



# ***FINANCIAL UPDATE***

***Board of Supervisors***

***May 10, 2011***



# PRESENTATION OVERVIEW

- **Part I– State and National Economic Outlook and Update; State and Federal Budget Impacts**
- **Part II– Financial Plan Update**
- **Part III - Discussion**



# ***PART I – STATE AND NATIONAL ECONOMIC OUTLOOK AND BUDGET IMPACTS UPDATE***



# **STATE AND NATIONAL ECONOMIC OUTLOOK**



# **NATIONAL ECONOMIC OUTLOOK**

## **National Economy and Outlook**

**GDP**

**Employment**

**Outlook**



# **NATIONAL ECONOMIC OUTLOOK**

## **National Economy - Current**

**Financial Crisis Averted**

**Recession Ended**

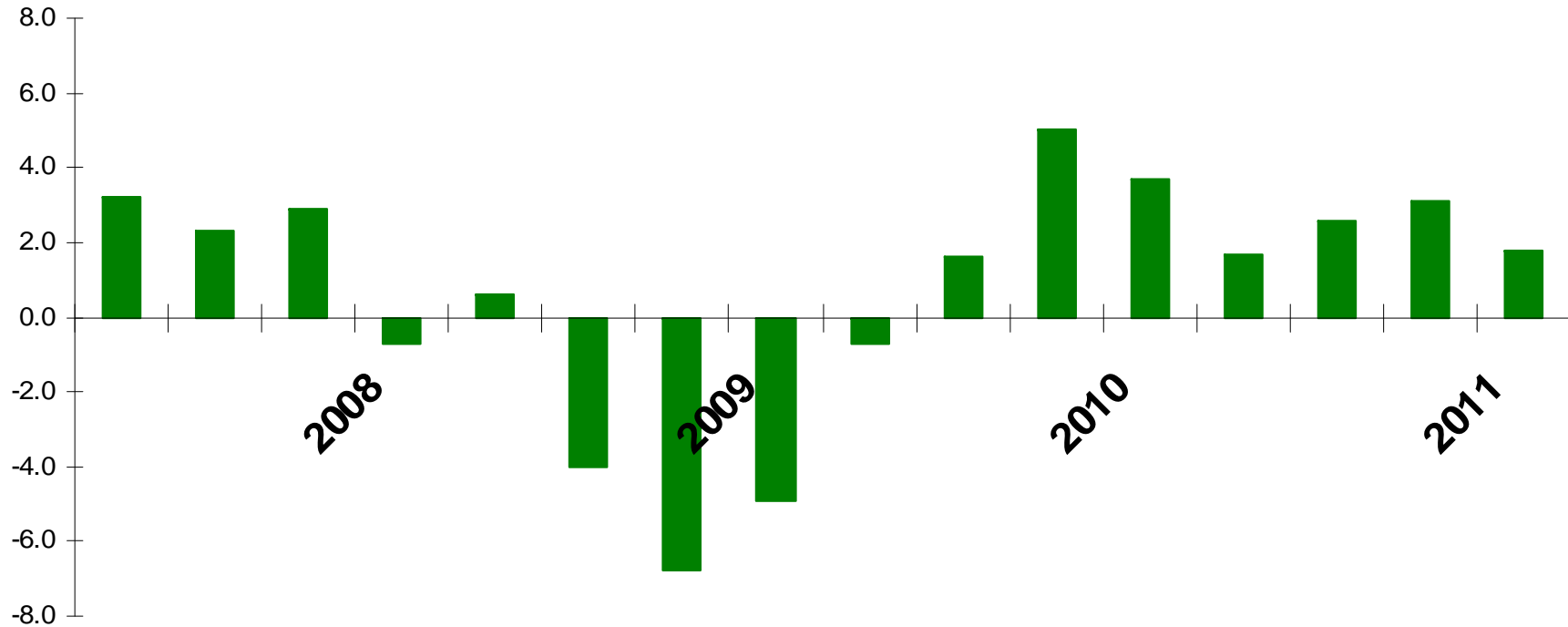
**Slow Recovery in Consumer Spending**

**Continuing Drags on Growth**



# NATIONAL ECONOMIC OUTLOOK

## US REAL GDP % Change Annualized





# **NATIONAL ECONOMIC OUTLOOK**

## **National Outlook – Near Term**

### **Continuing Drags on Economy**

**International Issues**

**US Domestic Demand**

**Continuing Uncertainty**

**Slow Recovery in Consumer Spending**

**End of Quantitative Easing**



# **NATIONAL ECONOMIC OUTLOOK**

## **National Outlook – Long Term**

### **Risks to US