

# Proposed Budget Hearings FY 2018-2019 June 5 & 6, 2018

CHIEF EXECUTIVE OFFICER: CARMEL J. ANGELO





# Presentation Overview



- Budget Process
- Budget Calendar
- Board Goals and Priorities
- Economic Indicators
- Financial Overview
- IT Master Plan
- HHSA Community Partners
- Department Presentations
- Position Allocation Changes
- CEO Recommendations

# Budget Process



# Budget Development Calendar

Board Related Dates in **Bold**

- **January 2, 2018 - Resolution 18-001 regarding budgetary authority**
- February 2018 – Departments submit 2<sup>nd</sup> Quarter Mid-Year Projections
- February 2018 – Departments submit Facility Modification and Fixed Assets Requests to Facilities and Fleet
- **March 13, 2018 – FY 2017-18 Mid-Year (2<sup>nd</sup> Quarter) Budget Review**
- March 2018 – Budget Instructions and Net County Cost Assignments distributed
- March - April 2018 – Deadlines for Departmental submissions, budget & grant narrative submissions; Executive Office/Auditor-Controller Budget Conferences
- **April 24, 2018 – FY 2018-19 Budget Planning Workshop**
- **May 22, 2018 – FY 2017-18 3<sup>rd</sup> Quarter Report & FY 2018-19 Budget Planning Workshop**
- May 25, 2018 – CEO Recommendations for Proposed Budget Published
- **June 5-6, 2018 – Final Budget Hearings for FY 2018-19**
- **June 19, 2018 – Formal adoption of the Proposed Budget for FY 2018-19**
- September 7, 2018 – Adopted Final Budget Book submitted to State Controller and made available to the public

# Board Goals and Priorities

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- Fiscal Stability
  - Debt mitigation and elimination are a priority
- Financial Sustainability
  - Maintain the reserve policy (6.35% of General Fund)
  - 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.

# Budget Development Priorities

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- Investment in Roads
- Economic/Business Development
  - Broadband
  - Permit Fee Waiver Program
  - Support New Housing Development
  - Grant Writer Program
- Support for Emergency Medical Services
- Homeless Issues
- Support Community Partners
- Employee Compensation

# Organizational Priorities

April 24 & May 22, 2018 Workshops

- One-time revenue used for one-time expenses
- All expenditures of Measure B Funds must be approved by the Board of Supervisors
- Human Resources and County Counsel will explore the use of interns and volunteers
- Comprehensive evaluation of the County's vehicle fleet condition prior to purchasing additional vehicles
- Greater detail provided to the Board of Supervisors regarding facility modifications and improvements prior to approval
- Exploration of the use of solar energy at County facilities
- Greater evaluation of the proposed IT upgrades for a cost savings analysis
- Development of property acquisition options around the new courthouse
- Development of property liquidation options for the Willits Justice Center and Ukiah Courthouse
- Pursuit of grant funding to generate additional County revenue
- Auditor to reflect Proposition 172 funds in the BU 1000 series table
- Executive Office to provide additional information regarding the development of a Cultural Services Agency
- Departments must create efficiencies prior to pursuing full cost recovery (to be presented during the June 5, 2018, Budget Hearings)
- Executive Office to develop options for an updated EMS model
- Treasurer – Tax Collector to review County online payment fee structure

