

**September 16, 2014**

**Regular Meeting**

**Item #9a**

**Finance/CAO**

**BUDGET HEARINGS**

**Mono County  
FY 2014-2015  
Budget Hearing  
September 16, 2014**



# Budget Hearing Agenda

## Budget Introduction – CAO/Finance

- 1) Review of Budget Development
- 2) FY 2014-2015 Recommended County Budget
- 3) Review of Cost Containment efforts



# FY 2014-2015 Budget Development

February 2014 – FY 2013-2014 Midyear Budget – 5% cuts requested – 2.64% Achieved (\$737,000)

April 2014 – 3<sup>rd</sup> Quarter check in

Hard Hiring freeze enacted

May 2014 – Budget Town Halls Held

June 2014 – Budget Workshops held -

August 2014 -

Close of FY 2013-2014 books

Final Fund Balance established

Labor Negotiations ongoing

September 5<sup>th</sup> – FY 2014-2015 CAO Recommended Budget posted

September 16<sup>th</sup> – FY 2014-2015 Budget Hearing



# Mono County FY 2014-2015 Recommended Budget

265.4  
Full Time  
Equivalent  
Employees Filled

All other  
County Funds  
\$31.5  
Million

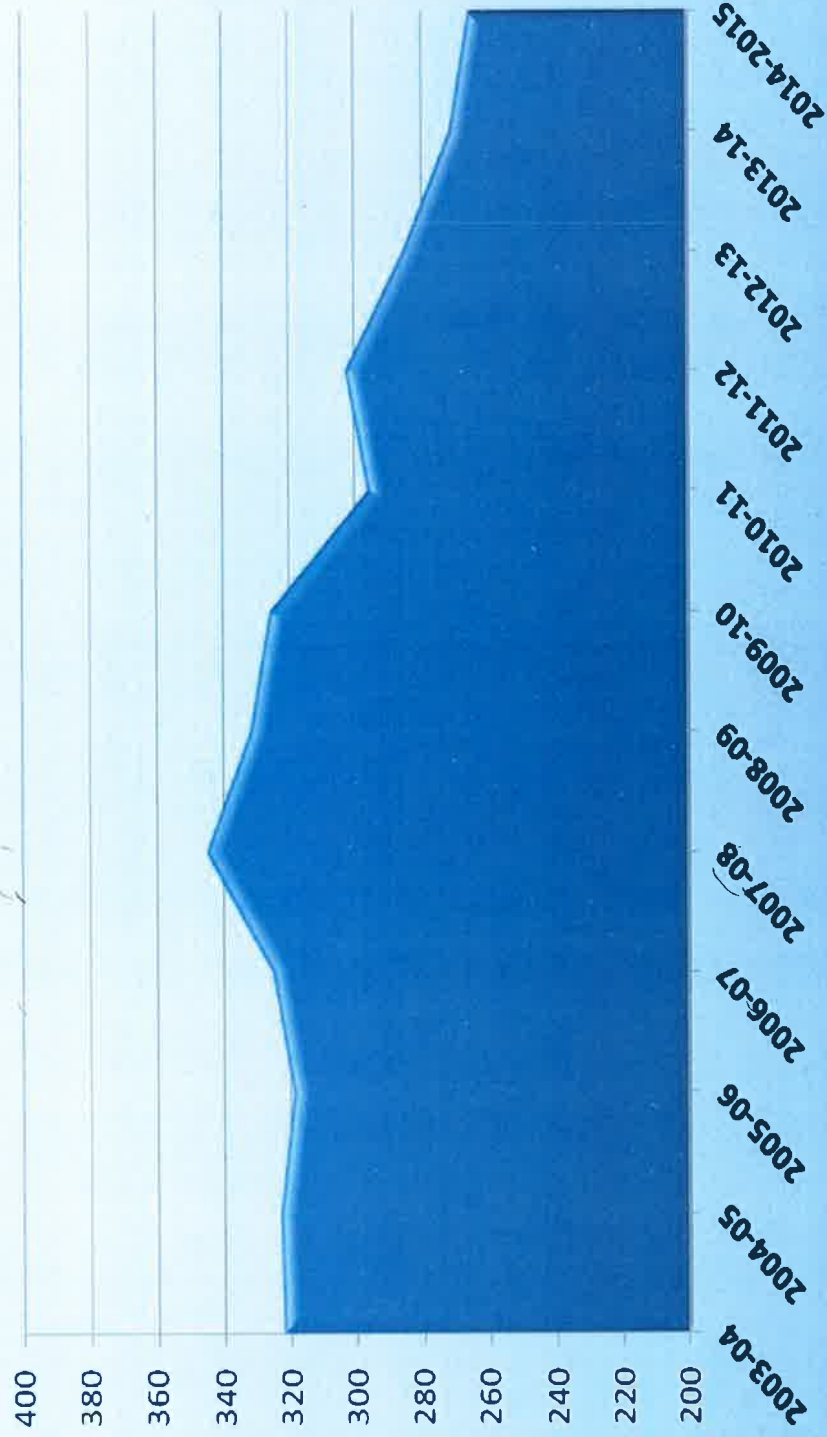


General Fund  
\$34.4 Million

Total  
Budget  
\$65.9  
Million

# County Staffing Trends

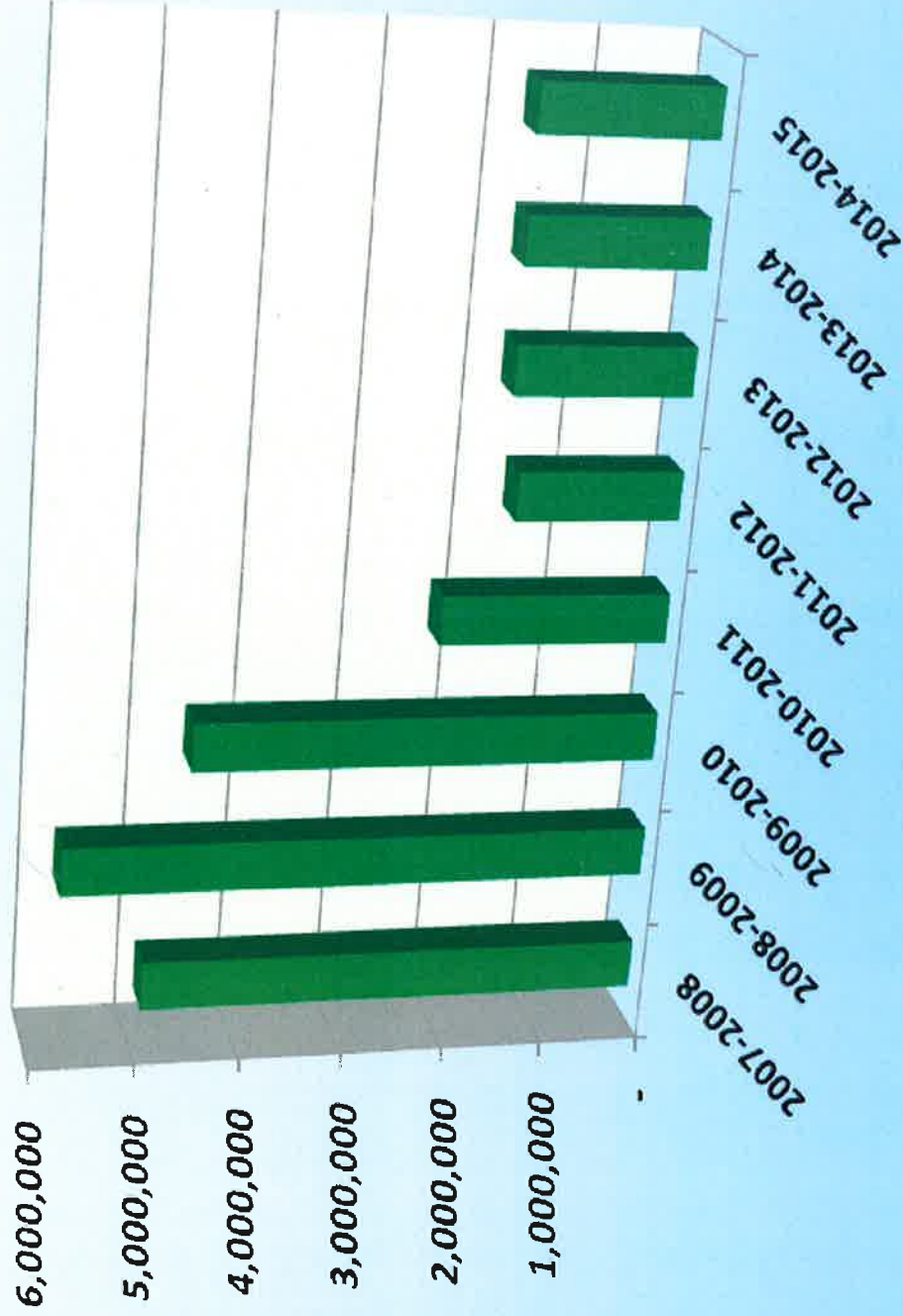
Total Full Time Equivalent



FTE = Full Time Equivalent

# Reserves

## County Reserves



Reserves remain at policy minimum

# Cost Containment Strategies

COST CONTAINMENT - SERVICE PRESERVATION - REDESIGN EFFORTS			
