



**Sonoma County  
2013-14 Budget  
Hearings  
June 10, 2013**

***Building Improving Preserving  
Keeping Strategic Focus***

# 2013-14 Budget Hearings - Schedule

- **County Administrator** - Introduction
- **Board members:**
  - Opening Budget Comments, Questions & Selection of Budgets for review
- **Public Comment** on Consent Items
- **Board straw vote** on Consent Items & Supplemental Budget
- **Selected Budgets Review**
  - Straw vote approval including associated Supplemental Budget Changes
- **Final Board action**



# Economic Outlook

- Slow growth
- State & Local Unemployment Improving
- Housing Prices Aligning with new Market Values
- Building Permits @ Moderate Growth
- Recovery is Not Equal to Pre-Recession Levels



# Budget Assumptions

- Assumes improved General Fund revenues.

Property Tax    0.75%



Sales Tax        3.00%



Prop. 172        3.00%

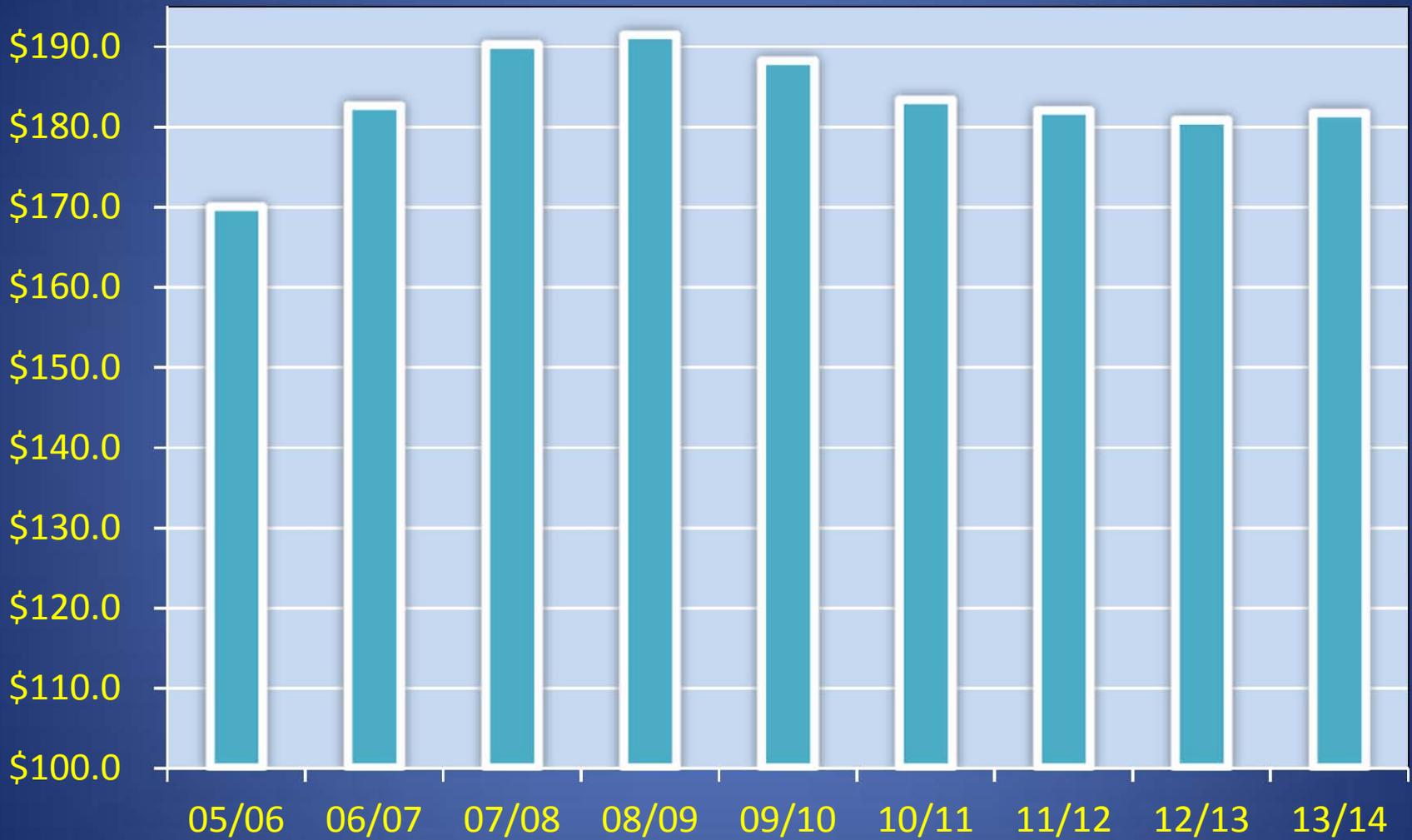


Permits          6.00%



- Includes funding for most 2013 Board Priorities.
- Maintains services at prior year levels.
- Invests in IT systems.
- Does NOT finance \$37M avg. annual estimated unmet needs.
- Takes into account State/Federal programs at FY 12-13 adjusted levels.

# Property Tax - Revenues



REVENUES NOT EXPECTED TO RETURN TO FY 08-09 LEVELS UNTIL FY 17-18 OR LATER

# Budget Approach

- Builds on past years' Sacrifice.
- Restricts General Fund Support - same as prior year.
- Adjusts GF to address increases in Worker's Comp, IT replacement funding, and new State/Fed allocations; and includes new pension changes (PEPRA).
- Meets new service delivery mandate (AB109) and ACA.
- Aligns with Strategic Plan, Budget document reflects program focus and initial performance measures.

# 2013-14 Total Budget

Recommended Budget	\$1.31 Billion
<u>Supplemental Budget</u>	<u>\$0.06 Billion</u>
<b>Total Budget</b>	<b>\$1.37 Billion</b>

**3,905.09 Full Time Equivalents**

# Budget by Functional Area

Functional Areas	FY 12-13 Adopted	FY 13-14 Recom	FY 13-14 Supp Adjs	FY 13-14 Total	Change
Admin & Fiscal	\$172.6	\$169.7	\$33.0 *	\$202.7	\$30.1
Justice	218.1	226.0	0.7	226.8	8.7
Health & Human	320.8	339.6	9.1	348.7	27.9
Development	476.9	461.5	20.8	482.3	5.4
Capital Pjts (Facilities)	32.9	32.4	0.0	32.4	(0.6)
Other	70.0	80.2	0.0	80.2	10.2
<b>Totals</b>	<b>\$1,291.4</b>	<b>\$1,309.5</b>	<b>\$63.7</b>	<b>\$1,373.1</b>	<b>\$81.8</b>

