

Contra Costa County

Board of Supervisors: 2011 Key Issues



Contra Costa County

Mission
Contra Costa County is dedicated to providing public services which improve the **quality of life** of our residents and the economic viability of our businesses.

Vision
Contra Costa County is recognized as a **world-class service organization** where innovation and partnerships merge to enable our residents to enjoy a safe, healthy and prosperous life.

Values
Contra Costa County **serves people,** businesses and communities. Our organization and each one of our employees value:

- Clients and communities
- Partnerships
- Quality Services
- Accountability
- Fiscal prudence
- Organizational excellence



Agenda/Schedule

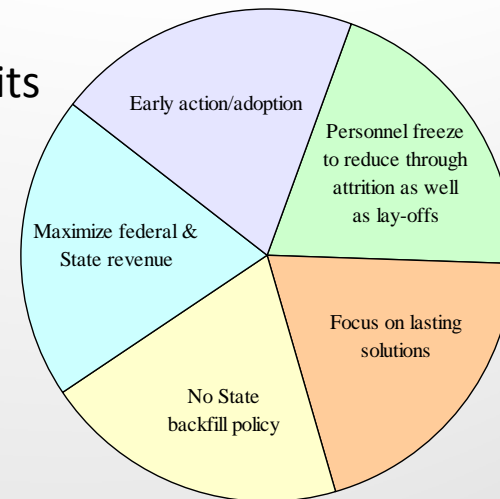
- ▶ Welcome – Board Chair Supervisor Gayle Uilkema
- ▶ Public Comment
- ▶ Board Operating Procedures and Communications
- ▶ Budgets and Key Issues for FY 2011/12
- ▶ Redistricting Procedures
- ▶ Closed Session
- ▶ Open Session – Wrap-up/Adjourn

Budget Drivers/Challenges

- ▶ State Budget
- ▶ Real Estate Downturn and Revenue Reductions
- ▶ Pension Cost Increases
- ▶ Health Care Cost Increases
- ▶ Labor Negotiations
- ▶ Infrastructure Needs

Message from County Administrator David Twa

- Top priority is sound financial management of the County
 - Building and maintaining team depth (five of eleven elected officials in Contra Costa County are new to their positions as of January 2011)
 - Critical for managing through challenging times
- Continue actions to address budget issues
 - Consolidation of services/review staffing and structure of County departments
 - Technology improvements and efficiencies
 - Complete implementation of OPEB provisions for remaining County employee groups
 - Continue process to restructure pension benefits
 - Complete sustainability study of County health care system
 - Continue five key budget policies

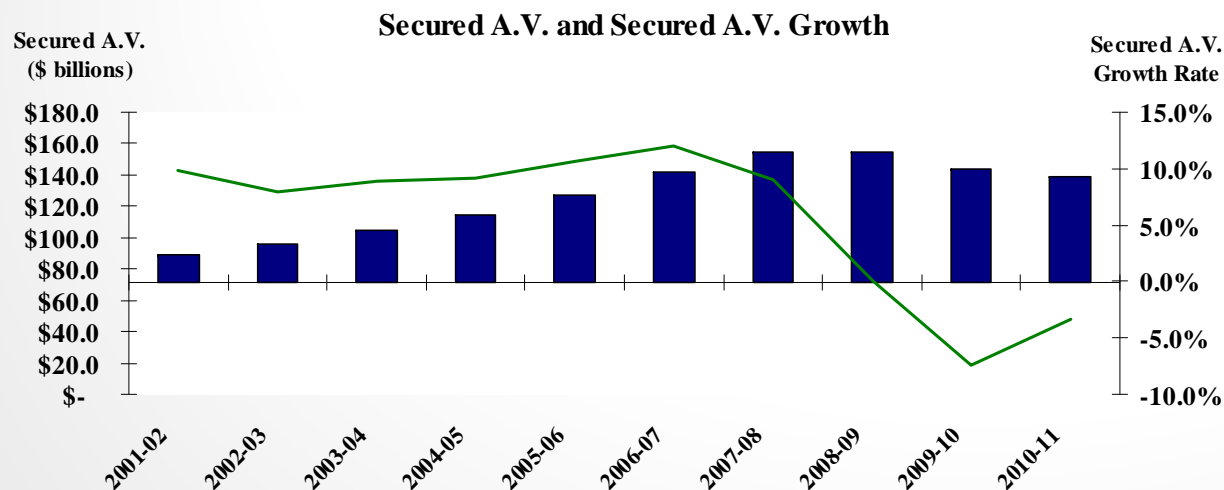


CCC Major Cost Drivers for 2011/12

a.	2010/11 Furloughs Expire Increasing Payroll Costs	\$8.2 million
b.	Pension Cost Increase (\$17.2 million General Fund)	\$29.2 million
c.	Health Insurance Cost Increase	\$2.6 million
d.	Revenues Including Property Tax Likely to be Flat	Flat
e.	Chevron Refund for 2004-05-06	\$2.0 million
f.	Chevron Refund for 2007-08-09	Unknown
g.	Doctor's Hospital Repayment Stops	\$1.9 million
h.	Insurance Costs (Medical Malpractice/General Liability)	\$2.0 million
i.	Cuts and Shifts from State Necessary to Balance	Unknown
j.	Loss of SB90 Payments (State Shifts)	<u>Unknown</u>
	Total of Major Cost Drivers	\$45.9 million

Assessed Valuation Update

- County experienced cumulative 10.7% secured AV decline since FY 2008-09
 - Most recent decline (-3.4%) was smaller than in prior year
 - FY 2010-11 decline is smaller than the 5% decline assumed in the budget

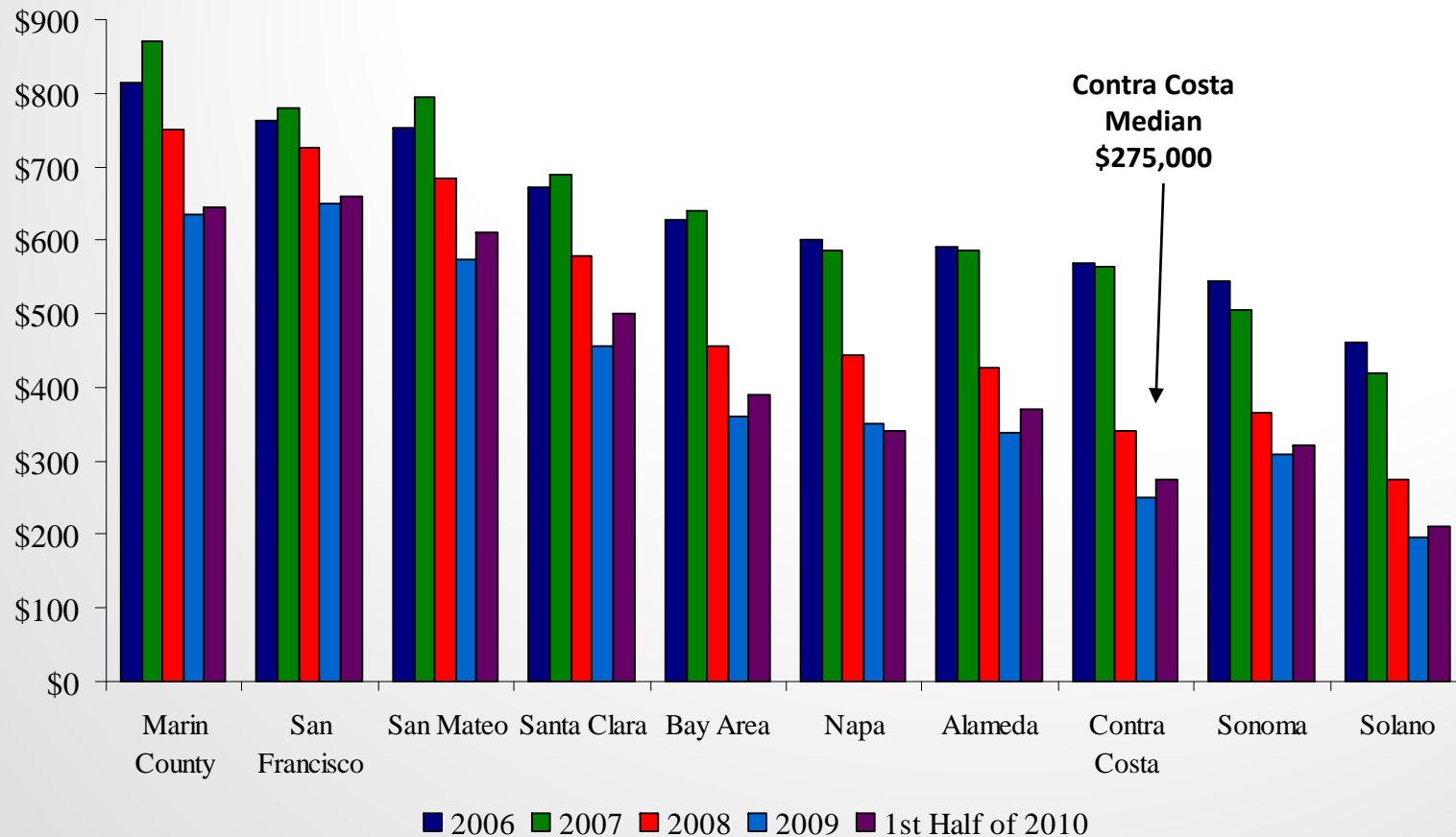


- Most of the decline is due to reduced AV per Proposition 8 (although negative CPI growth as well as housing stock turnover contributed to the overall net AV change)
 - Allows temporary tax reduction when market value is lower than current assessed value
 - Most of the reductions were in East and West County

