

2015-2017 BUDGET WORKSHOP

Budget Overview

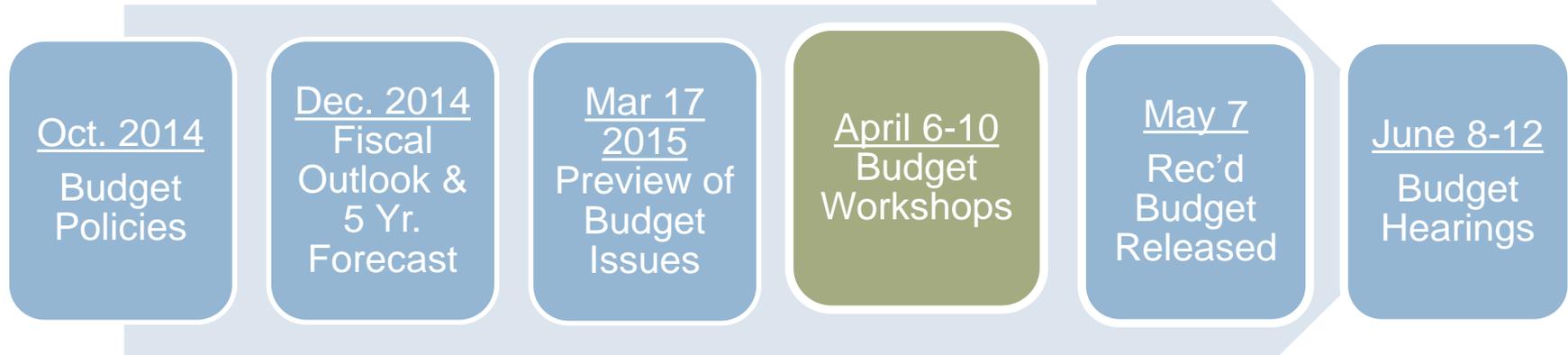
Purpose of Workshops

1. Review presentations from departments on FY 2015-17 Draft Budgets
2. Review “Special Issue” areas in select Departments
 - NBJ Operating Plan/Costs
 - Inpatient Services (ADMHS)
 - Roads Discretionary funding allocation (PW)
 - Long Range Planning Program (P&D)
3. Receive public input
4. Provide direction to CEO on budget issues or to departments on Special Issues

Board funding decisions not required at this time

Timeline

- Workshops held early – more Board and public review prior to Recommended Budget completion
 - 1 month before release; 2 months before Budget Adoption hearings
- Materials – not intended to be inclusive of Recommended Budget
- Funding decisions – Budget Adoption Hearings scheduled for June



Improvements

- Program-level information
 - Staffing
 - Revenues & Expenditures
 - Accomplishments
 - Objectives

- More Performance Measures for each department

Program

HUMAN RESOURCES

This budget program assists County departments in meeting their goals through the recruitment, training, and retention of qualified employees.

Staffing

Staffing Detail By Budget Program	2013-14 Actual	2014-15 Adopted	Change from FY14-15 Ado to FY15-16 Rec	2015-16 Recommended	2016-17 Proposed
ASST DIRECTOR	1.00	1.00	-	1.00	1.00
DIVISION CHIEF	1.00	1.00	-	1.00	1.00
DIVISION MANAGER	3.00	3.00	-	3.00	3.00
HR ANALYST	1.77	2.00	-	2.00	2.00
HR MANAGER	1.46	2.00	(1.00)	1.00	1.00
PROGRAM MANAGER	1.69	2.00	-	2.00	2.00
EEO/AA OFFICER	0.15	-	-	-	-
FISCAL MANAGER	1.00	1.00	-	1.00	1.00
EMPLOYEE BENEFITS MANAGER	1.00	1.00	-	1.00	1.00
EDP SYS & PROG ANLST	1.00	1.00	-	1.00	1.00
ADMIN OFFICE PRO	4.26	5.50	(2.50)	3.00	3.00
DEPT BUS SPEC	3.89	5.00	-	5.00	5.00
ADMINISTRATIVE LDR-GEN	0.54	-	-	-	-
ADMIN OFFICE PRO SR-RES	-	-	3.50	3.50	3.50
EXTRA HELP	0.97	-	-	-	-
Total	22.73	24.50	-	24.50	24.50