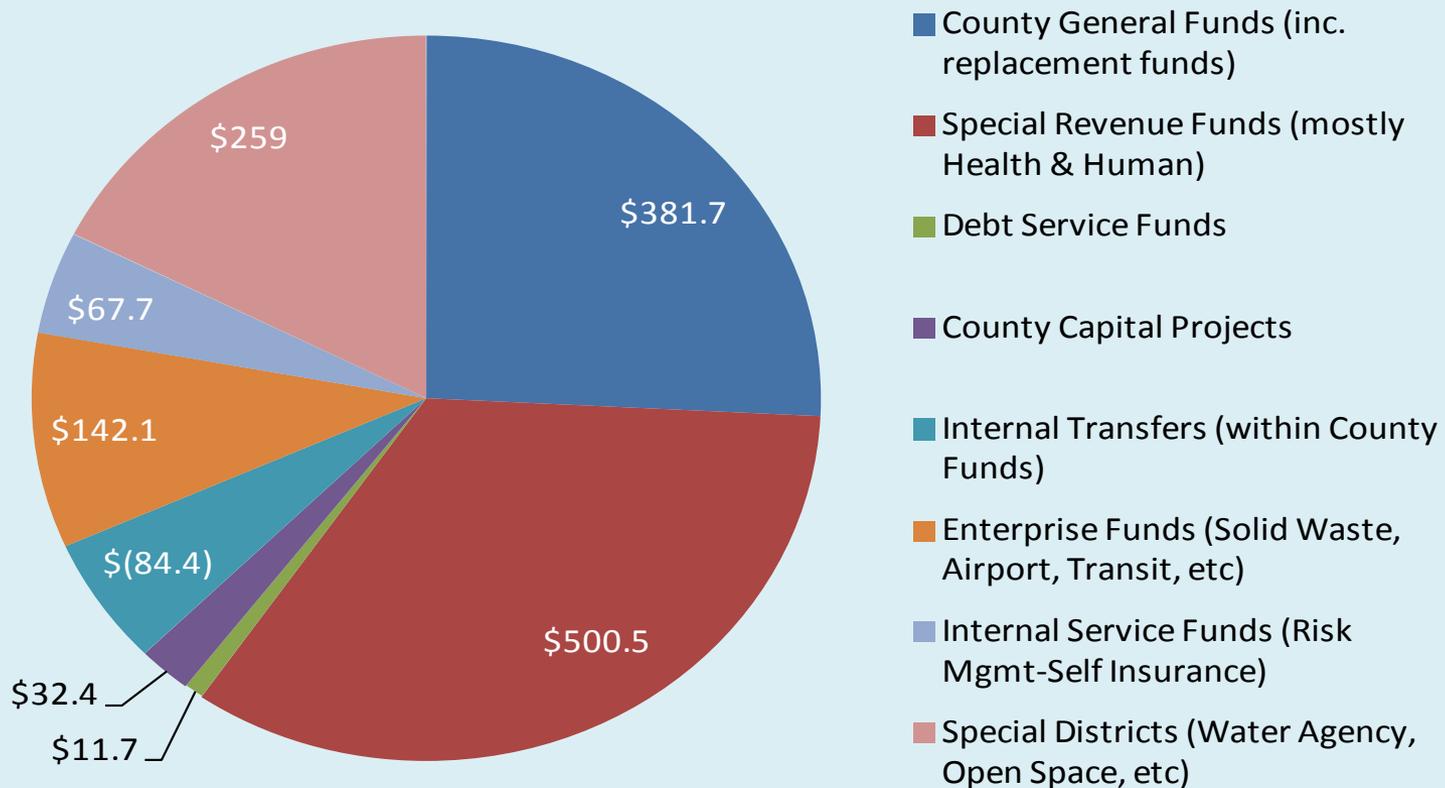
• Includes the following funds transfers: \$8M to Roads; \$11.5M to Reinvest & Revitalization; \$3M to Enterprise Financial System; \$1.65M to DA-PD Case Management System; and \$1.2M to ACTTC Remodel Payoff. As well as ACTTC programming of transferred funds: \$3M EFS Implementation Costs; \$2.5M; \$1.2 ACTTC Debt Payment; and \$1M in miscellaneous programs' expenses.

# Positions by Functional Area

Functional Group	FY 12-13				Total	
	FY 12-13	Currently	FY 13-14	Supp.	FY 13-14	Change
	Adopted	Allocated	Recomm			
Admin & Fiscal	535.4	541.9	548.3	1.0	549.3	7.4
Criminal Justice	1,037.9	1,056.9	1,063.9	-	1,063.9	7.0
Health & Human	1,301.1	1,395.9	1,417.2	3.0	1,420.2	24.3
Development & Other	<u>854.1</u>	<u>861.9</u>	<u>869.3</u>	<u>1.5</u>	<u>870.8</u>	<u>8.9</u>
<b>Total</b>	<b>3,728.5</b>	<b>3,856.6</b>	<b>3,898.6</b>	<b>5.5</b>	<b>3,904.1</b>	<b>47.6</b>

