



FY2024/25

Midyear Financial Update

- FY2024/25 Year-end projection
- Recommendations – Appropriation & Position Allocation Changes
- Establish parameters for FY2025/26 Budget

March 11, 2025

County Administrator's Office

Emily Combs, Budget Officer



Midyear Update Overview

Forecast reflects estimated revenues and anticipated patterns of expenditures.

- Most departments are able to absorb costs with savings from vacancies in allocated positions.
- Increases in revenue projections driven by stronger than expected property tax revenues and interest income.

Board Adopted Budget Strategies continue to help guide departments to contain and/or reduce costs if revenues do not materialize.

General Fund Balance update.

- Anticipate starting FY2025/26 with \$37.7 million in Fund Balance, which includes \$14 million in contingencies.

State and federal budget update.



County Midyear Highlights

What's changed since the Adoption of the Budget?

Midyear Expenditures:

- Savings in Salaries and Employee Benefits.
- Reductions in Services and Supplies.
- One-time savings used to address essential equipment needs / fixed assets.
- Includes \$822,000 draw from Capital Renewal Reserve to fund capital projects.
- Projected reduction in General Fund transfer to Public Safety Fund.
- No change projected in General Fund Contribution to H&SS Fund.

Midyear Revenues:

- Increase in property tax revenue due to increases in assessed values.
- Increase in interest income.
- Decrease in Prop. 172 Public Safety statewide sales tax.
- Decrease in Sheriff institutional care revenue (Sonoma contract).
- Substantial decrease in Federally Qualified Health Center patient-related revenues at Family Health Clinics.



Midyear Projections

General Fund – 001: \$379.2 million.

- Revenue increase, \$12.0 million.
- Expenditure decrease, \$8.9 million.

Public Safety Fund – 900: \$296.9 million.

- Revenue decrease, \$3.8 million.
- Expenditure decrease, \$4.7 million.
- General Fund Contribution decrease, \$0.9 million.

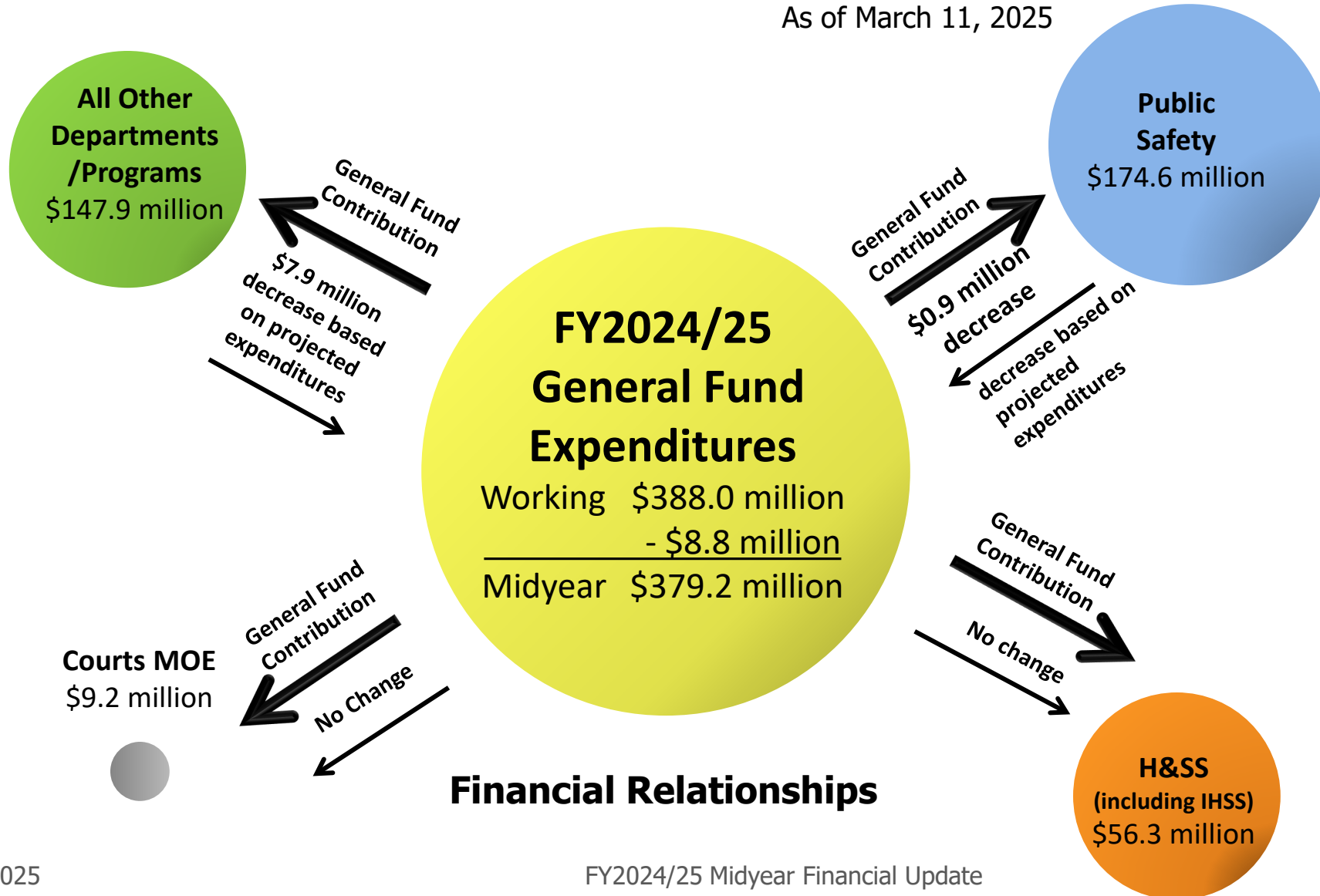
H&SS Fund – 902: \$491.8 million.

