

# COUNTY OF MENDOCINO

STATE OF CALIFORNIA

FY 2021-22

## 2ND QUARTER REPORT & ADJUSTMENTS

March 15, 2022

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Assistant Chief Executive Officer: Darcie Antle  
and Fiscal Team

Courtesy of Sarah Dukett

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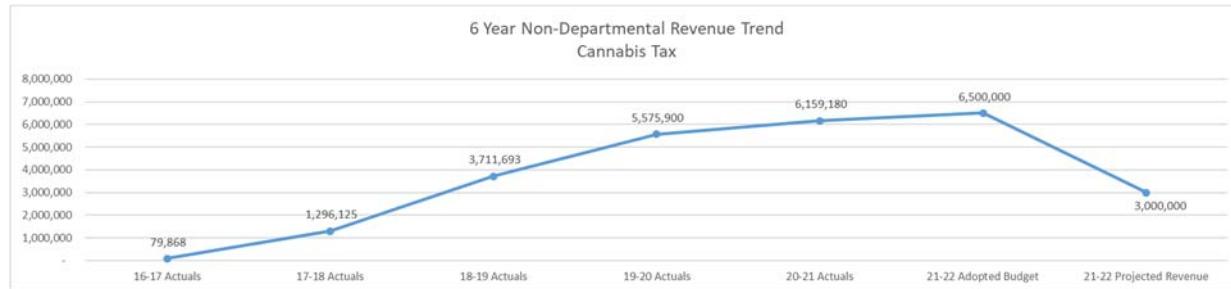
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## INTRODUCTION

### Purpose

With this document, we begin the Mid-Year Budget Reporting process to the Board of Supervisors for Fiscal Year (FY) 2021-22. The Mid-Year Report covers the first two quarters of the budget year, from July 1, 2021 through December 31, 2021, and provides detailed information projecting how the County budget status is likely to end on June 30, 2022. As with mid-year reports presented to the Board of Supervisors in the past, this report examines the Net County Cost (NCC) projections of departments across the County system. 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 to be able to maintain services. These infusions of revenue, referred to as NCC, are financed primarily by property tax, sales tax, cannabis tax, and transient occupancy tax revenues.** The pool from which the County provides these monies is limited and is annually adopted in the County's budget as Budget Unit 1000. An update on these funds is represented in **Exhibit A** of this document, showing a revenue **decrease** of **\$1.245M**, due largely to an estimated **decrease in cannabis tax**. In addition to the projected decrease in operational revenue, the County is also faced with an obligation of \$3M for the jail expansion project, an unreported loss in the Health Plan Fund of \$2.57M in FY 2020-21, as well as facing a \$4.8M deficit in the Health Plan Fund for FY 2021-22. Taking into account the Board of Supervisor's previously obligated projects, the decrease in operational revenue, the jail expansion, and the Health Plan Fund deficits, the County is facing a potential deficit for FY 2021-22 of \$12.115M, and a general fund impact of \$9.115M, prior to considering any departmental funding requests. Department and project funding needs are outlined in Attachments A and B.



California Government Code § 29009 requires the County to produce a balanced budget and the Mid-Year Report is an important step in the process of fulfilling this legal requirement of the County's financial management. **Every year we hope to produce a budget that is balanced between the needs of our community and revenue reality that is presented to us.** All decisions and policy in this matter are solely the responsibility of the Board of Supervisors. The Chief Executive Officer serves as the administrative officer designated by the Board to advise and administer Board direction in fulfilling the requirements of GC § 29009.

### Budget Goals & Priorities

In prior budget cycles, the Board of Supervisors identified budget goals and priorities, as focus areas in the development and implementation of the County budget. The guidelines, goals, and priorities include:

#### Budget Guidelines

- Maintain current levels of service
- Invest in County infrastructure

- Focus on financial sustainability and identify cost savings whenever possible

### **Goals & Priorities**

- **Fiscal Stability**
  - **Debt mitigation and elimination**
  - New Jail additional costs unknown
  - 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**
  - **Comprehensive analysis/review of all General Fund budget units**
  - 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
  - Strategic planning
- **Investment in Roads**
- **Economic/Business Development**
  - Support new housing development
  - Broadband
  - Grant writer program
  - Use of solar
  - 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**
  - Fire districts
  - Fire safe awareness/forest management
  - Potter Valley Water Project
  - Climate Action Committee
  - County Service Area 3
  - Other special districts/agencies

The Executive Office continues to focus on these goals and priorities in the administration of the Budget for FY 2021-22.

### **Budget Calendar**

| Date                 | Event   |
|----------------------|---|
| March 7, 2022        | 3 <sup>rd</sup> Quarter Reporting Instructions Transmitted  |
| March 10, 2022       | Budget Kick – Off Meeting   |
| March 15, 2022       | Mid-Year Report and Budget Workshop   |
| March 17, 2022       | Munis Budget Training*-Bring Budgets  |
| March 21, 2022       | Narrative Template Distributed  |
| March 24-25, 2022    | Budget Entered Into Munis   |
| March 25, 2022       | Completed Proposed Budget, Facility Modifications, Vehicle Request, & Fixed Asset Forms due to Executive Office |
| April 6-April 7 2022 | Budget Conferences  |
| April 4, 2022        | 3 <sup>rd</sup> Quarter Budget Projection Report Due  |
| April 19, 2022       | Fee Hearing   |
| May 3, 2022          | AM: 3 <sup>rd</sup> Quarter Report Presented to BOS & PM: Budget Workshop                                       |
| May 6, 2022          | Narratives Due  |
| June 7-8, 2022       | Final Budget Public Hearing   |
| June 21, 2022        | Resolution for Approval on Final 22-23 Budget   |
| June 21, 2022        | Final Budget Adoption   |

## EXECUTIVE SUMMARY

### Overview

While Fiscal Year 2021-22 continues to be a year of uncertainty, staff is diligently working on projects aligned with Board of Supervisors' goals and directives outlined above, including; facility upgrades to ensure employees and the community remain safe, carbon reduction planning, public safety communications, deferred maintenance, and disaster recovery and resiliency to name a few.

Long-term fiscal stability remains a priority for the County. The General Fund and other major funds require continual attention to maintain a stable, healthy fund balance. The first step in the annual budget preparation process is to assess the needs of the County's most valuable resources, the employees, who make Mendocino County function on a daily basis and through disasters. The cost of salaries, benefits and pensions, staffing shortages, public safety, COVID-19 pandemic, PSPS and natural disasters all impact the ability of the County to provide core services. As a result the County must continue to follow the Board's gal and priority of one-time revenue will not be used on on-going expenses. Additionally the County must remain cautious in its approach to spending, look for innovative methods in providing core services, and options to increase revenue now and into the future.

### CEO Budget Team Update

The Executive Office (CEO) Budget Team relies on departments to provide accurate quarterly budget information, which is the basis of developing this Mid-Year Report. The budget team is aware numerous factors can affect the preliminary estimate of the year-end outcome, including unanticipated expenses, under-realized or over-realized revenues, vacancy factors, as well as other unforeseen circumstances, disasters, PSPS events, and the COVID-19 pandemic.

### *Fiscal Unit*

The Fiscal Unit now performs Accounts Payable (A/P) and Payroll time entry duties for over ten budget units within the County. The team is prepared to begin courting other divisions with its services. Discussions will be had with other divisions with the intent to start processing in Fiscal Year (FY) 2022-23. The Fiscal Unit team members are not solely tasked with entry duties. As part of the Executive Office, special projects have been assigned, and gladly engaged, by Fiscal Team members. Support with redistricting, support with grants, the Munis enterprise resource planning system, and providing technical assistance to districts and divisions facing staffing challenges are just a few examples. Each project is approached with an eye toward providing customer support, with departments being viewed as customer-divisions.

The Contracts team, within the Fiscal Unit, continues to be well received by all departments that have had the pleasure of interacting with this group. By Mid-Year, the Contracts team had entered and assisted in excess of 220 contracts. The expertise of the staff has made the full transition of contracts, to the Cobblestone contract management software, a less painful process for all County divisions and offices. General contract and Cobblestone training sessions have been provided to all divisions and offices with several trainings having been conducted towards the special needs of some of the County's divisions, such as Social Services and Public Health. The team has also been working with General Service Agency on expanding Cobblestone's functionality by incorporating lease contract management.

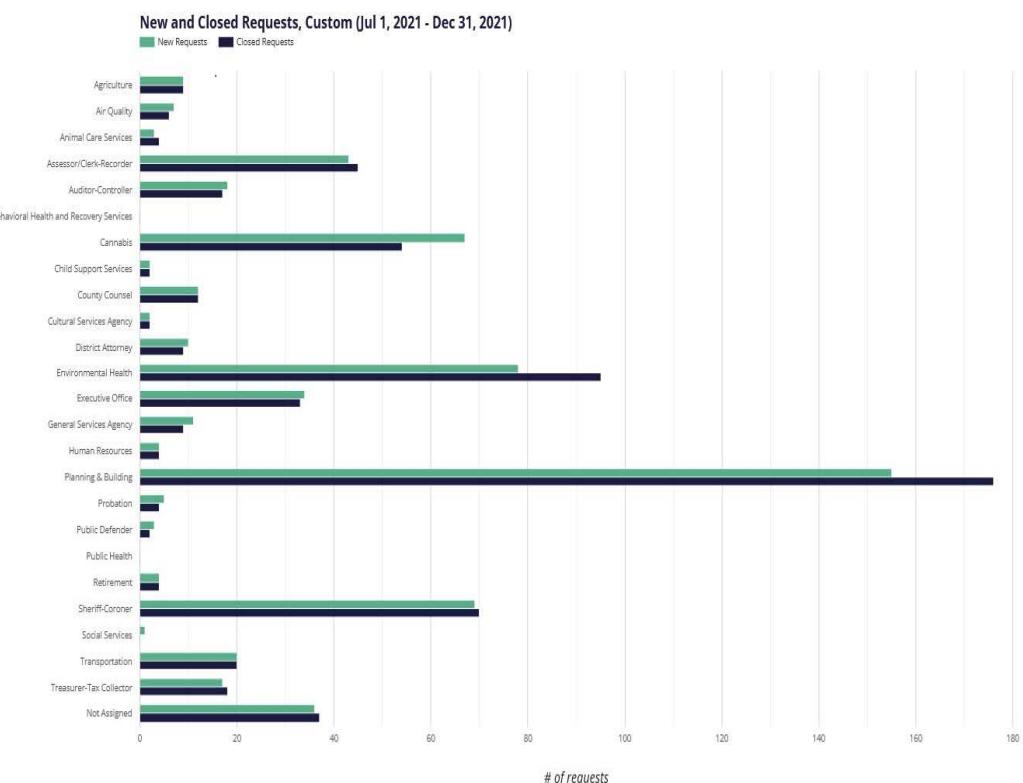
The Munis upgrade will open the doors to continuing with initiatives of improving the annual budget process. The Budget Initiative began in FY 2019-20, but was tabled due to the County's Munis version

being outdated and unsuitable for the improvements desired in the area of budget management. The CEO Budget Team works closely with the Auditor-Controller's Office to prepare and report on the County's financials, and looks to the Auditor-Controller throughout the year for numerous projections and estimates on non-departmental revenues and expenses. The Auditor-Controller's office is the only office with the authority to perform projections for non-departmental revenues and expenses. With the staffing strains facing all departments, and as the County transitions to a combined Auditor-Controller, Treasury-Tax Collector model, the increased functionality of Munis will be vital.