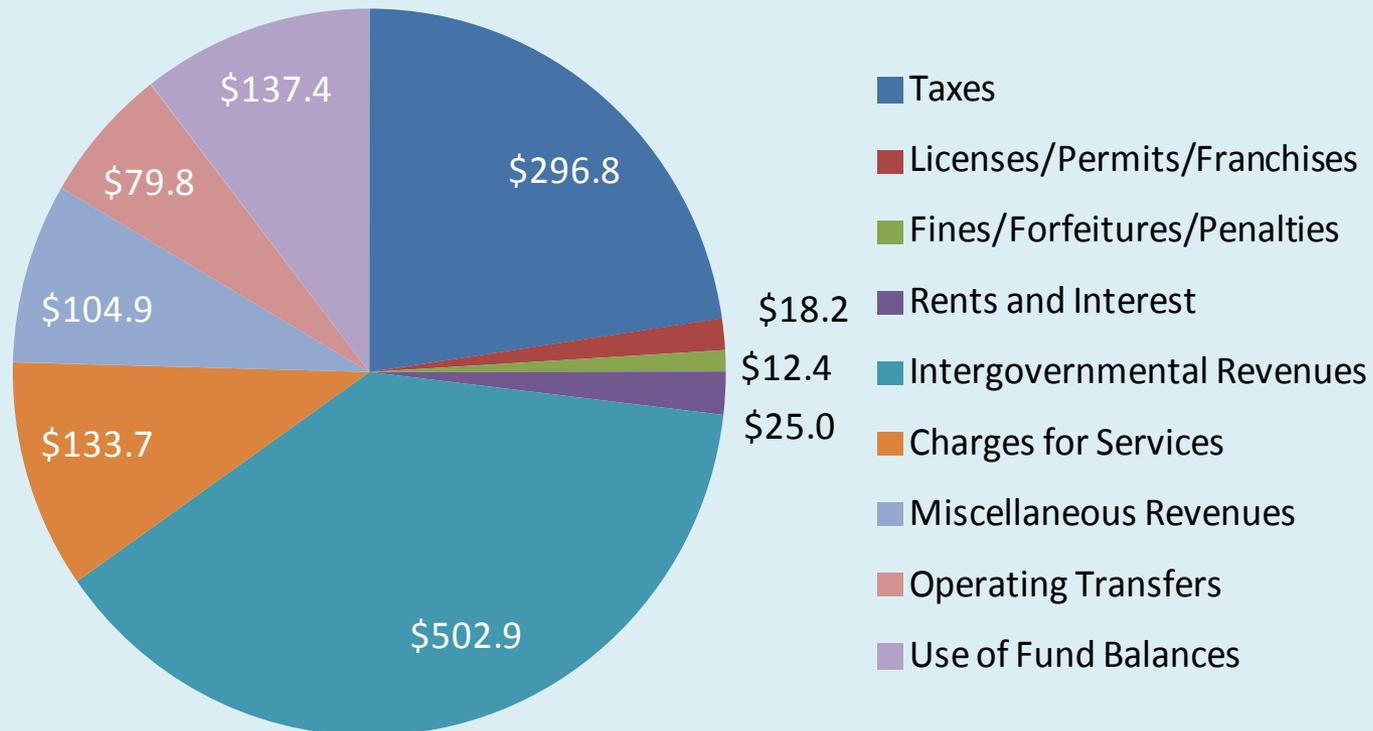
# Recommended Uses - \$1.3 Billion

(In Millions – Pie Chart Total Includes \$84M in Operating Transfers)



