




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

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**TO:** Board of Supervisors  
**FROM:** Department Director(s)  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

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**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)