Proposed Budget Hearings FY 2020-2021

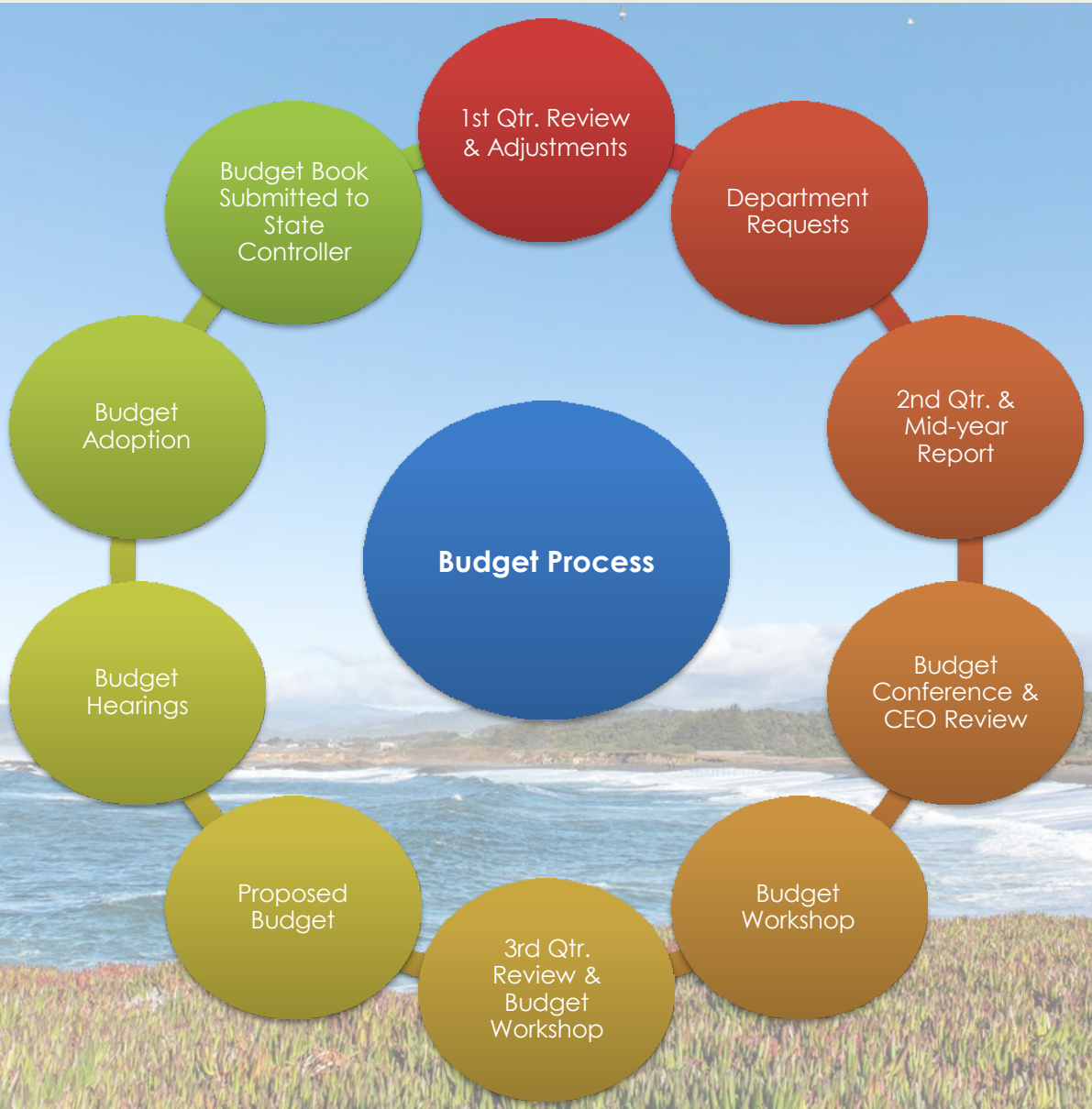
June 9, 2020

CHIEF EXECUTIVE OFFICER: CARMEL J. ANGELO

Presentation Overview

- Budget Process
- Budget Calendar
- Legislative Update
- FY 2019-20 Budget Highlights
- Discretionary Revenue (BU 1000)
- Accountability Based Budgeting
- Disaster Recovery – COVID-19
- County Staffing
- Public Safety Spending
- Grand Jury Budget
- IT Master Plan
- Department Presentation Schedule
- CEO Actions & Recommendations

