orr Springs Fuels Reduction	HMGP DR-4558	\$ 636,000	\$ 212,000
Permanent Local Housing Allocation (PLHA)	Permanent Local Housing Allocation (PLHA)	\$ 2,099,753	\$ -
CAL FIRE Fire Prevention	CAL FIRE Fire Prevention	\$ 1,800,000	\$ -
Mendocino County Grants Capacity Building	PrepCA JumpStart	\$ 992,000	\$ -
Provide free public EV charging at Mendocino County's Admin Center	Clean Transportation Program Rural Electric Vehicle (REV) Charging	\$ 1,600,000	\$ 320,000
Mendocino County Sea Level Rise Resilience Strategy	Coastal Resiliency Fund	\$ 100,000	tbd
		\$ 7,227,753	\$ 212,000

Hopkins Fire Update

Local Emergency

The Hopkins Fire, which was the result of arson, started on Sunday, September 12, 2021, burned over 250 acres, and destroyed over 60 structures. The Mendocino County Health Officer and CEO/Director of Emergency Services, on September 16, 2021, issued a local health emergency and proclaimed the existence of a local emergency. On September 13, 2021, the Prevention, Recovery, Resiliency, and Mitigation (PRRM) Division established a Hopkins Fire webpage and disaster hotline to provide information and resources to fire impacted residents and collect contact information. PRRM conducted a Preliminary Damage Assessment (PDA) of the Hopkins Fire burn scar from September 16-17, 2021. Data collected by the PDA, in conjunction with information collected from the disaster hotline were used to compile a database of impacted properties and residents. On September 29, 2021, the PRRM team, along with LACO Associates, and the California Office of Emergency Services (CalOES) Watershed and Debris Flow Task Force, visited the burn scar to conduct a preliminary assessment of potential hazards. The assessment identified several areas of concern regarding potential debris flows, slope instability, and watershed contamination. The PRRM team hosted a Local Assistance Center (LAC) for the Hopkins Fire Survivors on October 7, 2021. The LAC brought together numerous non-profits, County departments, and State agencies to assist fire survivors. On October 14, 2021, PRRM, CalOES, and the U.S. Small Business Administration (SBA) conducted a second PDA to verify the damages reported by PRRM to support disaster declarations of the State of California and SBA.

State Emergency

The State declared the fire an emergency on October 22, 2021, which enacted the California Disaster Assistance Act (CDAA), unlocking recovery funding and additional resources. In anticipation of substantial forecasted rainfall, the PRRM team, LACO Associates, the California Conservation Corps (CCC), along with Russian River Keepers, installed a little over 2,300 linear feet of straw wattles, and silt socks to mitigate the environmental impact related to 10 parcels adjacent to the Russian River on October 22, 2021. The SBA approved the County's request for a disaster declaration on October 26, 2021. The declaration allowed residents impacted by the Hopkins Fire to apply for low-interest disaster loans. The California Department of Toxic Substances Control (DTSC) performed Phase I household hazardous waste (HHW) cleanup of the burn scar from November 2-4, 2021. The DTSC crew included a certified asbestos contractor, several trained hazmat personnel, and asbestos techs who were able to remove HHW, bulk asbestos, and e-waste from impacted properties.

The PRRM Team and CalOES met on November 8, 2021 to discuss Phase II consolidated debris removal operations. PRRM and other County departments collaborated with CalOES to develop Right of Entry Permits (ROEs) for survivors wishing to take part in Phase II. On November 18, 2021, PRRM began collecting (ROEs) from impacted property owners to facilitate the state-assisted debris removal program and the PRRM team hosted a virtual Town Hall for those impacted by the Hopkins Fire on November 29, 2021. Of the 30 eligible properties, 20 submitted their ROEs for the state program with the 10 outstanding impacted properties opting to perform private debris removal operations.

Phase II operations commenced on January 17, 2022. PRRM coordinated with CalOES, CalRecycle, CalTrans, and California Highway Patrol to move the enrolled properties through all stages of Phase II. As of May 13, 2022, all properties formally enrolled in the State program had been cleared of fire-related debris with all soil testing, hazard tree removal, and erosion control efforts completed. Debris removal crews cleared 85 tons of burned metal, 828 tons of burned concrete, 4,997 tons of contaminated soil and ash, and removed 108 hazard trees from the enrolled properties.

One property that was not among the 20 initially enrolled in the State program became a forced abatement in March 2022. PRRM was notified that private debris removal operations were being undertaken on the property without a demolition permit or other authorization. PRRM worked with Planning and Building Services, Code Enforcement, County Counsel, Public Health, and CalOES to halt the unauthorized debris removal and initiate the abatement process. As of May 2022, DTSC has assumed direct responsibility for the forced abatement property due to multiple re-scrapes required to mitigate high mercury levels. Test results on the most recent re-scrape are pending as of May 19, 2022.

Alternative (Private) Debris Removal Program

Shortly after the Prevention, Recovery, Resiliency, and Mitigation (PRRM) Division hosted the Hopkins Fire Town Hall on November 29, 2021, CalOES reached out to PRRM with concerns regarding the Alternative (Private) Debris Removal Program the County was then employing. CalOES was concerned that the processes and guidelines for private debris removal were substantially different than those of the State Program. Specifically, the private program lacked any requirement for

confirmation soil testing. At this time, CalOES informed PRRM that they were assisting the County of Mendocino pursuant to the Emergency Services Act, because the County had attested that the Hopkins Fire constituted a local health emergency. If CalOES were to conclude that the County was not considering the Hopkins Fire a health emergency, such as by not requiring thorough cleanup in the alternate program, CalOES could elect to discontinue their assistance.

On December 6, 2021, PRRM organized a meeting with relevant County departments to discuss the deficiencies of the current debris removal processes and work to correct them to the satisfaction of CalOES. The Board of Supervisors formed a Debris Removal ad hoc committee consisting of Supervisors Haschak and McGourty to address wildfire cleanup on December 7, 2021. PRRM continued working on this issue with the ad hoc and other County departments to develop a robust Alternative Debris Removal Program that would meet or exceed the standards of the State Program. Two additional formal meetings were facilitated by PRRM on December 17, 2021, and January 26, 2022, to continue refining the alternative program. During this period, PRRM worked with CalOES, Environmental Health, Planning and Building Services, Air Quality Management, and County Counsel to create a program for the County of Mendocino modeled on the program in use by the County of El Dorado. PRRM took the lead in directing this process and received technical expertise, edits, and comments from the other relevant County departments. On February 8, 2022, the Board of Supervisors accepted the new Alternative (Private) Debris Removal Program that had been developed, and the ad hoc was officially disbanded.

State Right of Entry (ROE) Program

On April 6, 2022, CalOES contacted the PRRM division for assistance in the development of an online platform for enrollment in the State Consolidated Debris Removal Program. As part of its continuous improvement process, CalOES has identified the lack of a centralized, efficient enrollment platform as a significant gap in its capabilities. This program will help to streamline the process of enrollment for survivors of wildfire incidents. It will allow survivors to enroll directly in the program and will be operated in conjunction with the traditional enrollment process which requires significantly more County staff time to collect and verify Right of Entry permits. The assistance of PRRM on behalf of the County of Mendocino was specifically requested (one of 6 Counties) due to our unique perspective as a large, rural county that has been heavily impacted by wildfires in the recent past and the excellent working relationship between the County and CalOES. PRRM participated in a kickoff meeting on April 14, 2022, a scoping interview on April 26, 2022, and will be providing feedback on drafts as the platform is developed. PRRM will continue to work with the state as a partner to help streamline and make the recovery process more efficient for disaster survivors.

