



# 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. <b>2022-23 Ongoing Carryover</b>	<b>90.3</b>					<b>90.3</b>
2. <b>Revenue Change:</b>						
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. <b>Total Revenue Change</b>	<b>52.6</b>	<b>32.7</b>	<b>33.9</b>	<b>35.7</b>	<b>35.8</b>	<b>190.9</b>
7. <b><u>Cost Change:</u></b>						
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. <b>Total Cost Change</b>	<b>(96.1)</b>	<b>(56.2)</b>	<b>(55.8)</b>	<b>(37.6)</b>	<b>(48.6)</b>	<b>(294.3)</b>
12. <b>Ongoing Available/(Deficit)</b>	<b>(43.5)</b>	<b>(23.5)</b>	<b>(21.9)</b>	<b>(1.8)</b>	<b>(12.8)</b>	<b>(13.1)</b>
13. <b>Cumulative Ongoing Available/(Deficit)</b>	<b>46.8</b>	<b>23.4</b>	<b>1.5</b>	<b>(0.3)</b>	<b>(13.1)</b>	

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