



OFFICE OF THE COUNTY ADMINISTRATOR

COUNTY OF SONOMA

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DATE: September 8, 2020

TO: Members of the Board of Supervisors

FROM: Sheryl Bratton, County Administrator

SUBJECT: FY 2020-21 Budget Hearings Materials & Reports Binder

As a result of the Coronavirus disease (COVID-19) Emergency and the associated economic slowdown, the County's budget development process that includes spring budget workshops and June budget hearings was modified to allow more time to review revenue data. The County made use of provisions within the State Budget Act, which allowed the County to approve a Recommended Baseline Budget in June and postpone the formal Budget Hearings and adoption of the Budget in September.

On June 10, 2020 the Board approved a baseline Recommended Budget so that services would continue to be delivered as the new fiscal year began on July 1, 2020. The approved Recommended budget is available at <https://sonomacounty.ca.gov/CAO/Public-Reports/Budget-Reports/PDFs/FY-2020-2021-Recommended-Budget/>

The enclosed material presented in this Public Hearing Binder represents the supplemental material to the FY 2020-21 Recommended Budget.

Budget Hearings Overview (Tab 1)

This tab includes this Overview Memo and the Budget Hearing Schedule. The Budget Hearings begin on Tuesday, September 8, 2020, at 8:30 a.m. and have been publicly noticed to continue from day-to-day through Friday September 11, 2020. Public comment on the Budget has been scheduled for each day. Also included in this tab, is a 5-Year General Fund Forecast (Attachment A), which projects total sources and uses for the General Fund through FY 2024-25 and a table that shows the sources and uses of the County's discretionary revenue (Attachment B).

Available Sources (Tab 2)

The memo in Tab 2 summarizes the sources of discretionary revenue available to restore reductions represented on the Balancing Tool, which is also included Tab 3.

Budget Balancing (Tab 3)

Tab 3 includes the Balancing Tool and two budget reduction detail reports.

- 1) The Balancing Tool is separated into two sections: one-time restorations and ongoing restorations. Each section is further organized by the following color coding:
 - White = reflects priority restorations recommended by the County Administrator.
 - Green = reflects reductions that many include filled positions recommended for restoration.
 - Yellow = reflects many unfilled positions that are important for service delivery and other non-personnel restorations that are critical for service delivery.
 - Gray = reflects reductions that are recommended for approval by the County Administrator. Examples include, utilization of other revenue sources and fund balances and /or reductions that can reasonably be absorbed by Departments, including travel and training reductions.
- 2) The Add Back and Reduction reports provide additional information about the specific reductions identified by Departments reflected in the Balancing Tool.

Fund Balance Memo and Directory (Tab 4)

This tab includes an overview memo of the Fund Balance Directory, which summarizes all the budgetary funds with restricted uses governed by the Board.

General Fund Reserve Memo (Tab 5)

This tab includes an overview memo of the General Fund Reserve balance and policies.

Community and Board Member Funding Requests (Tab 6)

This tab includes the funding requests received from the Board of Supervisors and the community requests that received sponsorships from two Supervisors. As discussed during the June Budget Meeting, the County identified Coronavirus Aid, Relief, and Economic Security (CARES) Act funds as the available source of funding for these requests.

Board Inquiry Requests (Tab 7)

This tab contains all of the responses to Board Inquiry Requests (BIR)'s that were captured by staff during the July Budget Workshop, as well as the requests that were submitted by individual Board members. Staff attempted to consolidate duplicative topics into BIR responses when possible. There are some instance where staff did not have enough time to compile or formulate the requested information, which is reflected in the BIR response.

Fee Waiver / Sponsorship Memo (Tab 8)

Tab 8 contains information related to the County's policy related to fee waivers and sponsorships. Staff is seeking formal direction on this matter.

Capital Projects List (Tab 9)

Tab 9 includes the FY 2020-21 recommended Capital Projects list.

