



COUNTY OF HUMBOLDT

AGENDA ITEM NO.  
**FI**

For the meeting of: February 06, 2018

Date: January 31, 2018

To: Board of Supervisors

From: Amy S. Nilsen, County Administrative Officer *AN*

Subject: Mid-Year Budget Review for Fiscal Year (FY) 2017-18, Budget Outlook for FY 2018-19, Recommendations for Budget Adjustments and Transfer from General Fund Contingencies (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive and file a review of the current FY 2017-18 and projected FY 2018-19 budget years;
2. Direct the County Administrative Office (CAO) to prepare the FY 2018-19 budget based on the following parameters:
  - a. Set departmental allocations from the General Fund to increase by 5 percent based on current year General Fund allocations;
  - b. Accept and consider requests for additional General Fund appropriations that demonstrate a potential to generate future savings;
  - c. Set an annual departmental contribution to Public Agency Retirement Services (PARS) to 1 percent of salaries;

Prepared by Elishia Hayes, Senior Administrative Analyst CAO Approval *[Signature]*

REVIEW:	<i>MSM</i>	County Counsel <i>[Signature]</i>	Human Resources	Other
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other

PREVIOUS ACTION/REFERRAL:

Board Order No H-1, C-15, F-2, I-1

Meeting of 11/15/16, 11/7/17, 11/14/17, 12/19/17

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT**  
 Upon motion of Supervisor                      Seconded by Supervisor

Ayes  
 Nays  
 Abstain  
 Absent

**SEE ACTION SUMMARY**

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

**Kathy Hayes, Clerk of the Board**

3. Approve a transfer from General Fund Contingencies in the amount of \$80,000 (Attachment I) to fund the Interim Airports Director (4/5 vote required);
4. Approve the use of \$295,000 of Measure Z funding reserved for alcohol and drug treatment services to be utilized by Alcohol Drug Care Services (ACDS) for detox and treatment services at Waterfront Recovery Services;
5. Allocate the remaining unspent Measure Z funding in the amount of \$513,571 to the Public Works project for chip sealing and slurry sealing county roads;
6. Approve a fund balance transfer of \$181,163 from the Economic Development Set-Aside trust fund (3842) to the Economic Development trust fund (1120) to clear up the negative fund balance;
7. Adopt the revised Reserve and Contingency Policies (Attachment II);
8. Approve the list of budget adjustments ( Attachment III) and authorize CAO staff to make any technical corrections necessary to effectuate the Board's direction (4/5 vote required);
9. Allocate 1.0 full-time equivalent (FTE) Senior Fiscal Assistant (job class 0124, salary range 347) to Social Services (1160-511);
10. Direct staff to return at third quarter only if the budget parameters set forth for FY 2018-19 require substantial changes; and
11. Provide additional direction to staff as appropriate.

SOURCE OF FUNDING: All County Funds

DISCUSSION:

The CAO undertakes a mid-year financial review each fiscal year. The mid-year review serves the dual purpose of monitoring the county's financial status for the current fiscal year and providing staff, your Board, and the public with a preview of the county's financial status going into the next budget year. This report has been divided into four key sections:

1. A review of the financial condition in various county funds as of Dec. 31, 2017;
2. A brief overview of the factors which may affect that financial condition heading into the next fiscal year;
3. Policy decisions staff recommends that your Board consider in light of the county's current or projected financial condition; and
4. A schedule for preparing the county budget for the fiscal year beginning July 1, 2018.

**Review of Mid-Year Financial Condition for FY 2017-18**

This review covers only the largest county funds and smaller funds with negative balances. Other funds not mentioned appear to be on track, as of Dec. 31, 2017, to end this fiscal year in a positive cash position as budgeted.

## **1100 – General Fund**

The fund containing the majority of county programs is the General Fund. This fund is the source of discretionary money derived from local revenue sources, such as property tax and is available to be spent on local needs. As stated in the First Quarter Budget Report for FY 2017-18, the General Fund began FY 2017-18 with a positive fund balance of \$12.5 million, which included \$2 million of Measure Z funding.

The FY 2017-18 budget was adopted with a \$4.6 million planned spend-down of this balance. Since budget adoption, the following additional expenditure adjustments have been approved by your Board:

- \$1.8 million for first quarter adjustments for one-time expenditures consisting of contributions to deferred maintenance to repair the courthouse roof, Americans with Disabilities Act projects, a contribution to the General Reserve for FY 2018-19, and additional one-time funding requests for departments;
- \$737,062 in additional Measure Z allocations;
- \$589,511 in projects that were budgeted in FY 2016-17 however the expense was not incurred until FY 2017-18, requiring carry forward budget adjustments for the General Fund and Measure Z; and
- \$295,000 of Measure Z funding that has been earmarked for alcohol and drug treatment services; and
- \$100,000 in funding to assist the City of Eureka and the Betty Chinn Foundation with an affordable housing project.

These costs increased the spend-down of the fund balance to \$8.2 million, leaving an estimated year-end General Fund balance of \$4.3 million.

As identified by departmental mid-year reviews, General Fund net costs through June 30, 2018 show expenditures exceeding revenues by \$7.5 million instead of \$8.2 million. This positive news is primarily due to sales and property tax budgeted revenues anticipated to increase by \$505,930. However, this is offset by an anticipated increase of \$372,133 in budgeted expenditures, which is largely the result of providing legal defense to indigent persons. Additionally, Measure Z revenue is anticipated to be \$315,000 higher than budgeted, with expenditures being \$195,643 under budget.

Estimating cannabis revenue has been difficult at best. Staff is cautiously optimistic that budgeted revenues of \$4.8 million will be met, if not exceeded. Permitting has been slow to gain speed and historical trends have not yet been established, making it difficult to provide solid revenue projections. Staff will continue to monitor revenues closely and will address any potential revenue available for allocation in the FY 2018-19 Proposed Budget.

One labor contract agreement is nearly final with an estimated expense to the General Fund of approximately \$200,000 in FY 2017-18. This additional expense supports your Board's Strategic Framework by investing in county employees.

On Dec. 19, 2017 your Board directed staff to create an Airports Department and Director. Human Resources has begun the process of creating and recruiting for that position. In the meantime, hiring a consultant to act as an interim Airports Director will be necessary. Contained in today's report is a recommendation to transfer \$80,000 from General Fund Contingencies (Attachment I) to cover the cost of a professional services contract to obtain an Interim Airport Director. This transfer supports your Board's Strategic Framework by providing for community appropriate levels of service.

There are a number of recommendations contained on page 13 that if approved will impact FY 2017-18 year-end fund balance. Of those recommendations, \$72,750 will increase costs in the General Fund, and those are as follows:

- \$9,500 Human Resources (1100-130) - To contract with a consultant who specializes in Airport personnel recruitments to ensure the success in looking for a candidate to fill the Airports Director position as directed by your Board on Dec. 19, 2017.
- \$8,250 Public Works Facilities (1100-162) – To conduct water quality sampling on the property located at 4<sup>th</sup> and J Street to ensure requirements for water discharged to storm drains are being met.
- \$25,000 Water Management (1100-251) – To hire a consultant with water management and fishery issues experience who can participate in various programs and planning process and support the Board in advocating for county interests as large regional water projects develop.
- \$30,000 Medical Care (1100-490) – For emergency medical services that exceed the coverage maximum of \$15,000 provided by California Forensics Medical Group (CFMG) for inmate emergency out patient care.

Therefore, the year-end estimated fund balance for the General Fund is \$4.7 million, as shown in the chart; and \$513,571 of this balance is designated for Measure Z expenditures.

Fund Balance Table

<b>1100 - General Fund</b>	
<b>FY 2016-17 Year-End Fund Balance</b>	<b>12,577,167</b>
<b>FY 2017-18 Adopted Revenue</b>	<b>136,485,976</b>
Revenues (under)/over budget	505,930
Additional Measure Z Revenue	315,000
Measure Z Carry Forward Approved 10/24	(202,042)
General Fund Carry Forward Approved 10/24	<u>(387,469)</u>
	<b>231,419</b>
<b>FY 2017-18 Adopted Expenditures</b>	<b>(141,153,501)</b>
Measure Z Earmarked for Alcohol and Drug Treatment Services	(295,000)
1st Qtr Board Approved Contribution to Contingencies for General Reserve, ADA Trust and Deferred Maintenance	(1,600,000)
1st Qtr Board Approved Budget Adjustments	(214,359)
Board Approved Measure Z Expenditures 11/14	(737,062)
Affordable Housing Allocation 1/23	(100,000)
Estimated HDSO Labor Negotiations	(200,000)
Mid-year Recommended Budget Adjustments	(72,750)
Unused Measure Z	195,643
Expenditures (over)/under budget	<u>(372,133)</u>
	<b>(3,395,661)</b>
<b>Estimated FY 17-18 Year-end Fund Balance (Without Measure Z)</b>	<b>4,231,829</b>
<b>Estimated FY 17-18 Year-end Measure Z Fund Balance</b>	<u><b>513,571</b></u>
	<b>4,745,400</b>

### Measure Z

As a result of departmental mid-year submittals, information is now available to provide a more detailed overview of Measure Z for the current fiscal year. The FY 2017-18 budget was adopted with a planned spend down of Measure Z fund balance of \$781,348. Since budget adoption, there have been additional Board approved expenditure adjustments of \$737,062. In addition, your Board approved the carry forward of \$202,042 in funding for road resurfacing work that began in FY 2016-17 but the expense did not occur until FY 2017-18; and vehicles/firearms that were purchased in FY 2016-17 but not received until the

following fiscal year. Finally, \$295,000 of funding remains earmarked for the specific purpose of addressing drug and alcohol treatment services.

As reported by departments during the mid-year review and review of invoice submittals from outside agencies, it is estimated that Measure Z expenditures will be under budget by approximately \$195,643. These unspent funds are primarily due to vacancies for the Department of Health and Human Services (DHHS) and Probation.

