



COUNTY OF HUMBOLDT

For the meeting of: 5/7/2024

File #: 24-377

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Departmental

Vote Requirement: Majority

SUBJECT:

Fiscal Year 2024-25 Measure Z Recommendations

RECOMMENDATION(S):

That the Board of Supervisors:

1. Review and provide direction on the priority list from the Citizens' Advisory Committee on Measure Z Expenditures for Fiscal Year (FY) 2024-25, and;
2. Provide other direction as needed.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Safe & Healthy Communities

Strategic Plan Category: 1001 -Support and sustain partnerships between public safety and partner agencies to enhance public safety in our communities

DISCUSSION:

The Citizens' Advisory Committee on Measure Z Expenditures is tasked with receiving public input and recommending projects, programs or activities to be funded by the Board with revenue from Measure Z. The committee uses an application process to develop recommendations and this year it received 23 applications requesting more than \$6.32 million in funding. There is a total of just over \$4.13 million available to be allocated in the upcoming Fiscal Year 2024-25 budget cycle. The committee met in March to develop a prioritized list of recommendations (Attachment 1.2) and its finalized list recommends funding five applications as follows, in order of priority:

1. \$500,000 Public Works Department: Prep chip and seal 2 miles of Mattole Road
2. \$1.10 million Public Works Department: Replacing 3 pieces of heavy equipment
3. \$202,901 City of Fortuna: Reinstate School Resource Officer to serve the Eel River Valley
4. \$188,324 Sheriff's Office of Emergency Services: Evacuation software platform Genasys
5. \$2.10 million Humboldt County Fire Chiefs' Association: Apparatus, equipment, dispatch fees, training, planning.

If your Board chooses to follow this list, it will leave an additional \$45,665 available for allocation. The committee's list includes three applications (City of Arcata, City of Rio Dell and Redwood Parks Conservancy) that are tied in its ranking list just below the cutoff line of available funding and the committee is forwarding the list in its current form for your Board to consider.

It should be noted that your Board in December approved a 3-year spending plan for Measure Z, which allocates \$12.50 million each year to county departments and four outside agencies (Figure 1 below). The committee’s recommendations are in addition to allocations contained in that spending plan. Your Board also authorized creation of a reserve for Measure Z with the FY 2024-25 level set at \$864,000, with that funding to be used for agencies in the spending plan in the event revenues do not meet projections, and priority given to outside agencies.

If your Board were to approve the committee’s recommendations, then just over 72% of all available funding would be allocated to county departments, which is just shy of the committee’s stated goal of no more than 70%.

[Figure 1]

	MZ Committee				
Outside Agencies	3-Year Spending Plan Allocation	% of fixed revenue	Recommendations	Total Allocation	% of All Funding
Kimaw	\$ 325,000	2.60%		\$ 325,000	
Rio Dell	\$ -			\$ -	
Fortuna	\$ 200,000	1.60%	\$ 197,901	\$ 397,901	
Arcata	\$ -	0.00%		\$ -	
Eureka	\$ -	0.00%		\$ -	
Fire	\$ 1,006,809	8.05%	\$ 2,100,000	\$ 3,106,809	
STAR	\$ 137,500	1.10%		\$ 137,500	
Outside Agency Total	\$ 1,669,309	13.35%	\$ 2,297,901	\$ 3,967,210	22.7%
County Departments					
Public Defender	\$ 311,568	2.49%		\$ 311,568	
DHHS	\$ 937,500	7.50%		\$ 937,500	
District Attorney	\$ 1,687,500	13.50%		\$ 1,687,500	
Probation	\$ 625,000	5.00%		\$ 625,000	
Sheriff	\$ 6,750,000	54.00%	\$ 188,324	\$ 6,938,324	
Public Works	\$ 411,117	3.29%	\$ 1,600,000	\$ 2,011,117	
Admin	\$ 108,006	0.86%		\$ 108,006	
County Total	\$ 10,830,691	86.65%	\$ 1,788,324	\$ 12,619,015	72.3%
MZ Reserves			\$ 864,000	\$ 864,000	
TOTAL ALLOCATIONS	12,500,000		4,950,225	17,450,225	

All of the applications submitted are included in attachments 2.1 through 2.23. Two of the applications submitted were withdrawn, and four more were excluded for consideration by the committee.

This year’s recommendations from the committee follow more than a year of significant change to the Measure Z process. As a reminder, your Board recently took the following significant actions related to

Measure Z:

Dec. 5, 2023

- Approved a 3-year spending plan setting fixed allocations for county departments and outside agencies.
 - This plan moves the county towards the committee’s goal of capping county costs at no more than 70% of all available revenue.

