



## COUNTY OF HUMBOLDT

AGENDA ITEM NO.

H-1

For the meeting of: November 15, 2016

Date: November 4, 2016  
To: Board of Supervisors  
From: Amy S. Nilsen, County Administrative Officer *AN*  
Subject: First Quarter Fiscal Year 2016-17 Budget Update

### RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive a review of the Fiscal Year (FY) 2015-16 ending balances, first quarter budget results for FY 2016-17, and an initial projection of the county's budget condition for FY 2017-18;
2. Review the estimated unallocated Measure Z revenues along with the recommendations for the Measure Z Citizens' Advisory Committee shown on Attachment 1 and provide direction on whether to allocate the remaining funding;
3. Approve the list of budget adjustments shown on Attachment 2 (4/5 vote required), and authorize County Administrative Office (CAO) staff to make any technical corrections necessary to effectuate the Board's direction;
4. Approve the allocation of one full-time equivalent (1.0 FTE) Deputy Sheriff I/II (job class 0416, salary range 393/408) position in budget unit 221-Sheriff, effective immediately upon Board approval as shown on Attachment 3;

Prepared by Elishia Hayes, Senior Administrative Analyst

CAO Approval *Cheryl D. Higgins*

#### REVIEW:

Auditor *MBH*

County Counsel \_\_\_\_\_

Human Resources *DF*

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 \_\_\_\_\_

Aye:  
Nays  
Abstain  
Absent

**SEE ACTION SUMMARY**

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

5. Authorize the Auditor-Controller to change the name of trust fund 3697 from Current Planning Unspent Reserve to Cannabis Planning and authorize the existing balance in the fund to be used to support current cannabis planning related activities; and
6. Provide additional direction to staff as appropriate.

SOURCE OF FUNDING: All County Funds

DISCUSSION:

The CAO provides quarterly budget reports to keep the Board and the public informed on the status of the county's finances and outside factors that may influence that status going forward.

**Review of Year-End Fund Balances for FY 2015-16**

**1100 – General Fund**

The fund containing the majority of county programs is known as the General Fund. This fund is the source of discretionary money derived from local revenue sources such as property tax and available to be spent on local needs.

For the General Fund, at the end of FY 2015-16 revenues received were \$102.8 million which was eight percent below budget or \$9.4 million. Actual expenditures were \$99.9 million which was 13 percent below budget or \$15.4 million. General Fund revenues exceeded expenses by \$2.9 million in FY 2015-16. The variances between FY 2015-16 adopted and actual budget are largely the result of unrealized revenues and reduced expenditures for Natural Resources, Capital Projects and Measure Z. As FY 2015-16 was the first full year of Measure Z implementation, staffing allocations came in well under budget due to the delay in recruiting and hiring qualified personnel.

At the time of the FY 2016-17 Proposed Budget report the year-end fund balance was projected to be \$6.7 million. This did not include \$1.5 million of unspent Measure Z funding as these funds are subject to additional oversight through the Citizens' Advisory Committee and are therefore only able to be allocated to specific purposes. Including unspent Measure Z funds, the year-end fund balance in FY 2015-16 was projected to be \$8.2 million. The FY 2015-16 fund balance was actually \$3 million higher and the General Fund ended last fiscal year with a balance of \$11.2 million. The ending balance for the General Fund is 10 percent of the FY 2016-17 General Fund revenues which exceeds the target set in the Contingency policy of six percent.

This positive financial news is largely the result of an additional \$753,058 in discretionary revenue due to the completion of the triple flip unwind. In 2004 the state issued deficit financing bonds. In order to hold local governments harmless, the state initiated a complex series of revenue exchanges, known as a "triple flip", with the unwind being the final payment that was issued in FY 2015-16. This will be one-time money that should not be anticipated again. In addition to this, \$1.24 million in contingencies reserves went unspent. A large portion of this was allocated to safeguard against any unanticipated shortfalls caused by salary increases given in FY 2015-16. Due to salary savings these reserves were not needed. The final \$1 million is due to departmental savings such as General Relief that dispersed

\$328,793 less than budgeted in assistance payments and combined salary and benefit savings of \$671,200 from the Probation-Regional Facility, Humboldt County Correctional Facility and County Counsel. These factors helped contribute to the higher than estimated fund balance. This positive financial performance can be attributed to conservative revenue estimates and efforts by departments to contain spending.

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

The Department of Health and Human Services (DHHS) administers six budgeted funds. All of the DHHS funds combined had actual expenditures of \$143.9 million and actual revenues of \$143.7 million. This resulted in an overall ending departmental fund balance of \$14 million, a decrease of \$227,274 from the previous fiscal year. While there is a decrease, it is less than anticipated due to the ability to capture long term receivables during FY 2015-16 that were unexpected. Of historical concern has been the Mental Health (MH) fund. The MH fund ended FY 2015-16 with a negative fund balance of (\$3,430,340), this is an improvement over the previous year by \$65,855. Currently, DHHS has completed cost settlements through FY 2010-11 and it is the extraordinarily long time in which it takes to cost settle MH expenditures that creates the structural fund balance deficit observed year-after-year. MH would have a positive fund balance if cost settlements were timely and current to as recent as FY 2014-15. Long-term receivables between FY 2011-12 and 2014-15 total \$3,946,744, which would leave DHHS – MH with a positive fund balance of \$516,404. DHHS-MH's long term receivables, in total, dating back to FY 2011-12 sum \$7,190,596. While this is positive news, the overall fund balance is still concerning and something to monitor closely. Another possible solution being considered by the DHHS Director is to transfer funds from Social Services. The Social Service fund currently has a balance of \$9.1 million. At this point in time, pursuing the long term receivables is the preferred recourse. Overall, the ending fund balances for DHHS is eight percent of the FY 2016-17 budgeted revenues which exceeds the Contingency policy of six percent.

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

The Economic Development fund (EDF) ended FY 2015-16 with a negative fund balance of (\$181,163). This negative fund balance has existed since before the EDF became part of the County Administrative Office and most likely will need to be covered by the Economic Set-Aside trust fund. The Economic Set-Aside trust fund currently has a balance of \$346,436.

### **1200 – Roads Fund**

The Roads fund ended last fiscal year with a fund balance of \$4.4 million, a decrease of \$2 million from the previous year. It was anticipated that \$3 million in fund balance would be utilized during FY 2015-16, however, due to unanticipated gas and property tax revenue of \$672,000 and lower expenditures the use of fund balance was reduced by \$1 million. The majority of the fund balance is reserved for construction projects and not available for routine maintenance. The ending fund balance for Roads is 22 percent of the FY 2016-17 budgeted revenues which exceeds the Contingency policy of six percent.