**FY 2017-18 Measure Z Balance Table**

<b>Year-End Balance for FY 2016-17</b>	<b>\$ 2,018,380</b>
Estimated Discretionary Revenue for FY 2017-18	11,090,596
Estimated Measure Z Revenue Over Budget	315,000
Allocated Expenditures for FY 2017-18	(11,871,944)
1st Qtr Board Approved Measure Z Expenditures	(737,062)
Carry Forward Approved 10/24	(202,042)
Unused Measure Z	195,643
<b>Estimated Fund Balance FY 2017-18</b>	<b>\$ 808,571</b>
Earmarked for Alcohol and Drug Treatment Services	(295,000)
<b>Estimated Fund Balance Available for Allocation</b>	<b>\$ 513,571</b>

These are not anticipated to be on-going funds to be allocated in future fiscal years as it is projected that these positions will be filled. In addition, it is also estimated that Measure Z revenues will come in over budget by \$315,000 for FY 2017-18. This funding could be used for on-going purposes.

During the First Quarter Budget Report presented to your Board on Nov. 15, 2016, your Board reserved \$335,000 of unspent Measure Z funding in FY 2016-17 to be used to address alcohol and drug services. On Nov. 14, 2017, your Board allocated \$40,000 of that funding for the City of Eureka's MIST program for detox and housing services, leaving an earmarked balance of \$295,000 available for allocation. Your Board determined funding would be held for any proposal that addresses alcohol and drug services. The funding was not designated for any one particular agency. ADCS submitted a proposal to utilize the earmarked funding to provide residential treatment and detoxification services at Waterfront Recovery Services (Attachment IV). Waterfront Recovery Services opened on Nov. 1, 2017 and has since admitted 114 people: 78 to detox and 36 to residential treatment. Since opening, the demand for services has greatly outpaced the funds allocated for the current fiscal year. ACDS is requesting \$295,000 of the earmarked Measure Z funding so that Waterfront Recovery Services can continue to treat 40 current clients and provide access to treatment for approximately 60 additional people who are in need of detoxification, and 48 people seeking longer term care.

Your Board approved Measure Z Funds based on the Citizens' Advisory Committee's primary recommendations (Attachment V). The committee's secondary recommendations were to fund applications in the primary funding list that were reduced by the committee. If your Board allocates the remaining unspent Measure Z funding, the Citizens' Advisory Committee would like to express their wishes that those allocations be consistent with the committee's secondary recommendations. The following represents the Citizens' Advisory Committee's secondary list of recommendations appearing in order of priority:

- A. \$1,321,446 of Public Works application for chip sealing and slurry sealing county roads. The remaining balance was identified by the committee as a secondary recommendation with first priority if any additional funding was available.
- B. \$931,214 of the Humboldt County Fire Chief's Association application for equipment such as fire engines, metal building kits and protective equipment, as well as dispatch services and efforts to improve sustainability.

- C. \$45,000 of the K'ima:w Medical Center (K'ima:w) application for equipment purchases needed to provide emergency medical services to the eastern portion of Humboldt County.
- D. \$439,692 of the Humboldt County Sheriff's Office application to fund one additional Deputy Sheriff position, dispatch radio consoles, a snowcat search and rescue vehicle and portable x-ray equipment.
- E. \$29,045 of the Area 1 Agency on Aging application to advocate for residential long-term care settings and investigate allegation of elder abuse and neglect.
- F. \$117,520 of the City of Arcata Police Department to fund one Senior Resource Officer position to directly service K-12<sup>th</sup> grade students and families in Humboldt County.
- G. \$47,000 of the City of Fortuna Police Department application for the purchase of a fully equipped patrol car to be utilized by the Measure Z funded Student Resource Officer.

Therefore, the CAO recommends the following:

- Allocate \$295,000 for alcohol and drug treatment at Waterfront Recovery Services to be utilized by ADCS; and
- Allocate the remaining unspent Measure Z funding in the amount of \$513,571 to the Public Works project for chip sealing and slurry sealing county roads.

### **Fund Balances in Other Funds**

#### **Health & Human Services Funds**

Budgeted revenues and expenditures remain on target through mid-year. As reported through the First Quarter Budget Report, DHHS ended FY 2016-17 with a fund balance of \$2.38 million, a decrease of \$11.6 million from the previous fiscal year. During the FY 2016-17 closing process DHHS-Social Services and Public Health transferred a combined \$4.9 million to Mental Health (MH). This action left MH with negative a fund balance of (\$7.7 million). After the year-end closing, it was discovered that MH accounts receivables (AR) in the amount of \$7.2 million posted in FY 2017-18 were actually receivables for FY 2016-17. These receivables were not included in the year-end closing process and therefore were not attributed to the appropriate fiscal year. Had the ARs posted to the correct fiscal year, the projected fund balance for MH would be (\$542,592) and DHHS' overall fund balance would reflect an estimated \$9.6 million. DHHS anticipates that the year-end fund balance will be \$9.6 million as the revenues anticipated in FY 2016-17 will be realized in FY 2017-18.

#### **1120 – Economic Development Fund**

The Economic Development fund (EDF) ended FY 2016-17 with a negative fund balance of (\$343,626.). This is an increase in the negative fund balance of \$162,463 due to grant revenues that were not received for FY 2016-17 prior to the close of year-end. In order to recoup the funding for the expenditures, additional grant revenue totaling \$162,463 will be realized in FY 2017-18. In addition, contained in this report is a recommendation to complete a fund balance transfer of \$181,163 from the Economic Set-Aside trust fund. This will bring the FY 2017-18 year-end Economic Development fund balance to zero and will leave the Economic Set-Aside trust fund with a balance of \$154,512.

#### **1200 – Roads Fund**

The Roads fund ended last fiscal year with a fund balance of \$900,048, a decrease of \$3.4 million from the previous year. Mid-year projections indicate year-end fund balance will be (\$1,343,394), a move in the positive of \$259,630 over FY 2017-18 adopted budget. Due to excessive catastrophic road damage caused by winter storms, fund balance was utilized in FY 2016-17 in order to address road accessibility. Emergency funding has been requested from the Federal Emergency Management Agency (FEMA). While

it is anticipated this funding will be granted, it has not yet been approved. Staff will monitor fund balance closely as the fiscal year progresses.

### **3530 – Aviation Enterprise Fund**

The Aviation Enterprise fund ended FY 2016-17 with a negative fund balance of (\$327,005), which represents an improvement in the fund balance of \$218,239. The budget adopted for FY 2017-18 proposed a balanced budget and remains on track at the time of this report. A primary factor in reducing the negative fund balance is due to Measure Z funding. In addition, on Dec. 19, 2017 your Board directed staff to create an Airports Department and Director. The General Fund will support initial expenses associated with a new Airports Director position for a period of three years. Accordingly in today's report is a recommendation to allocate \$9,500 to Human Resources for the recruitment of an Airports Director and a recommendation to transfer \$80,000 from the General Fund Contingencies to hire a consultant to act as the Interim Airports Director. The county remains committed to maintaining a regional airport that offers commercial air service and will continue to pursue Aviation's long-term sustainability.

### **Internal Service Funds**

The county has 13 Internal Service funds that provide for services to other county departments including: Motor Pool; Heavy Equipment; Risk Management; Communication; Purchasing; and Information Technology. These funds ended FY 2016-17 with a combined fund balance of \$20 million, an increase of \$303,472 from the previous year.

While there are funds that are in negative standing, there are others that are positive. Overall the culmination of the Internal Service Funds remain on target with budgeted revenues and expenditures through FY 2017-18 mid-year.

## **Section 2: Budget Outlook for Fiscal Year 2018-19**

As your Board directs county staff to begin preparing a budget for next fiscal year, consideration will be paid both to the position of county funds as of mid-year (the subject of the prior section of this report) and to the potential impacts of other factors, both internal and external. The primary factors to consider will be the proposed state budget, the economy and the need for long-range planning.

### **The Proposed State Budget**

The Governor released the state's proposed budget for FY 2018-19 on Jan. 10. The real budget debate does not begin until late May after the "May Revise" is issued, reflecting state income tax receipts. Typically a large percentage of the proposals from the January release are carried forward into the May Revise. The state's total budget proposal is \$190.3 billion, with \$131.7 billion in general fund spending. The Governor proposes a supplemental deposit of \$3 billion to be put into the state's Rainy Day Fund. This additional payment, on top of the \$1.5 billion required deposit will boost the balance to \$13.5 billion, reaching 100 percent of its constitutional target. Revenues have increased \$2.5 billion from last year's projections, however expenditures exceed revenues requiring a \$1.8 spenddown of fund balance. Last fiscal year the Department of Finance forecasted a recession to occur in 2018, which has fortunately not yet materialized.

The proposed budget for FY 2018-19 does contain some highlights for counties. These highlights include:

### **Health and Human Services**

- Governor Brown's budget maintains the funding agreement for In-Home Supportive Services that was made in last year's budget, and funds the paid sick leave for providers and state minimum wage

increase agreed to in previous state budgets. As you know, the increased IHSS costs for the out-years has been the larger concern for counties and CSAC is analyzing the impact of the governor's revenue projections on future years.

