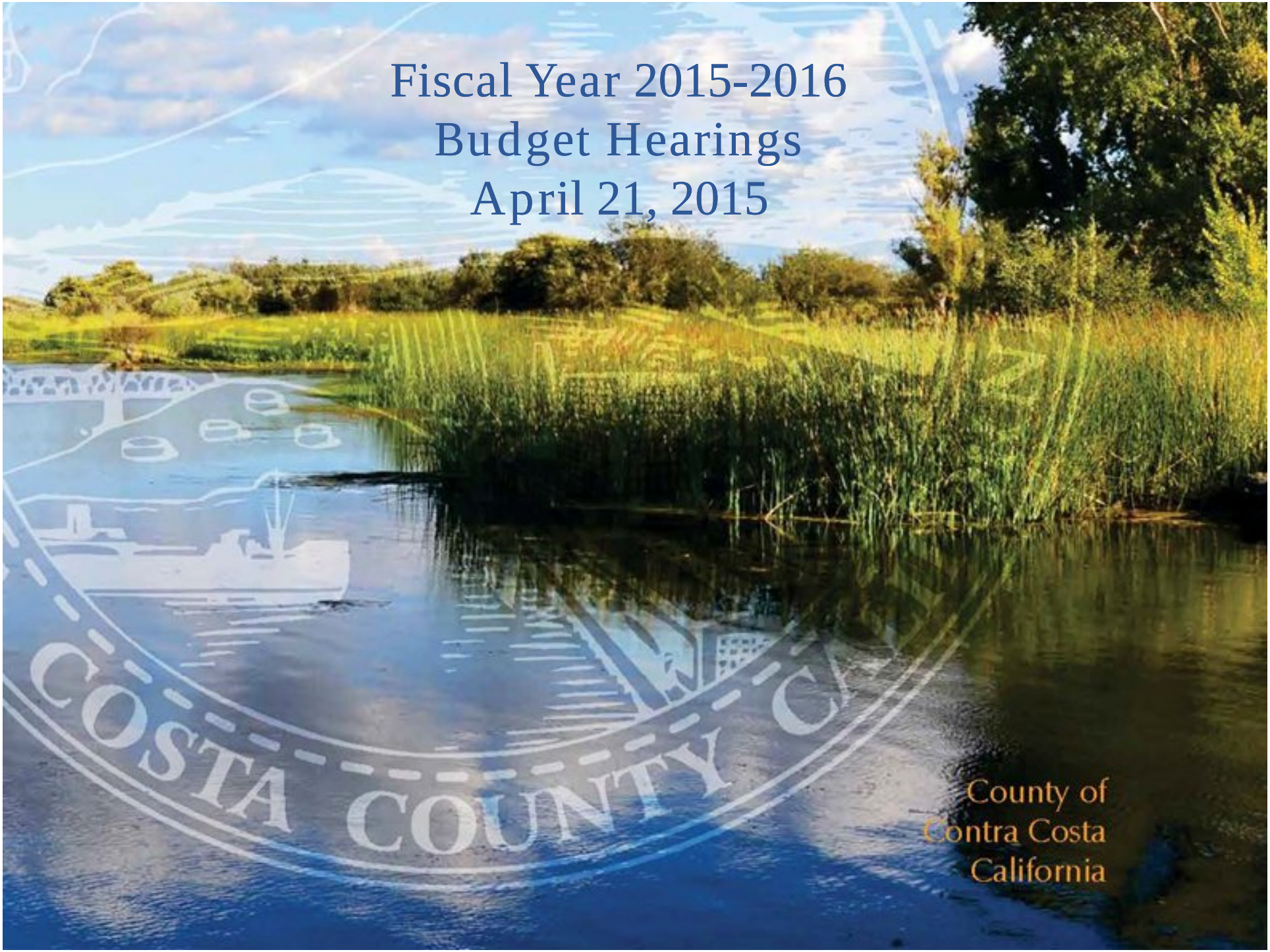
Fiscal Year 2015-2016
Budget Hearings
April 21, 2015



County of
Contra Costa
California

Budget Hearing Agenda

1. County Administrator Overview
2. Department Head Presentations
   - Clerk/Recorder, Joe Canciamilla
   - Sheriff, David Livingston
   - District Attorney, Mark Peterson
   - Probation, Phil Kader
   - Public Defender, Robin Lipetzky
   - Health Services Director, William Walker
   - Employment and Human Services Director, Kathy Gallagher
3. Open Public Hearing - Public Comment
4. Recommendations/Board Discussion/Action

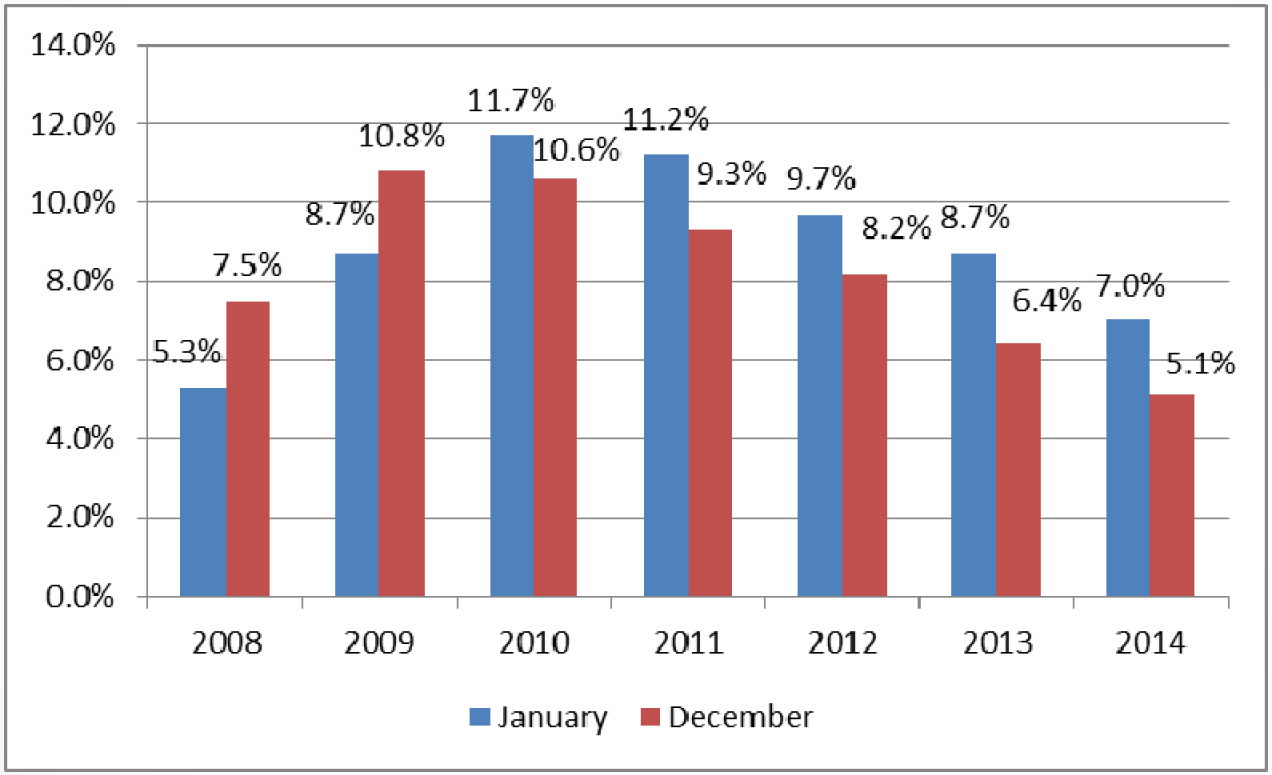
Contra Costa County Moving in Right Direction

2014/15 Achievements

- Structurally balanced Budget for fourth year in a row
- Hiring Outreach Oversight Committee established
- New Department Heads for Agricultural Commissioner and County Librarian
- Stabilized AB 109 funding for Community Corrections Partnership (CCP)
- Improved technology in Board Chambers
- Successful agreements with most of our Unions which provided pay increases and adoption of Public Employees Pension Reform Act (PEPRA) 2% COLA
- Pension costs appear stable after 5 years of double digit increases
- Authorized establishment of Laura's Law to be in place effective Fall of 2016

State of the Economy

Unemployment 7 Year Comparison



*Unemployment was 5.3% in February, 2015

Contra Costa County

- Over the three year period between 2009/10 and 2011/12 property taxes declined by 11.08%. Over the last three years 2012/13 to 2014/15 the increase was 13.4%.

