



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: CEO & Auditor-Controller
Department No.: 012 & 061
For Agenda Of: 1/10/12
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Chandra L. Wallar, County Executive Officer
Director(s) Robert Geis, CPA, Auditor-Controller
Contact Info: Tom Alvarez & Julie Hagen
568-3432 568-2126

SUBJECT: FY 2011-2012 Concessions Budget Revisions

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve budget revision requests to transfer salary and benefit savings to fund balance or retained earnings. (4/5 vote required).

Summary Text: The County has negotiated wage concessions, approved by the Board, that were implemented during FY 2011-12. The total savings from concessions are \$16,116,514 (\$7,731,302) for the General Fund and \$8,385,212 for other funds). This budget revision transfers those savings to fund balance or retained earnings as appropriate based on the fund type. The savings in the General Fund Departments will be transferred to committed fund balance in Department 990. The savings in other funds will be transferred to committed or restricted fund balance or retained earnings within the same fund. A supplemental budget revision for Board approved restorations or retention of savings within a departments/fund will follow to memorialize the Board's prior action. Special Revenue Funds will receive less federal and state reimbursement due to a reduction in expenditures. Therefore a portion of these savings will need to be restored in a future budget revision.

The budget revision request is the culmination of efforts by employees to negotiate certain salary and benefit cost savings and the efforts of the County Executive Office, the Auditor-Controller's Office and departmental budget staff to quantify those savings and earmark them for designation. This designation is intended to be used per Board policy, to protect existing service levels.

Background:

Budget Revision Request

In order to address the County's fiscal challenges and maintain service levels the Board and the County Executive Office determined that deferrals of pending salary increases, furloughs, and reductions of other wages and benefits would be necessary as part of the adopted FY 2011-12 budget. Staff was directed to meet and confer with the County's labor organizations on these topics and to implement wage freezes and other salary and benefit reductions for managers and executives.

These negotiations result in countywide expenditure savings totaling \$16.1 million. The savings is approximately \$7.7 million for the General Fund and \$8.4 million for all other funds. By designating the expenditure savings by fund, sources will be available to preserve service levels and positions as needed in Fiscal Years 2011-12 and 2012-13 to meet the agreements negotiated with the respective labor organizations.

Looking Forward

Through the first quarter of Fiscal Year 2011-12 the revenue and expenditure patterns are generally in line with the adopted budget. There are a number of financial concerns looking forward as have been described to the Board separately in the Fiscal Outlook Report and other hearings. One issue that could significantly impact this year's budget would be mid-year State budget adjustments. Mid-year reductions to the County's budget could be the result of the State's actions.

Fiscal and Facilities Impacts: Actual and hypothetical impacts are stated in the Board letter.

Attachments:

Attachment A – Budget Revision Requests

Authored by: Richard Morgantini

CC: