

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
June 9, 2021
9:30 A.M.

To: Board of Supervisors

Through: Ann Edwards, Interim County Executive

From: Amanda Thomas, Chief Fiscal Officer
Office of Budget & Debt Management

Subject: Consideration, Possible Revision And Approval Of The
FY2021-22 Recommended County Budget And Approval Of
A Community Engagement Plan For The Preparation Of The
FY2022-23 County Budget And Provide Direction To Staff
Regarding The Use Of Sierra 99 Gateway Digital Billboard
Revenue

District(s): All

RECOMMENDED ACTION

1. Adopt the attached resolution approving the FY2021-22 Recommended Budget and providing guidance regarding possible revisions to that Budget for final adoption.
2. Direct the Department of Personnel Services to prepare an administrative SRA to reflect the positions approved in the FY2021-22 Recommended Budget, including any deletion of positions.
3. Approve the proposed Community Engagement Plan for the preparation of the FY2022-23 County Budget.
4. Provide direction to staff regarding the use of Sierra 99 Digital Billboard Revenue

BACKGROUND

In accordance with the provisions of the County Budget Act, the Board is being asked to consider, make any revisions desired, and approve the FY2021-22 Recommended County Budget and to take certain necessary actions to implement the Recommended Budget. In addition, the Board is being asked to provide direction to the County Executive on possible revisions to the Recommended Budget to be considered at budget adoption hearings in September and to approve a public engagement plan for the preparation of the FY2022-23 County Budget.

The County Budget Act requires that boards of supervisors in every county approve a Recommended Budget by June 30th for the fiscal year that begins

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on the upcoming July 1st. This Approved Recommended Budget provides appropriation (expenditure) authority from July 1 until the budget is adopted, which must occur no later than October 2nd.

In Sacramento County, the annual budget process begins in October and involves departments preparing their requested budgets, which are reviewed and analyzed by staff in the Office of the County Executive. Office of the County Executive staff also prepare estimates of the amount of discretionary and Semi-discretionary (Proposition 172 and Realignment) revenue the County will receive. After review, the County Executive provides a Recommended Budget to the Board for consideration, your Board hears public comments, makes any desired revisions and approves the Recommended Budget.

The Recommended Budget is attached. Also attached is a resolution approving the Recommended Budget. This year, the Recommended Budget identifies certain Net County Cost-funded "Growth" (that is, new or enhanced programs funded with discretionary resources) that is not included in the Recommended Budget or only partly funded in the Recommended Budget, but is a priority for funding in the Revised Recommended Budget that will be considered by the Board in September, resources permitting. This Growth is summarized in the following table:

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FY2021-22 Budget				
Net County Cost Funded Growth Prioritized for Inclusion in Revised Recommended Budget				
Growth Request	Total Recommended FY2021-22	Amount in Recommended Budget	Revised Recommended Budget	Revised Budget Priority
Human Assistance - Homeless Outreach and Encampment	\$ 6,969,960	\$ 5,469,960	\$ 1,500,000	On-going 1
Finance - New Property Tax System	\$ 73,906		\$ 73,906	On-going 2
Shared Systems - New Property Tax System	\$ 14,926,094		\$ 14,926,094	On-going 2
Sheriff - Dispatchers	\$ 1,818,811	\$ 382,908	\$ 1,435,903	On-going 3
Health Services - ASO in Contracts	\$ 104,905		\$ 104,905	On-going 4
Juvenile Medical Services - ASO in Contracts	\$ 2,853		\$ 2,853	On-going 4
Correctional Health - ASO in Contracts	\$ 18,415		\$ 18,415	On-going 4
Total On-Going	\$ 23,914,944	\$ 5,852,868	\$ 18,062,076	
			\$ -	
General Fund Transfers - To Capital Construction Fund (Mather)	\$ 5,000,000	\$ 1,000,000	\$ 4,000,000	One-time 1
General Fund Transfers - To Parks Construction Fund	\$ 4,000,000	\$ 2,423,091	\$ 1,576,909	One-time 2
Assessor - New Server	\$ 125,000		\$ 125,000	One-time 3
Total One-Time	\$ 9,125,000	\$ 3,423,091	\$ 5,701,909	
			\$ -	
Total	\$ 33,039,944	\$ 9,275,959	\$ 23,763,985	

The resolution approving the Recommended Budget directs the County Executive to prioritize including funding for these Growth requests in the Revised Recommended Budget, if resources are available, and, if additional discretionary resources remain after funding this Growth, to prioritize increasing General Fund discretionary reserves.

Community Engagement Plan

Based on Board direction, this year's budget process included a number of additional components designed to increase transparency and provide opportunity for public input, including:

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- A public budget workshop held on February 4th, accompanied by an effort to solicit input on budget priorities. The County received 463 comments as a result of these efforts.
- A Second Quarter Fiscal Status Report, presented to the Board on March 10th. This provided the Board and public with the most current information on projected year-end status for all County funds, but particularly the General Fund.
- A discussion of Proposed FY2021-22 Budget Policies held on March 10. The Board received additional public input at that meeting. The Board did not adopt any Budget Policies, but did provide staff with guidance on Board priorities.
- A Budget Study Session held on April 14, where staff provided the Board and public with preliminary information about the County's FY2021-22 budget and longer-term fiscal situation.