# Discretionary Revenue (BU 1000)

## County of Mendocino BU 1000 Revenue Forecast For Fiscal Year 2018-19

Revenue Description		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 thru 3/16/2018	2017/18 Projected Auditor	2018/19 Estimated 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	18,403,737	32,500,000	33,000,000
Current Unsecured Property Tax	821120	1,020,000	961,540	960,000	1,005,803	1,000,000	1,029,521	1,000,000	941,865	975,000	1,000,000
Current Supplemental Roll Taxes	821130	128,000	249,292	250,000	327,276	250,000	346,415	350,000	294,163	350,000	350,000
Prior Year Secured Taxes	821210	140,000	(12,096)	0	(2,731)	0	(8,680)	0	0	0	0
Prior Year Unsecured Taxes	821220	25,000	65,483	50,000	44,674	50,000	75,106	50,000	13,390	50,000	50,000
Penalties & Cost on Delinquent Taxes	821400	650,000	729,599	600,000	696,543	650,000	656,868	650,000	47,435	500,000	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	3,194,288	6,100,000	6,100,000
Sales and Use Tax - Public Safety	821510	6,700,000	7,049,260	7,200,000	6,888,143	0	0	0	0	0	0
Timber Yield Taxes	821600	250,000	334,076	300,000	381,912	325,000	344,086	375,000	494,337	500,000	500,000
Highway Property Rentals	821700	0	0	0	0	0	0	0	0	0	0
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	3,278,837	5,550,000	5,650,000
Property Transfer Tax	821702	450,000	521,472	500,000	791,430	600,000	656,145	600,000	456,223	700,000	700,000
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	5,670,027	11,300,000	11,300,000
Property Tax In Lieu of Sales Tax (Triple Flip)	821705	1,234,000	1,423,231	554,200	554,203	0	0	0	0	0	0
Williamson Act Replacement Tax	821706	440,000	458,533	450,000	487,555	480,000	522,064	525,000	267,992	500,000	550,000
Cannabis Tax Revenue	821707	0	0	0	0	0	79,868	1,708,349	728,130	850,000	1,050,000
Franchise Fees	822210	725,000	757,841	750,000	777,701	750,000	793,287	800,000	102,285	800,000	800,000
Forfeiture and Penalties	823300	0	2,221	0	0	0	0	0	0	0	0
Interest Income	824100	200,000	123,905	100,000	218,285	110,000	403,145	200,000	211,471	500,000	500,000
Motor Vehicle In Lieu	825150	30,000	31,306	30,000	29,876	30,000	33,047	35,000	39,161	35,000	40,000
SB90 Reimbursement (State Mandated Cost)	825398	347,070	347,070	0	0	0	0	0	0	0	0
Homeowner's Property Tax Exemption	825481	300,000	303,601	300,000	295,028	300,000	286,242	300,000	158,602	300,000	320,000
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	0	1,138	0	1,421	0	1,819	0	0	0	0
Federal Land In Lieu Taxes	825660	591,815	591,815	558,500	606,453	550,000	630,421	630,000	641,536	642,000	640,000
Federal Other	825670	1,200	1,337	1,300	1,301	1,200	1,349	1,350	92	1,000	1,000
Other Government Agency Revenue (County RDA return)	825810	0	0	0	0	0	0	0	0	0	0
Solid Waste Fee	826315	0	0	0	0	0	0	0	0	0	0
County Cost Plan Charges/Property Tax Admin Fee	826402	720,000	882,488	1,067,800	1,025,866	1,310,665	1,352,057	2,372,917	1,282,724	2,300,000	2,600,000
Prior Year Revenue	827400	0	2,678,496	223,000	264,979	0	6,408	0	0	0	0
Sale of Fixed Assets	827500	0	33,679	0	45,034	0	35,580	0	0	0	0
Card Rebate Programs - US Bank & Bank of America	827700	35,000	59,093	56,700	58,322	55,000	87,521	75,000	40,078	80,000	80,000
Refund Jury & Witness Fees	827701	0	15	0	45	0	275	0	0	0	0
Tobacco Settlement Funds	827715	770,000	765,727	765,700	757,118	760,000	778,697	760,000	0	760,000	780,000
Operating Transfers In (Mental Health A-87 move to 826402)	827802	386,558	205,525	138,100	138,190	0	0	0	0	0	0
<b>Total</b>		<b>62,533,643</b>	<b>67,645,875</b>	<b>65,102,300</b>	<b>67,041,020</b>	<b>58,627,865</b>	<b>62,206,394</b>	<b>64,537,616</b>	<b>36,396,373</b>	<b>65,423,000</b>	<b>66,791,000</b>