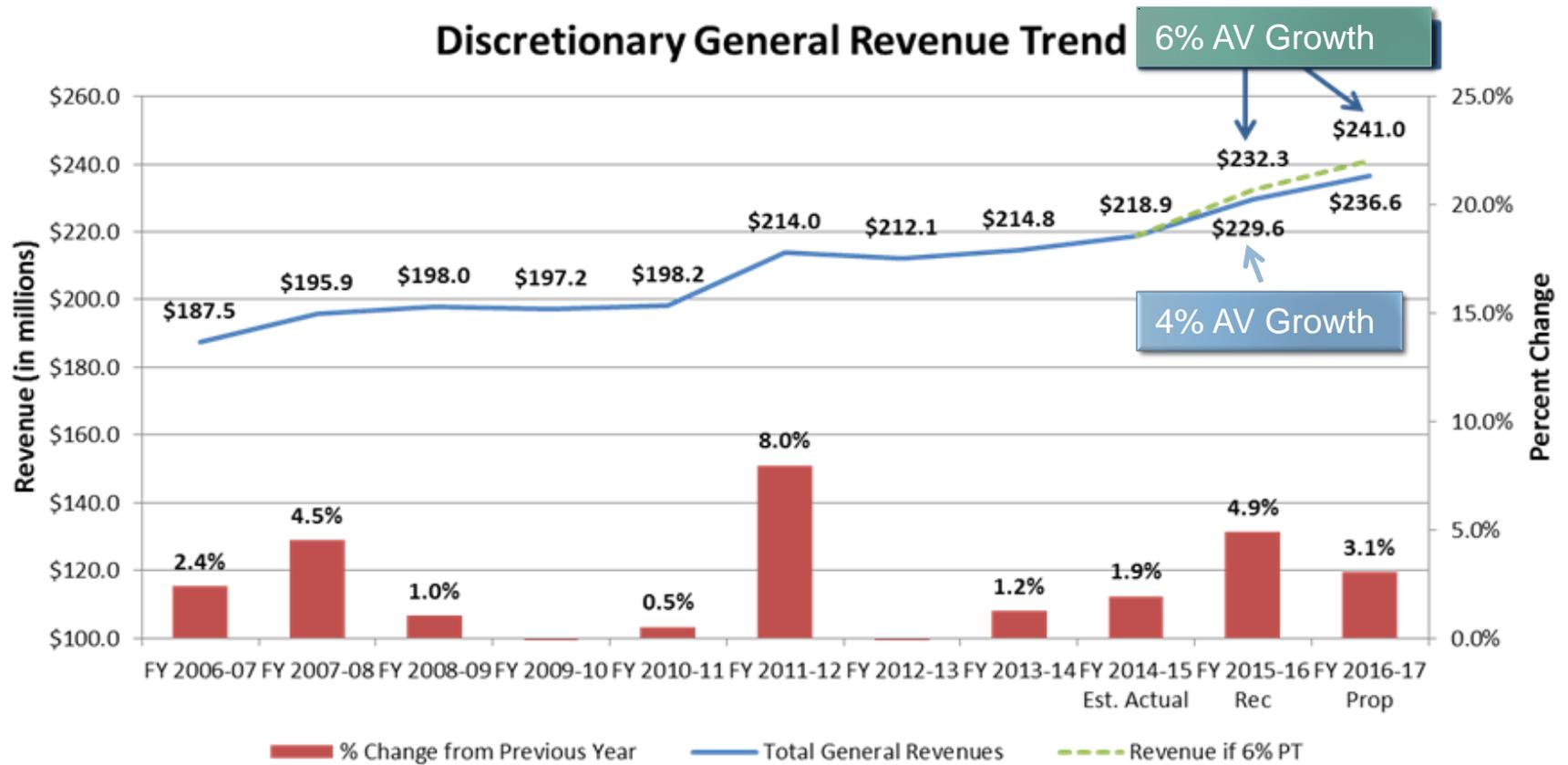
Program

HUMAN RESOURCES (CONT'D)

2014-15 Anticipated Accomplishments

- Successfully completed negotiations with six unions resulting in multi-year contracts with modest wage increases reflective of an improving economy and emerging from years of concession bargaining.
- Effectively implemented Affordable Care Act provisions for County employees and ensured County health plans were compliant with Act provisions.
- Designed a Workforce Planning process to identify key human capital strategies over the next two years to help the County to effectively attract, retain, and develop County employees to provide quality public services.

