

ADMINISTRATION

Strategic Initiative No. 3:
 Streamline County operations for greater effectiveness and efficiency of service delivery and cost savings.

SPI NO.	Lead Entity	Other	Project Lead	Due Date	Key Objective	
3-b	CAO Budget Analyst	Departments		Annually	<p>As part of the Annual Budget Development Process, departments will continue to identify goals for the coming year and on a yearly basis continue to evaluate program results/ accomplishments. Department Head Cost Savings Committee continues to review opportunities for countywide savings.</p>	<p>See below for description of tasks. Additionally, as part of the FY 2010-11 Budget Hearings, the Board requested quarterly reports from the County's Cost Savings Committee on cost savings ideas and plans for the implementation of those ideas. (See attached matrix received by the Board on August 24, 2010.) Additionally, the Board Requested other reports on consolidations, collaborations, and cost effective alternatives to service delivery i.e., Outside Counsel and Legislative Consultant Expenses, Truancy Court, Placement Programs, Animal Services, Resource Management Administration, Document Imaging Project, Fleet Program efficiencies, Human Resources Function and Centralization. (See attached matrix received by the Board on August 24th for further specifics and reporting time frames)</p> <p>The CAO's office and Department Heads have assisted the Board of Supervisors in identifying financial guidelines that promote the financial stability of the County. The CAO's office and Departments have provided options to the Board of Supervisors to assure this financial stability occurs by reassessing the budget plan during the budget preparation and adoption process and through preparation of a three-year financial forecast and Budget End of Year Report (BEYR). Preparation of the budget allows each department to identify services and related costs as well as look for cost savings opportunities. Each of the department's assessments is compiled into the County budget, where policy decisions are made to identify paths to assure financial stability. The Three-Year Forecast allows mid-term course corrections when budget deficits are identified in out years. The BEYR presented to the Board in October allows for reporting prior year budgetary results identifying problem areas that become the focus for quarterly departmental reports to the Board's Budget Committee.</p>

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	CAO Budget Analyst	Departments		Annually	<p>Task 2: Ensure fiscal literacy throughout the organization.</p>	<p>The CAO's office has provided information to the departments such that County employees understand the terms and philosophy behind budget decisions, including how the financial guidelines are implemented in the budget decision-making process. The departments ensure that County employees are provided information on how the budget is structured, the implications of the budget decisions on County services, and the content of the financial guidelines adopted by the Board of Supervisors. The Enterprise Resource System team and Departmental Subject Matter experts continue to provide on-going training to employees. The County's Leadership and Organizational Development Program working with subject matter experts developed the County's first pilot Finance and Accounting Academy. The Academy is part of the Certified Government Financial Manager (CGFM) program through the Association of Government Accountants (AGA). The program is equivalent to a graduate level course. Selected participants attended their first class on September 3, 2010.</p>
	CAO Budget Analyst	Departments		Annually	<p>Task 3: Expand services in line with revenues.</p>	<p>The CAO's office continues assisting the Board of Supervisors in identifying financial guidelines that promote the financial stability of the County. The CAO's office and departments have provided options to the Board of Supervisors to assure this occurs by reassessing the budget plan during budget preparation and adoption process and through preparation of a three-year forecast. Preparation of the budget allows each department to identify revenue sources and compare them to services and related costs. Each of the department's assessments is compiled into the County budget, where policy decisions are made to identify paths to assure financial stability. The Three-Year Forecast allows mid-term course corrections when budget deficits are identified in out years. When the annual budget or Three-Year Forecast show revenue growth is projected, the CAO's office and departments can use the Board adopted financial guidelines to guide how to provide needed services commensurate with revenue growth.</p>

