

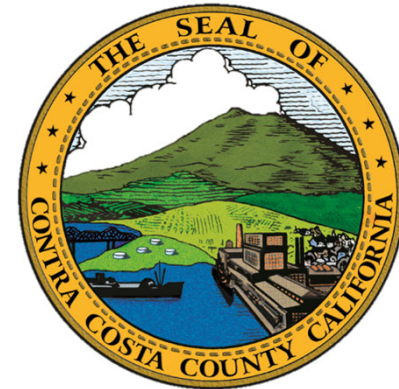


FISCAL YEAR 2021/22 RECOMMENDED BUDGET 101

April 28, 2021

Topics for Today

- County Profile
- Budget Mandates
- Budget Process
- Where to find the County Financial Information
- Measure X Sales Tax Projections



Contra Costa County Profile

- Contra Costa County was incorporated in 1850 as one of the original 27 counties of California.
- A five-member Board of Supervisors, each elected to four-year terms, serves as the legislative body of the County, which has a general law form of government.
- Also elected are the County Assessor, Auditor-Controller (the 'County Auditor-Controller'), Clerk-Recorder, District Attorney, Sheriff-Coroner and Treasurer-Tax Collector (the 'County Treasurer').
- The County Administrator, Monica Nino, is appointed by the Board and is responsible for running the day-to-day business of the County. The County Administrator is also responsible for presenting the Board with a Recommended Budget for consideration of adoption as the Final (Adopted) Budget, which will serve as the foundation of the County's financial planning and control.

Employment by Industry

Annual Averages – Ranked for 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Wage & Salary Employment						
Educational & Health Services	64,100	67,300	69,300	70,700	71,200	19.0%
Trade, Transportation & Utilities	62,500	64,900	65,200	64,200	62,200	16.6%
Professional & Business Services	50,900	52,100	54,300	55,300	56,200	15.0%
Government	49,300	50,400	50,500	50,800	50,800	13.6%
Leisure & Hospitality	38,300	40,500	40,700	41,300	43,300	11.6%
Goods Producing	37,800	40,200	41,100	41,800	42,100	11.2%
Financial Activities	26,300	27,000	27,400	27,000	27,200	7.3%
Other Services	12,700	13,000	13,000	13,500	13,600	3.6%
Information	8,300	8,100	8,000	7,800	7,200	1.9%
Farm	700	800	800	700	800	0.2%

Source: State of California, Employment Development Department, Labor Market Information Division, March 2020 Benchmark

Principal Employers: Current and Eleven Years Ago (Excluding Government Employers)

Employer	2020 ⁽¹⁾	2009 ⁽²⁾	
	Estimated Employees	Estimated Employees	Rank
Chevron Corporation	10,000+	4,700	1
La Raza Market	1,000 - 4,999		
Martinez Medical Offices	1,000 - 4,999		
Kaiser Permanente	1,000 - 4,999	1,700	2
John Muir Medical Center	1,000 - 4,999	1,900	3
Bio-Rad Laboratories, Inc.	1,000 - 4,999	2,300	4
USS-POSCO Industries	1,000 - 4,999	975	8
St. Mary's College of California	1,000 - 4,999		
Job Connections	1,000 - 4,999		
John Muir/Mt. Diablo Medical Center		1,500	5
24-hour Fitness		1,300	6
Doctors Medical Center		1,000	7
Contra Costa Newspapers, Inc.		900	9
Bank of the West		800	10
All Others	<u>439,500</u>	<u>456,725</u>	
Total	<u>473,500</u>	<u>473,800</u>	

¹⁾ Source: *State of California Employment Development Department, June 2020*

⁽²⁾ Source: *Rich's everyday Sales Prospecting Directory (2009) – Contra Costa County*



Budget Mandates

- County budgets are not easy to compare. As a General Law County, Contra Costa has more restrictions than a Charter County and therefore has less revenue generating authority than other counties.
- Contra Costa also operates a hospital. Most California county hospitals have closed due to lack of funding.
- Contra Costa has mandated functions, which it is required to provide, regardless of funding. Some of these functions are mandated, but the service level is not.
- Functions identified as 'discretionary' are often those most desired by the community. Homeless programs, Meals on Wheels/senior nutrition, child abuse, disaster planning, administration, economic development, and veterans services as examples.
- The annual budget book has two thorough listings of County programs by discretionary level. One is sorted by department and the other by service and level.

Not
within
the
County's
Purview

Schools

Courts

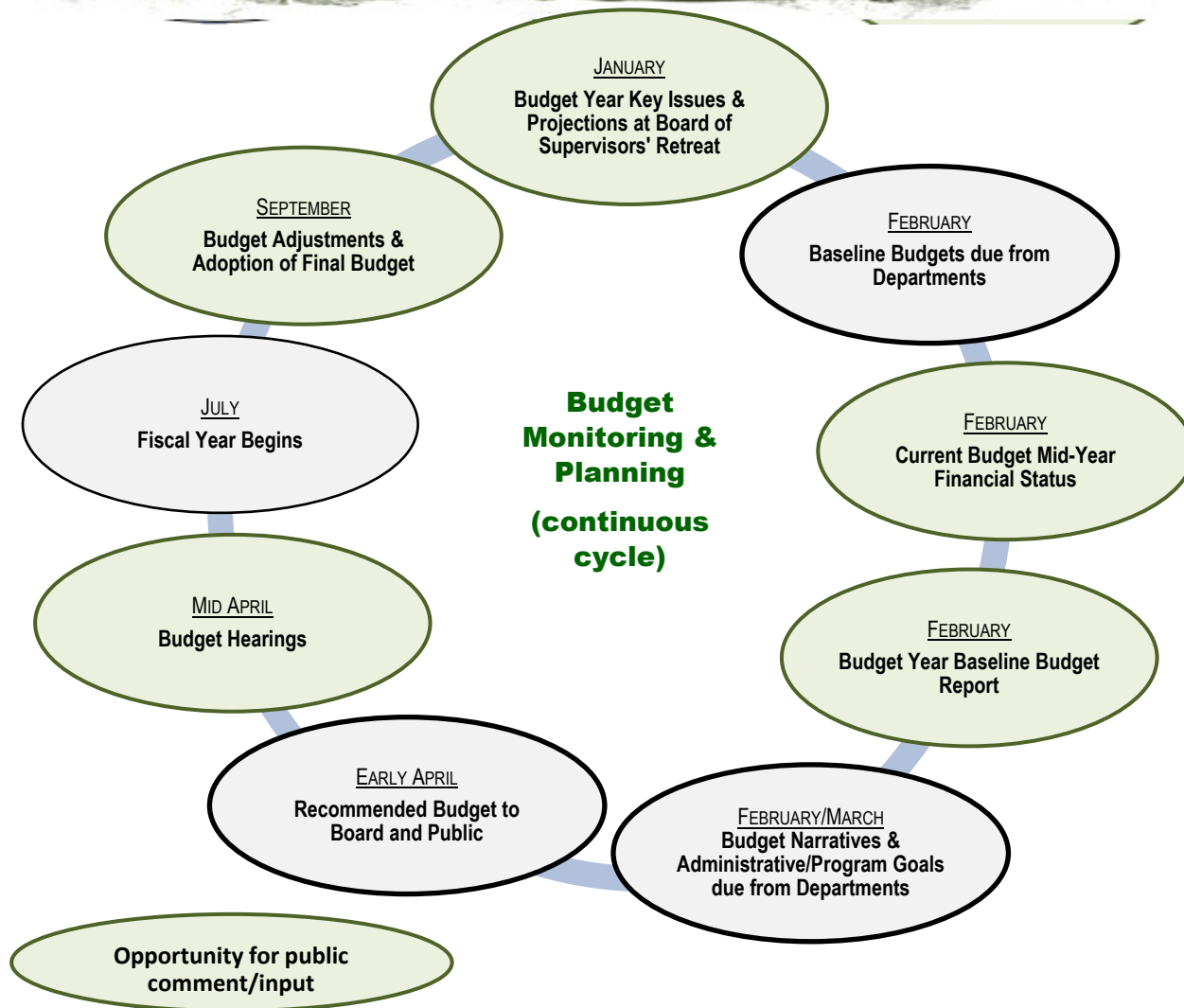
City police
departments



Budget Process


'Normal Budget Process'

The County budget process is a continuous cycle of developing, monitoring and planning, with specific steps each year to achieve adoption of the Final Budget