	<u>2009-10</u>	<u>2010-11</u>
Parcels Reviewed	200,000	318,000
Parcels Reduced	168,000	155,000

County's Median Home Price Attractive: Magnet for Young Families

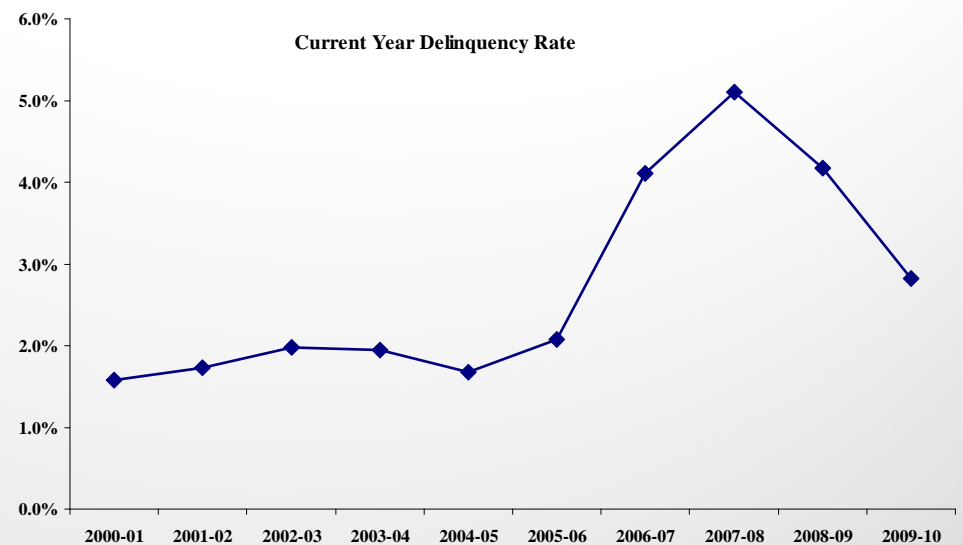
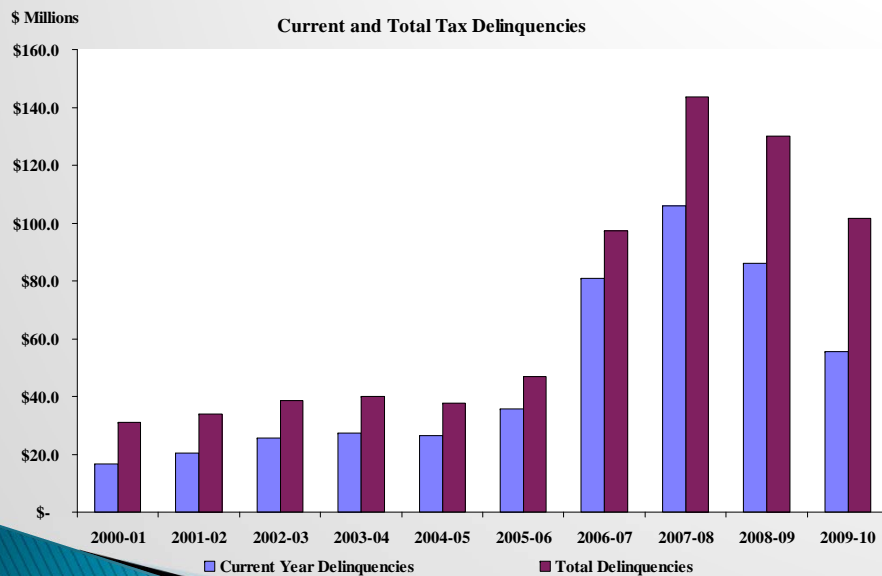
(by hundred thousands)



Source: Data Quick, as of August each year.

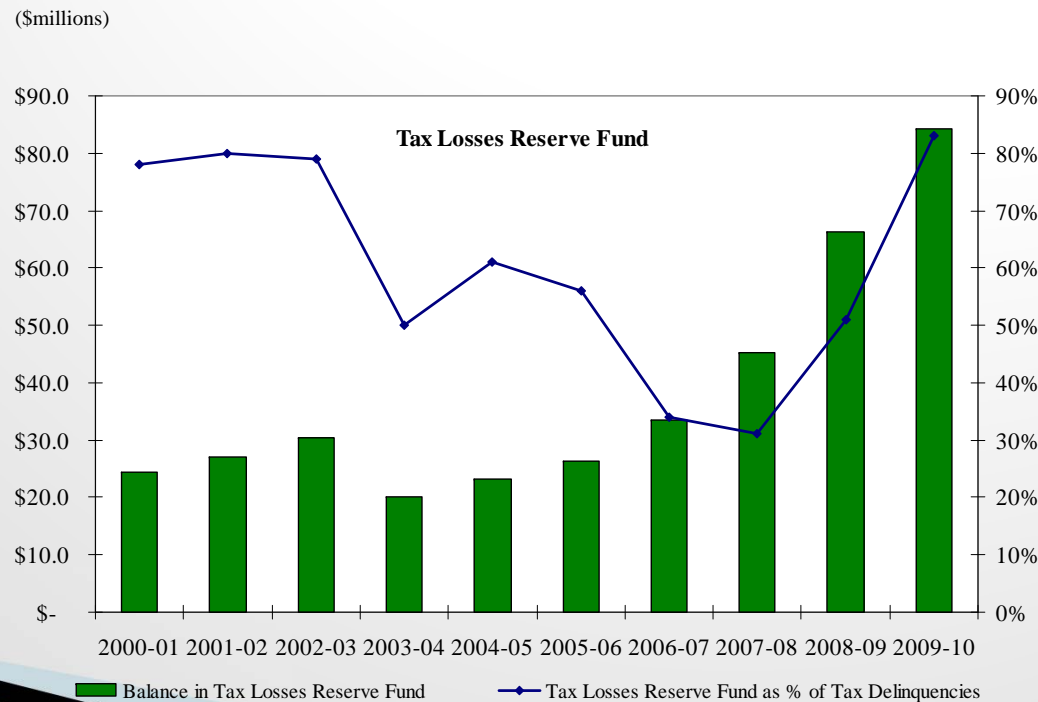
Delinquencies on the Decline

- ▶ Relative to the FY 2007-2008 peak year:
 - Current delinquencies have fallen 48% to \$55 million
 - Total delinquencies have fallen 30% to \$101 million
- ▶ Current delinquency rate has fallen 45% to 2.82%



