



COUNTY OF MADERA
ADMINISTRATIVE MANAGEMENT
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May 28, 2008

HONORABLE BOARD OF SUPERVISORS
 COUNTY OF MADERA

In accordance with the requirements of State Law and Madera County Code Section 2.24.030C, submitted herewith are my recommendations for the 2008-2009 RECOMMENDED PROPOSED BUDGET. The following is a summary of budget appropriation totals:

APPROPRIATION SUMMARY
(Exclusive of Special Districts)

<u>Fund</u>	<u>Actual</u> <u>2006-07</u>	<u>Board of</u> <u>Supervisors</u> <u>Approved</u> <u>Expenditures</u> <u>2007-08</u>	<u>Department</u> <u>Request</u> <u>2008-09</u>	<u>CAO</u> <u>Recommendation</u> <u>2008-09</u>	<u>Change from</u> <u>2007-08/2008-09</u>
General	\$156,194,686	\$173,301,114	\$184,888,028	\$176,844,793	\$ 3,543,679
Fish and Game	2,857	5,000	5,000	5,000	-0-
Road	<u>13,052,987</u>	<u>15,530,086</u>	<u>26,799,254</u>	<u>26,799,254</u>	<u>11,269,168</u>
GRAND TOTAL BUDGET REQUIREMENTS	<u>\$169,250,530</u>	<u>\$188,836,200</u>	<u>\$211,692,282</u>	<u>\$203,649,047</u>	<u>\$ 14,812,847</u>

The recommended General Fund 2008-09 appropriation of \$176,844,793 is balanced with projected revenue and cash balance shown in the following estimates:

REVENUE SUMMARY - GENERAL FUND

<u>Classification</u>	Board of Supervisors Approved Revenues <u>2007-08</u>	CAO Recommended Estimated Revenues <u>2008-09</u>
Taxes	\$ 44,650,500	\$ 47,146,500
Licenses, Permits, & Franchises	4,048,591	3,739,577
Fines, Forfeits, & Penalties	2,415,955	2,374,250
Revenue from Use of Money and Property	1,061,500	1,034,000
Aid from Other Government Agencies	99,113,238	100,931,871
Charges for Current Services	10,745,049	10,749,105
Other Revenue	<u>1,444,601</u>	<u>1,646,815</u>
REVENUE TOTAL	\$163,479,434	\$167,622,118
CASH BALANCE	<u>9,821,680</u>	<u>9,222,675</u>
GRAND TOTAL	<u>\$173,301,114</u>	<u>\$176,844,793</u>

COMMENTS ON THE 2008-09 RECOMMENDED PROPOSED BUDGET

When the 2008-09 County of Madera Recommended Proposed Budget went to print, the State of California had not adopted their budget. The County's Recommended Proposed Budget, therefore, reflects actual fiscal information that is known at this time, and does not anticipate potential State revenue or program changes that may occur.

The County's Recommended Proposed Budget attempts to meet the Departments' request to provide services for the residents of the County. The County Administrative staff has proposed a budget that recommends a status quo level of service for County Departments. This budget projects revenues at prudent amounts in order to meet the budgeted expenditures.

The following are general comments concerning the Recommended Proposed 2008-09 Budget:

The 2008-09 General Fund Budget has an overall increase of \$3,543,679 from the 2007-08 Fiscal Year. Following is a brief recap of functions and other points of interest:

- The General Government category is increased \$1,507,463 from Fiscal Year 2007-08. This increase is generally spread over most of the General Government Departments and the single most contributing factor is the increase in Workers' Compensation cost.
- The Public Protection category has increased \$2,531,334 from Fiscal Year 2007-08. This increase is generally due to the Sheriff Department budget and grants (\$497,000), Detention Facilities and Probation (\$1,240,000), and the remaining amount (\$794,000) spread over other protection functions - District Attorney, Building Inspections, Animal Services, County Clerk-Recorder, etc.
- The Health and Sanitation category has increased \$1,149,806 from Fiscal Year 2007-08. This increase is generally due to the increased funding in Behavioral Health Services (\$345,000) and the increase in the Health Department functions (\$593,000).
- The Public Assistance category has increased \$1,800,166 from Fiscal Year 2007-08. The increase in this category is generally in the Welfare-Administration budget, and is approximately 90% financed by State and Federal funds.
- The Education category (Library and Agricultural Extension) has decreased \$9,995 from Fiscal Year 2007-08. This decrease is in the Library budget.
- The Contingency budget "reserve" is budgeted at \$2,000,000, which is a \$3,425,095 decrease from the previous fiscal year. This amount is insufficient and will be discussed further in this budget message.
- The ending Cash Balance, which acts as a revenue source to start the 2008-09 Fiscal Year, is estimated at \$9,222,675. Last year's (6/30/07) ending cash balance was \$9,821,680. The Administrative Office will not know the exact cash balance amount until the County Auditor-Controller closes the books and reports the cash balance to our Office, which is usually during the latter part of July.