### **1500 – Library Fund**

The Library ended FY 2015-16 with a fund balance of \$339,920, a decrease of \$226,467 from June 30, 2015. This is better than anticipated in the FY 2015-16 budget which had expenditures exceeding revenues by \$425,679. The \$226,467 decrease in fund balance is due to one-time expenses made to improve the library's technology infrastructure. It should be noted that a portion of the Library's fund balance needs to be reserved to cover accrued leave balances. The Library's adopted budget for FY 2016-17 projects expenses to exceed revenues by \$249,538, which would result in ending fund balance

of only \$90,000. The Library continues to work on ways to bring operating costs in line with available financing. This is of concern and should be monitored closely.

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

The Aviation Enterprise fund ended FY 2015-16 with a negative fund balance of (\$545,243), which represents an improvement in the fund balance of \$128,884. The budget submitted and adopted for FY 2015-16 estimated that expenditures would exceed revenues by \$500,000, resulting in the need for a loan and leaving a fund balance of (\$1,174,127). Due to increased fuel sales, terminal and landing fee income and security reimbursement the fund balance ended up better than estimated.

The Aviation budget for FY 2016-17 includes a structural gap of \$246,500 which is being covered with a one-time internal loan from Motor Pool. Last fiscal year was the first time Aviation operating costs did not exceed income since FY 2008-09. The Aviation fund balance went from positive \$280,752 in FY 2008-09 to negative (\$674,128) at the end of FY 2014-15. The improvement of the fund balance in FY 2015-16 is a positive indicator however much of this is from one-time sources and not ongoing funding sources. The current negative balance combined with the budgeted loan would result in an estimated negative fund balance of (\$791,743) in the Aviation Enterprise fund at the end of 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 needs to continue to increase revenues and/or reduce expenditures to eliminate the structural deficit. A long term plan for financial sustainability needs to be developed. If this is not accomplished over the next year the deficit could continue to increase and repayment of the loan would become challenging. This liability could have the potential to become the responsibility of the General Fund. Finding a consultant to assist Aviation with developing a plan for financial sustainability could be a possible way to address this issue.

### **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; Communications; Purchasing; and Information Technology. These funds ended FY 2015-16 with a combined fund balance of \$19.75 million which was an increase of \$1.65 million from the previous year. The increase was primarily due to the following: \$512,236 increase in the Motor Pool Fund; an increase in the Dental Fund’s balance of \$297,576; an increase of \$569,570 in the Unemployment Insurance Fund; an increase in the Communications Fund of \$134,106; and the Information Technology Fund increased by \$129,788.

The Liability fund had a negative fund balance of (\$640,744) at the end of FY 2014-15. The fund balance at the end of FY 2015-16 is (\$128,873). The Liability Fund improved its negative fund balance by \$511,871. This was primarily accomplished through a General Fund contribution of \$352,587 and other increased revenues in FY 2015-16.

In addition, it should be noted the Medical fund had a negative fund balance of (\$632,089) at the end of FY 2014-15. The fund balance at the end of 2015-16 is (\$691,986), a move further into the negative by (\$59,897). This is an indication that the charges to departments were not sufficient to cover actual insurance costs.

## **Review of First Quarter Budget Results**

The county's FY 2016-17 budget was adopted on June 28, 2016. The county continues to budget for mild revenue growth in the General Fund and no significant revenue deviations from the budget were projected as of September 30, 2016.

### **County Budget**

The FY 2016-17 budget was developed with an estimated eight percent increase in health insurance rates. Health insurance rates from California Public Employees Retirement System (CalPERS) have now been finalized for calendar year 2017, there was no significant change in the rates from 2016 to 2017 for the lowest cost plan. The county's contribution rate is based on the lowest cost plan. In the case of miscellaneous employees, the lowest cost plan is PERS Select.

Multiple retirements are expected to take place in FY 2016-17 for long-term employees of General Fund departments. Some of the payouts for unused vacation time and other accrued benefits for those retirements can be absorbed by salary savings. However, there are a handful of budget units that may not be able to absorb accrued leave payouts, meaning the General Fund will likely need to be used.

A review of the Hinderliter, deLlamas & Associates (HdL) comparison of sales tax allocations for the first quarter of 2015 and the first quarter of 2016 shows a six percent increase in point-of-sale tax revenue for Humboldt County. This is good news, staff will continue to monitor and provide a further update in the mid-year budget report.

### **Public Works**

Public Works reports that there have been some significant unanticipated facility issues in the current fiscal year. There was a fuel leak from an unknown underground tank into the Fortuna Veterans Hall. This required immediate clean-up and will need longer term remediation and tank removal. The courthouse has a leaking roof that has required repair work and there have been mandated improvements to the fire suppression system. At this time it is not known if additional funding will need to be allocated. Staff will monitor the situation and provide an update in the mid-year budget report. In addition, an extensive mold issue at the Garberville Veterans building has required an immediate evacuation to be implemented. Preliminary estimates of the cost are over \$2 million. An agenda item will be coming to the Board in the following week requesting direction on how to proceed.

Notification was received on September 30, 2016 from the Housing, Land Use & Transportation of the California State Association of Counties indicating that the September Highway User Tax Account (HUTA) apportionment shows a monthly allocation of zero dollars for local streets and roads. This zero apportionment is due to low gas tax revenues that were only sufficient to reimburse a portion of the weight fee revenues being transferred to the State Highway Account. This did not allow for any remaining net revenues to be apportioned to HUTA. It is anticipated that there may be two months of zero apportionment. Approximately \$50,000 has been budgeted as revenue to be received each month, as such a shortfall of just over \$100,000 is anticipated. This is unfavorable news as the Roads fund continues to struggle to gain financial stability.

### **Inmate Medical**

Local detention facilities are mandated to provide for emergency and basic medical services to all inmates and minors held in county correctional and detention facilities. Since 2002, the county has provided these services through a professional services agreement with California Forensic Medical

Group (CFMG). The county has seen significant changes in the jail population with the implementation of Criminal Justice Realignment (AB 109) in 2011. Under realignment, newly-convicted, low-level offenders without current or prior serious or violent offenses serve time in county jail, rather than a state facility. Services provided by CFMG ensure that adequate care is provided to this increasing inmate population. Through collaborative efforts, systems have been developed to address medical and mental health needs of the inmates and minors, as well as ensuring treatment plans and medically required medications are available post release. In addition, because AB 109 has increased the length of time an inmate is in custody, it has necessitated the evaluation of how health care is delivered to the inmate population.

