

FY 2021-22 1st Quarter Report



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and
Fiscal Team

November 16, 2021

HWY 128
Courtesy of Visit Mendocino

Introduction

Five disasters in a 12 month period have significantly shifted the focus of staff time and available discretionary funds that otherwise would have been used for County deferred maintenance, communication and other basic infrastructure needs. The 1st quarter impacts reflect the need for facilities maintenance, communication, disaster mitigation, resiliency, and recovery.

Cinco desastres en un período de 12 meses han cambiado significativamente el enfoque del tiempo del personal y los fondos discrecionales disponibles que de otra manera se habrían utilizado para el mantenimiento diferido del Condado, las comunicaciones y otras necesidades de infraestructura básica. Los impactos del primer trimestre reflejan la necesidad de mantenimiento diferido, comunicación, mitigación de desastres, resiliencia y recuperación.

FY 2021-22 Strategic Plan

Mendocino County entered into an agreement to facilitate the development of a five-year strategic plan for Mendocino County.

A Strategic Plan will provide the stability to develop a more unified and focused budget.

Presentation Outline

- FY 2021-22 Budget Consideration
- Board Goals and Priorities
- FY 2020-21 Close Out
- Human Resources
- Proposed Vehicle Replacement Schedule
- Energy Audit and Analysis
- CIP Critical Funding Considerations
- Pre Trial Program
- Prevention, Recovery, Resiliency and Mitigation (PRRM)
- One-Time Carry Forward
- FY 2021-22 Funding Needs
- FY 2021-22 Funding Options
- CEO Recommendations
- Future Budget Schedule

FY 2021-22 Budget Considerations

- Space Needs – COVID-19 Considerations
- Staffing and Recruitment
- Board of Supervisors Obligated and County Urgent Projects
- 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
- 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
- Strategic Planning

Board Goals and Priorities (cont.)

Investment in Roads

Economic/Business Development

- Support new housing development
- Broadband
- Grant writer program
- Use of solar
- Small business support
- MOVE 2030

Support for Emergency Services

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

Disaster Recovery and Resiliency

- Emergency preparedness
- Emergency access routes
- Continued pandemic support
- Hazard mitigation

Local Homeless Issues

- Project HomeKey

Support Community Partners

- Development of Water Agency
- Fire districts
- Fire safe awareness / forest management
- Potter Valley Water Project
- Climate Action Committee
- County Service Area 3
- Other Special Districts/Agencies

FY 2020-21 Close Out

Good News

- The final carryforward amount for FY 2020-21 is \$4,477,855
- Coronavirus Aid, Relief, and Economic Security (CARES) Act Funded \$8,966,905 in FY 2020-21
 - \$7,212,551 was used on County operational expenses
 - \$3,941,547 of the County operational expenses was for housing and alternate care site needs
 - \$1,754,354 was contracted to community partners for food, housing, and small business needs

Bad News

- Cost of the Jail expansion estimated cost over run, now totaling \$6,450,000
- While the County has a carryforward from FY 2020-21, the full impact of fire damages, drought, and COVID-19 related services and expenses are still not fully realized

Human Resources

Recruitment Summary

July 1 - Sept 30

- 268 Staffing Request
- 129 Recruitments
- 1,164 Applications Screened and Received
- 69 Examinations
- 159 Certifications
- 48 New Employees
- 69 Employment Terminations
- 376 Vacant Positions
- 237 Active recruitments

Wellness Program

- 618 completed Biometric Health Screenings
- 575 Completed Health Risk Assessment
- 707 employee engagements with the Virgin Pulse Portal

County-Wide Training Program

- 57 courses completed (363 training seats)
- Management & Supervisor Academy
- Professional Skills Development for Employees and Supervisors/Management
- On Demand Learning
- CSAC Institute

- Labor Negotiations will begin in March of 2022

Proposed Vehicle Replacement Schedule

- Board direction to analyze and present vehicle replacement program options
- Fleet Lease Options (Enterprise Fleet Management (EFM))
- Analysis in progress of County fleet data
 - Miles driven on average by vehicle type, funding source and department
 - Average age of the County's fleet & projections
 - Lease v. owned models and comparison of replacement timelines

Draft Mendocino County Replacement Program		
Vehicle Type	Replacement Miles	Replacement Age
Mid-size Sedan / Hybrid	100,000	5
Full size Sedan	100,000	5
Police Cruiser/Pursuit	90,000	4
4X4, 1/2 & 1 ton pick up, Vans, SUV	90,000	7

- Model is based upon industry standards and comparison counties
- Additional information to be presented early 2022 (Including: fiscal projections associated with vehicle replacement funding by funding source based on proposed model and historical miles driven)
- Possible phased in approach to transitioning to the lease model as appropriate

Energy Audit and Analysis

- Energy Audit of County owned Facilities
- Results anticipated to reveal potential energy retrofit projects to be presented during the December 7, 2021, Board of Supervisors Meeting
- Anticipate presenting potential solar pilot project(s) at a County owned facility
- Applying for grants related to alternative energy retrofit programs
- Sonoma Clean Power Conversion from CleanStart to EverGreen services
- EverGreen is 100% clean energy
- Cost benefit to be presented during the December 7, 2021, Board of Supervisors Meeting

CIP Critical Funding Considerations

- Funding needs for critical capital projects (life, health, safety and welfare of our employees and citizens)
- Many years of deferred maintenance resulting in higher capitalized expenses and increased frequency of emergency project work
- Staff working with Executive Office Fiscal Team on funding formulas related to preventative maintenance and Capital Project funding for FY 2022/23
- Specific Critical Funding Priorities: \$1,375,000*
- Prior Year Funding Priorities: \$3,285,000*
- Non-General Fund Prior Year Funding Priorities: \$4,665,000*