- **The Public Employees' Retirement System (PERS) recently notified the County that the miscellaneous employees rate will increase from 11.496% to 16.736% for Fiscal Year 2008-09. The current PERS rate for Law Enforcement employees is 19.441% and will increase to 20.449%. The cost of rate increases have been calculated into this budget.**
- **The Actuarial Computation Contribution from the General Fund to the Insurance - Liability Trust Fund, and Workers Compensation Trust Fund has decreased \$230,472 from \$3,068,778 in 2007-08, to \$2,838,306 in 2008-09. This reduction in cost has also been calculated in this Budget. This is the third year in a row that this contribution has decreased.**
- **Employee Compensation Increases All compensation adjustments that have been agreed to in a Memorandum of Understanding have been budgeted in the individual Departmental budgets.**
- **The fourth annual debt service payment for the new Government Center is \$1,586,081 and this payment is included in this budget.**
- **Additional comments concerning the Appropriations for Contingency. The budgeted amount of \$2,000,000 is seriously deficient for a General Fund Budget of \$177,000,000, which is 1.13% of the budget. A prudent reserve is approximately 3% or \$5,310,000. This reserve amount may change at Final Budget depending on the actual year-end cash balance and any reductions in State funding. It is proposed that from July 1 to at least December 31, 2008, a fairly strict "Selective Hiring Freeze" be managed by the Administrative Office creating salary savings to be transferred to the Contingency at the mid-year budget review. Approximately 35-40 non-subvented positions will need to be frozen during the above-mentioned period to generate \$1,000,000.**
- **All previous fiscal commitments by your Board have been included in this Budget.**

COMMENTS ON AVAILABLE ONE-TIME FUNDS

Fund	Unencumbered Balance as of 5/01/08	Type, Proposed Use, and Comments on Funds
0105 Excess Jail Bond Proceeds	\$ 52,519	<p>Type: Discretionary - one-time funds</p> <p>Use: These funds can be used for the Department of Corrections or other projects deemed appropriate by the Board of Supervisors.</p> <p>Comments: These remaining funds may be used to address needs of the Department of Corrections.</p>
1355 and 1356 Animal Shelter Maintenance and Improvement Funds (Roberta Wills Trust)	\$ 33,024	<p>Type: Discretionary one-time funds</p> <p>Use: Animal Shelter</p> <p>Comments: These funds have been budgeted in the 2008-09 Budget for Animal Shelter needs.</p>
1320 Criminal Justice Facility Funds	\$1,159,292	<p>Type: Restricted Use</p> <p>Use: This funding source can only be used for Adult and Juvenile Detention and Court facilities modification, construction, and equipment.</p> <p>Comments: It is proposed that these funds be used concerning the construction needs of the jail for construction management.</p>

COMMENTS ON AVAILABLE ONE-TIME FUNDS (continued)

<u>Fund</u>	<u>Unencumbered Balance as of 5/01/08</u>	<u>Type, Proposed Use, and Comments on Funds</u>	
1035 Tobacco Securitization Proceeds - Phase II	\$4,558,357	Type:	Restricted Use
		Use:	It is proposed that these restricted funds be used for major County building projects.
		Comment:	A portion of these funds may be used for the Sheriff/Fire Facility in Oakhurst.
1380 County Building Program Trust	\$ 429,513	Type:	Discretionary one-time funds.
		Use:	County Building Project Funds or other uses deemed appropriate by the Board of Supervisors.
		Comments:	It is recommended that these funds be only allocated to construction projects.
1420 Chukchansi Settlement Funds	\$ 597,720	Type:	Discretionary one-time funds.
		Use:	Projects deemed appropriate by the Board of Supervisors.
		Comments:	It is recommended that these funds be allocated to one-time expenses.

COMMENTS ON FINAL BUDGET HEARINGS

The Government Code provides that estimates submitted by an official or person shall not be addressed or reduced until they have had a hearing before your Board sometime during or prior to the Final Budget Hearings. In addition, your Board (1) must hear any taxpayer, during consideration of the Final Budget, regarding the increase, decrease, or omission of any item in the Proposed Budget, or for the inclusion of additional items, (2) may add any items at the Final Budget Hearings for which a written request is filed, and (3) may delete any items at the Final Budget Hearings.

Therefore, it is recommended that your Board:

1. Instruct the County Administrative Officer to review the budget accounts approved in the Proposed Budget and submit recommendations for adjustments to be considered at the Final Budget Public Hearings.
2. Set TUESDAY, AUGUST 19, 2008 as the date Final Budget Public Hearings will begin.
3. Instruct the County Administrative Officer to schedule specific hearing items during Final Budget deliberations for persons indicating a desire to be heard regarding the Budget.

Respectfully submitted,



Stell Manfredi
County Administrative Officer

County of Madera Budget Staff:

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