



# Overview FY 2009-10 Budget Addenda

**September 17, 2009**



# Fund Balance Calculation

Department Savings	\$2,538,799
Department 15 Revenue Shortfall	(1,353,657)
Department 15 Savings	7,758,100
Contingency Carryforward	1,926,921
Total Non-Departmental Savings	8,331,364
New Beginning FY 2009-10 Fund Balance	10,870,163



# General Fund Revenues by Functional Group

	FY 2009-10 Proposed	FY 2009-10 Addenda	Change
General Government	\$7,038,449	\$7,101,308	\$62,859
Law & Justice	19,834,768	20,194,298	359,530
Land Use & Development Services	8,756,328	8,320,487	(435,841)
Health & Human Services	44,975,439	45,024,072	48,633
Non-departmental	117,805,325	114,040,018	(3,765,307)
<b>Total</b>	<b>\$198,410,308</b>	<b>\$194,680,183</b>	<b>\$(3,730,126)</b>



# General Fund Appropriation by Functional Group

	FY 2009-10 Proposed	FY 2009-10 Addenda	Change
General Government	\$24,122,176	\$23,588,610	\$(533,566)
Law & Justice	81,659,521	80,597,011	(1,062,510)
Land Use & Development Services	18,855,656	18,394,105	(461,551)
Health & Human Services	49,116,884	49,034,273	(82,611)
Non-departmental	24,656,071	23,066,180	(1,589,891)
<b>Total</b>	<b>\$198,410,308</b>	<b>\$194,680,183</b>	<b>\$(3,730,126)</b>



# General Fund Net County Cost by Functional Group


	FY 2009-10 Proposed	FY 2009-10 Addenda	Change
General Government	\$17,083,727	\$16,487,302	\$(596,425)
Law & Justice	61,824,753	60,402,713	(1,422,040)
Land Use & Development Services	10,099,328	10,073,618	(25,710)
Health & Human Services	4,141,445	4,010,201	(131,244)
<b>Sub-Total</b>	<b>93,149,254</b>	<b>90,973,835</b>	<b>(2,175,419)</b>
Non-departmental	(93,149,254)	(90,973,835)	2,175,419
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



# Reserve

	FY 2009-10 Proposed	FY 2009-10 Addenda	Change
General Reserve	\$8,762,652	\$8,618,183	\$(144,469)
Designated Reserve for Capital Projects	2,189,664	0	(2,189,664)
<b>Total</b>	<b>\$10,952,316</b>	<b>\$8,618,183</b>	<b>\$(2,334,133)</b>

Equals 5% of adjusted GF appropriations



# Department 15 Contingency

- Addenda Amount: \$5,003,714
  - \$256,286 less than Proposed
- Equals 2.9% of adjusted General Fund appropriations
  - Short of 3% “goal” by approximately \$167K



# General Fund Department Changes

- Tiered Adjustments approved on August 24
  - \$3,427,965 reduction in Net County Cost
- Encumbrance changes
  - \$542,422 in additional appropriations for encumbrance re-establishment
- Other Changes
  - Public Defender – Increase in appropriations \$165,000 (death penalty cases)
  - Sheriff – Increase in appropriations \$105,614 (cost applied)
  - District Attorney – Increase in appropriations \$7,927 (Grant match)
  - Treasurer-Tax Collector – Decreased revenue of \$20,000 (Reduced TOT revenues)






# Department 15

# Department 15

- What is Department 15?
  - It is the General Fund “Bank Account”





# Department 15 Revenues

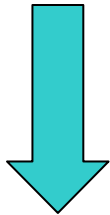
- Includes all Discretionary General Fund Revenues
- Revenues are not department specific
- Auditor's office is responsible for depositing the majority of these revenues
- Chief Administrative Office works closely with the Auditor's Office to track and project these revenues
- Chief Administrative Office has signature authority for this "department"



Revenues are deposited in Department 15



Bank Account =  
\$114,040,018



Less Department 15 Expenses \$23,066,183



Bank Account = \$90,973,835

**\$90,973,835 is our annual  
discretionary income**



# Our Budget (Net County Cost) for this discretionary income is:

<b>Functional Group</b>	<b>\$90,973,835</b>
General Government	16,487,302
Law & Justice	60,402,713
Land Use & Development	10,073,618
Health & Human Services	4,010,201
Ending Balance	\$0



