

Spotlight on Strategic Plan Priorities

Leading Strategically

In April of 2018, the Board of Supervisors, elected officials, department heads and County executives held a series of workshops to begin building the foundation for a comprehensive Strategic Plan for the County. The working group identified several critical success factors required to achieve the County's overall goal of delivering service excellence to support an exceptional quality of life to County constituents. Those success factors included:

- Strategic relationships and community engagement
- Public serving infrastructure and amenities
- Outcome-focused development strategies
- Comprehensive public safety services
- Collaborative health and human services
- Diversity of achievable housing throughout the County
- Land use planning and environmental stewardship
- Prudent, all-inclusive financial planning
- Innovative, implementation-focused, integrated County services

Ultimately, as the critical success factors are refined, performance measures and benchmarks will be established by County officials to ensure that anticipated outcomes are achieved efficiently and effectively.

Strategic Relationships and Community Engagement, Public Serving Infrastructure and Amenities, Outcome-Focused Economic Development Strategies

Countywide Economic Development

County efforts are well underway to capitalize on leveraging public with private investment. The Placer Ranch Specific Plan, Sunset Area Plan, Regional University Specific Plan, Placer Vineyards Specific Plan, Placer County Successor Agency Kings Beach Properties and Placer County Government Center Plan continued to achieve critical milestones, and the County is actively partnering on opportunities to accelerate job sector growth and ensure an educated workforce.

Major 2018-19 fiscal year highlights included adopting amendments to the Regional University Specific Plan needed to better align the plan area finances and objectives to attract a university partner for the region and releasing a Draft EIR for the Placer Ranch Specific Plan and Sunset Area Plan. These efforts will enable Placer County to achieve competitive advantages, marketability, fiscal growth, and ensure a prosperous region with a high quality of life for generations as well as support possibilities to grow higher education opportunities in the region. The Fiscal Year 2019-20 budget includes \$480,000 for consulting contracts to finalize the Sunset Area Plan.

Placer County continues to leverage and build upon its existing assets to further the Board's economic development goals. In the fiscal year 2018-19, the County's Small Business Development Center in Rocklin completed its first full year of operation, providing financial counseling, business planning and training to support small and moderate-sized business growth. The Board also acted to approve a purchase and sale agreement for the Kings Beach Center and the former redevelopment eastern gateway properties in Kings Beach.

Capital Facilities/Infrastructure

At the August 15, 2017 Board of Supervisors meeting, the Board affirmed its top priorities and preferred approach to capital project funding. As a result, several major capital projects for County facilities were recommended to be funded in the Fiscal Year 2017-18 budget and construction will continue into FY 2019-20, including the Auburn jail retrofit project; the Placer County Coroner facility project; the Elections warehouse project; and the SB863 and SB844 grant funded Acute Mental Health Center and Medium Security Educational Center at the South Placer Adult Correctional Facility. Generally, capital projects are funded by dedicated revenue sources, such as the Capital

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Facilities Impact Fee and General Fund Capital Reserves. The County currently has a capital reserve balance in the General Fund of approximately \$52.7 million. Following Board direction from its Capital Workshop held March 19, 2019, staff will return with a financing plan and options for potential future capital facility projects.

The FY 2019-20 Budget designates General Fund Contributions of approximately \$9.3 million for capital facility projects (\$5.5 million) and road overlay (\$3.8 million) in the Department of Public Works and Facilities budget, a commitment of \$4 million toward construction of an indoor sports and events center at the Placer County Fairgrounds, and \$6.1 million in General Fund carry-over fund balance has been designated to Capital Reserves. The FY 2019-20 Five-Year Capital Improvement Plan (CIP) was adopted by the Board of Supervisors with the Proposed Budget. Any revisions to the CIP will be brought to the Board for adoption with the FY 2019-20 Final Budget.

Comprehensive Public Safety Services, Collaborative Health and Human Services

Criminal Justice Master Plan Implementation

Since the implementation of AB109 in 2011, the County has experienced increased demands for jail bed capacity to house inmates for longer periods of time. In November 2014, California voters approved Proposition 47, which reclassified many lower level drug and property crimes. In January 2015, a presumption for split sentencing went into effect. Together, these legislative measures have created a changed environment for the County's criminal justice system.

