

# SONOMA COUNTY FY 2019-20 RECOMMENDED BUDGET

## COUNTY ADMINISTRATOR'S BUDGET MESSAGE

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Dear Board of Supervisors,

The Fiscal Year (FY) 2019-20 Recommended Budget is submitted for your consideration. This year the focus of the budget is on recovery, resiliency, and fiscal sustainability. The County experienced another major disaster with the February 2019 flood events that further exemplified the need to become resilient and be prepared. The [Recovery and Resiliency Framework](#) approved by the Board of Supervisors on December 11, 2018, draws from the structure, functions, roles, and principles in the Federal Emergency Management Agency's National Disaster Recovery Framework and focuses on five key strategic areas: Community Preparedness and Infrastructure, Housing, Economy, Safety Net Services, and Natural Resources. The National Association of Counties recently recognized Sonoma County's Recovery and Resiliency Framework for a prestigious 2019 Achievement Award. The FY 2019-20 Recommended Budget includes investments in these strategic priority areas, as summarized in the Recovery and Resiliency section below. The County is making great strides in these areas. With the adopted goals, our County has accepted that our long-term vision is towards a resilient future.

### **Recovery and Resiliency**

The organization has shifted resources to support the Recovery and Resiliency Framework. The Recovery and Resiliency Framework projects include 156 actions, with the priority of the County to direct resources toward the top 10 priority projects, which could stretch availability of resources for general programs. Given the pressure on Sonoma County's budget, grants are and will remain a critical project implementation pathway for funding expanded hazard mitigation, recovery, and resiliency efforts. Pursuing externally funded grants is viewed as a primary mechanism to finance the Sonoma County Recovery and Resiliency Framework. The FY 2019-20 Recommended Budget includes more than \$39.5 million toward recovery and resiliency efforts across the five strategic areas. The following examples are highlights from departmental budgets and is not an exhaustive list of recovery efforts.<sup>1</sup>

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<sup>1</sup> For more information, please see department narratives in the functional area sections of the FY 2019-20 Recommended Budget.

### Community Preparedness and Infrastructure

Sonoma County residents, communities, governmental and non-governmental agencies, must be better prepared and more resilient when disaster strikes with well-protected infrastructure, accurate situational awareness, and effective community warning systems. A major initiative that is funded in the FY 2019-20 Recommended Budget is the newly formed Department of Emergency Management. The \$3.6 million invested in the new department's budget will assist the County in implementing a first class comprehensive community alert and warning system. In addition, the Information Systems Department is implementing its recovery and resiliency hardening and disaster recovery improvements utilizing \$1.7 million from the Board's Recovery and Resiliency set aside in the General Fund Reserves. The IT Resiliency Program will assess, develop and implement solutions to mitigate the risks to the IT environment and help ensure improved resiliency for technology throughout a local disaster.

### *Fire Services and Vegetation Management*

A parallel effort exists to provide additional support for fire service agencies, who are at the forefront of response both for everyday emergencies and disasters of all kinds. The FY 2019-20 Recommended Budget includes \$8.3 million for Fire Services. This includes \$900,000 of Transient Occupancy Tax funds to pay Redwood Empire Dispatch Communications Authority (REDCOM) dispatch costs for fire agencies in the unincorporated areas to support emergency fire and medical dispatch to those areas. It also includes \$1.6 million of Proposition 172 Public Safety Funding and \$3.1 million of Measure L Transient Occupancy Tax funding to encourage streamlining of fire services and support response agencies, as well as \$2.7 million of property tax and special taxes from County Service Area #40 to provide service in the areas not covered by an independent fire protection district.

On April 2, 2019, the Board approved a multi year Expanded Fuels Reduction and Landscape Resiliency Campaign which will be funded with \$900,000 annually for the next four years as a County investment. The County's investment will fund several fuels reduction oriented elements of the campaign including enhanced small parcel inspections and fuels management, abatement, and community education and engagement. New elements will aid implementation of fuel reduction on large parcels, with support for permitting and compliance efforts. Programs will help ensure that effective outreach, noticing, education, and collaboration (similar to recent and on-going projects by County entities and partners such as Fire Safe Sonoma) not only continues, but also magnifies.

### *Housing*

In December 2018, the County and the City of Santa Rosa formed a joint powers authority (JPA) known as the Renewal Enterprise District (RED). RED regionalizes housing

production; leverages funding; shares risks and benefits of development; streamlines review and provides confidence in good housing projects; and puts equity, affordability and climate solutions in the center of local economic strategy.

The Community Development Commission's budget includes \$5.9 million for developing 175 housing units with the Roseland Village Development Project and 168 housing units on the West College Avenue site. In addition, the Community Development Commission will distribute approximately \$4.8 million in Community Development Block Grant – Disaster Recovery financing effectively doubling the number of rental homes it can finance.

