



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

2009 MAY -4 PM 4:35

COUNTY OF SANTA BARBARA

Department Name: County Executive Office
Department No.: 012
For Agenda Of: May 19, 2009
Placement: Set Hearing
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Michael F. Brown, County Executive Officer
Contact Info: Jason Stilwell, Assistant County Executive Officer/
Budget Director (x3413)
SUBJECT: Fiscal Year 2009-10 Proposed 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. Receive the Fiscal Year 2009-10 Proposed Operating Plan and Budget for Santa Barbara County.
2. Schedule hearings for the Fiscal Year 2009-10 Proposed Operating Plan and Budget to begin Monday, June 8, 2009 and continue if necessary, through Friday, June 12, 2009, with specific hearings scheduled for Monday, June 8, 2009; Wednesday, June 10, 2009; and Friday, June 12, 2009. (Set Hearing for 6/8/2009. Time estimate 480 minutes.)

Summary Text:

The Fiscal Year 2009-10 Proposed Operating Plan and Budget is hereby submitted to the Board of Supervisors. Budget hearings are scheduled for the week of June 8-12, 2009 and if necessary, may be continued into the week of June 15-19, 2009.

Background:

The Board of Supervisors adopted budget principles in the Fall 2008 to guide the preparation of the Fiscal Year 2009-10 budget. Discretionary revenues and certain departmental revenues susceptible to economic fluctuations are projected to decrease substantially in Fiscal Year 2009-10. Given the economy, the budget principles directed the departments to submit budgets reflecting a 10% reduction in General Fund Contribution, taken after calculated General Fund Contribution growth for salaries and benefits.

Subsequently, the Board conducted a budget workshop at which time potential service level impacts were identified. These impacts presented to the Board at the budget workshop are compared to the recommended reductions included in the budget in an attachment at the end of the County Executive Officer's Message, Section A of the proposed Fiscal Year 2009-10 budget. The Proposed Budget is balanced without having to reduce the General Fund Contribution by the entire 10%. This comparison is designed to display how the Proposed Budget differs from the information presented at the budget workshop. Public safety is the primary service area not being recommended for the full 10% reduction.

The Fiscal Year 2009-10 recommended expenditures budget for all funds totals \$780.6 million, a decrease of \$9.1 million from Fiscal Year 2008-09 adopted expenditures budget, yet, an increase of \$10.1 million from Fiscal Year 2008-09 estimated expenditures. The Fiscal Year 2008-09 estimated expenditures are lower than the Fiscal Year 2008-09 budgeted expenditures primarily due to the furlough savings and wage concessions, delays in capital projects and higher staffing vacancies in the support services and community resources and public facilities functional areas. The recommended budget includes \$45.5 million designated for future use. This brings Total Uses to \$826.1 million for Fiscal Year 2009-10. The proposed budget is balanced with Fiscal Year 2009-10 revenues of \$753.4 million and prior year revenues that had been set aside for future use of \$72.7 million, for a total source of funds of \$826.1 million. The increase in total Fiscal Year 2009-10 revenues of \$6 million from \$747.4 to \$753.4 is primarily attributed to State and Federal revenue increase of \$15.3 million of which \$9.9 million is for the Alcohol, Drug and Mental Health Department's Mental Health Services Act services. The various local revenues are flat and declining.

Budget at a Glance				
Dollars in Millions	2007-08	2008-09	2008-09	2009-10
	Actual	Adopted	Estimated	Recommended
Total Revenues	\$719.0	\$749.4	\$747.4	\$753.4
Other Financing Sources	\$108.2	\$119.6	\$114.8	\$72.7
Total Sources	\$827.2	\$869.0	\$862.2	\$826.1
Total Expenditures	\$730.7	\$789.7	\$770.5	\$780.6
Designated for Future Use	\$96.5	\$79.3	\$91.7	\$45.5
Total Uses	\$827.2	\$869.0	\$862.2	\$826.1
Staffing FTEs	4,298	4,171	4,189	4,025

Staffing levels in the Recommended Fiscal Year 2009-10 Operating Plan and Budget are 4,025 Full Time Equivalent (FTE) positions. This is a decrease of 146 FTE compared with 4,171 FTE in the FY 2008-09 Adopted budget.

The Recommended Fiscal Year 2009-10 budget includes \$9.075 million in allocations for the designations outlined below. The American Recovery and Reinvestment Act (ARRA) matching designation is a new designation to be used for matching requirements for ARRA Federal Stimulus grants.

Reserves and Designations	Allocations
Deferred Maintenance	3,000,000
Contingency	800,000
Capital Designation	500,000
Roads Designation	500,000
Audit Exceptions	3,486,000
ARRA Matching	789,000
Litigation Reserve	0
Salary and Benefit Designation	0
Strategic Reserve	0
Total	\$9,075,000

The proposed budget does not include any appropriation to the Strategic Reserve. The Strategic Reserve balance in as of Fiscal Year 2009-10 Recommended Budget declines to 18.4 million.

