

# FY 2025-26

## 1<sup>st</sup> Quarter Budget Update



*Chief Executive Officer*    Darcie Antle



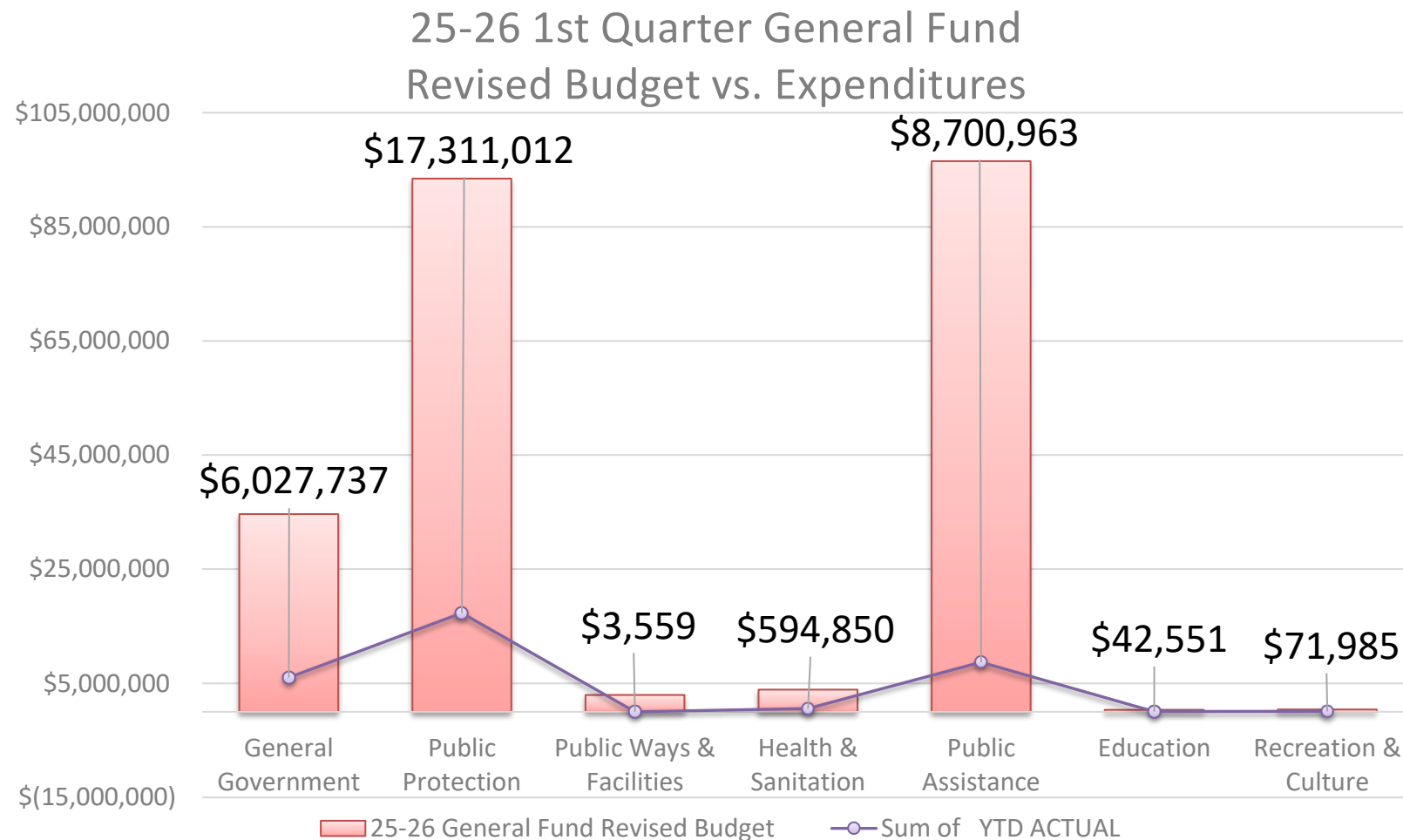
# General Fund – Adopted Budget Net County Cost

- **\$84m:** Current General Fund Net County Cost (NCC)
  - Included \$17,154,003 from adjustments and deferrals to prior NCC
- **\$6.16m:** One-time funding to balance NCC
  - \$3.2M – Retirement Contribution Reserve
  - \$1.0M – FY23-24 Carryforward
  - \$533K – EOC PG&E Settlement
  - \$1.0M – Mental Health Audit Reserve
  - \$325K – Teeter Reserve