- This means the total net increase over the past six years was only 2.32%

- Actual Contra Costa County experience:
  - 2009/10 (7.2% decline)
  - 2010/11 (3.4% decline)
  - 2011/12 (0.48% decline)
  - 2012/13 0.86% increase
  - 2013/14 3.45% increase
  - 2014/15 9.09% increase
  - 2015/16 Projected to increase 6.5%

Pension

Comparative Pension UAALs and Funded Ratios

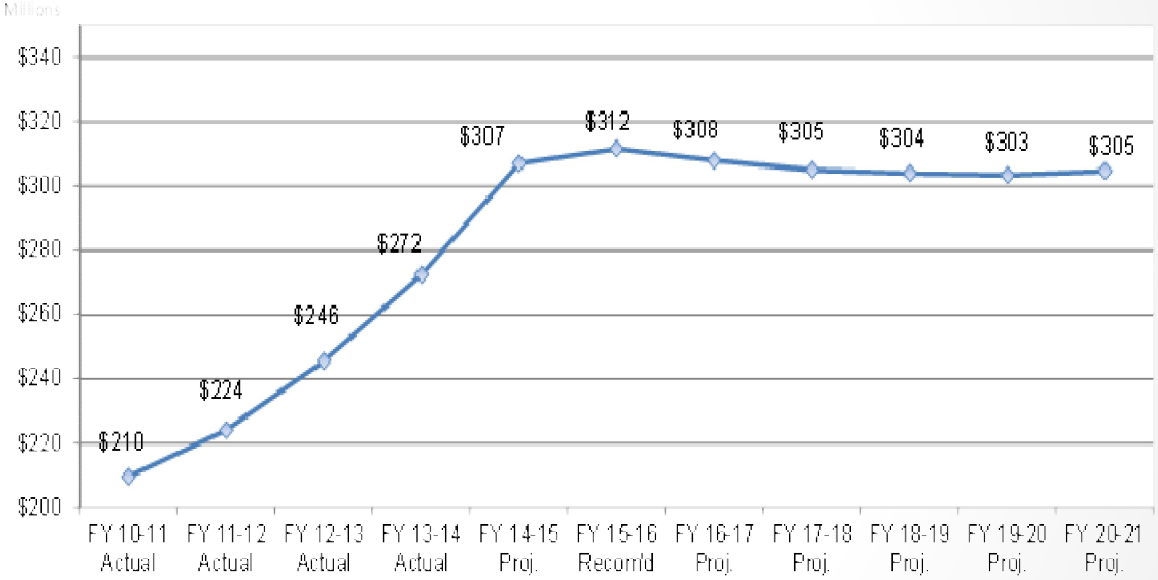
County	Pension UAAL	Pension Actuarial Valuation Date	Pension Funded Ratio	Outstanding POBs
Alameda	$1,650,743,000	December 31, 2013	75.9%	$318,892,000
Contra Costa	1,823,681,000	December 31, 2013	76.4%	258,500,000
Los Angeles	13,315,360,000	June 30, 2013	75.0%	0
Orange	3,391,000,000	June 30, 2014	60.5%	127,206,000
Riverside	1,543,829,000	June 30, 2014	79.4%	334,510,000
Sacramento	1,267,935,000	June 30, 2014	85.2%	990,308,000
San Bernardino	1,943,517,000	June 30, 2014	79.9%	877,230,000
Santa Clara	2,653,628,000	June 30, 2013	72.5%	375,419,144
San Diego	2,031,241,000	June 30, 2014	83.3%	732,330,000

This chart displayed for a comparison of order of magnitude. It should be noted that the underlying actuarial assumptions for the measurement of the Pension UAAL may vary from county to county; that the Pension Funded Ratio may include funding using pension obligation bonds; and, in the case of Contra Costa, the funded status reflected in the table is based upon the County-only portion of the UAAL and not upon the UAAL of all employers in the Contra Costa County Employees Retirement Association (CCCERA).

Pension Cost Management

- Following carefully
- Monitoring changes by State and CCCERA Board
  - New PEPRA Tiers as of 1/1/2013
  - No extension of amortization
  - No change in 5-year smoothing
  - No change in pooling
  - Significant change in assumed rate of return.
- Updates:
  - Negotiation 2% PEPRA COLAs
  - FY 2015-16 Recommended Budget - $312 M
  - FY 2015-16 onward based on Segal data

Actual and Projected* Retirement Expense



*Five year projection assumes 7.25% AIR, all POBs, and 2013 market impacts. The compounded impact of the projected increase -7.57%.

Other Post Employment Benefits

OPEB Liability Significantly Reduced due to Board Actions and Collective Bargaining

- Most recent 7507 actuarial reports were received in September 2014
  - Reduction in 2006 OPEB Liability from $2.6 billion to $783.1 million (using assets of $129.4 million)
  - Annual Required Contribution (ARC) from $216.3 M to $86.8 Million
  - Total OPEB Trust assets $147.5 million as of September 2014
  - Reduction reflects health plan changes, caps on County contributions and labor agreements
- The Board's actions have made it possible for the County to continue to provide much needed services, including health services, to County residents including the indigent.

Comparative OPEB Liabilities

County	OPEB Liability	OPEB Funded Ratio	OPEB as % of Payroll	OPEB Actuarial Valuation Date
Alameda	$106,949,000	85.2%	11.7%	December 31, 2013
Contra Costa	794,422,000	14.0%	129.4%	January 1, 2014
Los Angeles	25,733,000,000	0.0%	388.7%	July 1, 2012
Orange	418,061,000	27.1%	35.6%	June 30, 2013
Riverside	17,065,000	61.1%	1.6%	July 1, 2013
Sacramento	115,690,000	0.0%	15.3%	June 30, 2013
San Bernardino	0	N/A	N/A	Not applicable
Santa Clara	1,869,900,000	23.1%	127.8%	June 30, 2014
San Diego	180,238,000	2.7%	17.1%	June 30, 2012

It should be noted that the underlying actuarial assumptions for the measurement of the Pension UAAL and OPEB UAAL may vary from county to county.

Unfunded Liabilities

continue to be significant issue

- Unfunded Accrued Actuarial Liability (UAAL) for pensions $1,823,681,000
- Other Post Employment Benefits Unfunded Liability $794,422,000
- Total unfunded Liabilities $2,618,103,000

- Or $87,270,100 each year for the next 30 years plus payment of the normal costs
- Or equivalent to$2,380 for every resident of Contra Costa County
- Or equivalent to $270,298 for each County Employee
- Or $9,010 for each County Employee each year for the next 30 years

General Fund Reserves

General Fund Reserve Assumptions

- June 30, 2014:
  - Total general fund revenues were $1,297,393,000 and total fund balance including reserves was $237,204,000.
  - Total fund balance is 18.3% of total revenue
  - Of the $237.2 million in reserves
    - $142.3 million was unassigned
    - $94.9 million was assigned, committed, restricted or nonspendable
  - Minimum fund balances of 5% and 10% would be $64.9 million and $129.7 million respectively. There was $107.5 million available over the 10% reserve minimum.
- June 30, 2015:
  - It is planned and anticipated that Total General Fund Balance including Reserves will remain stable. Projections depend upon labor negotiations.
- June 30, 2016:
  - No fund balance use is recommended in FY 2015-16

