



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

I-1

For the meeting of: May 3, 2016

Date: April 20, 2016

To: Board of Supervisors

From: Amy S. Nilsen, County Administrative Officer *[Signature]*

Subject: Third Quarter Budget Review for Fiscal Year 2015-16, Updated Outlook for Fiscal Year 2016-17, and Recommendations for Budget Adjustments (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive and file a review of the third quarter budget results for fiscal year (FY) 2015-16 and outlook for the FY 2016-17 budget;
2. Direct staff as follows regarding the policy considerations listed beginning on page 6 of this report:
 - a. Approve Additional General Fund Appropriation Requests (additional funding requests) in the FY 2016-17 budget that are mandated, one-time and/or prevent the discontinuation of services;
 - b. Allocate the General Fund monies received as a result of refunds from the Workers' Compensation and Purchased Insurance funds for additional funding requests;
 - c. Approve setting Contingencies and the General Reserves below policy levels;
 - d. Approve the elimination of Alternate Counsel thereby dissolving the three office indigent defense structure into a two office structure, effective the start of FY 2016-17;
 - e. Approve allocating the \$430,851 County Medical Services Program participation fee to Contingencies for FY 2016-17;

Prepared by Cheryl Dillingham

CAO Approval *[Signature]*

REVIEW:

Auditor *[Signature]*

County Counsel

Human Resources

Other

TYPE OF ITEM:

☐ Consent
☒ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor
Seconded by Supervisor
And unanimously carried by those members present,
The Board hereby adopts the recommended action
contained in this report.

SEE ACTION SUMMARY

Dated: _____
Kathy Hayes, Clerk of the Board

By: _____

- f. Approve carrying forward into FY 2016-17 previously approved intra-fund loan funds not utilized by Aviation in FY 2015-16;
 - g. Approve a loan from the General Fund in the amount of \$60,000 for the McKay Community Forest; and
 - h. Continue to not authorize the use of voluntary unpaid furloughs in FY 2016-17;
3. Approve the budget adjustments shown on Attachment 4, and authorize County Administrative Office (CAO) staff to make any technical corrections necessary to effectuate the Board's direction (4/5 vote required);
 4. Review the recommendations from the Measure Z Citizen's Advisory Committee and provide direction on which Measure Z Requests to fund for FY 2016-17; and
 5. Take other action as appropriate.

SOURCE OF FUNDING: All County Funds

DISCUSSION:

The CAO provides quarterly budget reviews to your Board. The purpose of these budget reports is to provide information to, and seek guidance from, the Board as the county's budget evolves throughout the year. The CAO has provided your Board with first quarter and mid-year reviews of the county's budget performance. Before your Board today is the third quarter budget review for FY 2015-16 and projection for FY 2016-17.

This report has been divided into three sections: review of the county financial condition as of March 31, 2016; a brief overview of factors which may impact FY 2016-17; and a list of policy items staff recommends that your Board consider in light of the county's current or projected financial condition.

Section 1: Review of Third Quarter for Fiscal Year 2015-16

This review covers the General Fund and funds with negative balances. Other funds not mentioned have had no significant changes since the report to your Board at mid-year and appear to be on track, as of March 31, 2016, to end this fiscal year substantially as budgeted.

1100 – General Fund

The General Fund contains the majority of county programs. This fund receives discretionary money derived from local revenue sources such as property tax and available to be spent on local needs. The mid-year budget review presented to the Board on February 9, 2016, reported that expenditures and revenues were primarily on track for FY 2015-16. Reports from departments for the third quarter indicate that this trend has continued.

There are a few areas where expenditures or revenues are not on target for FY 2015-16. It is estimated that expenditures will exceed budgeted amounts in General Relief (1100525) by \$98,100 due to reduced collections and \$24,890 for Indigent Defense (1100250) due to significant caseloads. In addition, based on the State of California's Amnesty program, which provides a one-time amnesty for unpaid traffic and non-traffic infraction tickets, Revenue Recovery (1100114) is unable to recover costs as a result of this program and it is therefore estimated that their contribution to the General Fund

will be reduced by \$30,480 for an estimated contribution of \$19,740. Based on projections provided by HdL Companies revenue from Proposition 172, the statewide half-cent sales tax for support of public safety could be under budget by as much as \$329,000. This will impact the Sheriff, District Attorney, Probation and Public Defender budgets.

The General Fund began FY 2015-16 with a positive fund balance of \$8.33 million. The FY 2015-16 budget was adopted with a \$3.08 million planned spend-down of this balance. Contained in the first quarter and mid-year budget reports was the use of an additional \$2.98 million in fund balance to increase expenditures. These additional costs were primarily for one-time investments in county departments, contributions to capital and Americans with Disabilities Act projects and a contribution to the General Reserve for FY 2016-17. This was anticipated to increase the use of fund balance for the General Fund to \$6 million.

As identified by departmental third-quarter reviews, General Fund net costs through June 30, 2016, show expenditures exceeding revenues by an estimated \$3.34 million instead of \$4.3 million as identified at mid-year, due to decreased contingencies usage and increased revenue. This will potentially leave the General Fund with an estimated year-end fund balance of \$4.99 million, as shown in the table. This revised fund balance estimate is primarily due to an estimated \$1 million in unspent contingencies and unbudgeted redevelopment dissolution revenue. It should be noted that this is the last redevelopment dissolution revenue the county will receive.

FY 2014-15 Year End Fund Balance	8,334,161
FY 2015-16 Adopted Revenue	112,206,641
Property Tax Current - Secured	243,096
Redevelopment Dissolution	625,785
Prior Year Natural Resource Revenue	498,000
Tax Penalties Cost Secured (Teeter)	800,000
Fund Balance to Solid Waste	(124,480)
	2,042,401
FY 2015-16 Adopted Expenditures	(115,287,004)
Board approved expenditure adjustments	(2,854,925)
Reserve Prior Year Measure Z Revenue	(564,228)
Unused Contingencies	1,016,662
Expenditures under budget	97,576
	(2,304,915)
Net Costs	(3,342,877)
Estimated FY 2015-16 Year End Fund Balance	4,991,284

The CAO 2016 Five Year Financial Forecast (Forecast) estimated a year end fund balance for FY 2015-16 of \$3.99 million. The difference in estimated fund balance between the Forecast and third quarter report is \$1 million. This difference is attributable to the fact that the Forecast did not account for \$625,785 in redevelopment dissolution revenue, prior year revenue due to the Natural Resources budget unit and reductions in expenditures reported by departments at third quarter.

Health & Human Services Funds

The Department of Health and Human Services (DHHS) administers six budgeted funds. DHHS began this fiscal year with an overall departmental fund balance of \$14.26 million. As identified by the department of the six budgeted funds, one fund - the Mental Health Fund - anticipates expenditures exceeding revenues by \$246,000. This shortfall will result in a negative balance of (\$3.74 million) in

the Mental Health Fund at the end of the fiscal year. Sempervirens Psychiatric Health Facility continues to experience a high percentage of non-reimbursable patient costs and increasingly high costs associated with treating the severely mentally ill. DHHS is working to address these issues and is looking at other long term restructuring strategies to help reduce the deficit. Other funds including Public Health and Social Services estimate no significant change in fund balance creating an overall estimated ending fund balance of \$14 million in DHHS funds.

