



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: April 18, 2017

Subject: Recommended County and Special District Budgets FY 2017/18

RECOMMENDATION(S):

1. OPEN and CONDUCT a public hearing to receive input on the FY 2017-18 Recommended Budget;
2. ACKNOWLEDGE that the State of California and residents throughout the State are only now beginning to make a slow recovery from the Great Recession;
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 expenditures with available revenues in the past; however, current labor contracts include wage increases;
5. ACKNOWLEDGE that this situation is expected to continue to improve for County employees, and for our residents as we work to manage and cope with the outcomes of economic recovery;
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;

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **04/18/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: April 18, 2017

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Lisa Driscoll, County
Finance Director, 335-1023

By: June McHuen, Deputy

7. DIRECT the County Administrator to continue to make this information readily available to the residents of the County;

RECOMMENDATION(S): (CONT'D)

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8. ACKNOWLEDGE that the Recommended Budget does not include any funding changes that may occur in the State of California's 2017-18 fiscal year budget or in the manner in which the Medi-Cal Waiver is implemented and these two events may have an unknown impact on the drawdown of federal funds for services and facilities;
9. RE-AFFIRM the Board of Supervisors' policy prohibiting the use of County General Purpose Revenue to back-fill State revenue cuts;
10. ACKNOWLEDGE that retirement expenses are expected to decrease in the short run, but are likely to increase in future years should market returns not meet or exceed the Assumed Rate of Return;
11. ACKNOWLEDGE that the Recommended Budget balances annual estimated expenditures with estimated revenues in FY 2017-18, and is both technically and structurally balanced;
12. 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;
13. 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;
14. ACKNOWLEDGE that continuing to build the County's reserves, 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;
15. DIRECT the County Administrator to prepare for Board adoption on May 9, 2017, the FY 2017-18 County and Special District Budgets, as modified, to incorporate any changes directed by the Board during these public hearings; and
16. DIRECT the County Administrator to prepare for consideration by the Board of Supervisors on May 9, 2017, position additions and eliminations necessary to carry out Board action on the Recommended Budget.

FISCAL IMPACT:

See attached FY 2017/18 Recommended Budget document, which includes the Budget Message and Overview. The document can also be found at this link:

<http://www.contracosta.ca.gov/DocumentCenter/View/45407>

BACKGROUND:

Explanation of the reasons behind the County Administrator's recommendations is presented in the attached FY 2017/18 Recommended Budget. Material from departments invited to make a presentation is also attached: Health Services (oral only), Employment and Human Services, Sheriff-Coroner, District Attorney (will be available at the Hearing), and Probation.

MEET AND CONFER/LAY-OFF RESOLUTIONS

For the last several years at this point in the budget cycle, County Departments, in cooperation with Labor Relations, have begun the meet and confer process with employee representatives regarding the impact of program reductions on the terms and conditions of employment for affected employees. As noted in the Recommended Budget, County lay-offs may occur as a consequence of the elimination of the collection unit in the Probation Department. Pending Final Budget adoption on May 9, Position Addition and Elimination lists may be presented to the Board for adoption on that day, with effective dates effective July 1, 2017.

CONSEQUENCE OF NEGATIVE ACTION:

Adoption of the County budget may be delayed.

CLERK'S ADDENDUM

Speakers: Margaret Hanlon-Gradie, Contra Costa AFL-CIO; Rebecca Rozen, Hospital Council; Melvin Willis; Francisco Torres; Dora Mogana & Dora Alicia Magona Colado, ACCE; Emilia Bermudez; Dan Geiger, Human Services Alliance of Contra Costa; Ellen McDonnell, Public Defender Union; William White, United Way; K.C. Donovan, Public Defender union; Larry Sly, Food Bank; Harry Baker, resident of Pleasant Hill; Ana Gonzalez; Martha Montes; Edith Pastrano; Jennifer Huber; Kristi Laughlin, Contra Costa Immigrant Rights Alliance (handout attached); Paul Chavez, Centro legal De La Raza (handout attached); Kristi Laughlin, Contra Costa Immigrant Rights Alliance ; Bob Lane, Contra Costa Immigrant rights Alliance ; Paul Chavez, Centro Legal De La Raza; Ali Saidi, Contra Costa Immigrant Rights Alliance (handout attached); Judy Weatherly ; Blanca Retano; Patricia Aguiar; Gabriel Haaland; Gwen Watson, Social Justice Alliance; Tom Tamura, Seneca Family of Agencies; Isidoro Saravia; Melody Howe Weintraub, resident of Lafayette ; Zeleika Godinez, Ensuring Opportunity Campaign; Reverend Will McGarrey; Tiffany Straus, Early Childhood Mental Health Program & CMHP; Mariana Moore, Ensuring Opportunity Campaign; Rita Barouch, resident of Richmond; Alvaro Fuentes, Community Clinic Consortium; Diana Clark, Rapid Response (handout attached); Cornelio Perez; Norie Clarke, resident of Kensington (commentary attached);

Written commentary was provided by: Reverend Deborah Lee, Interfaith Movement 4 Human Integrity, CCC Immigrant Rights Alliance; Anthony Peterson, Contra Costa Immigration Alliance; Wendy Hersay, resident of Concord; Diana Clark, resident of Walnut Creek; Tom Alexander, Fred Finch Youth Center; Chris Broglio, resident of El Sobrante; Judy Ballinger, resident of El Cerrito; Jonce Grassi, resident of Richmond.

ADOPTED Recommendations No. 1-16 as presented;

The modifications to the proposed budget, as noted in Recommendation No. 15, to be presented to the Board on May 9, 2017 are as follows:

An additional \$250,000 will be provided to the Contra Costa Cares program (from contingency funds), contingent upon the program achieving an equal match from the hospitals;

Ayes: Gioia, Burgis, Glover Noes: Mitchoff Absent: Andersen Abstain: none

\$500,000 will be budgeted, a one-time only request (from reserves) for the Northern Waterfront Development Initiative

Ayes: Gioia, Burgis, Mitchoff, Glover Noes: None Absent: Andersen Abstain: None

\$400,000 to be budgeted (from contingency fund) for the Brentwood Proposal for East Contra Costa County Fire District for funding through the 2018/2019 fiscal year conditional upon keeping the Knightsen station open;

***Ayes: Gioia, Burgis, Mitchoff, Glover Noes: None
Absent: Andersen Abstain: none***

DIRECTED The County Administrator meet with the Public Defender to review her budget request around both misdemeanor and felony cases, with data on both, and return to the Board with a recommendation;

***Ayes: Gioia, Burgis, Mitchoff, Glover Noes: None
Absent: Andersen Abstain: none***

REFERRED to the Finance Committee the matter of funding of Rapid Response, a legal representation program to respond to immigration matters.

ATTACHMENTS

FY 2017-18 Recommended Budget

Budget Overview

EHSD Presentation

Sheriff Presentation

Probation Presentation