



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: County Executive Office
Department No.: 012
For Agenda Of: June 9, 2008
Placement: Departmental
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) *Michael F. Brown* Michael F. Brown, County Executive Officer
Contact Info: Jason Stilwell, Assistant County Executive Officer/
Budget Director(x3411)
SUBJECT: Fiscal Year 2008-09 Recommended Operating Plan and Budget

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

1. Approve final budget adjustments to the Fiscal Year 2008-09 Recommended Budget;
2. Delegate authority to the County Executive Officer to execute ongoing grants and contracts (including library and advertising contracts) included in the Recommended Budget;
3. Authorize the County Executive Officer to approve ongoing contracts where amounts are up to 10% more or less than indicated amounts, or up to \$5,000 more or less than indicated amounts on contracts under \$50,000, without returning to the Board for approval;
4. Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2008-09.

Summary Text:

The Fiscal Year 2008-09 Recommended Operating Plan and Budget is hereby submitted to the Board of Supervisors. Budget hearings are scheduled for the week of June 9-13, 2008.

Background:

The Fiscal Year 2008-09 Recommended Expenditure budget for all funds totals \$759.3 million, an increase of \$5 million or 0.66% more than the amount estimated to be spent in Fiscal Year 2007-08. It also includes \$33.5 million designated for future use which brings Total Uses to \$792.8 million for Fiscal Year 2008-09.

Total expenditure in the FY 2008-09 recommended budget is \$0.9 million less than the Adopted Fiscal Year 2007-08 Budget.

Staffing levels in the Recommended Fiscal Year 2008-09 Operating Plan and Budget are 4,135 Full Time Equivalent (FTE) positions. An FTE is a funded staff position. The Fiscal Year 2007-08 Adopted Budget included 4,351 FTE positions however, during the year, in anticipation of reductions in the Fiscal Year 2008-09 budget; an estimated 4,281 FTE positions were filled. Thus, the Recommended Budget's recommended 4,135 FTE are 70 fewer FTE than the current filled level and 216 FTE less than the current authorized level.

Final Budget Adjustments

As is the case each year, events have occurred since the Recommended Budget was prepared which prompts staff to recommend adjustments to various appropriations and revenues. Adjustments, which total \$5,554,435 with two adjustments for \$3,167,578, fall into categories listed here and detailed in Attachment A:

1. Re-budgeting appropriations included in the Fiscal Year 2007-08 budget, but not spent during the fiscal year, and moved to a designation via a Budget Revision during Fiscal Year 2007-08 for use in Fiscal Year 2008-09. Transfers include:
 - District Attorney's Office- re-budget \$24,000 for replacement of tape backup equipment for case management system.
 - District Attorney's Office- re-budget \$50,000 from fixed asset account funds for replacement of the two network servers.
 - District Attorney's Office- re-budget \$100,000 revenue received in FY 07-08 (and not expended) from Department of Insurance Workers' Compensation grant that was included in the FY 08-09 recommended budget and adjust the recommended budget accordingly.
 - Planning and Development- re-budget \$132,806 from the remaining contract balance for the Accela permit tracking system.
 - Planning and Development- re-budget \$55,000 from the remaining contract balance for the Goleta beach stabilization project.
 - Planning and Development- re-budget \$27,840 from the remainder of the continuous improvement designation to offset costs for ongoing planning process improvement work.
 - Public Works- re-budget \$1,640,000 for the construction of the Gobernador CIP project.
 - Public Works- release \$297,000 from a designation from unspent revenues received in FY 07-08 for design costs for the El Colegio Road Improvement Project - Phase II.

2. Other recommended changes adjust General Fund and non-General Fund budgets and do not increase General Fund Contribution amounts. Included are:
 - Public Works- \$584,534: Increase contractual expenses and inspection services with offsetting State revenue for repairs on East Camino Cielo, damaged from Zaca Fire.
 - Public Works-\$356,250: Increase contractual expenses with offsetting State revenue for repairs on Santa Barbara Canyon Road which was damaged from Zaca Fire.
 - Public Works- \$50,000: Release designations and increases professional services for the Cuyama Groundwater study.