Competitiveness**

**Labor Force Skills**

**Federal Deficits**

**Tax Levels**

### **Asian Growth and Development**

**Governance & Culture**



# STATE ECONOMIC OUTLOOK

## Arizona Economy and Outlook

**GDP**

**Employment**

**Outlook**



# **STATE ECONOMIC OUTLOOK**

## **Arizona Economy - Current**

**Slow National Improvement**

**Tourism Recovering**

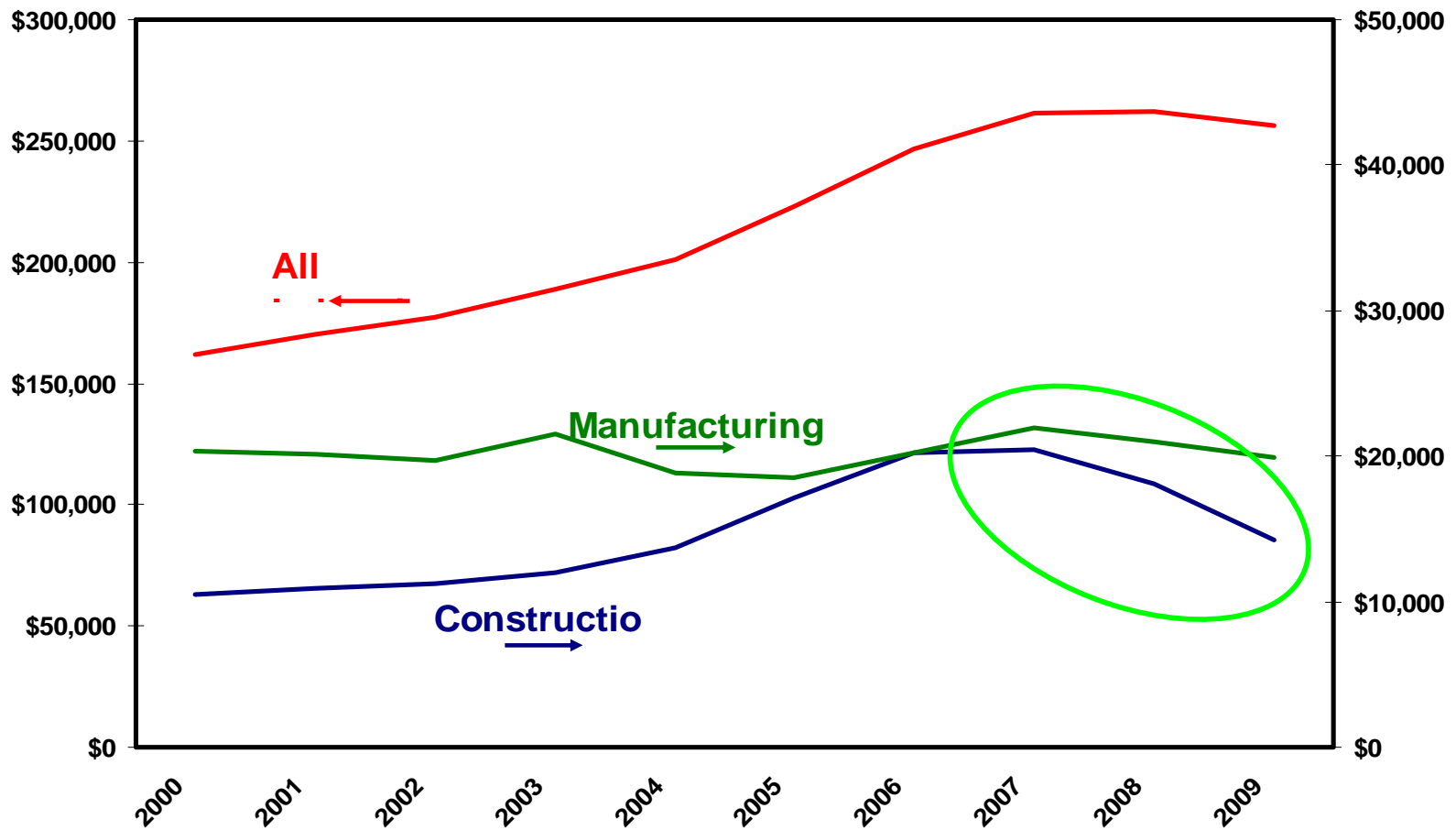
**Slow Consumer Spending Recovery**

**Continuing Housing Drag**



# STATE ECONOMIC OUTLOOK

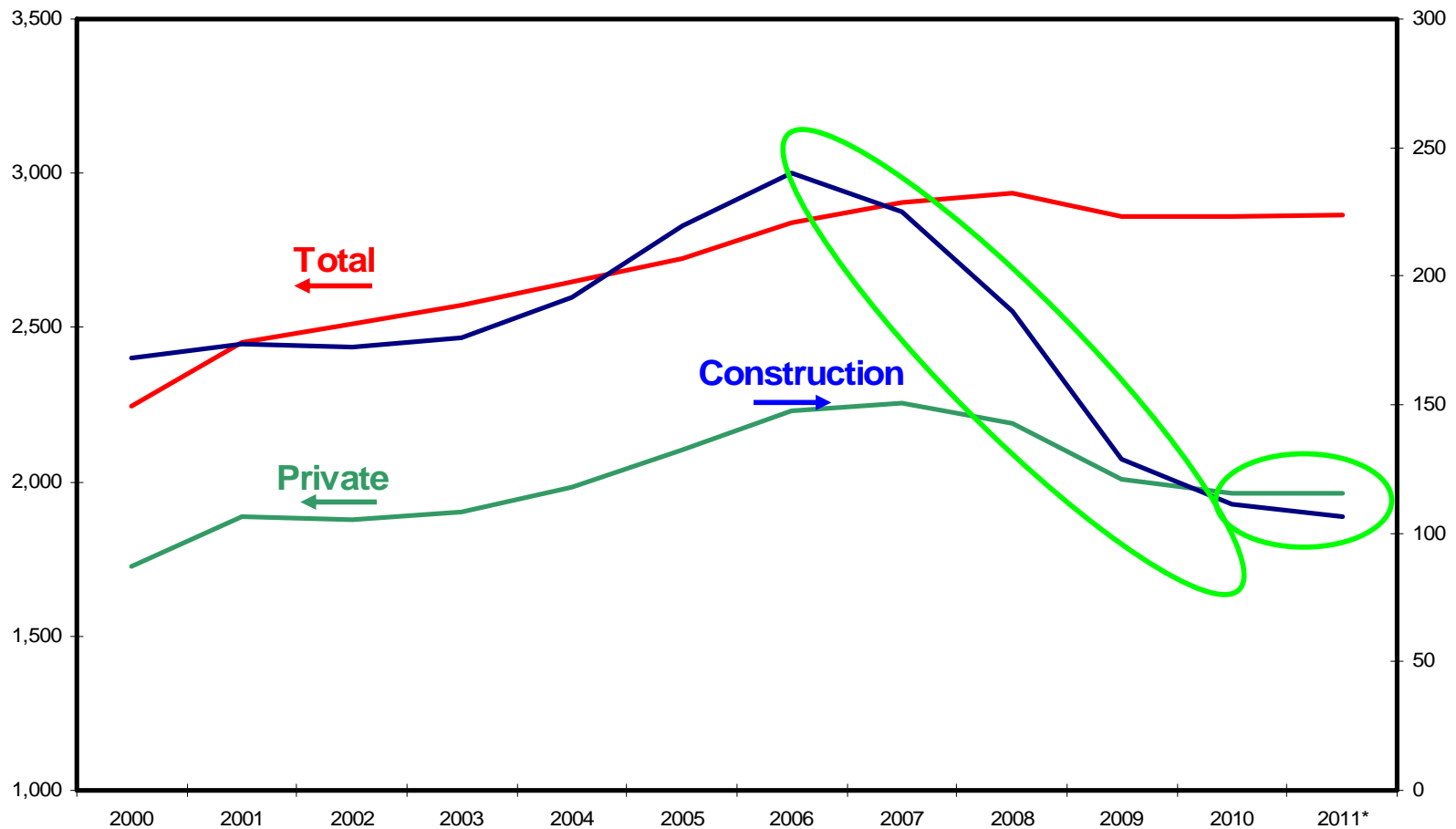
## AZ GDP Amounts (\$ millions)





