

FY 2020-21 1st Quarter Report



Chief Executive Officer: Carmel J. Angelo

Introduction

Since the major disasters began in 2017, the pace of the County's activities have not relented. During these times, the priorities of the County and staff have shifted to focus on COVID-19, disaster management, recovery, mitigation and resilience.

Presentation Outline

- FY 2020-21 Budget Consideration
- Board Goals and Priorities
- FY 2019-20 Close Out
- Communication Microwave System Update
- CEO Recommendations
- Future Budget Schedule

FY 2020-21 Budget Consideration

- Health Plan General Fund impact
- Salaries FY 2021-22, FY 22-23 and Beyond
- Salary Compaction and Alignment
- Employee Relations Ad Hoc Recommendation
- Disaster Local Cost Share
- IT Infrastructure
- Jail Expansion

Board Goals and 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
 - Cannabis program sustainability
- Organizational Development
 - Investing in the organization's future through the Leadership Initiative, succession planning, and recruitment/retention practices

Budget Development Priorities

- Organizational Development – Continued
 - Identify and measure departmental performance metrics
 - Operational efficiencies
 - Employee salaries
 - Criminal Justice staffing for new mandated transparency reporting
 - (SO, DA, PD, PR, JH, JA)
 - Facility preventative maintenance
- Investment in Roads
- Economic/Business Development
 - Support new housing development
 - Broadband
 - Grant writer program
 - Use of solar
 - Small business support

Budget Development Priorities

- Support for Emergency Medical Services (EMS)
 - Staffing support for Local Emergency Medical Services (LEMSA)
 - Explore Emergency Medical Services (EMS) Joint Powers Authority
- *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

FY 2019-20 Close Out

- Good News

- The final carryforward amount for FY 2019-20 is \$6,127,189
- Departmental cost savings due to COVID shutdown expense reductions
- Departmental revenue held, as projected

- Bad News

- Cost of the Jail expansion estimated cost over run, now totaling \$2,450,000
- While the County has a carryforward from FY 2019-20, the full impact of fire damages, COVID-19 related services and expenses are still not fully realized
- Health plan has seen an increase in high-cost claims, costing \$2,200,000
- Employee compaction and alignment correction at approximately \$500,000

1ST Quarter Department Watch List

Watch List General Fund Departments

• BU 1210 County Counsel	\$118,451
• BU 1410 Elections	\$143,713*
• BU 2080 Public Defender	\$648,315
• BU 2085 Alternate Defender	\$184,057
• BU 2310 Sheriff's Office	\$827,760
• BU 2510 Jail	\$678,839

* Anticipated Reimbursement through HAVA Grant

2020 Fire Update

August Fire

- Burned over 1,000,000 acres
 - 172,929 acres burned in Mendocino County
- 10 dwelling
- No Federal declaration (at this time)
- CDAA approved
- Phase I debris removal
- Phase II debris removal in early December

Oak Fire

- 1,100 acres
- 32 dwellings
- Federal declaration
 - Individual assistance
- CDAA approved
- Phase I debris removal
- Phase II debris removal in early December

The County cost share to the debris removal is 25%

Total estimate is not available at this time

County Microwave Cost Analysis

Cost Recovery Model Options (First Year Costs)

	<u>Model 1</u> Based on Total Rack Units	<u>Model 2</u> Based on Used Rack Units	<u>Model 3</u> Total Recovery
Repeater Cost Recovery	\$1,029,294	\$1,394,054	\$1,654,668
Audio Cost Recovery	\$42,250	\$57,222	\$65,154
Data Cost Recovery *Based on market rate analysis	\$77,524	\$77,511	\$81,442
Total Cost Recovery	\$1,149,067	\$1,528,787	\$1,801,264
Difference (Costs vs Recovery)	\$652,197	\$272,477	\$(0)
Percentage Recovered	64%	84%	100%

Potential Recovery Summary (Model 2)

Internal County Departments

• Transportation	\$ 81,498.61
• General Fund Departments	\$ 9,431.04
• Library	\$ 5,894.40
• MCSO	\$ 320,081.97
• Public Health	\$ 4,420.80
• Social Services	\$ 30,945.60

External Agencies

State Agencies (Non-Public Safety)

Bureau of Land Management	\$ 2,661.51
CA Dept. of Fish & Wildlife	\$ 2,661.51
CA Dept. of Parks and Recreation	\$ 2,661.51
USAF Auxiliary Civil Air Patrol	\$ 18,342.81

Volunteer Fire

Anderson Valley Fire	\$ 18,342.81
South Coast Fire	\$ 18,342.81
Redwood Coast Fire	\$ 18,342.81

External Agencies

Public Safety

• CALFIRE (State)	\$ 353,836.41
• California Highway Patrol	\$ 2,661.51
• Fire/EMS Dispatch for County	\$ 209,755.43
• Ft Bragg Police	\$ 21,004.32
• Sonoma Control Medical/Fire Tac	\$ 110,056.86
• Sonoma County Sheriff	\$ 110,056.86
• Sonoma Fire/Medical Dispatch	\$ 36,685.62
• Ukiah Police	\$ 76,032.75
• US Forest Service Fire/Law/Admin	\$ 55,028.43
• City of Willits	\$ 13,262.40
• Little Lake Fire	\$ 1,178.88
• Willits Police Department	\$ 5,599.68

Urgent Funding Needs

- Continuation of funding for future years for employee salaries and benefits
 - Employee compaction and alignment correction
 - Employee Relations Ad Hoc recommendations
- Health Care Plan general fund impact
 - Will require approximately \$1,140,734
- Disaster Recovery preparedness & mitigation

Health Plan Increase

- County and Employee Contribution
 - County Contribution to increase by 20% for a total of \$1,140,734 increase to the General Fund
 - Employee Contribution will increase by 3%

One-Time Carryforward FY 2019-20

\$6,127,189

1940	MISCELLANEOUS BUDGET	3,339,207	This is the balance left of the \$5Mil set aside for COLAs and Market Adjustments designated for fiscal years 20/21 and 21/22.
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Per Auditor-Controller FY 2019-20 Closeout

\$952,502 in the Miscellaneous Budget for FY 20-21

\$1,800,000 estimated as needed for FY20-21 and FY 21-22

\$4,327,189 available as General Fund Carry Forward from FY19-20

Funding Options FY 2020-21

- Consider CEO Recommendations
 - Health Plan General Fund impact and 3% increase
 - Salary compaction and alignment correction
 - Employee Retention Ad Hoc recommendation
 - IT infrastructure
 - Cannabis Equity Program local match
 - Fire mitigation grant local match
 - Fire debris removal County cost share at 25%
 - Consider continued support in disaster recovery
 - 2017 Fire mitigation
 - COVID-19
 - Oak and August fires
 - Munis software upgrades

CEO Recommendations

- Accept the 1st Quarter Report as presented including Attachment D
- Approve the 1st Quarter Department Net Zero Adjustments (Attachment A) Including the creation of a new Budget Unit for the Transition to Permanent Housing Project on Orchard Ave (4073)
- Approve the 1st Quarter Fixed Asset Request (Attachment B)
- Approve the One Time Carryforward Fund Balance from FY 2019-20 for the Funding needs for FY 2020-21 (Attachment C), directing staff to return to the Board of Supervisors on December 8, 2020, with a formal resolution adopting the amended FY 20-21 Mendocino County Budget based on the above direction

Future Budget Schedule

- February 2021 – Mid-year Report
- April 2021 – Fee Hearing
- Spring Budget Workshops
- May 2021 – 3rd Quarter Report
- June 2021 – Budget Hearings and Adoption



1st Quarter Report

QUESTIONS?