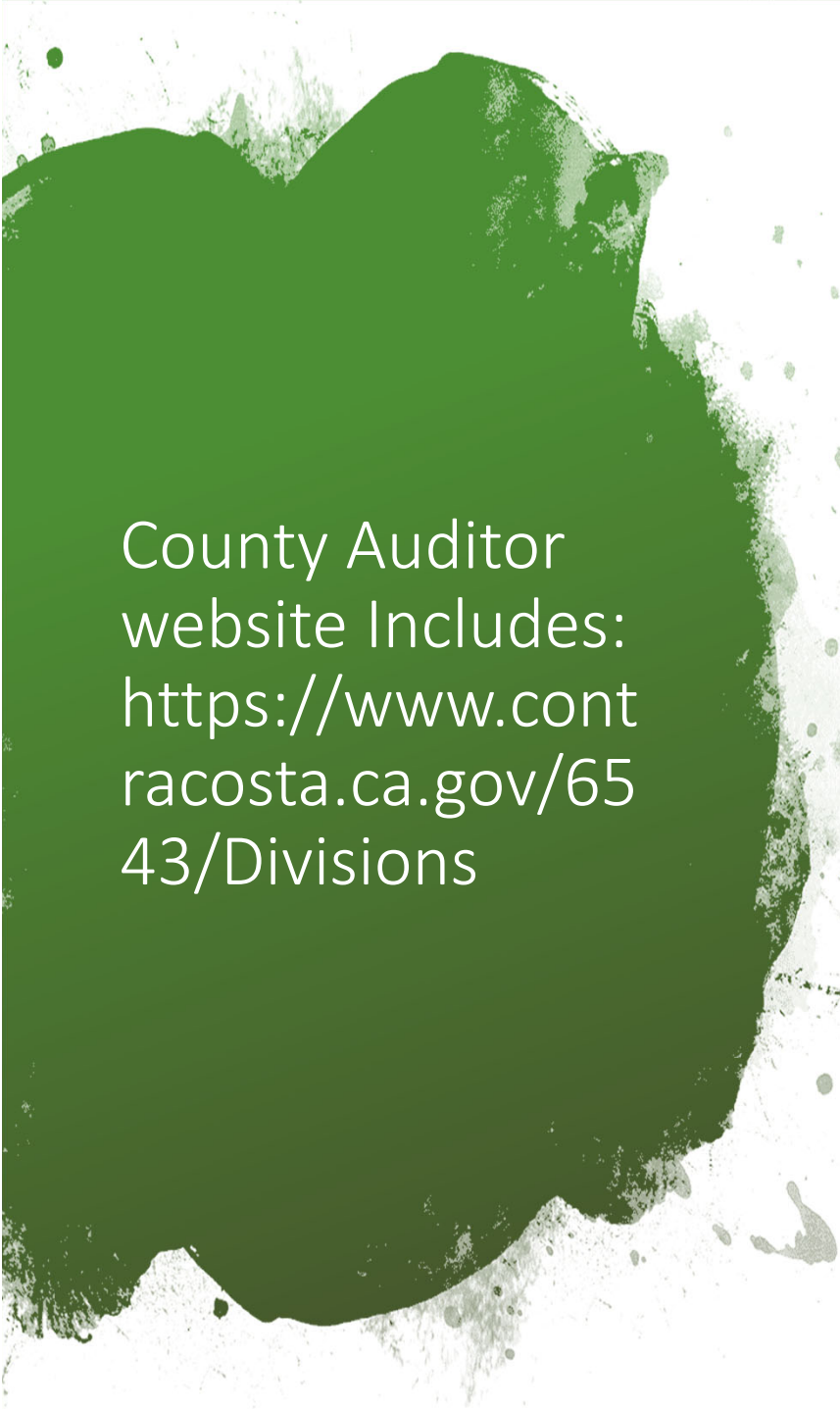


Financial Information



County Finance
website Includes:
<https://www.contracosta.ca.gov/756/Financial-Information>

- **Budget Information**
 - Learn about the budget process and review current year and past years' budget documents.
- **Debt Information**
 - Read about Tax Revenue Anticipation Notes (TRANS), Bonds and other County debt.
- **Financial Policies**
 - Access current County policies regarding budget, investment, reserves, debt, and workers compensation.
- **Other Post Employment Benefits (OPEB)**
 - Learn about OPEB, read Board Orders & reports regarding how Contra Costa is handling the OPEB liability.
- **PARS Public Agencies Post Retirement Health Care Plan Trust Agreement**
 - Access current County policies, reports, meeting information and materials.
- **Pension**
 - Learn about County Pension issues and changes.
- **Sales Tax**
 - Access Sales Tax information for Contra Costa County.
- **Board Administered Special Revenues**
 - See a list of Board Administered Special Revenues



County Auditor
website Includes:
<https://www.contra Costa.ca.gov/6543/Divisions>

- Administration / Systems Support

To provide general management of the financial information and accounts of all departments, districts, and other agencies governed by the Board of Supervisors.

- Property Tax

To build the countywide tax roll and allocate and account for property tax apportionments and assessments for all jurisdictions in the County.

- Payroll

To process payroll for all County departments, most fire districts, some special districts, and some non-county regional agencies.

- General Accounting / Accounts Payable

To manage the countywide Financial System and process various types of fiscal information for county departments, special districts, and other non-county agencies. To maintain the general ledger. To enforce accounting policies, procedures, and processes.

- Internal Audit

To develop and execute audit programs for the examination, verification, and analysis of financial records, procedures, and internal controls of the county departments.

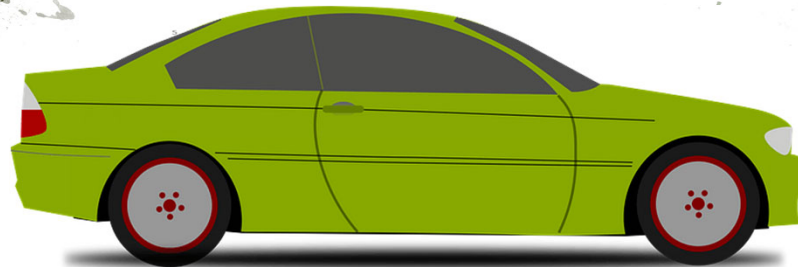
- Special Accounting

To assist in preparing the budget documents for the County and special districts, including monitoring expenditures for budget compliance. To prepare the countywide Cost Allocation Plan.

Difference between a Budget and the Comprehensive Annual Financial Report (CAFR)

CAFR shows where
we have been –
Rearview Window

Budget shows where
we are going –
Windshield



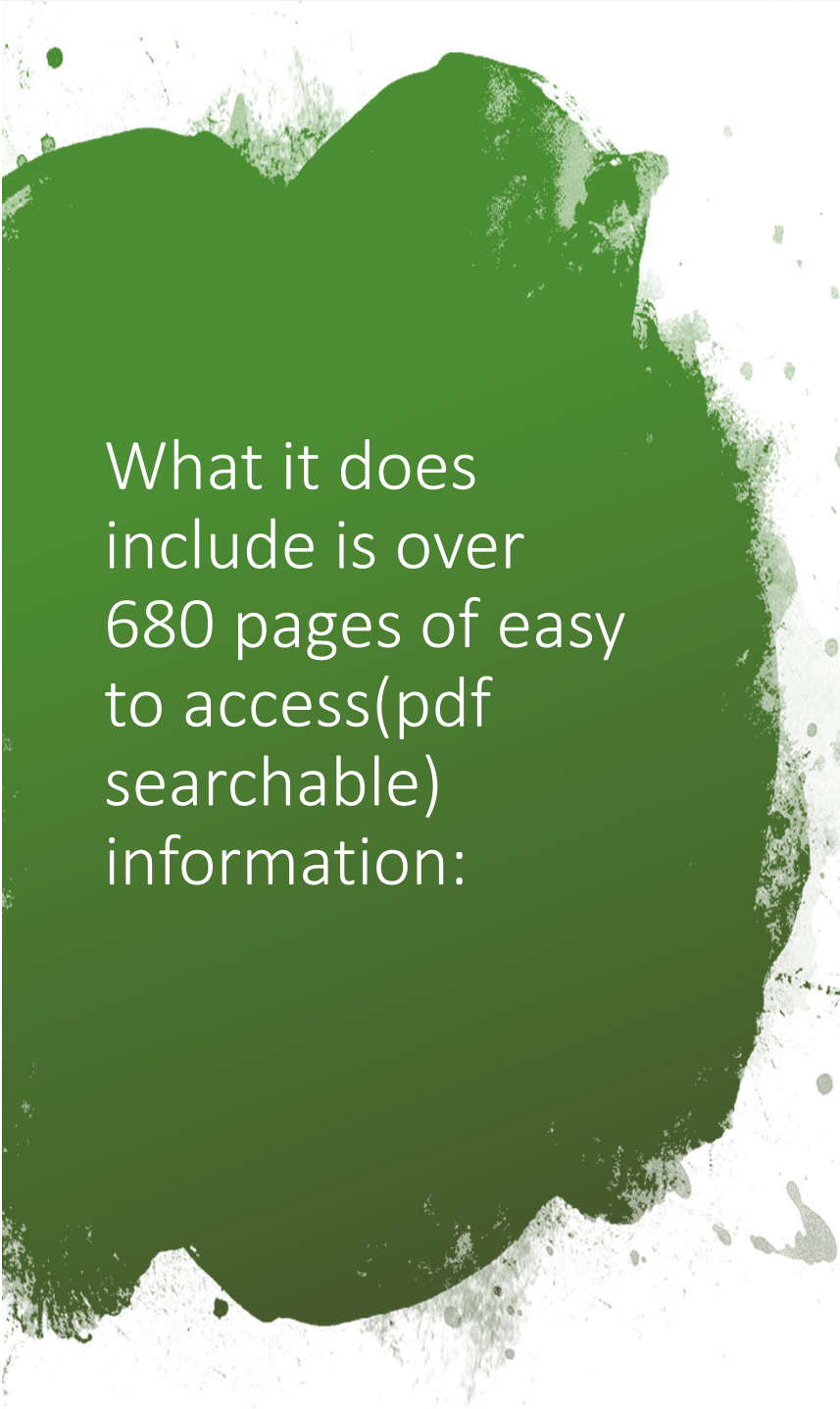
Fiscal Year 2021 – 2022 Recommended Budget



