

FY 2019-2020 Third Quarter Report and Budget Workshop



May 7, 2019

Presentation Outline

- Board Goals and Priorities for FY 2018-19
- BU 1000
- Mid Year Summary
- Third Quarter Summary
- Third Quarter Recommendations
- Transition to FY 2019-20 Budget Development Workshop
- March 26, 2019 Goals with Projected Expense
- Department Additional General Fund Requests for FY 2019-20
- Additional Funding Streams
- Board Direction

Budget Goals for FY 2018-19

In 2016, the Board of Supervisors identified budget goals and priorities, as focus areas in the development and implementation of the County budget. The goals and priorities include:

- **Fiscal Stability**
 - *Debt mitigation and elimination are a priority*
- **Financial Sustainability**
 - *Maintain the reserve policy*
 - *One-time revenue will not be used for on-going expenses*
- **Organizational Development**
 - *Investing in the Organization's future through the Leadership Initiative, succession planning, and recruitment and retention practices.*
 - *Identify and measure departmental performance metrics, including the balancing of location-based provision of county services*
- **Investment in Roads**
- **Economic/Business Development**
 - *Broadband*
 - *Permit Fee Waiver Program*
 - *Support New Housing Development*
 - *Grant Writer Program*
- **Support for Emergency Services**
- **Homeless Issues**
- **Support Community Partners**

BU 1000 – Non-Departmental Revenue

Revenue Description	Account	2014/15 Adopted Budget	2014/15 Actual	2015/16 Adopted Budget	2015/16 Actual	2016/17 Adopted Budget	2016/17 Actual	2017/18 Adopted Budget	2017/18 Actual	2018/19 Adopted Budget	2018/19 Actual thru 3/31/2019	2018/19 Projected Auditor
Current Secured Property Tax	821110	28,980,000	29,763,529	30,500,000	30,730,136	31,526,000	32,080,502	31,950,000	33,595,380	33,000,000	19,707,216	34,750,000
Current Unsecured Property Tax	821120	1,020,000	961,540	960,000	1,005,803	1,000,000	1,029,521	1,000,000	967,268	1,000,000	998,280	1,025,000
Current Supplemental Roll Taxes	821130	128,000	249,292	250,000	327,276	250,000	346,415	350,000	440,066	350,000	565,972	700,000
Prior Year Secured Taxes	821210	140,000	(12,096)	-	(2,731)	-	(8,680)	-	-	-	-	-
Prior Year Unsecured Taxes	821220	25,000	65,483	50,000	44,674	50,000	75,106	50,000	(26,094)	50,000	33,410	50,000
Penalties & Cost on Delinquent Taxes	821400	650,000	729,599	600,000	696,543	650,000	656,868	650,000	949,794	650,000	84,010	650,000
Sales and Use Tax - County 1% Share	821500	4,200,000	4,491,936	4,700,000	5,325,470	4,100,000	5,920,131	5,875,000	6,382,048	6,100,000	3,974,019	6,400,000
Sales and Use Tax - Public Safety	821510	6,700,000	7,049,260	7,200,000	6,888,143	-	-	-	-	-	-	-
Timber Yield Taxes	821600	250,000	334,076	300,000	381,912	325,000	344,086	375,000	662,781	500,000	672,477	800,000
Highway Property Rentals	821700	-	-	-	-	-	-	-	-	-	-	-
Room Occupancy Tax	821701	3,900,000	4,491,130	4,400,000	4,944,101	4,900,000	5,152,109	5,200,000	5,682,028	5,650,000	3,429,204	5,900,000
Property Transfer Tax	821702	450,000	521,472	500,000	791,430	600,000	656,145	600,000	668,839	700,000	434,193	600,000
Property Tax In Lieu of VLF Revenues	821704	10,180,000	10,203,634	10,517,000	10,516,886	10,750,000	10,812,410	10,950,000	11,340,056	11,300,000	5,898,530	11,797,000
Property Tax In Lieu of Sales Tax (Triple Flip)	821705	1,234,000	1,423,231	554,200	554,203	-	-	-	-	-	-	-
Williamson Act Replacement Tax	821706	440,000	458,533	450,000	487,555	480,000	522,064	525,000	487,259	550,000	319,310	580,000
Cannabis Business Tax	821707	-	-	-	-	-	79,868	1,708,349	1,296,125	1,050,000	1,011,050	1,500,000
Franchise Fees	822210	725,000	757,841	750,000	777,701	750,000	793,287	800,000	871,804	800,000	97,173	800,000
Forfeiture and Penalties	823300	-	2,221	-	-	-	-	-	-	-	-	-
Interest Income	824100	200,000	123,905	100,000	218,285	110,000	403,145	200,000	807,487	500,000	384,979	1,000,000
Motor Vehicle In Lieu	825150	30,000	31,306	30,000	29,876	30,000	33,047	35,000	39,161	40,000	35,807	40,000
SB90 Reimbursement (State Mandated Cost)	825398	347,070	347,070	-	-	-	-	-	-	-	-	-
Open Space Subvention (Williamson Act)	825454	-	-	-	-	-	-	-	-	-	-	-
Homeowner's Property Tax Exemption	825481	300,000	303,601	300,000	295,028	300,000	286,242	300,000	282,441	320,000	139,476	280,000
State Other: (State Roundabout Tax Shift)	825490	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Federal Grazing Fees	825650	-	1,138	-	1,421	-	1,819	-	930	-	-	-
Federal Land In Lieu Taxes	825660	591,815	591,815	558,500	606,453	550,000	630,421	630,000	641,536	640,000	810,909	811,000
Federal Other	825670	1,200	1,337	1,300	1,301	1,200	1,349	1,350	92	1,000	-	-
Other Government Revenue (County RDA return)	825810	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Fee	826315	-	-	-	-	-	-	-	-	-	-	-
County Cost Plan Charges/Property Tax Admin Fee	826402	720,000	882,488	1,067,800	1,025,867	1,310,665	1,352,057	2,372,917	2,467,399	2,600,000	1,029,850	2,600,000
Prior Year Revenue	827400	-	2,678,496	223,000	264,979	-	6,408	-	816	-	23	-
Sale of Fixed Assets	827500	-	33,679	-	45,034	-	35,580	-	-	-	2,000	2,000
Other Sales	827600	-	-	-	-	-	-	-	-	-	-	-
Card Rebate Programs - Bank of America VISA	827700	35,000	59,093	56,700	58,322	55,000	87,521	75,000	92,823	80,000	213,914	260,000
Refund Jury & Witness Fees	827701	-	15	-	45	-	275	-	35	-	-	-
Donations	827707	-	-	-	-	-	-	-	-	-	-	-
Tobacco Settlement Funds	827715	770,000	765,727	765,700	757,118	760,000	778,697	760,000	956,820	780,000	(27,162)	800,000
Operating Transfers In (Mental Health A-87)	827802	386,558	205,525	138,100	138,190	-	-	-	-	-	-	-
TOTALS:		62,533,643	67,645,875	65,102,300	67,041,020	58,627,865	62,206,394	64,537,616	68,736,895	66,791,000	39,944,639	71,475,000