Initiative	Method	Service impact	GF Savings Achieved
<b>Structural deficit projected for end of Fiscal year 2014-2015</b>			
			<b>-\$4.7 million</b>
<b>1) Re-Base Labor costs (Achieved)</b>	Negotiations	Same workforce size; Recruitment and retention issues.	Up to \$2.9 million annually Paramedics: \$550,000 MCPPE: \$1,500,000 (Actual) DSA: -\$27,000 Paramedics <sup>1</sup> : \$433,641 MCPPE <sup>2</sup> : \$0 DSA: - \$26,325
<b>2) Re-Base Labor costs (Sought) Furloughs (Temporary savings)</b>	Negotiations	Loss of public services due to either reduced public hours or less access	\$600,000 - \$1.2 million annually
<b>3) Reduce net workforce costs through attrition</b>	Offer financial incentive for employees to leave county employment voluntarily; Hard Hiring Freeze/Defund allocated vacant positions.	Potential loss of staff institutional memory; Less staffing; Higher workload if no backfilling of staff;	\$558,040
<b>4) Strategic Planning</b>	New service methods	New process models and change; More technology investments Provide only most critical services;	?
<b>5) Fund Balance</b>	Administrative	Unspent funds from prior FY	\$1.5 million
<b>6) FY 2014-2015 Budget cuts</b>	Administrative	Department cost Reductions (non-personnel)	?
<b>6) Use of Reserves</b>	Administrative	Maintain Current service level by use of one time monies for operations	737,331 <sup>3</sup>
