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DATE: June 14, 2022

TO: Members of the Board of Supervisors

FROM: Sheryl Bratton, County Administrator

SUBJECT: Available Sources

This memo provides an overview of sources available to fund a portion of those requests.

On-Going Sources (\$2.4 million)

Reinvestment and Revitalization Fund - \$1.0 million

General growth in residual funding coming back to the County as Redevelopment Successor Agencies ongoing obligations decrease and tax revenues increase have led to an increase in ongoing funding available through the Reinvestment and Revitalization fund. While housed in a separate fund, this funding is available for general government purposes. Based on an analysis of remaining obligation of the Successor Agencies, the Auditor-Controller-Treasurer-Tax Collector and County Administrator recommend programming an additional \$1.0 million in ongoing revenue.

Contingencies – \$1.4 million

The Board of Supervisors will begin budget hearings with \$4,314,330 in General Fund Contingencies (\$5 million less \$685,870 approved in April to add positions in the Clerk-Recorder-Assessor's Office). Should the Board of Supervisors decide to fund ongoing items beyond the \$1.0 million discussed above, they could use Board Contingencies to do so.

One-Time Sources (\$40.1 million*)

General Fund FY 2020-21 Year End Fund Balance - \$11.3 million

There is \$11.3 million in unspent fund balance from FY 2020-21 that had been targeted for the acquisition of a new County Center. The County Administrator recommends directing this sum toward the Deferred Maintenance fund for the County Center project. (Tab 8 – Attachment A – General Fund, Unrestricted).

***FY2021-21 Unspent Contingencies - TBD**

At the start of Budget Hearings on June 14, 2022, the Board will have concluded the last Board meeting that may have utilized FY 2021-22 contingencies the day prior. As a result, the Board

could elect to increase one-time sources available for FY 2022-23 uses by the FY 2021-22 Contingency balance.

General Fund FY 2021-22 Year End Fund Balance - \$20.2 million

The County will not close its books until late in July of 2022, and until that time it will be uncertain what the final available balance will be. Current projections suggest that approximately \$20.2 million will be available at close of books. Staff are confident enough in this amount to recommend its utilization at this time. (Tab 8 – Attachment A – General Fund, Unrestricted).

Reinvestment and Revitalization Fund - \$982,000

The Reinvestment and Revitalization fund (Tab 8 – Attachment A – General Fund, R&R) includes available fund balance of about \$982,000, once earmarked funding for specific projects are taken into account. Staff recommend the full amount of this funding be made available to meet one-time needs.

Refuse Franchise Fees - \$2.9 million

The Refuse Franchise has a projected available balance of \$2.9 million, as identified in the fund balance review (Tab 8 – Attachment A – General Fund, Specific Use). These franchise fees are designated by Board policy the designated use is for solid waste obligations, roads infrastructure preservation, and other Board of Supervisors priorities. Consistent with the Board’s financial and budget policy, staff recommend making \$2.9 million available.

Community Investment Fund - \$4.6 million

The Community Investment fund has a projected available balance of \$9.6 million, as identified in the fund balance review (Tab 8 – Attachment B – Special Revenue Funds). This fund has accrued a significant balance due to the faster than anticipated recovery from COVID. The CAO does not recommend using the full balance of \$9.6 million in recognition of the potential for future drops in revenue. During FY 2019-20 the fund experienced a 27% reduction in revenues compared to FY 2020-21. Because there was existing fund balance, departments receiving funding from the Community Investment Fund were not required to make painful mid-year reductions and were able to adjust in the FY 2020-21 budget. Staff recommends maintaining fund balance to cushion impacts of future declines.