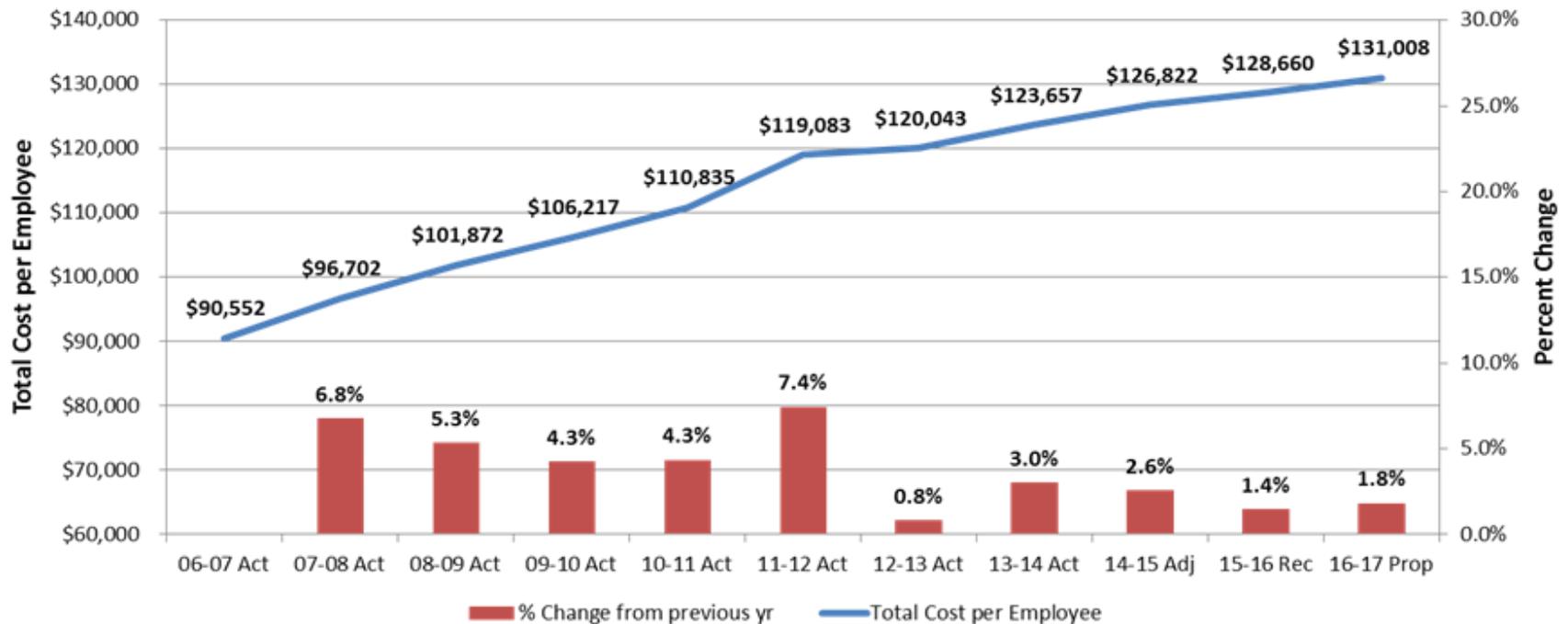
County's Fiscal Outlook - Revenues



County's Fiscal Outlook – Expenditures

Salary & Benefit Costs

Total Cost Per Employee Trend



Foundations for the Future

- Moderate revenue growth
- Continue rebuilding the organization and finances after the recession
- Create efficiencies in department operations through process improvements, technology, innovation
- Minimize service reductions and impacts to the public
- Create a thriving and engaged workforce
- Adapt and strategically plan for the future
- Continue to advance Board priorities and fulfill prior commitments

Funding Commitments/Plans

- Property tax shift to the Fire District
- Northern Branch Jail Operations Fund
- Expanded maintenance funding
- Funding of existing labor agreements



