

Sonoma County 2012-2013 Budget Hearings



2012-2013 Budget Hearings

- Introduction – County Administrator
- Opening Board Comments and Questions
- Board Selection of Dept. Budgets for review
 - Consent
 - Regular
- Public Comment on Consent Budgets
- Straw vote on Consent Budgets
- Review of Selected Budgets
- Final vote reflecting any Board changes



2012-2013 Budget Introduction

- Financial Outlook and Budget Overview
- Program and Services Impacts
- Position Changes
- What does Budget mean for Community and the Organization?
- Looking Forward



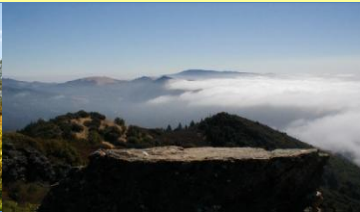
Economic Outlook

- Economy still struggling
- State & Local unemployment will remain relatively high for another year
- Housing prices & building permits – Bottomed Out?
- Slow, uneven recovery over the next 3-5 years



2012 Budget

- General Fund flat revenues
- Departments absorbed increased costs equal to a 5%-8% reduction (\$7 million)
- 4th year of reductions - small incrementally; deep cumulatively (529 FTEs - \$103.6 million)
- Budget a consensus effort
- Reductions impacts community and County
- Budget understands future uncertainties and builds from New Baseline



Developed per Board Budget Policies

- No one-time funds used for on-going costs
- Maintain discretionary reserves and one-time funds at target levels
- Pursue full cost recovery and new revenue opportunities



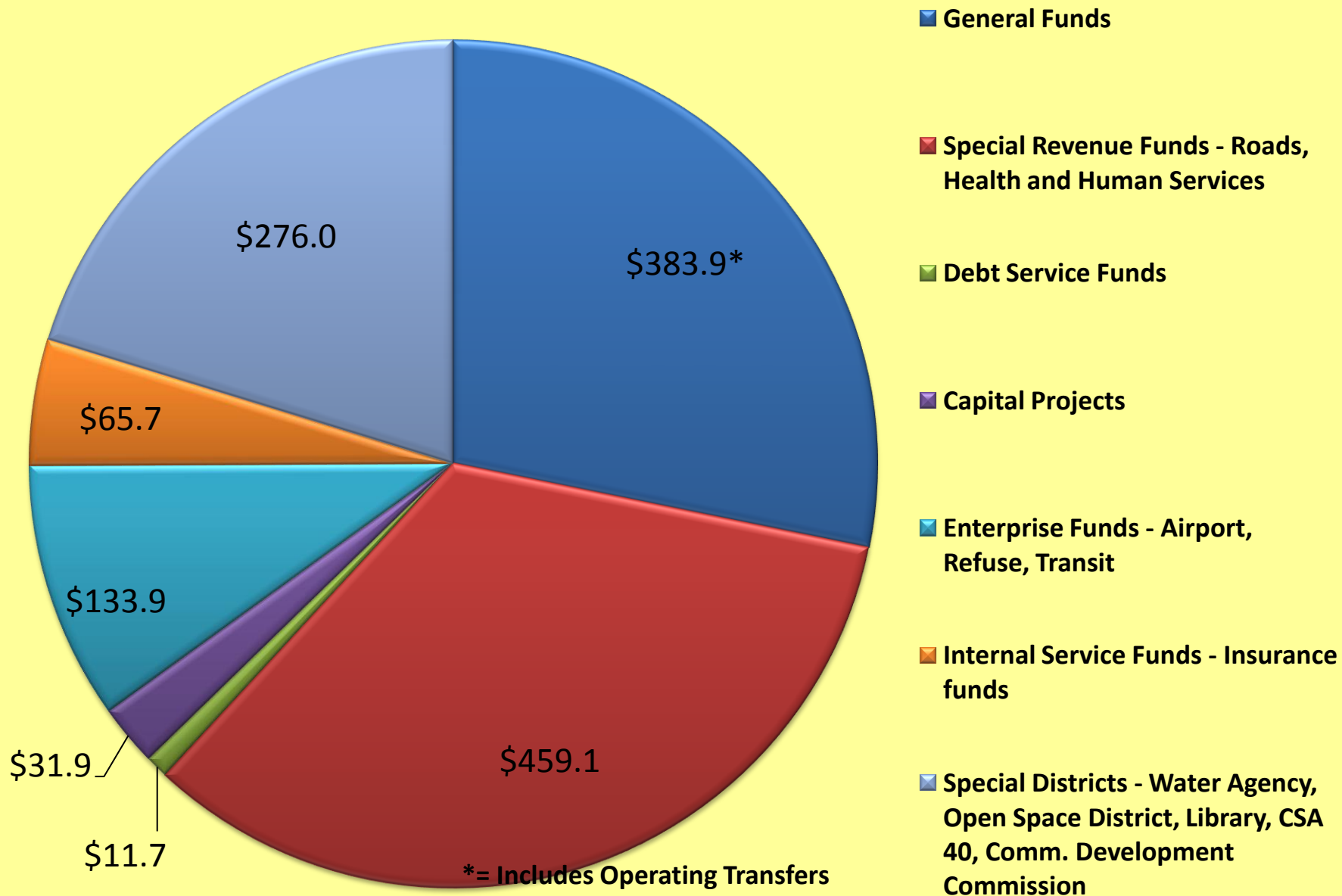
2012-2013 Recommended Budget

**Total Budget
\$1.28 Billion**

3,709.7 Full Time Equivalents



Recommended Budget - \$1.28 Billion



Major Changes

- Total Budget increases \$56.4 million (4.6%)
- General Fund down \$3.2 million (0.8%)
- Special Revenues (Health & Human Services, Roads, etc) up \$31 million (7.2%) **due to realignment and caseload**
- Enterprise Funds (Refuse, Airport, etc) up \$26.8 million (25%) **due to airport improvements**
- Debt Service, Internal Service Funds (Open Space tax bonds, Health & Worker's comp insurance) increase \$15 million
- Special Districts (CDC, Water Agency, Open Space District, etc), Capital Projects, and transfers drop \$13 million



