



## Legislation Text

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**File #:** 18-1475, **Version:** 1

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Chief Administrative Office recommending the Board:

- 1) Adopt and authorize the Chair to sign Resolution **209-2018**, incorporating Exhibits 1 and 2, adopting the County Budget and Budgets for Board Governed Special Districts for Fiscal Year 2018-19; and
- 2) Adopt and authorize the Chair to sign Resolution **210-2018** modifying the Countywide Personnel Allocation. (Est. Time: 10 Min.)

**FUNDING:** Countywide Budget Adoption.

### **DISCUSSION / BACKGROUND**

The Chief Administrative Office was advised in August that the County would likely not have final fund balance numbers for FY 2017-18 year-end available until mid-September.

Not having final fund balance numbers until later in September limits the ability for Departments to prepare, and for the Chief Administrative Office to process and evaluate, changes to the Recommended Budget in time for the Board to adopt the Budget prior to the statutorily required deadline of October 2<sup>nd</sup>.

Therefore, the Chief Administrative Office is recommending that the Board adopt the FY 2018-19 Budget Resolution in order to officially adopt the Recommended Budget as the final Adopted Budget. With this budget adoption, only necessary technical adjustments are included as final revisions to the Recommended Budget, and it is recommended that the Board delegate authority to the Auditor-Controller, in consultation with CAO, to balance funds within certain parameters once those fund balance figures are known.

It is also recommended the Board delegate authority to the Auditor-Controller, following specific language included in the attached Budget Resolution, to use any additional General Fund fund balance amount to increase established Reserves/Designations and other expenses in the Information Technologies Department, as follows, based on prior Board discussion.

In October, a separate budget meeting will be scheduled to present new policy decisions, including requests for new positions, and to offer recommendations regarding the use of any remaining General Fund fund balance.

Please also recall that the required Budget Hearing was held in June. This means that approval of increases or additions to the Budget will require a 4/5 vote of the Board, regardless of whether the decision is made prior to or following October 2<sup>nd</sup>. Pursuant to statute, items introduced prior to the close of the June budget hearing will require a 3/5 vote.

With the adoption of the Budget Resolution, the Auditor-Controller is authorized to make the following adjustments to the FY 2018-19 budget where the FY 2017-18 actual year-end closing figures for any fund differ from the FY 2018-19 beginning fund balance budget estimates:

(1) Should the available financing exceed the financing requirements for any individual fund other than the General Fund, the excess shall be applied to Increase the Appropriation for Contingency in the respective fund as provided by Government Code Section 29084.

(2) Should the financing requirements for any individual fund exceed available financing, the Auditor shall reduce the Appropriation for Contingency in the respective fund, until exhausted, and then shall reduce Reserves/Designations in the respective fund, excepting the General Fund General Reserve. If financing requirements still exceed available financing, the Auditor-Controller shall inform the Chief Administrative Officer and the Chief Administrative Officer will make recommendations to the Board for adjustments in appropriate operating accounts.

(3) Should the available financing exceed the financing requirements for the General Fund, the excess General Fund fund balance available shall be used to increase Board established designations and related appropriations, in order of Board policies and established priorities, set forth as follows:

- a) Increase the General Fund Designation for CalPERS Increases, to reset the designated amount, reflecting the estimated additional General Fund cost in FY 2019-20 and FY 2020-21:

Increase 7801 Desig. of Fund Balance     \$2,436,863

- b) Increase General Fund General Reserve, based on recalculated 5% of Net General Fund:

Increase 7800 To Reserve                     \$220,000

- c) Increase Salary and Benefit Expense in the Information Technologies Department for the addition of one IT Specialist position, reflecting prior discussion following the reduction in higher level position during FY 2017-18:

Increase	3000 Permanent Employees	\$45,459
	3020 Retirement	\$ 4,047
	3022 Medicare	\$ 660
	3040 Health Insurance	\$23,047
	3041 Unemployment Ins.	\$ 175
	3042 Long Term Disability	\$ 114

- d) Remaining undesignated General Fund fund balance shall be placed in the General Fund Appropriation for Contingency, pending a recommendation for revisions or additions, from the Chief Administrative Officer, to be submitted to the Board of Supervisors for discussion and consideration prior to November 1, 2018.

(4) The Auditor-Controller and Chief Administrative Officer shall return to the Board no later than November 1, 2018 with a budget amendment detailing the adjustments as a result of the fund balance differences for each fund.

Additionally, limited minor revisions to the Recommended Budget are recommended to be approved

with this Resolution, as detailed on Exhibit 2 to the attached Budget Resolution. These revisions are to reflect updated information where no new policy issues are concerned, to re-budget items that were approved in the prior year and appropriations are necessary to complete purchases or payment, or to include minor technical adjustments and corrections.

An amendment to the adopted Personnel Resolution is also attached (Attachment B) reflecting staffing changes outlined and approved during the Budget Hearing, and incorporating the original Personnel Resolution and all subsequent amending resolutions.

### **PRIOR BOARD ACTION**

The Board conducted the Budget Hearing on the FY 2018-19 Recommended Budget on June 18, 2018 (Legistar # 18-0940). Prior to the conclusion of the Hearing, the Board directed the Chief Administrative Officer to make changes to the Recommended Budget as outlined in the Budget Hearing attachment.

### **FINANCIAL IMPACT**

Countywide Budget Adoption

### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

Provide signed copies of Resolutions to Chief Administrative Office.

### **CONTACT**

Don Ashton, Chief Administrative Officer

Shawne Corley, Assistant Chief Administrative Officer