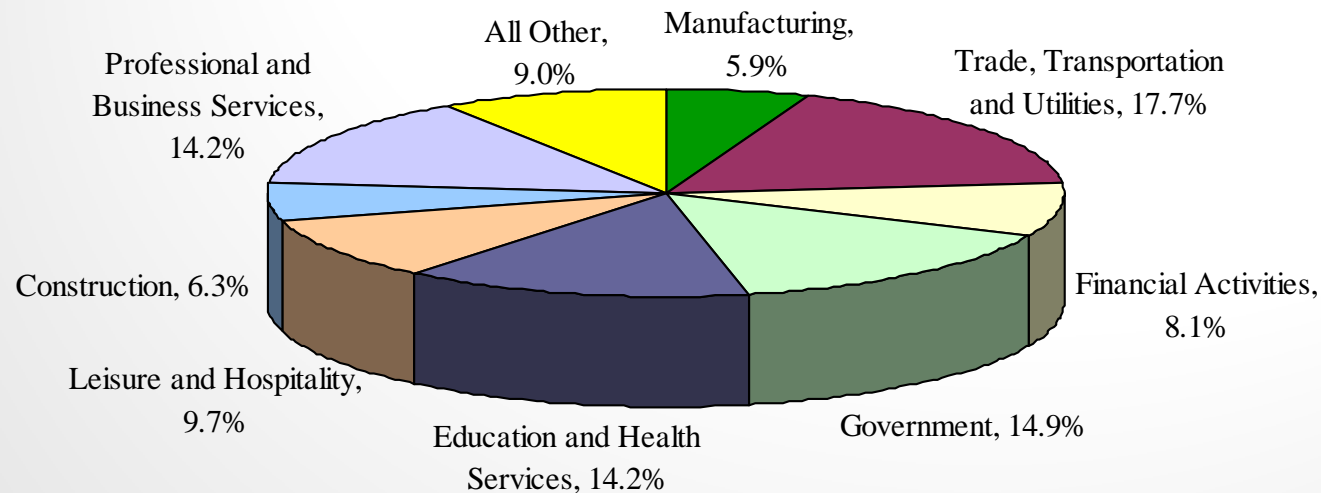
County is the Original Teeter County

- Will continue to advance the full tax roll
 - County benefits by collecting the penalties and interest on delinquent taxes once paid
 - Foreclosure properties cannot transfer to new owner until all past taxes and penalties are paid
 - Biggest issue for the County is the lag between advancing the tax roll and receiving the Teeter redemptions
- Tax Losses Reserve Fund is a cushion
 - County believes there are ample resources in the fund
 - Average \$9.0 million has been transferred to General Fund each year since FY 2004-05



County's Employment Base Remains Diverse

Employment by Sector 2009
(% distribution)



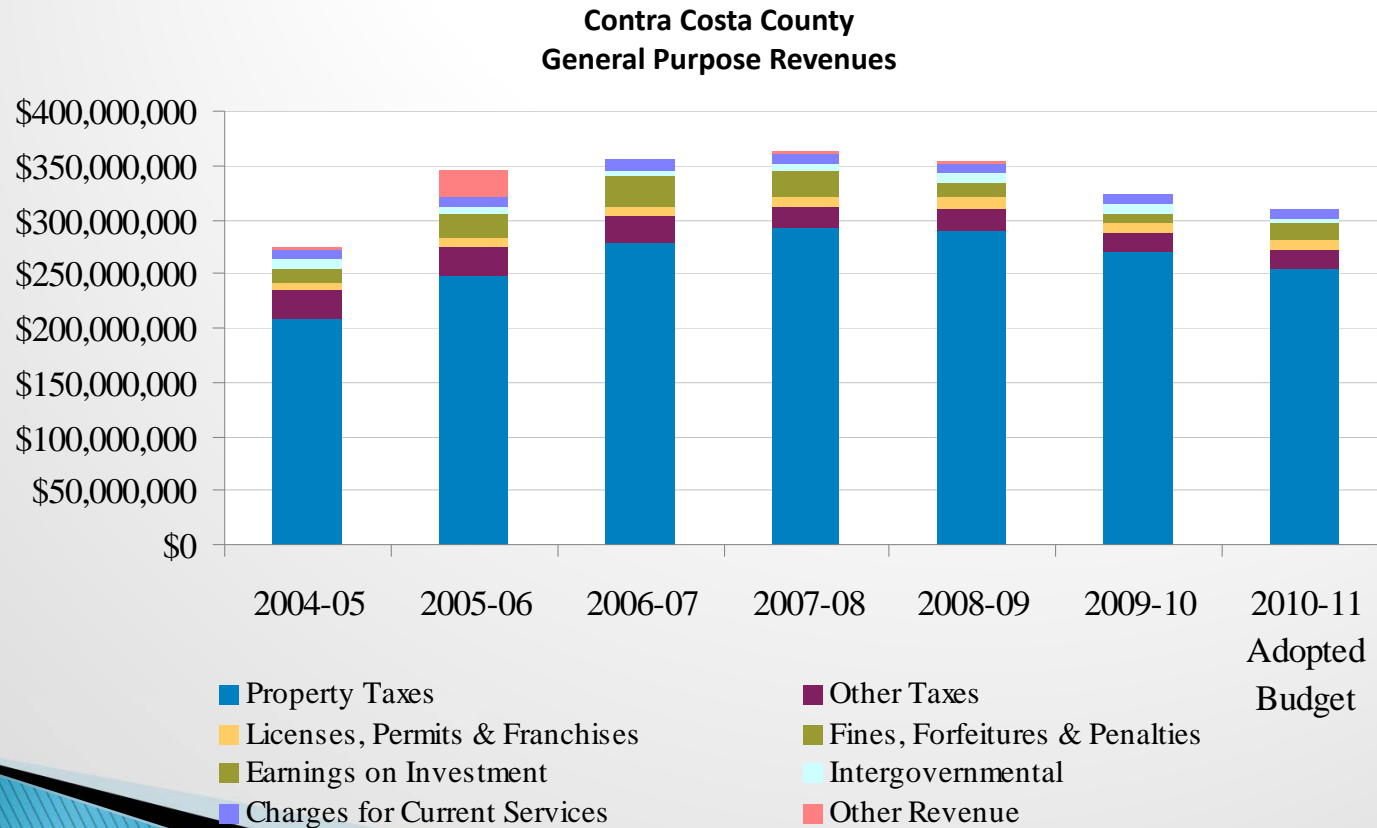
California Employment Development
Department, 2009.

Budget and Financial Performance



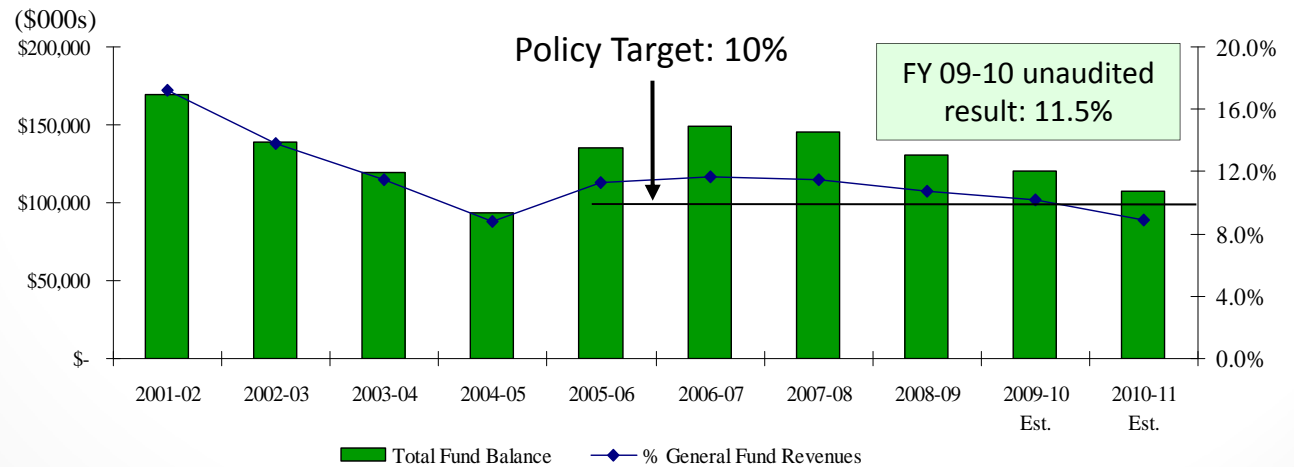
General Purpose Revenues Reflect Economic Slowdown

- General Purpose Revenues comprise about 26% of total General Fund Revenues
 - AV decline of 3.38% in FY 2010-11 was part of the reason for a projected decline of 2.3% in General Purpose Revenues
 - Projected cumulative decline of 17.0% from the FY 2007-08 peak
- Federal/State Revenues have been relatively stable during same timeframe

