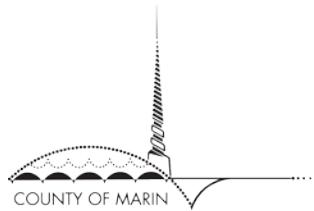


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County Administrator's Office  
3501 Civic Center Drive  
San Rafael, CA 94903  
www.marincounty.org

June 19, 2017



# FY 2017-18 BUDGET HEARINGS

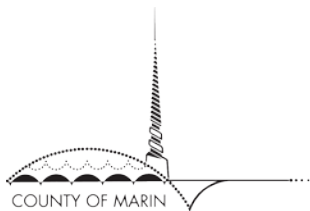


Photo Credit: Jeff Wong

## PURPOSE OF HEARINGS

Slide 2

- Receive public input
- Provide overview of proposed budget and emerging issues
- Identify follow-up issues for further consideration
- Consider approval of the Proposed FY 2017-18 County Budget
- Consider approval of the Proposed FY 2017-18 Special District Budget
- Receive an Overview of the Capital Improvement Program



## GOALS FOR FY 2017-18 BUDGET

Slide 3

- Opportunity for departments to take long-term strategic view to align with Board priorities and 5 year Business Plan
- Prioritize one-time allocations toward highest community priorities
- Make cost-covered adjustments to ongoing budget for priorities such as Laura's Law and Deep Green Energy
- Begin planning for future budget uncertainty, including hiring review process and reduction scenarios
- Begin process to initiate new performance management program this Fall

## FY 2017-18 BUDGET SUMMARY

Slide 4

- Next year's budget is largely consistent with the adopted 2 year budget plan
- Maintains existing service levels and provides cost of living adjustments for county employees and community partners
- All funds budget is increasing by 2.6%
- One-time revenues address long-term needs
  - Roads, facilities, sea-level rise
- New performance management framework will be launched by the end of 2017

## BUDGET PRIORITIES

CONTINUE TO ADJUST BUDGET TO REFLECT  
BOARD PRIORITIES

Slide 5

- Enhancing mental health services
- Preserving affordable housing
- Prioritizing racial equity
- Addressing climate change and sea-level rise
- Investing in County infrastructure
- Implementing the 5 Year Business Plan
- Reducing unfunded obligations

## EMERGING ISSUES

IDENTIFYING SOLUTIONS OVER THE NEXT  
FEW MONTHS

Slide 6

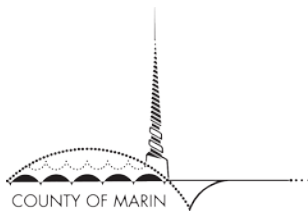
- Enhancing mental health services in the Jail
- Housing First for homeless
- Whole Person Care
- Recruitment incentives
- Possible clinic closures
- Changes in state and federal policies
- Closing a \$7.4 million shortfall for FY 2018-19

## BUDGET SUMMARY FY 2017-18

### BY THE NUMBERS

Slide 7

- Consistent with second year plan of the FY 2016-18 two-year budget
- All Funds budget increasing by 2.6%
  - General Fund increasing by 3.2%
  - Ongoing expenditures increasing by 3.5%
- One-time General Fund investments of \$5.5 million
- Countywide FTE increasing by 1.3%
  - Incorporates previously approved changes



## BUDGET SUMMARY FY 2017-18

ALL FUNDS (\$ MILLION)

Slide 8

	FY 2015-16 Approved Budget	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	% Change from FY 2016-17
Revenues	\$483.1	\$500.9	\$523.3	4.5%
Use of Prior Year Fund Balance	\$35.9	\$39.3	\$31.3	(20.4%)
<b>Total Sources</b>	<b>\$519.0</b>	<b>\$540.3</b>	<b>\$554.6</b>	<b>2.6%</b>
Ongoing Expenditures	\$507.5	\$526.3	\$544.9	3.5%
One-Time Expenditures	\$11.6	\$13.9	\$9.6	(31.3%)
<b>Total Uses</b>	<b>\$519.0</b>	<b>\$540.3</b>	<b>\$554.6</b>	<b>2.6%</b>



## BUDGET SUMMARY FY 2017-18

### GENERAL FUND (\$ MILLION)

Slide 9

	FY 2015-16 Approved Budget	FY 2016-17 Approved Budget	FY 2017-18 Proposed Budget	% Change from FY 2016-17
Revenues	\$386.0	\$395.4	\$415.2	5.0%
Use of Prior Year Fund Balance	\$28.0	\$32.0	\$25.5	(20.1%)
<b>Total Sources</b>	<b>\$414.0</b>	<b>\$427.3</b>	<b>\$440.8</b>	<b>3.2%</b>
Ongoing Expenditures	\$406.0	\$415.3	\$435.2	4.8%
One-Time Expenditures	\$8.0	\$12.0	\$5.5	(53.9%)
<b>Total Uses</b>	<b>\$414.0</b>	<b>\$427.3</b>	<b>\$440.8</b>	<b>3.2%</b>

# PROPOSED BUDGET CHANGES

## GENERAL FUND AND HHS OPERATIONS

Slide 10

### One-Time

Roads & Storm Damage	\$3.0M
BayWAVE Phase II Adaptation Planning	\$375k
Library FLAGship Vehicle	\$100k
Tomales Fire Station Replacement	\$1.6M
Fuel Dispensary System Replacement	\$450k
<b>Total One-Time</b>	<b>\$5.5M</b>