# Appropriations

- Not department specific
- Expenses can be discretionary in nature
- Chief Administrative Office must approve all expenses out of Department 15



## Examples of Department 15 Appropriations

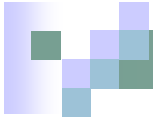
- Contingency
- Cost for the annual county audit
- Cost for Grand Jury publication
- Sales tax audit services
- General Fund contributions
  - ACO Fund (Currently Animal Shelter funds only)
  - Community Services
  - Airports
  - DOT
  - Parks
- Aid to Fire
- Resource Conservation District funding
- Bond Authority
- LAFCO



# Pass through for Realignment

- State requires that these funds be passed through the General Fund
- There is a State Local Program Realignment match requirement (SLPR)
- Monies must be passed through to meet a maintenance of effort requirement





# Special projects

- Projects that are not Department specific
  - TRPA compact agreement
  - EDWPA
  - INRMP



# Addenda changes to Dept 15

- Major revenue reductions
  - Property taxes reduced \$7.9M
    - Includes \$6.3M reduction due to Prop 1A
  - Sales taxes reduced \$1.1M
  - Hotel/Motel taxes reduced \$239K
  - Property transfer tax reduced \$274K
  - Timber yield reduced \$102K
  - Interest reduced \$293K



# Addenda changes to Dept 15

- Major changes to appropriations
  - Reduced employee benefits by \$485,000 due to expectation of lower Charter 504 increases
  - Reduced contingency \$256,823
  - Reduced realignment projections



# Five Year Projection



# Five Year Projection

- Five year projection is continually updated for addenda and at mid-year, third quarter and throughout the budget process
- Five year projection is utilized as a tool to help determine budget adjustments for General Fund departments only

# Five Year Projection

<b>As of 6/23/09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
Revenues	\$198,410,308	\$196,307,335	\$198,141,869	\$200,104,950	\$201,972,356
Appropriations	198,410,308	201,924,486	206,946,868	212,219,446	217,598,082
Total	-	(5,617,151)	(8,804,999)	(12,114,496)	(15,625,726)
<b>As of 8/24/09</b>					
Revenues	196,333,8612 2	193,752,103	194,438,605	196,033,980	197,871,195
Appropriations	195,611,237	194,902,994	201,392,149	208,485,329	215,840,253
Total	851,601	(657,009)	(6,953,545)	(12,451,349)	(17,969,058)
<b>As of 9/17/09</b>					
Revenues	194,680,179	190,957,986	192,632,639	194,197,780	196,004,252
Appropriations	194,680,179	193,360,502	200,319,714	207,365,612	214,678,076
<b>Total</b>	<b>0</b>	<b>(2,402,516)</b>	<b>(7,687,075)</b>	<b>(13,167,832)</b>	<b>(18,673,824)</b>
Increase in shortfall from 8/24	851,601	1,745,507	733,530	716,483	704,766



# Why the decline

- Approximately \$500K lower Department 15 estimates
  - Interest
  - Property tax in-lieu
  - Hotel Motel taxes
- Increased appropriations
  - Public Defender (\$165K)
- Less carry-forward contingency (\$166K)



# Bottom Line

- FY 2009-10 is balanced
- Tiered reductions have been incorporated
- Revenue reductions have been incorporated
- Property taxes have been reduced due to Prop 1A suspension





# Next Steps



# Next Steps – Monday's Agenda

- Board questions regarding Addenda packet
- Department Program/Policy Discussions
  - Health Services – Mental Health Division
  - Development Services
  - Surveyor
  - Public Defender
  - Other



# Next steps continued

- CAO to incorporate direction received during Budget Hearings into Final Budget
- Final Budget adoption on September 29
- Return on November 2, 2009 with first quarter review, Prop 1A securitization options, early retirement incentive outcome, State budget changes and Tier 3 discussion
  - Tier 3 discussion will focus on closing the shortfall projected for FY 2010-11



End of Presentation

*Thank you!*