



MENDOCINO COUNTY BOARD OF SUPERVISORS – AGENDA

BOARD WORKSHOP

FEBRUARY 15, 2011 – 9:00 A.M.

FARM ADVISOR/AGRICULTURE CONFERENCE ROOM • 890 NORTH BUSH STREET • UKIAH, CALIFORNIA

THE MENDOCINO COUNTY BOARD OF SUPERVISORS MEETS CONCURRENTLY AS THE BOARD OF DIRECTORS OF THE: MENDOCINO COUNTY AIR QUALITY MANAGEMENT DISTRICT, MENDOCINO COUNTY PUBLIC FACILITIES CORPORATION, MENDOCINO COUNTY WATER AGENCY, THE MENDOCINO COUNTY LIBRARY DISTRICT, THE REDEVELOPMENT AGENCY OF THE COUNTY OF MENDOCINO, AND THE IHSS PUBLIC AUTHORITY GOVERNING BOARD

ORDER OF AGENDA

ALL ITEMS ARE PRESENTED FOR DISCUSSION AND POSSIBLE ACTION

1. **INTRODUCTION:**
 - Chair
 - Chief Executive Officer
2. **MENDOCINO COUNTY 2011 PUBLIC POLICY PRIORITIZATION INITIATIVE (PHASE 1)**
3. **DISCUSSION AND POSSIBLE ACTION REGARDING FOLLOW-UP SESSIONS TO THE PHASE 1 PRIORITY SETTING WORKSHOP**
4. **OTHER BUSINESS:**
 - Public Expression
 - Matters from Staff
 - Other Business

PUBLIC EXPRESSION: (PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA)

The Board welcomes participation in the Board meetings. Comments shall be limited so that everyone may be heard. This item is limited to matters under the jurisdiction of the Board which are not on the posted agenda and items which have not already been considered by the Board. The Board limits testimony on matters not on the agenda to 3 minutes per person and not more than 10 minutes for a particular subject at the discretion of the Chair of the Board. No action will be taken.



- Arrangements for public hearings and timed presentations must be made with the Clerk of the Board in advance of public/media noticing
- Agenda Summaries must be submitted no later than *noon* Monday, 15 days prior to the meeting date (along with electronic submittals)
- Send 1 complete original single-sided set and 1 photocopy set – Items must be signed-off by appropriate departments and/or Co. Co.
Note: If individual supporting document(s) exceed 25 pages each, or are not easily duplicated, please provide 7 hard-copy sets)
- Transmittal of electronic Agenda Summaries, records, and supporting documentation must be emailed to: bosagenda@co.mendocino.ca.us
- Electronic Transmission Checklist: Agenda Summary Records Supp. Doc. If applicable, list other online information below
- Executed records will be returned to the department within one week. *Arrangements for expedited processing must be made in advance*

TO: Board of Supervisors **DATE:** February 7, 2011
FROM: Carmel J. Angelo, Chief Executive Officer **MEETING DATE:** February 15, 2011
DEPARTMENT RESOURCE/CONTACT: Carmel Angelo **PHONE:** 463-4441 Present On Call
Kristi Furman **PHONE:** 463-4441

Consent Agenda Regular Agenda Noticed Public Hearing Time Allocated for Item: 2 hours

■ AGENDA TITLE: Discussion and Possible Action: County of Mendocino 2011 Public Policy Prioritization Initiative (Phase I)

■ PREVIOUS BOARD/BOARD COMMITTEE ACTIONS: July 27, 2010: CEO report to the Board; August 17, 2010: Board priority planning work session; December 14, 2010: Board year-end workshop.

■ SUMMARY OF REQUEST: The County of Mendocino (at its peak of 1,577 FTE in 2006) has a current workforce of 1,138 FTE, an approximate 28% reduction (439 FTE), as a result of declining State and local revenues. State mandates and local service demands continue to increase, while the State’s financial contribution to local government has severely declined. Nearly all fundamental County functions draw from the County General Fund, its primary source of discretionary revenue.