Reserve Update

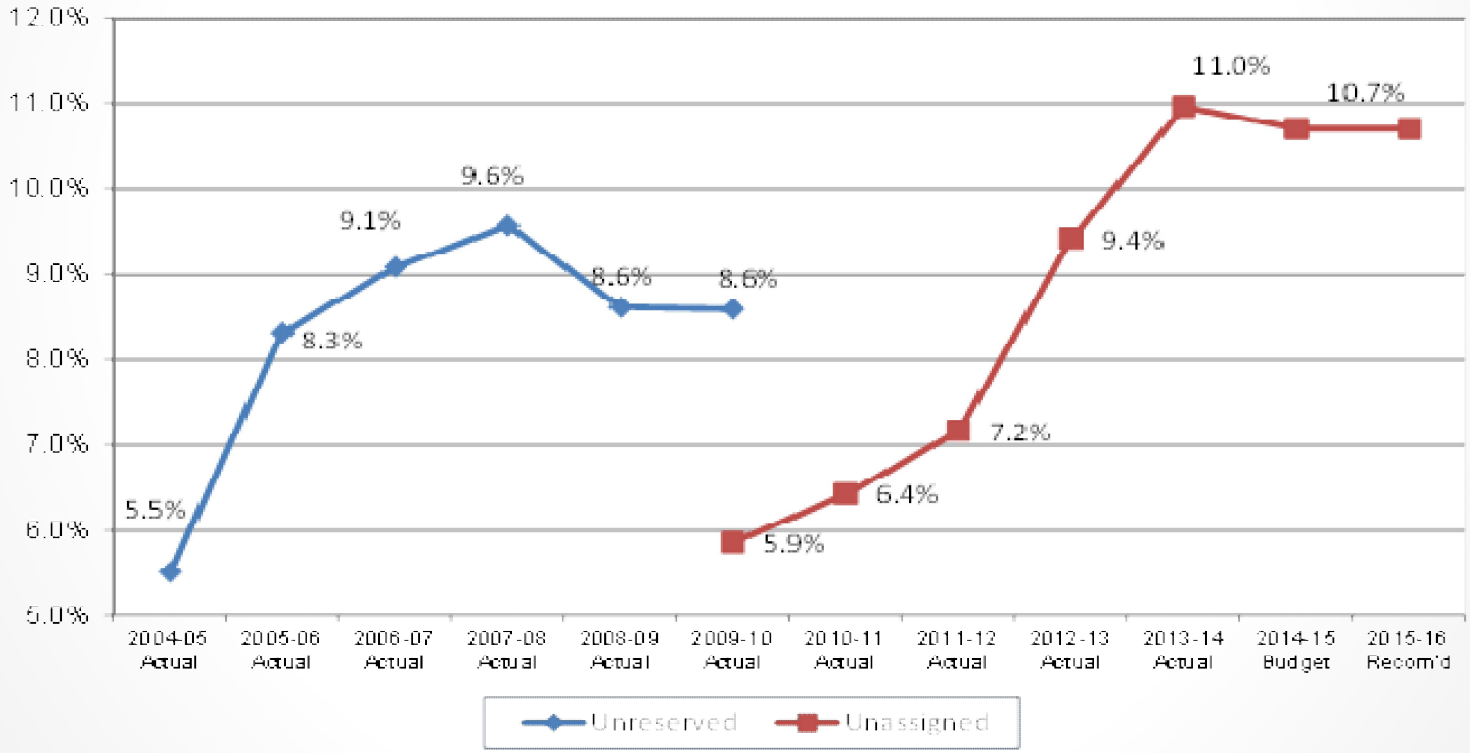
Although County fall far short of both Moody's and Standard & Poor's Mean for Large and Median sized Counties in California, the gap is closing.

Debt Affordability Measure	Benchmark	Benchmark's Value	County Actual
Percentage of Unassigned * Fund Balance	Standard & Poor's Mean for AAA Rated Counties Nationwide (At Least 150,000 Population)	20.0%	14.23%
	Moody's Median for Large Aa Rated Counties Nationwide (At Least 1,000,000 Population)	7.31%	
Percentage of Total Fund Balance	Standard & Poor's Mean for AAA Rated Counties Nationwide (At Least 150,000 Population)	25.0%	15.29%
	Moody's Median for Large Aa Rated Counties Nationwide (At Least 1,000,000 Population)	16.69%	

* The rating agencies add the unassigned, assigned and committed balances together and treat them as the equivalent of what used to be "unreserved" and use the term "unassigned". This "unassigned" number is not the same as the GASB 54 definition.

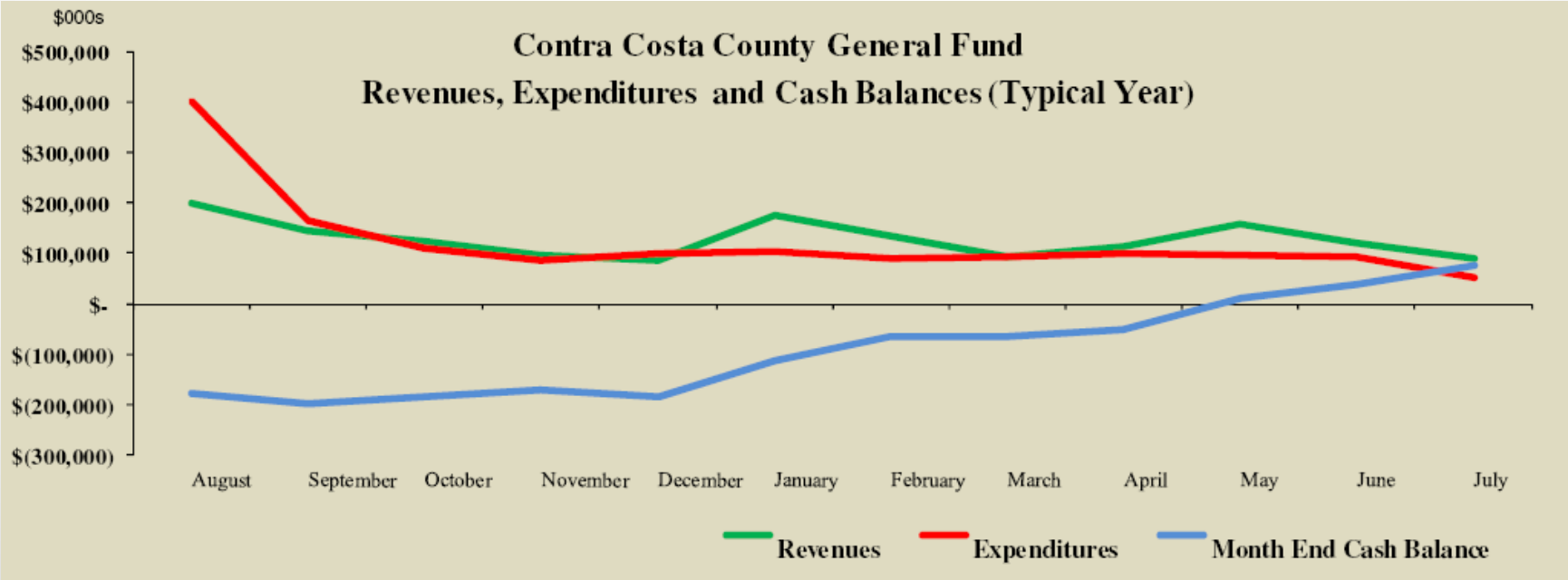
Reserve Update
Fund Balances in Sync with Reserves Policy
Goal is to increase Reserves to 20-25%

Unreserved/Unassigned Fund Balance (as of June 30) GASB 54



Importance of Reserves for Cash Flow

- Although revenues are volatile, expenses (majority for salaries) are quite smooth.
- Even with a General Fund Reserve of $237.2 Million, ($142.3 Million Unassigned) the General Fund has a negative cash flow at least 9 months of the year.
- The General Fund cash balance begins the year with a negative cash balance due to large disbursements for advances, pension pre-pay costs, and accrued expenses.
- Cash flow is not positive until the second installment of property tax receipts are received in late spring.