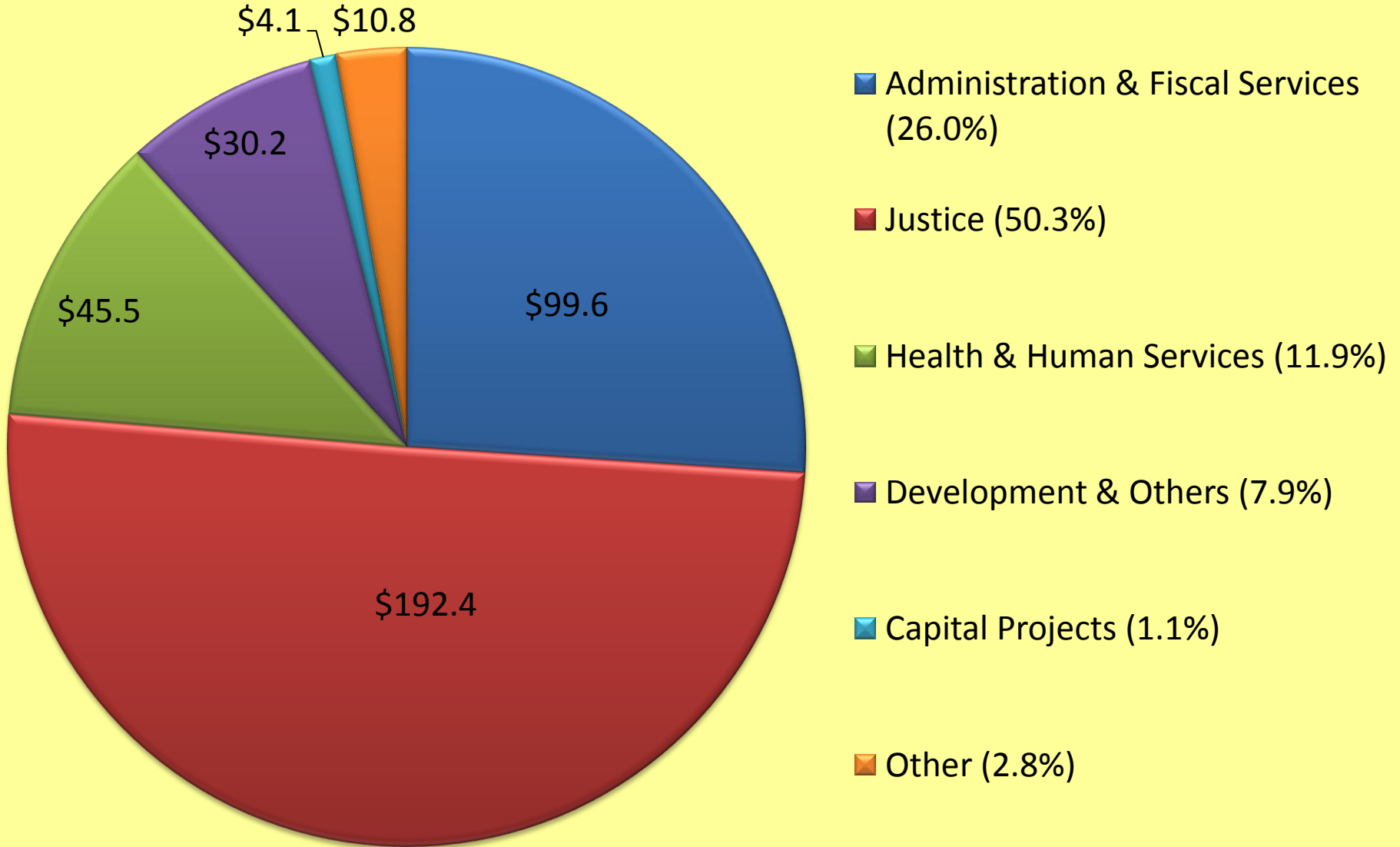
Total Budget by Function Changes

Total Expenditures (in millions)