- CalWORKS – The proposed budget includes a one-time augmentation of \$187 million to counties until a revised budgeting methodology is adopted to address the cyclical nature of the caseload changes and impacts to county services. It also proposes \$50 million to provide credits for businesses that hire individuals who have employment barriers in the workforce, such as parolees, CalWORKs recipients, and veterans. There is also \$26.7 million for a new Home Visiting Initiative three-year pilot for first-time CalWORKs parents. No model has been chosen yet, but the target population is 6,200 eligible families to be implemented in January 2019. Public Health's Nurse Family Partnership would be a good fit for this opportunity.
- Medi-Cal – The Department of Health Care Services has not been able to implement a new budgeting methodology for Medi-Cal county administration base cost. As an interim methodology, the budget includes an increase of \$54.8 million, which is based on existing funding levels with an increase for the Consumer Price Index. DHHS staff are working closely with the County Welfare Directors Association and CSAC to ensure our costs will be covered.
- Continuum of Care Reform (CCR) of the state's foster and probation youth group homes went live in January 2017. The reform aims to transition youth from group homes to Short-Term Residential Therapeutic Programs. The budget includes \$179.9 million General Fund (\$238.2 million total funds) for the many components of CCR. All counties, including Child Welfare Services, Behavioral Health, and probation services, continue to grapple with implementing this. DHHS shares our county associations' concerns about funding levels and will work to ensure sufficient, ongoing funding will be allocated to make the reform successful.
- Incompetent to Stand Trial - A new investment of \$114.8 million General Fund (\$117.3 million total funds) over three years will be focused on the 15 counties with the most IST referrals, but a portion of the funding (\$16.1 million) will be used for the state to contract with counties for jail-based beds through existing and new county jail treatment programs. And \$2.5 million in state Mental Health Services Act funding will be available for consulting services to counties to create innovative local diversion programs.

### **Housing**

A new fee on recorded document, Senate Bill 2 (Atkins) is projected to generate \$129 million in 2017-18 and \$258 million in 2018-19, approximately \$250 million of which is proposed to be allocated to state and local affordable housing programs in accordance with the formula set forth in SB 2. Assuming SB 3, a \$4 billion housing bond, is approved by the voters, the Governor's 2018-19 proposed Budget would further allocate \$277 million of these revenues to the Multifamily Housing Program during 2018-19. Even with these provisions, the proposed budget notes that housing permits issued by local authorities are expected to remain well below levels needed to account for the state's population growth, and consequently, there may be additional proposals addressing housing issues later in the budget process.

### **State PILT**

The Governor's 2018-19 proposed Budget includes \$644,000 in funding to pay state Payment in Lieu of Taxes (PILT) to local governments, which is consistent with the last two State Budget Packages. Last year, Humboldt County received \$15,225 for state PILT.

### **Transportation**

The Governor's 2018-19 proposed budget provides \$4.6 billion in transportation funding, primarily from the enactment of Senate Bill 1 (Beall). Enacted early in 2017, SB 1 increased motor vehicle fuel taxes and



registration fees to better fund the maintenance of the existing streets and highways infrastructure. Proceeds amount to nearly \$2 billion being forward to cities and counties pursuant to the formulas set forth in the statute. The Governor's 2018-19 proposed Budget and oral comments clearly demonstrate his commitment to maintaining SB 1 and opposing any effort to repeal or reduce these revenues.

### **Cannabis**

The Governor's proposed budget maintains the funding for ongoing operations of the state agencies charged with regulating commercial cannabis activities, including the three main licensing agencies (Department of Consumer Affairs, Department of Food and Agriculture and Department of Public Health), and the agencies responsible for regulating ancillary activities (Department of Fish and Wildlife, State Water Resources Control Board, Department of Pesticide Regulation and Department of Tax and Fee Administration). Cannabis excise taxes are expected to generate \$175 million in 2017-18 and \$643 million in 2018-19. The Governor proposes to allocate \$135 million from these revenues to repay General Fund loans for startup costs of the state regulatory program. Also, he indicates that additional expenditure proposals will be developed later in the budget process, once more definitive information regarding cannabis excise tax and license fee revenues becomes available.

### **Voting Systems**

The proposed budget contains \$134 million in state General Fund support to create a 50 percent match program for the purchase of hardware, software, and initial licensing for the replacement of voting systems. Counties would be required to fulfill the remaining 50 percent match. Since the 2000 General Election, a number of state and local reforms have been made to ensure the integrity of the voting and vote-counting process, and the issue of voting systems has received much attention. Last year, the Legislature considered Assembly Bill 668 (Gonzalez Fletcher), which would have put forth a \$450 million bond measure for the purposes of assisting counties in the purchase of updated voting equipment and technology.

### **Williamson Act**

The Governor's 2018-19 proposed Budget does not provide funding for the Open Space Subvention Program, however it is anticipated that the final budget will include \$1,000 for the program. This is the lowest possible dollar figure that allows the program to remain in the Budget.

### **Local Public Safety**

The budget includes the following for local public safety:

- \$1.325 billion for 2011 realignment, with estimates for growth dipping to \$81.5 million from \$84.2 million last year. This should have minimal impact for the Humboldt County Community Corrections Partnership to allocate for public safety needs.
- An additional one-time allocation of \$7.9 million is proposed for counties to revise and update their Community Corrections Partnership (CCP) plans. The Board of State and Community Corrections requires counties to report on the outcomes adopted by a county's CCP, and the ongoing progress in meeting those outcomes in order to receive the planning grant funds.
- \$106 million for CCP Incentive Grants.
- \$29 million for probation departments to supervise the temporary increase in the average daily population of offenders on Post Release Community Supervision as a result of the passage of Proposition 57.

## **Expenditure Increases for FY 2018-19**

The First Quarter Budget Report made your Board aware of a correspondence from the Court Executive Officer (CEO) regarding criminal and juvenile transcript costs. The Judicial Council of California advised the CEO that the county is statutorily responsible for such costs since 2006. The county has received two invoices to date for FY 2015-16 and FY 2016-17 totaling \$169,302. The county responded in writing on July 12, 2017, disputing the charges based upon government code stating that no county shall be responsible for funding court operations. According to Penal Code section 869 and California Rule of Court 8.320(a)(c), the county is responsible for transcript costs. The county continues to dispute payment for the past transcripts, however \$85,000 will need to be budgeted in FY 2018-19 for this ongoing expense.

The California Public Employees' Retirement System (CalPERS) Board recently approved a reduction in the discount rate, or the percentage of expected returns on investments made by CalPERS, to occur gradually over the next three fiscal years. According to legislative representatives with California State Association of Counties (CSAC), this action was taken in an overall effort to strengthen the long-term sustainability of the retirement system. The current discount rate is 7.5 percent and will be reduced to 7.375 percent in FY 2018-19, 7.25 percent in FY 2019-20 and 7.0 percent in FY 2020-21. This phased-in approach is to ensure predictability and less volatility on county budgets as it provides ample time to prepare for the eventual drop to 7.0 percent.

This reduction comes in consideration of a low-return environment that financial experts anticipate to continue over the next 10 years. Long-term low returns combined with growing pensions put the pension fund at risk of a dangerously low-funded status. As such, it was the general consensus of the employer stakeholders, including CSAC, to take action soon to ensure sustainability.

Retirement costs are estimated to increase by 14 percent, or an estimated \$1.5 million, for the General Fund in FY 2018-19. The below increases in retirement costs to the General Fund are anticipated for the coming years:

- \$1.4 million in FY 2019-20
- \$1.3 million in FY 2020-21
- \$1 million in FY 2021-22
- \$827,000 in FY 2022-23, at which it is estimated cost increases will stabilize

Given CalPERS is a pre-funded plan, changes to, or a failure to realize, any of the assumptions that underlie its targets for funding must be made up by adjusting employer contributions in future years. In the past decade, several changes have occurred that have resulted in an unfunded liability of over \$262 million. On Sept. 15, 2015 your Board approved a Public Agency Retirement Services (PARS) Pension Rate Stabilization Program (PRSP) in order to begin addressing the mounting unfunded liability. Contributions to PARS will help to stabilize the contribution rates set by PERS. As the balance in the PARS trust grows and produces investment returns, those funds can be utilized to reduce the contribution rate increases, thereby reducing the effect of the contribution rate increase on the county and potentially preventing service reductions. The FY 2017-18 budget development incorporated an annual departmental contribution to PARS equal to .5 percent of salaries totaling \$592,354. While this is a significant contribution, it does not allow for an aggressive approach to addressing the unfunded liability. Staff anticipates the FY 2018-19 budget development will include a recommendation to increase the contribution rate to 1 percent, bringing the contribution to approximately \$1 million.

The county continues to work with the Department of Justice (DOJ) on the Americans with Disabilities Act (ADA) consent decree that your Board signed in August 2016. As of the date of this report, year to date charges incurred for the services of SZS Consulting Group, LLC (SZS), the DOJ mandated independent licensed architect, total \$691,611. The contract maximum for the work to be performed by SZS is \$1.2 million. It may be necessary to amend the contract to allow for additional SZS expenses. The county has also retained the services of four design firms for project design and project management for ADA barrier removal. Year to date expenditures for the design services totals \$171,909, with a maximum amount payable of \$800,000. Additionally, the county has also increased staffing with an ADA Coordinator, Project Manager and extra help in order to address ADA issues identified within the consent decree. As the ADA consent decree projects progress, the county has established an internal service fund (ISF) to pay for and allocate costs for barrier removal and required modifications. Those costs will begin to be allocated in FY 2018-19 and are estimated to cost the General Fund \$872,492.

The ADA fund has allocated more than \$1.5 million for ADA improvement projects in the current year, leaving a fund balance of \$2.2 million. In addition, contained in this reports is a recommendation to allocate \$640,934 from the ADA Trust for increased expenses associated with staffing, professional services and capital project needs required for the removal of barriers in county-owned facilities. If approved, this will reduce the ADA Trust fund balance to \$1.5 million. While the total expenses related to the consent decree are unknown at this time, it can be expected that they will be significant and long lasting.

As mentioned in the First Quarter Budget Report, as part of the 2016 ADA consent decree with the DOJ, by Aug. 2019 a significant number of curb ramps located throughout the unincorporated areas of the county require retrofit and/or installation in order to address identified barriers to accessibility. In order to complete this project in the timeframe allotted by the DOJ, Public Works will contract with multiple engineering and contracting firms. Preliminary estimates to complete this project are upwards of \$7.5 million. In order to adequately fund this project and procure the required resources, Public Works may need to borrow up to \$1 million from the 2016 Finance Plan. Additional funding anticipated from future gas tax revenue will be sufficient to offset future payments on the loan and debt financing. If gas tax revenues were to come in under budget, Public Works ability to repay the proposed loan will be severely hampered, leaving the expense as a responsibility of the General Fund.

