

COUNTY OF HUMBOLDT

AGENDA ITEM NO.

II

For the meeting of: November 07, 2017

Date: October 2, 2017

To: Board of Supervisors

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

Subject: First Quarter Fiscal Year 2017-18 Budget Update

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive a review of the Fiscal Year (FY) 2016-17 ending balances, first quarter budget results for FY 2017-18, and an initial projection of the county's budget condition for FY 2018-19;
2. Review the estimated unallocated Measure Z revenues along with the recommendations from the Measure Z Citizens' Advisory Committee (Attachment I) and provide direction on whether to allocate funding;
3. Approve the list of budget adjustments shown on Attachment III (4/5 vote required), and authorize County Administrative Office (CAO) staff to make any technical corrections necessary to effectuate the Board's direction;
4. Provide additional direction to staff as appropriate.

Prepared by Elishia Hayes, Senior Administrative Analyst

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. C-5, C-11, C-11, H-1, H-2, C-11

Meeting of: 9/15/15, 8/9/16, 6/27/17, 9/5/17, 9/19/17, 10/24/17

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

Ayes _____
Nays _____
Abstain _____
Absent _____

SEE ACTION SUMMARY

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

Dated: 11/7/17

By: *[Signature]*
Kathy Hayes, Clerk of the Board

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 other factors that may influence that status going forward.

Review of Year-End Fund Balances for FY 2016-17

1100 – General Fund

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

At the end of FY 2016-17, General Fund revenues received were \$104.8 million which was 11 percent below budgetary estimates or \$13.2 million. Actual General Fund expenditures were \$103.4 million which was 16 percent below budgetary estimates or \$19.4 million. General Fund revenues exceeded expenses by \$1.35 million in FY 2016-17. The variances between FY 2016-17 adopted and actual budget are largely the result of unrealized revenues and reduced expenditures with the largest reductions occurring for the following budget units: Sheriff, Humboldt County Correctional Facility, General Relief and Measure Z.

At the time of the FY 2017-18 Proposed Budget report the year-end fund balance was projected to be \$6.7 million. This included \$826,686 of unspent Measure Z funding as these funds are subject to additional oversight through the Measure Z Citizens' Advisory Committee and are only able to be allocated to specific purposes. The FY 2016-17 fund balance actuals were \$5.8 million higher, or 6 percent of the total General Fund revenues received in FY 2016-17. The General Fund ended last fiscal year with a fund balance of \$12.5 million, which includes \$2 million of unspent Measure Z funding.

This positive financial news is largely the result of the following:

- \$908,451 in discretionary revenue due to unanticipated sales tax, property tax and transient occupancy tax revenue;
- \$749,168 in Contingency Reserves held for unanticipated expenses that went unspent;
- \$369,764 more than anticipated Measure Z revenues;
- \$619,885 in Measure Z expenditures savings;
- \$202,042 in Measure Z allocations to be carried forward;
- \$387,469 in General Fund allocations to be carried forward;
- \$583,311 less than budgeted in General Relief assistance payments;
- \$645,565 in salary and expenditure savings for the Sheriff due to unanticipated vacancies;
- \$480,374 in salary and expenditure savings for the Jail due to unanticipated vacancies;
- \$887,364 in combined expenditure savings from all other General Fund departments.

Health & Human Services Funds

The Department of Health and Human Services (DHHS) administers six budgetary funds. All of the DHHS funds had combined expenditures of \$155.2 million and revenues of \$143.6 million. This resulted in an overall ending departmental fund balance of \$2.38 million, a decrease of \$11.6 million from the previous fiscal year. During the FY 2016-17 closing process DHHS-Social Services and Public

Health transferred a combined \$4.9 million to Mental Health (MH). This action left MH with negative a fund balance of (\$7.7 million). After the year-end closing, it was discovered that MH accounts receivables (AR) in the amount of \$7.2 million posted in FY 2017-18 were actually receivables for FY 2016-17. These receivables were not included in the year-end closing process and therefore were not attributed to the appropriate fiscal year. Had the ARs posted to the correct fiscal year, the projected fund balance for MH would be (\$542,592) and DHHS' overall fund balance would reflect an estimated \$9.6 million. In addition to the error at year-end closing, the overall DHHS fund balance decreased by \$4.4 million.

Long term resolutions to eliminate the negative fund balance for DHHS-MH are difficult due to the delay between when services are paid and when federal reimbursement is ultimately received. This delay is caused by the claims adjudication process that can take a several months to close, and the cost report/settlement process that can take multiple fiscal years to reconcile. As of September 5, 2017, long term receivables for cost report settlements due from the Department of Health Care Services (DHCS) and Substance Abuse Prevention and Treatment (SAPT) block grant total an estimated \$13.7 million. These receipts go back as far as FY 2011-12. The reason these receipts continue to be outstanding is due to the state's lengthy cost settlement process. These receipts would further reduce the negative fund balance for MH.

Many counties are facing declining revenues in comparison to the cost of providing services due to the methodology used by DHCS in determining reimbursement rates. Currently reimbursements are calculated using an interim reimbursement rate that is based on prior years cost reports. These rates do not sufficiently account for the fluctuations in costs from year to year such as salary and benefits, infrastructure costs, health care inflation, etc. Many counties, including Sonoma and Humboldt, are proposing DHCS consider a policy change to update the reimbursement methodology so that published rates reflected in the fee schedule would be used in determining reimbursement rates as these rates reflect the current cost of providing services. Implementing a rate setting methodology that reflects a county's actual costs is consistent with Medicare cost reimbursement principals.

In addition, Social Services is anticipating two-years of intergovernmental transfers (IGTs) for FY 2015-16 and FY 2016-17 totaling \$2.7 million for Medicaid funding, which is anticipated to be received the first two quarters of FY 2017-18. An Intergovernmental transfer is a transfer of funds to the state Medicaid agency in order to secure federal matching dollars.

The DHHS fund balance is of concern and is something to monitor closely. The cost to treat the mentally ill and provide social services, such as Wraparound programs, Aid to Adoptions and Foster Care placement, are increasing and negatively impacting the fund balance.

1120 – Economic Development Fund

The Economic Development fund (EDF) ended FY 2016-17 with a negative fund balance of (\$343,626.). This is an increase in the negative fund balance of \$162,463 due to grant revenues that were not received for FY 2016-17 prior to the close of year-end. In order to recoup the funding for the expenditures, additional grant revenue totaling \$183,229 will be realized in FY 2017-18, bringing the estimated negative fund balance for FY 2017-18 year-end to (\$160,397). The 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 \$302,459.