1500 – Library Fund

The Library anticipates that expenses will exceed revenues by \$119,127 for the current fiscal year. This is better than the estimated draw down of \$425,679 in fund balance that was included in the adopted Library budget. This positive financial news is the result of reduced expenditures and one-time unanticipated revenue primarily from redevelopment dissolution and salary savings due to delays in hiring and staff restructuring. The Library Fund is anticipated to end FY 2015-16 with a fund balance of \$447,260. This fund does not currently have a negative fund balance, however, the Library has been spending fund balance and relying on one-time revenues to operate for the last few years. This trend combined with large potential retirement payouts could result in a negative fund balance in the next few years if not addressed.

3530 – Aviation Enterprise Fund

The Aviation Enterprise Fund began this fiscal year with a negative fund balance of (\$674,128) and a budgeted loan of \$500,000 from the county Motor Pool fund. In the mid-year budget review the department estimated that expenditures would exceed revenues by more than the \$500,000 loan due to decreased reimbursement for security services from the Transportation Security Administration (TSA). Third quarter estimates from the department now indicate that expenses will exceed revenues by \$86,740. This change is primarily due to partial reimbursement of Sheriff deputy costs at the California Redwood Coast Humboldt County Airport by Measure Z. Based on this revised estimate \$413,260 of the loan will not be utilized and can be rolled forward to fund Aviation operations in FY 2016-17.

The continued negative cash balance and structural deficit in the Aviation Enterprise Fund raises concern. This is because enterprise funds are classified by accounting standards as “business-type activities” and are supposed to stand on their own without the sort of short-term borrowing typical of the county’s governmental funds. Aviation continues to work to increase revenues and/or reduce expenditures to eliminate the structural deficit. If the deficit continues to increase repayment of the loan will become challenging. This liability could have the potential to become the responsibility of the General Fund. The county remains committed to maintaining a regional airport that offers commercial air service and will continue to look for solutions to ensure Aviation’s long term sustainability.

Section 2: Budget Outlook for Fiscal Year 2016-17

As your Board directs county staff to prepare the proposed budget for next fiscal year, consideration will be paid both to the financial position of the county and the potential effects of other factors.

The County Budget

On February 9, 2016, your Board directed General Fund departments to receive General Fund allocations distributing 90 percent of revenue growth to departments based on current year General Fund allocations. Therefore, General Fund departments received a 5 percent increase in their General Fund allocations. This was intended to start to reduce the gap between revenues and expenditures in the General Fund and move towards a balanced budget.

The estimate to fund General Fund departments with a 5 percent increase in FY 2016-17 is \$57,217,287 for discretionary expenses. Estimates for FY 2016-17 discretionary revenues are

Estimated year end fund balance for FY 2015-16	4,991,284
Estimated Discretionary Revenue for FY 2016-17	54,398,417
Estimated Expenditures for FY 2016-17	(57,217,287)
Estimated year end fund balance for FY 2016-17	<u>2,172,414</u>

\$54,398,417. Therefore, expenditures exceed revenues by \$2,818,870. This is better than the \$3,080,363 deficit contained in the FY 2015-16 adopted budget and better than projected in the Forecast. However, this contains a structural or on-going deficit of \$818,870 as \$1,250,000 is allocated for contingencies and \$750,000 for reserves. As shown in the table this leaves an estimated \$2.17 million available for financing in FY 2017-18. These numbers will likely be adjusted as staff continue to work on the proposed budget for FY 2016-17.

On February 9th, your Board directed the CAO to accept and consider additional General Fund appropriation requests that demonstrate a potential to generate future savings in the General Fund. Departments have submitted a total of \$4.01 million in additional funding requests, \$1.8 million in one-time requests and \$2.22 million for on-going funding requests.

The estimated budget for FY 2016-17 contains an \$818,870 structural deficit which is lower than the \$1.5 million on-going deficit in FY 2015-16. However, keeping the deficit at this level would require service reductions. In order to maintain current service levels the County Administrative Officer recommends expanding staff's ability to fund requests to recommend expenditures that are mandated or prevent the discontinuation of services, which would be on-going costs.

Your Board, as recommended by the CAO, may wish to fund mandated services or services that would otherwise need to be reduced such as:

- Public Defender – To maintain existing staffing levels additional funding of \$186,797 is needed for a currently filled deputy public defender position and a half time legal office assistant. Due to changes made to staffing in the current fiscal year the General Fund allocation increase of 5 percent is not sufficient to maintain current staffing levels. Additionally, as a result of the increased staffing from Measure Z to the Sheriff, District Attorney and Probation departments, as well as the restructuring of the Humboldt County Superior Court, the Public Defender is not able to provide adequate services as currently structured and staffed. If the Public Defender office cannot provide defense services the court appoints private attorneys resulting in increased costs to the General Fund. Additional funding of \$563,756 was requested by the department to add six additional positions.
- Aviation – The Aviation division continues to have an operating deficit. For FY 2016-17 revenues are estimated to be \$370,823 below expenditures required to operate the airports. One of the main costs is TSA mandated security services which are required to operate a commercial service airport. For the Humboldt County Airport these services are provided by the Sheriff's department with a portion of the cost reimbursed by the TSA. Net annual costs for security are estimated to be \$140,000.

- Inmate Medical – There could be mandated staffing increases as a result of the Monterey decision which sets a high standard and requirement for additional medical staff to provide intake screening in the correctional facility. Preliminary cost estimates are between \$375,000 and \$750,000, depending on staffing levels.

Community Budget Meeting

On March 3, 2016 the CAO and your Board held the annual community budget meeting. This meeting focused primarily on the county's budget and service levels. The community asked questions and provided feedback. The questions, responses and other comments are included in Attachment 1. In addition, the community was able to provide feedback via Open Humboldt, an online forum that gives citizens an opportunity to provide additional recommendations and comments on the county's budget and services.

The Economy

Humboldt State University's Economic Index for March 2016 reports that the retail sales, home sales and employment indices climbed over the last month, while the hospitality index declined. Local building permits and manufacturing orders have increased over the previous month. Mortgage rates continue to be affordable with the average 30-year fixed rate mortgage remaining at 3.75 percent and the average 15-year fixed rate mortgage increasing to 2.98 percent. Overall the local economy looks better than it did a year ago.

According to the economic outlook presentation given by Beacon Economics at the April 2016 state auditors annual conference, the economy is still moving along. The report stated that labor markets are strong, housing is still in recovery, credit is expanding and California is leading, not lagging the nation. Possible issues identified were continued slow growth, stressed local and state budgets, a California housing shortage, economic concerns in Asia and growing wealth inequality. Overall the message was that the economy is in balance and California business are doing well.

State and Federal Budgets

State Controller Betty T. Yee's March 2016 report covering California's cash balance, receipts and disbursements shows the state's General Fund is strengthening, coming in \$512 million higher for the first nine months than expected in the Governor's proposed budget. The state also ended March with unused borrowable resources of \$19.63 billion, which was \$2.6 billion more than anticipated in the proposed budget.

On the federal level, Congress approved \$442 million in fiscal year 2015 discretionary spending for the PILT program. Funding was included in two separate measures - the *Buck McKeon National Defense Authorization Act* and the year-end omnibus appropriations law. For 2016 the president's budget proposes a one-year extension of full funding for PILT. If fully funded the program is expected to total \$452 million, slightly more than 2015. The federal budget acknowledges that a long-term sustainable funding solution for PILT must be developed. If PILT is not funded the county's General Fund will lose this discretionary source of revenue which is about \$773,000 annually.