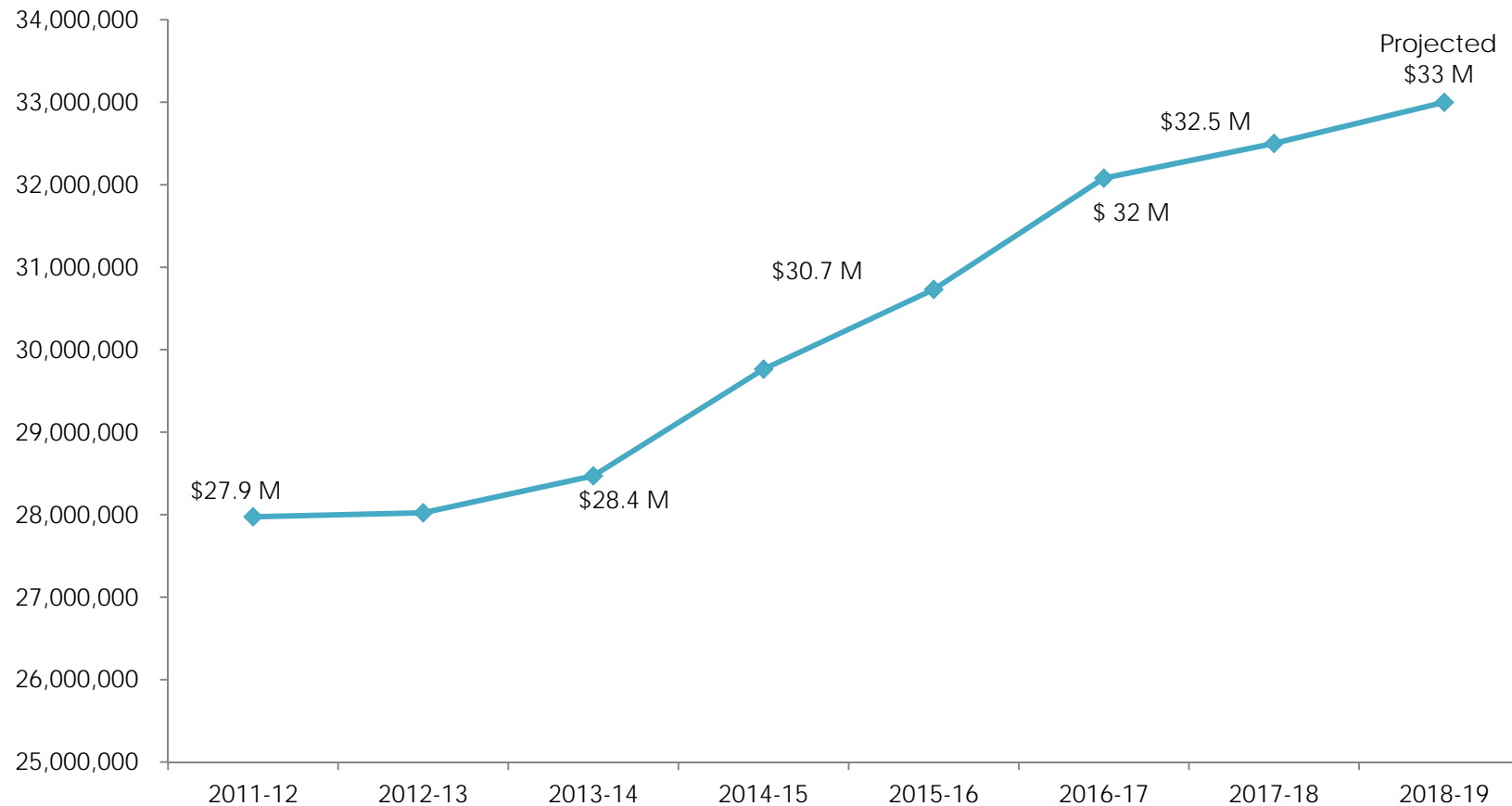
### Public Safety Sales Tax (Prop 172 only)

