



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: David Boesch, County Executive Officer
By: Andy Heath, Assistant County Executive Officer
Gretchen Nedved, Principal Management Analyst

DATE: January 26, 2016

SUBJECT: FY 2016-17 Priorities Workshop

Action Requested

Conduct a workshop to receive an update on the State of the County, Priority-Based Budgeting, and confirm FY 2016-17 Countywide Priorities and emerging Critical Issues.

Background

The purpose of this workshop is to discuss emerging countywide priorities and spotlight critical issues to facilitate the development of the FY 2016-17 Proposed Budget. The workshop begins with an overview of the State of the County, including potential local impacts of the Governor's proposed budget, and an update on the County's Priority-Based Budgeting initiative. A brief update will also be provided on FY 2015-16 critical issues spotlighted in the FY 2015-16 Final Budget.

State of the County

State Budget

The release of the Governor's proposed FY 2016-17 State Budget identifies moderate tax revenue growth but cautions continued fiscal restraint given continued unstable economic conditions. The budget suggests minimal impacts on local agencies; however, County staff continues their analysis of local programs that are typically impacted by ripple-effect State Budget details. The Governor's annual release of the January State Budget is the initial guide each year for formulating estimates and impacts for mandated county program expenditures and revenues. Consideration of State Budget impacts continues to be one of many factors in evaluating the County's financial condition during the priority-setting and budget process.

Priority-Based Budgeting Update

The Priority-Based Budgeting initiative undertook major pilot efforts in FY 2014-15 and FY 2015-16. The lessons learned, challenges, and successes have been evaluated while updating the long-range implementation plan. The most significant challenge discovered during pilot department implementation was the inability of existing accounting and human resource software systems to seamlessly track and report program data. One of the purposes of Priority-Based Budgeting is to provide meaningful program information to inform the priority-setting process and engage effectively with the community. To assist in meeting this challenge, the County has procured budgeting software to replace complicated Excel spreadsheets that are

currently used to facilitate the budget process. This software is targeted to be fully implemented in FY 2017-18. FY 2016-17 is termed a “year of transition” as departments countywide prepare program budgets and gear up for the new technology.

The Priority-Based Budgeting “coordinating council” (“PBB Council”) was established in 2014 to steer the initiative. It will continue planning for next steps to identify program attributes. Program attributes include identification of mandated programs, their full cost, and required levels of service compared with use of discretionary funding. Program budgeting will highlight required County services, as well as services that are not required but still beneficial. Additionally, the Communications and Public Affairs team will implement a community engagement plan to incorporate budget information into community forums. Ultimately, the PBB Council will work with the County Executive Office to review and recommend a future structure for priority-setting through the budget process. This structure will include a review of existing priority-setting processes; including countywide system goals, community results, and the overarching mission and vision of Placer County. The County’s current mission, vision, system goals, and a list of associated departments are provided in Attachment 1.

FY 2015-16 Critical Issues

A status review of FY 2015-16 critical issues will highlight successes of the past year and ongoing work efforts as the County gears up for the next budget cycle.

Capital & Deferred Maintenance Financial Sustainability

- The commitment of additional discretionary funding to pay for previously deferred building and road maintenance projects includes projects such as roofing, carpeting, HVAC replacement, as well as trail maintenance and County road surface overlay. This funding is planned to continue into FY 2016-17 as part of the Multi-Year Capital Plan.

Environmental Sustainability

- The Placer County Conservation Plan (PCCP) is undergoing final fee and cost scenario analysis with a recommendation being formulated for a board meeting in February 2016.

Placer County Library System Planning

- The Library Consolidation work continues with the analysis, requested by the Board at the December 8, 2015 meeting, of a potential tax measure, an update of the two-year financial model for the Library Fund, and identification of resource requirements to maintain sustainable services now and into the future.

Criminal Justice Master Plan Implementation

- Master planning efforts continue in concert with criminal justice partners on long-range planning of jails, community supervision, and reintegration systems.

Placer County Fire Funding Sustainability

- The western slope fire services improvement study is underway. The consultant is currently interviewing the participating independent fire districts to prepare recommendations for a Board meeting later this fiscal year.