Roof maintenance is required at the Eureka courthouse due to multiple leaks that are impacting county and the Superior Courts offices and public spaces. The estimated cost to make the repairs is currently at \$1.2 million. The Superior Courts will share in this expense, pursuant to the Joint Occupancy Agreement, by covering 33.77 percent of the total costs. Therefore, the county will need to allocate the remaining balance of \$840,000 in order to fund this project. At first quarter, \$600,000 was allocated to deferred maintenance to allow the initial phases of the project to begin, such as design. The remaining expense of \$240,000 will likely need to be allocated in FY 2018-19.

As mentioned previously, retirement costs are estimated to increase by \$1.5 million in FY 2018-19, or 14 percent, and the contribution to PARS will increase by \$218,000. Salaries are estimated to increase by \$1.8 million or 4 percent. Health insurance is anticipated to increase by \$363,000 or 4 percent. All other benefit costs, including disability and social security, will increase by \$190,000. In total, salaries and benefits are estimated to increase by \$4 million, or 7 percent, in the General Fund.

Currently estimated cost increases for the General Fund in FY 2018-19 include workers' compensation, liability insurance increases and other cost allocation charges in the amount of \$517,000. Total known cost increases to the General Fund are \$4.5 million, or 7 percent over FY 2017-18.

It is important to note that in FY 2017-18 additional funding of \$536,000 was allocated for ongoing expenses. On-going expenses include: 2.0 FTE Deputy Sheriff, 1.0 FTE Assistant Chief Probation Officer, 1.0 FTE Roads Superintendent and 1.0 FTE Administrative Assistant/Deputy Clerk to the Board. These staffing increases have contributed to the salary expense increase over the prior fiscal year. In addition, negotiated salary increases are anticipated in the coming fiscal year, CalPERS pension expenses are increasing significantly and ADA expenditures are now being cost applied to the General Fund. In FY 2017-18 \$5 million was allocated for one-time expenditures such as capital projects to replace the courthouse transformers and repair the Garberville Veterans Hall, deferred maintenance projects, a facility assessment plan, ADA barrier removal and funding for DHHS to respond to Adverse Childhood Experiences (ACEs). Due to the rising costs in on-going expenditures such as salaries and benefits, and cost allocation charges, funding previously allocated for one-time expenditures now needs to be utilized for ongoing expenses. If the economy does experience a recession as predicted, challenges, such as maintaining service levels, will need to be addressed in the not so distant future.

### **Revenue Changes for the General Fund**

As of Jan. 17, 2018, 121 commercial cannabis cultivation permits have been approved and 326 interim permits have been issued. Staff continue to monitor Measure S revenues closely as Planning and Building diligently work through processing current commercial cannabis applications. Given the number of approved permits and interim permits issued, budgeted revenues of \$4.8 million in FY 2017-18 appear to be on target. Staff estimates \$5.7 million in Measure S revenue to be received in FY 2018-19, an increase of \$900,000.

In FY 2018-19 property tax is anticipated to increase by \$1.2 million, sales tax is estimated to increase by \$115,000, and the transient occupancy tax and all other miscellaneous revenue are estimated to increase by \$86,000. Total known revenue increases are estimated to be \$2.3 million, not including Measure Z revenue. Measure Z sales tax is estimated to increase by \$520,000.

### **Section 3: Policy Considerations**

#### **Reserves Policy**

The county's General Reserve policy has not been updated since 2008, and a new policy is attached for your Board's consideration (Attachment II). The previous policy stated that the General Fund Reserve should remain between 8 and 10 percent of General Fund revenues. In FY 2017-18 that would have been at least \$10.9 million. Reserves are currently \$2.82 million. Policy levels have not been reached since this policy was adopted. The county should maintain a healthy level of funding in its reserves, or rainy day fund, to protect against reducing service levels, incurring debt due to revenue shortfalls or unpredicted expenditures, or raising taxes. A new policy is attached for your Board's consideration. The new policy still aims for a reserve level equal to 10 percent of General Fund revenue, but contributions are tied to a revenue source and current reserve levels. It should be noted that the Government Finance Officers Association advises keeping reserve fund balance of no less than two months (16.7 percent) of revenues or expenses. While this funding amount should be pursued in the future, perhaps once the county can hit its 10 percent mark, it is not recommended at this point. In short the new policy states that the county shall contribute 10 percent of Measure S revenues (the local cannabis excise tax passed by voters in 2016) to the General Reserve until such time that reserves are equal to 10 percent of total General Fund revenues. Using estimates for FY 2018-19, the county would contribute roughly \$578,850, and by 2024-25 reserves would reach \$8.6 million. Once the county's reserves are built up, then contributions can be cut back to 5 percent of Measure S revenues. While these contributions would still not allow the county to meet a 10 percent General Fund revenue threshold until at least 2025, the new policy identifies a funding stream and lays out

a path to reach target levels, which is positive factor in the eyes of credit rating agencies such as Fitch and Moody's. As a new local tax, Measure S has the potential to generate significant revenue and offers a means to building the General Reserve, the full potential of this revenue source may not be realized for a number of years and remains unknown at this time.

**Contingency Reserve Policy**

Current policy calls for Contingency Reserves to be funded at 6 percent of General Fund revenues. In FY 2017-18 that would have been \$8.2 million. Contingencies are currently \$1.5 million. The Contingency Reserve policy has not been met since it was adopted in 2008. The new policy (Attachment II) reduces the funding level to 2 percent of General Fund revenues, or \$2.7 million. It also states that Contingencies should be budgeted for each year when the budget is adopted, and a contribution to the Contingency Reserve should be considered when the county receives unexpected one-time revenues.

**Set Parameters to Guide FY 2018-19 Budget Preparation**

As cautioned in the Governor's release of the FY 2018-19 Proposed Budget, fiscal restraints remain as important as ever as California approaches the peak of the business cycle with a recession inevitably lurking in the future. The State Budget puts emphasis on the need to build the Rainy Day Fund and proposes a \$5.5 billion contribution to bring that fund to 100 percent of its constitutional target. Heeding this warning, the CAO recommends setting departmental allocations from the General Fund to increase by 4 percent based on current year General Fund allocations. At this time, staff estimates revenues exceeding expenditures by \$918,000, which equates to an estimated \$63.8 million in revenues and \$62.9 million in expenditures. However, as staff receives additional information from departments and continues to review revenue, these estimates may change. Also as labor negotiations continue and potential salary increases become known, expenditures are anticipated to increase. In addition, expenditure estimates only include modest contributions to the county's long-term obligations such as ADA and deferred maintenance. The current budget estimates for FY 2018-19 reflect an estimated year-end fund balance of \$5.6 million, including Measure Z.

FY 2018-19 Fund Balance Table

Estimated available year-end fund balance for FY 2017-18	4,745,400
Estimated Discretionary Revenue for FY 2018-19	63,837,483
Estimated Expenditures for FY 2018-19	(62,919,030)
Estimated year-end fund balance for FY 2018-19	<u>5,663,853</u>

In addition, the CAO recommends accepting requests for additional General Fund appropriations that have the potential to demonstrate future savings. The funding available for requests will be dependent on updated fund balance and revenue estimates and actual budget submittals.

**Approve Various Budget Adjustments**

The CAO during the Mid-Year Budget Report frequently brings forward budget adjustments on behalf of departments in order to decrease the number of individual items coming to the Board, and provide time savings to departments. Most of the changes are related to increased expenditures which are offset by dedicated funding sources, special revenues or grant funding that are not available for other activities. The recommended budget adjustments requested are detailed in Attachment III. These include:

- \$9,500 Human Resources (1100-130) – On December 19, 2017 your Board directed staff to create an Airports Department and Director. Human Resources has begun the process of defining that new position classification and upon completion will contract with an consultant who specializes in Airport personnel recruitments to ensure the utmost success in looking for a candidate to fill the Airports Director position. Funding for this recruitment is made available through additional Timber Yield Tax revenue. This supplemental budget supports the Board’s Strategic Framework by managing resources to ensure sustainability of services.
- \$8,250 Public Works Facilities (1100-162) – To conduct water quality sampling on the property located at 4<sup>th</sup> and J Street to ensure requirements for water discharged to storm drains are being met. This expenditure is offset by additional Timber Yield Tax revenue. This supplemental budget supports the Board’s Strategic Framework by providing for and maintaining infrastructure.
- \$25,000 Water Management (1100-251) – To hire a consultant with water management and fishery issues experience who can participate in various programs and planning process and support the Board in advocating for county interests as large regional projects develop. Staff anticipates adding a full-time staff member in FY 2018-19 that can continue this work on behalf of the county. The United States Department of the Interior has approved a grant in the amount of \$70,000 that can be used in the next two fiscal years to offset the increased staffing expense. Funding for the consultant is made available through additional Timber Yield Tax revenue. This supplemental budget supports the Board’s Strategic Framework by providing for and maintaining infrastructure.
- \$500,000 Public Safety Realignment (1100-294) – On Dec. 20, 2017, the Humboldt County Community Corrections Partnership Executive Committee (CCP) voted to allocate \$500,000 of Assembly Bill (AB) 109 realignment funding (Attachment VI) for the purpose of providing drug and alcohol treatment to AB 109 offenders. The CCP makes recommendations to the Board of Supervisors on how to allocate AB 109 funding. This supplemental budget will allocate funding accordingly and supports the Board’s Strategic Framework by protecting vulnerable populations.
- \$30,000 Medical Care (1100-490) – For emergency medical services that exceed the coverage maximum of \$15,000 provided by California Forensics Medical Group (CFMG) for inmate emergency out patient care. Funding for this supplemental budget is available through additional Timber Yield Tax revenue and meets the Board's Strategic Framework by protecting vulnerable populations.
- \$30,000 Economic Development (1120-275) – To complete a Strength, Weakness, Treats and Opportunities (SWOT) analysis in order to formulate a strategic action plan and framework to update the Comprehensive Economic Development Strategy (CEDS) “*Prosperity 2012!*” that expires in June 2018. Economic Development was awarded a \$30,000 grant from the United States Economic Development Agency (US EDA) to offset the costs associated with updated the CEDS. This meets the Board's Strategic Framework by creating opportunities for workforce development and supporting business.
- \$100,000 Hazardous Materials Program (1175-411) – For enhanced regulation, enforcement and public outreach efforts of businesses that handle, store or create hazardous materials and/or waste. Funding is available through Rural California Unified Protection Agency (CUPA) Support Grant funding. This supplemental budget supports the Board’s Strategic Framework by creating opportunities for improved health and safety.