<b>7) Layoffs<sup>4</sup></b>	Administrative	Higher workload for remaining staff; Lower service level for public	\$490,417
<b>Total potential savings estimate</b>			\$1.5 to \$7.6 million
<b>Remaining Structural Deficit</b>			-3.2 million deficit to \$2.9 million surplus
			\$0

<sup>1</sup> = Paramedics Budget reflects projected savings from current position in Negotiations.

<sup>2</sup> = As of the publishing of this Budget active negotiations are underway with MCPPE to seek to achieve additional savings to maintain service levels and positions.

<sup>3</sup> = 5% mid FY 2013-2014 cuts were put into reserves and then used to build CAO Recommended FY 2014-2015

<sup>4</sup> = Layoffs being sought to be done by Labor savings elsewhere.



# Cost Containment Strategies – Labor

## COST CONTAINMENT - SERVICE PRESERVATION - REDESIGN EFFORTS

Initiative	Method	Service impact	Target Net CF savings	CF Savings Achieved
Structural deficit projected for end of Fiscal year 2014-2015				
<b>1) Re-Base Labor costs (Achieved)</b>	Negotiations	Same workforce size; Recruitment and retention issues.	Up to \$2.9 million annually	<b>-\$4,700,000</b>
<b>2) Re-Base Labor costs (Sought) Furloughs (Temporary savings)</b>			Paramedics \$550,000 MCPE: \$1,500,000 (Actual) DSA: -\$27,000	Paramedics <sup>1</sup> : \$433,641 MCPE <sup>2</sup> : \$0 DSA: - \$26,325
		Loss of public services due to either reduced public hours or less access	\$600,000 - \$1.2 million annually	\$0