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	Departments	CAO Budget		Monthly	Task 4: Manage vacancies	<p>County departments have done a good job of managing vacancies by continuously assessing revenues and expenditures during the year. As departments see revenue decreases or expenditure decreases, the departments have ensured that vacancies that cannot be funded in the long term are kept vacant. The CAO-Budget office staff assists the department financial teams in tracking revenues and expenditures to ensure that the departments are aware of trends and the relationship to hiring staff to fill vacant positions. The FY 2010-11 General Fund Budget contained 172.4 fewer positions than the FY 2009-10 Budget. Vacancy Reports have been provided to the Board's Budget Committee on a monthly basis. The new enterprise system, Advantage-- Human Resources, provides for more accurate and timely vacancy information.</p>
	BOS	CAO Budget		Annually/Continous	Task 5: Restrict use of one-time revenues.	<p>The CAO-Budget Office provides the Board of Supervisors with choices during annual budget preparation, and tracks budget amendments during the year, to ensure that one-time revenue sources are identified and that risks and benefits are understood prior to Board of Supervisors' action to spend one-time revenue. The FY 2010-11 Adopted General Fund Budget allocates \$8.9 million in prior year Fund Balance to fund programs this is \$0.4 million less than the \$9.3 million allocated in FY 2009-10.</p>

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SPI NO.	Lead Entity	Other	Project Lead	Due Date	Key Objective	
	BOS	Auditor-Controller	CAO Budget	Continuous	Task 6: Prudent use of borrowing.	The County has been doing well at borrowing only when necessary and on a sound financial footing. By managing the County's budget with a solid reserve and limited indebtedness, the County bond rating continues to stay at a high level through these difficult financial times. The County has created a reserve pool to protect the remaining County budget from unexpected financial expenses. This model has worked well to build the County's budget into a sustainable system even in the midst of a continued economic downturn. The financial guidelines have provided decision makers with guidance on ensuring that borrowing occurs when the budget can support such transactions. The County's credit rating allows the County to participate in short-term cash flow borrowings at minimal cost. For FY 2010-11, the County secured a \$40.2 million Tax and Revenue Anticipation Note (TRAN) to assist the County with its short-term cash flow needs.
	CAO	BOS	Risk Management	Annually	Task 7: Manage long-term unfunded liabilities.	The County has been successful at monitoring long-term unfunded liabilities and has identified that retirement benefits are of concern. The County has begun to look at methods to ensure the long-term stability of the County's contribution to retiree benefits and is currently reviewing data to determine if restructuring is necessary, such as a two-tier benefit system, to assure that long-term liabilities are adequately funded. For FY 2010-11 Other Post Employment Benefits (OPEB) is funded at \$3.3 million, this is an unfunded liability that the County has begun addressing via an annual allocation. In FY 2010-11 reserve funding of Workers Compensation has been temporarily suspended, only allocating current year expected costs. This was done in coordination with directing the Assistant County Administrative Officer – Human Resources to bring forth a revised reserve funding schedule and timeline to address the Workers Compensation Liability.
3.b.1	CAO	N/A	Bauman	Ongoing	Set performance standards for department heads, conduct annual performance review of department heads, perform an annual evaluation of departmental performance.	We are developing performance metrics for departments that can ultimately be part of the budget and a public document. We are focusing on real measurable and representative metrics (key metrics) for departments. They can be included in Department performance evaluations (that are personnel documents). Building performance metrics is underway and is concurrent with the FY 2011/12 process.

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SPI NO.	Lead Entity	Other	Project Lead	Due Date	Key Objective	
3.c.1	CAO-B&A	N/A	Pando	Ongoing	Develop program priorities and an implementation plan.	We understand this initiative to establish priorities from performance metrics once adopted by the Board of Supervisors.

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: August 24, 2010	AGENDA NO.:
SUBJECT: Receive a matrix from the County Administrative Office of action items requested by the Board of Supervisors during FY 2010-11 Budget Hearings and the June 29, 2010 Board Meeting.	
DEPARTMENT: County Administrative Office – Budget and Analysis Division	

RECOMMENDATION:

It is recommended that the Board of Supervisors receive a matrix from the County Administrative Office of action items requested by the Board of Supervisors during FY 2010-11 Budget Hearings and the June 29, 2010 Board Meeting.

SUMMARY/DISCUSSION:

On June 9, 2010, the Monterey County Board of Supervisors held Fiscal Year 2010-11 Recommended Budget Hearings. During the Budget Hearings, the Board of Supervisors referred several items concerning future budget preparation, cost savings and program efficiencies to County committees and departments. The County Administrative Office prepared the attached matrix summarizing the various deadlines and responsibilities associated with the assigned items. The matrix identifies the requesting Supervisor, the action item, deliverable, responsible party(ies), and the time frames for returning to the Board.

