

First Quarter Budget Update

Report to the Board of Supervisors
November 21, 2006

First Quarter Budget Update

- General Fund overall is a negative \$1.85 million, however:
 - \$1 million is in the Fire Department and is mostly reimbursable overtime that has not yet been received
 - \$884 million is Interest Income that will not be received but will be offset by reduced Interest Expense
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First Quarter Budget Update

- General Fund concerns:
 - Sheriff – Overall negative \$774,000 variance; Salary & Benefit costs over budget by \$689,000.
 - 25 fewer vacancies than 1 year ago
 - But newly hired are not immediately assigned to the field or a corrections post
 - So overtime is not yet lower
 - Planning – Overall negative \$302,000 variance
 - Both discretionary permit and building permit revenue is lower than budgeted
 - 6 fewer vacancies than 1 year ago
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First Quarter Budget Update

- Other Funds Concerns: Court Special Services Fund
 - Fund contains county activities, including court revenue collection, that are administered by the Superior Court
 - County share of traffic citation revenue is \$271,000 under budget (assumed lost for the year)
 - Recent State audit of revenue collections says County owes \$126,000 for period from July 1, 2000 to June 30, 2004
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Fiscal Year 2007-08 Budget Principles

- Are used by the CEO and departments in development of the proposed FY 2007-08 budget
 - Provide a consistent, equitable approach for allocation of available resources (discretionary revenues = General Fund Contribution) through the budget development process
 - Sets expectations regarding discretionary reserves and designations
 - Defines full cost recovery as applied to various funds
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Fiscal Year 2006-07 Budget Principles

1. Balanced Budget
 2. Budget Target Allocation
 3. New Positions
 4. Budget Expansion Requests
 5. Costs and Revenues (recovery full costs)
 6. Discretionary Reserves and Designations (strategic, capital repair, capital projects, roads)
 7. Performance Measurement (expanded)
 8. Budget Coordination (impacts on others)
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Fiscal Year 2006-07 Budget Principles

New Budget Principle on New Positions

- Requests for new positions or new contractors on payroll must be submitted as budget expansion request
 - The only exception would be new positions to fill city contracts where the city is paying 100% of billable costs
 - To offset workload increases, departments are encouraged to: 1) use automation investments, 2) swap positions within their department, 3) share resources with other departments doing similar work
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Fiscal Year 2006-07 Budget Principles

New Budget Principle on Budget Expansion Requests

- Requests will be considered for: 1) new positions, 2) new programs or projects that address critical issues, 3) to replace grant or other revenue loss not associated with fees or charges for services, 4) workload increases
 - During Budget Hearings, Department Heads are encouraged to refrain from appealing requests not recommended by the CEO
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Fiscal Year 2006-07 Budget Principles

Expanded Budget Principle on Performance Measurement

- Continue to encourage departments to use performance measures
 - In addition: 1) install and use the new program performance measurement system (AMPP), 2) review the Resident Survey for new customer service measures, 3) install and use Leadership Project's performance review process, 4) use the Project Reporting System to report all projects
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Strategic Reserve Policies

- Primary purpose: to be available during an economic downturn to maintain essential services
 - As the \$25 million goal set in 1997 has been reached, recommend adoption of a new goal of \$30 million and policy of setting aside at least \$1 million/year until new goal reached
 - Adopt policies regarding use of the Strategic Reserve for short-term loans
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Modifying Strategic Goals

Current Goals #1 and #3

Efficient Government
-An efficient government able to anticipate and respond effectively to the needs of the community

Organizational Effectiveness - A strong, professionally managed County organization

Combined into One

Efficient and Responsive Government – An efficient professionally managed government able to anticipate and to effectively respond to the needs of the community