



Legislation Text

File #: 23-2752, **Version:** 1

Department: Management and Budget

Department Head/Elected Official: Daniel Ramos

Regular or Supplemental RCA: Regular RCA

Type of Request: Proposals/Bids

Project ID (if applicable):

Vendor/Entity Legal Name (if applicable):

MWDBE Contracted Goal (if applicable): NA

MWDBE Current Participation (if applicable): NA

Justification for 0% MWDBE Participation Goal: N/A - Goal not applicable to request

Request Summary (Agenda Caption):

Request for approval to seek proposals from third party consultants to develop a five-year financial plan for the County.

Background and Discussion:

The combination of state-imposed revenue caps (max of 3.5% annual increases on existing properties) and rising costs have eroded the revenue surplus the county has enjoyed for the past decade, greatly increasing the need for proactive, long-term financial planning. The recent period of high inflation raised the cost of most everything the County buys and also necessitates salary increases to maintain a competitive wage that will help employees cope with those higher costs. General Fund health benefits costs alone are expected to increase \$26M in FY24 with continued large increases after that. On top of this, many of the county's fees have not been changed in years and may no longer recover the cost to provide those services. The recent Current Level of Service (CLS) projections indicate a FY24 General Fund operating deficit between \$20M-\$181M depending on the tax rate ultimately adopted for 2023.

The Office of Management and Budget proposes to develop a ten-year financial plan in conjunction with a third-party consultant to help increase transparency and guide future budgetary decisions. The proposed plan includes the following tasks:

Task 1: Identify potential new sources of revenue and update existing fees where appropriate

Task 2: Establish financial targets and project where the county will be relative to those targets over a ten-year period based on the current level of service. Identify financial gaps and key cost drivers.

Task 3: Benchmark county spending by functional area relative to peer jurisdictions

Task 4: Perform detailed operational reviews and identify specific opportunities and initiatives to address major cost drivers

Task 5: Catalogue the existing economic development tools used by the County, identify additional tools that

are available, and provide recommendations regarding the use of both

Task 6: Develop a ten-year financial projection model that can be updated by OMB staff in future years

Expected Impact:

Provide early identification of potential financial hurdles and begin developing alternatives. Enhance revenue opportunities where appropriate and ensure budgetary decisions are sustainable and aligned with a viable long-term financial plan.

Alternative Options:

OMB can develop the ten-year plan internally. Due to internal resource constraints, this approach is expected to take longer and would not benefit from a consultant's breadth of knowledge regarding best practices from other jurisdictions.

Alignment with Goal(s):

- ☐ Justice and Safety
- ☐ Economic Opportunity
- ☐ Housing
- ☐ Public Health
- ☐ Transportation
- ☐ Flooding
- ☐ Environment
- ☒ Governance and Customer Service

Prior Court Action (if any):

Date	Agenda Item #	Action Taken

Location:

Address (if applicable):

Precinct(s): Countywide

Fiscal and Personnel Summary			
Service Name			
	FY 23	FY 24	Next 3 FYs
Incremental Expenditures (do NOT write values in thousands or millions)			
Labor Expenditures	\$	\$	\$
Non-Labor Expenditures	\$	\$	\$
Total Incremental Expenditures	\$	\$	\$
Funding Sources (do NOT write values in thousands or millions)			
Existing Budget			
Choose an item.	\$	\$	\$

Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Total Current Budget	\$	\$	\$
Additional Budget Requested			
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Total Additional Budget Requested	\$	\$	\$
Total Funding Sources	\$	\$	\$
Personnel (Fill out section only if requesting new PCNs)			
Current Position Count for Service	-	-	-
Additional Positions Requested	-	-	-
Total Personnel	-	-	-

Anticipated Court Date: August 8, 2023

Anticipated Implementation Date (if different from Court date):

Emergency/Disaster Recovery Note: Not an emergency, disaster, or COVID-19 related item

Contact(s) name, title, department: Daniel Ramos, Executive Director, Office of Management and Budget

Attachments (if applicable):