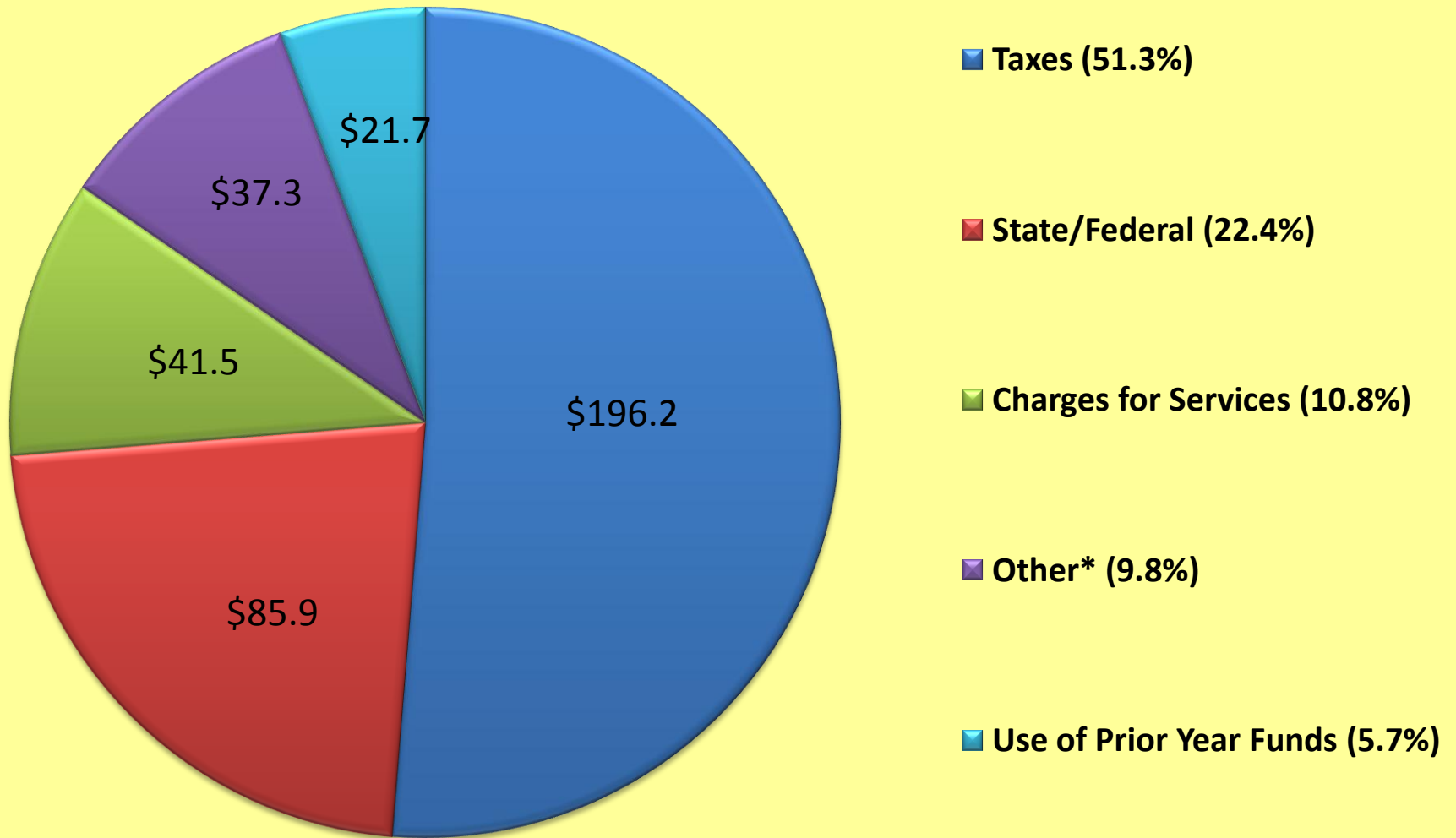
Functional Areas	FY 09-10 Adopted	FY 10-11 Adopted	FY 11-12 Adopted	FY 12-13 Recom	FY 12-13 Supp Adjs	FY 12-13 Total
Admin & Fiscal	\$ 177.5	\$ 149.4	\$ 153.1	\$ 172.3	\$ 2.1	\$ 174.4
Justice	221.9	212.0	208.9	216.0	3.0	219.1
Health & Human	306.7	307.7	305.3	313.2	14.5	327.8
Dev & Other	566.1	512.6	552.4	574.5	0.5	574.9
Totals	\$ 1,272.1	\$ 1,181.8	\$ 1,219.6	\$ 1,276.0	\$ 20.1	\$ 1,296.1



General Fund Uses \$382.6 Million



General Fund Sources- \$ 382.6 Million



*Other is comprised of Licenses/Permits/Franchises (\$12.0), Fines/Forfeitures/Penalties (\$9.1), Use of Money/Property (\$5.7), Misc. Revenues (\$5.9), and Other Financing Sources (\$4.6).

Use of Prior Year Funds Balances includes \$11 million carryover fund balance and \$10.7 Million in assigned fund balances such as Information Services replacement and rebudgets of Tobacco Settlement Funding for projects approved in prior years.

Revenues – Property Tax

FY 2012-2013

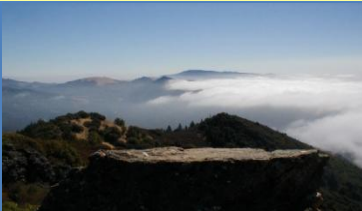
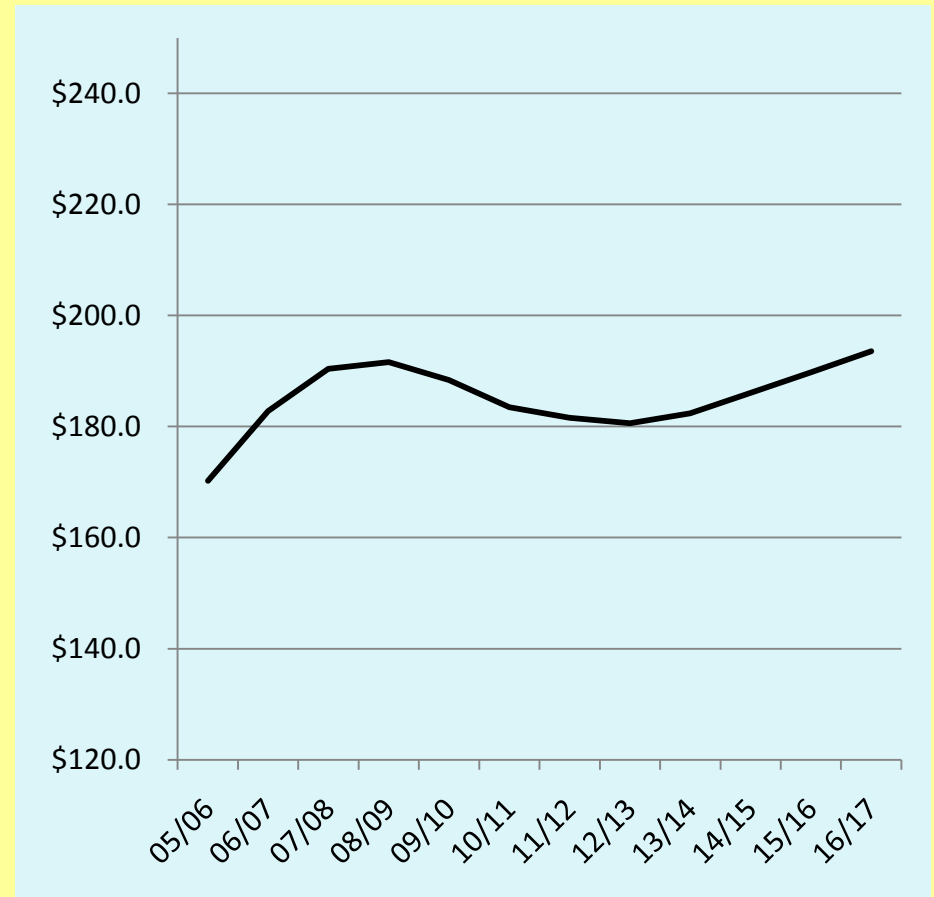
- Remain Flat