1200 – Roads Fund

The Roads fund ended last fiscal year with a fund balance of \$900,048, a decrease of \$3.4 million from the previous year. Due to excessive catastrophic road damage caused by winter storms, fund balance was utilized in order to address road accessibility. Emergency funding has been requested from the Federal Emergency Management Agency (FEMA). While it is anticipated this funding will be granted, it has not yet been approved. The FY 2017-18 adopted budget included \$2.5 million in the use of fund balance. Staff will monitor fund balance closely to ensure that FY 2017-18 expenditures do not exceed available revenues.

1500 – Library Fund

The Library ended FY 2016-17 with a fund balance of \$281,480, a decrease of \$58,440 from June 30, 2015. This is better than anticipated in the FY 2016-17 budget that had expenditures exceeding revenues by \$249,538. The reduction in the use of fund balance is due to higher than anticipated property tax revenues. The Library's adopted budget for FY 2017-18 projects expenses to exceed revenues by \$113,173, which would result in ending fund balance of \$168,307. The Library continues to explore additional revenue options while improving business practices to reduce operating costs in order to maintain an adequate fund balance.

3530 – Aviation Enterprise Fund

The Aviation Enterprise fund ended FY 2016-17 with a negative fund balance of (\$327,005), which represents an improvement in the fund balance of \$218,239. The budget submitted and adopted for FY 2017-18 proposed a balanced budget and remains on track at the time of this report. A primary factor in reducing the negative fund balance is due to Measure Z funding. When Measure Z sunsets in 2020 and the Aviation Enterprise fund no longer receives the support of the General Fund, it is anticipated that a structural deficit will occur. The county remains committed to maintaining a regional airport that offers commercial air service and will continue to research solutions to ensure Aviation's long-term sustainability.

Internal Service Funds

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

- \$7,760 increase in the Risk Management fund;
- \$119,394 increase in the Communications fund;
- \$334,056 increase in the Workers Compensation fund;
- \$728,860 increase in the Liability fund;
- \$323,069 increase in the Medical fund;
- \$133,137 increase in the Dental fund;
- \$276,118 increase in the Unemployment fund; and
- \$109,384 increase in the Information Technology fund.

These increases have been offset by the following decreases:

- \$666,180 decrease to the Motor Pool fund;
- \$18,846 decrease to the Employee Benefits fund;
- \$348,747 decrease to the Purchased Insurance fund;
- \$667,984 decrease to the Roads Heavy Equipment fund;

- \$26,549 decrease to the Purchasing fund.

The Liability fund had a negative fund balance of (\$128,873) at the end of FY 2015-16. The fund balance at the end of FY 2016-17 has moved to the positive at \$599,987. The Liability Fund improved its negative fund balance by \$728,860. This was primarily accomplished through a reduction in claim payments and excess coverage expense and other increased revenues in FY 2016-17.

In addition, it should be noted the Medical fund had a fund balance of (\$691,986) at the end of FY 2015-16. The fund balance at the end of 2016-17 is (\$368,917), a move into the positive by \$323,069. This is due to diligent efforts to reduce the negative fund balance and improved estimation of the medical expenditures.

Review of First Quarter Budget Results

Your Board adopted the county's FY 2017-18 budget on June 27, 2017, the county continues to budget for mild revenue growth in the General Fund and there are no significant revenue deviations anticipated from the projected budget as of September 30, 2017.

County Budget

Recently Pacific Gas & Electric (PG&E) updated their Geographic Information System (GIS) and completed a comprehensive audit of the investment in electric transmission and distribution lines, laterals and appurtenances on streets, roads and highways that are covered by franchise fees. This audit determined that a reduction in the PG&E's annual franchise fees from the budgeted amount of \$552,620 to \$337,308 was necessary due to better accounting methods to assess infrastructure. This change is effective March 2018 and will cause a \$215,312 reduction in budgeted revenues.

On September 5, 2017 your Board directed staff to explore options for developing affordable low income housing. The discussion centered on Pacific Gas and Electric's (PG&E) offer to donate seven construction trailers to be used as affordable low income housing. Presented to your Board today through a separate agenda item is a recommendation to provide \$100,000 in funding to support the use of PG&E modular units donated for the use of developing affordable low income housing.

A review of the Hinderliter, deLlamas & Associates (HdL) comparison of sales tax allocations for the first and second quarters of 2016 and 2017 shows a 3 percent increase in point-of-sale tax revenue for Humboldt County in 2017. A comparison last FY of the first and second quarters of 2015 and 2016 showed an 8 percent increase. While the anticipated increase in sales tax is good news, the rate of increase is declining and could be an indicator of either an impending recession or an anomaly in prior year's revenues due to increased sales in preparation of the cannabis permitting process. Staff will continue to monitor and provide a further update in the mid-year budget report.

In-Home Support Services Program

The In-Home Supportive Services Program (IHSS) Maintenance of Effort (MOE) requirements authorized by the 2017 Budget Act and Senate Bill (SB) 90 (Chapter 25, Statutes of 2017) modifies the existing county IHSS MOE structure and implements a new statewide county IHSS MOE base that includes modified cost sharing arrangements between the state and counties. On September 8, 2017, the state provided counties with an interim MOE base amount for FY 2017-18 and provided temporary billing and claiming instructions for county planning purposes. Humboldt County's interim rate is \$3,179,123. This rate does not include Humboldt County's share of the statewide increase of \$592.2

million to counties. The final FY 2017-18 MOE base will include IHSS Services, IHSS County Administration and Public Authority (PA) Administration components, and will include the county's share of the \$592.2 million increase. The methodology for the county distribution and mechanisms used to track costs will be issued at a later date. IHSS workers will be receiving hourly wage increase as a result of the state minimum wage moving from \$10.50 to \$11.00 effective January 1, 2018. Additionally, there will be unknown impacts due to the finalization of the MOE and local provider negotiations. The estimated increased costs for IHSS in FY 2017-18 could range from \$500,000 to \$1.5 million pending the outcome of future negotiations.

Measure Z

As of October 13, 2017, the county has now received \$2.9 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 \$95,073 higher than this same time last year and indicates

FY 2017-18 Measure Z Balance Table

Year-End Balance for FY 2016-17	\$	2,018,377
Estimated Discretionary Revenue for FY 2017-18		11,090,596
Allocated Expenditures for FY 2017-18		(11,871,944)
Carry forward road resurfacing		(101,686)
Carry forward Sheriff vehicles/firearms		(100,356)
Estimated fund balance FY 2017-18	\$	1,034,987
Earmarked for alcohol and drug services		(335,000)
Estimated fund balance available for allocation	\$	699,987

revenues are on track to meet the budgeted amount of \$11.09 million. In addition \$2 million is being carried forward from FY 2016-17. Measure Z expenditures of \$11.8 million have been allocated in FY 2017-18. In addition, on October 24, 2017 your Board approved the carry forward of \$202,042 to pay the City of Eureka for Measure Z road resurfacing work that was performed in FY 2016-17 but not billed until after the close of FY 2016-17; and Sheriff Measure Z vehicles and firearms that were ordered in FY 2016-17 but were not received until FY 2017-18 due to shipping delays. These carry forward budget adjustments brought the budget for Measure Z expenditures to \$12 million. There are unspent Measure Z revenues of \$1,034,987, of which \$335,000 is earmarked for alcohol and drug treatment services, resulting in a balance of \$699,987 available for allocation by your Board.