- \$81,825 MCH Coordination Project (1175-420) – For project management and coordination for the Pre and Post-Natal Alcohol and other Drugs (AOD) project that includes reviewed data on how to improve the health for mothers and babies that are affected by AOD; and for the purchase of car seats and trainings on how to install car seats properly in vehicles. Funding is available through trust fund revenues, grant funding and court fines intended specifically to be used in assisting families with the purchase of car seats and installation training. This supplemental budget supports the Board’s Strategic Framework by creating opportunities for improved health and safety and protecting vulnerable populations.
- \$835,000 Information Technology (3550-118) – On Nov. 22, 2017, the CCP voted to allocate \$750,000 of AB 109 realignment funding (Attachment VI) for a radio infrastructure upgrade. The CCP makes recommendations to the Board of Supervisors on how to allocate AB 109 funding. In addition, \$50,000 is needed for an update to the firewall hardware to ensure information systems security. Finally, \$35,000 is required for the acquisition of Enterprise Asset Management (EAM) software to better manage facility investments and improvements by incorporating facilities master planning information and assessments. Funding for the firewall hardware and EAM software is available through fund balance. This supplemental budget will allocate funding accordingly and supports the Board’s Strategic Framework by providing for and maintaining infrastructure.
- \$640,934 ADA Compliance (3552-152) – For increased extra help expense to allow for proper staffing that can adequately evaluate the counties ADA needs; professional services provided by the independent licensed architect to assess and evaluate the county’s ADA compliance of owned and leased facilities; work performed by design firms to expedite plans and specifications of barrier removal in county owned facilities; and funding for capital improvement projects to allow for the construction of ADA barrier removal projects. Funding for these expenses is available in the ADA Trust (4491), which currently has a balance of \$2.2 million. This supplemental budget meets the Board's Strategic Framework by enforcing laws and regulations, and protecting vulnerable populations.

#### **Approve Position Allocation Adjustments**

Similar to budget adjustments, the CAO during the Mid-Year Budget Report will also bring forward position allocations adjustments on behalf of departments in order to decrease the number of individual items coming to the Board. Social Services (1160-511) is requesting to allocate 1.0 full-time equivalent (FTE) Senior Fiscal Assistant (job class 0124, salary range 347) to support the DHHS accounts payable unit as the current Senior Fiscal Assistant is now working with the Auditor-Controller’s Office in accordance with an inter-departmental memorandum of understanding that was approved by your Board on Nov. 7, 2017. Funding for this position is available through salary savings due to vacant positions and will be included in the FY 2018-19 budget development. This supports your Board’s Strategic Framework by providing community appropriate levels of service.

#### **Section 4: Budget & Fee Update Calendar**

The proposed calendar for county budget development (Attachment VII) provides for final adoption of the budget on June 26, 2018. The intent is to allow for adoption of the budget before the beginning of the next fiscal year.

The calendar for FY 2018-19 includes the Budget Roadshow meetings. To reach all outlying areas of the county meetings will be held in Northern and Southern Humboldt and the Humboldt Bay Area. These meetings will be held on February 28<sup>th</sup>, and March 8<sup>th</sup>, 12<sup>th</sup> and 22<sup>nd</sup>.

FINANCIAL IMPACT:

The recommended budget adjustment will increase the overall county budget by \$2,260,509.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Recommendations 3

The Board could choose not to approve the transfer from General Fund Contingencies to fund an Interim Airports Director. This is not recommended as your Board has directed staff to proceed accordingly and this funding is necessary to effectuate the Board's order.

Recommendation 4 and 5

The Board could choose to allocate Measure Z funds in a different manner than recommended. This is not recommended as these allocations are consistent with the Citizens' Advisory Committee recommendations, ensuring a transparent process.

Recommendation 6

The Board could chose not to execute a transfer of fund balance from the Economic Development Set-Aside trust fund to the Economic Development trust fund. This is not recommended as the Economic Development trust fund has held a constant negative fund balance for a number of years and funds are available in the Set-Aside trust fund.

Recommendation 7

The Board could chose to not to adopt the revised Reserves and Contingency Policies. This is not recommended as the current policy minimums have never been met and exceed the resources available.

Recommendation 8

The Board could chose to not to approve some or all of the budget adjustments and require individual departments to return to the Board with separate supplemental budgets. This is not recommended as these budget adjustments support the Board's Strategic Framework.

Recommendation 9

The Board could chose to not to approve the personnel allocation and require individual departments to return to the Board with separate allocation requests. This is not recommended as this position supports the Board's Strategic Framework.

ATTACHMENTS:

- I. Transfer from General Fund Contingencies
- II. Reserve and Contingency Polices
- III. Recommended Budget Adjustment



- IV. Alcohol Drug Care Services Proposal for Waterfront Recovery Services
- V. Citizens' Advisory Committee Recommendations
- VI. Humboldt County Community Corrections Partnership Executive Committee Minutes
- VII. Budget & Fee Schedule Development Calendar for 2018-19

Attachment I  
Transfer from General Fund Contingencies

COUNTY OF HUMBOLDT  
REQUEST FOR BUDGET TRANSFER/ADJUSTMENT

# A \_\_\_\_\_

DEPARTMENT: Aviation DEPARTMENT #: 381 POSTING DATE: 2/6/2017

1.) The reason for this budget transfer request is:

<input type="checkbox"/>	Transfer within expenditure/revenue category (with Auditor Approval)	Original only
<input type="checkbox"/>	Transfer between expenditure/revenue category (with CAO & Auditor Approval)	Original +1
<input type="checkbox"/>	Increase/decrease Intrafund Transfer account (with Board Approval)*	Original +1
<input checked="" type="checkbox"/>	Transfer to or from Contingencies (with Board Approval)*	Original +1
<input type="checkbox"/>	Increase/decrease budget unit appropriation (with Board approval)*	Original +1
<input type="checkbox"/>	Establish/transfer funds in Fixed Assets <\$10,000 (CAO & Auditor Approval)	Original +1
<input type="checkbox"/>	Establish/transfer funds in Fixed Assets >\$10,000 (with Board Approval)*	Original +1

Amount:	Transfer to Account:	Transfer from Account:
\$ 80,000.00	3530381-2118	1100990-2010

3.) In the space below, state (a) reason for transfer request, (b) reason why there are sufficient balances in affected accounts, and (c) why transfer cannot be delayed until next budget year.

Utilizing Contingencies to fund an Interim Airports Director

4.) Department Authorization: Date 1/30/18 (signed) [Signature]

5.) Account balances verified by Auditor-Controller Date 1/30/18 (signed) [Signature]

6.)  /Approved  /Not approved  /Recommended  /Not recommended  
County Administrative Officer: Date 1/30/18 (signed) [Signature]

INSTRUCTIONS

SEND ORIGINAL REQUEST FOR BUDGET TRANSFER DIRECTLY TO THE AUDITOR-CONTROLLER.

\* Requires copy of Board Order to be attached Posted by \_\_\_\_\_

Attachment II  
Reserve and Contingency Policies

SECTION:	PAGE 1 OF 3
ORIGINAL ISSUE DATE: October 7, 2008	<u>SUB SECTION:</u>
REVISION DATE: February 6, 2018	GENERAL RESERVE POLICY

## PURPOSE

To outline the policies and procedures regarding provisions for budgetary reserves.

## BACKGROUND

The County of Humboldt (herein referred to as the "county") should maintain a prudent level of financial resources to protect against reducing service levels or incurring debt due to temporary revenue shortfalls or unpredicted one-time expenditures. This policy establishes how and when the county builds up stabilization funds, and identifies the purposes for which they may be used. The Government Finance Officers Association (GFOA) provides guidance and recommendations for the development of these funds.

Stabilization funds are called by many names, including rainy day funds, contingency funds, fund balance and more. These funds may be used at a government's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities. They provide flexibility to respond to unexpected opportunities that may help a government achieve its goals. Having adequate reserve balances can protect the county's credit rating, as well as prevent the need to increase taxes to cover costs.

Policies regarding the use of these funds are often tied to an adverse change in economic indicators (such as declining employment or personal income) to ensure that the funds are not depleted before an emergency arises. Such is the case for the County of Humboldt's policy, which depends on locally generated revenue. In short, this policy aims to contribute to the county's general reserve during times of economic prosperity so that funds are available during times of budgetary stress.

This policy identifies the county's cannabis excise tax as the main source of revenue by which to determine contribution amounts. As a new local tax approved by voters in 2016, the cannabis excise tax has the potential to generate significant revenue, but is also potentially volatile due to recent changes in regulations in California. Until this new, unestablished revenue source can gain a stronger standing in the eyes of credit rating agencies such as Fitch and Moody's, the county's credit could be negatively affected if it is heavily relied upon to fund many ongoing expenses.