FY 2013-2014

- Increases Projected 1%

FY 2014-2015 thru FY 2016-2017

- Increase Projected at 2%



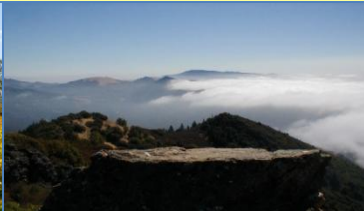
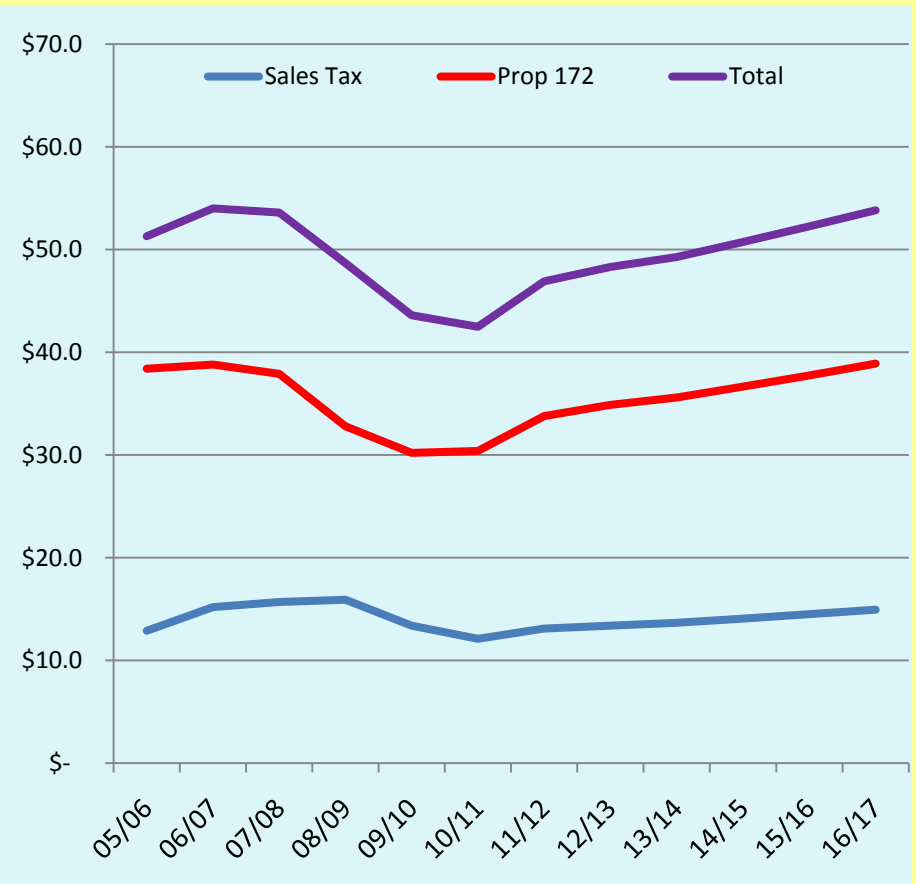
Revenues – Sales Tax

April Forecast:

- Local = 3.5% growth
- Prop. 172 = 2.2% growth over FY 11-12 estimates

Budget Assumptions:

- Local = 3.8% growth
- Prop. 172 = 3.4% growth Over FY 11-12 Budget



Reserves

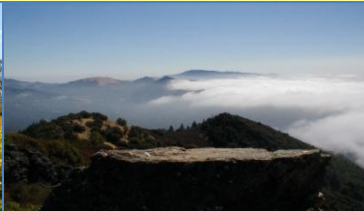
Reserve/Designations	Balance 6/30/11	Est. Bal. 6/30/12	Available Reserves
General Fund Discretionary	\$33.7	\$33.7	\$33.7
Teeter	\$22.2	\$22.0	\$8.0
Tobacco Settlement	\$20.3	\$9.3	\$9.3
Uncommitted Retirement	\$4.5	\$4.5	\$4.5
Contingencies	\$2.9	\$2.5	\$2.5
Total	\$83.6	\$72.0	\$58.0

General Fund Discretionary Reserve Policy

- Strive for reserve **at least** 10% of GF revenues (\$34.2m) which requires an additional allocation of \$500,000



PROGRAM AND SERVICE IMPACTS



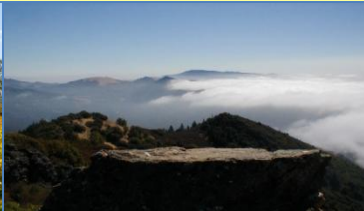
FY 12/13 Program Reductions

Admin. and Fiscal:

- County Counsel: reduced services to GF clients.
- Clerk/Recorder/Assessor: delays in the annual assessment roll closure.

Justice:

- Public Defender: service impacts in felony trial represent
- Sheriff: reduction in jail staffing could impact inmate supervision; reduction in legal processor may slow service response time.



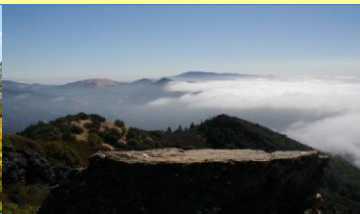
FY 12-13 Program Reductions

Health and Human Services:

- Health: Volunteer coordinator in Animal Care & Control

Development Services:

- Ag. Commissioner: Impacts to pesticide use enforcement; decreased Weights & Measures marketplace presence and farmers markets regulation;
- CDC: reduction in Housing Rehab Program and loans to affordable housing developers; HOME Tenant Based Assistance Program discontinued; Redevelopment Dissolution



FY 12-13 Program Reductions

Development Services (cont.):

- **Parks:** reduced maintenance, parks planning & acquisition
- **TPW-Roads:** non-primary road segments will receive only corrective maintenance services.

