

The County of Yuba

OFFICE OF THE COUNTY ADMINISTRATOR

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June 28, 2022

Yuba County Board of Supervisors
915 8th Street
Marysville, CA 95901

FISCAL YEAR 2022-2023 PROPOSED BUDGET

INTRODUCTION

In accordance with the Yuba County Ordinance Code and State law, presented to the Yuba County Board of Supervisors is the Fiscal Year 2022-2023 Proposed Budget as recommended by the County Administrator.

Through the collaboration and creativity of Yuba County's Department Heads, Management Team, Employees, and community partners, this Proposed Budget presented to the Board of Supervisors will continue to move the County forward in a fiscally responsible manner that best serves the community with the fiscal resources we have available.

This fiscal responsibility resulted in General Fund reserves and contingencies meeting and exceeding adopted policies, while also providing the ability to continue investing in our workforce, expanding our technology to enhance our security and responsiveness, and planning for and implementing critical infrastructure projects.

This past year has been a challenge for our organization, as we worked through exiting the pandemic at a time of historically low unemployment and high inflation that resulted in historically high vacancy rates in our organization, along with extreme staffing shortages in certain areas coupled with delays and/or cost increases for equipment and supplies. However, our organization is resourceful and resilient, and strives to provide the quality and responsive services our residents and businesses deserve. Below are just a few examples of the many accomplishments over this past year, in spite of the adversities, as well as a few of the many goals for the coming year. For more details on accomplishments and goals, each budget presented in this document has the accomplishments and goals associated with that specific budget.

Accomplishments Highlights in Fiscal Year 2021-2022:

- Yes to Yuba - Launched the rebranding of *Yuba County Enterprise Solutions* “business friendly” initiative, including a website and social media presence. Yuba County received consistent recognition from those doing business with us for our pro-business, customer service-focused attitude. The launch of Yes to Yuba takes our approach to the next level of encouraging and facilitating economic growth for our community.
- There was continued progress on both the wastewater and road infrastructure efforts to support development of Southern Yuba County, which included hiring the County’s first position focused on Broadband implementation. The County is leading the charge through the South Yuba Transportation Improvement Authority to advance large-scale transportation projects needed to support the long-term growth for the area. In addition, the County, in partnership with Yuba Water Agency, City of the Wheatland and Olivehurst Public Utility District, has made significant progress towards implementation of a sewer system that will serve the Highway 65 Corridor, including the Sports and Entertainment Area as well as the City of Wheatland.
- The Administrative Services Department was busy with numerous projects including the construction of the Tri County Juvenile Hall, design and permitting of the Jail Medical Project, installation of bi-polar ionization systems in county facility HVAC systems, upgraded drinking fountains with bottle fillers in county facilities and retrofitting Government Center with LED lighting, as well as implementing additional IT security measures and providing IT support for the redistricting process for the County, Yuba Water Agency, and Yuba County Office of Education.
- Health and Human Services provided Rapid Rehousing to 504 individuals. Rapid Rehousing is a program with several components including: help locating a suitable housing unit; filling out applications for housing; doing walk-throughs and signing leases; assistance with rental payments and deposits; and case management to assist the client in obtaining and maintaining housing. In addition, maintained an average of 22,745 CalFresh and Medi-Cal cases monthly, as well as handling an average of 3,375 calls per month in their Call Center.
- Over calendar year 2021, The District Attorney’s Office reviewed 3,598 investigation referrals, screened 3,498 cases, filed 2,797 criminal actions in court and brought 2,648 cases to completion.
- Over calendar year 2021, The Sheriff’s Office received 23,589 calls for service that included 739 property crimes and 225 violent crimes.
- The Ag Department continued to implement enhancements to CalAgPermits, our statewide web-based pesticide-permitting program, which allowed staff to issue pesticide permits using GIS technology. Recent enhancements include CalSchoolsNotify and BeeWhere. CalSchoolsNotify enables growers to efficiently notify schools within ¼ mile of their property of pesticides that may be applied during the year. BeeWhere allows accurate tracking and timely notification of bee colony locations to protect colonies from potentially harmful pesticide applications.