Common Themes and Trends

- Continuation of multi-year projects
- Technology improvements and efficiencies
- State changes in policy and funding
- Affordable Care Act and safety net departments
- Drought conditions
- Internal service departments – ability to meet demand for support
- Increasing medical costs

Service Level Reductions, Efficiencies, and Expansions

With improving economy, fewer budget reductions than in past years

Service Level Reductions: GF=\$450k; Non GF=\$630k

- Probation – loss of narcotics enforcement grant funding (1 DPO)
- Sheriff – transfer of 2 deputies from SM Branch Jail to Main Jail (overtime reduction)
- Child Support – reduction through attrition (3.6 positions)
- Community Services Department – Shelter Services (~~\$136,000~~-\$165,000)

Additional Service Level Concerns:

- ADMHS – existing funding insufficient for current inpatient demand
- PW – loss of HUTA funds requires unsustainable use of fund balance

Efficiencies: GF =\$240k; Non GF=\$300k

- Probation – reduction at Los Prietos Boys Camp; Prop 109 caseload reduction (6 positions)

Demand by departments for positions and service expansions beyond available revenue

- Expansions: GF = \$12.6M Ongoing; \$11.6M Onetime; 110 FTE's

Correcting structural imbalances

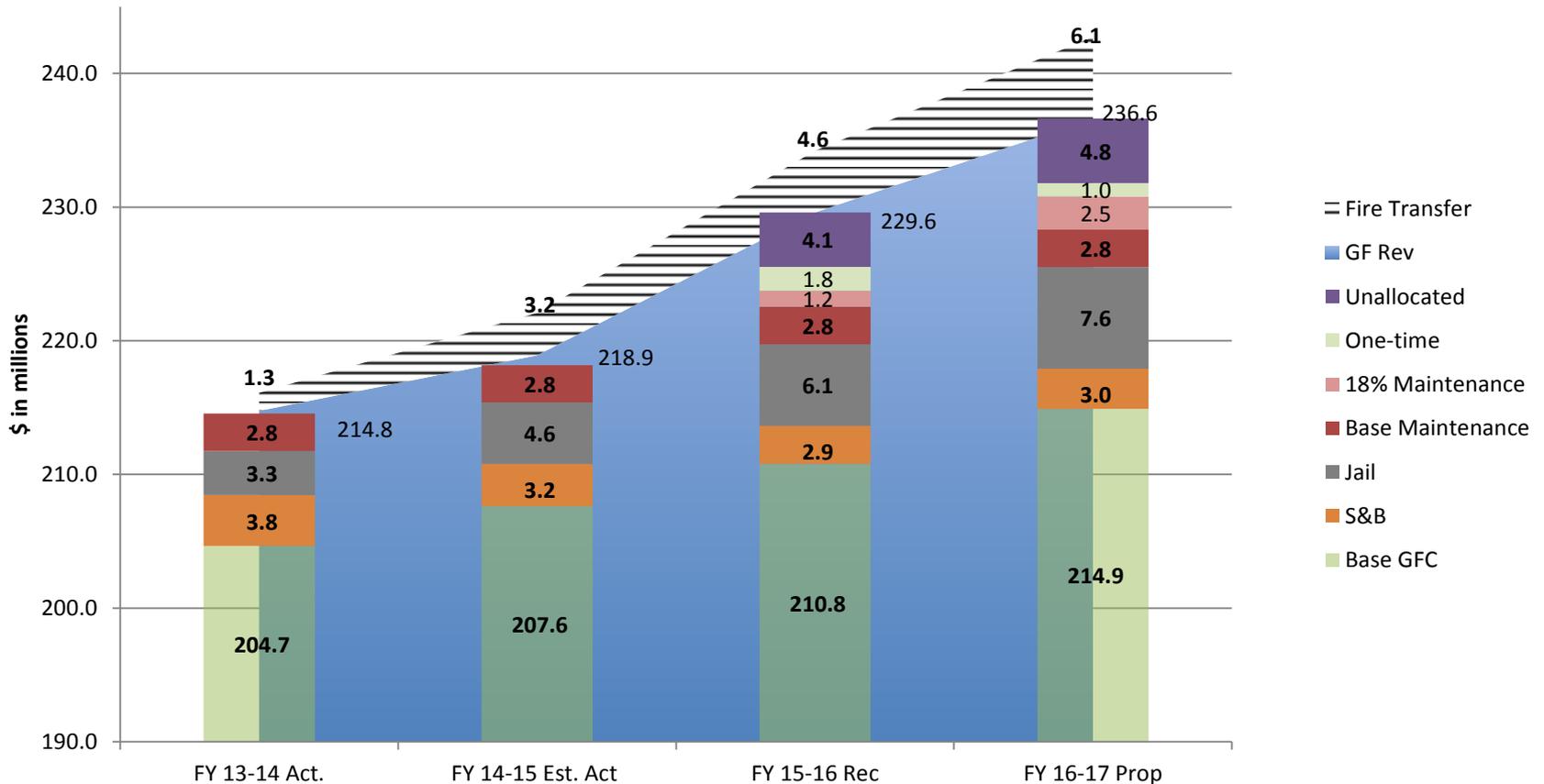
To stabilize funding to maintain service levels and prevent layoffs, GF Allocation Policy allows CEO to address long standing structural imbalances