# General Fund – Budget to Expenditures

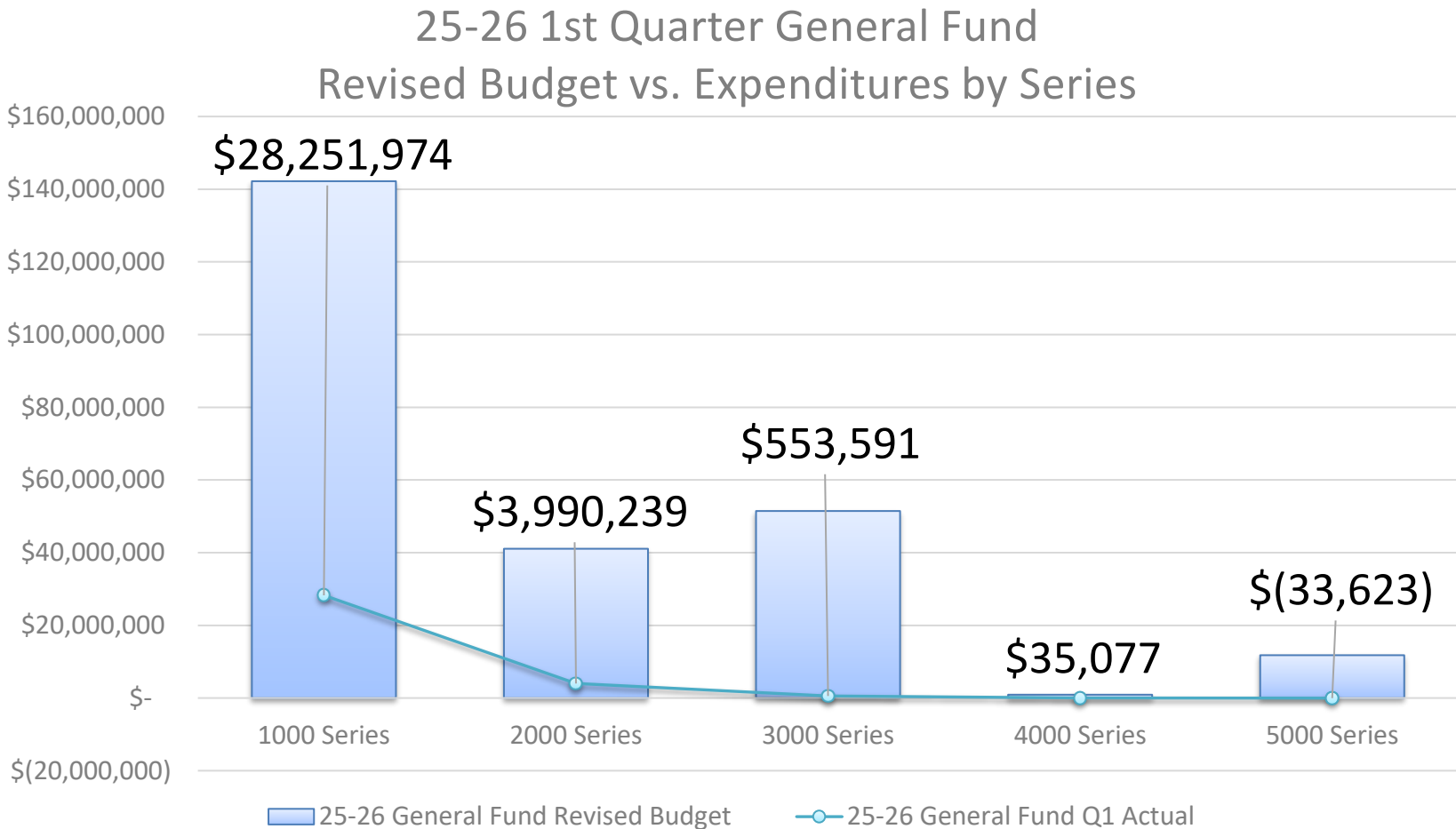
- Chart represents General Fund (Fund 1100) budgets
- **1.6%** increase from prior year Q1 expenditures.
- Public Assistance (Social Services) to net zero with State/Federal revenue