Prop 172 – Public Safety

Revenue Description	Account	2014/15 Adopted Budget	2014/15 Actual	2015/16 Adopted Budget	2015/16 Actual	2016/17 Adopted Budget	2016/17 Actual	2017/18 Adopted Budget	2017/18 Actual	2018/19 Adopted Budget	2018/19 Actual thru 3/31/2019	2018/19 Projected Auditor
BU 1000 Non Dept.Sales and Use Tax - Public Safety Prop 172	821510	6,700,000	7,049,260	7,200,000	6,888,143	-	-	-	-	-	-	-
BU 2070 DA Sales and Use Tax - Public Safety Prop 172	821510	-	-	-	-	690,109	696,926	734,082	755,152	755,053	465,168	755,053
BU 2310 Sheriff Sales and Use Tax - Public Safety Prop 172	821510	-	-	-	-	2,943,421	2,972,689	3,131,042	3,216,947	3,198,741	1,983,941	3,198,741
BU 2510 Jail Sales and Use Tax - Public Safety Prop 172	821510	-	-	-	-	2,229,131	2,251,386	2,371,277	2,436,120	2,422,492	1,502,492	2,422,492
BU 2560 Probation Sales and Use Tax - Public Safety Prop 172	821510	-	-	-	-	672,465	679,001	715,208	734,763	730,796	453,073	730,796
Fire Agencies Sales and Use Tax - Public Safety Prop 172		-	-	-	-	398,000	398,000	398,000	408,537	398,000	247,004	398,000
TOTALS:		6,700,000	7,049,260	7,200,000	6,888,143	6,933,126	6,998,002	7,349,609	7,551,520	7,505,082	4,651,679	7,505,082