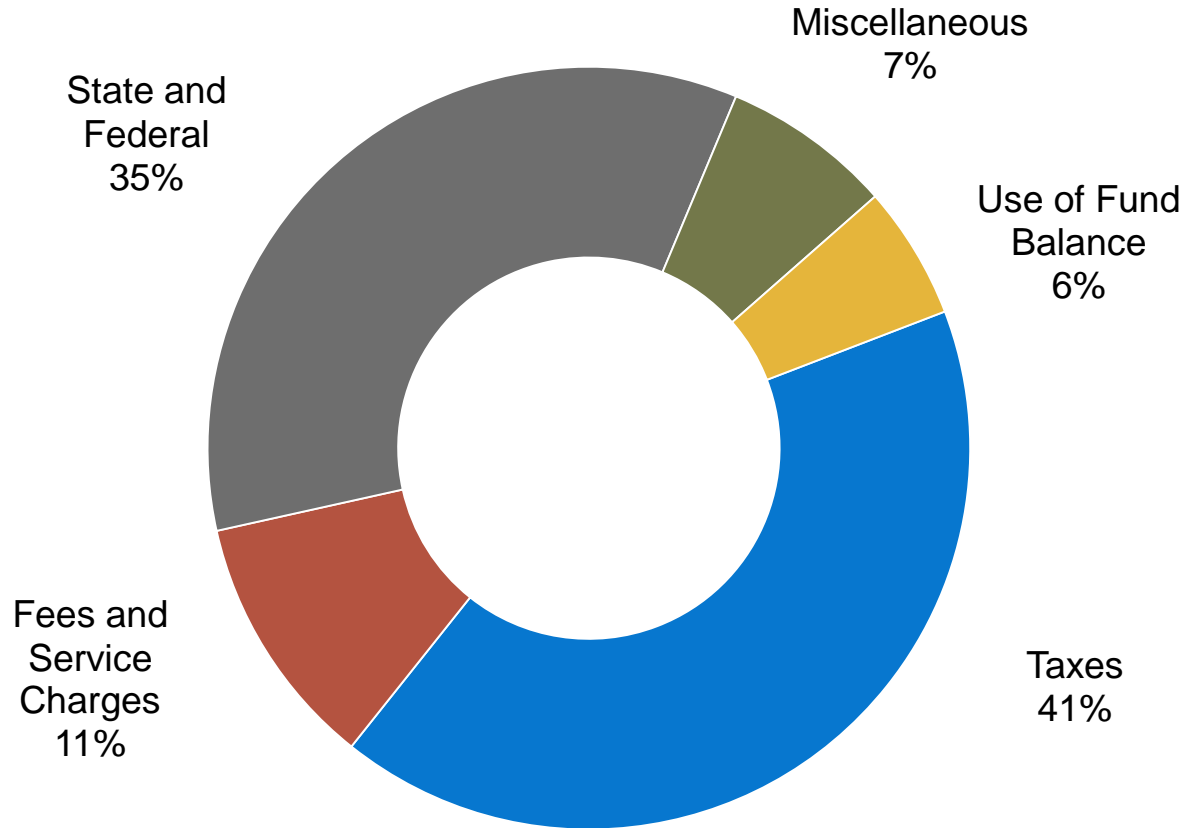
### Ongoing (Cost-Covered)

Assisted Outpatient Treatment Pilot	\$500k
Deep Green Renewable Energy	\$150k

# REVENUES BY TYPE - ALL FUNDS

FY 2017-18 TOTAL: \$554.6 MILLION

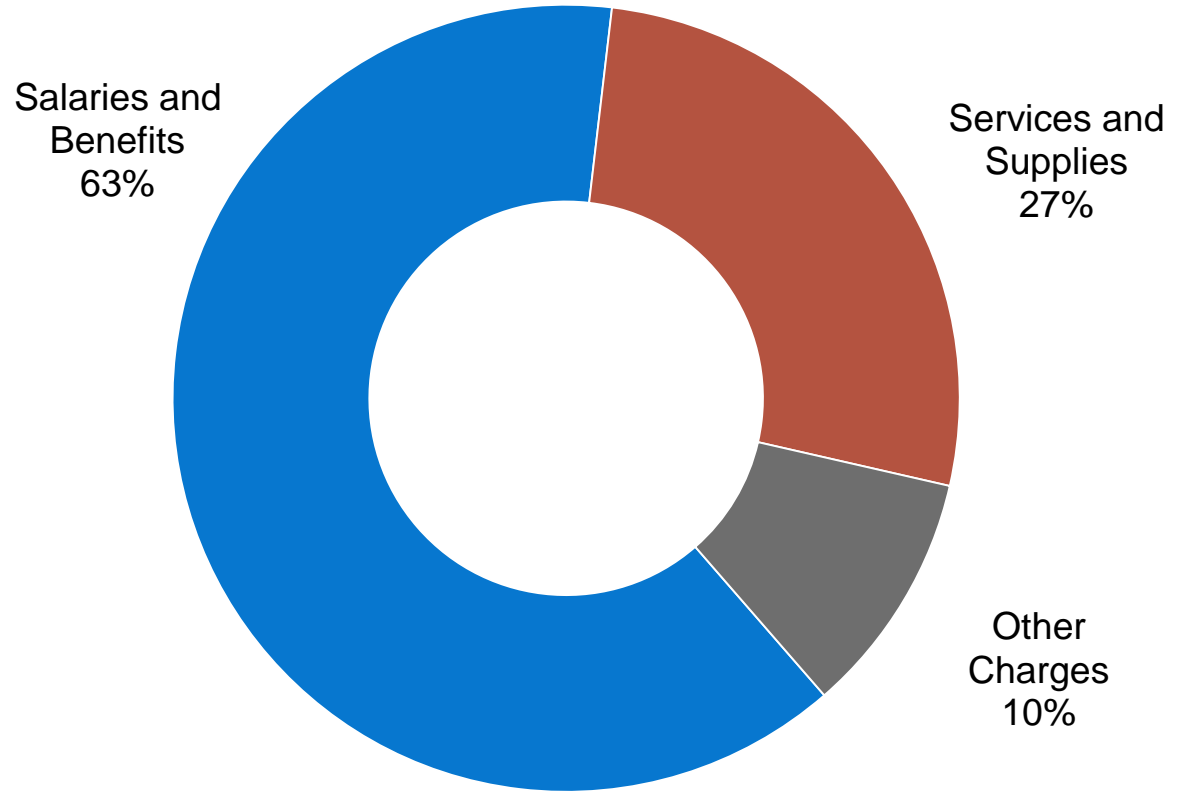
Slide 11



# EXPENDITURES BY TYPE - ALL FUNDS

FY 2017-18 TOTAL: \$554.6 MILLION

Slide 12



## EXPENDITURES BY TYPE - ALL FUNDS

( \$ MILLION )

Slide 13

Revenues	FY 2016-17 Adopted	FY 2017-18 Proposed	% Change
Property Tax	\$187.7	\$196.5	4.70%
Other Taxes	\$32.3	\$33.9	4.90%
Fees and Service Charges*	\$58.3	\$60.0	2.93%
Federal and State Revenues*	\$183.9	\$192.9	4.93%
Expenditures			
Salaries	\$208.8	\$220.3	5.50%
Pension	\$60.8	\$62.5	2.78%
Retiree Health	\$21.9	\$22.0	0.58%
Other Benefits	\$42.5	\$45.9	8.09%
Services and Supplies	\$153.2	\$148.2	-3.28%
Support of Clients	\$33.6	\$35.7	6.16%
Other Charges	\$19.5	\$20.0	2.58%