Goals Highlights in Fiscal Year 2022-2023

- Lindhurst Avenue / North Beale Road commercial corridor revitalization. This is a multi-pronged approach focused on storm water and road improvements along the corridor, as well as an allocation of \$500,000 of American Rescue Plan Act (ARPA) funds to provide mini-grants to existing business owners along the corridor to perform façade improvements.
- Expand broadband service delivery within the County utilizing a public-private partnership approach, as well as pursuit of funds for broadband projects through the State of California Middle-Mile Broadband Initiative and the California Public Utility Commission's California Advanced Services Fund (CASF) Last-Mile Grant program.
- Construct the library renovation project to update the functionality of the County's one and only library that is over 45 years old.
- Complete Yuba County's community health assessment (CHA) and start on the community health improvement plan (CHIP). The full CHA/CHIP is projected to be complete by mid-2023, which will then set Yuba County Public Health on the path to accreditation.
- In the Sheriff's Office, efforts include implementing a license plate reader program, continuing an integrated approach with Code Enforcement to address homelessness and blight, adding staffing to enhance services and keep pace with our growing communities, and begin implementation of a new software system for the Department.
- The Auditor-Controller's Office will prepare the chart of accounts, along with process and procedures necessary for implementation of the County's new financial software system in the 2023-2024 fiscal year.

Yuba County continued to experience General Fund revenue growth over the last few fiscal years. The core of our General Fund revenue is currently stable. The challenge is meeting the cost of business increases with available ongoing revenue.

General Fund revenue, which the Board of Supervisors can allocate for any legitimate purpose in serving the public, is estimated at approximately \$40.7 million for FY 2022-2023, which is a \$2.3 million increase over the \$38.4 million budgeted in FY 2021-2022. The \$2.3 million increase is mainly attributed to increases in Secured Property taxes, Motor Vehicle in-lieu, Bradley Burns sales tax, Franchise Fees, and a scheduled increase in Casino MOU revenue. In addition, Public Safety revenues (Prop 172), which are seeing growth, support the Sheriff, District Attorney, and Probation Departments, as well as several pre-Prop 13 fire districts serving the unincorporated portion of the County.

While General Fund revenues are increasing for FY 2022-2023, so are expenses in health insurance, liability insurance, and worker's compensation. For example, the County's portion of health insurance costs increased \$2.2 million, liability insurance increased \$567,300 and worker's compensation increased by approximately \$165,000 countywide. In addition, pension costs increased by \$2.1 million countywide. These costs are offset by both General Fund and non-General Fund sources, however they provide context that there is growth in both revenue and expenses at a time when staffing remains relatively static.

BUDGET SUMMARY

TOTAL OPERATING BUDGET

Fiscal Year 2021-2022 (Final Budget)	\$251,813,917
Fiscal Year 2022-2023 (Proposed Budget)	\$289,180,369

The total FY 2022-2023 Proposed Budget is approximately \$37 million more than the FY 2021-22 Final Budget.

- The largest increase compared to last year is \$7.7 million, due to Health and Human Services Department increase in operations and improvements.
- The Sheriff Department's increase of nearly \$4 million attributed to the replacement of their Computer-Aided Dispatch (CAD) system, as well as other IT infrastructure funded by Measure K.
- \$2 million in capital improvements for the Government Center, which includes a roof replacement and completion of several interior improvements.
- \$3.2 million in Capital Projects for Juvenile Hall Project (\$747,000) and Jail Expansion (\$2.4 million).
- Community Development's County Parks budget increased by \$1 million for the East Linda Community Park Acquisition.

Approximately \$2.8 million is attributable to General Fund increases for General Government departments and \$2.1 million in General Fund increases for Public Protection departments. The remaining increases are in Non-General Fund programs supported by Federal, State, and Non-General funds.

Expenditure increases projected for FY 2022-2023 are attributable to similar categories seen in previous years, with the main categories being employee salaries and benefits.

