



# OFFICE OF THE COUNTY ADMINISTRATOR

## COUNTY OF SONOMA

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COMMUNICATIONS MANAGER

DATE: June 2, 2023

TO: Members of the Board of Supervisors

FROM: M. Christina Rivera, County Administrator

SUBJECT: Available Sources

This memo provides an overview of sources available to fund departments' add-back requests, program change requests, Board Budget requests, CAO recommendations or other board priorities during Budget Hearing Deliberations. These requests are listed in the Budget Deliberation Tool (Tab 3) and are described in more detail in Tabs 5 – Add Backs and Program Change Requests; and 6 – Board Budget Requests.

It is important to emphasize that the Board's adopted [Financial Policies](#) include the Basic Fiscal Principle to deliver county services and programs based on a structurally balanced budget, meaning ongoing expenditures must match estimated ongoing sources. Therefore, staff recommends programming of one-time sources be used for one-time needs.

### **On-Going Sources = \$7.5 million**

#### General Fund Capacity, \$4.8 million

The updated Property Tax for FY 2023-24 estimate when compared to the fall projection is \$2.8 million greater. In addition, \$2.0 million was intentionally reserved to address departments' restorations and program improvements requests.

#### Reinvestment and Revitalization Fund, \$2.0 million

General growth in residual funding coming back to the County as Redevelopment Successor Agencies has increased due to ongoing obligations decreasing while tax revenues have increased. This has led to ongoing funding available in the Board-established Reinvestment and Revitalization fund. While housed in a separate fund, the ongoing funding derived from property tax apportionment retuning to the County is available for general government purposes. Based on an analysis of remaining obligations of the Successor Agencies, the Auditor-Controller-Treasurer-Tax Collector and County Administrator have identified an additional \$2.0 million in ongoing Redevelopment Areas residual tax revenue.

Transient Occupancy Tax, \$780,000

Transient Occupancy Tax revenues have continued to grow since the decline first experienced in FY 2019-20 associated with COVID. Staff has completed an analysis of this revenue stream and recommends \$780,000 as an additional on-going funding source.

**One-Time Sources = \$44.3 million**

The one-time sources provided here are based on current FY 2022-23 estimated year-end fund balances as June 30, 2023. As a note, these funds are also displayed within Tab 10 – Fund Balance Directory. However, fund balances in the directory show projected FY 2023-24 year-end positions as of June 30, 2024, or approximately 1 year from now.

General Fund FY2022-23 Year End Fund Balance, \$29.4 million

Annually, county staff completes the close of books in late July, and until that time the final unspent FY 2022-23 General Fund balance will not be known. Current projections suggest that approximately \$29.4 million will be available at close of books.

Reinvestment and Revitalization Fund, \$3.8 million

The Reinvestment and Revitalization Fund is projected to have an available fund balance of approximately \$3.8 million at the end of FY 2022-23, after funding earmarks for specific projects listed below are taken into account.

- Springs Community Hub; \$2,050,00
- Hwy 12 Parking Mitigation; \$820,000
- Total Maximum Daily Load MOU; \$429,133
- Guerneville Homeless Shelter; \$185,000
- Lower RR Area Specific Plan; \$190,000

Community Investment Fund, \$5.6 million

The Community Investment Fund, not including Measure L, is projected to have an available fund balance of approximately \$5.6 million at the end of FY 2022-23. Staff recommend the full amount of this funding be made available to meet one-time needs.

2017 PG&E Settlement Fund, \$1.5 million

The final settlement check from PG&E for the 2017 wildfires was received in April 2023. Staff recommends the full amount of this funding be made available to meet one-time needs.

American Rescue Plan Act Fund (ARPA), \$4.0 million

Through Board actions in 2021-22 and 2022-23, the Board fully allocated the \$96 million ARPA award. The amount utilized for COVID Response in FY 2021-22 came in under the allocated amount, leading to savings that could be re-allocated to any purpose. ARPA allows for a portion of funds to be spent on “general government purposes.” These funds can be utilized under that category, with no restrictions on use. A full update on ARPA will be presented to your Board in August 2023; at that time, staff may identify additional savings based on FY 2022-23 close of books, but there is not sufficient information at this time to include any further ARPA funds for budgeting during Budget Hearings.