Coronavirus (COVID-19) Update

Since January 2020, Mendocino County has been part of a coordinated Public Health response involving the Federal Centers for Disease Control and Prevention (CDC) and the California Department of Public Health (CDPH). A look back over the past 26 months, shows the County’s COVID-19 FEMA only eligible costs are approximately \$17.6 million. Below are expenses incurred through December 2021, along with FEMA obligation amounts, and payments received from FEMA. The last obligation letter received from FEMA was in July 2021. FEMA has acknowledged they are facing a staffing shortage. County staff will continue to reach out to FEMA regarding status of unobligated projects.

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

The County of Mendocino was awarded \$16,849,976 in ARPA Funding, of which \$8,424,988 was received in August 2021. The remaining 50% is expected to be received in August 2022.

During Fiscal Year (FY) 2021-22, Q1 presentation on November 16, 2021, the Board of Supervisors directed the 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.

Measure B

The voters of Mendocino County passed Measure B on November 7, 2017, for the purpose of improving residents' lives and the public's safety by strategically evaluating and enhancing resources for mental health treatment. An 11 member politically independent "Mental Health Treatment Act" Citizen's Oversight Committee has been created to review the independent annual audit of expenditures and performance management plan for compliance. The Committee shall also provide recommendations to the Board of Supervisors. The Committee is comprised of citizens and County leadership.

The creation of the Mental Health Treatment Fund is entirely dedicated to fund improved services, treatment, and facilities for persons with mental health conditions into which 100% of the revenue shall be deposited. For a period of five (5) years, a maximum of 75% of the revenue deposited into the Fund may be used for facilities with no less than 25% dedicated to services and treatment; thereafter, 100% of all revenue deposited into the Fund shall be used for ongoing operations, services, and treatment. The Board directed that all Measure B funds must be approved by the Board of Supervisors before allocation.

In FY 2022-23, the Mental Health Treatment Act Citizens Oversight Committee will work the Nacht & Lewis and AECOM on the construction of a psychiatric health facility, continue to provide the Board of Supervisors with recommendations, and will review the independent audit of expenditures and performance management plan.

Programs and Projects related to Homeless

The Behavioral Health and Recovery Services, Public Health, and Social Services Departments have engaged in a number of activities focused on the Board's priority to address issues related to homelessness in Mendocino County. Of note, staff continue to provide facilitation and support to the Mendocino County Homeless Services Continuum of Care (CoC), including the completion of a countywide Strategic Plan to Address Homelessness in Mendocino County. The Board of Supervisors voted to endorse this Strategic Plan on August 18, 2020. Staff and the CoC Board is currently engaged in an update to this Strategic Plan to reflect progress made, as well as new opportunities on the horizon.

The overarching goals for the County the next five years related to homelessness include:

- Invest in developing and supporting **new and creative housing inventory** for people experiencing and at-risk-of homelessness.
- Build a robust and collaborative response network for those experiencing housing instability in order to **prevent homelessness**.
- Intensify efforts to **eliminate homelessness in households with children**.
- Provide support to existing and well-functioning homelessness projects, while demanding a superior level of performance.

Under board direction, Departments continue to serve as the Administrative Entity and Collaborative Applicant for several large multi-year grants that will provide funding for services and capital projects for the homeless, including services specific to the Covid-19 pandemic. These funding sources include the Homeless Housing, Assistance and Prevention (HHAP) program; the Emergency Solutions Grant – CV allocation; and a new funding source through the CalAIM initiative called Housing and Homelessness Incentive Program (HHIP.) In addition to these general allocations for homeless-related projects, the Department of Social Services accepts several allocations through the California Department of Social Services that provide support specifically for families with children, the elderly, and the disabled.

In November 2020, the County purchased the Best Western Inn in Ukiah in response to new opportunities for housing through Project Homekey. The building re-opened as Live Oak Apartments in April 2021, and is currently providing housing and support services to 37 households experiencing or at-risk of homelessness. This project prioritizes households that include children, seniors, veterans, and those experiencing complex health conditions. The project will be completing Phase 2 in the 2022-23 fiscal year adding an additional 20 units. Additional new capital projects that emphasize housing for those experiencing homelessness include the Plateau in Fort Bragg and Orr Creek Commons Phase 2. Both of these new projects will open in the fall of 2022.

The FY 2022-2023 budget includes over \$5 million in new grant funding to the County to improve homeless services in Mendocino County. In addition, the County and the Continuum of Care anticipate receiving additional funds through the federal American Rescue Plan that will allow for new services and supports for the homeless.

Juvenile Hall

Juvenile Hall continues the staffing model of a 20-bed maximum capacity facility in response to lower populations and Board of State and Community Corrections (BSCC) requirements. As with everyone, COVID-19 has had a major impact on staff, youth programming and overall numbers of bookings this year. Probation continues to evaluate the Juvenile Hall's ability to maximize the utilization of non-general fund revenue sources whenever possible. Fiscal year 2022-23 will bring a new set of challenges for Mendocino County with the passage of SB 823 and the resulting closure of the Division of Juvenile Justice (DJJ). As of July 1, 2021, DJJ no longer accepts new admissions. Instead, counties are now required to house these higher-level youth, potentially for much longer periods of time than is customary for local halls. Mendocino County has finalized and commenced implementation of plans, including some infrastructure changes, to meet the requirements resulting from SB 823. Various block grant funding is facilitating the majority of the cost of these plans. Expenses in excess of state funds will be covered by other juvenile revenue funds such as YOBG or JPA.

Probation

Probation has been challenged with several changes in the past year. A notable change has been the elimination of virtually all adult fees, which results in significant revenue reductions for the department. The State has provided some backfill for this lost revenue, however, they are significantly lower than the lost revenue. Probation will also be fully implementing a Pretrial Release Program in collaboration with the Courts. Partial State funding has been provided to the courts for both one-time and on-going funds for the implementation and operation of this program; however, additional local funding is required, as the County desires a more robust program. Probation also entered into a Prop 64 grant-funded agreement with Redwood Community Services for facilitating a Restorative Youth Justice Court. FY2022-23 will see increased revenues, as well as expenses, as this program is fully implemented.

Sheriff's Office

To help decrease expenses in the FY 21-22 generally funded budget, the Sheriff's Office requested and utilized alternate funding (PG&E funds) for critical operating expenses such as replacement of patrol vehicles and technology infrastructure. The Sheriff's vehicle fleet is aging rapidly, with many of its patrol vehicles operating with high mileage. Delayed purchase, delivery and upfitting of new patrol vehicles over the past several years has contributed to vehicle replacement being prioritized in the budget again in FY 2022-23.

Over the past several fiscal years, the Sheriff's Office has worked extremely hard to evaluate and reduce operational expenses. Examples include hiring new Field and Corrections Deputies to help reduce overtime expenses, recruiting already employed Corrections Deputies to transition to field assignment positions, and switching basic academy training from College of the Redwoods to Santa Rosa Junior College. Implemented efficiencies will in turn have a positive outcome on budget expenditures.

New hiring incentives were recently pursued so that the Sheriff's Office can increase available personnel and better serve the public. To further help reduce overtime and training costs, the Sheriff's Office continues to pursue local training courses certified by Peace Officers Standards and Training (POST) whenever possible. This change will help reduce travel related cost for this legislatively mandated training. Despite these training efficiencies, the proposed training budget for FY 2022-23 is reflecting an increase from the previous fiscal year. This is because in FY 2021-22, many mandated trainings were decreased, not offered, or not able to be attended due to the pandemic.