CalPERS

The County's share of pension costs as a percentage of salary:

	FY 2020/2021	FY 2021/2022	FY 2022/2023
SAFETY	39.253%	42.83%	43.64%
MISCELLANEOUS	27.460%	29.93%	30.93%

Health Insurance

Health Insurance premiums continue to rise every year, with this year's estimate being approximately 5% higher than FY 2021-2022. Actual costs are yet to be determined, as they depend upon open enrollment changes and an analysis of rates received just prior to the submission of the recommended budget.

Use of One-Time Revenues

Additional one-time funding expenditures are estimated at approximately \$4,730,000. The primary funding source is the County's capital project account. The one-time recommended expenditures are identified across numerous departments and public projects that are core to the County's strategic priorities of Public Safety and Health, Economic Development, Responsible Growth and Workforce Excellence.

General Fund Reserve and Contingency levels remain above budgeted policy levels. A more detailed summary is provided later in this document.

The recommended budget assumes a carryover General Fund balance of approximately \$6.9 million. The estimate may increase or decrease, based on closing of the financials for the current fiscal year. Should there be an increase, it is recommended the funds be considered one-time, reserves and/or contingencies and budgeted in the Final Budget, according to policy.

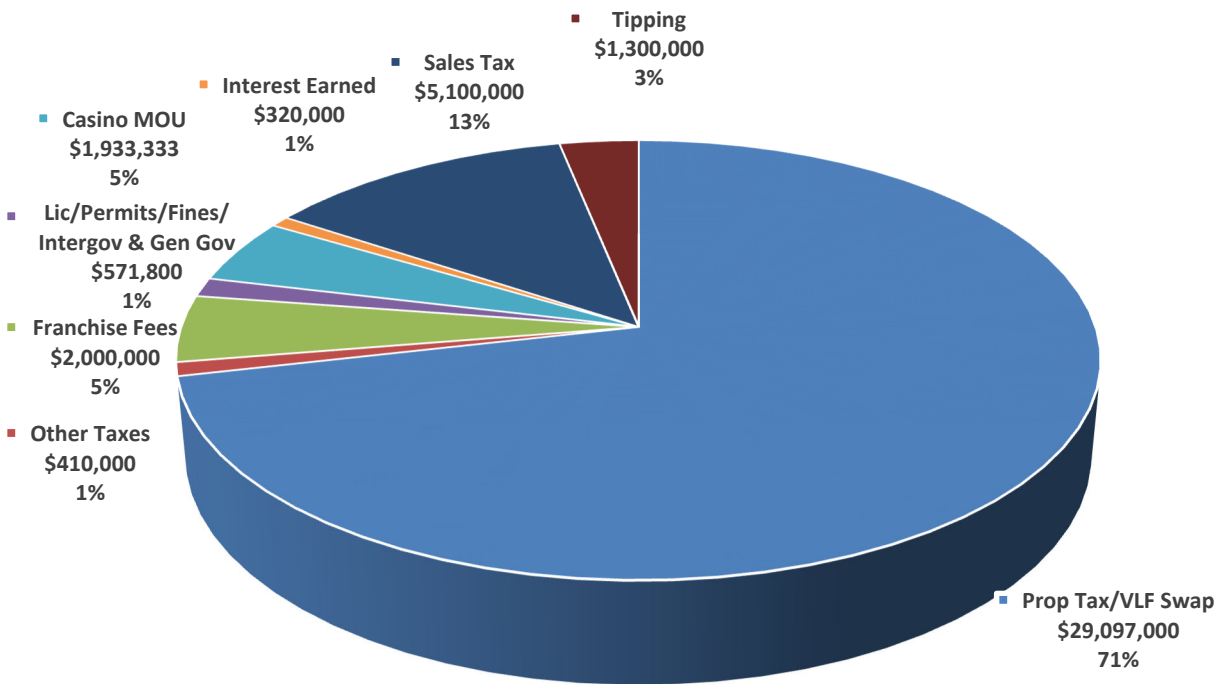
The proposed operating budget does not include the additional 2.5% Cost of Living Adjustment (COLA) for Miscellaneous, Non-Represented, Yuba County Employees' Association (YCEA), and Deputy District Attorney Association (DDAA) employees or potential increased costs from ongoing contract negotiations for the Deputy Sheriff's Association (DSA), Law Enforcement Management / Supervisory Association (MSA), and Probation Peace Officers' Association (PPOA). These costs will be adjusted in final budget and will be partially offset by the current vacancy rates.