## Public Records Act Requests

The California Public Records Act declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in the state because it gives the public an opportunity to monitor the functioning of their government. It is the County's goal to provide the public with timely access to its public records.

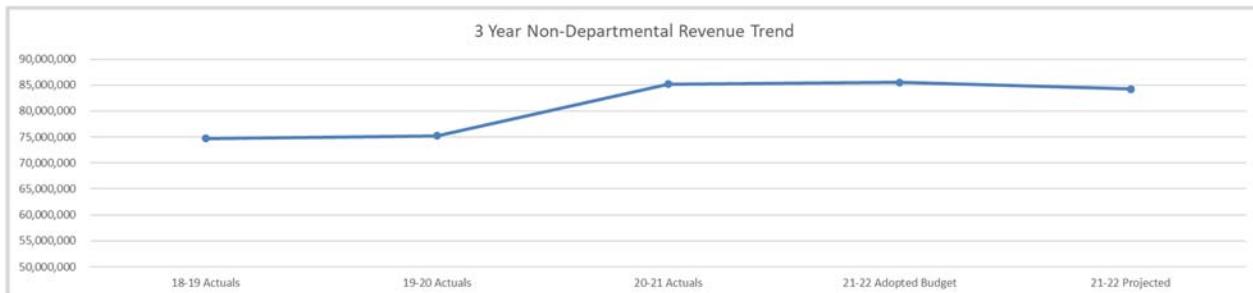
The County of Mendocino uses a software solution called NextRequest to facilitate a public records act request. In most cases request are fulfilled within 10 days, unless an extension is utilized in accordance with State law. The public can review previous requests and responsive documents, or submit new request for public documents. County departments receive hundreds of requests each year with varying levels of work required to respond. The following chart provides the Board of Supervisors with information on which departments received requests this fiscal year.



## Non-Departmental Revenues – BU 1000

After an analysis of Budget Unit 1000 – Non-Departmental Revenue is projected to come in with a **decrease** of **\$1.245M**. A detailed revenue breakdown for BU 1000 revenue forecasts are provided in **Exhibit A**. Outlined below are the top factors relating to the projected change.

- Cannabis Tax – projected to **decrease** by \$3.5M
- Other Revenue Adjustments – projected to **decrease** by \$450K
- Sales Tax – projected to increase by \$705K
- Transient Occupancy Tax – projected to increase by \$2M



## HUMAN RESOURCES

### Recruitment Summary

Between July 1, 2021, and December 31, 2021, Human Resources received 432 staffing requests, conducted 271 recruitments, received and screened 2,325 applications, conducted 20 examinations, and prepared 349 certifications. During this period, the County hired 150 new employees and had 170 employment terminations.

As of December 26, 2021, there were 387 total vacant positions, 280 of which were in active recruitment. The majority of vacancies were in Social Services, Behavioral Health & Recovery Services, Public Health, Department of Transportation and the Sheriffs' Office. The countywide vacancy rate at mid-year was 19.0% based on positions being actively recruited.

### Health & Wellness

626 County employees participated in on-site health screenings and 583 completed a Health Risk Assessment in 2021. A total of 454 employees completed the program requirements for the wellness incentive program, which qualifies them for discounts in 2022 on their health care premiums.

### County-Wide Training Program

There were **579** training seats filled by County employees between July 1, 2021, and December 31, 2021. A breakdown of participation between learning categories is listed below:

#### Professional Skills Development: **58** County Employees - **174** Training Seats

Courses included: Cultural Competency in the Workplace, Best Practices for Employee Documentation & Record Management, Using Emotional Intelligence for Workplace Success, Difficult Conversations, Mental Health/Substance Abuse/Suicide Prevention, Team Building Strategies for Leaders, Strategies for Resolving Workplace Conflict, Disaster Service Workers: If you Call Them, Will They Come?, and Growing Your Personal and Professional Resilience.

#### Supervisor/Manager Academy **147** County Supervisors/Managers – **298** Training Seats

Courses included: Change Management, Building Trust in High Performing Teams, The Art of Writing the Performance Evaluation, Leading with Effective Communication, Performance Management, Facilitation Skills, County Employee Policies and Procedures, Time Management and High Performance Organization (HPO) training.

#### On Demand Learning) 26 County Employees – 107 Training Seats

Professional/Technical Skills Development and Leadership courses included the following:

Technical Skills courses: Adobe Acrobat, Email Management, Microsoft Excel (Introduction to, Project Management, Creating Dashboards, Power Functions), PowerPoint Basics, Microsoft Word (Basic & Advanced), What's New in Office 2016.

Professional Skills courses: Organizing Your Files, Anger/Violence/Conflict in the Workplace, Customer Service, Coronavirus, Smart Time Management, Communicating Up, Career Growth, Making Humor Work at Work, Health & Wellness, Negativity in the Workplace, Active Listening, Managing Stress at Work, Work/Life Balance.

Leadership courses: Interviewing and Hiring, A Leader's Guide to Decision Making, Advanced Management Skills, Better Business Writing, Employee Discipline, Leading and Communicating, Meetings that Get Results, Successful Negotiation, Managing a Millennial, Managing Generation X, and many more...

#### **Leadership Initiative**

The Leadership Initiative offered two 8-hour High Performance Organization (HPO) trainings between July 1, 2021 and December 31, 2021, which totaled 65 participants. The training included a module covering DiSC personality styles and emotional intelligence.

#### **COVID-19 Pandemic Impacts**

Due to the COVID-19 pandemic, the County has had to expand staffing resources in many areas of operations, including additional staff to work at the Department Operation Center to assist with response efforts, including answering the pandemic related hot lines and responding to public questions and issues. July 1, 2021 through December 31, 2021 there were 16 extra help employees and two (2) regular employees hired.

As the County continues to hire staff, the work force was hard hit due to the pandemic. Between **July 1, 2021 – December 31, 2021**, the impact to staff includes:

- 74 Employees tested positive for COVID-19
- 67 Employees identified as workplace close contacts

156 Employees requested Supplemental Paid Sick Leave

#### **COUNTY FINANCIAL OUTLOOK**

##### **Summary**

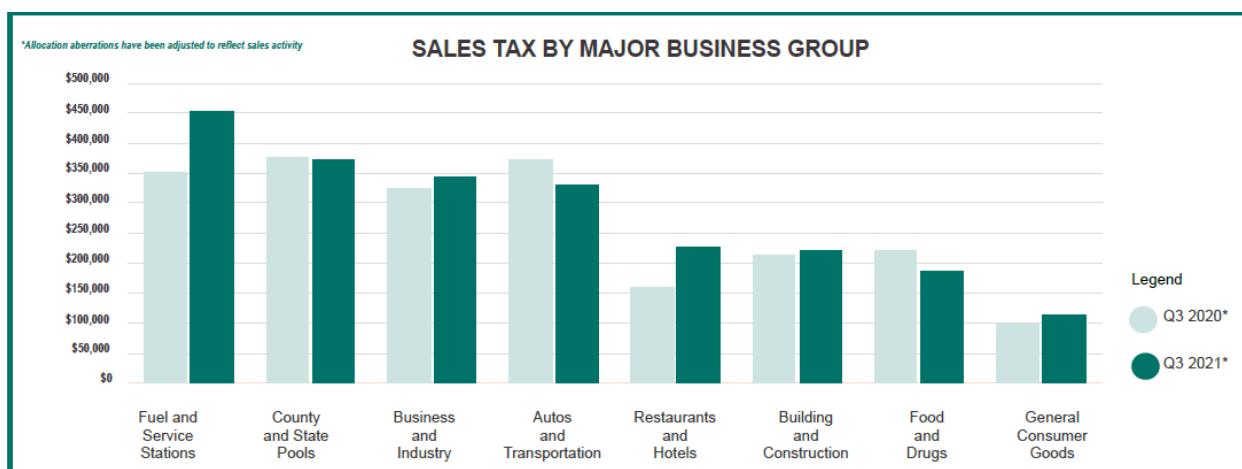
Mendocino County's economic performance continues to be challenged in the areas of a limited workforce, limited connectivity, housing availability, surges in COVID-19 cases, a decrease in the cannabis market, inflation, natural disasters, unfunded State and Federal mandates, major enterprise software updates, and deferred maintenance. While there are indications of a slight increase in consumer spending and sales tax for Mendocino County, the negative economic impacts will continue as the inflation rate continues to rise. Compounded by a bleak projection not only in the cannabis

market, but as well as in Cannabis tax. The remaining months of FY 2021-22 as well as future years, the County needs to be contentious of fiscal sustainability.

The following statistics are from the County's most recent sales tax report, provided by HDL Companies, for Jul-Sept 2021, when compared to the same timeframe last year (Jul-Sept 2020)<sup>1</sup>.

- Mendocino County's overall sales were up 2.2%, excluding all reporting aberrations
- Fuel and service stations increased by 29%, mostly due to the rising prices at the pumps
- The business industry increased by 8%
- Auto and transportation industry **decreased** in part due to the limited inventory
- Casual dining restaurants increased 52%, mostly due to capacity restrictions being lifted
- Quick service restaurants increased by 13%
- Wineries and hotels also saw increases due to greater tourism activity
- Building and construction saw a slight increase
- Cannabis merchants **decreased** 32%, which is categorized in the Food and Drug category in the graph below

Below is a recap of sales tax by major businesses groups within Mendocino County for calendar year Q3 2021 when compared to calendar year Q3 2020.