Capital/Facility Maintenance Needs

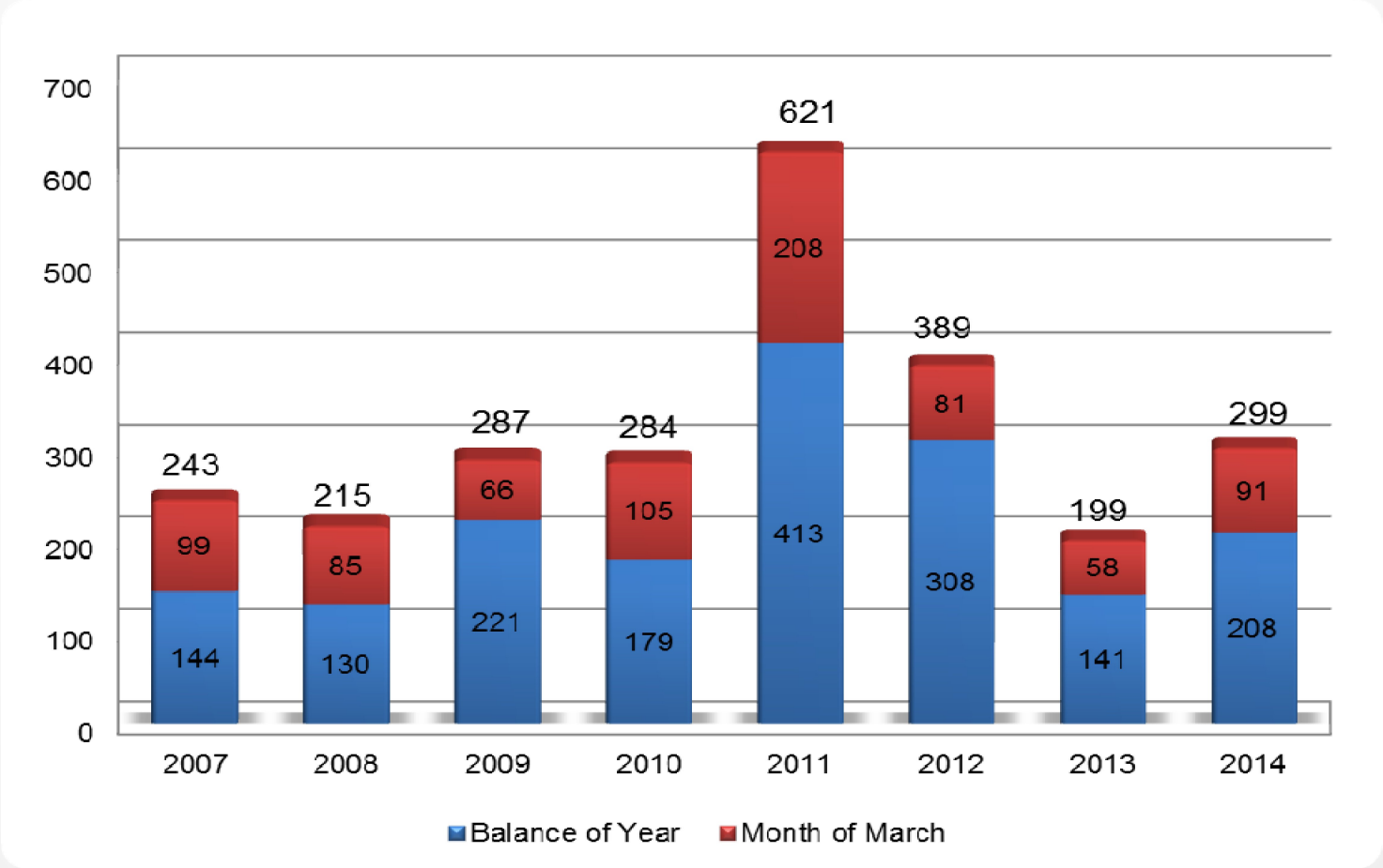
Capital Maintenance Costs

- On March 31, 2015 the Board of Supervisors received an updated Comprehensive building condition assessment which identified a total of $272.2 million in deferred facilities maintenance needs and capital renewal requirements
- (2007 Report had identified $270.2 Million)
- Since FY 2012/13, $25 Million Budgeted
- Additional $10 Million Budgeted in FY 2015/16
- $3.4 Million spent to date, with another $9.5 Million programed

Labor

Retirements

Abnormally high number of vacant positions due to unprecedented numbers of retirements during calendar year 2011 and 2012. Historically March retirements are the highest. Normal year would see approximately 260 Retirements.



Recruitments

- Interim and Retiree Department Heads
  - Human Resources
  - Health Services Director
  - Child Support Services
  - Animal Services

- Human Resources Department Director
- Animal Services Director
- Senior Management & Department Heads succession planning

Recruitments

Animal Services Director

- Each of the Candidates we interviewed brought individual strengths to the position, but before recommending any person as Director, I want to make sure that we have the very best person for the position.

- Because of this I have decided to continue the recruitment to make sure we have the best possible candidate.

- In the meantime I am pleased that the department is operating with a high degree of success on many levels, which recently resulted in the online publication "Bay Woof" naming our shelter as the "Best Municipal Shelter" in the area over runners-up in Berkeley, San Francisco and Alameda.

- Animal Benefit Fund donations for specific purposes
- $170,000 Mobile Adoption Van
- $139,925 Stainless Steel Rolling Cat Cages
- Remaining Balance $426,709

Recruitments

Animal Services Director

For 2015/16 – In addition to extending the recruitment:

- Retain a Consultant to work with me, the Department, and the public to address issues of how we can make the shelter more inviting, and more responsive to the needs of the public and the animals.

- Hire a Community Outreach Person to build upon and improve our excellent adoption numbers, increase our public education and outreach to educate animal owners to care for and not abandon animals, and to attract more potential owners

Our challenges remain similar to other municipal shelters that by law cannot screen which animals to accept.

45.5 Additional FTEs

- District Attorney – 7 FTEs, including 4 additional Deputy District Attorneys
- Probation – 9 FTEs at Juvenile Hall (added January 2015)
- Public Defender – 6.5 FTEs, including 5 additional Public Defenders (includes half time position for Laura's Law representation)
- Sheriff – 10 FTEs to enhance Patrol
- ConFire – 7 FTEs to enhance Administrative functions

45.5 Additional FTEs

- Public Works – 3 FTEs to enhance Environmental Division and Administrative Functions
- Risk Management – 1 FTE to support County Wide Training Program
- Conservation and Development – 1 FTE to provide Sustainability Initiatives
- Library – 1 FTE – Library Specialist to create new Children's programming