The Measure Z Citizens' Advisory Committee submitted a list of projects recommended for funding, broken down by primary and secondary recommendations (Attachment I). Your Board approved Measure Z Funds based on the Citizens' Advisory Committee's primary recommendations. The committee's secondary recommendations were for applications in the primary funding list that were reduced by the committee. Following is an itemized list of the secondary Citizens' Advisory Committee recommendations, appearing in order of priority, that remain unfunded:

- A. \$1,821,446 of Public Works application for chip sealing and slurry sealing county roads. The remaining balance was identified by the committee as a secondary recommendation with first priority if any additional funding was available.
- B. \$931,214 of the Humboldt County Fire Chief's Association application for equipment such as fire engines, metal building kits and protective equipment, as well as dispatch services and efforts to improve sustainability.
- C. \$45,000 of the K'ima:w Medical Center (K'ima:w) application for equipment purchases needed to provide emergency medical services to the eastern portion of Humboldt County.

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

In addition, K'ima:w experienced savings in FY 2016-17 due to increased revenue as a result of hiring a full-time biller resulting in a savings of \$33,218.33. This unutilized funding was returned to fund balance and is included in the funding available for allocation. The Hoopa Police Department is transitioning from analog to digital radio communication to improve communications with dispatch, as the terrain and remoteness of area hampers the analog signal and cell phone service in this region is unreliable. K'ima:w has identified a need to purchase digital radios in order to ensure reliable emergency personnel communication. The additional expense associated with the purchase of digital radios is estimated at \$21,931. This expense was not included in the funding application received from K'ima:w for FY 2017-18. K'ima:w is however requesting an additional funding allocation utilizing the prior year's savings to purchase the necessary digital radios. Included in the Board report is the request received from K'ima:w Medical Center (Attachment II).

It is recommended that your Board review the recommendations from the Measure Z Citizens' Advisory Committee (Attachment I) and the request from K'ima:w Medical center (Attachment II), and provide direction on whether to allocate the remaining available funds totaling \$699,987.

One-time Expenditures

Based on actual discretionary tax revenue received in FY 2016-17, the CAO's estimates for FY 2017-18 appear to be on target. The FY 2017-18 budget was adopted using fund balance of \$4.6 million, and of this amount \$4.3 million is for one-time expenses and \$352,056 million is for ongoing costs.

Based on an ending General Fund balance of \$12.5 million in FY 2016-17, the CAO believes there are funds available for one-time expenditures and investments at first quarter. As noted in the 2017-18 Governor's Budget Summary, the focus continues to be on bolstering Rainy Day Funds and paying down accumulated debts and liabilities to counter the potential fiscal impacts of federal policy changes and the potential end of an economic expansion that has surpassed historical averages. Fiscal prudence and maintaining an adequate General Reserve will put the county in a much stronger financial position and able to weather future economic downturns. Due to a higher-than-estimated General Fund balance, the CAO recommends using \$1.6 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 Americans with Disabilities Act (ADA) trust fund (4491) for ADA projects. This supplemental budget supports the Board's strategic framework by providing for and maintaining infrastructure.
- \$600,000 Contributions to Other (1100-199) – A \$600,000 contribution to the deferred maintenance trust fund (3562) for repair of the courthouse roof. This supplemental budget supports the Board's strategic framework by providing for and maintaining infrastructure.

- \$500,000 Contingency Reserve (1100-990) – Transfer \$500,000 to Contingencies in order to appropriate these funds to the General Reserve in FY 2018-19. This will begin to bring the county more in-line with the General Reserve policy level of 8 to 10 percent of total funds. This supplemental budget supports the Board's Strategic Framework, Five Key Goals by rebuilding Reserve and Contingency accounts.

FY 2017-18 Year-End Fund Balance

As discussed above, staff recommends an allocation of \$1.6 million to fund a contribution to the ADA trust, Deferred Maintenance trust and General Reserve, and asks your Board to review and possibly allocate the unspent Measure Z funding. In addition, staff recommends that your Board approve additional budget adjustments of \$436,509, as discussed on page 12 under the recommendations section. If all of the recommendations in this report are approved, the FY 2017-18 year-end fund balance is estimated to be \$4.8 million.

Fund Balance Table

1100 - General Fund	
FY 2016-17 Year-End Fund Balance	12,577,167
FY 2017-18 Adopted Revenue	136,485,976
Reduced PG&E Franchise Fees and Cannabis Excise Tax	(215,312)
FY 2017-18 Adopted Expenditures	(141,153,501)
Measure Z carry forward approved 10/24	(202,042)
General Fund carry forward approved 10/24	(387,469)
PG&E Modular Trailer Project to be approved 11/7	(100,000)
Net Costs	(5,572,348)
Estimated FY 2017-18 Year-End Fund Balance without recommendations	\$ 7,004,819
Measure Z earmarked for alcohol and drug treatment services	(335,000)
Recommended contribution to Contingencies for General Reserve, ADA trust and Deferred Maintenance	(1,600,000)
Recommended budget adjustments one-time	(186,509)
Estimated FY 17-18 year-end Fund Balance	4,883,310
**\$699,987 of the available discretionary fund balance is Measure Z	

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 2017 report states the Composite Index is down 1.2 points from this time last year. Retail sales have dipped 3.0 points lower when compared to August 2016. The Index of Home Sales has decreased overall from this time last year by 17.0 points; moreover, home sales decreased by 5.4 points from July 2017 to August 2017. The seasonally adjusted unemployment rate for Humboldt County increased from 4.9 to 5.2 percent, which is comparable to the state rate increasing from 4.8 to 5.1 percent. The national unemployment rate rose slightly from 4.4 compared to 4.3 in July 2017.

Beacon Economics Summer 2017 report states California's job growth has slowed but the overall economy continues to grow for the sixth consecutive year. Over the past year, in terms of economic indicators, California has been one the fastest growing states in the nation. The labor market is reportedly at full employment with overall job growth in the negative. However, sectors such as manufacturing, health care and retail depict positive job growth despite an overall decline. The job market is more or less stagnant but there are still many jobs going unfilled due to a lack of qualified candidates for some industries. Several major industries in California however posted declines in terms

of job growth, such as technical, education and government. A tight labor market but overall increases in statewide payrolls suggests wage gains on the rise, which equates to an increase in local expenditures and a potential for increased local government revenues from increased sales tax revenue. Home sales continued to increase in 2017, with the statewide median price at \$565,330 according to the California Association of Realtors. The median price has risen 6.7 percent, with a 1.3 percent increase in sales. The median home price for Humboldt County is up from June 2017 of \$300,000 to \$308,500 for August 2017. While home sales continue to grow statewide, single-family home inventory continued to drop. A reduction in the number of available homes on the market also impacts the availability and price for rental housing.