The recommended budget also includes \$5.4 million for Permit Sonoma to support rapid recovery and resiliency in FY 2019-20 with its Resiliency Permit Center operation focused on rebuilds, rezoning efforts to increase affordable housing, and ensuring consistent regulations and code enforcement.

#### *Economic Recovery – Local Workforce*

In collaboration with the Economic Development Board (EDB), the Santa Rosa Junior College (SRJC) applied for a grant following the October 2017 Fires with the US Economic Development Administration (EDA) to fund a Construction Trades Center at the SRJC Petaluma Campus. The SRJC Center estimates training 500 construction workers each year and will include training in green and sustainable construction building techniques and practices as a part of the curriculum. If awarded, the grant funds will go toward the construction of a state-of-the-art training facility to offer pre-apprenticeship training with the goal of placing program graduates into jobs in the local construction industry to support recovery and rebuild efforts.

The US EDA recently notified the SRJC that this \$8 million application passed through the two stages of acceptance. The SRJC and the EDB anticipate a final decision by early FY 2019-20. A grant requirement is securing \$2 million in local match funding. This funding has been secured through a \$1 million grant from Tipping Point to the EDB and through in-lieu value of the SRJC land valued at over \$1 million. EDB continues to assist public and private organizations in Sonoma County in accessing economic recovery loans to support business lending and grants to qualified businesses. They are working closely with state-sponsored loan programs through the California Infrastructure Economic Development Bank (I-Bank), with local banks and credit unions, and with EDB micro lending partners to connect businesses with loan funding for both English and Spanish or bilingual clients seeking assistance.

#### *Safety Net Services*

Sonoma County 2-1-1 is the designated information and referral call center provider for the County and serves to connect residents in need to non-emergency health and human

service resources and programs. Sonoma County 2-1-1 also provides critical resource information to the community during times of disaster. The Board of Supervisors took a significant first step to enhance the 2-1-1 system in Sonoma County by approving the Human Services Department's request to enter into an agreement with United Way of the Wine Country to support a transition plan for the organization to assume leadership of 2-1-1 Sonoma County in FY 2019-20. The FY 2019-20 Recommended Budget includes \$209,808 for the annual service contract. The United Way 2-1-1 partnership will develop a more robust database of resources and more user-friendly website. Post-transition, United Way of the Wine Country will implement strategies to expand 2-1-1 services in Sonoma County and regionally.

The ACCESS Sonoma County project provides wrap around services for the County's homeless and vulnerable populations and is a collaborative effort between the safety net departments. The data and technology project was funded and began in FY 2018-19. The Department of Health Services plans to expand ACCESS Sonoma County Initiative with the Safety Net Collaborative to focus on mental health diversion (i.e., mentally incompetent to stand trial) and home visiting populations including \$1.8 million for the IBM contract. The Information System Department will provide continued technology consulting and services totaling \$867,700 to the ACCESS Sonoma County project to support a secure mechanism to share and exchange data across Health and Human Service Partners in order to improve outcomes for those in need. In FY 2019-20, the Community Development Commission will continue to advance, enabling stronger participation in ACCESS Sonoma County (through replacement of the Housing Authority's core system especially), and achievement of operational efficiencies.

#### *Hazard Mitigation Grant Program (HMGP) Applications*

Besides some of the investments described above, County departments and agencies have developed and submitted 28 grant proposals to the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grant Program administered by the California Office of Emergency Services (CalOES). The total cost for all projects combined is \$45 million, \$34 million of which would be funded by the grants, with a remaining local share of \$11 million. Of the \$45 million proposed, 22 projects, for a total cost \$33 million, has been recommended by CalOES to FEMA for funding.<sup>2</sup> The General Fund Recovery and Resiliency set aside includes \$5 million to be applied toward local match requirements. Five grant proposals remain in the application process, and one project has been waitlisted. The final grant awards are expected in the Fall of 2019. Due to the timing of the grant contracts, departments have not included the HMGP grant

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<sup>2</sup> To assist the organization in leveraging continual recovery and resiliency opportunities, the County Administrator is recommending as a part of the FY 2019-20 Recommended Budget adding a permanent grants manager position housed in the Board of Supervisors/CAO budget in FY 2019-20.

activities in their FY 19/20 recommended budget, but will return to the Board during FY 2019-20 with an update.

## **Fiscal Sustainability**

In FY 2019-20 the State budget looks strong but the State Assembly Budget Committee report joins a growing chorus warning, “A recession is looming”. The Committee also calls for strengthening reserves in preparation for the future. The County’s General Fund forecast predicts slowing growth in future years but does not try to predict when the next recession will hit. During the last recession, County’s General Fund Revenues fell by 9% over a three-year period between FY 2008-09 and FY 2011-12.