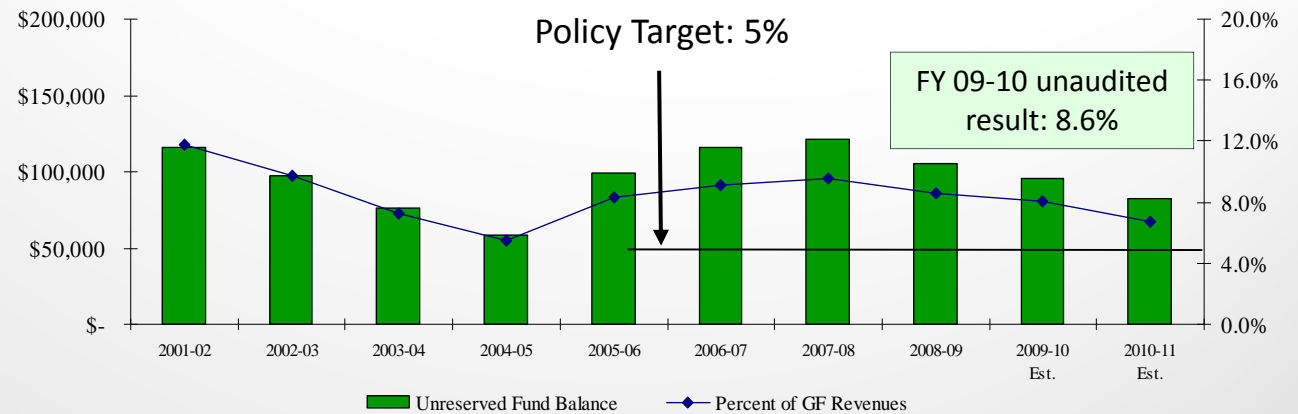


Fund Balances in Sync with Reserves Policy

Audited Total Fund Balance
(Level and % of General Fund Revenues)
As of June 30



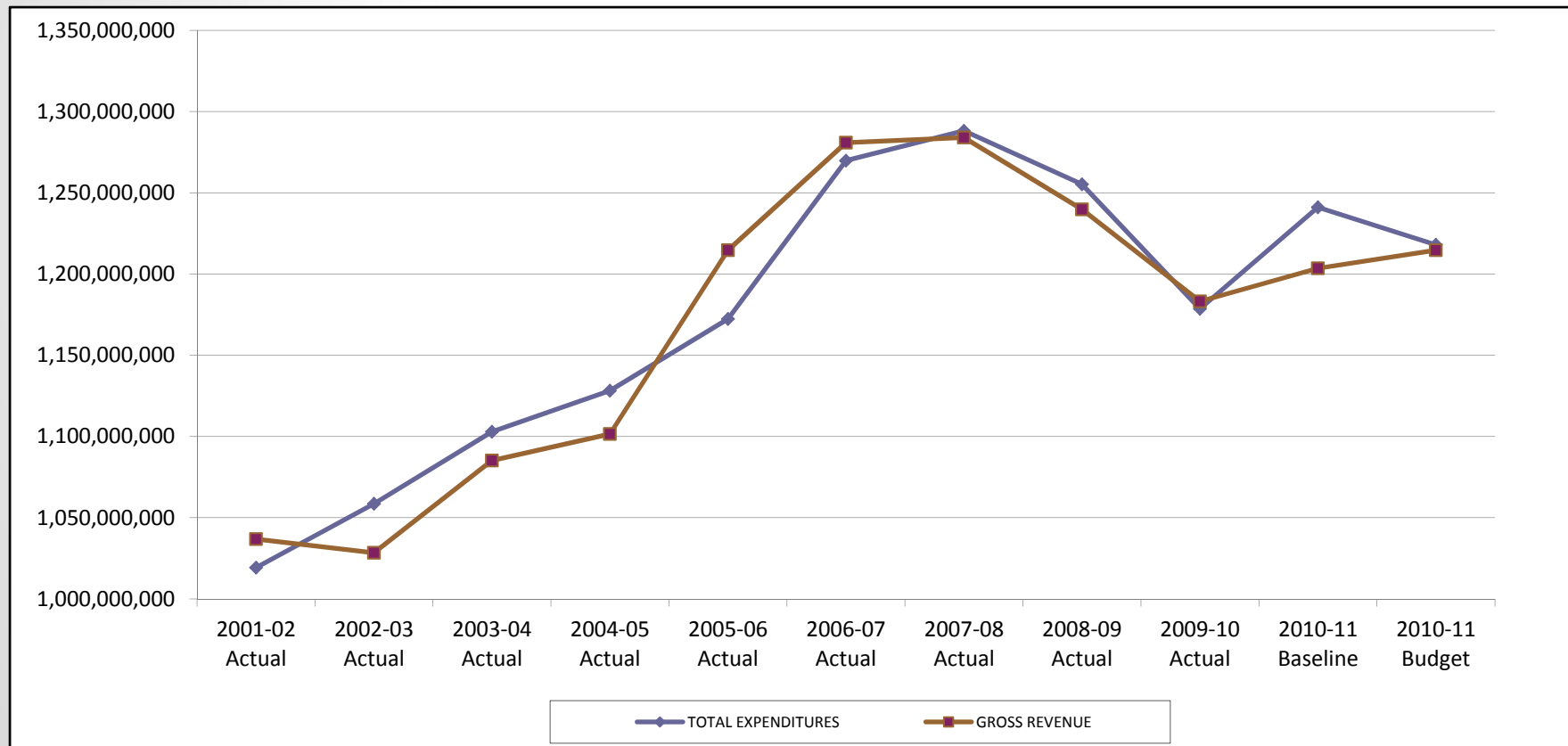
Audited Unreserved Fund Balance
(Level and % of General Fund Revenues)
As of June 30



Budget Gaps

General Fund Revenues and Expenditures

County closed an
estimated \$34.3 million
gap for FY 2010-11



Budget Actions and Backdrop:

- ▶ DECLARED the Board's intent to adopt a FY 2011/12 General Fund budget that balances annual expenses and revenues;
- ▶ ACKNOWLEDGED that the State of California and residents throughout the State continue to struggle to manage the negative outcomes of the current economy;
- ▶ ACKNOWLEDGED that significant economic issues continue to challenge the Board of Supervisors in its effort to finance services and programs which Contra Costa County residents need, or expect will be provided to them by the County, especially in a time of economic downturn;
- ▶ ACKNOWLEDGED that, in addition to the effects on the provision of services for residents, these State and local economic issues are challenging the maintenance of the Board of Supervisors reserve policy;
- ▶ ACKNOWLEDGED that, although restoration of the County's reserve funds and an improved credit rating remain a priority of the Board of Supervisors over the long term, maintenance of the current reserves is the Board's goal through the 2011/2012 fiscal year;
- ▶ ACKNOWLEDGED that, sometime during FY 2011/2012, the State's significant deficit projections and structural budget imbalance are expected to mean additional and sizable reductions in State revenues to county government;
- ▶ RE-AFFIRMED the Board of Supervisors' policy prohibiting the use of County General Purpose Revenue to backfill State revenue cuts;

Budget Actions (Continued)

- ▶ DIRECTED Department Heads to work closely with the County Administrator to develop a Recommended Budget for consideration of the Board of Supervisors that balances expenses with revenues, minimizes net County cost and maintains core service levels;
- ▶ ACKNOWLEDGED that the employees of Contra Costa County have already been negatively affected as a result of the requirement to balance the County's expenses with available revenues;
- ▶ ACKNOWLEDGED that this situation is expected to continue for County employees, as we work to manage and cope with the outcomes of this lengthy economic downturn;
- ▶ DIRECTED the County Administrator to meet with the County's union representatives and employees to explain the size, scope and anticipated length of the County's fiscal challenges and to gain their input/suggestions;
- ▶ DIRECTED the County Administrator to also make this information readily available to the residents of the County; and
- ▶ DIRECTED Departments, in cooperation with Labor Relations and Union representatives, to begin as necessary the meet and confer process with employee representatives about the impact of potential program reductions on the terms and conditions of employment for affected employees.

Budget Actions (continued)

- FY 2010-11 General Fund budget is \$23.5 million lower than Baseline budget expenditures
 - \$12.6 million came from reductions in salaries and benefits
 - 6 furlough days from employees in the majority of the County's labor unions
 - \$6.5 million came from services and supplies, which includes occupancy costs
 - \$8.8 million came from health services reductions
 - Remaining \$3.3 million came from reserves
- For FY 2011-12 CAO will again recommend an early budget with current year impacts
 - Significant changes to State Budget Act and State Schedules
 - County intends to over-haul current budget documents
 - Board declared its intent to adopt a no-growth FY 2011-12 budget
- State impacts
 - County policy is not to backfill any State revenue reductions

Budget Schedule FY 2011/12

- Monday, April 4, 2011 (or earlier) Recommended Budget made available to the Public
- The County Administrator will report to the Board of Supervisors on April 12, 2011 with a FY 2011/2012 Recommended Budget that meets the above requirements listed above;
- Tuesday, April 12, 2011 is designated for FY 2011/2012 budget hearings (including Bielsenson Hearings, if needed); and
- Tuesday, May 3, 2011 for the adoption of the FY 2011/12 County and Special District Budgets