Succession & Talent Management

- Human Resources and County departments have isolated target areas for focusing succession planning efforts such as training and procedural documentation. Efforts to formulate strategies to retain quality employees are underway to reduce the rate of attrition in prone areas.

Employee Engagement Planning

- Departments continue to create opportunities for staff to participate in programs that support County initiatives, such as health and wellness, and process improvement.

FY 2016-17 Countywide Priorities

To begin developing the FY 2016-17 Proposed Budget, departments were asked to prepare "State of Department" summaries ahead of submitting their requested budgets identifying their top priorities and service demands. Several consistent themes were identified in the department submissions, and provide insight into departmental budgets and upcoming funding requests. These themes consist of multiple, varied needs and service demands that should be considered consistently. The following themes have emerged as priorities for FY 2016-17 and are described below:

Program Expansion - Program expansion driven by the community benefit anticipated or need identified in focused areas of the County.

Safety & Security Measures – Addressing increasing concerns about building security, and technology associated with employee and public safety, including data security.

Technology Pursuit and Implementation - Maintenance and modernization of software, equipment, mobile devices, website, and security to ensure employee and public access to County information is reliable, fast, and secure. Countywide business intelligence analysis to strategically manage multiple technology requests to ensure return on investment.

Development Financing and Analysis - Strategic financial analysis for short and long-range plans to ensure sustainable investment and strong economic returns.

Infrastructure Improvements and Financing - Maintain and build necessary infrastructure to support safe and modern service delivery in a growing economy. Areas include the Placer County Government Center Campus, Health and Human Services Office Building, Finance and Administration Building, occupied DeWitt buildings, Tahoe buildings, Domes building, parks and trails, utilities, and major equipment replacements (including large vehicles).

Eastern Placer County Levels of Service - Coordinated effort for levels of service delivery, infrastructure assessments, program needs (e.g. affordable housing, bike trails, justice center), development and the economy, Lake Tahoe beach access, and environmental compliance.

Customer Service Experience - Continue to improve customer service and being responsive to demands. Adapt to new customer expectations of "instant" and "relevant" information. Ensuring public spaces are modern, safe, and the right quality to maintain the right image.

Regulation Impacts and Drivers - Responding to imposed regulations for health, safety (e.g. ADA), equipment replacement, groundwater, environment, and quality of life.

FY 2016-17 Emerging Critical Issues

The departments and County Executive Office have identified emerging critical issues to highlight as major considerations while developing the FY 2016-17 Proposed Budget. These critical issues, as in years past, have major workload, discretionary funding, and long-term impacts that require strategic decision-making. The critical issues identified are labeled as emerging to signify the need for greater analysis, costing, and planning necessary to identify the full implications of certain choices. The purpose of identifying and discussing critical issues this early in the budget year is to gauge collective interest in moving forward the analysis and to plan for potential financial impacts and investments.

This workshop provides a platform for departments to discuss and engage with the Board of Supervisors on the following emerging critical issues:

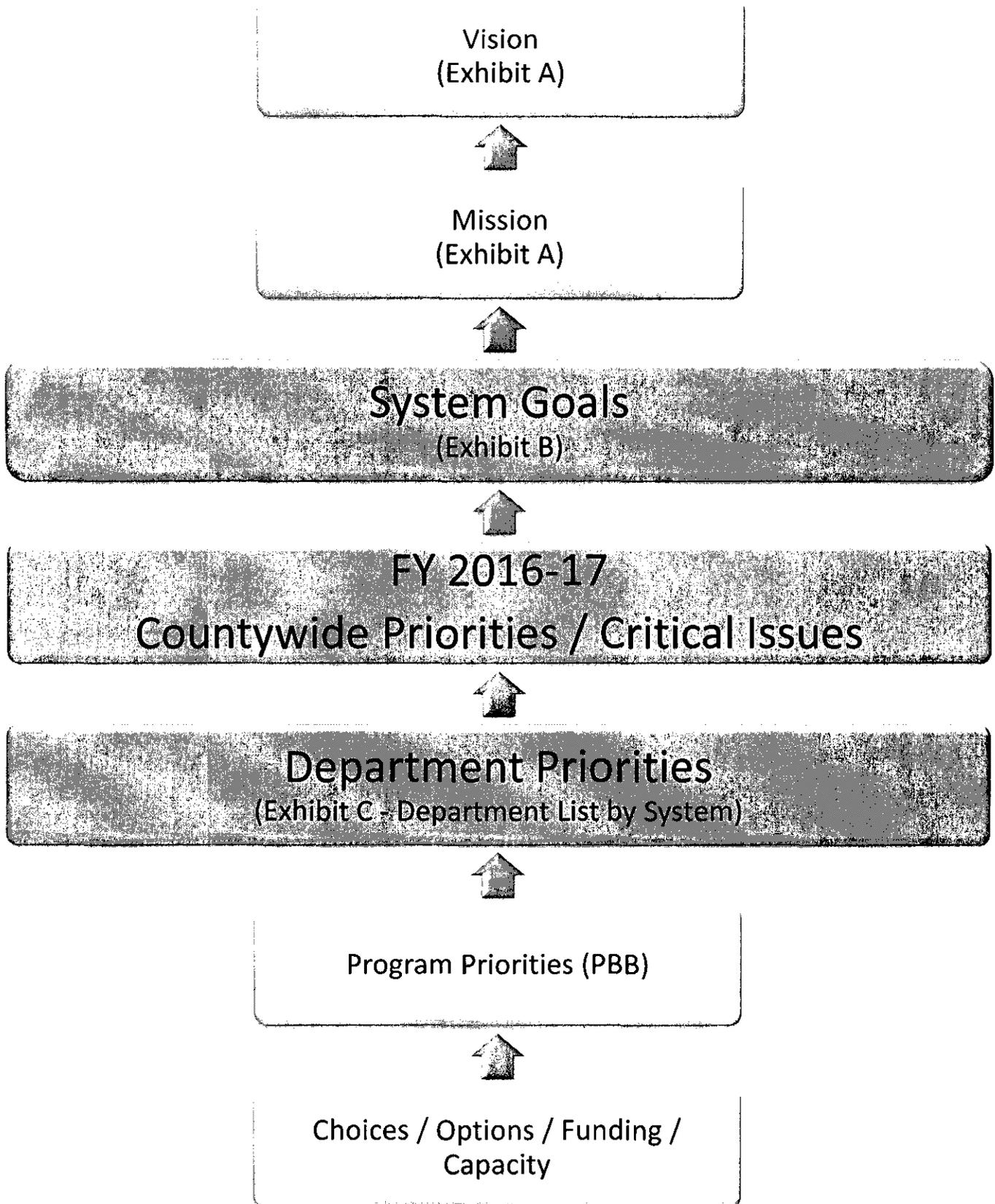
<p>Administration & Financial System</p> <ul style="list-style-type: none"> • Financial System Replacement • Community Choice Aggregation / Energy Strategy 	<p>Community & Cultural System</p> <ul style="list-style-type: none"> • Parks Master Plan • Fairgrounds Future
<p>Health & Human Support System</p> <ul style="list-style-type: none"> • Homelessness / Housing • Service Delivery Models 	<p>Land Use System</p> <ul style="list-style-type: none"> • Agriculture (Medical Marijuana) • Economic Development
<p>Public Protection System</p> <ul style="list-style-type: none"> • Crime Lab • Grant Award South Placer Jail 	<p>All Systems</p> <ul style="list-style-type: none"> • Eastern Placer County Levels of Service

Conclusion

Through discussion and direction at the Workshop, the board's confirmation of FY 2016-17 emerging countywide priorities and critical issues will guide the County Executive Office and the departments in formulating realistic budgets and responsible financial plans to address these priorities.

Attachment 1 – Priority-Setting Flow Chart with Exhibits

Priority-Setting Flow Chart



**Placer County
Government Vision:**

“To be a County government known for providing exceptional local and regional leadership, that works in partnership with the community to develop creative solutions to the diverse issues facing our region, and bestows to current and future generations even better communities in which to live, raise families, work, vacation, and conduct business.”

**Placer County
Government Mission:**

“To provide responsive, efficient and effective public services that promote the health, safety, well-being and prosperity of our citizens while protecting our environmental resources and preserving the rich heritage of our region.”