A major component of fiscal sustainability is a healthy reserve. The County needs to build reserves while the economy is strong to prepare for future shortfalls. The current financial policy follows the best practice to fund General Fund Reserves at two months of operating revenues, or approximately \$80 million in FY 2019-20. The current balance of General Fund Reserves is \$53.1 million as the \$2.7 million transfer programmed to fill the FY 2018-19 operational gap was not necessary due to increased FY 2017-18 tax rolls, vacancies, and the hiring freeze implemented by the Board on December 11, 2018 that helped close the gap. The County is also continuing to assess the ongoing impact to revenues and expenditures from fires and floods, as well as unfunded liabilities.

## Disaster Impacts

October 2017 Wildfires. The County of Sonoma has submitted a claim to the Federal Emergency Management Agency (FEMA) totaling \$36 million; however, reimbursement depends upon the claim elements accepted by FEMA as well as the addition of costs that are still occurring in categories outside of the initial emergency response. Reimbursements from FEMA traditionally have a long life cycle. These reimbursements are not included in the forecast or the recommended budget and any funds received, would be directed to the source that paid for the disaster related costs and fulfill any audit reserve requirements in the financial policies.<sup>3</sup> The General Fund Reserve has an assignment of \$3.9 million for the FEMA Audit Reserve to mitigate any negative finding(s) from the anticipated future Office of Inspector General (OIG) audit(s) of the County’s FEMA claim.

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<sup>3</sup> In June 2018, the Board of Supervisors updated the County’s financial policies creating a FEMA Audit Reserve equal to 20% of the total claim in the funding source where expenses occurred to mitigate the Office of Inspector General audit, which could result in elements of the claim becoming de-obligated and would go back to the federal government. FEMA claims can extend more than 20 years as evidenced by the 1994 Northridge Earthquake claim closing within the last two years.

February 2019 Floods. In February 2019, there were severe storms causing extensive flooding. The County has received State California Disaster Assistance Act (CDAA) assistance. FEMA is currently considering California Office of Emergency Services' (CalOES) recommendation for a presidential declaration of the Sonoma County 2019 flood event. Such a declaration would only be for Public Assistance. The County could become eligible for reimbursement of extraordinary response costs and damage repairs. Damage assessments have been estimated at over \$150 million in countywide flood damages, including damages to public and private property. There are at least \$20 million in damages to public property including debris removal, emergency protective measures, non-federal road and bridge systems, water control facilities, public buildings, public utilities, and park and recreational facilities. The bulk of the damage estimates – approximately \$18 million – are due to road damages.

### Unfunded Liabilities

In September 2018, the Board of Supervisors approved its Ad-Hoc Pension Committee's recommended strategies for reducing the County's unfunded pension liability. In accordance with these recommendations, in FY 2019-20 the financial policies include an ongoing, structured approach for making annual advanced payments towards the County's unfunded pension liability. The annual prepayments are a baseline employer contribution equal to 0.5% of overall countywide pensionable payroll, and supplemented by optional pre-payments at the Board's discretion, should year-end savings be available. The FY 2019-20 Recommended Budget implements the Board's new policy by allocating 0.5% of pensionable payroll to be used to pay down approximately \$1.9 million of costs in FY 2019-20. In addition, the Board will have an opportunity to evaluate the use of one-time funds to match the \$1.9 million. Staff estimates that should the Board decide to pre-pay \$3 million annually toward unfunded liabilities over the next 20 years, the County could avoid \$19 million of unfunded liabilities.<sup>4</sup>

### FY 2019-20 Budget Development – Balanced Budget Strategies

The budgeting approach for FY 2019-20 moves closer to fiscal sustainability through several key components of financial resiliency. One of the major components is presenting for a second year in a row a structurally balanced budget for the Board's consideration where departments have adjusted their operational budgets to meet higher anticipated costs along with reduced discretionary General Fund support. The central goal of this year's budget development is to align ongoing uses with ongoing sources, and align funding investments to

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<sup>4</sup> Presented to Board of Supervisors September 11, 2018, Pension Ad Hoc Report Appendix F: Segal Consulting - Sonoma County Employees' Retirement Association (SCERA) Accelerated County Unfunded Actuarial Accrued Liability Payments, [https://sonoma-county.granicus.com/MetaViewer.php?view\\_id=2&clip\\_id=835&meta\\_id=250001](https://sonoma-county.granicus.com/MetaViewer.php?view_id=2&clip_id=835&meta_id=250001)

Board priorities. The FY 2019-20 General Fund Contribution methodology supports a structurally balanced operational budget. Departments aligning their services within available resources for ongoing sustainability will address fluctuations in expenses.