REVENUES

General Fund Revenues

Secured Property Tax revenues are projected to increase by approximately 4.83% or \$700,000. Primary factors contributing to the increase are property transfers and new home construction. Along with the increase in property tax, the Motor Vehicle/VLF is projected to increase by 4.67% and Sales Tax is projected to increase 4.17% for the upcoming fiscal year.

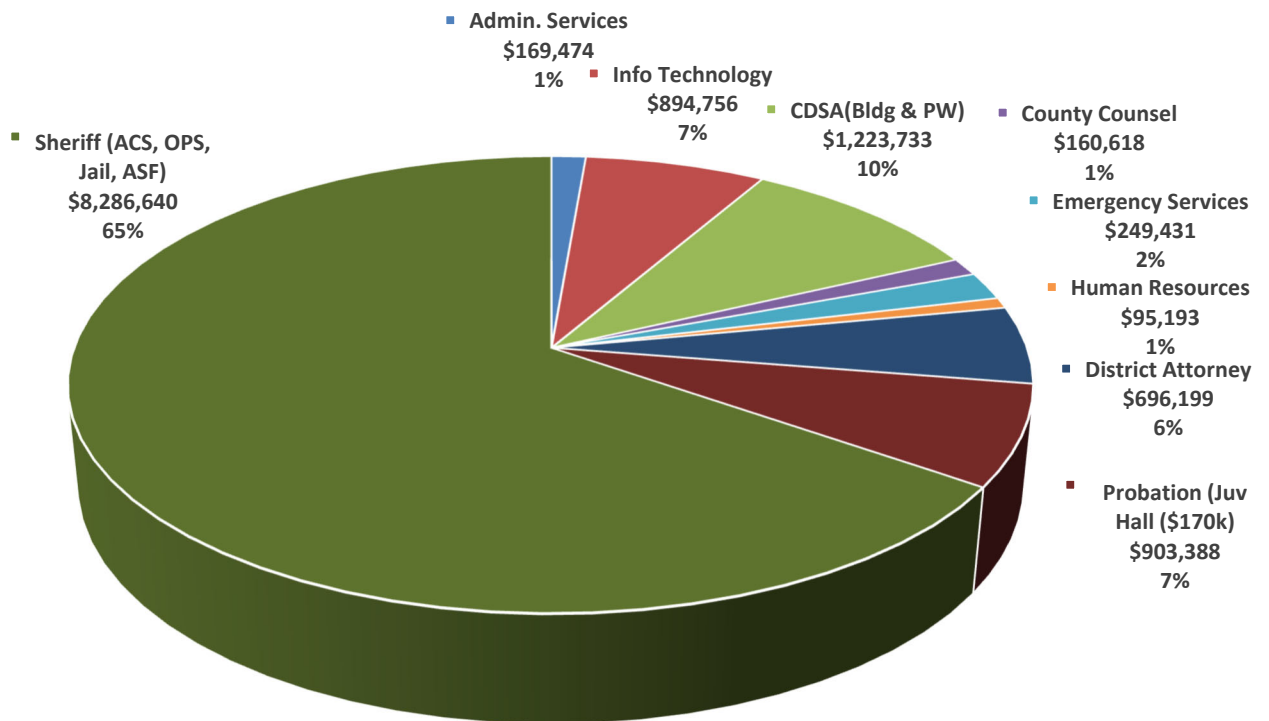
FIGURE 1: Total General Fund Revenue Sources \$40,732,133



Measure K Revenues

Continuing the efforts from the Board approval in December 2021, the County is putting Measure K to work to increase public safety and essential service levels. The Board approved \$13,659,492 in Measure K appropriation in FY 2021-2022. A portion of this allocation is carrying forward into the next fiscal year along with Measure K fund balance. Total Measure K allocation for FY 2022-2023 is \$12,679,432 with approximately 78% of budgeted Measure K revenue allocated directly to the Sheriff, District Attorney, and Probation Departments, with the remainder of the Measure K funds going to departments to either provide essential services or support departments providing public safety and essential services.