# STATE ECONOMIC OUTLOOK

## Arizona Employment (000's)





# **STATE ECONOMIC OUTLOOK**

## **Arizona Outlook – Near Term**

### **Continuing Drags on Economy**

**US Domestic Demand**

**Continuing Uncertainty – Indecision**

**Continuing Housing Drag**

### **Slow Consumer Spending Recovery**



# **STATE ECONOMIC OUTLOOK**

## **Arizona Outlook – Long Term**

### **Risks to AZ Competitiveness**

**Labor Force Skills**

**Tax and Regulatory Structures**

**California's Decline**

**Asian Growth and Development**



# **COCONINO ECONOMIC OUTLOOK**

## **Coconino Economy and Outlook**

**Employment**

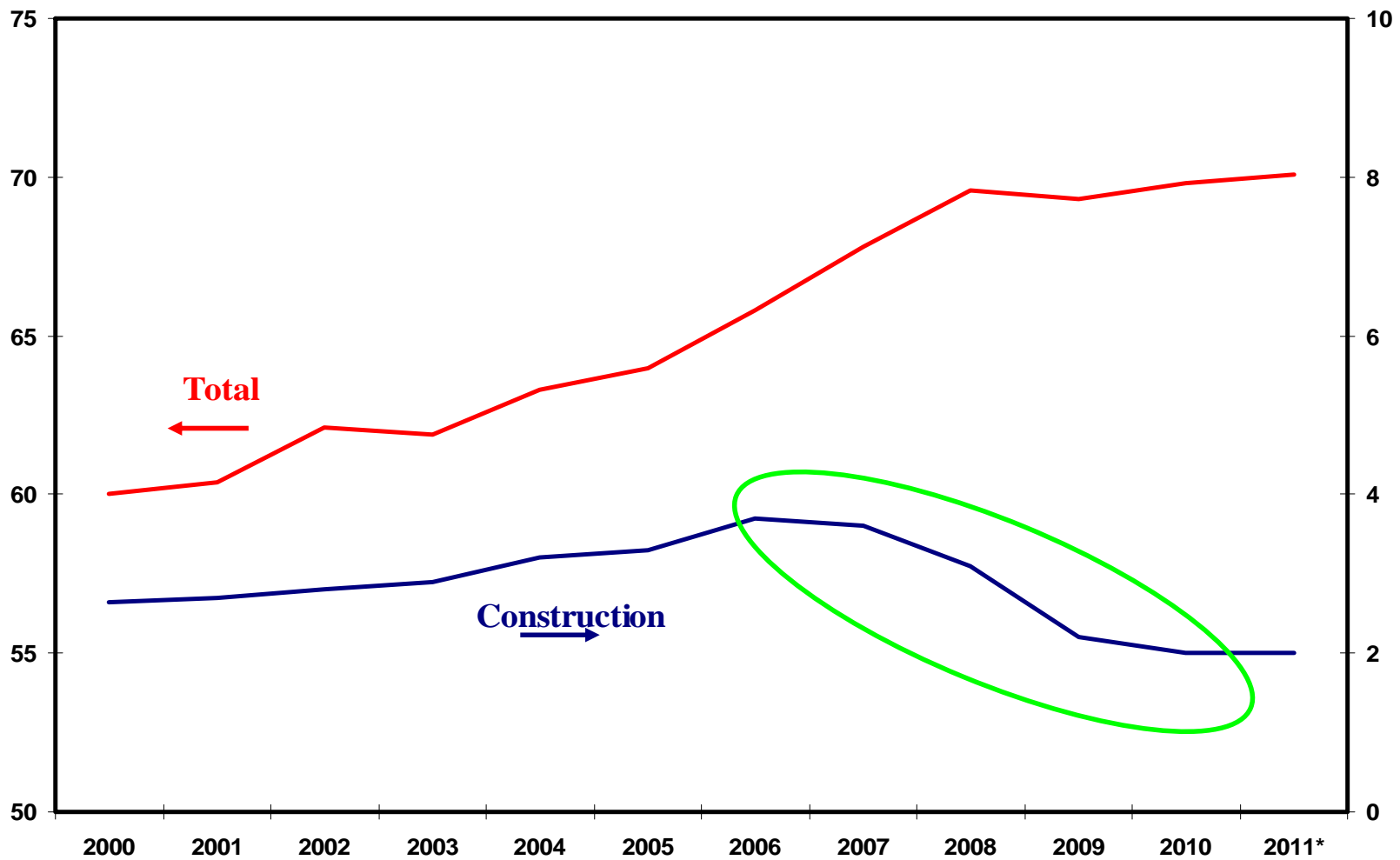
**Outlook**

**Opportunities**



# STATE ECONOMIC OUTLOOK

## Coconino Employment (000's)





# **COCONINO ECONOMIC OUTLOOK**

## **Coconino County Outlook**

**Linked to Arizona's Prospects**

**Satellite to Phoenix Metro**

**Fundamentally Less Volatile**

**Strong Fundamentals – With Risks**



# COCONINO ECONOMIC OUTLOOK

## County Outlook – Near Term

Growth from “New Normal” Base

Potential for Reliable Trends

Likely Returning to 90’s Pattern

More *Uncertainty* than Certainty



# COCONINO ECONOMIC OUTLOOK

## County Outlook – Long Term

### Strong Fundamentals

Location

Quality of Life

### But, With Risks

Labor Force Skills

Business Climate – Tax / Regulation



# **COCONINO ECONOMIC OUTLOOK**

## **Coconino County Opportunities**

**National Caliber University**

**Desirable Location**

**Effective Governments**



# **COCONINO ECONOMIC OUTLOOK**

## **Alliance Tax Study**

**Review of Combined Local Taxes**

**Foundation for Discussions**

**Foundation for Decisions**

**Community Priorities**



# **STATE AND FEDERAL BUDGET IMPACTS**



# **FY 2012 BUDGET**

- **AZ Legislature and Governor Passed Budget Making \$1.1 Billion in Cuts**
- **Federal Assistance and Maintenance of Efforts Protection Eliminated**
  - **Reduced Amount of Individuals on AHCCS Rolls**
  - **K-12, Universities, Community Colleges Impacted**