County of Contra Costa
California



The Recommended Budget as
printed does not include ANY
Financial/Programmatic
Impacts of COVID-19



What it does
include is over
680 pages of easy
to access(pdf
searchable)
information:

- A Budget Message,
- An overview of the County including a County Profile, historical perspective, and Org chart,
- Detailed descriptions of programs operated by the County from Airports to Zoning
- In-depth discussion of major revenue sources
- Changes in Projected Fund balance, history, and definitions
- Capital Improvement Projects
- Current Debt Position
- Financial Policies
- List of programmatic changes from the previous budget
- Standing Committees of the Board, Advisory Bodies, etc.
- Mandatory/discretionary listings by program
- Fund definitions
- Budgetary Fund Structure
- Table of Funds
- Glossary of Acronyms & Terms
- Subject Index
- and more

Organization of the Recommended Budget Book

1 Agriculture General Government

General Fund	2019-20 Actuals	2020-21 Budget	2021-22 Budget	2021-22 Recommended	Change
Expenditures					
Salaries and Benefits	4,730,546	5,007,235	5,180,000	5,180,000	0
Services and Supplies	1,055,462	1,454,730	1,250,000	1,250,000	0
Fixed Assets	20,220	8,500	9,000	9,000	0
Expenditure Transfers	475,155	485,495	424,000	504,000	0
Expenditure Total	6,281,383	6,955,960	6,863,000	7,073,000	0
Revenue					
Other Local Revenue	1,006,668	1,185,806	1,395,000	1,395,000	0
State Assistance	3,050,279	3,377,384	3,474,000	3,474,000	0
Total Revenue	4,056,947	4,563,190	4,869,000	4,869,000	0
Net County Cost (NCC)	2,224,436	2,392,770	2,000,000	2,204,000	0

Allocated Positions (FTE)	46.8	44.3	44.3	44.3	0
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FINANCIAL INDICATORS					
Ratio as % of Total Exp	72%	72%	72%	72%	
% Change in Total Exp	6%	2%	6%	6%	
% Change in Total Rev	13%	3%	6%	6%	
% Change in NCC	(6%)	0%	6%	6%	

Compensation Information					
Permanent Salaries	3,059,579	3,380,536	3,403,743	3,403,743	0
Temporary Salaries	3,541	0	0	0	0
Permanent Contract	36,250	36,840	36,359	36,359	0
Deferred Comp	263,551	281,104	286,476	286,476	0
Ret. Exp-Plan 107	7,361	9,350	9,300	9,300	0
Retirement Income	731,843	762,662	766,736	766,736	0
Retirement Social Insurance	110,227	141,136	147,433	147,433	0
Unemployment Insurance	102,122	103,259	107,387	107,387	0
CRRA Health Insurance	91,662	82,252	87,844	87,844	0
Workers Comp Insurance	1,677	3,429	3,687	3,687	0
Workers Comp Insurance	69,625	44,586	39,383	39,383	0

Department Description	Description
The preceding table is a summary of expenditures, payables and net County costs for five budget units administered by the Agriculture/Weights and Measures Department. Included are data for the following organizations: Agriculture/Weights and Measures Administration, Agriculture and Forest Management, Weights and Measures, and Cooperative Extension.	Department: Provides direction, financial control, and develops and implements policies and procedures to support the operations of the Department.

Key Department Responsibilities	Department Description
The Agriculture/Weights and Measures Department promotes and protects the County's agricultural interests while protecting the public health and environment, protects the public interest in the commercial movement of goods where value is determined by weights and measures, educates the public and targeted clientele, including other County departments, in commercial agriculture, urban agriculture, horticulture, youth development, nutrition and natural resources, and develops service programs including 4-H Youth Development, Extension, and two Healthy Food and Nutrition education programs.	Department: Provides direction, financial control, and develops and implements policies and procedures to support the operations of the Department.

County of Contra Costa FY 2021-2022 Recommended Budget 557

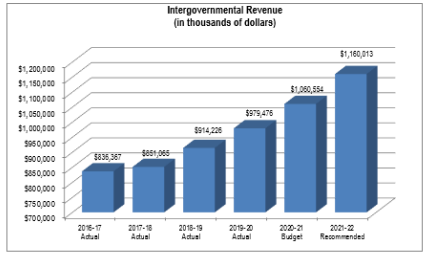
County Summary Information

DISCUSSION OF MAJOR REVENUE SOURCES

All County Funds

Intergovernmental Revenue: \$1,160 Billion/28.8% of Total Sources

This major revenue source includes allocations from other government entities, primarily Federal and State, a large portion of which is various State Realignment revenue streams and Public Safety Services (commonly referred to as Prop 172) revenue. The State has achieved significant policy improvements several times over the past 20 years by reviewing State and local government programs and realigning responsibilities to a level of government more likely to achieve good outcomes. During years of fiscal difficulty, realignment proposals by the legislature or administration often included additional revenues earmarked for the transferred programs, such as health, mental health and various social service programs. Note that a significant portion of the increase in FY 2020-21 was due to reassigning \$72.2 million from the "Charges for Services" revenue category to the "Intergovernmental" revenue category.



State Aid Realignment-Sales Tax (\$230.7 million): Contra Costa's total Realignment-Sales Tax revenue is budgeted at \$230.7 million, 82.3% of which is comprised of 2011 Realignment Plan revenues. The 2011 realignment plan shifted the responsibility and funding for a series of major programs from the State to local level. In total, the realignment plan provides \$8.2 billion to local governments to fund various criminal justice, mental health and social services programs in the current year and \$8.0 billion is estimated in FY 2021-22. In FY 2021-22, Contra Costa County's share of community corrections base allocation will be increased; however, while our "Base" is increasing in FY 2021-22 over FY 2020-21, the percentage share that our County receives of the statewide allocation remains fixed. Realignment revenue is dependent on a statewide pool of funds, which is derived from Vehicle License Fees and a portion of the State sales tax. Base Realignment revenue is projected to increase in FY 2021-22, based on current estimates in the Governor's January Proposed Budget.

Organization of the Recommended Budget Book

The Fiscal Year 2021-22 Recommended Budget book is designed to be both informative and easy-to-use and is divided into the sections described below:
BUDGET MESSAGE
The opening pages of the FY 2021-22 Recommended Budget book is the official transmittal document for the Recommended Budget to the Board of Supervisors and citizens of Contra Costa County from the County Administrator, Monica Niles.

OVERVIEW
Information contained in this section includes a general profile of Contra Costa County, (size, population, employment and personal income, etc.), long-term financial planning and policies adopted to manage County operations, the process used for developing and adopting the Recommended Budget, key budget issues, historical perspective and the County's organizational chart.

DEPARTMENTAL BUDGET SUMMARIES BY FUNCTIONAL GROUP
In the section, County Departments are divided into three Functional Groups: General Government, Health and Human Services and Law and Justice. The General Government Functional Group includes those Departments or Funds that provide general governmental services to residents and/or support services to other County Departments and are not included in the other two Functional Groups. The Health and Human Services Functional Group includes those Departments that provide health and family, individual and child support services. The Law and Justice Functional Group includes those departments that provide public protection and/or provide services to the criminal justice system.

