



MENDOCINO COUNTY CHIEF EXECUTIVE OFFICER  
CARMEL J. ANGELO  
REPORT TO THE BOARD  
FEBRUARY 5, 2019

# The CEO Report

February 5, 2019

## Budget Update

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With the first half of the 2018-19 Fiscal Year (FY) behind us, the Budget Team is now devoting significant time and resources to the preparation of the County's Mid-Year Budget Report to the Board of Supervisors. The Mid-Year report is scheduled to be presented to the Board at their March 26, 2019 meeting. Concurrent with Mid-Year reporting, the Budget Team is looking ahead to 3rd Quarter Report for FY18-19 and starting the budget development process for FY19-20. Immediately following the Mid-Year Budget Report, the CEO Budget Team will hold a Budget Workshop with the Board in which the Supervisors will set the County's budget priorities and goals for the coming fiscal year. The FY19-20 Budget Preparation kick-off is scheduled for March 6, 2019.

The Budget Team in collaboration with the Auditor's Office recently completed six Budget Training sessions. These sessions focused on funds appropriations and budget adjustment requests, both topics are relevant to upcoming mid-year budget reporting. The next round of budget trainings will be held in mid-February 2019, and will continue to focus on topics related to mid-year reporting and next year budget preparation for departments.

Separately, the Auditor's Office has completed and submitted their 2018 Comprehensive Annual Financial Report (CAFR) for FY17-18. The Comprehensive Annual Financial Report (CAFR) of the County of Mendocino is presented in accordance with Section 25253 of the Government Code of California. The report contains financial statements that have been prepared in accordance with generally accepted accounting principles (GAAP) prescribed for governmental entities and provides a comprehensive overview of the County's financial operations and financial position. The Budget Team is looking to align metrics reporting for departments around the data in the CAFR report.

The Budget Team has continued work on the OpenGov budget transparency portal and is preparing to release a new report on FY18-19. The new report will contain the monthly budget performance data on the first six months of the current fiscal year and include actual expenses and revenues for all departments.

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#### Contact Information:

Office: (707) 463-4441

Fax: (707) 463-5649

Email:

[ceo@mendocinocounty.org](mailto:ceo@mendocinocounty.org)

Website:

[www.mendocinocounty.org](http://www.mendocinocounty.org)

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## Full Cost Recovery

The Board of Supervisors gave direction some time ago for staff to begin to look at full cost recovery for County Services. The Budget Team presented Full Cost Recovery for three departments on December 4, 2018, during a Fee Hearing session. At that time the Board accepted several of the Full Cost Recovery fee increases and sent several back with direction to staff to prepare a future agenda item regarding Full Cost Recovery.

The Budget Team is working with the CEO and Clerk of the Board to bring forth an agenda item for review. In the meantime, they have reviewed County Policy #47, Master Fee Schedule, and have done some research to provide a definition of Full Cost Recovery.



MENDOCINO COUNTY POLICY #47	MASTER FEE SCHEDULE POLICY
ADOPTED: February 26, 2008	ADOPTED BY: Minute Order

### Purpose and Intent

The Board of Supervisors has the authority to establish and change certain fees or service charges subject to legal requirements within California State law.

The purpose and intent of this policy is to establish a comprehensive consolidated Master Fee Schedule, with guidelines related to Mendocino County's fees for services. This policy will establish a tool to record and analyze extensive fee information, and to monitor the costs of providing services, while providing policymakers the ability to manage the fee process with more accurate and timely information in coordination with the County Budget process. The public will also be able to access information about fees more quickly and easily.

### Definition of Full Cost Recovery

County departments will seek to recover the full cost of all services provided to agencies or individuals outside the County of Mendocino organization on a contractual or fee basis or when obtaining grant funding.

Full Cost Recovery is the sum of direct costs plus departmental overhead costs plus external indirect costs calculated pursuant to the federal Office of Management and Budget Circular A-87 cost plan for the County.

## Mendocino County Airport Comprehensive Land Use Plan (ACLUP) Update

On November 13, 2018, County Planning and Building Services staff took an item to the Board of Supervisors to get direction on priorities for the coming year. One priority was to provide options to update the 1996 ACLUP for Ukiah Airport. The ACLUP has been in need of an update for some time given the new 2011 California Airport Land Use Planning Handbook being adopted by Cal Trans Division of Aeronautics for development or update of airport land use plans.

The City and County staff conceptually agreed that the City of Ukiah could sole source a contract with Mead & Hunt, Inc. (the "Consultant"), in order to expedite the County ACLUP process. This agreement is now known as the Contract Between The City Of Ukiah And The County Of Mendocino Sharing The Cost Of Consulting Services For County Airport Land Use Plan Update (the "Contract").

Originally, County staff proposed that the City of Ukiah fully indemnify the County should litigation occur with ACLUP development. Rather than full indemnification, the County and City negotiated that all potential future litigation costs be shared 50/50 between the City and the County.

City staff informed the County last Friday that they intend to take the Contract and Consultant Scope of Services to City Council to receive approval of the sole source Contract on Wednesday, February 6, 2019. Given that we now have a 50/50 split agreement for sharing future litigation costs, the Executive Office and our Planning Director recommend that the County support the City entering into the contract with Mead & Hunt, Inc. to develop the ACLUP.



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## Upcoming Board Meetings

Regular Meeting	February 5, 2019
Regular Meeting	February 26, 2019
Standing Committee Meeting	March 11, 2019
Regular Meeting	March 12, 2019
Regular Meeting	March 19, 2019
Regular Meeting	March 26, 2019

## Dates of Interest

County Holiday	February 18, 2019
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February						
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March						
S	M	T	W	T	F	S
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24	25	26	27	28	29	30
31						

	Regular Board Meeting
	Standing Committee
	County Holiday
	NACo Legislative Conference



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