<sup>1</sup> HDL Companies

## STATE AND FEDERAL BUDGET UPDATE

### State Budget

On January 10, 2022, Governor Gavin Newsom introduced the proposed 2022-23 State budget.

Governor Newsom provided his initial overview of his 2022-23 budget proposals, emphasizing both the strength of California's economy and what he called the five existential threats facing the State. California's economic strength is resulting in higher state tax revenues, which the Governor proposes to spend largely to address those threats.

### REVENUE ESTIMATES

California's revenues continue to outpace previous predictions as the economy recovers from the COVID-19 recession, with General Fund revenue higher than the 2021 Budget Act projections by nearly \$28B for the three fiscal years 2020-21 through 2022-23. This increase is largely attributed to three

main factors: a greater proportion of wage gain in high wage sectors, a stronger than predicted stock market, and accelerated inflation. Total General Fund revenue is expected to be \$196.7B in 2021-22 and \$195.7B in 2022-23.

Sales and use tax revenue generated \$29.1B to the General Fund in 2020-21 and is estimated to generate \$30B in 2021-22 and \$32.2B in 2022-23. These numbers reflect an increase in \$1.1B in 2020-21, \$1.9B in 2021-22, and \$3.1B in 2022-23. These increases are largely a result of greater spending on taxable goods and higher inflation.

## Key Issues for Counties

Of particular interest to counties, the Governor is proposing the following new investments:

- \$1.3B for additional emergency COVID-19 response
- \$2B for homeless behavioral health bridge housing and encampment cleanup
- \$200M ongoing for local public health infrastructure
- \$1.2B over two years for wildfire and forest resilience
- \$247M for wildfire engines, helicopters and additional fire crews for surge capacity
- \$750M for drought
- \$2B for affordable housing
- \$571M ongoing for a variety of felony IST solutions

## COVID-19

The \$1.3B listed above for COVID-19 response is part of the Governor's call for \$2.7B to enhance the State's COVID-19 emergency response. As proposed, the package would fund increased testing capacity (\$1.2B), surge workforce (\$614M), community outreach to underserved populations (\$583M), contact tracing (\$110M), and related state operations (\$200M). Counties have identified testing capacity and workforce as top priorities to battle the Omicron variant, and the Governor's package will assist counties, health care facilities, and other community partners who are on the front lines of the COVID-19 fight. Half of the funding is appropriated in the current year, meaning it could be deployed for testing and workforce immediately if acted upon by the Legislature.

## Housing/Homelessness

The Governor's January budget proposal includes \$2B in homelessness funding over two years. The below proposals are designed to complement homelessness funding approved in the 2021-22 Budget, and aid in California's response to the ongoing homelessness crisis.

### *Behavioral Health Continuum Infrastructure Program*

The Governor's January budget proposal includes \$1.5B, over two years, for immediate housing solutions for individuals with behavioral health needs. The Department of Health Care Services' (DHCS) Behavioral Health Continuum Infrastructure program, which was approved in the 2021 budget, will administer the allocation of the \$1.5B. The funding will focus on purchasing, installing, and providing support for tiny homes, as well as operational support for other housing settings including assisted living settings.

### *Housing and Land Use*

The Governor's January budget proposal builds on California's previous investments in housing and provides an additional \$500M in Low Income Housing Tax Credits in 2022-23 and an additional \$1.5B in General Fund over two years to support the construction of additional subsidized affordable homes.

## Emergency Response and Preparedness

### California Earthquake Early Warning System

The budget proposes \$17.1M ongoing, to support education/outreach, operations, and research and development of the system for increased earthquake sensor density in rural parts of Northern California.

### Drought

The budget proposes \$750M General Fund to address immediate drought response needs with \$250M set aside for unspecified contingency. When added to the multi-year 2021 drought investments, the total reaches nearly \$6B for water resilience and drought response.

- \$180M for grants to large urban and small water suppliers for water efficiency, infrastructure leaks, demand reduction, and other local drought tools
- \$145M for local emergency drought assistance and grants to local water agencies facing loss of water supplies
- \$75M for fish and wildlife protection and development of resilient natural systems
- \$40M to repurpose irrigated agricultural land to reduce reliance on groundwater. Funding is intended to provide co-benefits for community and economic health, water supply, habitat, and renewable energy

### Mutual Aid System

The budget includes funding for mutual aid programs that are stressed by more frequent, complicated, and often simultaneous emergencies and disasters involving multiple counties at any given time. The proposal focuses on enhancing the fire and rescue mutual aid fire fleet with \$11M proposed to flow through Cal-OES for surge capacity through the Fire and Rescue Division. In addition, the budget proposes \$30M and 31 positions to permanently establish the Fire Integrated Real-Time Intelligence System (FIRIS) to increase the real-time information and situational awareness availability to all state and local mutual aid system responders and managers on all-hazards events. The budget also proposes \$5.8M to enhance key partnerships with local government and other local stakeholders to address heightened risks through enhanced partnerships.

### Wildfire and Forest Resilience

Governor Newsom continues to focus on climate change as part of his budget proposal, investing \$677M to support Forest Management Task Force's Wildfire and Forest Resilience Action Plan, expanding on the \$323M early action plan in 2020-21, totaling \$1B budgeted towards the scaled up and urgent wildfire risk. This plan includes; expanding appropriate forest management, securing more fuel breaks and support hardening homes and infrastructure in communities.

### 2022 Climate Change Initiative

The budget proposes a new initiative funded with \$2B General Fund over two years to continue to shift the state away from oil production. This builds off a 2021 investment of \$600M allocated to the Community Economic Resilience Fund for regional strategies to support economic and workforce transitions caused by climate change. The proposal seeks to help local governments transition to clean energy. It includes \$450M over three years to stabilize local governments, though details are not available on how counties can expect to access these funds.

The January Budget includes continued investments in climate programs, from zero-emission vehicles to air quality investments.

### **Local Public Safety Division of Juvenile Justice (DJJ) Realignment**

The Governor's January Budget proposal acknowledges the need to upgrade local juvenile facility infrastructure to serve all realigned justice-involved youth, pending the full closure of the DJJ by June 30, 2023. The January Budget includes a \$100M one-time General Fund investment to support improvements to county-operated juvenile facilities more conducive to serving justice-involved youth with a wide range of needs, focused on supporting trauma informed care, restorative justice, and rehabilitative programming. This builds off \$9.6M in one-time funds for the Regional Youth Program and Facilities Grant Program authorized by SB 823 (Chapter 337, Statutes of 2020).

### **Health and Human Services**

Health and Human Services expenditures in the state continue to lead all state spending categories and are second only to education spending. The Governor's January budget proposal includes \$217.5B (\$64.7B General Fund and \$152.7B other funds) for all health and human services programs in 2022-23.

At the time of today's release, the overall state economy continues to do well, and sales tax and vehicle license fee revenue is estimated to increase by 3.9 percent from 2021-22 to 2022-23. Please see the Realignment section below for more details.

The Governor proposes significant additional investments, including \$200M General Fund ongoing for local public health infrastructure, \$1.5B in bridge funding for housing people living with a severe mental illness, and more than \$2B annually to expand Medi-Cal to the last slice of undocumented individuals aged 19-49.

The Governor's January budget proposal includes \$1.7B over three years to focus on combating existing workforce challenges across the state. A number of the workforce provisions direct funding to build out the health and human services workforce.

### **Local Public Health Infrastructure Funding**

The Governor's January budget proposal includes \$300M in ongoing funding for public health infrastructure, \$200M of which will go directly to local public health jurisdictions. Each local health jurisdiction will receive a base allocation of \$350K, and the rest of the funding will be allocated via the following formula: each local health jurisdiction's population (50 percent), Race/Ethnicity index (25 percent), and the Poverty Index (25 percent). While this funding is intended to be flexible, the state has identified three categories of focus: Workforce Expansion, Data Collection and Integration, and Community Partnerships.

### **California Advancing and Innovating Medi-Cal (CalAIM)**

California's ambitious federal waiver package, titled "California Advancing and Innovating Medi-Cal" (CalAIM) was approved by the Centers for Medicare and Medicaid Services (CMS) on December 29. The January budget proposal includes \$1.2B (\$435.5M General Fund) in 2021-22, \$2.8B (\$982.6M General Fund) in 2022-23, \$2.4B (\$876.4M General Fund) in 2023-24, and \$1.6B (\$500M General Fund) in 2024-24 for CalAIM.

## Providing Access and Transforming Health Funding

The CalAIM initiative includes proposals to access new federal Providing Access and Transforming Health (PATH) funding. The first area of focus for PATH funding centers on increasing capacity for pre-release and post release services for justice-involved individuals, regardless of age. The goal is to build on some of the work of county Whole Person Care pilots that sought to reduce recidivism rates through jail in-reach efforts and case management both inside and outside of jail. The state would also use PATH funding to support overall implementation of the new CalAIM Enhanced Care Management and Community Supports services, as well as the Whole Person Care transition, technical assistance; collaborative planning; and capacity and infrastructure funding for providers, community-based organizations, and counties.

## Federal Budget Update

As of now the FY 2022 Federal budget has not been released. However, a 3<sup>rd</sup> Continuing Resolution (CR) was passed on February 17, 2022 through March 11, 2022.

The *Infrastructure Investment and Jobs Act* (IIJA; P.L. 117-58) was signed into law in November 2021 by President Biden. In addition to providing \$650B for existing programs, the legislation includes \$550B for new investments in roads, bridges, public transportation, airports, water, broadband, rail, aviation, grid infrastructure, resiliency, cybersecurity, and other areas.

## Conclusion/Next Steps

Mendocino County Executive Office staff will continue to work with its state lobbyists and monitor federal legislative and budget developments to stay informed of proposed changes. Certain budget items inevitably have a big effect on Mendocino County and its residents, and others are less felt. County staff is committed to keeping a firm hold on information resources to be able to allow the Board to act proactively when needed.

## FY 2021-22 PRIORITIES UPDATES

### Mendocino County Sheriff's Office (MCSO)

At Mid-Year the Sheriff's Office Field Services Budget is projected to have a budget deficit of approximately \$1.6M for FY 2021-22. This budget deficit is for three (3) reasons: the amount of overtime field services had to expend while assisting in the natural disasters the County of Mendocino has faced, the large influx in violent crimes (homicides, robbery), and the amount of Coroner's cases and the corresponding autopsies which had to be completed. The Sheriff's Office staff continues to work to reduce the overall budget deficit, through a number of budget efficiencies that have been implemented this fiscal year, and last fiscal year. The Sheriff's Office goal is to maintain the highest levels of service possible to the Mendocino County community; and continue to find ways, through these budget efficiencies, to reduce overall costs to the County's General Fund. These cost saving methods include:

- With the implementation of new software with the Professional Standards Bureau (PSB) the length of time for each applicant's application and background process will be significantly reduced, saving time and money for the county. This has also made it possible to almost completely

eliminate the need to contract with outside (contracted) investigators; which has resulted in significant savings to the County, conservatively \$38K a year.