Across departments, fewer resources are available for Strategic Plan initiatives, community engagement, project coordination, financial services and staff training



General Fund Reductions by Functional Area

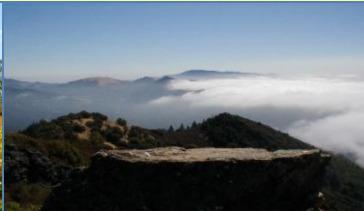
(Recommended Budgets - in millions)

Functional Areas	FY 09-10	FY 10-11	FY 11-12	FY 12-13	Total
Admin & Fiscal	\$ 5.9	\$ 10.2	\$ 10.3	\$ 1.1	\$ 27.5
Justice	11.4	12.8	21.7	5.4	51.2
Health & Human	1.7	3.8	6.9	0.2	12.6
Dev & Other	3.5	4.4	3.9	0.4	12.2
Totals	\$ 22.6	\$ 31.2	\$ 42.8	\$ 7.0	\$ 103.6





WHAT DOES THIS MEAN FOR COMMUNITY AND THE COUNTY?



What does this mean...

- **To the Community**

- Changes in service delivery models
- Reduced capacity for capital improvements
- Reduced safety net services

- **To the County as an organization**

- Sense of uncertainty and instability
- Turnover and resulting loss of historical knowledge
- Limited capacity for respite
- New Foundation for building new organization



Safety Net Stretched Thin

- Assistance for low-income residents
 - Direct financial aid
 - Services for special needs
- Affordable housing
 - Homelessness
 - Availability and price of rental units
- Safety net supports Upstream initiatives
 - Desire to build strong children
 - Need also to fix “broken lives”



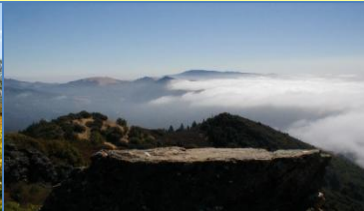
Services in Transition

- Challenges and Opportunities
- Realignment
 - Shift of responsibility from the State to Local Governments



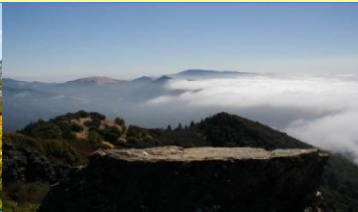


SUPPLEMENTAL BUDGET



Supplemental Budget Actions

- **12 Dept. Budget adjustments made in Supplemental**
- **Increased appropriations by \$20.1 million added 16.8 FTEs**



Supplemental Budget Actions

- District Attorney (\$556,000)
 - Restore 1 Deputy District Attorney; 2 Investigators
- Probation (\$605,000)
 - Restore 2 Probation Officers; Legal Processor; Department Analyst
 - Add 1 Probation Officer
- Sheriff's Office (\$656,000)
 - Restore Graffiti Removal Program; Detention Program Manager
 - Add 1 Communication Dispatcher II
 - Funding for Narcotics Office Unit Move



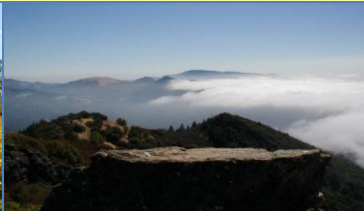
Supplemental Budget Actions

- Human Services (\$264,000)
 - Add 1 Eligibility Worker II
 - Extend Department Analyst – Upstream Support
- Economic Development (\$107,000)
 - Re-class Administrative position to support Jobs and Economic Development Plan
 - Add 1 Administrative Aide to support Workplace Wellness Program



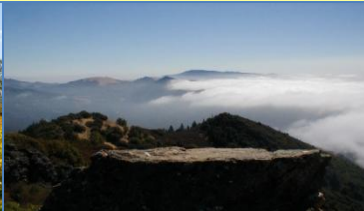


POSITION INFORMATION



Positions by Functional Area

Functional Areas	FY 08-09 Positions	FY 11-12 Adopted	FY 11-12 Allocated	FY 12-13 Recommend	FY 12-13 Supplement	FY 12-13 Total
Admin & Fiscal	626	524	525	533.9	0	533.9
Justice	1,208	1,030	1,047	1,026.4	11.5	1,037.9
Health & Human	1,225	1,232	1,291	1,294.1	4.05	1,298.1
Dev & Other	1,196	867	870	855.3	1.25	856.6
Total	4,254	3,653	3,733	3,709.7	16.8	3,726.5



Position Changes

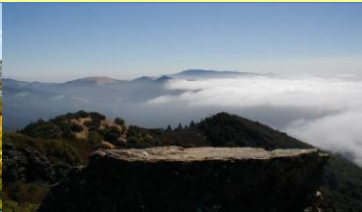
3,733.5	- Currently allocated
-23.8	- Reduced in Recommended Budget
<u>+16.8</u>	<u>- Supplemental Budget</u>

3,726.5 - Total FTE



Workforce Composition Efforts

- Instituted Soft Hiring Freeze (FY 11-12)
- Reviewed all new recruitment and allocations
- Tracked changes with quarterly reports to the Board
- Instituted Department Head Work Group to review
- Recommend Span of Control Project



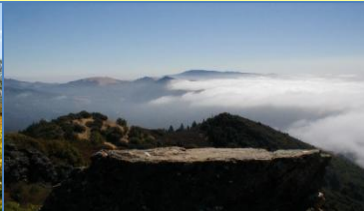
Management to Line Ratio

- Current Year Budget – Ratio is 1 to 5.7 (15%/85%)
- Recommended FY 12-13 Budget – No Change
- Trend 1 – For FY 11-12 – Management vacancies increasing at higher rate
 - As of June 12, management vacancies are 20% and line 80%
- Trend 2 – For FY 11-12 – Line hiring at higher rate
 - 91% line
 - 9% management