# General Fund – Budget to Expenditures by Series

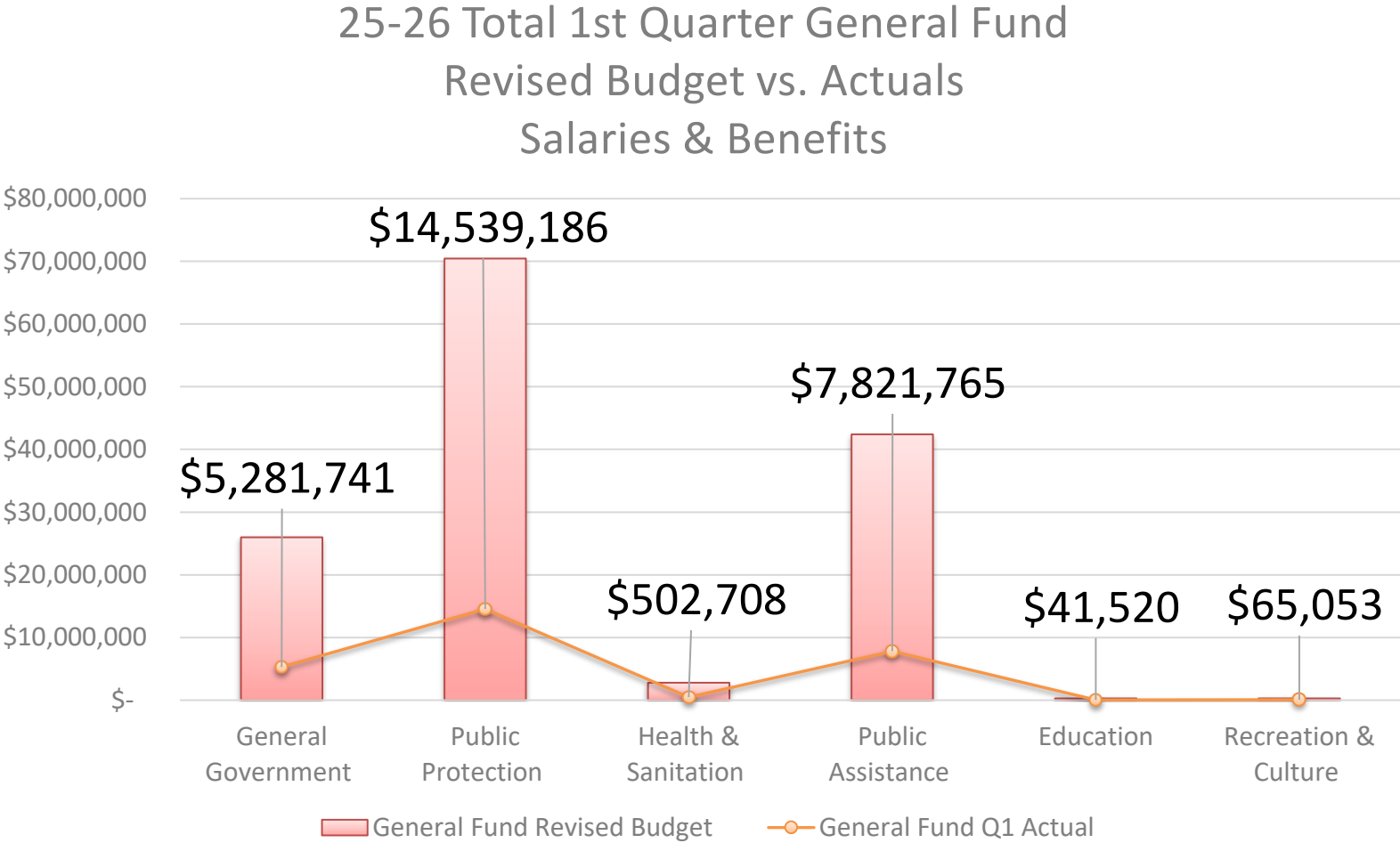
- **14.1%** expended to Revised Budget for all Series at Q1
- 1000: Salaries and Benefits
- 2000: Services and Supplies
- 3000: Other Charges
- 4000: Fixed Assets
- 5000: Transfer & Reimbursement
  
- 1000, 2000, and 3000 Series trend low in Q1





# General Fund – Budget to 1000 Series Expenditures

- Salary expenses (1000 Series) increased by **2.1%** from prior fiscal year
- Represents **86%** of Revised Budget
- Overall salary expenses are **19.9%** of budget as of Q1
- Salary increases, and annual allocations in Q2 expected to narrow gap through end of fiscal year





# Staffing Trends 2018-2025

Department		2018	2019	2020	2021	2022	2023	2024	2025	PP21/2025 *	Diff to 2018
General Fund	Filled FTEs	243.90	233.40	226.30	251.30	275.60	274.60	257.75	250.70	237.80	(6.10)
General Fund	Salary & Benefits	889,481	916,095	949,910	1,045,682	1,241,535	1,343,679	1,353,861	1,354,501	1,335,150	445,668.97
Public Safety - Gen Fund	Filled FTEs	296.70	298.70	289.85	286.90	273.50	286.00	289.00	294.80	289.80	(6.90)
Public Safety - Gen Fund	Salary & Benefits	1,491,201	1,498,817	1,596,439	1,732,777	1,781,055	1,826,605	1,973,610	2,211,825	2,314,286	823,084.95
Non General Fund	Filled FTEs	566.75	582.45	584.00	543.10	543.65	548.35	530.55	517.75	489.75	(77.00)
Non General Fund	Salary & Benefits	1,902,011	1,972,617	2,121,461	2,350,594	2,437,660	2,543,969	2,460,657	2,529,274	2,456,997	554,986.34
Total	Filled FTEs	<b>1,107.35</b>	<b>1,114.55</b>	<b>1,100.15</b>	<b>1,081.30</b>	<b>1,092.75</b>	<b>1,108.95</b>	<b>1,077.30</b>	<b>1,063.25</b>	<b>1,017.35</b>	(90.00)
Change	Filled FTEs		7.20	(14.40)	(18.85)	11.45	16.20	(31.65)	(14.05)	(45.90)	
Change %			0.65%	-1.29%	-1.71%	1.06%	1.48%	-2.85%	-1.30%	-4.32%	-8.1%
Total	Salary & Benefits	<b>4,282,694</b>	<b>4,387,530</b>	<b>4,667,810</b>	<b>5,129,053</b>	<b>5,460,250</b>	<b>5,714,252</b>	<b>5,788,128</b>	<b>6,095,600</b>	<b>6,106,434</b>	1,823,740
Change	Salary & Benefits		104,836	280,281	461,242	331,197	254,002	73,876	307,472	10,834	
Change %			2.45%	6.39%	9.88%	6.46%	4.65%	1.29%	5.31%	0.18%	42.6%