- Sheriff's Office staff has continued their focus on the hiring of new Field and Corrections Deputies to fill open sworn positions. Maintaining a full work force helps the Sheriff's Office control overtime costs, work related injuries, job stress and burnout.
- This year, the Sheriff's Office has expanded its Deputy-In-Training Recruitment Program, selecting current Corrections Deputies, as well as Civilian Deputy-In-Training applicants for training as Field Deputies. The strategy of selecting local, already proven, already employed, internal candidates has always proved successful. Due to low numbers in our Corrections Division, which the Sheriff's Office is mandated to keep at certain levels, we are now reaching out to local applicants through our Civilian Deputy-In-Training program. This allows the Sheriff's Office to help employ residents of Mendocino County who already have a foothold in our county with housing and family, thus employing applicants who will stay and work for the Mendocino County Sheriff's Office for their entire careers. Being able to retain employees will help the Sheriff's Office build a stronger foundation of employment and keep our Deputy Sheriff numbers at a much higher level.
- The Sheriff's Office continues to try to keep the Dispatch Center fully staffed, which would help reduce overtime and training expenses. At this time, the Dispatch Center is short three positions. The Sheriff's Office continues to review staffing patterns and is researching options to increase efficiencies and maximize possible savings within the Dispatch Center.
- The Sheriff's Office continues to receive assistance from the Auditor's Office with regard to the more complex payroll related issues. Sheriff's Fiscal staff are working closely with the Auditor's Office to eventually take on all aspects of payroll processing. This will result in more efficient payroll, better communication between the Sheriff's Office and Auditor/Controller, and less overtime for the Auditor's office staff.
- The Sheriff's Office continues to give direction to schedule mandated training (Range, Defensive Tactics and Driving) for all sworn staff during their regularly scheduled work weeks, to reduce overtime expense, reduce liability and meet all required mandates.
  - Close monitoring of Sheriff Office overtime and personnel training costs is continuing. To help reduce overtime and training costs, Sheriff's Office personnel continue to work to have mandated training courses certified by POST and STC for presentation here locally. This change reduces expensive travel related costs for legislatively mandated training.
  - Purchases within the 2000 series are being monitored and re-examined closely prior to authorization to determine if alternative solutions, recycling of older supplies and equipment or deferral could occur, prior to expending funds. This work by Sheriff's Office personnel has significantly decreased expenditures within the 2000 series

- During the 2021-22 fiscal year, the Sheriff's Office Field Division continues to re-imagine law enforcement as a whole due to the continuing Covid-19 pandemic. These impacts include the inability to train, and overtime associated with Field Services and Front Office Staff. The reality and hardship associated with these employees becoming Covid-19 positive, or becoming close contacts, and the affect this had on the Sheriff's Office budget due to mandatory overtime to fill the vacant positions is extraordinary. For the year 2021, Sheriff's Office employees were out of work due to Covid-19 for **2,987.50** hours.

Crime Calls for Service 2021 – 60,558

Coroner's Cases for year 2021 - 475 Coroner's Cases, with 245 being Autopsies

- At Mid-year 2021-22, the Sheriff's Office has expended \$310,418 in autopsy costs. The monetary amount for the five (5) year pathology contract is \$1,675M. This pathology contract was implemented December 1st of 2019 and ends December 31st of 2024. The Sheriff's office may end up fully expending this contract in less than three (3) years due to the immense increase of Coroners cases and the autopsies associated with these Coroner investigations.

## County Jail

At mid-year, the Sheriff's Office Corrections Budget is projected to be slightly over budget (approximately \$79K) above budget revenue estimates for FY 2021-22 due to the addition of a Board approved contract for a Licensed Clinical Social Worker position for the Jail. Sheriff's Office staff continue to work to reduce the overall budget deficit, through a number of budget efficiencies that have been implemented this fiscal year, and the previous fiscal year. Some of these cost saving methods include:

- The Sheriff's Office Correctional Facility continues its mandate to have care and custody of State prisoners during the Covid-19 outbreak. Due to this action, Corrections staff continue to be tasked with the care and custody of High Level Prisoners while complying with Covid-19 protocols and State mandates.
- Corrections staff is closely monitoring the inmate clothing and laundry services as well as kitchen services to ensure streamline processes and accurate ordering as well as managing inventory to maximize the use of funds. Due to lack of staffing for Kitchen and Laundry services while also taking in the need for qualified personnel during the Covid-19 pandemic the Sheriff's Office is looking into contracting with an outside company to assist in maintaining the high quality of goods and services for our incarcerated persons at the Mendocino County Jail.
- The Sheriff's Office continues to make recruitment and hiring of correctional personnel a priority, to help reduce overtime, work related injuries and job burn out. This change is leading to increased retention amongst personnel, and the development of a corrections-to-field career path for personnel.
- Due to the Covid-19 pandemic, the Sheriff and his Corrections staff continue to work closely with the Courts, District Attorney's Office and the Public Defender's Office to increase usage of video for Court hearings. The Sheriff believes this has been a significant cost saving initiative within the Corrections budget. Staff continue to research funding alternatives and facility improvements that can help facilitate future General Fund savings in this area.

- During FY 2021-22, both the Corrections Division and the Field Services Division have had to handle unprecedented situations never before seen or dealt with due to the different variants of Covid-19. During this traumatic time, the Sheriff's Office has continually worked hand in hand with the County and Public Health to devise a plan of action to rid these new variants of the Covid-19 virus from the Correctional Institution. This plan consisted of twice-a-week testing for all Residents and Correctional Staff, releases of all Residents that could be released on either home monitoring or early release, the continual cleaning and disinfecting of the Correctional Institution, wearing of proper and mandated Personal Protective Equipment, and the continual training needed to stop the spread of this pandemic causing virus.
- The Fiscal Team is working with the Auditor/Controller and outside consultant KNN to refinance the current bonds and secure new money to cover the additional \$3M needed this fiscal year, before the jail project goes out to BID in June 2022. The \$3M will initially be a General Fund reserve impact, which was approved February 28, 2022 as part of Agenda Item 4a, and is to be replaced with bond financing when complete. However, there are concerns the completion of the new financing may be jeopardized, as the FY2020/21 annual audit, performed by an external firm, will not be completed in time for this funding opportunity. The completion of the FY 2020-21 audit is dependent upon the audit firm's audit schedule and the County's ability to provide requested documentation.

## Probation

Probation continues to work towards fully staffing the department. We currently have 5 Deputy Probation Officer positions we are recruiting for: 2 replacements due to resignations and 3 newly approved positions for the Pretrial Service Program. Recruitments are taking longer than expected due to seeing a significant decrease in candidates in addition to the long recruitment process as well as mandated background requirements. We hope to have all positions filled by the end of FY2021-22.

Probation is actively involved in two major projects:

- Pretrial Services Program, which was initiated in response to SB 129. Working in conjunction with the Mendocino County Superior Court, we will have this program operational by the end of the fiscal year. A component of this program is to not only staff the program with an initial three staff members, but also to acquire and install a modular building within the Jail facility, if feasible. Probation is working with the Executive Office and Facilities to identify costs and a potential location for the building. The finalization of the building is not expected to occur before the end of the year. The State is providing partial funding through the Courts in the form of two components: 1) One-time funding for program implementation, and 2) Ongoing funding. The courts have allocated 100% of the state funding to be issued to Probation for partial program costs.
- Replacement of our case management system. Our current system ceased being supported after the end of FY2020-21. The replacement system has been identified and Probation is working closely with the Executive Office and IS on contractual issues and transition/conversion projections. Although this is a major project which will require financial investment, as well as personnel resources, implementing a system designed to support Probation supervision and juvenile detention will create better efficiency and an ability to extract data that better informs decisions.

Probation received a 3-year grant through The California Board of State and Community Corrections (BSCC) Prop 64 Public Health and Safety Grant Program to implement a Restorative Justice Youth Court. We are working with Redwood Community Services to launch this program.

Probation continues to work with the impacts of COVID-19. Positive tests results, close-contacts, quarantine requirements, as well as day care issues, continue to affect employee attendance. We continue to have some individuals work remotely, thus avoiding a higher loss of time. Most of our trainings and communications continue to be remote and non-contact methods, which for some trainings result in less than optimal training. Probation continues to work on developing alternate methods of delivering services to probationers – both adult and juvenile. Working with the schools, we were able to begin the GREAT program during the first half of this year. We look forward to expanding this program, as well as starting the IMPACT program. Our Day Reporting Center (DRC), operated by GEO Reentry Services, continues to provide services for our adult clients. In July of this fiscal year, the DRC was relocated to the adult conference room in Probation due to a fire that irreparably damaged the modular building in which they were located. Probation is working with the Executive Office and Central Services on finalizing a lease agreement for a facility to relocate the DRC, which will be co-occupied with Social Services.

We continue to assess opportunities to improve efficiencies as well as revenue streams which allow us to cover program and services costs, including personnel related costs. The mid-year budget projections show Probation to be on-budget.

### STATISTIC UPDATES FOR GRAPHS

#### **New Probation Cases, JUL-DEC 2021:**

|           |            |  |
|-----------|------------|--|
| MS:       | <u>15</u>  | MS – Mandatory Supervision                         |
| PRCS:     | <u>25</u>  | PRCS – Post-Release Community Supervision          |
| Adult:    | <u>141</u> | Adult – Formal, DV & Child Abuse                   |
| Juvenile: | <u>15</u>  | Juvenile – Formal, 725(a) WIC, 654.2 WIC & 790 WIC |

#### **Probation Case Load:**

|                                  |            |
|----------------------------------|------------|
| Formal Probation:                | <u>684</u> |
| Post Release Supervision (PRCS): | <u>99</u>  |
| Mandatory Supervision (MS):      | <u>50</u>  |

#### **Probation Cases by Risk Type:**

|                                       |            |
|---------------------------------------|------------|
| High Risk:                            | <u>328</u> |
| Moderate Risk:                        | <u>249</u> |
| Low Risk:                             | <u>202</u> |
| Non Assigned/Pending Risk Assignment: | <u>54</u>  |

\*Note: Domestic Violence & Child Abuse case types were reported separately in FY19-20 report. As of FY20-21 those case types are included in the case types shown above.