LOOKING FORWARD



Strategic Plan Initiatives - \$257.6 M

Goals	Safe, Health & Caring Community	Economic & Environmental Stewardship	Invest in the Future	Civic Services & Engagement
Board's 2012 Priorities	Healthiest County by 2020 <i>(\$1.8 Million)</i>	Economic Development and Jobs Creation <i>(\$74 Million)</i>	Roads Infrastructure Investment <i>(\$20 Million)</i>	Mentoring and Youth Initiative <i>(\$2.3 Million)</i>
	Agricultural and Environmental Stewardship <i>(\$7.9 Million)</i>		State Involvement Plan	
	Energy & Water Sustainability <i>(\$4.2 Million)</i>		Strengthen Organizational Stability (Includes Balanced Budget, Pension Reform, Shared Services) <i>(\$1.2 Million)</i>	
Other Priority Projects	Public Safety Realignment <i>(\$3.3 Million)</i>	Community Choice Aggregation <i>(\$15 Million)</i>	Financial Information System Replacement <i>(\$1.7 Million)</i>	Community Outreach New Revenue Strategies <i>(\$38 Million)</i>
	Upstream Investment Implementation <i>(\$27 Million)</i>	Water Supply Strategy Implementation <i>(\$22.2 Million)</i>	Charles Schulz Airport Expansion <i>(\$27.0 Million)</i>	
	Health Action Initiatives <i>(\$1 Million)</i>	Solid Waste Planning <i>(\$4 Million)</i>	Comprehensive Facilities Plan <i>(\$50,000)</i>	
			Leadership and Succession Planning <i>(\$75,000)</i>	

Strategic Investments

- Program Investments are made throughout Budget
 - Greenhouse gas reduction Implementation
 - Economic Stimulus – Outdoor Recreation Plan
 - Affordable Rental Housing
 - Community Matching grants for open space
 - County Lands for Food
 - Upstream Investment and Health Action



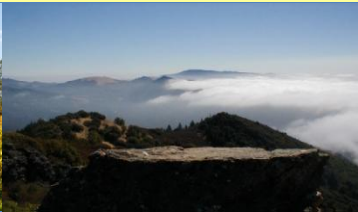
Safe, Healthy and Caring Communities

- Support policies and actions leading to prevention and quality direct services
 - Social Host Alcohol Outreach and Education
 - Medication Distribution Policy to expand access to care
- Community Health Assessment – Place matters; investing in communities.
 - Aurora Health—Local Psychiatric Hospital
- Completion of County Strategic Plan project – Community Engagement
- Develop a framework to guide services and investments that promote collective impact and improvements in health, education, and economic development.



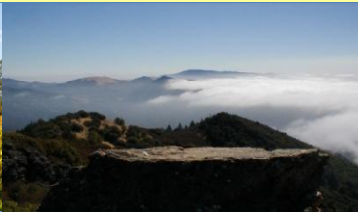
Additional Investments Necessary

- Some investments deferred to achieve balanced budget
 - Infrastructure - roads, buildings
 - Technology - systems, support
 - Human Resources – training, mentoring



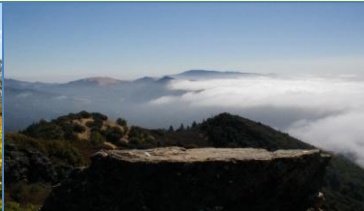
Vision for the Future

- County and Community will be different as we emerge from this recession
- Redesigned as resources reduced; further redesign as we rebuild
 - different service models, more flexible, adaptable to future changes