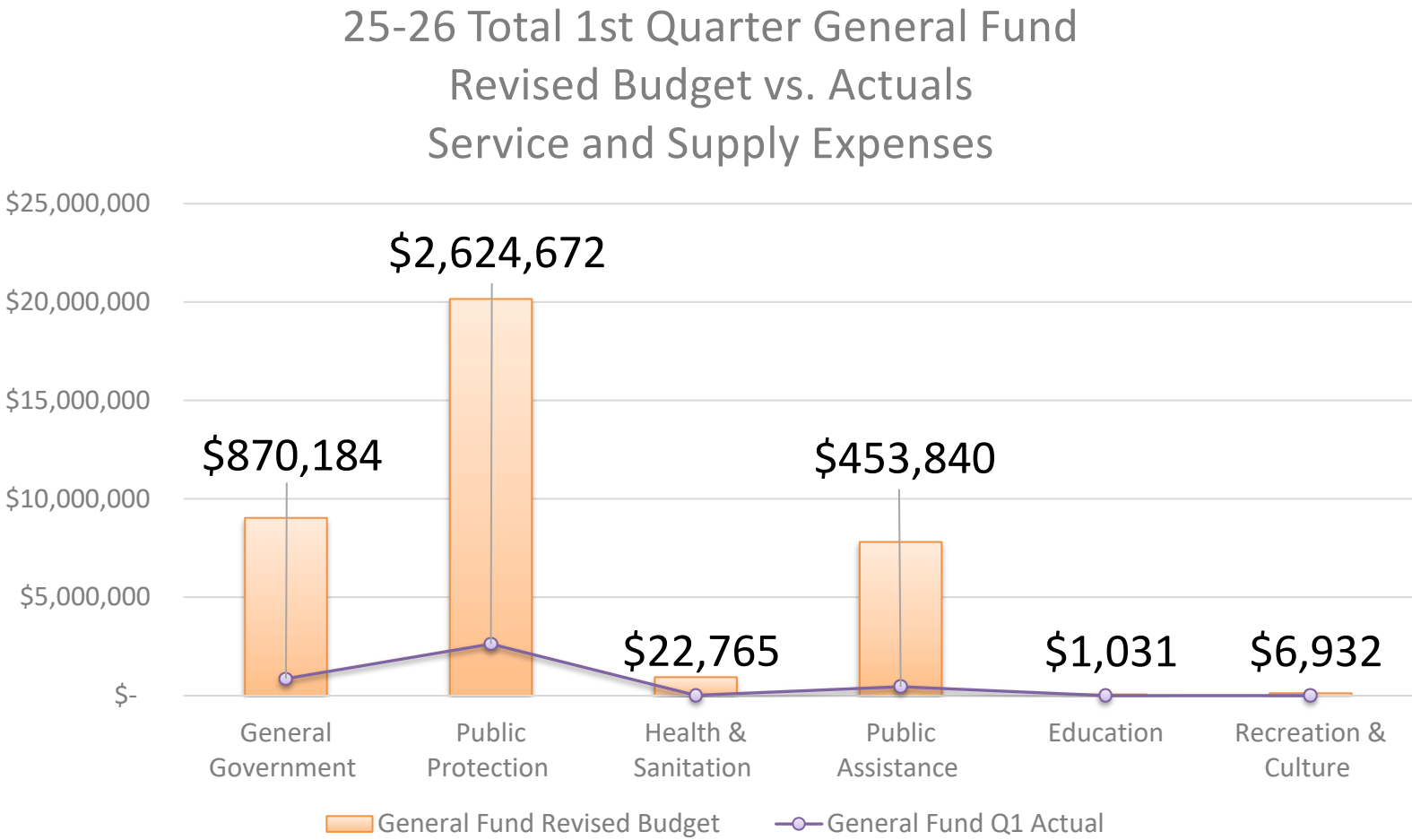
# Staffing Trends 2018-2025

- Overall staffing has decreased by 90 Full Time Employees (FTE's), representing a -8.1% decrease from 2018
- Despite this reduction of FTE count, Salary and Benefit expenses have **risen 42.6% or \$1,823,740 per pay period** since 2018