### **Juvenile Hall**

Juvenile Hall continues to maintain a Hall capacity of 20 in order to meet allocated budget and to be responsive to the average daily population. The Jail continues to provide all food for the Hall.

We are currently recruiting for 2 full-time, permanent Juvenile Corrections Officer (JCO) positions to fill vacancies. We hope to have the positions filled in the next 30-60 days. We continue to actively develop our JCO extra help staff in order to provide coverage for full-time, permanent staff during periods of absence in order to maintain our compliance with Title 15 regulations. Recruitments are taking longer than expected due to a significant decrease in candidates, in addition to the long recruitment process as well as mandated background requirements.

Juvenile Hall entered into an agreement with Pacific Redwood Medical Group (PRMG) during the first half of the year to provide Licensed Vocational Nurse (LVN) services. These services address the LVN services that were previously provided by a staff LVN who left County employment in FY20-21. The addition of this contract enables us to provide LVN services on a 7-day per week basis, versus the previous 4-day per week basis, improving the services available to the youth in custody.

COVID-19 continues to impact Juvenile Hall in several ways. Employee absences due to positive tests results, close-contacts, quarantine requirements, as well as day care issues, continue to affect employee attendance. We have been able to continue providing the majority of our programming during the first half of the year, including mental health and counseling services. On-site school instruction was restarted. Aikido was also able to be restarted for in-person services as well as in-person visitations. Juvenile Hall continues to be responsive to shifting between in-person and virtual service as necessitated due to outbreaks or exposure.

Juvenile Hall has begun planning for the implementation of the closure of the Division of Juvenile Justice (DJJ) as a result of the passage of SB 823. Mendocino County was approved for funding through the Youth Programs and Facilities Grant Program to provide resources for infrastructure-related needs and improvements to assist counties in the development of a local continuum of care as we become fully responsible for housing, programming, and treatment of youth at higher offense and needs levels who can no longer be committed to DJJ. The funds will be utilized to implement facility improvements, programming and training. We anticipate a majority of the improvements to occur during the second half of the fiscal year, with some possible carrying over into the first half of FY2022-23.

The mid-year budget projection reflects a below budget estimate for the fiscal year, based primarily on salary and benefit savings.

**During the first six months of FY21-22:**

- The monthly average Juvenile Hall population has ranged from 2 to 10
- The population gender ratio was approximately 85% male and 15% female
- A total of 35 admissions to Juvenile Hall, average 6 admissions per month
  - Of the 35 admissions, gender ratio was approximately 83% male and 17% female
- The average stay in days per juvenile was 34 days

**STATISTIC UPDATES FOR GRAPH**

**Average Daily Bed Population:**

|        | July  | August | September | October | November | December | January | February | March | April | May | June | Total Average |
|--------|-------|--------|-----------|---------|----------|----------|---------|----------|-------|-------|-----|------|---------------|
| 18/19  | 11.71 | 11.51  | 11.6      | 13.64   | 18.13    | 18.93    | 18.1    | 13.29    | 13.74 | 16.57 | 15  | 15.7 | 14.83         |
| 19/20* | 11.13 | 13.13  | 14.73     | 11.45   | 10.87    | 11.03    | 9.3     | 11.0     | 13.8  | 10.0  | 8.2 | 7.4  | 11.00         |
| 20/21* | 7.10  | 7.23   | 6.23      | 8.03    | 6.77     | 8.06     | 6.4     | 4.9      | 5.6   | 6.9   | 6.9 | 4.7  | 6.57          |
| 21/22* | 4.7   | 3.4    | 6.4       | 7.9     | 8.5      | 7.3      |         |          |       |       |     |      | 6.4           |

\*COVID-19 Impact

## Measure B

The Mental Health Treatment Act Citizen's Oversight Committee continues to make recommendations to the Board of Supervisors on Measure B projects and expenditures. The most recent recommendation that was presented and approved by the Board of Supervisors being:

- The BOS recently approved to move forward with using the property located at Whitmore Lane for construction of a psychiatric health facility. This includes demolition of the existing structure and construction of a new building.

Update on previous recommendations made to the BOS:

- Contract with AECOM to provide construction management services from the pre-construction phase through completion of the Crisis Residential Treatment Facility (\$3.7M).
  - Construction of the Crisis Residential Treatment Facility broke ground in February 2021, it has since been completed. Although we are still awaiting certification from the State we had a successful ribbon cutting event on Thursday December 16, 2021 with complements on the facility by many in attendance.
- Funding for a pilot Mobile Crisis Program
  - Two Mental Health Rehabilitation Specialists have been hired, trained and are responding to mobile dispatch calls from MCSO and UPD.
  - Two new Ford Explorer Hybrid vehicles equipped with cages are in the process of being purchased.
- Funding for Community Education, Awareness, and Support
  - Contracted with NAMI Mendocino who is working with the county, local providers, and stakeholders on community education, awareness, and supports.
- Funding for Crisis Assessment and Psychiatric Hospitalization Aftercare Services.
  - Contracted with Redwood Community Services who is providing crisis assessments and psychiatric hospitalization aftercare services for those individuals who don't have Medi-Cal.

Behavioral Health Regional Training Center was completed in the fall of 2021 and the grand opening was held for Thursday March 3, 2022.

## Project Homekey

In November 2020, the County of Mendocino purchased the Best Western hotel located at 555 South Orchard Street in Ukiah. In April 2021, this building re-opened as Live Oak Apartments – a 56 unit apartment building consisting of studio units of about 300 square feet each, as well as up to six two-room units of 600 square feet. The project is targeted to provide transitional and permanent housing to seniors, veterans, individuals with complex medical conditions, and households parenting children. The first wave of residents included 71 individuals; including 44 adults, 25 children and pregnancies, 7 veterans, and 19 seniors. Rural Communities Housing Development Corporation (RCHDC) serves as the property manager, and County staff provide significant on-site support to residents.

Over the next decade or so, Live Oak Apartments will give hundreds of people in our community the opportunity to permanently recover from homelessness. This project is an opportunity for individuals and families to live in a safe environment while they work to achieve greater levels of self-sufficiency. They will have the stability they need to get a job, to stay sober after years of addiction, to escape from an abusive partner, to care for their own physical and emotional health, to join a church, to reconnect with their family and friends, to provide a place for their kids to sleep in peace, and to contribute productively to the community they were raised in.

In 2021, the County completed Phase 1 of the remodeling needs of the building, which included the installation of kitchenettes in 30 of the units. The remaining 20 units will have kitchenettes installed in the spring of 2022. A second wave of residents (up to 20 households) will be invited to live in the apartment building in April or May of 2022.

## Information Technology Master Plan (ITMP)

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 \$20.7M 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 not included in the programs identified below.

- **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.
- **Enterprise Internal Service Fund** – 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, has developed an internal service fund (ISF) for countywide enterprise applications in order 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 2021-22 included: communications, licensing and annual maintenance, software, network equipment, data center equipment, audiovisual equipment and computer replacement.

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. Information Technology staff will also provide an updated Five Year ITMP based on identified technology needs and recommended replacement cycles.

### COMPLETED ITMP PROJECTS

| Project No. | Project Description  | Estimated Total Costs |
|-------------|--|-----------------------|
| ITMP1       | Data Center Network Switch Replacement                                   | \$184,500             |
| ITMP2       | County San/Storage Upgrade   | \$107,957             |
| ITMP3       | Emergency Operations Center (EOC) Phase I Improvements                   | \$27,187              |
| ITMP4       | VMware Upgrades  | \$20,771              |
| ITMP5       | Microwave battery replacements & Wave Guide Relocation                   | \$62,025              |
| ITMP6       | MCSO Switch Upgrades   | \$30,798              |
| ITMP7       | MCSO Server Upgrades   | \$122,908             |
| ITMP8       | MCSO Aegis Server Replacement  | \$4,030               |
| ITMP9       | MCSO - AD Audit  | \$2,138               |
| ITMP10      | Firewall Upgrades  | \$8,237               |
| IT001       | Network Request for Proposal (RFP) Bid Development                       | \$24,973              |
| IT002       | Structured Connectivity Bid Development                                  | \$19,850              |
| IT004       | Cannabis Process Improvements  | \$46,819              |
| IT005       | Procurement and Payables Process Review Improvements Assessment and Plan | \$34,235              |
| IT007       | Aumentum Implementation Assessment                                       | \$18,131              |
| IT008       | Aumentum Phase 0 Project Management and Contract Negotiation             | \$38,528              |
| IT012       | Fiscal Year (FY) 2018/19 Computer Replacements & Office Licenses         | \$199,889             |
| IT014       | Internet Bandwidth Resiliency  | \$642                 |
| IT015       | EOC Phase 2 Improvements   | \$28,000              |
| IT016       | Wireless Network Expansion   | \$12,789              |
| IT017       | Public Safety Radio Repeaters - Spare Parts Inventory                    | \$26,629              |
| IT018       | Public Safety Radio - Voting Comparators Upgrade                         | \$48,240              |
| IT019       | Tower Environmental/Power Alerts Alarms                                  | #19,344               |
| IT020       | MCSO Structured Connectivity System                                      | \$250,000             |
| IT021       | MCSO Router Upgrade  | \$21,299              |
| IT022       | MCSO Firewall Upgrade  | \$577                 |
| IT023       | DOJ Firewall - CJIS Compliance Security Improvement                      | \$20,663              |

|       |   |           |
|-------|---|-----------|
| IT024 | MCSO Aegis Message Switch Replacement               | \$12,374  |
| IT025 | Multi-Jurisdictional Public Safety Radio Operations | \$19,730  |
| IT026 | Logging and Audit Trail Improvements                | \$3,516   |
| IT027 | Radio and Network Bid Development Services          | \$49,764  |
| IT028 | FY 19/20 Computer Replacement Plan                  | \$187,164 |
| IT029 | FY 19/20 Office Software Upgrades                   | \$52,954  |
| IT032 | FY 19/20 Radio Spare Parts                          | \$35,054  |
| IT033 | FY 19/20 Video Conferencing Improvements            | \$28,212  |
| IT034 | Cost Recovery - Microwave/Radio Cost Study          | \$23,400  |
| IT035 | Records and Data Retention Upgrade                  | \$54,520  |
| IT044 | Artificial Intelligence Based Security Monitoring   | \$36,769  |
| IT046 | Staff Security Awareness Training                   | \$48,125  |

#### ***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 \$1M the Board of Supervisors initially allocated to this project by \$450K. The Board of Supervisors accept the update regarding the Criminal Justice Software System Replacement project; and provide direction to the Executive Office Fiscal Unit to source funding during FY 21/22 mid-year related to the \$450K in additional funding needed to complete this project.

