



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 5/3/2022

To: Board of Supervisors, Board of Directors
Department or Agency Name(s): County Administrator's Office
Staff Name and Phone Number: Natalie Brunamonte, 707-565-8565
Vote Requirement: 4/5th
Supervisory District(s): Countywide

Title:

Fiscal Year 2021-22 Third Quarter Consolidated Budget Adjustments

Recommended Action:

Adopt a Concurrent Resolution adjusting the FY 2021-22 Budget Appropriations by \$41.9 million.

Executive Summary:

Each year the County adjusts its budget quarterly in order to account for changes that have been approved by the Board in the prior quarter and that did not have separate budget resolutions. The proposed action adds approximately \$41.9 million in new or rolled forward appropriations to the FY 2021-22 budget. The largest drivers in third quarter adjustments are the transfer of both General Fund and Non-General Fund sources to the Public Health Lab and Morgue capital project (for a total of \$27.8 million), and programming FY20-21 year-end general fund savings in alignment with direction provided at the FY21-22 Budget Hearings (\$7.5 million).

In the General Fund, increases total approximately \$28.6 million, financed with \$27.5 million in use of fund balance associated with programming FY20-21 year-end savings as well as designated fund balances, described in detail in the discussion section. In Other Funds, expenditures are increasing by approximately \$13.4 million, financed with \$38.0 million in revenues. The majority of these revenues are transfers to fund the Public Health Lab (\$27.8 million) and additional transfers from the General Fund for FY20-21 year-end investments (\$7.5 million).

If approved, these adjustments bring the total revised gross expenditure FY 2021-22 approved budget to \$2.98 billion.

Details of the requested changes are included in Exhibit A of the attached Budget Resolution.

Discussion:

Throughout the fiscal year, it is necessary for many County Departments, Agencies and Districts to adjust the revenues and/or expenditure appropriations in their budgets. To facilitate this need, the County of Sonoma utilizes a quarterly Consolidated Budget Adjustments process whereby departments submit adjustments to be consolidated into a countywide budget resolution that meet specific criteria, including activities that have received prior board approval, represent clean-up transactions and re-budgets, or meet other ministerial requirements.

A total of 13 departments are requesting budget adjustments through this Consolidated Budget Adjustments

(CBAs). The proposed CBAs do not include any new programs or initiatives not previously approved by the Board. The proposed action adds approximately \$41.9 million of expenditures to the FY2021-22 budget, bringing the gross expenditure budget to \$2.98 billion. The largest drivers in third quarter adjustments are the transfer of both General Fund and Non-General Fund sources to the Public Health Lab and Morgue capital project (for a total of \$27.8 million), and programming FY20-21 year-end general fund savings in alignment with direction provided at the FY21-22 Budget Hearings (\$7.5 million).

In the General Fund, expenditure appropriations are being increased by \$28.5 million, financed by approximately \$27.5 million in use of available fund balance. Of this a total of \$9.8 million in FY20-21 year-end savings is being transferred to the Public Health Lab and Morgue capital project, which is further augmented with a transfer of \$10.2 million in previously designated fund balance reserved for the demolition of the Chanate campus; with the sale of the Chanate property, those designated funds were no longer needed for that purpose. Both of these transfers align with Board direction provided at the December 14, 2021 meeting discussing investment of American Rescue Plan Act (ARPA) funds (Item #45). Additionally, in alignment with Budget resolution 21-0265 and Board direction given at the FY21-22 Budget Hearings \$3.75 million is being directed to the Deferred Maintenance capital project fund and \$3.75 million is being transferred for pension pre-payments, financed with FY20-21 year-end savings. These amounts are consistent with adopted budget Resolution language, authorize the County Administrator to distribute any Fiscal Year 2020-21 year-end General Fund balance that is not assigned in line with guidance in the Adopted Budget resolution as follows: the first \$5 million will be used for Strategic Plan investments; for up to the next \$7.5 million, 50% of the remainder will be used for pre-payment of unfunded pension liabilities, and the remaining 50% will be used to fund the County Center project/Deferred Maintenance.” The total FY 2020-21 year-end undesignated fund balance was in excess of \$12.5 million and was sufficient to fully fund these items. The \$5 million for Strategic Plan investments were identified February 1, 2022 as part of the Board’s review of the Strategic Plan implementation.

In Other Funds, expenditures are increasing by approximately \$13.4 million. This includes transferring approximately \$8 million to the Public Health Lab and Morgue from ARPA funds. When combined with the above General Fund transfers, this project is receiving a total of \$27.8 million. Other major expenditure adjustments include appropriating \$3.75 million to allow for the pension prepayment discussed above. Finally, in alignment with Board direction at the 21-22 Budget Hearings, General Fund Reserves are being increased by a total of \$1.18 million based on funding received from the state for the backfill of AB1869 revenues and contingencies.

Strategic Plan:

N/A

Prior Board Actions:

6/15/21 - FY21-22 Adopted Budget

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY22-23 Projected	FY 23-24 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$41,941,784		
Total Expenditures	\$41,941,784		
Funding Sources			
General Fund/WA GF	\$27,577,806		
State/Federal	\$1,201,473		
Fees/Other	3,446,910		
Use of Fund Balance	9,393,555		
Contingencies	\$322,040		
Total Sources	\$41,941,784		

Narrative Explanation of Fiscal Impacts:

This Board action includes utilizing \$322,040 of contingencies to fully fund the contribution to the General Fund Reserves as prescribed at the FY21-22 Budget Hearings. In addition, \$49,766 of contingencies is being appropriated per prior Board actions. Please refer to Exhibit A for detailed information on departmental budget changes by General Fund and Other Funds.

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment A - Concurrent Resolution

Attachment B - Concurrent Resolution - Exhibit A

Attachment C - FY21-22 Budget Hearing Resolution

Related Items "On File" with the Clerk of the Board:

N/A