Section 3: Policy Considerations

Additional Funding Requests for FY 2016-17

Now that budget submittals and revised year-end estimates have been received from departments, the CAO recommends using funds previously allocated to the Liability Fund for additional funding requests. One of the recommendations included in the mid-year budget report was to allocate \$358,483 to the Liability Fund in FY 2016-17 due to refunds from the Purchased Insurance and

Worker's Compensation funds. The Liability Fund began the fiscal year with a negative fund balance of (\$640,744). Human Resources now estimates that revenues will exceed expenditures, as budgeted by \$915,334. This will bring the fund balance into the positive by an estimated \$274,560. This positive movement is attributed to a FY 2015-6 General Fund contribution of \$352,587, a CSAC-EIA reimbursement and an overestimation in excess coverage premiums. Based on the revised estimate for the Liability fund it is now recommended that these funds be retained in the General Fund and used for additional funding requests that will maintain current service levels. A list of all submitted additional funding requests can be found in Attachment 2.

Medical Marijuana

Implementation of the new Medical Marijuana Regulation and Safety Act and the new county ordinance establishing land use regulations has resulted in increased staffing requirements. Additional staff has been added in the Agricultural Commissioner and Planning and Building departments. Fees will be charged for the new permitting and inspection programs and the CAO will work with the impacted departments to set fees at full cost recovery levels. However, because these are new programs it may be difficult to achieve full cost reimbursement the first few years of the programs. Items such as initial set-up costs and time spent on public inquiries may need to be covered by the General Fund. As an example the Agricultural Commissioner has requested additional funding for the purchase of a vehicle for the new position. These programs and costs will need to be tracked and monitored in FY 2016-17 and could require additional funding.

Measure Z Requests for FY 2016-17

Based on information received from departments it is estimated that there will be \$1,062,440 in unspent Measure Z funds this fiscal year that will be rolled forward and can be allocated for one-time expenditures in FY 2016-17. Current projections for next fiscal year show that there will be \$4,949,384 in available Measure Z funding after on-going county programs are budgeted. Total funding available to fund applications for FY 2016-17 is \$6,011,824.

The Citizens' Advisory Committee on Measure Z expenditures is tasked with assisting the Board of Supervisors in taking public input and making recommendations on what to fund with the county-wide half cent local sales tax. Forty-three applications totaling \$12,708,531 were received from various county departments and outside agencies. The committee held six meetings, including one public hearing, to receive public input and additional information from the applicants and discuss the various proposals. The committee reviewed and considered all of the applications and sorted them into "must", "need" and "nice" categories. The committee then developed two lists for the Board's consideration that can be seen in Attachment 3. The first list is primarily from the "must" category. The secondary list is for consideration if during the FY 2016-17 mid-year budget review it is determined that there will be unexpended funds available to be reallocated.

The committee's first list recommends thirteen applications totaling \$6,591,566, which is \$579,742 more than is available. One possible option discussed by the committee is to fund the recommended applications at 90 percent. The calculation of this amount is shown in Attachment 3. Staff is requesting direction from your Board on which Measure Z requests to include in the FY 2016-17 proposed budget.

There was \$564,228 in Measure Z funding received in FY 2014-15. These monies are currently included in the fund balance. It is recommended that these funds either be transferred to reserves to be retained and used to provide a full year of funding in FY 2019-20 when Measure Z is scheduled to sunset or used to fund requests in FY 2016-17.

Reserves

The county General Fund utilized \$2,750,000 in General Reserves from July 1, 2009 through June 30, 2011. Per Board adopted policy the county's General Reserve should be between 8 and 10 percent of total General Fund revenues, or roughly \$8.7 million. The County's current General Reserve balance is \$1,572,737. Rebuilding reserve accounts is one of your Board's Six Key Goals for 2016. Your Board in the first quarter budget report of fiscal year 2015-16 set aside \$750,000 in Contingencies for a contribution to the General Reserve in FY 2016-17. Ongoing revenues are insufficient to meet ongoing expenditures, and therefore staff recommends that the Board reduce the contribution to General Reserves by \$250,000 to \$500,000. If the actual year-end fund balance is higher than estimated those funds can be earmarked to replenish reserves in FY 2017-18.

The adopted budget included a General Fund Contingency Reserve of \$1,244,662 which is also much lower than the policy level of \$6.5 million. At this time staff does not anticipate that there will be sufficient funding available next fiscal year to increase Contingencies. Therefore, staff recommends setting both the General Reserve and Contingencies below policy levels.

Elimination of Alternate Counsel

On January 25, 2011, staff recommended that the Board eliminate the Alternate Counsel Office for FY 2011-12. This was due to the loss of the dependency caseload and the revenue associated with that caseload which resulted in the loss of two attorneys and left Alternate Counsel with too small of a staff to be viable as a separate office. At that time Conflict and Alternate Counsel were separate from the Public Defender office. In January 2012 your Board approved in concept the merger of all county indigent defense offices. This was done because the department head for Conflict Counsel was retiring. On November 13, 2012, staff recommended that the Alternate Counsel office be re-established and placed under the Public Defender.

Maintaining three separate indigent defense offices with existing staffing levels and caseloads does not appear to be the best option at this time. Measure Z funds have increased the resources available for investigation and prosecution. Staffing levels in the Alternate Counsel office are not sufficient to keep up with the increased caseloads resulting in the need to decline cases. When cases are declined private attorneys are appointed and the General Fund is mandated to cover the cost. Eliminating Alternate Counsel and shifting staff around to provide more coverage in the other two offices will help meet current responsibilities and keep them from having to decline appointments. The alternative is to add additional staff in Alternate Counsel at a cost of \$310,832 and keep the office open.

County Medical Services Program (CMSP)

CMSP provides limited-term health coverage for uninsured low-income, indigent adults that are not otherwise eligible for other publicly funded health programs. Thirty-five, primarily rural California counties participate in CMSP. The CMSP Governing Board, established by California law in 1995, is charged with overall program and fiscal responsibility for the program. Humboldt County has paid an annual participation fee in the amount of \$430,851 as determined by Welfare and Institutions Code 16809.3 to CMSP. Since the establishment of CMSP in 1995, the Affordable Care Act has become law. As a result, California has expanded its eligibility into the Medi-Cal program. This means there is a reduction in the CMSP caseload. Humboldt County's current CMSP caseload is one individual.

For the last two years the CMSP Governing Board has approved a "one-time" waiver of the CMSP participation fee. It is anticipated that the county will not be charged a participation fee for FY 2016-17. The CAO recommends that these funds, \$430,851, be contributed to Contingencies to be available for unanticipated expenses in FY 2016-17.

Aviation Enterprise Fund

The requested budget submitted for Aviation for FY 2016-17 has a structural deficit of over \$370,000. The deficit combined with a negative fund balance causes the financing sources to exceed financing uses which is not allowed per the state County Budget Act. The recommended budget for the Aviation Enterprise fund is required to be balanced. In order for a balanced budget to be developed, either substantial spending reductions need to be made or another source of financing needs to be identified. The CAO recommends that the amount of the loan not used in FY 2015-16 be rolled forward to fund FY 2016-17.

Loan for McKay Community Forest

When the McKay Community Forest was established in August 2014, Public Works was directed by your Board to work with the CAO and county Treasurer to evaluate loan options. Preliminary estimates are that a loan would be needed for approximately 30 years to finance cash flow until site improvements are completed and timber revenues increase to a sufficient level to cover costs. The maximum loan amount needed is projected to be \$751,000 around 10 to 15 years after start-up. The budget for the McKay Community Forest started to go negative in FY 2015-16 resulting in the need for a loan and this need continues into FY 2016-17. The CAO recommends that a loan in the amount of \$60,000 be made from the General Fund, to the Forest Resources and Recreation fund to cover the costs of the McKay Community Forest.

