

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
June 9, 2009
2:00 p.m.

To: Board of Supervisors

From: Terry Schutten
County Executive

Subject: FISCAL YEAR 2009-10 RECOMMENDED PROPOSED BUDGET

Supervisory
District: All

Contact: Navdeep S. Gill, Chief Operations Officer, 874-5803
Linda Foster-Hall, County Budget Officer, 874-2453

RECOMMENDATIONS:

1. Approve the recommended changes in appropriations, reimbursements and revenues to the levels of the adjusted Fiscal Year 2008-09 budget and recommended additional requests, as outlined in the attached recommended budget schedules, resulting in an approved Fiscal Year 2009-10 Proposed Budget. The Proposed Budget will serve as a spending authorization for Fiscal Year 2009-10 until adoption of a Final Budget in September 2009. A complete summary of the Fiscal Year 2009-10 Recommended Proposed Budget for the General Fund can be found in Attachment I.
2. Conduct Bielenso Hearings on Thursday, June 11, 2009 and on Tuesday June 16, 2009, regarding proposed elimination and/or reduction of indigent medical services.
3. Conduct a Transient-Occupancy Tax (TOT) Fund Hearing on Friday, June 12, 2009, in order to determine appropriate discretionary grants (Attachment II).
4. Adopt the attached Proposed Budget Resolution approving and implementing the Fiscal Year 2009-10 Proposed Budget, consisting of the County Executive's Recommended Proposed Budget, as amended by the Board, and set the commencement of the Final Budget Hearings for Thursday, September 10, 2009 (Attachment III).
5. Direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA) to reflect the positions approved by the Board in the Fiscal Year 2009-10 Proposed Budget, including deletion of certain positions in order to reduce program expenditures within the General Fund. Additionally, authorize the Director of the Department of Personnel Services to administratively extend positions otherwise slated for deletion in those cases where resources have been identified through labor cost concessions. These extensions will be brought back to the Board at the earliest available Board date.

6. Approve the attached report from the Department of Personnel Services on the Retiree Medical and Dental Insurance Program 2010 eligibility guidelines and program for calendar year 2010 (Attachment IV).
7. Approve The Addendum No. 5 To The 2006-11 Health Services Unit Labor Agreement To Provide One Seniority List For All Classes Of Medical Assistant And Medical Assistant Language And Culture In The Department Of Health And Human Services (Attachment V).
8. Authorization For Agricultural Commissioner To Enter Into Agreement 09-73-06-0267-RA With United States Department Of Agriculture For Wildlife Services (Agricultural Commissioner) (Attachment VI).
9. Approve the Agreement with the St. John's Shelter Program for Women and Children to provide Emergency Shelter (Attachment VII).

I. INTRODUCTION

As we move into the Budget Hearings for the Fiscal Year 2009-10 budget, it is imperative that we realize two major factors:

1. Over the past decade, the County has maintained a high level of service to our citizens through a mixture of :
 - a. Increased property tax growth
 - b. Increase in sales tax collections
 - c. Aggressive pursuit of outside grant funding
 - d. Financial restructuring of debt
 - e. One-time revenues and use of reserves
2. Due to the current economic recession, the County will no longer be able to continue that high level of service for the following reasons:
 - a. A sharp drop in property tax, exacerbated by the devaluation of homes
 - b. Loss of sales tax revenue
 - c. No opportunity to restructure debt
 - d. Inability to use one-time funds and Interfund transfers
 - e. State of California lack of carry through on obligation to pay counties for their cost of doing business.

The rating agencies demonstrate their belief in our structurally imbalanced budgets and further use of one-time, Interfund transfers and the use of unrestricted revenues as reasons for reducing our credit rating.

Therefore, the County must be extremely judicious in the use of any one-time funding sources to finance ongoing expenditures. Unfortunately, this comes at a time when the need for many of the County's services is growing. The budget, as presented, has focused our resources on the Board's adopted priorities. There have been hard choices made but the mix of programs that are funded will maximize our ability to provide services to the residents of Sacramento County as we move forward out of this recessionary period.

II. BACKGROUND

FISCAL YEAR 2009-10 BUDGET PROCESS

The County Budget Act requires that each County approve an annual spending plan for the next fiscal year no later than June 30 of each year. Historically, in this County that spending plan has been the Proposed Budget which allows the County Auditor to pay claims and issue warrants on the County’s behalf until the Board adopts a Final Budget which follows the enactment of the State’s budget.

This year, the schedule has been changed from previous years. As presented in March 2009, it was anticipated that the County would have a budget shortfall in Fiscal Year 2009-10. In order to give departments and staff ample time to evaluate the potential program impacts of the projected shortfall, the Board approved a change in the Proposed Budget schedule to allow for the traditional budget hearings to be moved to June. Under this schedule, there was also time for an extensive public outreach process with both the Board’s advisory commissions and public workshop presentations to the Board in May. The budget adopted at the end of these hearings will set the budget for Fiscal Year 2009-10 and act as a spending plan for the period between July 1 and the Final Budget adoption in September.

As of this date, it is anticipated that the September hearings will focus on any year-end fund balance issues and the impacts from State budget actions. Since we do not know the magnitude of the State budget impacts, we may need to expand those hearings in September if necessary to deal with State issues. It is also possible that we will have to hold additional hearings at an earlier time to respond to state actions.

DISCUSSION

The County’s total budget as reflected in the table below is \$4.301 billion. This is a decrease of 19.0% (960.0 million) from the Fiscal Year 2008-09 Final Budget of \$5.261 billion. The largest declines were in the budgets for the Airport, Transportation and Water Resources.

Funds	Appropriations	Financing	Net Cost¹	Positions
General Fund	2,031,217,563	1,502,790,414	528,427,149	9,608.0
County Library	20,448,800	20,448,800	0	0.0
Economic Development & Intergovernmental Affairs	45,692,516	45,692,516	0	22.8
Environmental Management	19,837,401	19,837,401	0	128.8
Golf Fund	8,591,978	8,591,978	0	9.0
Transient-Occupancy Tax	8,802,273	8,802,273	0	0.0
Transportation	135,888,535	135,888,535	0	0.0
Water Resources	223,998,938	171,661,587	52,337,351	259.9
Airport System	761,397,290	176,260,793	585,136,497	405.0
Waste Management and Recycling	75,010,324	75,010,324	0	290.0
Other Operating Funds	244,652,917	244,652,917	0	0.0
Other Enterprise Funds	3,239,532	3,239,532	0	8.0
Other Internal Service Funds	427,632,789	365,378,747	62,254,042	1,517.9
Other Public Service Enterprise Funds	83,043,575	83,043,575	0	734.0
Other Special Revenue Funds	211,501,942	211,501,942	0	111.1
Total	4,300,956,373	3,072,801,334	1,228,155,039	13,094.5

¹ Net Cost for the General Fund is financed with General Purpose Financing Revenues. Net Cost for other funds are financed with Retained Earnings.