Employee contract increases over the past few years have significantly improved the Sheriff Office's ability to retain quality personnel and recruit personnel for vacant positions. These increased MOU costs continue to have a domino effect on salary-related expenses in the FY 2022-23 budget, as well as the costs associated with providing emergency services for Public Safety Power Shutoffs (PSPSs), the COVID-19 pandemic, and wildfires.

Each fiscal year during budget preparation, the Sheriff's Office performs a comprehensive inventory of all contractual services. The FY 2022-23 reflects a lean budget in this area. Realizing savings in the budget this year has been exceptionally challenging given the current economic climate where the impact of inflation is being felt Countywide.

Jail

The Sheriff's Office continues to develop and implement efficiencies within the Corrections division whenever possible. These include the strict review of overtime needs and training by Sheriff's Office personnel. Reduction of overtime has been a challenge, due to a shortage in personnel (attributing factors being COVID 19 and inability to hire qualified candidates).

To help reduce overtime and training costs, Sheriff's Office personnel continue to work towards having mandated training courses certified by Standards in Training for Corrections (STC) for presentation here locally. This change will help reduce expensive travel related costs for legislatively mandated training.

The continued use of Sheriff's Services Technicians for duties such as data entry and report compiling has allowed sworn personnel to have more direct interaction with inmates. These efficiencies have reduced liability by having more personnel available for contacts and supervision of housing units. This practice needs to be continued with the emphasis of using more expensive employees for critical tasks.

Continued training of existing staff has allowed successful interventions, thus providing a safer facility with true care and control for those housed within. This in turn is reducing liability exposure to Mendocino County. In the past fiscal year, there have been a handful of life-saving incidents which were due to the training, awareness, and dedication of correctional staff. These life-saving incidents involved suicide awareness/prevention and the use of Naloxone.

Currently, the Sheriff's Office is working towards the opening of the new Jail expansion unit, which will be more suited to meet the needs of medically and mentally ill-incarcerated persons.

Support for Emergency Medical Services

The Proposed Budget also includes \$132,000 for grants to ambulance providers for Advanced Life Support (ALS) based on Board of Supervisors direction.

Local Fire Agency Support

Per Board of Supervisors direction, the budget includes \$444,000 for support of local fire agencies. The funding is reflected in BU 1940 – Miscellaneous. This clearly separates the funding from the dispatch contract and is included in a budget unit that is managed by the County Auditor-Controller to simplify the payment process. Proposition 172 funds are budgeted in BU 1940 to cover the cost of the agreements. Per Board of Supervisors direction, the payment is based on actual Proposition 172 receipts from the most recent year (\$444,000). All additional Proposition 172 funding are distributed to the following budget units that have historically received Proposition 172 dollars (BU 2310 – Sheriff, BU 2510 – Jail, BU 2070 – District Attorney, BU 2560 – Probation, BU 4016 – EMS).

With the adoption of the FY 2022-23 Budget, the Board of Supervisors will have provided a total of \$4,565,080 in Proposition 172 and General Fund over three years to support fire and emergency services.

Code Enforcement

On September 22, 2020 the Board of Supervisors (BOS) directed the Planning & Building Department (PBS) to make a study of staffing and associated resources within the Code Enforcement division, in order to develop a reorganization plan for presentation to the BOS.

This plan will develop a strategy to adequately respond to increasing complaints from the community regarding such things as illegal cannabis operations, building code violations, abandoned vehicles and health order violations, and would include the use of satellite imagery as an enforcement tool. The BOS would amend existing Ordinances to allow for increased administrative fines for egregious violations such as environmental damage, or non-compliance with the Cannabis Ordinance. This would ensure that penalty fees would act as a meaningful deterrent to violations of County Ordinances, and that cost recovery would be more commensurate with staff time expended on investigations.

On April 12, 2021 the Code Enforcement Division, along with the Cannabis Department, the Office of County Counsel and the Mendocino County Sheriff's Office (MCSO), was directed by the BOS to develop an enforcement plan based on that utilized by Humboldt County (including the acquisition of satellite imagery products by the Cannabis Department) and bring the plan back for inclusion on the Consent Calendar. PBS began work on preparing staffing needs (based on the direction given in September 2020) and has also worked to incorporate increased Code Enforcement Division staffing during the budget development process.

On May 11, 2021 the Code Enforcement Division, the Cannabis Department, the Office of County Counsel and MCSO presented their plan to the BOS, (based on the April 2021 direction) known as the Enhanced Cannabis Enforcement Plan (ECEP). This plan was approved by the BOS, with further direction being given to present the BOS with anticipated funding requirements during the forthcoming Budget hearings.

Additionally, Code Enforcement has been working with MCSO on developing unified enforcement strategies regarding illegal cannabis, and in early 2021 presented an updated table of regulatory penalties for all Code violations to the BOS. This was adopted by the Board and is now in place.

Economic/Business Development by West Company

Economic Indicators

Mendocino County's economy continues to recover from the COVID-19 pandemic induced contraction. Indicators of this on-going, non-linear economic recovery include:

- a) Employment in Mendocino County increased 5.7% over the year ending 2021-Q4. Exceeding 5.1% in Sonoma County, and 4.8% average for the 4-County Redwood Coast Region (Lake, Mendocino, Humboldt, and Del Norte County)¹;
- b) Unemployment rate dropped 2.3% between March 2021 and 2022²;
- c) Wage trends in Mendocino County also improved – average annual wages per worker increased 5.4% over the preceding 4-quarters¹;
- d) Mendocino County population grew from 87,489 in 2020 to 91,623 in 2021²;
- e) Hospitality and tourism continue to recover yielding Transient Occupancy Tax revenue, which is on track to meet or exceed FY 21/22 projections

Even with the good news noted above significant challenges remain, which will require long-term, strategic collective action to resolve including:

- a) Cost of living in Mendocino County is 19% higher than the national average;
- b) Average earned annual wages in the County were 12% below the national average;
- c) Both homeowner and rental vacancies in the County are less than 2%

Local business challenges hiring qualified workers remain noteworthy. Relatively low educational attainment levels in the County contribute to this issue. While 61.9% of County residents have achieved some college education or higher, 25.3% have completed a Bachelor's degree or higher. These data suggest the current available workforce may have limited ability to provide employers with the higher skill-level needed in modern industries increasingly dependent on innovation and flexibility.

The county's disproportionately low rate of millennials (25-39) and an unusually high rate of population approaching retirement or in retirement (55+), coupled with very limited access to high-speed internet, further limit the supply of new workers and entrepreneurs. The well-known shortage of housing—specifically workforce housing—remains a contributing factor to stagnant workforce development. Without intervention on these issues, the County is likely to continue to experience challenging economic conditions.

The largest sectors in Mendocino County in 2021 are Health Care and Social Assistance, Retail Trade, and Accommodation and Food services. Sectors in Mendocino County with the highest average wages per worker are Utilities (\$128,743), Management of Companies and Enterprises (\$90,611), and Mining, Quarrying, and Oil and Gas Extraction (\$69,606). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Construction (+262 jobs), Agriculture, Forestry, Fishing and Hunting (+178), and Professional, Scientific, and Technical Services (+153).

Over the next 5 years, employment in Mendocino County, California is projected to expand by 421 jobs¹. The fastest growing sector in the region is expected to be Arts, Entertainment, and Recreation with a +1.8% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+429 jobs), Accommodation and Food Services (+281), and Agriculture, Forestry, Fishing and Hunting (+73).

¹ Jobs EQ. 2022. Mendocino County Economic Overview.

² Go-Biz. 2022. Community & Place-based Data Tool.