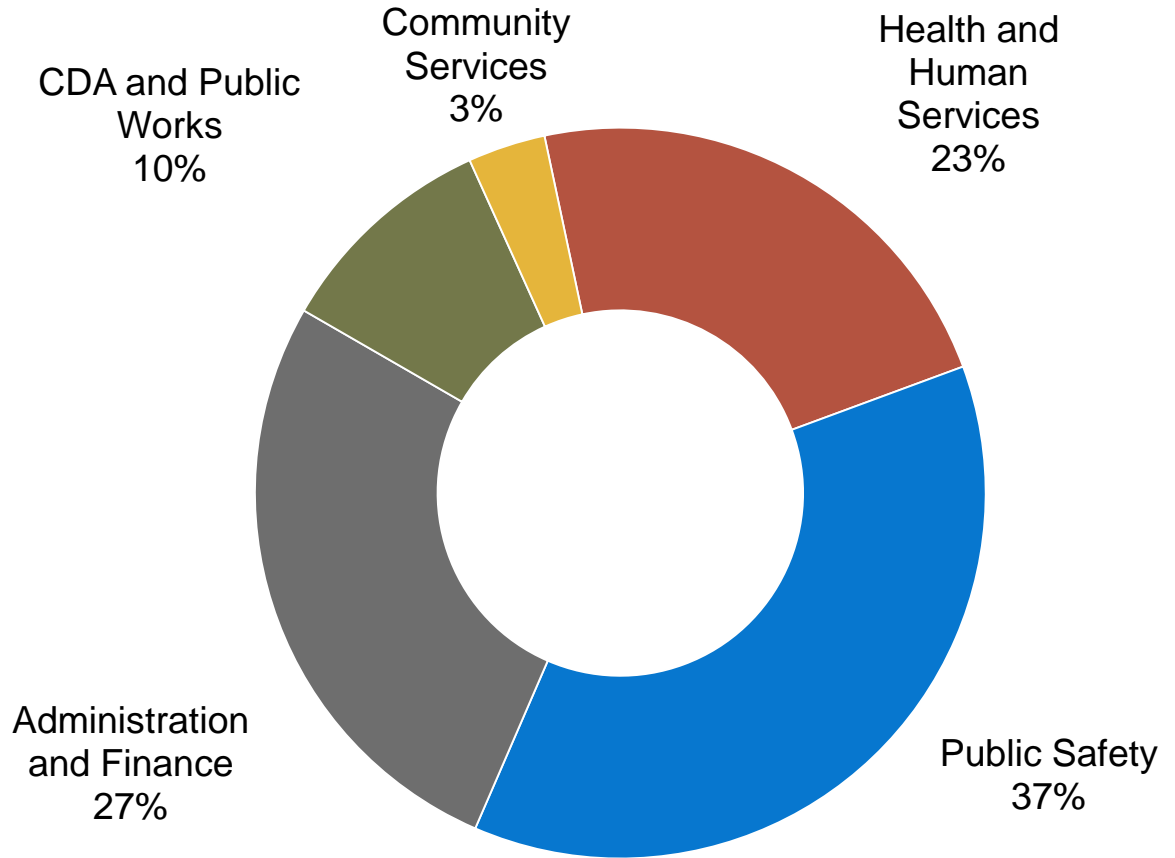
- Property Tax assumes 5.5% for assessed value growth, offset by lower growth in parcel, supplemental, and unsecured taxes
- Salaries reflect cost of living increases as well as additional FTE
- Services and supplies includes reductions in one-time expenses

\*Adjusted for reclassifications between Fees/Service Charges and Federal/State revenues

# GENERAL FUND NET COUNTY COST (NCC)

FY 2017-18 TOTAL: \$213 MILLION

Slide 14



## EXPENDITURES BY SERVICE AREA – ALL FUNDS

( \$ MILLION ; INCLUDES 1-TIME EXPENSES )

Service Area	FY 2016-17 Adopted	FY 2017-18 Proposed	% Change
Health and Human Services	\$176.7	\$188.6	6.7%
Public Safety	\$143.1	\$147.6	3.1%
Administration and Finance	\$82.5	\$85.1	3.1%
Community Development & Public Works	\$70.1	\$70.7	0.8%
Community Services	\$45.1	\$44.4	-1.6%