The General Fund is the largest fund in the County Budget at \$2.031 billion. General Fund departments provide a broad range of public services. The County’s general purpose financing (\$528.4 million) is allocated to the General Fund to provide the local share of costs for both

mandated and discretionary programs. All other funds in the County Budget are financed with earmarked or restricted revenues. While the Board of Supervisors has more discretion over resource allocation and service levels in the General Fund, state and federal mandates on spending severely curtail that discretion and flexibility. Counties are political subdivisions of the State of California and are responsible for the delivery, on a local level, of state and federal services. Most of the funding for these services comes from state and federal sources, with approximately two-thirds of all financing in the General Fund coming from other governmental sources.

COST CONTAINMENT IN FISCAL YEAR 2008-09

The County Executive Office began planning for Fiscal Year 2009-10 in August 2008. By November 2008 it was anticipated that the County would have decreasing revenues from both Property and Sales Taxes during both the current year and the next fiscal year. In order to absorb the anticipated reductions in the current year, the County established significant restriction on the purchase of supplies and equipment starting in November 2008. Monitoring controls were established by the Department of Finance which resulted in a potential savings of \$93.1 million for all County programs. The potential overall (gross) savings for the General Fund was estimated to be \$15.6 million yielding a net savings in discretionary General Fund dollars of \$6.2 million. Those savings were used in March to offset the mid-year shortfall that the County experienced. It is anticipated that the cost containment will continue into the next fiscal year so that most departments reduced their anticipated expenditures in these categories as they developed their Fiscal Year 2009-10 budgets.

Additionally, the county imposed a moratorium on the purchase of computer equipment and the review of consolidating IT activities. These efforts have been fruitful and have resulted in a demonstrated countywide savings of \$6.0 million. Those savings have been incorporated in the \$47.4 million in additional resources that have been made available to fund the most critical priorities.

FISCAL YEAR 2009-10 PRELIMINARY BUDGET OUTLOOK

The County Executive Office prepared an initial General Fund budget forecast on April 30, 2009 for Fiscal Year 2009-10 projecting a shortfall in our General Fund base (no growth) budget of approximately 179.7 million. These circumstances have been caused by:

1. Decrease in Revenues: Revenues for next year are projected to continue to decline based on the latest housing market data from the Assessor's Office. This will affect all property tax based revenues. The Assessor estimated that the assessed values will decrease overall by 8.04%. This has the affect of decreasing property tax collections by \$55.7 million.
2. The downturn in the economy has also caused a ripple effect on the County's sales tax revenues. Lower taxable sales in all sectors of the economy will result in general sales tax collections decreasing \$5.9 million from Fiscal Year 2008-09 collections.
3. The downturn in sales tax will also affect other sales tax based revenue sources such as the ½ cent Public Safety Sales Tax and Realignment funding (collections are expected to be down by \$24.9 and \$15.7 million respectively.)
4. The County has honored current labor agreements that call for cost of living and equity increases totaling \$42.4 million in additional General Fund costs. However, the County has been in intense negotiations with all its recognized employee organizations regarding potential contract amendments that would lower this element of the Fiscal Year 2009-10

budget. The Board did eliminate all cost of living, equity and step increase for management employees in addition to implementing one furlough day each month starting in May 2008 through June 2010.

5. In February and March the Board made \$20.4 million in program reductions in departments that will have the overall affect of reducing Fiscal Year 2009-10 costs.
6. In Fiscal Year 2008-09 the County used \$55.5 million in one-time reserves as a funding source. These resources are not available as a funding source in Fiscal Year 2009-10.

III. PRIORITIES

In 2003, the Board first adopted a formal set of General Fund budget priorities. In June 2007, the Board adopted a revised set of budget priorities that reaffirmed the basic principles but reclassified mandates into those that give the Board some flexibility to set the service level and mandates that dictate the level of service to be provided (specific mandates). These priorities served as guiding principles for the development of the County Executive budget recommendations. These General Fund budget priorities are as follows:

- **Mandated Obligation - Specific**

The County of Sacramento has the obligation to provide certain services mandated by the Federal and State government. These mandated services include certain countywide public safety, health and welfare activities. Examples are: that the County must provide jails, prosecution, juvenile detention, health care for the poor, and welfare payments to eligible clients.

- **Mandated Obligations - Flexible**

The County of Sacramento is also obligated by the State and also the County Charter to provide for the public safety of the citizens living in the unincorporated area. Although this mandate is not specific in terms of dollar spending or staffing levels, Sheriff's patrol and investigations must be provided for the safety and security of our unincorporated constituents.

- **Financial Obligations**

At a foundational issue is the maintenance of the public trust through a sound fiscal policy that focuses on financial discipline, including funding programs that provide for revenue collection (such as Assessor's Office, Department of Finance, etc.) and payment of our debts.

- **Budget Priorities**

When funding of the County's mandated services and obligations (both "specific" and a certain level of "flexible" mandates) are met, the following priorities shall govern our budget process:

1. Provide the highest level of DISCRETIONARY LAW ENFORCEMENT, municipal and countywide services possible within the available County budget, such as Sheriff's patrol and investigations, and Probation supervision.
2. Provide a SAFETY NET for those disadvantaged citizens, such as the homeless, mentally ill, and others who receive no services from other government agencies.
3. Provide a SUSTAINABLE AND LIVABLE COMMUNITY for our constituents within available remaining resources (i.e., neighborhood programs, reinvestment in communities, Regional Parks, and non-law enforcement municipal services, etc.).

4. GENERAL GOVERNMENT FUNCTIONS (i.e., Clerk of the Board, County Counsel, Internal Services Agency, Office of Communications and Information Technology, County Executive, etc.) shall continue at a level sufficient to support the direct services to citizens.
5. Continue PREVENTION/INTERVENTION PROGRAMS that can demonstrate they save the County money over the long-term, such as alcohol and drug programs.

IV. SUMMARY OF GENERAL FUND CHANGES

In the County Executive’s Recommended Proposed Budget, we have been able to mitigate a portion of the shortfall by using changes in both expenditure and some additional revenues totaling \$47.4 million in order to meet the Board’s budget priorities as reflected below (See Attachment VIII for detailed listing).

