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:

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<th>Administration &amp; Financial System</th>
<th>Community &amp; Cultural System</th>
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<td>• Financial System Replacement</td>
<td>• Parks Master Plan</td>
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<td>• Community Choice Aggregation /</td>
<td>• Fairgrounds Future</td>
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<td>• Agriculture (Medical Marijuana)</td>
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<td>• Service Delivery Models</td>
<td>• Economic Development</td>
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<th>Public Protection System</th>
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<td>• Crime Lab</td>
<td>• Eastern Placer County Levels of Service</td>
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<td>• Grant Award South Placer Jail</td>
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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

Vision (Exhibit A)

Mission (Exhibit A)

System Goals (Exhibit B)

FY 2016-17 Countywide Priorities / Critical Issues

Department Priorities (Exhibit C - Department List by System)

Program Priorities (PBB)

Choices / Options / Funding / Capacity
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.
### 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

**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

### Community & Cultural System
**Public Works and Facilities**
- Parks & Grounds Services
- Museum Operations

**Farm Advisor**
- Farm Advisor Services

**Library**
- Library Services

### Capital Facility Projects
**County Executive Office**

### Non-Departmental Operations
**County Executive Office**