- Public Works-\$10,000: Increase revenues for reviewing development projects to meet pollution standard requirements in Project Clean Water.
 - Public Works: Establish new cost centers and accounting structure for the Transportation Division of the Public Works Department and authorize the Auditor Controller to reallocate funds included in the recommended budget to two new funds for capital maintenance (Fund 0016) and for capital infrastructure (Fund 0017) and make final adjustments accordingly.
 - Public Works: \$525,000: Increase expenditures for equipment purchases and offsetting revenues for grant reimbursement from the State Air Resources Board.
 - Clerk-Recorder-Assessor (CRA)-\$274,427: Restore budget reductions of 3.58 FTE in the Assessor division, needed to absorb workload increase created by the current real estate market conditions. If necessary, the CRA will release designations to fund these positions, however, to the extent that the department can absorb these cost increases, the designation sources will not be released.
 - Clerk-Recorder-Assessor (CRA) - \$1,527,578: Establish budget for the State's reimbursement of costs incurred in conducting the February 2008 Primary Election in FY 07-08 and restore \$1,456,253 borrowed from the Strategic Reserve.
3. Ministerial changes implementing Board of Supervisors actions that occurred after the Recommended Budget was completed and changes that correct significant adjustments in the Recommended Budget.
- No changes at this time.

Attachment A is a list of all final budget adjustments recommended for approval by the Board.

Ongoing Grants and Contracts

The County has numerous ongoing grants and contracts that are renewed each year with the funding and expenditures approved by the Board during the annual budget hearings. The execution then becomes ministerial and can be delegated to the County Executive Officer, who will verify their inclusion in the Adopted Budget and sign for the County, thus reducing the number of administrative agenda items that come before the Board during the year. The Board has customarily delegated this authority to include grants and contracts where amounts are up to 10% more or less than indicated amounts, and approval of changes up to \$5,000 from the Board approved amounts on contracts less than \$50,000. This process has proven efficient and responsive for the agencies involved.

The grants to be included in this year's delegation are identified in **Attachment B**. The contracts to be included in this year's delegation are identified in **Attachment C**. The contract list could include *part-year* contracts that would have been for the same amount as the prior year if the request had been to renew them for a *full year*. For example, a contractor was paid \$100,000 for a full year's work last year but the proposed contract is for \$50,000 for 6 months work in Fiscal Year 2008-09.

Budget Resolution

The Resolution of the Board of Supervisors follows as **Attachment D**. Note the resolution allows the County Executive Officer, under limited circumstances, to approve changes to appropriations for previously approved equipment purchases.

Mandates and Service Levels

Board approval of these proposed changes (final budget adjustments and ongoing grants and contracts) during budget hearings is discretionary. The budget hearings, recommended budget and the budget resolution are subject to the Government Code of the State of California Sections 29066, 29080, 29089, 29090, and 29092.

Fiscal and Facilities Impacts:

Approval of these recommendations adopts the Fiscal Year 2008-09 Recommended Budget (with any modifications determined by the Board) and authorizes the County Executive Officer and/or the County Auditor-Controller to take necessary related fiscal action.

CC: Each Department Director

Attachments:

- A- Final Budget Adjustments
- B- Ongoing Grants
- C- Ongoing Contracts
- D- Resolution of the Board of Supervisors

Authored by:

Zandra Cholmondeley, Principal Analyst (x3261)

IN THE MATTER OF ADOPTING THE BUDGET FOR FISCAL YEAR 2008-09

RESOLUTION NO. 08-

1 **WHEREAS**, the Board of Supervisors of the County of Santa Barbara, State of
2 California, has been meeting from time to time and holding public hearings at such meetings
3 for the discussion and consideration of the proposed budget for the 2008-09 fiscal year, all
4 pursuant to notice and the provisions of law, said public hearings having commenced on June
5 9, 2008, and concluded on June 13, 2008, pursuant to notice given under Section 29066 and
6 the requirements of Sections 29080 through 29092 of the Government Code of the State of
7 California; and