Budget Process



Budget Calendar

Board Related Dates in **Bold**

- February 2020 – Departments submit 2nd Quarter Mid-Year Projections
- February 2020 – Departments submit Facility Modification and Fixed Assets Requests to Facilities and Fleet
- March 9, 2020 – FY 2020-21 Department Budget Kick Off Meeting
- **March 10, 2019 – FY 2019-20 Mid-Year (2nd Quarter) Budget Report & FY 2020-21 Budget Planning Workshop**
- March 2020 – Budget Instructions and Net County Cost Assignments distributed
- March - April 2020 – Deadlines for Departmental submissions, budget & grant narrative submissions; Executive Office/Auditor-Controller Budget Conferences
- April 2-3, 8-9, 2020 Department Budget Conferences
- **May 5, 2020 – FY 2019-20 3rd Quarter Report & FY 2020-21 Budget Planning Workshop**
- May 24, 2020 – CEO Recommendations for Proposed Budget Published
- **June 9, 2020 – Final Budget Hearings for FY 2020-21**
- **June 23, 2020 – Adoption of Final Budget for FY 2020-21**
- September 2020 – FY 2019-20 is Closed
- Fall 2020 – 1st Quarter adjustments brought to Board with any prior year carryover

Legislative Update

- State Budget Update
- Government Finance and Administration
- Administration of Justice
- Natural Resources and Environment
- Homelessness
- Health and Human Services
- Federal Budget Update
  - CARES Act
  - Proposed HEROES Act
  - FEMA/CalOES

FY 2020-21 Budget Highlights

- Discretionary Revenue
  - Revenue Reductions due to COVID-19
- Disaster Recovery
  - COVID-19
  - Public Safety Power Shutoff
- County Staffing Update
- Public Safety Spending Allocation
- IT Infrastructure Investments

Discretionary Revenue (BU 1000)

County of Mendocino

BU 1000 Revenue Forecast For Fiscal Year

Revenue Description		2016/17 Adopted Budget	2016/17 Actual	2017/18 Adopted Budget	2017/18 Actual	2018/19 Adopted Budget	2018/19 Actual	2019/20 Adopted Budget	2019/20 Actual thru 5/29/2020	2019/20 Projected Auditor	2020/21 Estimated Auditor
Current Secured Property Tax	821110	31,526,000	32,080,502	31,950,000	33,595,380	33,000,000	35,161,716	36,000,000	33,000,848	35,800,000	37,000,000
Current Unsecured Property Tax	821120	1,000,000	1,029,521	1,000,000	967,268	1,000,000	1,043,859	1,000,000	1,032,285	1,032,000	1,000,000
Current Supplemental Roll Taxes	821130	250,000	346,415	350,000	440,066	350,000	748,972	700,000	305,958	400,000	500,000
Prior Year Secured Taxes	821210	-	(8,680)	-	-	-	-	-	-	-	-
Prior Year Unsecured Taxes	821220	50,000	75,106	50,000	(26,094)	50,000	59,984	50,000	13,541	25,000	50,000
Penalties & Cost on Delinquent Taxes	821400	650,000	656,868	650,000	949,794	650,000	749,836	700,000	350,646	600,000	700,000
Sales and Use Tax - County 1% Share	821500	4,100,000	5,920,131	5,875,000	6,382,048	6,100,000	6,594,284	6,500,000	4,963,573	6,000,000	6,000,000
Timber Yield Taxes	821600	325,000	344,086	375,000	662,781	500,000	883,448	800,000	165,836	800,000	800,000
Room Occupancy Tax	821701	4,900,000	5,152,109	5,200,000	5,682,028	5,650,000	5,872,388	6,000,000	4,015,515	4,500,000	4,500,000
Property Transfer Tax	821702	600,000	656,145	600,000	668,839	700,000	615,913	600,000	569,941	650,000	650,000
Property Tax In Lieu of VLF Revenues	821704	10,750,000	10,812,410	10,950,000	11,340,056	11,300,000	11,797,060	11,800,000	12,174,566	12,175,000	12,200,000
Property Tax In Lieu of Sales Tax (Triple Flip)	821705	-	-	-	-	-	-	-	-	-	-
Williamson Act Replacement Tax	821706	480,000	522,064	525,000	487,259	550,000	580,538	580,000	556,496	600,000	600,000
Cannabis Tax Revenue	821707	-	79,868	1,708,349	1,296,125	1,050,000	3,711,693	2,500,000	3,475,691	4,000,000	4,000,000
Franchise Fees	822210	750,000	793,287	800,000	871,804	800,000	876,534	800,000	911,611	950,000	950,000
Interest Income	824100	110,000	403,145	200,000	807,487	500,000	1,032,538	1,000,000	707,129	1,000,000	1,000,000
Motor Vehicle In Lieu	825150	30,000	33,047	35,000	39,161	40,000	35,807	36,000	58,824	59,000	50,000
SB90 Reimbursement (State Mandated Cost)	825398	-	-	-	-	-	-	-	-	-	-
Homeowner's Property Tax Exemption	825481	300,000	286,242	300,000	282,441	320,000	278,952	300,000	138,250	276,800	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
Federal Grazing Fees	825650	-	1,819	-	930	-	1,154	-	199	200	-
Federal Land In Lieu Taxes	825660	550,000	630,421	630,000	641,536	640,000	810,909	800,000	699,132	700,000	700,000
Federal Other	825670	1,200	1,349	1,350	92	1,000	-	-	-	-	-
County Cost Plan Charges/Property Tax Admin Fee	826402	1,310,665	1,352,057	2,372,917	2,467,399	2,600,000	2,595,366	2,600,000	1,850,202	2,600,000	3,054,000
Prior Year Revenue	827400	-	6,408	-	816	-	23	-	5,524	6,000	-
Sale of Fixed Assets	827500	-	35,580	-	-	-	2,000	-	71	-	-
Card Rebate Programs - US Bank & Bank of America	827700	55,000	87,521	75,000	92,823	80,000	258,413	90,000	92,222	120,000	140,000
Refund Jury & Witness Fees	827701	-	275	-	35	-	-	-	-	-	-
Tobacco Settlement Funds	827715	760,000	778,697	760,000	956,820	780,000	873,969	900,000	863,949	864,000	900,000
Total		58,627,865	62,206,394	64,537,616	68,736,895	66,791,000	74,715,357	73,886,000	66,082,009	73,288,000	**75,204,000**

Prepared by Auditor-Controller

Accountability Based Budgeting

- Net County Costs (NCC) assignments kept to FY 2019-20 levels with salary adjustments ($5 million set aside)
- Revenue set aside to be applied as departmental needs are justified
- Austerity Program begins

Cost Reduction Through Efficiencies

- Fiscal consolidation
  - Contract management and oversite
  - Mandated travel only
  - Centralized departmental payroll

Disaster Recovery-COVID-19

- COVID-19 response has exceeded $5,000,000
  - FEMA obligation letters received totaling $1,055,775
  - Request for funding in 2020-21

All County COVID-19 Hours	
Regular	36,857
OT	2,377
CTO	4,768
Total	44,002

COVID-19 Projects Estimated Costs	
Emergency Operations Center	$1,545,000
Great Plates Delivered Emergency Food Program	$1,500,000
Project Roomkey	$540,000
Health Emergency Alternative Care Site	$375,000
COVID Testing	$970,000
Emergency Food Purchase & Distribution	$250,000

Public Safety Power Shutoff (PSPS)

- PSPS Preparations
  - Facilities Upgrades
  - Generators
  - PG&E Communications

County Staffing

- Total Full and Part-time employees 1,102

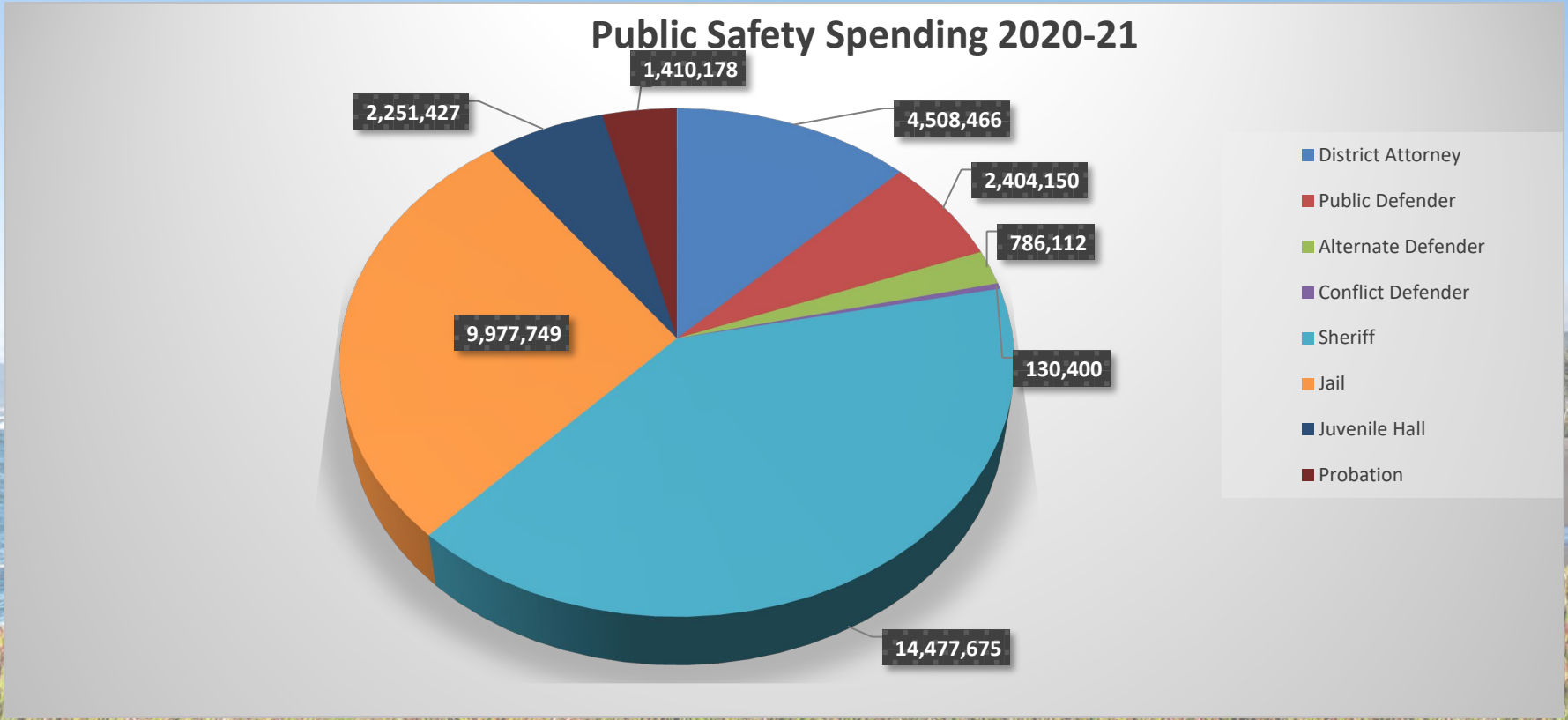
* Reduced from 1,130 employees in 2019-20

- Total Full-Time equivalent allocated positions1,416
  - Fund 1 FTE unfunded Positions
  - Add 21 FTE Positions
  - Delete 25 FTE Positions
  - Transfer 8 FTE Positions
  - Title change of 1 FTE Position
  - Net allocation change -4 Positions

* Please refer to Attachment D listed in the FY 2020-21 Proposed Budget Report.

Public Safety

Public Safety Budget
$35,946,157 for FY 2020-21



Grand Jury

- Projected to be $22,419 over budget
  - Travel Expenditure
  - Meals Expenditure
  - Zoom Account

IT Master Plan

- Public Safety Communications

Public Safety Microwave Radio Status and Next Steps

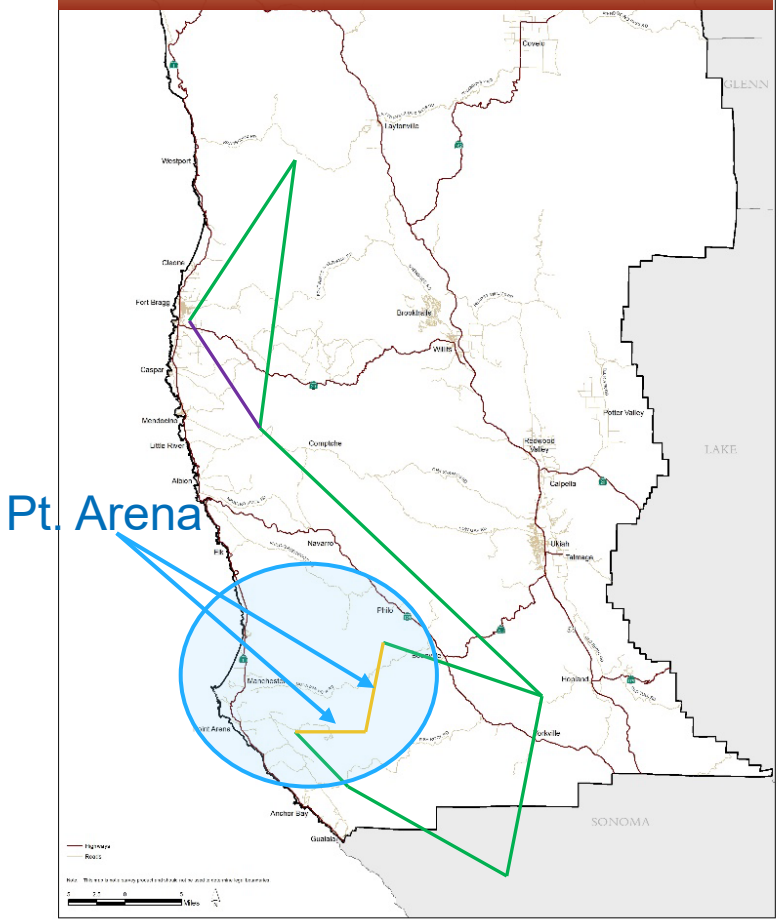
Board of Supervisors

June 2020

CLIENTFIRST
TECHNOLOGY CONSULTING

Public Safety Microwave Resiliency

Microwave connectivity upgrades needed to close the communication loop



- Point Arena radio site scheduled for completion 7/30
  - Slight schedule delay due to COVID-19
- Project is under budget

Existing Site Connectivity

Phase 1 – South Coast loop

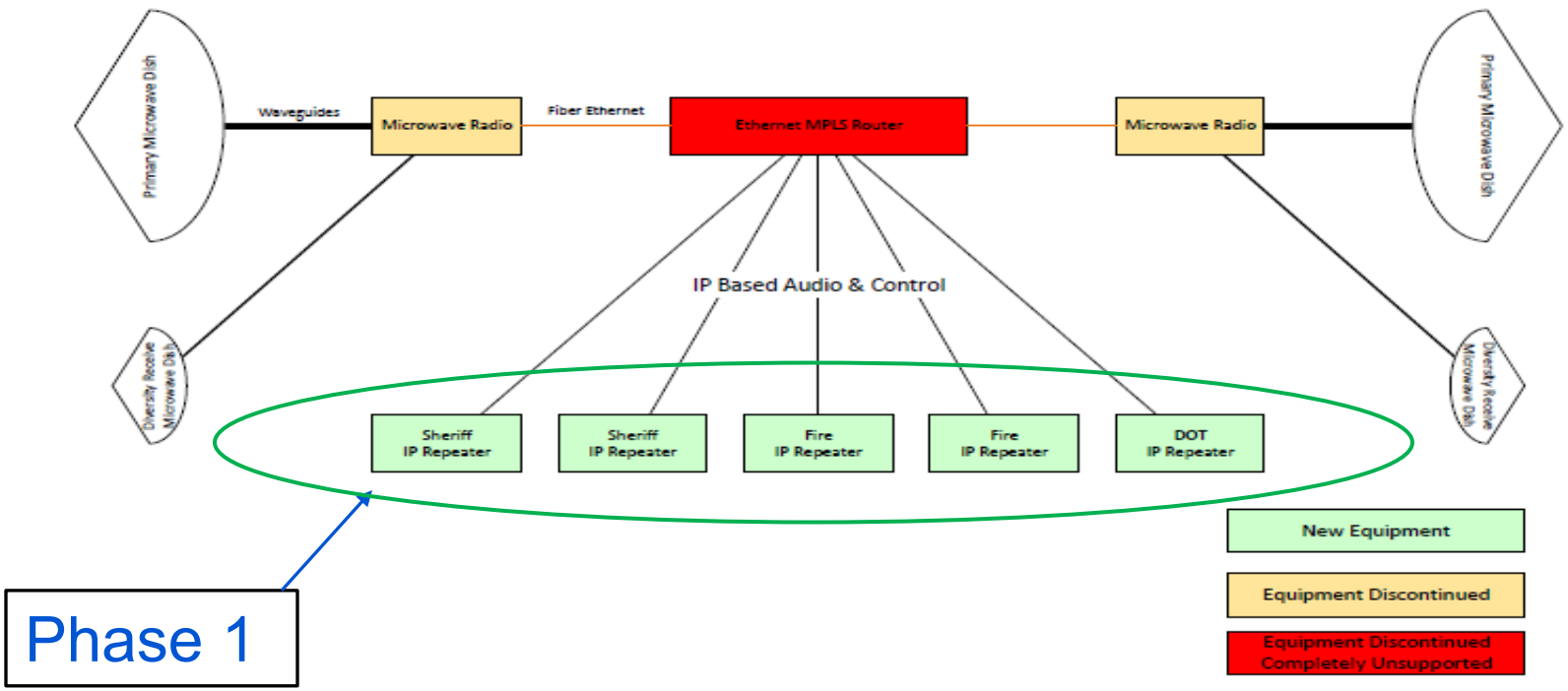
Phase 2 – Replace old MPLS Equipment

Phase 3 – Fort Bragg Loop

Future – Replace old Microwave Radios,
Modify Network layout for added Resiliency,
Bring Fort Bragg into the main loop

Public Safety Microwave Radio – Phase 1

- Finalizing purchase of Repeaters
  - Expect to be under budget
- Phased installation approach
  - Expect completion by winter



Failures Continue

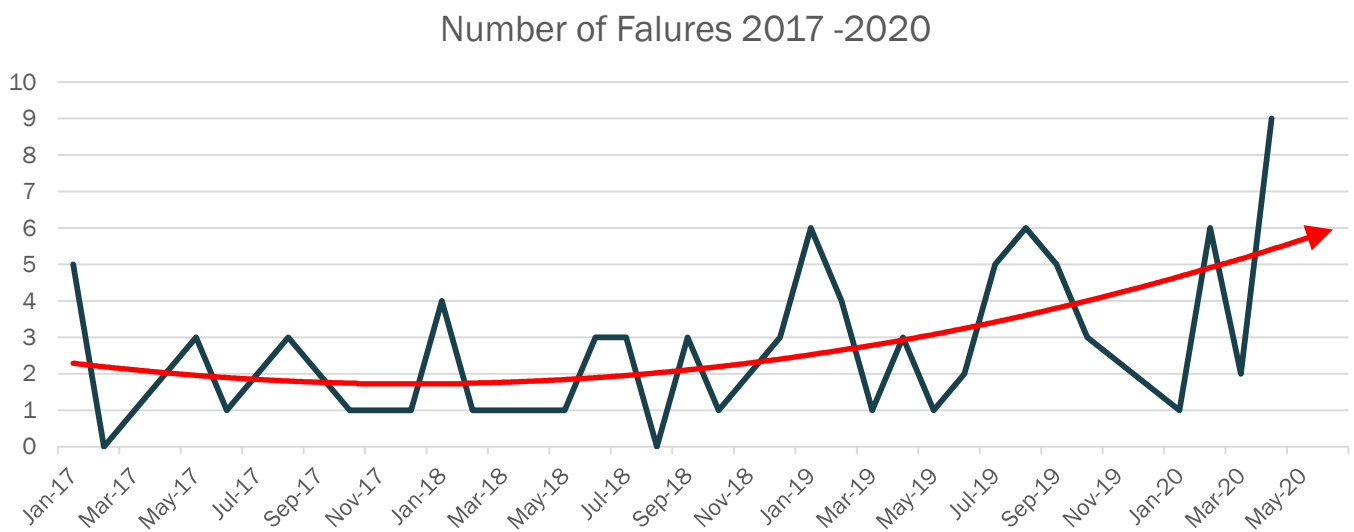
First Responders Affected by Outages

- Law Enforcement
- Fire
- EMS

Impacts

- Complete Loss of Communications
- Loss of County Data Network
- Loss of Resiliency and Backups

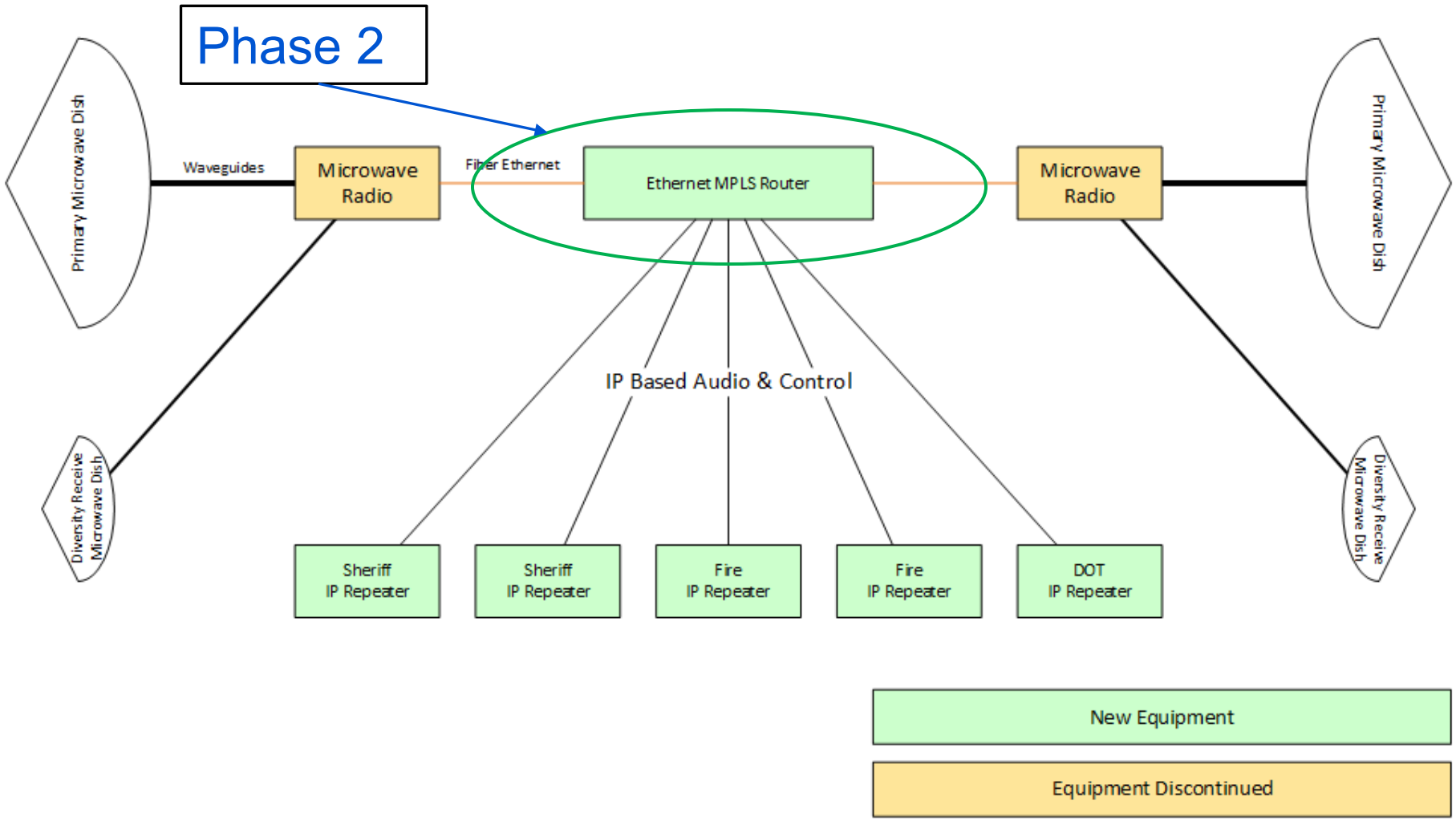
- **Loss of Communications:**
  - Public safety
    - Sheriff
    - Fire
    - EMS
    - Police
  - County Facilities
  - Dispatch



Public Safety Microwave Radio – Phase 2

- On 11/19/2019 the Board set aside $1.5M for Public Safety Microwave Radio improvements
- Requesting appropriation of $1.5M from set aside for Phase 2
- Implementation of High Priority sections of the network to be completed by fall.

Public Safety Microwave Radio – Phase 2



Summary

- Existing equipment failures continue to be a problem
- Point Arena Radio Expansion proceeding well
- Working to implement Phase 1 repeaters before winter
- Request approval for Phase 2 network equipment.
  - Ongoing network failures make this imperative
  - Implementation critical components this summer.
  - Completion in 2021

Department Presentations

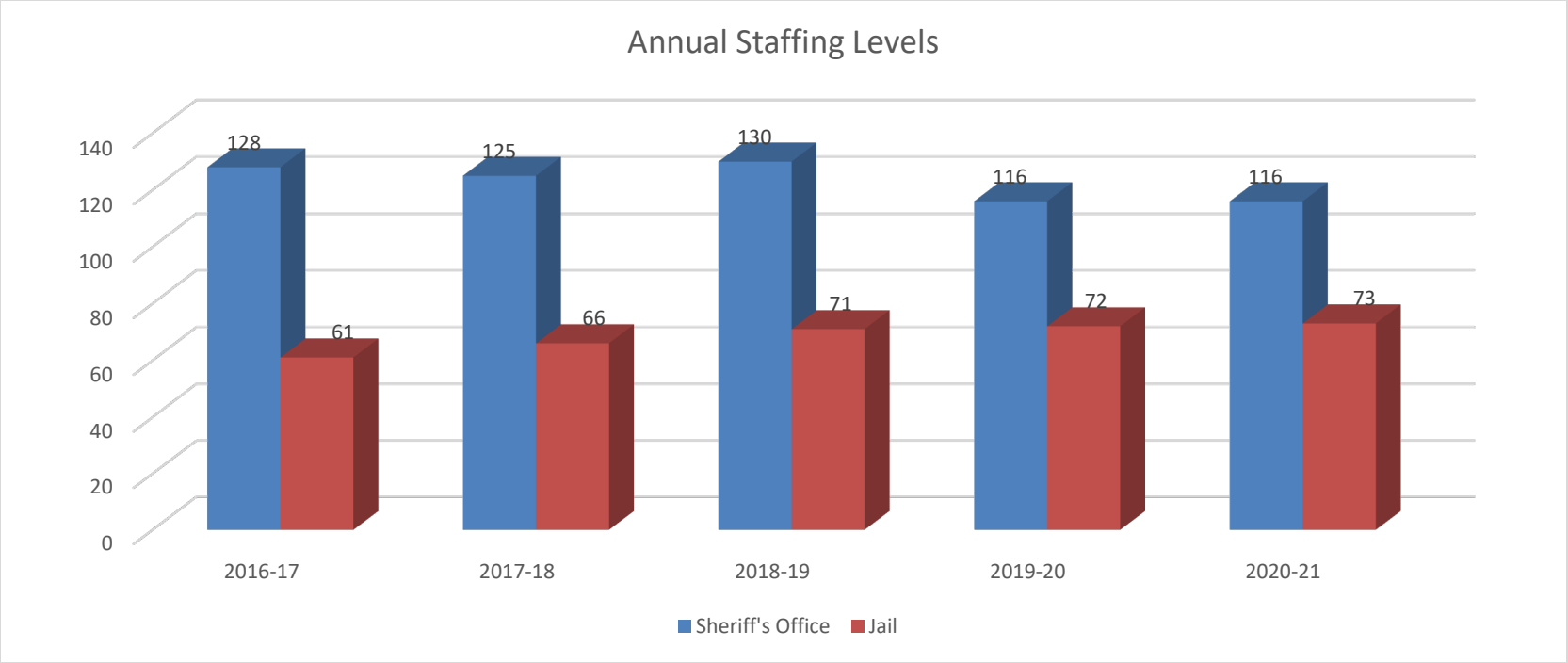
Morning – June 9th 11:00 AM

- Executive Office Budget Overview

Afternoon – June 9th

- Human Resources-Health Plan
- Sheriff's Office
- Assessor Clerk-recorder, Treasurer-Tax Collector and Auditor-Controller for Aumentum Update
- Health and Human Services Agency
- Cannabis Program

Sheriff's Office and Jail Historical Staffing and 2020-21 Budgeted Staffing



Department submitted budget shows an assumption of 100% staffing.