Status of Labor Negotiations

Labor Organization

Currently Negotiating

Contra Costa County Defenders Association (P.D.)	69	9/30/2008
Deputy Sheriff's Association, Management Unit and Rank and File Unit (DSA)	780	6/30/2008
District Attorney Investigator's Association (DAIA)	18	6/30/2008
Physicians and Dentists of Contra Costa (PDOCC)	276	9/30/2008

Settled

California Nurses Association (CNA)	510	8/31/2011
Contra Costa County Deputy District Attorneys' Association (DDAA)	82	6/30/2011
IAFF Local 1230	315	6/30/2012
Probation Peace Officers Association (PPOA)	275	6/30/2011
Professional & Technical Engineers – Local 21, AFL-CIO	837	6/30/2011
United Chief Officers' Association (UCOA)	11	9/30/2011

Coalition Bargained Agreements

AFSCME Local 512, Professional and Technical Employees	272	6/30/2011
AFSCME Local 2700, United Clerical, Technical and Specialized Employees	1,709	6/30/2011
Public Employees Union, FACS Site Supervisor Unit	21	6/30/2011
Public Employees Union, Local One	2,463	6/30/2011
SEIU Local 1021, Rank and File Unit	776	6/30/2011
SEIU Local 1021, Service Line Supervisors Unit	36	6/30/2011
Western Council of Engineers (WCE)	20	6/30/2011

Number

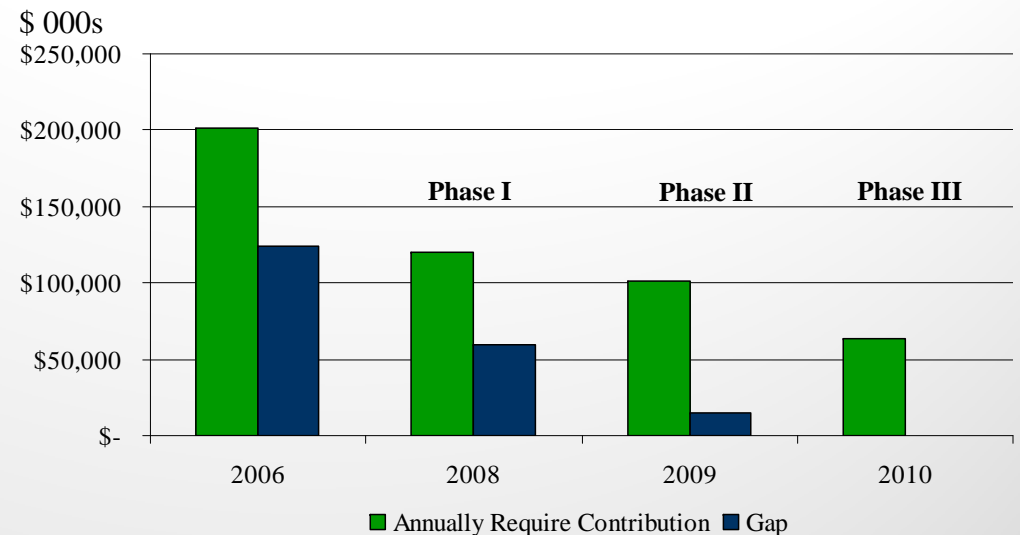
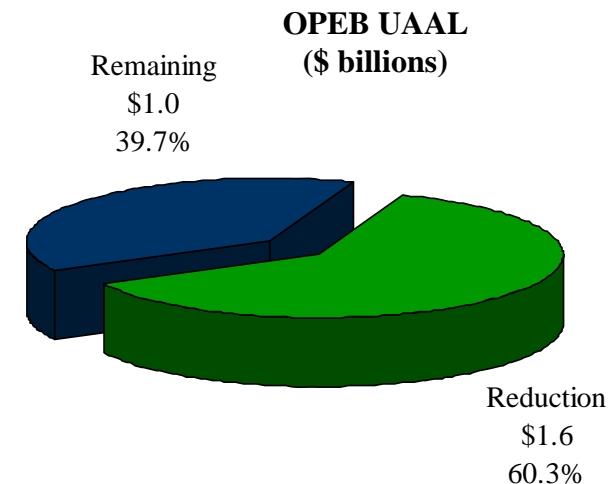
of Employees

Contract

Expiration Date

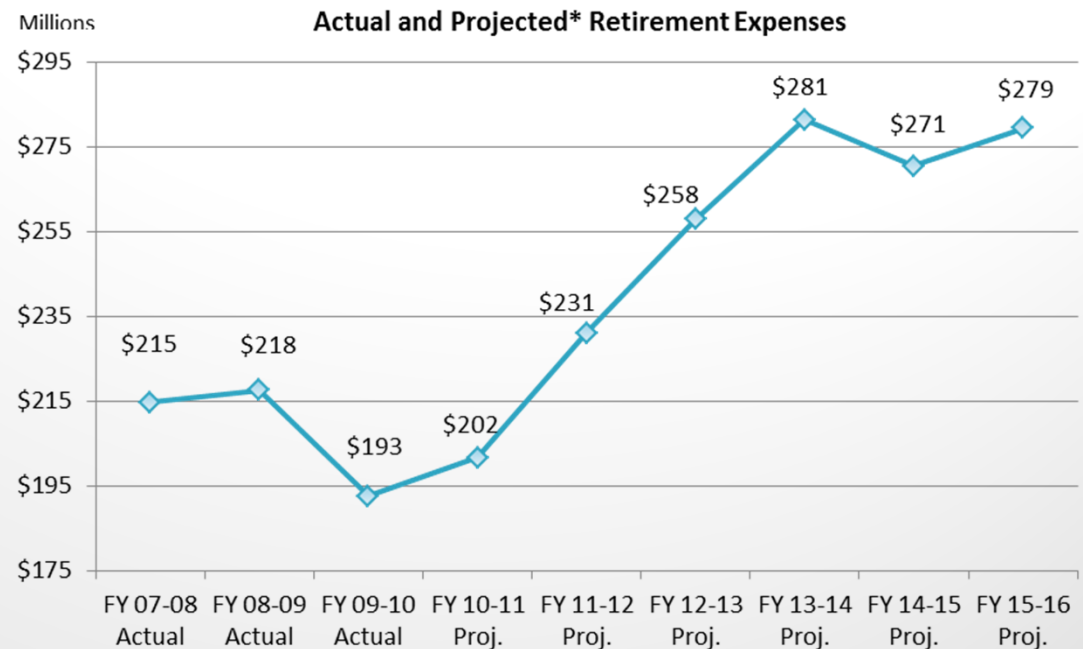
OPEB Liability Significantly Reduced Due to Board Actions

- Most recent actuarial report received in April 2010
 - ❖ Reduction in 2006 OPEB Liability from \$2.6 billion to \$1.0 billion (the “implied subsidy” is \$120 million of new UAAL as of 1/1/10 using 6.32% discount rate; this is a reduction from the 1/1/08 value of \$346 million at a 4.5% discount rate).
 - ❖ Reduction reflects health plan changes, caps on County contributions and labor concessions
- 71% reduction in ARC from \$216.3 million to \$63.3 million
 - ❖ Reduction in annual “gap” to zero
- Total OPEB Trust assets exceed \$50 million as of January 2011
- Board may modify its prior funding strategy originally adopted June '07



Pension Cost Management

- ▶ Following carefully
- ▶ Formed task force for review of future benefits (similar to OPEB approach)
 - Like our approach with OPEB, our strategy is to reduce the liability, not attempt to fund it
 - Potential State reforms may affect benefit profile
- ▶ Monitoring changes by CCCERA Board
 - No extension of amortization
 - No change in 5-year smoothing
 - Recently depooled by Employer



* Assumes 7.75% AIR does not include 2010 market impacts

County's Policy Report Card

	<u>Policy Requirements</u>	<u>Accomplished?</u>
Budget Policy	Structurally Balanced Budget	✓
	Multi-Year Projections	✓
	Mid Year Update	✓
Reserves Policy	Total Fund Balance \geq 10%	✓ (was 11.5% in FY 09-10)
	Unreserved Fund Balance \geq 5%	✓ (was 8.6% in FY 09-10)
Debt Policy	Conservative debt structuring	✓
	Annual debt report/update	✓
Investment Policy	Comprehensive, conservative	✓ (AAAf/S1+ pool rating)
Workers' Compensation Policy	80% Confidence Level	✓ (was 99% in FY 09-10)

2010 Projects and Lease Revenue Bonds



2010 Projects

West County Clinic (\$45 million)

- \$12.0 million Federal grant will offset part of \$45 million cost; County pool will advance funds for project costs in the event the grant monies are lagged
- Will replace aging clinic in Richmond
- Will be located in San Pablo near Doctor's Hospital
- Qualified for \$20.7 million of Recovery Zone Economic Development Bond authorization under ARRA
- 50,000 square foot facility with 60 exam rooms and a parking garage
- Design/Build construction; construction in 2011 with completion in Spring 2012