Slide 15

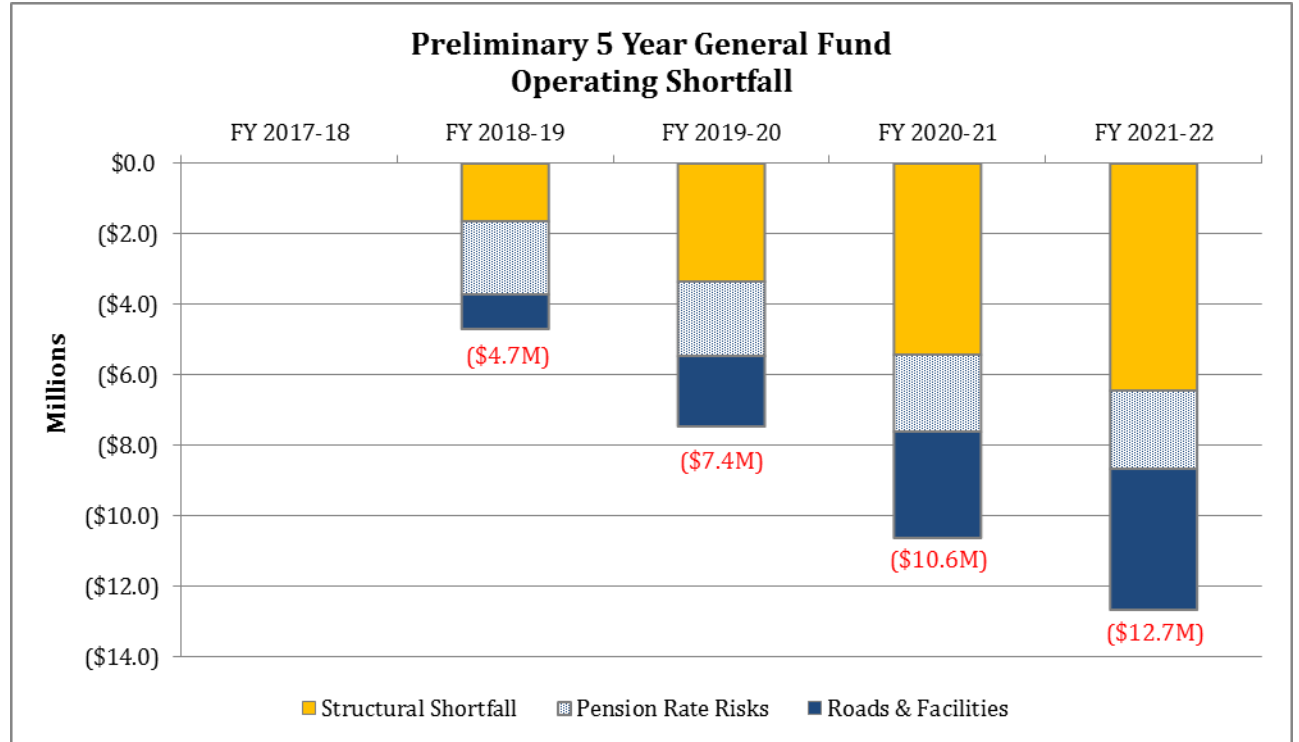
- Health and Human Services:
  - Cost-covered service level increases for mental health, public assistance and social services
  - General fund contributions for mental health & homeless
  - Cost of living adjustments for community partners
- Community Development and Public Works:
  - Decreased one-time funds for road improvements
- Community Services:
  - Decreased one-time Measure A project expenses

# GENERAL FUND PROJECTIONS

BALANCED FOR FY 2017-18

SHORTFALLS BEGIN IN FY 2018-19

Slide 16



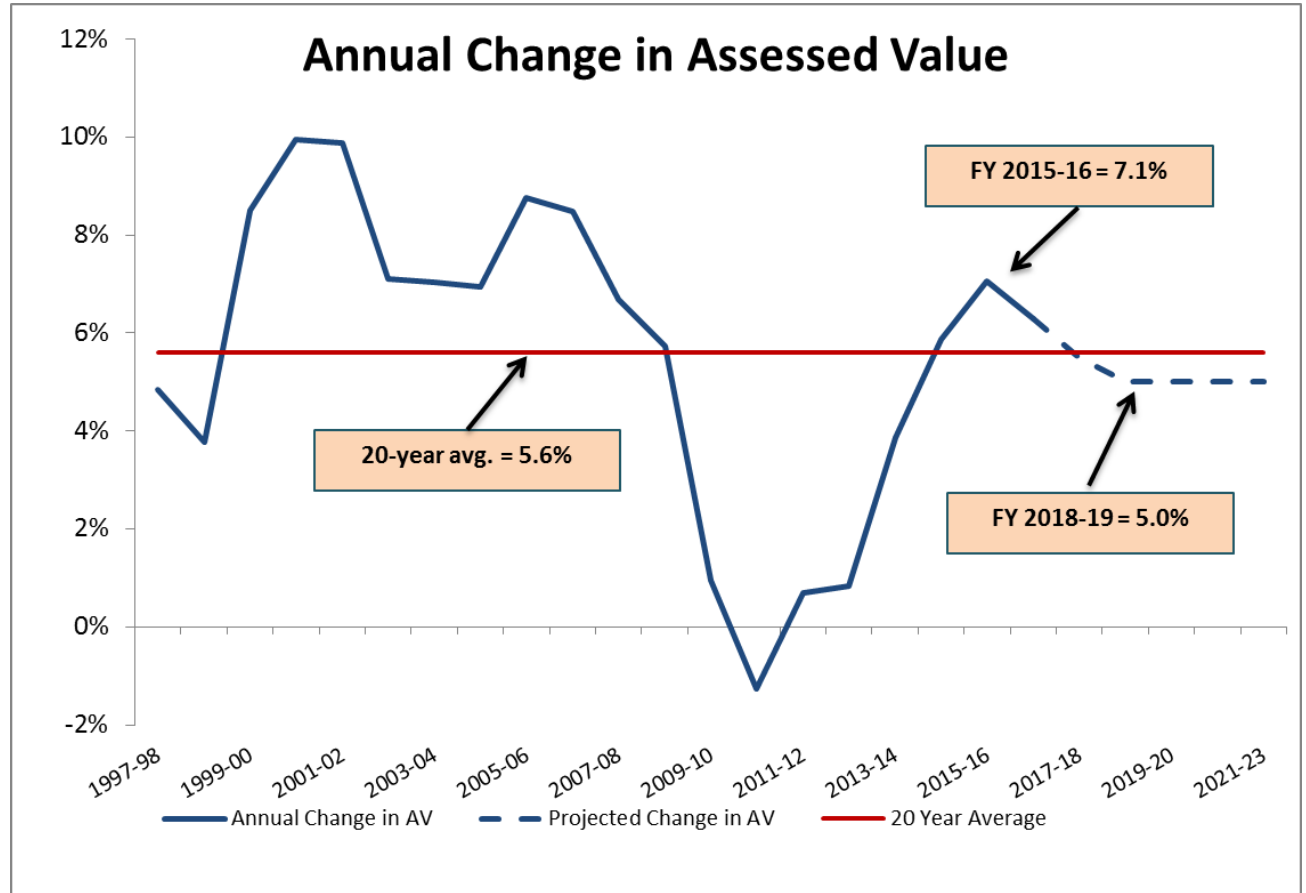
- Does not include changes to state or federal funding sources
- Assumes moderate economic slowdown, not a recession



# PROPERTY TAX TRENDS

## DECLINING GROWTH IN ASSESSED VALUE

Slide 17

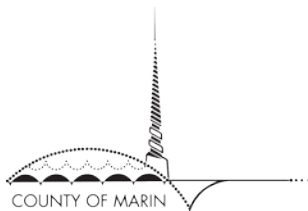


## PREPARATIONS FOR FUTURE SHORTFALLS

HOW DO WE FULFILL OUR MISSION WITH  
SHORTFALLS IN 4 OF THE NEXT 5 YEARS?