Board Resolutions (Tab 10)

Tab 10 contains the two resolutions and related exhibits that the Board must approve in order to officially adopt the FY 2020-21 Budget. The Concurrent Resolution contains the actions necessary for the Auditor-Controller-Treasurer-Tax-Collector and the County Administrator to implement the Adopted Budget and includes four exhibits as follows:

Exhibit A – The Final Balancing Tool, approved by straw vote in advance of the formal adoption

Exhibit B – A list of the Governmental Entities governed by the Board

Exhibit C – Supplemental Budget Adjustments, resulting from Board approved adjustments that have occurred between the June Budget Meeting and the September Budget Hearings.

Exhibit D – Contains a countywide summary of positions by Department and the Position Allocation List for FY 2020-21.

Finally, also included in this tab is the Resolution for the Sonoma Valley Community Sanitation District.

**Attachment A
General Fund 5-Year Forecast**

General Fund Only Forecast

General Fund - General Purpose Revenue

	FY 20-21 Recommended	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected
Secured Property Tax	275,374,257	276,342,863	283,387,330	290,256,080	297,851,022	305,556,280
<i>State Backfill</i>	-	-	-	-	-	-
Redevelopment Increment	(13,606,069)	(13,606,069)	(13,878,190)	(14,155,754)	(14,509,648)	(14,872,389)
Residual Property Tax RPTTF	6,000,000	6,000,000	5,775,000	5,775,000	5,775,000	5,775,000
Unsecured Property Tax	5,814,000	6,760,928	6,693,319	6,626,386	6,626,386	6,692,650
Supplemental Property Tax	3,892,163	2,842,163	2,755,835	2,123,738	2,241,981	2,698,223
Documentary Transfer Tax	5,500,000	3,464,123	3,117,711	3,273,596	3,600,956	4,501,195
Sales Tax	21,492,050	20,177,809	21,490,253	22,577,926	23,462,602	24,386,383
TOT ¹	5,573,519	3,734,258	3,995,656	4,195,439	4,405,210	4,625,471
Other	69,381	69,381	69,381	69,381	69,381	69,381
Total Tax Revenue	310,109,301	305,785,456	313,406,294	320,741,791	329,522,890	339,432,193
Other General Purpose Revenues	34,865,222	33,935,222	31,200,722	30,989,572	31,080,279	31,173,707
Use of One Time Fund Balances	5,768,500	5,191,650	-	-	-	-
Total General Purpose Revenues	350,743,023	344,912,327	344,607,016	351,731,364	360,603,169	370,605,900

General Fund - Departmental Revenues

	FY 20-21 Recommended	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected
Tax Revenue	233,510	150,000	150,000	150,000	150,000	150,000
Licenses, Permits, Franchises	16,016,881	14,798,600	14,238,190	14,238,190	14,910,681	16,322,913
Intergovernmental Revenues ²	87,258,202	78,435,583	80,807,155	82,867,416	84,949,442	87,098,663
Fines, Forfeitures, Penalties	5,858,909	5,858,909	5,598,607	5,364,336	5,153,492	4,963,732
Revenue - Use of Money & Prop	696,719	696,719	696,719	696,719	696,719	696,719
Charges for Services	53,143,225	47,197,596	49,363,224	51,414,690	52,736,064	54,042,117
Miscellaneous Revenues	2,520,617	2,520,617	2,520,617	2,520,617	2,520,617	2,520,617
Other Financing Sources ³	27,742,968	27,742,968	28,020,398	28,300,602	28,583,608	28,869,444
Total Departmental Revenues	193,471,031	177,400,993	181,394,910	185,552,571	189,700,624	194,664,206
Total General Fund Revenues	544,214,054	522,313,320	526,001,926	537,283,934	550,303,793	565,270,106