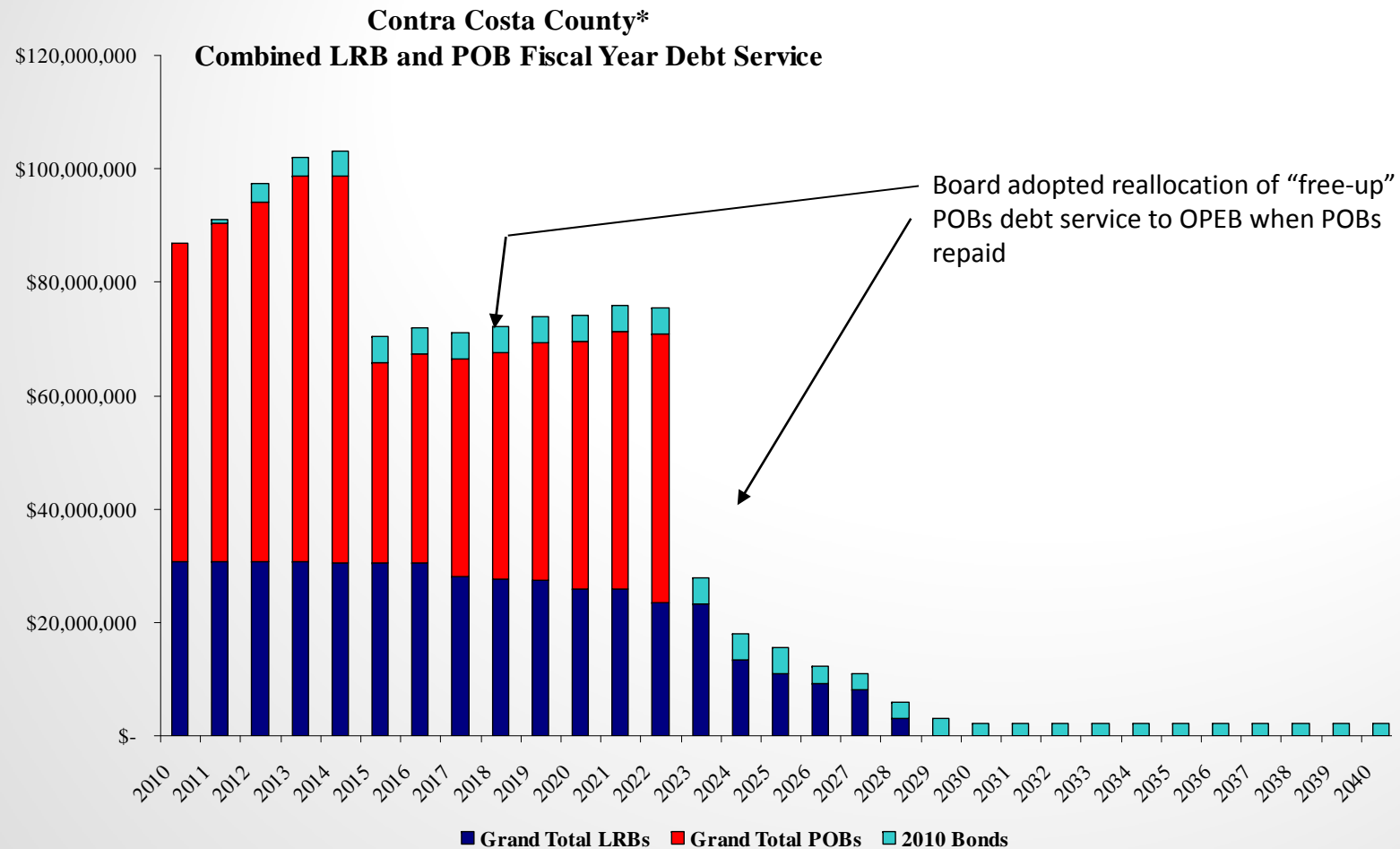
Refunding of 1998 LRBs

- Will produce about \$160,000 of level annual debt service savings
- No extension of term

Emergency Communication System Equipment (\$7.5 million)

- Contra Costa and Alameda Counties formed a JPA known as East Bay Regional Communication System Authority (EBRCS) to jointly build an emergency communication system to be used by both Counties and up to 41 cities/agencies in the region
- CCC and Alameda will use General Fund reserves to fund EBRCS

County's Debt Structure Remains Conservative



Contra Costa COUNTY BUDGET FY 2011/12

GFOA Distinguished Budget Presentation Awards
Program

Submission for the Government Finance Officers Association Distinguished Budget Presentation Award

The County Administrator's Office intends to submit the 2011-2012 Recommended Budget document to the Government Finance Officers Association under the *Distinguished Budget Presentation Award* program. To meet submission criteria for the *Distinguished Budget Presentation Award*, modifications will be made to the format and content of our existing Recommended Budget document. Modifications include:

- Including Financial Policies, such as planning policies, revenue policies, and expenditure policies;
- Adding annual budget process calendar and budget process details;
- Augmenting financial schedules;
- Including specific fund balance information;
- Augmenting revenue information;
- Adding detailed capital expenditure information;
- Expanding debt information; and
- Augmenting position count information.

Budget “book” Goals and Objectives

- ▶ Identify Mandatory Criteria
- ▶ Identify Local Topics for Inclusion
- ▶ User Friendly
- ▶ Reader Friendly
- ▶ Electronic/Easy Access
- ▶ Complete

Revision of State Controller Budget schedules for FY 2011/12

The County Administrator's Office is in the process of modifying all of the State Controller Budget Schedules. The process is required per the State Controller's Office Division of Accounting and Reporting. The modifications require:

- A summary of all County funds including special district funds (previously displayed in a separate document);
- A new format placing greater emphasis on distinguishing the different categories of funds; and
- The elimination and consolidation of some of the previous schedules.

GASB 54 Implementation

Revision of fund balance definitions

GASB 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purposes for which governments have chosen to use particular funds for financial reporting. The **new categories** are:

- *Nonspendable
- *Restricted
- *Committed
- *Assigned
- *Unassigned

Essentially the first three categories are now referred to as **reserved** and the last two categories as **unreserved**; the County has established a GASB 54 Committee with representatives from the CAO and Auditor-Controller.

PUBLIC PROTECTION

Current and Emerging Justice Partner Issues:

- ▶ Criminal justice realignment and its impact on County programs and communities
- ▶ Budget issues
- ▶ Management Team turnover
- ▶ Ageing detention facilities
- ▶ New integrated case management system

Criminal Justice Realignment

Court security

- Costs have grown 30% statewide since 2005/06
- Governor's current proposal to transfer responsibility/costs to counties makes no provision for future growth in costs
- LAO supports state retention of court security and competitive bidding to reduce costs
- Sheriffs, of course, oppose competitive bidding and want to continue to provide the service
- Counties are concerned that this is the first step in unraveling the Trial Court Funding Act, which caps county costs for courts

Criminal Justice Realignment

Local public safety grant programs

- ▶ Funds COPS, Probation Camps & Supervision, Booking fee backfill, Vertical prosecution, etc.)
- ▶ Funded by 0.15% VLF increment, which is due to expire 6/30/11
- ▶ Absent extension of VLF, costs would be shifted to General Fund or the programs would be eliminated
- ▶ Program elimination would require closure of Boys' Ranch; significant reductions in juvenile supervision, prosecution of special crimes, and front-line law enforcement; and drastic increase in booking fees charged to local arresting agencies

Criminal Justice Realignment

Low-level offenders (yet to be specifically defined)

- ▶ Governor proposes to prospectively reduce prison population by sending low-level offenders to counties
- ▶ Our county has limited jail capacity and limited flexibility to absorb new prisoners
- ▶ Avg. annual cost to house an inmate in prison is \$48,000; the state proposes to give counties \$21,700/offender for all services; medical costs are not addressed
- ▶ We are yet unable to determine if state allocation will be adequate to provide the appropriate mix of incarceration, supervision, sanctions, and services for this population, but it doesn't seem likely
- ▶ The "low-level offender" net has a high probability of capturing undocumented criminal aliens, the detention costs of which are a federal responsibility that has been historically underfunded, and which the state now proposes to pass to the counties

