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## MENDOCINO COUNTY BOARD OF SUPERVISORS – AGENDA

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# BOARD WORKSHOP

## APRIL 5, 2011 – 2:30 P.M.

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**COUNTY ADMINISTRATION CENTER • 501 LOW GAP ROAD • CONFERENCE ROOM C  
UKIAH, CALIFORNIA**

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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
2. **OVERVIEW OF CURRENT FISCAL YEAR 2010/2011 BUDGET**
  - Chief Executive Officer
3. **MENDOCINO COUNTY 2011 PUBLIC POLICY PRIORITIZATION INITIATIVE:**
  - Matrix Exercise
4. **PHASE II – LONG TERM PLANNING**
5. **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.

County of Mendocino  
Recommended Budget

2010-2011

Published by Order of the Board of Supervisors



Chief Executive Officer  
Carmel J. Angelo

Auditor Controller  
Meredith Ford

2010-11

June 8<sup>th</sup> 2010

County of Mendocino  
The Final Budget

2010-2011


PUBLISHED BY ORDER OF THE BOARD OF SUPERVISORS  
 FIRST DISTRICT ..... CARRIE BROWN, CHAIR  
 SECOND DISTRICT ..... JOHN MCCOWEN  
 THIRD DISTRICT ..... JOHN PINCHES  
 FOURTH DISTRICT ..... KENDALL SMITH  
 FIFTH DISTRICT ..... J. DAVID COLFAX, VICE-CHAIR

Chief Executive Officer  
Carmel J. Angelo

Auditor Controller  
Meredith Ford

2010-11

September 14<sup>th</sup> 2010




County of Mendocino  
The Executive Office


FY 2010-2011  
1<sup>st</sup> Quarter Report

November 9, 2010

November 9<sup>th</sup> 2010



County of Mendocino  
The Executive Office



FY 2010-2011  
Mid-Year Report

February 15, 2011

February 15<sup>th</sup> 2011

# FY 2010-2011

2<sup>nd</sup> Quarter

## Mid-Year Budget Report

July – August – September – October – November – December

## 2011-2012 Projected Deficit: Discretionary General Fund

2010-2011 Deficit Carryover	\$ 891,015
Structural Imbalance Carried over from 2010-2011	\$ 891,015
Retiree Cost Increases	\$ 1,976,000
Use of One-Time Reserves No Longer Available	\$ 2,228,148
<b>Total</b>	<b>\$ 5,986,178</b>
As a Percent of the Discretionary General Fund	<b>10.50%</b>

\* Revenue picture assumed to closely match FY 2010-2011

## General Fund

### Projected Year-End Deficit for FY 2010-2011

Revenue Overage	\$ 71,065
Departmental Deficit/Surplus	\$ (962,080)
Projected Year-End Deficit for FY 2010-2011	\$ <b>(891,015)</b>

## Government Code § 29009

“In the recommended, adopted, and final budgets the funding sources shall equal the financing uses.”

# County of Mendocino

## Setting Priorities During Budget Crises

### Budget Balancing Strategies and Decision Making Criteria Phase I

Strategic Budget Actions*	Short Term Fiscal Criteria				Community Needs Criteria				Service Provision Criteria		
	Reduce/Eliminate Structural Deficit (Value = 10)	Create Reserves (Value = 8)	Reduce Unemployment Costs (Value = 10)	Improve County's Credit Rating (Value = 4)	Improve the Local Economy: Promote Jobs, Business, and Healthy Environment (Value = 5)	Improve Customer Service/Satisfaction (Value = 7)	Maintain Core Services (What Are They?); Minimize Service Reductions (Value = 5.5)	Minimize County Employee Job Loss (Value = 9)	Good for the Short Term and the Long Term (Value = 5.5)	Increase Efficiencies (Value = 7.5)	
Workforce Reduction	10	10	0	7.5	5	0	6	0	7	5	403.5
Service Elimination	10	10	0	7.5	5	0	4	2.5	7	5	399.25
Centralization of Services & Facility Utilization											
Privatization											
Mon-Thur Work Week (36 hour FTE)	6	6	7.5	6	6.5	4	8	9	9	7	486
Reduced Labor Costs (i.e. wage concessions)											
Revenue Enhancement/Cost Recovery											
Regionalization and Shared Services											

\*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:

Updated 02/15/11

- 1) REDUCTION IN LONG-TERM DEBT
- 2) COVERAGE OF PENSION OBLIGATION COSTS
- 3) JOB GROWTH

What do we need to do short term?

CLOSE A \$6M GAP FOR FY 11-12

# Workforce Reduction

**Goal:** Eliminate a \$6M deficit.

**Actions:** Average Compensation (including benefits) per County Employee: \$80,000.  
On average, the County would need to layoff 75 general funded, non-revenue generating employees from the County system to mitigate a \$6M deficit.