In 2016 the decision was made to increase the staffing levels and services provided by CFMG to ensure the county remains able to provide adequate healthcare services in the correctional and detention facilities. As such, staffing will increase by 4.2 contracted registered nurses and a contract with CFMG has been renegotiated. Such staffing increases will ensure 24-7 care for the inmate populations. In FY 2016-17 \$3,571,043 was budgeted for the costs associated with the CFMG contract. This represents an increased cost of \$652,865. A request was made of the Community Corrections Partnership (CCP) Executive Community to assist with this additional cost as the need is a direct result of AB 109. The committee agreed to support the ongoing cost of \$652,865. Due to the delay in contract negotiations, salary savings will be realized, saving the county an estimated \$272,027 over the budgeted allocation in FY 2016-17. This cost savings will reduce the allocation needed from the CCP.

### Measure Z

As of October 17, 2016, the county has now received \$1.53 million for the months of July through September in sales tax receipts as a result of Measure Z, the half-cent sales tax approved by voters in November of 2014. This is \$63,599 higher than this same time last year and indicates revenues are on track to meet the budgeted amount of \$10.4 million. In addition \$2.2 million is being carried forward from FY 2015-16.

#### Measure Z

<b>FY 2016-17 Adopted Revenue</b>	<b>10,427,200</b>
<b>FY 2016-17 Adopted Expenditures</b>	<b>(12,277,718)</b>
	<b>Net Costs (1,850,518)</b>
<b>Unspent Measure Z Funds for FY 2015-16</b>	<b>2,221,810</b>
<b>Carry forward from FY 2014-15</b>	<b>564,228</b>
	<b>2,786,038</b>
<b>Unallocated Measure Z Fund Balance</b>	<b>935,520</b>

\$12.2 million in expenditures has been allocated in FY 2016-17. This leaves an estimated \$371,292 in unspent Measure Z revenues. In addition, there is \$564,228 in revenues to carry forward from the initial funding received in FY 2014-15. Therefore there is \$935,520 in Measure Z funding available for allocation. As Measure Z proceeds forward, it should not be expected to continue to have a carry forward balance as large as that experienced this FY. Delays in hiring will be minimized as staffing nears capacity and unrealized projects should rarely be experienced.

The Citizens' Advisory Committee on Measure Z Expenditures submitted a list of projects recommended for funding, broken down by primary and secondary recommendations (Attachment 1). Following is an itemized list of the Citizens' Advisory Committee recommendations for primary expenditures that were reduced and secondary expenditures that were not funded:

- A. \$392,855 of the Humboldt County Fire Chief's Association application was reduced in the adopted budget. This funding request is for equipment such as fire engines, metal building kits and protective equipment, as well as dispatch services and efforts to improve sustainability. This funding request is on the primary list of recommendations.
- B. \$100,000 of the City of Arcata Police Department application was reduced in the adopted budget as one Senior Resource Officer position was eliminated from the funding allocation. This funding is on the primary list of recommendations.
- C. \$1,000,000 of Public Works application was reduced by the committee. This funding is 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.
- D. \$17,654 of the City of Ferndale Police Department application was not initially recommended by the committee, however your Board opted to fund half of this request in the adopted budget, leaving \$17,654 unfunded. This request is of higher priority on the list of secondary recommendations and is for public safety radio repeater upgrades to link Ferndale, Fortuna and Rio Dell Police Departments.
- E. \$73,325 for the City of Rio Dell Police Department application for one full-time community services officer. This full request remains unfunded and is of higher priority on the secondary list of recommendations.
- F. \$157,000 for the County Administrative Office application to enhance technology and communications equipment, as well as software to support county public safety. This full request remains unfunded and is on the secondary list of recommendations, with no priority specified.
- G. \$215,000 for the Yurok Tribe Department of Public Safety for support of the upriver volunteer fire department including equipment, training, staff and environmental clean-up. This funding is on the secondary list of recommendations with no priority specified.

It is recommended that your Board review the recommendations from the Measure Z Citizens' Advisory Committee (Attachment 1) and provide direction on whether to allocate the remaining funding.

Furthermore, while the outcome remains unknown at this time, it appears that the Measure Z Memorandum of Understanding with the City of Blue Lake and the City of Trinidad to contract with the Sheriff's Office to hire deputies will be difficult to fulfill in FY 2016-17. The Sheriff has struggled to find qualified personnel to fill current vacancies and the training time involved in filling positions can also be extensive, limiting the opportunities to provide additional deputies to the cities. It is anticipated that one, or both, of the cities may submit a request to expend the approved Measure Z funding in another manner that is consistent with the spirit of Measure Z to improve public safety. This will come before the Board at a later date when the details have been finalized.

### **One-time Expenditures**

Based on actual discretionary tax revenue received in FY 2015-16, the CAO's estimates for FY 2016-17 appear to be on target. The FY 2016-17 budget was adopted using fund balance of \$4.9 million. Of this amount \$3.9 million is for one-time expenses and \$1 million is for ongoing costs.

Based on an ending General Fund balance of \$11.2 million, including Measure Z carry forward, there is \$3 million more than anticipated. The CAO believes there are funds available for one-time expenditures and investments at first quarter. As noted in the 2016-17 Governor's Budget Summary, it is anticipated a recession will occur sooner rather than later and further states that it would be a historical anomaly for there not to be a recession before 2020. With the potential of another recession looming, financial

responsibility in the light of excess revenue remains imperative. Due to a higher-than-estimated General Fund balance, the CAO recommends using \$2 million of the General Fund's balance for the following one-time expenses:

- \$500,000 Contributions to Other (1100-199) – A \$500,000 contribution to the Public Agency Retirement Services (PARS) Post-Employment Benefits Trust Program which is administered by PARS and U.S. Bank. This trust was approved by your Board on September 15, 2015 and will reduce the county's unfunded pension liability over a number years. The CAO will pursue ways to charge departments in the next fiscal year for an annual PARS contribution. This supplemental budget supports the Board's strategic framework, priorities for new initiatives, by providing core services in ways that safeguard the public trust through managing resources to ensure sustainability of services.
- \$750,000 Contributions to Other (1100-199) – A \$750,000 contribution to Americans with Disabilities Act (ADA) trust fund (4491) for ADA projects. This is the same contribution rate as FY 2015-16. This supplemental budget supports the Board's strategic framework by providing for and maintaining infrastructure.
- \$350,000 Contingency Reserve (1100-990) – Transferring \$350,000 to contingencies in order to appropriate these funds to the General Reserve in FY 2017-18. This will begin to bring the county more in-line with the General Reserve policy level of between eight and 10 percent of total funds. This supplemental budget supports the Board's Strategic Framework, Five Key Goals by rebuilding Reserve and Contingency accounts.
- \$414,000 Contributions to Other (1100-199) – A \$414,000 contribution to the Deferred Maintenance trust fund (3562) for facility improvement projects. This amount represents \$164,000 in unspent funds from the Facilities budget in FY 2015-16 and \$250,000 in fund balance. These funds are needed to address multiple large facility projects. This supplemental budget supports the Board's strategic framework by providing for and maintaining infrastructure.

#### **FY 2016-17 Year-End Fund Balance**

FY 2015-16 year-end fund balance is \$11.2 million, which includes Measure Z funding that has been rolled forward. Revenues are budgeted to be \$118.1 million, including additional revenues discussed on pg. 11 in the Recommendations section. With expenses of \$122.9 million, \$4.8 million of fund balance will be used.

As discussed above, staff recommends an allocation of \$2 million to fund a contribution to

#### **1100 - General Fund**

<b>FY 2015-16 Year-End Fund Balance</b>	<b>11,224,480</b>
<b>FY 2016-17 Adopted Revenue</b>	<b>118,017,810</b>
PILT	50,000
Sales Tax	33,000
<b>FY 2016-17 Adopted Expenditures</b>	<b>(122,932,981)</b>
<b>Net Costs</b>	<b>(4,832,171)</b>
<b>Estimated FY 2016-17 Year-End Fund Balance without recommendations</b>	<b>6,392,309</b>
Recommended contribution to Contingencies, ADA trust, PARS and Deferred Maintenance	(2,014,000)
Recommended Measure Z allocations	(935,520)
Recommended budget adjustments	(395,411)
<b>Estimated FY 2016-17 Year-End Fund Balance with recommendations</b>	<b>3,047,378</b>

PARS, the ADA trust, Deferred Maintenance trust and contingencies, and asks your Board to review the unspent Measure Z funding. In addition, staff recommends that your Board approve additional budget adjustments of \$395,411, as discussed on page 11 under the Recommendations section. If all of the recommendations in this report are approved and your Board chooses to allocate the remaining Measure Z funding, the FY 2016-17 year-end fund balance is estimated to be \$3 million.

### **Local Economy**

The Humboldt Economic Index is a report produced by the Economics Department at Humboldt State University. It measures changes in the local economy using data from local business and organizations. The report includes a Composite Index which is a weighted combination of six individual sectors of the local economy. The September 2016 report states the Composite Index is up 2.9 percent from this time last year. The Index of Home Sales has increased the most significantly with an increase of 2.6 from last month and 14.8 percent from one year ago. Retail sales and employment have risen slightly from one year ago while hospitality has fallen. The remainder of the indices have remained relatively the same. The median home price in Humboldt County increased from \$271,500 to \$295,000. The unemployment rate in the county remains at 5.5 percent, while California's unemployment rate has risen slightly to 5.5 percent. The national unemployment rate has remained at 4.9 for the third consecutive month.

Beacon Economics Summer 2016 report states California's economy is improving in a steady fashion and has continued to do so for the fifth consecutive year. Jobs continue to be created and unemployment lowered, with wages increasing modestly. Over the past year California has been the fastest growing state in the nation and the single largest source of new jobs. Nearly every major industry added jobs, with education taking the lead. With job and wage gains on the rise, it is expected to trigger local expenditures, indicating a potential for increased local government revenues due to increased sales tax revenue. Home sales continued to gain momentum in 2016, however they have not yet met their full potential. The median price has risen 5.3 percent, with a 3.5 percent increase in sales. While this signifies an excellent progression, first-time homebuyers are still faced with strict lending standards and find it difficult to gather a down payment. Furthermore, housing supplies continue to be less than stellar, causing rents to increase in areas where supply is limited.

A review of the HdL comparison of sales tax allocations for the first quarter of 2015 and the first quarter of 2016 shows a six percent increase in point-of-sale tax revenue for Humboldt County. This validates the Beacon Economics analysis that local revenues are anticipated to increase and provides a positive sign of an improved local economy.

### **Initial Budget Outlook for FY 2017-18**

The General Fund ended FY 2015-16 with an \$11.2 million fund balance. The adopted budget for FY 2016-17 required the use of fund balance in the amount of \$4.9 million to balance the General Fund's budget. The County Administrative Office will bring forward an updated financial forecast report in early 2017 that will help define the financial outlook for FY 2017-18. It is estimated that FY 2016-17 will have a year-end fund balance of \$3 million.

CalPERS, which administers public pension benefits for county employees, indicates that FY 2017-18 contribution rates will increase by 7.67 percent for miscellaneous employees (or from 24.487 percent of salary to 26.366 percent of salary) and 6.64 percent for safety employees (or from 33.181 percent of salary to 35.385 percent of salary). This represents an increase of approximately \$797,000 for the

General Fund. It should be noted that CalPERS is also projecting an increase in rates for FY 2018-19. Furthermore, CalPERS is requiring a fixed payment of \$16.8 million for the county's unfunded liability, rather than a percentage of payroll as previously done. This payment is more than anticipated in the Financial Forecast for FY 2017-18. In order to smooth out these increases in the future, the Board authorized participation in the PARS Post-Employment Benefits Trust Program. Again, this program will allow the county to begin to reduce its amount of unfunded pension liability. In this report there is a recommendation to contribute \$500,000 to the PARS Post-Employment Benefits Trust Program. In addition to the CalPERS costs, something to watch closely is health insurance costs. While the FY 2016-17 increase was minimal for the lowest cost plan, this is not anticipated to be a long-term trend and an increase should be anticipated in FY 2017-18.