Slide 18

- Implemented countywide hiring review process
- Developing long-term attrition plans
- Prioritizing one-time investments
- Analyzing long-term policy and service delivery options
- Identifying contingency plans for changes in state and federal funding policies
- Reallocating baseline budget toward new and emerging needs



# MANDATORY VS DISCRETIONARY PROGRAMS

OVER 70% OF THE COUNTY BUDGET  
IS FOR MANDATED PROGRAMS

Slide 19

**Mandated Programs:**  
**72%**

**Mandated Service Levels:**  
**10%**  
Public Assistance Payments  
Jail Staffing  
Court Security

**Discretionary Service Levels:**  
**62%**  
Mental Health  
Public Health  
Prosecution  
Public Defender

**Discretionary Programs:**  
**28%**

**Mandated Service Levels:**  
**8%**  
Dispatch Services to Marin Agencies  
Grant-funded programs  
CalFire contract services

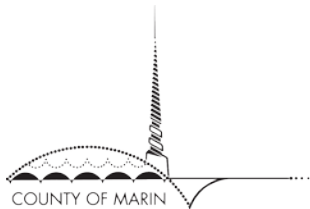
**Discretionary Service Levels:**  
**20%**  
County Parks  
Marin Center  
Sustainability Programs  
Administration and Finance

## NEXT TWO YEAR BUDGET (FY 2018-20)

### PROJECTED GENERAL FUND SHORTFALLS

Slide 20

- Close a \$7.4 million budgetary shortfall
  - Two percent of expenditure budget
- Continue hiring review process for vacant positions
- Convene working group
- Distribute budget instructions in November

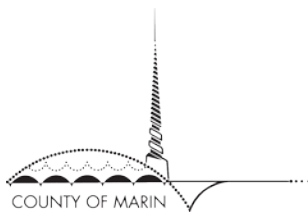


# PERFORMANCE MANAGEMENT FRAMEWORK

## H I G H P E R F O R M A N C E O R G A N I Z A T I O N

Slide 21

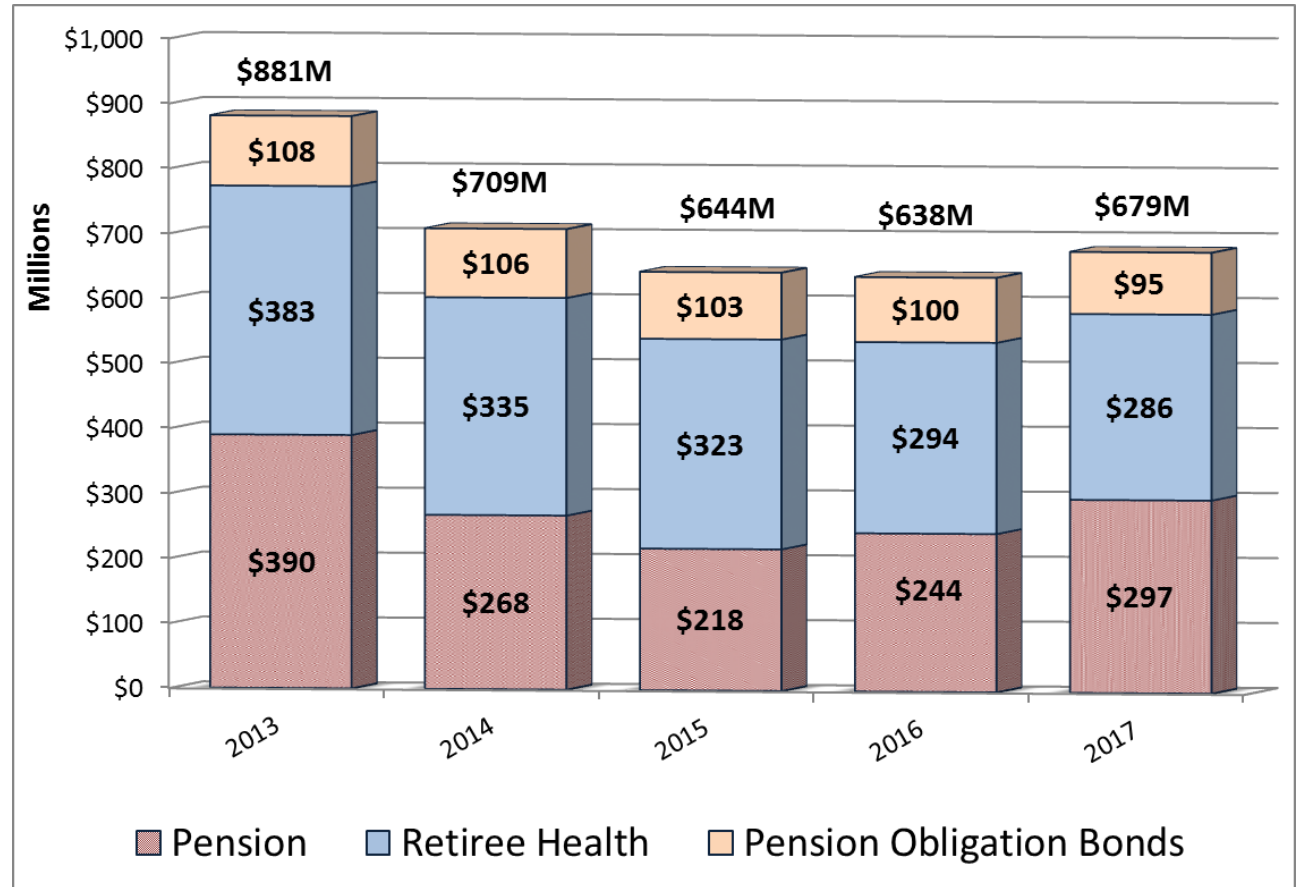
- **What do we want to achieve?**
  - Continuous improvement
  - Engage employees at all levels in decisions
  - Encourage data driven decisions, using ongoing data sources (not simply a budget exercise)
  - Communicate our priorities and outcomes through open data portal
  - Incorporate County Mission and Values and Equity and Sustainability as lens to improve performance and outcomes



