

Spotlight on Critical Issues

CRIMINAL JUSTICE MASTER PLAN IMPLEMENTATION

Since the implementation of AB109 in 2011, the County has experienced increased demands for jail bed capacity as a result of the need 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 changing 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 across a multi-year framework. The Final Budget recommends continued exploration of funding options for construction of a Crime Lab and Coroner's Facility as part of the Capital Facilities Financing Plan update later this year. As the second phase of a two-year plan, \$2.3 million funds 30 additional Sheriff's Office positions and a new booking station at the South Placer Adult Correctional Facility. A \$9.5 million conditional award from the California Board of State and Community Corrections, with a County match of up to \$3.1 million, will fund 45 beds for acute mental health treatment at the South Placer Adult Correctional Facility. Staff continues its work to transfer inmates and transition Sheriff staff from the Auburn jail to South Placer.

PUBLIC DEFENDER SERVICES

Placer County contracts with private law firms to provide mandated indigent defense services. In partnership with the Courts, County staff re-examined this contract model in terms of effective representation and to determine the most financially sustainable model. A Request for Proposal process was successfully completed in FY 2015-16, resulting in the selection of a new Primary Indigent Defense firm. When awarding this contract in July 2016, the Board of Supervisors also evaluated the feasibility of establishing a Placer County Office of the Public Defender. The FY 2016-17 Final Budget includes \$9.7 million for Primary and other public defender service contracts.

PUBLIC SAFETY INFORMATION TECHNOLOGY

Improving public safety information systems, including inmate tracking and data collection, requires the Sheriff's Office to replace the existing Corrections Management System (CMS) and Records Management System (RMS) including computer aided dispatch (CAD). The new CMS system will provide comprehensive tracking of inmates; including, demographics, bookings, charges, and sentencing, and will integrate with other existing third party systems. The new RMS and CAD systems will provide a single repository of warrants, sex offenders, and other cautionary flags, along with call histories and other safety information that will be instantly available to officers in the field. The FY 2016-17 Final Budget includes \$3.1 million for Sheriff's Office automated systems replacement, funded with Public Safety Fund automation reserves.

HOMELESSNESS / AFFORDABLE HOUSING

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, presented to the Board in April 2015, included key findings and potential strategies to address the unique population centers (South Placer, Auburn, and Tahoe), the lack of a countywide coordinated approach, and low participation in the Homeless Information Management System.

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In October 2015, the Board of Supervisors voted to upgrade the temporary homeless shelter located at the Placer County Government Center (PCGC) from day use only to a 24 hour per day, 7 days per week temporary service delivery model. The Board also directed staff to review permanent solutions consistent with the Marbut recommendations. On May 3, 2016, the Board approved staff's recommendation to address homeless issues across a spectrum of county services. The FY 2016-17 Final Budget includes \$1.2 million for public safety and systems of care services, and support for requests from community and agency partners. The lack of affordable workforce housing is one of the emerging issues that will require further work in FY 2016-17.

MEDICAL MARIJUANA

Since the 1996 passage of Proposition 215, local governments have faced uncertainties with implementation and the regulation of medical marijuana. Issues have arisen regarding land use, zoning, environmental impacts, and public safety. The 2015 passage of the Medical Marijuana Regulation and Safety Act (MMRSA) established a statewide regulatory framework for medical marijuana cultivation, manufacture, distribution and sales. Local governments retain explicit authority to enact zoning regulations, impose local taxes and restrict the cultivation, transportation, and distribution of medical marijuana. In January 2016, the Board of Supervisors approved a placeholder ordinance asserting this authority. In June 2016, following months of broad public input through numerous public meetings on the direction of potential regulation, the Board voted to limit marijuana cultivation to small, indoor grows by medical marijuana patients only, and directed staff to return with an ordinance codifying this approach.

CAPITAL FACILITIES FINANCING PLAN / INFRASTRUCTURE DEVELOPMENT

The Capital Facilities Financing Plan was last affirmed by the Board of Supervisors on July 25, 2011 as the framework for setting priorities and funding levels for the construction of county facilities. The Capital Facilities Financing Plan will return to the Board later this year in response to direction received at the Capital Workshop held on July 26, 2016. In cooperation with county departments and the Finance Committee, the County Executive Office is preparing to recalibrate capital project priorities based on existing and new Board direction. The Infrastructure Investment Committee's efforts from the April 9, 2013 Board action on active infrastructure priorities, will serve as the foundation. Since 2013, four additional capital priorities have emerged that require analysis and recommendations on how to proceed in the imminent future. The projects include the Clerk-Recorder Warehouse, Health and Human Services Office Building, Crime Lab, and the Placer Parkway. Additionally, the 1993 Capital Facilities Master Plan Update will inform future capital priorities as projects stemming from the plan will meet the most current Americans with Disabilities Act (ADA) standards. The FY 2016-17 Final Budget includes a General Fund Contribution of \$6.2 million to fund ongoing capital project costs (\$4.5 million) and one new Sunset Area Planning project (\$1.7 million).