Each Departmental Summary provides a variety of information about each Department including: expenditure and revenue information; narrative explanation of Department's programs and its administrative and program goals; number of allocated positions; a summary of County Administrator's recommendations; and summary of recommended service modifications by program, if applicable. (See Navigation information for Department Budget Summary below for further information.)

The Departmental Summaries include financial information for All County Funds, unless otherwise noted, the summaries do not include financial information of component units. Component units are legally separate organizations for which the elected officials of a primary government are financially accountable. Component units are blended (i.e., treated as if they are funds of the County) or discretely presented (i.e., reported in a separate column in the County's financial statements). Blended component units include the Successor Agency to the County Redevelopment Agency, the County Public Financing Authority, the In-House Support Services Public Authority, Special Districts and Service Areas whose Board is the County Board of Supervisors. The only blended component units reported on in the Recommended Budget document are the Contra Costa County Fire Protection District, the Crockett-Camanche Fire Protection District and In-House Support Services Public Authority.

ROUNDING
All figures are shown in whole numbers; therefore, due to independent rounding, figures shown may not sum to subtotals and totals.

County of Contra Costa FY 2021-2022 Recommended Budget 555

County Summary Information

CAPITAL IMPROVEMENT PLAN

The County policy for capital asset accounting and budgeting conforms to State definitions and regulations as set forth in the Manual of Accounting Procedures for Counties and reflects current values. The policy establishes the basis for financial classification.

Capital assets are assets of significant value having a utility that extends beyond the current year. An improvement is replacement of a component part of a capital asset by an improved or superior part, an addition of new parts, or an alteration or a structural change to a capital asset that results in a functional improvement over its original state that materially adds to the value of the asset or appreciably extends its life. Capital expenditures are defined as those expenditures incurred for the improvement to or acquisition of land, facilities and infrastructure.

Land improvements enhance the value of land itself (such as grading or ditching for drainage). Ground improvements add other items to the basic land. Examples of ground improvements are lawns, trees and shrubs, sprinkler systems, and paving.

The following capital assets are to be capitalized and individually budgeted and controlled:

- Land:** All land acquisitions and land improvements, without regard to cost.
- Structures and Improvements:** Permanent structures costing \$100,000 or more; additions, structural alterations and ground improvements that cost \$100,000 or more.
- Equipment:** Equipment includes movable personal property with a unit cost of \$5,000 or more, including sales tax, and delivery and installation charges; additions to capitalized equipment costing \$5,000 or more per item.
- Infrastructure:** Infrastructure assets are long-lived assets that normally are stationary in nature and can be preserved for a significantly greater number of years than other capital assets. Infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.
- Intangibles:** Intangible assets lack physical substance, have a non-financial nature, and have a useful life that extends beyond a single reporting period; examples of intangible assets include, easements, water rights, timber rights, patents, trademarks, and computer software, including internally generated software. Capitalization thresholds for intangible assets are as follows:

- \$100,000 for all intangible assets acquired after June 30, 2006 - excluding internally developed or modified software and other internally developed intangibles.
- \$100,000 for all internally developed intangible assets acquired after June 30, 2009.
- \$100,000 for retroactive reported intangible assets.

Per Budget Policy, the FY 2021-22 budget process again includes strategic planning and financing elements for facilities renewal and new construction projects (fixed and long-term capital budgets) and a comprehensive management program for the County's general government real estate relative to acquisition, use, disposition and maintenance. This element includes funding decisions for maintaining the County's facility assets, allowing the Board of Supervisors to weigh competing funding decisions using credible information.

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County Summary Information

CHANGES IN PROJECTED FUND BALANCE

Major Governmental Funds (in thousands)

	Beginning Fund Balance	Ending Fund Balance	Change	Beginning Fund Balance	Ending Fund Balance	Change
General Fund (Major Fund)						
Nonrevenue	7,011	6,897	(114)	6,894	6,824	(70)
Revenue	5,233	30,358	25,125	44,016	45,016	1,000
Commodities	1,144	1,386	242	1,386	1,386	0
Accounts	1,037	1,082	45	21,762	22,762	1,000
Unexpended	18,627	18,627	0	18,627	18,627	0
Total	42,152	65,300	23,148	62,710	62,710	0
CCC Fire District Special Revenue						
Nonrevenue	543	1,582	1,039	1,582	1,582	0
Revenue	4,660	4,660	0	4,660	4,660	0
Accounts	3,846	3,846	0	3,846	3,846	0
Total	9,049	10,088	1,039	10,088	10,088	0
All Other Major Governmental Funds in the Aggregate						
Nonrevenue	5,233	5,233	0	5,233	5,233	0
Revenue	5,233	42,027	36,794	42,027	42,027	0
Commodities	1,144	1,386	242	1,386	1,386	0
Accounts	1,144	1,144	0	1,144	1,144	0
Unexpended	1,144	1,144	0	1,144	1,144	0
Total	13,898	41,934	28,036	41,934	41,934	0
Total Governmental Funds						
Nonrevenue	13,898	13,898	0	13,898	13,898	0
Revenue	13,898	13,898	0	13,898	13,898	0
Commodities	1,144	1,386	242	1,386	1,386	0
Accounts	1,144	1,144	0	1,144	1,144	0
Unexpended	1,144	1,144	0	1,144	1,144	0
Total	28,428	28,428	0	28,428	28,428	0

Fund Balance represents unencumbered resources or other liquidizable convertible assets in process of fund liabilities. For budgetary purposes, this represents the net of encumbered or unencumbered revenue and unspent appropriations or reserves at the end of each fiscal year. The County Administrator's projected fund balance sheet summarizes each year over or under 10%. Presented in the table above are the County's Major Governmental Funds (including CCC Fire District Special Revenue, CCC Fire Protection District, and all other Non-Major Funds) in the aggregate, and the total Governmental Fund balance.

The County's General Fund, which is the primary operating fund of the county, had a FY 2020-21 beginning fund balance of \$63.7 million representing a 0.6% growth over the previous year. Revenues have increased strongly recently, especially due to property taxes and property taxes in lieu of vehicle license fees. Intergovernmental revenue increased by \$67,010,000 (11.5%), mainly due to an increase in Contra Costa Relief Fund revenue for the COVID-19 pandemic and state aid realignment vehicle license fees. Charge for Services decreased by \$16,255,000 (6.4%) due mainly to a decrease in Medi-Cal payments for Mental Health services in total. General Fund revenues increased by 3.5% (\$5.7 million) and expenditures increased by 3.9% (\$5.8 million).

County of Contra Costa FY 2021-2022 Recommended Budget 559

County Summary Information

CURRENT DEBT POSITION

The most recent Debt Report was issued by the Debt Affordability Advisory Committee on March 15, 2021. Information on the current Debt Position of the County follows:

Outstanding Debt. As of June 30, 2020, the County had a total of \$318.116 million of outstanding Pension Obligation Bonds (POBs) and Lease Revenue Bonds (LRBs)/Lease Revenue Obligations (together the LRBs). As of June 30, for each year the total amount of County outstanding POBs and LRBs was \$389.4 (2019); 447.8 million (2018); \$506.9 million (2017); \$458.8 million (2016); \$498.4 million (2015); \$532.7 million (2014); \$506.1 million (2013); \$534.3 million (2012); \$717.9 million (2011); and \$729.8 million (2010). The County's entire debt portfolio is comprised of fixed-rate debt issues. The County Debt Management Policy permits variable rate financial products such as variable rate demand obligations (VRDOs) only under special circumstances and does not presently permit derivatives such as swaps at any time. Even prior to the implementation of its formal Debt Management Policy, the County took a conservative approach to its debt portfolio and had issued only fixed rate debt. This continued approach shields the County from the various risks associated with derivative instruments ensuring a level of certainty in long term financial and capital project planning. It should be noted that POBs are taxable securities whereas the majority of the County's Lease Revenue Bonds are tax-exempt securities. The exceptions are the 2010 Series A-2 and A-3 bonds, which were issued as Build America Bonds (BABs) and Recovery Zone Economic Development Bonds (RZEDBs), and are taxable, but receive a federal subsidy to offset a portion of the taxable interest on the bonds. Thus, the True Interest Costs (TIC) for the taxable POBs and LRBs are generally higher than those for tax-exempt LRBs. A detailed, audited list of outstanding lease revenue and pension obligation bonds as of June 30, 2020 is shown below.

