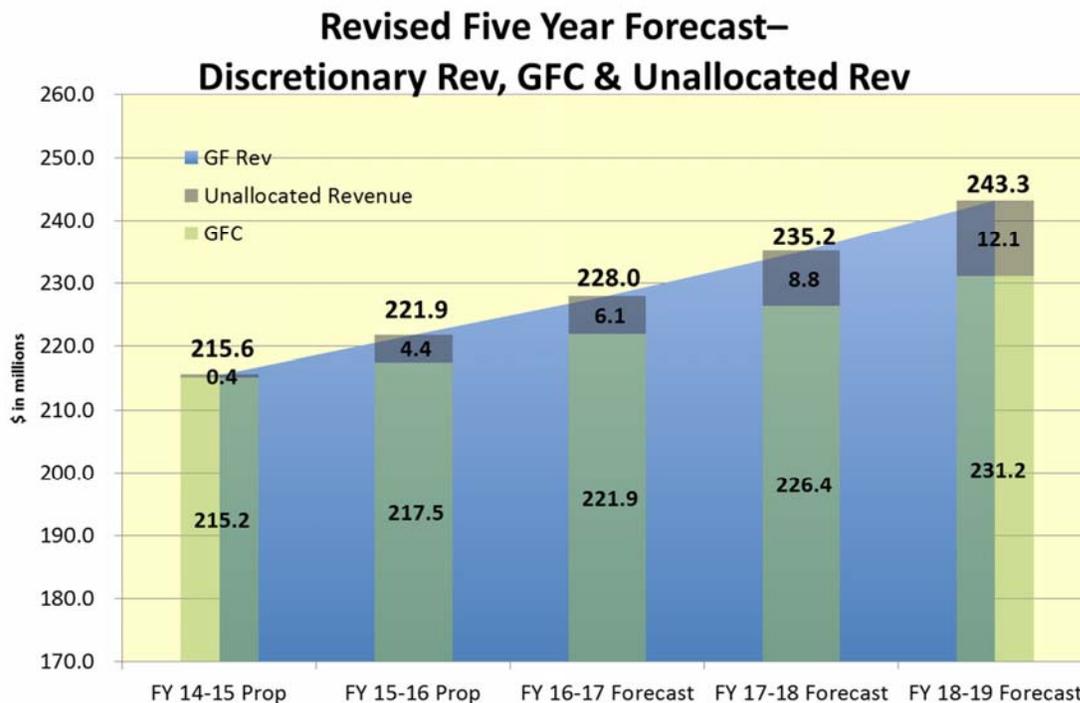


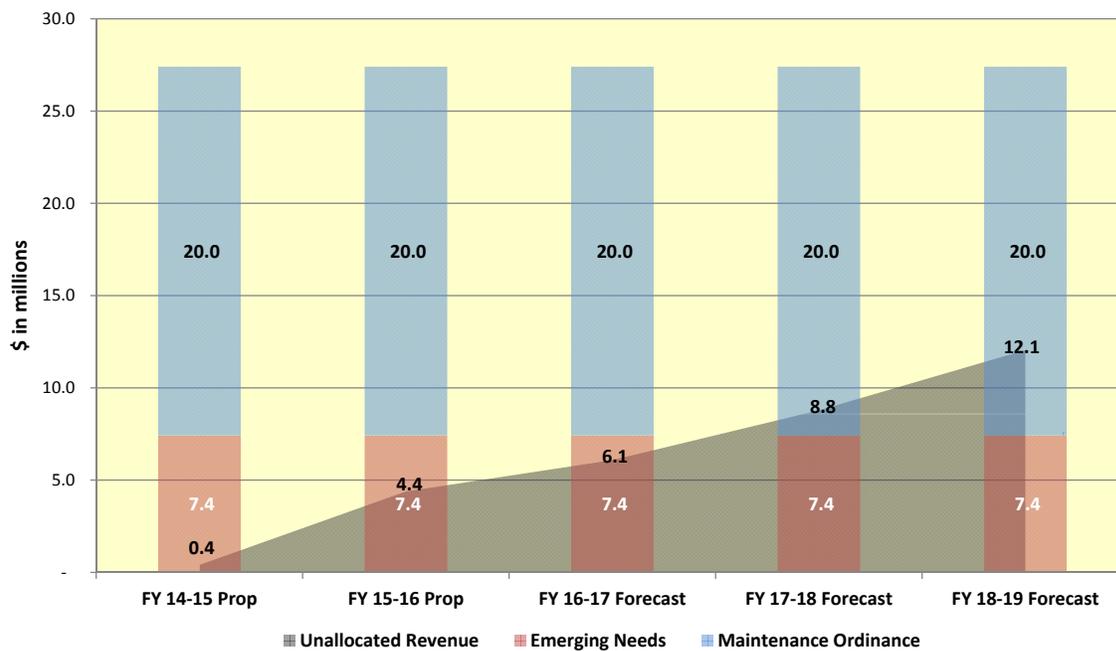
# 2014-2016 BUDGET WORKSHOP

## Budget Workshop Summary

## Projected General Revenue Growth



# Unallocated Revenue and Emerging Needs



## 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

## 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

## Recommended Actions

- Hold budget workshops to receive presentations on Fiscal Year 2014-15 Recommended and FY 2015-16 Proposed Budget;
- Direct staff to proceed with the budget development process in accordance with the Board's adopted budget principles; and
- Provide direction, if any, regarding items to be addressed or included in the Recommended Budget, scheduled for release on May 15 and Board adoption on June 11.