Last November the State Controller's Office (SCO) released an audit of the Board of Equalization's (BOE) accounting and administrative controls that identified many alarming inconsistencies. It was found that the allocation of sales and use tax had been done so incorrectly, causing revenue to be deposited into the wrong accounts. The audit spanned two years, however it is believed that the issues identified extended farther than that. The misallocations directly affect the state General Fund, 1991 Realignment, 2011 Realignment and Proposition 172 revenues that are mandated for allocation to local public safety related activities. All involved agencies have agreed to mitigate the corrections in a manner that has the least negative impact on local agencies. In addition, BOE officials have explained that they intend to correct their internal processes before determining the amounts that were misallocated. At this point in time, there are huge unknowns as to how much was misallocated, if the county was allocated too much or too little revenue and when this information will be available. Until the BOE is certain their processes have been fully corrected and that there are no other allocation issues, they are not releasing any additional information. In the meantime, because the BOE is aware they have been calculating the Proposition 172 true-ups incorrectly, they have temporarily stopped providing those quarterly calculations to keep from exacerbating the issue. Revenues will likely fall, temporarily, by one to two percent as a result.

The county continues to work with the Department of Justice (DOJ) on the Americans with Disabilities Act (ADA) consent decree your Board signed in August 2016. The consent decree includes the requirement to clearly identify an ADA Coordinator and a request for proposal for the professional services of an independent licensed architect who is well versed in accessibility requirements of ADA. In recent years, due to improved financial conditions, the county established an ADA fund and has allocated \$1.2 million to the fund in preparation of ADA improvement projects. While the expenses related to this agreement are unknown at this time, it can be expected that they will be significant and long lasting, and therefore there is a recommendation to contribute \$750,000 to the ADA trust.

There is in excess of \$68 million in large active capital improvement projects that are in various stages of work, these are all ongoing, multi-year projects. The last available estimate for deferred maintenance projects throughout the county, not including the above referenced active capital improvement projects, is \$28 million. These deferred maintenance projects include, but are not limited to the following discussed items. There is deferred maintenance to the courthouse that is becoming an eminent threat. The roof is in need of repair and the transformers are in need of replacement. It is anticipated that this work will cost up to \$2.5 million and it cannot be put off for much longer. Additionally an underground fuel tank was discovered after it had leaked into the Fortuna Veteran's Hall. This situation will require cleanup and remediation, preliminary estimates put the cost at \$1 million. Staff will research alternative funding options for the tank removal and remediation. There are also water intrusion issues causing mold at the Garberville Veteran's Hall that have resulted in closing the facility. Preliminary estimates to

repair the facility are over \$2 million. Public Works will bring forward multiple agenda items in the weeks to come requesting direction from your Board on these facilities issues.

On August 9, 2016 your Board unanimously approved placing a local commercial marijuana cultivation measure on the November 8, 2016 ballot, which passed. Revenues generated from this would maintain essential services such as public safety, mental health services for children and families, drug prevention and rehabilitation services, and

environmental clean-up and restoration. While it will take a significant amount of time to reach full potential, it is estimated that this tax could generate upwards of \$7 million in revenue in future fiscal years.

#### **Public Works - Capital Improvement Projects**

Juvenile Hall Replacement	19,357,930
Corrections Resource Center	22,437,000
Eureka Veterans Seismic Repairs	5,980,810
Replace Public Defender Building	12,200,000
Ag Shop Building	1,263,000
Correctional Facility Suicide Prevention	216,731
Clark Complex Phone Cabling	41,388
DA 5th Floor Courthouse	950,000
Sempervirens Renovation/MH Elevator	375,798
Public Health Parking Lot	20,000
Airport Restaurant	250,000
Airport Rescue and Fire	5,300,000
<b>Total</b>	<b>\$ 68,392,657</b>

#### **Recommendations**

During the first quarter review CAO staff and departments identified budget and operational adjustments that are needed to reflect current conditions. These adjustments are described in the following recommendations.

#### **Approve Various Budget Adjustments**

During quarterly reviews, the CAO 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. These adjustments are related to increased expenditures that are offset by dedicated and one-time funding sources. The recommended budget adjustments requested are detailed in Attachment 2. These include:

- \$33,000 County Administrative Office (1100-103) –HdL reviews sales tax information and audits it to correct any “point of sale” distribution errors, thereby generating previously unrealized sales tax income for the county. In May 2015, HdL submitted an invoice for collecting additional revenue associated to Proposition 172 (Prop 172). The invoice totaled \$22,924, representing HdL’s 15 percent cost of collecting additional Prop 172 revenue totaling \$152,826. This invoice was disputed for a number of months, after a meeting with a representative from the company, it was agreed that the invoice would be paid. In August 2016, HdL submitted an invoice for collecting unreported or improperly paid taxes from a large local corporation in the amount of \$13,122. This is a cost to be paid as they were able to recoup \$84,974 in improperly reported taxes. As these two invoices more than double the normal allocation for the services provided by HdL, a budget adjustment is required. While an

unexpected expense, it is imperative to the proper collection of sales tax, a vital source of General Fund revenue. This adjustment of \$33,000 will cover the majority of the costs associated with these excess expenses and has been offset by additional sales tax revenues that have been realized in part by the efforts of HdL. This budget adjustment supports the Board's strategic framework by enforcing laws and regulations to protect residents.

- \$27,500 County Administrative Office (1100-103) – In FY 2015-16 your Board approved funding to contract with a consultant to work on the development of a ballot measure for an excise tax on medical cannabis. That contract extended into the current fiscal year and the funds allocated for this expense are included in fund balance and need to be carried over into the FY 2016-17 budget. This budget adjustment supports the Board's strategic framework by facilitating the establishment of local revenue sources to address local needs.
- \$10,000 Contribution to Other (1100-199) – An alternate rail route traveling from Humboldt Bay to the Sacramento Valley has the potential of having a positive contribution to the economic stability of the county. A one-time funding request of \$10,000 for the East-West rail feasibility study as a grant match would support the success of that project and would be offset by fund balance in the General Fund. This supplemental budget supports the Board's strategic framework by providing for and maintaining infrastructure.
- (\$126,122) CAST (1100-211) – Due to the loss of grant funding in FY 2016-17 the Child Abuse Service Team (CAST) budget needs to be adjusted; both revenues and expenditures are being reduced. The department was in a partnership with an outside agency that provided grant funding for a three year grant cycle, this cycle ended September 30 of this year. The recommended reductions will not eliminate any existing positions. It is anticipated that the District Attorney's budget can absorb the staffing costs for the remainder of the fiscal year. It is also anticipated that grant funding will be received in the next application cycle which occurs in February 2017. This budget adjustment supports the Board's strategic framework by managing resources to ensure sustainability of services.
- \$76,283 Sheriff (1100-221) - The City of Blue Lake and Trinidad submitted Measure Z requests that were approved by your Board through the adopted budget process. To ensure efficiency and transparency, funding of \$76,283 is requested to be allocated directly to the Sheriff who will then contract for services with the cities. The cities will reimburse the Sheriff for these services with money allocated from Measure Z. This request is half of the total allocation to the cities of Blue Lake and Trinidad as the Sheriff has indicated they will have difficulties in filling Deputy Sheriff I/II positions due to the lengthy timeframe to recruit and then train qualified deputies. It is anticipated that the cities will submit a request at a later date to utilize the remaining Measure Z funding allocations in an alternate manner to address their public safety needs in the meantime. This supplemental budget supports the Board's strategic framework by providing for improved safety and health.
- \$1,300 Agriculture Commissioner (1100-261) –The Agricultural Commissioner has requested a transfer from the Deferred Maintenance trust in the amount of \$1,300 to replace a dilapidated sign at the Agricultural Building. The funds needed for this were deposited in the trust in previous years for improvements to the building. This supplemental budget supports the Board's strategic framework by providing for and maintaining infrastructure.

