



# Recommended Budget

## Overview

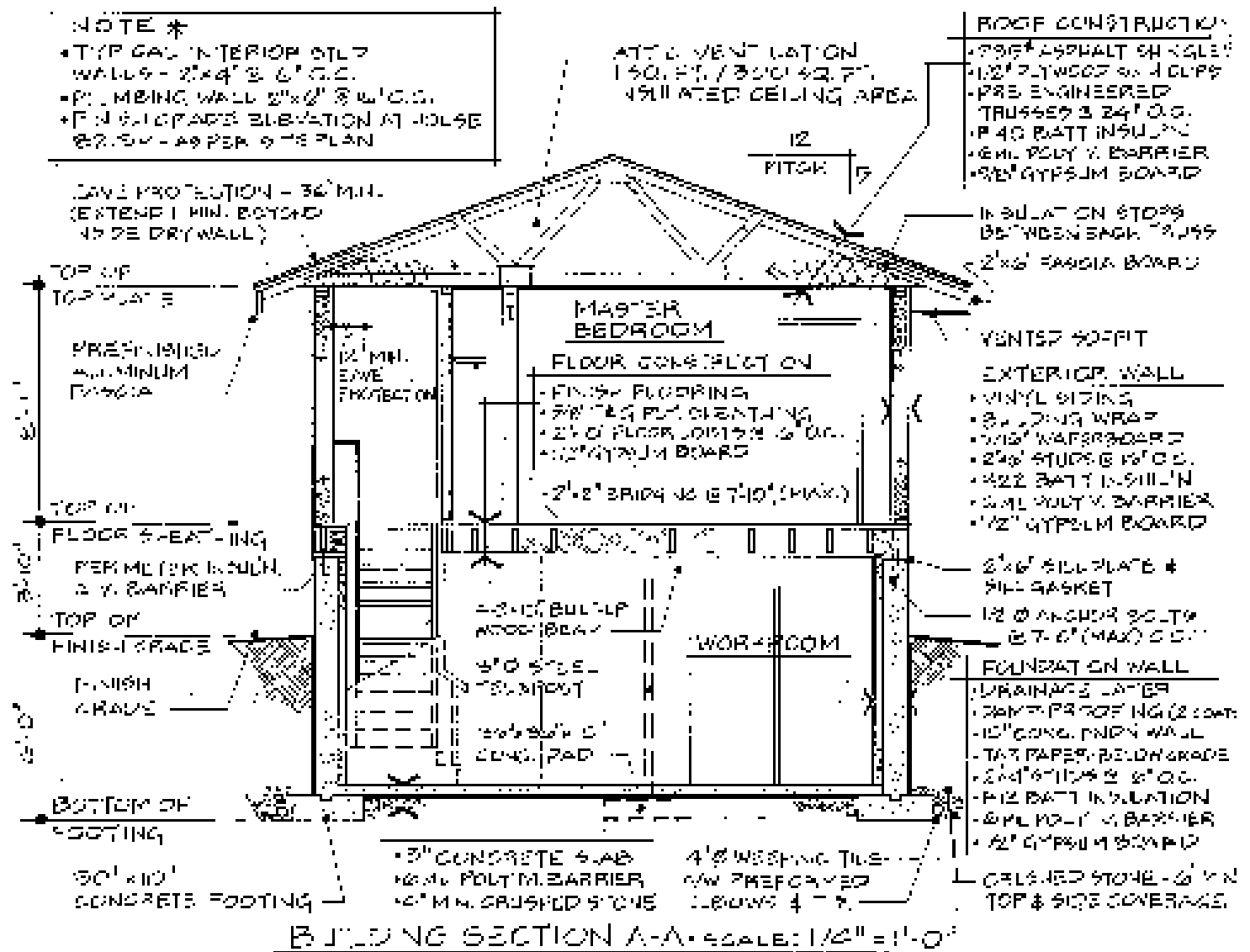
### County of Sonoma

### FY 2018-19 Operating Budget

Sheryl Bratton, County Administrator

Christina Rivera, Assistant County Administrator

Niki Berrocal, Deputy County Administrator



# CHAIRMAN JAMES GORE

## Opening Remarks





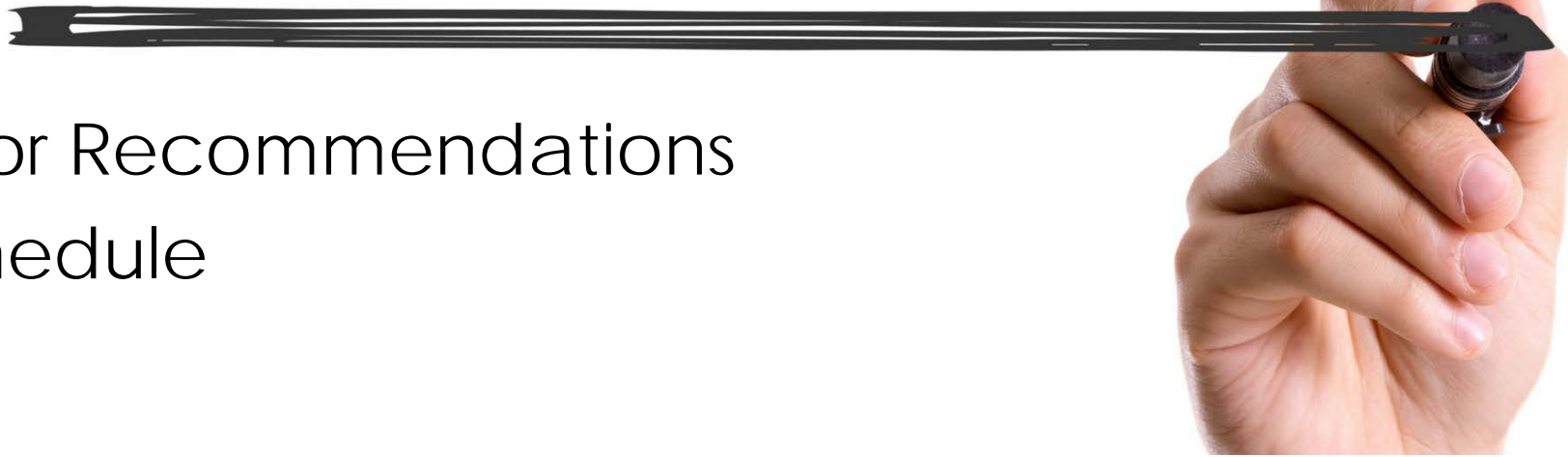
# FY 2018-2019 BUDGET THEME: RECOVERY



# FY 2018-19 Presentation Outline

- 3/20/2018 Budget Policy Workshop Update
- Challenges Ahead
- Budget Overview
- Position Overview
- Financial Trends
- County Liabilities
- County Administrator Recommendations
- Budget Hearing Schedule

BUDGET



# FY 2018-19 Budget Policy Workshop Update

## The Good News

- FY 2018-19 Gap:
  - \$14.2 million (3/20/2018)  \$2.7 million (Recommended)



# FY 2018-19 Budget Policy Workshop Update

## Structurally Balanced Budget Policy

Department Name	General Fund Budget to Budget Methodology	Adjustments to Align with Prior Year Use of General Fund	FY 18-19 Adjusted General Fund Contribution
<b>Administrative Support and Fiscal Services</b>	\$ 28,263,876	\$ (1,271,932)	\$ 26,991,945
<b>Natural Resources and Agriculture</b>	\$ 33,345,051	\$ (301,641)	\$ 33,043,410
<b>Development Services</b>	\$ 7,136,178	\$ (2,456,211)	\$ 4,679,968
<b>Health and Human Services</b>	\$ 43,291,957	\$ (570,121)	\$ 42,721,836
<b>Justice Services</b>	\$ 165,252,157	\$ (3,231,189)	\$ 162,020,968
<b>Total</b>	<b>\$ 277,289,219</b>	<b>\$ (7,831,092)</b>	<b>\$ 269,458,128</b>





# FY 2018-19 Budget Policy Workshop Update

## Use of General Fund Reserve: **\$2.7 million**



Reserve policy has a target of 2 months worth of General Fund revenues: **\$75.4 million**





# Fiscal Challenges Ahead

- Recovery Needs
- Behavioral Health shortfall
- Significant unfunded pension liabilities and retiree medical liability
- Unmet community needs
- Remaining structural imbalance
- Departments have less flexibility to respond to operational needs

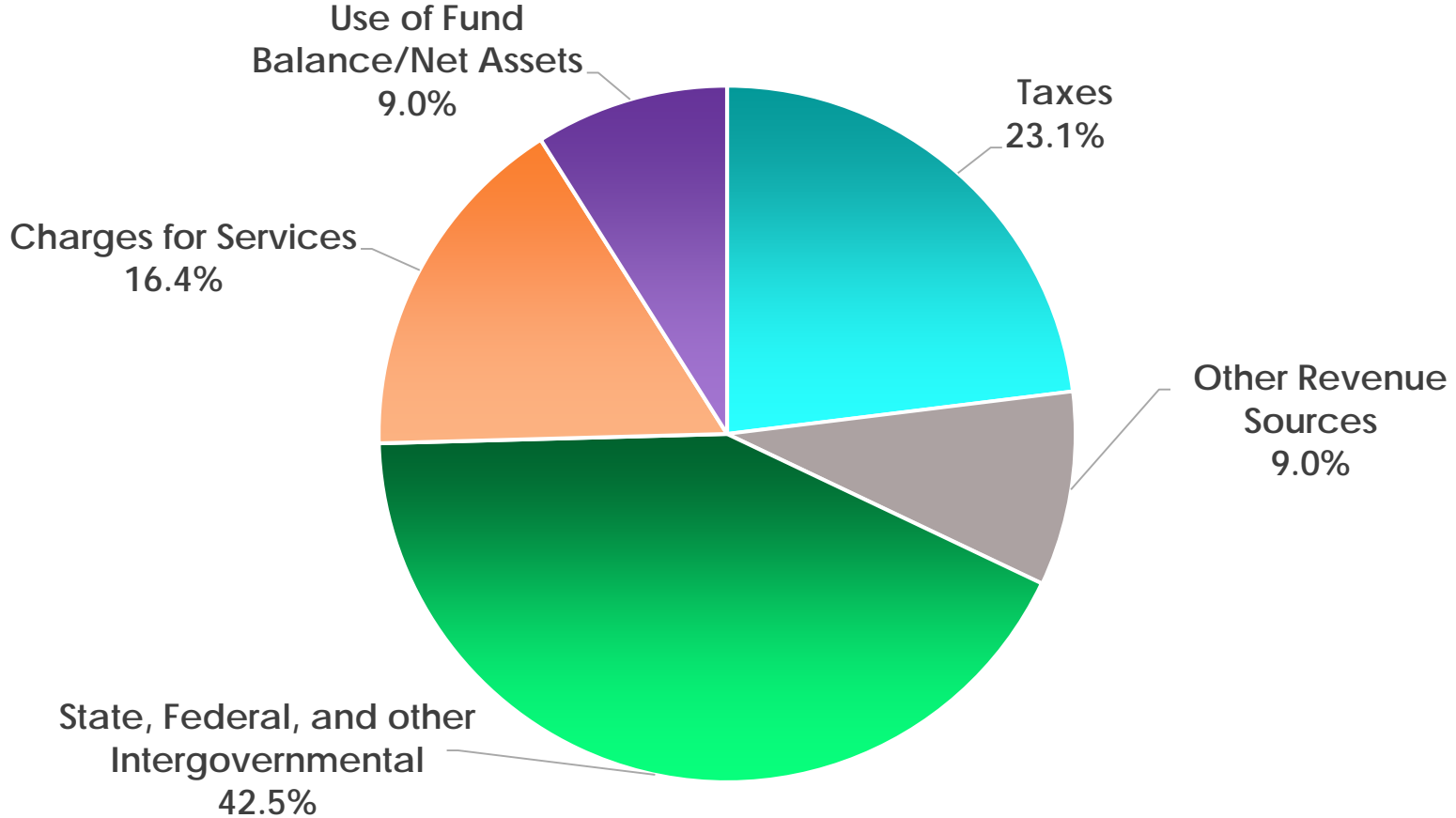




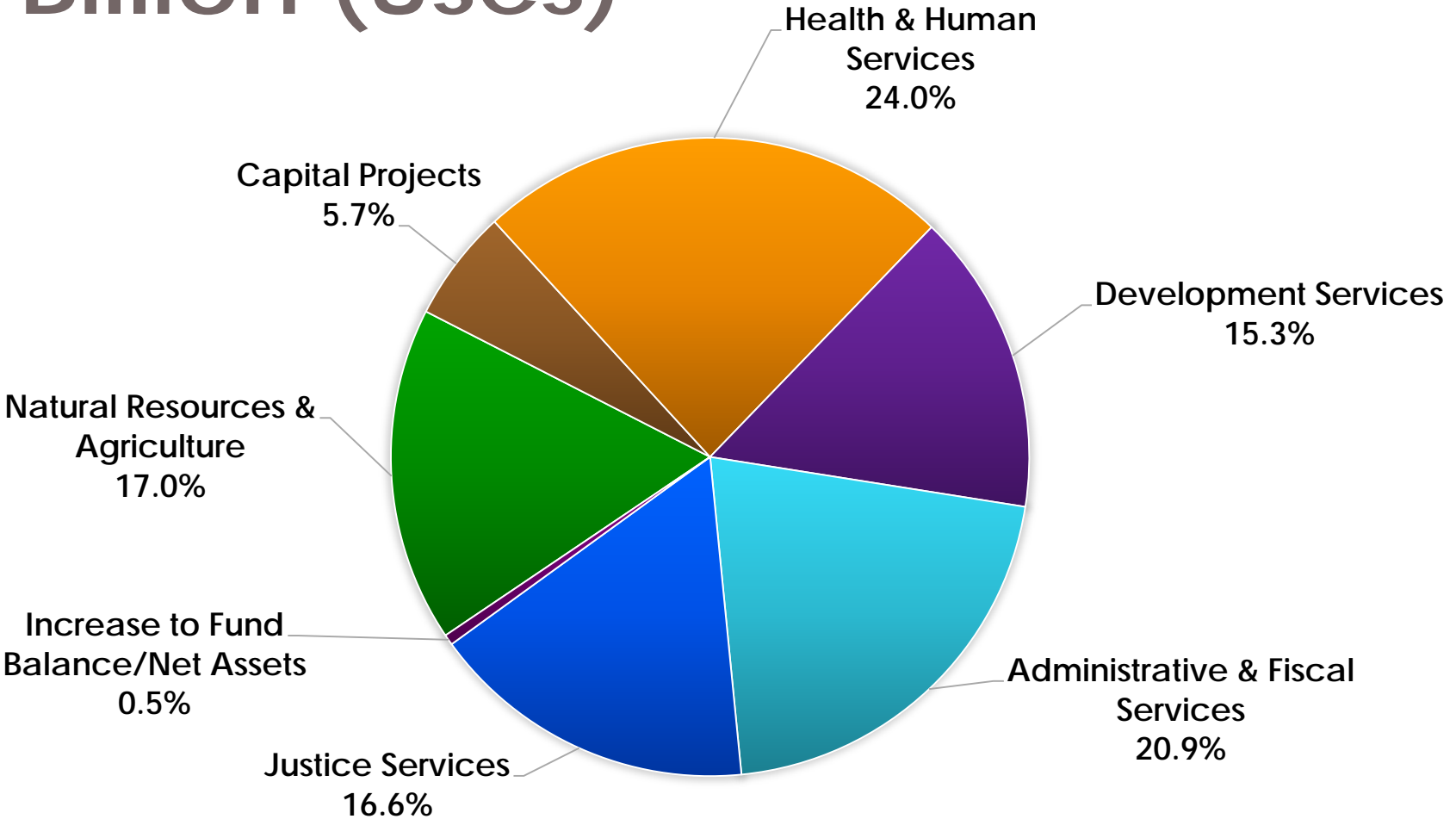
# Budget Overview



# Total County FY 2018-19 Budget: \$1.63 Billion (Sources)



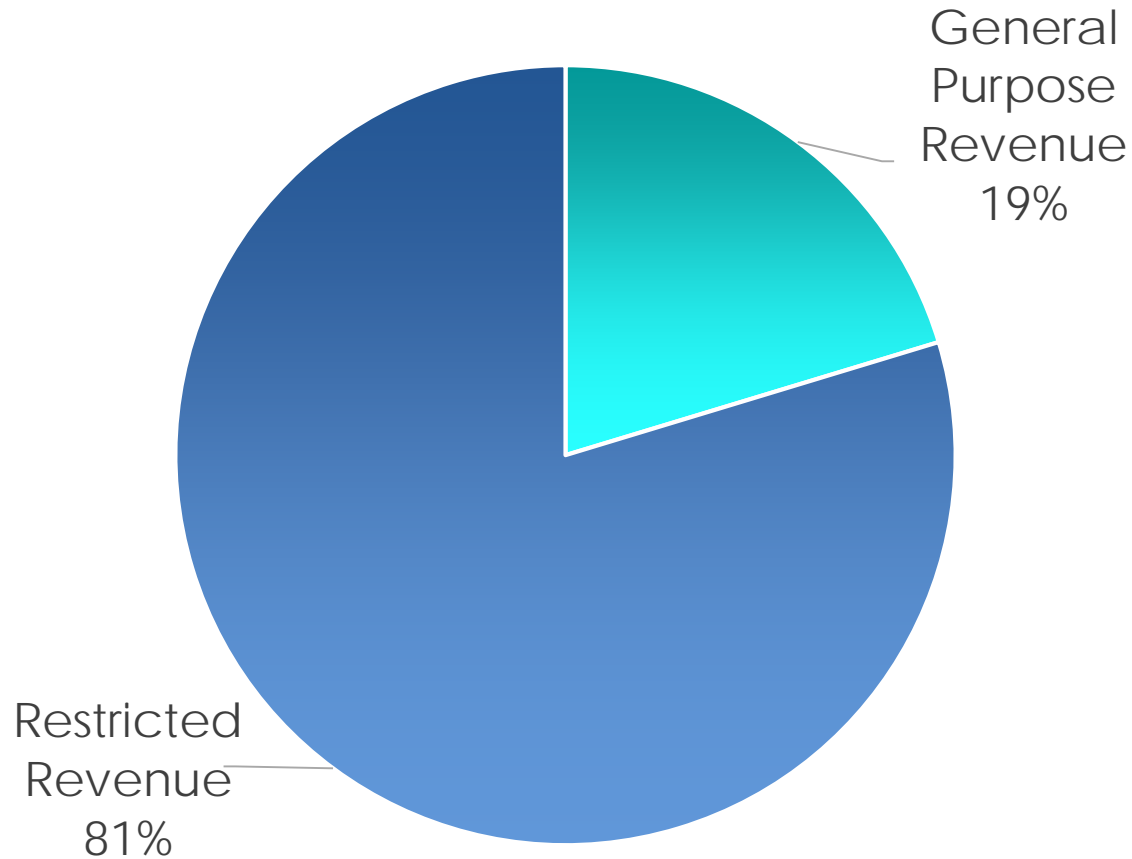
# Total County FY 2018-19 Budget: \$1.63 Billion (Uses)





# Total Sources: \$1.63 Billion

## General Purpose Revenues: \$310.2 Million

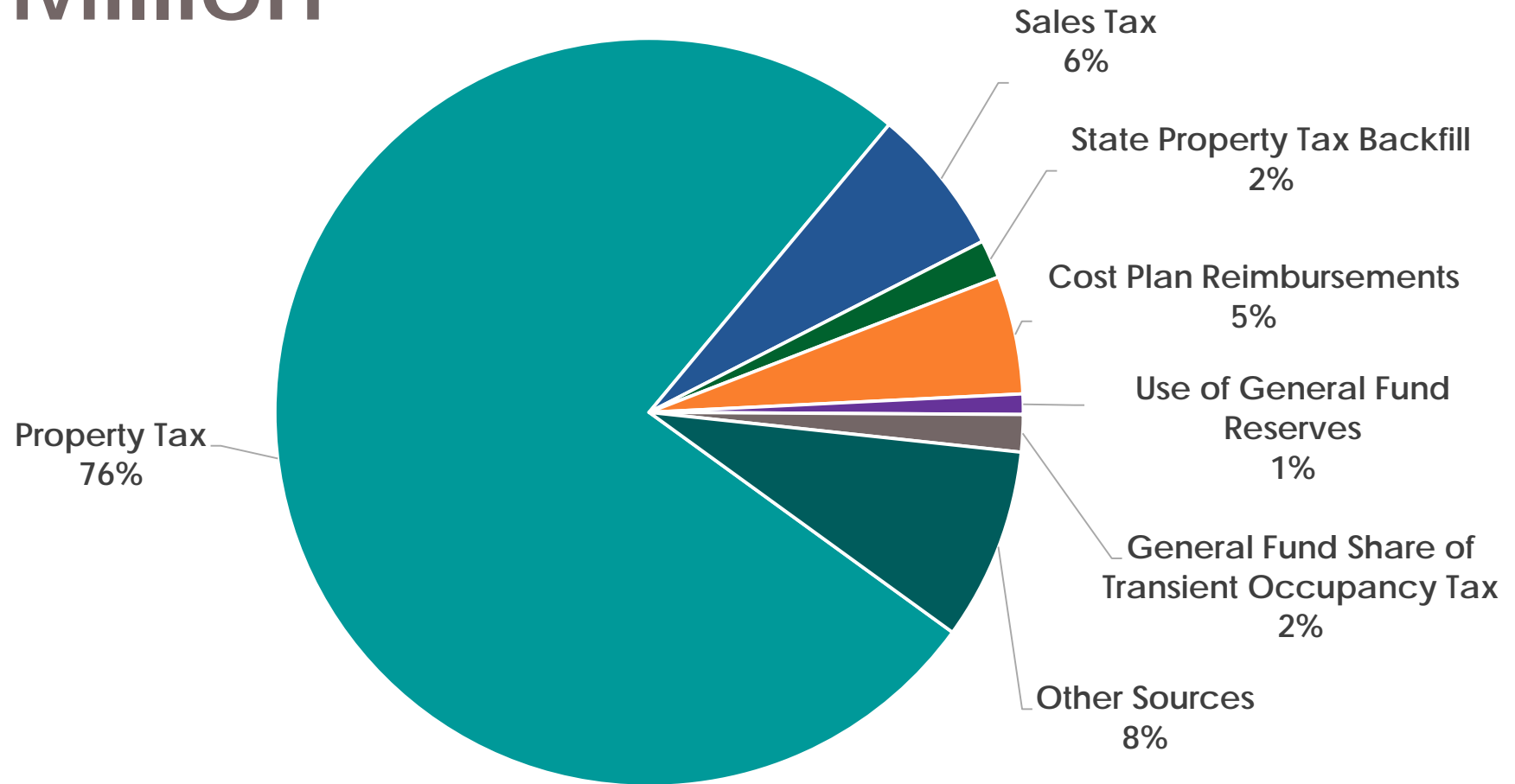


Funds County services such as:

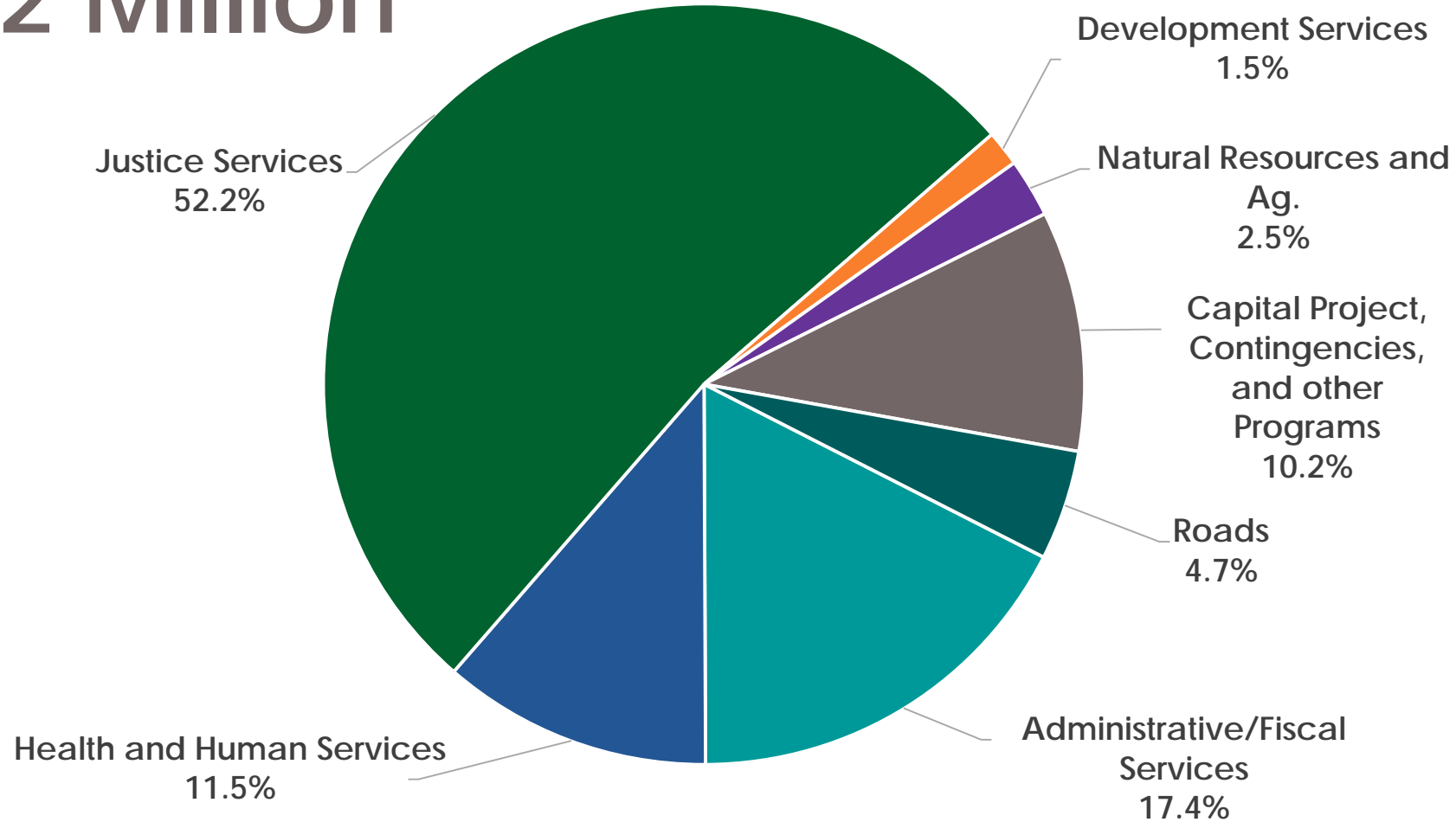
- Public Safety
- Roads
- Local match for health and human services



# General Purpose Sources: \$310.2 Million



# General Purpose Funds Allocation: \$310.2 Million







# Position Overview





# FY 2018-19 Recommended Permanent Positions

Function	Full-Time Equivalent Positions
Admin/Fiscal Services	601.80
Health and Human Services	1507.18
Justice Services	1104.75
Development Services	385.25
Natural Resources and Ag.	393.75

**Total FTE: 4,023.48**



# FY 2018-19 Positions

	<u>Positions</u>
• Total Eliminated:	149.7
• Vacant: 114.5	
• Layoffs: 35.4	
• Total Addition:	<u>23.8</u>
• <b>Overall decrease:</b>	<b>125.9</b>



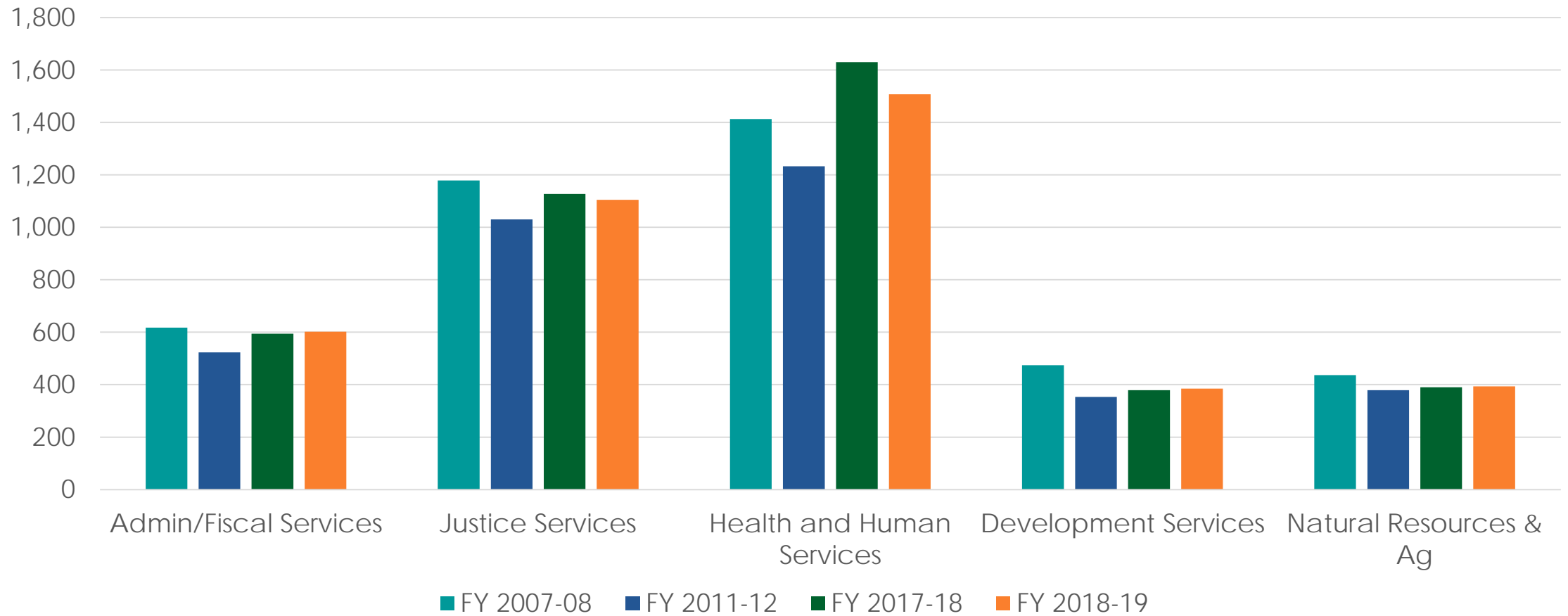
# FY 2018-19 Positions Eliminated

	Position Reductions	Vacant Positions	Filled Positions
Department of Health Services*	105.9	76.5	29.4
Human Services Department	15.8	10.0	6.0
Sheriff's Department	19.0	19.0	0.0
Probation Department	5.0	5.0	0.0
General Services	4.0	4.0	0.0
<b>Total</b>	<b>149.7</b>	<b>114.5</b>	<b>35.4</b>

\*Department of Health Services increased their position count by 1.45 FTE midyear FY 2017-18 to total a 107.32 reduction with 77.95 vacant positions reduced.