Reducing and controlling operating costs is necessary in our financially challenging post-disaster environment. Therefore, as the fiscal year operations continue, the County Administrator’s Office has worked with departments and agencies to limit countywide operating expenditure changes. This includes holding or eliminating vacancies. It is important to note, that on December 11, 2018 the Board froze positions that had been vacant more than nine months in order to begin preparing for FY 2019-20 service impacts and as previously mentioned, helped to close the FY 2018-19 gap. There are 122.95 positions reduced in the Recommended Budget in order to meet targets and changing program needs. This reduction is offset by the addition of 31.0 positions in Regional Parks as a result of Measure M activities, for a total reduction of 91.95 positions. Of the 91.95 positions to be reduced, 55.5 positions are filled.

Tax Revenue Loss - State Backfill

The Auditor-Controller-Treasurer-Tax Collector and the County Administrator submitted an estimate of FY 2019-20 property tax revenue loss resulting from the 2017 Sonoma Complex Fires disaster event to the California State Department of Finance, to look at the possibility of providing state disaster funds to backfill property tax revenues losses for a third year. For Sonoma County, the Auditor-Controller-Treasurer-Tax Collector has provided an estimate of property tax losses affecting the County’s General Fund as follows:

**As of May 7, 2019**

Category	FY 2017-2018 Revenue Loss Estimate	FY 2018-2019 Revenue Loss Estimate	FY 2019-2020 Revenue Loss Estimate
Property taxes - Prop 13 (1%)	\$ (3,728,000)	\$ (5,490,300)	\$ (5,591,700)
Property taxes - Backfill Received from State	\$ 3,622,000	\$ 5,135,800	\$ 0
Property taxes - Loss Estimate	\$ (106,000)	\$ (354,500)	\$ (5,591,700)

The County successfully worked with the State in FY 2018-19 to receive a backfill of \$8,757,800 for lost FY 2017-18 and FY 2018-19 property tax revenues. Given the magnitude of disasters experienced before, during, and after the Sonoma County Complex fire disaster event, there is significant uncertainty as to whether the State will grant Sonoma County a third year of property tax revenue backfill. Sonoma County was not included as a recipient of the third year backfill in the Governor’s May Revise budget. The final backfill will not be certain until the State

budget is adopted. Staff has not assumed a property tax revenue backfill in the Recommended Budget.

### Consideration of Restorations and New Funding Requests

As part of the FY 2019-20 budget development, the County Administrator recommended to set aside \$8 million in ongoing General Fund revenues for the Board to consider and prioritize services to restore or add toward new funding requests during the upcoming June budget hearings. The approach is intended to provide the Board with a mechanism to restore highest priority community needs, rather than adjusting operational budgets by a certain factor without evaluating the different level of service impacts to our community. While the additional revenues will help mitigate impacts on the community and the organization by restoring some services and programs, it is not nearly enough to address the \$18 million of requests from departments to restore services.<sup>5</sup>

### **Acknowledgements**

I first would like to acknowledge the Board of Supervisors for supporting the changes to budget development and the County's departments and agencies that partner with the CAO's Operations and Budget team to ensure delivery of a balanced budget to the Board for consideration. Accurate financial tables, fund balances, and position allocations are a joint effort between key departments. The County Administrator's Office with the Auditor-Controller-Treasurer-Tax Collector's Office, verify amounts in the financial system of record correspond with recommended figures. The County Administrator's Office also teams up with the Human Resources Department to process position changes and provide position control. The County Administrator's Office team is dedicated to achieving a long-term structurally balanced budget. It is my privilege to lead an excellent team of professionals and guide our financial policies and budget development.

### **Conclusion**

The coming year holds preparedness, recovery and resiliency, and fiscal sustainability as its pillars. The FY 2019-20 Recommended Budget represents an adjustment to support core services with ongoing resources and alignment to structural balance for continued resiliency. As Maya Angelou professed:

*"You may not control all the events that happen to you, but you can decide not to be reduced by them."*

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<sup>5</sup> In addition to the \$18 million of requests from departments to restore services, there are additional requests totaling over \$14 million to fund new programs.



The FY 2019-20 Recommended Budget provides a structurally balanced budget with strategic investments that will help strengthen our community resiliency.



# EXECUTIVE SUMMARY

## BUDGET OVERVIEW

The total recommended uses (less operating transfers) for FY 2019-20 is \$1.78 billion. This is financed by \$1.62 billion in sources and \$154 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, and total use of fund balance is decreasing from the FY 2018-19 adopted budget.

Table 1 provides a comparison of total expenditure and revenue appropriations between the FY 2018-19 Adopted Budget and the FY 2019-20 Recommended Budget.