\$1.3 M recommended for FY15-16:

- Clerk-Recorder-Assessor = \$500k (includes funding for even-year elections)
- Community Services Department = \$450k
- County Counsel = \$270k (\$250k offset, reduced outside legal costs)
- Planning and Development = \$110k

Limited Unallocated Revenues

Discretionary Revenue; GF Allocations



Note: Fire, 18% Maintenance, and Jail amounts are shown cumulatively

Unfunded Liabilities

- Pension Costs
 - Amortization Plan to eliminate 2013 liability in 17 years
 - Improvement in unfunded liability from \$817M to \$584M
- Retiree Medical Cost
 - OPEB unfunded liability = \$175M
 - Develop revised funding plan in FY 2015-16

Continued Challenges/Risks

- Reduced State funding for Roads
- Northern Branch Jail/Star Projects
- Mental Health Inpatient Costs
- Technology/software upgrades
- Maintenance needs
- Workforce planning and retention
- Right-sizing given past staff reductions
- Managing expectations

Summary – Looking Ahead to FY15-16 and beyond

- Overall, positive financial outlook next year and in near term
- Property tax growth assumption (4% AV)
- Prior commitments reduce flexibility for ongoing expansions
- Limited unallocated revenues for high priority needs
- County departments continue to provide high quality services and produce value for the community

Next Steps

- Following workshops, CEO will finalize recommendations
- CEO and Auditor's Office complete Recommended Budget - released May 7, 2015
- Budget Hearings (adoption) - June 8, 10, 12, 2015

Recommended Actions

- a) Hold budget workshops to receive presentations
- b) Direct staff to proceed with budget development process
- c) Provide direction, if any, regarding to be included in the CEO's Recommended Budget
- d) Regarding P&D's Proposed FY 15-16 Long Range Planning Annual Work Program
 - i. Receive and Review
 - ii. Provide direction to continue current projects and initiate recommended new projects
- e) Regarding other Special Issues, provide direction as appropriate
- f) Determine pursuant to CEQA Guidelines 15378(b)(4) that actions are not a project

Questions

NBJ Operations Funding Plan

Fiscal Year	GFC Base	GFC Increase	Total Annual GFC	Construction Match	Annual Operating Costs	Year End Op. Fund Balance
2011-12	\$ -	\$ 1.0	\$ 1.0	\$ -	\$ -	\$ 1.0
2012-13	1.0	1.0	\$ 2.0	(3.0)	-	-
2013-14	2.0	1.3	\$ 3.3	-	-	3.3
2014-15	3.3	1.3	\$ 4.6	-	-	7.9
2015-16	4.6	1.5	\$ 6.1	-	(0.3)	13.7
2016-17	6.1	1.5	\$ 7.6	-	(2.7)	18.6
2017-18	7.6	1.5	\$ 9.1	-	(10.5)	17.2
2018-19	9.1	1.8	\$ 10.9	-	(17.3)	10.7
2019-20	10.9	1.8	\$ 12.7	-	(17.9)	5.6
2020-21	12.7	2.2	\$ 14.9	-	(18.4)	2.1
2021-22	14.9	2.2	\$ 17.1	-	(19.0)	0.2
2022-23	\$ 17.1	\$ 2.2	\$ 19.3	\$ -	\$ (19.5)	\$ 0.0