The Criminal Justice Master Plan, presented to the Board of Supervisors on February 24, 2015, makes recommendations to be implemented over multiple years. In June 2019, the County broke ground on a new Coroner facility at the Santucci Justice Center in South Placer. The Board also directed staff to develop financing strategies for a new Health and Human Services building in North Auburn, a new crime lab, and a Tahoe Sheriff substation replacement project. With the conclusion of the key elements of the 2014 Criminal Justice Master Plan, the Criminal Justice Policy Committee is convening to consider operational and capital priorities over the next several years as funding becomes available.

Placer County Fire Sustainability

Fire services in Placer County are provided through a combination of municipal and Independent Fire Districts, the US Forest Service, the State, and Placer County Fire, a County Service Area. Placer County Fire is provided under contract with CALFIRE and encompasses seven separate zones of benefit with widely varying property tax funding structures. A financial assessment of fire districts was presented to the Board of Supervisors on April 14, 2017. To maintain existing County fire services, the FY 2019-20 Fire Fund budget includes a \$1.1 million General Fund contribution, \$2.1 million in Property Taxes, \$1.1 million in other revenues and use of fund balance of \$1.2 million to primarily fund the CALFIRE contract (\$4.3 million). The increasing cost of the CALFIRE contract is driven in part by a CALFIRE wage increase, which will be phased-in over the next few years. Of concern is the ongoing sustainability of services as costs continue to climb.

On May 22, 2018 the County Executive Office returned to the Board with an update on fiscally distressed independent fire districts and to discuss overall fire services provided to County constituents. Based on the direction received, a coordinated effort by the Board of Supervisors, County Executive Office, County departments, and other stakeholders is underway to review potential service delivery models for countywide fire services and engage in public outreach on services and sustainability of distressed districts. These efforts will work toward ensuring that fire services are delivered efficiently and effectively to all County constituents.

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The Board of Supervisor's approved the Vehicle and Apparatus Replacement Policy in November 2016. Due to funding constraints in the Fire Fund, no apparatus replacements are recommended in the FY 2019-20 budget. Ongoing lease payments for replaced Fire Engines in the amount of \$263,000 are included in the budget.

With recent catastrophic wildfire events across California, ensuring residents are safe and prepared in the event of a wildfire is of paramount importance. Staff across the county are taking significant steps to address these concerns including updating emergency plans, public and stakeholder outreach and education, and expanding efforts in forest health and wildfire mitigation.

Homelessness

There are approximately 600 Placer County individuals homeless on any given night, many of whom are chronic in nature. In September 2014, the Board of Supervisors approved a contract with Marbut Consulting for a comprehensive homeless needs assessment and action plan. The study included key findings and potential strategies for a countywide coordinated approach.

The Board of Supervisors voted to extend the temporary homeless shelter located at the Placer County Government Center (PCGC), and further directed staff to continue to pursue permanent solutions consistent with the Marbut recommendations.

Currently, Placer County is actively pursuing bridging the service gap for the homeless including seeking long-term solutions with focused system of care resources leveraging a Whole Person Care grant and Sutter Health funding to purchase housing in Rocklin. Placer County has also contracted with a local social service organization to operate a temporary homeless shelter on the Placer County Government Center campus.

Diversity of Achievable Housing Throughout the County

Affordable Housing

Placer County approved its first-ever Housing Work Plan, which focuses on implementing the 2013 Housing Element in key areas of Research and Planning, Finance, Community and Stakeholder Outreach and Incentives and Regulation to ensure a broad spectrum of housing opportunities that supports the County's workforce and other populations. Much of the Work Plan's tasks have been completed and development of a subsequent annual plan is underway.

The County is actively working with Mercy Housing to construct a \$37 million, 79-unit workforce housing development on the County's government center campus in North Auburn. The County also entered into a purchase and sale agreement and selected a developer for a workforce housing project on the former Nahas property in Dollar Hill. Additional housing strategies are included in the Placer County Housing Strategy and Development Plan, reviewed with the Board in September 2018 and incorporated into the Housing Element that went before the Board for review/adoption in April 2019.

The FY 2019-20 Budget includes funding of \$450,000 to fund planning, investment strategies, and housing element updates for Placer County affordable housing initiatives.