County of Contra Costa (County Only)					
Outstanding Lease Revenue and Pension Obligation Bonds and True Interest Cost (as of June 30, 2020)					
(\$ in thousands)					
Bond Issues	Date of Issue	Final Maturity Date	Principal Amount Issued	Outstanding Principal	True Interest Cost (%)
Lease Revenue Bond and Obligation Issues (LRBs)					
2010 Series A-2 (Capital Project) - Taxable BABs					
2010 Series A-2 (Capital Project) - Taxable BABs	11/16/10	06/01/30	13,130	13,130	4.15%
2010 Series A-3 (Capital Project) - Taxable RZBs	11/16/10	06/01/40	20,700	20,700	4.15%
2010 Series B (Refunding)	11/16/10	06/01/25	17,425	7,425	3.64%
2012 Lease Revenue Obligations	11/11/12	06/01/27	13,102	7,158	2.68%
2015 Series A (Refunding and Capital Projects)	08/26/15	06/01/35	19,055	14,740	3.10%
2015 Series B (Refunding and Capital Projects)	08/26/15	06/01/35	52,000	30,475	2.40%
2017 Series A (Refunding and Capital Projects)	03/03/17	06/01/27	55,910	55,915	2.23%
2017 Series B (Capital Projects)	05/26/17	06/01/32	100,255	82,695	2.39%
Total LRBs and LROs			\$55,577	\$232,424	
Pension Obligation Bonds (POBs)					
Series 2003 A (Taxable)	05/01/03	06/01/22	322,710	122,585	5.36%
Total POBs			\$322,710	\$122,585	
Grand Total			\$555,287	\$355,009	

1. The yield shown is the blended TIC for all three indicated series, net of the receipt of federal subsidies of interest cost.

548 County of Contra Costa FY 2021-2022 Recommended Budget

Glossary of Acronyms & Terms

AAS – Adult and Aging Services. Within the Employment and Human Services Department assists older adults and people with disabilities to maximize self-sufficiency, safety and independence.

AB – Assembly Bill

ACA – Affordable Care Act. The short name for the Patient Protection and Affordable Care Act, a federal overhaul of the U.S. healthcare system.

ACCJIN – All County Criminal Justice Information Network

Accrual – an accounting adjustment that recognizes revenues and expenses in the period earned or spent, regardless of the timing of related cash flows.

ACER – Arraignment Court Early Representation

ACFR –Annual Comprehensive Financial Report (ACFR) is a set of government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

ACR – Ambulatory Care Redesign

Actuarial Accrued Liability (AAL) – as assessed by an actuary, relating to benefits, represents the present value of fully projected benefits attributable to service credit that has been earned (or accrued) as of the valuation date. The portion attributed to future employee service is excluded. For retirees, this is equal to the present value of benefits. For active employees, this is equal to the present value of benefits prorated by service to date over service at the expected retirement age.

Ad Valorem Tax (AV) – An ad valorem tax is a tax based on the assessed value of real estate or personal property. Ad valorem taxes can be property tax or even duty on imported items. Property ad valorem taxes are the major source of revenue for state and municipal governments.

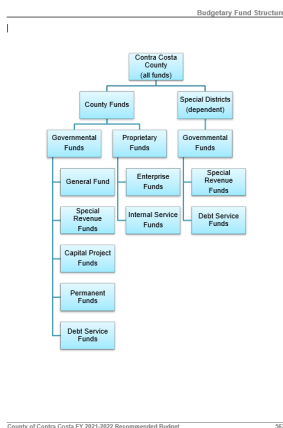
Adjusted Budget – the spending authority for a fiscal year, adjusted pursuant to State statute and/or County policy, to reflect actual expenditures and/or revenue realized to ensure the budget remains in balance.

ADL – Activities for Daily Living

AED – Automated External Defibrillator

AFDC – Aid to Families with Dependent Children

AIM – Access for Infants and Mothers

[illegible][illegible]

County Fund Definitions

Fund: a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Governmental Funds are generally used to account for tax supported activities; it accounts for the majority of funds; except for those categorized as proprietary or fiduciary funds.

Types of Governmental funds include:

General Fund is used to account for the general operations of government and any activity not accounted for in another fund.

Special Revenue Funds are used to account for resources legally designated for specific purposes and separately reported.

Debt Service Funds are used to account for resources dedicated to pay principal and interest on general obligation debt.

Capital Project Funds are used to account for resources dedicated to acquiring or constructing major capital facilities.

Permanent Funds are used to account for resources legally restricted so only earnings (and not principal) may be used to support governmental programs.

Proprietary Funds are used by governmental activities that operate in a manner similar to that of private sector businesses in that they charge fees for services. Proprietary Funds rely on the full accrual basis of accounting where revenues are recognized when earned and expenditures are recorded when incurred.

Types of Proprietary funds include: Enterprise and Internal Service Funds

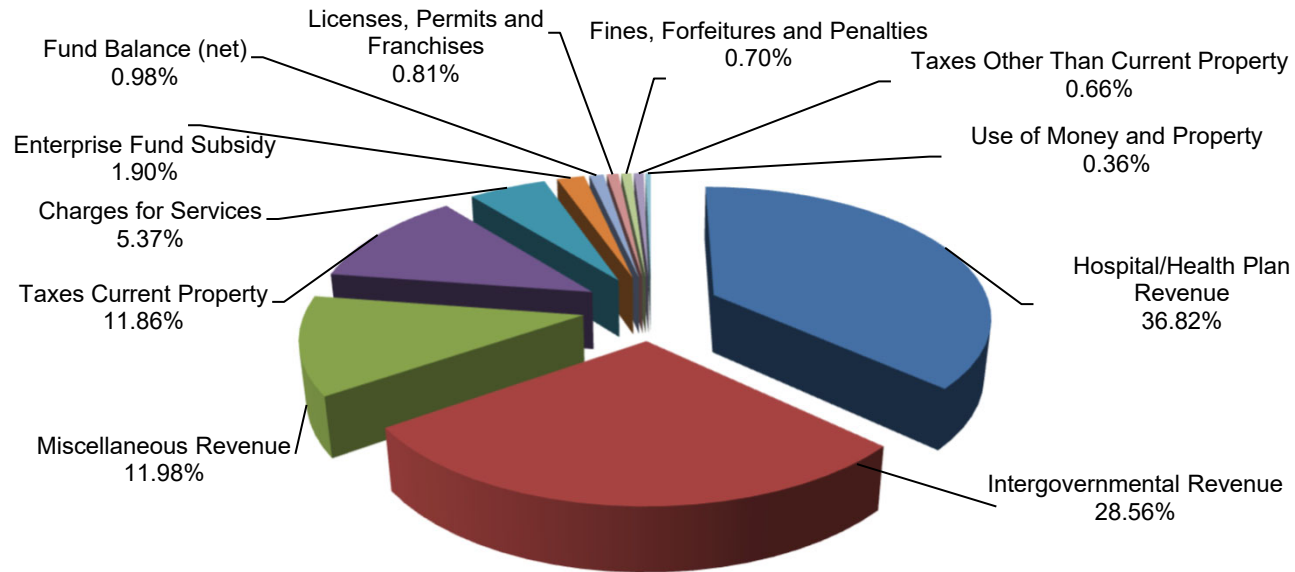
Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises (e.g. water, gas and electric utilities; airports; parking garages; or transit systems). The governmental body intends that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds are proprietary funds used to account for the financing of goods or services provided by one department to other departments of the County or other governmental units, on a cost reimbursement basis.

Recommended Budget FY 2021/22

- Began with position allocations as of 1/1/21
- Projected salaries & benefits based upon FY 2021/22 data
- Thoroughly reviewed all revenues – for the most part increased revenues
- Updated allocations for occupancy, telephone, data processing, etc.
- Increased or decreased positions based upon funding available
- Finalized Recommended Schedules
- Long-term impact of COVID-19 beginning to emerge

FY 2021-22 Recommended Sources

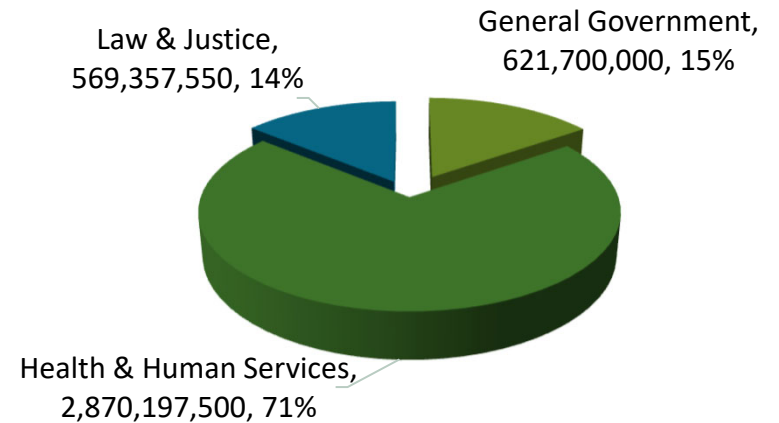


Source of Funds	Recommended FY 2021-22	Percent of Total
Hospital/Health Plan Revenue	\$1,495,307,000	36.82%
Intergovernmental Revenue	1,160,012,500	28.56%
Miscellaneous Revenue	486,628,500	11.98%
Taxes Current Property	481,748,000	11.86%
Charges for Services	218,049,525	5.37%
Enterprise Fund Subsidy	77,231,000	1.90%
Fund Balance (net)	39,684,000	0.98%
Licenses, Permits and Franchises	32,697,000	0.81%
Fines, Forfeitures and Penalties	28,570,145	0.70%
Taxes Other Than Current Property	26,920,000	0.66%
Use of Money and Property	14,407,380	0.36%
TOTAL RECOMMENDED SOURCES	\$4,061,255,050	100.00%