Discontinuation of Voluntary Furloughs

This program provided an opportunity for budget savings in difficult budget years. Last year's third quarter budget report ended the furlough program. At this time the CAO is recommending that the discontinuation of the voluntary furlough program continue for all departments due to this only being intended as a temporary solution. A reduction in full-time equivalent status can be utilized as a way to accommodate staff wishing to continue to work a reduced schedule.

Budget Adjustments

The CAO during quarterly budget reports frequently brings forward budget adjustments on behalf of departments. There are budget adjustments before your Board today which can be offset by increased revenues. The recommended adjustments are detailed in Attachment 4.

- Measure Z – As a result of departmental third quarter submittals, information is now available to provide a more detailed overview of Measure Z for the current fiscal year. As reported by departments during the mid-year review it was estimated that Measure Z expenditures would be under budget by \$2.54 million. These funds were allocated to other projects with the remaining \$1,230,000 transferred to contingencies to be rolled forward into FY 2016-17. The revised estimates now show that expenditures and revenues are going to be higher than originally estimated. The recommended budget adjustment increases revenues and expenditures and moves some funds from contingencies back into Measure Z operating budgets.
- \$107,596 (Airport Security 1100225) – The budget for airport security was reduced because at the time of adoption staff thought that on-call deputies could be used resulting in lower costs. This proposal was not approved by TSA. This adjustment is needed to pay for Sheriff deputies assigned to the Humboldt County airport. The costs are reimbursed by the Aviation budget. This supports the Boards Strategic Framework by enforcing laws and regulations.
- \$23,000 (County Parks 1100713) – The water well at Big Lagoon County Park is no longer producing enough water to meet the needs of the campground and restrooms. The well appears

to be severely impacted by corrosion and iron fouling, and this problem is compounded by the shallow well depth and a substandard screen length. The most cost-effective solution is to replace the well. For the last several years the water system has gone dry during high-use periods at the park. When the water system is not functioning the restrooms and showers must be closed. This results in a loss of fee revenue due to campground closures and a decline in camping. Revenue from the Deferred Maintenance trust will be used to cover the costs to replace this well before the summer camping season. This supports the Boards Strategic Framework by providing for and maintaining infrastructure.

- \$60,000 (Aviation 3530381) – On March 8, 2016, your Board approved using \$65,000 from the Capital Projects trust fund to cover kitchen and restaurant upgrades at the California Redwood Coast Humboldt County Airport. The total estimated cost of the project is \$250,000 and work has progressed faster than originally anticipated. Additional funding of \$60,000 is need to continue work through the end of the fiscal year. The remaining \$125,000 will be included in the Aviation proposed budget for FY 2016-17. This supports the Boards Strategic Framework by providing for and maintaining infrastructure.
- \$13,225 (County Administrative Office 1100103) – The CAO has been working with Facilities to add a wall to create a private office. There was \$5,000 previously budgeted and set aside in a facilities trust for this purpose and there is \$8,225 available in the current CAO budget. The requested budget adjustments are needed to move the funds into a fixed asset account. This supports the Boards Strategic Framework by providing for and maintaining infrastructure.

FINANCIAL IMPACT:

The acceptance of today's report has no net financial impact, as the budget adjustments recommended for approval are offset by additional revenues.

Today's recommendations support the Strategic Framework, Priorities for New Initiatives by providing community-appropriate levels of service and managing resources to ensure sustainability of services.

OTHER AGENCY INVOLVEMENT: None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

As for the development of the FY 2016-17 Budget, the Board could choose to:

- a. Either increase or decrease the contribution to the General Reserve;
- b. Redirect the CMSP participation fee to fund other county programs; and/or
- c. Approve the voluntary furlough program.

These alternatives are not recommended because maintaining contingencies and restoring reserves are consistent with county policy and support the Board's Strategic Framework, Core Roles and Priorities for New Initiatives by managing resources to ensure sustainability of services.

ATTACHMENTS:

1. Community Budget Meeting Feedback
2. Additional General Fund Appropriations Requests
3. Measure Z
4. Recommended Budget Adjustments

Attachment 1

On March 3, 2016 the County Administrative Office and your Board held the annual Community Budget Meeting. During this meeting, as well as through the Open Humboldt Discussion Forum, the community provided feedback on the county's budget and service levels. Below are some questions and topics of note, as well as how staff plans to address community feedback in the FY 2016-17 budget.

Treasurer-Tax Collector and Auditor consolidation:

Feedback: How many positions would be lost by combining the two offices (TTC and Auditor), and would employees be transferred to other offices with similar or better pay?

Response: We do not anticipate that any positions would be lost. One of the biggest advantages to a change like this is that it would allow staff to more easily cross-train with each other. There would be no need to transfer people to other offices.

Feedback: How much money would be saved in basic operating costs such as rent and utilities?

Response: It is unknown whether this potential consolidation would save on costs, but the purpose of the consolidation is to provide more coverage and backup for our financial services. Both of these offices are among the smallest departments in the county, and both are responsible for many duties. Taking steps to help ensure there are trained staff to handle these responsibilities will improve our operations.

Feedback: Can one department handle the business of two functions efficiently and fairly?

Response: Staff from both departments would remain the same. This would provide more opportunities for the staff to learn new skills and cross-train to provide better coverage and backup for each other.

Measure Z

Feedback: Could Measure Z be used to fund law enforcement to be present on middle school campus?

Response: Agencies outside of the County have been able to apply for Measure Z funds each of the past two years. There are application deadlines regarding when they need to be submitted, but schools and/or districts can apply for these funds to be spent on services that enhance public safety in our community.

Feedback: What is the exit strategy for Measure Z?

Response: It is imperative that we take steps now to deal with public safety issues beyond 2020, when the measure will sunset. Each agency that has a project funded by Measure Z details a plan for sustainability, in order for their proposal to carry on without reliance on future Measure Z funds. Some of these agencies discuss ending their respective programs altogether, others would seek funding from other sources, while still others would look to the County General Fund to extend services. An alternative is

Attachment 1

to use Measure Z funds to pay down debt to decrease our current General Fund expenditures and make room for the General Fund to absorb the costs of some of these programs. For more information, visit: humboldt.gov.org/MeasureZ

Feedback: **How much of the Measure Z money is going toward preventative programs, and what percentage goes toward enforcement?**

Response: Measure Z is projected to produce \$9.415 million in revenue in FY 2015-16. The allocation for Measure Z funds is broken down as follows:

Preventative

24.5% (\$2.3 million) – Humboldt County Fire Chief's Association
2.5% (\$242,200) – City of Eureka Police Department, MIST
1.6% (\$157,800) – Housing Assistance (From EPD, MIST project)
2.85% (\$268,000) – Hoopa Valley Tribe Ambulance Service
.1% (\$10,450) – Area 1 Agency on Aging Elder Ombudsman
1.2% (\$113,150) – North Coast Substance Abuse Rehabilitation Services
17.7% (\$1.66 million) – Public Works, Roads, Airport
5.9% (\$553,730) – Department of Health & Human Services, Child Welfare Workers
Total: 56.3% (\$5,305,330)

Enforcement

17.9% (\$1.69 million) - Sheriff's Office
1.3% (\$125,000) – City of Fortuna Police Department
.4% (\$35,600) – City of Rio Dell Police Department
5.7% (\$542,560) – District Attorney's Office
4.6% (\$439,250) – Probation Department
1.2% (\$118,950) – County Counsel Code Enforcement
Total: 31.3% (\$2,951,360)

Note: Not all of the Measure Z funds were allocated in FY 15-16. A portion, roughly \$1.2 million, was carried in FY 16-17 and is available for one-time expenditures.