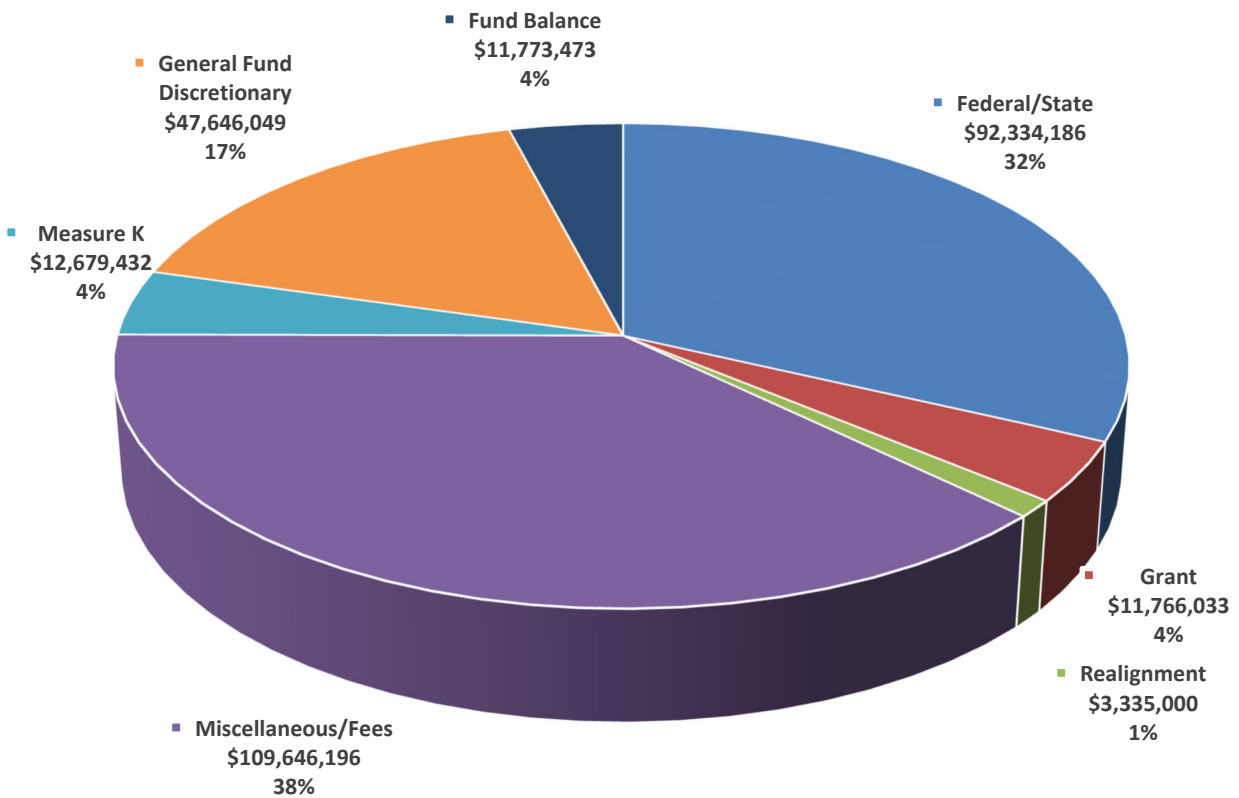
Appropriation of Measure K Funds by Department



Total Revenues

In addition to General Fund revenues, there are Non-General Fund revenues received from State and Federal sources, a portion of state sales tax (commonly referred to as Realignment Revenue), and fees for services. Non-General Fund revenues provide all or nearly all the revenue for the Health and Human Services Agency, Child Support Services, and the Community Development and Services Agency.