Appropriations by Function

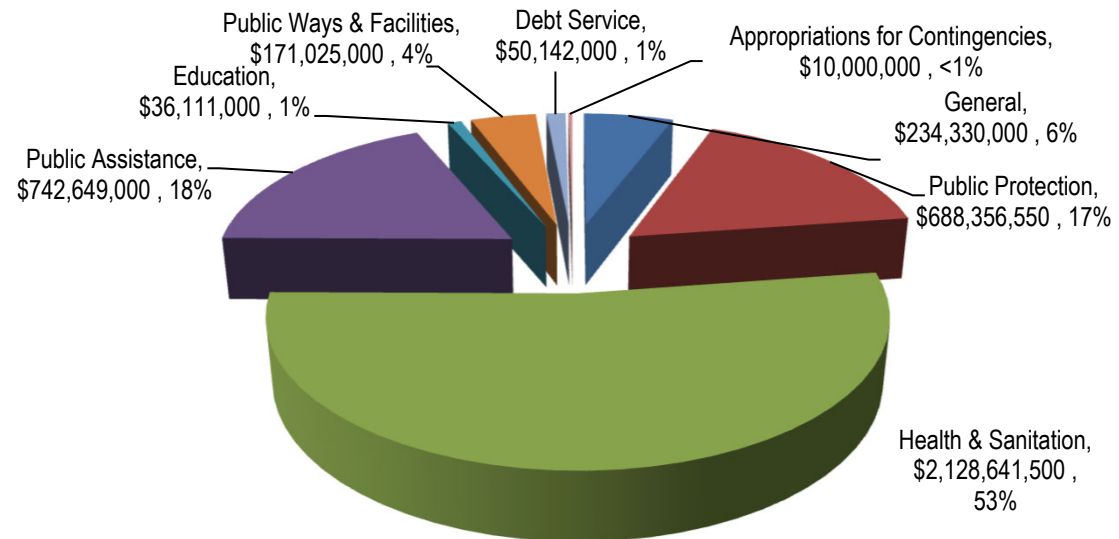
FY 2021-22

	County Funds (Excluding Special Districts)	General Government	Health & Human Services	Law & Justice
Expense				
Salaries And Benefits	1,612,311,500	239,453,500	984,420,000	388,438,000
Services And Supplies	1,662,530,224	298,318,500	1,303,807,500	60,404,224
Other Charges	547,985,050	122,104,000	398,247,000	27,634,050
Fixed Assets	48,256,000	30,628,000	14,537,000	3,091,000
Provisions For Contingencies	10,000,000	10,000,000	0	
Net Expenditure Transfers	180,172,276	(78,804,000)	169,186,000	89,790,276
Expense Total	4,061,255,050	621,700,000	2,870,197,500	569,357,550
Revenue				
Other Local Revenue	1,169,942,230	361,743,832	656,656,553	151,541,845
Federal Assistance	418,879,724	59,983,871	356,025,296	2,870,557
State Assistance	1,903,749,096	45,642,297	1,669,190,651	188,916,148
General Purpose Revenue	529,000,000	116,550,000	188,325,000	224,125,000
Revenue Total	4,021,571,050	583,920,000	2,870,197,500	567,453,550
Net Fund Cost (NFC):	39,684,000	37,780,000	0	1,904,000
Allocated Positions (FTE)	9,577.0	1,576.1	6,117.3	1,883.6