ENVIRONMENTAL SUSTAINABILITY

County staff, along with each of the water agencies in Placer County, continues to work collaboratively in reaction to the impacts of drought and water resource management challenges experienced during the past several years. The County's partnership with the Placer County Water Agency on the Middle Fork American River Project to produce power also allows for greater cooperation to protect the County from drought years and predicted climate change effects in the future.

In the coming decade and beyond, land development in Western Placer County will have a cumulative impact. Through the Placer County Conservation Plan (PCCP), the County is taking a proactive role in identifying where

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development can best occur while at the same time preserving important natural resources. The PCCP is now in the final preparation stage and will provide one common conservation strategy, consistent with Federal and State statutes and local plans, to provide streamlined regulatory coverage for 50 years. 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 Tahoe Basin Area Plan update is critical to ensure consistency with the Tahoe Regional Planning Agency's (TRPA) Regional Plan and to set the stage for how the North Lake Tahoe communities will achieve environmental redevelopment goals over the next 20 years. Benefitting from extensive public involvement, the County continues to work with TRPA to align land use with environmental improvements, while achieving the community's vision.

PLACER COUNTY LIBRARY SYSTEM PLANNING

The Placer County Library system includes facilities throughout the County, with the majority of funding coming from a dedicated property tax. Although this funding base is increasing modestly with the economic recovery, it is outpaced by the cost of doing business. This unsustainable fiscal model has continued to erode library services.

Amidst this challenge, the Library is seeking to achieve the recommendations of the Board-approved Library Strategic Plan: reverse the erosion in services; modernize operations; and build capacity for the future. As one step in this process, the Board of Supervisors in June 2016 approved the closures of the Loomis and Meadow Vista branch libraries after giving concerned citizens the opportunity to help find other alternatives. Resources from these two facilities are being reassigned within the County Library system. In response to the Library Fund's current fiscal state, the FY 2016-17 Final Budget recommends a permanent General Fund increase of \$275,000 in order to replace outdated materials and fully fund indirect service costs that are not controllable by the County Library.

PLACER COUNTY FIRE FUNDING SUSTAINABILITY

Fire services in Placer County are provided through a combination of municipal and Independent Fire Districts, US Forest Service, 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. While zones of benefit are intended to be self-funded, property tax revenues are lagging associated increases in operating expenses. Work continues on a more sustainable countywide fire services delivery model.

Although structural deficits in certain zones of benefit have created a challenging funding model, potential health and safety impacts are heightened with the current State and County declared tree mortality emergency. The FY 2016-17 Final Budget includes restoring the 3rd Battalion Chief in the CalFIRE contract in order to support more rapid systemwide fire management response. In addition, two firefighters are restored at the Sunset West station, funded by the Western Placer zone of benefit. The annual CalFIRE contract totaling \$10.6 million was approved by the Board of Supervisors in August 2016.

FINANCIAL 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. While PAS still meets the core requirements of an accounting system and has been a stable platform for many years, its limitations are numerous. Placer County's human resource/payroll system (ACORN) was implemented in 2004. Although it was recently upgraded and also provides

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a stable platform, it is a highly complex system that is expensive to maintain and is difficult to operate by department users.

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. The total implementation cost to replace both PAS and ACORN is estimated at \$19.6 million over a three year period. Significant economies of scale are being documented to verify this expense as a wise investment.

POST-EMPLOYMENT LIABILITIES

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 FY 2015-16, \$5.8 million in additional contributions were set aside to pay down OPEB (\$2.9m) and Pension liabilities (\$2.9m).

In FY 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. Currently, the County pension plans for Miscellaneous and Safety are on a 30-year amortization schedule. The June 30, 2014 Actuarial Valuation for the pension plans reflects a \$314.3 million unfunded actuarial accrued liability (UAAL) for the Miscellaneous (Non-Safety) Plan and \$115.3 million in UAAL for the Safety Pension Plan. County staff are currently researching the option of an Irrevocable Supplemental (IRS §115) Trust to pre-fund the pension plans and mitigate unpredictable swings in CalPERS' employer rate volatility. By paying down post-employment liabilities early, the County will be able to free up operational fiscal capacity for ongoing priorities.