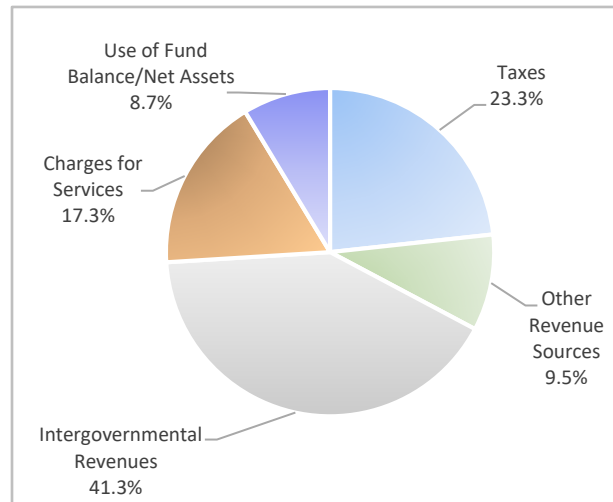
**Table 1. Recommended Sources, Uses, and Net Cost/Use of Fund Balances**

	FY 2018-19 Adopted	FY 2019-20 Recommended	Change From Adopted	Percent Change
<i>Revenues</i>	1,531,588,033	1,622,398,793	90,810,760	5.93%
<i>Net Cost/Use of Fund Balance</i>	161,444,983	153,748,751	(7,696,232)	(4.77%)
<b>Total Sources</b>	<b>1,693,033,016</b>	<b>1,776,147,544</b>	<b>83,114,528</b>	<b>4.91%</b>
<b>Total Uses</b>	<b>1,693,033,016</b>	<b>1,776,147,544</b>	<b>83,114,528</b>	<b>4.91%</b>
<i>Total Permanent Positions</i>	4,049.43	3,958.03	-91.95	-2.23%

### A Look at Sources

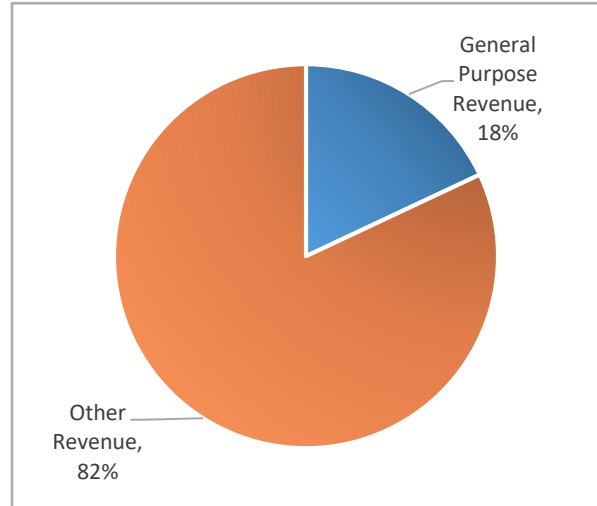
Anticipated financing sources in the countywide Recommended Budget for FY 2019-20 totals \$1.78 billion. These sources are held either in the General Fund, which is available for general government purposes, or in other governmental funds restricted to specific uses. These sources include special revenue funds, special districts, Debt Service Fund, and Capital Projects Fund, as well as internal service and enterprise proprietary funds. The \$1.78 billion in sources includes \$320 million in General Fund general purpose revenues and \$1.46 billion in other sources. Given the County is a political subdivision of the state, as well as providing services for federal agencies, it receives the largest share of its funding from state and federal governments to run programs and deliver public services.

**Chart 1. FY 2019-20 Total Sources: All Funds; \$1.78 Billion**



General purpose revenues total \$320 million and represent approximately 18% of the total Recommended Budget. Once the County fulfills maintenance of effort (MOE), local funding match, or finances County services net cost, the Board of Supervisors then uses their discretion to determine which programs receive the remaining general purpose revenue. Table 2 provides details on the sources of General Fund, and general purpose revenue. It does not include \$17.0 million of Transient Occupancy Tax (TOT) revenue segregated by Board policy to the Community Investment Fund Program Special Revenue fund, and as directed by Measure L voter approved measure.