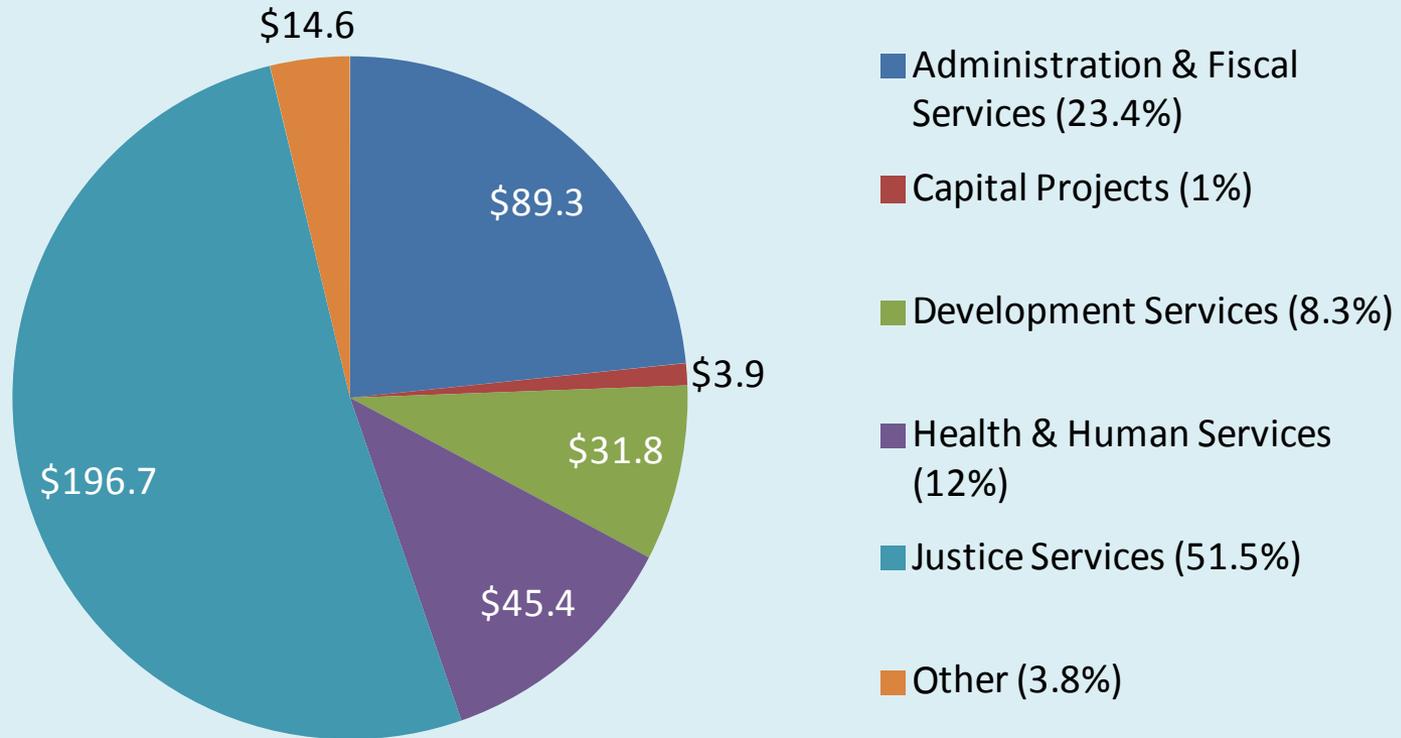
# Recommended Sources - \$1.3 Billion

(In Millions)



