

COUNTY OF SACRAMENTO
OFFICE OF CHIEF FINANCIAL/OPERATIONS OFFICER
Inter-Department Correspondence

Date: May 16, 2007

To: Members, Board of Supervisors

From: Geoffrey B. Davey
Chief Financial/Operations Officer

Subject: **SUMMARY OF ACTIONS TAKEN DURING FISCAL YEAR 2007-08
PROPOSED BUDGET HEARINGS**

MAY 16, 2007

I. In-Home Supportive Services (IHSS) Public Authority Budget

Action Taken: By a 4-0 vote (Supervisor Yee absent) approved as recommended.

II. 2007-08 Proposed Budget:

Recommendation No. 1: That the Board approve the recommended changes in appropriations, reimbursements and revenues to the levels of the adjusted Fiscal Year 2006-07 budget, as outlined in the attached recommended budget schedules, resulting in an approved Fiscal Year 2007-08 Proposed (Base) Budget. The Proposed Budget will serve as a preliminary spending authorization for Fiscal Year 2007-08 until adoption of a Final Budget in September 2007. A complete summary of the Fiscal Year 2007-08 Recommended Proposed Budget for the General Fund can be found in Attachment I.

Action Taken: Approved as submitted.

Recommendation No. 2: That the Board give preliminary approval of a transfer from the Transient-Occupancy Tax (TOT) Fund to the General Fund for Fiscal Year 2007-08 in the amount of \$3,832,200. This results in a \$2,500,000 increase in the level adopted in the Fiscal Year 2006-07 Final Budget. This will provide that certain otherwise "unfunded" General Fund programs in Fiscal Year 2006-07 will continue to be funded. It is further recommended that the Board 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 2007-08 Final Budget, in light of nominal amounts of unallocated TOT funds remaining available. Deliberations on the TOT Fund should otherwise be continued to the Final Budget Hearings commencing on Wednesday, September 5, 2007.

**SUMMARY OF ACTIONS TAKEN DURING FISCAL YEAR 2007-08 PROPOSED
BUDGET HEARINGS**

Action Taken: **Vote: 3-1 (Supervisor Roger Dickinson voting “No” and Supervisor Jimmie Yee absent). Supervisors MacGlashan, Nottoli, and Peters approved staff recommendation relative to Transient Occupancy Tax Fund.**

Recommendation No. 3: That the Board conceptually approve the 10-point plan (referenced herein) recommended by the County Executive’s Office to address (between Proposed and Final Budget Hearings) the preliminary \$33.0 million shortfall in the Fiscal Year 2007-08 Proposed Budget for the General Fund. The Board should direct the CEO to bring back specific recommendations to resolve this shortfall and adequately finance necessary General Fund allocations at the Final Budget hearings in September. The Board should also direct departments to identify potential budget reductions pursuant to the County Executive’s supplemental Final Budget instructions.

Action Taken: **Amended recommendation to include an 11th point in the County Executive’s recommended plan to examine reserves including trust funds and retained earnings.**

Recommendation No. 4: That the Board adopt the attached Proposed Budget Resolution approving and implementing the Fiscal Year 2007-08 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 Wednesday, September 5, 2007 (Attachment III).

Action Taken: **Approved as submitted.**

Recommendation No. 5: That the Board direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA) to reflect the positions adopted by the Board in the Fiscal Year 2007-08 Proposed Budget, including deletion of certain positions and conversion of certain positions to Recruiting Allowance status, related to the elimination of the Average Annual Savings program within the General Fund.

Action Taken: **Approved as submitted.**

Recommendation No. 6: That the Board approve the attached report from the Department of Human Assistance requesting the addition of 12.0 Positions For The General Assistance Food Stamps And Information Systems Divisions (Attachment IV).

Action Taken: **Approved as submitted.**

Recommendation No. 7: That the Board approve the attached report from the Department of Personnel Services regarding the reorganization of human resources delivery within County government (Attachment V).

Action Taken: **Approved as submitted.**

SUMMARY OF ACTIONS TAKEN DURING FISCAL YEAR 2007-08 PROPOSED BUDGET HEARINGS

Recommendation No. 8: That the Board approve the attached report and Appropriation Adjustment Request (AAR) No. 27-075 transferring \$2,989,812 from Reserves for Assistance Payments to the Department of Health and Human Services to fund unavoidable labor action costs (Attachment VI).

Action Taken: Approved as submitted.

REPORT BACKS ARE REQUESTED FROM:

- **Office of Budget and Debt Management**
 - A compilation of Fiscal Year 2006-07 estimated actuals compared to budget requests by department.
- **Countywide Service Agency**
 - How the number of slots for TANF is established and whether or not they can be modified to reduce costs/services.
 - Can the County receive drug discounts through outside pharmacies?

REPORT BACKS AT FINAL BUDGET ARE REQUESTED FROM:

- **Office of Budget and Debt Management**
 1. Report back on the 11th Point to review reserves, retained earnings, trust funds, etc., (any money set aside for projects or other) beyond our legal obligation. Include a report back on OCIT's reserve balance.
 2. Can the County reduce its current insurance coverage limits and should some activities not be self insured?
 3. Report back on the impact of waiving business license fees for veterans operating businesses providing a service.