GFOA recommends, at a minimum, that general-purpose governments like Humboldt County, regardless of size, maintain an unrestricted budgetary fund balance in their general fund of no less than two months (16.7 percent) of regular general fund operating revenues or expenditures,

depending on predictability. Fitch, the credit rating agency, expects at a minimum that local governments have at least 2 percent of General Fund revenues available in reserves.

## **DEFINITIONS**

- A. “Contingency Reserve” - A budgetary provision designed to meet unforeseen expenditure requirements during a fiscal year. Government Code § 29084 provides for the appropriation of contingencies.
- B. “General Reserve” - A fund equity restriction to provide for temporary cash flow shortages, emergencies, and one-time expenditures. The General Reserve may only be established, canceled, increased or decreased at the time of adopting the budget, except in cases of a legally declared emergency as cited in Government Code § 29086.
- C. “Cannabis Excise Tax Revenues” – Revenue generated from Measure S, the cannabis excise tax passed by voters in 2016.

## **POLICY**

The county shall hold funds in reserve for cash flow purposes, revenue shortfalls, unpredicted one-time expenditures, and capital expenditures. These cash reserves include but are not limited to: Library Contingency; Roads Contingency; General Fund Contingency; General Reserve; and Deferred Maintenance.

### **General Reserve**

- A. The General Reserve shall target a balance of 10 percent of the county’s total General Fund expenditures, as averaged by the current and prior year adopted budgets. While the county aims to eventually reach the GFOA recommended balance of no less than two months of regular general fund operating revenues or 16 percent, it will first build up reserves to 10 percent. Government Code § 29085 gives the Board of Supervisors (BOS) authority to determine reserve contributions.

### **Expenditures**

- B. The General Reserve will be used to support the following:
  - 1. Essential cash flow for county operations during the first six months of the fiscal year until property tax payments are collected in December; and
  - 2. Extraordinary expenditures due to unforeseen events that exceed the capacity of appropriated funds, including the Contingency Reserve.
- C. No expenditure shall be made directly from the General Reserve. Funds for expenditure shall be transferred to a budget unit. The General Reserve fund shall be the last resort in balancing the county budget.
- D. A four-fifths vote of the BOS is required to authorize General Reserve expenditures.

### **Contributions**

- E. In the event that the General Reserve balance has reached target levels, the county shall include an allocation to the General Reserve of an amount equaling no less than 10 percent of the annual tax revenue derived from the county's Cannabis Excise Tax.
  - 1. Such contribution shall be made annually until the General Reserve has reached target levels.
  - 2. Nothing in this policy shall prevent an allocation exceeding 10 percent of annual estimated Cannabis Excise Tax revenue.
- F. Transfers detailed in Section E shall be made unless financial constraints, as determined by the BOS and County Administrative Officer (CAO), prohibit such a transfer.
- G. In the event that the General Reserve contribution has been decreased or increased from the prior year's contribution, at the time the budget is adopted, the CAO must identify and report to the BOS on the specific circumstances that have led to an increase or decrease in the General Reserve.

### **Implementation**

- H. The CAO shall coordinate the implementation of this policy. The CAO will work with all necessary departments and the BOS to make appropriate contributions to the General Reserve Fund in an effort to ensure a solid financial foundation for the county.
- I. The CAO shall report annually to the BOS on the progress of meeting said General Reserve policy and provide year-to-date General Reserve balances.

SECTION:	PAGE 1 OF 3
ORIGINAL ISSUE DATE: October 7, 2008	<b><u>SUB SECTION:</u></b>  CONTINGENCY RESERVE POLICY
REVISION DATE: January 16, 2018	

## PURPOSE

To outline the policies and procedures regarding provisions for budgetary reserves.

## BACKGROUND

The County of Humboldt (herein referred to as “county”) is committed to establishing achievable and sustainable fiscal policies. Best practices, as recommended by the Government Finance Officers Association (GFOA), state that the county should maintain a prudent level of financial resources to safeguard against reducing service levels, incurring debt or raising taxes or fees due to temporary revenue shortfalls or unpredicted one-time expenditures. By adopting and implementing GFOA’s guidance on establishing minimum limits on identified fund balances, the county will have the fiscal tools in place to adapt to economic, social and political changes.

The GFOA recommends that local governments establish policies regarding how and when a government builds up stabilization funds such as the General Fund Reserve and the General Fund Contingency Reserve. Such policies not only allow the county to respond more quickly and effectively to financial emergencies, but it may also be viewed positively by credit rating agencies, such as Fitch and Moody’s, when evaluating a government’s credit.

This policy states that the General Fund Contingency Reserve shall be budgeted for each year and contributions to the reserve may be made when the county receives unexpected one-time revenues. It should be noted that at year-end, the balance of the Contingency Reserve may be used for other funds, such as the General Reserve. Accordingly, the Contingency Reserve must be replenished each fiscal year.

## DEFINITIONS

- A. **“Contingency Reserve”** - A budgetary provision designed to meet unforeseen expenditure requirements during a fiscal year. Government Code § 29084 provides for the appropriation of contingencies.
- B. **“General Reserve”** - A fund equity restriction to provide for temporary cash flow shortages, emergencies, and one-time opportunities. The General Reserve may only be established, canceled, increased or decreased at the time of adopting the budget, except in cases of a legally declared emergency as cited in Government Code § 29086.
- C. **“One-Time Revenues”** - Revenues that the county cannot reasonably expect to receive on an ongoing basis.



## **POLICY**

The county shall hold funds in reserve for cash flow purposes, revenue shortfalls, unpredicted one-time expenditures, and capital expenditures. These cash reserves include but are not limited to: Library Contingency; Roads Contingency; General Fund Contingency Reserve; General Reserve; and Deferred Maintenance.

### **General Fund Contingency Reserve**

- A. The General Fund Contingency will be budgeted at a minimum of 2 percent of the county's total General Fund revenues on an annual basis.
  1. In the event that the General Fund Contingency is less than 2 percent of the county's total General Fund revenues at the time the budget is adopted, the County Administrative Officer (CAO) shall identify and report to the Board of Supervisors (BOS) on the specific circumstances that have led to less than 2 percent in the General Fund Contingency, and report on the strategy to replenish the General Fund Contingency Reserve in the following year.
- B. When the General Fund receives unbudgeted one-time revenues, consideration shall be given to contributing a portion of those revenues to the General Fund Contingency Reserve.
- C. All other contingencies will be budgeted in amounts necessary to preserve the financial stability of the individual fund.

### **Expenditures**

- D. Allocation criteria for using contingency reserve to support one-time costs:
  1. When the county is impacted by an unanticipated reduction in state and/or federal funding and/or aid;
  2. When the county faces economic recession/depression and the county must take budget action before the beginning of a fiscal year;
  3. When the county is impacted by a natural disaster;
  4. When the county is presented with an unanticipated or unbudgeted expense that is necessary for the delivery of local services; and,
  5. When the county is affected by known future events with unknown fiscal ramifications that require the allocation of funds.
- E. The Contingency Reserve may also be used to support ongoing costs or as a financing mechanism when presented with critical program initiatives that have a time requirement that cannot be deferred. The program initiatives would become part of the next year's operating budget and be subject to review by the BOS at that time.

- F. In each case when a request for Contingency Reserve funding is made, the department requesting the funds must provide an analysis demonstrating that funds do not exist within their current modified budget.
1. The CAO will review and verify that funding cannot be taken from existing appropriations. The CAO will also verify that the action requested cannot be deferred until the next budget cycle.
  2. These statements will appear in each agenda item presented to the BOS requesting the allocation of Contingency Reserve funds along with statements of which allocation criteria, as outlined in section D above, are used and why.
- G. When possible, the allocation of the Contingency Reserve funding should occur at a quarterly budget review.
- H. No expenditure shall be made directly from the Contingency Reserve. Funds for expenditure shall be transferred to a budget unit.
- I. A four-fifths vote of the BOS is required to authorize Contingency Reserve expenditures.

#### **Implementation**

- A. The CAO shall coordinate the implementation of this policy. The CAO will work with all necessary departments and the BOS to make appropriate contributions to the General Fund Contingency Reserve in an effort to ensure a solid financial foundation for the county.

Attachment III  
Recommended Budget Adjustment

**ATTACHMENT III**

**RECOMMENDED BUDGET ADJUSTMENTS**

<u>Fund</u>	<u>Budget</u>	<u>Acct #</u>	<u>Budget Name</u>	<u>Account Name</u>	<u>Adjustment</u>	<u>Reason</u>
<b>Supplemental Budget Revenue</b>						
1100	294	504410	Regional Facility	2011 Public Safety Realignment	\$ 500,000	AB109 Allocation for drug/alcohol treatment
1100	888	11310	General Purpose Revenue	Timber Yield Tax	\$ 72,750	Additional timber yield tax
				Total General Fund	\$ 572,750	
1120	275	514062	Economic Development	EDA-CEDS Update	\$ 30,000	CEDS update
				Total Economic Development Fund	\$ 30,000	
1175	411	705800	Hazardous Materials Program	Trust Fund Transfer	\$ 100,000	Enhanced hazardous materials regulation
1175	420	707800	MCH Coordination Project	Trust Fund Transfer	\$ 81,825	child car seat and pre/post-natal health
				Total Public Health Fund	\$ 181,825	
3550	118	710050	Information Technology	Fund Balance Transfer	\$ 85,000	Adjust for actual revenue received for firewall upgrade, asset managemebby software
3550	118	504410	Information Technology	2011 Public Safety Realignment	\$ 750,000	AB 109 allocation for radio infrastructure
				Information Technology Fund	\$ 835,000	
3552	152	705700	ADA Compliance	Trust Fund Transfer	\$ 640,934	Additional ADA expense
				ADA Compliance Fund	\$ 640,934	
<b>Total Revenue</b>					<b>\$ 2,260,509</b>	