Budget Hearings are scheduled to begin at 9:00 a.m. on Monday, June 8, with a one-hour presentation by the County Executive Office highlighting the major dollar allocations and issues in the FY 2009-10 Proposed Budget. Board discussions and departmental budget presentations are scheduled for Monday, June 8 and Wednesday, June 10 with final deliberations and adoption scheduled for Friday, June 12. In line with past practice, Budget Hearings will be noticed for the week of June 8-12 and, to be prudent, the week of June 15-19 in the event additional time is needed.

The Proposed Budget will be available to libraries and public agencies by May 25, 2008 and will be posted on the County’s website at <http://www.countyofsb.org/cao/budgetresearch/budget0910>. Budget hearings and availability of the FY 2009-10 Proposed Budget will be noticed no later than Sunday, May 25, 2009 in the Daily Sound, Lompoc Record, and the Santa Maria Times.

In order to efficiently manage the Board’s agenda, a list of on-going grants and contracts, by department, will be presented at budget hearings with a recommendation that the Board approve, as a group, their renewal for FY 2009-10. However, changes in contract scope or in amounts that exceed 10% (unless the dollar amount of change is under \$10,000), of on-going grants and contracts, as well as **new** grants and contracts requested by departments, must be individually presented to the Board for approval.

Responding to Board Questions. Members of the Board of Supervisors may have questions which the County Executive Office (CEO) can answer prior to Budget Hearings. A form (Attachment A) has been included with this letter to facilitate such inquiries between now and the start of Budget Hearings on June 8. Additional copies of the form will be available in the CEO’s and Board’s offices. This form enables the questions and answers to be documented facilitating the ability for others who may have similar questions to be aware of the answer and enables the Board to have consistent information during their budget deliberations.

Fiscal and Facilities Impacts:

As indicated in the FY 2009-10 Proposed Budget.

Subject: Receive FY 2009-10 Operating Plan and Budget

Date: 5/19/09

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Special Instructions: The Clerk of the Board is requested to notice the budget hearings and availability of the FY 2009-10 Proposed Budget in the Daily Sound, Lompoc Record, and Santa Maria Times no later than Sunday, May 25, 2008.

Attachments:

A: Board Inquiry Form

B: Notice of Public Hearing

Authored by:

Xenia Tihomirova, Fiscal & Policy Analyst 568-3421

cc: Department Directors
Assistant County Executive Officers
Recognized Labor Organizations

Attachment "A"

Board Inquiry Form

Board Member	
Carbajal	
Wolf	
Farr	
Gray	
Centeno	

Department:

Date:

Budget Page(s):

**Request/
Question:**

Report Back by:

Response:

PUBLIC NOTICE

**NOTICE OF PUBLIC HEARING
SANTA BARBARA COUNTY
PROPOSED BUDGET FOR THE 2009-2010 FISCAL YEAR**

Notice is hereby given that on Monday, June 8, 2009, at 9:00 a.m. in the Board of Supervisors' Hearing Room, Fourth Floor, County Administration Building, 105 East Anapamu Street, Santa Barbara, California, the Board of Supervisors will meet for the purpose of conducting Public Hearings on the County's Proposed Budget for 2009-2010. The Proposed Budget includes the County's General Operational Budget as well as budgets of special districts governed by the Board of Supervisors.

The hearings are scheduled for June 8 and 10 with the Board of Supervisors' final determination scheduled for Friday, June 12, 2009; however, the Board may choose to extend the hearings through June 19, 2009. A tentative daily schedule is available at the County Executive Office, 105 East Anapamu Street, Room 406, Santa Barbara, California; however, individual times on that schedule are subject to change.

Any interested person may submit written comments and may appear and be heard regarding any item included in the proposed budgets and/or for the purpose of requesting the inclusion of additional items before and/or during the hearings. The Board will receive staff's recommended final budget changes which will be available for public review at least 72 hours before the Board takes final action on them.

In compliance with the Americans with Disabilities Act, persons needing special assistance to participate in these hearings may contact the Clerk of the Board at (805) 568-2240. Notification of at least 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements.

A copy of the 2009-2010 Proposed Budget will be available for public review on May 25, 2008 at the Clerk of the Board office, 105 East Anapamu Street, Room 407, Santa Barbara, California, between 8:00 a.m. and 5:00 p.m., weekdays. Copies will also be available at the County's Fourth District office at 401 East Cypress Avenue, Lompoc; and the Fifth District office at 511 East Lakeside Parkway, Santa Maria. Additional copies of the 2009-2010 Proposed Budget will be available for public review at all main libraries during library operating hours.

Questions may be directed to the County Executive Office at (805) 568-3400.

Witness my hand and seal this _____ day of _____ 2009.

Michael F. Brown
CLERK OF THE BOARD OF SUPERVISORS

By _____
Board Assistant