# Cost Containment Strategies –Re-Design

## COST CONTAINMENT - SERVICE PRESERVATION - REDESIGN EFFORTS

Initiative	Method	Service impact	Target Net CF savings	CF Savings Achieved
Structural deficit projected for end of Fiscal year 2014-2015			<b>-\$4.7 million</b>	<b>-\$4,700,000</b>
<b>3) Reduce net workforce costs through attrition – Separation Incentive</b>	Offer financial incentive to leave county employment voluntarily;  Hard Hiring Freeze/Defund allocated vacant positions.	Potential loss of staff institutional memory; Less staffing;  Higher workload if no backfilling of staff;	<b>\$0 to 2.0 million annually</b>	<b>\$558,040</b>
<b>4) Strategic Planning</b>	New service methods	New process models and change; More technology investments Provide only most critical services;	?	?

# Cost Containment Strategies - Administrative

COST CONTAINMENT - SERVICE PRESERVATION - REDESIGN EFFORTS				
Initiative	Method	Service impact	Target Net CF savings	CF Savings Achieved
Structural deficit projected for end of Fiscal year 2014-2015				
<b>5) Fund Balance</b>		Unspent funds from prior FY	<b>-\$4.7 million</b>	<b>-\$4,700,000</b>
<b>6) FY 2014-2015 Budget cuts</b>	Administrative	Department cost Reductions (non-personnel)	\$1.5 million	\$1,173,480
<b>6) Use of Reserves</b>		Maintain Current service level by use of one time monies for operations	0	737,331 <sup>3</sup>
<b>7) Layoffs<sup>4</sup></b>		Higher workload for remaining staff; Lower service level for public	0	\$490,417

# Cost Containment Strategies – Alternative Labor support

COST CONTAINMENT - SERVICE PRESERVATION - REDESIGN EFFORTS			
Initiative	Method	Service impact	GF Savings Achieved
Structural deficit projected for end of Fiscal year 2014-2015			<b>-\$4.7 million</b>
1) Re-Base Labor costs (Achieved)	Negotiations	Same workforce size; Recruitment and retention issues.	Up to \$2.9 million annually Paramedics \$550,000 MCPE: \$1,500,000 (Actual) DSA: -\$27,000  \$897,433 Paramedics <sup>1</sup> : \$433,641 MCPE <sup>2</sup> : \$0 DSA <sup>3</sup> : -\$26,325
2) Re-Base Labor costs (Sought) Furloughs (Temporary savings)	Negotiations	Loss of public services due to either reduced public hours or less access	\$600,000 - \$1.2 million annually  \$0
3) Reduce net workforce costs through attrition	Offer financial incentive for employees to leave county employment voluntarily; Hard Hiring Freeze/Defund allocated vacant positions.	Potential loss of staff institutional memory; Less staffing; Higher workload if no backfilling of staff;	\$558,040
4) Strategic Planning	New service methods	New process models and change; More technology investments Provide only most critical services;	?
5) Fund Balance	Administrative	Unspent funds from prior FY	\$1.5 million
6) FY 2014-2015 Budget cuts	Administrative	Department cost Reductions (non-personnel)	?
6) Use of Reserves	Administrative	Maintain Current service level by use of one time monies for operations	737,331 <sup>3</sup>
7) Layoffs <sup>4</sup>	Administrative	Higher workload for remaining staff; Lower service level for public	0
Total potential savings estimate			\$1.5 to \$7.6 million
Remaining Structural Deficit			<b>-\$3.2 million</b> deficit to <b>\$2.9 million</b> surplus

1 = Paramedics Budget reflects projected savings from current position in Negotiations.

2=As of the publishing of this Budget active negotiations are underway with MCPE to seek to achieve additional savings to maintain service levels and positions.

3= 5% mid FY 2013-2014 cuts were put into reserves and then used to build CAO Recommended FY 2014-2015

4= Layoffs being sought to be undone by Labor savings elsewhere.

# FY 2014-2015 Recommended Budget

## Recommended Budget:

- is Balanced;
- Maintains Reserve legal minimum;
- Funds Clean Air Vehicle mandates for \$300,000 (one time);
- Funds landfill services including closure cost;
- Provides Public safety service;
- Maintains County roads;
- Provides health and safety services for all communities of Mono County

- Fully Funds the Senior Meal program
- Funds Policy items per June workshops Board directions.
- Has 9 positions slated for layoff should Labor savings not occur.