# RETIREE OBLIGATIONS

REDUCED UNFUNDED LIABILITIES BY OVER  
\$200 MILLION SINCE 2013

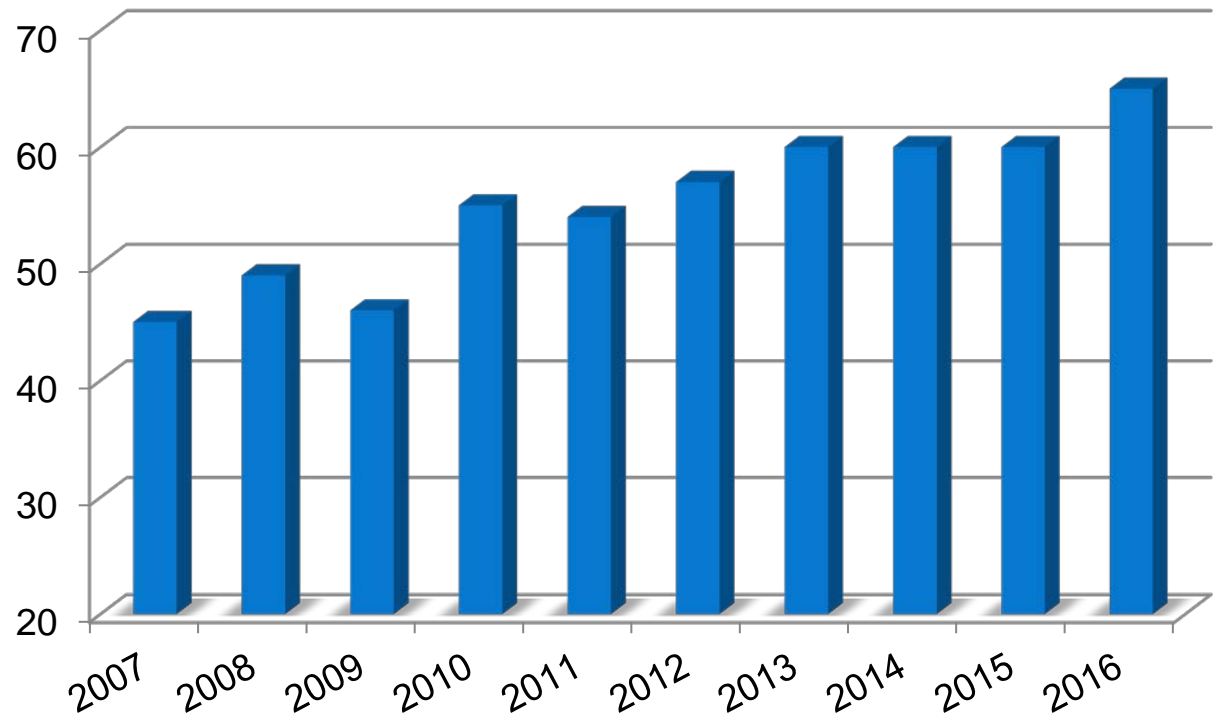
Slide 22



# PAVEMENT CONDITION INDEX (PCI)

IMPROVED FROM 45 TO 65 IN TEN YEARS

## Unincorporated Road Conditions

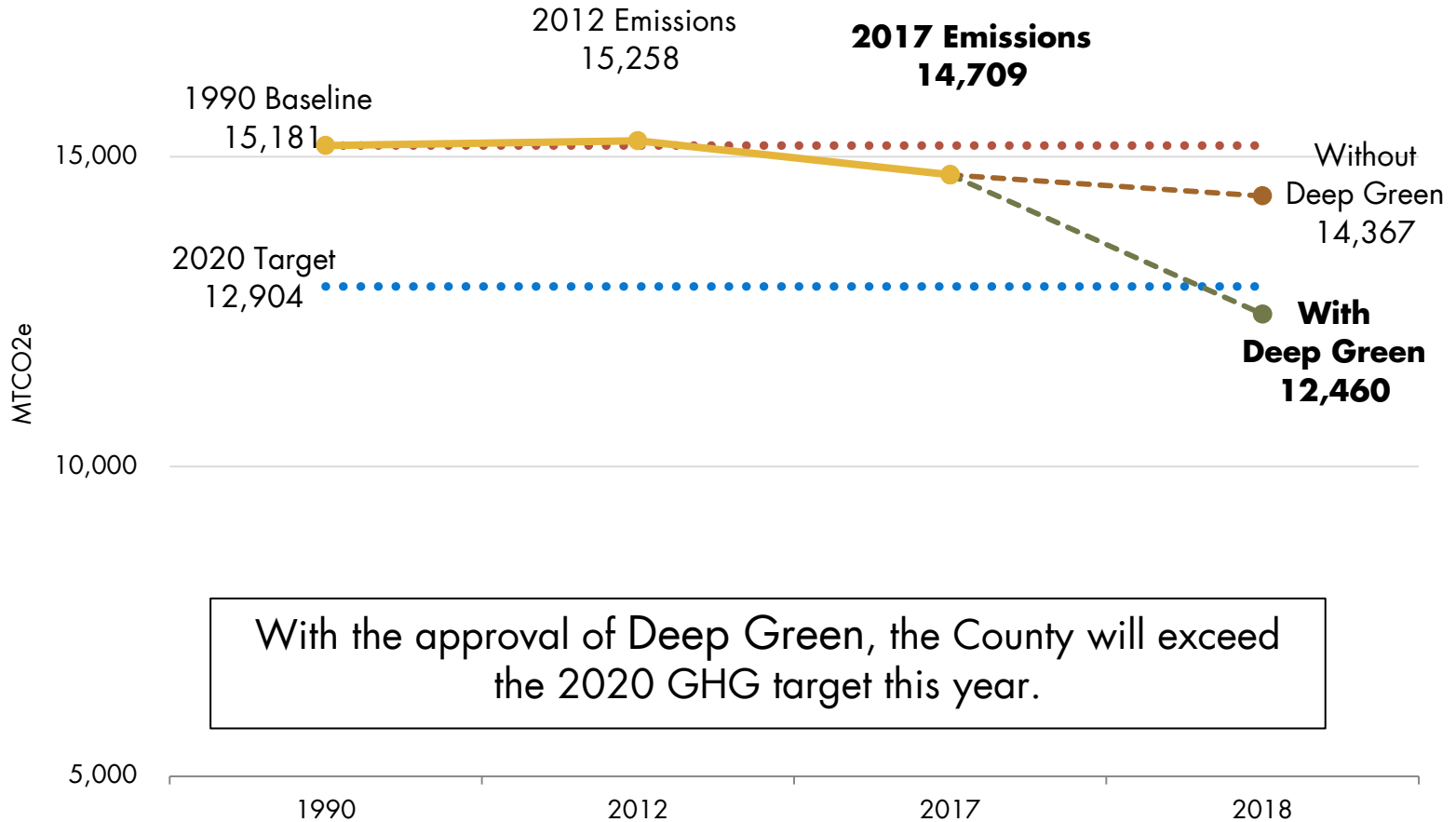


Slide 23

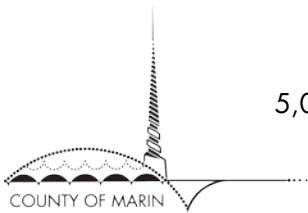
# GREEN HOUSE GAS (GHG) REDUCTION

EXCEEDING OUR 2020 TARGET IN 2017

Slide 24



With the approval of Deep Green, the County will exceed the 2020 GHG target this year.