8 **WHEREAS**, said Board of Supervisors has met pursuant to such published notice
9 and heard all members of the general public and officials present regarding the matters
10 aforesaid and has considered, made and settled all revisions of, deductions from, and
11 increases or additions to the proposed budget which it deems advisable; and

12 **WHEREAS**, the record is in final form in the possession of the Santa Barbara County
13 Clerk of the Board of Supervisors and Auditor-Controller, which meets requirements set
14 forth in Government Code Section 29089, and the public hearing on said budget being now
15 finally closed, and the meetings thereon finally concluded;

16 **NOW THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the
17 County of Santa Barbara, State of California, that said budget as so increased, modified,
18 revised and finally settled shall be, and the same hereby is adopted as the budget for the
19 2008-09 fiscal year for the County of Santa Barbara and all other entities whose affairs are
20 financed and under the supervision of the Board of Supervisors; and that said budget
21 document presently consists of the 2008-09 Proposed Budget, the record for the Budget

1 Hearings, and the summaries and decisions of the Santa Barbara County Board of
2 Supervisors in making final budget adjustments which are incorporated herein and made a
3 part of this resolution as though set forth in full pursuant to Government Code Section 29090.

4 **BE IT FURTHER RESOLVED** that the Auditor-Controller in compiling the final
5 budget, is authorized to make adjustments required to balance interfund and intrafund
6 transfers, and to make adjustments in offsetting revenue/expenditure accounts to the extent
7 that there is no net overall change in the budget or no net change in General Fund
8 Contribution as adopted during budget hearings.

9 **BE IT FURTHER RESOLVED** that the County Executive Officer and the Auditor-
10 Controller are authorized to transfer appropriations to or from the Designated-Salary and
11 Retirement Offset account in order to make adjustments, if necessary, to the Salaries and
12 Benefits account of departmental budgets in accordance with any negotiated salary
13 agreements or retirement rate changes.

14 **BE IT FURTHER RESOLVED** that the County Executive Officer and the Auditor-
15 Controller are authorized to make final budget adjustments that transfer 2007-08
16 appropriations for fixed assets and other material purchases that have been ordered but not
17 received, by June 30, 2008 to the 2008-09 budget, subject to established criteria.

18 **BE IT FURTHER RESOLVED** that the County Executive Officer is authorized to
19 approve revisions to the 2008-09 budget that increase appropriations for approved fixed
20 assets because of price changes subsequent to the adoption of the budget in amounts up to ten
21 percent (10%) of the approved budget for the item.

22 **BE IT FURTHER RESOLVED** that the County Executive Officer is authorized to
23 approve revisions to the 2008-09 budget to allow purchase of equipment approved in the
24 budget as "Service and Supplies," which are subject to reclassification as fixed assets due to

1 price changes which occur after the preparation of the budget, causing the item to meet the
2 capitalization threshold of \$5,000 for equipment.

3 **BE IT FURTHER RESOLVED** that the Auditor-Controller, in compiling the Final
4 Budget, is authorized to make ministerial budget changes and to transfer appropriations to or
5 from designated fund balances and contingencies to balance the budget for the various funds
6 governed by the Board of Supervisors.

7 **BE IT FURTHER RESOLVED** that the internal charges for services included in the
8 proposed budget and as increased, modified and revised, and finally settled, are hereby
9 adopted and incorporated into the financing of the Final Budget.

10 **BE IT FURTHER RESOLVED** that the Auditor-Controller is authorized to make
11 adjustments to the final budget throughout fiscal year 2008-09 for line item accounts 3381
12 Unrealized Gain/Loss on Investments and 9797 Designated-Unrealized Gains to properly
13 record changes in the fair value of investments.

14 **BE IT FURTHER RESOLVED** that the Auditor-Controller is authorized to make
15 adjustments to the final budget throughout fiscal year 2008-09 for line item account 3380
16 Interest Income and various designation accounts in order to properly record designation
17 increases in operating funds due to interest income in the underlying agency fund.