Staff recognizes, though, that the Board would like to see a more robust public engagement process for the annual budget. Given time constraints, this was not possible for the FY2021-22 Budget, but we are proposing for the Board's consideration a more comprehensive and systematic public engagement process for the FY2022-23 budget, that includes:

- In late June, staff will put together a Summary of the FY2021-22 Approved Budget and fiscal issues, all requests for Growth, whether funded or not and information on other department-identified needs, needs identified by Board members and needs or priorities identified by the public at public meetings.
- This information will be shared with the County's 71 advisory boards and commissions and they will be asked to identify their priorities and needs. All told, almost 600 people serve on these advisory boards or commissions, which run the gamut from the Planning Commission to the Public Health Board to the Area Agency on Aging Advisory Board, the First Five Sacramento Commission, various Park and Recreation District Boards, 13 Community Planning Advisory Councils, the Sheriff's Outreach Community Advisory Board, the Human Services Coalition and the Agricultural Advisory Committee.
- The information will also be provided to Board members who can solicit input from community groups in their districts.

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- Input will also be solicited from city councils, the County Office of Education, school districts and other local governments as well as chambers of commerce and any community groups that express an interest in participating in the process.
- The County will host on-line public workshops where Budget and department staff provide information about the County budget, including major program areas, historic funding trends and current issues, and solicit input from attendees on priorities and concerns.
- The County will hire a professional public opinion polling firm and, based in part on the information gathered from all of the above groups, staff will recommend to the Board a set of potential priorities or needs to be tested with the broader public in a scientific poll and, potentially, in focus groups composed of randomly selected County residents.
- The polling results and the information gathered from the various advisory and other groups will be provided to the Board, along with staff's recommendations for FY2022-23 budget priorities. The Board will then hold a series of public hearings on those recommended priorities and eventually adopt a set of FY2022-23 Budget Priorities to the start of the County's internal budget process. Any priorities adopted by the Board will then be incorporated into that budget process and reflected in the FY2022-23 Recommended Budget presented to the Board for consideration in June of 2022.

The following table is the recommended schedule for this effort.

Due Date	Action
July 1, 2021	Prepare report on FY2021-22 Approved Budget, County fiscal situation, Board and community-identified needs/priorities
August 30, 2021	Solicit input on Priorities/Needs from Advisory/Community groups/local governments and others
September 30, 2021	Retain polling firm; Compile information provided by Advisory/Community groups/others and Provide Board with Potential Priorities to Poll against; Board holds hearing and approves Priorities to be tested
October 30, 2021	Polling firm conducts poll; results and all other information on public priorities provided to Board, along with Staff recommended

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	FY2022-23 Budget Priorities
November 30, 2021	Board holds hearings on proposed Budget Priorities
December 31, 2021	Board approves FY2022-23 Budget Priorities; County begins budget preparation process

In addition to the above, staff will develop a website that provides monthly information on budget adjustments, revenues and expenditures during the fiscal year, and allows the public to monitor revenues and expenditures by budget unit and program.

Sierra 99 Digital Billboard Revenue

On August 13, 2014, the Board approved the Sierra 99 Gateway Digital Sign Rezoning and Use Permit to allow the installation of a 52-foot tall digital sign at 8151 East Stockton Boulevard in South Sacramento. The project approval included a Development Agreement (DA) that, among other things, required that the developer, Sierra 99 Gateway, LLC, pay the County \$2.775 million over 30 years, as follows:

- A one-time payment of \$75,000 in FY2014-15;
- \$60,000 a year in each of the first five years;
- \$80,000 a year in years six through 10; and
- \$100,000 a year in years 11 through 30.

The agreement provides that the Board has “sole authority” regarding the use of these funds, but that the “intended use” is to “plan or implement improvements to corridors or neighborhoods to address blight or improve the health, safety and economic vitality of commercial corridors and neighborhoods within the unincorporated County.” In FY2018-19, the Board awarded \$100,000 from these funds to the ReIMAGINE Mack Road Foundation for its Community Advancing Change Together (ACT) project. The FY2021-22 Budget for the Neighborhood Revitalization Fund includes an appropriation of \$341,369 from this revenue source for unspecified needs.

After approving the DA for the Sierra 99 Gateway Digital Sign Rezoning and Use Permit, the Board directed that the availability of this money be identified at Budget Hearings for Board consideration. We are recommending that your Board provide general direction on how you would like to see these funds used and staff will return at a later date with a recommendation for how to implement that direction.

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FINANCIAL ANALYSIS

As proposed, the Recommended Budget is balanced.

Approval of the Recommended Budget will provide appropriation authority
for the first three months of Fiscal Year 2021-22.

Attachment(s):

Resolution

ATT 1 – FY2021-22 Schedule of Appropriations