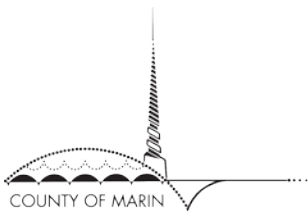
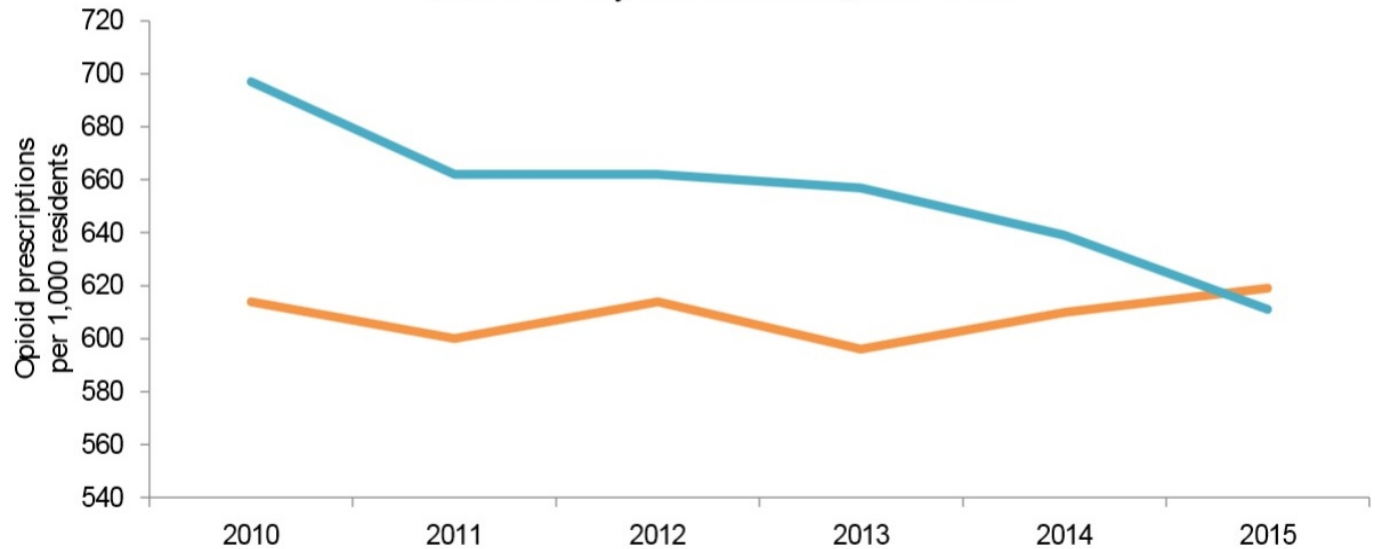
# REDUCTIONS IN OPIOID PRESCRIPTIONS

## DECREASING OPIOID PRESCRIPTIONS IN MARIN COUNTY

The number of opioid prescriptions in Marin County is **decreasing**, and is now **lower** than the state average.

Slide 25

Opioid Prescriptions (excluding Buprenorphine) per 1,000 Residents  
Marin County and California, 2010-2015



# HIGH PERFORMANCE ORGANIZATION MODEL

## ASKING THE RIGHT QUESTIONS

Slide 26

1. What is high performance for Marin County?
2. How would we know if we were high performing?
3. According to whom are we high performing?



4. Why should we aim to be a high performing agency?
5. Are we doing the right "what"?
6. How good are we at it?
7. How are we treating each other and customers?

## WORKING GROUPS MOVING FORWARD

Slide 27

### Budget Working Group

- Guide Budget instructions
- Guide Budget reductions

### Performance Management Working Group

- Develop new performance framework
- Group to include: Department Heads, Assistant Department Heads, employees and members of the community

### Data Working Group

- Create dashboard to deliver ongoing data updates
- Consider internal and external dashboard
- Create analytical partnership between IST and departments

## NEXT STEPS

### HIGH PERFORMANCE ORGANIZATION

Slide 28

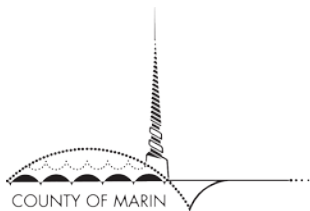
- Convene working groups in July
- Members of the executive team will attend High Performance Organization training over the summer
- Schedule and conduct 3-day High Performance Organization training this winter

## NEXT STEPS

### BUDGET MILESTONES

Slide 29

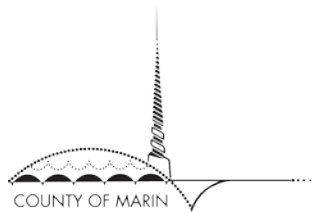
- State budget adoption
- Federal budget adoption
- Updated 5-year County budget projections (Fall)
- Follow up on emerging issues (Summer/Fall)
- Performance and budget working groups (Summer)
- Instructions for next two-year budget (November)



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County Administrator's Office  
Budget Hearing  
June 19 and 20, 2017