A review of the HdL comparison of sales tax allocations for the first quarter of 2016 and the first quarter of 2017 shows a 2 percent increase in point-of-sale tax revenue for Humboldt County. This validates the Beacon Economics analysis that local revenues are anticipated to steadily increase for 2018 and provides a positive sign for an improved local economy.

Initial Budget Outlook for FY 2018-19

The General Fund ended FY 2016-17 with a \$12.5 million fund balance. The adopted budget for FY 2017-18 required the use of fund balance in the amount of \$4.6 million to balance the General Fund's budget. The County Administrative Office will bring forward an updated financial forecast report in early 2018 that will help define the financial outlook for FY 2018-19. It is estimated that FY 2017-18 will have a year-end fund balance of \$4.8 million.

On June 2, 2017, the county received correspondence from the Court Executive Officer (CEO) regarding criminal and juvenile transcript costs. The Judicial Council of California advised the CEO that the county is statutorily responsible for such costs since 2006. The county has received two invoices to date for FY 2015-16 and FY 2016-17 totaling \$169,302. If the Court does seek reimbursement as far back as FY 2006-07, the estimated payment from the county to the Court is \$761,900 for FY 2006-07 through FY 2014-15. The county responded in writing on July 12, 2017, disputing the charges based upon government code stating that no county shall be responsible for funding court operations. As of this report, the Court has not responded to the county's correspondence.

At the time of this report, the county is currently in labor contract negotiations with the Humboldt Deputy's Sheriffs' Organization and the American Federation of State, Municipal, and County Employees, which together represent roughly half of county employees. Any negotiated benefits with a monetary value will impact the General Fund for items that are one-time and ongoing costs, as these types of expenditures have not been budgeted for the current fiscal year and could severely impact departmental budgets. Negotiated benefits, such as increases in salaries and wages, could significantly increase costs to the General Fund.

Humboldt County provides defined-benefit pensions to its retirees through the California Public Employees Retirement System (CalPERS). These plans are pre-funded, meaning both employer and employee make contributions during the working life of the employee and these contributions are then invested and the earnings on the funds are re-invested. If the contribution rates and investment earnings achieve their targets over the working life of the employee, there will be sufficient funds available at the employee's retirement date to pay a defined benefit over the remainder of the employee's life span. Given CalPERS is a pre-funded plan, changes to, or a failure to realize, any of the assumptions that underlie its targets for funding must be made up by adjusting employer contributions in future years. In

the past decade, several changes have occurred that have resulted in an unfunded liability of over \$262 million. On Sept. 15, 2015 your Board approved a Public Agency Retirement Services (PARS) Pension Rate Stabilization Program (PRSP) in order to begin addressing the mounting unfunded liability. Contributions to PARS will help to stabilize the contribution rates set by PERS. As the balance in the PARS trust grows and produces investment returns, those funds can be utilized to reduce the contribution rate increases, thereby reducing the effect of the contribution rate increase on the county and potentially preventing service reductions. The FY 2017-18 budget development incorporated an annual departmental contribution to PARS equal to .5 percent of salaries totaling \$592,354. While this is a significant contribution, it does not allow for an aggressive approach to addressing the unfunded liability. Staff anticipates the FY 2018-19 budget development will include a recommendation to increase the contribution rate to 2 percent, bringing the contribution to approximately \$2 million.

The county continues to work with the Department of Justice (DOJ) on the Americans with Disabilities Act (ADA) consent decree that your Board signed in August 2016. The county, as a requirement of the consent decree, retained an independent licensed architect (ILA), SZS Consulting LLC (SZS), in April of 2017. The ILA is responsible for assessing all county facilities for compliance with the ADA that offer a program, service or activity to the public. The ILA is also tasked with certifying barrier removal performed by the county and reporting the county's progress in terms of compliance with the consent decree to the DOJ. As of the date of this report, year to date charges incurred for the services of SZS total \$345,576. The contract maximum for the work to be performed by SZS is \$1.2 million. It may be necessary to amend the contract to allow for additional SZS expenses. The county has also retained the services of four design firms for project design and project management for ADA barrier removal. Year to date expenditures for the design services totals \$57,044, with a maximum amount payable of \$800,000. Additionally, the county has also increased staffing with an ADA Coordinator, Project Manager and extra help with project management and barrier removal in order to address ADA issues identified within the consent decree. As the ADA consent decree projects progress, the county has established an internal service fund (ISF) pay for an allocate costs for barrier removal and required modifications. The ADA fund has allocated more than \$1.5 million for ADA improvement projects in the current year, leaving a fund balance of \$1.7 million. While the total expenses related to the consent decree are unknown at this time, it can be expected that they will be significant and long lasting, and therefore a contribution of \$500,000 to the ADA trust is recommended.

As part of the 2016 ADA consent decree with the DOJ, a significant number of curb ramps located throughout the unincorporated areas of the county require retrofit and/or installation in order to address identified barriers to accessibility. All identified locations requiring curb ramp barrier removal need to be modified and/or installed by August 2019. In order to complete this project in the timeframe allotted by the DOJ, Public Works will contract with multiple engineering and contracting firms. Preliminary estimates to complete this project or at least make substantial progress prior to the consent decree deadline may cost upwards of \$7 million. In order to adequately fund this project and procure the required resources, Public Works will need to borrow up to \$1 million from the General Fund. Additional funding anticipated from Senate Bill 1 (SB 1), which creates a Road Maintenance and Rehabilitation Program to address deferred maintenance, will be sufficient to offset future payments on the loan and debt financing through existing gas tax revenue, however SB 1 funds are not anticipated until FY 2018-19. The California Repeal Gas Tax and Fees Increase Bill Initiative may appear on the ballot in the November 2018 election with a proposition to repeal SB 1. If SB 1 were to be successfully recalled, Public Works ability to repay the proposed loan will be severely hampered, leaving the expense as a responsibility of the General Fund.

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

On August 9, 2016 your Board unanimously approved placing Measure S, a local commercial marijuana cultivation excise tax on the November 8, 2016 ballot, which ultimately was approved by the voters. Revenues generated from this measure may 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. In FY 2017-18, \$4.8 million was budgeted for the first full year of cannabis excise tax revenue. Utilizing Measure S revenues to fund ongoing expenses requires careful consideration as this excise tax is a new revenue source and the cannabis industry is in its infancy in terms of legalization. Measure S revenues should not be considered a reliable source of funding until the industry matures and historical trends have been established.