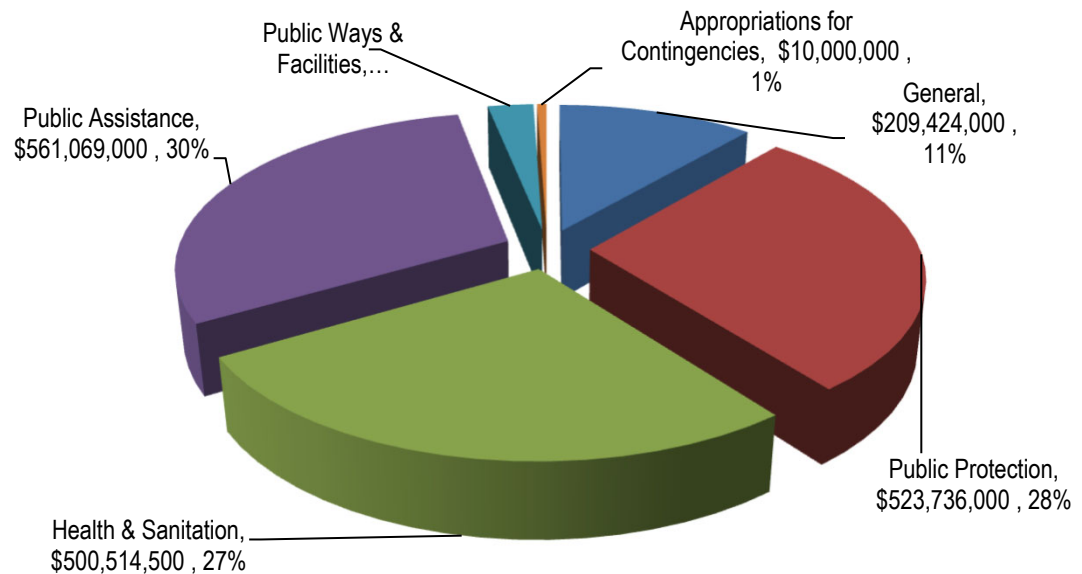


Appropriations by State Code

All Funds:
\$4.06 Billion



General Fund:
\$1.85 Billion

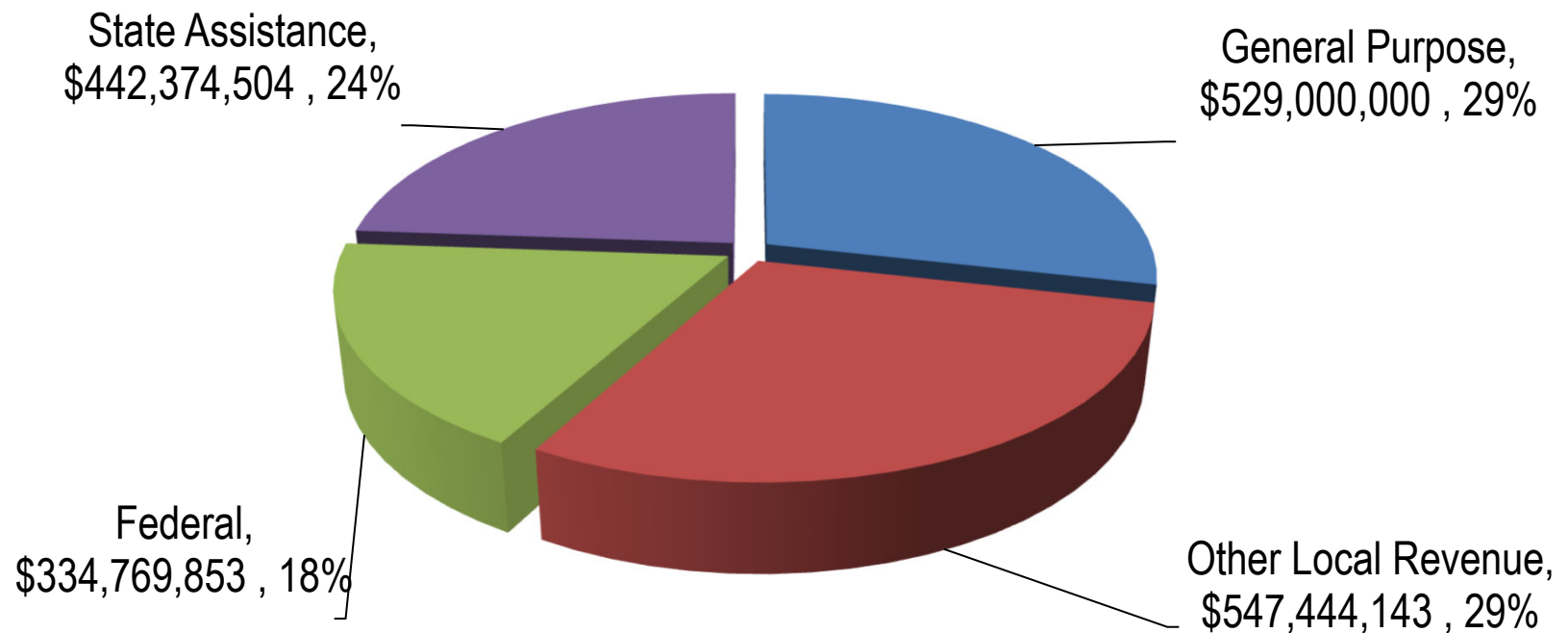


General Purpose Revenue Projected \$529 Million

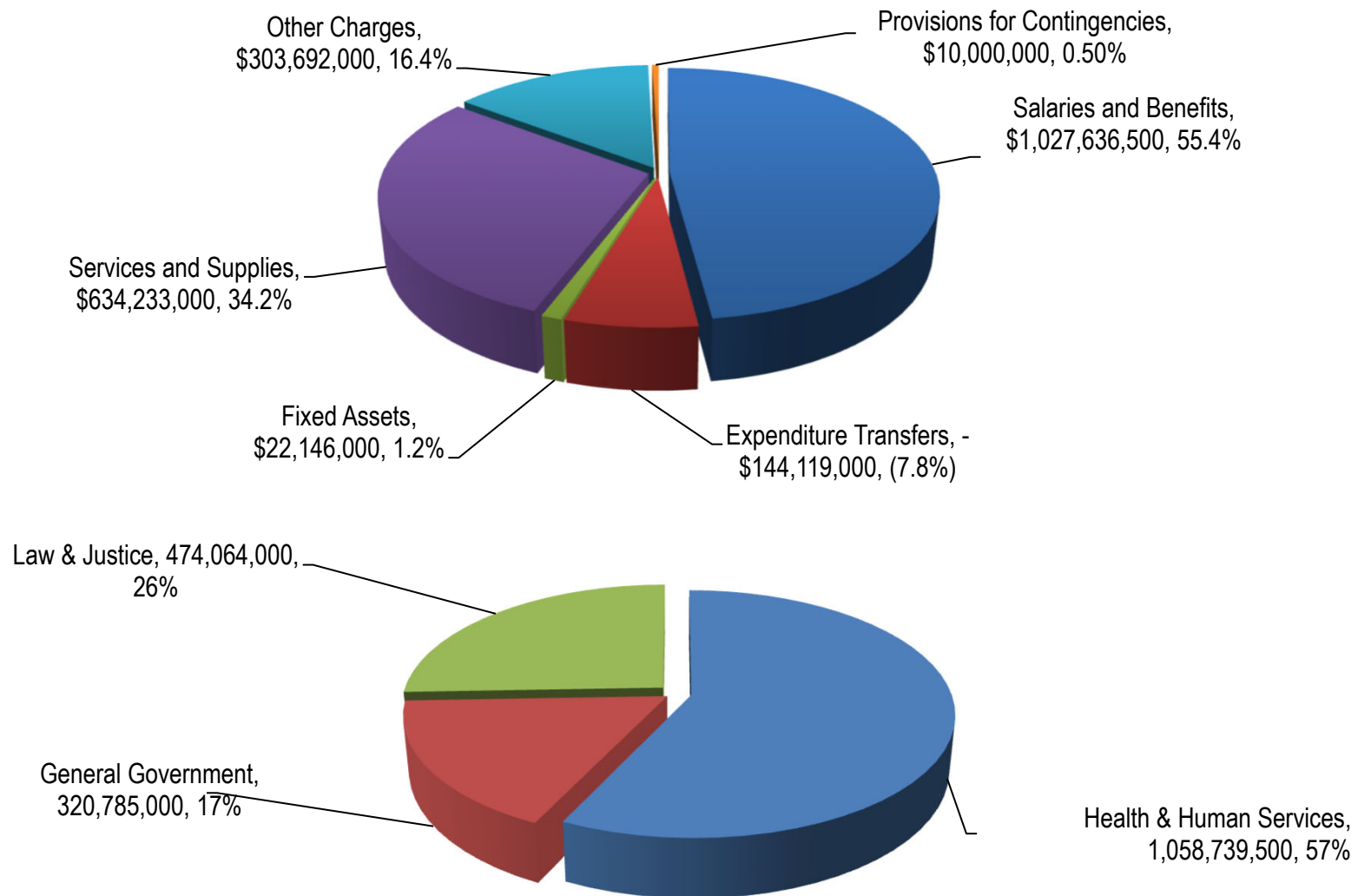
Funding Sources:

Property Taxes	84.7%	\$447,800,000
Other Taxes	5.0%	26,330,000
Fines Penalties	3.9%	20,600,000
Intergovernmental	1.8%	9,700,000
License Franchise	1.8%	9,670,000
Charges for Service	1.7%	8,700,000
Use of Money	0.7%	3,900,000
Miscellaneous Rev	0.4%	2,300,000

General Fund Revenue - \$1.853 Billion



General Fund Appropriations \$1.853 Billion





Net County Cost

- Net County cost is an Agency's share of general purpose revenue
- Non-General Fund Departments have a net Fund cost.
- The total net County cost of all general fund agencies is the total general purpose revenue (if the budget is balanced) – if there is a difference – that remainder is either fund balance or reserve use

	2021-22 Baseline	Share of Total	2021-22 Recommended	Share of Total
Health Services	162,456,000	30.2%	162,456,000	30.7%
Sheriff-Coroner	107,303,000	19.9%	104,668,000	19.8%
Probation	45,681,000	8.5%	45,000,000	8.5%
Public Works	30,552,000	5.7%	30,552,000	5.8%
Public Defender	30,548,000	5.7%	30,548,000	5.8%
Employment and Human Services	32,694,194	5.4%	26,073,000	4.9%
District Attorney	22,368,000	4.2%	21,730,000	4.1%
Assessor	17,797,417	3.3%	16,666,000	3.2%
Capital Improvements	14,850,000	2.8%	14,850,000	2.8%
Superior Court Related Functions	11,506,000	2.1%	11,506,000	2.2%
Contingency Reserve	10,000,000	1.9%	10,000,000	1.9%
Central Support Services:	7,760,000	1.4%	7,760,000	1.5%
Board Of Supervisors	7,316,000	1.4%	7,316,000	1.4%
County Administrator	6,750,000	1.3%	6,750,000	1.3%
Clerk-Recorder Elections	5,600,000	1.0%	5,600,000	1.1%
Conflict Defense Services	5,561,000	1.0%	5,561,000	1.1%
Animal Services	4,112,000	0.8%	4,112,000	0.8%
Auditor-Controller	4,192,940	0.8%	3,309,000	0.6%
Employee/Retiree Benefits	2,796,000	0.5%	2,796,000	0.5%
Treasurer-Tax Collector	2,822,969	0.5%	2,633,000	0.5%
Human Resources	2,613,000	0.5%	2,613,000	0.5%
Agriculture-Weights/Measures	2,393,000	0.4%	2,393,000	0.5%
Veterans Service	1,475,000	0.3%	1,475,000	0.3%
County Counsel	1,305,000	0.2%	1,305,000	0.2%
Justice System Development/Planning	1,000,000	0.2%	1,000,000	0.2%
Conservation & Development	682,000	0.1%	682,000	0.1%
Crockett-Rodeo Revenues	560,000	0.1%	560,000	0.1%
Department Of Information Technology	86,000	<0.1%	86,000	<0.1%
Debt Service	(1,000,000)	(0.2%)	(1,000,000)	(0.5%)
	537,880,520	100.0%	529,000,000	100.0%

85.5

14.5%

Where is the net County cost? 9 Departments receive 85.5% of the General Purpose Revenue, and 2 receive over half