# General Fund – Budget to 2000 Series Expenditures

- Expenses for 2000 series decreased by approximately **2.9%** from prior year Q1
- Represents **17.7%** of Revised Budget
- Overall service and supply expenses at **9.7%** of budget as of Q1
- 2000 Series - services and supplies trend low in Q1 and higher by Mid-year and Q3







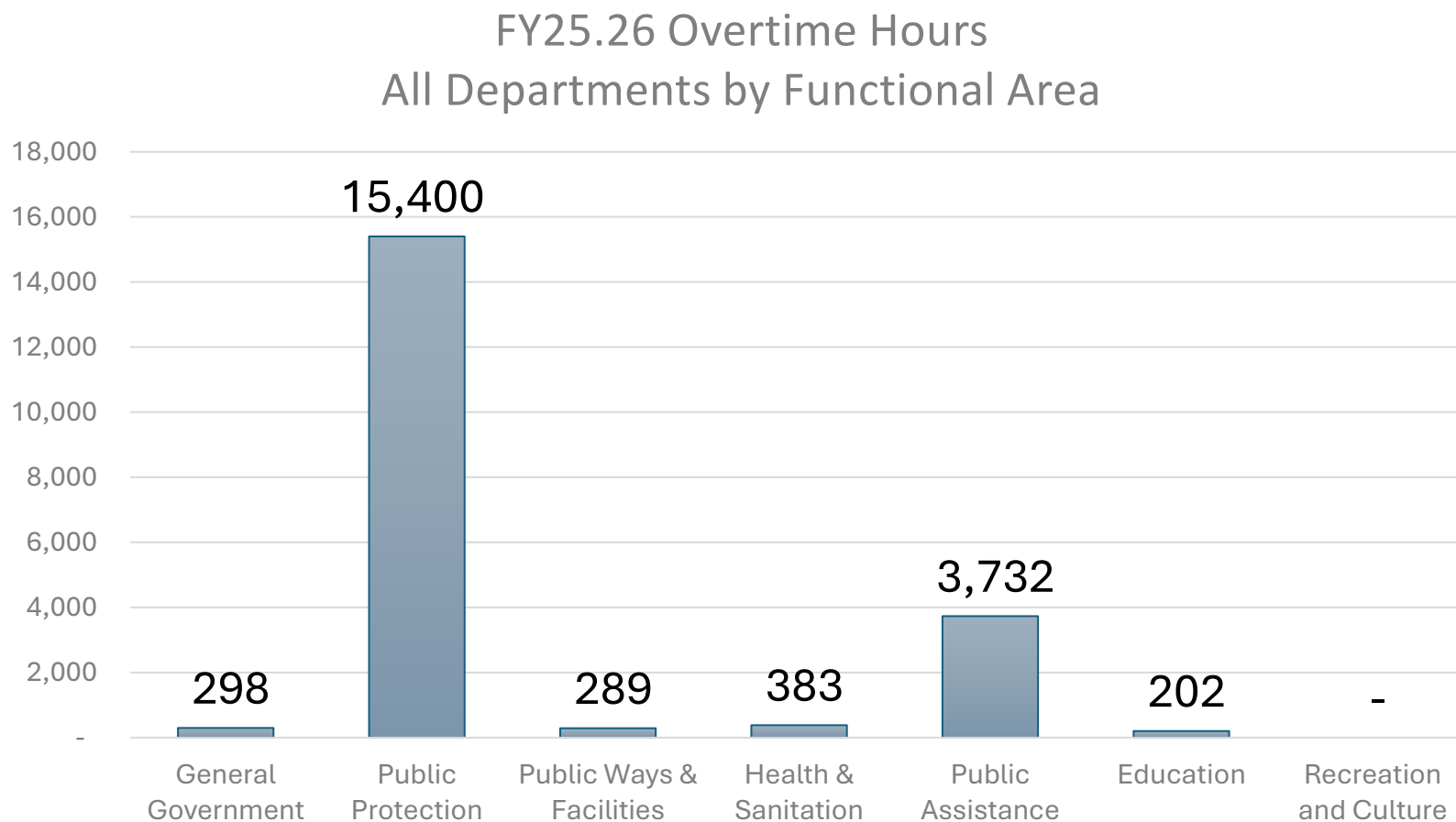
# General Fund – 6% Attrition Update

- **\$5,246,657:** 6% Attrition Factor included in FY 2025-26 General Fund Budget
  - Amount excludes Social Services (\$1,062,922)
- 5 Department budgets not expecting to meet 6% attrition savings
  - Auditor Controller
  - Treasurer-Tax Collector
  - Sheriff's Office
  - Jail
  - District Attorney



