



June 12, 2020

STAFF REPORT

MEMO TO: SUTTER COUNTY CHILDREN & FAMILIES COMMISSION

FROM: MICHELE BLAKE, EXECUTIVE DIRECTOR

**SUBJECT: APPROVAL OF SUTTER COUNTY CHILDREN & FAMILIES
COMMISSION LONG TERM FINANCIAL PLAN**

RECOMMENDATION: It is the recommendation of the Executive Director that the Commission approve the Sutter County Children & Families Commission Long Term Financial Plan.

BACKGROUND: The Long Term Financial Plan (LTFP) serves as a 10-year guide for the management of resources and program investments as allocated by the Commission in accordance with the 2020-2025 Strategic Plan. With the creation of each new budget, the LTFP is updated with actual financial data and assumptions are reviewed for continued accuracy.

Long Term Financial Planning Model Assumptions: The LTFP is based on a model that provides actuals and projections and estimated revenues and expenses from FY 2018-2019 (actuals) through FY 2029-2030. The calculations are based on the following assumptions:

1. *Proposition 10 Revenues* – The Prop 10 Revenues are projected based on projections from the State.
2. *Investment Income* – Interest estimate is projected at a 0.97% of Prior Year Reserves.
3. *State Shared Interest* – SMIF is projected at an average annual state interest decline at 2%

4. *Operating Expenses* – The financial planning model uses actuals from FY 2018-2019 as the baseline to project operating expenses for subsequent years beginning with FY 2019-2020 with an average projected assumption of 3% increase per year.

The LTFP allows Sutter County Children & Families Commission to use current year Proposition 10 allocation funds and investments income to support future Strategic Plan Investments.

IMPACT ON COMMISSION RESOURCES: The LTFP serves as a 10-year guide for management of resources and program investments as allocated by the Commission in accordance with the 2020-2025 Strategic Plan.

POLICY ACTION REQUESTED: Upon approval of the Executive Director's recommendation, staff will utilize the LTFP to set the process by which the Strategic Plan will be achieved and identify long-term imbalances.



Sutter County Children & Families Commission Long Term Financial Plan FY 2020 - 2030

	Actuals FY 2018-19	Projected FY 2019-20	Projected FY 2020-21	Projected FY 2021-22	Projected FY 2022-23	Projected FY 2023-24	Projected FY 2024-25	Projected FY 2025-26	Projected FY 2026-27	Projected FY 2027-28	Projected FY 2028-29	Projected FY 2029-30	Assumptions
Income													
Prop 10 Tobacco Tax Revenues	\$760,220	\$817,108	\$831,492	\$811,761	\$815,123	\$783,719	\$760,207	\$737,401	\$715,279	\$693,821	\$673,006	\$652,816	Per projections (May 2020 & May 2019)
Prop 56 Backfill	\$82,942												
SMIF (State Shared Interest)	\$2,308	\$1,103	\$2,308	\$2,262	\$2,217	\$2,172	\$2,129	\$2,086	\$2,045	\$2,004	\$1,964	\$1,924	Est. Avg. Annual State Interest Decline at 2%
Interest (From Local Reserves)	\$33,131	\$33,621	\$33,131	\$15,327	\$13,156	\$10,945	\$8,354	\$5,454	\$5,454	\$5,454	\$5,454	\$5,454	Interest Est. at .975% of Prior Year Reserves
Other Revenues	\$55,133	\$232,964	\$346,804	\$186,819	\$186,819	\$186,819	\$186,819						
Transfer from Reserves	\$266,966	\$324,546	\$0	\$222,680	\$226,760	\$265,781	\$297,427	\$0	\$0	\$0	\$0	\$0	Annual Contribution (+/-) Funds to Balance
Total Income	\$1,200,700	\$1,409,342	\$1,213,735	\$1,238,849	\$1,244,075	\$1,249,437	\$1,254,936	\$744,941	\$722,778	\$701,279	\$680,424	\$660,194	
Expenses													
Community Investment													
Improved Family Functioning	\$206,155	\$246,184	\$204,944	\$209,944	\$209,944	\$209,944	\$209,944						
Improved Child Development	\$408,133	\$436,589	\$264,841	\$264,481	\$264,481	\$264,481	\$264,481						
Improved Health	\$161,572	\$280,722	\$282,722	\$282,722	\$282,722	\$282,722	\$282,722						
Improved Systems of Care	\$123,125	\$198,880	\$189,097	\$189,097	\$189,097	\$189,097	\$189,097						
Total Program Investment	\$898,985	\$1,162,375	\$941,604	\$946,244	\$946,244	\$946,244	\$946,244	\$0	\$0	\$0	\$0	\$0	
Evaluation Expenses													
Persimmony		\$15,500	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$0	\$0	\$0	\$0	\$0	
Program Evaluation	\$9,583	\$11,529	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$0	\$0	\$0	\$0	\$0	
Total Evaluation Expenses	\$9,583	\$27,029	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000	\$0	\$0	\$0	\$0	\$0	
Administrative Expenses													
Salaries and Benefits	\$114,655	\$115,290	\$106,715	\$109,916	\$113,214	\$116,610	\$120,109	\$123,712	\$127,423	\$131,246	\$135,183	\$139,239	Salaries and Benefits at 3% Increase Per Year
Communication	\$6,777	\$3,810	\$4,409	\$4,453	\$4,498	\$4,543	\$4,588	\$4,634	\$4,680	\$4,727	\$4,774	\$4,822	Remaining expenses 1% increase
Insurance	\$5,317	\$3,876	\$4,957	\$5,007	\$5,057	\$5,107	\$5,158	\$5,210	\$5,262	\$5,315	\$5,368	\$5,421	
Maintenance	\$2,700	\$1,437	\$1,933	\$1,952	\$1,972	\$1,992	\$2,011	\$2,032	\$2,052	\$2,072	\$2,093	\$2,114	
Memberships	\$5,048	\$4,600	\$4,600	\$4,646	\$4,692	\$4,739	\$4,787	\$4,835	\$4,883	\$4,932	\$4,981	\$5,031	
Printing & Reproduction	\$1,099	\$630	\$630	\$636	\$643	\$649	\$656	\$662	\$669	\$675	\$682	\$689	
Office Expenses	\$2,002	\$1,330	\$2,450	\$2,475	\$2,499	\$2,524	\$2,549	\$2,575	\$2,601	\$2,627	\$2,653	\$2,680	
Postage & Delivery	\$165	\$150	\$125	\$126	\$128	\$129	\$130	\$131	\$133	\$134	\$135	\$137	
Subscriptions	\$156	\$200	\$200	\$202	\$204	\$206	\$208	\$210	\$212	\$214	\$217	\$219	
Professional Services	\$16,333	\$13,110	\$10,110	\$10,211	\$10,313	\$10,416	\$10,521	\$10,626	\$10,732	\$10,839	\$10,948	\$11,057	
Legal Notices	\$706	\$300	\$300	\$303	\$306	\$309	\$312	\$315	\$318	\$322	\$325	\$328	
County Admin Fees & Allocated Costs	\$49,363	\$46,755	\$64,600	\$65,246	\$65,898	\$66,557	\$67,223	\$67,895	\$68,574	\$69,260	\$69,953	\$70,652	Assumption 1% increase annually
Equipment Lease	\$767	\$1,818	\$1,818	\$1,836	\$1,855	\$1,873	\$1,892	\$1,911	\$1,930	\$1,949	\$1,969	\$1,988	
Contract Services	\$8,638	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Occupancy	\$25,704	\$14,238	\$11,890	\$28,087	\$28,930	\$29,798	\$30,692	\$31,613	\$32,561	\$33,538	\$34,544	\$35,580	Per lease agreements noted in audit 3% increase per year
Small Office Equip. & Replacement	\$1,365	\$500	\$500	\$505	\$510	\$515	\$520	\$526	\$531	\$536	\$541	\$547	
Special Department Expense	\$33,441	\$5,000	\$5,000	\$5,050	\$5,101	\$5,152	\$5,203	\$5,255	\$5,308	\$5,361	\$5,414	\$5,468	
Training & Travel	\$12,947	\$4,500	\$3,500	\$3,535	\$3,570	\$3,606	\$3,642	\$3,679	\$3,715	\$3,752	\$3,790	\$3,828	
Utilities	\$4,949	\$2,394	\$2,394	\$2,418	\$2,442	\$2,467	\$2,491	\$2,516	\$2,541	\$2,567	\$2,592	\$2,618	
Total Administrative Expenses	\$292,132	\$219,938	\$226,131	\$246,605	\$251,831	\$257,192	\$262,692	\$268,335	\$274,125	\$280,066	\$286,163	\$292,419	
Total Expenses	1,200,700	1,409,342	1,213,735	1,238,849	1,244,075	1,249,436	1,254,936	268,335	274,125	280,066	286,163	292,419	
Net Income (loss)	0	0	0	1	(0)	0	(1)	476,606	448,652	421,213	394,261	367,776	
Reserve Balance	1,840,029	1,572,047	1,572,047	1,349,367	1,122,607	856,826	559,399	559,399	559,399	559,399	559,399	559,399	Audited 2019 Balance