#### ***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 trainings were conducted. Information Technology continues to explore the addition of Executime for timekeeping improvements along with Employee self-service and other enhanced functionality.

#### ***Cost Recovery Model – Public Safety Microwave/Radio Communications System***

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. This cost model includes cost analysis calculated over a 20-year span to match the longest equipment life cycle. The 20-year total cost of ownership was then used to calculate an annual cost to be reviewed on an annual basis. In FY 2021-22 full cost recovery was not anticipated due to phased implementation. At this time it is anticipated that microwave lease costs to exceed original estimates. No adjustments are recommended at this time. Due to current infrastructure replacement needs, Information Technology staff are looking to leverage available funding towards Phase III Radio replacement project.

The internal service fund (ISF) for countywide enterprise applications phase I began in FY 2021-22 in order to properly allocate costs to departments and recover costs for maintaining and upgrading these systems. Allocations for all departments collected in Q2 totaled \$1,912,832. Circuit costs are projecting to be slightly under budget at this time based on trend. No adjustments are recommended at this time; however, Information Technology staff will continue to monitor activity.

#### ***ITMP Fiscal Overview***

Since the submission of the Five Year ITMP, several projects have been funded while other initiatives remain unfunded without identified funding sources. Information Technology staff intent to continue to work with the Executive Office Budget team to identify available funding sources. Below is a summary of the IT Master Plan Fiscal Overview, illustrating the estimated costs per Fiscal Year.

|                | FY 2021-22          | FY 2022-23         | FY 2023-24         | FY 2024-25         | FY 2025-26         | Total               |
|----------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Infrastructure | \$8,735,800         | \$1,763,672        | \$899,581          | \$1,424,329        | \$1,424,329        | \$23,477,996        |
| Application    | \$1,790,000         | \$1,305,000        | \$650,000          | \$350,000          | \$350,000          | \$6,735,456         |
| <b>Total</b>   | <b>\$10,525,800</b> | <b>\$3,068,672</b> | <b>\$1,549,581</b> | <b>\$1,774,329</b> | <b>\$1,774,329</b> | <b>\$18,692,711</b> |

| Total by Priority | FY 2021-22          | FY 2022-23         | FY 2023-24         | FY 2024-25         | FY 2025-26         | Total               |
|-------------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Critical          | \$1,334,400         | \$411,400          | \$138,400          | \$183,400          | \$183,400          | \$6,606,741         |
| High              | \$8,087,400         | \$1,222,272        | \$606,181          | \$685,929          | \$685,929          | \$18,452,711        |
| Medium            | \$904,000           | \$835,000          | \$755,000          | \$905,000          | \$905,000          | \$4,304,000         |
| Low               | \$200,000           | \$600,000          | \$50,000           | \$0                | \$0                | \$850,000           |
| <b>Total</b>      | <b>\$10,525,800</b> | <b>\$3,068,672</b> | <b>\$1,549,581</b> | <b>\$1,774,329</b> | <b>\$1,774,329</b> | <b>\$18,692,711</b> |

## County-Wide Health Plan

The County provides health benefits to its employees and their dependents. The County Employee Health Plan is self-insured and is administered by the Executive Office. The plan provides, medical, dental, vision, prescription drug, basic life, accidental death, and dismemberment insurance (AD&D) and an Employee Assistance and Wellness Program. The Plan is 75% funded by the County and 25% by employee contributions.

Anthem Blue Cross processes medical claims in addition to providing Anthem network pricing. Medical and Dependent Flexible Spending Accounts are also being administered by Anthem. Basic Life and AD&D coverages are offered by Hartford Insurance Company.

For the last six (6) months of the 2021 calendar year, the medical and prescription drugs paid claims was \$9,198,428, which represents an increase from the past year's utilization. In the entire 2021 calendar year, the total medical and prescription drugs paid claims were \$16,991,961.

Although, the number of employees participating in the Health Plan has been stable over the years, the claims activity has not. In the last few years the County has experienced an increase in the number and severity of claims resulting in a higher than anticipated cost to the health plan.

On September 28, 2021 the BOS approved a 12% increase in premiums to the health plan which increased revenue by approximately \$150K per month; the monthly claims average is \$1.33M.

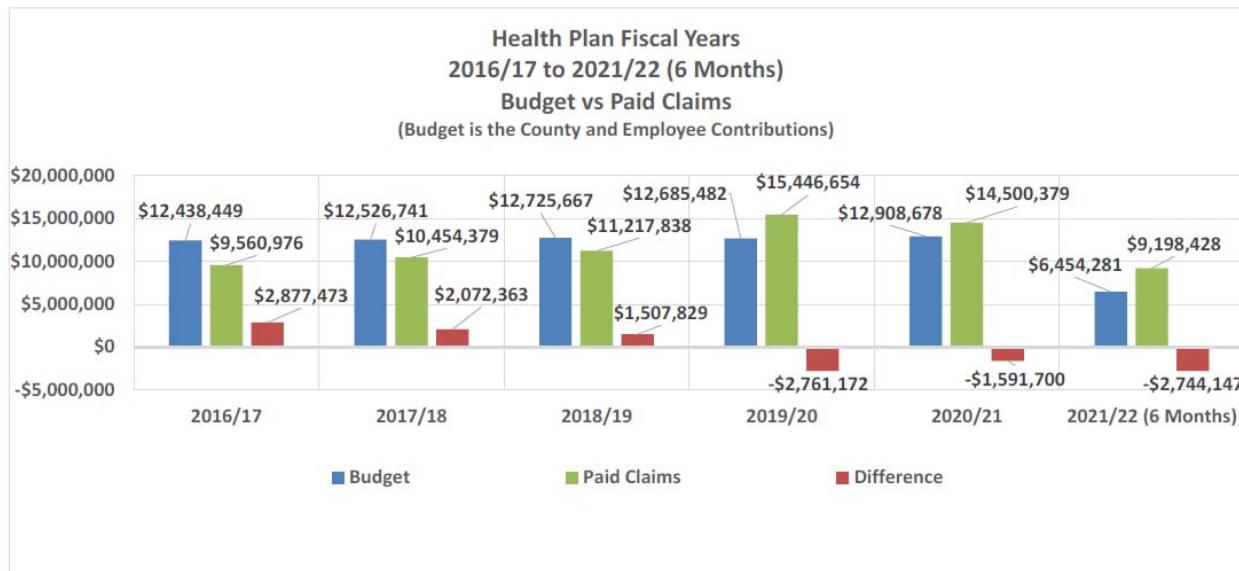
Nov 17 2020 during Q1 report, the CEO recommended a 20% employer contribution increase totaling \$1,140,734.

In 2017 Keenan and Associations, the health plan's broker, recommended a 3-month premium holiday for employees in calendar years 2017 and 2018. Per State Auditor-Controller and County Auditor-Controller Weer, the agreements for the premium holiday were designed to also relieve the departments of their share of the premiums, which resulted in a \$3.1M reduction to the health plan fund. Due to this reduction in the trust fund and the high costs to the plan, the health plan fund has been depleted.

Unreported Health Plan Fund loss for FY 2020-21 was \$2.57M, to potentially be applied to American Rescue Plan Act (ARPA) Funding.

As of January 31, 2022, the health plan is running in a **deficit** of **\$4.8M** which will be an impact to the General Fund.

Below is additional information regarding the Health Plan's budget vs paid claims since FY 2016/17.



Note: Medical and Prescription drugs budget and paid claims.

- 2021/2022 Fiscal Year (7/1/21 – 12/31/21):
  - Budget: \$6,454,281; Paid claims: \$9,198,428
  - Paid claims loss ratio: 143%
- 2020/21 Fiscal Year
  - Budget: \$12,908,678; Paid claims: \$14,500,379
  - Paid claims loss ratio: 112%
- 2019/20 Fiscal Year: Paid claims loss ratio: 122%
- 2018/19 Fiscal Year: Paid claims loss ratio: 88%
- 2017/18 Fiscal Year: Paid claims loss ratio: 83%

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

### American Rescue Plan Act (ARPA)

The Department of Treasury released the final rule on January 6, 2022. According to the final rule, funding may be used to cover costs to 1) replace lost public sector revenue, 2) support the COVID-19 public health and economic response, 3) provide premium pay for eligible workers performing essential work, 4) or to invest in water, sewer, and broadband infrastructure. Eligible expenses must be obligated between March 3, 2021 and December 31, 2024, and projects must be completed by December 31, 2026.

Mendocino County's allotment was \$16,849,976, of which 50% was awarded on August 6, 2021. The remaining 50% will be awarded 12 months after the first allocation. The Board of Supervisors on November 16, 2021 directed ARPA funding to be obligated based on the final rule and to be

designated for County core services, infrastructure, and emergency funding before all other considerations. An internal working group has been created to discuss potential funding needs and to review the complex set of reporting and compliance requirements. The County has obligated \$4.76M in funding as of January 31, 2022.

### **Hopkins Fire**

Recovery efforts related to the 2021 Hopkins Fire have continued to move forward in Q2. On November 18, 2021 the PRRM team hosted a virtual Town Hall for those impacted by the Hopkins Fire. The PRRM team began collecting Right of Entry Permits (ROEs) from impacted property owners to facilitate the state-assisted debris removal program. Of the 30 eligible properties, 21 submitted their ROEs for the State program with an additional 9 impacted properties opting to perform private debris removal operations. Debris removal operations commenced on January 17, 2022. As of February 10, 2022, all properties enrolled in the State program have been cleared of fire-related debris. Soil testing, hazard tree removal, and erosion control efforts are still ongoing.

### **Pacific Gas & Electric (PG&E) Disaster Settlement**

The Board of Supervisors, on August 17, 2021, allocated the PG&E Disaster Settlement Funds. As of February 2022, the Board of Supervisors have approved 38 unique contracts to outside agencies totaling over \$3.6M. The internal team is continuing to work on the remaining contracts. All agencies and internal departments will be required to provide documentation on expense to ensure proper use of funds.