**Chart 2. General Fund General Purpose Revenues; \$320 Million**



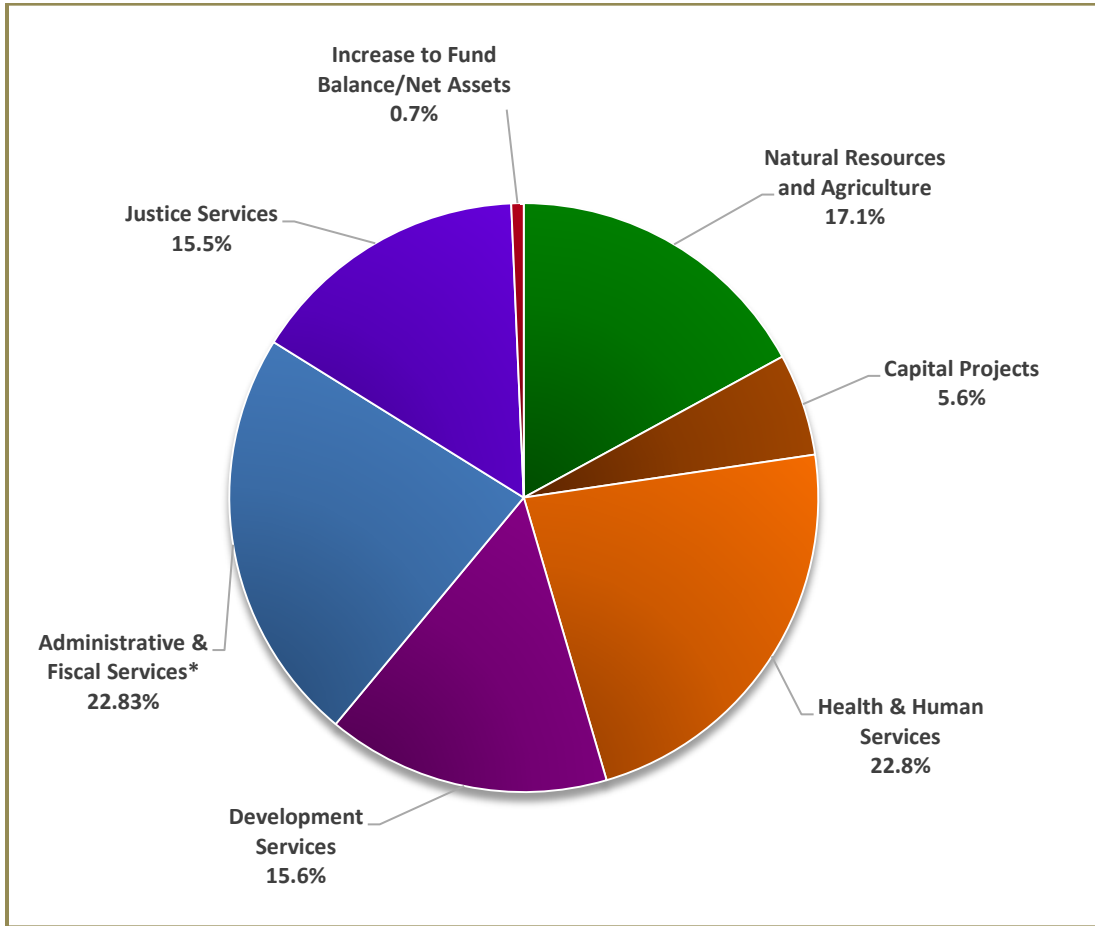
**Table 2. General Fund General Purpose Revenues**

Description	FY 2018-19 Adopted	FY 2019-20 Recommended	\$ Change from FY 2018-19	% Change from FY 2018-19
Property Tax	\$235,932,000	\$253,816,436	\$17,884,436	7.6%
State Backfill of Lost Property Tax	\$5,136,800	\$0	(\$5,136,800)	-100.0%
Sales Tax	\$19,830,000	\$21,050,000	\$1,220,000	6.2%
Cost Plan Reimbursements	\$15,820,952	\$13,611,717	(\$2,209,235)	-14.0%
Documentary Transfer Tax	\$5,000,000	\$5,500,000	\$500,000	10.0%
Interest Earnings	\$5,101,000	\$4,657,000	(\$444,000)	-8.7%
Transient Occupancy Tax	\$4,971,415	\$5,573,519	\$602,104	12.1%
Forfeitures and Penalties	\$5,004,148	\$3,404,148	(\$1,600,000)	-32.0%
Redevelopment Residual Property Tax	\$3,000,000	\$3,000,000	\$0	0.0%
Assessment & Tax Collection Fees	\$2,600,000	\$2,700,000	\$100,000	3.8%
Franchise Fees - Cable/Utility	\$2,290,000	\$2,210,000	(\$80,000)	-3.5%
Release of Restricted Funds (One-Time)	\$1,497,013	\$0	(\$1,497,013)	-100.0%
Federal Geothermal Royalties	\$1,779,000	\$1,859,000	\$80,000	4.5%
State Homeowners Property Tax Relief	\$1,200,000	\$1,200,000	\$0	0.0%
Tribal Mitigation Reimbursement	\$680,000	\$680,000	\$0	0.0%
General Fund Reserve Drawdown	\$2,730,951	\$0	(\$2,730,951)	-100.0%
Other Revenue	\$695,270	\$711,381	\$16,111	2.3%
<b>Total General Purpose Sources</b>	<b>\$313,268,549</b>	<b>\$319,973,201</b>	<b>\$6,704,652</b>	<b>2.1%</b>

**A Look at Uses**

Chart 3 displays the total budget by type of service the County provides. These services are grouped into categories referred to in our budget as functional groups. Information on each department’s budget is presented within the functional tab sections of this document.