Criminal Justice Realignment

Adult parole

- ▶ State currently houses 108,000 parolees
- ▶ More than 60,000 parolees are returned to state prison annually
- ▶ About ½ of all inmates return to prison within 1 year of release, and 2/3 return within 3 years of release
- ▶ Our county has limited jail capacity and limited flexibility to absorb new prisoners
- ▶ State proposes to give counties \$13,800/offender for all services; we are yet unable to determine if state allocation will be adequate to provide the appropriate mix of supervision, sanctions, and services for this population
- ▶ The Governor's proposal makes no provision for local justice system costs to process parolees that violate parole or re-offend – HUGE CONCERN!
- ▶ The parole revocation process remains undefined; responsible agency should control parole revocation decisions; litigation over different standards applied by counties is a significant concern

Criminal Justice Realignment

Division of Juvenile Justice

- ▶ Counties currently manage 99% of all juvenile offenders; most of DJJ has already been realigned to counties
- ▶ DJJ currently houses only 1,800 inmates statewide, but they are the violent offenders, many of them seriously mentally ill
- ▶ Counties do not have the specialized programming/ facilities to hold and treat long-term, seriously mentally ill and violent juveniles
- ▶ Building such capacity in every county would be cost prohibitive, which is why it has historically been centralized at the state level
- ▶ Consensus among county probation officers is that this remaining DJJ population should not be realigned to counties

Criminal Justice Realignment

Impact on County Programs

- Inmate and parolee realignment will mean higher program demands and costs in every aspect of the local justice system, as a result of historically high recidivism rates
- Adult and juvenile detention capacity is very limited
- MDF still lacking adequate high-security bed space capacity
- Current detention facility construction/expansion dollars (AB 900 & SB 81) require 25% local match
- Challenge will be to quickly develop capacity for all sanctions/ services on the continuum: incarceration, electronic monitoring, mental health and substance abuse treatment, re-entry services within funded levels

Criminal Justice Budget Issues

One-time federal stimulus funds will expire this year, leaving a funding gap in 2011/12

<u>Program</u>	<u>Dept</u>	<u>Amount</u>
Regional anti-drug, violence against women, crime victims	District Attorney	\$221,517
Federal foster care	Probation	\$122,403
Multi-jurisdictional methamphetamine task force	Sheriff	\$59,235
TOTAL:		<u>\$403,155</u>

Criminal Justice Budget Issues

- ▶ Deputy Sheriffs and Public Defenders continue without a labor contract and other labor contracts are due to expire soon
- ▶ Lack of DSA and PDA contracts forfeited the planned budgetary savings from ATAs and healthcare caps, causing current year cost overruns
- ▶ After years of cost cutting, the few discretionary expenditures remain because they are deemed critical to maintain public safety, leverage greater outside funding, and/or help us to avoid higher costs in other programs
- ▶ General-purpose revenues are flat while retirement and healthcare costs continue to rise

Management Team Turnover

Learning curve, plus challenge to build a cohesive partnership during a time of highly competitive resource allocation

District Attorney	January 2011
Sheriff-Coroner	January 2011
Undersheriff	January 2011
Public Defender	July 2009
County Probation Officer	October 2010
Chief Deputy Probation Officer	February 2010
Probation Admin Chief	December 2010
Law & Justice Business Systems Mgr	April 2010

Detention Facilities are Aging

- 100% of the 2009/10 Facilities Life-Cycle Investment Program budget and most of the current year Program budget was for detention facility problems
- Martinez Detention Facility is approaching 30 years and continues to incur maintenance problems, particularly with plumbing
- Orin Allen Youth Rehabilitation Facility in Byron, opened in 1960 and expanded in 1999, is served by well water and frequently has well and sewage maintenance problems
- State inmate and parolee realignment will place added demands on County detention facilities

Integrated Case Management System

- Contract awarded in 2009 to third party vendor to modernize system to meet operational requirements for case management, electronic report transmission, digital imaging and file storage, and ad hoc statistical reporting and performance measurement
- New system will replace current systems used by District Attorney, Public Defender, and Probation Departments
- System will integrate with the rest the CJIS and the future statewide court system
- Full implementation will have approx. 600 system users
- Project is more than a year behind schedule due to cutbacks in staff resources and significant turnover in key justice management personnel
- DA (first phase) now scheduled to go live in May 2011

HEALTH AND HUMAN SERVICES

Current and Emerging Issues

Challenges to the County Health Care Delivery System

The landscape for the Department in 2011-12 includes the following challenges to maintain an efficient and effective health care delivery system:

- Implementation of electronic medical records will require an eighteen month process and include a total system redesign including training 3,000 individuals;
- Increasing efforts to insure the delivery of “quality” services;
- transitioning of the disabled population from a fee for service Medi-Cal system to a managed care system under the Contra Costa Health Plan by July 2011 and beyond;
- design and implementation of multiple hospital clinical performance based metrics for payment under the recently approved State Medi-Cal Waiver, e.g. sepsis detection and management program and the Central Line-Associated Bloodstream infection prevention program;
- Enroll 5,000 to 7,000 new members in the Coverage Initiative in preparation for Healthcare reform. Beginning January 1, 2011 individuals with incomes between 0 - 133 percent of the Federal Poverty Level will be eligible for Federally subsidized health care coverage.

Challenges to the County Health Care Delivery System (continued)

- Expansion of primary care capacity through (a) construction of the new West County clinic; (b) expansion of the Concord clinic; (c) construction of a new joint medical/psychiatric clinic in Martinez; (d) expansion of the Antioch clinic.; and (e) recruitment of primary care physicians
- Construction a new Mental Health residential facility on the 20 Allen site in Martinez
- Continuation of the Joint Powers Agreement involvement with Doctor's Medical Center to ensure adequate emergency and ICU bed availability for West County residents

Employment and Human Services

The Department will continue to be challenged by:

- state funding cuts that put children and seniors at risk, e.g., Child Welfare Services, Adult Protective Services, and Stage 3 Child Care;
- the financial impact of continued high levels of need for social services that impact county general funds, specifically: General Assistance and IHSS;
- the long term consequences of a growing number of children experiencing prolonged periods of poverty and economic hardship;
- the need to be ready to take advantages of the opportunities provided by Health Care Reform to increase access to health care for indigent adults and “seniors and persons with disabilities”;
- and the use of information technology to streamline and increase the efficiency of county administrative systems, particularly personnel systems. Inefficient personnel processes hinder the department’s effort to maximize state and federal funds because it can not fill grant funded positions in a timely manner.

Animal Services

- The State Legislature has not funded the Animal Adoption Program even though it is a mandated program.
- This unfunded mandate requires additional workload be accomplished without sufficient resources.

Veterans Services

- ▶ The California Department of Veterans Affairs has provided funding for Operation Welcome Home to expand services to veterans during 2010-11. This is the first new funding in years and will require the hiring and training of several new staff members at a time when seasoned staff members are retiring. This creates a challenge in providing an adequate level of services to the veterans in our community.
- ▶ The 2011-12 Governor's budget proposes to eliminate funding for this new program, in addition to the elimination of State funds for the current program. These reductions would result in the loss of \$90,000 and one full time position.

Child Support Services

- The State Department of Child Support Services plans to expand regionalization and/or centralization of child support program services. The County will be challenged to find the best ways to: 1) prepare the office to receive a reduction in the budget to pay for these services and, 2) restructure staffing to provide the best operation of remaining services.
- Challenge staff to handle an increase in the number of children serviced by the Department by 2% annually to meet the States projections in increasing number of cases that have paternity established, number of cases with orders and the total dollars collected.
- The Department will continue to find ways to reduce costs and provide better customer services. The Department is currently in the development stage of automating the current process of paternity declarations that are now taken on NCR paper in hospitals, vital record offices, and welfare departments throughout California.
- The Department will continue to work with the courts to find ways to better spend our time in the courtroom. By continuing to refine our out-of-court settlement of cases this will continue to reduce costs and provide better customer service.