# Overtime Hours

- Average overtime hours per pay period 2,543
- 93% of Public Protection overtime hours occur in Sheriff's Office or Jail

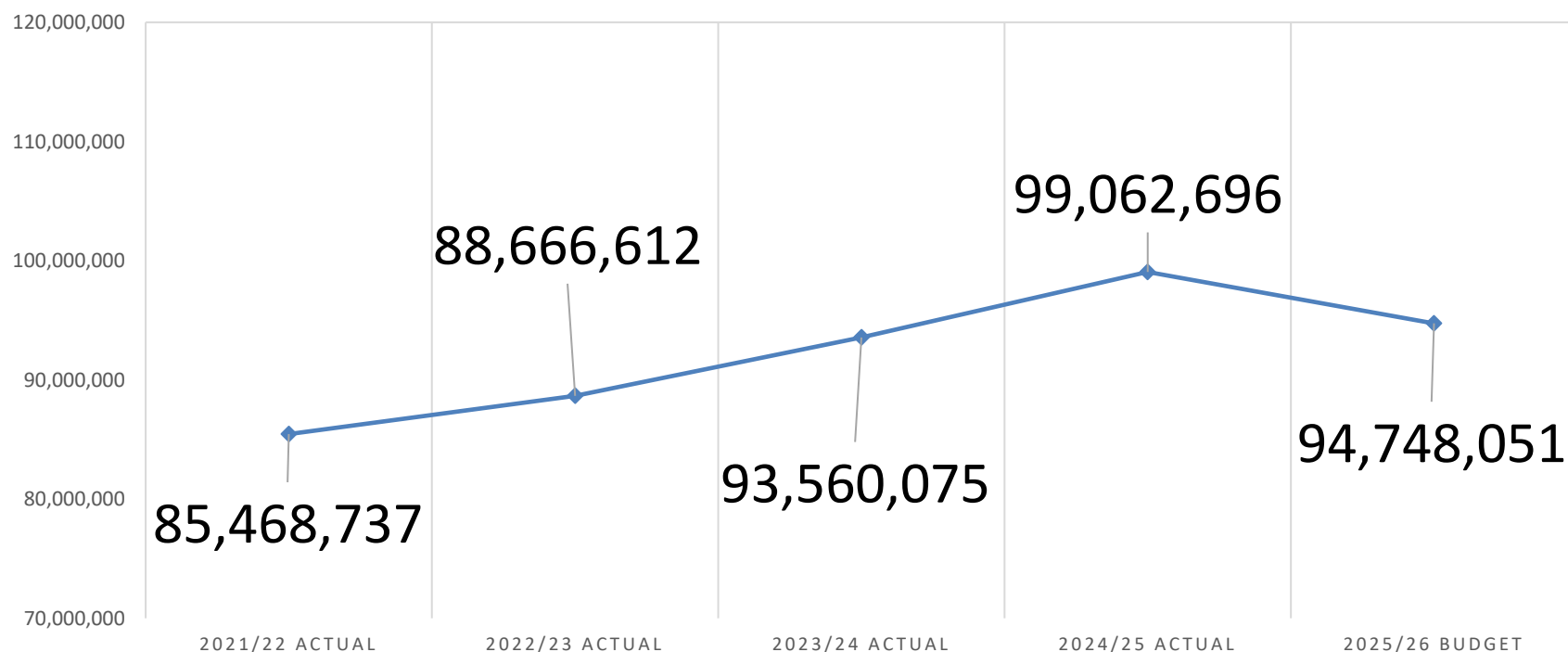




# Revenue Projections – FY 2025-26

- FY 2025-26 Budgeted Revenue **\$94,748,051**
- FY 2025-26 Budgeted Revenue is **4.4%** lower than FY 2024-25 Actual
- Projected revenue may be revised throughout fiscal year