# General Fund Uses \$381.7M

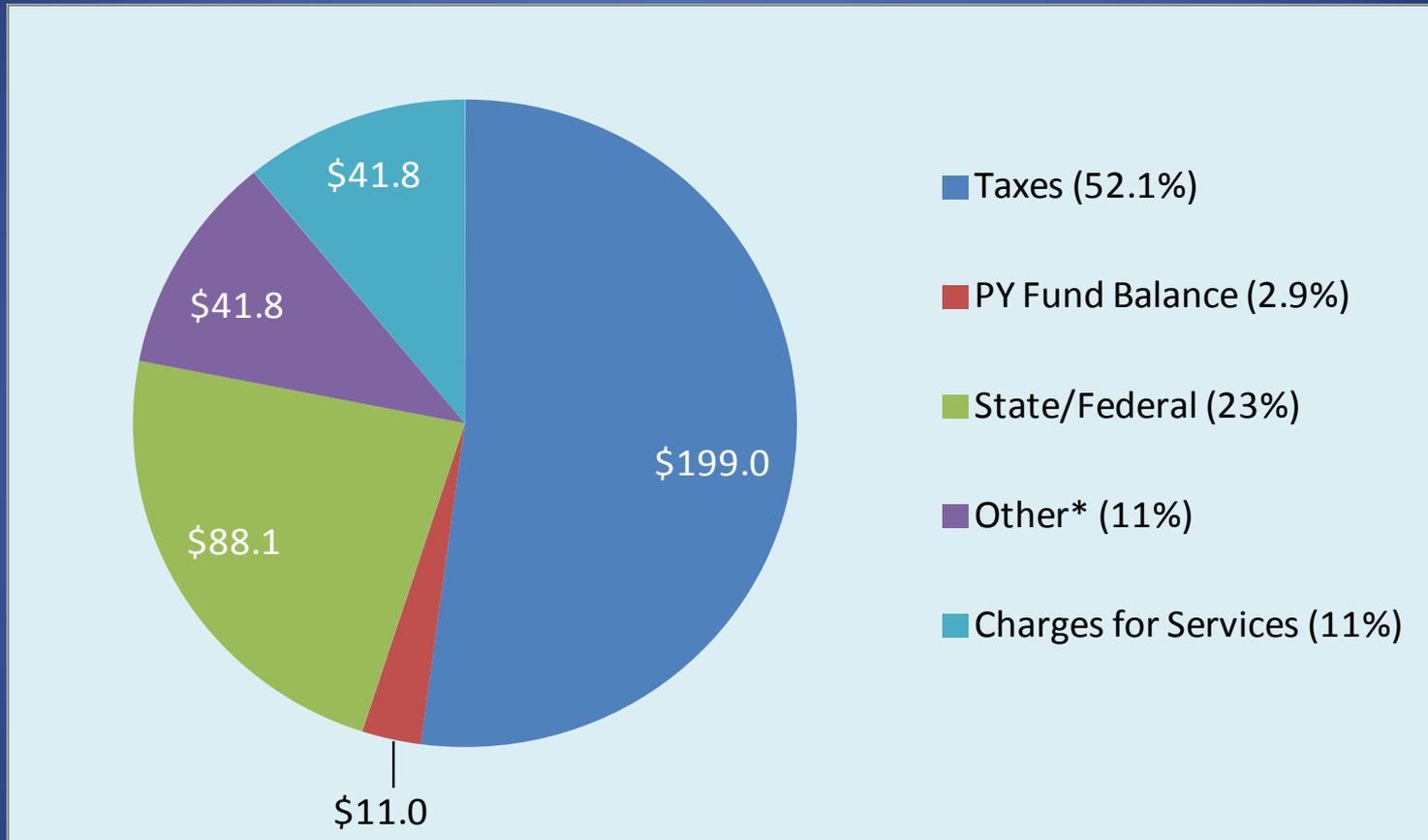
(In Millions)



