



Agenda Date: 4/10/2007
Agenda Placement: 9B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Britt Ferguson, Assistant County Executive Officer, 253-4406
SUBJECT: FY2007-08 Budget Study Session

RECOMMENDATION

County Executive Officer requests the Board hold a Fiscal Year 2007-08 Budget Study Session, to include:

1. Receipt of the General Fund Five-Year Forecast;
2. Receipt of an update on various issues related to the Fiscal Year 2007-08 Budget, including the fiscal status of the Road Fund, the closure of the Drinking Driver Program and requests by Departments for new General Fund-supported positions and program enhancements; and
3. Possibly provide direction to staff regarding some of those Budget issues.

EXECUTIVE SUMMARY

As part of the County's annual budget process, your Board typically holds one or more budget study sessions. This session will include:

- | A presentation of the most recent General Fund Five-Year Forecast; and
- | An update on a number of issues that have been identified thus far in the budget process.

The General Fund Five-Year Forecast projects the General Fund ending balance through FY2011-12 under three different scenarios. The scenarios project a FY2011-12 ending balance of between \$58 million and \$38 million, compared to the FY2006-07 beginning balance of \$52 million. Based on these projections, staff concludes that the General Fund Budget remains in structural balance, but it continues to be a precarious balance. A fairly small increase in Net County Cost or decrease in discretionary revenues could push the General Fund budget into structural imbalance, requiring expenditure reductions or revenue increases to balance the budget in future years. However, given the relatively robust nature of the General Fund's fund balance, staff believes that the County would have a number of years to address any structural imbalance before significant expenditure reductions are required.

The Study Session will include an update on a number of budget issues, including departmental requests for new

positions or new or enhanced programs that would require approximately \$1.6 million in additional General Fund support (Net County Cost), a review of the fiscal status of the Road Fund and the outline of a revised approach to providing Conflict Public Defender services.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

See Attachment A.

SUPPORTING DOCUMENTS

- A . Attachment A. Background and Discussion
- B . Attachment B. General Fund Five Year Forecast
- C . Attachment C. General Fund Five Year Forecast Powerpoint
- D . Attachment D. Napa County Roads
- E . Attachment E. Conflict Public Defender Reorganization
- F . Attachment F. Allocated Positions Serving Board Members
- G . Attachment G. Proposed Community & Intergovernmental Affairs Division

CEO Recommendation: Approve

Reviewed By: Maiko Klieman