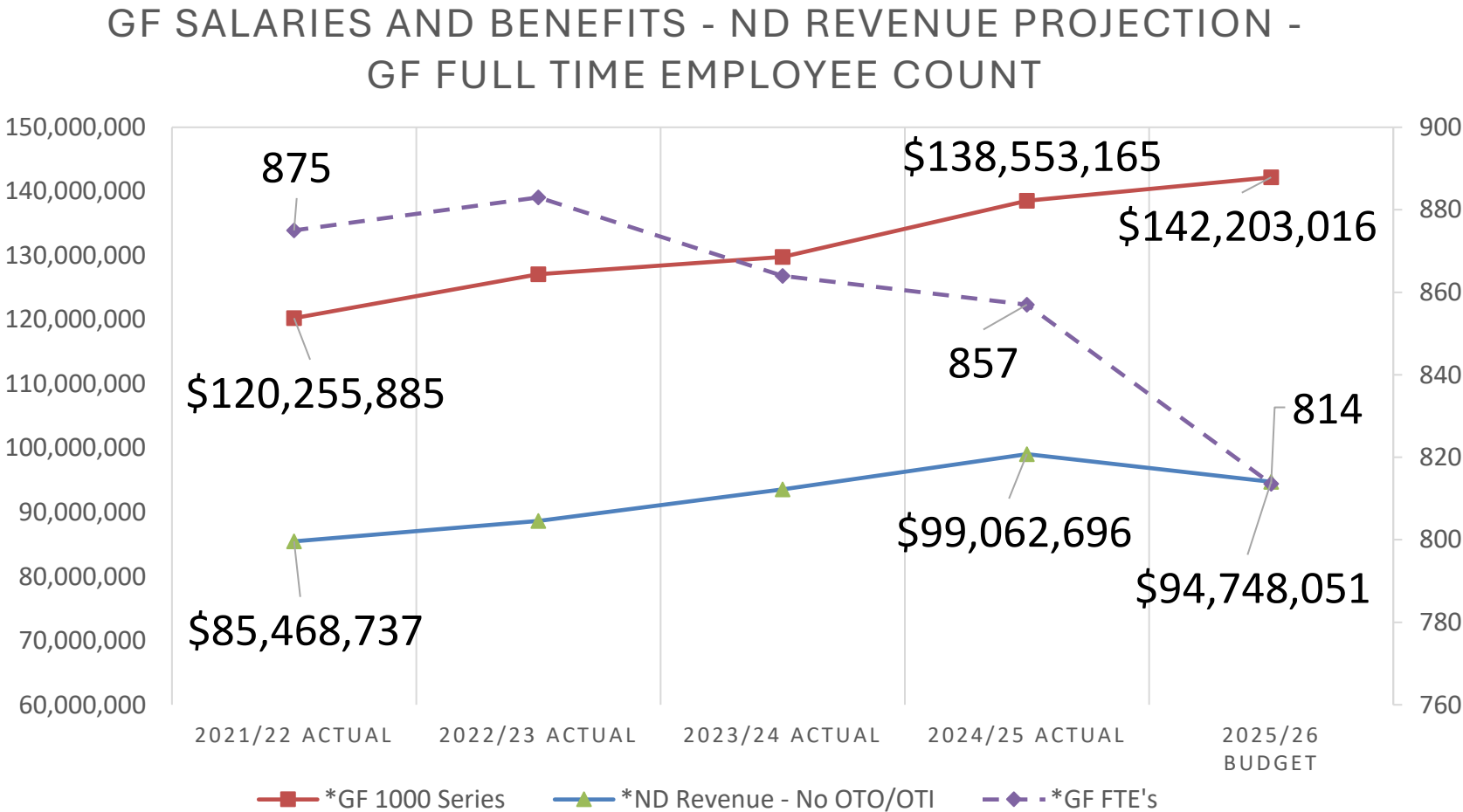
## NON-DEPARTMENTAL REVENUE NO OPERATING TRANSFER IN/OUT





# Revenue Projections – General Fund FTE FY 2025-26

- Slower projected GF Salary & Benefit expenses resulting from lower FTE count
- FY 2025-26 FTE based on pay period 21-25
- Continued attention to GF staffing levels is critical to align County revenues with expenses





## FY 2024-25 Close Out

- **\$99,062,696:** Year End Non-Departmental Revenue
  - Property Taxes – increase of \$4.15 million
  - Property Tax in lieu of VLF revenues - \$815 thousand
  - Cost Plan – increase of \$1.36 million
  - Transient Occupancy Tax – increase of \$805 thousand
  - Interest – increase of \$2.5 million
- **\$83,623,205:** Year End Actuals Excluding Operating Transfers
- **\$12,157,765\*** FY 2024-25 unaudited General Fund carryforward