### **Fire Agency Funding**

A portion of the PG&E Disaster Settlement Funds allocated in August was specific to the County's continued support of local fire districts. Below is a recap of obligated funding for FY 21-22, broken out by funding stream. This recap does not include any funding through Budget Unit 4016 Emergency Medical Services.

| External Agency                       | PG&E - Coastal Valley's | PG&E - MCAFDF    | PG&E - RVCDF     | PG&E - Brooktrails/Little Lake | PG&E - PVFD    | PG&E - Ohio Phase V | Prop 172       | ARPA Funding   | Total Funding to Fire Agencies |
|---------------------------------------|-------------------------|------------------|------------------|--------------------------------|----------------|---------------------|----------------|----------------|--------------------------------|
| Albion Fire                           | 20,000                  | 45,454.54        |                  |                                |                |                     | 13,855         |                | 79,310                         |
| Anderson Valley Fire                  | 45,048                  | 45,454.54        |                  |                                |                |                     | 18,496         |                | 108,999                        |
| Brooktrails Fire                      | 20,000                  | 45,454.54        |                  | 60,000                         |                |                     | 19,277         |                | 144,732                        |
| Comptche Fire                         | 20,000                  | 45,454.54        |                  |                                |                |                     | 11,387         |                | 76,842                         |
| Covelo Fire                           | 31,300                  | 45,454.54        |                  |                                |                |                     | 17,324         |                | 94,079                         |
| Elk Fire                              | 20,000                  | 45,454.54        |                  |                                |                |                     | 11,038         |                | 76,493                         |
| Fort Bragg Fire (City)                |                         | 45,454.54        |                  |                                |                |                     | 20,076         |                | 65,531                         |
| Fort Bragg Fire (Rural)               | 20,000                  | 45,454.54        |                  |                                |                |                     | 30,697         |                | 96,152                         |
| Hopland Fire                          | 20,000                  | 45,454.54        |                  |                                |                |                     | 15,234         |                | 80,689                         |
| Laytonville/Long Valley Fire          | 149,056                 | 45,454.54        |                  |                                |                |                     | 16,856         |                | 211,367                        |
| Leggett Fire                          | 20,000                  | 45,454.54        |                  |                                |                |                     | 11,227         |                | 76,682                         |
| Little Lake Fire                      | 20,000                  | 45,454.54        |                  | 60,000                         |                |                     | 34,388         |                | 159,843                        |
| Mendocino Fire                        | 20,000                  | 45,454.54        |                  |                                |                |                     | 17,588         |                | 83,043                         |
| Piercy Fire                           | 20,000                  | 45,454.54        |                  |                                |                |                     | 10,349         |                | 75,804                         |
| Potter Valley Fire                    | 20,000                  | 45,454.54        |                  |                                | 415,776        |                     | 15,278         |                | 496,509                        |
| Redwood Coast Fire                    | 20,000                  | 45,454.54        |                  |                                |                |                     | 14,763         |                | 80,218                         |
| Redwood Valley Calpella Fire District | 20,000                  | 45,454.54        | 2,087,500        |                                |                |                     | 28,930         | 500,000        | 2,681,885                      |
| South Coast Fire                      | 20,000                  | 45,454.54        |                  |                                |                |                     | 14,733         |                | 80,188                         |
| Ukiah Valley (City)                   |                         | 45,454.54        |                  |                                |                |                     | 43,950         |                | 89,405                         |
| Ukiah Valley Fire                     | 143,129                 | 45,454.54        |                  |                                |                |                     | 57,261         |                | 245,844                        |
| Westport Fire                         | 20,000                  | 45,454.54        |                  |                                |                |                     | 10,739         |                | 76,194                         |
| Whale Gulch Fire                      | 20,000                  | 45,454.54        |                  |                                |                |                     | 10,554         |                | 76,009                         |
| Fire Training Structure               |                         |                  |                  |                                |                | 1,000,000           |                |                | 1,000,000                      |
|                                       | <b>688,533</b>          | <b>1,000,000</b> | <b>2,087,500</b> | <b>120,000</b>                 | <b>415,776</b> | <b>1,000,000</b>    | <b>444,000</b> | <b>500,000</b> | <b>6,255,809</b>               |

## **Grants**

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The PRRM team continues to implement on-going grants and resiliency mitigation projects. The team has secured \$40M in funding since 2018, and a potential \$4M in additional funding is pending in grant applications. During the first 6 months of the fiscal year, the team was able to continue progress on the projects listed below.

- CAL FIRE - Ukiah Valley Fuels Reduction, Award Amount \$1,652,200
- CAL FIRE - Hazardous Tree Removal, Award Amount \$1,001,450
- California Microbusiness Covid-19 Relief Grant (MBCRG), Award Amount \$109,251
- Community Development Block Grant (CDBG) Disaster Recovery Multi Family Housing Program (DR-MHP), Award Amount \$6,591,778
- Department of Water Resources (DWR) Small Community Drought Relief Program, Award Amount \$2,000,000
- Economic Development Agency Disaster Supplemental Grant, Award Amount \$397,180
- Hazard Mitigation Grants Program (HMGP) - Ignition Resistant Construction Phase I, Award Amount \$304,089
- Hazard Mitigation Grants Program (HMGP) – Early Warning Sirens Phase I, Award Amount \$129,161
- United States Department of Agriculture (USDA) – Emergency Operations Center Generator, Award Amount \$70,000

## **Department of Transportation**

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### **Roads & Transportation**

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The Mendocino County Department of Transportation (MCDoT) provides for the maintenance, engineering and technical assistance, administration, and business services in order to support the County Maintained Road System, which includes 1,018 centerline miles of roadway and related features such as bridges (157 bridges over 20 foot span), road drainage systems (6,175 conduits under 20 foot span), and road network signage (14,557 signs and markers). Transportation funds from various local, State, and Federal programs constitute the County Road Fund (a restricted-use fund), generally as reimbursement for funds previously spent by the County for projects approved on a formula or competitive award basis.

MCDoT continues work in various phases of pre-construction related activities for ten bridge replacement projects; construction is currently underway for Phase I of the East Side Potter Valley Road Reconstruction and Widening Project, and will be completed in spring 2022; and thirteen miles of road pavement preservation treatment were completed in fall 2021.

Mendocino County has been responding to four declared disasters – Storm Damage on Federal Highway Administration (FHWA) roads in 2016 and two full Federal Emergency Management Agency (FEMA) Storm Damage events in January 2017; the October 2017 and August 2018 fires; and the February 2019 flood, which impacted both FEMA and FHWA roads.

MCDoT has completed approximately thirty storm damage repair projects, which were funded primarily through California Emergency Management Agency (Cal EMA) and Federal Emergency Management Agency (FEMA) grant funds. There are five 2019 FEMA storm damage projects still underway, which are anticipated to be completed in summer 2022, with an estimated repair cost of \$2.5M. Reimbursement is expected to be in the range of 75% to 93.75%.

Mendocino County's FHWA eligible "on system" roads have had approximately eighteen storm-related damaged sites, fifteen of which have been completed. The three remaining 2019 FHWA storm damage projects are still underway, and are anticipated to be completed in the summers of 2022 and 2023, with an estimated repair cost of \$2M. Reimbursement of 88.53% is expected.

All fire damage projects have been completed with an estimated amount of total damage to the County Maintained Road System at approximately \$17.1M, with a +/- \$1.7M local share. The fire damage projects included sub surface and surface repairs, culvert replacement, guardrail replacement, and hazardous tree removal in public right of way.



#### **Redwood Valley County Water District Infrastructure Project**

This Mendocino Disaster Recovery Department project was funded by a combination of Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) grants, with a 25% local match from the State of California Department of Water Resources (DWR), for a total amount of some \$5M. The purpose of this project was for construction of domestic water delivery systems that mitigate seismic hazards within the Redwood Valley County Water District (RVCWD) infrastructure in those areas burned in the 2017 Redwood Valley Fire. In addition to and excluded from the above HGMP/DWR funded project, up to \$250K of American Rescue Plan Act (ARPA), in conjunction with Coronavirus State and Local Fiscal Recovery Funds ("SLRF"), was used for the installation of twenty-five fire hydrants in the project area which are now connected to the new 6" main water lines. The new system became fully functional in December 2021.

#### **Capital Improvement Plan (CIP)**

The County's Five Year Capital Improvement Plan (CIP) includes sections for Roads & Bridges, County Fleet, Capitalized IT Maintenance & Upgrades, and Facility Projects. Each section includes example projects and estimated five-year costs for the General Fund and non-General Fund. In recent years, the County has balanced the CIP needs with other priorities while utilizing a "pay as you go" model leaving a backlog of unfunded projects leading to a steady deterioration of county owned facilities and the need to respond in an emergency capacity rather than through effectively and efficiently planned and designed projects. It is the intent of Facilities and Fleet staff to present the Board with a new Five Year CIP based on a thorough space needs assessment and facility condition analysis during fiscal year 2022-2023 including strategies for an appropriate funding level.

The CIP includes two types of projects managed by the Facilities and Fleet Division now under the General Services Agency which are tracked as separate funds within the County Budget.

- **Capital Projects** which are typically new buildings or new properties such as the Jail Expansion Project and the new Mental Health Treatment facilities recently completed and under way.
- **Capital Improvements** which are improvements to our existing facilities either to maintain them in good working order, or modify them to suit the ongoing needs of County operations.

## **CAPITAL PROJECTS**

### **Mental Health Treatment Act New Facilities**

Construction is complete for the new Behavioral Health Training Center in Redwood Valley and the Crisis Residential Treatment Center on Orchard Avenue in Ukiah and ready for their intended uses to provide training and direct services.

Facilities and Behavioral Health staff has turned their attention to the development of the Psychiatric Health Facility (PHF) at the County's owned Whitmore Lane site in Ukiah. Planning and design work is under way and initial project schedule is projecting completion in early 2025.

### **New SB 844 Jail Expansion Project**

The County's Architect completed permit drawing and has submitted them for State Fire Marshall and local jurisdiction review. It is anticipated that the review and correction process will continue through early summer with the earliest possible bid date by mid to late summer 2022. Facilities staff is working with the Architectural team, Jail staff and our construction managers to complete bidding documents and procedures. While earlier delays in state approval have pushed the timeline for completion of the new building into 2024, the process is on track. During the First quarter Budget report, the Board of Supervisors provided direction to the Executive Office, Fiscal Team, to seek outside financing for the estimated \$3M estimated necessary funding in order to complete the project.