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	0	0	0	0	0	
BU 2070 DA Sales and Use Tax - Public Safety Prop 172	821510	0	0	0	0	690,109	696,926	734,082	434,040	734,082	749,971
BU 2310 Sheriff Sales and Use Tax - Public Safety Prop 172	821510	0	0	0	0	2,943,421	2,972,689	3,131,042	1,849,008	3,131,042	3,198,741
BU 2510 Jail Sales and Use Tax - Public Safety Prop 172	821510	0	0	0	0	2,229,131	2,251,386	2,371,277	1,400,211	2,371,277	2,422,492
BU 2560 Probation Sales and Use Tax - Public Safety Prop 172	821510	0	0	0	0	672,465	679,001	715,208	422,320	715,208	730,796
Fire Agencies Sales and Use Tax - Public Safety Prop 172		0	0	0	0	398,000	398,000	398,000	398,000	398,000	398,000
<b>Total Prop 172 Funding:</b>		<b>6,700,000</b>	<b>7,049,260</b>	<b>7,200,000</b>	<b>6,888,143</b>	<b>6,933,126</b>	<b>6,998,002</b>	<b>7,349,609</b>	<b>4,503,579</b>	<b>7,349,609</b>	<b>7,500,000</b>

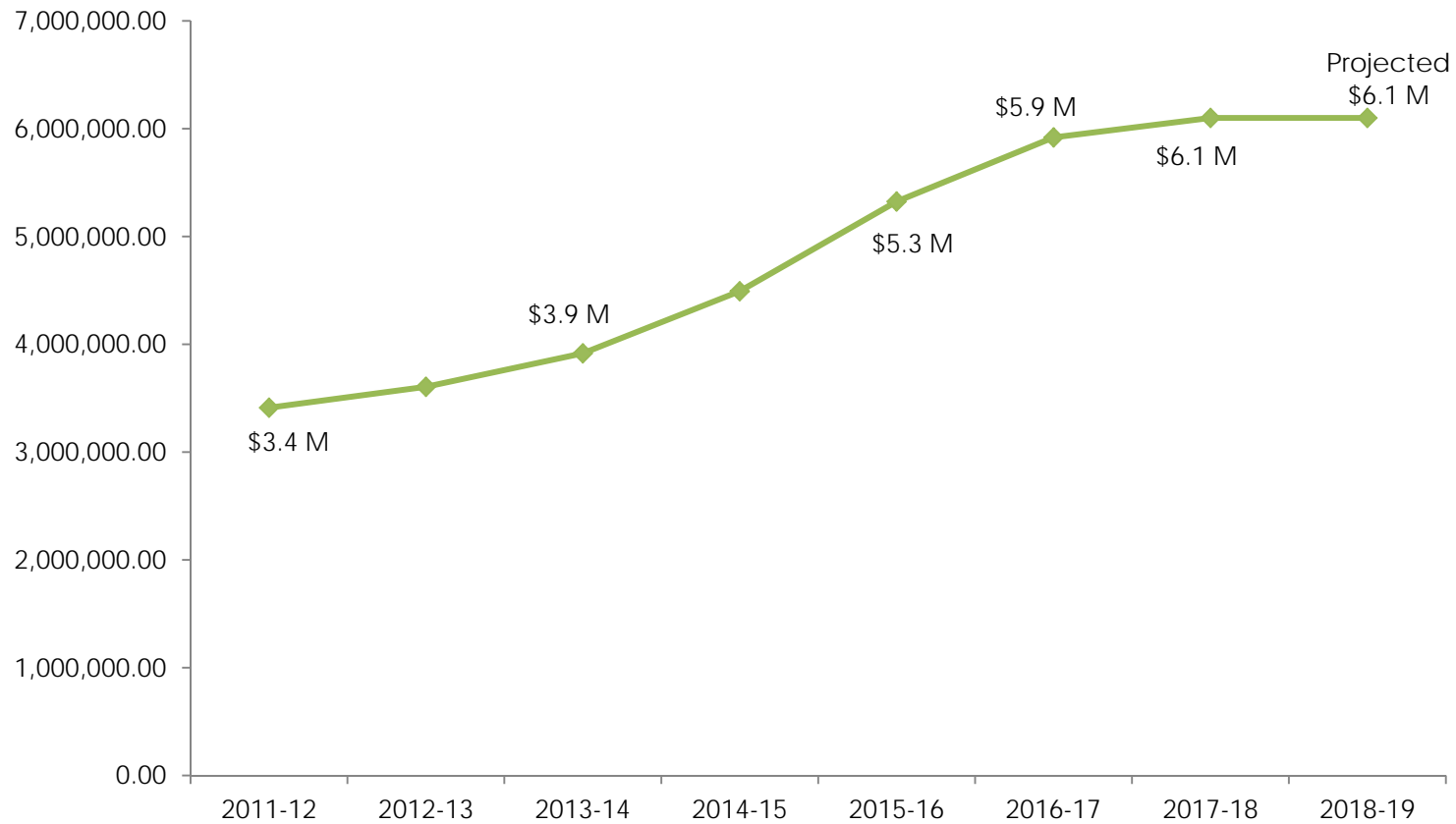
Prepared by Auditor - Controller