Board Priority	Additional Funding	Percentage
Priority 0 - Mandated Programs	\$ 33.2	70.0%
Priority 1 - Discretionary Law Enforcement	11.0	23.2%
Priority 2 - Safety Net Programs	0.4	0.8%
Priority 3 - Sustainable and Livable Community	1.1	2.3%
Priority 4 - General Government	1.8	3.7%
Total	\$ 47.4	100%

However, the following two items may affect the magnitude of the reductions:

- There is currently an \$8.5 million unfunded cost in the In-Home Supportive Services (IHSS) program included in the recommended reductions. However, there have been numerous proposals to modify the program and/or cost sharing elements at the state level. It is recommended that the Board not take any action regarding this program until after the State adopts its budget. Depending upon the State’s actions, the required additional funding for this program could change significantly. However, the County Executive Office will be working to identify additional reductions between Proposed and Final Budget hearings to eliminate this shortfall, should they be necessary.
- There is also a \$9.8 million unfunded cost in Human Assistance Aid Payments. The Governor has made various proposals to modify this program and/or the cost sharing elements at the state level. Until the State situation is a bit clearer, it is recommended that the Board not take action regarding any program changes until after the State adopts its budget. At the Final Budget Hearings, this office will be presenting recommendations to eliminate this shortfall, should they be necessary.

Additionally, we have shifted funds from lower priorities to meet the needs of higher priorities. Criminal Justice System programs such as the District Attorney, Sheriff, Probation and human service needs have taken precedence over lower priority programs. Based upon agency and central budget recommendations, we have reduced or eliminated programs that traditionally have been funded from the General Fund. For example, monies that have been used to fund prevention programs such as the dental sealant program, the “David Olds” program, and Birth and Beyond are being transferred to higher priority human service programs such as Child Protective Services (CPS). In the Criminal Justice System, funds are being shifted from

numerous General Government programs to add funding to the Sheriff, District Attorney, Indigent Defense, and Probation.

V. SUMMARY OF RECOMMENDED PROPOSED BUDGET FOR THE GENERAL FUND

General Fund Summary by Agency Structure

The County is organized by Agencies with almost all County departments falling within one of the following three agencies:

1. The Municipal Services Agency is comprised of the following departments that provide utility, infrastructure and asset management services to other governmental agencies as well as to the residents of the Unincorporated Area of the County.

Animal Care and Regulation	Regional Parks
Agency Administration	Transportation
County Engineering	Waste Management and Recycling
Environmental Review and Assessment	Water Quality
Neighborhood Services	Water Resources
Planning and Community Development	

2. The Countywide Services Agency is responsible for leadership and budget/policy analysis for the following departments that provide countywide services including public social services, public health, public protection, and law and justice departments to the County.

Probation	First 5 Sacramento Commission
Agricultural Commissioner/Sealer of Weights & Measures	Health and Human Services
Child Support Services	Human Assistance
Conflict Criminal Defenders	In-Home Supportive Services – Public Authority
Cooperative Extension	Public Defender
Coroner	Voter Registration and Elections
Environmental Management	Wildlife Services

3. The Internal Services Agency oversees the following departments that provide services to various elements of the General Fund, Enterprise Fund, and Internal Services Funds.

General Services	Personnel Services
Insurance Programs	Revenue Recovery
Clerk-Recorder	Health Insurance Portability and Accountability Act (HIPAA)
Facility Planning, Architecture and Real Estate	
Finance	

There are also three stand alone elected departments consisting of the Sheriff, District Attorney and the Assessor. All the Agencies, report to the County Executive, who directly reports to the elected Board of Supervisors.

The following table summarizes allocations of local resources in the Fiscal Year 2009-10 Recommended Proposed Budget for the General Fund by Agency and compares those allocations to the Fiscal Year 2008-09 Final Adopted Budget:

**General Fund Allocations for Fiscal Year 2009-10 Recommended Proposed Budget
As Comparison to
Fiscal Year 2008-09 Final Adopted Budget
(Amounts Expressed In Millions)**

	2008-09 Adjusted Final Allocation	2009-10 Recommended Proposed Allocation	Year to Year Variance
ELECTED OFFICIALS/DEPARTMENT HEADS			
Assessor	\$ 7.48	\$ 6.78	\$ (0.70)
Board of Supervisors/Clerk of the Board	3.52	3.75	0.23
District Attorney	46.85	41.32	(5.53)
Sheriff	177.59	139.41	(38.18)
Correctional Health	22.37	17.56	(4.81)
Subtotal	\$ 257.81	\$ 208.82	\$ (48.99)
COUNTYWIDE SERVICES			
Child Support Services	\$ 0.07	\$ -	\$ (0.07)
Human Assistance (DHA)-Aid Payments	42.58	30.26	(12.32)
DHA-Administration	28.98	21.44	(7.54)
Department of Health & Human Services (DHHS)	37.15	32.03	(5.12)
Probation	69.53	56.94	(12.59)
Courts	38.90	38.36	(0.54)
Public Defender and Conflict Criminal Defenders	38.78	39.41	0.63
Health Treatment Accounts	37.68	36.89	(0.79)
In-Home Support Services (IHSS)	22.02	17.53	(4.49)
Voter Registration and Elections	6.34	7.74	1.40
Other Countywide Services	10.38	12.70	2.32
Subtotal	\$ 332.41	\$ 293.30	\$ (39.11)
MUNICIPAL SERVICES			
Animal Care and Regulation	\$ 2.76	\$ 3.70	\$ 0.94
Regional Parks, Recreation and Open Space	4.45	3.30	(1.15)
Planning and Community Development	3.61	2.79	(0.82)
Other Municipal Services	1.66	1.37	(0.29)
Subtotal	\$ 12.48	\$ 11.16	\$ (1.32)
INTERNAL SERVICES			
Department of Finance	\$ 1.88	\$ 1.15	\$ (0.73)
Other Internal Services	0.74	0.88	0.14
Subtotal	\$ 2.62	\$ 2.03	\$ (0.59)
GENERAL GOVERNMENT			
Contingency and Reserve Change	\$ (32.24)	\$ (0.85)	\$ 31.39
Non-Departmental/Countywide Costs	\$ 20.89	\$ 0.84	\$ (20.05)
TOTAL	\$ 625.03	\$ 528.43	\$ (96.60)

There have been changes in appropriations for departments in line with the Board's priorities and the recognition of contractually obligated labor cost increases. Generally, all other departments have had their recommended appropriations either reduced or increased only slightly to offset mandated costs (i.e. Voter Registration/Elections for June 2010 election).

In addition to the allocations above, there is \$23.5 million reductions in state and/or federal programs (commonly referred to as “categorical programs”). These funds are specifically related to The Department of Behavioral Health (18.3 million); Child Support Services (\$140,000) and Health and Human Services (\$5.0 million). It is recommended that the County not fill behind these reductions that are identified in the departments proposed submittals.

The following table gives a higher-level summary of the recommended allocations by service area for the General Fund.

