



Legislation Text

File #: 25-0366, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Receive and file the attached Fiscal Year 2024-25 Mid-Year Budget Report and if needed, provide direction to staff; and
- 2) Approve and authorize the Chair to sign:
 - a) Budget Transfer from the Auditor-Controller and the Health and Human Services Agency (HHSA) transferring \$75,000 in funding from HHSA to the Auditor-Controller's Office for auditing HHSA program specific invoices, which will reduce the Auditor-Controller's Net County Cost and increase General Fund Contingency by \$75,000 (4/5 vote required); and
 - b) Budget Transfer from the Auditor-Controller and Treasurer-Tax Collector to increase unanticipated delinquent tax revenue by \$140,000 and transfer the funding to the Treasurer-Tax Collector's Office which will reduce the Treasurer-Tax Collector's Net County Cost and increase General Fund Contingency by \$140,000. (4/5 vote required)

FUNDING: Countywide Budget.

DISCUSSION / BACKGROUND

Each year, the Chief Administrative Office works in conjunction with County departments to review the status of the current year's budget and present a Mid-Year Budget Report which summarizes the County's budget status following the first two quarters of the fiscal year. The review and report are intended to identify any material variances in projected revenues and expenses and provide a fund balance estimate relative to the upcoming fiscal year budget preparation.

The Mid-Year Budget report includes a memo from the Chief Administrative Office summarizing the County's budget status as Attachment A, a table of each department's General Fund Projections as Attachment B, and a narrative providing further information explaining the projections outlined in Attachment B as Attachment C.

Departments submitted their Fiscal Year (FY) 2025-26 Budget requests to the Chief Administrative Office on February 18, 2025. A special Board meeting is planned for Tuesday, April 22, 2025, to discuss any major revenue, expenditure, and/or policy issues related to the FY 2025-26 Recommended Budget, before the Chief Administrative Office finalizes work on the budget book. The CAO Recommended Budget for FY 2025-26 is estimated to be complete by mid-May, with the Budget Hearing set for June 10, 2025.

Lastly, the Board is being asking to approve two budget transfers. The first budget transfer will move funding from HHSA to the Auditor's Controller's office for auditing invoices from Behavioral Health and Social Services. This funding from HHSA will decrease the Auditor-Controller's Net County Cost by \$75,000. To balance the General Fund, this will increase General Fund Contingency by \$75,000. The second budget transfer will increase delinquent tax revenue in the Auditor's Special Revenue Fund and transfer the funding to the Treasurer-Tax Collector's Office. Due to increased collections on defaulted tax bills, the revenue has already exceeded budgeted amounts. This transfer will align the

budget with actual collections and transfer the funding to the Treasurer-Tax Collector's Office, decreasing their Net County Cost by \$140,000. To balance the General Fund, this will increase General Fund Contingency by \$140,000. The Auditor-Controller and Treasurer-Tax Collector have prepared the attached transfer forms and requested they be approved with the Mid-Year Budget Report.

ALTERNATIVES

The Board could choose not to receive and file the FY 2024-25 Mid-Year Report or provide direction to staff. The Board could also choose not to approve the budget transfers.

PRIOR BOARD ACTION

09/24/24 Legistar item 24-1556 - FY 2024-25 Budget Adoption

OTHER DEPARTMENT / AGENCY INVOLVEMENT

All County departments participate in the development of this report by providing the CAO with mid-year projections and summary status information.

FINANCIAL IMPACT

There is no direct financial impact associated with the attached report. The Budget Transfers will increase General Fund Contingency by \$215,000. Any other direction from the Board that may have a financial impact will be brought back to the Board for approval and/or incorporation into the Budget.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain the Chair's signature on the two budget transfer forms and forward them to the Chief Administrative Office for processing.

STRATEGIC PLAN COMPONENT

Strategic Innovation by Working as One Organization

CONTACT

Sue Hennike, Assistant Chief Administrative Officer