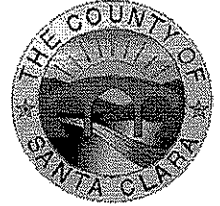


County of Santa Clara
Board of Supervisors
Supervisorial District Five
Supervisor Liz Kniss

Inventory Item
#5



BOSD5-060209-01

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DATE: June 2, 2009

TO: Supervisor Ken Yeager, Chairperson
Supervisor Dave Cortese, Vice Chair
Finance & Government Operations Committee

FROM: *Liz Kniss*
Liz Kniss
Supervisor, District 5

SUBJECT: Modification to the County Executive's Recommended Budget Fiscal Year 2010 - Clerk of the Board, and Actions Related to the Transient Occupancy Tax

RECOMMENDED ACTION

Consider various recommendations relating to Transit Occupancy Tax revenue and expenditures and the Clerk of the Board Budget Unit 106

Possible action:

- a. Maintain the current practice of granting 100% of the Transit Occupancy Tax funds of the County to the Arts Council of Silicon Valley for FY 2010.

- b. Direct the Administration to develop, negotiate and execute an MOU between the County of Santa Clara and the Arts Council Silicon Valley related to the Transit Occupancy Tax funds and expected deliverables to the community for FY2010.
- c. Move the Transit Occupancy Tax Revenues and Expenditures from Budget Unit 106 (Clerk) to Budget Unit 107(Special Programs and Reserves).
- d. Reduce the General Fund allocation of funds for use by the Management Audit Division in Budget Unit 106 by \$150,000 through a combination of non General Fund Audit Assignments rolled over from FY 2008 - 09, assignment to ARRA (American Recovery And Reinvestment Act) transparency assistance through the Office of the County Executive, and any other means as developed by the Finance and Government Operations Committee..

FISCAL IMPLICATIONS

These actions will result in no additional General Fund expense.

REASONS FOR RECOMMENDATION

The actions included in the recommendations restore \$150,000 from TOT funds to the Silicon Valley Arts Council without creating additional General Fund expense. The Silicon Valley Council for the Arts serves a critical role in fostering art among youth throughout Santa Clara County, including the youth who are clients of the County Government. In these difficult economic times, continued support of discretionary functions like the Arts requires increased accountability and the identification of available General Funds.

Transferring the TOT and Arts Council funding from the Clerk to the County Executive's Special Programs Budget Unit is an accounting action without financial impact. This transfer will remove these revenues and expenses from the Clerk's Budget Unit, as the Clerk has no discretion over these funds. The TOT revenues and expenditures would be more appropriately managed in the County Executive's Special Programs Budget Unit.

The County Executive has reported to the Board that no written agreement exists between the County of Santa Clara and the Silicon Valley Arts Council. Although this recommendation maintains the Arts Council for only a single year at the current level, the County should require the Arts Council to enter into a written MOU that contains deliverables and the intended use of the funds.

The Management Audit Division was previously assigned to conduct a management audit of the Central Identification Unit of the San Jose Police Department. At the May 18, 2009 FGOC meeting, the Management Audit Division presented its FY 2009 -10 work plan. This plan included the completion of the AFIS audit in FY 2009 -10 and included confirmation from the office of the County Counsel that the \$104,000 expense could be allocated to the SB 720 Fingerprint Identification Fund. The remaining \$46,000 will be made available through a combination of management audit hours assigned to Federal Stimulus projects and unexpended management audit hours from FY 2008 -09.

BACKGROUND

At its May 7, 2009 meeting, Supervisors Cortese and Yeager requested "creative ideas" to address the proposed reduction of TOT support to the Arts Council by \$150,000.

STEPS FOLLOWING APPROVAL

The County Executive should prepare the necessary actions for consideration by the Board of Supervisors at the June Budget Hearings.