Labor Contracts

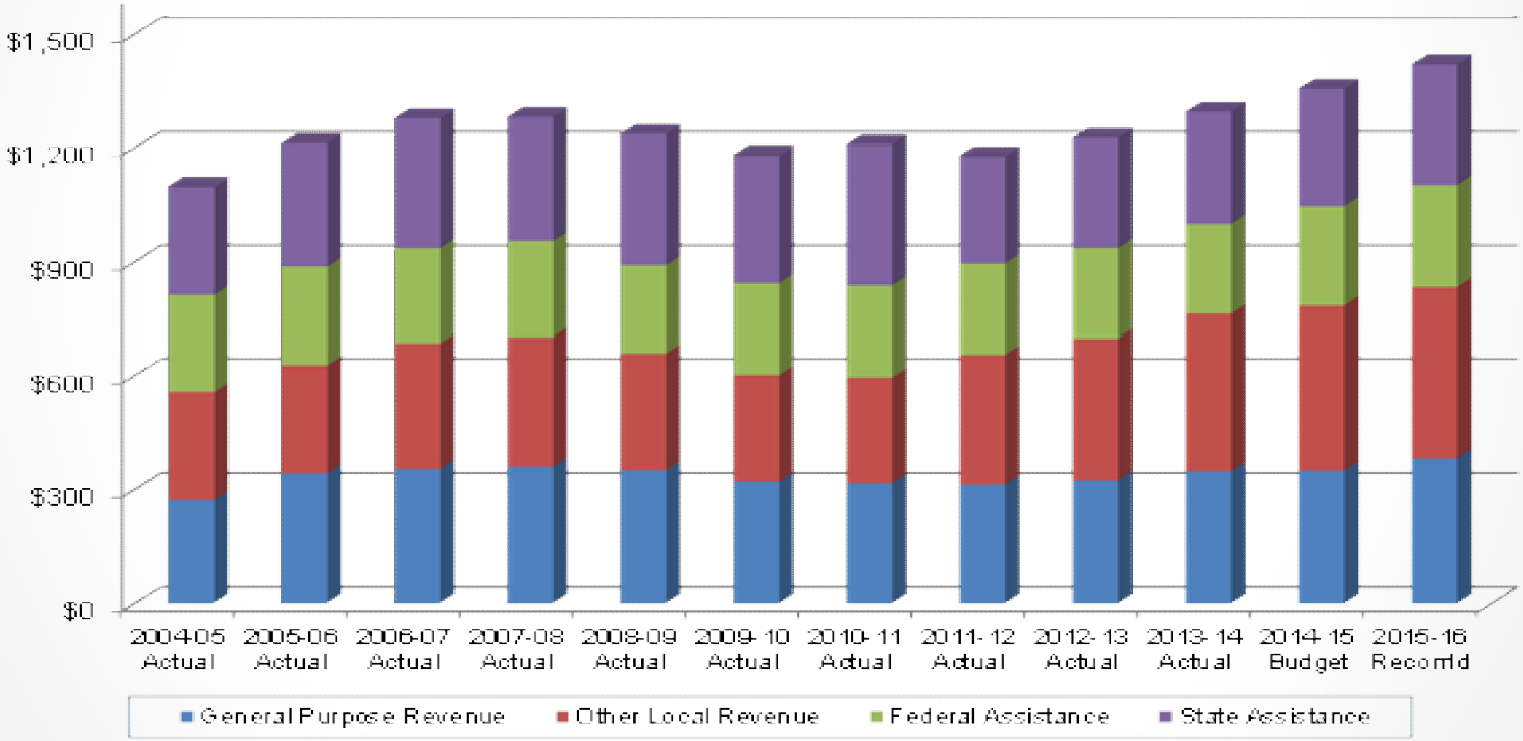
	Total Number of Employees		Contract Expiration Date	
Currently Negotiating				
California Nurses Association	917		7/31/2014	
California Nurses Association - Per Diem Unit	340		1/31/2013	
IHSS SEIU - United Healthcare Workers West			4/30/2015	1
United Chief Officers' Association	12	1,269	6/30/2014	
Expired or Expiring as of April 30, 2015		13.1%		
Settled				
AFSCME Local 2700, United Clerical, Technical and Specialized Employees	1,671		6/30/2017	
AFSCME Local 512, Professional and Technical Employees	277		6/30/2016	
CCC Deputy District Attorneys' Association	83		6/30/2015	2
Contra Costa County Defenders Association	76		6/30/2015	2
Deputy Sheriff's Association, Mgmt Unit and Rank and File Unit	800		6/30/2016	
District Attorney Investigator's Association	13		6/30/2016	
IAFF Local 1230	251		6/30/2017	
Physicians and Dentists of Contra Costa	256		10/31/2016	
Probation Peace Officers Association	247		6/30/2015	2
Professional & Technical Engineers – Local 21, AFL-CIO	899		6/30/2016	
Public Employees Union, FACS Site Supervisor Unit	15		6/30/2016	
Public Employees Union, Local One	2,426		6/30/2016	
SEIU Local 1021, Rank and File and Service Line Supervisors Units	999		6/30/2016	
Western Council of Engineers	23		6/30/2017	
Management Classified & Exempt & Management Project	343			
Management Project	38	8,417		
	Total	9,686		

