

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 4/17/06
Department Name: Board of Supervisors
Department No.: 011
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Placement: Departmental
Estimate Time: 1 hour
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: William Kimsey,
Chair, Blue Ribbon Budget Task Force

STAFF CONTACT: Michael F. Brown
County Executive Officer

Jason Stilwell, Project Manager
568-3413

SUBJECT: Blue Ribbon Budget Task Force Final Report

Recommendation(s):

That the Board of Supervisors receive the 2005 – 2006 Report and Recommendations of the Blue Ribbon Budget Task Force.

Alignment with Board Strategic Plan:

This recommendation is primarily aligned with: 1) An efficient government able to anticipate and respond effectively to the needs of the community, and 2) A strong, professionally managed County organization.

Executive Summary and Discussion:

The Board of Supervisors created the Blue Ribbon Budget Task Force in June 2005 to bring expertise in examining the County's budget, operations, and processes. The Task Force held numerous meetings over a nine month period and met with over three-dozen individuals in soliciting information relating to the County's budget, operations, and processes. The Board gave the Task Force until March 31, 2006 to complete its analysis and prepare a final report.

The Task Force completed its analysis on March 31 and prepared the attached "2005 – 2006 Report and Recommendations." The report identifies four challenges, includes twenty recommendations, and describes the County policy model that will enable implementation of the recommendations.

The four challenges the Task Force identified are:

- the potential risk the County faces in developing a structural deficit,
- the growth of County expenditures in recent years,
- external factors including pension costs, rising healthcare costs, uncertain revenue streams, and the high cost of living in the County, and
- the lack of funding for capital investment.

The Task Force carefully examined the potential for gains through process improvement and operational efficiencies and believes some budgetary savings can be found in those two areas. However, the future budget challenges exceed the relief offered by these sources alone. The County must find additional revenue sources if it is to meet its capital needs and maintain the levels of service it currently provides to its citizens. As such the Task Force recommendations are organized into three areas: revenue enhancement, operational efficiency, and process improvement.

REVENUE ENHANCEMENT RECOMMENDATIONS

1. CERTAIN ECONOMIC DEVELOPMENT ACTIVITIES HAVE THE POTENTIAL TO BE REVENUE ENHANCEMENTS FOR THE COUNTY. THE TASK FORCE RECOMMENDS THE FOLLOWING ECONOMIC DEVELOPMENT ACTIVITIES BE PURSUED AS PART OF A REVENUE ENHANCEMENT STRATEGY
 - a. Support development consistent with community needs and standards to increase revenue greater than the cost for the County to provide services
 - b. Explore the financial benefits from future low impact oil development
 - c. Pursue the Village Center concept
 - d. Identify and seek revenue-generating land uses
2. DEVELOP A BIENNIAL REVIEW PROCESS FOR ALL DISCRETIONARY FEES TO ENABLE THE COUNTY TO FULLY RECOVER ALL COSTS
3. SYSTEMATICALLY IDENTIFY REVENUE ENHANCEMENT OPPORTUNITIES
4. ASSURE LAND USE AGREEMENTS PRESERVE COUNTY REVENUE
 - a. Proactively pursue agreements to avoid losing revenue-generating land uses to annexation
 - b. When reacting to a request for annexation, the County should negotiate tax exchange agreements that preserve property tax revenue for countywide services
5. CONSIDER PURSUING AN INCREASE IN THE TRANSIENT OCCUPANCY TAX RATE FROM 10% TO 12% TO INCREASE LOCAL DISCRETIONARY REVENUE

OPERATIONAL EFFICIENCY RECOMMENDATIONS

6. IMPROVE THE COUNTYWIDE INFORMATION TECHNOLOGY STRUCTURE AND SERVICE

- a. Identify the County's overall technology investment
- b. The County needs an overall information technology management strategy and structure that reports to the County Executive Officer
- c. Enhance the County Executive Officer's close oversight of all enterprise-wide information technology projects and systems
- d. Clarify and strengthen the County's information technology governance structure to allow projects and processes to be implemented in a coordinated fashion
- e. Expand the use of technology to provide improved services both within the organization and externally to customers and clients
- f. Develop strategic information technology plans for every County department

7. CONDUCT PERIODIC IN-DEPTH DEPARTMENT REVIEW AUDITS TO ENSURE ONGOING OPERATIONAL AND STRUCTURAL EFFICIENCY

8. SCRUTINIZE PROGRAMS THAT ARE FUNDED ABOVE THE MINIMUM MATCHING REQUIREMENT AND SPECIFICALLY AUTHORIZE ANY APPROPRIATION OVER THE REQUIRED MATCH TO AVOID INADVERTENTLY SPENDING MORE LOCAL DISCRETIONARY REVENUE THAN NECESSARY ON PROGRAMS