General Fund Expenditures

Wages and Benefits

	FY 20-21 Recommended	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected
Wages/Pay	192,528,561	192,528,561	200,795,487	205,021,992	209,343,593	213,762,430
Prorated Benefits	54,416,456	54,416,456	56,640,579	57,914,992	59,218,079	60,550,486
Medical Benefits	31,866,153	31,866,153	32,451,606	32,451,606	32,451,606	32,451,606
Other Fixed Benefits	1,451,215	1,451,215	1,477,877	1,477,877	1,477,877	1,477,877
Pension	45,501,744	45,501,744	47,361,502	53,269,850	59,515,977	62,072,188
Pension Obligation Bonds	27,355,410	27,355,410	28,077,520	29,068,013	16,871,104	17,654,614
Other Retiree Benefits (OPEB)	16,570,848	16,570,848	17,248,136	17,636,219	18,033,034	18,438,777
Total Wages and Benefits	369,690,387	369,690,387	384,052,706	396,840,547	396,911,269	406,407,977

Other Expenditures

	FY 20-21 Recommended	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected
Services and Supplies	153,815,813	153,815,813	160,079,577	163,774,714	168,687,956	173,748,594
Other Charges	30,293,890	30,293,890	27,329,768	27,876,363	28,433,890	29,002,568
Fixed Assets	5,821,123	5,821,123	5,821,123	5,821,123	5,821,123	5,821,123
Transfers (Details Below)	89,313,279	87,603,959	88,801,230	90,401,524	91,664,661	92,960,460
<i>Roads Ongoing Funding</i>	16,323,905	16,323,905	16,522,640	16,725,349	16,932,112	17,143,011
<i>In Home Support Services</i>	11,257,156	12,547,836	13,049,749	13,571,739	14,114,609	14,679,193
<i>Capital Projects/Facilities Maintenance</i>	10,019,323	10,406,765	10,406,765	10,406,765	10,406,765	10,406,765
<i>All Other Transfers</i>	51,712,895	48,712,895	49,209,518	50,085,112	50,598,617	51,118,932
Reimbursements ⁴	-109,720,439	-109,720,439	-110,817,643	-111,925,819	-113,045,078	-114,175,528
Contingencies	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Other Expenditures	174,523,667	172,814,347	176,214,055	180,947,905	186,562,553	192,357,217
Total General Fund Expenditures	544,214,054	542,504,734	560,266,761	577,788,452	583,473,822	598,765,194
Total Surplus (Deficit)	-	(20,191,414)	(34,264,835)	(40,504,518)	(33,170,029)	(33,495,088)

¹Includes only the portion of Transient Occupancy Tax received by the General Fund.

²Includes Proposition 172 Public Safety Revenue.

³Primarily made up of transfers within the County.

⁴Excludes Cost Plan Reimbursements, which are included in General Purpose Revenue.

Attachment B Discretionary Revenue Sources Uses

Description	FY 2019-2020 Adopted	FY 2020-2021 Recommended	FY 2020-2021 September	\$ Change from FY 2019-2020	% Change from FY 2019-2020	% Share of Budget - Recommended	% Share of Budget - September
Property Tax	\$253,816,436	\$269,232,627	\$271,392,957	\$15,416,191	6.1%	78.1%	79.4%
Sales Tax	\$21,050,000	\$21,492,050	\$20,177,000	\$442,050	2.1%	6.2%	5.9%
Cost Plan Reimbursements	\$13,611,717	\$13,786,074	\$13,786,074	\$174,357	1.3%	4.0%	4.0%
Documentary Transfer Tax	\$5,500,000	\$5,500,000	\$3,464,123	\$0	0.0%	1.6%	1.0%
Interest Earnings	\$4,657,000	\$4,189,000	\$4,189,000	(\$468,000)	-10.0%	1.2%	1.2%
Transient Occupancy Tax	\$5,573,519	\$5,573,519	\$3,734,258	\$1	0.0%	1.6%	1.1%
Forfeitures and Penalties	\$5,604,148	\$3,404,148	\$3,404,148	(\$2,200,000)	-39.3%	1.0%	1.0%
Redevelopment Residual Property Tax	\$3,300,000	\$6,000,000	\$6,000,000	\$2,700,000	81.8%	1.7%	1.8%
Assessment & Tax Collection Fees	\$2,700,000	\$2,700,000	\$2,700,000	\$0	0.0%	0.8%	0.8%
Franchise Fees - Cable/Utility	\$2,210,000	\$3,100,000	\$3,100,000	\$890,000	40.3%	0.9%	0.9%
Release of Restricted Funds (One-Time)	\$4,831,578	\$5,440,500	\$5,768,500	\$608,922	12.6%	1.6%	1.7%
Federal Geothermal Royalties	\$1,859,000	\$1,659,000	\$1,659,000	(\$200,000)	-10.8%	0.5%	0.5%
State Homeowners Property Tax Relief	\$1,200,000	\$1,200,000	\$1,200,000	\$0	0.0%	0.3%	0.4%
Tribal Mitigation Reimbursement	\$680,000	\$680,000	\$680,000	\$0	0.0%	0.2%	0.2%
Other Revenue	\$711,381	\$716,381	\$716,381	\$5,000	0.7%	0.2%	0.2%
Total General Purpose Sources	\$327,304,779	\$344,673,299	\$341,971,441	\$17,368,520	5.3%	100.0%	100.0%

