



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  
Department No.: 012  
For Agenda Of: 1/20/09  
Placement: Set Hearing  
Estimated Tme: 90 minutes on 2/3/09  
90 minutes on 2/10/09  
90 minutes on 2/17/09  
4 hours on 2/24/09  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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TO: Board of Supervisors  
FROM: Department Michael F. Brown, County Executive Officer  
Director(s)  
Contact Info: Jason Stilwell, 568-3413  
SUBJECT: **Fiscal Year 2009-2010 Budget Development Workshop**

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**County Counsel Concurrence**

As to form: N/A

**Recommended Actions:**

**Auditor-Controller Concurrence**

As to form: Yes

That the Board of Supervisors set a series of hearings to conduct a budget development workshop beginning on February 3, 2009 continuing to February 10, 2009, February 17, 2009, and culminating on February 24, 2009.

**Summary Text:**

As you know, there will be many budget challenges in formulating the proposed Fiscal Year 2009-2010 County Operating Budget. The factors contributing to the financial challenge are multifaceted and complex. Accordingly, staff recommends segmenting this year's budget workshop into multiple meetings for two reasons. First, segmenting the workshop will provide more time for the Board to focus on the key factors of the financial challenge facing the County. Second, certain information will be available sooner than other information and segmenting the workshop will enable the Board to receive information on a more timely basis rather than waiting until the end of February when the remaining information becomes available.

**Background:**

Departments are now in the process of preparing their requested budgets and identifying potential service level reductions. That information is scheduled to be available by late February. Given that the financial challenges are multifaceted and complex the budget workshop is proposed to be segmented to

break the complex issues into multiple meetings and to bring information forward to the Board on a timely basis. The proposed segmentation of the workshop is as follows:

- February 3, 2009: Revenue environment  
Revenues of all types are declining. This will force reductions in service levels. This segment of the workshop will describe the recent revenue trends and describe potential future revenue trends.
- February 10, 2009: Funding retirement  
Retirement costs are anticipated to be significant components of future County budgets. This segment of the workshop will enable the Board to understand the impacts of the retirement funds on the County budget and the result of recent market volatility on the County retirement costs.
- February 17, 2009: Five-year financial forecasts  
The five year plans identify financial trends over the immediate horizon. These trends are significantly influenced by the current recessionary economic environment.
- February 24, 2009: Expenditures and potential service level impacts  
By February we will have had a chance to review department budget requests and identify the major problems. Staff anticipates there will be significant service level reductions required to develop a balanced Fiscal Year 2009-2010 budget. This segment of the workshop will present the potential service level reductions to the Board for discussion. It is scheduled for four hours so that the Board can interact with the departments to discuss the impacts.

It is proposed that a workshop be conducted to present these and to recommend strategic alternatives to the Board before we make the final budget preparation decisions prefatory to balancing and preparing the recommended budget book.

**Fiscal and Facilities Impacts:** Actual and hypothetical impacts will be stated in the Board letter.

**Attachments:** none

**Authored by:** Jason Stilwell

**cc:** Each Department Head  
Deputy/Assistant County Executive Officers and CEO Fiscal and Policy Analysts  
Recognized Employee Organizations