# County of Sonoma Historical Comparison Position Allocation



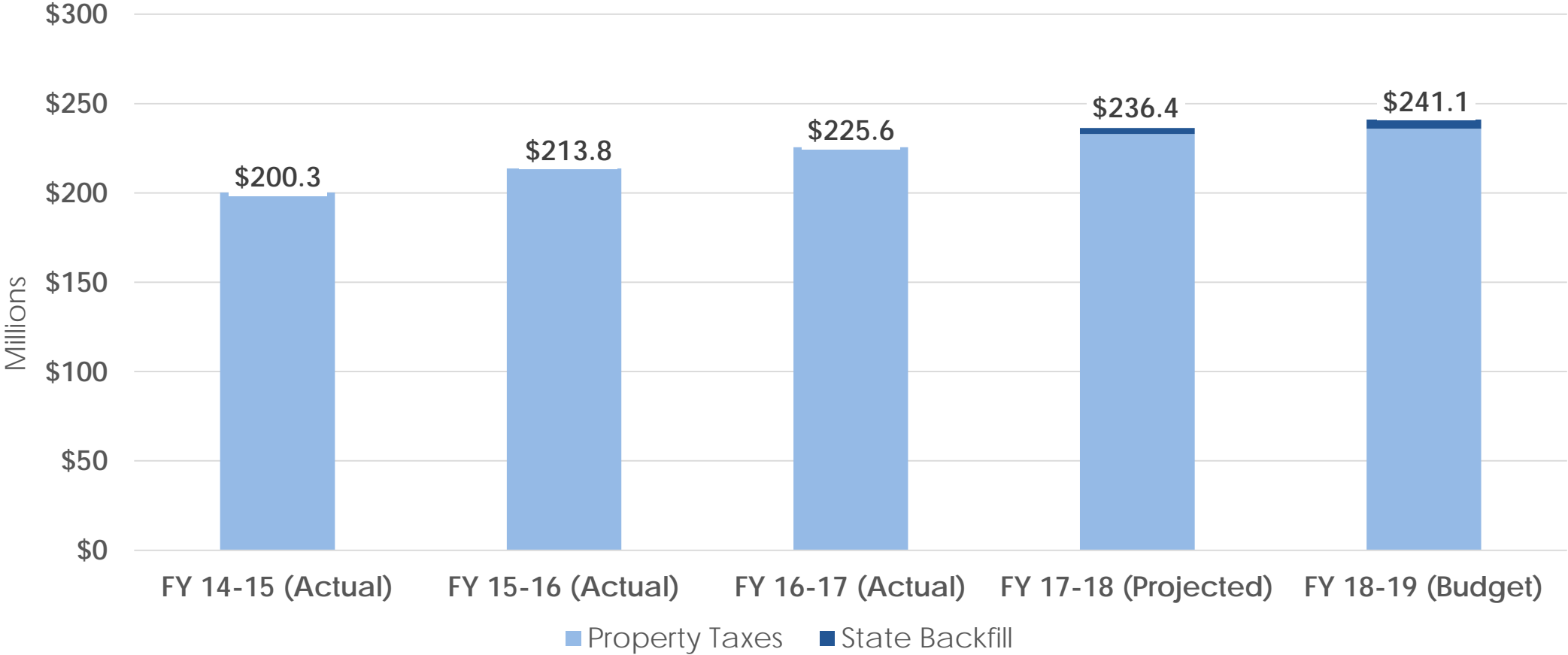


A background image featuring a blue calculator, a fountain pen, and a pair of glasses resting on a newspaper with financial charts. The charts show various trends with data points like 562.8, 536.5, and 262.4. The newspaper text includes 'España', 'Euro/dólar', and 'hoy'.

