



Recommended Budget FY 2020-21

June 10, 2020

County Administrator Bratton Opening Comments



Overview

- Review Recommended Budget
- Review Updated Fiscal Forecast
- Disaster Response and Funding
- Next Steps to final Budget Adoption
- Recommended Actions Deliberation & Public Comment



First...

...We built a budget



Recommended 2020/21 Budget

- Departments and CAO worked to Create a balanced \$1.9 billion budget.
- Budgets were submitted in March, before impacts of COVID-19 were known
- Allows for continued operations while adjustments are finalized
- Given Covid 19 revenue impact adjustments will be developed and brought for Board Consideration in Sept



Recommended Budget

Capital Projects

| | |
|-----------------------------------|---------------|
| General Government Projects | |
| Rollover Budget | \$71,157,015 |
| Deferred Maintenance Contribution | \$4,869,323 |
| Annual Contribution (Unassigned) | \$3,900,000 |
| Annual ADA Contribution | \$1,600,000 |
| General Government Total | \$81,526,338 |
| Regional Parks Projects | |
| Rollover Budget | \$22,154,944 |
| New Funding for existing projects | \$7,893,703 |
| New Projects | \$229,500 |
| Regional Parks Total | \$30,278,147 |
| Capital Projects Total | \$111,804,485 |

\$3.9M Gen Fund

- \$1.14 million allocation to the Tideland Cannery Project
- \$2.76 million to be allocated to specific projects in Sept.



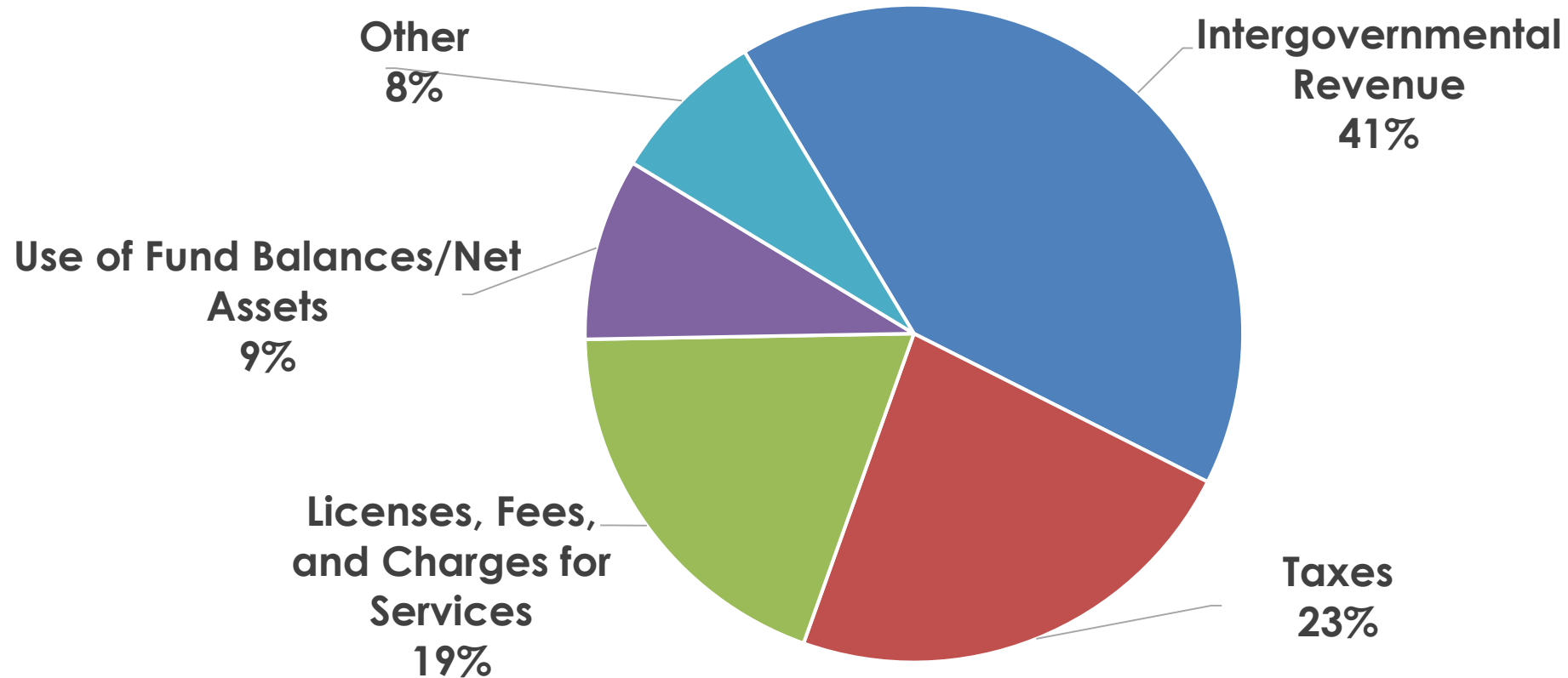
Recommended 2020/21 Budget Supplementals

