

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
January 30, 2007  
3:30 p.m.

To: Board of Supervisors

From: County Executive

Subject: Increase Spending Authority In Various General Fund Departments To Recognize Increased Costs Resulting From Recently Approved Salary Increases (AAR No. 27-048)

Contact: Anita Thomas, Principal Analyst, 874-7094

**Overview**

In June 2006 labor agreements with all bargaining units representing county employees expired. Over the past six months, new agreements have been negotiated with most bargaining units and equity/salary adjustments approved for non-represented employees. The cost impact of the resultant agreements in specific departments was not known when the budget was developed for Fiscal Year 2006-07 therefore an amount was budgeted centrally in the General Fund, to be distributed once agreements were in place. Departments relying on the General Fund for funding have been surveyed for the impact of the agreements on their spending allocations. For those departments where insufficient spending authority is anticipated, the attached Appropriation Adjustment Request will provide additional spending authority. It is expected that Enterprise Funds and Internal Services Funds will be able to absorb much of the anticipated increases in their funds/departments through salary savings from vacancies and/or through use of retained earnings. Therefore, their increases are not included in this action but, instead, will be brought forward on an as-needed basis before the end of the fiscal year.

This request addresses 85 percent of the anticipated need in General Fund departments. A follow-up Appropriation Adjustment Request will be brought to the Board for approval in late April or early May if an actual need for additional allocation is identified.

**Recommendation**

Approve the attached Appropriation Adjustment Request increasing departmental spending authority by \$8.9 million and reducing the allocation in Non-Departments Costs-General Fund (Budget Unit 5770000).

**Measures/Evaluation**

Not applicable.

**Fiscal Impact**

This action will move \$8.9 million from Non-Departments Costs-General Fund (Budget Unit 5770000) to various General Fund departments based on need for increased spending authority resulting from recent equity and other salary adjustments.

**BACKGROUND**

In June 2006 labor agreements with all bargaining units representing county employees expired. Over the past six months, new agreements have been negotiated with most bargaining units and equity/salary adjustments approved for non-represented employees. The cost of the resultant agreements in specific departments was not known when the budget was developed for Fiscal Year 2006-07 therefore an amount was budgeted centrally in the General Fund, to be distributed once agreements were in place. Departments relying on the General Fund for funding have been surveyed for the impact of the agreements on their spending allocations.

**DISCUSSION**

For those departments whose funding is primarily from the General Fund and where insufficient spending authority is anticipated, the attached Appropriation Adjustment Request will provide additional spending authority. This request addresses 85 percent of the anticipated need. A follow-up Appropriation Adjustment Request will be brought to the Board for approval in late April or early May when the actual need for additional allocation has been identified.

It is expected that Enterprise Funds and Internal Services Funds will be able to absorb much of the anticipated increases in their funds/departments through salary savings from vacancies and/or through use of retained earnings. Therefore, their increases are not included in this action but, instead, will be brought forward on an as-needed basis before the end of the fiscal year.

**MEASURES/EVALUATION**

Not applicable.

**FINANCIAL ANALYSIS**

This action will move \$8.9 million from Budget Unit 577570100 to various General Fund departments based on need for increased spending authority resulting from recent equity and other salary adjustments.

Respectfully submitted,

APPROVAL RECOMMENDED:

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GEOFFREY B. DAVEY  
Chief Operations/Financial Officer

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TERRY SCHUTTEN  
County Executive