In November 2015 the State Controller's Office (SCO) released an audit of the Board of Equalization's (BOE) accounting and administrative controls that identified a number of inconsistencies. It was found that the allocation of sales and use tax had been done so incorrectly, which caused revenue to be deposited into the wrong accounts. The audit spanned only two years but wide-spread belief is that the issues identified have been occurring for a much longer period. Senate Bill 90, the IHSS trailer bill, included language that would hold counties harmless from the BOE misappropriations. With that language, there are no negative impacts to counties. The BOE has addressed their errors and made the necessary changes to their accounting practices.

In addition, with the tragedies that have recently struck our neighboring counties, it is a reminder of the catastrophic disasters that can impact counties with no warning. Such disasters cause immense strain on cash flow due to unanticipated expenses associated with the response to an emergency, which may take months if not years to recoup from state and federal relief agencies. In addition, disasters such as fires and earthquakes can cause a reduction in potential revenue sources, such as property taxes, due to reduced property tax collection. With many unknown variables in both revenues and expenditures, it is important to retain fund balance and continue to contribute to the General Reserve and Contingencies to ensure that negative financial impacts can be absorbed without the threat of staffing or service reductions.

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 III, which include:

- \$91,000 County Administrative Office (1100-103) – \$86,000 for the Lew Edwards Group (LEG) and Fairbank, Maslin, Maullin, Mets & Associates, Inc. (FM3) to conduct a public opinion research poll to assess the anticipated voter support to extend Measure Z, the local half-cent sales tax that will sunset in 2020 and provides funding for public safety and essential services. In addition, \$5,000 in funding is needed to conduct a Board of Supervisors/Department Head strategic workshop that will facilitate effective relationships and long-term county planning. Funding to offset this expense is available through fund balance in the General Fund. This budget adjustment supports the Board's strategic framework by managing resources to ensure sustainability of services and creating opportunities for improved safety and health.
- \$9,500 Auditor-Controller (1100-111) – For the purchase of three new computers to replace failing computers and to fund training opportunities in governmental accounting and auditing. Funding to offset this expense is available through fund balance in the General Fund. This budget adjustment supports the Board's strategic framework by managing resources to ensure sustainability of services and investing in county employees.
- \$4,075 County Counsel (1100-121) – To publish Humboldt County code consistent with ADA requirements. Funding to offset this expense is available through fund balance in the General Fund. This budget adjustment supports the Board's strategic framework by protecting vulnerable populations.
- \$50,000 HR-Personnel (1100-130) – For professional services expenses related to the unanticipated recruitment for both a Chief Probation Officer and Library Director, and expenses associated with the Human Resources (HR) Director recruitment that took place last fiscal year. In addition, funding to participate in LEAN training is requested for HR staff to learn the principles needed for successful process improvement. The training teaches individuals how to eliminate waste in process flows with the goal of providing the best service to customers. Funding to offset this expense is available through fund balance in the General Fund. This budget adjustment supports the Board's strategic framework by managing resources to ensure sustainability of services and investing in county employees.
- \$47,850 Facility Management (1100-162) – For courthouse window washing, lawn maintenance and landscaping to remove obstructions from the perimeter of the courthouse. Funding to offset these expenses is available through fund balance in the General Fund. This supplemental budget supports the Board's strategic framework by providing for and maintaining infrastructure.
- \$6,000 Grand Jury (1100-217) – In order to promote participation from all areas of the county, the Grand Jury has focused recruitment efforts in the most remote areas. According to federal guidelines, jurors who travel long distances to perform their civic duties are permitted reimbursement for their mileage at the rate of \$0.535 per mile. Due to the remote travel required by many jurors an additional \$6,000 is needed for travel reimbursements. Funding to offset this expense is available through fund balance in the General Fund. This budget adjustment supports the Board's strategic framework by inviting civic engagement.

- \$2,934 Contributions Other (1100-199) – For an increase in the Local Agency Formation Commission’s (LAFCo) annual fee. This expense would be offset by the use of fund balance in the General Fund. This supplemental budget supports the Board’s strategic framework by managing resources to ensure sustainability of services.
- \$3,000 University of California Cooperative Extension (UCCE) (1100-632) – For temporary use of extra help while a staff member is on leave, allowing the UCCE to continue to run efficiently and effectively. Funding to offset this expense is available through fund balance in the General Fund. This supplemental budget supports the Board’s strategic framework by providing community-appropriate levels of service.
- \$400,000 Mental Health (1170-424) – The adopted FY 2017-18 budget included a \$400,000 General Fund contribution to Mental Health to respond to Adverse Childhood Experiences (ACEs). While the allocation in the General Fund was budgeted, the Mental Health budget allocation was not. This budget adjustment is consistent with the FY 2017-18 adopted budget. This supplemental budget supports the Board’s strategic framework by protecting vulnerable populations.

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 \$1,814,359 and the Mental Health fund by \$400,000. 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 not to approve some or all of the budget adjustments and require individual departments to return to the Board with separate supplemental budgets.

ATTACHMENTS:

- I. Measure Z recommendations and approved allocations
- II. K’ima:w Medical Center request for additional funding
- III. Recommended Budget Adjustments and Appropriation Transfers

Attachment I
Measure Z recommendations and approved allocations

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



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

March 23, 2017

Recommendations for Measure Z Expenditures

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

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

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

Primary List:

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

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



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

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

Secondary List:

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

*First priority to remainder of Public Works Roads application

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

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

Respectfully,

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

FY 2017-18 Measure Z Requests					
Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Secondary List Citizens' Advisory Committee Recommendations	Board Recommended	Adopted
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	0	0	0	0
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	0	0	0	0
Area 1 Agency on Aging					
Elder Ombudsman - to advocate for residents in long-term care settings and investigate allegations of elder abuse and neglect.	74,045	45,000	29,045	45,000	45,000
Boys & Girls Club of the Redwoods					
Pay for experts to train staff in issues such as human-trafficking, inclusivity of LGBTQ youth, racial diversity and inclusion, non-violent communication, restorative justice, harm reduction techniques, promotion of sexual abstinence, and trauma informed care.	125,000	0	0	0	0
Clubhouse located near Alice Birney Elementary is at capacity (for space). Funding will be used for expansion to offer additional programming at another site near both the Clubhouse and Alice Birney. Additional staff will be hired.	100,000	0	0	50,000	50,000
Increase hours for Teen Court Director and Program Assistant; add additional staffing based in Fortuna; setup the infrastructure for court in Eel River Valley; work with Multigenerational Center and McLean Foundation establishing a footprint in the forthcoming Community Center; and the addition of a Youth Aide position at 10 hours a week.	100,000	0	0	0	0
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.	465,222	347,702	117,520	347,702	347,702
City of Blue Lake					
One half time deputy sheriff.	75,317	75,000	0	75,000	75,000