1. Extended through April 30, 2015. 2. Expire June of this year.

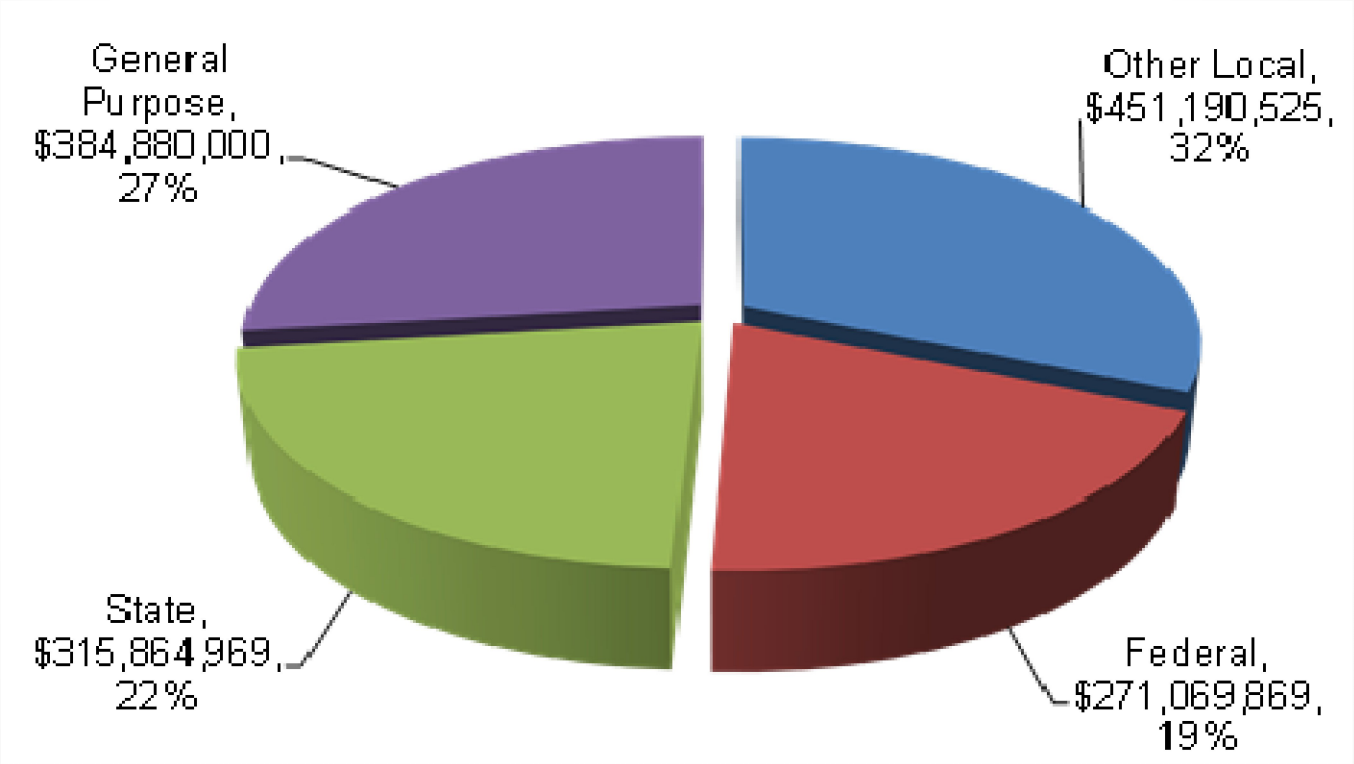
Budget and Financial Performance

General Fund Revenues Slow Growth

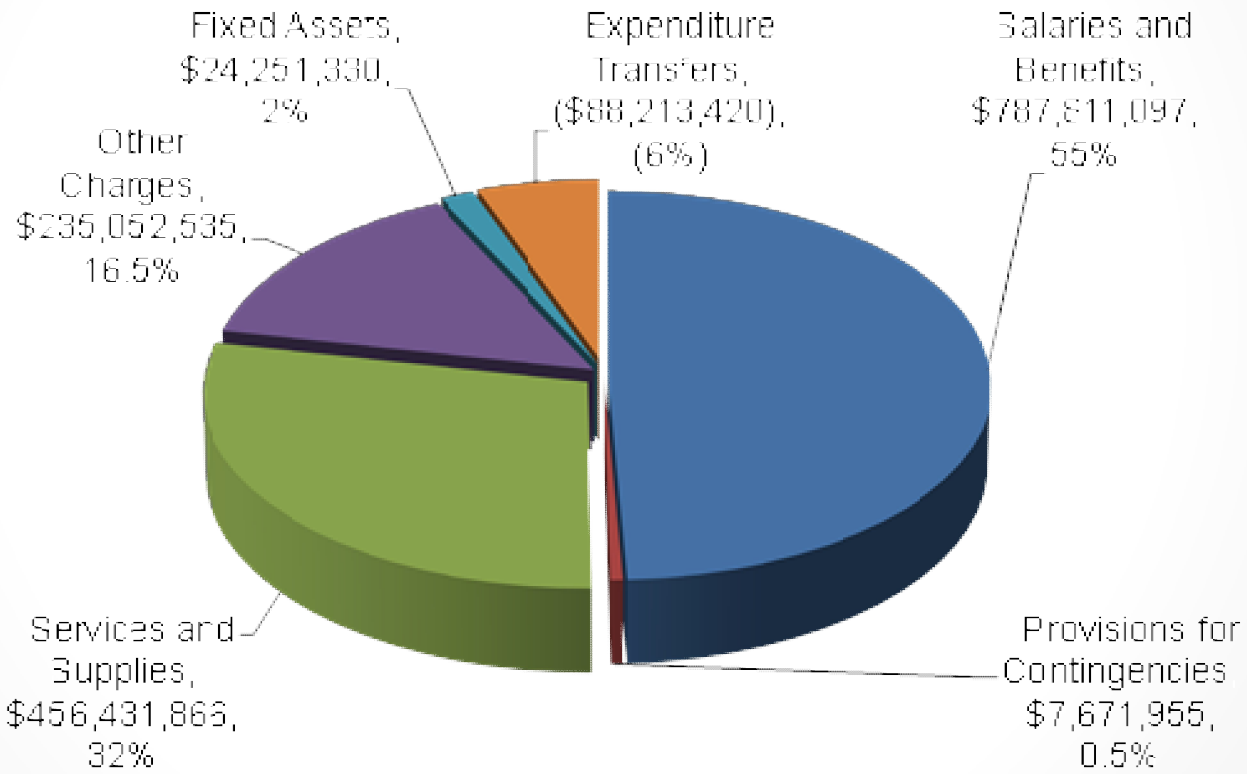
- General Purpose Revenues comprise about 25% of total General Fund Revenues



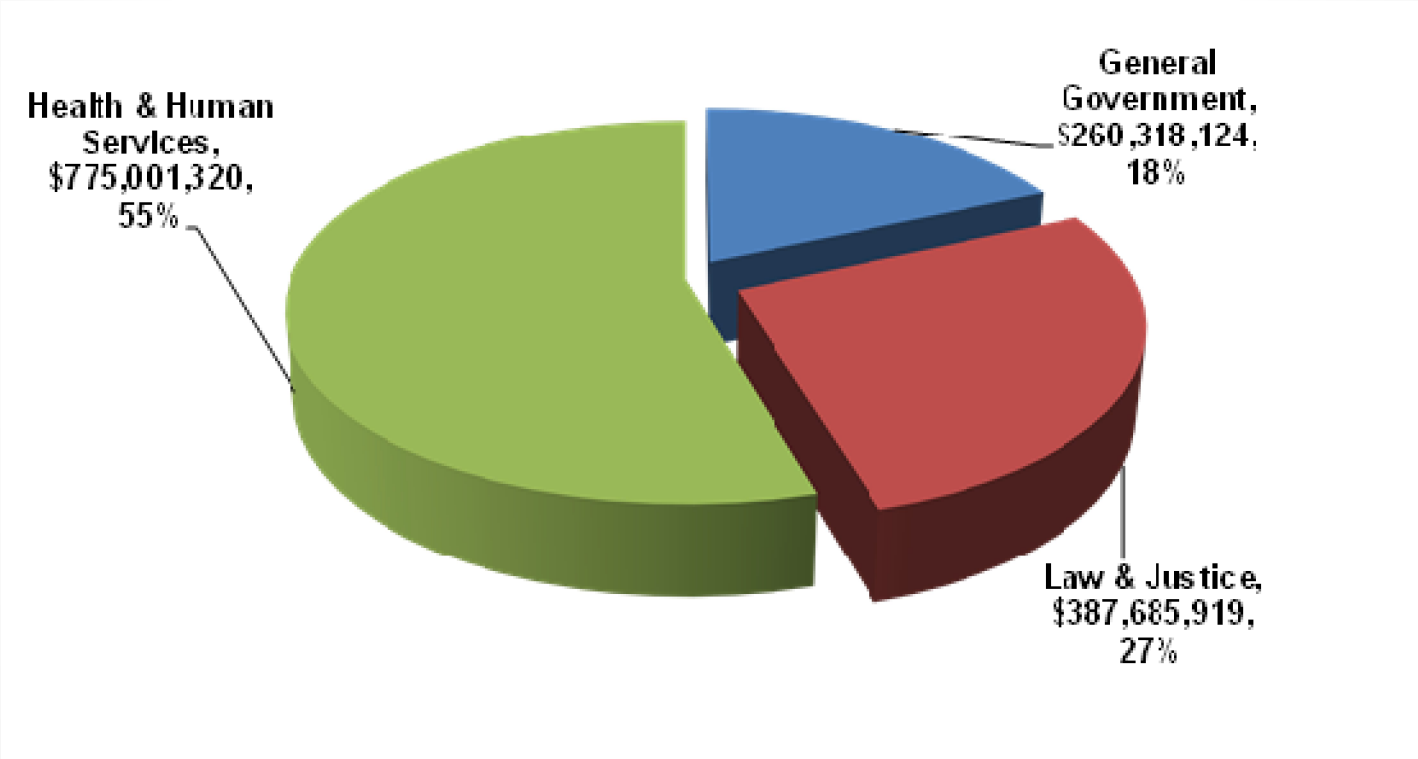
Total Revenue $1.423 Billion



Total Expenditures $1.423 Billion



Distribution of Expenditures



General Purpose Revenue

	FY 2015-16 Baseline Request	Share of Total	FY 2015-16 Recommended	Share of Total	
Health Services	85,400,000	22.7%	85,400,000	22.2%	
Sheriff-Coroner	78,843,088	20.9%	80,370,000	20.9%	
Probation	41,500,000	11.0%	41,500,000	10.8%	
Employment & Human Services	20,000,000	5.3%	20,000,000	5.2%	
Public Defender	19,100,341	5.1%	19,700,000	5.1%	81.2%
Public Works	16,892,396	4.5%	16,892,396	4.4%	
District Attorney	15,079,526	4.0%	16,400,000	4.3%	
Assessor	15,750,000	4.2%	15,750,000	4.1%	
Capital Improvements	11,500,000	3.1%	16,500,000	4.3%	
Miscellaneous Services	10,737,648	2.8%	10,737,648	2.8%	
Superior Court Related Functions	10,403,635	2.8%	10,531,635	2.7%	
County Administration	9,471,365	2.5%	9,343,365	2.4%	
Appropriations For Contingencies	7,671,955	2.0%	7,671,955	2.0%	
Board of Supervisors	5,943,000	1.6%	5,943,000	1.5%	
Conflict Defense	5,000,000	1.3%	5,000,000	1.3%	
County Clerk-Recorder/Elections	5,000,000	1.3%	5,000,000	1.3%	
Animal Services	3,925,000	1.0%	3,925,000	1.0%	18.8%
Auditor-Controller	3,500,000	0.9%	3,500,000	0.9%	
Human Resources	2,800,000	0.7%	2,800,000	0.7%	
County Counsel	2,656,250	0.7%	2,650,000	0.7%	
Agriculture	2,250,000	0.6%	2,250,000	0.6%	
Treasurer-Tax Collector	2,000,000	0.5%	2,000,000	0.5%	
Veterans Service	815,000	0.2%	815,000	0.2%	
Conservation & Development	200,000	0.1%	200,000	0.1%	
	376,439,204	100.0%	384,880,000	100.0%	

Community Corrections Partnership

AB 109

- On February 9th, the Public Protection Committee approved a $21,458,315 FY 2015/16 budget package as recommended by the CCP, representing a *status quo* approach to the CCP budget in recognition of the negative financial impacts to the County from the new state funding formula.