18 **BE IT FURTHER RESOLVED** that the Auditor-Controller and County Executive
19 Officer are authorized to make any adjustments to the final budget for fiscal year 2008-09 in
20 order to comply with any Governmental Accounting Standards Board Pronouncements or to
21 conform the budget to Generally Accepted Accounting Principles.

22 **BE IT FURTHER RESOLVED** that the Auditor-Controller is hereby authorized to
23 make adjustments to the final budget for fiscal year 2008-09 to reflect the transfer of any
24 undesignated General Fund balance greater than \$0 (zero), first, to budget adjustments in the
25 following order: 1) \$700,000 to Alcohol, Drug and Mental Health Services for bridge

Attachment E: Board Adjustments to FY 2008-09 Recommended Budget FINAL

ONE TIME USE AND SOURCE OF FUNDS	Suggested			Available Balance	Carbajal	Wolf	Firestone	Gray	Centeno	
	Not Authorized	Board Authorized	Available							
2007-2008 Estimated Fund Balance available for 2008-2009 appropriation				4,100,000						
1 Bridge Financing for ADMHS step-down		700,000	3,400,000	X	X	X	X	X		Adopted
2 ADMHS audit reserve		846,000	2,554,000	X	X	X	X	X		Adopted
3 Jail sewer main repair		523,000	2,031,000	X	X	X	X	X		Adopted
4 District Attorney/Public Defender ratio preservation		400,000	1,631,000	X	X	X	X	X		Adopted
5 ADMHS restoration		3,450,000	(1,819,000)	X	X				X	Adopted
6 Public Health (Geriatric Assessment Program) *		121,000	(1,940,000)	X	X				X	Adopted
7 Public Health (HIV/AIDS)		50,000	(1,990,000)	X	X				X	Adopted
8 SB Visitors & Conference Bureau (Film Commission)		95,000	(2,085,000)	X	X	X	X	X		Adopted
9 Agricultural Commissioner (Oak Tree Specialist)		107,000	(2,192,000)	X	X	X	X			Adopted
10 Agricultural Commissioner (Ag Advisory Committee)		100,000	(2,292,000)			X	X	X		Adopted
11 Public Health (Environmental Health Fee Waiver)		107,000	(2,399,000)	X		X	X	X		Adopted
12 Planning & Development (Ag Planner)		119,000	(2,518,000)			X	X	X		Adopted
13 Public Health (Cuyama Clinic)		92,000	(2,610,000)	X	X	X	X	X		Adopted
14 Public Defender (Partial Funding)	158,000	-			X					
15 District Attorney (Truancy Intervention Program) (3-mo)	-	50,000	(2,660,000)	X	X		X	X		Adopted
16 Childrens Health Initiative	300,000	-		X					X	
17 Social Services (Adult Aging Network) *	85,000	-		X	X				X	Adopted
18 Planning & Development (Zoning Code Enforcement)	29,000	-		X						
19 Strategic Reserve	1,000,000	-			X		X			
20 Treasurer (Financial Systems Analyst)	129,000	-			X		X			
21 Fire Mapping	-	40,000	(2,700,000)	X	X		X			Adopted
22 MSSP	107,000	-		X	X					
23 ADP Restoration	-	250,000	(2,950,000)	X	X				X	Adopted
24	-	-								
25	-	-								
26	-	-								
Net Effect on Fund Balance	1,808,000	7,050,000	(2,950,000)							Adopted
Redirected Funding Sources										
1 TSAC - \$3,366,712 Endowment Cash Account Balance	-	2,400,000	(550,000)							Adopted
2 TSAC - Smoking Cessation	-	50,000	(500,000)							Adopted
3 Redirect FY 08-09 Contribution to Litigation Designation	-	500,000	-							Adopted
4 Strategic Reserve	1,300,000	-								
-	-	-								
-	-	-								
-	-	-								
Redirected Funding Sources Totals	1,300,000	2,950,000								Adopted
Net Available to Strategic Reserve			-							Adopted
* Item # 6 funds Item # 17 through Social Services Department										
State Budget has not been adopted and impacts have not been finalized.										