

# Chief Administrative Office – Item 14

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- Mid-Year Budget Transfer
- Parameters for FY 2009/10 Department Budgets



# FY 08/09 Mid-Year Budget transfer

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- February 23, 2009 Mid-year report presented to the Board of Supervisors
- Board directed the CAO return with a budget transfer that included changes identified through the Mid-Year process
- CAO held individual discussions with departments & met with Department Heads to verify accuracy of modifications



# Why do a budget transfer?

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- ❑ BOS Policy B-1 states “it shall be the responsibility of the Chief Administrative Office to determine when, or if, the shortfall of department revenues requires budget changes”
- ❑ County is anticipating shortfalls in Department 15 revenues
- ❑ CAO has responsibility to adjust the overall distribution of Net County Cost and to manage the overall County budget



# Why do a budget transfer, continued?

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- Budget modifications will provide a more accurate historical record
- Performance will be evaluated based on the modified budget
- Barring further revenue erosion, modifying departments' net county cost ensures fund balance for FY 2009-10

# Components of the Budget Transfer

Department	Net Decrease in Appropriations	Net Decrease in Revenues	Decrease in Net County Cost
BOS	88,253	5,000	83,253
CAO	200,051		200,051
Auditor/Controller	386,614		386,614
Treasurer-Tax Collector	42,226		42,226
Assessor	99,584		99,584
County Counsel	246,443		246,443
Human Resources	212,184	50,244	161,940
Information Technologies	752,317	321,708	430,609
Recorder-Clerk	434,248	405,064	29,184
<b>Sub-Total General Government</b>	<b>2,461,920</b>	<b>782,016</b>	<b>1,679,904</b>
District Attorney	620,088	440,981	179,106
Public Defender	131,019	73,362	57,657
Sheriff	3,279,491	1,887,433	1,392,058
Probation	441,586	225,896	215,690
<b>Sub-Total Law &amp; Justice</b>	<b>4,472,184</b>	<b>2,627,672</b>	<b>1,844,511</b>

# Components of the Budget Transfer

Department	Net Decrease in Appropriations	Net Decrease in Revenues	Decrease in Net County Cost
Surveyor	100,386		100,386
Agriculture	42,400		42,400
DOT	4,744,672	4,744,672	-
Development Services	2,062,146	2,028,872	33,274
Environmental Management	168,360	168,360	-
UCCE	23,573		23,573
<b>Sub-Total Land Use</b>	<b>7,141,537</b>	<b>6,941,904</b>	<b>199,633</b>
Public Health	4,462,387	4,403,492	58,895
Mental Health	50,000	50,000	-
Veterans	29,816		29,816
Human Services	5,361,061	5,319,245	41,816
Library	97,006		97,006
Child Support	76,407		76,407
<b>Sub-Total Health &amp; Human Services</b>	<b>10,076,677</b>	<b>9,772,737</b>	<b>303,940</b>

# Components of the Budget Transfer

<b>Department</b>	<b>Net Decrease in Appropriations</b>	<b>Net Decrease in Revenues</b>	<b>Decrease in Net County Cost</b>
<b>Special Revenue Funds</b>	<b>7,438,458</b>	<b>7,438,458</b>	<b>-</b>
<b>El Dorado County Development Projects</b>	<b>59,000</b>	<b>59,000</b>	<b>-</b>
<b>Department 15</b>	<b>1,178,359</b>	<b>5,206,347</b>	<b>(4,027,988)</b>
<b>Net Total</b>	<b>25,330,676</b>	<b>25,330,676</b>	<b>-</b>



# Bottom Line

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- Departments absorbed all department revenue reductions
- Departments absorbed \$4,027,988 of Department 15 revenue shortfalls
  - Supplemental Property Taxes - \$1.3M
  - Sales Tax – \$1.3M
  - Property Taxes in lieu of VLF - \$500K
  - Interest - \$1.3M
- These adjustments bring the FY 2008/09 budget back into “balance” taking into account revenue shortfalls



# FY 2009-10 Budget

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- CAO recommending setting the following parameters for department FY 2009-10 budgets
  - Hold salaries and benefit costs based on current staffing levels – No new positions
  - Assume a 5% increase in Health Insurance
  - Assumes retiree health costs at pay-as-you-go levels, no pre-funding



# FY 2009-10 Budget, continued:

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- Hold all other costs at FY 2008-09 Mid-year projection estimates adjusting for any one time expenses
- Assume department revenues equal to FY 2008-09 Mid-year projection estimates adjusting for any one-time revenues
- Assume non-departmental or Department 15 revenues equal to FY 2008-09 Mid-year projection estimates with 2% growth on Current Property Taxes
- Reviewed and discussed parameters with department heads

# Five-Year forecast

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
<b>Shortfall</b>	\$0	\$4,031,440	\$4,922,031	\$6,047,511	\$7,409,892

- Includes funding for Aid to Fire
- Does not include \$2.5 million annual Casino revenue
- Assumes retiree health remains at pay-as-you-go levels
- No growth in discretionary revenues other than 2% current property tax growth
- FY 10/11 forward assumes 2.5% growth in salaries and benefits, 3% growth in other costs



# Next Steps

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- ❑ Aid to Fire workshop on March 30
- ❑ Department proposed budgets due to CAO April 3<sup>rd</sup>
- ❑ Chief Administrative Office will work with departments to close the budget shortfall
- ❑ Budget workshops begin June 8th



# Board Motion

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- Approve and authorize the Board Chair to sign the FY 2008-09 Mid-year budget transfer (4/5 vote required)
- Move the CAO recommendation setting parameters for departments' FY 2009-10 proposed budget submittals