Department/Program/Initiative	FY 2019-2020 Adopted	FY 2020-2021 Recommended	FY 2020-2021 September	\$ Change from FY 2019-2020	% Change from FY 2019-2020	% Share of Budget - Recommended	% Share of Budget - September
Agricultural Commissioner	2,045,508	2,283,801	2,230,466	238,293	11.6%	0.7%	0.7%
Auditor-Controller-Treasurer-Tax Coll.	5,692,908	6,027,232	5,442,842	\$334,323	5.9%	1.7%	1.6%
Clerk Recorder Assessor	13,536,349	14,028,734	12,649,321	492,385	3.6%	4.1%	3.7%
County Administrator	7,786,928	9,072,676	9,094,851	1,285,747	16.5%	2.6%	2.7%
County Counsel	0	0	0	0	0.0%	0.0%	0.0%
Court Support/Grand Jury	8,258,629	8,272,429	8,272,429	13,800	0.2%	2.4%	2.4%
Department of Health Services	8,821,115	16,717,734	15,928,874	7,896,619	89.5%	4.9%	4.7%
District Attorney's Office	17,356,540	18,081,007	17,057,102	724,467	4.2%	5.2%	5.0%
Emergency Mananement	2,518,282	2,524,086	2,108,501	5,804	0.2%	0.7%	0.6%