**FIGURE 2: Total of All Revenue Sources \$289,180,369
(General Fund and Non-General Fund)**



EXPENDITURES

Departmental expenditures are recommended to remain relatively static, with some increases in General Fund contributions occurring due to salary and benefit cost increases and decreases in non-General Fund revenues for cost reimbursement for central service departments. While this information is summarized in a General Fund contribution worksheet, departmental level detail indicates whether the increases are primarily for ongoing costs or one-time purchases.

All Departments continue to budget conservatively and continue to work with each other to maximize all revenue sources and collaborative service opportunities.

The proposed budget does not include the additional 2.5% Cost of Living Adjustment (COLA) for Miscellaneous, Non-Represented, Yuba County Employees' Association (YCEA), and Deputy District Attorney Association (DDAA) employees or potential increased costs from ongoing contract negotiations for the Deputy Sheriff's Association (DSA), Law Enforcement Management / Supervisory Association (MSA), and Probation Peace Officers' Association (PPOA). These costs will be adjusted in final budget and will be partially offset by the current vacancy rates.

**FIGURE 3: Total Expenditures \$289,180,369
(General Fund and Non-General Fund)**

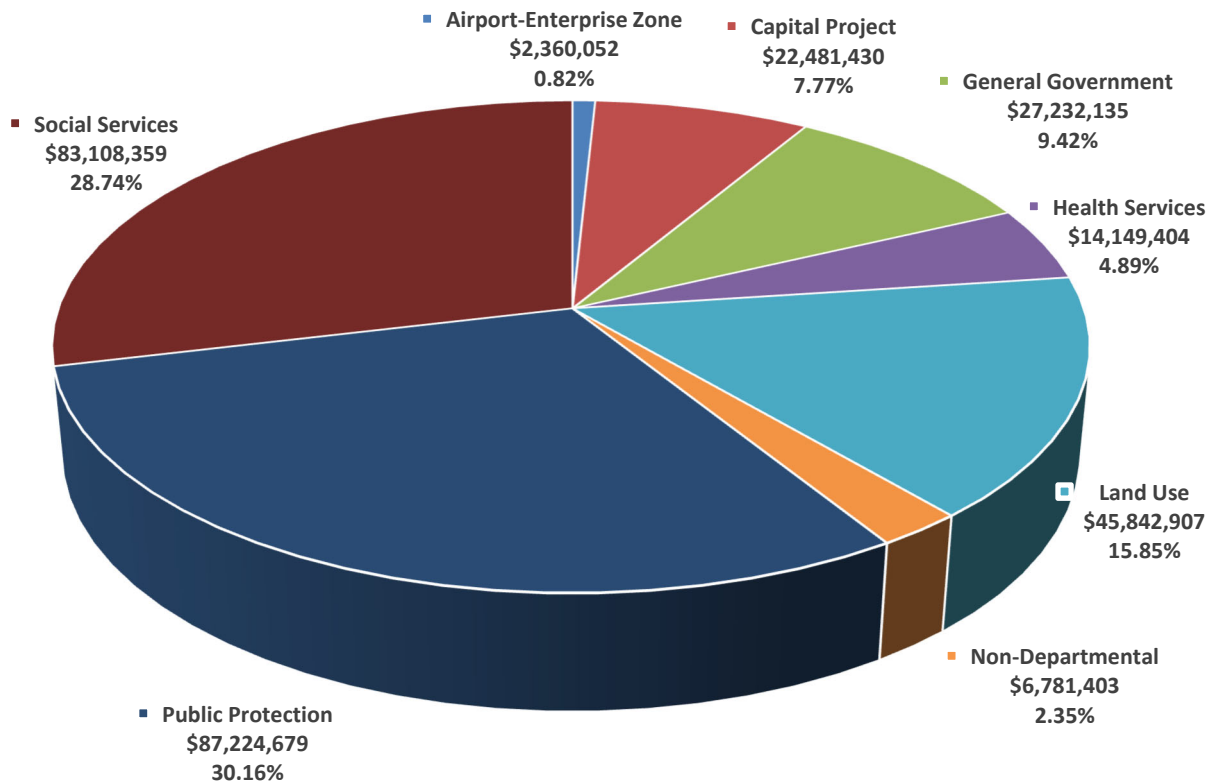
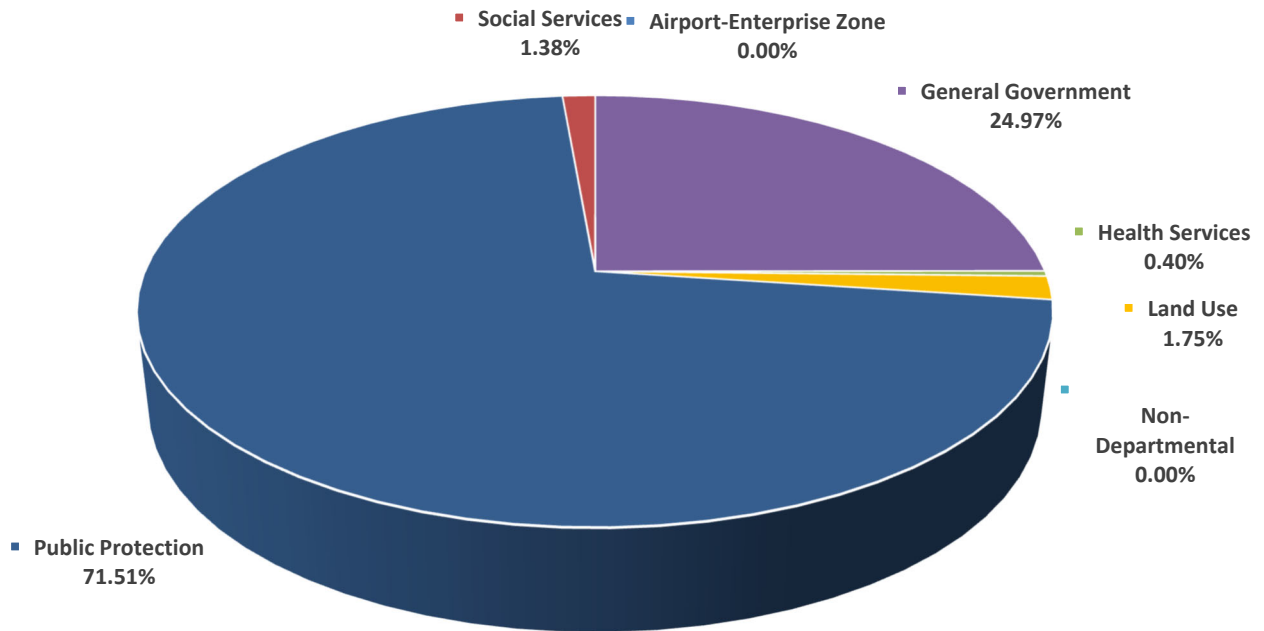


FIGURE 4: Total General Fund Expenditures by Function \$47,466,049



Functional groups are identified based on type of County service provided and grouped according to the County Budget Act.

Public Protection

Sheriff
 Jail
 Juvenile Hall
 Probation
 District Attorney
 Ag Commissioner
 Code Enforcement
 Public Defender
 County Share Court
 Child Support Services

Land Use

Planning
 Public Works
 Building Department
 Roads
 Surveyor

General Government

Board of Supervisors
 County Administrator
 County Counsel
 Library
 Treasurer-Tax Collector
 Auditor-Controller
 Human Resources
 Clerk-Recorder
 Clerk of the Board
 Assessor
 Administrative Services
 Information Technology

Non-Departmental

Debt Service
 Reserves

Health Services

Health Department
 Environmental Health
 CMSP

Social Services

Welfare Administration
 Veterans Services
 Housing Programs
 Child Welfare Services
 CalWORKS
 Public Guardian

RESERVES & CONTINGENCIES

General Fund Reserves

The Board's approved policy for General Fund Reserves states, in part: the General Fund's total General Reserve and Designation for Economic Uncertainties should be accumulated over time until 5% of the annual operating budget reserve level is achieved.