Feedback: **Do you know how much of the disruptions that were happening in business in Eureka have been reduced by the use of the MIST team?**

Response: In the City of Eureka's 2nd quarter report on the MIST program, it stated, "Because the program is brand new there are very few indicators or evidence to suggest if the program is working. Crime at the Bay Shore Mall appears to be improving, although too early to tell the cause, and assaults are fewer amongst the homeless. Data from the 4th quarter is being collected and reviewed. Additionally, dozens of people have been sent to the MAC and others have been housed by police personnel involved in the program. The City of Eureka continues to shrink the physical footprint of the illegal homeless encampment."

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The City of Eureka, along with each outside agency that receives Measure Z funds, submits quarterly reports on the progress of their projects. Learn more at humboldt.gov.org/MeasureZ.

Other feedback from the community:

- Keep sustainability in mind when allocating Measure Z funds
- Help homeless in to housing
- Follow the language on the ballot. Use funds for public safety
- Would like to see metrics showing how effective the programs are that are being funded
- Need code enforcement in rural areas like Weott
- County roads need to be improved
- Need more education, mental health facilities and services to bring people out of jail/street/hospital cycle

Medical Marijuana

The community weighed in on what they want to see revenues from a cultivation excise tax used for, if it is passed. These ideas included:

- Environmental cleanup, watershed health
- Enforcement of unlicensed grow sites, industry regulation/oversight
- Drug abuse education/treatment
- Public safety
- Early childhood education, childhood mental health, parenting support
- Housing, first-time homebuyer programs, rapid re-housing
- Education programs to promote organic, sustainable grows
- Economic development, job creation, airports, harbor depth, tourism, marketing
- Mental health
- Roads, east-west rail
- Recreation activities
- Research for medical marijuana use
- Education for landowners with grow sites
- Legal costs
- Balance the budget in a far way
- Energy upgrades to homes, county buildings
- Pay off debts

Feedback: Will there be a new coordinating office to handle aspects of marijuana industry?

Response: The new state regulations on medical marijuana, as well as the likelihood of recreational marijuana in the near future, have prompted the county to add a significant amount of new services. While this has not resulted in the creation of a new

Attachment 1

coordinating office, several county departments have hired or are in the process of hiring more staff to take on the additional duties.

Feedback: **Is it possible for local marijuana industry not to pay both excise and sales tax (too expensive for industry to operate with state, local taxes)?**

Response: As we continue to refine local regulations on the medical cannabis industry it is going to be vital that we strike the balance between ensuring the proper operation of these markets, and our community's need for essential services such as environmental cleanup, funding for county parks, public safety, children's mental health services, and others.

Feedback: **First 5 Humboldt serves the very youngest Humboldt County children (ages 0-5). If the county passes a cannabis excise tax would it consider providing funding for quality early childhood education services?**

Response: The county will be conducting polling to ask citizens where they would like to see funds used from a commercial marijuana cultivation excise tax. The cannabis industry likely makes up a significant portion of our local economy, and it is one that has not been taxed like other local businesses. There are a variety of services that would likely be worthy of these funds, such as environmental cleanup, public safety, roads and parks, children's mental health services and more. However, we cannot get ahead of ourselves, and we need to see what the will of the voters is before we begin thinking about allocating funds.

Consolidating permitting agencies

Feedback: **Are all departments connected electronically so they can see what is happening at the other (permit departments)?**

Response: The Planning and Building Department maintains an online tracking system called the OnTrack customer portal that allows applicants as well as staff to track where in the process a permit is. This system connects several of the county permitting agencies.

Feedback: **Restructuring permit processing would help community and encourage business development**

Response: The county is considering combining several permitting agencies in to one department. One of the main goals of such a change would be to improve customer service to the public. There are many elements to take in to account when considering a reorganization of this kind, not the least of which is how it would impact the funding we receive to provide these services. Whether we combine these offices or not, there are still steps we can take to improve the customer experience when going through the permitting process.

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Feedback: **Unincorporated areas often have unpermitted structures. If the county makes it easier to permit it will be likely to receive more revenue. Will this be considered?**

Response: We are taking a hard look right now at ways to streamline our permitting process and improve the citizen's experience when going through the permitting process. The goal of the permit process should not be to make it easier only to raise revenue for the county, but to ensure that structures are sound and individuals are able to build those structures.

Feedback: **I want more publicly accessible information about the permitting process. I want to know ahead of time where I'll need to go and what information I'll need to supply.**

Response: The county website (humboldt.gov) contains a significant amount of general information about many different permitting programs. For example, the Planning and Building Department's web pages provide brochures and handouts, forms, and a resources library. Here customers can find information regarding land use requirements, process overviews, or help with specific topics like grading or water storage. The website also offers a frequently asked questions area as well as checklists and application forms. When a customer has a development proposal in mind at a specific location, they are encouraged to call or visit the department. Applications and parcels can have a unique set of characteristics that shape application submittal requirements and processing. When a customer is ready to apply, the department also offers a number of services ranging from plot plan review to application assistance to project facilitation.

Other topics:

Homelessness

Feedback: **Can we create a budget line item that deals with homelessness that doesn't involve mental health or substance abuse. Need opportunities for public-private partnerships regarding homelessness**

Response: The Board recently adopted the Focus Strategies plan regarding homelessness. One of the key strategies laid out in the plan is to work with the private sector on fund raising. We have made some strides in this area, but there is more work to be done.

Feedback: **What are the county's homelessness plans and how is the county working with cities?**

Response: The County of Humboldt and City of Eureka recently held a unique meeting in which both bodies met in the same place at the same time to take up the issue of adopting a strategy to address homelessness within the Eureka city limits. Phase 1 of this strategy includes an effort to seek private funds and partnerships. The vision is to

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get homeless individuals off the streets and into temporary housing quickly, and then on to permanent housing within a short period of time. Cities and counties around the state are forming partnerships, and the example we set, along with the City of Eureka, could be a model to use in other parts of our community.

Feedback: **What is being done to make sure housing resources are available in the unincorporated parts of the county, and how can it be more evenly distributed?**

Response: It's always a challenge to distribute resources throughout an area that is as large and diverse as Humboldt County. The Department of Health & Human Services has satellite facilities around the county, as well as a mobile unit that can travel to the far reaches of Humboldt. We are also looking at setting up a housing trust fund, which will be made up of public and private funds, and that can potentially be a way that we distribute resources to different parts of the community.

Infrastructure, roads

Feedback: **What is the county's strategy to fund capital improvements?**

Response: The county is behind on its capital improvement projects. We simply do not have the funding to properly maintain our facilities. However, there are still ways we can begin to address this issue, and one of those ways is to issue debt, which is something we are looking at.

Feedback: **What is being done to fix the roads in rural areas?**

Response: The Board recently allocated \$1 million to fix roads in rural parts of the county. This was in addition to roughly \$400,000 that was allocated in the beginning of the year. Going forward, our Roads Division will continue to face declining revenues due to a decline in the portion of gas tax it receives. To make matters worse, our local road system is at or near failing in many places. While we are seeking long-term funding bills for roads at the state and federal levels, we need to find alternate funding sources to bring our roads back up to a serviceable level.

General Government

Feedback: **What is the percentage of property tax dollars that have been taken back by the state?**

Response: In 1992, the State of California shifted a portion of the responsibility for funding education to local governments. They did so by requiring county auditors to shift the allocation of local property taxes from local governments to support schools. This is more commonly known as the ERAF (Educational Revenue Augmentation Fund) Property Tax Shift. Since 1992, the state has taken more than \$300 million from the county for this purpose. As a percentage, 62 percent of every dollar in property taxes

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now goes to schools. The county general fund receives roughly 18 percent of property tax revenue, while the remainder is split among cities, special districts, roads, public library and redevelopment agencies.