FY 2017-18 Measure Z Requests					
Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Secondary List Citizens' Advisory Committee Recommendations	Board Recommended	Adopted
City of Blue Lake					
Purchase 2 radar feedback signs.	5,580	0	0	0	0
City of Eureka Police Department					
Continued funding to implement Focus Strategy; dedicating two full-time equivalent employee positions including police officers and newly hired Homeless Services Program Manager to work with assigned DHHS personnel.	459,140	359,140	100,000	419,140	419,140
City of Ferndale Police Department					
Vehicle ; One 4x4 Heavy Duty, Club/Crew Cab Pick-up outfitted with emergency equipment.	54,000	0	0	40,000	40,000
City of Fortuna Police Department					
Funding for salary, benefits, equipment for Fortuna Police Officer assigned as School Resource Officer for Eel River Valley (High school and Elementary).	192,580	145,580	47,000	145,580	145,580
Salary & Benefits for Drug Task Force Officer.	149,580	149,580	0	149,580	149,580
Purchase of 20 Tasers & Accessories.	30,969	0	0	0	0
City of Rio Dell					
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.	76,741	0	0	0	0
Continued funding for part time clerical position in the City's police department to support law enforcement, nuisance abatement and code enforcement.	34,101	34,101	0	34,101	34,101
City of Trinidad					
One full time deputy sheriff position to provide a dedicated peace officer in the Trinidad area seven days a week.	162,685	75,000	0	75,000	75,000
DHHS					
Adult Protective Services : Develop an interagency Elder and Vulnerable Adult Services Team (EVASt).	189,870	0	0	0	189,870
NorCAP Purchase nasal Narcan kits.	10,000	0	0	0	0

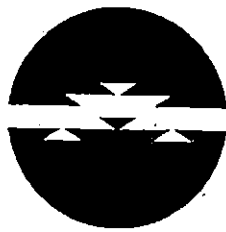
FY 2017-18 Measure Z Requests					
Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Secondary List Citizens' Advisory Committee Recommendations	Board Recommended	Adopted
District Attorney					
Hire a non-sworn investigator to assist in review of materials related to homicides and other violent crimes.	40,131	0	0	0	0
Garberville Sanitary District					
Repairs to 14 failing fire hydrants.	112,000	0	0	60,000	60,000
Humboldt Area Center for Harm Reduction					
3 outdoor safe disposal bins.	3,622	0	0	0	0
Humboldt County 2-1-1					
To continue work as "Lead Second Responder and Chair of VOAD" Volunteer Organizations Active in Disaster.	57,000	0	0	0	0
Humboldt County Fire Chief's Association					
Purchase the recognized national standard for the minimum level of safety equipment needed to equip volunteer firefighters; build fire stations for housing equipment; and for the possibility of expanding services in connection with future county development.	2,172,679	1,241,465	931,214	1,241,465	1,241,465
Humboldt County Library					
Funding for two positions: Community Health Outreach Coord.(Admin Analyst II) & Systemwide Facilities and Safety Coordinator (Sr. Library Assistant).	125,000	0	0	0	15,000
Humboldt IPA on Behalf of Rx Safe Humboldt Coalition					
Ongoing expenses associated with the safe disposal of unwanted	13,920	0	0	0	0
McKinleyville Community Collaborative					
Funding for an existing county-wide home visiting program; collaborative of Hum. Network of Family Resource Centers.	17,030	0	0	0	0
K'IMA:W Medical Center					
The continuation of ambulance service in the Willow Creek Service	357,801	312,801	45,000	312,801	312,801
Kunle Centre					
Volunteer, local, peer-operated, non-emergency, "warm-line" who provide callers with support before crisis is reached; topics ranging from a bad day to suicidal thoughts. Kunle also connects callers to local resources. Funding is needed for volunteer recruitment, training days, and expanded hours of operations.	54,268	0	0	0	0

FY 2017-18 Measure Z Requests					
Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Secondary List Citizens' Advisory Committee Recommendations	Board Recommended	Adopted
Mountain Community and Culture					
Pedestrian safety walkability/mobility study for downtown Willow Creek area.	50,000	0	0	0	15,000
North Coast Substance Abuse Council, Inc.					
Funding to provide treatment to individuals who can't afford it.	106,650	0	0	0	0
Public Works					
Project to improve county maintained road surfaces reducing response time for emergency vehicles.	3,000,000	1,178,554	1,821,446	1,178,554	1,178,554
ACV must provide aircraft rescue and firefighting services during air carrier operations that require a Part 139 certificate; including ARFF training, vehicles, and other requirements.	291,000	0	0	0	0
Provide security services at ACV.	145,000	0	0	0	0
Annual ARFF training (for Arcata Fire Department) along with airport based firefighters.	32,000	32,000	0	32,000	32,000
Traffic signal battery back-up systems for county's signalized intersections.	80,000	0	0	0	0
Cell phone service paddle markers for turn-outs on rural roads with limited cell coverage (Demonstration Project).	8,500	0	0	0	0
Create a gated entrance at Mad River County Park to curtail inappropriate nighttime activity.	9,200	0	0	9,200	9,200
Replace fire truck and small back-up truck at ACV.	330,000	0	0	0	0
RBS Enterprises					
Outfit Eureka and surrounding areas with one LoRa repeater for new low-power mini-trasceivers that will exchange data with the repeater as far as 20 miles away.	18,000	0	0	0	0
Sheriff (Humboldt County)					
Radio system is out of date and does not provide sufficient coverage in many critical parts of the county. Funding requested to help finish a comprehensive study on radio system to help begin upgrade.	309,658	0	0	147,500	309,658
Four new positions: Sheriff's Deputy for Blue/Trinidad; Sheriff's Deputy Arcata/Mck. High school; Community Services Officer; Public Information Specialist.	730,484	438,292	292,192	290,792	290,792

FY 2017-18 Measure Z Requests					
Agency and Project	Agency Requested	Primary Citizens' Advisory Committee Recommendations	Secondary List Citizens' Advisory Committee Recommendations	Board Recommended	Adopted
Southern Trinity Area Rescue					
Volunteer, non-profit organization that would like to transition to having one or two paid EMT's to help alleviate some of the strain on volunteers.	39,600	39,600	0	39,600	39,600
TOTAL	11,038,921	4,473,815	3,383,417	4,693,015	5,075,043

Available to allocate:

Attachment II
K'ima:w Medical Center request for additional funding



K'ima:w Medical Center

P.O. Box 1288, Hoopa, California 95546

Telephone (530) 625-4261

Admin Fax: (530) 625-4842 Medical Fax: (530) 625-4781

An entity of the Hoopa Valley Tribe

October 18, 2017

Humboldt County Board of Supervisors
825 Fifth Street
Eureka, CA 95501

To Whom It May Concern:

On behalf of K'ima:w Medical Center, I formally request a carryover of 2016-2017 Measure Z funds in the amount of \$21,930.98 to purchase digital radios for the Ambulance Department. The savings are an effect of having increased revenue primarily resulting from having a full-time biller.