•Other is comprised of General fund transfers to non-GF county programs (i.e. CDC, Roads, etc) \$5.5M; Other County Svcs. (i.e. Agricultural Commissioner, UCCE, etc) \$5.6M; and increases to replacement funds \$247k

# General Fund Sources- \$ 381.7 Million

(In Millions)



•Other is comprised of Licenses/Permits/Franchises(\$10.7),Fines/Forfeitures/Penalties (\$8.1), Use of Money/Property (\$6.6), Misc. Revenues (\$5.1), and Other Financing Sources (\$8.1).

Use of Prior Year Funds Balances includes \$8.9 million carryover fund balance and \$1.1 Million mainly due to re-budgeted De-allocated Tobacco funds for projects approved in prior years.

# Supplemental Budget Actions

## Building Infrastructure & Systems

- Roads
- Enterprise Financial System
- Case Management
- Broadband
- Open Space & Parks Maintenance
- Main Jail Disposal System
- Spring Lake Maintenance
- Sheriff's Narcotics Unit Office

## Improving Services

- Fire Services review & District Formation
- Agricultural Ombudsman
- Health & Human Federal State funding focus
- Reinvestment & Revitalization Funding
- Pesticide Enforcement

## Preserving County Fiscal Standing

- Increase Reserves
- Reducing Debt
- Internal Audit Charter
- Deleting Vacancies

**Keeping Strategic Focus**

# Supplemental Fiscal Changes

(in millions)

<b>Recommended Budget</b>	<b>\$1,309.5</b>
• Building Infrastructure & Systems	32.9
• Improving Services	28.5
• Preserving Fiscal Standing	2.2
<b>Total Budget</b>	<b>\$1,373.1</b>



# Supplemental Position Changes

3,856.54 - Currently allocated as of 5/31/13

43.05 - Recommended Adds

5.50 - Supplemental Budget:

- ✓ 1.0 Building Mechanic for Main Jail System
- ✓ 2.0 Limited Term Comm. Dev Associates in Reinvest & Revitalize Program
- ✓ 0.75 Ag. Biologist for Ag Comm. Pesticide Program
- ✓ 1.00 Agricultural Ombudsman in UCCE
- ✓ 0.75 in DHS for ACC and Cradle to Career
- ✓ 2.25 in HSD for WIB and Children's Services
- ✓ 1.00 Limited Term Planner for Healthy Facilities
- ✓ -2.50 over 12 months vacant positions deleted
- ✓ -0.75 UCCE vacancy deleted

**3,905.09 - Total FTE**

# Looking Forward Into the Next 5 years

- We are continuing to recover and build new organization for new times.
- We are building infrastructure & systems, improving services, and preserving fiscal resources.
- We are strategically aligned.