9. STUDY THE OPTION TO SELL OR LEASE EXCESS AND UNDER UTILIZED REAL PROPERTY

10. TO PROVIDE BETTER CUSTOMER SERVICE, EVALUATE RELOCATING SERVICES CLOSER TO CUSTOMERS, CLIENTS AND WORKFORCE

11. DEVELOP A WORKING PARTICIPATION BY THE COUNTY EXECUTIVE OFFICER IN THE OPERATIONS, BUDGET, AND EXPENSE ACTIVITIES OF THE PROBATION DEPARTMENT

12. INCREASE THE ABILITY TO OUTSOURCE COUNTY FUNCTIONS

13. STAFFING AND RELATED COSTS COMPRISE THE BULK OF THE COUNTY BUDGET. TO CONTINUE TO HAVE A QUALITY WORKFORCE THE COUNTY MUST UPDATE AND IMPROVE THE COUNTY HUMAN RESOURCES FUNCTION

- a. Strengthen the CEO's Human Resources Department's strategic planning efforts to accomplish key objectives tied to thoroughly addressing human capital challenges in the areas of recruitment and retention of a talented workforce and financial planning for any new or enhanced compensation and benefits strategies for the purpose of controlling costs

- b. The Task Force supports the CEO's Human Resources Department's efforts to control health care costs through consumerism or other viable approaches and cost-containment strategies
 - c. Continue to explore and implement means of addressing the recruitment and retention workforce challenges facing Santa Barbara County
 - d. Provide an integrated Human Resources Information System (HRIS), to better manage workforce data
 - e. Complete the work being done by the CEO's Human Resources Department to modernize classification and compensation structures and performance management systems
 - f. In order to control the cost of retirement, complete efforts to review retirement system alternatives and potential cost-containment measures
14. COMBINE AND COORDINATE SERVICES WITH OTHER JURISDICTIONS WHEN FEASIBLE TO TAKE ADVANTAGE OF POTENTIAL ECONOMIES OF SCALE, IMPROVE SERVICE TO THE PUBLIC AND REDUCE MULTI-JURISDICTIONAL SERVICE OVERLAP

PROCESS IMPROVEMENT RECOMMENDATIONS

15. THE COUNTY BUDGET PROCESS CAN BE AUGMENTED IN FOUR WAYS TO IMPROVE OR ENHANCE THE PROCESS
- a. The total budget should be part of the County's overall strategic mission
 - b. As a prelude to the budget process, continue holding public hearings on the strategic scan and developing strategic priorities
 - c. Maintain an updated budget reduction model at all times to ensure readiness and responsiveness should budget cuts become necessary
 - d. Systematically set aside funds for capital investments
16. IMPLEMENT AN ENTERPRISE SYSTEM TO MONITOR CITIZEN COMPLAINTS AND COMMENTS
17. ASSURE THE COUNTY EXECUTIVE OFFICER HAS A SYSTEM TO OVERSEE AND REVIEW THE COMPLETION OF ALL COUNTYWIDE PROJECTS
18. IN ORDER TO ENHANCE LAND USE REVENUE OPPORTUNITIES, CONTINUE TO IMPROVE THE LAND USE REGULATORY PROCESS
19. THE COUNTY NEEDS TO ASSURE GENERAL SERVICES IS INVOLVED IN CONSTRUCTION PROJECTS

20. COUNTYWIDE PURCHASING POWER IS NOT EFFECTIVELY USED TODAY. PURCHASING IS VERY DECENTRALIZED AND INEFFICIENT, RESULTING IN SIGNIFICANT RESOURCES BEING WASTED. THE COUNTY PURCHASING PROCESS CAN BE IMPROVED IN CERTAIN WAYS TO BE LESS FRAGMENTED AND CAN BE IMPROVED BY REVISING THE LIMITS OF CERTAIN PURCHASING DECISIONS

- a. To expand competition and fairness, the County needs to make certain changes relating to the purchase of tangible goods
- b. The County should work more closely to take advantage of its overall buying power
- c. The County needs to make certain changes relating to the purchase of services
- d. The County needs to make certain changes relating to countywide purchases
- e. Implement database tracking for countywide purchases

The Task Force would like to thank the County of Santa Barbara Board of Supervisors for their innovation and progressive strategy in bringing together a resident group to review the County's budget and processes. It has been our pleasure to volunteer over the past nine months, meeting with County staff from a variety of departments and reviewing all pertinent documents for a genuine look at County operations.

Mandates and Service Levels:

None from the requested action.

Fiscal and Facilities Impacts:

None from the requested action.

Concurrence: None

Attachments: 2005 – 2006 Report and Recommendations of the Blue Ribbon Budget Task Force

cc: Members of the Blue Ribbon Budget Task Force
Michael F. Brown, County Executive Officer
Bob Geis, Auditor-Controller
Bernie James, Treasurer-Tax Collector
Jason Stilwell, County Executive Office staff