COUNTY SYSTEM GOALS

Administration and Financial Services

System Goal -- Placer County builds public trust in government by providing the leadership, workforce, infrastructure, technology, financial, and administrative support necessary to produce quality programs and services that make a difference in people's lives and demonstrate good value to taxpayers.

Community and Cultural Services

System Goal -- Placer County ensures that County recreational, educational, and cultural services reflect the varied interests of our community, honor our rich tradition and heritage, and preserve the important historical, cultural, and environmental resources of our region.

Health & Human Support Services

System Goal -- Placer County works collaboratively with community partners and federal, state, and local governments to provide integrated, easily accessible, and results-based services that protect the general health and well-being of our communities and vulnerable populations, and supports individual and family efforts to achieve and maintain independence and self-sufficiency.

Land Use Services

System Goal -- Placer County facilitates responsible growth and development that ensures economic health and prosperity, a safe and reliable infrastructure, and well-planned communities in which to live, work, and enjoy leisure activities, while protecting and preserving the environment, open spaces, and its rich cultural heritage.

Public Protection Services

System Goal -- Placer County continues to ensure safe communities in which to live, work, and enjoy recreational activities by providing efficient, effective, integrated, and prevention-oriented criminal justice and emergency response systems.

**PLACER COUNTY SERVICE SYSTEMS
BY DEPARTMENT AND APPROPRIATION**

Exhibit C

ADMINISTRATION & FINANCIAL SYSTEM
Administrative Services
 Administration
 Information Technology
 Telecommunication Services
 Central Services
Assessor
 Assessor Services
Auditor-Controller
 Auditor-Controller
County Clerk-Recorder
 Clerk-Recorder
 Elections
County Counsel
 County Counsel Services
County Executive Office
 Administration
 Board of Supervisors
 Clerk of the Board of Supervisors
 Economic Development
 Risk Management
 Disaster Response and Recovery
 Property Management
Human Resources
 Personnel Services
 Employee Benefits
 Dental & Vision
 Unemployment
 Organizational Development
 Workers' Compensation
Treasurer-Tax Collector
 Treasurer
 Tax Collector
 mPOWER

HEALTH & HUMAN SUPPORT SYSTEM
Child Support Services
 Child Support Services
Health & Human Services
 Adult Systems of Care
 Children Systems of Care
 Human Services
 Client & Program Aid
 Housing Authority
 Public Health
 Environmental Health
 Animal Services
 Medical Clinics
Veterans Services
 Veterans Services

LAND USE SYSTEM
Agricultural Commissioner
 Agricultural Commissioner / Sealer of Weights & Measures
 Fish & Game Commission
Community Development / Resource Agency
Building Inspection
 Building Permit Services
Engineering & Surveying
 Land Development
Planning
 Land Use Planning
Low & Moderate Income Housing Asset Fund
Community Development Housing
Public Works and Facilities
 Public Works Administration
 Facilities Administration
 Building Maintenance
 Engineering
 Road Maintenance
 NPDES
 Special Aviation
 Fleet Operations
 Placer County Transit
 Tahoe Area Regional Transit
 Environmental Utilities
 Solid Waste Management
 Eastern Regional Landfill
 Placer County Government Center Campus
 Kings Beach Center

PUBLIC PROTECTION SYSTEM
County Executive Office
 Emergency Services/Community Outreach
 Fire Services
District Attorney
 District Attorney Services
Probation
 Juvenile Probation Services
 Adult Probation Services
 Food Services
Sheriff-Coroner-Marshall
 Sheriff-Coroner-Marshall Public Safety & Prevention
 Corrections & Detention
Non-Departmental
 Contribution to Public Safety
 Criminal Justice CEO
 Criminal Justice Other Programs

CAPITAL FACILITY PROJECTS
County Executive Office
Public Works and Facilities

COMMUNITY & CULTURAL SYSTEM
Public Works and Facilities
 Parks & Grounds Services
 Museum Operations
Farm Advisor
 Farm Advisor Services
Library
 Library Services

NON-DEPARTMENTAL OPERATIONS
County Executive Office