ATTACHMENT III

RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget	Acct #	Budget Name	Account Name	Adjustment	Reason
<b>Expenditures</b>						
1100	130	2118	Human Resources	Professional Services	\$ 9,500	Airport Director recruitment
1100	162	3576	Public Works Facilities	Brownfields	\$ 8,250	Water Sampling
1100	251	2118	Water Management	Professional Services	\$ 25,000	Water and Fisheries consultant
1100	294	2325	Public Safety Realignment	Contract Services	\$ 500,000	AB 109 drug and alcohol treatment services
1100	490	3175	Medical Care	Jail Medical Catastrophic Care	\$ 30,000	Emergency medical services
				Total General Fund	\$ 572,750	
1120	275	3034	Economic Development	EDA-CEDS Update	\$ 30,000	CEDS Update
				Total Economic Development Fund	\$ 30,000	
1175	411	2148	Hazardous Materials Program	Computer Software	\$ 4,400	Enhanced regulation
1175	411	2225	Hazardous Materials Program	Out of County Travel	\$ 3,000	Enhanced regulation
1175	411	2317	Hazardous Materials Program	Office Expense - Equip	\$ 7,000	Enhanced regulation
1175	411	2614	Hazardous Materials Program	Staff Training and Dev	\$ 2,000	Enhanced regulation
1175	411	3928	Hazardous Materials Program	Expense Transfer	\$ 71,600	Enhanced regulation
1175	411	8814	Hazardous Materials Program	Truck Canopy and Equip	\$ 7,000	Enhanced regulation
1175	411	8961	Hazardous Materials Program	Multimeter	\$ 5,000	Enhanced regulation
1175	420	2456	MCH Coordination Project	OTS Safe Communities Program	\$ 18,050	Child seat safety program
1175	420	3346	MCH Coordination Project	Family Housing-Medical Support	\$ 38,775	Pre and post-natal health
1175	420	9336	MCH Coordination Project	Intrafund Transfer	\$ 25,000	Pre and post-natal health
				Total Public Health Fund	\$ 181,825	
3550	118	8066	Information Technology	Computer Equipment	\$ 85,000	Outdated firewall hardware, enterprise asset management software
3550	118	8074	Information Technology	Communications Equipment	\$ 750,000	Radio infrastructure upgrade
				ADA Compliance Fund	\$ 835,000	
3552	152	1400	ADA Compliance	Extra Help	\$ 13,500	ADA barrier removal
3552	152	2116	ADA Compliance	Postage	\$ 150	ADA barrier removal
3552	152	2117	ADA Compliance	Office Supplies	\$ 1,000	ADA barrier removal
3552	152	2118	ADA Compliance	Professional Services	\$ 400,000	ADA barrier removal
3552	152	2122	ADA Compliance	Small Tools	\$ 198	ADA barrier removal
3552	152	2120	ADA Compliance	Rents & Leases Equip	\$ 974	ADA barrier removal
3552	152	2125	ADA Compliance	Transportation and Travel	\$ 2,580	ADA barrier removal
3552	152	2148	ADA Compliance	Computer Software	\$ 2,024	ADA barrier removal
3552	152	2317	ADA Compliance	Office Expense - Equipment	\$ 13,275	ADA barrier removal
3552	152	2614	ADA Compliance	Staff Development & Training	\$ 7,233	ADA barrier removal
3552	152	8842	ADA Compliance	ADA Capital Projects	\$ 200,000	ADA barrier removal
				ADA Compliance Fund	\$ 640,934	
<b>Total Expenditures</b>					<b>\$ 2,260,509</b>	

Attachment IV  
Alcohol Drug Care Services Proposal for Waterfront Recovery Services



January 22, 2018

Request To The Humboldt County Board of Supervisors:

**ALCOHOL DRUG  
CARE SERVICES,  
INC.**

A 501 ( c ) ( 3 )  
Corporation

**ADMINISTRATIVE  
OFFICES**

2109 Broadway  
Suite A  
Eureka, CA 95501  
Admin: 707-445-1391  
Fax: 707-445-2599

**WATERFRONT  
RECOVERY  
SERVICES**

2413 2nd Street  
Eureka, CA 95501  
(707) 269-0595

**SERENITY INN**

2109 Broadway  
Eureka, CA 95501  
Phone: 707-442-4815  
Fax: 445-2599

I am writing on behalf of Alcohol Drug Care Services, Inc. to request funding to continue providing residential treatment and detoxification services for those in the greatest need in our community at Waterfront Recovery Services.

Waterfront Recovery Services opened on November 1, 2017 and in the first two months of operations admitted 114 people – 78 to detox and 36 directly to residential treatment. We have been astonished at the demand for the medically managed services that we provide. WRS operates as a fee for service program and one funding stream is voter-approved Measure Z which is integral to supporting the health and well-being of our community. These funds are used for those who are homeless and at risk in our community. Working with our community partners, Measure Z funding allowed Street Outreach Services, MIST, EPD, and Humboldt County AOD to refer clients in immediate need for services.

The demand for services has greatly outpaced the funds that were allocated for fiscal year 2017/2018, which was unanticipated. We are writing to request funding for those that have already receiving treatment beyond our yearly allocation, as well as funding to continue to provide services to those in need.

We are requesting \$295,000 to continue to provide services for those most in need in our community. This request includes \$41,500 in payment for the roughly 40 clients who have already received care beyond our yearly allocation. The remaining funding will allow access to treatment for roughly 60 of those seeking detoxification (60 x \$175 x 7 day stay x 60=\$73,500) and 48 seeking longer term care (48 clients x \$125 per day x 30 days =\$180,000) for a total of \$295,000 We have increased our rate due to the higher operating costs for a medically managed facility (Medical Director, Registered Nurses, Psychologist, and increased staffing levels).

**ADCS**

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Waterfront Recovery Services, a partnership between Alcohol Drug Care Services, Inc. and the Redwood Community Action Agency, is a 56 bed medically managed residential treatment program with 20 beds of medically managed detox. The program was designed in response to meet the many needs of the high acuity clients in our area, divert clients from local emergency rooms, divert some from Sempervirens, and to pursue Drug Medi-Cal certification. Waterfront Recovery Services facility and program meets Drug Medi-Cal compliance standards and the application is almost completed and ready to be sent to the California DHCS to begin the certification process.

Addiction psychiatrist Dr. Ruby Bayan, our Medical Director, leads a multi-disciplinary team including RNs, detox techs, SUD counselors, and housing /care coordination specialists. The detoxification process follows CIWA (Clinical Institute Withdrawal Assessment for Alcohol) and COWS (Clinical Opiate Withdrawal Scale) protocols and has been used with positive effect, providing a safer and comfortable course of treatment. Withdrawal and detoxification symptoms are aggressively managed including the use of rapid-taper buprenorphine for opiate withdrawal. Medication protocols have also been implemented for the safe, comfortable and stable detoxification from methamphetamine.

Dr. Kat Willis, a psychologist, serves as our clinical director with a focus on treating individuals in a holistic and comprehensive manner. The Clinical program for WRS is based on the American Society of Addiction Medicine's (ASAM) patient placement and continued stay criteria. Our curriculum pulls from multiple evidence based treatment sources including Seeking Safety, Matrix System, and Interactive journaling through the Change Company. Educational groups are offered on a wide variety of topics, including the neurobiology of addiction, nutrition and diet, and 12 steps. Three times a week, there is a 90-minute education group for everyone with topics such as the Doctor's Lecture on the brain and addiction, triggers and responses, grief, trauma and its impact on addictive disease and alternative methods for



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dealing with pain, depression and anxiety. We have lectures on sensory motor work, meditation, and mindfulness.

Dr. Willis has also developed and implemented a family program for the loved ones of those participating in treatment. Held on Saturdays, this 90 minute program addresses the family dynamics of addiction and offers strategies and solutions for all of those involved.

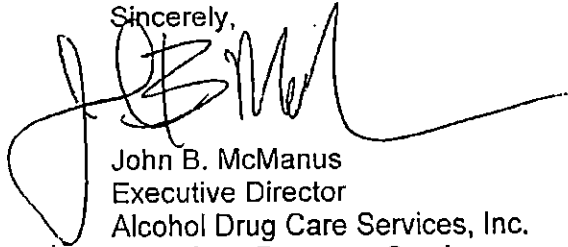
Through the partnership with RCAA, program participants receive comprehensive case management and care coordination, including housing, employment, and scholastic assistance. This also includes assistance with finding a primary care physician and access to mental health services.

Program participants may also have opportunities to learn job skills in the commercial kitchen and grow and prepare organic vegetables (which are grown on site).

Measure Z funding is integral to providing treatment to those in our community that are most in need of our services, and our services our critical to the health, well-being, and safety of our community. Every addict rehabilitated is one less person committing crimes in our community, one less person draining community resources, and one less person not reaching their full potential.

Thank you very much for your time and consideration.

Sincerely,



John B. McManus  
Executive Director  
Alcohol Drug Care Services, Inc.  
Waterfront Recovery Services

Attachment V  
Citizens' Advisory Committee Recommendations

**JONATHAN FLYER**, Chair – First District  
**SHON WELLBORN**, Second District  
**GINGER CAMPBELL**, Third District  
**MIKE NEWMAN**, Fourth District  
**LEONARD MASTEN**, Fifth District  
**GLENN ZIEMER**, Vice Chair - Alternate



**LORA CANZONERI**, At-Large  
**RICH AMES**, At-Large  
**BRIAN ANDERSON**, Fire Chiefs Assoc.  
**MIKE DOWNEY**, Sheriff's Department  
**JOHN MC FARLAND**, Alternate

**March 23, 2017**

**Recommendations for Measure Z Expenditures**

The Citizens' Advisory Committee on Measure Z Expenditures has been tasked with assisting the Board of Supervisors in taking public input on the expenditure of funds derived from the county-wide local sales tax imposed pursuant to Measure Z. Forty-three applications for funding were received from various county departments and outside agencies. Six meetings have been held, to examine the various proposals received and weigh the value of each. The Committee has been asked to make recommendations as to the proposals that should be funded, given the projected amount of revenue expected to be derived from the county-wide local sales tax.

