

A scenic photograph of a sunset over the ocean. The sun is a bright, glowing orb on the horizon, casting a long, shimmering reflection across the water's surface. In the foreground, several tall, dark reeds with feathery heads are silhouetted against the sunset. The overall color palette is warm, dominated by oranges, yellows, and dark blues.

FY 2022-23 Budget Workshop

Chief Executive Officer: Darcie Antle
Executive Office Fiscal Team
January 24, 2023

Introduction

- ❑ As directed by the Board on December 13, 2022, the Executive Office is presenting today the additional funding considerations with values noted
- ❑ The County Budget Act of the Government Code (sections §29000 through §29144) states: in the recommended, adopted, and final budgets the funding sources shall equal the financing uses
- ❑ At the Time of Publication, the Auditor-Controller/Treasurer-Tax Collector has not closed Fiscal Year 2021-22
- ❑ Fiscal Year 2023-24 and Beyond-Future Considerations (Attachment C)

Presentation Outline

- ❑ FY 2022-23 Current Funding Needs
- ❑ FY 2022-23 Current Cost Saving Considerations
- ❑ One Time Funding Needs & Considerations
- ❑ Information Technology Master Plan
- ❑ Capital Improvement Projects

FY 2022-23 Current Funding Needs

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Known Funding Needs

<input type="checkbox"/> Health Plan Deficit from FY 2020-21	\$3,616,036
<input type="checkbox"/> Jail Expansion- Est. Funding Shortfall-Possible Bond Financing	\$1,430,193
<input type="checkbox"/> Cannabis Management Unit – Est. Shortfall in Fees Revenue	TBD
<input type="checkbox"/> Winter Storm Damage	TBD
<input type="checkbox"/> FEMA RoomKey – Potentially Non-reimbursable	\$1,600,000
▪ Total Known Funding Needs	\$6,646,229

FY 2022-23 Current Cost Saving Considerations

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- ☐ **Maintain Current Vacancy Rate for All Non-mandated General Fund Budget Units, Exclude Positions Currently in Recruitment**
 - Savings will be realized in future – no immediate savings
- ☐ **First Round of Local Assistance and Tribal Consistency Fund (LATCF)**
 - In the December 13, 2022, Budget Workshop the following was obligated: \$200,000 for Additional Legal Fees and \$368,827 Refunding Certificate of Participation Additional Payment from the \$994,521 of LATCF with a remaining balance of **\$425,694** not obligated
- ☐ **Deprioritize Capital Improvement Projects/Equipment Funded Through General Fund Not Yet Started**
 - Museum Water Damage Repairs - \$40,000 – Funded in FY 2018-19
 - Museum ADA Entry and Restrooms - \$175,000 – Funded in FY 2019-20
 - Seal and Paint Jail Building Exterior- \$200,000 – Funded in FY 2019-20
 - IT Conference Room Door – withdrawn by department - \$15,000 – Funded in FY 2021-22
 - Planning and Building Services Replace Carpet/Install Door/Vehicle - \$117,364 – Funded in FY 2022-23
 - Land Improvement Plotter - \$14,000 – Funded in FY 2022-23
- ☐ **Consider Allocating PG&E Disaster Settlement Funds Set Aside**
 - Set Aside for Drought– \$1,133,659
 - Set Aside for Carbon Reduction - \$1,830,720
 - Uninitiated and Under Expended Contracts – see Attachment B - \$2,022,122
- ☐ **Defer Funding Needs Until Mid-Year Reporting or Close of Fiscal Year 2021-22 Reporting, Whichever is Sooner**

One Time Funding Needs & Considerations

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• Health Plan Deficit From FY2020-21	\$ 3,616,036
• Jail Expansion - Est. Funding Shortfall-Possible Bond Financing	\$ 1,430,193
• Cannabis Management Unit - Est. Reduction in Fees Revenue	TBD
• Winter Storm Damage	TBD
• FEMA RoomKey - Potential Non-reimbursable	\$ 1,600,000
Sub-Total Funding Needs	\$ 6,646,229
• Local Assistance Tribal Consistency Fund (LATCF)	\$ (425,694)
• PG&E Disaster Settlement Funds set aside for Drought	\$ (1,133,659)
• PG&E Disaster Settlement Funds set aside for Carbon Reduction	\$ (1,830,720)
• PG&E Disaster Settlement Funds Coastal Valley EMS	\$ (1,618,012)
• PG&E Other - No Contracts in Process	\$ (404,110)
• CIP - Museum Water Damage Repairs	\$ (40,000)
• CIP - Museum ADA Entry and Restrooms	\$ (175,000)
• CIP - Seal and Paint Jail Building Exterior	\$ (200,000)
• CIP - IT Conference Room Door (Department has Withdrawn this Request)	\$ (15,000)
• CIP - PBS Replace Carpet and Install Door	\$ (45,000)
• Equipment - PBS Vehicle funded during FY2022-23 - not yet purchased	\$ (72,364)
• Equipment - Land Improvement Plotter funded during FY2022-23 - not yet purchased	\$ (14,000)
Sub-Total Funding Considerations	\$ (5,973,559)
Net of One Time Funding Needs & Considerations	\$ 672,670

