



Legislation Details (With Board Report)

File #: 15-0384 **Name:** Board Budget Workshop FY 2015-16 - 2 of 4
Type: General Agenda Item **Status:** Scheduled AM
File created: 4/15/2015 **In control:** Board of Supervisors
On agenda: 4/20/2015 **Final action:** 4/20/2015
Title: Receive an Update on FY 2015-16 Budget Development.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Augmentation Summary Dept

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|--------|--------|
| 4/20/2015 | 1 | Board of Supervisors | | |

Receive an Update on FY 2015-16 Budget Development.

RECOMMENDATION:

It is recommended that the Board of receive an update on FY 2015-16 Budget Development.

SUMMARY:

During the budget hearings scheduled to commence on June 2, the County Administrative Office will present a recommended budget requiring difficult choices for the approaching fiscal year. Revenues have recovered and non-program revenue, allocated at the discretion of the Board to meet local priorities, has posted solid gains in recent years. However, cost pressures related to salaries, benefits, and operating expenses have consumed these revenue gains and eroded most departments' flexibility to maintain current staffing levels, keep up with infrastructure demands, and respond to emerging needs. It is within this context that the County Administrative Office has requested a budget workshop in order to share perspectives on budget challenges facing the County and to seek direction from the Board of Supervisors.

DISCUSSION:

In March, departments submitted "baseline" requested budgets for next fiscal year, detailing the staffing and operating expenditures they can afford with expected financing. Proposed expenditures total \$572.1 million, an increase of \$21.9 million over the current year adopted budget. Requested budgets with increased expenditures are balanced with growth in program revenues or, in some cases, financed by reserves set aside for planned one-time needs. The baseline budget also includes a \$5.7 million contingency appropriation for critical, unplanned operational needs next fiscal year. The uncommitted balance after financing requested baseline expenditures and taking into account expected revenue is \$12.8 million. This amount represents growth in non-program revenue after meeting County commitments (e.g., formula-based increases to economic development agencies and the road fund) and is the amount available to finance departmental augmentation requests.

When necessary to balance requested baseline budgets to expected revenue, departments cut operating expenditures and vacant positions. In total, departments unfunded 63.5 vacancies for an estimated expenditure savings of \$4.5 million. Some departments had already exhausted opportunities for cost savings because they have lost their budgetary flexibility due to cost pressures and/or do not have vacant positions. These departments cut a combined total of 66 positions to balance their budgets and submitted augmentation requests

for additional general fund contributions, valued at \$7.5 million, to restore these positions.

The County Administrative Office received augmentation requests totaling \$50.0 million, offset by \$6.3 million in revenue, and a requested \$43.7 million in general fund contributions. Included in these totals are requests to restore filled and vacant positions, add new positions, replace, maintain, or improve infrastructure, run the new Schillings Place buildings, and various other needs. Specific departmental requests are detailed in the attachment.

During the workshop, the County Administrative Office will provide an overview of augmentation requests. The overview will include “level 1” priority considerations that can be funded within the constraints of the available growth in discretionary monies, and “level 2” priority considerations that represent important needs for which funding is not available. Options for funding the level 2 considerations include removing items from the level 1 list, asking the County Administrative Office to re-prioritize current base levels of funding, or reducing next year’s contingency appropriation. Attachment A is a complete list of augmentation requests as submitted by the departments for information and review.

Following the workshop, the County Administrative Office will employ Board direction and priorities to prepare the recommended budget for “print” by May 15. The recommended budget will be presented to the Budget Committee on May 27, with budget hearings commencing June 2nd. Budget adoption is scheduled for June 23rd.

OTHER AGENCY INVOLVEMENT:

Development of the recommended budget is a collaborative effort between the County Administrative Office and all County departments, with overall direction provided by the Board of Supervisors.

FINANCING:

This is an informational report and as such there is no fiscal impact that would result from the receipt of this report.

Prepared by:

Approved by:

Paul Lewis
County Administrative Analyst

Dewayne Woods
Assistant County Administrative Officer

Date:

Date:

Attachments: Departmental Augmentation Requests