Summary Of Recommended General Fund Allocations By Service Area (Amounts Expressed In Millions)		
Uses of Allocations	2009-10 Recommended Proposed Allocation	Percent of Total
Assessor, District Attorney & Sheriff	\$ 205.07	38.81%
Board of Supervisors/Clerk of the Board	3.75	0.71%
General Government	13.13	2.48%
Internal Services	2.03	0.38%
Countywide Services	293.30	55.50%
Municipal Services	11.16	2.11%
Contingency, Reserves and Central Labor	(0.85)	-0.16%
Non-Departmental/Countywide Costs	0.84	0.16%
TOTAL	\$ 528.43	100.00%

Countywide Services consume more than half the local revenue resources, primarily for mandated services. Municipal Services, Internal Services, and General Government are allocated together at only 5.0 percent of the local revenue resources, although this picture is skewed by the mixed services (Municipal and Countywide) provided by Assessor, District Attorney, and the Sheriff. The Board, Assessor, and District Attorney Office provide countywide services, but much of the allocation to the Sheriff’s Department is for municipal services.

General Purpose Financing

General Purpose Financing is the source of the “allocation” to programs. The following table summarizes the financing estimates:

General Purpose Financing (Amounts Expressed In Millions)			
	2008-09 Adopted Final	2008-09 Estimated Year-End	2009-10 Recommended Proposed
General Revenues	\$ 579.1	\$ 563.0	\$ 511.8
General Fund Balance	13.6	13.6	15.8
Reserve Releases	32.2	32.2	6.8
TOTAL	\$ 624.9	\$ 608.8	\$ 534.4

The following table details the year-to-year recommended changes in general purpose revenues:

General Purpose Revenues (Amounts Expressed In Millions)			
	2008-09 Adopted Final	2008-09 Estimated Year-End	2009-10 Recommended Proposed
Property Taxes *	\$ 272.2	\$ 261.4	\$ 224.7
Sales Tax & In Lieu Sales Tax	81.0	74.6	68.7
Property Tax In Lieu of Vehicle License Fees	142.7	143.2	133.6
Utility Tax	14.6	14.6	14.7
Fines & Penalties	14.3	14.3	14.1
Franchises	3.3	3.3	3.8
Revenue Neutrality & Transition	18.6	18.5	17.7
Other Revenues & Costs	32.4	33.1	34.5
TOTAL	\$ 579.1	\$ 563.0	\$ 511.8

*Includes all sources of property tax revenue (i.e. Secured, Unsecured, Supplemental, Delinquent, Unitary)

In recent years the County has experienced growth in property tax collections ranging from approximately 10% growth in Fiscal Year 2002-03 to its most recent high growth rate of 11.5% in Fiscal Year 2006-07, before returning to a 5.1% growth rate in Fiscal Year 2007-08. The housing market slowdown has caused the County Assessor to decrease the assessed value for approximately 170,000 properties in May 2009. This will reduce growth in property taxes for Fiscal Year 2009-10 by approximately (7.51%).

A complete summary of the Fiscal Year 2009-10 Recommended Proposed Budget for the General Fund can be found in Attachment I.

VI. USE OF RESERVES AND RETAINED EARNINGS

- Use of Reserves - The Recommended Proposed Budget does not provide for any additional provisions for General Fund Reserves. It is recommended however, that \$6.85 million be used. This is the anticipated release of \$6.59 million to offset the incremental increased Pension Obligation Bond debt service and a \$0.26 million adjustment in the reserves for the Teeter Delinquent Property Tax program and Department of Revenue Recovery collection system.

While the Board has previously adopted a policy goal of establishing discretionary reserves equal to 5.0 percent of locally generated revenues, it is not recommended that this level be funded during Fiscal Year 2008-09. However, as soon as local economic conditions improve, it will be the County’s priority to adequately replenish these reserves.

VII. FISCAL YEAR 2009-10 GENERAL FUND CONTINGENCY RECOMMENDATIONS

The County Executive's recommended General Fund Contingency appropriation is \$6.0 million. Last year, the Contingency was set at \$3.0 million. However, with the current downturn in the economy, it seems prudent to establish a higher level of contingencies to potentially offset unknown changes in either expenditures or revenue collections. Should the year-end fund balance exceed our estimate, the contingency could be increased at the September Hearings.

VIII. RECOMMENDED TRANSFER FROM TRANSIENT-OCCUPANCY TAX (TOT) FUND TO GENERAL FUND

The available financing of \$8,802,273 in the TOT Fund for Fiscal Year 2009-10 is \$1,607,913 less than the Fiscal Year Adopted 2008-09 budget (see Attachment II). This is due to an \$807,913 reduction in fund balance and an estimated \$800,000 reduction in revenues due to fewer overnight stays and reduced room rates.

It is recommended that the Board give preliminary approval of a transfer from the TOT Fund to the General Fund for Fiscal Year 2009-10 in the amount of \$3,574,797. This is a \$394,020 anticipated decrease in the level adopted in the Fiscal Year 2008-09 Final Adopted Budget. It is further recommended that the Board preliminarily determine use of the monies available within the TOT Fund for jointly-funded city/county programs and certain county departments which rely upon TOT funds for their (Base) budgets as outlined in Attachment II. We are also asking the Board to discourage additional requests from civic and/or cultural groups for the Fiscal Year 2009-10 since there are no unallocated TOT funds remaining available. Deliberations on the TOT Fund will be held on Friday, June 12 at 9:30 a.m.

IX. CAPITAL CONSTRUCTION FUND (CCF)

The Fiscal Year 2009-10 Recommended Proposed Budget provides for major construction projects as a part of the long-range Capital Improvement Program (CIP), as well as minor alterations, improvements, and major equipment replacement in county-owned facilities. As a result of the county's financial limitations and commitments to approved major projects now being planned and/or under construction, the recommendations for additional capital construction projects are limited to those required because of health, safety, security, or severe operational problems. However, one large-scale project, the B.T. Collins Juvenile Center expansion, is included in this budget due to the successful securitization of Tobacco Litigation Settlement (TLS) funds.

