



Financial Update

2023-24

Leonard X. Hernandez, *Chief Executive Officer*
County Administrative Office

May 23, 2023 (Item No. 111)

5-Year General Fund Ongoing Forecast



- Conservative Property Tax Growth Model

- 4% 2023-24, 3% 2024-25 and beyond
- Over the last 10 Years = 5.9% Average Annual Assessed Valuation Growth Rate



- Set Asides

- NEW - Additional \$10.0 million Ongoing Retirement Reserve to mitigate potential market losses (\$20.0 million total)
- ADDITION - \$2.9 million additional ongoing towards County Earned Leave Reserve for separation cash outs



- Strategic Investments

- Ongoing Funding for “One-Time” Items (easy to cut in a recession)
 - NEW – Building Acquisition Reserve (\$10.0 million ongoing)
 - Prior Year Approval – Asset Replacement Reserve (\$9.0 million ongoing)
 - Prior Year Approval – Building Replacement Reserve (\$30.0 million ongoing)

Economic
Uncertainty
& Fiscal
Planning

• • •
**\$69 Million
Ongoing**

5-Year General Fund Ongoing Forecast

Planning for
the Future

- Employee Investments
 - \$174.9 million ongoing General Fund for MOUs through 2027-28
 - \$52.4 million for current MOUs
 - \$122.5 million set aside for future MOU negotiations
- Human Services Programs
 - \$56.5 million ongoing General Fund through 2027-28 primarily for Children and Family Services staffing and projected Adoptions and Foster Care caseload costs
- Other Department Needs
 - \$9.7 million for a variety of departmental needs

5-Year General Fund Plan

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total Five Year</u>
1. 2022-23 Ongoing Carryover	90.3					90.3
2. Revenue Change:						
3. Property Tax	31.9	24.6	25.4	26.1	27.0	135.0
4. Proposition 172	6.4	6.6	6.8	7.0	7.3	34.3
5. Other Revenue	14.3	1.5	1.7	2.6	1.5	21.6
6. Total Revenue Change	52.6	32.7	33.9	35.7	35.8	190.9
7. Cost Change:						
8. Total Ongoing Costs To Maintain Services	(53.5)	(18.3)	(11.2)	(3.3)	(11.9)	(98.2)
9. Recommended Changes To Ongoing Costs	(28.0)	-	-	-	-	(28.0)
10. Total Future Estimated Costs	(14.6)	(37.9)	(44.6)	(34.3)	(36.7)	(168.1)
11. Total Cost Change	(96.1)	(56.2)	(55.8)	(37.6)	(48.6)	(294.3)
12. Ongoing Available/(Deficit)	(43.5)	(23.5)	(21.9)	(1.8)	(12.8)	(13.1)
13. Cumulative Ongoing Available/(Deficit)	46.8	23.4	1.5	(0.3)	(13.1)	

Note: Numbers may not add due to rounding

2023-24 New County Priorities

\$469.2 Million Investment

Infrastructure



\$30.0M One-Time

Support Vulnerable Populations



\$20.0M One-Time

Economic Development



\$2.6M One-Time

Public Safety



\$34.1 M Ongoing
\$90.5 M One-Time

Development Assistance



\$1.0M Ongoing

Capital Replacement Needs



\$10.0M Ongoing
\$123.1M One-Time

Regional Parks



\$1.0M Ongoing
\$30.0M One-Time

Disaster Relief



\$15.0M One-Time

Innovation



\$16.0M One-Time

Human Services Program



\$5.4M Ongoing

Financial Security



\$12.9M Ongoing
\$21.5M One-Time

Department Needs/Mandates



\$7.1M Ongoing
\$49.0M One-Time

Next Steps:

May 23, 2023:

2023-24 Budget Book Delivery

June 13, 2023:

2023-24 Budget Hearing and Adoption

QUESTIONS



THANK YOU