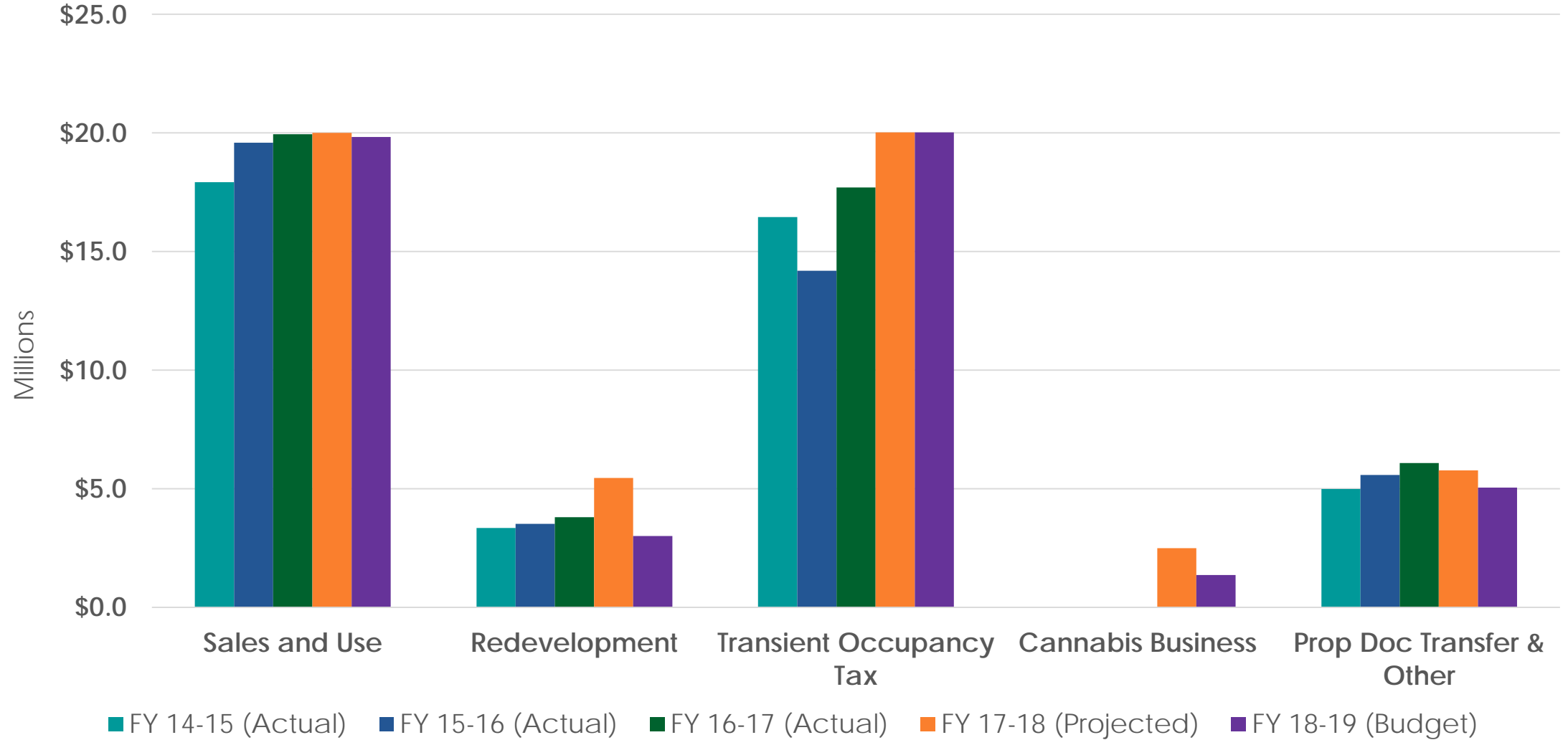
# Financial Trends



# Property Tax Revenue (Secured & Unsecured)

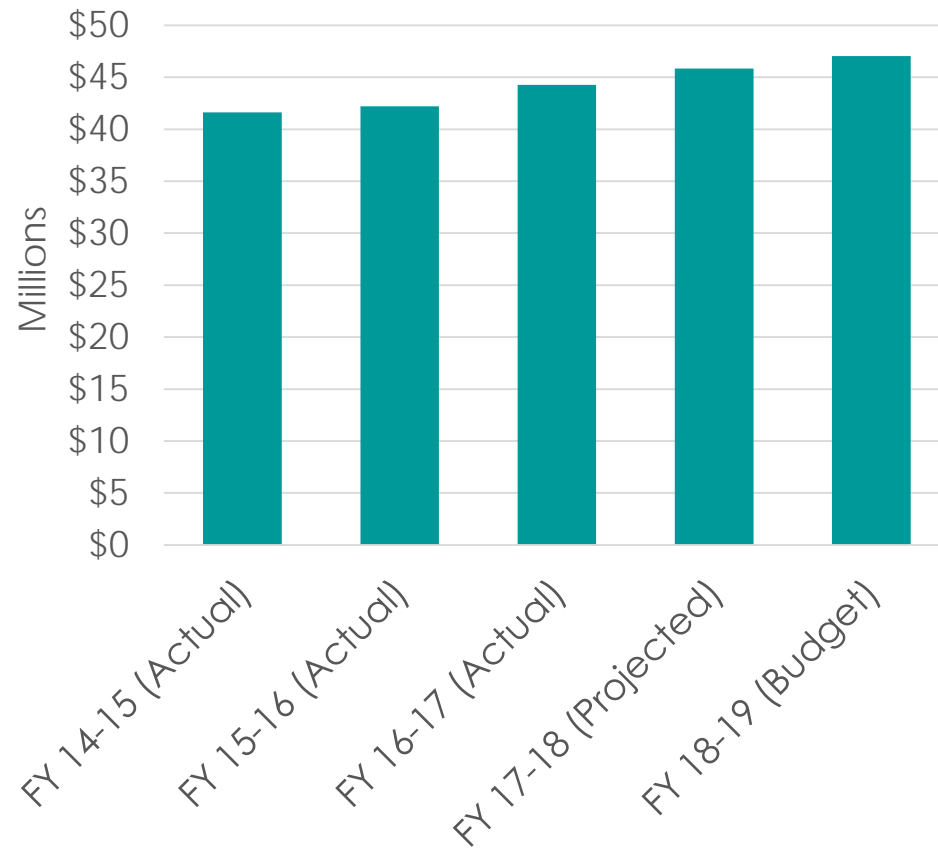


# Other General Fund Local Taxes

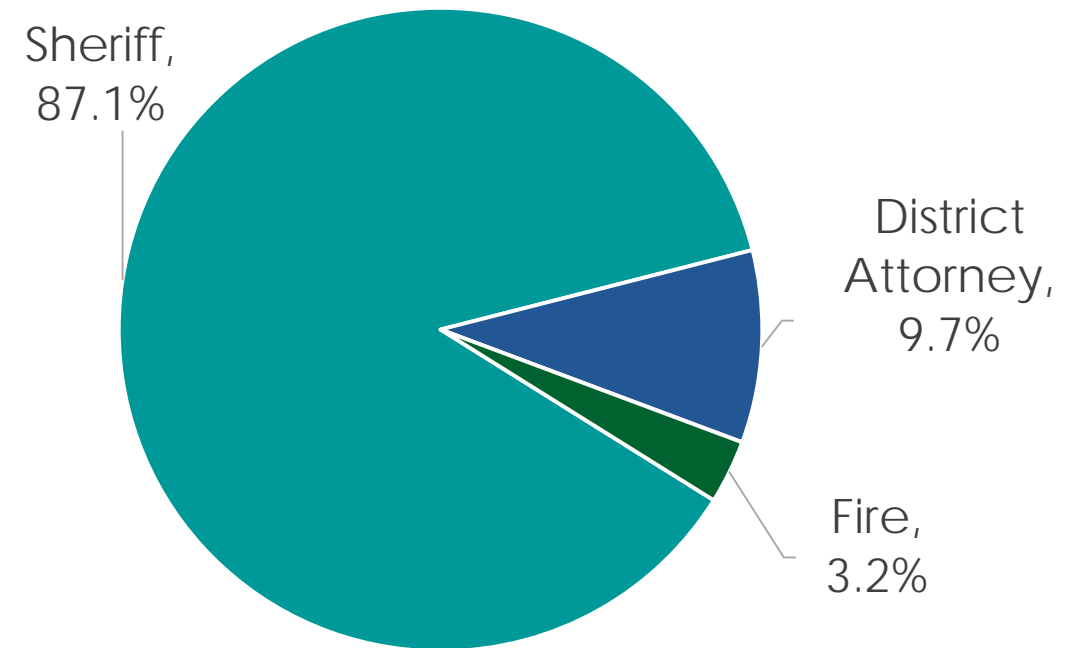


# Proposition 172: Statewide Sales Tax

Prop 172 growth over time



Prop 172 Distribution (FY 18-19 Recommended budget)



# General Fund Forecast

General Fund (in millions)	Revised Budget FY 17-18	Recommended FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22	Projected FY 22-23
Taxes	\$ 264.5	\$ 268.8	\$ 275.2	\$ 281.8	\$ 289.8	\$ 297.9
State/Fed	76.5	82.0	78.9	80.9	82.5	84.2
Charges for Services	67.5	68.5	69.1	66.1	63.2	63.7
General Fund Reserves	-	2.7	-	-	-	-
Other	40.2	32.6	32.5	32.5	32.7	32.8
<b>Total Revenues</b>	<b>\$ 448.6</b>	<b>\$ 454.6</b>	<b>\$ 455.7</b>	<b>\$ 461.4</b>	<b>\$ 468.2</b>	<b>\$ 478.7</b>
	-					
Salaries & Benefits	\$ 330.5	\$ 331.6	\$ 339.1	\$ 346.7	\$ 354.5	\$ 362.5
Services and Supplies	114.5	116.8	118.6	117.5	116.3	118.6
Other	120.1	107.3	108.5	110.6	112.7	114.8
Reimbursements	(93.7)	(101.1)	(101.1)	(103.3)	(105.7)	(108.0)
<b>Total Expenditures</b>	<b>\$ 471.4</b>	<b>\$ 454.6</b>	<b>\$ 465.1</b>	<b>\$ 471.4</b>	<b>\$ 477.8</b>	<b>\$ 487.9</b>
<b>Beginning Balance</b>	<b>\$ 22.6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ (22.8)</b>	<b>\$ 0.0</b>	<b>\$ (9.4)</b>	<b>\$ (10.0)</b>	<b>\$ (9.7)</b>	<b>\$ (9.2)</b>
<b>Ending Balance</b>	<b>\$ (0.3)</b>	<b>\$ 0.0</b>	<b>\$ (9.4)</b>	<b>\$ (10.0)</b>	<b>\$ (9.7)</b>	<b>\$ (9.2)</b>



