RECOMMENDATION

Auditor-Controller requests the following:

1. Approval of the final appropriation and revenue levels, cancelations and provisions for reserves and designations, and adoption of a resolution establishing the total financing requirements for the Fiscal Year 2010-2011 Final Budget for the County of Napa.  **(CONTINUED FROM JUNE 21, 2010)**

2. Adoption of a resolution authorizing the County to apply for and enter into a grant agreement with the State of California for implementation of the California Environmental Reporting System (CERS) and authorizing the Chair of the Board to execute the agreement and any amendments thereto.

EXECUTIVE SUMMARY

The Board of Supervisors held public hearings for the FY 2010-2011 budget on June 21, 2010. This board item has been prepared by the Auditor-Controller’s Office based on the Board’s actions taken during the public hearings and is presented as the basis for the adoption of the final budget resolution and adoption of a resolution to enter into a grant agreement as discussed in Item D of Supplemental Report #1.

PROCEDURAL REQUIREMENTS

2. Staff reports.
3. Public Comment.
5. Motion, second, discussion and vote on the item.
**FISCAL IMPACT**

- **Is there a Fiscal Impact?** Yes
- **Is it currently budgeted?** No
- **What is the revenue source?** The adoption of the resolution will establish the final budget for Fiscal Year 2010-2011.
- **Is it Mandatory or Discretionary?** Mandatory
- **Is the general fund affected?** Yes
- **Future fiscal impact:** Final appropriations are included in each Fiscal Year's budget resolution. Revenue and expenditure decisions reflected in each fiscal years' budget impact the amount of resources that will be available to fund future years budgets.
- **Consequences if not approved:** If a Final Budget is not adopted, County operations will not be funded. However, the Board has the discretion to change appropriations from the level tentatively approved on June 21st.

**Additional Information:**

**ENVIRONMENTAL IMPACT**

There is no Environmental Impact for this item.

**BACKGROUND AND DISCUSSION**

Revised Budget Schedules attached are:

- Exhibit "A" - Revised Schedules B and D: Changes in Positions,
- Exhibit "B" - Revised Schedules 1, 2, 3, 4 for All Funds budgets,

These schedules reflect the Board's intent and actions during the Public Hearings regarding the addition/deletion/transfer of positions, fixed assets, cancelation of reserves/designations, establishment of reserves/designations, policy decisions and other line item changes. The proposed appropriation and revenue figures represent the final "bottom line" totals for the All Funds budget, the Internal Service/Enterprise Funds budgets, and the Non-operating Special Revenue funds budgets.

**Summary of changes processed during budget hearings:**

Supplemental Report #1:

- a. Capital Improvement Program. Increase revenue and appropriations in the amount of $4,860,000 for projects utilizing County Unincorporated Measure A Funds. **Net effect to General Fund: $0.00.**
- b. Probation. Increase revenue and appropriations in the amount of $28,005 to partially reinstate the Peer Court Program with new funding sources that have been secured. **Net effect to General Fund: $0.00.**
c. Recorder-County Clerk. Reduce appropriations in the amount of $126,473 resulting from the elimination of one Staff Services Analyst II position. Net effect to General Fund: savings of $126,473, which will be transferred to the Accumulated Capital Outlay Budget Unit (through the General Expenditures budget) pursuant to Board policy.

d. Environmental Management. Increase revenue and appropriations in the amount of $18,533 for funding from The California Environmental Protection Agency to offset costs associated with requirements of AB2286 regarding implementation of electronic record keeping. Net effect to General Fund: $0.00.

e. Alcohol and Drug Services/Alcohol and Drug Services - ARRA. Transfer budgeted revenues and appropriations in the amount of $173,612 for the Justice Assistance/Substance Abuse Offender Treatment Program from the Alcohol and Drug Services Budget Unit, to the Alcohol and Drug Services - ARRA budget unit to segregate the accounting activities for tracking the Federal Grant. Net effect to General Fund: $0.00.

f. District Attorney - ARRA Grant. Reduce revenue and appropriations in the amount of $171,707 for the award of the ARRA Anti-Drug Abuse Byrne Grant to be reestablished by item g. with the creation of a new budget unit to correctly segregate the accounting activities of each of the two Federal grants separately. Net effect to General Fund: $0.00.

g. District Attorney - ARRA Anti Drug Grant. Create new budget unit and establish revenue and appropriations in the amount of $171,707 due to the award of funds under the ARRA Anti-Drug Abuse Byrne Grant. Net effect to General Fund: $0.00.

h. Child Support Services/Accumulated Capital Outlay. Increase revenue and appropriations in the Child Support Services Budget Unit the amount of $65,000 to properly credit the Child Support Services budget unit for interest earned that was originally receipted in error to the General Fund and which will be used for expenditures with the State Specific Program. The offset will be a reduction in the amount budgeted as a transfer to the Accumulated Capital Outlay Fund from the General Fund. Net effect to General Fund: $0.00.

i. Napa Valley Tourism Improvement District. Create new budget units for the establishment of the District on July 1st. Revenues and appropriations will be brought back to the Board for approval at a later date. Net effect to General Fund: $0.00.

Supplemental Report #2:

a. Library - Adjust the designations and reserves in the Library Fund Balance in accordance with the Board adopted Library Reserve Fund Balance Policy. Net effect: $0.00.

Board Actions Taken at Public Hearing on June 21, 2010:

a. Roads Fund - Increase appropriations in the Roads Fund in the amount of $1,000,000 due to a transfer from the General Fund from Excess-Excess ERAF recieved in FY 2009-2010. This reduces the amount to be transferred to the Accumulated Capital Outlay (ACO) Fund by $1,000,000, for a net transfer to the ACO fund of $12,149,857.

Also attached is a resolution adopting the final budget for the County of Napa for Fiscal Year 2010-2011. The resolution includes estimated amounts for the County's 2010-2011 appropriations limit and annual appropriations subject to limitation as required by Government Code Section 29089.

Also attached is a resolution pertaining to item d. above. The resolution will provide authorization for the County to apply for and enter into a grant agreement with the State of California for implementation of the California Environmental Reporting System (CERS) and authorize the Chair of the Board to execute the agreement and any amendments.
SUPPORTING DOCUMENTS

A. Exhibit A - Revised Schedule B & D: Changes in Positions
B. Exhibit B - Revised Budget Schedules 1, 2, 3, 4
C. Resolution - Budget Adoption
D. Resolution - Grant Agreement

CEO Recommendation: Approve
Reviewed By: Britt Ferguson