- Additionally, \$17.3 million of supplemental adjustments
- Adjustments reflect prior board direction and new information on current projects
- Adjustments do not include COVID-19 impacts



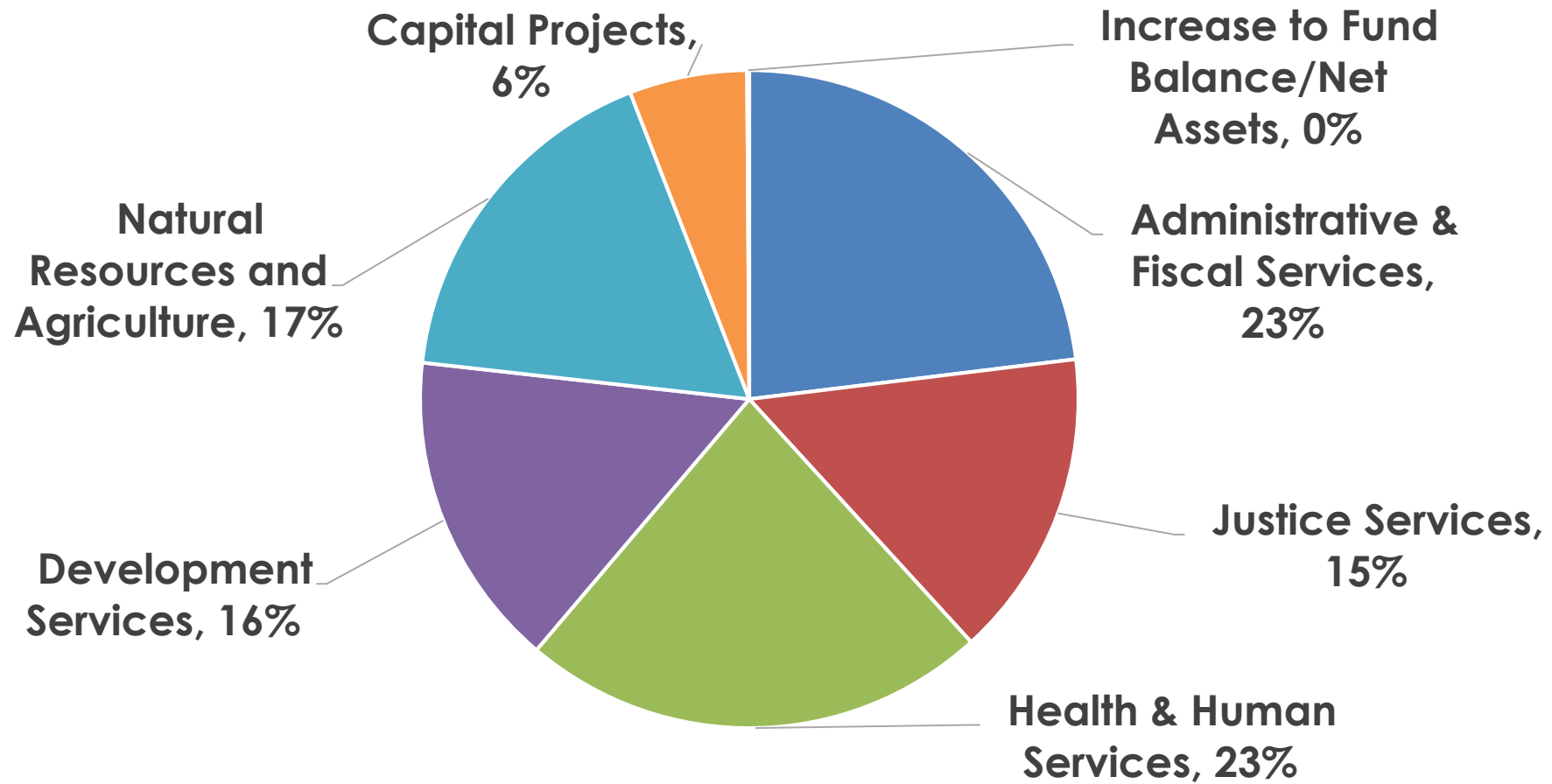
Recommended Budget

Total Sources - \$1.9 Billion



Recommended Budget

Total Uses - \$1.9 Billion



Recommended Budget

Proposed Service Reductions to Balance Department Budgets

| Department | Balancing Adjustment | Service Delivery Impact |
|-------------------------|----------------------|---|
| Clerk Recorder Assessor | \$570,000 | Delays in various types of property evaluations |
| District Attorney | \$730,000 | Increased caseloads and impacts to prosecutions |
| Sheriff's Office | \$5.5 million | Possible elimination of the helicopter program and closure the Sonoma Valley and Guerneville sub-stations |



And then...