# Multi-Year Projections (in millions)

Multi-year	Rec & Supmtl FY 13-14	Projected FY 14-15	Projected FY 15-16	Projected FY 16-17	Projected FY 17-18
Taxes	199.0	201.6	205.1	208.7	213.3
State/Fed	81.8	84.1	86.9	89.3	91.8
Charges for Services	41.4	42.2	44.0	44.9	45.8
Other	53.5	49.3	50.3	51.1	51.9
<b>Total Revenues</b>	<b>375.6</b>	<b>377.2</b>	<b>386.3</b>	<b>394.0</b>	<b>402.8</b>
Salaries and Benefits	271.5	280.0	286.3	289.5	295.5
Services and Supplies	91.5	93.3	96.1	99.0	102.0
Other	102.7	93.6	94.9	95.8	97.4
Reimbursements	(75.8)	(76.6)	(78.4)	(79.2)	(80.0)
<b>Total Expenditures</b>	<b>389.9</b>	<b>390.4</b>	<b>398.9</b>	<b>405.1</b>	<b>414.9</b>
Use of Fund Balance	<b>14.3</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>
<b>Excess/(Shortfall)</b>	<b>-</b>	<b>(3.2)</b>	<b>(2.6)</b>	<b>(1.2)</b>	<b>(2.0)</b>

Certain labor agreements changes not included since not all employee groups have completed negotiations.

# Unfunded Priority Items/Unmet Needs

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Local Road Funding		\$ 8.0	\$ 8.0	\$ 8.0	\$ 8.0
Build GF Reserves to 15%	\$ 2.9	\$ 2.9	\$ 2.5	\$ 2.2	\$ 2.0
County Workforce Development		\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
Criminal Justice Case Management		-	-	-	-
Comprehensive Facilities Plan					
Financial System - One time Costs	\$ 4.0	\$ 5.2	-	-	-
Financial System - Ongoing	-	\$ 1.2	\$ 1.3	\$ 2.6	\$ 2.5
Facility Maintenance	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0
Health Care Reform	-	-	-	-	\$ 2.0
Jail Mngement System	-	\$ 3.0	-	-	-
Reducing Pension Debt	\$ 10.3	\$ 16.0	\$ 18.2	\$ 20.7	\$ 23.8
Permit System Streamlining	-	\$ 1.0	-	-	-
Voter Ballot System Upgrades	-	\$ 3.8	-	-	-
<b>Total Unfunded (In Millions)</b>	<b>\$ 19.2</b>	<b>\$ 44.1</b>	<b>\$ 33.0</b>	<b>\$ 36.5</b>	<b>\$ 41.3</b>

*Additional cost increases anticipated for the General Plan 2020 update and future criminal justice operational costs.  
NOT ALL INCLUSIVE.*

# Adjusted for Unmet Needs

## Multi-Year Projections (in millions)

Multi-year	Rec & Supmtl FY 13-14	Projected FY 14-15	Projected FY 15-16	Projected FY 16-17	Projected FY 17-18
Taxes	199.0	201.6	205.1	208.7	213.3
State/Fed	81.8	85.1	88.0	90.4	92.9
Charges for Services	41.4	43.2	45.1	46.4	47.3
Other	53.5	49.9	50.9	51.7	52.5
<b>Total Revenues</b>	<b>375.6</b>	<b>379.9</b>	<b>389.0</b>	<b>397.2</b>	<b>406.1</b>
Salaries and Benefits	271.5	281.1	287.3	290.6	296.5
Services and Supplies	91.5	105.0	101.1	105.5	108.7
Other	102.7	120.3	123.6	126.5	131.1
Reimbursements	(75.8)	(79.6)	(81.4)	(81.9)	(82.7)
<b>Total Expenditures</b>	<b>389.9</b>	<b>426.8</b>	<b>430.6</b>	<b>440.7</b>	<b>453.6</b>
Use of Fund Balance	<b>14.3</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>
<b>Excess/(Shortfall)</b>	<b>-</b>	<b>(36.9)</b>	<b>(31.6)</b>	<b>(33.5)</b>	<b>(37.5)</b>