Feedback: **How can the county further shore up Library budget, or ensure that no cuts are made?**

Response: The library has been working on organizational restructuring over a number of years. As staff members retire from their positions, the Library is taking that as an opportunity to shift responsibilities which often results in not re-hiring those positions. Fund raising has been a huge part of the Library's success to date and it is what ensures that there are books on the shelves. The County Administrative Office will continue to work with the Library to do everything possible to prevent future cuts to the department.

Economic Development

Feedback: **What are we doing to look in to dredging the port?**

Response: We are working to engage the Army Corps of Engineers on this project. This issue needs to be taken up at the federal level, and the Board has taken the position that this is a core issue to fight for. Therefore, the Board has included this issue in its legislative platform and we have engaged our federal lobbyists to help lobby for funding. Thankfully, funding has been allocated to the Army Corps of Engineers in this current round of funding and this issue should be addressed soon. However, it will only be a matter of time before more dredging needs to happen, so we will continue to lobby for the maintenance of our port.

Feedback: **Can the county install underground utilities at Garberville Town square?**

Response: Underground utilities are covered by a surcharge from PG&E. This project was added to a list of project the Department of Public Works wants to take on. However, the funding from PG&E does not cover 100 percent of the cost and we are currently looking for a local match to fully fund the project.

Drug Abuse

Feedback: **Is there any way the county could devote more resources to the meth problem in our community?**

Response: Meth use in our community has become a significant issue, and there is no one solution to dealing with it. Some of the services available to the community include Alcohol and Other Drugs treatment services through the Department of Health & Human Services, and Adult Drug Court through the Probation Department. In addition, Measure Z funds were allocated in the amount of \$113,150 during the mid-year budget report to the North Coast Substance Abuse Council for rehabilitation services.

Attachment 2

Master List of Departmental Additional General Fund Appropriation Requests
for FY 2016-17

Fund	Budget #	Department	Priority	Description	ONE TIME Net County Cost Requested	ON GOING Net County Cost Requested	ONGOING SAVINGS/Year	Detail
1100	101	Board of Supervisors	1	0.5 FTE extra help position to continue digitization and archiving old paper records.	21,000		unknown	
Total for BOS					\$21,000		\$0	
1100	103	County Administrative Office	1	Legislative advocate contract increases. Federal advocates, Waterman and Associates are requesting a three percent annual increase for three years or an additional \$1,800 for year one, an additional \$1,850 for year two and an additional \$1,910 for year three.		1,800	unknown	
1100	103	County Administrative Office	2	Travel for Waterman and Associates to visit Humboldt County.	2,000		unknown	
1100	103	County Administrative Office	3	LEAD Training	5,000		unknown	
Total for CAO					\$8,800		\$0	
1100	199	Contribution to Economic Development	1	One Economic Development Specialist position to focus on county economic development including the airport. This position became vacant in FY 2015-16 and will be held vacant in FY 2016-17 if additional funding is not provided.		\$98,365	unknown	Could result in increased revenues.
1100	199	Contribution to Headwaters	1	Contribution to cover A-87 costs which would free up funding for grant making.	81,212		unknown	
Total for Economic					\$179,577		\$0	
1100	261	Agriculture	1	Cover the cost of staff time doing medical cannabis inspections.		46,880	unknown	
1100	261	Agriculture	1	Purchase and operations of vehicle for newly hired cannabis program staff.	29,700	6,300	unknown	
Total for Ag					\$82,880		\$0	
1100	199	Library	1	Funding would allow to the library to maintain current staff levels despite the current structural deficit. If not funded, two positions will need to be eliminated		53,183	unknown	
Total for Library					\$53,183		\$0	
1100	109	Treasurer-Tax Collector	1	LEAD Training	5,000		unknown	
1100	112	Treasurer-Tax Collector	1	Computer Software	9,025		unknown	Increased efficiency
1100	112	Treasurer-Tax Collector	1	Computer Scanner	10,900		unknown	Increased efficiency
Treasurer-Tax Collector					\$24,925		\$0	
1100	268	Cannabis Planning	2	Cover the cost of staff time spent on general inquiries related to medical cannabis permitting.		162,904	unknown	
Total Planning and Building					\$162,904		\$0	
1100	199	Contribution to Aviation	1	Funding to cover deficit in Aviation budget for FY 2016-17. This request would maintain current service and staffing levels.	370,823		unknown	
1100	199	Contribution to Aviation	2	The Aviation Division is mandated by the Transportation Security Administration to provide security services at ACV. These services are provided by the Sheriff's office. The Aviation budget currently does not have sufficient resources to provide the local match for this service. This was also submitted as a Measure Z request.	140,000		unknown	
1100	199	Contribution to Aviation	3	Purchase and installation of a self-serve pump at ACV. This would eliminate the need for staff to fuel planes and allow them to perform other needed activities at the airport such as preventative maintenance.	15,500		unknown	Savings by freeing up airport service worker time to perform other duties.
1100	713	Parks	4	Moderate increase in the level of maintenance at County Parks infrastructure	22,000		unknown	Maintain park infrastructure resulting in reduced maintenance costs.
1100	170	Capital Projects	5	Review, enhance, and consolidate existing ADA lists into one master list encompassing all county owned buildings and provide a strategic framework for planning and building all necessary remaining accessibility upgrades.	300,000		unknown	Long-term savings will be achieved by limiting the County's liability for accessibility issues.
1100	170	Capital Projects	6	The county owns five Veteran's buildings that are in need of repairs and renovation to meet current health, safety and ADA standards. Improvements to the kitchens are especially needed because they are an important feature used extensively by the Veterans and community and are not built to current code requirements.	300,000		unknown	Long-term savings will be achieved by limiting the County's liability.

Attachment 2

Master List of Departmental Additional General Fund Appropriation Requests
for FY 2016-17