All applications were reviewed and considered. The Committee sorted the applications into "must," "need," and "nice" categories. After receiving extensive public input and holding lengthy discussions, the Committee developed two lists for the Board's consideration. The first list is primarily from the "must" category. The secondary list is for consideration during the mid-year budget review. Those applicant funds that will not or cannot be expended during the fiscal year should be reallocated at that time per the secondary listing below.

The following recommendations are submitted to be included as part of the annual budget process to allocate \$4,473,815 available for a combination of one-time and ongoing expenses. The committee understands that adjustments to these recommendations may be required to present a balanced proposed budget:

**Primary List:**

<b>Organization (In order of priority)</b>	<b>Funding Project</b>	<b>Recommended Allocations</b>
Humboldt County Fire Chief's Assoc	Planning, dispatch, equipment	1,241,465
K'IMA:W Medical Center	Ambulance Service	312,801
Sheriff	Staff, patrol vehicles, snowcat	438,292
City of Eureka Police Department	Mist	359,140
City of Fortuna Police Department	Drug Task Force Officer	149,580
Public Works	Roads	1,178,554
Area 1 Agency on Aging	Ombudsman	45,000
City of Rio Dell	Continued clerical support	34,101

**JONATHAN FLYER**, Chair – First District  
**SHON WELLBORN**, Second District  
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**JOHN MC FARLAND**, Alternate

<b>Public Works</b>	ARFF training	32,000
<b>City of Arcata Police Department/Sheriff</b>	Student Resource Officer and Juvenile Diversion position	347,702
<b>City of Blue Lake</b>	One half-time deputy sheriff	75,000
<b>City of Fortuna Police Department</b>	School Resource Officer	145,580
<b>Southern Trinity Area Rescue</b>	Southern Humboldt ambulance service	39,600
<b>City of Trinidad</b>	One half-time deputy sheriff	75,000
<b>Total Recommended Primary Funding</b>		\$ 4,473,815

**Secondary List:**

<b>Organization (in order of priority)</b>	<b>Funding Project</b>	<b>Recommended Allocations</b>
<b>Public Works*</b>	Roads	1,821,446
<b>Humboldt County Fire Chief's Assoc**</b>	Planning, dispatch, equipment	931,214
<b>K'IMA:W Medical Center** Sheriff**</b>	Ambulance Service Staff, patrol vehicles, snowcat	45,000 292,192
<b>City of Eureka Police Dept**</b>	Mist	100,000
<b>Area 1 Agency on Aging**</b>	Ombudsman	29,045
<b>City of Arcata Police Department/Sheriff**</b>	Student Resource Officer and Juvenile Diversion position	117,520
<b>City of Fortuna Police Dept**</b>	School Resource Officer	47,000
<b>Total Recommended Secondary Funding</b>		\$3,383,417

\*First priority to remainder of Public Works Roads application

\*\*Second priority to remaining applications in the primary recommendations that had reductions

The Committee is honored to have been selected and has enjoyed serving. We respectfully request that we be invited to assist at the mid-year budget evaluation. We look forward to our work in the coming years and will be available to answer any questions that you may have.

Respectfully,

Jonathan Flyer, Chair Citizens' Advisory Committee on Measure Z Expenditures

Attachment VI  
Humboldt County Community Corrections Partnership Executive Committee Minutes



## Humboldt County Community Corrections Partnership

**Date:** November 22, 2017

**Time:** 12:15 – 1:15p.m.

**Location:** Jury Assembly Room, ground floor, Humboldt County Courthouse

Required Member Agencies (pursuant to Penal Code Section 1230(b)(2)): Superior Court of California, Humboldt County Departments – Administrative Office, Board of Supervisors, Probation, Sheriff, District Attorney, Public Defender, Health and Human Services (Mental Health, Alcohol and Other Drug, Social Services, Employment Training), Humboldt County Office of Education, local police department, community based organizations, victim services representative.

### Minutes

#### I. Call to order

Bill Damiano called the meeting to order at 12:15pm. In attendance was: Shallyn Wells, Darren Ghisetti, Shaun Brennehan, and Dean Flint.

#### II. Report out on CCP Executive Committee meeting 10/18/2017

*Review agenda items covered, discussions held and actions taken.*

Bill reported out on the Executive Committee meeting and gave an overview of the funding request made by the Sheriff's Office/CAO. The request was for \$750,000 to contribute towards the total cost of a desired law enforcement communications system upgrade. The agenda item went before the executive committee and passed with a 3-2 vote.

#### III. Update on CCP plan implementation

*Brief review current status of CCRC staffing and Community Corrections Partnership plan program service elements and other executive-body approved actions.*

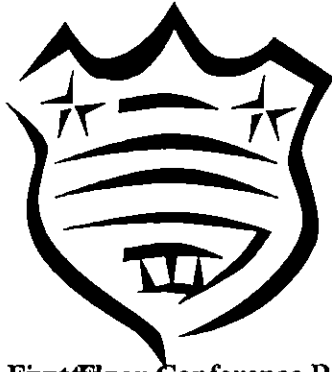
- Dean Flint/Jail: Vanessa recently facilitated a talking circle with the inmate population at the jail. It was well received and an overall successful event. It was also reported that the first cohort of M.E.T. (motivational enhancement therapy) has finished.

#### IV. Public Comment (as time permits)

*Open discussion of the ongoing or emerging impacts on the community of Public Safety Realignment.*

Shallyn Wells from Legal Services of Northern California was in attendance to gain an understanding of the HCCCP. Chief Bill Damiano gave a brief overview of the partnership and explained more about the AB109 population and probation process.

Shallyn provided information in regards to helping the probation population with the expungement process and stated that they are open to taking referrals from probation for those that qualify.



## Humboldt County Community Corrections Partnership - Executive Committee

Date: December 20, 2017

Time: 12:15p – 1:45p

Executive Conference Room A, Humboldt County Courthouse

Required Member Agencies (pursuant to Penal Code Section 1230.1(b): Chief Probation Officer – Chair, Chief of Police, Sheriff, District Attorney, Public Defender, presiding judge of the Superior Court (or designee), and one representative from Mental Health, AOD or Social Services (pursuant to PC1230(b)(2)(G), (H) or (J), as designated by the Board of Supervisors).

### Agenda

- I. Call to Order
- II. Review and approval of minutes – November 18, 2017 meeting
- III. Adjustments to the agenda

### New Business

- IV. Review budget for last fiscal year and this fiscal year to date  
*In preparation for discussion of items V. below, the current status of AB109 funding will be discussed and questions answered.*
- V. Contract Services line item augmentation, one-time funding - \$500,000 – ACTION ITEM  
*The Board of Supervisors allocated \$500,000 specifically for contract services for treatment of AB109 offenders in FY17-18. That funding is on track to be exhausted will need to be supplemented to meet obligations for persons already placed in treatment through the end of the fiscal year.*

### Old Business

- VI. Update on CCP Plan Implementation – Discussion item  
*All partner agencies will update on present staffing, hiring and status regarding program implementation, participation and operational considerations, other items, as appropriate.*
- VII. Update regarding CCP data projects – Discussion item  
*Discussion progress with CCRP, PPIC and Pretrial Steering data projects associated with CCP programs and services.*

### Public Comment

- VIII. Set agenda for next meeting – (January 17<sup>th</sup>, 1 hour meeting) – Future items: Contract funding for CJI for assessment tool validation and additional pretrial program training; funding staff travel to site visit other AB109 program(s); HSO-EPD de-escalation training request; law enforcement data sharing funding; additional funding for suicide netting for HCCF; augmenting funding for jail psychiatric services.
- IX. Adjourn

Attachment VII  
Budget & Fee Schedule Development Calendar for 2018-19



## **BUDGET & FEE SCHEDULE DEVELOPMENT CALENDAR FOR 2018-19**

Tuesday, February 6	Present 2017-18 Mid-Year Budget Report to Board of Supervisors
Thursday, February 22	Budget workshop: County Administrative Office presents 2018-19 budget instructions to county departments
Wed., February 28	Budget Roadshow – Northern Humboldt/McKinleyville
Thursday, March 8	Budget Roadshow – Southern Humboldt
Thursday, March 12	Budget Roadshow – Humboldt Bay Area
Thursday, March 22	Budget Roadshow – Northern Humboldt/Willow Creek
Monday, April 2	2018-19 Budget Requests Completed by county departments and due to County Administrative Office
Monday, April 23	2018-19 department presentations to Board of Supervisors
Monday, April 30	2018-19 department presentations to Board of Supervisors
Monday, May 14	2018-19 draft budget sent to departments for review
Monday, May 21	2018-19 draft budget returned to CAO with any final modifications
Tuesday, June 5	County Administrative Office presents 2018-19 proposed county budget to Board of Supervisors
Monday, June 18	Public hearings on 2018-19 proposed county budget; 1:30 & 6:00 p.m.: Clerk of the Board required to publish notice
Monday, June 25	Fee Update: County Administrative Office distributes fee instructions to county departments
Tuesday, June 26	FY 2018-19 county budget adopted by Board of Supervisors
Monday, August 6	Fee update requests completed by county departments and due to County Administrative Office
Tuesday, September 11	FY 2018-19 county fee schedule public hearing noticed and fees publicly available & public hearing for special district budgets
Tuesday, October 2	FY 2018-19 county fee schedule adopted by Board of Supervisors

## **BUDGET & FEE SCHEDULE DEVELOPMENT CALENDAR FOR 2018-19**

- Monday, November 5    Effective date for updated county fees (except Planning & Building)
- Tuesday, November 6    Present 2018-19 First Quarter Report to Board of Supervisors
- Monday, December 3    Effective date for updated Planning & Building Fees