Pandemic Impact

The COVID-19 pandemic continues to have an unprecedented impact on the County's fiscal conditions. In response to the crisis California increased spending on public health, limited social engagements, and as a result, constrained economic activity. These actions, while stabilizing and reducing negative health outcomes, significantly impacted County revenues. Fearing catastrophic economic consequences, the federal government stepped in and passed several stimulus packages including:

- The Coronavirus Aid, Relief, and Economic Security (CARES) was enacted in March 2020. The CARES Act included \$150 billion in direct, flexible funding to state, local and tribal governments, known as the Coronavirus Relief Fund (CRF)
- The American Rescue Plan (ARP) Act was enacted in 2021, creating the \$350 billion Coronavirus State and Local Fiscal Recovery Funds for states, counties, cities, and tribal governments. Under the State Fiscal Recovery Fund (SFRF), states received \$195.3 billion

These Federal stimulus packages combined with state pandemic relief programs delivered millions of dollars of much needed aid to the county. These funds have been allocated to support a wide spectrum of COVID impacted services within the county including basic services, expanded testing, and small-business relief among others. The long-term recovery from the on-going covid-19 pandemic will continue to demand coordinated, cross-sector partnerships to restore and recover the Mendocino County economy.

Between March 2020 and April 2021, West Business Development Center played a critical small-business support role as a distributor of State and Federal relief funds and technical assistance throughout Mendocino County. During this time period, West assisted 422 businesses with over \$21 million of loans/grants and capital. Specifically, 321 businesses received \$5,228,600 of COVID grants, 33 businesses received \$2,441,600 of COVID EIDL loans and general business loans during accounted for 68 businesses receiving \$15, 326,482 (Attachment A). Additionally, EDFC provided 11 loans to businesses for \$ 1,112,634. in FY20-21 and 15 loans to businesses, for \$1,937,489 YTD 21-22. As of the date of this report, EDFC is on track to distribute an additional \$109,000 in micro-business grants to approximately 42 businesses, and West Center will provide an additional \$120,000 CDBG CV grants to 12 low-moderate income businesses.

Drought Emergency Response

During FY21/22 County action on the drought emergency coalesced State and local partner agencies, who's collective action secured \$23,716,525 in State drought relief funds. These funds will be deployed to improve water storage, conveyance, and supplies. While continued focus is needed to address long-term water supply and conveyance challenges, these initial steps will contribute to reduced drought-induced drag on the county economy. Strengthening the Mendocino County Water Agency with new sustainable revenue, could be a strategically valuable action to provide continued, coordinated leadership on the critical issues of water supply and distribution.

Economic Development Capacity

Covid specific State and Federal funding may diminish in the coming year, to be replaced by more strategic grant opportunities that emphasize essential economic recovery elements including: regional collaboration, infrastructure, coastal resiliency, and an acute focus on equitable economic opportunity. Securing these new economic recovery dollars will be highly competitive so well-coordinated action could improve county outcomes

Specific State and Federal economic recovery and resiliency funding opportunities currently active and/or expected in the coming year include:

- Community Economic Resilience Fund, State of California³
- Coastal Conservancy Resilience Funding, State of California⁴
- Infrastructure Investment and Jobs Act, Federal⁵

³ <https://opr.ca.gov/economic-development/just-transition/cerf.html>

⁴ <https://scc.ca.gov/grants/>

⁵ <https://www.whitehouse.gov/build/>

Mendocino County Board of Supervisors approved a 12-month, \$175,000 economic development capacity building, business recruitment and retention, and workforce development services contract with West Business Development Center. This strategic investment provides the County a focused team to support re-establishing the County's economic development capacity, pursue funding opportunities, and work to address on-going economic recovery challenges.

LABOR UPDATE/POSITION CHANGES

Labor Update - HR

Mendocino County has eight (8) bargaining units representing various groups of County employees. The term of each agreement varies. The table below lists the status of each agreement, the term, and number of County employee members as of April 30, 2022.

County of Mendocino				
				
Status of Labor Contracts				
As of April 30, 2022				
Bargaining Unit	Employee Count*	Contract Status	Contract Start Date	Contract End Date
Confidential	25	Current	7/1/2019	6/30/2022
Department Head	14	Current	9/1/2019	8/31/2022
DSA	124	Current	7/1/2019	6/30/2022
Management	62	Current	10/1/2019	9/30/2022
MCLEMA	9	Current	7/1/2019	6/30/2022
MCPAA	25	Current	7/1/2019	6/30/2022
MCPEA	41	Current	10/1/2019	9/30/2022
SEIU	751	Current	7/1/2019	6/30/2022
Unrepresented**	47	Current	9/1/2019	8/31/2022
* Does Not Include Extra Help				
**Tied to Department Head Bargaining Group				

Acronym Definitions:

DSA:..... Deputy Sheriffs Association
 MCLEMA: Mendocino County Law Enforcement Management Association
 MCPAA:.....Mendocino County Public Attorneys Association
 MCPEA:Mendocino County Probation Employees Association
 SEIU:..... Service Employees’ International Union, Local 1021

Position Allocation Table Changes

The County has a total of 1,107 permanent full and part-time employees and 1,490.65 full-time equivalent (FTE) allocated positions as of April 30, 2022 (end of Pay Period 09-22). The recommendations for FY 2022-23 include addition of 35.0 FTE positions and deletion of 37.0 FTE positions; re-establishment of 1.0 FTE; budget unit transfers of 10.0 FTE positions. These recommendations result in a net allocation change of -1.0 FTE position. These changes are part of the Recommended Actions listed on Page 8, and would be incorporated in the adoption of the Master Position Allocation Table on June 21, 2022.

Below is a summary of the CEO recommended FY 2022-23 Position Allocation Table changes for General Fund departments; please refer to Attachment D for a complete list of Proposed Position Allocation Table changes.

Budget Unit	Department	Classification	Pos. #	Funding Source	Action
Add / Delete					
2085	ALTERNATE DEFENDER	DEPUTY PUBLIC DEFENDER IV	3211	Unfunded	Delete Position
1110	AUDITOR-CONTROLLER	SR DEPARTMENT ANALYST	TBD	General Fund	Add Position
1110	AUDITOR-CONTROLLER	SR DEPARTMENT ANALYST	4527	General Fund	Delete Position
7110	CULTURAL SERVICES AGENCY - MUSEUM	LIBRARIAN II	4328	General Fund	Delete Position
1020	EXECUTIVE OFFICE	ADMINISTRATIVE ANALYST II	TBD	General Fund	Add Position
1020	EXECUTIVE OFFICE	PROGRAM SPECIALIST II-CONF	4261	General Fund	Delete Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC III	TBD	General Fund	Add Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC II	136	General Fund	Delete Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC III	TBD	General Fund	Add Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC II	137	General Fund	Delete Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC III	TBD	General Fund	Add Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC II	138	General Fund	Delete Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC III	TBD	General Fund	Add Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC II	1507	General Fund	Delete Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC III	TBD	General Fund	Add Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC II	1508	General Fund	Delete Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC III	TBD	General Fund	Add Position
1610	GENERAL SERVICES	BUILDING MAINT MECHANIC II	4389	General Fund	Delete Position
4025	HUMAN RESOURCES - WELLNESS	HR MANAGER	TBD	Health Benefits	Add Position
4025	HUMAN RESOURCES - WELLNESS	SR HR ANALYST	4430	Health Benefits	Delete Position
2550	PROBATION - JUVENILE HALL	LICENSED VOCATIONAL NURSE	2443	General Fund	Delete Position
4010	PUBLIC HEALTH	SECRETARY	TBD	General Fund	Add Position
4010	PUBLIC HEALTH	ADMINISTRATIVE SECRETARY	TBD	General Fund	Add Position
4010	PUBLIC HEALTH	ADMINISTRATIVE SECRETARY	TBD	General Fund	Add Position
4010	PUBLIC HEALTH	SECRETARY	TBD	General Fund	Add Position
4010	PUBLIC HEALTH	SR PROGRAM MANAGER	TBD	General Fund	Add Position
4010	PUBLIC HEALTH	ADMINISTRATIVE ASSISTANT	TBD	General Fund	Add Position
2310	SHERIFF CORONER	SHERIFF'S SERVICES TECH	TBD	General Fund	Add Position