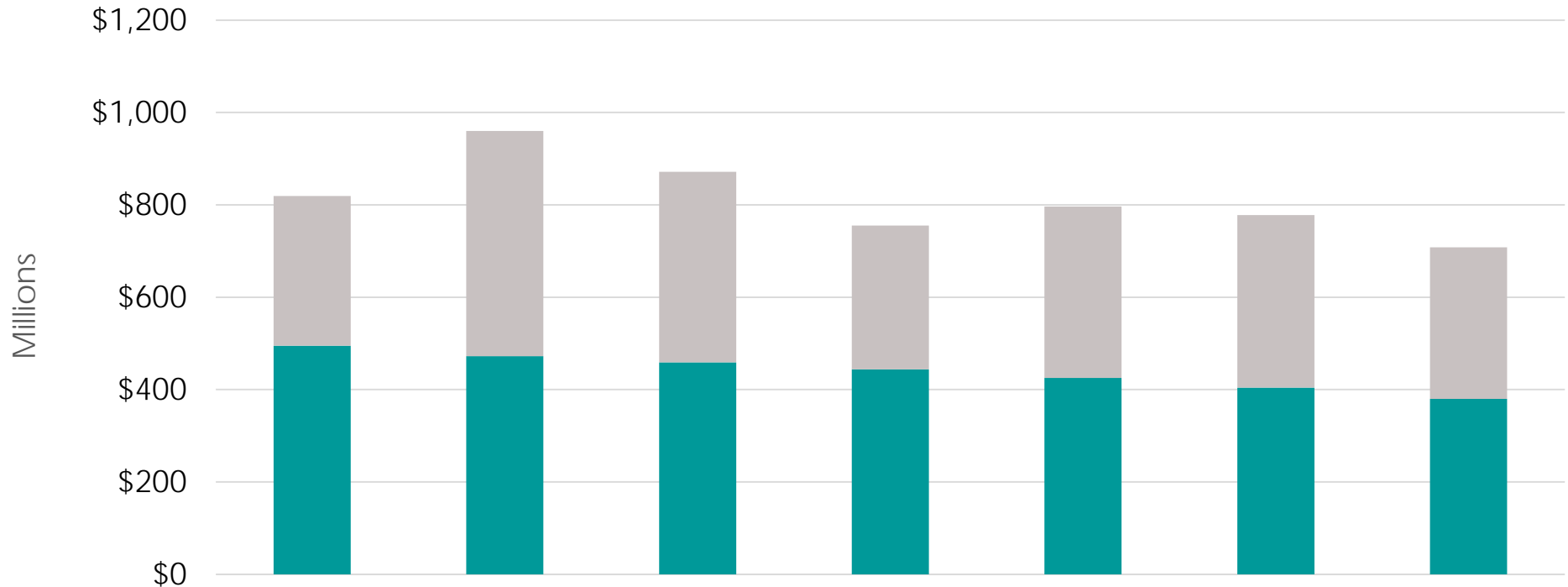


A hand in a white shirt holds a wooden umbrella over a group of wooden human figures on a keyboard. The background is a blurred office setting.

# County Liabilities



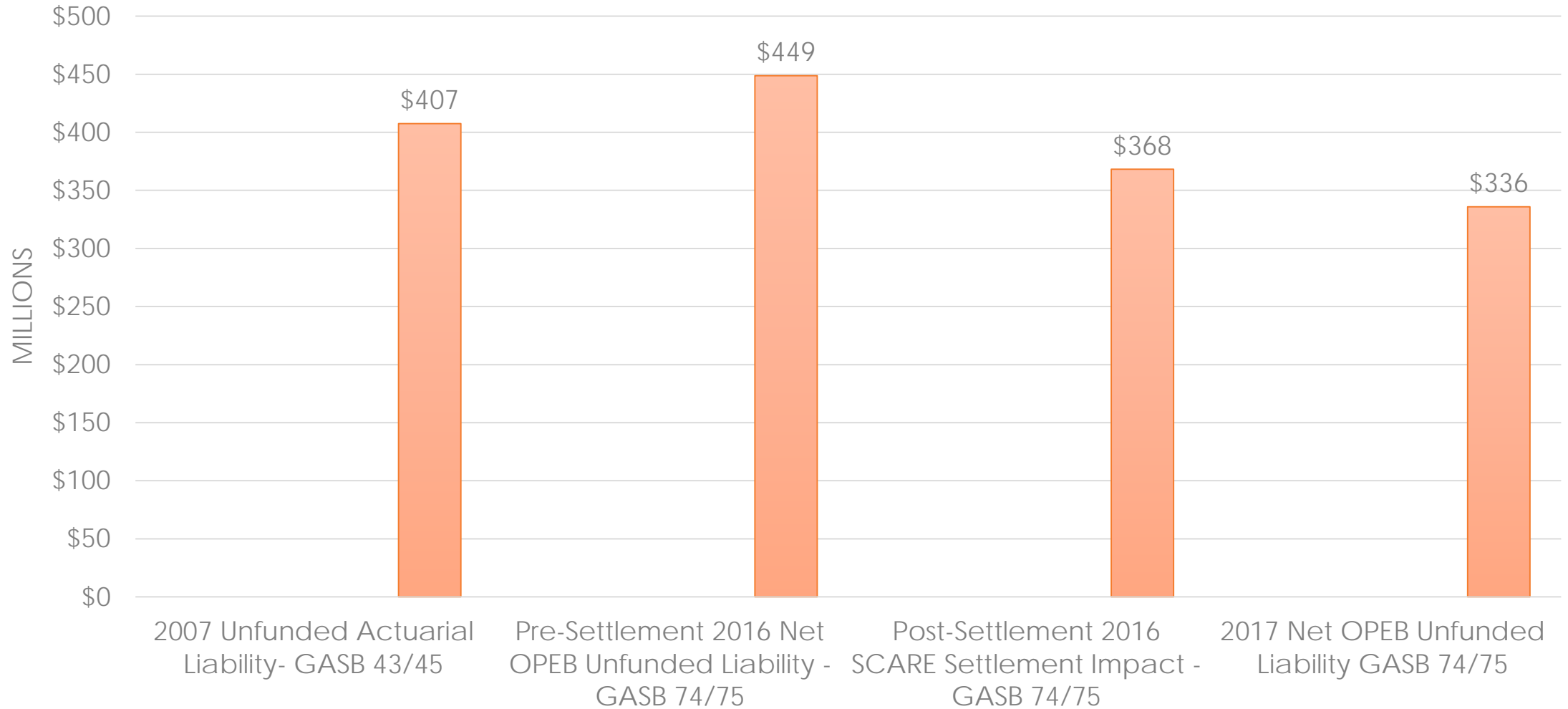
# Unfunded Pension Liability



	06/30/12	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
County Share of UAAL	\$323.7	\$487.5	\$412.5	\$311.7	\$371.2	\$373.7	\$327.9
County POB Balance	\$495.2	\$472.3	\$459.2	\$443.6	\$425.3	\$404.2	\$379.9



# Retiree Medical Liability



# County Administrator Recommendations



# Recommended General Fund Reductions: Tab 2

General Fund	Amount	FTE
Administrative/Fiscal Services	\$1,229,450	8.5 (4.0 Filled)
Justice Services	\$317,560	2.0 (0.0 Filled)
Natural Resources and Agriculture	\$233,849	3.0 (0.0 Filled)
<b>Total</b>	<b>\$1,780,859</b>	<b>13.5 (4.0 Filled)</b>





# Recommended Program Change Requests – General Fund: Tab 2

CAO/Emergency Services  
(Tab 2, Recurring GFR1)

- Strengthen emergency services
  - \$1.25 Million
  - 5.0 FTEs



# Recommended Program Change Requests – General Fund: Tab 2

Clerk Recorder Assessor  
(Tab 2, Recurring GFR2)

- Address assessment backlog
  - \$206,700
  - 3.0 FTEs Time-limited



# Recommended Program Change Requests – General Fund: Tab 2

General Services (Tab 2, Recurring GFR3 & GFR4)

- Address procurement backlog and increased federal and state regulations
  - \$296,458
  - 2.0 FTEs