**Chart 3. Total Recommended Uses: All Funds; \$1.78 Billion**



*\*Administrative & Fiscal Services includes Independent Office of Law Enforcement Review and Outreach (IOLERO), Department of Emergency Management, and Court Support/Grand Jury.*

Table 3 shows how the \$320 million of general-purpose revenues, or 18% of total countywide budget sources, will be spent in FY 2019-20. Approximately \$258 million of these funds are allocated to operating departments to cover the costs of programs that are not funded by state/federal contracts, fees for services, or other funding streams. The remaining \$62 million is appropriated directly to programs or services based on Board policy direction, or other local requirements.

**Table 3. Uses of the General Fund General Purpose Revenues**

Department/Program/Initiative	FY 2018-2019 Adopted	FY 2019-2020 Recommended	% Share of Budget
Agricultural Commissioner	1,902,254	1,860,609	0.6%
Auditor-Controller-Treasurer-Tax Coll.	5,821,045	5,692,908	1.8%
Clerk Recorder Assessor	13,117,847	13,253,768	4.1%
County Administrator	7,963,806	7,786,928	2.4%
County Counsel	2,678,128	(0)	0.0%
Court Support/Grand Jury	8,020,016	8,258,629	2.6%
Department of Health Services	12,109,769	8,821,115	2.8%
District Attorney's Office	16,632,237	15,607,421	4.9%
Emergency Management	0	2,485,680	0.8%
Fire and Emergency Services	2,128,283	0	0.0%
General Services	16,701,949	17,123,494	5.4%
Human Resources	6,433,651	6,670,002	2.1%
Human Services	26,556,958	25,962,848	8.1%
Independent Office of Law Enf Review	562,322	549,793	0.2%
Information Systems	916,778	899,182	0.3%
Permit Resource Management	3,667,430	3,758,732	1.2%
Probation	35,575,667	34,786,923	10.9%
Public Defender	10,891,563	10,649,182	3.3%
Regional Parks	4,443,202	4,450,610	1.4%
Sheriff's Office	90,411,758	88,549,328	27.7%
Transportation & Public Works	119,583	116,908	0.0%
UC Cooperative Extension	1,176,357	1,150,164	0.4%
<b>Sub-Total for Departments (Net Cost)</b>	<b>267,830,602</b>	<b>258,434,225</b>	<b>80.8%</b>
Board General Fund Contingency	3,526,887	5,000,000	1.6%
Board GF to Strategically Address Cuts	0	8,119,260	2.5%
Reserve for Known Upcoming Needs	0	6,142,944	1.9%
Capital Project Plan Contribution	7,966,229	8,256,179	2.6%
City of Santa Rosa (Annexation Roads)	662,000	662,000	0.2%
City of Santa Rosa (Annexation Payment)	749,000	770,000	0.2%
Community Development Commission	1,317,471	1,287,998	0.4%
District Formation Contribution*	450,000	0	0.0%
Employee Programs	3,632,250	3,867,373	1.2%
Local Agency Formation Commission Share	266,746	279,718	0.1%
Non-Departmental County Expenses	8,316,526	8,411,650	2.6%
Pension Obligation Bond 2003B Interest**	1,075,200	1,075,200	0.3%
Reinvestment & Revitalization Fund	3,000,000	3,000,000	0.9%
Roads: Operations & Pavement Pgm.	14,475,637	14,666,654	4.6%
<b>Sub-Total for Programs/Initiatives</b>	<b>45,437,946</b>	<b>61,538,976</b>	<b>19.2%</b>
<b>Total</b>	<b>313,268,549</b>	<b>319,973,201</b>	<b>100.0%</b>

\*There is a \$175,000 Transient Occupancy Tax contribution, a dedicated source, in FY 2019-20 not included in this table of General Fund General Purpose Revenue.

\*\*Per Board policy from the Pension Ad Hoc recommendations, a small portion not needed per the latest actuary, shifts from the % of payroll collected for Other Post-Employment Benefits (OPEB) to 0.5% of payroll collected to pre-pay unfunded liabilities.

## Position Summary

Table 5 illustrates changes in full-time equivalent (FTE) positions by department. The Recommended Budget decreases allocations by 91.95 from the FY 2018-19 revised positions. The majority of these changes are due to reductions in staffing across County departments and the removal of the Fairgrounds (30.75 FTE) from this allocation table; the Fairgrounds is under a separate authority and budget approval process. Departments are requesting 65.30 FTE be added back to services and programs and will be considered by the Board at budget hearings in June. There is an overall reduction in FTEs of 26.65 that departments are not requesting for restoration in order to increase the County's financial capacity to fund Board priorities.