On June 29, 2010, the Board approved and adopted the FY 2010-11 Budget. At this meeting, during the public comment portion of the Board meeting, Service Employees International Union (SEIU) addressed the Board regarding a number of budget savings measures and efficiencies. Supervisor Armenta requested these items also be incorporated as action items. These items are contained in the attached matrix.

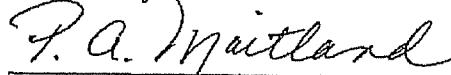
OTHER AGENCY INVOLVEMENT:

During the Budget Hearings, the Supervisors directed their requests regarding the actions to the following departments, agencies and committees: Budget Committee, Cost Savings Committee, Water Resources Agency, Intergovernmental Affairs, County Counsel, Public Defender, Probation, District Attorney, Department of Social and Employment Services, Health Department, Resource Management Administration, Human Resources and the County Administrative Office.

FINANCING:

There is no cost associated with the acceptance of this report and matrix.

Prepared by:



Patty Maitland
Principal Administrative Analyst

Approved by:



Rosie Pando
Assistant County Administrative Officer

Attachments: Attachment A – FY 2010-11 Budget Hearing Action Item Matrix
cc: Department Heads

Items from June 9, 2010 Budget Hearings

Requesting Supervisor	Item	Deliverable	Referred To	Responsible Party(ies)	Time Frame
Armenta Parker concurring	Budget Development	Process for holding a collaborative budget workshop that includes Labor representatives as participants.	Budget Committee	Rosie Pando	September/October 2010
Parker	Cost Savings Committee	Quarterly Report to the Board on cost-saving ideas from the Cost Savings Committee and plans for the implementation of those ideas.	Cost Savings Committee	Steve Vagnini	Quarterly: September 2010 December 2010 March 2011 June 2011
Parker	Outside Counsel and Legislative Consultant Expenses	Negotiate and contract with Legislative Consultants and Outside Counsel firms to evaluate consolidating similar services to be provided by County Staff.	WRA Intergovernmental Affairs County Counsel NMC	Curtis Weeks Nick Chuilos Charles McKee Harry Weis	This item is processed as Board Referral #2010.17.
Parker Salinas concurring	Tuancy Court	Develop recommendations and implementation plan of cost effective alternatives to resolve issues prior to being brought to tuancy court.	Public Defender Probation District Attorney DSES (Other departments as needed to implement recommended solutions)	James Egar Manuel Real Dean Filippo Elliott Robinson	Although Supervisor Salinas requested a mid year status report (December 2010) since the Tuancy Court was only funded for a half year, the recommendation and implementation plan should come forward to the Board in September 2010 .
Armenta	Drug Court	Develop collaborative recommendations and implementation strategies to assist with Drug Court Operations.	Primary: Probation Public Defender District Attorney DSES	Manuel Real James Egar Dean Filippo Elliott Robinson	None specified by referring Supervisor. Recommend reporting to the Board in September 2010
Parker Armenta	Placement Programs	Develop recommendations and implementation plan to cost effectively operate the placement program by existing County departments.	Primary: Probation Public Defender DSES	Manuel Real	None specified by referring Supervisor. However, since the Placement Program was only funded for a half year recommend reporting to the Board in September 2010 .

Requesting Supervisor	Item	Deliverable	Referred To	Responsible Party(ies)	Time Frame
Calciagno Sallinas	Public Safety Agencies	Continual updates to the Board on efforts to consolidate multi-jurisdictional public safety agencies.	District Attorney	Dean Filippo	None specified by referring Supervisor. Recommend reporting to the Board quarterly: September 2010 December 2010 March 2011 June 2011
Potter Calciagno & Sallinas concurred Parker added	Animal Services	Consolidate all Animal Services agencies in the County during FY 2010-11. Include the public comment speakers from the Budget Hearings in any discussions of consolidation. Report from the public comment speakers regarding enhanced revenue generation and operational efficiency ideas.	Health Department Public Comment Speakers	Robert Egnew and New Director of Health	Status report to the Board no later than October 2010 No date specified for the report from the public comment speakers, but recommend it be included as part of the October 2010 status report Consolidate June 30, 2011
Parker Potter Calciagno	Resource Management Administration	Restructure RMA Departments to become more self-sufficient and efficient. Include the following items: <ul style="list-style-type: none"> • Potential savings in management costs to support line functions • What is needed to implement the General Plan and the qualifications of people and resources needed to ensure the feasibility of General Plan implementation within the framework of the restructuring. 	RMA	CAO RMA Departments	Although Supervisor Calciagno requested a mid year status report (December 2010) since RMA was only funded for 6 months, the recommendation and implementation plan should come forward to the Board in September/October 2010 .
Parker Calciagno Potter	Document Imaging Project	The 5 year project has been funded for FY 2010-11 from Capital Projects. Report to the Board on how the remaining years of the project will be funded from the restructuring of RMA. Report to the Board on the costing and justifications of the project.	RMA	Tim McCormick	Costing & Justification Report requested ASAP. Recommend August/September 2010

