



THOMAS M. MILLER
County Executive Officer

MEMORANDUM

To: Honorable Board of Supervisors
From: Thomas Miller, County Executive Officer
Submitted by: Jeff Bell, County Budget Administrator
Date: August 12, 2008
Subject: BOS Budget Workshops

Recommendations:

1. Board conduct budget workshops and receive presentations from CEO and departmental staff to consider;
 - a. Recommended actions for the FY 2008-09 fiscal year and,
 - b. Confirm strategies designed to address the challenging budget environment.
2. Review and direct adjustments to the FY 2008-09 Final Budget.
3. Direct staff to return to the Board with warranted budget adjustments based upon state budget actions, while preserving reserves for multi-year use.
4. Continue the current hiring restrictions at least until such time as the state budget is approved.

Background / Discussion:

Consistent with Placer County Board of Supervisors (Board) Budget and Finance policies, CEO and departmental staff have prepared materials for Board Budget Workshop scheduled to begin on August 12, 2008. The workshop incorporates Board guidance provided during this year's Strategic Planning Session, the May Health and Human Services Workshop, and the guidance provided at the June 10, 2008 approval of the FY 2008-09 Proposed Budget. Pending Board approval, the adjustments proposed at the impending workshop will be incorporated into the Proposed Budget, and will be presented to your Board for consideration in the Final Budget at the August 26, 2008 meeting.

At both the Health and Human Services Workshop in May 6, 2008 and the June 10, 2008 approval of the FY 2008-09 Proposed Budget, the Board directed CEO and departmental staff to continue efforts to provide additional resources for critical BOS budget priorities. The results of these efforts will be presented at the workshop, and have garnered over \$2.7 million in General Fund for Board direction. In other areas, as of this writing final fund balances are pending and will be addressed at the workshop.

The Proposed Budget and the changes proposed during the workshop look beyond the current year, recognizing that the current fiscal climate could likely last for another two to three years. It contains no new positions, reduces General Fund expenditures in some areas, and takes into account the declining growth in property tax revenues in the county.

However, as we embark on our county budget workshops, the state is without an adopted budget, and given the magnitude of the potential reductions that could come with the state budget, including Proposition 1A and other programmatic reductions, it is not unrealistic to suggest the county could see state cuts in the range of \$8-10 million.

Given these circumstances, we are asking that your Board take the recommended actions above, directing staff to continue the hiring restrictions hiring put in place during the last fiscal year, and further direct that if state adopts a budget with impacts to Placer County beyond what is approved by your Board at the adoption of the Final Budget, that you direct staff to return to the Board with the additional implications and the potential remedies. Given the expected continuation of current economic conditions over multiple years, staff would recommend very limited, if any for use of reserves for the FY 2008-09 fiscal year. Such direction would better enable Placer County to plan and prepare for the consequences of these challenging budget times.

Attached for your review and use is the 2008-09 Board Budget Workshop Schedule.

**BUDGET WORKSHOP
AUGUST 12-14, 2008**

August 12, 2008

- INTRODUCTION / OVERVIEW 9:00 – 9:15
- OVERVIEW OF DEPARTMENT BUDGETS 9:15 – 12:00
- LUNCH 12:00 – 1:00
- HEALTH AND HUMAN SERVICES PRESENTATION 1:00 – 2:00
- BREAK 2:00 – 2:15
- SHERIFF 2:15 – 3:00

August 13, 2008

- REMAINING BUDGET PRESENTATIONS 9:00 - TBD
- SEWER FACILITIES / OPERATIONS PRESENTATION
- FINAL BOARD ACTIONS / WRAP UP
- (BREAKS AS WARRANTED)

August 14, 2008

AS NEEDED / TBD