Mid Year Summary

FY2018-19 End of Year Projections

Budget Unit 1000 Surplus vs Top 10 Over-budget Departments/Programs

Budget Unit	Description/Department Name	2018-19 Revised Budget	2018-19 Quarter 2 Actuals	2018-19 End of Year Projections	Variance
1000	Non-departmental Revenue Total	(56,085,467)	(16,623,415)	(59,114,467)	3,029,000
1930	Teeter Plan Total	(1,500,000)	(142,353)	0	(1,500,000)
2310	Sheriff-Coroner Total	14,213,485	8,234,944	15,560,978	(1,347,493)
2510	Jail Total	9,939,126	5,672,590	10,512,452	(573,326)
2085	Alternate Defender Total	787,300	549,744	916,375	(129,075)
1210	County Counsel Total	628,984	787,196	748,628	(119,644)
2012	Court Collections - AB 233 Total	(714,500)	98,145	(637,090)	(77,410)
1810	Economic Development Total	572,414	237,485	646,980	(74,566)
2860	Animal Care Total	605,849	645,601	672,538	(66,689)
1320	Human Resources Total	1,227,532	1,042,514	1,275,162	(47,630)
2080	Public Defender Total	2,408,089	1,151,523	2,451,491	(43,402)

Total of Major Variances: (950,235)

FY 18/19 Unallocated Fund Balance: 420,190

SubTotal of All Variances: (530,045)

Third Quarter Summary

FY2018-19 End of Year Projections Budget Unit 1000 Surplus vs Top 10 Over-budget Departments/Programs

Budget Unit	Description / Department Name	2018-19 Revised Budget	2018-19 End of Year Projections	Variance
1000	Non-departmental Revenue Total	(56,085,467)	(60,769,467)	4,684,000
1930	Teeter Plan Total	(1,500,000)	-	(1,500,000)
2310	Sheriff-Coroner Total	14,213,485	15,309,513	(1,096,028)
2510	Jail Total	9,939,126	10,450,947	(511,821)
2085	Alternate Defender Total	787,300	906,535	(119,235)
1210	County Counsel Total	628,984	776,612	(147,628)
2012	Court Collections - AB 233 Total	(714,500)	(612,926)	(101,574)
1810	Economic Development Total	572,414	630,327	(57,913)
2860	Animal Care Total	614,973	669,038	(54,065)
1320	Human Resources Total	1,227,532	1,275,162	(47,630)
2710	Agriculture	506,196	683,897	(177,701)

Total of Major Variances: 870,405

Total Other Department Variances: 382,700

**** Unallocated Fund Balance:** 400,190

SubTotal of All Variances: 1,653,295

General Fund Needs

Emerging Concerns

- Agriculture
 - Projecting Over Budget \$177,701
 - Integrated Wildlife Damage Management Program (IWDM) – Environmental Impact Report (EIR)
- Courthouse
 - Restroom Litigation Settlement \$100,000
- Water Agency
 - Quagga and Zebra Mussel Prevention Plan \$60,000 *(start date uncertain)*

Human Resources Update

- **Recruitment Summary**
 - Time Period January 1, 2019 – March 31, 2019
 - 53 New Hires
 - 50 Employment terminations
- **Wellness**
 - 241 Employees Participating to Earn Points
- **County Wide Training Program**
 - Time Period January 1, 2019 – March 31, 2019
 - 305 Seats Filled
 - Including; Harassment Training, Dept. Supervisor Skills Academy

Third Quarter Recommendations

- Accept the Fiscal Year 2018-19 Third Quarter Report as Presented



BUDGET WORKSHOP

Budget Workshop

- FY 2019-20 Budget Development Workshops
- Board Direction
 - March 26, 2019
 - April 23, 2019
 - May 7, 2019
- *Budget Hearings*
 - June 4-5, 2019
- FY 2018-19 Budget Reports
 - November 13, 2018 First Quarter
 - March 26, 2019 Mid-Year
 - May 7, 2019 Third Quarter
 - CEO Reports with Budget Update: 8/21/18, 12/18/18, 2/5/19

Budget Goals FY 2019-20

On March 26, 2019, the Board of Supervisors identified budget goals and priorities, as focus areas in the development and implementation of the County budget. The goals and priorities include:

- **Fiscal Stability**
- **Financial Sustainability**
- **Organizational Development**
- **Investment in Roads**
- **Economic/Business Development**
- **Support for Emergency Services**
 - **Disaster Recovery and Resiliency**
- **Homeless Issues**
- **Support Community Partners**

IT Master Plan

- Sustainability
 - \$2.5 million Per Year to Sustain
- Funding Considerations
 - Financing Costs vs Full Cost Priorities by Fiscal Year

Emissions Reduction



Upgrading to SCP's EverGreen Program

County
has been
Customer
since
2017

- *(Facilities
outside of
the Ukiah
City limits)*

100% local,
renewable
electricity
service

Est. reduction
of greenhouse
gas emissions
92,294 lbs CO2
(all facilities)

Est. Cost total \$30,773
annual
Estimated
General Fund impact
\$17,916 with reduction
of 52,838 lbs
Non General Fund
impact \$12,856 with
reduction of 39,456