The anticipated available financing within CCF for Fiscal Year 2009-10 is \$22,918,510. The Recommended Proposed Budget for Fiscal Year 2009-10 includes continuing major infrastructure renovation at the B.T. Collins Juvenile Center and remodeling Wing "A", remodeling the Sheriff Bond Road facility for a new 911 Communication Center, as well as projects at other county facilities. Following is a summary of available financing and significant projects in the CCF Budget:

Financing Sources	Amount
Available Fund Balance of Appropriation*	\$(1,412,123)
County Facility Use Allowance Charges, Vacancy Factor, and Improvement Districts	13,846,248
Interest Income	125,000
Miscellaneous Revenues - Revenue Leases	48,000
Miscellaneous Revenues - Dept. Funded Projects	410,000
Miscellaneous Revenues (Deallocated Funds Adjustment)	5,156,385
Americans with Disabilities (ADA) Certificate Of Participation funds	845,000
Courthouse Temporary Construction Fund Revenues	2,100,000
Criminal Justice Facility Temporary Construction Fund Revenues	1,800,000
TOTAL	\$22,918,510

*The budget for CCF projects is typically based on anticipated expenditures. Often the design and engineering is not completed within a single fiscal year after the project is authorized. If large construction projects are awarded late in the fiscal year, the contracts encumber funds in CCF. Those encumbered funds have a significant effect on the fund balance. When a large project is financed, CCF typically provides the financing for the expense and receives reimbursement for those expenses. Since the revenue is received in arrears, the revenue is not listed as a balancing entry for the encumbrance. This has the effect of creating a large negative fund balance. In Fiscal Year 2009-10, the negative fund balance is projected to be significantly smaller since most of the contract awards have been completed and additional contract awards, and their associated encumbrances, are not anticipated in the current fiscal year.

CCF activities face significant funding limitations but in Fiscal Year 2009-10 will again fund \$5 million of the Main Jail debt service. This will severely impact CCF's ability to fund projects of even the highest priority. Only a portion of the \$22.9 million in funding is available for projects without restrictions. The balance is restricted through bond covenants or at Board direction for use on specific major construction projects.

The majority of CCF activity will focus on:

- B.T. Collins Juvenile Center:
 - Juvenile Hall Construction Package 3
 - Remodel Wing "A".
- Remodel construction for the Sheriff's New 911 Center
- Replace the generators at the OCIT building to meet Air Quality Management District requirements
- Schematic design for the New Water Resources Building

Debt service for bond-financed projects will be paid by the occupying department. The funds set aside as contingencies historically have been used to fund large construction or design projects at the direction of the Board or to finance large unexpected cost escalations or contractor claims on a project. Due to the projected General Fund budget shortfall and the freeze placed on new construction projects, CCF has no contingency funds set aside.

CCF will begin paying debt service Fiscal Year 2009-10 for some projects that were needed due to health, safety, security, or severe operational problems that were funded by borrowing from the Fixed Asset Acquisition Fund.

OTHER COUNTY FUNDS

The sources for many of these funds, with the sole exception of the TOT Fund, comes from restricted revenues which may only be expended on single services or a narrow range of services. For example, the gas tax accruing to the Road Fund may only be expended on transportation services, and the various revenues for the Community Services Fund may only be expended on human services programs.

As required by law, the County's governmental funds are all balanced. The financing, consisting of revenues, fund balance, and, in some cases, reserve releases, is equal to the requirements, consisting of appropriations and reserve contributions. The financing estimates are reasonable. The County's proprietary funds are not balanced in the same manner as governmental funds, but again, the financing estimates have been reviewed and are reasonable. Sufficient funding is available in the form of revenues, retained earnings, working capital, fund transfers, and reserve releases to support the budgeted expenditures.

Information regarding various other county funds is as follows:

Economic Development And Intergovernmental Affairs Fund

The Department of Economic Development and Intergovernmental Affairs is established as a Special Revenue Fund. The department engages in general economic development and job creation programs focusing on business development, retention and attraction and also involvement with regional and local partnerships and programs dealing with economic development, promotion of sports, tourism and the arts. The department is actively engaged in commercial corridor revitalization and the attraction and growth of sales, property, transient occupancy, and utility tax revenue generating activities. These programs promote a sustainable community and result in job growth and increased General Fund revenue. The department represents the County in negotiations with cities and special districts on annexations and other matters associated with the Local Agency Formation Commission. The department coordinates the prioritization of County federal legislative issues and ongoing federal legislative programs including grants and other forms of funding. The General Fund has historically supported these general economic development and intergovernmental affairs activities with an annual transfer from the General Fund. This General Fund support is for countywide and unincorporated area specific activities that are not a part of the Mather Field and McClellan Park reuse programs or the Business Environmental Resource Center (BERC). In Fiscal Year 2008-09 this program was financed by a General Fund transfer of \$623,855. However, due to extraordinary issues with the economy and the County's budget, the department has aggregated non-General Fund financing sources to maintain a minimal level of program services in Fiscal Year 2009-10, allowing the historic annual General Fund transfer to be used to meet other critical County needs in Fiscal Year 2009-10. Appropriations are increasing 24%, from \$614,140 to \$759,143. This increased expenditure accurately reflects the cost to perform the functions summarized in this paragraph.

The Department is also responsible for the administration of the County's Economic Development Special Projects fund, which was established by the Board of Supervisors during the Fiscal Year 2005-06 Final Budget Hearings. This fund provides financial assistance to county departments, governmental and quasi-governmental entities, and public and private

interests to support economic development projects as approved by the Board of Supervisors. These projects promote a sustainable community and result in increased job growth and General Fund revenue. This fund has historically been supported by an annual transfer of \$1,500,000 from the General Fund. Funding for this program is separate and distinct from the program described in the previous paragraph, and is not available for the department's ongoing general economic development and intergovernmental affairs activities. This \$1,500,000 allocation was reduced to \$397,600 as a one-time reduction only for Fiscal Year 2007-08, but uncommitted resources from the prior year, together with the \$397,600, provided the department with approximately \$1,000,000 for new projects. The \$1,000,000 was subsequently committed to new projects. The department received no Economic Development Special Projects funding for Fiscal Year 2008-09, but was still able to provide a reduced level of support to economic development projects due to the Board allowing a one-time reallocation of funds from previously approved projects that were either completed at a lower amount than expected, or were discontinued. Appropriations are decreasing 87%, from \$1,003,440 to \$134,050, since the department is not receiving a General Fund allocation for Fiscal Year 2009-10 for the Economic Development Special Projects fund. This limits the activities of this fund in Fiscal Year 2009-10 to completing \$54,050 in projects and activities approved prior to Fiscal Year 2009-10 that are underway but not completed yet. Due to extraordinary issues with the economy and the County's budget, the department is requesting the remaining \$80,000 of available financing be allocated to fund general economic development and intergovernmental affairs activities in Fiscal Year 2009-10.

The department also includes the Mather Field and McClellan Park reuse programs and the Business Environmental Resource Center (BERC) program. The Mather Field and McClellan Park reuse programs are self-funded with grants and proceeds generated from sale or lease of former military base assets. Appropriations for the Mather Field and McClellan Park programs are decreasing 10%, from \$49,692,285 to \$44,786,970. Enterprise cost-sharing agreements are the primary source of funding for the BERC program. BERC appropriations are increasing 15%, from \$1,372,169 to \$1,578,170, due to the timing of program expenditures and receipt of funds received through cost-sharing agreements. The Department is exploring reserving a portion of BERC's Fiscal Year 2009-10 funding to support expenditures in subsequent Fiscal Years. Activities in these three programs result in significant job growth and increased County revenue.