Jan. 23, 2024

- Decided that Measure Z would be awarded only once per year with budget adoption.
 - This action reserves unspent funding from the prior year so that it is allocated in the upcoming year, rather than during the middle of the current year. This will apply to future years. For example, unspent funding from FY 2023-24 will not be available for allocation until FY 2025-26.
- Created a reserve account with a target funding level of 16% of annual revenue.
 - Funding is to be used when revenues are insufficient for projects detailed in the 3-year spending plan.
 - Priority is to be given to fund outside agencies in the spending plan.
- Committed to seeking the committee’s input regarding any potential spending plans that could be adopted after FY 2026-27.

The committee chair has written a letter to your Board (Attachment 1.1) discussing some of the changes and challenges that lie ahead. It may be useful for your Board to deliberate on any additional potential changes in processes you would like the Measure Z Committee to consider when it reconvenes in the fall.

SOURCE OF FUNDING:

Measure Z (1100-889)

FINANCIAL IMPACT:

<i>Expenditures (1100197+Other Measure Z Budget Units)</i>	FY23-24	FY24-25 Projected*	FY25-26 Projected*
<i>Budgeted Expenses</i>	<u>\$13,670,000</u>	<u>\$12,500,000</u>	<u>\$12,500,000</u>
<i>Additional Appropriation Requested</i>		<u>\$4,086,225</u>	<u>\$500,000</u>
<i>Contingencies</i>		<u>\$864,000</u>	<u>\$864,000</u>
Total Expenditures	<u>\$13,670,000</u>	<u>\$17,450,225</u>	<u>\$13,909,665</u>

*Projected amounts are estimates and are subject to change.

<i>Funding Sources (1100889)FY23-24FY24-25 Projected*FY25-26 Projected*</i>			
<i>Measure Z Revenue</i>	<u>\$12,670,000</u>	<u>\$13,000,000</u>	<u>\$13,000,000</u>
<i>Use of Fund Balance</i>	<u>\$1,000,000</u>	<u>\$4,450,225</u>	<u>\$864,000</u>
Total Funding Sources	<u>\$13,670,000</u>	<u>\$17,450,225</u>	<u>\$13,909,665</u>

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

The 3-year spending plan approved by your Board was based on \$12.5 million per year in appropriations. Staff are estimating \$13 million in Measure Z revenue in FY 2024-25, and an additional \$3.63 million is available in fund balance as a result of prior year savings and an accounting adjustment accruing two months of sales tax to the prior year. There is currently \$864,000 set aside in reserves for Measure Z. In total, there is \$4.13 million available for discretionary allocation in FY 2024-25. The Committee's recommendations leave \$45,665 unallocated for the upcoming year.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

There are 80 county employees funded by Measure Z, funding for which was included in the 3-year spending plan. The applications under consideration today do not impact staffing levels. Some applications would impact staff's ability to deliver certain services.

OTHER AGENCY INVOLVEMENT:

Agencies applying for Measure Z Funding

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

- 1.1 Letter from Chair Campbell
- 1.2 Measure Z Committee Recommendations

Applications

- 2.1 City of Fortuna Application
- 2.2 Sheriff's Office of Emergency Services Application
- 2.3 Humboldt Senior Resource Center
- 2.4 Free to Fly Foundation
- 2.5 City of Arcata
- 2.6 City of Trinidad
- 2.7 Sheriff's Office
- 2.8 Willow Creek and Blue Lake Fire
- 2.9 County Administrative Office
- 2.10 Humboldt County Fire Chiefs' Association
- 2.11 Healy Senior Center of Southern Humboldt
- 2.12 Sky High Training
- 2.13 Jacoby Creek Road Safety Committee (Withdrawn)
- 2.14 City of Blue Lake
- 2.15 City of Rio Dell
- 2.16 Redwood Parks Conservancy
- 2.17 Public Works: Mattole Road
- 2.18 Public Works: Old Arcata Road
- 2.19 Public Works: Elk River Road
- 2.20 Public Works: Cathey Road
- 2.21 Kimaw Medical Center
- 2.22 Public Works: Heavy Equipment
- 2.23 Public Works Westhaven Drive

PREVIOUS ACTION/REFERRAL:

Meeting of: Jan. 5, 2024; Dec. 5, 2023
File No.: 24-75; 23-1456