# **FY 2012 BUDGET IMPACTS**

- **Initial Budget Passed by the Senate  
Included:**
  - **Shift of Prisoners**
  - **HURF Shifts (Shift to DPS/Shift to MVD)**
  - **Fill the Gap Sweeps**
- **Final Budget Passed Signed by the Governor  
Included:**
  - **\$93 million in Cuts to Counties**



# FY 2012 STATE BUDGET

	Total Statewide Impact to Counties	Coconino County Cost
HURF	\$20.9 million	\$618,596
County Assistance Fund 10% Reduction*	\$7.6 million	\$550,035
100% of Rural Restoration to Competency Costs in State Hospital	\$5.17 million	\$317,383
Reduce State Share of JP Salaries	\$1.3 million	\$65,594
50% of Sexually Violent Persons Costs In State Hospital	\$7.0 million	\$50,405
Lake Enforcement / Boating Safety Fund	N / A	\$235,000 (Based on FY 09 and FY 10 State Funding)
<b>FY 2012 Grand Total</b>	<b>\$93.40 million</b> (Includes items not mentioned above)	<b>\$1,837,013</b>



## **FY 2013/FY 2014**

- **Deficit Projected at \$612 Million for FY 2013**
- **FY 2014 - Deficit Projected at \$1.12 Billion**
  - **End of Statewide Sales Tax**
- **Unclear on How State Recovery Will Impact Deficit for FY 2014**
- **Unclear How State Will Address Deficits for FY 2013 and FY 2014**



# BUDGET THREATS

- **State Shared Revenue Diversion**
- **Shift of State Prisoners**
- **Forced Fund Transfers**
  - ALTCS, VLT, HURF, etc.
- **Secondary Property Tax Caps**
  - Public Health, Library, Flood Control
- **Shift of State Programs**



# FEDERAL ISSUES

- **Congress Passed Continuing Resolution for the Rest of Fiscal Year**
- **Budget Resolution for FY 2012 and Beyond**
  - **Unknown Impacts of Medicaid Changes on the State of Arizona and Impact on Counties**



# Federal Issues

- **Payment in Lieu of Taxes Fully Funded for FY 2012**
  - **Full Funding Expires September 30, 2012**
  
- **Unknown Cuts in the FY 2012 Budget**
  - **Cuts to Community Services Block Grants, Department of Justice Grants, Community Development Block Grants, Workforce Investment Funding**



# SECURE RURAL SCHOOLS

- **SRS Reauthorization Expires September 30, 2011**
- **County Working with NACo and Partnership for Rural America on Reauthorization**
- **President's Budget for FY 2012 includes a reauthorization of Secure Rural Schools.**
  - **The President's budget for fiscal year 2012 proposes a five year extension of SRS, calling for 2012 to be funded at same level as 2011 and then ramping down payments over the next four years (decrease of 20% in 2013, 10% in 2014, 25% in 2015 and a final 25% in 2016).**



# SECURE RURAL SCHOOLS

- **House Republicans, led by House Budget Chairman Paul Ryan, have proposed a budget that establishes a reserve fund for Secure Rural Schools and PILT, as long as such funding does not increase the federal deficit;**
- **Congressional leaders from throughout the country have voiced their support for SRS, including over 25 House members and members of Arizona’s Congressional delegation who called for a ten-year renewal.**



## ***PART II – FINANCIAL PLAN UPDATE***



# CONCEPTUAL LONG-TERM PLAN TO ADDRESS NEEDS

## Overview

- **Global View**
- **Overlapping Needs; All Pieces Need to Go Together**
- **Consider Individual Areas in Larger Picture**
- **Con in One Area May Be Pro/Positive Overall**



# CONSIDERATIONS

- **Community Member's Requests for Plan That Addresses All Needs (not added incrementally)**
- **Political Environment & Elections**
- **Partnerships With Other Agencies & Organizations (Alliance for 21<sup>st</sup> Century)**
- **Economic Environment – Local, State and National**



# ADDITIONAL CONSIDERATIONS

- **Community Tax Capacity**
  - Alliance Partnership Sponsoring Study
  - Tax Capacity of Citizenry
- **Declining Assessed Values Impact on Secondary Taxes**
- **Incremental Tax Increases vs Overall Long Term Multi-Year Plan**



# FINANCIAL PLAN FOUNDATION

## KEY ELEMENTS

### Strategic Budget Process

- Prioritize Core/Essential Services & Programs
- Allocate Resources based on Priorities
- Evaluate Mandates/Legally Required Programs



### Long Term Perspective

Financial Independence – Develop New Revenue Sources  
Avoid Dependency on Temporary/Cyclical Revenues  
Seek Relief from Mandates  
Prudent Growth in Programs, FTEs and Recurring Expenditures



### 10 Year Plans for All Major Funds

Recessionary Revenue Model  
Align Expenditures to Available Revenues  
Prioritize County-Wide Mission Critical Areas