...COVID-19



FY 2020-21 Projected Revenue Decline

| In Millions | | |
|---|--------------------|----------------------|
| Transient Occupancy Tax (includes Measure L) | -30% | -\$5 |
| Public Safety 2011 Realignment | -17% | -\$5 |
| Public Safety Proposition 172 | -14% | -\$7 |
| Health & Human 1991 Realignment | -12% | -\$13 |
| General Fund Discretionary | -10% | -\$16 |
| Gas Tax | - 8% | -\$2 |
| Department Specific | <u>-TBD</u> | <u>-TBD</u> |
| Total | -8% to -30% | Approx. -\$50 |



Updated Fiscal Forecast

Five-Year – General Fund Only Budgets

Revenue

| | FY 20-21 Recomm + Supp | FY 21-22 Projected | FY 22-23 Projected | FY 23-24 Projected | FY 24-25 Projected |
|--|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Purpose Tax Revenue | \$ 303.0 | \$ 307.7 | \$ 314.6 | \$ 323.2 | \$ 332.9 |
| Other General Purpose Revenue | \$ 33.9 | \$ 31.2 | \$ 31.0 | \$ 31.1 | \$ 31.2 |
| Use of 1x Fund Balance | \$ 5.8 | \$ - | \$ - | \$ - | \$ - |
| Total General Purpose General Fund* | \$ 342.7 | \$ 338.9 | \$ 345.6 | \$ 354.3 | \$ 364.0 |
| Departmental Revenue | \$ 177.4 | \$ 181.4 | \$ 185.6 | \$ 189.7 | \$ 194.7 |
| Total General Fund Revenue | \$ 520.1 | \$ 520.3 | \$ 531.2 | \$ 544.0 | \$ 558.7 |

Expenditures

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Salary and Benefits | \$ 369.7 | \$ 384.1 | \$ 396.8 | \$ 396.9 | \$ 406.4 |
| Other Expenditures | \$ 172.8 | \$ 176.2 | \$ 180.9 | \$ 186.6 | \$ 192.4 |
| Total General Fund Expenditures | \$ 542.5 | \$ 560.3 | \$ 577.8 | \$ 583.5 | \$ 598.8 |
| Total Surplus (Defecit) | \$ (22.4) | \$ (39.9) | \$ (46.6) | \$ (39.5) | \$ (40.1) |

*General Purpose revenue includes revenues used to meet Maintenance of Effort for Proposition 172 and other State and Federal funding, and is thus not 100% discretionary.

**Recommended budget includes supplemental adjustments

All numbers in millions



State Budget Impacts

- Governor's 2020-21 May Revision
- Legislature's 2020-21 Budget
- Federal Funding



State Budget Impacts

- Department Impacts
- State and Federal Advocacy



The County Responded...

...did the Feds?



Covid 19 Public Health Emergency

County Response

- Expected spending through FY 2019-20: **\$62.2 million**
- \$32 million in labor costs
- \$27.2 million in Services, Supplies and Contracts
- \$3 million Contingency Allowance



Covid 19 Public Health Emergency Disaster Funding

\$34.8 million submitted to FEMA:

- \$28.1 million accepted to date (includes ~\$10.5 million in expedited payment)
- \$7 million county cost share **(State's 18.75% CDAA Not Yet Activated)**
- Significant portion (e.g. straight-time labor) is not FEMA eligible

\$27.4 million of additional estimated costs will be submitted to FEMA and Cal-OES at conclusion of the Disaster

- Contact and Tracing is not FEMA eligible



Covid 19 Public Health Emergency

CARES Funding for Local Govt.

If \$50.6 million assigned to Sonoma County is approved in the final State Budget

- Can be used only to cover costs directly needed to address COVID emergency
- For costs not accounted for in the most recently approved by the state or local government budget
- Must be expensed (out the door) between March 1 and December 30, 2020.