Proposed Adjustments

FY2020-21 Use of One-Time Funds						
Fund	BU	ORG	Department	Account	Account Description	Amount
1225	2910	DR	Disaster-Recovery	827802	COVID-19 Contingency	1,968,456
					Total for BU 2910:	1,968,456
7170	0717	IT	IT Reserves	827802	Property Tax System	516,000
					Total for BU 0717:	516,000
1100	1810	PM	Economic Development	862189	Economic Businees Development Contracts	104,000
					Total for BU 1810:	104,000
1100	1910	LI	Land Improvement	862189	MCRCD Contract	25,000
					Total for BU 1910:	25,000
1100	1940	MS	Miscellaneous	861011	Salary Increases	919,864
1100	1940	MS	Miscellaneous	863280	Prop 172	398,252
1100	1940	MS	Miscellaneous	862189	**Fire Safe Council**	100,000
					Total for BU 1940:	1,418,116
1100	2016	EM	Emergency Services	863280	Dispatch Contract	1,005,891
1100	2016	EM	Emergency Services	8631113	Grant to Local Ambulan Providers	198,000
					Total for BU 2016:	1,203,891
1100	7110	MU	Cultural Service Agency	862189	Art Council Contract	25,000
					Total for BU 7110:	25,000
Use of One-Time Funds Summary						
					Total of Proposed 1x Funds:	5,260,463

Proposed Recommendations

- Direct Auditor – Controller to create new BU 1000 for RV/Campground Tax for appropriations at Mid-Year, as funding permits $600,000 of this tax will go to Fire Agencies
- Direct Staff to reduce Disaster Recovery 1 x Funding by $100,000 and reallocate $100,000 to new BU 1000 for RV/Campground Tax
- Direct Staff to allocate additional $500,000 in FY 2020-21 of Cannabis Tax Revenue to the new BU 1000 and reduce the TOT tax to $3.9 million for FY 2020-21
- Direct Auditor – Controller to increase Cannabis Tax Revenue Projection for FY 2019-20 by $500,000 for a new projection of $4.5 million
- Direct Staff to allocate any additional Cannabis Tax Revenue from FY 2019-20 to FY 2020-21 to General Reserves
- Direct Sheriff's Office to present an MOU between the County and Courts along with a cost analysis of the Donavan Room remodel to convert to a courtroom at Adopted on June 23, 2020
- Direct Sheriff's Office and Jail to appropriate $750,000 to Over Time line items using the current 1000 series allocation
- Allocate $4,900,000 of RMRA funding for corrective maintenance and use any available Road Fund, to implement prioritized corrective maintenance up to $4 million

CEO FY 2020-21 Proposed Budget Actions and Recommendations

The Executive Office recommends that the Board of Supervisors take action as follows:

Approve the FY 2020-21 Chief Executive Officer's Proposed Budget for the County of Mendocino, including:

- Approve the adjustments detailed in the Summary of Budget Adjustments as outlined in Attachment B and the budget schedules included herein;
- Approve the Net County Cost Summary Table (Attachment A) directing the Auditor-Controller to return to the Board of Supervisors on June 23, 2020, with a formal resolution adopting the FY 2020-21 Mendocino County Budget based on the above direction;
- Approve amendments to the Position Allocation Table as listed in Attachment D, directing the Human Resources Director to return to the Board of Supervisors on June 23, 2020, with an updated Position Allocation Table;
- Approve the Fixed Assets and Structural Improvements as listed in Attachment F.

CEO FY 2020-21 Proposed Budget Actions and Recommendations

Fiscal Stability

No Recommendations at this time.

Financial Sustainability

- Allocate Unassigned revenue from Budget Unit 1000, $516,000 toward Property Tax System under the IT Reserve account.
- Allocate Unassigned revenue from Budget Unit 1000, $1,968,456 toward COVID-19 Disaster Recovery and ongoing expenses.

Organizational Development & Infrastructure

- Allocate under-projected revenue from Budget Unit 1000 at the end of FY 2019-20, $919,864 towards labor.

Investment in County Roads

Economic/Business Development

- Allocate $25,000 to support the Mendocino County Arts Council.
- Allocate $25,000 to support the Mendocino County Resource Conservation District.
- Allocate $100,000 to support the Fire Safe Council.
- Allocate $104,000 direct Staff to continue departmental budgeting of Economic/Business Development contracts annually

Support for Emergency Services

- Allocate $1,005,891 for the dispatch contract for fire and EMS services in the County.
- Allocate $198,000 for grants to local ambulance providers (Anderson Valley, Covelo, and Laytonville).

Support Community Partners

- Allocate $398,252 of Proposition 172 funding to support fire agencies.

Budget Hearings – FY 2020-2021