Fund	Budget #	Department	Priority	Description	ONE TIME Net County Cost Requested	ON GOING Net County Cost Requested	ONGOING SAVINGS/Year	Detail
1100	162	Facilities	7	Two additional facility maintenance mechanic positions to maintain and service the county's facilities. Due to budget cuts there are currently only four mechanics for over 100 buildings which is not sufficient to perform required preventative maintenance resulting in most work being done in an immediate need or emergency basis. This is not efficient or sustainable in the long run.		142,000	unknown	Maintain integrity of county buildings resulting in reduced maintenance costs.
1100	162	Facilities	8	On-Call Mechanic for off hours Monday-Friday. Equipment failures, leaks, broken windows and doors, electrical outages and other emergencies occur at all hours of the day and night currently there is no staff on-call to respond to these issues.		25,000	unknown	Saving from not needing to utilize outside vendor for off hours emergency repairs at 24 hour facilities.
3530	281	Airport Enterprise Fund	9	Restore services at the airport by funding for 2.0 FTE Airport Service Workers and 1.0 FTE Grounds Keeper that are currently being held unfunded		250,000	unknown	
1100	199	Contribution to Aviation	10	Aircraft rescue fire fighting services required trainings	40,700		unknown	
1100	170	Capital Projects	11	Replacement of the heating, ventilation and air conditioning system at the Regional Facility. Age and corrosion are impacting the reliability of the equipment and resulting in failures of the equipment.	67,500		unknown	Savings from increased energy efficiency.
1100	162	Facilities	12	Set aside funds to use for hazardous materials survey work and clean-up when materials are encountered during routine facility maintenance activities. This would be a proactive approach that would allow for elimination of hazardous materials now rather than in the future when the cost for clean up are more expensive.	100,000		unknown	Long-term savings by doing abatement now versus latter when costs will have increased.
1100	162	Facilities	13	Courthouse building management system (BMS) upgrade to include floors 3, 4 & 5. Currently mechanical controls for these floors are monitored and adjusted manually. This request would automate the equipment and tie into the existing upgraded BMS.	65,000		unknown	Long-term savings in energy use, record keeping and equipment efficiency.
1100	170	Capital Projects	14	Update the 2008 Facilities Master Plan for the County and examine opportunities to take strategic action on various recommendations. The existing Plan is somewhat outdated, with changes in leased and owned facilities having happened since the report was released.	200,000		unknown	Long term savings from making decisions regarding facilities in a strategic manner.
Total for Public Works					\$2,038,523		\$0	
1100	219	Public Defender	1	This request would provide funding for the cost of a Deputy Public Defender IV position to allow the Public Defender's Office to maintain its current staffing level.		161,047	unknown	
1100	219	Public Defender	2	This request would provide funding for three additional positions in the Public Defender's Office. Positions requested include: 1.0 FTE Deputy Public Defender IV, 1.0 FTE Investigator, and 1.0 FTE Social Worker IV. Measure Z funding has increased staffing in the Sheriff, Probation and DA offices there has been no corresponding increase in the Public Defenders office.		218,301	unknown	If there is not adequate staffing cases will be appointed to private counsel at the County's expense
1100	246	Conflict Counsel	1	This request would provide funding for three additional positions in the Conflict Counsel Office. Positions requested include: 1.0 FTE Deputy Public Defender IV, 1.0 FTE Investigator, and 1.0 FTE Legal Office Assistant. Measure Z funding has increased staffing in the Sheriff and DA offices there has been no corresponding increase in the Public Defenders office.		345,455		If there is not adequate staffing cases will be appointed to private counsel at the County's expense
1100	253	Alternate Counsel	1	This request would provide funding for an extra-help 0.5 Legal Office Assistant. This request is to maintain current service levels.		25,750		
1100	253	Alternate Counsel	2	This request provide funding for three additional positions in the Alternate Counsel Office. Positions requested include: 1.0 FTE Supervising Attorney, 1.0 FTE Investigator and 1.0 Legal Office Assistant I/II. These positions are needed to keep up with current case load levels. If this request is not funded the office would most likely need to close. Measure Z funding has increased staffing in the Sheriff and DA offices there has been no corresponding increase in the Public Defenders office.		310,832	unknown	If there is not adequate staffing cases will be appointed to private counsel at the County's expense
Total for Public Defender					\$1,061,385		\$0	

Attachment 2

**Master List of Departmental Additional General Fund Appropriation Requests
for FY 2016-17**

Fund	Budget #	Department	Priority	Description	ONE TIME Net County Cost Requested	ON GOING Net County Cost Requested	ONGOING SAVINGS/Year	Detail
1100	235	Probation	1	This request would provide funding for a currently frozen position of Assist Chief Probation Officer to allow for better succession planning with the impending retirement of the Chief Probation Officer		124,335	unknown	
1100	235	Probation	2	LEAD Training	5,000		unknown	
Total for Probation					\$129,335		\$0	
1100	490	Inmate Medical		Inmate Medical Services are required to be provided by Section 1200, Title 15, of the California Administrative Code. Medical service are provided via contract with a private firm. To limit litigation additional staff are required to assess the medical needs of detainees during the booking process.		350,000		Reduced litigation by assessing the medical needs of detainees during the booking process.
Total for Inmate Medical					\$350,000		\$0	
COUNTYWIDE TOTALS:					\$4,112,512	\$1,790,360	\$2,322,152	\$0

Attachment 3

FY 2016-17 Measure Z Requests

Agency and Project	Agency Requested	First List Citizens' Advisory Committee	Second List Citizens' Advisory Committee	Funding at 90%
Affordable Homeless Housing Alternatives, Inc.				
Sanctuary Camp - to develop and supervise a safe, legal, transitional sanctuary camp. This will provide a place for people to reside while permanent housing is being developed.	55,548	-		-
Tiny House Village - to establish and operate a safe, legal, transitional tiny house village.	63,933	-		-
Safe Parking Program - to develop and supervise a safe, legal, transitional safe parking program for one year.	55,880	-		-
Alcohol Drug Care Services, Inc.				
Treatment Facility - to purchase and remodel a vacant skilled nursing facility. This will allow all of the current treatment services to be in one location, expand current treatment capacity, provide new program curriculum and make more efficient use of staff.	575,000	-		-
Area 1 Agency on Aging				
Elder Ombudsman - to advocate for residents in long-term care settings and investigate allegations of elder abuse and neglect.	10,452	10,452		9,407
City Ambulance of Eureka, Inc.				
To provide every emergency response vehicle in the County with a comprehensive map book created by a professional mapping service.	9,370	-		-
City of Arcata Police Department/Sheriff				
Two student resource officers and two juvenile probation diversion positions to directly serve K-12th students and families in the north county. Will work collaboratively with the schools to reduce truancy and to keep juveniles out of the juvenile justice system.	428,937	428,937		386,043
City of Blue Lake				
One half time deputy sheriff.	77,250	-	77,250	-
Public Safety Education - for the design, printing and mailing of a public safety educational brochure to City residents and businesses.	1,560	-		-
City of Eureka Police Department				
Two police officers, equipment and homeless support services to work with the county's Mobile Intervention Support Team (MIST) to reduce homelessness.	459,140	459,140		413,226
City of Ferndale Police Department				
Dispatch services for the police department.	20,200	-		-
Public safety radio repeater upgrade for linking the Ferndale, Fortuna and Rio Dell police departments. Patrol vehicle repeaters for the police patrol vehicles.	35,308	-	35,308	-
City of Fortuna Police Department				

Attachment 3

FY 2016-17 Measure Z Requests

Agency and Project	Agency Requested	First List Citizens' Advisory Committee	Second List Citizens' Advisory Committee	Funding at 90%
Maintaining the current Measure Z funding for a police officer assigned to the Drug Task Force. Purchase of 27 hand held digital radios to replace worn out, aging radios currently in use.	180,665	180,665		162,599
City of Rio Dell Police Department				
One full time community services officer to support the mission of the City's law enforcement officers. Primary responsibilities would be code enforcement and animal control.	73,325	-		-
Continued funding for part time clerical position in the City's police department to support law enforcement, nuisance abatement and code enforcement.	33,649	-	33,649	-
City of Trinidad				
One full time deputy sheriff position to provide a dedicated peace officer in the Trinidad area seven days a week.	150,634	75,317	75,317	67,785
College of the Redwoods				
School resource officer protection services, staff to answer public safety department emergency phone line, public safety staff for the Garberville campus, maintain public safety department services, active shooter training and safety workshops, upgrade roads, curbs, parking lots and purchase and install additional emergency call box phones.	793,800	-		-
County Auditor-Controller				
Sr Fiscal Assistant— to assist with the increased workload as a result of Measure Z monies flowing into the county due to additional accounting and reporting duties.	49,940	-		-
County Administrative Office				
To pay-down the California Public Employees Retirement System (CalPERS) accrued unfunded liability.	1,000,000	-		-
Information Technology for enhanced technology and communications equipment and software to support county public safety	157,000	-		-
Relocate county services to allow for the creation of two new courtrooms in the existing county courthouse.	50,000	-		-
For critical emergency response services in areas that are outside of existing fire service district boundaries, such as along the Highway 299 corridor.	252,855	-		-
County Counsel				
A one time allocation of funding for code enforcement abatements on parcels where the owner is either unwilling or unable to clear the violation themselves.	40,000	-		-
District Attorney				
Vehicle and mileage cost for Measure Z investigator position.	26,588	26,588		23,929
Fire Chief's Association				

