

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-20

Urgent

Routine

AGENDA DATE June 30, 2009

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of Year End Budget Adjustments for the Animal Services - Trust Donations and General Services Agency Administration, Central Services, Facilities Maintenance, Fleet Services and Purchasing Divisions Funded From Existing Appropriations, Increased Departmental Revenues and Fund Balance

STAFF RECOMMENDATIONS:

1. Authorize the Chief Executive Officer and the Auditor-Controller prior to year-end, to increase appropriations and estimated revenue by \$25,000 in the Animal Services Trust Donations budget.

(Continued on Page 2)

FISCAL IMPACT:

At the end of Fiscal Year 2008-2009 it appears that some County Departments will need budget adjustments in order to end the year in a positive fiscal position. Animal Services is requesting to increase both appropriations and estimated revenue in the Animal Services Trust Donations budget by \$25,000 to cover additional expenditures for 11 abandoned horses and to reflect a change in accounts payable processing.

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BOARD ACTION AS FOLLOWS:

No. 2009-448

On motion of Supervisor O'Brien, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS: (Continued)

2. Authorize the Chief Executive Officer and the Auditor-Controller prior to year-end, to increase appropriations and estimated revenue by \$47,000 in the General Services Agency Central Services budget.
3. Authorize an increase in net county cost of \$1,170 in the General Services Agency Purchasing budget, funded by unused net county cost in the General Services Agency Administration budget.
4. Authorize an increase in net county cost in an amount not to exceed \$60,000 in the General Services Agency Facilities Maintenance budget funded from General Fund fund balance.
5. Authorize the use of retained earnings in the General Services Agency Fleet Services budget to ensure the Fleet Services budget ends the year in a positive financial position.

FISCAL IMPACT: (Continued)

Additional revenue from donations and the sale of SCATE vouchers is available to cover these expenditures resulting in no additional net county cost.

The General Services Agency (GSA) Central Services Division is requesting an increase of \$47,000 in appropriations and estimated revenues for increased demand for services, primarily in printing. GSA Facilities Maintenance Division is requesting an increase in net county cost of \$60,000. Although the Department has worked to reduce costs to the greatest extent possible, payroll and contract obligations exist beyond estimated revenues. The GSA Purchasing Division is requesting to transfer unused appropriations from GSA Administration to end the year in a positive financial position, to fully fund services provided to General Fund departments. GSA Fleet Services is requesting the use of departmental retained earnings to end the year in a positive financial position, due to a decrease in revenue.

DISCUSSION:

Animal Services - Trust Donations

The Animal Services -Trust Donations budget is expected to exceed appropriations by \$25,000 and estimated revenue by \$100,000. The increase in appropriations can primarily be attributed to two separate issues: 1) during Fiscal Year 2008-2009 the Department incurred \$9,807 in additional expenses for 11 abandoned horses; and 2) Animal Services has changed the procedure for initiating payment for all bills received in the office. Previously charges incurred in one fiscal year may not have been paid in the

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same fiscal year. As a result of the change in procedure all charges incurred in Fiscal Year 2008-2009 will be paid in Fiscal Year 2008-2009. The increase in revenue can be attributed to several areas. Cash donations received for the abandoned horses exceeded \$13,000. In addition there was an increase in the SCATE voucher fee. Historically only \$15 per voucher sold went into the fund. Since the fee increase a minimum of \$34 is deposited into the fund for each low income voucher sold, and for each standard voucher sold \$102 is deposited in the fund. As a result of the increased revenue there will not be any net county cost increase due to the increase in appropriations and it is estimated that the budget will end the fiscal year with a positive fund balance of \$125,500.

General Services Agency – Central Services

General Services Agency (GSA) Central Services is projected to exceed budgeted appropriations and estimated revenues by \$47,000. This is primarily a result of continued increased demand for services, with the largest increase in expense in printing supplies. GSA Central Services is an Internal Service Fund and this recommended increase results in no impact to the General Fund.

General Services Agency – Facilities Maintenance

GSA Facilities Maintenance is a General Fund budget; however, in 2008-2009 the billing methodology was changed, resulting in all charges being billed out to departments in all fund types, including other General Fund budgets, leaving the Facilities Maintenance budget with an expectation of zero net county cost. The 2008-2009 budget was developed using prior years' trends, but did not fully capture the true cost of the change in methodology, including the need to spread all costs associated with non-billable hours. This issue was recognized at mid-year and overhead rates were increased in an attempt to realize the full cost of employees, yet a shortfall remains. Additionally, as General Fund Departments have adjusted to the responsibility of managing their facilities budgets, maintenance calls from those departments appears to be decreasing, causing a loss of revenue. At this time Facilities Maintenance is projected to end Fiscal Year 2008-2009 approximately \$200,000 below budgeted appropriations (lower expenses) and \$260,000 below estimated revenues (a drop in resources to fund the expenses). It is recommended that an increase in net county cost in an amount not to exceed \$60,000 be authorized for the GSA Facilities Maintenance budget. Chief Executive Office staff will continue to work with the Department to ensure future years' budgets are balanced. The net effect of this will result in an increase in the net county cost of \$60,000 from General Fund fund balance. The GSA Facilities Maintenance 2009-2010 budget will need to be modified at Final Budget to bring expenses into balance with the reduced level of revenue being collected for these services.

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General Services Agency – Purchasing

GSA Purchasing is projected to end Fiscal Year 2008-2009 approximately \$60,000 below appropriated expenditures; however, it is anticipated that net county cost will increase by \$1,200 as a result of higher than projected General Fund transactions during 2008-2009. As a General Fund budget, GSA Purchasing receives no offsetting revenue for the services provided to General Fund Departments. It is recommended that the unused net county cost from the GSA Administration budget be applied to the Purchasing budget prior to year-end close, in order to ensure the Department ends the fiscal year in a positive financial position. GSA Admin is anticipated to end the year with a net county cost savings of approximately \$2,400. This transfer of authorized net county cost within the Department's overall budget results in no additional impact to the General Fund. In Fiscal Year 2009-2010, GSA Purchasing reduced budgeted expenditures \$67,000 below issued base, through staff reductions, to ensure that Net County Cost would be met. Additionally, in Fiscal Year 2009-2010, GSA Purchasing will be exploring alternative methods of calculating revenue with the Auditor-Controller.

General Services Agency – Fleet Services

GSA Fleet Services is projected to end the 2008-2009 fiscal year approximately \$93,000 below appropriations and \$125,000 below estimated revenues. It is recommended that the GSA Fleet Services be authorized the use of departmental retained earnings to end the 2008-2009 fiscal year in a positive financial position. The Division's current available retained earnings balance is \$789,232.

POLICY ISSUES:

All County budgets must end the year within appropriations. In considering this item the Board may consider whether the recommendations are consistent with the Board of Supervisor's priority of *Efficient delivery of public service*.

STAFFING IMPACT:

There are no staffing impacts associated with this item