Budget Unit Transfers					
2910	EXECUTIVE OFFICE	ACCOUNT SPECIALIST III-CONF	4395	Disaster Recovery	Budget Unit Transfer OUT
1020	EXECUTIVE OFFICE	ACCOUNT SPECIALIST III-CONF	4395	General Fund	Budget Unit Transfer IN
Other Actions					
4010	PUBLIC HEALTH	ASST HEALTH & HUM SVC AG DIR	4085	General Fund	Delete Position
4010	PUBLIC HEALTH	PUBLIC HEALTH DIRECTOR	TBD	General Fund	Re-establish position

REPORT 400 C
Monthly Labor Force Data for Counties
April 2022 - Preliminary
 Data Not Seasonally Adjusted

COUNTY	RANK BY RATE	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	RATE
STATE TOTAL	---	19,190,200	18,453,600	736,600	3.8%
ALAMEDA	10	820,900	797,700	23,200	2.8%
ALPINE	42	510	490	20	4.7%
AMADOR	28	14,310	13,750	560	3.9%
BUTTE	25	92,600	89,000	3,600	3.8%
CALAVERAS	15	21,590	20,940	650	3.0%
COLUSA	57	11,000	9,880	1,110	10.1%
CONTRA COSTA	18	548,300	531,500	16,900	3.1%
DEL NORTE	35	9,300	8,880	420	4.5%
EL DORADO	10	92,600	90,000	2,600	2.8%
FRESNO	50	453,300	425,900	27,400	6.0%
GLENN	35	12,580	12,010	570	4.5%
HUMBOLDT	21	59,400	57,500	1,900	3.3%
IMPERIAL	58	67,600	59,700	7,900	11.7%
INYO	18	8,160	7,900	260	3.1%
KERN	54	382,900	356,900	26,000	6.8%
KINGS	53	56,100	52,400	3,700	6.6%
LAKE	35	28,410	27,150	1,270	4.5%
LASSEN	22	8,890	8,580	310	3.5%
LOS ANGELES	42	5,029,100	4,791,000	238,000	4.7%
MADERA	48	62,200	58,600	3,600	5.7%
MARIN	2	128,700	126,100	2,700	2.1%
MARIPOSA	40	6,570	6,270	300	4.6%
MENDOCINO	22	37,070	35,780	1,290	3.5%
MERCED	55	115,500	107,100	8,500	7.3%
MODOC	35	3,210	3,070	150	4.5%
MONO	13	9,280	9,010	270	2.9%
MONTEREY	49	215,100	202,600	12,400	5.8%
NAPA	8	69,600	67,700	1,900	2.7%
NEVADA	13	47,220	45,870	1,350	2.9%
ORANGE	8	1,580,000	1,536,800	43,300	2.7%
PLACER	5	192,300	187,600	4,600	2.4%
PLUMAS	52	7,080	6,630	450	6.4%
RIVERSIDE	25	1,151,300	1,108,000	43,300	3.8%
SACRAMENTO	22	723,800	698,300	25,500	3.5%
SAN BENITO	40	32,700	31,200	1,500	4.6%
SAN BERNARDINO	25	1,008,200	969,900	38,300	3.8%
SAN DIEGO	15	1,575,100	1,527,500	47,600	3.0%
SAN FRANCISCO	4	567,400	555,100	12,300	2.2%
SAN JOAQUIN	44	333,500	316,700	16,800	5.0%
SAN LUIS OBISPO	5	136,600	133,300	3,300	2.4%
SAN MATEO	1	448,600	439,900	8,700	1.9%
SANTA BARBARA	10	222,600	216,300	6,300	2.8%
SANTA CLARA	2	1,040,100	1,018,300	21,800	2.1%
SANTA CRUZ	35	133,600	127,600	6,100	4.5%
SHASTA	28	73,400	70,500	2,900	3.9%
SIERRA	28	1,300	1,250	50	3.9%
SISKIYOU	47	16,080	15,240	840	5.2%
SOLANO	32	199,400	191,400	8,000	4.0%
SONOMA	7	245,800	239,400	6,400	2.6%
STANISLAUS	46	239,800	227,500	12,200	5.1%
SUTTER	51	45,700	42,800	2,800	6.2%
TEHAMA	34	25,120	24,060	1,060	4.2%
TRINITY	28	4,300	4,130	170	3.9%
TULARE	56	205,200	190,100	15,100	7.4%
TUOLUMNE	32	19,840	19,050	790	4.0%
VENTURA	15	409,600	397,100	12,500	3.0%
YOLO	20	108,800	105,300	3,500	3.2%
YUBA	44	31,100	29,500	1,600	5.0%

Notes
 1) Data may not add due to rounding. The unemployment rate is calculated using unrounded data.
 2) Labor force data for all geographic areas now reflect the March 2021 benchmark and Census Vintage 2021 population controls at the state level.

General Services

Parks

In Fiscal Year 2021-22, administrative oversight of the Mendocino County Parks system was transferred from the Cultural Services Agency. Parks administration is now under the General Services Agency/Central Services Division and continues to be maintained by the General Services Agency/Facilities and Fleet Division. Previously, the administrative operational cost of the Parks system was absorbed by the Cultural Services Agency and Facilities budgets. Per Board direction upon acceptance of the Parks Needs Assessment in 2022, the General Services Agency prepared and presented a draft operational budget, including the creation of separate and new budget unit in order to adequately operate and maintain the Parks system at a sustainable level. The proposed budget submitted to the Executive Office includes the costs of current staffing support of existing County employees, as well as a minimum budget to support the County's parks systems and operations. In order to implement the Phase I and Phase II of the Parks Needs Assessment and properly maintain the County's parks and address critical needs, staff has requested that minimum fiscal support be provided and that a separate budget unit for parks be established. Also of noteworthy mention, to date, the County has had no funding model in place to support the parks operations and maintenance. As a result, there is a backlog of critical safety capital projects that remain unfunded totaling over four million dollars that must be addressed within each park area.

Fleet

At this time, the Mendocino County fleet consists of approximately Three hundred Ninety-Eight (398) "passenger-type" vehicles, excluding heavy equipment. This includes special (low) use vehicles such as a tow truck, boom trucks, and specialty law enforcement vehicles. The Sheriff's department has the largest fleet of assigned vehicles with one hundred three (103), the Health & Human Services Agency has ninety-one (91), and DOT has seventy-three (73) assigned vehicles.

The Board's direction to reduce Greenhouse Gasses (GHG) is expressed in the General Plan and the Ukiah Valley Area Plan. The County currently has prioritized purchase of alternative energy vehicles. At this time, there are fifty (50) hybrid vehicles in the fleet, and one (1) electric vehicle.

Capital Improvements

Notable projects in Fiscal Year 2021-22 included the Crisis Residential Treatment Facility (CRT), the main panel upgrade and new generator for the Sheriff's Administration complex, the Sanhedrin power line pole replacement project and the Board Chambers and Administration Center security improvements, along with numerous emergency and hazard reduction projects.

The County wide space needs and facility condition survey is under way which will form the basis of the new Capital Improvement Plan.