All Fund - Position Summary

	<u>2018-19 Actuals</u>	<u>2019-20 Actuals</u>	<u>2020-21 Budget</u>	<u>2021-22 Baseline</u>	<u>2021-22 Recommended</u>	<u>Net Change</u>
County Departments						
Agriculture-Weights/Measures	44.6	45.6	44.3	44.3	44.3	0.0
Animal Services	77.0	77.0	71.0	71.0	71.0	0.0
Assessor	122.0	112.0	112.0	112.0	112.0	0.0
Auditor-Controller	60.0	60.0	60.0	60.0	60.0	0.0
Board Of Supervisors	32.3	31.8	31.8	31.8	31.8	0.0
Central Support Services	44.0	43.0	43.0	43.0	43.0	0.0
Child Support Services	144.0	152.0	143.0	134.0	134.0	0.0
Clerk-Recorder Elections	82.5	81.5	81.5	81.5	81.5	0.0
Conservation & Development	177.0	189.0	188.0	191.0	191.0	0.0
County Administrator	34.0	36.3	33.3	34.6	34.6	0.0
County Counsel	52.0	52.0	52.0	52.0	52.0	0.0
Dept of Information Technology	84.0	85.0	88.0	88.0	90.0	2.0
District Attorney	221.5	223.6	225.6	225.6	226.6	1.0
Employ't and Human Services	1,902.5	1,852.0	1,872.0	1,900.0	1,900.0	0.0
Health Services	3,917.1	3,879.7	3,987.5	4,041.4	4,075.8	34.4
Human Resources	52.0	51.0	50.0	50.0	50.0	0.0
Justice System Dev/Planning	5.0	5.0	5.0	5.0	5.0	0.0
Library	200.7	204.3	194.5	192.5	192.5	0.0
Probation	367.5	330.5	334.5	338.5	338.5	0.0
Public Defender	137.1	145.0	145.0	145.0	145.0	0.0
Public Works	542.8	549.0	550.0	550.0	559.0	9.0
Sheriff-Coroner	1,058.5	1,062.5	1,087.5	1,087.5	1,097.5	10.0
Treasurer-Tax Collector	29.5	30.5	30.5	30.5	30.5	0.0
Veterans Service	9.5	10.0	11.0	11.5	11.5	0.0
Total County FTE	9,397.0	9,308.2	9,440.9	9,520.6	9,577.0	56.4
Special Districts						
CCC Fire District-Consolidated	397.6	413.6	418.6	418.6	422.6	4.0
CCCFPD Ems Transport Fund	11.0	12.0	13.0	13.0	13.0	0.0
Special Districts (Not Fire)	17.0	17.0	17.0	17.0	17.0	0.0
All Funds FTE	9,822.6	9,750.8	9,889.5	9,969.2	10,029.6	60.4


General Fund - Position Summary

	2018-19 Actuals	2019-20 Actuals	2020-21 Budget	2021-22 Baseline	2021-22 Recommended	Net Change
General Fund Departments						
Agriculture-Weights/Measures	44.6	45.6	44.3	44.3	44.3	0.0
Animal Services	77.0	77.0	71.0	71.0	71.0	0.0
Assessor	122.0	112.0	112.0	112.0	112.0	0.0
Auditor-Controller	60.0	60.0	60.0	60.0	60.0	0.0
Board Of Supervisors	32.3	31.8	31.8	31.8	31.8	0.0
Central Support Services	44.0	43.0	43.0	43.0	43.0	0.0
Clerk-Recorder Elections	71.5	70.5	70.5	70.5	70.5	0.0
Conservation & Development	3.0	5.0	4.0	4.0	4.0	0.0
County Administrator	34.0	36.3	33.3	34.6	34.6	0.0
County Counsel	52.0	52.0	52.0	52.0	52.0	0.0
Dept Of Information Tech	84.0	85.0	88.0	88.0	90.0	2.0
District Attorney	221.5	223.6	225.6	225.6	226.6	1.0
Employ' and Human Svc	1,792.5	1,751.0	1,769.0	1,803.0	1,803.0	0.0
Health Services	1,385.7	1,413.7	1,455.3	1,468.9	1,503.3	34.4
Human Resources	52.0	51.0	50.0	50.0	50.0	0.0
Justice System Dev/Planning	5.0	5.0	5.0	5.0	5.0	0.0
Probation	367.5	330.5	334.5	338.5	338.5	0.0
Public Defender	137.1	145.0	145.0	145.0	145.0	0.0
Public Works	504.8	510.0	511.0	511.0	517.0	6.0
Sheriff-Coroner	1,035.5	1,039.5	1,064.5	1,064.5	1,074.5	10.0
Treasurer-Tax Collector	29.5	30.5	30.5	30.5	30.5	0.0
Veterans Service	9.5	10.0	11.0	11.5	11.5	0.0
Total General Fund FTEs	6,165.0	6,128.0	6,211.3	6,264.7	6,318.1	53.4

Homeless/Mental Health/Housing from all Sources - \$439.3 Million

\$2.87 Billion on Health and Human Services, including **\$411.8 million** on services directly related to homeless; mental health, and housing. And, an **additional \$27.5 million** in homeless housing and wraparound services directly related to COVID-19 assuming current level of programming continues in FY 2021/22.

	FY 2021/22 Recommended Budget			COVID-19 Non-Congregate Shelter		
	Appropriations	Federal/State	General Fund	Annualized Expenditures	Unidentified Funding	FEMA Funding*
Homeless	\$76,937,245	\$68,977,305	\$7,959,940	\$8,640,291	\$6,480,218	\$2,160,073
Mental Health	\$270,031,451	\$240,203,234	\$29,828,217	\$0	\$0	\$0
Housing	\$47,125,120	\$46,284,653	\$840,467	\$0	\$0	\$0
Homeless/Housing	<u>\$17,736,719</u>	<u>\$15,452,719</u>	<u>\$2,284,000</u>	<u>\$18,845,721</u>	<u>\$14,134,291</u>	<u>\$4,711,430</u>
Total	\$411,830,535	\$370,917,911	\$40,912,624	\$27,486,012	\$20,614,509	\$6,871,503



This is
what is
happening
now

- Anticipating State Budget Impacts by Program
- Carefully reviewing potential impacts on all revenues
- Working closely with departments to retain balanced budgets
- Anticipating American Recovery Act Guidance
- Projecting COVID costs/ impacts going forward

Exposure to Recommended Budget

- State Budget – May Revise – Unknown
- Cumulative effect of wage increases coupled with significant increases to benefits may exceed projected revenues and stress future year budgets
- California Nurses Association contract expires September 30, 2021, previous contract has an on-going annual cost of \$36 million
- Additional funding requests from Departments and the public in the next few years are likely to be more than can be provided from current general purpose revenues. Those approved by the Board of Supervisors will likely be funded with Measure X funds
- COVID costs
- Without alternative funding sources or service delivery models, maintaining services in the County Hospital and clinics may force us to identify service level reductions in other County departments to maintain a structurally balanced budget

What is and Isn't
Included in the
Recommendation
Budget:

Included:

- \$10.0 million contingency
- \$7.5 million in additional staff costs for mental health services in the jails (40.6 FTE)
- \$1.2 million for Administration Building Security
- \$600,000 for the Office of Racial Equity and Social Justice

Not Included:

- \$15.3 million for the New Finance System (anticipate funding with one-time reserves)
- \$2.0 million in healthcare reopener costs (anticipate individual departments absorbing)
- \$1.6 million for Detention Security Cameras (anticipate funding with current year dollars)
- \$300,000 for Redistricting costs are not included in the recommended appropriations
- COVID Costs
- Unknown costs associated with labor negotiations

Measure X Sales Tax Revenue Projection

- We are basing our estimates on Measure J CCTA (below) because they are very similar taxes

Industry Group	FY 2019-20	FY 2020-21		FY 2021-22		FY 2022-23	
	Actuals	Projection	%	Projection	%	Projection	%
Autos & Transportation	17,201,808	18,390,419	6.9%	18,434,419	0.2%	18,987,419	3.0%
Building & Construction	9,823,139	10,431,282	6.2%	10,441,182	0.1%	10,963,282	5.0%
Business & Industry	14,939,123	14,676,220	-1.8%	14,824,720	1.0%	15,417,720	4.0%
Food & Drugs	5,824,215	6,890,869	18.3%	6,718,369	-2.5%	6,852,769	2.0%
Fuel & Service Stations	8,049,674	7,014,660	-12.9%	8,311,460	18.5%	8,560,760	3.0%
General Consumer Goods	28,526,418	30,812,321	8.0%	29,696,921	-3.6%	30,290,821	2.0%
Restaurants & Hotels	9,241,837	8,591,336	-7.0%	9,529,436	10.9%	10,101,236	6.0%
Transfers & Unidentified	828,808	1,023,558	23.5%	1,023,558	0.0%	1,023,558	0.0%
Total	94,435,021	97,830,665	3.6%	98,980,065	1.2%	102,197,565	3.3%
Administration Cost	(962,910)	(918,122)		(1,138,271)		(1,175,272)	
Total	93,472,111	96,912,543	3.7%	97,841,794	1.0%	101,022,293	3.3%
With Accrual	93,472,111	96,912,543	3.7%	97,841,794	1.0%	101,022,293	3.3%

Questions?