Attachment B Discretionary Revenue Sources Uses

Department/Program/Initiative	FY 2019-2020 Adopted	FY 2020-2021 Recommended	FY 2020-2021 September	\$ Change from FY 2019-2020	% Change from FY 2019-2020	% Share of Budget - Recommended	% Share of Budget - September
General Services	18,518,673	18,129,984	16,965,002	(388,688)	-2.1%	5.3%	5.0%
Human Resources	6,670,002	8,027,555	7,279,015	1,357,552	20.4%	2.3%	2.1%
Human Services	25,984,329	25,579,742	24,040,736	(404,587)	-1.6%	7.4%	7.0%
Independent Office of Law Enf Review	549,793	752,713	698,385	202,920	36.9%	0.2%	0.2%
Information Systems	569,182	909,038	818,127	339,857	59.7%	0.3%	0.2%
Permit Resource Management	4,058,732	4,111,151	3,700,037	52,418	1.3%	1.2%	1.1%
Probation	36,221,481	37,793,660	33,890,830	1,572,179	4.3%	11.0%	9.9%
Public Defender	11,593,333	12,149,257	10,934,321	555,924	4.8%	3.5%	3.2%
Regional Parks	4,450,610	4,739,825	4,599,824	289,216	6.5%	1.4%	1.3%
Sheriff's Office	89,770,664	96,081,437	93,853,645	6,310,774	7.0%	27.9%	27.4%
Transportation & Public Works	116,908	114,976	103,478	(1,932)	-1.7%	0.0%	0.0%
UC Cooperative Extension	1,150,164	1,166,234	1,048,620	16,070	1.4%	0.3%	0.3%
Sub-Total for Departments (Net Cost)	265,670,131	286,563,271	270,716,405	\$20,893,140	7.9%	83.1%	79.2%
Board General Fund Contingency	5,000,000	5,000,000	5,000,000	0	0.0%	1.5%	1.5%
Uncertainty Reserve, Infrastructure Sinking Fund, and reserve for upcoming needs	10,262,832	6,162,684	7,213,315	(4,100,148)	-40.0%	1.8%	2.1%
Capital Project Plan Contribution	5,500,000	5,500,000	5,500,000	0	0.0%	1.6%	1.6%
Deferred Maintenance Fund	2,756,179	4,869,323	5,256,745	2,113,144	76.7%	1.4%	1.5%
City of Santa Rosa (Annexation Roads)	662,000	662,000	662,000	0	0.0%	0.2%	0.2%
City of Santa Rosa (Annexation Payment)	770,000	800,000	800,000	30,000	3.9%	0.2%	0.2%
Community Development Commission	2,372,636	1,506,243	1,355,619	(866,393)	-36.5%	0.4%	0.4%
Employee Programs	3,867,373	3,802,653	3,802,653	(64,720)	-1.7%	1.1%	1.1%
Local Agency Formation Commission Share	279,718	279,718	279,718	0	0.0%	0.1%	0.1%
Non-Departmental County Expenses	11,272,457	7,741,115	7,891,739	(3,531,342)	-31.3%	2.2%	2.3%
Pension Obligation Bond 2003B Interest	1,075,200	1,075,200	1,075,200	0	0.0%	0.3%	0.3%
Maintain Reserves at required level	0	0	1,100,000	0	0.0%	0.0%	0.3%
Reinvestment & Revitalization Fund	3,300,000	6,000,000	6,000,000	2,700,000	81.8%	1.7%	1.8%
Roads: Operations and Pavement Pgm.	14,516,254	14,711,092	14,711,092	194,838	1.3%	4.3%	4.3%
Sub-Total for Programs/Initiatives	61,634,649	58,110,028	60,648,081	(\$3,524,621)	-5.7%	16.9%	17.7%
Total	327,304,779	344,673,299	331,364,486	17,368,520	5.3%	100.0%	96.9%

September Budget Hearing Schedule 2020-2021

Tuesday, September 8, 2020

- 8:30 a.m. Board Chair Opening Remarks
- County Administrator Presentation
- Budget Overview
 - Supplemental Adjustments
 - Budget Hearing Schedule
 - Budget Binder Content
- 9:00 a.m. Dr. Eyler Economic Forecast Presentation
- 10:00 a.m. County Administrator Presentation
- Fiscal Forecast
 - Sources of Available Revenue
 - Budget Balancing Tool Overview
 - County Administrator Recommendations
- 12:00 p.m. Lunch
- 1:00 p.m. Fee Waiver / Sponsorship Policy
- 1:30 p.m. Public Comment on Budget
- 3:30 Board Determination of Available Revenue (straw vote)
- 4:00 p.m. Public Comment Not on the Agenda
- Continue Meeting to September 9, 2020

Wednesday, September 9, 2020

- 8:30 a.m. County Administrator Presentation
- Recap of Straw Vote on Available Revenue
 - Recap of Budget Balancing Tool
 - Recap of County Administrator Recommendations
- 9:00 a.m. Board Member Questions
- 10:45 a.m. Public Comment on Budget
- 12:45 p.m. Lunch
- 1:30 p.m. Board Deliberations
- 3:45 p.m. Board Deliberations and Direction to Staff (Straw Vote)
- Continue Meeting to September 1, 2020
- Thursday, September 10, 2020 Board recess

Friday, September 11, 2020

- 9:00 a.m. County Administrator Budget Resolution Overview
- 10:00 a.m. Public Comment on Budget
- 12:00 p.m. Board of Supervisor Vote