Covid 19 Public Health Emergency

CARES Funding – Preliminary Uses Categories

- **\$35.6M** Cover FY 2019-20 & 2020-21 non-eligible FEMA/Cal-OES incurred costs
- **\$ 8.0M** funding for Homeless programs to avert spread amongst unsheltered residents
- **\$ 7.0M** investments in Community Support Services addressing Covid 19 impacts

Discussion + Direction to Staff = **Refined Recommendations** to be considered by the Board **in late July**

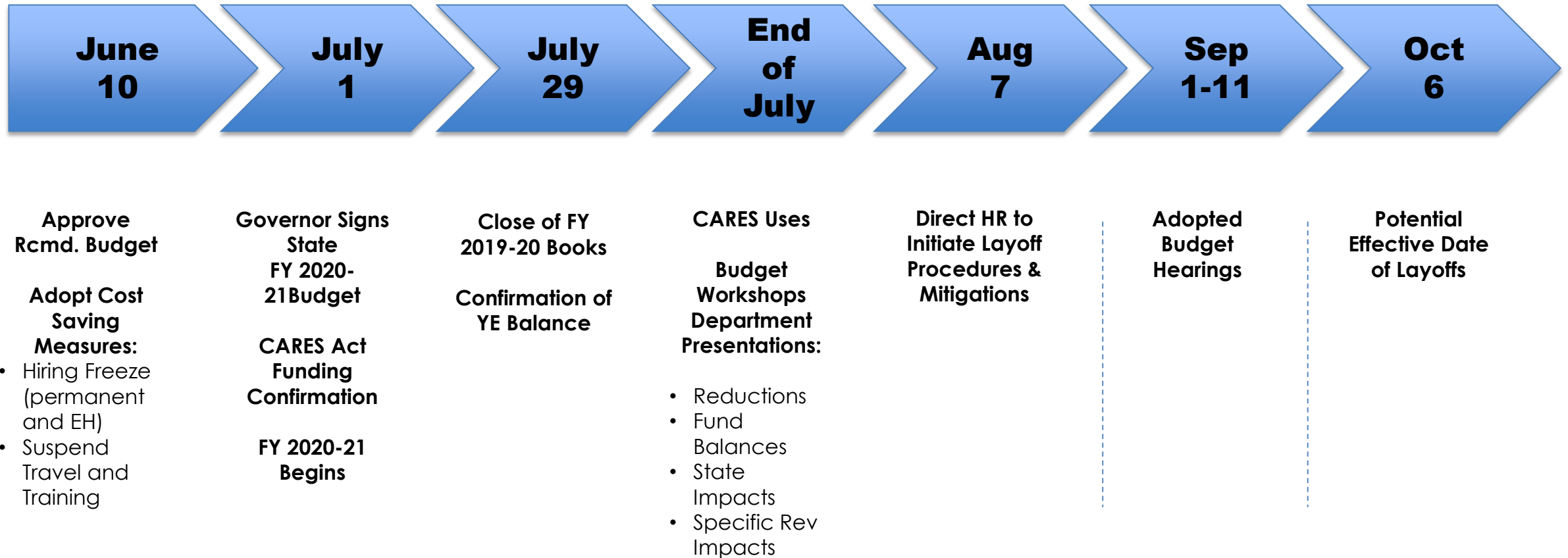


So...

...Now what?



Next Steps to Adopt the Budget



Together...

...Adelante



Board Discussion/Direction to Staff

- Follow-up to the 6/2/2020 Board Action deleting 19.75 full-time equivalent Fairgrounds positions effective June 30, 2020
- State May Revise \$50.6M CARES Preliminary Uses Categories
- Only consider CBO Requests that are sponsored by 2 board members



Public Comment



Actions

- A. Receive Updated Forecast and State Budget Impact
- B. Adopt Concurrent Resolution Approving:
 - i. FY 2020-21 Recommended Budget
 - ii. FY 2020-21 Recommended Budget Supplemental Adjustments
 - iii. FY 2020-21 Recommended Budget Position Allocation
 - iv. Delegate Authority to ACTTC and CAO to execute budget adjustments to close out the FY 2019-20 fiscal year **(4/5 Vote)**
- C. Defer to Sept. the FY 2020-21 \$3.9M Capital Projects specific allocation, except for \$1.14 million needed for the Tidelands-Cannery building demolition
- D. Authorize an Immediate Hiring Freeze of Permanent and Extra Help Positions
- E. Authorize the Suspension of Countywide Travel and Training beginning July 1, 2020
- F. Considered CARES Funding Preliminary Categories of Use