Total Fiscal Year 2021-22 Carry Forward from Auditor-Controller/Treasurer-Tax Collector is Unknown at Time of Publication - Attachment A

Information Technology Master Plan (ITMP)

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Presented is a timeline projection for the ITMP, providing an annual look at the future needs of this Internal Service Fund.

Projected IT Plan Budget by Year	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	% of Total	Cumulative %	Totals
Best Practices	\$ -	\$ 50,000	\$ 50,000	\$ 60,000	\$ 50,000	\$ 50,000	5%	5%	\$ 260,000
Departmental Applications and Systems	\$ -	\$ 170,000	\$ 880,000	\$ 470,000	\$ 550,000	\$ 390,000	48%	53%	\$ 2,460,000
Gov 2.0 and Smart Counties	\$ -	\$ 30,000	\$ 75,000	\$ 225,000	\$ 150,000	\$ 150,000	12%	65%	\$ 630,000
IT Infrastructure	\$ -	\$ 100,000	\$ 175,000	\$ 100,000	\$ 100,000	\$ -	9%	75%	\$ 475,000
IT Operations	\$ -	\$ -	\$ 50,000	\$ 79,000	\$ 18,000	\$ -	3%	78%	\$ 147,000
IT Security	\$ -	\$ 125,000	\$ 25,000	\$ -	\$ -	\$ -	3%	80%	\$ 150,000
GIS	\$ -	\$ 150,000	\$ 175,000	\$ 150,000	\$ 25,000	\$ 25,000	10%	91%	\$ 525,000
Telecommunications	\$ -	\$ 65,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	2%	93%	\$ 125,000
IT Staffing	\$ -	\$ 200,000	\$ 150,000	\$ -	\$ -	\$ -	7%	100%	\$ 350,000
Totals	\$ -	\$ 890,000	\$ 1,595,000	\$ 1,099,000	\$ 908,000	\$ 630,000	100%		\$ 5,122,000

Capital Improvement Plan (CIP)

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☐ **CIP Critical Funding Needs (facilities only)**

- \$ 4,733,050 current funded carry-forward projects
- FY 2022-23 \$16,045,000 estimated critical projects
 - \$9,450,000 General Fund (\$5,010,000 funded; \$4,440,000 unfunded)
 - \$6,595,000 Non-General Fund estimated projects (\$6,050,000 funded; \$555,000 unfunded)
- FY 2023-24 \$34,270,000 estimated critical projects
 - \$2,885,000 General Fund (unfunded)
 - \$31,385,000 Non-General Fund estimated projects (\$28,670,000 funded; \$2,715,000 unfunded)

☐ **Facilities Preventative Maintenance \$1,675,358 (currently unfunded)**

- 670,143 sq. ft. x \$2.50 = \$1,675,358 *\$2.50 sq. ft. annual industry standard*

☐ **Higher Deferred Maintenance and Capital Improvement costs**

- Costs escalate if continue to defer preventative maintenance

Certificates of Participation Bond Financing-Capital Improvement Plan (CIP)

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☐ Certificate of Participation (COP) Projects Based Upon Current Project Requirements

Certificate of Participation (COP) Projects

<u>Project</u>	<u>Adopted</u>	<u>Current</u>
Jail Expansion	7,000,000	8,500,000*
Fort Bragg Justice Center	350,000	1,000,000
Administration Building Roof	2,450,000	-
Agriculture Building Roof	<u>200,000</u>	<u>500,000**</u>
Total	10,000,000	10,000,000

**Includes the \$1,043,193 Cost increase presented on January 10, 2023*

***Accelerated due to storm damage to the Agricultural Building*

Fiscal Recommendations

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☐ **Health Plan Deficit From FY2020-21**

- \$3,616,036-Defer Funding Until FY2021-22 Has Closed and Carry Forward Has Been Determined

☐ **Jail Expansion – Est. Funding Shortfall**

- Fund Using Certificate of Participation Bond Financing

☐ **Cannabis Management Unit – Est. Reduction in Fees Revenue**

- Continue to Monitor and Work with the Department to Update the Board on Status

☐ **Winter Storm Damage**

- Continue to Monitor and Update the Board as New Information Becomes Available

☐ **FEMA RoomKey-Potential Non-reimbursable**

- No Action at This Time-Monitor and Inform the Board When New Information Becomes Available