- \$50,000 Contributions Other (1100-199) –Funding for a consultant to assist Aviation with development of a financial sustainability plan. Offsetting revenue is available from additional federal Payment-in-Lieu-of-Taxes (PILT) received in FY 2016-17. This supplemental budget supports the Board’s strategic framework by providing for and maintaining infrastructure.
- \$145,450 Contributions Other (1100-199) – This funding needs to be transferred to the Capital Project Reserve trust fund for the Juvenile Hall replacement project. Due to unanticipated one time revenues and reduced expenditures the Probation Department did not spend all of its General Fund allocation in FY 2015-16. Funding of \$454,500 was not utilized and the department requested that \$145,450 be allocated for the Juvenile Hall replacement project to fund the change order for a covered outside exercise area. This funding is therefore available in the General Fund’s fund balance. This request supports the Board’s strategic framework by providing for infrastructure.
- \$168,000 Information Technology (3550-2118) – Information Technology (IT) has requested a supplemental budget of \$130,000 to repair and enhance the interior of the IT building. The existing cubical arrangement is outdated and does not work well for the current systems and team organization. Funding of \$38,000 is needed for a consultant to help with data migration for upgrades to the county e-mail system. Funding for these projects is available in the IT fund balance. This supplemental budget supports the Board’s strategic framework by providing for and maintaining infrastructure.
- \$10,000 Communications (3521-151) – Additional funding is needed to complete required phone replacement projects in FY 2016-17. This will utilize all of the current funding available in the Communications Capitalization trust fund. This supplemental budget supports the Board’s strategic framework by providing for and maintaining infrastructure.

In addition, an appropriation transfer is necessary to more accurately reflect expenditures; this can also be found in Attachment 2.

- \$175,000 Sheriff Measure Z (1100-297) – Measure Z funds were allocated in a fixed asset account to purchase a Bearcat Rescue and Recovery vehicle. The funds were inadvertently allocated to the Homeland Security budget unit. To correct that, the allocation will be transferred to the Sheriff’s Measure Z budget unit. This appropriation transfer supports the Board’s strategic framework by creating opportunities for improved safety.
- \$11,230 Social Services (1160-511) – a transfer of \$11,230 from the services and supplies line for computer software to a fixed asset line for computer software, in the same budget unit, will facilitate the purchase of Navaline-Executime Advanced Scheduling Module. This budget adjustment supports the Board’s strategic framework, six key goals by providing for and maintaining infrastructure.

#### **Approve Position Allocation Modifications**

From the Personnel Allocation Table submitted to the Board during the FY 2016-17 budget process, one additional position modification has been identified. Some adjustments have already been made in separate agenda items.

- In the Sheriff's Office (1100-221) the allocation of a Deputy Sheriff I/II is being recommended. This position is funded through Measure Z. Funding was allocated to the cities of Blue Lake and Trinidad for additional public safety services provided by the Sheriff under contract. Due to an oversight no position was allocated in the Sheriff's budget. It is anticipated that these positions will not be filled until mid-year. This allocation supports the Board's strategic framework, priorities for new initiatives by providing community appropriate levels of service.
- An assistant public defender position was added to the Conflict Counsel (1100-246) budget as part of the adopted FY 2016-17 budget. It was anticipated that this position would be filled by existing staff and another position would be eliminated at the first quarter budget review. The department is still considering staffing options and the new position has not been filed. This will be reviewed at mid-year and it is anticipated a position will be eliminated at that time.

### **Other Recommendations**

Planning and Building staff has requested a trust fund to better account for revenues from the new medical cannabis program. The existing Current Planning trust fund has not been utilized for a number of years and it is recommended that the Auditor-Controller be directed to change the name of trust fund 3697 from Current Planning Unspent Reserve to Cannabis Planning. There is currently a balance of \$25,160 in the fund and it is requested that these funds be authorized to be used to support current cannabis planning related activities.

### FINANCIAL IMPACT:

Acceptance of today's report has no direct financial impact. The recommended budget adjustments will increase the overall county General Fund budget by \$2,631,411. If your Board chooses to allocate any additional unspent Measure Z funding, that will increase the budget accordingly

OTHER AGENCY INVOLVEMENT:      None

### ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose to:

- a. Approve some or all of the budget adjustments and require individual departments to return to the Board with separate supplemental budgets;
- b. Approve some or all of the appropriation transfers; and/or
- c. Not approve the position modifications documented in Attachment 3.