These resource and staffing reductions, while creating opportunities for streamlining County services, have strained the organization’s ability to sustain core services for Mendocino County’s constituents. Counties throughout California are faced with redefining their core services. Many economists predict that the California economy may never recover to the point of restoration of the levels of service provided by local government in the last two decades.

In anticipation of crippling budget impacts to local government in Fiscal Year 2011/2012, it is critical that the Board, County leadership, and community partners engage in a process of public policy development to define, prioritize, and preserve the most vital public services. Department Heads have also recently provided the Board with “issues papers” depicting their respective “state of the department” challenges.

The Executive Office is recommending a series of public policy workshops to enable the Board, with support from County leadership, to establish service priorities, ultimately leading to funding and service recommendations for long-term organizational planning and development.

Please see the attached staff report for additional information regarding the proposed public policy prioritization process.

■ SUPPLEMENTAL INFORMATION AVAILABLE ONLINE AT:

■ ADDITIONAL INFORMATION ON FILE WITH THE CLERK OF THE BOARD (CHECKED BY COB IF APPLICABLE):

FISCAL IMPACT:			
Source of Funding	Current F/Y Cost	Annual Recurring Cost	Budgeted in Current F/Y
All discretionary funding programs/services	Undetermined	Undetermined	Yes <input type="checkbox"/> No <input type="checkbox"/>

■ SUPERVISORIAL DISTRICT: 1 2 3 4 5 All **■ VOTE REQUIREMENT:** Majority 4/5ths

■ RECOMMENDED ACTION/MOTION: That the Board participate in the Phase I facilitated priority setting exercise enabling staff to formulate budget and service priorities for the County of Mendocino.

■ ALTERNATIVES: None recommended.

■ CEO REVIEW (NAME): _____ **PHONE:** 463-4441

RECOMMENDATION: Agree Disagree No Opinion Alternate Staff Report Attached

BOARD ACTION (DATE: _____): Approved Referred to _____ Other _____

RECORDS EXECUTED: Agreement: _____ Resolution: _____ Ordinance: _____ Other _____



MENDOCINO COUNTY *MEMORANDUM*

Date: February 15, 2011

To: Honorable Board of Supervisors

From: Carmel J. Angelo, Chief Executive Officer

Subject: County of Mendocino 2011 Public Policy Prioritization Initiative

BACKGROUND

The State of California is facing a budget deficit in excess of \$28 billion. The Governor's 2011/2012 Proposed Budget relies upon spending reductions, program cuts, and tax extensions requiring voter approval via a Special Election. Approval of the California Legislature is needed to hold a Special Election; to date, the legislature has not granted such authority. At its core, the Governor's proposed budget calls for the "transformation of the state/local relationship," by realigning government at all levels to focus on their core functions and ultimately reducing duplication of services and administrative costs throughout the State.

The County of Mendocino has reduced its workforce by approximately 28% over the past 36 months as a result of declining State and local revenues. State mandates and local service demands continue to increase, while the State's financial contribution to local government has severely declined. Nearly all fundamental County functions draw from the County General Fund, its primary source of discretionary revenue.

These resource and staffing reductions, while creating opportunities for streamlining County services, has strained the organization's ability to sustain core services for Mendocino County's constituents.

CURRENT STATUS

As the budget situation has become more bleak, and counties have struggled to sustain core services, Mendocino County has:

- exhausted its General Reserve;
- temporarily borrowed from restricted reserve accounts to balance the budget as allowed by statute;
- has explored methods of alternative funding streams;
- has achieved employee concessions and wage reductions through the negotiations process;
- has reduced the county workforce; and
- has reduced service levels in all functional areas.

Other cost-cutting measures that have been implemented or are under consideration, include:

- Implementation of all phases of a four-phase layoff plan;
- Consolidation of the BOS/COB/EO;
- Consolidation of the Water Agency with Planning & Building Services;
- Implementation of a pilot project to co-locate Environmental Health land use functions with Planning & Building Services;

- Initiation of service reductions/reorganization within the Health and Human Services Agency;
- Evaluation of the General Services Agency structure and service model;
- Pursuit of “full cost recovery” through the County’s annual fee hearing process;
- An upcoming Board workshop to discuss the future of the library;
- An upcoming Board workshop to discuss the future of the County Museum; and
- Preparations for rate increases in the County share of cost to the County Retirement System.