FY 2019-20 Unfunded Budget Priorities

Unfunded Budget Priorities for FY 2019-20

Financial Sustainability	\$ 4,114,100
• Cannabis Program Sustainability <i>(County wide impact)</i>	\$ 800,000
• Juvenile Hall Sustainability	\$ 2,100,000
• Probation Sustainability	\$ 460,000
• Facilities - Preventative Maintenance (policy 33)	\$ 254,100
• ADA Transition Plan	\$ 400,000
• Additional New Jail Costs (1.8M est.)	\$ 500,000
Organizational Development	\$ 9,150,000
• Operational efficiencies	- TBD -
* Data driven decisions	
• Employee Salaries & Labor Negotiations	\$ 5,000,000
* KOFF Study	
• Sheriff Office - Mandate for Transparency <i>(staffing request)</i>	\$ 150,000
• IT Master Plan <i>(ongoing funding need - assumes financing)</i>	\$ 4,000,000
Economic/Business Development	\$ 780,000
• Solar / estimate to be covered by savings	- NET 0 -
• Vehicle replacement (electric)	\$ 780,000
Support for Emergency Services	\$ 3,000,000
• Local Emergency Medical Services, Staffing Support	\$ 500,000
• Disaster Recovery and Resiliency	\$ 2,500,000
* Emergency Preparedness <i>(500K cameras FY 19/20)</i>	
* Emergency Access Routes	
Support Community Partners	\$ 555,512
• Potter Valley Water <i>(FERC project #77)</i>	\$ 150,000
• Climate Action Committee	\$ 110,512
• Fire Safe Awareness/ Forest Management	\$ 145,000
• County Service Area 3 <i>(CSA3)</i>	\$ 150,000
Estimated Annual Cost:	\$ 17,599,612

Direction for FY 2019-20

Unfunded Budget Priorities for FY 2019-20

		Funded	Fund	Wait
Financial Sustainability	\$ 4,114,100	\$ 2,700,000		
• Cannabis Program Sustainability (Countywide impact)	\$ 800,000			
• Juvenile Hall Sustainability	\$ 2,100,000	\$ 2,100,000		
• Probation Sustainability	\$ 460,000			
• Facilities - Preventative Maintenance (policy 33) Project to use FY18/19 1x Fund Balance Courthouse settlement	\$ 254,100	\$ 100,000		
• ADA Transition Plan	\$ 400,000			
• Additional New Jail Costs (18Mest) Project to use FY18/19 1x Fund Balance	\$ 500,000	\$ 500,000		
Organizational Development	\$ 9,150,000	\$ 553,295		
• Operational efficiencies	- TBD -			
* Data driven decisions				
• Employee Salaries & Labor Negotiations	\$ 5,000,000			
* KOFF Study				
• Sheriff Office - Mandate for Transparency (staffing request)	\$ 150,000			
• IT Master Plan (ongoing funding need) Project to use FY18/19 1x Fund Balance	\$ 4,000,000	\$ 553,295		
Economic/Business Development	\$ 780,000	\$ -		
• Solar / estimate to be covered by savings	- NET 0 -			
• Vehicle replacement (electric)	\$ 780,000			
Support for Emergency Services	\$ 3,000,000	\$ 500,000		
• Local Emergency Medical Services, Staffing Support	\$ 500,000			
• Disaster Recovery and Resiliency Project to use FY18/19 1x Fund Balance	\$ 2,500,000	\$ 500,000		
* Emergency Preparedness (500K cameras FY 19/20)				
* Emergency Access Routes				
Support Community Partners	\$ 555,512	\$ -		
• Potter Valley Water (FERC project #77)	\$ 150,000			
• Climate Action Committee	\$ 110,512			
• Fire Safe Awareness/Forest Management	\$ 145,000			
• County Service Area 3 (CSA3)	\$ 150,000			
Estimated Annual Cost:		\$ 17,599,612	\$ 3,753,295	
• Unfunded Department NCC requests		\$ 1,556,151	\$ -	
* Agriculture, Alternate Defender, Public Defender, Cannabis, Probation				
Total Estimated Annual Cost:		\$ 19,155,763	\$ 3,753,295	

FY 2019-20 Revenue Options for Unfunded Budget Priorities

1) Implement Cost-Cutting Measures

- * Hiring Freeze
- * No New Vehicle Purchases
- * No Funding to Outside Agencies

2) Provide Mandated Core Services Only

3) Increase Fees to Full Cost Recovery Level

4) Additional Funding Sources?

- * Outside Financing for Capital Expenses

5) Use of General Reserves

Additional Funding Streams

- **Cannabis Tax**
 - Notices sent April 15, 2019
 - Due May 31, 2019
- **County Service Area 3 (CSA3)**
 - Special Tax
 - Property Based Fee
 - Parcel Tax
 - Special Benefit Assessment
- **Full Cost Recovery**
- **Court Collection Fees**
- **Animal Control Fines/Citations**