### ATTACHMENTS:

1. Measure Z recommendations and approved allocations
2. Recommended Budget Adjustments and Appropriation Transfers
3. Position Allocation Modifications

Attachment 1  
Measure Z recommendations and approved allocations

## FY 2016-17 Measure Z Requests

Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Board Recommended	Remaining Primary Citizens' Advisory Committee Recommendations	Secondary Citizens' Advisory Committee Recommendations
<b>Affordable Homeless Housing Alternatives, Inc.</b>					
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	0	0	0	0
Tiny House Village - to establish and operate a safe, legal, transitional tiny house village.	63,933	0	0	0	0
Safe Parking Program - to develop and supervise a safe, legal, transitional safe parking program for one year.	55,880	0	0	0	0
<b>Alcohol Drug Care Services, Inc.</b>					
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	0	0	0	0
<b>Area 1 Agency on Aging</b>					
Elder Ombudsman - to advocate for residents in long-term care settings and investigate allegations of elder abuse and neglect.	10,452	10,452	10,452	0	0
<b>City Ambulance of Eureka, Inc.</b>					
To provide every emergency response vehicle in the County with a comprehensive map book created by a professional mapping service.	9,370	0	0	0	0
<b>City of Arcata Police Department/Sheriff</b>					
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	328,937	100,000	0
<b>City of Blue Lake</b>					
One half time deputy sheriff.	77,250	0	77,250	0	0
Public Safety Education - for the design, printing and mailing of a public safety educational brochure to City residents and businesses.	1,560	0	0	0	0

## FY 2016-17 Measure Z Requests

Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Board Recommended	Remaining Primary Citizens' Advisory Committee Recommendations	Secondary Citizens' Advisory Committee Recommendations
<b>City of Eureka Police Department</b>					
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	459,140	0	0
<b>City of Ferndale Police Department</b>					
Dispatch services for the police department.	20,200	0	0	0	0
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	0	17,654	0	17,654
<b>City of Fortuna Police Department</b>					
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	180,665	0	0
<b>City of Rio Dell Police Department</b>					
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	0	0	0	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	0	33,649	0	33,649
<b>City of Trinidad</b>					
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	0	0
<b>College of the Redwoods</b>					
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	0	0	0	0
<b>County Auditor-Controller</b>					
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	0	0	0	0

## FY 2016-17 Measure Z Requests

Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Board Recommended	Remaining Primary Citizens' Advisory Committee Recommendations	Secondary Citizens' Advisory Committee Recommendations
<b>County Administrative Office</b>					
To pay-down the California Public Employees Retirement System (CalPERS) accrued unfunded liability.	1,000,000	0	0	0	0
Information Technology for enhanced technology and communications equipment and software to support county public safety	157,000	0	0	0	157,000
Relocate county services to allow for the creation of two new courtrooms in the existing county courthouse.	50,000	0	0	0	0
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	0	252,855	0	0
<b>County Counsel</b>					
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	0	40,000	0	0
<b>District Attorney</b>					
Vehicle and mileage cost for Measure Z investigator position.	26,588	26,588	26,588	0	0
<b>Fire Chief's Association</b>					
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	1,838,542	392,855	0
<b>Fortuna Union High School</b>					
One full time campus supervisor for the main Fortuna High School campus to investigate crimes, protect victims and provide a safer environment.	51,570	0	0	0	0
<b>Humboldt Area Center for Harm Reduction</b>					
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	0	0	0	0
<b>Humboldt Animal Rescue Team</b>					
Expand services to care for and find homes for more animals.	10,000	0	0	0	0

## FY 2016-17 Measure Z Requests

Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Board Recommended	Remaining Primary Citizens' Advisory Committee Recommendations	Secondary Citizens' Advisory Committee Recommendations
<b>Humboldt Spay/Neuter Network</b>					
Funding to offer free rabies vaccines and free spay of female pit bulls.	19,500	0	0	0	0
<b>Humboldt Waste Management Authority</b>					
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	40,000	0	0
<b>K'IMA:W Medical Center</b>					
The continuation of ambulance service in the Willow Creek Service area.	324,408	324,408	324,408	0	0
Equipment for the ambulances such as life monitors and defibrillators.	109,238	0	0	0	0
<b>Public Defender</b>					
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	0	161,047	0	0
Eliminate the Alternate Counsel's office and transfer staff to Public Defender and Conflict offices. Increase part-time investigator to full time.	43,346	43,346	43,346	0	0
<b>Public Works</b>					
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	1,500,000	0	1,000,000
Identification and removal of non-hazardous and hazardous waste dumped on County property.	50,000	10,000	10,000	0	0
Train additional staff for mandated Aircraft Rescue and Fire Fighting services required for commercial service at ACV.	7,000	0	7,000	0	0
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	0	140,000	0	0
Improvements to the Arcata Veterans Hall, including kitchen hood and fire suppression equipment, electrical upgrades, exterior painting and accessibility improvements.	300,000	0	0	0	0
Radar speed feedback signs and pedestrian countdown signals.	130,000	0	0	0	0

## FY 2016-17 Measure Z Requests

Agency and Project	Primary Citizens' Advisory Committee			Remaining Primary Citizens' Advisory Committee	
	Agency Requested	Recommendations	Board Recommended	Recommendations	Secondary Citizens' Advisory Committee Recommendations
<b>Redwood Acres</b>					
Emergency Facility Use Plan for evaluation of the potential use of the fairgrounds during and after a regional emergency.	25,000	0	0	0	0
<b>Sheriff</b>					
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	970,958	0	0
<b>Yurok Tribe Department of Public Safety</b>					
Support for upriver volunteer fire department including equipment, training, staff and environmental clean-up.	215,000	0	0	0	215,000
<b>TOTAL</b>	12,708,531	6,591,566	6,537,808	492,855	1,496,628