LOOKING FORWARD - FISCALLY

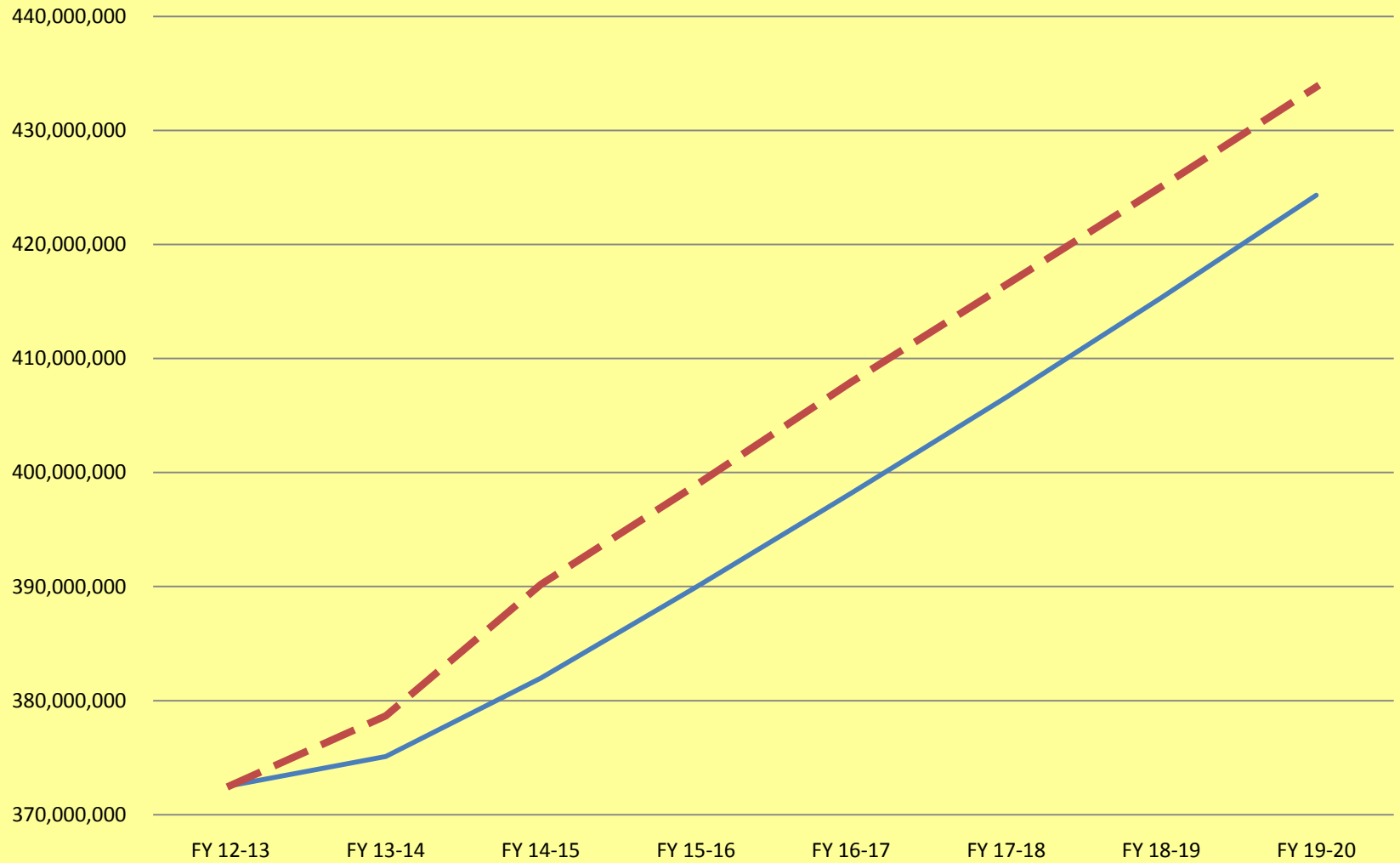


Multi-Year Projections (in millions)

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Taxes	194.0	196.2	198.6	202.9	207.4	212.0
State/Fed	89.9	80.3	82.1	82.9	85.2	87.6
Charges for Svcs	39.2	41.1	41.1	42.1	42.7	43.4
Other	49.6	44.0	43.4	44.0	44.6	45.3
Total Revenues	372.3	361.6	365.1	372.0	379.9	388.2
Salaries & Ben	250.6	260.3	262.0	269.0	273.1	277.3
Services & Supplies	87.3	88.9	92.8	95.6	98.4	101.4
Other	93.4	88.0	89.1	91.5	93.9	96.4
Reimbursements	(49.1)	(64.6)	(65.2)	(65.9)	(66.6)	(67.2)
Total Expenditures	382.3	372.6	378.7	390.2	398.9	407.9
Use of Fund Balance	10.0	11.0	10.0	10.0	10.0	10.0
Shortfall to address	0.0	0.0	(3.5)	(8.2)	(9.0)	(9.8)

