
Introduction

With stagnant and declining revenues, 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.



FY 2022-23 Budget Alerts

Projected General Fund Revenue **Decrease** of **\$200K**

The County Financial Outlook

Strategic Plan of Mendocino County



NON-DEPARTMENTAL REVENUES

BUDGET UNIT 1000

Projected Budget Unit 1000 Revenue Decrease of **\$200K** for FY 2022-23



Current Supplemental Roll Taxes

Projected to **decrease** by \$311K



Sales Tax

Projected to **decrease** by \$125K



Interest Earned

Projected to **increase** by \$240K

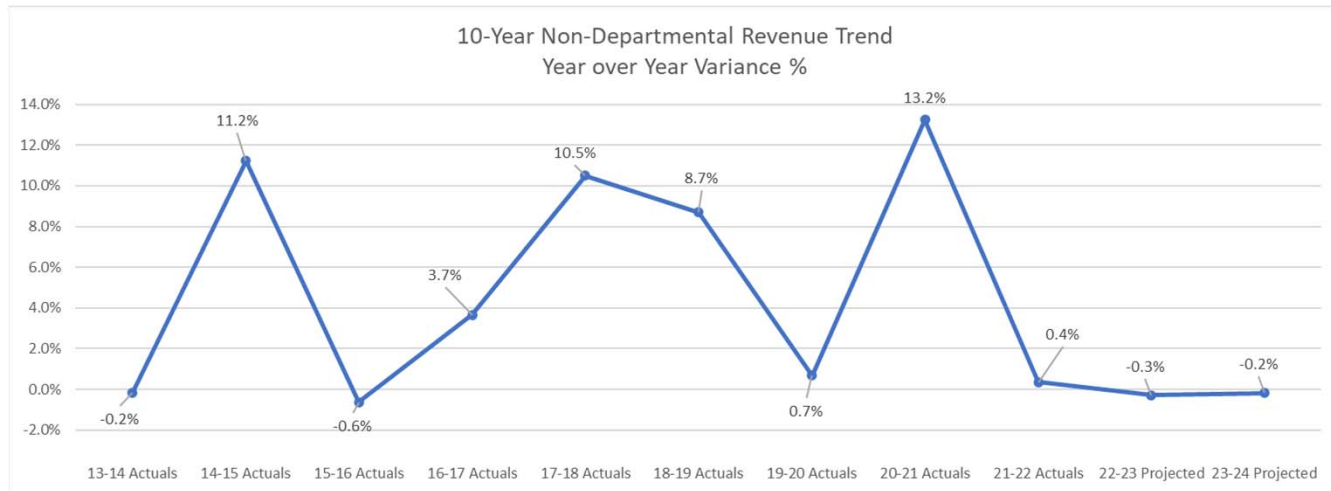


Exhibit A, provided with this presentation, details Non Departmental (Budget Unit 1000) Revenues since FY2017/18

County Financial Challenges

- Economic Stagnation
- High Inflation
- Supply Chain Cost Control
- Unfunded Federal and State Mandates
- Emergencies and Natural Disasters
- Control Spending
- Decrease in Sales and Cannabis Tax
- 5 Departments are Trending to be Over Budget Greater than \$100,000

Mid-Year departmental projections show the General Fund departments collectively coming in on budget for the current year, at this time.

Status of the Property Tax System

Presented by:

Executive Office



Information Technology
Division



Departmental Updates

- Recent review of fiscal management of Substance Use Disorder Treatment (SUDT) funding within Budget Unit 4012 has highlighted some needed changes. Budget Unit 4012 is under the General Fund and is subject to having unspent revenues swept at the end of a fiscal year. To better align the Organizational Code with Behavioral Health funding, it is being requested that a new fund be established, beginning July 1, 2023, and will be part of the County's budget starting in Fiscal Year 2023-24. This new fund would help to prevent funding from being swept into the General Fund at the close of future fiscal year
- The County enterprise network switching infrastructure is composed of over 100 Cisco network switches which are at the end of their life and need to be replaced. Replacements will be phased in. Phase 1 of the project will include replacing 35 switches with a projected cost of \$350,000, which will be covered by the Internal Service Fund (ISF) as requested in Attachment B

CEO Recommendations

- Accept the Fiscal Year 2022-23 Mid-Year Report and recommendations as presented
- Accept Exhibit A revenue adjustments
- Approve FY 2022-23 Mid-Year Budget Net Zero Adjustments (Attachment A)
- Direct Auditor-Controller-Treasurer-Tax Collector to collect supplemental taxes in FY 2022-23
- Approve the Fiscal Year 2022-23 Mid-Year Fixed Asset Request for those projects which have been funded as presented in Attachment B
- Create a new fund and Organization Code named SUDT (Substance Use Disorder Treatment) for the transfer of funding from current Budget Unit 4012 to align funding and Organization Code with Behavioral Health funding, and to keep funding from being swept into the General Fund balance at the end of year, to be effective July 1, 2023