Attachment 2  
Recommended Budget Adjustments and Appropriation Transfers

# ATTACHMENT 2

## RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget Unit	Acct #	Budget Name	Account Name	Adjustment	
<b>Supplemental Budget Revenue</b>						
1100	888	561000	General Purpose Revenue	Federal PILT	\$ 50,000	Additional PILT revenue
1100	888	107000	General Purpose Revenue	Sales Tax	\$ 33,000	Additional sales tax HdL
1100	888	710050	General Purpose Revenue	Fund Balance	\$ 2,196,950	Carry over fund balance
1100	211	707256	CAST	Other Grants	\$ (126,122)	Adjust for lost grant funding
1100	221	504116	Sheriff	Law Enforcement Service-Blue Lake	\$ 38,625	Cities Measure Z position
1100	221	504117	Sheriff	Law Enforcement Service-Trinidad	\$ 37,658	Cities Measure Z position
1100	261	706131	Ag Commissioner	Transfer from Deferred Maint Trust	\$ 1,300	New sign for ag building
Total General Fund					\$ 2,231,411	
3521	151	707140	Communications	Transfer from Communications Trust	\$ 10,000	To replace phone systems
Total Communications					\$ 10,000	
3530	381	707080	Humboldt County Airport	General Fund Contribution	\$ 50,000	Aviation sustainability study
Total Aviation					\$ 50,000	
3550	118	710050	Information Technology	Fund Balance	\$ 168,000	Carry over fund balance
Total Information Technology					\$ 168,000	
<b>Expenditures</b>						
1100	103	2118	County Administrative Office	Professional Services	\$ 27,500	Carry over contract Lew Edwards
1100	103	2118	County Administrative Office	Professional Services	\$ 33,000	HdL sales tax recovery
1100	199	5280	Contributions-Other	Contribution Other Agencies	\$ 10,000	East-West Rail Feasibility
1100	199	3205	Contributions-Other	Contribution to Aviation	\$ 50,000	Aviation sustainability study
1100	199	3265	Contributions-Other	Contribution PARS Post Emp	\$ 500,000	Contribution to PARS
1100	199	3267	Contributions-Other	Contribution ADA Trust	\$ 750,000	Contribution to ADA trust
1100	199	3247	Contributions-Other	Contribution Deferred Maintenance	\$ 414,000	Reserve for facility maintenance
1100	199	3257	Contributions-Other	Contribution Other Funds	\$ 145,450	Contribution for Juvenile Hall
1100	211	1100	CAST	Salaries and Wages	\$ (80,810)	Adjust for lost grant funding
1100	211	1400	CAST	Extra Help	\$ (4,000)	Adjust for lost grant funding
1100	211	1460	CAST	Overtime	\$ (7,000)	Adjust for lost grant funding
1100	211	1470	CAST	Health Insurance	\$ (12,570)	Adjust for lost grant funding
1100	211	1500	CAST	Retirement	\$ (5,798)	Adjust for lost grant funding
1100	211	1600	CAST	FICA	\$ (4,169)	Adjust for lost grant funding
1100	211	2311	CAST	Witness Expense	\$ (1,500)	Adjust for lost grant funding
1100	211	2317	CAST	Office Expense-Equipment	\$ (7,300)	Adjust for lost grant funding
1100	211	2614	CAST	Staff Development & Training	\$ (2,975)	Adjust for lost grant funding
1100	221	1100	Sheriff	Salaries and Wages	\$ 76,283	Cities Measure Z position
1100	261	2317	Ag Commissioner	Office Expense-Equipment	\$ 1,300	New sign for ag building
1100	990	2010	Reserve for Contingencies	Contingencies	\$ 350,000	Contribution to reserves FY 17-18
Total General Fund					\$ 2,231,411	
3521	151	8174	Communications	Telephone System	\$ 10,000	To replace phone systems
Total Communications					\$ 10,000	
3530	381	2118	Humboldt County Airport	Professional Services	\$ 50,000	Aviation sustainability study
Total Aviation					\$ 50,000	
3550	118	8998	Information Technology	Building Modification	\$ 130,000	Interior remodel of IT building
3550	118	2118	Information Technology	Professional Services	\$ 38,000	Consultant to assist with upgrades
Total Information Technology					\$ 168,000	

**ATTACHMENT 2 (continued)****RECOMMENDED BUDGET ADJUSTMENTS**

<b>Amount</b>	<b>Transfer to Account</b>		<b>Transfer from Account</b>	
\$ 175,000	1100297-8774	Vehicle-Van	1100213-8774	Vehicle-Van
\$ 11,230	1160511-8965	Computer Software	1160511-2148	Computer Software
\$ 186,230				

Attachment 3  
Position Allocation Modifications

Budget Type	Classification No./Title	Salary Range 7/1/2016	FY 2015-16 Year-End Authorized	Board Adopted	FY 2016-17 Mid-year Adjusted	Year-end Authorized
	Unit					
	<b>221 SHERIFF</b>					
FT	100 SHERIFF	*	1.00	1.00	0.00	1.00
FT	124 SENIOR FISCAL ASSISTANT	343	1.00	1.00	0.00	1.00
FT	127 SR. EMERGENCY COMMUN. DISPATCHER	365	2.00	2.00	0.00	2.00
FT	128 EMERGENCY COMMUN. DISPATCHER	345	6.00	6.00	0.00	6.00
FT	166 ADMINISTRATIVE SECRETARY (MC)	359	1.00	1.00	0.00	1.00
FT	177 FISCAL ASSISTANT I/II	293/319	1.00	1.00	0.00	1.00
FT	178 LEGAL OFFICE ASSISTANT I/II	288/310	9.00	9.00	0.00	9.00
FT	400 UNDERSHERIFF	538	1.00	1.00	0.00	1.00
FT	401 EMERGENCY COMMUNICATION SUPERVISOR	398	1.00	1.00	0.00	1.00
FT	406 SHERIFF'S LIEUTENANT	465	6.00	5.00	0.00	5.00
FT	407 EVIDENCE TECHNICIAN	388	1.00	1.00	0.00	1.00
FT	414 SHERIFF'S SERGEANT	437	8.00	8.00	0.00	8.00
FT	416 DEPUTY SHERIFF I/II	393/408	50.00	50.00	1.00	51.00
FT	423 SHERIFF'S INVESTIGATOR	428	3.00	3.00	0.00	3.00
FT	438 DEPUTY DIRECTOR - SHERIFF'S ADMINISTRATION	189	1.00	1.00	0.00	1.00
FT	429 TRAINING COORDINATOR	384	1.00	1.00	0.00	1.00
FT	776 ADMINISTRATIVE SERVICES OFFICER	423	1.00	1.00	0.00	1.00
FT	1150 LEGAL OFFICE SERVICES SUPERVISOR	372	1.00	1.00	0.00	1.00
FT	1410 PROPERTY TECHNICIAN I/II	325/351	1.54	1.54	0.00	1.54
	<b>FUNDED POSITIONS</b>		<b>96.54</b>	<b>95.54</b>	<b>1.00</b>	<b>96.54</b>
FØ	145 SENIOR LEGAL OFFICE ASSISTANT (37.5 HR)	328	2.00	2.00	0.00	2.00
FØ	167 EXECUTIVE SECRETARY (MC)	378	1.00	1.00	0.00	1.00
FØ	177 FISCAL ASSISTANT I/II	293/319	0.54	0.54	0.00	0.54
FØ	407 EVIDENCE TECHNICIAN	388	1.00	1.00	0.00	1.00
FØ	416 DEPUTY SHERIFF I/II	393/408	1.00	0.00	0.00	0.00
	<b>POSITIONS FROZEN INDEFINITELY</b>		<b>5.54</b>	<b>4.54</b>	<b>0.00</b>	<b>4.54</b>
	<b>TOTAL POSITIONS ALLOCATED</b>		<b>102.08</b>	<b>100.08</b>	<b>1.00</b>	<b>101.08</b>