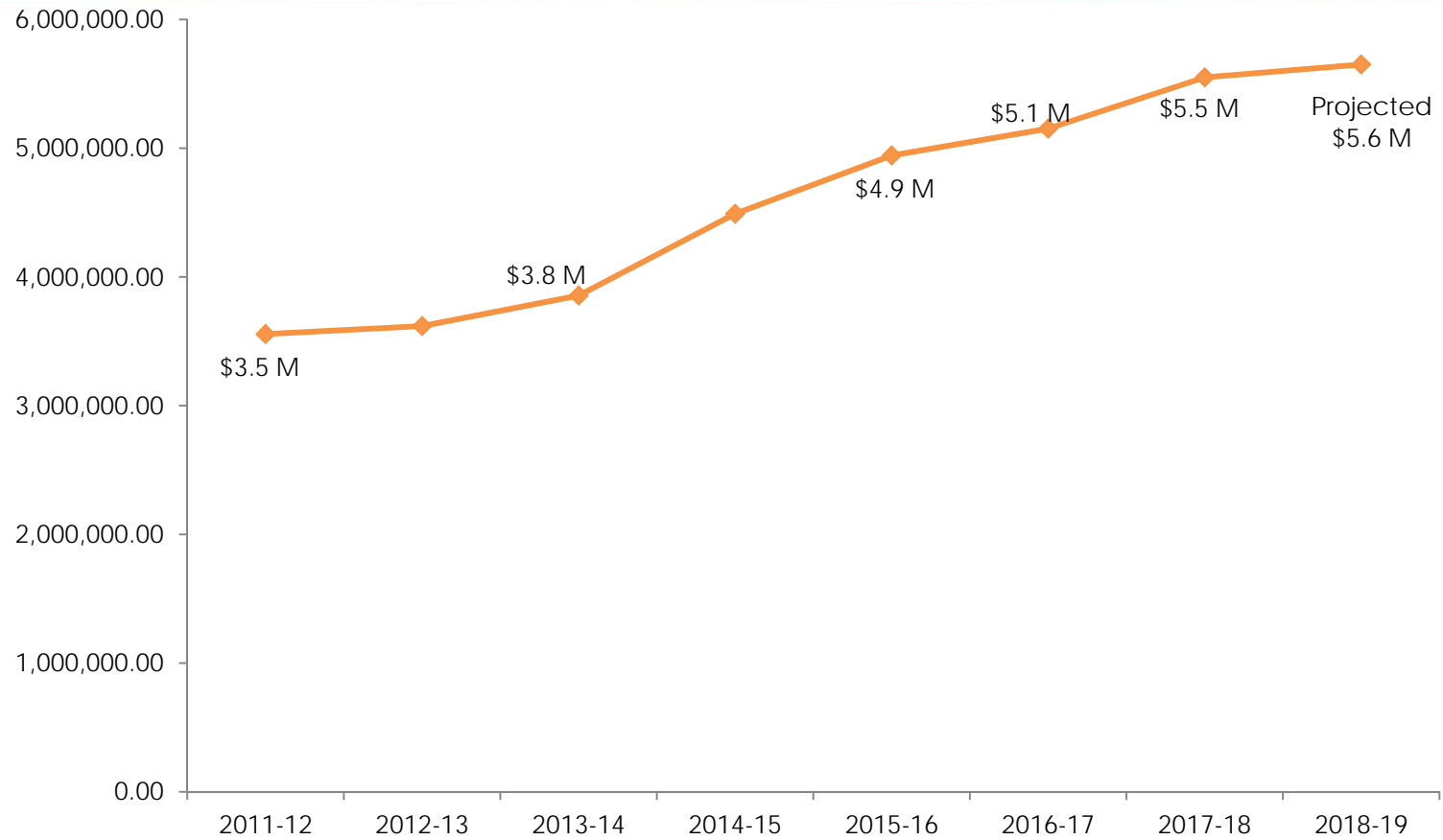
# Secured Property Tax



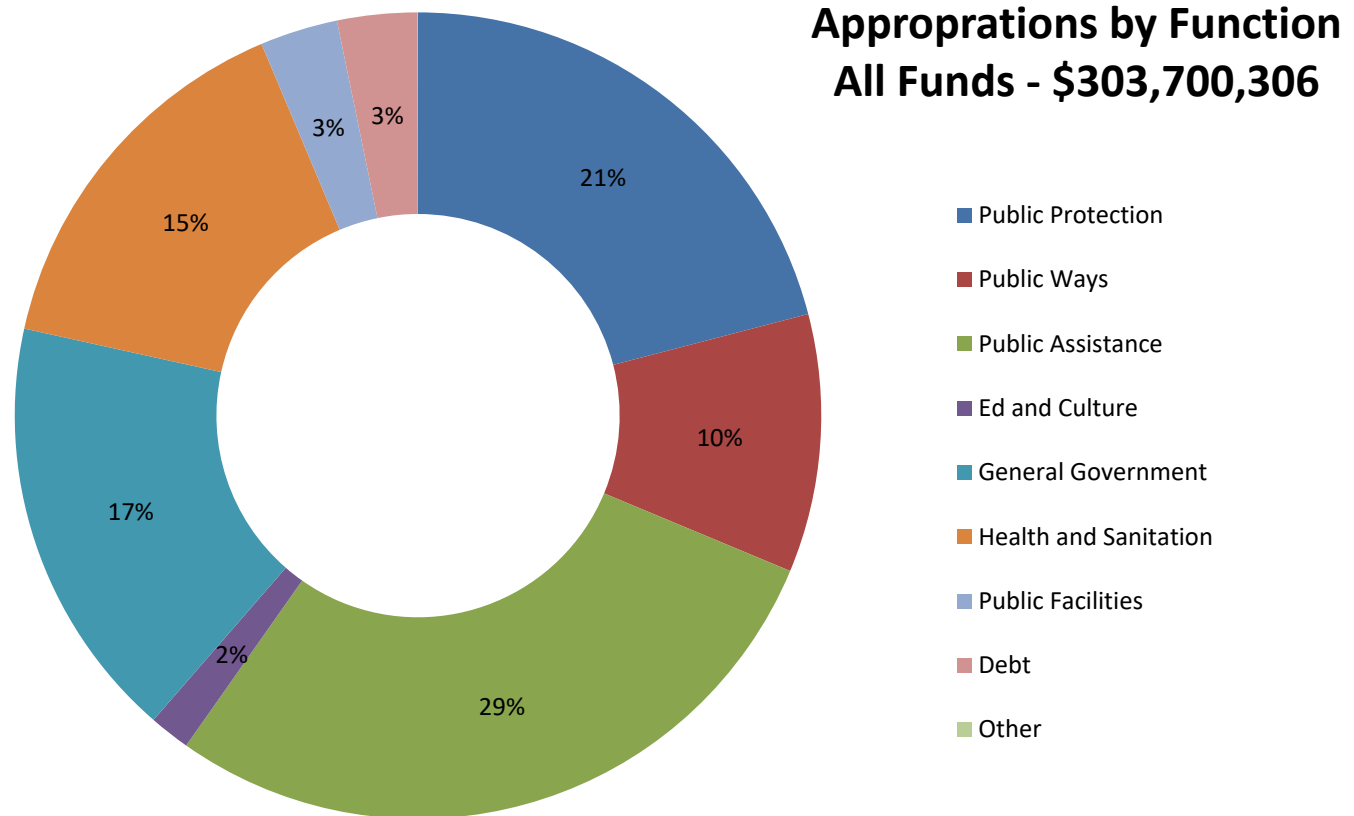
# Sales Tax – 1% Share



# TOT Revenue



# Appropriations By Function





# IT Master Plan

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- IT Master Plan
  - IT Fiscal Overview & Sustainability Plan (pg. 24)
  - FY 2017-18 Project Status and Overview
  - CEO Recommendations to return in July 2018 with financing infrastructure projects