County Policy No. 33 (last updated in 2007) established a reserve for major repair and maintenance of facilities; this reserve was anticipated to be funded at seventy cents (\$0.70) per square foot of County owned and maintained buildings. With a County-owned building inventory of approximately 726,000 square feet (514,000 General Fund and 212,000 Non-General Fund) the reserve would annually receive at least \$360,000 in General Fund. This per square foot funding level is significantly out of date with current industry standards being upwards of \$2.00 per square foot or more. GSA will be preparing information regarding the County's current obligations under their Capital Improvement Plan, along with more modern funding models associated with their owned real property.

The Capital Improvement Budget Unit (CU 1710) includes a projected carry-forward balance of \$4,446,811 for FY 2022-23, additional General Fund appropriations for debt financed projects in the amount of \$3,500,000 and Community Development Block Grant funded projects in the amount of \$3,304,000 and Non-General Fund contributions of \$1,128,664 creating a total Capital Improvement budget of around \$6,701,809.

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan (CIP) is a 5-year planning document, which provides the Board of Supervisors with insight into the County’s facility needs. It is used to identify and prioritize the County’s short and long-term capital needs and serves as a strategic planning tool. The CIP focuses on County-owned infrastructure under the control of the Board of Supervisors and summarizes the County’s overall capital projects and associated funding recommendations during a five-year period. Projects have been prioritized according to health, safety, and welfare, as well as by operational needs of Departments.

Fiscal Year 2021-22 Key Completed Projects:

CI #	Project	Description	Final Cost
011	Sheriff Admin Main Panel Upgrade and Generator Provision	Upgraded building electrical system by replacing primary service panels and connecting all circuits to the new full building generator	\$ 339,448
979	Child Support Main Floor Carpet and Abatement	Replaced the main floor carpet and completed a minor remodel to client interview rooms	\$ 307,598
992	Point Arena Tree Removal – Air Force Base & Veterans Hall	Removed dead and dying trees from the Point Arena Veterans Hall and power line clearance at the Point Arena Air Force Base	\$ 97,861
950	San Hedrin Power Line Pole Replacement Phases 2& 3	Completed the replacement of all 27 degraded power poles with new taller steel power poles to reduce weather and fire hazards to the line	\$ 208,715
961	Mental Health Rooms 381 & 383 Water Damage Repairs	Completed water damage repairs	\$ 47,189
973	Priority Roof Repair Ukiah Veterans Hall	Minor roof repair	\$ 6,490
993	Sealing, Waterproofing & Painting Sanhedrin and Spanish Mtn Repeater Sites	Completed hardening the Sanel Microwave site with sealing, generator, and electrical improvements; Continued sealing and repairs at Sanhedrin site	\$ 192,586
014	Ukiah Veterans Services ADA Upgrades	Provided ADA parking stall and other accessibility barrier removal	\$ 82,997
021	Jail Control Room Glass Replacement	Replaced damaged security glass at the control room	\$ 12,905
027	Garage Bay 3 Vehicle Lift Installation	Replaced outdated vehicle lift	\$ 25,107
028	Courthouse Annex Data Center UPS Replacement	Upgraded the Uninterrupted Power Supply (UPS) for the data center and communications hub at the Courthouse Annex	\$ 28,546
040	Demolish Fire Damaged Modular	Completed removal of the fire damage modular at the Administration Center entrance	\$ 55,316

042	Parks Hazard Mitigation - Bower Park Trees & Caretaker Residence	Completed clean-up of the former caretaker's residence and removed approximately 130 of the dead and dying trees in Bower Park	\$ 285,000
046	Priority Roof Point Arena Air Force Base Roof Coating	Completed the recoating of the roof at the Point Arena Air Force Base microwave repeater site	\$ 117,150
053	Juvenile Hall Water Heater Replacement	Replaced failed water heater	\$ 9,915
029	Administration Center Re-opening Security	Installed a security pony wall and other security measures in board chambers; installed scan card readers at all exterior and selected interior doors	\$ 414,952
030	Library - Willits Library Data Cabling Replacement	Upgraded the Willits Library data network to as part of the Library broadband access grant	\$ 48,013
045	Jail Walkway Repairs	Repaired walkway displaced by tree roots	\$ 14,425
060	Low Gap Fire Fuel Reduction	Provided a 100 foot fire break in Low Gap Park to provide a buffer for adjacent urban parcels	\$ 54,360
061	Transportation Crew Trailer Repairs	Completed rot repair and related exterior maintenance	\$ 9,846

Total Cost of projects competed in FY 2021-22: \$2,358,419

FY 2022-23 Recommendations:

The Executive Office received numerous requests for facility modifications and enhancements from departments for FY 2022-23. Full appropriation Community Development Block Grant (CDBG) funded and debt financed projects are included in the recommended budget as noted below. Carry-forward projects will be prioritized and completed as resources allow.

FY 2022-23 Capital Improvement Overview

General Fund	Carry Forward Project Fund Balance (Estimate)	\$ 4,016,949	19
General Fund	New Capital Improvement Plan Funding Allocations	\$ 635,000	2
General Fund	Total	\$ 4,651,949	
Non-General Fund	Carry Forward Projects	\$ 223,007	2
Non-General Fund	New Project Requests	\$ 714,000	14
Non-General Fund	Total	\$ 937,007	
Total	Total All Projects	\$ 5,588,956	37

FY 2022-23 Proposed Projects

Project Description	Needed per CIP	Budgeted Carry Forward	Proposed Budget
General Fund Projects			
Small Deferred Maintenance Projects 862130	\$100,000	-	\$30,000
Unanticipated Capital Projects	\$200,000	-	\$70,000
Parking lot maintenance & rebuild - Various locations	\$100,000	-	-
County Wide Tree Removal Program	\$50,000	-	\$30,000
Painting and Exterior Maintenance - Various locations	\$120,000	-	-
Flooring and Interior Maintenance - Various locations	\$50,000	-	-
Roof Repairs - Various locations	\$300,000	-	\$30,000
HVAC System Upgrades & Replacement	\$200,000	-	\$70,000
Hazardous Electrical Panel Replacement (Zinsco Panels)	\$50,000	-	-
ADA Improvements - ADA Only Projects	\$50,000	-	\$20,000
UST Monitoring and Wells Covelo & Willits Yards	\$50,000	-	\$36,065
Total	\$1,270,000		\$286,065
Projects in Progress & Carry Forward Projects			
Carry Forward Unanticipated HVAC and Related Projects	\$42,000	\$205,000	\$205,000
Museum Mold Remediation	\$40,000	\$40,000	\$40,000
Museum ADA Entry and Restrooms	\$175,000	\$175,000	\$175,000
Seal and Paint Jail Building II Exterior Block	\$200,000	\$200,000	\$200,000
New Shelter to Relocate 911 & MCSO Communications & Servers	\$370,000	\$238,459	\$238,459
Off Site Parking Improvements prior to Jail Expansion Project	\$575,000	\$522,700	\$522,700
Admin Center Server Room Cooling and Fire Suppression	\$215,000	\$196,255	\$196,255
Campus West Fiber Optic Extensions to Sheriff's Office and GSA	\$537,275	\$531,275	\$531,275
Alternate Care Site Roof and Related Repairs	-	\$300,000	\$300,000
Redwood Valley Substation Water Damage Repairs	\$56,000	\$44,100	\$44,100
Sanhedrin Repeater Site Tower & Shelter Replacement	\$220,000	\$214,160	\$214,160
Sanel Mountain Microwave Site Hardening	\$160,000	\$160,000	\$160,000
Sanhedrin Underground Power Line Evaluation and Testing	\$163,000	\$160,500	\$160,500
Parks Hazard Mitigation - Bower Park Trees & Fire Mitigation	\$300,000	\$235,640	\$235,640
Administration Center Roof and HVAC Replacement Phase 3	\$142,941	\$142,941	\$142,941
County Facility Condition, Space Needs Assessment & ADA Transition Plan	\$200,000	\$133,500	\$133,500
Fort Bragg Justice Center HVAC Replacement (Design)	\$400,000	\$381,600	\$381,600
Pre-Trial Release Program Facility	\$335,000	\$322,000	\$322,000
Board Chambers Seating Upgrade	\$90,000	\$90,000	\$90,000
Juvenile Hall Dual Jurisdiction Changes & Facilities Grant projects	\$57,754	\$57,754	\$57,754