- Revenue decrease, \$29 million.
- Expenditure decrease, \$36.5 million.
- No change in General Fund Contribution.



FY2024/25 Midyear Projections of General Fund Contributions to Other Funds

As of March 11, 2025





Midyear Position Changes

Midyear Position Changes	
Total Allocated Positions Authorized in the FY2024/25 Adopted Budget	3,276.70
Net Position Changes through March 11, 2025	7.50
Midyear Budget Position Resolution (Attachment G)	
Additions	10.00
Deletions	(9.00)
<i>Net Change</i>	<u>1.00</u>
FY2024/25 Midyear Allocated Positions	3,285.20



FY2025/26 Budget Assumptions

Projected beginning Fund Balance in General Fund at \$37.7 million on July 1, 2025.

- **Labor Cost Assumptions for FY2024/25:**

Includes the cost of Board approved MOU's and annualized cost of new positions added in FY2024/25. Filling of vacant positions & some salary savings based on timing of filling vacancies and offsetting revenue.

- **Retirement (PERS) Rates:**

- Miscellaneous – from 31.60% in FY2024/25 to 32.58% in FY2025/26.
- Safety – from 37.92% in FY2024/25 to 39.13% in FY2025/26.

- **Workers' Compensation Insurance***

- Rates based on Actuarial Confidence Level of 75%.
- Decrease of \$1.8 million in insurance claims.
- Decrease of \$4.5 million in charges to departments, which includes utilizing \$3.3 million in available balance to fund costs to departments.

- **Liability Insurance***

- Increase of \$3.7 million in premiums.
- No available balance to fund costs to departments.

* Departments will see increases or decreases based on loss experience



FY2025/26 Budget Assumptions – Continued

- **Investments in technology:** updating and replacing existing systems and infrastructure, security investments, web-based business, web services; public safety radio system upgrades; and implementing new budget software.
- **Implementation of State and federal mandates:** Social Services (CWS, APS, administration of safety net programs), Mental Health Services Act changes (Prop. 1 and SB 43), Behavioral Health, Public Health, CARE Court, Public Safety and H&SS California Advancing and Innovating Medi-Cal (CalAIM), Juvenile Justice Realignment.
- **Routine & Major Maintenance:** Using adopted facilities and capital improvement plans, phasing of needed repairs for equipment upgrades, electrical power upgrade, solar installation, EV Stations, HVAC, roads, bridges, and stormwater/flood control. Updated Facilities Condition Analysis recommends annual investment to maintain the County's facilities portfolio in "good" condition.
- **Capital Improvement Plan Investment:** It is anticipated that the Recommended Budget will include an investment to address future capital costs necessary to fund critical County projects.



Recommended Board Action Summary

- Review and Accept FY2024/25 Midyear Financial Report
- Approve Appropriation Transfer Requests (Attachment F)
- Approve Position Resolution (Attachment G)
 - Net increase of 1 position
- Approve Fixed Assets Purchases as outlined in the Midyear Report (Attachment A)
- Affirm Initial Budget Assumptions for FY2025/26 (Attachment H)
- Confirm Budget Hearings dates - Monday June 23 & Tuesday June 24, 2025