June 7, 2022

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Allocation of Unassigned Year-End Fund Balance

Dear Supervisors:

RECOMMENDATION: Approve allocation of $1,916,551 from FY 2020-21 unassigned year-end fund balance as detailed in staff report.

OVERVIEW:
Marin County is among a handful of California Counties that has maintained a AAA bond rating available because we have, among other things, practiced sound financial discipline by not using one-time revenues for ongoing expenses. Our policy has been to allocate one-time funds for solely for one-time purposes.

$1.9 million in one-time resources are available. With the completion of our prior year financial audit, there is approximately $1.9 million in additional General Fund unassigned fund balance that is available to allocate by your Board. This balance is largely due to higher-than-expected salary savings. Significant one-time funds will also be recommended as part of the FY 2022-23 Proposed Budget.

Allocate $1.9 million to Supportive Services Stabilization Reserve
Significant one-time funding through Whole Person Care and Project Homekey have allowed the County to accelerate the number of individuals placed in permanent supportive housing. Your Board’s direction has been to maintain our support for the existing placements and continue to leverage opportunities to expand our housing slots through vouchers and state grants. To ensure we can achieve these policy goals over the long term, we are recommending the creation of a supportive services stabilization fund so we can continue to make cost-effective investments such as leverage Section 8 vouchers for chronically homeless individuals. This set aside can be added to over time with the goal of ensuring that we can fund supportive services on a 5-year rolling basis.

FISCAL IMPACT:
Your Board’s approval of this recommendation will increase non-departmental General Fund administrative designation (900691) of $1,916,551. Our goal would be to build the balance of this fund over the next few years to support operational costs that are no longer covered by state or federal funding
sources. Future expenditures from the contingency reserve would require subsequent approval by your Board.

Please let me know if you have any questions or concerns.

Respectfully submitted,

Matthew Hymel
County Administrator