Environmental Management Fund

The Environmental Management Department is also established as a Special Revenue Fund, and the Department does not receive General Fund financing. The Department's proposed operating budget for Fiscal Year 2009-10 reflects a reduction of \$2,189,478 from the previous fiscal year's adopted final budget. This reduction includes the Department's action to unfund 9.0 vacant positions, including 3.0 administrative positions and 1.0 managerial position, in response to the downturn in the economy and as part of a continued effort to minimize fee burdens on the regulated community.

Community Services Fund

The Community Services Division of the Department of Human Assistance (DHA) provides a variety of safety net services including the Senior Nutrition Services Program, Senior Volunteer Services Program, Mather Community Campus and Homeless Programs, which includes a range of support services, shelters, transitional living, and permanent supportive housing beds. These

programs promote independent living, economic self-sufficiency, and well-being for Sacramento's most vulnerable disabled adults, families and seniors. For Fiscal Year 09-10 many areas of the budget were reduced and overall we are decreasing expenses from last year from \$41,809,276 to \$36,523,508. This is a reduction of \$5,285,768 or approximately 13% reduction from the FY 08-09 Final Budget.

Golf Fund

The Golf Fund includes the costs of operating, maintaining and improving the county's three golf courses. The major sources of funding are greens fees and concession payments. There is no General Fund subsidy of the Golf Fund, and the Golf Fund fully reimburses the General Fund for overhead and support. The budget for the Golf Fund includes debt service for the Cherry Island and Mather golf courses.

The economic downturn has negatively impacted Golf Fund revenues, particularly in those from retail sales and food and beverage services. Rounds and green fees are generally consistent with budgeted expectations, but it is anticipated that increasing green fees in targeted areas will maximize revenues to offset some of the revenue shortfall from other sales and provide increased revenues for investment into the golf facilities.

County Library Fund

This budget presents the County's Fund 11 budget for Library Services. The County of Sacramento collects the local property tax levy that is dedicated to support library services for the unincorporated areas of the County, and the Cities of Citrus Heights, Elk Grove, Galt, Isleton and Rancho Cordova which supports 16 library branches in these communities. The property taxes are deposited into Fund 11, with most of the funds transferred to the Sacramento Public Library Authority. The Sacramento Public Library Authority (The Library) operates library services county-wide, except for the City of Folsom. The Library operates a total of 27 libraries within Sacramento County, including the 16 property tax supported branches.

The requested budget for Fiscal Year 2009-10 is \$20,448,800 which is \$3.5 million less than the Fiscal Year 2008-09 Adopted Budget. The Library has planned for the reduced contribution in the Library's Fiscal Year 2009-10 budget and has made appropriate cost reductions to present a balanced budget to the Library Board on May 28, 2009 which was approved.

Tobacco Litigation Settlement (TLS) Fund

On November 15, 2005, the Board approved refinancing the 2001 Tobacco Litigation Settlement Bond, to reduce the County debt service on prior bonds. Under the original deallocation schedule, the County had between \$4.7 million to \$8.3 million per year to fund county-operated programs with some of the funds in the TLS endowment program. Based on the current deallocation schedule, only new and expanded programs by tax-exempt qualified nonprofit organizations other than the County itself, or qualified capital projects, can be funded with the original 2001 Bonds. To mitigate the problem caused by ending the funding generated from the original Bond, the Board approved passing normal capital/maintenance costs through the TLS Fund (Fund 008A) to "free-up" other county funds for the programs originally funded by the TLS revenues.

In Fiscal Year 2009-2010, a remaining available cash balance from prior years unspent appropriations of \$2,628,349 will be used to fund mandated programs in the Departments of Health & Human Services and Human Assistance.

X. MUNICIPAL SERVICES AGENCY-NON GENERAL FUND

The Fiscal Year 2009-10 Recommended Proposed Budget for the Municipal Services Agency (MSA) is \$646.1 million (excluding the Dependent Special District, Countywide and Less Than Countywide Funds). Overall, the Agency budget reflects a net decrease of \$191.1 million from the Fiscal Year 2008-09 Adopted Budget (the Department of Water Quality and its Districts are reporting separately and are not included in these figures). The decrease is primarily due to the continuing slow down in the economy resulting in less development. Funds with the most significant reductions include Metro Air Park Community Facilities District 2000-1, Road Fund, Transportation Sales Tax, Rural Transit Program, Solid Waste Enterprise Operations/Capital Outlay, Stormwater Utility and Sacramento County Water Agency Zone 40. Attachment IX details the year-to-year comparisons for the Municipal Services Agency budget units.

Road Fund

Due to the State's difficult fiscal conditions, funding that has traditionally been dedicated to transportation is being recommended for suspension. Current discussions target 75% of the Highway Users Tax (Gas Tax) for the Fiscal Year 2009-10. This equates to approximately \$15 million. Uncertainty exists as to when or if these dollars would be repaid.

Currently, a loan agreement is in place through the first half of Fiscal Year 2009-10 that allows the Department of Transportation to borrow from the Municipal Services Agency Internal Service Fund should there be a cash shortfall, with repayment to follow once the State releases the suspended dollars to the County. However, the suggested suspension amount is greater than the amount of money available (less reserves for future needs) by approximately \$7 million which would negatively impact the Transportation Department. The suspension is anticipated to extend into the second half of the Fiscal Year 2009-10.

Department of Water Quality

The Sacramento Regional County Sanitation District Operations budget for Fiscal Year 2009-10 reflects an increase of \$1,410,988. Significant reductions have been made and cost saving measures put into place in response to the current economic conditions.

The Sacramento Area Sewer District operating budget for Fiscal Year 2009-10 reflects an increase of \$3,654,139. This increase is a direct result of stricter state and federal regulations regarding sanitary sewer overflows and the overall operating of a sanitation collection system.

Revenues:

Highlights of significant changes in operating revenues for Fiscal Year 2009-10 include:

- The Sacramento Regional County Sanitation District Operations revenue includes an increase in Charges for Services of \$1,410,988. This budget is fully self supporting and does not impact the General Fund.

- The Sacramento Area Sewer District operating revenue includes an increase of \$3,654,139. This budget is fully self supporting and does not impact the General Fund.