## The Budget Does not:

- Replenish Reserves
- Provide funding for technology improvements
- Address majority of Long Term Unmet needs in ongoing manner

# County Liabilities - Unmet Needs

We are maintaining focus on long term issues \$31 to \$50 million looking forward



MONO COUNTY Long Term Liabilities and Unmet Needs			
Issues	Remaining costs	Cause	Timeline
California Air Resources Board (CARB) Clean Air Compliant vehicles	\$21 million <sup>1</sup>	State mandate for clean air vehicles	2019-2028
Solid Waste Issues – Landfill closures and monitoring	\$6.68 Million <sup>2</sup>	State Law	2023-2029
New Jail	\$10-25 Million <sup>3</sup>	Population growth/use	2020-2025
Prudent Reserves	\$3.7 Million <sup>4</sup>	County Fiscal Policy	2018--??
Infrastructure (Roads, Parks, community center upgrades)	TBD	Road Improvements	As warranted
New elections system	\$225,000 <sup>5</sup>	State mandate/ Aging technology	2016-2017
Improved County Information Technology	\$375,131 <sup>6</sup>	Finance System replacement	Ongoing
Increased Economic Development Investment	TBD	Attract Businesses Strengthen Tourism Reduce regulatory burden	ASAP
Social and Health Safety Net Services	TBD	Serving resident unmet needs	??
Labor costs	1% COLA <sup>7</sup> = \$255,000	Invest in Employees	??
<b>TOTAL</b>	<b>\$31.5 to \$50.18 million</b>		

<sup>1</sup> = Prior purchases of Clean Air vehicles have reduced liability and 2014-2015 Recommended Budget proposes \$300,000 for CARB vehicle replacement. First deadline is 2019 and approximately \$5 million.

<sup>2</sup> = The Solid Waste Enterprise Fund remains solvent and is not a burden to the General Fund. Ongoing discussions with the Town of Mammoth Lakes are underway for a long term regional solution to waste which ensure proper closures funds along with increased mandated diversions.

<sup>3</sup> = AB 109 (State Realigned of Prisoners) will impact the Jail's capacity.

<sup>4</sup> = FY 2012-2013 Reserves are \$1.7 million. By County Policy, Reserves should be at least between 5-15% of General Fund Expenses. Current GF expenditures are \$36 million and 15% would be \$4.3 million. The FY 2013-2014 Recommended Budget would add \$65,842 to Reserves.

<sup>5</sup> = Changes in State election law require county to review and investigate replacing current voting machines. Cost for replacement is estimated at \$225,000 but alternative systems may be option that may cost less.

<sup>6</sup> = The County's finance system is outdated and overdue for replacement. In regards to desktops and employee computer needs, new implemented Tech Refresh Program will start process of replacement through direct billing of departments.

<sup>7</sup> = a one (1) percent Cost of Living Adjustment would cost approximately \$225,000 annually if granted to all employees.

# ***Policy items –Items from June 2014***

***Proposed Budget reflects directions from Board Majority in June Workshops***

***Range of items in General Fund and Non-General Fund have been updated***

***Board is being asked to review and confirm direction***



# *Today's requested Actions*

1. Review Final Budget
2. Review Policy items
3. Adopt Resolutions:
  - A. Enacting FY 2014-2015 Budget
  - B. Governing potential layoffs