# QUESTIONS?

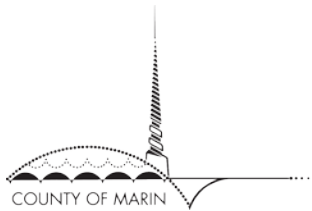


COUNTY OF MARIN

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June 19, 2017



# HEALTH AND HUMAN SERVICES UPDATE

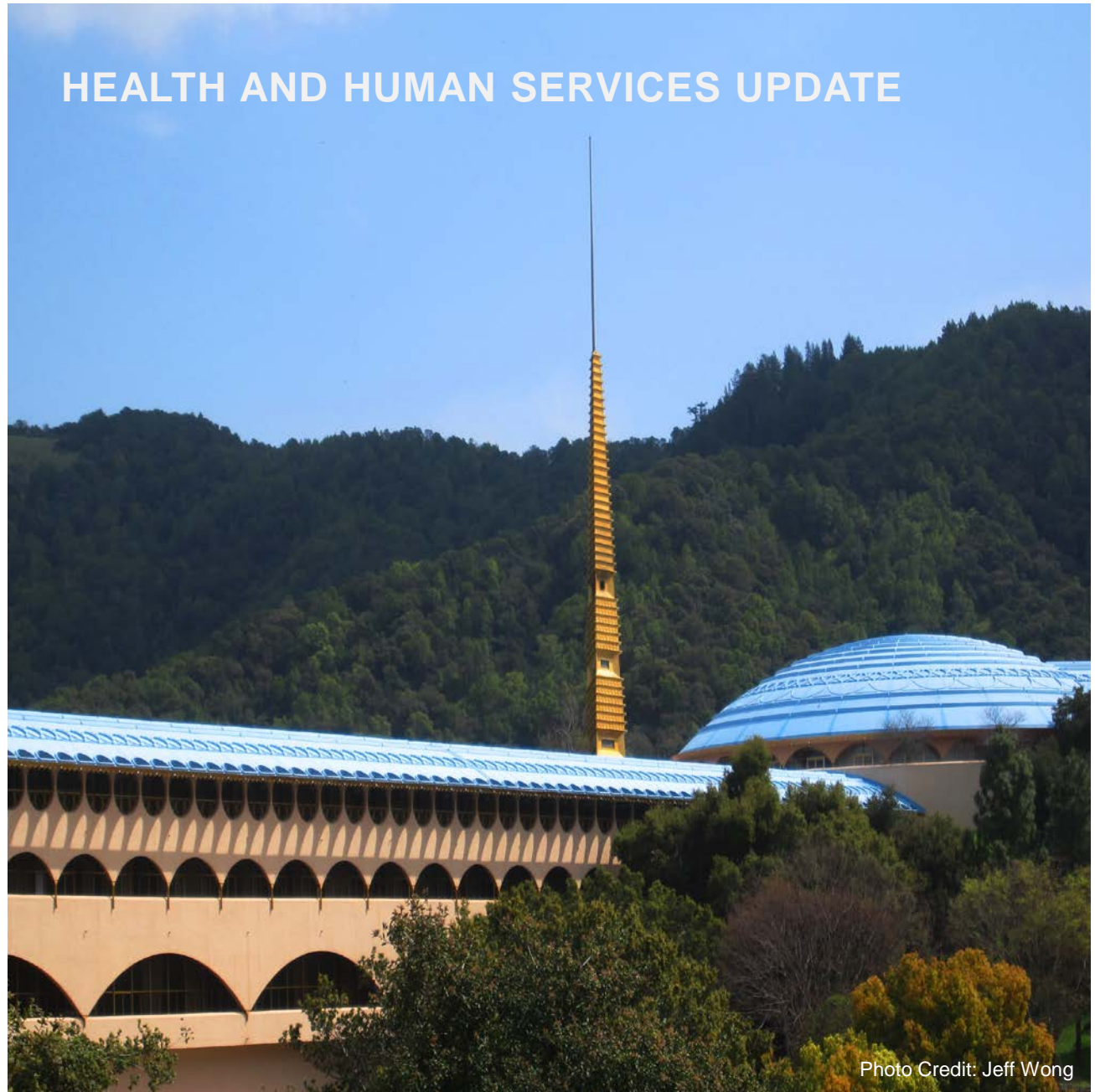


Photo Credit: Jeff Wong

## HEALTH & HUMAN SERVICES

### IMPROVING PATIENT CARE BY INTEGRATING SERVICES

Slide 32

- HHS will recommend closure of the county's dental and specialty clinics and transfer of patients to Marin Community Clinics (MCC), a primary safety-net clinic providing high-quality integrated and comprehensive care
  - Integrates care for patients
  - Maintains access to care
  - Eliminates duplication of services
  - Increases MCC capacity
  - Improves health outcomes
- HHS will work closely with MCC to assure continuity of care and monitor quality and outcomes
  - Provision of specialty care and dental services
  - Capacity to provide behavioral health services in care
  - Increased delivery of preventative care
- HHS will work with Human Resources, Unions, and other stakeholders to address employee concerns and needs



## HEALTH & HUMAN SERVICES

### ASSISTED OUTPATIENT TREATMENT (AKA "LAURA'S LAW")

Slide 33

- Expands treatment programs to serve more persons diagnosed with serious mental illness who met specific criteria and are not engaging in care
- 10-12 month planning process including community stakeholders as per other counties
- Two-year pilot
- Program metrics to be established based on other counties' programs

## HEALTH & HUMAN SERVICES

### DETENTION BEHAVIORAL HEALTH SERVICES

Slide 34

- Key funding priorities consistent with the “Stepping Up” Initiative:
  - Increase service capacity by adding full-time staff to support mental health coverage 7 days per week
  - Expand mental health services:
    - Consider needs for special cell assignments based on individual mental health conditions
    - Assessment of suicide potential
    - Medication services
    - Interview and assess inmates to determine if they need to remain in segregated cell assignments and make recommendations to jail staff

## HEALTH & HUMAN SERVICES

### W H O L E P E R S O N C A R E

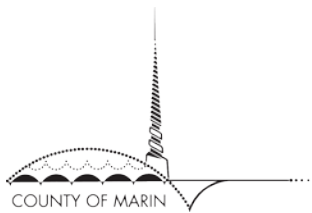
Slide 35

- Grant awarded - \$20 million (4-year) grant (\$10 million County match)
- Cross-sectoral, interdepartmental, multi-disciplinary collective impact strategy focused on MediCal high utilizers to:
  - Address the social determinants of health
  - Reduce homelessness
  - Increase rates of substance use treatment
  - Decrease ER visits and hospitalizations
- Shift toward value-based reimbursement
- Data sharing and care coordination required among participating entities

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County Administrator's Office  
Budget Hearing  
June 19 and 20, 2017

# QUESTIONS?



COUNTY OF MARIN