



Legislation Text

File #: 18-1767, **Version:** 1

Chief Administrative Office recommending the Board consider and approve amendments to the Fiscal Year 2018-2019 Adopted Budget to incorporate recommended uses for General Fund fund balance carried over from Fiscal Year 2017-2018, to incorporate various non-policy related adjustments to reflect information that arose following the approval of the Recommended Budget, and approve Amendment 1 to the Fixed Asset listing. A 4/5 vote is required to approve the Budget Amendments. (Est. Time: 2 Hr.)

FUNDING: County-wide Budget; General Fund fund balance; ACO Fund.

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 limited 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 2nd. Therefore, the Board adopted the FY 2018-19 Budget Resolution in order to officially adopt the Recommended Budget as the final Adopted Budget, and delegated authority to the Auditor-Controller, in coordination with the Chief Administrative Office, to balance affected funds within certain parameters once those fund balance figures were known.

The General Fund ended FY 2017-18 with a fund balance of \$25,433,240. Of that fund balance, \$20,803,674 was already included in the Recommended Budget in order to fund previous commitments to the ACO Fund (\$7,156,164) and to fund General Fund costs and on-going operations (\$13,647,510).

The Auditor-Controller, following specific language included in the attached Budget Resolution, was authorized to use any additional General Fund fund balance amount to increase established Reserves/Designations (the CalPERS Designation and the General Reserve) and staffing related expenses in the Information Technologies Department. Those budget adjustments totalled \$2,730,365.

The remaining fund balance equals approximately \$1.9 million. Pursuant to the Adopted Budget Resolution, this additional funding was placed into the General Fund Appropriation for Contingency pending a later Board discussion regarding recommended uses of that funding. Combined with updated revenue estimate and correction to the distribution of fund balance between the ACO Fund and the General Fund, the total increase to the General Fund is \$4,777,123. The attached staff report outlines the recommended uses of the remaining fund balance and increased financing available. Additionally, non-policy related amendments to the Adopted Budget are presented in the attached schedule, reflecting adjustments for new grant funding information, adjustments to reclassify already approved expenditures, and adjustments to implement prior Board actions.

Please note 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. Pursuant to statute, items introduced prior to the close of the June budget hearing will require a 3/5 vote. It is recommended that the Board approve and ratify the schedule of budget amendments with a 4/5 vote.

Adjustments to Sheriff Budget - Sheriff's Technician positions and Fixed Asset Appropriations

On June 26, 2018, the Board approved the addition of four Sheriff's Technician allocations to the Sheriff's Office, funded by rural counties revenue for three months, with the understanding that the Sheriff would return to the Board no later than the date of the Board's consideration of the Final Budget, in September, with a completed fee study and recommendations for ongoing funding of those allocations. The Board of Supervisors approved revisions to the Sheriff's fee schedule on August 28, 2018. At that time, the Sheriff estimated that the additional fee revenue would be sufficient to fund two of the Sheriff's Technician allocations. The Sheriff is requesting \$140,200 additional General Fund support for the remaining two allocations.

In the Recommended Budget, the Sheriff requested a General Fund fixed asset allocation of \$1,917,400 as part of a total fixed asset request of \$3,417,400. The CAO recommended reducing the General Fund request by \$599,900 to be consistent with previous years' General Fund fixed asset allocations, and based on previous years' actual spending. The Sheriff has requested that the \$599,900 be added to his FY 2018-19 budget; however, after a review of the Sheriff's current vacancies and anticipated salary savings, it is anticipated that sufficient salary savings will be available within existing appropriations, if the Sheriff requires additional funding to purchase all listed fixed assets. The Sheriff will monitor purchases throughout the year and request a budget transfer if needed.

Adjustments to the Accumulative Capital Outlay Fund and Project Workplan

Recommended changes to the Accumulative Capital Outlay (ACO) fund include several fund balance adjustments related to reconciling project costs following the close of FY 2017-18 accounting records. Recommended changes to the ACO Fund and related Workplan are reflected in Exhibits 2 and 3 to the staff report.

PRIOR BOARD ACTION

The Board conducted the Budget Hearing on the FY 2018-19 Recommended Budget on June 18, 2018 (Legistar #18-0940).

The FY 2018-19 Budget Resolution was adopted by the Board on September 25, 2018 (Legistar #18-1475).

CLERK OF THE BOARD FOLLOW UP ACTIONS

None.

CONTACT

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