MEMORANDUM

DATE: April 14, 2008

TO: Board of Supervisors

FROM: Lew C. Bauman
       County Administrative Officer

SUBJECT: County Administrative Officer’s Weekly Report for April 14, 2008

This is the weekly report by the County Administrative Officer to the Board of Supervisors. This report provides information on issues affecting the County and the progress of County activities.

CAO – Budget Office

Status of the FY 2008-09 Draft Recommended Budget:

The Budget and Analysis Office continues to work closely with the Department Head team in development of the final CAO Recommended Budget for Board consideration during the June 2008 Budget Hearings. This budget year continues to be darkened by the evolving sub-prime mortgage and credit crunch crisis and a near recession level slowdown in the national economy. The continuing decline in local real estate values, property tax and other local tax revenues will be exacerbated by anticipated budget cuts this summer from the State, as it mitigates its own $16 billion budget deficit through anticipated reduction in subventions to counties. Further financial pressure will occur, as the County will likely experience significant cash flow impacts in the months ahead as the State delays reimbursements to the County.

Staff continues to work closely with departments to strive to manage next year’s budget proposals. The focus is targeted on capping program and staffing growth to actual current operational levels while asking departments to conduct their operations in the most efficient manner possible recognizing the limited resources. To date, the Budget Office has asked departments to adopt funding plans based on each department’s historical operating costs, as well as escalators for CPI and negotiated labor costs.
The Budget Office anticipates taking additional steps to mitigate State Budget impacts following receipt and analysis of the Governor’s May Revise in late May. Staff will continue to update the Board on the budget status through weekly reports and special meetings as necessary.

This concludes the CAO report.