

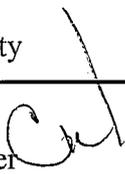


BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive Office
Department No.: 012
For Agenda Of: June 11, 2012
Placement: Departmental
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Chandra L. Wallar, County Executive Officer 
Contact Info: Tom Alvarez, Budget Director (568-3432)
SUBJECT: Fiscal Year 2012-13 Recommended Operating Plan and Budget

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

It is recommended that the Board of Supervisors:

1. Approve final budget adjustments to the Fiscal Year 2012-13 Recommended Budget;
2. Delegate authority to the County Executive Officer to execute ongoing grants and contracts included in the Recommended Budget;
3. Authorize the County Executive Officer to approve ongoing contracts where amounts are up to 10% more or less than indicated amounts, or up to \$5,000 more or less than indicated amounts on contracts under \$50,000, without returning to the Board for approval; and
4. Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2012-13

Summary Text:

The Fiscal Year 2012-13 Recommended Operating Plan and Budget is hereby submitted to the Board of Supervisors. The information in this letter, attachments, and hearing binder is provided to enable the Board to adopt a Fiscal Year 2012-13 operating plan and budget on June 15, 2012. Budget hearings are scheduled for the week of June 11-15, 2012 and if necessary, may be continued into the week of June 18-22, 2012.

Background:

Budget at a Glance				
<i>(Dollars in Millions)</i>	Actual	Adopted	Recommended	Proposed
	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Total Revenues	\$743.7	\$749.1	\$745.7	\$741.5
Other Financing Sources	\$144.7	\$116.8	\$82.4	\$86.5
Total Sources	\$888.4	\$865.9	\$828.1	\$828.0
Total Expenditures	\$766.5	\$825.0	\$800.1	\$800.6
Designated for Future Use	\$113.4	\$40.9	\$28.0	\$27.4
Total Uses	\$879.9	\$865.9	\$828.1	\$828.0
Staffing FTEs	3,911.7	3,713.7	3,801.4	3,797.5

The Fiscal Year 2012-13 recommended expenditures budget for all funds totals \$800.1 million, a decrease of \$24.9 million from Fiscal Year 2011-12 adopted expenditures budget. The recommended budget includes \$28.0 million designated for future use. This brings total uses to \$828.1 million for Fiscal Year 2012-13.

The proposed budget is balanced with Fiscal Year 2012-13 revenues of \$745.7 million and prior year revenues that had been set aside for future use of \$82.4 million, for a total source of funds of \$828.1 million. The decrease in total Fiscal Year 2012-13 revenues of \$3.4 million from the FY 2011-12 adopted of \$749.1 is primarily attributed to reduced charges for services, offset by an increase in discretionary property tax revenue, miscellaneous revenue and Federal and State Revenue.

Staffing levels in the Recommended FY 2012-13 Operating Plan and Budget are 3,801.4 Full Time Equivalent (FTE) positions. This is an increase of 87.7 FTE compared with 3,713.7 FTE in the FY 2011-12 Adopted budget. The increase in recommended FTEs is primarily in Public Safety department personnel related to AB109-State Criminal Justice Realignment and in the Health and Public Assistance departments based on available Federal and State Funding.

Final Budget Adjustments

As is the case each year, events have occurred since the Recommended Budget was prepared which prompts staff to recommend adjustments to various appropriations and revenues. The recommended adjustments fall into two main categories listed here and detailed in **Attachment A**:

1. Re-budgeting appropriations included in the Fiscal Year 2011-12 budget, but not spent during the fiscal year, and moved to a designation via a Budget Revision during Fiscal Year 2011-12 for use in Fiscal Year 2012-13.
2. Other recommended changes adjust General Fund and non-General Fund budgets.

Attachment A is a list of all final budget adjustments recommended for approval by the Board.

Ongoing Grants and Contracts

The County has numerous ongoing grants and contracts that are renewed each year with the funding and expenditures approved by the Board during the annual budget hearings. The execution then becomes ministerial and can be delegated to the County Executive Officer, who will verify their inclusion in the Adopted Budget and sign for the County, thus reducing the number of administrative agenda items that come before the Board during the year. The Board has customarily delegated this authority to include grants and contracts where amounts are up to 10% more or less than indicated amounts, and approval of changes up to \$5,000 from the Board approved amounts on contracts less than \$50,000. This process has proven to be an efficient and responsive way for the agencies involved and to comply with the Board's policy direction.

The grants to be included in this year's delegation are identified in **Attachment B**. The contracts to be included in this year's delegation are identified in **Attachment C**. The contract list could include *part-year* contracts that would have been for the same amount as the prior year if the request had been to renew them for a *full year*. For example, a contractor was paid \$100,000 for a full year's work last year but the proposed contract is for \$50,000 for 6 months work in Fiscal Year 2012-13.

Budget Resolution

The Resolution of the Board of Supervisors follows as **Attachment D**. Note the resolution allows the County Executive Officer, under limited circumstances, to approve changes to appropriations for previously approved equipment purchases.

Mandates and Service Levels

Board approval of these proposed changes (final budget adjustments and ongoing grants and contracts) during budget hearings is discretionary. The budget hearings, recommended budget and the budget resolution are subject to the Government Code of the State of California Chapter 1, Division 3, Title 3, Articles 3 and 4.

Fiscal and Facilities Impacts:

Approval of these recommendations adopts the Fiscal Year 2012-13 Recommended Budget (with any modifications determined by the Board) and authorizes the County Executive Officer and/or the County Auditor-Controller to take necessary related fiscal action.

Attachments:

- A- Final Budget Adjustments
- B- Ongoing Grants
- C- Ongoing Contracts
- D- Resolution of the Board of Supervisors

Authored by:

Richard Morgantini, CEO Fiscal and Policy Analyst, 568-3551

Cc: Department Directors
Assistant County Executive Officers
Fiscal and Policy Analysts