



NEWS RELEASE

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Proposed Budget for FY 2012-13 to be Presented to Board of Supervisors

Creation of Retiree Health Trust in FY 2012-13 Closes \$2.5 Million Budget Gap

San Rafael, CA – On Tuesday June 5th, County Administrator Matthew Hymel will present to the Board of Supervisors the County's Proposed FY 2012-13 Budget. Given the slowdown in revenues, the County expects a relatively flat operating budget next year. The General Fund budget, which supports most County services, totals \$371.7 million – a decrease of 0.2% from FY 2011-12. The all funds budget totals \$445.1 million – a 1.0% increase. The Proposed Budget also reduces 17 full-time positions largely due to the implementation of previous state and federal budget cuts.

"The economic downturn continues to impact us, but we are relatively better off than most counties. We foresaw the downturn five years ago, and the Board began adapting to our fiscal challenges with sustainable solutions," said Board of Supervisors President Steve Kinsey. "The proposed budget plan continues our practice of efficiently managing our limited resources and living within our means."

In April, the Board of Supervisors closed a projected shortfall of \$2.5 million by approving the creation of a retiree health trust fund. "Implementing a retiree health trust next year closes our General Fund budget gap in FY 2012-13, and saves more than \$5.0 million annually beginning in FY 2013-14" said Daniel Eilerman, Deputy County Administrator.

An actuarial analysis was used to determine how much the County must set-aside each year to pay current retiree health expenses and anticipated liabilities. "We will be fully funding our actuarially required contribution for retiree health expenses, something few local governments can claim," said Eilerman. While the County has been setting aside funds to pay these expenses, investing these funds will generate savings and lower the cost to taxpayers. Under this plan, the County would fully pay for its retiree health liabilities over the next 30 years.

“Our goal in preparing this budget has been to make recommendations consistent with our long-term priorities and to be fiscally responsible to the residents we serve,” said Hymel. Over the past four years, the County has eliminated over 200 positions – more than 10% of the workforce – and reduced annual spending by \$30 million. The County also adopted a lower-cost retiree health plan for new employees, negotiated lower pension tiers for new miscellaneous employees in 2011, and continues similar discussions with safety employees.

“We need to continue to look for innovative budget solutions so we can provide high quality services to our residents,” said County Administrator Matthew Hymel. Because the County projects budget shortfalls for the following two years, departments developed long-term restructuring options that will be considered over the next nine months to address future shortfalls. They include partnership efforts with local or regional providers, reduced or eliminated programs or services, as well as various other proposals designed to reduce cost or generate revenue.

Since the County receives approximately 30 percent of its funding from the State, the County's budget still faces potential State budget cuts. The State faces a structural deficit nearing \$16 billion for FY 2012-13, with a budget solution that partly depends upon voter approval in November of a ballot measure including tax increases. The Governor's May Revise proposal includes cuts to In-Home-Supportive-Services (IHSS), subsidized childcare, welfare-to-work and road maintenance programs. Once the State adopts its budget, the County will likely need to make further budget adjustments to reflect the loss of State revenues.

The Proposed Budget will be available for public review for two weeks, after which the Board of Supervisors will hold public hearings on the Final Budget beginning Monday, June 18th at 9:00 a.m. and on Wednesday, June 20th at 9:00 a.m. Both hearings will take place in the Board Chambers, located in Room 330 at the Marin County Civic Center in San Rafael, and will be webcast from the County's website at www.marincounty.org. Copies of the proposed budget materials are available online at the County's website, along with other information about the County. A copy of the Proposed Budget will also be available for review at the Civic Center library.

The Proposed Budget for FY 2012-13, including the Proposed Budget for Special Districts, is available online at:
<http://www.co.marin.ca.us/depts/AD/Main/budgetinfo.cfm>.

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