Expenses:

Highlights of significant changes in operating expenses for Fiscal Year 2009-10 include:

- Salaries and benefits have increased for the Sacramento Regional County Sanitation District Operations budget from \$47,465,332 to \$48,876,320, reflecting an increase of \$1,410,988. This increase is directly related to increases for cost of living adjustments, employer contributions to retirement, the addition of ten positions that transferred from the Municipal Services Agency in February 2009, and not funding 39 vacant positions.
- Salaries and benefits have increased for the Sacramento Area Sewer District budget from \$30,513,116 to \$34,167,255, reflecting an increase of \$3,654,139. This increase is a result of increases for cost of living adjustments, employer contributions to retirement, extra help and overtime for sanitary sewer overflow reductions, the addition of four positions that transferred from the Municipal Services Agency in February 2009, and one new position approved by the Board in August 2008.

XI. AIRPORT ENTERPRISE

The Sacramento County Airport System's (SCAS) operating budget for Fiscal Year 2009-10 reflects a continued effort to maintain a reasonable airline cost per enplaned passenger and keep rate increases to a minimum. Considerable efforts were made by Airport System staff to reduce their budgets. Although in many areas there were reductions in the budget, overall we are increasing last years Final Budget by \$36,350,304.

Funds 041 and 045				
Operating Budget - Revenue and Expenses				
Fiscal Year 2008-09 Proposed Budget				
	2008-09 Adopted Final	2009-10 Recommended Proposed	Year to Year Variance	Percent Change
<u>REVENUES:</u>				
Charges for Services	131,736,726	147,269,311	15,532,585	11.8%
Interest Income	3,988,530	3,473,450	-515,080	-12.9%
Intergovernmental Revenue	8,068,345	4,818,032	-3,250,313	-40.3%
Passenger Facility Charges	23,000,000	20,700,000	-2,300,000	-10.0%
TOTAL	166,793,601	176,260,793	9,467,192	5.7%
<u>EXPENSES:</u>				
Salaries/Benefits	35,866,592	37,298,955	1,432,363	4.0%
Service and Supplies	70,706,205	57,191,313	-13,514,892	-19.1%
Depreciation	24,503,878	26,544,776	2,040,898	8.3%
Other Charges	1,839,576	1,828,516	-11,060	-0.6%
Cost of Goods Sold	800,000	600,000	-200,000	-25.0%
Interest Expense	11,397,005	58,000,000	46,602,995	408.9%

Revenues:

Highlights of significant changes to the County Airport System’s operating revenue for Fiscal Year 2009-10 include:

- The largest decrease in budgeted revenues is due to grant revenue associated with the Terminal Modernization Program. The budget for Intergovernmental revenue is decreasing from \$8,068,345 to \$4,818,032 (decrease of \$3,250,313). Although a significant amount of the TMP will be covered by grant revenue, the revenue will be reflected in future years.
- Parking revenue for Fiscal Year 2009-10 is projected to decrease by \$7,328,917 over Fiscal Year 2008-09 budgeted revenue due to decreases in passengers.

Expenses:

Highlights of significant changes to the County Airport System’s operating expenses for Fiscal Year 2009-10 include:

- Salaries and benefits have increased from \$35,866,592 to \$37,298,955 (an increase of \$1,432,363). This net increase is attributable to step increases in salaries, cost of living adjustments, and increased employer contributions to retirement. They have deleted 7 positions and unfunded 1 position to mitigate some of the increases.
- The budget for Services and Supplies was decreased by \$13,514,892 due to the delay or deletion of projects.
- The increase in our budget is directly related to the increase of Interest Expense in the amount of \$46,602,995. This is for our debt service relating to bonds. A large portion of that (\$29,000,000) is capitalized interest and will be paid from existing and future bond proceeds.

XII. INTERNAL SERVICES FUNDS

Internal Services Funds are primarily financed with charges to county departments for services provided to those departments. These funds and services have seen significant budget reductions, where possible, in recent years. Often these reductions are made very early in the budget process and do not receive the same level of visibility as reductions in direct services to county residents. Internal Services Funds are the Departments of General Services, Office of Communications and Information Technology, and the Self- Insurance Funds.

The assistance from the Internal Services Agency (ISA) departments of Personnel Services, Finance, Revenue Recovery, Clerk/Recorder and General Services in identifying one-time and ongoing funding sources is appreciated. Given the severity of the County's fiscal situation all options were explored. A total of approximately \$38.9 million was identified that could either be rebated to county departments or where allocated costs could be reduced. This amount includes ISA departments' absorbing their Fiscal Year 2009-10 unavoidable costs, which includes increases associated with the 2.9 percent employee cost-of-living adjustment, retirement rates, safety costs, personnel services and insurance rates (workers' compensation, unemployment liability property and group insurance). The costs absorptions and reductions to ISA departments' base budgets included the unfunding and/or deletion of 139.9 positions. In addition during Fiscal Year 2008-09, ISA departments deleted 26.0 positions and made budget reductions equating to an annualized amount of \$3.9. The reductions made in the ISA departments will impact the service levels of customer departments and the maintenance of county facilities.

Communications And Information Technology (OCIT)

The Office of Communications and Information Technology (OCIT) provides central information technology and telecommunications services to other County departments and agencies. In addition, OCIT provides services to regional partners in the Sacramento area including State, Federal and City law enforcement agencies utilizing the County's Criminal Justice Information System and local radio communications

The Fiscal Year 2009-10 Proposed Budget includes revenues of \$48.2 million. This is a decrease of \$6.8 million from Fiscal Year 2008-09. This decrease is primarily due to customer funding reductions within the DP-Shared Systems Budget Unit.

The Fiscal Year 2009-10 Proposed Budget includes appropriations of \$49.0 million. This is a reduction of \$8.6 million from Fiscal Year 2008-09. The budget reflects various program expenditure reductions and staff reductions of 16 permanent positions, elimination of 11 temporary contractors, and the un-funding of 21 vacant positions.

Insurance Funds

The County utilizes three separate funds to accumulate charges and payments for Workers' Compensation Insurance, Liability/Property Insurance, and Unemployment Insurance. The County is basically self-insured for Workers' Compensation Insurance and Liability/Property Insurance; however, the County does purchase additional coverage above the self-insured retention levels of \$2.0 million. All three insurance funds are financed through charges to county departments.

Charges to county departments for all three insurance funds are determined on the basis of each department's claims experiences and exposure. The County has several higher risk services, particularly in the provision of municipal services to the Unincorporated Area. The following table reflects adopted insurance funds charges for the 2008-09 Fiscal Year and recommended charges for the 2009-10 Fiscal Year:

Insurance Funds Charges			
	Adopted 2008-09	Recommended 2009-10	Variance
Workers' Compensation	30,407,887	14,517,375	-15,890,512
Liability/Property	18,754,835	9,218,435	-9,536,400
Unemployment	<u>2,021,133</u>	<u>2,021,133</u>	<u>0</u>
TOTAL	51,183,855	25,756,943	-25,426,912

Overall recommended charges are lower for Fiscal Year 2009-10.