The Hoopa Police Department is transitioning from analog to digital and due to the remoteness of our region we require radio contact with dispatch since the cell service does not work in many locations. The carryover amount of \$21,930.98 would fund this new (immediate) cost and allow reliable communication with dispatch in the Willow Creek area.

If you have any questions regarding this request, please contact me at the telephone number listed above, extension 287.

Thank you,

Mary Benedict
Interim CEO/Controller



165 S. FORTUNA BLVD FORTUNA, CA 95540 707-725-9702

DATE: July 28, 2017

EQUIPMENT PROPOSAL: HOOPA AMBULANCE

QTY	DESCRIPTION	RETAIL	WSCA	EXTENSION
5	KENWOOD NX5700K VHF 50 WATT FRONT MOUNT MOBILE	980.00	\$686.00	\$3,430.00
5	KES-3S EXTERNAL SPEAKER	44.25	\$30.98	\$154.88
5	KWD-5100CV P25 CONVENTIONAL UPGRADE	575.00	\$402.50	\$2,012.50
12	KENWOOD NX5200K2 VHF 6 WATT PORTABLE	825.00	\$577.50	\$6,930.00
12	KWD-5100CV P25 CONVENTIONAL UPGRADE	575.00	\$402.50	\$4,830.00
24	KNB-L2M LI-ION BATTERY	135.00	\$94.50	\$2,268.00
12	KRA26M STD ANTENNA	14.00	\$9.80	\$117.60
12	KSC32 RAPID RATE CHARGER	70.00	\$49.00	\$588.00
			\$0.00	\$0.00
			\$0.00	\$0.00
			\$0.00	\$0.00
SUB TOTAL				\$20,330.98
15	PROGRAMMING AND SETUP		\$40.00	\$600.00
5	FRONT MOUNT INSTALLS		\$200.00	\$1,000.00
				\$0.00
				\$0.00
SUB TOTAL				\$21,930.98
	SALES TAX		0.00%	\$0.00
GRAND TOTAL				\$21,930.98

KENWOOD

NEXEDGE

NX-5200/5300/5400

NEXEDGE® VHF/UHF / 700-800MHz
MULTI-PROTOCOL DIGITAL & ANALOG PORTABLE RADIOS



NXDN®

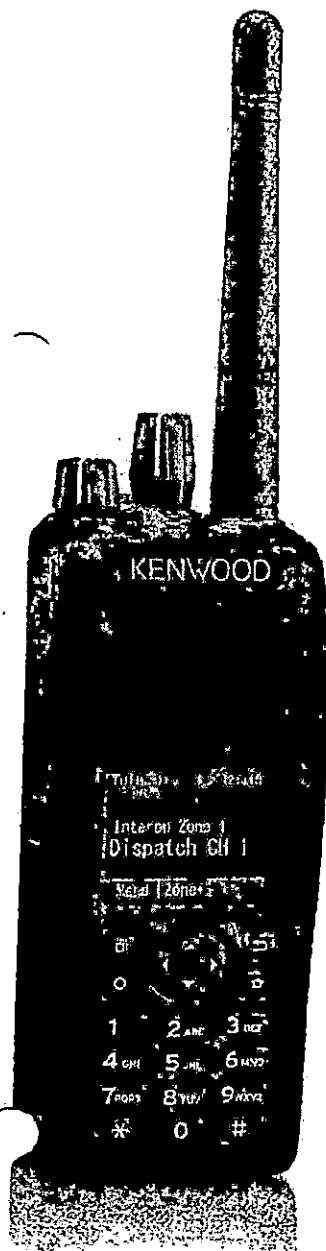


Bluetooth®



GPS

FleetSync®



FEATURE HIGHLIGHTS

- Multi-Protocol operation in P25 (Phase 1 & 2), NXDN® and Analog protocols
- Mixed Digital & FM Analog Operation allows intelligent migration in mixed sites and easy migration with digital radios in other sites
- Large, Color 1.74" (240 x 180 pixels) Transflective TFT Display for better interface even in direct sunlight and with use of polarized sunglasses
- Easy to follow GUI for at-a-glance operational status checking and Multi-line Text to convey more information
- 4-way Directional-pad (D-pad) and 2-Position Lever Switch for intuitive control and operation
- Built-in GPS Receiver/Antenna for effective fleet management
- Built-in Bluetooth® Module
- Active Noise Reduction (ANR) utilizing built-in DSP with two microphones for suppression of ambient noise
- Renowned KENWOOD Digital Audio Quality
- Built-in 56-bit DES Encryption
- Optional 256-bit AES Encryption
- Built-in Motion Sensor for life-critical man down detection
- microSD/microSDHC Memory Card Slot for increased memory capacity for "Voice & Data"
- IP67/68 and MIL-STD-810 C/D/E/F/G

GENERAL FEATURES

- 6 W (136-174 MHz) Models
- 5 W (380-470, 450-520 MHz) Models
- 3 W (700/800 MHz) Models
- Full Key Models (w/ numeric keypad) and Standard Key Models (w/o numeric keypad)
- Maximum of 4,000 CH/Radio capacity, 512 CH/Zone, 128 Zones
- 1 W Loud Speaker Audio

DIGITAL – P25 MODE

- P25 Conventional Trunking (Phase 1 & 2) Protocol
- AMBE+2™ Enhanced Vocoder
- Talk Group ID Lists
- Individual ID Lists
- Caller ID Display
- Remote Monitor/Remote Check
- Radio Inhibit

- Encryption Key Zeroize & Retention
- P25 GPS Location
- Over-the-Air Programming*

DIGITAL – NXDN® MODE

- NXDN® Conventional/Type-C Trunking Protocol
- AMBE+2™ VOCODER
- 6.25 & 12.5 kHz Channels
- Over-the-Air Alias
- Over-the-Air Programming**
- Paging Call
- Emergency Call
- All Group Call
- Status Messaging**
- Remote Stun/Kill**
- Remote Check**
- Short & Long Data Messages**
- GPS Location
- NXDN® Digital Scrambler Included

FM MODES – GENERAL

- Conventional & LTR Zones
- NPSAC (USA only) Channels (±4.0 Modulation)
- FleetSync®/II: PTT ID ANI / Caller ID Display, Selective Group Call, Emergency, Status / Text Messages
- MDC-1200: PTT ID ANI / Caller ID Display, Emergency, Radio Check / Inhibit
- QT / DQT & Two-Tone
- Built-in Voice Inversion Scrambler

INTELLIGENT BATTERY SYSTEM (Option)

- System consists of the optional high-capacity Battery Series (KNB-L1/L2/L3/N4/L55), Rapid Charger (KSC-Y32), and Battery Reader (KAS-12) software
- Up to 60 Rapid Chargers can be chain-connected to a PC installed with the KAS-12
- KAS-12 Battery Reader software can display and manage information including battery type, model name, voltage, temperature, discharge cycle, expected life, and remaining capacity
- Up to 5,000 batteries can be managed at a time (requires an additional option)

*1 Requires KENWOOD QTAP Management software.