- The FY 2015/16 budget includes a minor increase of $151,182, or 0.71% to the countywide AB 109 program from FY 2014/15, which is composed of the following:
  - ✓ $181k increase in the Sheriff's Office for negotiated wage increases with the Deputy Sheriff's Association and inmate care costs;
  - ✓ $20k reduction to the District Attorney's Office to reflect actual expenditures at the request the department;
  - ✓ $10k reduction to the Zero Tolerance for Domestic Violence program to reflect actual expenditures at the request the department.

- The CCP also recommended and the PPC approved up to $754,000 in new AB 109 funding to the Sheriff's Office to replace inmate welfare program funding that may be lost due to a change in Federal or State policy. The Sheriff's Office would make a funding request to the CCP for discussion and, if approved, the recommendation would be submitted to the PPC for approval.

Reasons for Optimism

Positive Economic Outlook

- State Revenues Up
- State Budget reasonably stable
- Affordable Care Act intact
- AV revenue up 9.09% for 2014/15
- Projecting 6.5% growth AV revenue in 2015/16

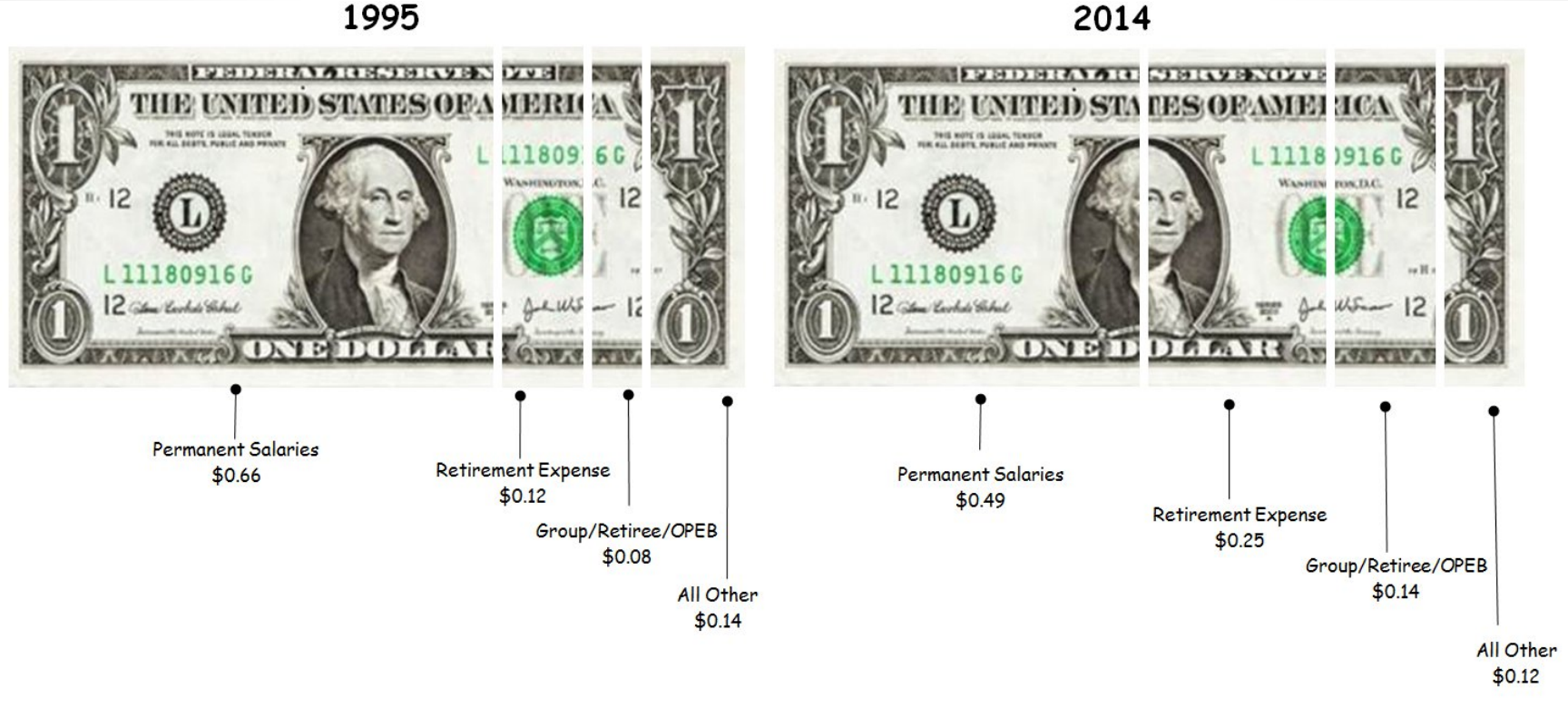
Positive County Results

- Budget structurally balanced for fourth year in a row
- OPEB managed
- Minimal Lay Offs over past 5 years
- Have begun pre-funding infrastructure needs
- Fund balance increased
- Standard & Poor's Rating AAA

Reasons for Concern

- Contra Costa County Economy will continue slow recovery
- Extremely high number of vacant positions
- High number of vacant key management positions
- Labor Negotiations
  - Pent-up demand for wages
  - Health Insurance Costs
- Increased costs of benefits

One Dollar of Wages then and now



Reasons for Concern

- Fund Infrastructure Needs (Repair & Maintenance)
- Aging Technology – People Soft Upgrade
- Unfunded Pension & Health Insurance Liability
- Adequate funding for Public Safety Departments
- Affordable Care Act (ACA) May depend on who is the next President
- ConFire – EMS Cooperation; Structure; and Funding
- Doctors Medical Center Closure
- Build Reserves for next economic downturn

Contra Costa County Fire Protection District

Contra Costa County Fire Protection District

- FY 2015/16 Structural Deficit: ($4.1 million)
- Contemplates 336 FTE, which reflects staffing of 24 stations and 3 Emergency Medical Services (EMS) squads
- Net increase to Retirement Expense of only $582k
- Funds $2.113 million for fixed asset/capital costs associated with equipment maintenance and replacement, including acquisition of a Fire Boat.
- Assumes new funding of $1.7 million related to implementation of the Emergency Medical First Responder Fee ordinance approved in December 2014
- Begins to fund five-year plan to increase Worker's Compensation confidence level to 80%
- Based on current projections, the District is estimated to end fiscal year 2014/15 with approximately $28.8 million in fund balance.
- In addition, the District is projected to have a structural deficit through fiscal year 2016/17

CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT
MULTI-YEAR FINANCIAL PROJECTION

as of 4/7/2015

						Engine Companies			
	30 FY 10/11 Actual	30/29 FY 11/12 Actual	28/24 FY 12/13 Actual	23 FY 13/14 Actual	24 + 2 EMS FY14/15 Projection	24 + 3 EMS FY15/16 Budget	24 + 3 EMS FY16/17 Projection	24 + 3 EMS FY17/18 Projection	24 + 3 EMS FY18/19 Projection
BEGINNING FUND BALANCE:	**23,006,609**	**20,442,656**	**16,861,908**	**20,737,654**	**25,701,156**	**28,750,368**	**27,257,726**	**24,830,483**	**27,595,463**
REVENUE:					(9.6561% inc)	(6% inc)	(6% inc)	(5% inc)	(5% inc)
Property Tax	79,436,030	78,225,082	81,107,363	86,595,820	94,827,916	100,591,993	106,180,094	111,489,099	117,063,554
Other (False Alarm, Weed Abatement, etc.)	6,148,482	11,801,400	13,732,659	8,550,437	7,184,386	7,350,128	7,497,131	7,647,073	7,800,015
2013 SAFER Grant	0	0	0	0	3,400,000	4,500,000	0	0	0
San Pablo EMS Squad	0	0	0	0	0	1,200,000	1,200,000	1,200,000	1,500,000
Pittsburg RDA Repayment	0	0	0	(422,093)	(422,093)	(422,093)	0	0	0
EMS First Responder Fee	0	0	0	0	0	1,701,000	1,701,000	1,701,000	1,701,000
Total Revenue	**85,584,511**	**90,026,482**	**94,840,022**	**94,724,164**	**104,990,208**	**114,921,028**	**116,578,225**	**122,037,172**	**128,064,568**
EXPENDITURES:					(2.5% inc)	(2.5% inc)	(2.5% inc)	(0.5% Merit)	(0.5% Merit)
Salaries & Benefits (not including Retirement)	62,768,230	61,852,449	56,592,938	54,919,213	56,292,137	63,969,520	65,609,182	66,241,113	66,890,052
Retirement Expense	5,889,938	10,604,172	12,014,601	13,242,590	22,409,427	24,019,469	24,193,188	23,021,426	21,896,279
Services & Supplies	5,974,138	6,993,093	7,257,729	7,106,077	6,588,723	9,827,878	9,827,878	9,827,878	9,827,878
Interagency Charges	2,791,120	2,458,768	2,658,364	2,326,825	3,612,569	4,600,600	4,692,612	4,786,464	4,882,194
Fixed Assets (i.e., Capital Investment)	389,389	820,306	962,208	74,777	308,854	613,000	613,000	613,000	613,000
Pension Obligation Bond (POB) P&I Payments	10,375,054	10,925,455	11,501,185	12,104,161	12,729,286	13,383,203	14,069,608	14,782,311	15,526,415
Transfer Out to POB Stabilization Fund (Gov/Gov)	2,600,740	2,602,174	2,603,109	2,602,770	2,600,383	2,600,396	2,603,495	2,600,630	2,601,703
Other Gov/Gov Transfers	4,249	2,539	4,006	0	0	0	0	0	0
Total Expenditures	**90,792,857**	**96,258,956**	**93,594,140**	**92,376,412**	**104,541,379**	**119,014,066**	**121,608,963**	**121,872,821**	**122,237,521**
SURPLUS/(DEFICIT):	**(5,208,346)**	**(6,232,474)**	**1,245,882**	**2,347,752**	**448,830**	**(4,093,038)**	**(5,030,738)**	**164,351**	**5,827,047**
ENDING FUND BALANCE:	**20,442,656**	**16,861,908**	**20,737,654**	**25,701,156**	**28,750,368**	**27,257,726**	**24,830,483**	**27,595,463**	**36,024,214**

CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT
MULTI-YEAR FINANCIAL PROJECTION

as of 4/7/2015

	24+2 EMS	24+3 EMS	24+3 EMS	24+3 EMS	24+3 EMS
	FY14/15 Projected	FY15/16 Budgeted	FY16/17 Projected	FY17/18 Projection	FY18/19 Projection
EXPENDITURES:					
Salaries & Benefits (not including Retirement)	56,292,137	63,969,520	65,609,182	66,241,113	66,890,052
Retirement Expense	22,409,427	24,019,469	24,193,188	23,021,426	21,896,279
Salaries & Benefits	**78,701,564**	**87,988,989**	**89,802,370**	**89,262,538**	**88,786,331**
Other Expenditures	**25,839,815**	**31,025,077**	**31,806,593**	**32,610,283**	**33,451,190**
TOTAL EXPENDITURES:	**104,541,379**	**119,014,066**	**121,608,963**	**121,872,821**	**122,237,521**
	(9.6561% inc)	(6% inc)	(6% inc)	(5% inc)	(5% inc)
TOTAL REVENUE:	**104,990,208**	**114,921,028**	**116,578,225**	**122,037,172**	**128,064,568**
SURPLUS/(DEFICIT):	**448,830**	**(4,093,038)**	**(5,030,738)**	**164,351**	**5,827,047**
BEGINNING FUND BALANCE	**25,701,156**	**28,750,368**	**27,257,726**	**24,830,483**	**27,595,463**
ENDING FUND BALANCE[1]	**28,750,368**	**27,257,726**	**24,830,483**	**27,595,463**	**36,024,214**
Worker's Comp. Confidence Level[2]	**54%**	**56%**	**63%**	**69%**	**74%**
Annual Capital/Infrastructure Budget[3]	**$1,500,000**	**$2,113,000**	**$2,113,000**	**$2,113,000**	**$2,113,000**

1. Ending Fund Balance includes receipt of Pension Stabilization Fund deposit from the Contra Costa Fire Operating Fund
2. Assumes funding Worker's Compensation at the FY 2015/16 in future years using 2014 Actuarial claim projections
3. Includes $1.5 million in lease purchase debt service and $613k in fixed asset acquisition expenditures

QUESTIONS?

Budget Hearing Agenda

1. Department Head Presentations
   - Clerk/Recorder, Joe Canciamilla
   - Sheriff, David Livingston
   - District Attorney, Mark Peterson
   - Probation, Phil Kader
   - Public Defender, Robin Lipetzky
   - Health Services Director, William Walker
   - Employment and Human Services Director, Kathy Gallagher
2. Open Public Hearing - Public Comment
3. Board Discussion/Action

Recommendations

Recommended Budget Actions

1. OPEN and CONDUCT a public hearing to receive input on the FY 2015-16 Recommended Budget;
2. ACKNOWLEDGE that the State of California and residents throughout the State continue to struggle to manage the outcomes of the recently depressed economy;
3. ACKNOWLEDGE 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 times of economic recovery;
4. ACKNOWLEDGE that the employees of Contra Costa County have been negatively affected as a result of the requirement to balance the County's expenses with available revenues in the past; however, current labor contracts include modest wage increases;
5. ACKNOWLEDGE that this situation is expected to continue to improve for County employees, as we work to manage and cope with the outcomes of economic recovery;

Recommended Budget Actions

6. DIRECT the County Administrator to continue 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;
7. DIRECT the County Administrator to continue to make this information readily available to the residents of the County;
8. DIRECT Departments, in cooperation with Labor Relations and Union representatives, to begin, if 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;
9. ACKNOWLEDGE that the Recommended Budget does not include any funding changes that may occur in the State of California's 2015-16 fiscal year budget and that the manner in which the 1115 Medi-Cal Waiver is implemented will have an unknown impact on the drawdown of federal funds for services and facilities;

Recommended Budget Actions

10. RE-AFFIRM the Board of Supervisors' policy prohibiting the use of County General Purpose Revenue to back-fill State revenue cuts;
11. ACKNOWLEDGE that, due to market gains and changes to Contra Costa County Employees Retirement Association policies over the last few years, retirement expenses are expected to decrease over the next few years;
12. ACKNOWLEDGE that the Recommended Budget balances annual estimated expenditures with estimated revenues in FY 2015-16, and is both technically and structurally balanced;
13. ACKNOWLEDGE that the Recommended Budget includes a specific appropriation for contingency, and that the Board also maintains its ability to manage General Fund contingencies during the fiscal year by use of reserve funds set aside for that purpose;
14. ACKNOWLEDGE that any restoration of any recommended program reductions will require an equivalent reduction in funds from other County priorities in order to adhere to our balanced budget policy;

Recommended Budget Actions

15. ACKNOWLEDGE that continuing to build the County's reserve funds, maintaining an improved credit rating, and maintenance of the County's physical assets remain a priority of the Board of Supervisors over the long term;
16. DIRECT the County Administrator to prepare for Board adoption on May 12, 2015, the FY 2015-16 County and Special District Budgets, as modified, to incorporate any changes directed by the Board during these public hearings;
17. DIRECT the County Administrator to prepare for consideration by the Board of Supervisors on May 12, 2015, position additions and eliminations necessary to carry out Board action on the Recommended Budget.

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