# STRATEGIC PLAN

## Bringing it all Together

Sonoma County  
Investing in Beautiful, Thriving and Sustainable Communities for All

To Enrich the Quality of  
Life In Sonoma County  
Through Superior Public  
Service

Innovation  
&  
Creativity

Collaboration

Diversity  
&  
Equity

Vision  
& Leadership

Fiscal  
Responsibility

Honesty  
&  
Integrity

Accountability  
&  
Transparency

Trust  
&  
Respect

Community  
Service

Safe, Healthy &  
Caring  
Communities

Economic &  
Environmental  
Stewardship

Invest in the  
Future

Civic Services  
& Engagement

# 2013 BOS Priorities - \$76M

Safe, Healthy & Caring Community	Economic & Environmental Stewardship	Invest in the Future	Civic Services & Engagement
<b>Expand Community Engagement \$200K</b>			
<p><b>Affordable Health Care Act Study Session</b> (Completed)</p>	<p><b>Roads Funding Plan</b> \$475,000 Plan \$26.3M Investments</p>	<p><b>Build General Fund Reserves</b> (Annual Budget Review)</p>	<p><b>SWSR Annexation Scoping Underway</b> <b>Fire Service Delivery Analysis</b> Scoping Underway</p>
<p><b>Integration of Health and Human Services to Implement Affordable Health Care Act s</b> \$4.7M</p>	<p><b>Energy &amp; Water Sustainability</b> \$12M</p>	<p><b>Continue Pension Reform Implementation</b> HR Staff &amp; Services \$1.1 million</p>	<p><b>Library JPA Review</b> BOS/CAO \$87,000</p>
<p><b>Strengthen Safety Net</b> \$1.7M</p>	<p><b>Climate Adaption</b> \$6.7M</p>		
<p><b>Immigrant Related Issue &amp; Svcs.</b> Within operating budgets</p>	<p><b>County Fac Plan</b> \$133,000</p>		
<p><b>Secured Communities Impacts</b> Within operating budgets</p>	<p><b>Agricultural Stewardship</b> \$12.3M</p>	<p><b>Enterprise Fin. System</b> \$10.2M</p>	<p><b>Animal Care &amp; Control Shared Services Model</b> \$150,000</p>
	<p><b>Supporting small farmers &amp; producers through permit streamlining</b> Scoping Underway</p>		

# Conclusions

- Stronger fiscal discipline & sacrifices showing results
- Innovation remains core value
- Board Priorities and Strategic Goals are Focus
- Looking at the long term issues
- Need to establish fiscal and policy path to complete major priorities
- Maintain a fiscally stable Organization

# CAO Recommendations

Board is requested to:

1. Approve \$1.3 Billion Budget including Recommended and Supplemental adjustments
2. Conduct the Public Hearings and direct staff to make any changes to Rec. Budget;
3. Adopt Resolutions for FY 2013-14 for all entities governed by Board

# Funding Decision Tool

Dept.	Item	Contingencies	Refuse Franchise	De-Allocated Tobacco	Teeter	Tobacco Secured	TOTAL
		3,500,000 ONGOING	600,000	724,000	800,000	7,700,000	13,324,000
			ONE-TIME				
XXX	Position YY	45,000					
	Balance	3,455,000	600,000	724,000	800,000	7,700,000	13,324,000



**Department Heads**  
**Departments' Budget staff**  
**Auditor-Controller-Treasurer, Tax**  
**Collector**  
**Information Services Department**

**County Administrative Staff:**

Chris Thomas  
Lori Norton  
Jennifer Murray  
Christina Rivera  
Michael Gossman  
Jennifer Rogers-Milligan  
Terri Saunders  
Don Schwartz  
Christine Williams  
Joanna Lutman  
Karen Spitler  
Jim Leddy

**Board of Supervisors**

Thank You!



# Board Questions, Comments and Discussion