

# 2014-2016 BUDGET WORKSHOP

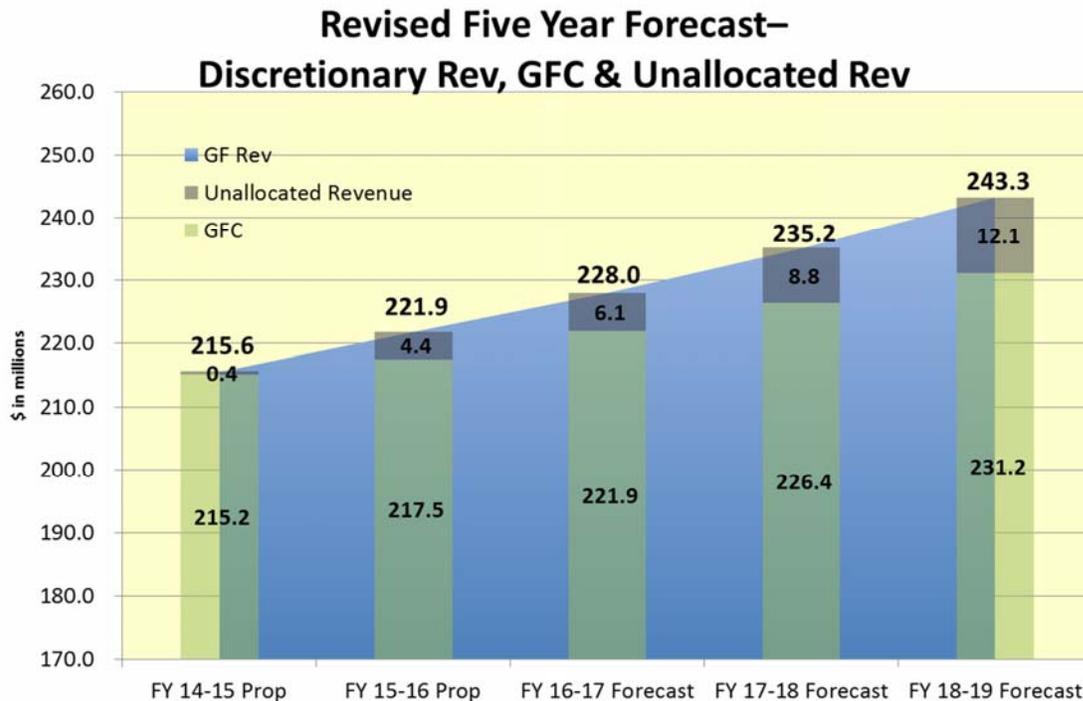
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## Budget Overview

### Purpose of Workshop

- Hear from Departments on Proposed Budgets, including:
  - Accomplishments
  - Proposed objectives for FY14-16
  - Service level reductions
  - Challenges and requests
- Review options for maintenance funding
- Hear from the public
- Provide input to the CEO
- Board funding decisions not required at this time

# Projected General Revenue Growth



## Positive Themes for Coming Year

- Fewer service level reductions than in past
- Reduced reliance on 1x funding
- Departments are managing although not at optimal levels
- Significant achievements accomplished

## Challenges and Risks

- Compliance with state and federal requirements
- Department technology/software updates & needs
- Maintenance
- Workforce planning and retention
- Management classification/compensation system
- Underfunding of some department programs
- Structural financial issues remain in some departments

## CEO Recommendations

- Needs exceed available ongoing and 1x funding
- CEO still reviewing requests
- Recommendations to be presented in June after BOS input
- CEO initial recommendations focus on:
  - Mitigating risk
  - Necessary cost increases/obligations
  - Identified priorities
- Funding recommendations contingent upon outcome of Measure M

## Measure M Funding Plan

- If Measure M is approved by voters:
  - At June hearings, ask the Board to re-evaluate or eliminate any recommended restorations in Recommended Budget
  - Seek reduction scenario options from Departments by summer (Departments already thinking of possible options)
  - Seek more aggressive redirection of existing discretionary funds (e.g. grants) toward maintenance needs
  - Continue to seek new or increased revenue
  - Provide reduction options to Board - Late summer/Early fall
  - Implement by mid-year
- Board may request options to be provided sooner

## Summary - Looking ahead to FY 14-15 & beyond

- Positive long-term outlook but significant needs & challenges
- Limited capacity for ongoing expansions in FY 2014-15
- Difficult choices still to make
- Staff to evaluate revenue generation
  - Transient Occupancy Tax increase for November 2014 ballot
- Given uncertainty, limit new expenditures in FY 14-15 but consider for following year

## Next Steps

- After workshop and BOS input, CEO finalizes recommendations and prepares Budget
- Recommended Budget released May 15, 2014
- Measure M determined by voters June 3, 2014
- Budget Hearings (adoption) held June 9 & 11, 2014