Sustainability Model

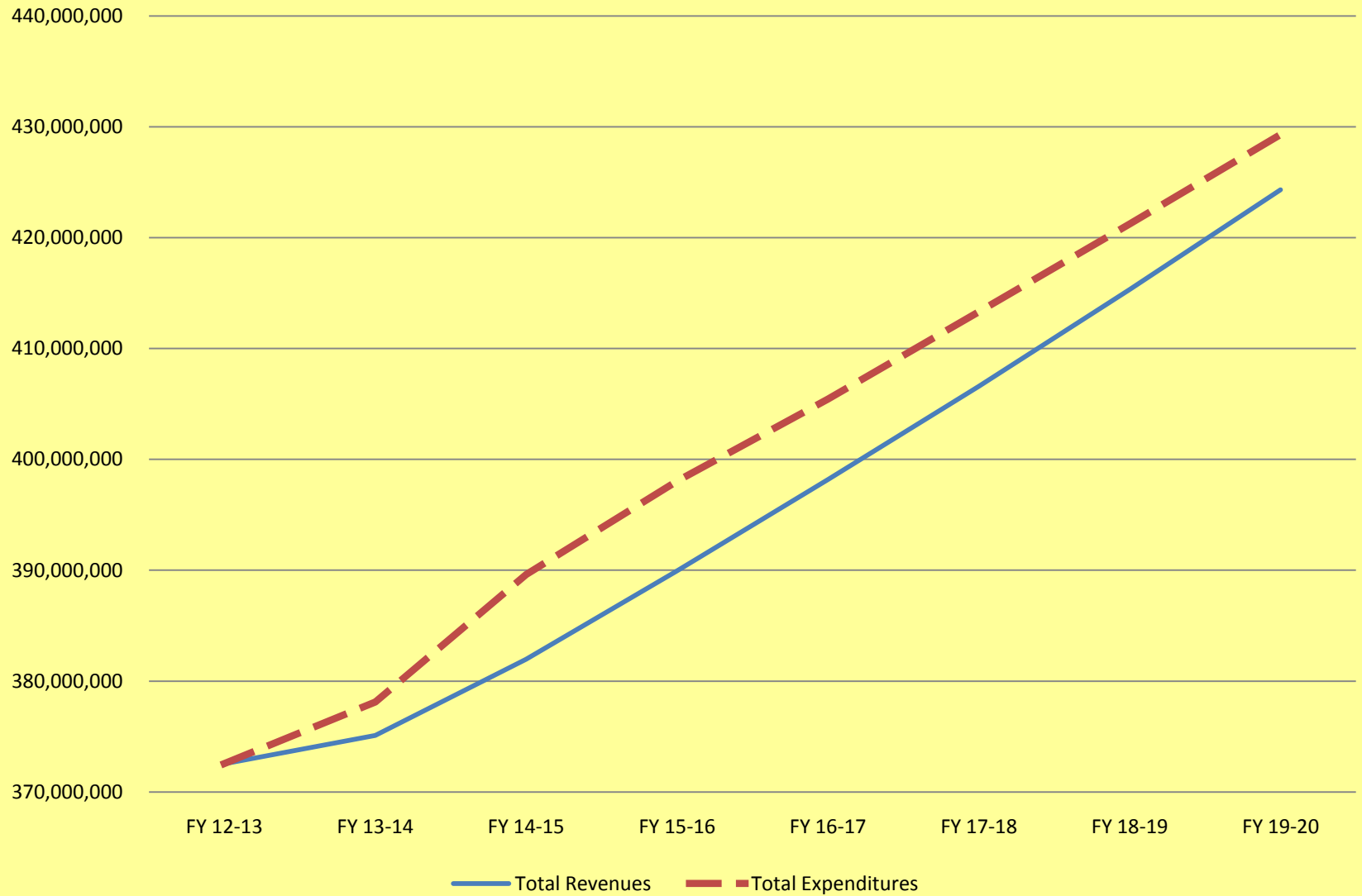
County General Fund - Current estimate



— Total Revenues - - - Total Expenditures

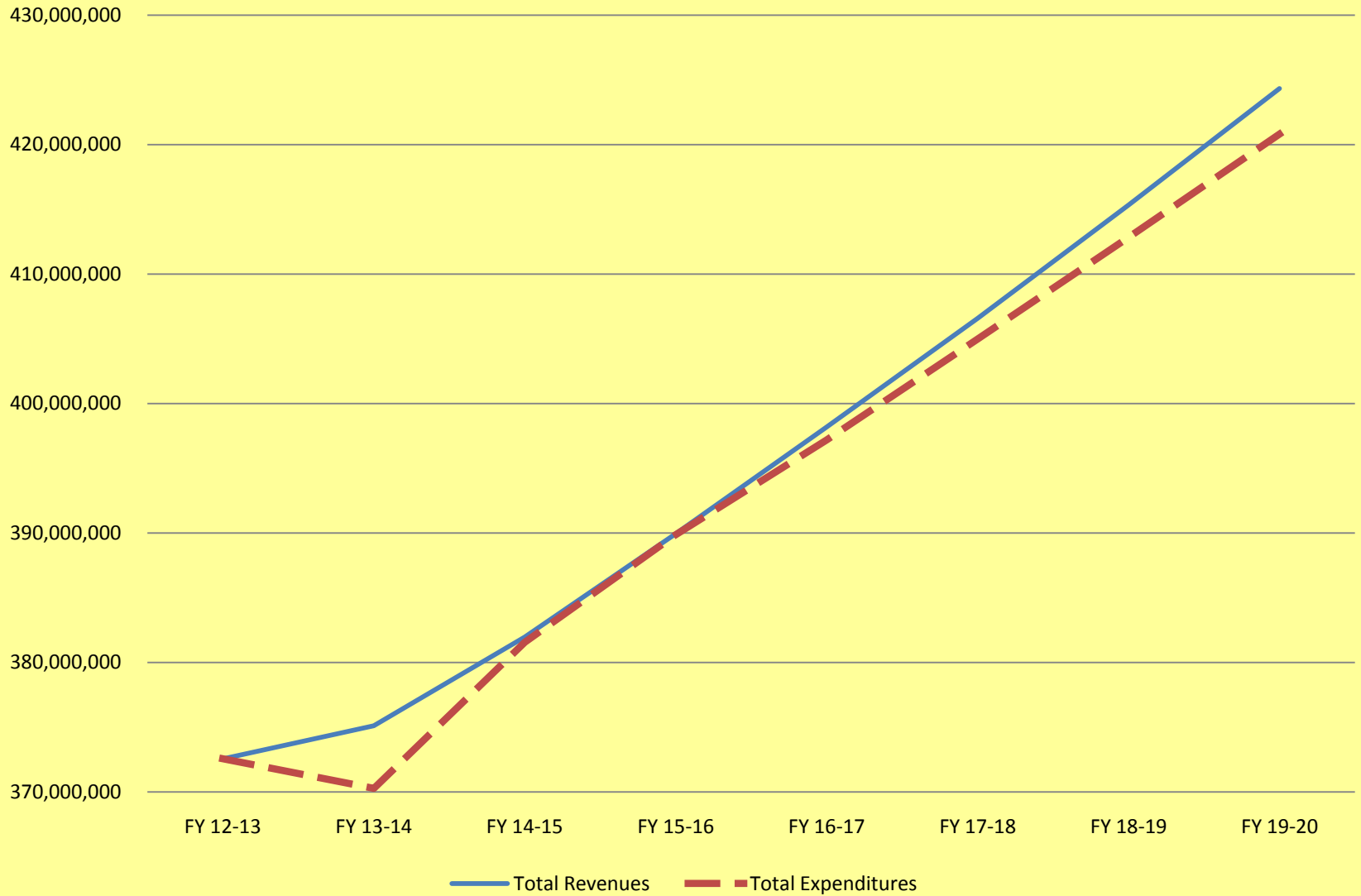
Sustainability Model

County General Fund - Current estimate plus pension reform



Sustainability Model

Gen Fund - Current est. & Pension Reform less 3% Total Comp



Conclusions

- **County transforming – New Baseline**
- **Taken services and costs down to match available resources**
- **Need to focus on completing current initiatives**
- **Work collaboratively with labor and community**
- **Define future investment in improving service levels and strategic priorities**



2012-2013 Total Budget

Recommended Budget \$1.28 Billion

Supplemental Budget \$0.02 Billion

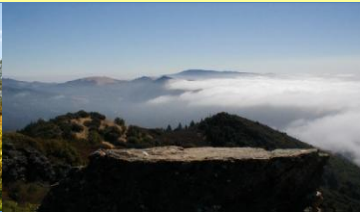
Total Budget \$1.30 Billion

3,726.5 Full Time Equivalents



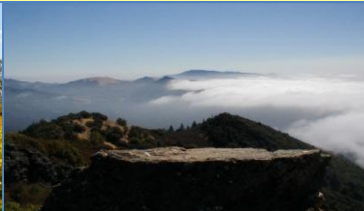
Discretionary Resources Available

General Fund Reserves	\$33.7 Million
Dedicated for emergencies/natural disasters	
Teeter	\$ 8.0 Million
Dedicated for one time use for Road Investments	
Tobacco Settlements	\$ 9.3 Million
Dedicated for Capital Projects (Community Corrections Center)	
Uncommitted Retirement Reserves	\$ 4.5 Million
Dedicated for payroll variations in County retirement costs	
Contingencies	\$ 2.5 Million
Recommend increase to GF Reserves of \$500,000 to comply with Board policy.	
• Total	\$58.0 million





THIS MORNING'S ACTIONS



CAO Recommendations

Board 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 2012-2013 for all entities governed by Board



Thank You!



Board Questions, Comments and Discussion