Operating costs for the Workers' Compensation Insurance program have decreased approximately \$1.0M due primarily to reductions in insurance premiums, medical services and workers compensation payments. In addition, there will be a \$17.0 million reduction in charges passed through to county departments to provide budgetary savings to customer departments while recognizing the fund has adequate cash reserves to fund estimated costs for Fiscal 2009-10.

Operating costs for the Liability/Property Insurance program have decreased by approximately \$2.4M primarily due to a reduction in liability claim payments and the cost of insurance premiums. In addition, there will be a \$7.1 million reduction in charges passed through to county departments to provide budgetary savings to customer departments while recognizing the fund has adequate cash reserves to fund estimated costs for Fiscal 2009-10.

The Unemployment Insurance program is budgeting at the same level; however, this may require a subsequent change based on the total number of layoffs and the unemployment benefits paid during Fiscal Year 2009-10.

XIII. SPECIAL DISTRICTS

The Board of Supervisors also serves as the Board of Directors for certain Dependent Special Districts providing services to residents of the Unincorporated Area. The District budgets are all balanced governmental funds. There are three recreation and park districts, three county service areas providing recreation and parks services to the rural South County, two parks maintenance and improvement districts, and one fire district. The Board of Supervisors has appointed advisory boards for most of the Districts. The primary sources of financing are dedicated shares of the property tax levy and user fees. One park maintenance and improvement district imposes assessments. Total spending for services and facility maintenance and improvements by the Districts will be about \$22.0 million in Fiscal Year 2009-10. Please refer to Attachment X for a more detailed analysis of changes in appropriations, revenues, and fund balances for the Dependent Special Districts.

XIV. REPORT FROM THE DEPARTMENT OF PERSONNEL SERVICES ON RETIREE MEDICAL AND DENTAL INSURANCE PROGRAM FOR CALENDAR YEAR 2010

It is recommended that the Board approve the attached report that recommends providing retiree medical and dental insurance offset payment benefits for the 2010 calendar year. As a result of an unprecedented budgetary shortfall facing the County, this report recommends providing retiree medical insurance offset payment benefits for the 2010 calendar year at a 40.8% reduction in the 2009 level of subsidies and an elimination of the dental subsidy for all individuals. This approach in allocating the reductions is consistent with the position of the SCREA Board. Staff has estimated the cost savings to be approximately \$1.9 million for dental and \$4.2 million for medical offsets, for a total combined savings of approximately \$6.1 million in calendar year 2010 or approximately 50% of the current expense.

Retirees not eligible for the offset payment will continue to be provided the option to enroll in a County-sponsored retiree medical plan on a self-pay basis. The policy proposed for your approval is found in **Exhibit B** in a “redline” version and in **Exhibit C** in a final draft version.

The second recommendation (A2), Government Code §7507, provides that an actuary’s determination of the expected cost be obtained and published two weeks prior to increasing any public retirement plan benefits. Because the County’s program is not a vested benefit and requires an annual determination of what program, if any, is provided, any payment beyond December 31, 2009 constitutes an increase in benefits to the recipients. Following the Board’s action on policy changes recommended in this report, the services of an enrolled actuary will be engaged to prepare the necessary report. It is anticipated that the actuary’s report will be presented for approval prior to August 1, 2009. New this year is the requirement under Government Code §7507 that the actuary be present during the Board hearing to answer questions regarding the report.

XV. APPROVE THE ADDENDUM NO. 5 TO THE 2006-11 HEALTH SERVICES UNIT LABOR AGREEMENT TO PROVIDE ONE SENIORITY LIST FOR ALL CLASSES OF MEDICAL ASSISTANT AND MEDICAL ASSISTANT LANGUAGE AND CULTURE IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

This report recommends that the Board approve Addendum No. 5 to the Health Services Unit Agreement which will allow all regular employees in the regular Medical Assistant class and in the separate Medical Assistant Language and Culture classes to be on one seniority list instead of separate lists by class for the Department of Health and Human Services (Attachment V)

XVI. ADDITIONAL RECOMMENDATIONS TO BOARD

Recently the Board directed that the following reports be brought back for consideration with the Fiscal Year 2009-10 Proposed Budget. Based on the Board final recommendations, the Board may need to approve the following items:

- Authorization for the Agricultural Commissioner to enter into an agreement with the United States Department of Agriculture for Wildlife Services. (Attachment VI)
- Agreement with the St. John’s Shelter Program for Women and Children to provide Emergency Shelter. (Attachment VII)

XVII. CERTIFICATION BY DIRECTOR OF FINANCE

Pursuant to Government Code Section 29062, the Director of Finance is responsible for reviewing the tabulation of the budget requests, and confirming that the requested budget transmitted to the Board by the County Executive is an accurate tabulation. The Director of Finance has reviewed and confirmed the tabulation. The certification of the tabulation by the Director of Finance is attached (see Attachment XI).

XVIII. SCHEDULE FOR BUDGET HEARINGS

Tuesday, June 9, 2:00 p.m.	Opening of Hearings/Overview
Wednesday, June 10, 2:00 p.m.	Public Safety
Thursday, June 11, 9:30 a.m.	Social Services
Thursday, June 11, 2:00 p.m.	Beilenson Hearing
Friday, June 12, 9:30 a.m.	General Government and Municipal Services/Assessor/Retiree Health/ TOT
Monday, June 15, 9:30 a.m.	Reports back from May budget workshops
Tuesday, June 16, 2:15 p.m.	Beilenson Hearing
Wednesday, June 17, 9:30 a.m.	Deliberations
Thursday, June 18, 9:30 a.m.	Deliberations, if needed
Friday, June 19, 9:30 a.m.	Deliberations, half day if needed

As of this date, it is anticipated that the September hearings will focus on any year-end fund balance issues and the impacts from State budget actions. Since we do not know the magnitude of the State budget impacts, we may need to expand the September hearings if necessary to deal with State issues. It is possible that we will have to hold additional hearings at an earlier time to respond to state actions.

Thursday, September 10	9:30 a.m.	Final Budget Overview; General Public Testimony; IHSS Authority; Recommended Adjustments to Proposed Budget; State Budget Impacts; Five-Year Capital Improvement Plan Workshop
Friday, September 11	9:30 a.m.	Additional Deliberations if necessary
Tuesday, September 29		Adoption of Final Budget Resolution

XIX. CONCLUSION

At the conclusion of the Proposed Budget Hearings, the Board should adopt a Proposed Budget Resolution that will implement the Approved Proposed Budget, effective July 1, 2009 (Attachment III). The Resolution will also establish Final Budget Hearings to commence Wednesday,