Requesting Supervisor	Item	Deliverable	Referred To	Responsible Party(ies)	Time Frame
Potter Armenta	Legislative Consultant Services	<p>Negotiate a 10% reduction of the Legislative Consultant Services.</p> <p>Propose a method for dividing the costs of Legislative Consultants amongst the departments that benefit from the lobbyists' efforts.</p> <p>Provide a comparison of how much of a reduction in the level of service with other agencies who utilize the same lobbyists as the County. Include whether it is possible for the lobbyists to continue providing the same services with a contract price reduction.</p>	IGA	Nick Chiulos	None specified by referring Supervisor. Recommend reporting to the Board in September 2010
Calcagno	Local Transportation Funds (LTF) to Monterey Salinas Transit	Report on any budgetary impact of reduction in Local Transportation Funds (LTF) provided to Public Works by Transportation Agency of Monterey County (TAMC)	RMA	Yaz Emrani	Requested for shortly after final adoption of the Budget. Recommend August/September 2010
Armenta	Fleet	Provide a report to the Board exploring fleet efficiencies.	RMA	Yaz Emrani Thomas Apear	None specified by referring Supervisor. Recommend reporting to the Board in September 2010
Armenta	Manager/Employee Ratios	Provide a report and study to the Board of Manager to Employee Ratios	HR	Keith Honda	None specified by referring Supervisor. Recommend reporting to the Board in September 2010

Items below from June 29, 2010 Budget Adoption

[Supervisor Armenta requested the following items brought forth by the SEIU during Public Comment be included in the separate Board Report enumerating the action items from the Budget Adoption process.]

Requesting Supervisor	Item	Deliverable	Referred To	Responsible Party(ies)	Time Frame
Armenta	One-Time Funding for Eliminated Positions	One-time funding to extend the jobs of the 12 remaining employees so that the union can review alternative solutions to the layoffs.	HR	Keith Honda	The Board received a status report on the in-placement program and passed a separate resolution extending the lay off period to August 1, 2010 .
Armenta	Organizational Efficiency Study	Organizational Efficiency Study	Labor	Keith Honda	None specified by referring Supervisor. Recommend reporting to the Board in September 2010
Armenta	Retirement Options/Incentives	CAO-HR to meet with the union to come up with jointly agreed to recommendations for presentation to the Board.	HR	Keith Honda	September 2010
Armenta	County Codes and Ordinances	Effectively implement existing County codes and ordinances to close cases, i.e. TOT on Short-term rentals, SB1137, the ordinance removing the blight from neighborhoods	RMA	Tim McCormick Jim Cook	None specified by referring Supervisor. Recommend reporting to the Board in September 2010
Armenta	Redundancy Report	Provide a Redundancy Report of operational inefficiencies.	HR	Keith Honda	None specified by referring Supervisor. Recommend reporting to the Board in December 2010
Armenta	HR Function and Centralization	Obtain an independent review of the HR Function and efficiencies of HR Centralization	HR	Keith Honda	None specified by referring Supervisor. Recommend reporting to the Board in December 2010
Armenta	Proposed Animal Control Consolidation	Implementation of Animal Control reorganizational alternatives.	Health	Dr. Hugh Stallworth (Interim Health Director) And Ray Bullick (New Director of Health)	None specified by referring Supervisor. Recommend reporting to the Board in December 2010
Armenta	Future Organization Studies	Inclusion of Labor in future organization studies	Labor	Keith Honda	As needed.