Information Technology Small Conference Room Doors	\$15,000	\$15,000	\$15,000
Total			\$4,365,884
Transportation Carry Forward Projects (Non General Fund)			
Round Valley Airport Security Fencing	\$175,000	\$171,000	\$171,000
DOT - Video Security Ft. Bragg Yard - Building 9 *CF	\$30,000	\$30,000	\$30,000
DOT - Video Security Booneville Yard - Building 1 *CF	\$30,000	\$30,000	\$30,000
Total		\$231,000	
Public Health Transfer In Projects			
Public Health Rooms 189, 192 & 193 Water Damage Repairs	\$90,000	\$52,007	\$52,007
Planning and Design for Parking Lot Drainage	\$20,000	\$20,000	\$20,000
Emergency Preparedness Trailer PH Nursing Admin	\$124,000	\$124,000	\$124,000
Demo Existing Emergency Preparedness Trailer	\$10,000	-	-
Total		\$196,007	
Social Services Transfer In Projects (Non General Fund)			
Hirsch Card Readers for Avila Gates	\$30,000	\$30,000	\$30,000
Fiber Cable from Fort Bragg Justice Center to Avila Data Room	\$20,000	\$20,000	\$20,000
Avila Center Electric Strikes at Interview Booths	\$26,000	\$26,000	\$26,000
Avila Center 7B HVAC System Replacement	\$100,000	\$100,000	\$100,000
Yokayo Center Fencing & Children's Patio Enclosure	\$99,000	\$99,000	\$99,000
Children & Family Services Roof Recoating	\$80,000	\$80,000	\$80,000
Veterans Services Security Fencing	\$10,000	\$10,000	\$10,000
Children & Family Services Interior Painting	\$15,000	\$15,000	\$15,000
WISC Shower and Laundry Room	\$90,000	\$90,000	\$90,000
HHSA Unanticipated Capital Projects - Various Locations	\$40,000	\$40,000	\$40,000
Total		\$510,000	
Total Non General Fund Projects			\$937,007

The projections listed in the tables above are a draft work in progress.

Property Tax Software System Project Update

The County project team and Stakeholder departments have identified the need for vendor site visits to work through challenges associated with configuration assistance, process and tools support, production data entry, and system optimization. On May 17th the Board of Supervisors approved contract amendment no.5 to agreement 15-056 with Thompson Reuters/Aumentum in the amount of \$100,000 for the addition of professional consulting services and travel.

Electronic Mail Conversion Update

The Board of Supervisors approved an agreement with eMazzanti Technologies for the electronic mail (GroupWise) migration to Microsoft Office 365 on January 4, 2022. Project kick-off was conducted with the vendor on January 24th with the project team consisting of Information Technology and Sheriff's Office Technology. Primary migration took place on May 6th, with full project closure taking place on May 20th pending remaining post-remediation support.

The County leveraged existing 5-year agreement through State CDT to procure Office 365 licenses to be effective 4-1-2022 through 3-31-2026. \$550,533 of the \$579,072 in funding budgeted for FY 22/23 will be utilized for year 1 of Office 365 licensing. Multiple offsets are expected due to elimination of now-duplicate services including prior email services and mobile device management. Information Technology intends to procure additional licensing options in FY 2022-23 to further lower overall costs associated with Office 365 services.

Criminal Justice Software System Replacement Update

On February 2, 2022, Information Technology provided the Board of Supervisors with a project update indicating this project is estimated to exceed the \$1,000,000 the Board of Supervisors initially allocated to this project by \$450,000. \$400,000 in funding has been identified through the IS Operating Budget. The District Attorney's Office went live with a criminal justice case management system by Karpel Solutions in April 2022. The Board of Supervisors approved an agreement with Karpel Solutions for the Public/Alternate Defender's offices on May 17, 2022 and is anticipated to go live in August 2022. An agreement for a criminal justice case management system for Probation will be coming to the Board of Supervisors shortly.

Finance System Upgrades and Improvements

The County's finance system, Munis, was upgraded to version 19.3 on February 11, 2022. This upgrade represented a significant change, and many countywide staff training were conducted. Information Technology continues to be involved in the prioritization and implementation of ERP system improvements, including but not limited to Employee self-service (ESS), Payroll improvements, and Budget Projection improvements.

Internal Service Fund – Enterprise ISF

The County maintains over 250 applications. The upkeep of these applications and the supporting infrastructure is a significant cost to the County. Information Technology, in consultation with the Auditor and County Budget Team, developed an internal service fund (ISF) for countywide enterprise applications intended to properly allocate costs to departments and recover costs for maintaining and upgrading these systems. Phased implementation began in FY 2021-22. Allocations for all departments in FY 2022-23 include: wide area network costs, software licensing and annual maintenance, network equipment, systems and data center equipment, audiovisual equipment, computer equipment replacement and Voice over IP (VOIP) telecommunications.

Public Safety Microwave/Radio Communications Cost Recovery

The Board of Supervisors approved a cost recovery model that identified total cost of ownership for the Public Safety Microwave/Radio Communications System and allocates costs to the agencies utilizing this system. Phase I implementation in FY 2021-22 included County Department allocations and an annual commitment approved by the Board to cover annual cost recovery difference and allocations for volunteer fire districts. Phase II implementation will include the addition of allocations for external agencies.

The County’s Information Technology Master Plan (ITMP), originally adopted by the Board of Supervisors in November 2018, identified 99 initiatives with a potential initial investment of \$20.7 million over five years. ITMP initiatives include sections for Best Practices, Departmental Applications and Systems, Gov 2.0 and Smart Counties, IT Infrastructure, IT Operations, IT Security, GIS, Telecommunications, and IT Staffing.

Information Technology staff have provided the Board of Supervisors with regular updates regarding ITMP projects and a five-year ITMP budget based with prioritized 2018 initiatives infrastructure and enterprise application needs. The Board has allocated a total of \$9,684,930 in one time funding since adoption; however, many initiatives remain unfunded or require an ongoing funding commitment due to recommended replacement/upgrade cycles. Several steps have been taken to establish sustainable funding for many of the initiatives identified in the 2018 ITMP; however, this will not eliminate the need to fund one-time projects and initiatives.