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Land Use Planning and Environmental Stewardship

Placer County Conservation Plan

Through the Placer County Conservation Plan (PCCP), the County has taken a progressive and proactive role in identifying where development should preferably occur, while preserving important natural and agricultural resources. The PCCP is in the final preparation stage and will provide a comprehensive conservation strategy and streamlined regulatory process over the next 50 years. In May 2019, a critical milestone was reached when the PCCP was approved for listing in the Federal Register for a 60-day public review. In addition, Placer Legacy is a voluntary program that emphasizes conservation for the enhancement of the agricultural economy, biological resources, scenic and historic resources, urban-rural buffers, public safety, and outdoor recreation. While separate programs, properties acquired under Placer Legacy often also achieve PCCP objectives.

The Fiscal Year 2019-20 Budget includes funding of \$666,000 for consultants and wet-land biologist contracts to support the implementation of the Placer County Conservation Plan.

Prudent, All-Inclusive Financial Planning

Multi-Year Budget Framework

Financial stability and organizational success require a focus on maintaining fiscal health with a long-term orientation supported by a multi-year budget model, alignment of all costs to services, performing regular budget-to-actual variance analysis, funding reserves and contingencies at policy levels, addressing accrued liabilities, and using one-time revenue sources for one-time expenditures. The County also took steps to create the first organization-wide five-year capital improvement plan. These established methods and adopted Board policies provide a solid foundation for maintaining service levels over time.

Other Post Employment Obligations

Placer County is committed to fully fund the Annual Required Contribution (ARC) for both Other Post-Employment Benefits (OPEB) and CalPERS pension liabilities. Each fiscal year, the Board of Supervisors has the option to appropriate additional contributions to accelerate amortization of the County's post-employment liabilities.

In Fiscal Year 2014-15, the Board took action to expedite funding of OPEB by approving a policy change to adjust the amortization period from 30 years to 15 years. The June 30, 2018 Actuarial Valuation for the OPEB plan reflects a \$35.3 million (9%) unfunded actuarial accrued liability (UAAL). The Fiscal Year 2019-20 Budget includes anticipated contributions to the OPEB trust in the amount of \$17 million.

On April 24, 2017, the Board approved establishing a Supplemental (IRS §115) Trust to pre-fund the pension plans and mitigate unpredictable swings in CalPERS' volatile employer rate. In FY 2017-18, the County made the initial contribution to the CalPERS rate stabilization trust fund in the amount of \$4 million to offset and stabilize future required annual pension contributions. Due to subsequent contributions and investment returns the trust balance stands at \$6.8 million as of June 30, 2019. By paying down post-employment liabilities early, the County will be able to free up operational fiscal capacity for ongoing and future priorities. Future contributions are proposed to be derived from savings achieved in existing compensation budgets.

Currently, the County pension plans for Miscellaneous and Safety are on a 30-year amortization schedule. The June 30, 2017 Actuarial Valuation for the pension plans reflects a \$431.7 million (34.4%) UAAL for the Miscellaneous (Non-Safety) Plan and \$162.3 million (36.9%) UAAL for the Safety Plan.

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Innovative, Implementation-Focused, Integrated County Services

Enterprise Resource Planning System Replacement

Placer County's existing financial system (PAS) was put into use by the County in 1999 and has not been upgraded since it was originally implemented. Placer County's human resource/payroll system (ACORN) was implemented in 2004.

At the Board Priorities Workshop on January 26, 2016, the Auditor-Controller identified replacement of the current Financial System as an emerging issue. Based on an internal review and presentations from several vendors, an independent consultant was hired to evaluate enterprise systems. Following the evaluation, the County engaged in a contract with Workday, Inc. to implement the County's new enterprise resource planning (ERP) and human resources management software systems. The system will modernize many of the County's business processes, which will reduce reliance on paper records, improve transaction tracking, and provide real-time reporting. Financial accounting in the new ERP system went "live" on July 1, 2018, with Human Resource and Payroll functions following on July 1, 2019. The total implementation cost to replace both PAS and ACORN is estimated at \$19.6 million over a three year period.

Idea Accelerator

The County's first ever Idea Accelerator Fund was launched in Fiscal Year 2018-19, a seed fund for employee innovations and ideas. With submittals due in July 2019, it will serve as a catalyst for smart risk-taking, encouraging staff leadership at all levels to address organizational and community needs. The Fiscal Year 2019-20 Budget includes \$50,000 in set-aside funding to implement accepted ideas via \$5,000 grants to County departments.