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COUNTY OF MENDOCINO
BOARD OF SUPERVISORS
501 Low Gap Road • Room 1090
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To the Citizens of the County of Mendocino:

On September 16, 2008, the Mendocino County Board of Supervisors adopted its final budget for fiscal year 2008-2009. The budget, presented herein, will govern the financing of County services through June 30, 2009. It is the belief of the Board of Supervisors that this budget reflects the best allocation of funding to provide high quality County services, to support the retention and recruitment of valued employees, and to meet our objectives for prudent long-term fiscal accountability.

This document identifies expenditure limits for County department budget units and Special Districts that are under the purview of the Board of Supervisors. It also includes revenue estimates for fiscal year 2008-2009 and other fiscal and narrative information relative to County operations. In the interest of clarity and comprehensiveness, organizational charts, graphics, and details on special purpose grants are integrated into this report.

The County financial outlook benefited from reinstatement of the Rural and Small County Law Enforcement Block Grant in the amount of \$500,000. Also, State Proposition IB for \$3.25 million has been received and Proposition 42 was fully funded by the State for fiscal year 2008-09. This funding provides progression on infrastructure improvements for Mendocino County's road system.

Mendocino County experienced a relatively flat line in property and sales tax revenues again this past fiscal year. Although there has been an increase in assessed valuation in the last two years, the overall property tax revenue for fiscal year 2008-2009 is projected to stay the same. The forecast for increase in assessed valuation is significantly lower for next year. This year Mendocino County had an assessed valuation increase of 6.33%. The impact of the continued downturn in the housing market on local property tax revenues continues to be a key economic factor of the discretionary funding available for county services. Economic experts state there are no signs of a recovering economy expected to be realized within the next 18 months or longer.

The State budget continues to experience significant pressures in maintaining the balancing act of increased spending with the inequity of revenue available. Counties are experiencing the same "trickle down" effect and the constricting influences of elimination of funding and program cuts. Whether the 2008-09 State budget will hold up remains to be seen and local governments anticipate a special session to address a State fiscal emergency. Additionally, un-reimbursed mandates, equating to approximately \$4 million dollars for this fiscal year, continue to be delayed by the State. The Board and staff will continue to press for State repayment of justified County expenditures that are mandated under the provision of the State Constitution.

In planning for fiscal year 2008-2009, the Board of Supervisors directed the Chief Executive Officer to continue to review organizational structure, programs and services in order to create a viable, responsible and balanced financial plan for Mendocino County's future. This planning includes an ongoing commitment to a rational and disciplined repayment program for current debt obligations.

Most importantly, the Board of Supervisors thanks all of those who have provided advice, consent, and critique during the budget process and throughout the year. Public input is crucial to our efforts to make informed and responsible policy, planning and program decisions. We value your interest and support as we endeavor to protect and advance the public interest.

Respectfully submitted,

Jim Wattenburger, Chair
Mendocino County Board of Supervisors

A handwritten signature in black ink, appearing to read "Jim Wattenburger", is written over the printed name and title.

THE BOARD OF SUPERVISORS

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