



COUNTY OF HUMBOLDT

For the meeting of: 3/12/2024

File #: 24-227

To: Board of Supervisors

From: Public Works

Agenda Section: Departmental

Vote Requirement: Majority

SUBJECT:

Utility Payment Options for County Owned Veterans Memorial Halls

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive a report on utility payments at county owned Veterans Memorial Halls;
2. Consider options for increasing stipend payments for Veterans Memorial Halls; and
3. Direct staff to proceed accordingly.

SOURCE OF FUNDING:

General Fund - Veterans Halls (1100703)

DISCUSSION:

The County of Humboldt owns five Veterans Memorial Halls located in Arcata, Eureka, Fortuna, Ferndale & Garberville. Through agreements with nationally recognized Veterans groups in these communities the county jointly maintains these facilities with the Veterans groups for use by veterans and the public.

Historically, insofar as possible, the County of Humboldt has provided annual funding (“stipends”) to the Veterans groups managing the halls, to assist with the cost of water, sewer, electricity, gas, garbage and local telephone service at county owned Veterans Memorial Halls. The stipend amounts are outdated and Veterans groups, managing the halls, have requested an increase in the stipend amount received to offset utility costs.

On May 18, 2021, the Board approved an agreement for the Eureka Veterans Memorial Hall. In that agreement the stipend payment was increased by 31% with an additional 3% increase annually through fiscal year (FY) 2024-25.

At the Sept. 12, 2022, public hearing regarding the Proposed Budget for FY 2022-23 the Board directed staff to come back with a consistent method of applying an increase to Veterans Memorial Halls’ stipend payments.

On Jan. 10, 2023, your Board approved, insofar as possible, a 31% increase in FY 2022-23 for the Arcata, Fortuna and Ferndale Veterans Hall stipends and a 3% increase annually effective FY 2023-24 through FY 2024-25. Increased stipends shall continue to be used to offset the cost of water, sewer, electricity, gas, garbage and local telephone service.

Representatives from the Fortuna and Ferndale Veterans groups have requested that the county fund 100% of utility costs at county owned Veterans Memorial Halls.

Arcata, Ferndale and Fortuna Veterans Memorial Hall agreements are outdated and need to be renegotiated.

The Eureka Veterans Memorial Hall stipend covers management and maintenance of the hall. The utilities are the responsibility of the

Veterans. Public Works Real Property is currently working on an amendment to update the Eureka Veterans Memorial Hall lease agreement and will include your Board’s action on this item in those discussions.

The Garberville Veterans Memorial Hall has been demolished and is currently in design. A new management agreement will be negotiated when the building is under construction, prior to occupancy.

The current process for assessing and paying annual stipend payments for Arcata, Ferndale and Fortuna is as follows:

1. Stipend payment is budgeted during annual budget process based on Jan. 10, 2023, direction.
2. Veterans compile utility costs on a calendar year basis.
3. Veterans submit calendar year utility costs to county in first quarter of the following calendar year.
4. County pays utility stipend for previous calendar year’s utilities.

Your Board could choose to continue with the current stipend payment process and methodology or select one of the following three options:

- A. Veteran utility accounts be directed to Public Works to pay full utility costs directly to utility companies for Veterans Memorial Halls. Staff will track the cost of utilities annually for appropriate budgeting during the annual budget cycle. Should your Board choose this option a supplemental budget from contingencies in the amount of \$34,313 will be needed for FY 2023-24.
- B. Veterans continue to manage utility payments at their respective facilities, submitting annual actual costs in accordance with the current process outlined above. Should you Board choose this option a supplemental budget from contingencies in the amount of \$34,313 will be needed for FY 2023-24. In future fiscal years, the utility payment amounts will be adjusted annually based on CPI (consumer price index) specific to the region.
- C. Veterans will continue to manage utility payments at their respective facilities, submitting annual actual costs in accordance with the current process outlined above. During each annual budgeting cycle, your Board may elect to fund a specific amount of utility costs at each Veterans Memorial Building based on information presented by the Veterans or by staff.

Following your Board’s action on this item, staff will undertake the negotiation of new management agreements for Arcata, Ferndale and Fortuna Veterans Memorial Halls to follow the same utility payment methodology for each building, in addition to addressing other needs of the management agreement specific to each Veterans Memorial Hall.

FINANCIAL IMPACT:

| Expenditures (1100703) | FY23-24 | FY24-25 Projected* |
|------------------------------------|------------------------|---------------------------|
| Budgeted Expenses | \$21,481 | \$55,794 |
| Additional Appropriation Requested | \$34,313 | \$ - |
| Total Expenditures | \$55,794 | \$55,794 |
| Funding Sources (1100703) | FY23-24 Adopted | FY24-25 Projected* |
| General Fund | \$21,481 | \$55,794 |
| Contingencies* | \$34,313 | \$ - |
| Total Funding Sources | \$55,794 | \$55,794 |

**Projected amounts are estimates and are subject to change.*

Narrative explanation of financial impact:

Should your Board choose to continue with the current methodology and process costs are budgeted in FY 2023-24 in Veterans Buildings (1100703) at \$21,481 for Arcata, Ferndale and Fortuna and no adjustment is needed. In FY 2024-25 this cost will increase by 3%.

Should your Board choose Option A or B a supplemental budget in Veterans Buildings, 1100703, in the amount of \$34,313 will be needed based on actual utility costs for 2023. A supplemental budget will come to your Board at a later date.

Option A will be based on actual costs annually. Option B will be actual costs for 2023 with CPI added each year after.

Option C will be based on annual increases approved by your Board as requested by individual Veterans groups or as recommended by staff.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

There are minimal staffing impacts associated with the current process and with Options B and C. Should your Board choose Option A there could be a significant staffing impact due to the amount of time dedicated to receiving and processing each Veterans Halls' utility payments for each utility company.

STRATEGIC FRAMEWORK:

This action supports the following areas of your Board's Strategic Framework.

Core Roles: Provide for and maintain infrastructure

New Initiatives: Manage our resources to ensure sustainability of services

Strategic Plan: N/A

OTHER AGENCY INVOLVEMENT:

Arcata Veterans

Ferndale Veterans

Fortuna Veterans

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

FY23-24 Veterans Utilities

Arcata Veterans Memorial Hall Agreement

Eureka Veterans Memorial Hall Agreement

Ferndale Veterans Memorial Hall Agreement

Fortuna Veterans Memorial Hall Agreement

PREVIOUS ACTION/REFERRAL:

Board Order No.: E-1

Meeting of: 9/12/22, 1/10/23

File No.: 22-1178, 22-1644