Prior to the Start of the Jail Project Facilities staff will be bidding and completing two important facility improvement projects that are needed because of the Jail project. The Parking Replacement project will develop the new parking adjacent to 841 Low Gap Road to allow Facilities and Fleet to vacate the new Jail site for construction, and the Fiber Extension project will replace fiber network connections that currently pass under the new jail location. These projects are expected to bid in March and April with completion before August of 2022.

## **CAPITAL IMPROVEMENTS**

In recent years the Facilities and Fleet Division has been recommending and prioritizing Capital Improvement (CI) projects which address the most critical deferred maintenance needs of our county facilities and supporting similar efforts to build resilience in our public safety and emergency response systems. At the direction of the Board staff has also focused efforts to reduce the county's reliance on fossil fuel energy sources. Updates on significant projects below.

### **Roofing Updates**

With the completion of Phase II of the Administration Center Roof and the Main Jail Roof Replacement last year Facilities brought forward the third and final phase of the Administration Center and the Agriculture Building as the next most critical roof replacement priorities. During the First quarter Budget report, the Board of Supervisors provided direction to the Executive Office, Fiscal Team, to

seek outside financing for the necessary funding in order to complete the Administration Center Roof Phase II, along with other critical capital improvement projects identified. Staff is simultaneously moving forward with roof repairs or recoatings at the Ukiah Veterans Hall, the Willits Justice Center, the Sanhedrin microwave building, and the Point Arena microwave building. Plans for repairs or maintenance coatings at the Courthouse Annex, Museum, and Sheriff's Office are in the works.

#### **Sheriff's Office Electrical Panel Replacement Completed**

This recently completed project addressed deficiencies in the main electrical distribution system for the Sheriff's Office complex, including Jail building 2 as well as replacing the undersized generator that left portions of this public safety facility dark during power outages. Complete project cost is just under \$340K.

#### **Mechanical System Replacements**

Over the past several years, most notably with the large roof replacement projects above, Facilities has made significant progress in modernizing the HVAC equipment that heats and cools the County's buildings with units that meets current efficiency standards. With recent Board direction, however, staff is approaching current and future projects to eliminate gas and propane fueled systems whenever possible. The switch to electric heat pumps at the new Jail Building and Crisis Residential Treatment facility was the first step and the new server room cooling system replacement project due out this spring begins the second step in ensuring that the next generation of the County's mechanical systems will be positioned to take advantage of the transition of the electrical grid away from fossil fuel dependence. Upcoming projects to replace systems the Fort Bragg Justice Center and the Fort Bragg Veterans Hall will be built using current high efficiency heat pump technologies. The next step will be identifying opportunities to convert failing gas fired units to heat pump based units as units are replaced at Jail Building 2, Transportation Engineering, and the Avila Center.

#### **Carbon Reduction Planning**

Since the presentation of the facility energy audit and direction from the Board to pursue an Energy Master Plan in December, staff has continued our dialog with Willdan to develop the planning tools and metrics as well as beginning efforts to synthesize energy efficiency, power generation and power storage capabilities into existing and emerging capital improvement projects. Some of the projects likely to emerge from this endeavor include new electric vehicle charging station projects and a pilot project to utilize solar generation with battery storage for back-up power as part of a grid tied solar system, most likely at the Willits Library, in the hope such systems can soon replace much of our reliance on fossil fuel generators for emergency power.

#### **Public Safety Communications Microwave System and Dispatch System Hardening**

The Board of Supervisors has committed substantial funding from the general fund as well as the PG&E settlement set aside funds to harden the county's emergency communications infrastructure to meet current and future demands. The balance of the needed funding is included in the County's current CDBG Mitigation and Resilience grant funding pool. The project grants for the 911 Dispatch Communications Shelter Project and the Microwave Repeater Site Hardening project have been submitted and are awaiting final approval from the grant administrators, as well as a portion of the Public Safety Communications Microwave repeater replacements and upgrades by the Executive Office/Information Technology Division.

Facilities and Fleet is well into project design for the 911 Dispatch Communications Shelter which will securely house critical communications, networking and data storage equipment and upgrade the Building's electrical system. Staff has also begun work to design the hardening projects for both

Sanhedrin and Sanel Repeater sites and buildings. As with the recent hardening of the Spanish Mountain site, these projects will include replacement or upgrades to the exterior waterproofing systems, electrical systems including generators, cooling system and site security as needed for each site.

### **Board Chambers Security Improvements**

Security Improvements to the Administration Center and the Board of Supervisors chambers were completed this past year with the installation of electronic locking hardware, and other security related features. This project was the result of several historical safety and security assessments.

### **Strategic Planning**

Mendocino County entered into an agreement with Sonoma-based Bischoff Consulting (Consultant B.J. Bischoff) in partnership with The HR Matrix (Consultant Gary Hochman) to facilitate the development of a five-year strategic plan for Mendocino County. The consultants are working with Project Manager Anne Molgaard and a Task Force comprised of six County employee leaders with knowledge of County government operations. County Supervisors McGourty and Haschak serve as Ex Officio members of the Task Force.

To inform the direction of the plan, the consultants have gathered input from all five Supervisors, the CEO, five County government leaders identified by the Task Force, six focus groups comprised of a total of 35 County employees, all Department Heads, and staff from the Executive Office. The current version of the plan draft consists of 17 goals under these four priority areas: (1) An Effective County Government Organization; (2) A Safe and Healthy County; (3) A Thriving Economy; and (4) A Prepared and Resilient County. Additionally the team has administered surveys to County employees to obtain input on priorities, conducted virtual focus groups of County residents from specific targeted sectors, interviewed key stakeholders, and conducted three virtual town halls that each addressed a specific priority of the plan.

The not-to-exceed contract cost for this work is \$75K. Bischoff Consulting has billed the County \$75K for work performed from July 1 through December 31, 2021.

### **MID-YEAR (2<sup>ND</sup> QUARTER) REVIEW BY BUDGET UNIT**

#### **Summary of General Fund Departments Projections by Budget Unit**

This summary provides information on budget unit projections for end of year (EOY) FY 2021-22 and only includes those budget units that are projected to come in greater than \$100K, over their NCC assignment.

#### **BU 1020 – Executive Office**

The Executive Office budget unit anticipates being over budget by \$236,183, due to absorbing three employees from Health and Human Services Agency (HHSA) into the Contracting Team within the Fiscal Unit.

#### **BU 1160 – General Services/Central Services**

The General Services/Central Services budget unit anticipates being over budget by \$206,829, due to the transitioning of Parks Administration into General Services, along with the recentralization of various internal support operations.

## **BU 1610 – Buildings & Grounds (Facilities)**

The Buildings & Grounds (Facilities) budget unit anticipates being over budget by \$423,069, due to this line item being reduced to meet NCC, along with the current energy and utility projects in progress.

## **BU 2012 – Collections**

The Collections budget unit anticipates being over budget by \$566,729, due to the passage of AB 177 which eliminated all fees for court-collections to offset costs of collections activity, and made it unlawful to impose or collect any revenue after January 1, 2022 for collections fees. This eliminated administrative fees for accounts receivable, installment payment plans, and costs to collect victim restitution.

Additionally, the Superior Court has been moving to a new software system and has not consistently sent accounts in for collections. The Court recently reported a backlog of citations (7,000) having not been able to add to their case management system due to the new software, which has greatly impacted revenue levels.

The revenue impact for all items noted above is projected to be over \$950K. Due to revenue shortfalls, vacancies in staffing are not being filled, which reduces the total impact to the budget variance.

## **BU 2310 – Sheriff Office/Coroner**

The Sheriff/Coroner budget unit anticipates being over budget by \$1,630,485, due to the number of staff that have been out due to COVID quarantine requirements, and the need for both law enforcement and office staff to work overtime has increased substantially. Extra help has also been impacted. Additionally \$255,000 was cut from the Auditor's salary projection for current salaried positions and this was anticipated as an expense during the budget process. Fiscal staff also are currently working on mandated retention retro-pays (per MOU) that might necessitate more funding. Additionally, Medicare expenses is slightly higher than projected, likely due to related overtime expenses.

Lastly, IT infrastructure equipment was not appropriated in the budget as requested by the Sheriff's Office. Later an IT fixed asset adjustment was approved by the BOS, but the revised budget at mid-year does not reflect the adjustment appropriation.

## **BU 2851 – Planning & Building**

The Planning & Building budget unit anticipates being over budget by \$536,858, due to the Board approved Enhanced Code Enforcement Unit re-organization, including the addition of managerial and supervisory positions, promotions, and hiring of additional personnel. The additions and promotions were completed in January; and the hiring of 5 Code Enforcement Officers is pending completion of recruitment and availability of supplies.

## **BU 2860 – Animal Care**

The Animal Care budget unit anticipates being over budget by \$272,815, due to 6 months of salaries and benefits for new Animal Care Operator positions, the request to purchase animal cages/boxes for the trucks, and an anticipated reduction of revenue.

## **BU 4050 – Behavioral Health and Recovery Systems**

The Behavioral Health and Recovery Systems budget unit anticipates being over budget by \$215,461, due to an increase in Lanterman-Pertis-Short (LPS) Conservatorship placement costs. The budget unit is requesting adjustments within other series which are projected to be underspent to help offset the impact. Grant revenue is anticipated to bridge the variance by fiscal year, however the grants have yet to be awarded. If grant revenue is not obtained, fund balance will be used to cover variance.

The budget unit is concerned with using fund balance as there are currently three audits pending where the State is seeking recoupment. In total the State is seeking \$3.4M in recoupment. Two of the three recoupments were results of **State** errors that persisted over many years. The third recoupment, Mendocino was completely in compliance but it was decided all counties would be required to share the cost.

### **MID-YEAR RECOMMENDATION**

#### **Recommended Budget Adjustments**

Please refer to Attachment A and B

#### **CEO Recommended Actions**

1. Accept the FY 2021-22 Mid-Year Budget Report as presented
2. Accept adjustments and described in Attachments A and B
3. Approve FY 2021-22 Mid-Year Fixed Asset Request for those projects which have been obligated as presented in Attachment C
4. Approve FY 2021-22 Mid-Year Vehicle Request for those projects which have been obligated as presented in Attachment D
5. Accept Exhibit A revenue adjustments
6. Offset projected revenue decrease with remaining available one-time funds
7. Adopt Resolution amending the current FY 2021-22 Adopted Budget
8. Direct Executive Office Fiscal Staff to research options for a comprehensive analysis/review of all General Fund budget units to ensure contracts and services align with State and Federal Mandates as well as Board of Supervisor's directives
9. Direct Executive Office Fiscal Staff to research outside agencies to manage Health Plan Trust Fund