# HHSA Community Partner

## Attachment I

HHSA Community Partner - General Fund Contracts							
Contract	Vendor	Original Total	Revised Total	Encumb Balance Total	Expended Total	Available Total	
GR-B17-056	MENDOCINO COAST HOSPITALITY CENTER(7964)	\$ 105,039	\$ 105,039	\$ 15,840	\$ 89,199	\$ 15,840	
HH-H17-014	MILES GORDON(33520)	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	
SS-B17-054	FORD ST PROJECT(7936)	\$ 115,275	\$ 115,275	\$ 19,213	\$ 96,063	\$ 19,213	
SS-S16-119	UNITED WAY OF THE WINE COUNTRY(20760)	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	
SS-S17-001	PLOWSHARES PEACE AND JUSTICE CTR(2195)	\$ 24,500	\$ 29,000	\$ 4,083	\$ 24,917	\$ 4,083	
SS-S17-035	MENDOCINO FOOD & NUTRITION(3306)	\$ 4,750	\$ 4,750	\$ 792	\$ 3,958	\$ 792	
SS-S17-042	WILLITS COMMUNITY SERVICES(1820)	\$ 31,570	\$ 31,570	\$ 6,928	\$ 24,642	\$ 6,928	
SS-S17-049	EVERSOLE MORTUARY(8570)	\$ 44,000	\$ 44,000	\$ 13,782	\$ 30,218	\$ 13,782	
SS-S17-053	WILLITS DAILY BREAD INC(3305)	\$ 4,500	\$ 4,500	\$ 1,125	\$ 3,375	\$ 1,125	
SS-S17-097	ANKER LUCIER MORTUARY(8568)	\$ 22,000	\$ 22,000	\$ 14,795	\$ 7,205	\$ 14,795	
<b>Total</b>		<b>\$ 381,634</b>	<b>\$ 386,134</b>	<b>\$ 101,558</b>	<b>\$ 284,576</b>	<b>\$ 101,558</b>	

# Department Presentations

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## **Morning – June 5<sup>th</sup>**

- Sheriff/Jail
- District Attorney
- Public Defender
- Health and Human Services Agency

## **Afternoon – June 5<sup>th</sup>**

- Library, Museum & Parks
- Agriculture
- Planning and Building Services
- Fire Recovery
- Transportation
- County Counsel
- Capital Improvement Plan, Facilities and Fleet
- Child Support Services

# Department Presentations

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## **Morning – June 6<sup>th</sup>**

- Human Resources
- Probation/Juvenile Hall
- Budget Deliberations

## **Afternoon – June 6<sup>th</sup>**

- Budget Deliberations Continued



# Position Allocation Changes

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- Disaster Recovery – 1 Add/Delete
- Agriculture – 2 Add/Delete
- Human Resources – 2 Add/Delete
- Sheriff's Office – 1 Add/Delete, 3 New
- Executive Office – 1 Transfer BU

# CEO Recommendations

- Approve the FY 2018-19 Chief Executive Officer's Proposed Budget for the County of Mendocino, including:
  - Approve the adjustments detailed in the Summary of Budget Adjustments (Attachment B) and the budget schedules included in the Proposed Budget.
  - Approve the Net County Cost Summary Table (Attachment C) directing the Auditor-Controller to return to the Board of Supervisors on June 19, 2018, with a formal resolution adopting the FY 2018-19 Mendocino County Budget based on the above direction.
  - Approve amendments to the Position Allocation Table as listed in Attachment E, directing the Human Resources Director to return to the Board of Supervisors on June 19th with an updated Position Allocation Table.
  - Approve the Fixed Assets and Structural Improvements as listed in Attachment G.
  - Direct staff to return to the Board of Supervisors in July 2018 with information regarding financing our critical infrastructure projects, with an emphasis on the County's Public Safety Microwave Communication System.

# Budget Hearings – FY 2018-19 QUESTIONS?