# Recommended Program Change Requests Non-General Fund: Tab 2

Department	Budget Binder Reference	Request Description	Amount	FTEs
Community Development Commission	Tab 2, One-time NonGFR1, NonGFR2, & NonGFR4	Address housing crisis in Sonoma Valley, support grants	\$500,250	1.0
Auditor Controller Treasurer Tax Collector	Tab 2, One-Time NonGFR3	Transient Occupancy Tax tracking software	\$87,500	0.0
Auditor Controller Treasurer Tax Collector	Tab 2, Recurring NonGFR1	Treasury investment pool manager	\$212,000	1.0
Health Department	Tab 2, Recurring NonGFR3 & NonGFR4	Director of Public Health Nursing and Software Analysts	\$ included in Recommended	3.0
Transportation and Public Works – Airport	(Tab 2, Recurring NonGFR5)	Operations support, security, and safety compliance	\$245,115	2.0
<b>Total</b>			<b>\$1,044,865</b>	<b>7.0</b>



# Additional CAO Recommendations





# Additional CAO Recommendations

Recommendation	Funding Source	One-Time Amount
Behavioral Health (Tabs 4 and 7)	State Audit Release and Unallocated Tobacco Funds	\$1.8 Million
Behavioral Health (Tabs 4 and 7)	Reinvestment & Revitalization Funds	\$2.4 Million
<b>Total</b>		<b>\$4.2 Million</b>



# Behavioral Health Restoration Plan: Tab 7

- Provide one-time funding to cover 2 year gap: \$4.15 million General Fund contribution towards restoration plan



# Additional CAO Recommendations

Recommendation	Funding Source	One-Time Amount
Wildfire Recovery and Disaster Resiliency Fund: Grant Match	General Fund Reserves	\$6.8 Million
Wildfire Recovery and Disaster Resiliency Fund: Data Resiliency	General Fund Reserves	\$1.7 Million
<b>Total</b>		<b>\$8.5 Million</b>



# Wildfire Recovery and Disaster Resiliency Fund: Tab 4

- Carve out reserve resources for recovery needs as they arise: \$8.5 million
  - Hazard mitigation grant matches and other investments (\$6.8 million)
  - Continuity of operations – information systems (\$1.7 million)



# Recommended New and Revised Financial Policies

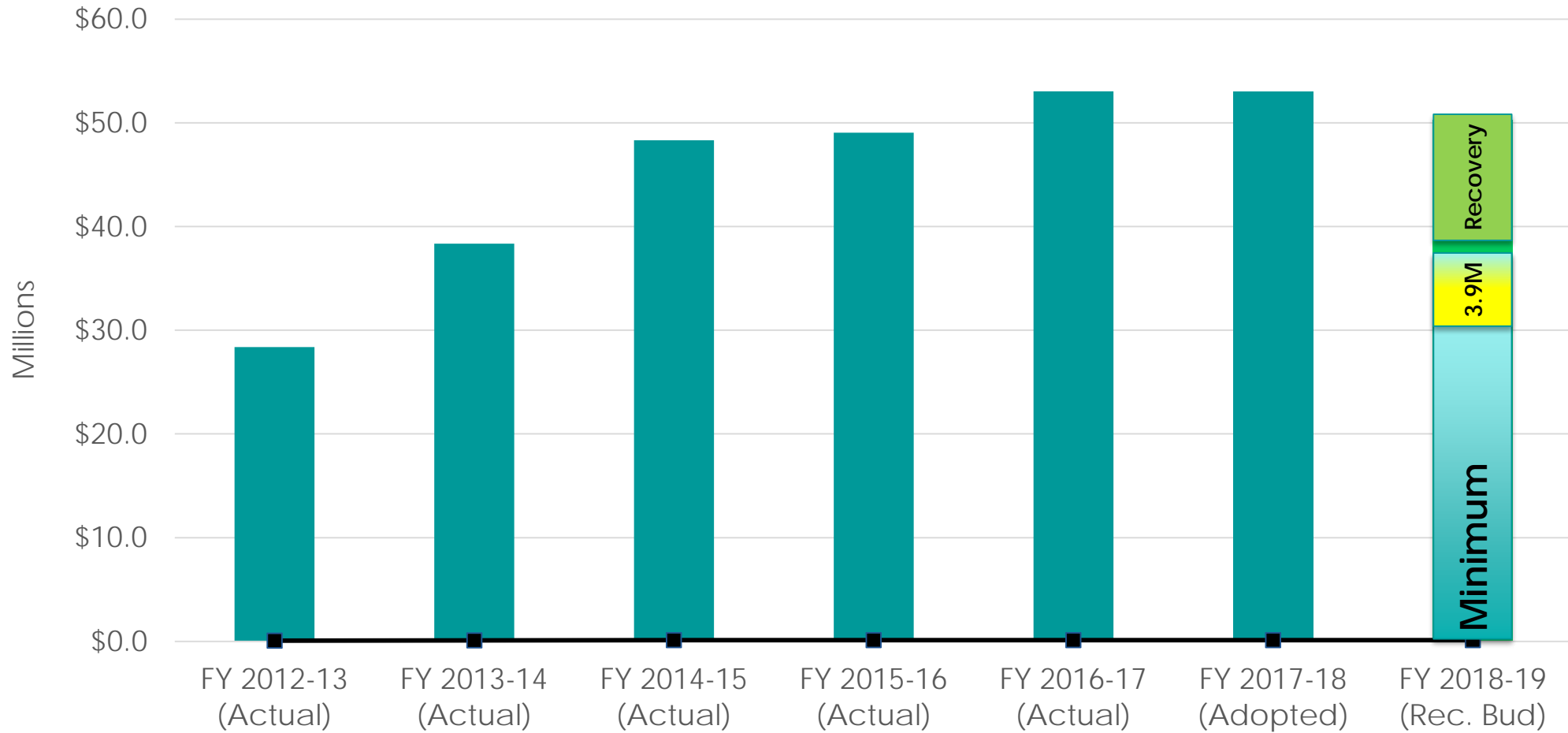
- Revise General Fund Reserve Policy
  - Minimum
  - Replenishment Schedule
- New FEMA Audit Reserve Assignment
  - 20% Assigned Fund Balance





# General Fund Reserve

■ Reserve Balance (\$ millions)



# Board Hearing Schedule

Tuesday – Thursday

- Departmental Budget Presentations and Public Hearing

Friday (Tentative)

- Review Recommendations
- Board Final Deliberations
- Close of Hearings
- Adoption of Budget Resolutions and Financial Policies



# Public Budget Tools

RECOMMENDED BUDGET  
AT A GLANCE  
FY 2018-2019

## Open Budget County of Sonoma

The County of Sonoma is providing an online view of the County's annual operating budget as part of our commitment to transparency, open government, and citizen engagement. This site presents the County's operating budget in a visual style to help promote an understanding of how the budget is structured and where the County is dedicating available resources.

Explore the County's budget by clicking on bars in the chart below to view more detailed information for a service area, and click on bars in the subsequent charts to continue drilling down into the details.

[View a brief video demonstration of the SoCo Budget tool »](#)

[Read More](#)

### Operating Budget Summary

#### Revenue Budget

**\$1.60 Billion**

Recommended Revenue Budget

Please note: The recommended revenues in the County's Budget Book total \$1.63 billion, which differs from the amount above due to two factors. First, the recommended revenue in the Budget Book excludes \$118.8 million in budgeted transfers within county budget units, which are excluded from the Budget Book's summary to avoid double counting of expected revenues. Second, the recommended revenue in the Budget Book includes \$1.65 billion

#### Expenditure Budget

**\$1.74 Billion**

Recommended Expenditure Budget

Please note: The recommended expenditures in the County's Budget Book total \$1.63 billion, which differs from the amount above due to two factors. First, the recommended expenditures in the Budget Book excludes \$118.8 million in budgeted transfers within county budget units, which are excluded from the Budget Book's summary to avoid double counting of authorized expenditures. Second, the recommended expenditures in the

SONOMA COUNTY  
CALIFORNIA





# THANK YOU!

Department Heads  
Department Staff  
Auditor Controller Treasurer Tax  
Collector  
Information Systems Department  
Human Resources  
County Administrator's Office Staff  
Board of Supervisors







Questions?