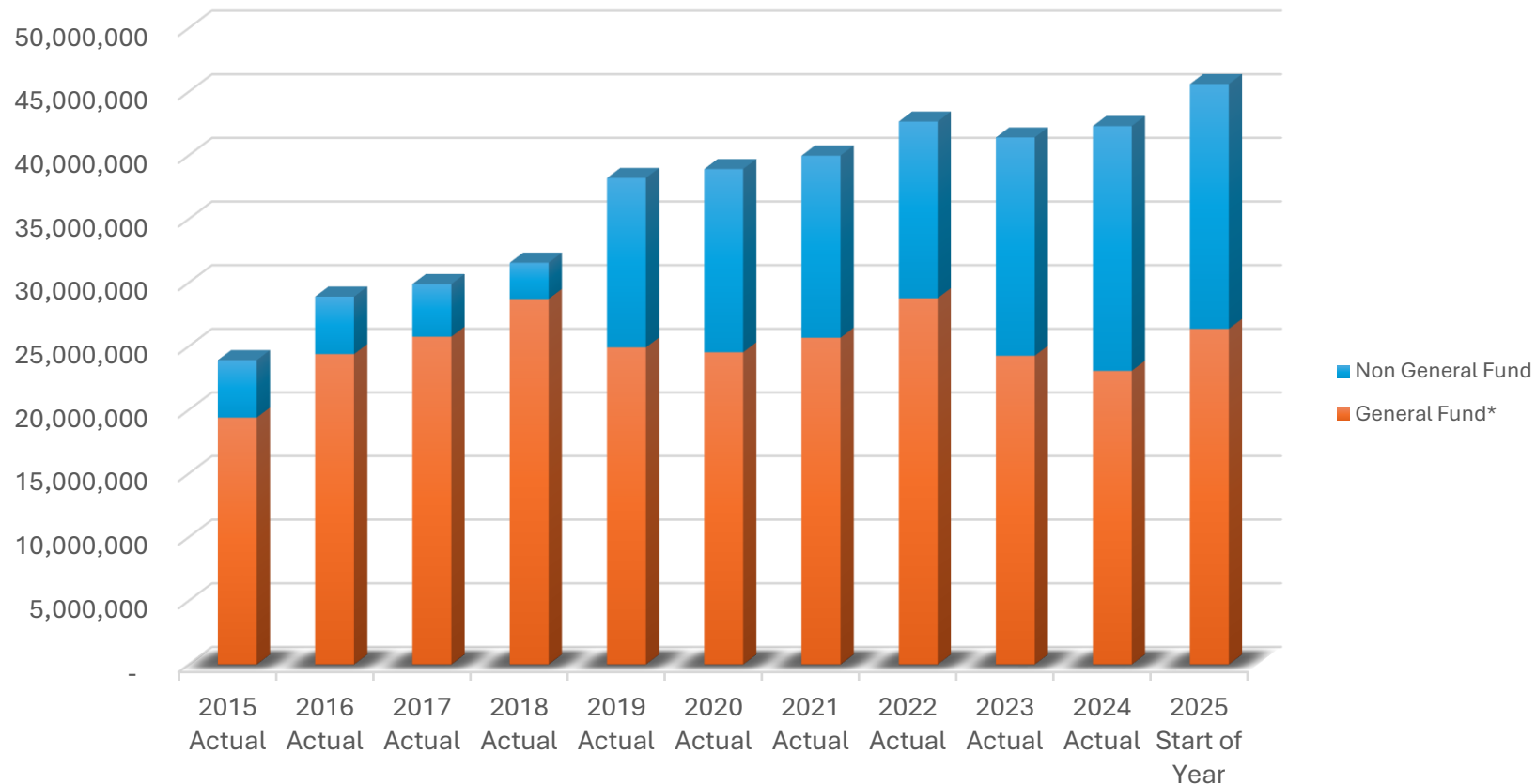
\*Includes unavailable Fair Market Value in the amount of \$1,024,187 for a total of \$11,133,578.



# County Reserves Fund Balance

- County General Reserve fund balance is currently **\$14,042,921**
- General Reserve target balance per Policy #32 is **\$15,950,368**
- Target General Fund balance, per GFOA recommendations is **\$27,136,712**
- General Fund includes County General Reserve, Retirement Contribution Reserve, and other Designated Reserves

County of Mendocino Reserves





# Functional Areas Defined

## General Government

- Assessor Clerk Recorder
- Auditor
- Board of Supervisors
- County Counsel
- Executive Office
- Human Resources
- Tax Collector

## Public Protection

- Agriculture
- Animal Care and Control
- Cannabis
- Child Support
- District Attorney
- Planning and Building
- Probation
- Public/Alternate Defender
- Sheriff - Coroner

## Public Way & Facilities

- Department of Transportation

## Health & Sanitation

- Behavioral Health
- Public Health
- Solid Waste (DOT)

## Public Assistance

- Social Services

## Education

- Farm Advisor
- Library

## Recreation & Culture

- Museum



# Budget Schedule

- December 2025 - Fee Hearing
- February 2026 - Mid-Year Report
- April 2026 - Fee Hearing
- Spring Budget Workshops
- May 2026 - 3<sup>rd</sup> Quarter Report
- June 2026 - Budget Hearings and Adoption





# Recommendations

- Accept the Fiscal Year 2025-26 First Quarter Report as presented
- Approve 1st Quarter Department Net Zero Adjustments and Administrative Clean Up (Attachment A)
- Approve any Funded Fixed Assets on the Fiscal Year 2025-26 1<sup>st</sup> Quarter Fixed Assets Requests (Attachment B)
- Direct staff to present a plan for the use of Fiscal Year 2024-25 Fund Balance Carryforward at the Mid-Year budget report in February 2026

# FY 2025-26 1<sup>st</sup> Quarter Budget Update



Questions

Discussion