* Reference page 12 in the 1st Quarter Report

Pre-Trial Program

Timeline and Identified Funding

- The criminal justice partners, in conjunction with the executive office, have been working on implementing a pre-trial program in Mendocino County
- Board of Supervisors have already taken some steps
 - 3 new FTES have been allocated to Probation Department and the recruitment process has begun
- Next steps include signing a Memorandum of Understanding (MOU) with the Court
- \$200K in ongoing State funding to Mendocino County
- \$206K allocated in one-time State funding for implementation needs to Mendocino County
- State funding will not cover costs of the full program
- County will need to consider supplementing the Probation Department's General Fund budget

Program Logistics

- Assessments need to be completed with inmates for distribution to the Court/District Attorney/Public Defender prior to arraignments
- Most efficient way to accomplish is to have pre-trial officers at the jail who are allowed to move inmates to and from dedicated working spaces
- This model appears to cut down in waiting time and overtime expenses

Funding Needs

- This model will require capital investments
 - Suggestion is to place a modular building inside the secure jail fencing
- Suitability assessment will need to be conducted to ensure capital improvement is feasible – cost \$50K
- Cost of full project is unknown at this time
 - One-time funding from State for implementation needs, potentially could fund a portion of the project
 - Funding from general fund may be required

Prevention, Recovery, Resiliency, and Mitigation Update (PRRM)

American Rescue Plan Act (ARPA)

- Mendocino County Allotment \$16,849,976
- 50% was awarded on August 6, 2021
- The remaining 50% will be awarded 12 months after the first allocation
- As of October 2021, \$4.7M has been obligated to projects relating to supporting the public health emergency, the negative economic impacts from the pandemic, and investments in water and sewer infrastructure
- Funding to be designated for County core services, infrastructure projects, and emergency funding, before other considerations and is to be appropriated using the final rule guidelines
- Final rule guidelines anticipated to be released in early 2022.

Drought

- Local emergency declared on April 20, 2021
- State of emergency declared on May 10, 2021
- Began hauling water in September and commenced in early October with close to 1.3M gallons of water hauled
- Grant funding through Department of Water Resources (DWR) was awarded on September 21, 2021 allowing water to be hauled for residential use
- CDAA was enacted on October 19, 2021
- Total obligated drought expenses as of October 31, 2021 is \$500,000, with a portion being applied to DWR grant funding and the remaining applied to the allocation from PG&E Disaster Settlement Funds
- Discussions regarding long-term planning and projects are being held internally and with State and community partners

Prevention, Recovery, Resiliency, and Mitigation Update (PRRM)

Pacific Gas & Electric (PG&E) Disaster Settlement

- Board of Supervisors allocated part of the funds on August 17, 2021
- Executive Office, PRRM, and County Counsel teams have been working with agencies to help distribute funds
- Over 50 unique contracts will need to be administered to approximately 40 outside agencies
- Funds awarded to internal County departments are being appropriated as part of 1st Quarter, and can be found in attachment A of the report
- All agencies and internal departments will be required to provide documentation on expenses to ensure proper use of funds

Hopkins Fire

- Burned over 250 acres
- Destroyed over 50 structures
- No Federal declaration (at this time)
- California Disaster Assistance Act (CDAA) has been approved
- California Department of Toxic Substances Control (DTSC) began household hazardous waste cleanup on November 2, 2021
- Remaining debris removal process will begin after DTSC work is complete

One-Time Carry Forward

\$4,477,855

Per Auditor-Controller FY 2020-21 Closeout

\$3,069,674 in General Fund Carry Forward for FY 2021-22

\$ 1,408,181 other revenues for General Fund Carry Forward for
FY 2021-22

\$4,477,855 available as total General Fund Carry Forward from
FY 2020-21

FY 2021-22 Funding Needs

- Fiscal Stability - \$331,880
- Financial Sustainability - \$200,000
- Organizational Development - \$8,932,466
 - Jail Expansion - \$4,000,000
 - Administration Roof - \$2,500,000
 - Cannabis Code Enforcement Enhancement - \$500,000
 - Sheriff's Office & GSA Fiber Extension - \$425,000 (cannot proceed with Jail expansion until this is complete)
- Disaster Recovery and Resiliency - \$548,000

**Summarized from Attachment B*

- **Total - \$10,012,346**

FY 2021-22 Funding Options

- Fund Board of Supervisors Obligated Projects
Partially Fund Jail Each Quarter
- Pre-Trial Site Assessment
- Urgent in progress Infrastructure Projects
- American Rescue Plan Act (ARPA) funding to be designated for County core services, infrastructure, projects, and emergency funding before other considerations and is to be appropriated using the final guidelines.

CEO Recommendations

- Accept the Fiscal Year 2021-22 First Quarter Report as presented
- Approve the 1st Quarter Department Net Zero Adjustments (Attachment A)
- Approve the One Time Carryforward Fund Balance from FY 2020-21 for the Funding needs for FY 2021-22 (Attachment B), with a formal resolution adopting the amended FY 21-22 Mendocino County Budget based on the above direction.
- Approve the 1st Quarter Fixed Asset Request (Attachment C)
- Direct that American Rescue Plan Act (ARPA) funding to be designated for County core services, infrastructure, projects, and emergency funding before other considerations and is to be appropriated using the final guidelines.

Future Budget Schedule

December 2021 - Fee Hearing

March 2022 – Mid-year Report

April 2022 – Fee Hearing

Spring Budget Workshops

May 2022 – 3rd Quarter Report

June 2022 – Budget Hearings and Adoption



1ST QUARTER REPORT QUESTIONS?

HWY 128
Courtesy of Visit Mendocino