Attachment 3

FY 2016-17 Measure Z Requests

Agency and Project	Agency Requested	First List Citizens' Advisory Committee	Second List Citizens' Advisory Committee	Funding at 90%
Equipment such as used fire engines, metal building kits, personal protective equipment and fire hose. Dispatch services and efforts to improve sustainability and equity in how emergency services are supported in the County.	2,231,397	2,231,397		2,008,257
Fortuna Union High School				
One full time campus supervisor for the main Fortuna High School campus to investigate crimes, protect victims and provide a safer environment.	51,570	-		-
Humboldt Area Center for Harm Reduction				
Peer outreach program to promote improved public health and safety through the exchange, collection and disposal of used syringes, overdose medication, education, support and peer to peer communication with substance users.	20,000	-		-
Humboldt Animal Rescue Team				
Expand services to care for and find homes for more animals.	10,000	-		-
Humboldt Spay/Neuter Network				
Funding to offer free rabies vaccines and free spay of female pit bulls.	19,500	-		-
Humboldt Waste Management Authority				
The expansion and augmentation to cover the costs associated with clean up by waiving disposal fees for illegal dumped solid waste.	40,000	40,000		36,000
K'IMA:W Medical Center				
The continuation of ambulance service in the Willow Creek Service area.	324,408	324,408		291,967
Equipment for the ambulances such as life monitors and defibrators.	109,238	-		-
Public Defender				
Increase staffing levels in the Public Defender offices to correspond to staffing increases from Measure Z in the Sheriff, District Attorney and Probation departments.	629,722	-		-
Public Defender and Conflict offices. Increase part-time investigator to full time.	43,346	43,346		39,011
Public Works				
Provide funding for chip sealing and slurry sealing county roads to prevent pavement failures and insure safer driving surfaces.	2,500,000	1,500,000	1,000,000	1,350,000
Identification and removal of non-hazardous and hazardous waste dumped on County property.	50,000	10,000		9,000
Train additional staff for mandated Aircraft Rescue and Fire Fighting services required for commercial service at ACV.	7,000	-		-
Provide funding for the portion of FAA mandated Aircraft Rescue and Fire Fighting services required for commercial service at ACV that is not covered by TSA.	140,000	-		-

Attachment 3

FY 2016-17 Measure Z Requests

Agency and Project	Agency Requested	First List Citizens' Advisory Committee	Second List Citizens' Advisory Committee	Funding at 90%
Improvements to the Arcata Veterans Hall, including kitchen hood and fire suppression equipment, electrical upgrades, exterior painting and accessibility improvements.	300,000	-		-
Radar speed feedback signs and pedestrian countdown signals.	130,000	-		-
Redwood Acres				
Emergency Facility Use Plan for evaluation of the potential use of the fairgrounds during and after a regional emergency.	25,000	-		-
Sheriff				
Four deputy sheriffs, one correctional lieutenant, one community services officer, one animal control officer and funding for overtime. Purchase a four 4-WD patrol vehicles and one rescue/recovery vehicle.	1,261,316	1,261,316		1,135,184
Yurok Tribe Department of Public Safety				
Support for upriver volunteer fire department including equipment, training, staff and environmental clean-up.	215,000	-		-
TOTAL	12,708,531	6,591,566	1,221,524	5,932,409

ATTACHMENT 4

RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget	Acct #	Budget Name	Account Name	Adjustment	
Supplemental Budget Revenue						
1100	103	706131	County Administrative Office	Transfer from Deferred Maintenance	\$ 5,000	Add office wall
1100	225	525094	Airport Security	Airport Security	\$ 107,596	Adjust for 3rd Qtr estimates
1100	713	706131	Parks	Transfer from Deferred Maintenance	\$ 23,000	Water system repairs
1100	888	107050	General Purpose Revenue	Measure Z Sales Tax	\$ 389,982	Adjust for 3rd Qtr estimates
Total General Fund					\$ 525,578	
3530	381	705501	Humboldt County Airport	Transfer from Capital Projects Trust	\$ 60,000	Restaurant improvements
Total Aviation					\$ 60,000	
Expenditures						
1100	103	8998	County Administrative Office	Building Modification	\$ 5,000	Add office wall
1100	197	2117	Contribution Measure Z	Office Supplies	\$ 7,290	Adjust for 3rd Qtr estimates
1100	225	1400	Airport Security	Extra Help	\$ 107,596	Adjust for 3rd Qtr estimates
1100	295	1100	District Attorney Measure Z	Salaries and Wages	\$ 90,000	Adjust for 3rd Qtr estimates
1100	297	1100	Sheriff Measure Z	Salaries and Wages	\$ 25,769	Adjust for 3rd Qtr estimates
1100	297	1400	Sheriff Measure Z	Extra Help	\$ 16,906	Adjust for 3rd Qtr estimates
1100	297	1460	Sheriff Measure Z	Overtime	\$ 75,878	Adjust for 3rd Qtr estimates
1100	297	1470	Sheriff Measure Z	Health Insurance	\$ 45,327	Adjust for 3rd Qtr estimates
1100	297	1472	Sheriff Measure Z	Dental Insurance	\$ 10,647	Adjust for 3rd Qtr estimates
1100	297	1500	Sheriff Measure Z	Retirement	\$ 105,876	Adjust for 3rd Qtr estimates
1100	297	1600	Sheriff Measure Z	FICA	\$ 12,289	Adjust for 3rd Qtr estimates
1100	713	8186	Parks	Improvements	\$ 23,000	Water system repairs
Total General Fund					\$ 525,578	
3530	381	8186	Humboldt County Airport	Improvements	\$ 60,000	Restaurant improvements
Total Aviation					\$ 60,000	

ATTACHMENT 4 (continued)

RECOMMENDED BUDGET ADJUSTMENTS

Transfer to Account				Transfer from Account			
\$	8,225	1100103-8998	Building Modification	\$	8,225	1100103-2118	Professional Services
\$	85,342	1100297-1100	Salaries	\$	85,342	1100296-1100	Salaries
\$	16,000	1100297-1100	Salaries	\$	16,000	1100296-1400	Extra-help
\$	30,800	1100297-1100	Salaries	\$	30,800	1100296-1470	Health Insurance
\$	26,000	1100297-1100	Salaries	\$	26,000	1100296-1500	Retirement
\$	30,500	1100297-1100	Salaries	\$	30,500	1100296-2125	Transportation
\$	20,900	1100297-1100	Salaries	\$	20,900	1100297-2225	Transportation Out of Co.
\$	6,616	1100297-1100	Salaries	\$	6,616	1100297-9138	Cost Applied
\$	7,850	1100297-1100	Salaries	\$	7,850	1100297-8773	Vehicle
\$	15,383	1100297-1100	Salaries	\$	15,383	1100299-1100	Salaries
\$	4,000	1100297-1100	Salaries	\$	4,000	1100299-1470	Health Insurance
\$	500	1100297-1100	Salaries	\$	500	1100299-3137	A-87 OH Charges
\$	167,560	1100297-1100	Salaries	\$	167,560	1100990-2010	Contingencies
\$	411,451			\$	411,451		

Adjust Measure Z expenditures for FY 2015-16 based on 3rd Qtr estimates