ORIGINAL ITMP INITIATIVE STATUS

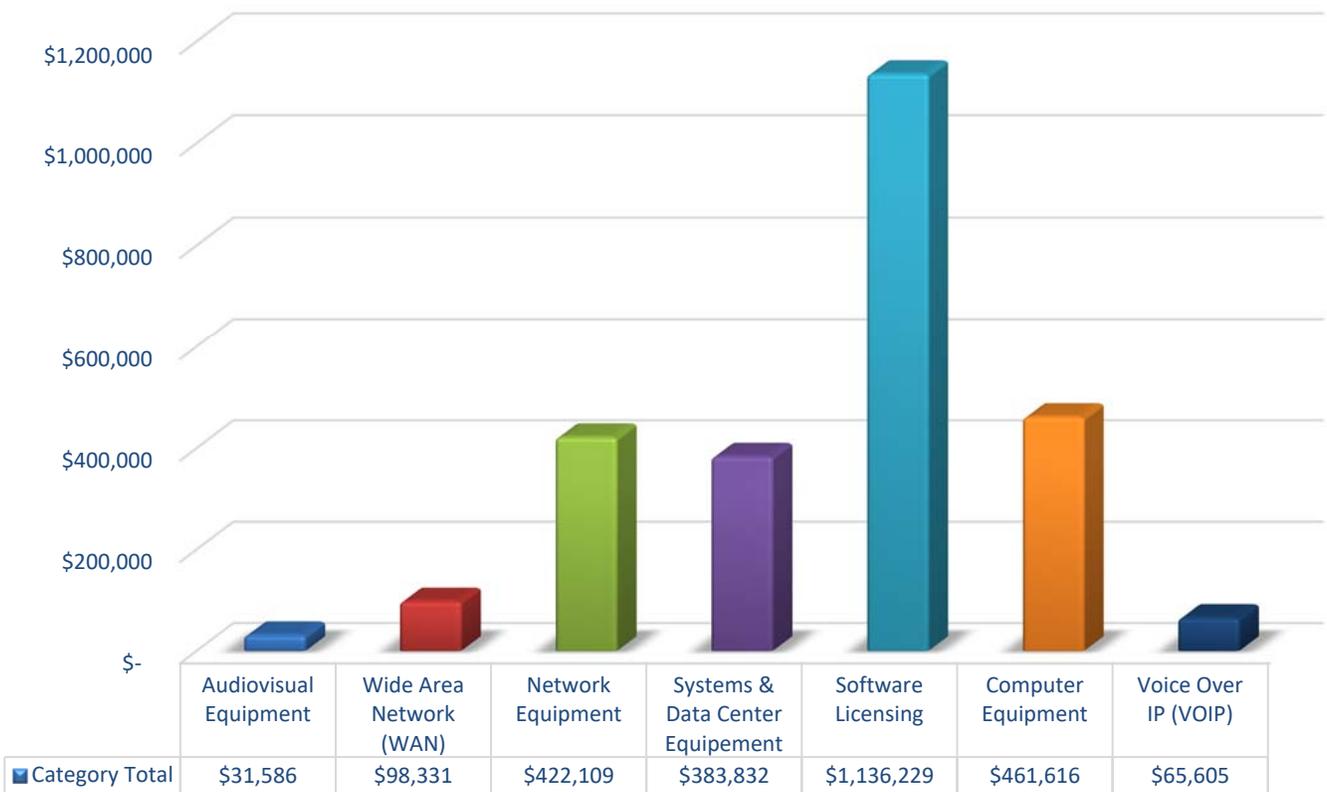
Total	Active	Completed	Held	Canceled
99	18	34	44	4

- **Active** – These represent initiatives currently receiving active efforts from IT staff. Examples include operational items such as IT Project and Services Portfolio and Policies and Procedures. Others represent larger projects such as Records and Data Retention, VoIP Phone System Resiliency, and Electronic Mail Upgrades.
- **Completed** – These represent initiatives that have had their recommendations and scopes met. Examples include IT Computer Equipment Replacement Plan, E-Fax, Video Conferencing, and Staff Security Awareness Training. Many completed initiatives still require on-going operational support once implementation tasks are completed.
- **Held** – These items have been held for a variety of reasons including budget, priority, staff availability, or mid to long term delays in goods and services. Examples include Wireless Network, Dispatch Radio Console Replacement, and GIS Assessment and Master Planning.
- **Canceled** – These items have been canceled due to lack of need and/or interest. Examples include Kiosks and JustWare Gap Analysis and Utilization Improvement.

Information Technology staff are in the process of conducting an analysis of the 2018 ITMP and intend to present the Board with a report upon completion. Analysis will identify what initiatives are complete, removed, continued and/or added. Included in this analysis is an evaluation of ITMP Initiatives and their associated projects to promote clarity and understanding to better inform decisions moving forward. Information Technology staff will also provide an updated ITMP based on identified technology needs and recommended replacement cycles.

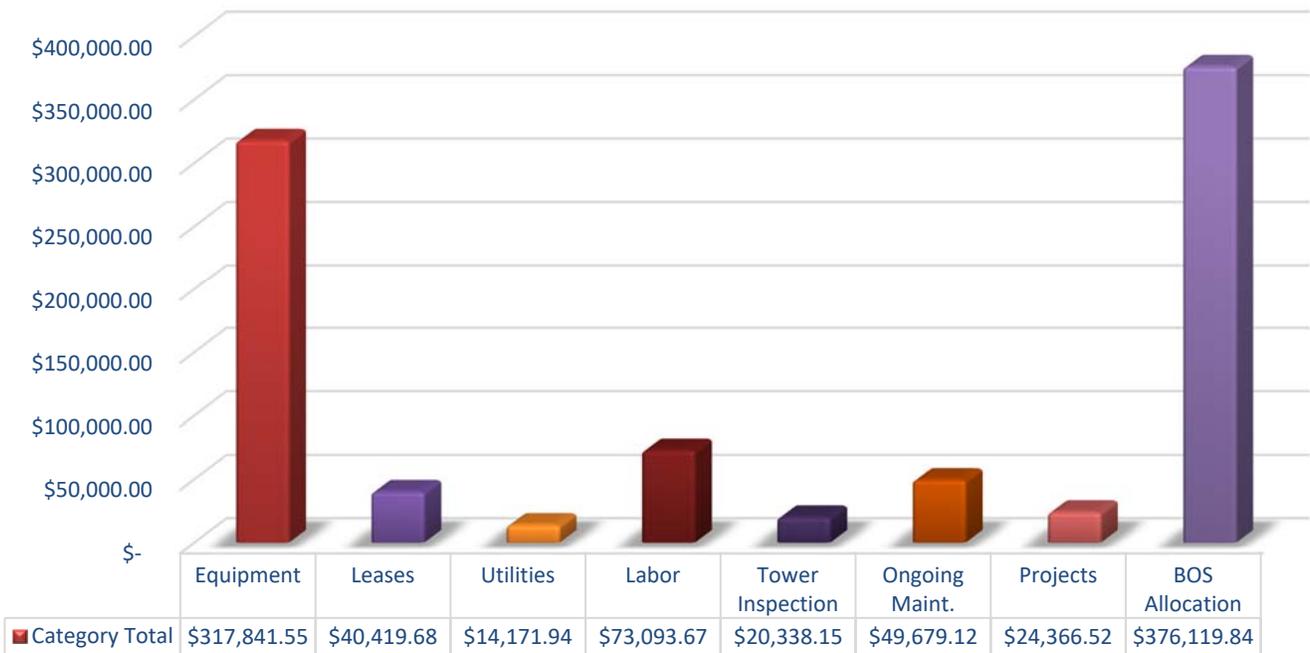
Fiscal Overview

**FY 2022-23 Enterprise Internal Service Fund
Allocations by Category**



The Fiscal Year 2022-23 Enterprise Internal Service Fund accounts for annual reoccurring expenses and equipment replacement based on the industry standard replacement cycles for County Enterprise systems. These allocations exclude departmental technology costs that do not fall under County Enterprise systems model.

FY 2022-23 Public Safety Microwave/Radio Communications Department Allocations



The Fiscal Year 2022-23 Public Safety Microwave/Radio Communications allocations account for the annual cost share of departments utilizing the system. These costs are comprised of equipment, site leases, utilities, labor, tower inspections, facilities related capital equipment, and ongoing maintenance. Replacement costs are calculated over a 20-year span to match the longest equipment life cycle and are allocated to appropriate departments on an annual basis. The Board of Supervisors allocation listed in the chart above includes annual allocations for volunteer fire.