MUNICIPAL SERVICES

Current and Emerging Issues

Public Works

- ▶ Continued concerns over transportation funds (HUTA.) Legislative analysts are reviewing impact of Proposition 22 vis-à-vis Transportation Tax Swap and Excise Tax on gas
- ▶ Declining funds available for local streets and roads
- ▶ Illegal dumping continues to be a drain on County's very limited road funds
- ▶ Continuing need to establish cost-effective strategies for Integrated Pest Management
- ▶ Explore alternatives to ease fiscal challenges in several Special Districts
- ▶ FEMA has decertified certain levees in the County, putting people in the flood plain and requiring flood insurance. The Flood Control District has insufficient funds to improve the levees to FEMA standards

Climate Change Issues

Three regional plans underway that affect local land use control to varying degrees:

- ▶ Metropolitan Transportation Commission Sustainable Communities Strategy
 - new land uses that reduce auto use, meet housing needs and drive transportation funding
- ▶ Delta Stewardship Council's Delta Plan
 - State and local projects must comply with this plan
 - Will drive state and federal funding in the Delta
- ▶ Bay Conservation Development Commission's Bay Plan Amendment
 - BCDC permits will address adaptation to sea level rise
 - Cities and counties will be encouraged to address sea level rise

Future of the Delta

- ▶ Delta Counties Coalition (DCC) continues gaining strength and recognition
- ▶ DCC is advocating for funds to support local participation in Delta planning
- ▶ State agencies are struggling to meet mandate to improve reliability of state's water supply while restoring the Delta ecosystem
- ▶ State and Feds still pushing a peripheral canal
- ▶ County's message: *Involve us, apply scientific principles and upgrade levees and emergency response*

Real Estate Downturn Impacts

- ▶ Continued decrease in Building Permit requests
- ▶ Conservation and Development continuing to shift workload to urban infill and foreclosure assistance activities
- ▶ Real estate downturn partially offset by revenue stream from specialized industrial projects, contracts with cities, and transportation projects
- ▶ Low land values have increased opportunities for open space/habitat acquisitions

Library Issues

- ▶ The decrease or elimination of Literacy funding will result in a decrease to both Adult Literacy and Family for Literacy services, including tutor training, use of computer lab and software to enhance training.
- ▶ County/city lease agreements are in various stages of approval and discussion. The inability of cities to fund facility operations may result in a reduction of library hours at some locations.

CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

Current and Emerging Issues

CCCFPD 4-Year Forecast Including Proposed Reductions

January 31, 2011	FY 09/10 Actual	FY 10/11 Budgeted	FY 10/11 Projected	FY 11/12 Projected	FY 12/13 Projected	FY 13/14 Projected
Salaries	\$ 49,276,088	\$ 44,661,000	\$ 47,676,000	\$ 50,209,448	\$ 50,987,483	\$ 50,987,483
Pension	\$ 5,907,179	\$ 6,371,000	\$ 6,526,000	\$ 12,726,415	\$ 14,402,484	\$ 16,158,435
Workers Compensation	\$ 4,203,774	\$ 7,146,000	\$ 4,044,000	\$ 3,555,529	\$ 3,596,072	\$ 3,596,072
Employee Group Insurance	\$ 4,268,080	\$ 4,930,000	\$ 4,930,000	\$ 5,210,881	\$ 5,328,576	\$ 5,595,005
Retiree Health	\$ 3,869,156	\$ 4,515,000	\$ 4,515,000	\$ 4,515,000	\$ 4,740,750	\$ 4,977,788
OPEB Pre-Pay	\$ 1,959,289	\$ 1,959,289	\$ 1,959,289	\$ 1,959,289	\$ 1,959,289	\$ 1,959,289
Other Benefits	\$ 207,214	\$ 578,690	\$ 609,000	\$ 830,271	\$ 866,068	\$ 866,068
Total Salaries & Benefits	\$ 69,690,780	\$ 70,160,979	\$ 70,259,289	\$ 79,006,833	\$ 81,880,722	\$ 84,140,139
Services & Suplies	\$ 5,121,510	\$ 8,281,271	\$ 7,785,638	\$ 7,785,638	\$ 7,785,638	\$ 7,785,638
Other Charges	\$ 2,942,743	\$ 3,103,125	\$ 3,226,125	\$ 3,226,125	\$ 3,226,125	\$ 3,226,125
Fixed Assets & Fleet Equip Chg	\$ 950,835	\$ 772,058	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
POB Debt Service	\$ 9,848,930	\$ 10,375,054	\$ 10,375,054	\$ 10,925,455	\$ 11,501,185	\$ 12,104,161
Stablization Fund Transfer	\$ 2,603,450	\$ 2,600,740	\$ 2,600,740	\$ 2,600,740	\$ 2,600,740	\$ 2,600,740
Total Expenditures	\$ 91,158,248	\$ 95,293,227	\$ 94,276,846	\$ 103,574,791	\$ 107,024,409	\$ 109,886,802
Current Property Tax	\$ 80,624,945	\$ 77,678,479	\$ 78,321,000	\$ 78,321,000	\$ 78,321,000	\$ 78,321,000
Other	\$ 8,204,951	\$ 16,801,194	\$ 8,197,770	\$ 8,197,770	\$ 8,197,770	\$ 8,197,770
Chevron Payment for 04, 05, 06			\$ (307,000)	\$ (614,000)		
Chevron Payment for 07, 08, 09				?	?	?
Total Revenue	\$ 88,829,896	\$ 94,479,673	\$ 86,211,770	\$ 85,904,770	\$ 86,518,770	\$ 86,518,770
Annual Imbalance	\$ 2,328,352	\$ 813,554	\$ 8,065,076	\$ 17,670,021	\$ 20,505,639	\$ 23,368,032
Fund Balance Available	\$ 17,610,425	\$ 16,796,872	\$ 8,731,796	\$ (8,938,225)	\$ (29,443,864)	\$ (52,811,897)
POB Stabilization Fund	\$ 2,647,393	\$ 5,425,145	\$ 8,025,885	\$ 10,626,625	\$ 13,227,365	\$ 15,828,105
FUND BALANCE	\$ 20,257,818	\$ 22,222,017	\$ 16,757,681	\$ 1,688,400	\$ (16,216,499)	\$ (36,983,791)

Parcel Tax

Action	June 7, 2011	November 8, 2011	November 6, 2012
Revenue Availability	2011/12	2012/13	2013/14
Document Preparation	January 10, 2011	June 27, 2011	June 17, 2012
1. Public Hearing Notice			
2. BOS Agenda Docs			
a. Tax Ordinance			
i. Tax Rates			
ii. Legal Description of Area			
b. Resolution			
Documents Finalized	January 31, 2011	July 19, 2011	July 9, 2012
Submit Public Notice to CC Times	February 1, 2011	July 20, 2011	July 10, 2012
The CC Times requires submission of public notice request no fewer than three-days prior to the first publish date			
Public Notice - 1st Publish Date	February 4, 2011	July 23, 2011	July 13, 2012
Statute requires public notice to be published twice within a ten day period with at least five days between each notice			
BOS Meeting	February 15, 2011	August 2, 2011	July 24, 2012
1. Public Hearing-Tax Ordinance			
2. Adopt Tax Ordinance			
a. Legal Description of Area			
3. Adopt Resolution			
a. Direct Tax Ord. to be presented to voters for approval with specified ballot proposition.			
b. Designate CCC Registrar of Voters as the Election Official			
Submission to Registrar	March 11, 2011	August 12, 2011	August 10, 2012
1. Resolution (Certified Copy)			
2. Tax Ordinance (Certified Copy)			
a. Tax Rates			
b. Legal Description of Area			

Note: November 6, 2012 deadline dates are estimates as the BOS Meeting schedule has not been set for 2012

Benefit Assessment

Action	2011/12 Tax Roll
BOS Meeting	March 1, 2011
<ol style="list-style-type: none"> 1. Adopt Resolution to Initiate Proceedings for levy of benefit assessments 2. Approve Contract with vendor to complete Engineer's Report 	
BOS Meeting	May 10, 2011
<ol style="list-style-type: none"> 1. Preliminary Approval of Engineer's Report 2. Adopt Resolution <ol style="list-style-type: none"> a. Declare intention to collect benefit assessment in the District b. Describe boundaries of the District c. Call assessment ballot proceeding d. Declare proposed assessment methodologies described in detail within the Engineer's Report e. Adopt Procedures for completion, return, and tabulation of assessment ballots and set Public Hearing date. <ol style="list-style-type: none"> i. Gov't Code 54954 requires a public notice and ballot be mailed to landowners impacted not less than 45 days prior to the public hearing. ii. Set procedures pursuant to Article XIID of the California Constitution 	
Mail Public Hearing Notice and Assessment Ballot	May 27, 2011
<ol style="list-style-type: none"> 1. Public Hearing Notice 2. Assessment Ballot 3. Copy of adopted procedures 	
BOS Meeting	July 12, 2011
<ol style="list-style-type: none"> 1. Open Public Hearing 2. Consider public testimony 3. Collect remaining ballots 4. Continue public hearing to July 26, 2011 	
BOS Meeting	July 26, 2011
<ol style="list-style-type: none"> 1. Adopt Resolution <ol style="list-style-type: none"> a. Certify results of assessment ballots 	
Submit Ballot Results to Treasurer-Tax Collector and Auditor-Controller for inclusion on 2011/12 Tax Rolls	August 1, 2011

Questions?