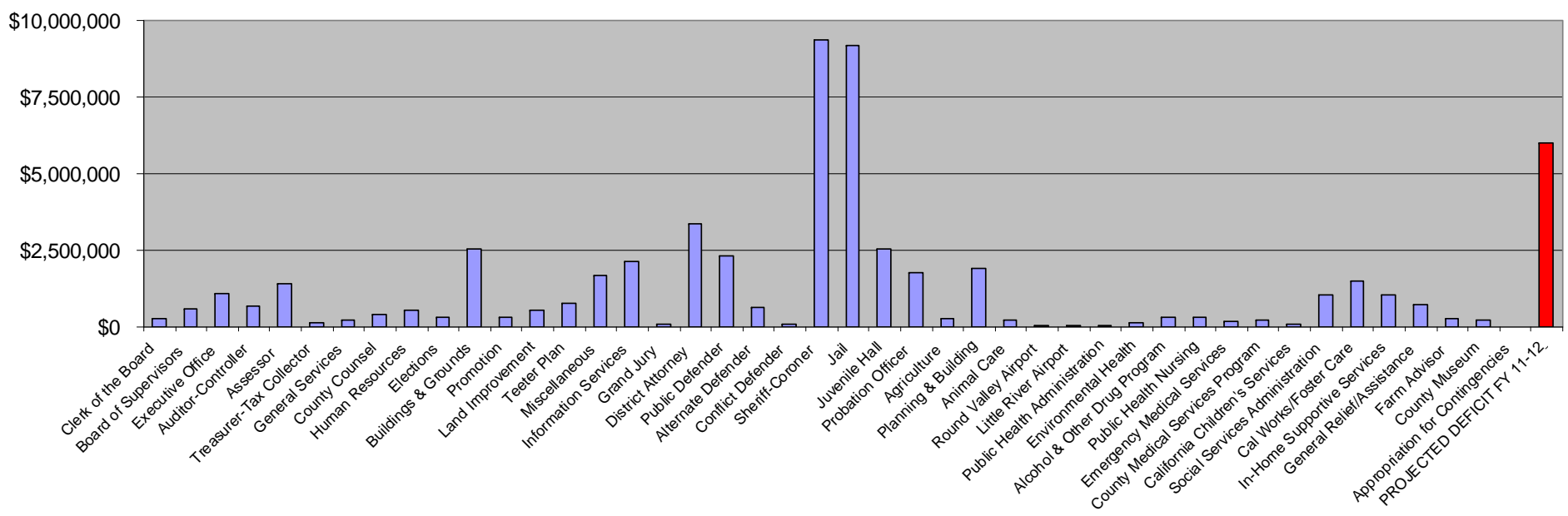
# Service Elimination

**Goal:** Eliminate a \$6M deficit.

**Actions:** Eliminate \$6M in services

See attached charts

### Where the Discretionary General Fund is Budgeted for 2010-2011



## General Fund Enhancement Possibilities

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2014-15	FY 2015-16	Total
<b><u>Program Eliminations</u></b>						
Business Improvement District Match		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,200,000
Williamson Act			\$ 1,325,000	\$ 1,371,000	\$ 1,419,000	\$ 4,115,000
Museum		\$ 189,726	\$ 189,726	\$ 189,726	\$ 189,726	\$ 758,904
Arts Council of Mendocino County		\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 96,000
Mendocino County Resource Conservation District		\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 126,000
Area Agency on Aging (AAA)		\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 148,000
Veterans Services		\$ 134,202	\$ 134,202	\$ 134,202	\$ 134,202	\$ 536,808
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 716,428</b>	<b>\$ 2,041,428</b>	<b>\$ 2,087,428</b>	<b>\$ 2,135,428</b>	<b>\$ 6,980,712</b>

# Centralization of Services & Facility Utilization

**Goal:** Eliminate a \$6M deficit

**Actions:** Office Closures, consolidation of space.

Examples of centralized services:

Coast Planning Dept.	\$ 600,000
Centralize Ukiah services	\$3,000,000
TOTAL	\$3,600,000

# Privatization

**Goal:** Eliminate a \$6M deficit

**Action:** Not all services could be privatized. However, the County could review statutes to determine services that may be provided by the private sector. With government benefits being a large percentage of cost, particularly retirement costs, community based organizations may be able to provide services for less cost with the same quality.

**EXAMPLE:**

If a County employee costs \$80,000 annually (on average) and a non-profit employee costs \$60,000 annually (on average), the tax payer may receive a comparable service at 75% of the cost of county workers. A \$2M program may cost approximately \$1.5M if the private sector provides the service.

# 36 Hour FTE

**Goal:** Eliminate a \$6M deficit

**Action:** A full time county employee is a 40 hour a week employee. The County could move from 40 hours a week to 36 hours a week for full time employees. This saves the County approximately \$5M in general funds for general funded employees.

# Reduced Labor Costs

**Goal:** Eliminate a \$6M deficit

**Actions:** Call for additional wage concessions from employee bargaining units  
10% wage concessions is approximately \$5M in savings

# Revenue Enhancement and Cost Recovery

**Goal:** Eliminate a \$6 M deficit

**Action:** Receive revenue at a level that eliminates the deficit within an appropriate time frame. Receive \$6M additional revenue within the next 6-18 months.

# Regionalization of Services

**Goal:** Eliminate a \$6M deficit

**Actions:** Create regional models with other counties, streamlining along the way, to create a system where county services could be contracted to other counties or to a regional model. There isn't a way to quantify this today.

# County of Mendocino

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