In anticipation of crippling budget impacts to local government in Fiscal Year 2011/2012, it is critical that the Board, County leadership, and community partners engage in a process of public policy development to define, prioritize, and preserve the most vital public services.

SUMMARY OF PROPOSAL

In December 2010 and again in January 2011, the Executive Office presented the Board with the CEO’s draft priorities for 2011, including:

- I - Fiscal Stability
- II - Safe and Viable Community/Meeting Community Needs; and
- III - Sustainable Quality Services

With the assistance of a volunteer facilitator, staff is recommending the Board engage in a series of strategic planning exercises to evaluate and rank/prioritize vital services for funding recommendations in the 2011/2012 budget. The results of these exercises will create the foundation for building the CEO’s Recommended Budget for FY 11/12.

The purpose of the facilitated exercise(s) is to evaluate targeted issues to inform and guide the process of developing public policy and funding priorities (Phase I will include budget balancing strategies and decision making criteria; Phase II will include fiscal strategies to reduce long-term debt and pension obligation costs).

FINANCIAL IMPACT

The outcomes derived from this policy setting work session will guide the allocation of the County’s discretionary funding for development of the Fiscal Year 2011/2012 Recommended Budget.

RECOMMENDED ACTION/MOTION

That the Board participate in the Phase I facilitated priority setting exercise to formulate long-term budget and service priorities for the County of Mendocino for Fiscal Year 2011/2012 enabling the Chief Executive Officer to prepare and present a balanced Recommended Budget for the County of Mendocino on June 21, 2011.

CA/KF

Attachments

MENDOCINO COUNTY 2011 WORK PRIORITIES

Fiscal Stability

- Develop a long term financial plan for the County
- Establish sound debt management policies
- Build sufficient reserves to provide financial flexibility
- Identify and secure dependable/diversified funding streams
- Negotiate long term labor contracts with pension reform

Safe and Viable Community

- Streamline county development policies and procedures to support business, transportation and new industry
- Provide a climate that supports job creation
- Develop strategies to increase tourism
- Promote local and regional cooperation and shared services
- Stabilize and institute managerial and fiscal best practices throughout the criminal justice system.

Sustainable Quality Services

- Provide practical technological tools to enable efficient and effective service delivery
- Maintain sufficient infrastructural support for county operations
- Reestablish an employee recognition and support program
- Promote employee and community understanding of the challenges and difficult choices county government must make to balance its' budget while providing core services

County of Mendocino

Setting Priorities During Budget Crises

Budget Balancing Strategies and Decision Making Criteria Phase I

	Short-Term Fiscal Criteria				Community Needs Criteria				Service Provision Criteria				
Strategic Budget Actions*	<i>Reduce Structural Deficit</i>	<i>Create Reserves</i>	<i>Reduce Unemployment Costs</i>	<i>Improve County's Credit Rating</i>	<i>Enhance Customer Services/Satisfaction</i>	<i>Protect the Local Economy</i>	<i>Support Local Business</i>	<i>Maintain Core Services (What Are They?)</i>	<i>Minimize County Employee Job Loss</i>	<i>Provide Service Reductions</i>	<i>Provide Services in the Cities</i>	<i>Promote Cities/Counties Shared Services</i>	<i>Promote Cities/Counties Shared Services</i>
Workforce Reduction													
Service Elimination													
Centralization of Services													
Privatization													
Mon-Thur Work Week (36 hour FTE)													
Reduced Labor Costs (i.e. wage concessions)													

*Reorganization: Regardless of actions utilized, reorganization is ongoing as a strategic budget action creating the highest degree of efficiency, as resources allow.

PHASE II OF PRIORITY SETTING WILL INCLUDE THE FOLLOWING FISCAL VIABILITY GOALS:
 1) REDUCTION IN LONG-TERM DEBT 2) COVERAGE OF PENSION OBLIGATION COSTS 3) JOB GROWTH