# Questions & Comments

**POLICY ITEMS**

	<u>Amt Requested</u>	<u>Amt Recommend</u>	<u>Comments</u>	<u>Approved</u>
<b>Agriculture Commissioner</b>				
Debt Service payment on Ag Building in Inyo County	20,000	-	Potentially can be covered by Excess Gas Tax	-
<b>Board of Supervisors</b>				
General Fund Contingency (1% Current Expenditures)	\$ 325,000	\$ 325,000	Administrative Policy	357,170
General Fund Reserve (Bring to 15% of Current Expenditures)	3,034,639	65,842	Mid year savings of \$737,331 is included in budget	
CIP Fund - CARB Compliance Set-aside	300,000	300,000	Draw down Trindel Account	300,000
CIP Fund - Park Improvement Set-aside/Benton	2,500	2,500		2,000
CIP Fund - Park Improvement Set-aside/Chalfant	2,500	2,500		2,000
Property Tax Admin Fee Refund (6 smallest fire districts)	25,000	25,000	Based on prior year refunds	20,000
Contributions to non-profit organizations	40,000	40,000	Same as last year	40,000
First Responder Aid	150,000	150,000	Same as last year- Prop 172 offset	150,000
<b>Behavioral Health</b>				
Behavioral Health	7,149	7,149	Mandated County Match	7,149
<b>Assessor</b>				
Promote Appraiser's Aid to Administrative Services Specialist	6,145	-		6,145
<b>Community Development/Planning</b>				
Temporary Intern	16,683	16,683	In lieu of replacing associate planner	11,238
Increase Permit Tech Hours	5,445			5,445
<b>District Attorney</b>				
Half-Time FTS Position	69,194	-		-
<b>Economic Development</b>				
Economic Development Assistant - 9 months	60,989	60,989		60,989
Fish Enhancement Program - Fund 102	138,541	138,541		138,541
<b>Economic Development - Tourism:</b>				
Film Commission Marketing Support	5,000	5,000	Same as last year	5,000
California State Fair Exhibit and Interagency Visitors' Center	10,000	10,000	Same as last year	10,000
Community Event Marketing Fund	40,000	20,000	Same as last year	20,000
Trail Maintenance Program	8,840	8,840	Based on last year's Friends of the Imyo Proposal	8,840
Air Service Subsidy	100,000	35,000	See proposal	50,000
<b>Emergency Medical Services (Paramedics)</b>				
Replace two Cardiac Monitors	76,000	76,000	To meet local and state requirements	76,000

**POLICY ITEMS**

	<u>Amt Requested</u>	<u>Amt Recommend</u>	<u>Comments</u>	<u>Approved</u>
<b>Information Technology</b>				
Government Transparency Suite Software	17,588	17,588	To allow streaming, recording and indexing BOS meetings	-
Financial System Upgrade plus additional modules	375,131	-		-
<b>Public Works</b>				
Cemetery - Fund 610	2,000	2,000		2,000
Road Fund - Fund 700 - General	500,000	500,000		448,317
Conway Ranch Subsidy	16,355	16,355		16,355
<b>Social Services</b>				
Department of Social Services - Fund 103	355,000	355,000	Estimated County Match	355,000
Department of Social Services - Fund 103 - Senior Program	146,579	146,579	Program funding shortage	146,579
Department of Social Services - Fund 103 - General Relief	19,256	19,256	County Obligation	19,256
<b>Sheriff</b>				
Corrections Officer in the Jail	90,782	-		85,000
<b>TOTAL GENERAL FUND PROPOSED POLICY ITEMS</b>	<b>\$ 5,946,316</b>	<b>\$ 2,345,822</b>	<b>TOTAL</b>	<b>2,343,024</b>

**POLICY ITEMS**

	<u>Amt Requested</u>	<u>Amt Recommend</u>	<u>Comments</u>	<u>Approved</u>
<b>Behavioral Health</b>				
Reclassify Administrative Services Specialist to Behavioral Health Fiscal and Administrative Services Officer	22,159	22,159		22,159
<b>District Attorney</b>				
Drug Task Force - Additional Office Space	27,258	27,258		27,258
<b>Public Health</b>				
Reclass WIC Nutritio Asst. to WNA/Health Program Coordinator	5,380	5,380		5,380
Reclass WIC Nutrition Specialist to a WNA/FTS II	5,411	5,411		5,411
Promote 2 Environmental Health Specialists from II to III	9,072	9,072		
<b>Public Works - Motor Pool - Road</b>				
Bay for Crowley Road Shop	15,000	15,000		15,000
Replacement Vehicles	193,000	193,000		
Oil Separator - 50% Road, 50% Motor Pool	20,000	20,000		20,000
<b>Solid Waste</b>				
Recycling Infrastructure & Programs	100,000	100,000		100,000
Solar panels & battery banks for landfill scales & printers	10,000	10,000		10,000
<b>Social Services</b>				
Promote Staff Services Analyst II to III	4,122	4,122		4,122
Promote 2 Social Worker I/Is to IIIs	11,360	11,360		11,360
<b>TOTAL GENERAL FUND PROPOSED POLICY ITEMS</b>	<b>\$ 422,762</b>	<b>\$ 422,762</b>	<b>TOTAL</b>	<b>220,690</b>