**Table 5. Position Summary**

Department*	FY 2018-19 Adopted	FY 2018-19 Revised	FY 2019-20 Recommended**	Variance from FY 2018-19 Revised	FY 2019-20 Requested Add Backs
ACTTC	101.00	103.00	102.00	(1.00)	1.00
Ag Pres/Open Space District	27.50	28.50	28.50	0.00	0.00
Agricultural Commissioner	36.50	36.50	36.50	0.00	0.00
BOS/CAO	51.20	51.20	49.20	(2.00)	0.00
Child Support Services	96.50	96.50	96.50	0.00	0.00
Clerk-Recorder-Assessor	110.75	110.75	102.25	(8.50)	8.50
Community Development	47.50	48.50	48.50	0.00	0.00
County Counsel	44.50	44.50	42.50	(2.00)	0.00
District Attorney	130.25	130.55	112.55	(18.00)	16.00
Emergency Management	0.00	12.00	12.00	0.00	0.00
Economic Develop Board	13.50	13.50	13.50	0.00	0.00
Fire and Emergency Services	25.25	6.00	0.00	(6.00)	0.00
General Services	113.00	112.50	110.50	(2.00)	0.00
Health Services	571.93	573.43	528.98	(44.45)	8.80
Human Resources	63.00	63.00	62.00	(1.00)	1.00
Human Services	877.30	882.30	876.30	(6.00)	0.00
IHSS Public Authority	1.00	1.00	1.00	0.00	0.00
Ind Office Law Enf & Out	2.00	2.00	2.00	0.00	0.00
Information Systems	116.50	116.50	116.50	0.00	0.00
Permit and Resource Mgmt	133.00	148.50	148.50	0.00	0.00
Probation	285.00	285.00	268.00	(17.00)	15.00
Public Defender	51.00	51.00	45.00	(6.00)	6.00
Regional Parks	92.00	92.00	123.00	31.00	0.00
Sheriff/Adult Detention	634.50	634.50	625.50	(9.00)	9.00
Transport & Public Works	168.00	168.00	168.00	0.00	0.00
UC Cooperative Extension	5.00	5.00	5.00	0.00	0.00
Water Agency	231.75	233.75	233.75	0.00	0.00
<b>TOTALS (FTE)</b>	<b>4,029.43</b>	<b>4,049.98</b>	<b>3,958.03</b>	<b>(91.95)</b>	<b>65.30</b>

\*The following departments/agencies have been removed from the Permanent Position Summary table in FY 2019-20: Sonoma County Fair and Exposition, Inc. – The Operating and Capital Improvement budget and County Employee Position allocation are approved by the Board of Supervisors in January of each year to conform with the Fairgrounds calendar year reporting period. Fire & Emergency Services - The department was disbanded effective July 1, 2019.

\*\*The Department of Health Services displayed the FY 2017-18 Revised Budgeted position totals of 650.7 in their individual narrative to more clearly explain their recommended changes.

The County Administrator's Office works with the Board and departments to conduct a regular review of vacancies, adjusting department position allocations to reflect current needs. Any additional positions that remain vacant more than 12 months are swept in the Recommended Budget as a supplemental item.

### **Budget Process – Next Steps**

Budget hearings are scheduled to begin on June 11, 2019, at 8:30 a.m. and may be continued from day to day as needed for a maximum of 14 calendar days per state law. The Board will adopt the budget, containing such revisions as the Board of Supervisors determines at the conclusion of the hearings. After the State of California adopts its budget and/or as needs arise after the close of the property tax roll and the County's Fiscal 2018-19 books, staff will return with budget adjustments for the Board of Supervisors' consideration.

The Board will be presented with two additional packages prior to budget hearings. The first will be a Supplemental Budget Adjustment Package, which represents primarily administrative budgetary changes that are consistent with the Recommended Budget and/or prior Board direction, and reflect information that was not available when the Recommended Budget was developed. The second will be a prioritized ranking of department restoration requests and new funding requests, which will include a list of restorations and addition requests submitted by departments that have been prioritized by the County Administrator's Office to best align with the Board's strategic priorities. The Board, during Budget Hearings, will weigh restoration and additional requests against an \$8 million set aside of on-going General Fund. During public hearings, the Board of Supervisors will direct whatever modifications it sees fit to the Recommended Budget, Supplemental Adjustments, and Budget Balancing Strategies. At the conclusion of the public hearings, the Board of Supervisors will be asked to adopt the budget as modified per the Board's direction and the budget will serve as the operating plan for Fiscal Year 2019-20.