



Legislation Details (With Text)

File #: 2021-0259
Type: Regular Calendar Item **Status:** Agenda Ready
File created: 3/15/2021 **In control:** Board of Supervisors
On agenda: 6/15/2021 **Final action:**
Title: FISCAL YEAR 2021-22 BUDGET HEARINGS
Sponsors: County Administrator
Indexes:
Attachments: 1. Summary, 2. Concurrent Resolution FOR ADOPTION, 3. Resolution-SVCSD FOR ADOPTION, 4. Exhibit A - Budget Adjustments, 5. Exhibit B - Governmental Agencies, 6. Exhibit C - Supplemental Adjustments, 7. Exhibit D - Position Allocation, 8. FY 20-21 Appropriations Limit Resolution, 9. FY 21-22 Appropriations Limit Resolution, 10. June 19, 2021 Presentation Slides

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

To: Board of Supervisors/Directors/Commissioners/Directors of the Sonoma Valley County Sanitation District of the County of Sonoma

Department or Agency Name(s): County Administrator's Office

Staff Name and Phone Number: Peter Bruland: 565-2431

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:
FISCAL YEAR 2021-22 BUDGET HEARINGS

Recommended Action:

- A) Adopt a Concurrent Resolution adopting the Fiscal Year 2021-22 Budget and Position Allocation and final Board direction for all entities governed by the Board of Supervisors/Directors/Commissioners (Tab 10)
- B) Adopt a Resolution approving the Fiscal Year 2021-22 Budget for the Sonoma Valley County Sanitation District (Tab 10)
- C) Adopted Concurrent Resolutions establishing Fiscal Year 2020-21 and 2021-22 appropriations limits for the County and Board of Supervisors-governed special districts, County Services Areas, and the Sonoma County Agricultural Preservation and Open Space District (Tab 9)
- D) Adopt the FY 2021-22 Annual Capital Projects List as specified in the Supplemental Budget Adjustments (Tab 10)
- E) Adopt Revised Financial and Budget policies (Tab 6)
- F) Adopt supplemental budget adjustments and Position Allocation Listing, including Vacancy Sweeps (Tab 10)
- G) Authorize Departments, in coordination with and oversight by the Human Resources Department, to administer layoff proceedings in accordance with Civil Service Rule 11: Layoffs, and authorize Human Resources to implement strategies to mitigate layoffs to the extent possible if necessary (Tab 2.4)
- H) Assign Board Liaisons to Strategic Plan Pillars

- I) Approve the American Rescue Plan Act implementation plan

Executive Summary:

Public hearings on the FY2021-22 Recommended Budget will begin on June 15, 2021 and will continue each day, not to exceed fourteen (14) calendar days, until the budget is adopted. In addition, the Board will establish appropriations limits in compliance with Article XIII B of the State Constitution for Fiscal Years FY 2020-21 and FY 2021-22.

The discussion in this memo highlights a few key elements of the Recommended Budget. The Recommended Budget and additional materials for budget hearings are available at:

<https://sonomacounty.ca.gov/CAO/Public-Reports/Budget-Reports/> provide in depth information on administrative details associated with the budget as well as areas of policy updates.

The schedule and a detailed description of the binder contents can be found in Tab 1 of the above mentioned budget binder materials.

Discussion:

The total recommended uses (less operating transfers) for FY 2021-22 is \$1.98 billion. This is financed by \$1.78 billion in sources and \$200 million in use of fund balance. Use of fund balance includes use of accumulated revenues or bond funding for capital projects and other one-time costs. Total use of fund balance is decreasing by \$11.7 million from the FY 2020-21 adopted budget. Details regarding the overall recommended budget can be found on pages 9-12 of the Recommended Budget book and details associated with department's budgets can be found within that book. The Recommended Budget Book is available here:

<https://sonomacounty.ca.gov/CAO/Public-Reports/Budget-Reports/PDFs/FY-2021-22-Recommended-Budget-W-TOC-Links/>.

In addition to the Recommended Budget, additional information for the Budget Hearings is compiled for the Board of Supervisors and the public to explain staff recommendations to adjust the budget before final adoption. The information (commonly referred to as the "Budget Hearing Materials Binder") can be found on the County's Budget Reports webpage: <https://sonomacounty.ca.gov/CAO/Public-Reports/Budget-Reports/>.

The information available includes:

- 1) An overview of the materials in the Binder and schedule for budget hearing;
- 2) A memo outlining Available Sources, recommendations of the County Administrator, and various budget change requests, as well as a summary of position changes;
- 3) A memo discussing fund balances in the various funds controlled by the County and special districts under the control of the Board of Supervisors/Directors;
- 4) A memo discussing the General Fund Reserves;
- 5) Board Inquiry Requests for additional information on various topics and responses from staff;
- 6) An update to County Financial Policies;
- 7) An update on the Mental Health, Addiction, and Homeless Services Measure Transaction and Use Tax Ordinance (Measure O) implementations;
- 8) An update on COVID-19 Response
- 9) Resolutions updating the Proposition 4 Appropriations Limit (Gann Limit) for FY 2020-21 and FY 2021-22;
- 10) Resolutions adopting the FY 2021-22 budget, which will establish the appropriations and positions approved for fiscal year starting on 7/1/2021.

In addition to this information, notes on a few elements included in the Recommended Budget follow.

Transient Occupancy Tax

On April 16, 2019, the Sonoma County Board of Supervisors approved updates to the use of Transient Occupancy Tax (TOT), including the Community Investment Program. The updated program includes a revised Community Investment Fund Program Policy and four year funding allocations for Transient Occupancy Tax. These updates were implemented beginning in Fiscal Year 2019-2020.

The current TOT policy can be found here:

<https://sonomacounty.ca.gov/CAO/Services/Community-Investment-Program/PDFs/FY-19-20-Community-Investment-Fund-Policy-Adopted-04-16-2019/>.

The FY 2021-22 Recommended Budget includes distribution of anticipated TOT revenues in accordance with this policy.

Asset Forfeiture

The FY 21-22 Recommended Budget for the Sheriff's Office programs \$2.4 million of the remaining \$2.5 million accumulated state and federal asset forfeiture funds for two critical projects: \$1.3 million to replace radios to meet new encryption standards, and \$1.1 million to start the Jail Management System replacement project, summarized below. A description of this fund as well as fund balance and allowable uses is available in Board item #12 on February 9, 2021 (

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=4772465&GUID=B7407794-0889-4130-89E7-5A74C51276B7&Options=&Search>).

The two projects included in the recommended budget are critical for the following reasons:

- **Radio Replacement:** On October 12, 2020, the California Department of Justice (CA DOJ) notified all law enforcement agencies in California through DOJ Bulletin 20-09-CJIS that all transmission of Criminal Justice Information and Personally Identifiable Information must be encrypted, specifically radio transmission of protected data. The Sheriff's existing portable and mobile radios do not support encryption, and must be replaced with equipment that meets the new standards.
- **Jail Management System:** Dating back to 2006, the Sheriff's Office, in conjunction with County Information Systems Department, identified the need for a new Jail Management System. A business case for the replacement of the now 37-year old system was developed in 2009. The business case determined that continuing to rely upon the old system carried significant operational and financial risk. The Sheriff's Office will work with Information Systems and the County Administrator's Office to begin moving this project forward, and will return to the Board at a later date once project scoping has been completed.

In addition to these larger projects, the Board of Supervisors approved the Sheriff's request to use \$750,000 from its Federal asset forfeiture fund to replace its aging Mobile Command Center disaster response vehicle and update communications equipment on February 9, 2021. Approval of this project left a combined remaining fund balance of \$2.5 million in the Sheriff's Federal and State asset forfeiture funds. While the majority of those projects were completed during FY20-21, \$166,000 will be re-budgeted a FY 21-22 supplemental budget adjustment to complete the Mobile Command Center project. The re-budget will not change the total project cost, it is only required due to the timeline to complete the work.

Layoff Administration and Mitigation Strategies

The recommended budget and program change requests includes potential layoffs as described in the Summary of Position Changes section of the Budget Hearing Binder (Tab 2). If the adoption of the FY 2021-22 County budget results in the reduction of any allocated positions that are currently encumbered, Human Resources seeks authorization from the Board to work with departments to administer layoff proceedings, effective October 5, 2021, in accordance with the Sonoma County Civil Service Rules, specifically Rule 11: Layoffs.

Further, Human Resources seeks approval to implement strategies, effective between now and October, to mitigate employee impacts and minimize the number of potential job losses to the extent reasonably possible. Layoff mitigation efforts will include the following:

1. Departments and Human Resources will work closely to find options for employees within the employee’s existing department.
2. If there are no options within the impacted employee’s department, Human Resources will do the following to mitigate employee layoffs:
 - a) Human Resources will maintain a master list of position reductions and impacted employees based on information provided by the departments.
 - b) When Human Resources receives a position requisition to fill a vacancy, Human Resources will review the master list prior to opening a recruitment or providing a list of eligible names to the requesting department.
 - c) If there is a possibility (pursuant to our Civil Service Rules) to mitigate a layoff, prior to opening a recruitment or certifying an employment list, Human Resources will facilitate a process for the impacted employee and hiring department with the objective of the department interviewing the impacted employee. Departments will interview the impacted employee if the employee expresses the interest.

Human Resources will meet with impacted employees to discuss career path opportunities, as requested. Human Resources recommends the Board approve the strategies listed above.

Prior Board Actions:

2/9/2021: Adopt a budget resolution programming Sheriff’s asset forfeiture special funds to replace the Sheriff’s disaster response vehicle and update aged communications equipment at an estimated cost of \$750,000.

4/16/2019: Approve the Community Investment Fund Program Policy and four-year funding allocations for Transient Occupancy Tax

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			

State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Please refer to the Executive Summary Budget Overview on pages 9-12 of the Recommended Budget Book for financial details associated with the FY2021-22 Recommended Budget.

STAFFIN IMPACTS:

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Please refer to Exhibit D of the Sonoma County Budget Resolution (Tab 10) for position allocation details included in the Recommended Budget. A summary of further proposed changes included in the Budget Hearing Binder Materials can be found in Tab 2.

Attachments:

Resolutions

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

None