*2 Requires NX subscriber unit PC serial interface compatible software application (e.g. KENWOOD AVL & Dispatch Messaging software) or hardware (e.g. console).

KENWOOD

NEXEDGE® NX-5700/5800/5900

NEXEDGE® VHF/UHF/700-800MHz
MULTI-PROTOCOL DIGITAL & ANALOG MOBILE RADIOS



NXDN®



Bluetooth®



GPS

FleetSync®

FEATURE HIGHLIGHTS

- Multi-Protocol operation in P25 (Phase I&II), NXDN® protocols
- Mixed Digital & FM Analog Operation allows intelligent migration in mixed sites and easy migration with digital radios in other sites
- Large, Color 2.55" (154 x 422 pixels) TFT Display for at-a-glance operational status checking
- Easy to follow GUI and Multi-line Text to convey more information
- Dual Remote Control Head Option and Multi-Band (Multi RF Deck) Control Option providing scalable configurations for various operations and applications
- Built-in GPS Receiver/Antenna for effective fleet management
- Built-in Bluetooth® Module
- Active Noise Reduction (ANR) utilizing built-in DSP for suppression of ambient noise
- Renowned KENWOOD Digital Audio Quality
- Built-in 56-bit DES Encryption
- Optional 256-bit AES Encryption
- microSD/microSDHC Memory Card Slot for increased memory capacity for "Voice & Data"
- IP54/55 and MIL-STD-810 C/D/E/F/G

GENERAL FEATURES

- 2 W - 35 W (700-800 MHz) Models
- 5 W - 50 W (136-174 MHz) Models
- 5 W - 45 W (380-470, 450-520 MHz) Models
- Maximum of 4,000 CH/Radio capacity, 512 CH/Zone, 128 Zones
- DB-25 Accessory Connector
- 4 W Speaker Audio

DIGITAL - P25 MODE

- P25 Conventional/Trunking (Phase 1/Phase 2) Protocol
- AMBE+2™ Enhanced Vocoder
- Talk Group ID Lists
- Individual ID Lists
- Caller ID Display
- Remote Monitor/Remote Check
- Radio Inhibit
- Encryption Key Zeroize & Retention
- P25 GPS Location
- P25 Over-the-Air Re-keying
- Over-the-Air Programming*

DIGITAL - NXDN® MODE

- NXDN® Conventional/Type-C Trunking Protocol
- AMBE+2™ Enhanced Vocoder
- 6.25 & 12.5 kHz Channels
- Over-the-Air Alias
- Over-the-Air Programming**
- Paging Call
- Emergency Call
- All Group Call
- Status Messaging*
- Remote Stun/Kill*
- Remote Check*
- Short & Long Data Messages*
- GPS Location
- NXDN® Digital Scrambler Included

*1 Requires KENWOOD OTAP Management software.
*2 Requires NX subscriber unit PC serial interface compatible software application (e.g. KENWOOD AVL & Dispatch Messaging software) or hardware (e.g. console).

FM MODES - GENERAL

- Conventional & LTR Zones
- FleetSync®/II: PTT ID ANI / Caller ID Display, Selective Group Call, Emergency Status / Text Messages
- MDC-1200: PTT ID ANI / Caller ID Display, Emergency, Radio Check / Inhibit
- QT / DQT & Two-Tone
- Built-in Voice Inversion Scrambler

MULTIPLE CONFIGURATIONS (Option)

The NX-5000 mobile series allows users to create a variety of configurations to suit different requirements by combining different options.



- Single RF Deck/Single Remote Control Head:
The simplest configuration can be achieved by turning the front control panel of the NX-5000 mobile series into a Remote Control Head.
- Single RF Deck/Dual Remote Control Heads:
One controller can be mounted on the dashboard, with the other at the rear.
- Multiple RF Decks/Single Remote Control Head:
You can operate multiple radios (up to three) as if they were one by adding additional NX-5000 mobile series RF Decks.
- Multiple RF Decks/Dual Remote Control Heads:
This adds the convenience of a dual control head to the above configuration.



Attachment III
Recommended Budget Adjustments and Appropriation Transfers

ATTACHMENT III

RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget Unit	Acct #	Budget Name	Account Name	Adjustment
Supplemental Budget Revenue					
1100	888	710050	General Purpose Revenue	Fund Balance	\$ 1,814,359 Carry over fund balance
				Total General Fund	\$ 1,814,359
1170	424	707080	Mental Health	General Fund Contribution	\$ 400,000 General Fund Contribution for ACEs
				Total Mental Health	\$ 400,000
Expenditures					
1100	103	2118	County Administrative Office	Professional Services	\$ 86,000 Lew Edwards opinion research poll
1100	103	2118	County Administrative Office	Professional Services	\$ 5,000 BOS/DH strategic workshop
1100	111	2317	Auditor Controller	Office Expense-Equipment	\$ 6,500 New computers
1100	111	2225	Auditor Controller	Transportation-Out of County	\$ 3,000 Governmental accounting training
1100	121	2118	County Counsel	Professional Services	\$ 4,075 County code publishing
1100	130	2118	HR-Personnel	Professional Services	\$ 40,000 Probation, Library, HR recruitments
1100	130	2225	HR-Personnel	Out of County Travel	\$ 10,000 LEAN training
1100	162	2118	Facility Management	Professional Services	\$ 20,000 Window washing and lawn maintenance
1100	162	8968	Facility Management	Landscaping	\$ 27,850 Courthouse landscaping
1100	217	2125	Grand Jury	Transportation & Travel	\$ 6,000 Rural juror travel
1100	199	3231	Contributions-Other	Contribution to LAFCO	\$ 2,934 LAFCo annual fee increase
1100	199	3267	Contributions-Other	Contribution ADA Trust	\$ 500,000 Contribution to ADA trust
1100	199	3247	Contributions-Other	Contribution Deferred Maintenance	\$ 600,000 Reserve for courthouse roof maintenance
1100	632	1400	Humboldt-Del Norte Farm Advisor	Extra Help	\$ 3,000 Extra help expense
1100	990	2010	Reserve for Contingencies	Contingencies	\$ 500,000 Contribution to reserves FY 18-19
				Total General Fund	\$ 1,814,359
1170	424	2590	Mental Health	Local Implementation Contracts	\$ 400,000 Consultant to assist with upgrades
				Total Mental Health	\$ 400,000