FY 2022-2023 General Reserve levels are recommended to be above the stated policy level of 5%. This recommendation is consistent with Board direction in 2014 to achieve a stated goal of a 10% reserve funding level within the next five years.

The proposed budget includes the current reserve amount of \$4,700,000, achieving an 11.54% reserve funding level exceeding the Board's prior goal. Staff will review actual end-of-year cash balance, as well as any one-time revenue sources that may materialize between now and Final Budget. Any additional one-time funding sources are recommended to increase this reserve funding.

FY 2021-2022 \$4,700,000

FY 2022-2023 \$4,700,000

In addition to General Fund Reserves, the current balance in the Reserves for Economic Uncertainty fund that will carry forward to FY 2022-2023 is \$2,520,840, achieving a 6.19% reserve funding level.

As stated previously to the Board, reducing reserve levels or not meeting stated goals may affect the County's credit rating, results in having fewer reserves if an emergency occurs, and impact interest earnings.

General Fund Contingencies

The Board-approved policy for General Fund Contingencies states in part: the General Fund's Appropriation for Contingencies should be budgeted at not less than 1.5% of the operating budget. Following the prior Board-approved budget, contingencies are held in a separate fund.

General Fund Contingencies are recommended at \$ 1,385,044 for FY 2022-2023, which is over the base policy level of 1.5% at 3.4%.

Similar to General Fund Reserves, staff will review actual end-of-year cash balance, as well as any one-time revenue sources that may materialize between now and Final Budget. Any additional one-time funding sources are recommended to increase this level.

WORKFORCE

For Fiscal Year 2022-2023, there are increases to our workforce in a few particular areas and slight decreases in others, resulting in a net allocated position total of 970, which is 21 positions more than the previous fiscal year. Recommended increases are primarily due to an increase in federal, state, and grant program revenues or increasing department service levels. The detailed recommendation is provided in the attached budget document.

Recruitment and retention will remain a priority for the County as we are experiencing a higher than normal vacancy rate in open positions. We are looking at new and creative ways to attract applicants on recruiting efforts.

Information Technology is moving under Administrative Services to best operate as an internal service supporting Countywide functions. A Deputy Director position in Administrative Services is being recommended, replacing the Chief Information Officer position to lead Information Technology through this transition.

Economic Development is moving from the County Administrator's Office into the Community Development and Services Agency, with a newly created position and budget to focus the County's efforts in this area. The newly created Business Engagement Manager will lead this effort with support from the various departments in Community Development that overlap with the business community. The Business Engagement Manager position replaces the vacant Director of Business Development position.

At midyear in 2022, the Airport budget and operations moved from Administrative Services to Community Development and Services Agency. This has proven to be a good fit for both the Airport and Community Development. This move also overlaps with Community Development's focus on additional Economic Development and continued efforts to improve and enhance the Airport.

The District Attorney's Office recently experienced the retirement of the long tenured Chief Investigator. Prior to filling the vacancy, the District Attorney is requesting to reconfigure the responsibilities of this position to manage both the Investigations and Legal Services Divisions as well as add additional investigation and attorney positions.

RECOMMENDED ACTIONS

It is recommended the Board of Supervisors:

1. Accept and adopt the Proposed Budget for Fiscal Year 2022-2023 as the County's interim spending plan, including position allocation changes, and direct staff to make available copies for public review.
2. Set dates for the Fiscal Year 2022-2023 Budget Workshops for August 9th and August 10th.
3. Set public hearings to commence September 13th for consideration and adoption of the Fiscal Year 2022-2023 Final Budget.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Kevin Mallen', with a stylized flourish at the end.

Kevin Mallen
County Administrator