- Personnel and Operational Infrastructure

Match Critical Programs to Highly Reliable Revenues to Protect Essential Services  
Link One-Time, Deferrable Spending to Less Reliable Revenue  
Maintain Adequate Reserves including Revenue Smoothing Reserve

### Continuous Improvement and Management

Cost containment opportunities through preventative efforts, efficiencies and use of technology  
Sustainability  
Emphasis on Essential Programs and People

### 3 Prong Approach to Address Economic Impacts, Funding Shortfalls & Cost Shifts

- Review and Reduce Expenditures and Service Levels
  - Strategic Use of Reserves
  - Develop Additional Revenue



# **THE GREAT RECESSION: WHAT WORKED?**

- **Financial Plan Instrumental in County's Ability to Weather the Impacts of Downturn**
- **Reserves Available to Smooth Revenue**
- **Emergency Reserves for 2010 & 2011 Emergencies**
- **Recessionary Revenue Model (Lesson Learned)**
  - **Benefit but Now Must Adjust to "New Normal"**
- **3 Prong Approach**
- **Compensation Plan Components Implemented Resulted in Lower Turnover, Improved Retention**

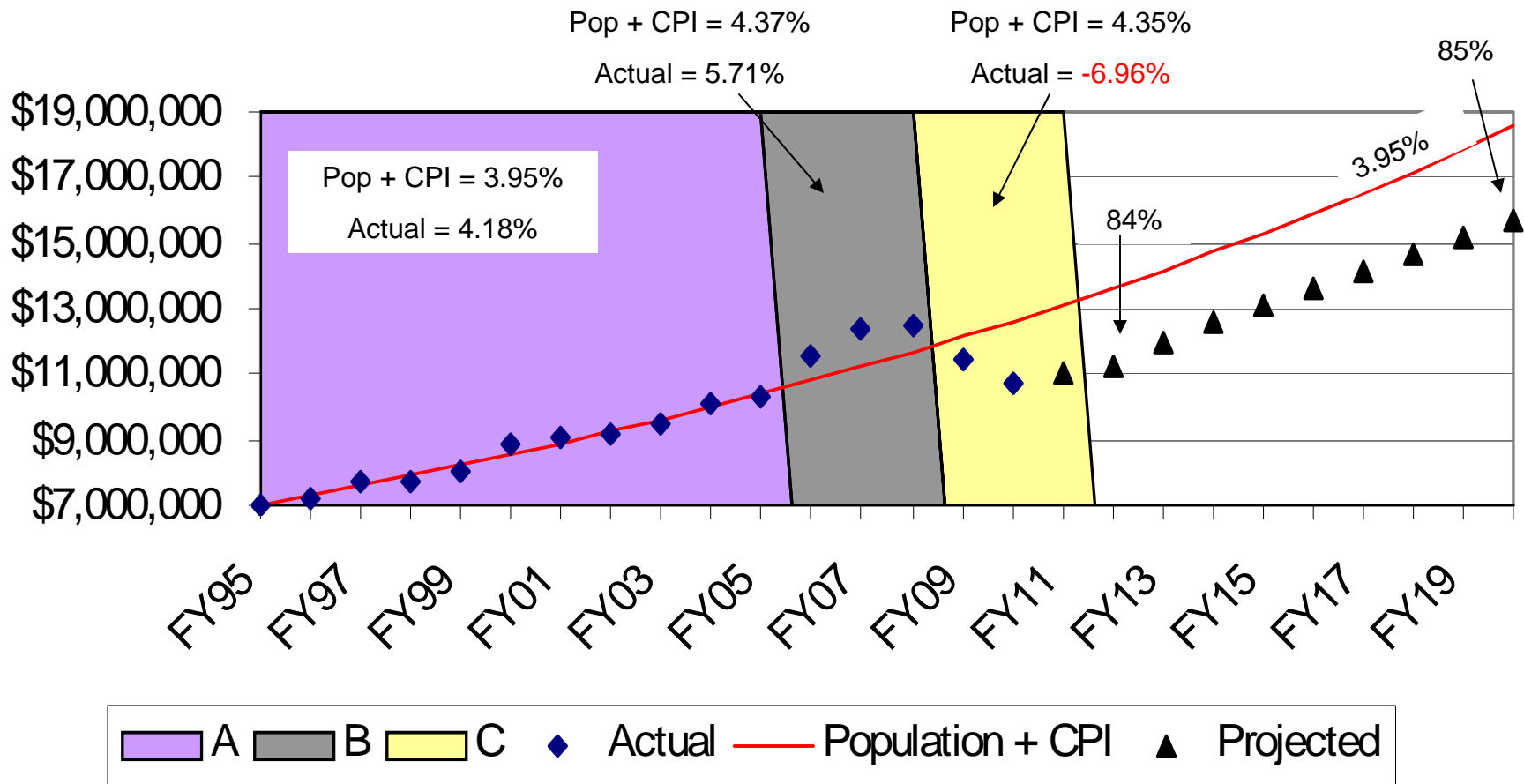


# **THE GREAT RECESSION: THINGS PUT ON HOLD**

- **Compensation Plan – Implementation of Next Phases**
- **Facilities Master Plan**
- **Information Technology Strategic Plan**
- **Major Capital Projects and Purchases**
- **No New Programs and/or Services**



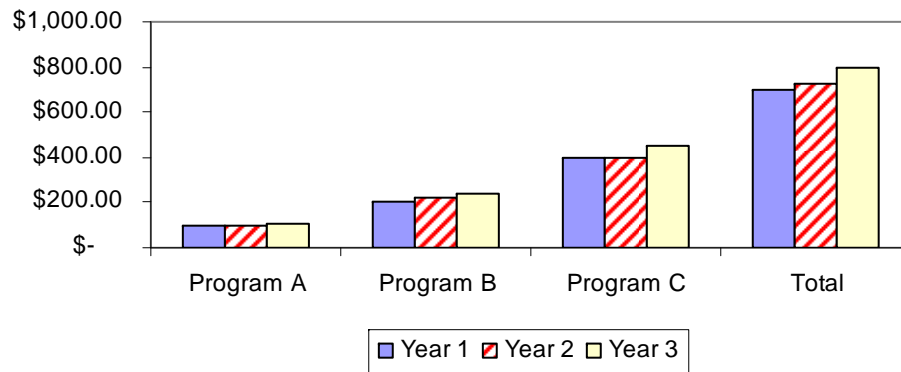
# LESSONS LEARNED: MAJOR REVENUE FORECASTING





# LESSONS LEARNED: MAJOR EXPENDITURE BUDGETING

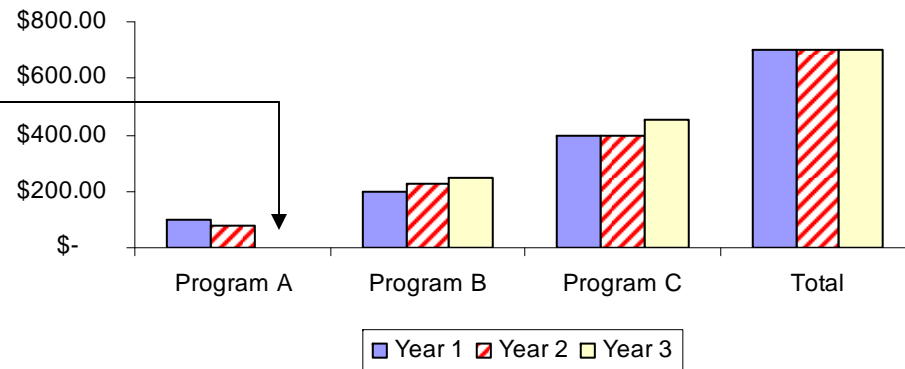
**Traditional Budgeting**



- Guaranteed base + incremental increases
- Operating costs increased with no change in service levels
- Overall budget increases

- Prioritization of services could result in some program increases and some **decreases**
- Service level changes needed
- Overall budget increases unsustainable

**New Normal**





# EXPECTED SIGNIFICANT TRENDS

- **Major Revenues – Signs of Improvement Year Over Year But Still Some Uncertainty in Short Term**
- **Continuing Cuts/Cost Shifts From State and Feds To Pass Deficits To Local Gov'ts**
- **Health Insurance & Retirement Contribution Increases** (expenditure growth % higher than revenue growth %)
- **Increasingly Competitive Labor Market**
- **Declining Assessed Values**



# WHAT CHALLENGES DO WE FACE?

- “Existing, ongoing (recurring) budget areas that are under funding pressure eg: HURF
- New, ongoing (recurring) program area that will require funding eg: Restoration to Competency
- Existing, one time budget areas that are under funding pressure eg: Flood Control
- New one time, program area that will require funding eg: Assessor Property Valuation System (Tyler Software Purchase)



# **CURRENT FINANCIAL ENVIRONMENT**

## **Leakage – State and Federal Cuts, Sweeps and Shifts**

- **Increased Demand for Services**
  - State - Transparency Requirements
  - Federal – Health Care Reform Requirements - W-2 Health Care Coverage Reporting
- **New “Reset” Economy**
- **Increasingly Competitive Labor Market**
  - Challenges in Replacing/Filling Positions

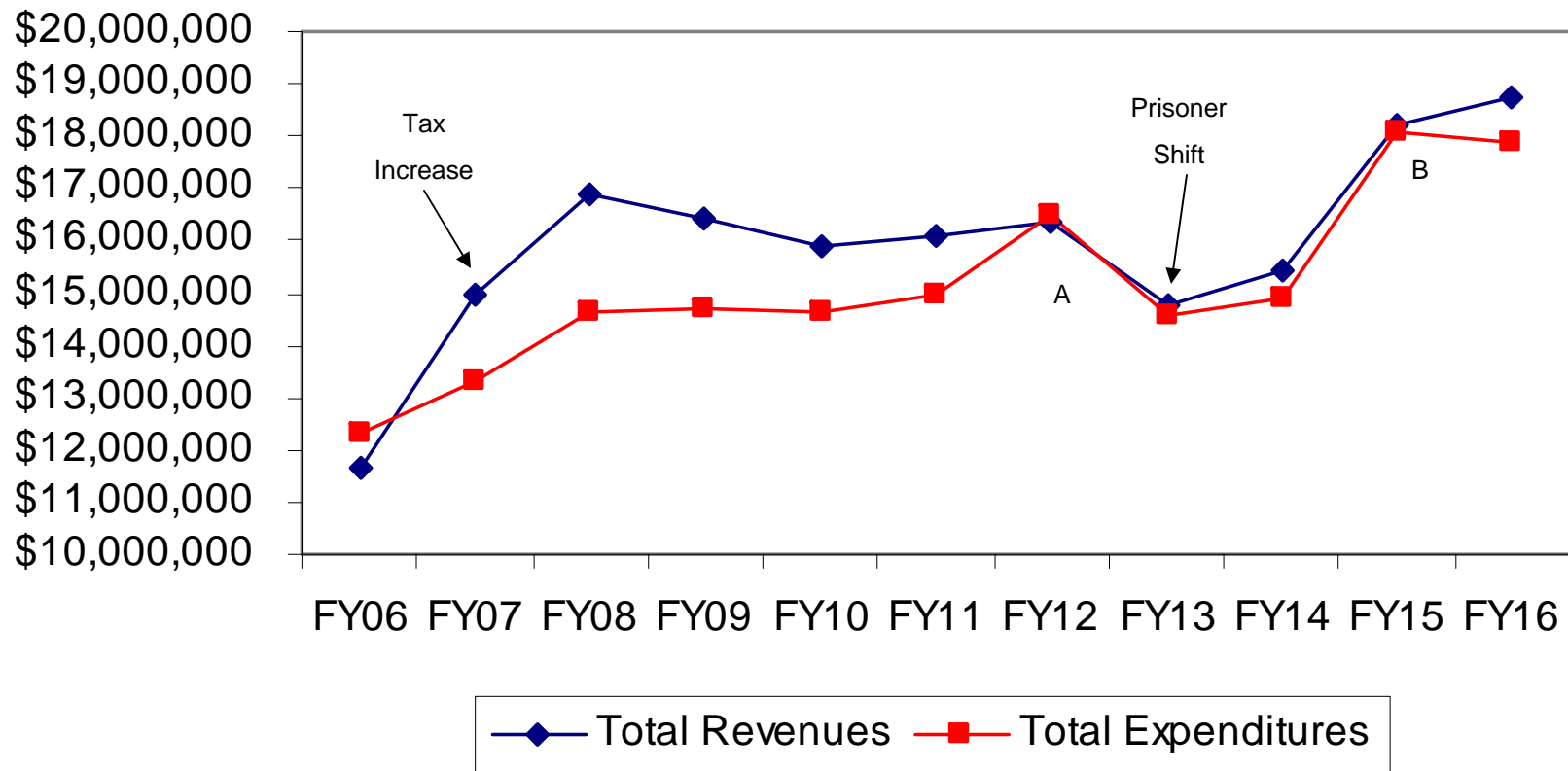


# CURRENT FINANCIAL ENVIRONMENT

- **Grant Funding More Competitive vs Specific Allotments (eg. Health, Emergency Services)**
- **State and Federal Deficits – Solutions Will Impact Local Government**
- **Expenditure Growth Faster than Revenue Growth – Ongoing in All Funds**
  - **Current Impacts Can Accelerate**



# JAIL DISTRICT EXAMPLE



A: Debt retired, expenditure decrease

B: Facility expansion



# AREAS UNDER FUNDING PRESSURE

## MAJOR FUNDS

- **General Fund**
- **HURF – Public Works**
- **County Parks and Open Space – Parks & Recreation**
- **Flood Control**
- **Public Health Services District**
- **Jail District**



# **AREAS UNDER FUNDING PRESSURE**

## **MISSION CRITICAL OPERATIONAL INFRASTRUCTURE**

- **Compensation Plan**
- **Facilities Repair and Replacement**
- **Information Technology Repair and Replacement**



# MAJOR FUND: GENERAL

## Short and Long Term Concerns

- **Budget Cuts Past 2 Years**
  - **Based more on available capacity than strategic program changes**
    - many not sustainable and could be reinstated?
  - **Program Service Delivery Impacted**
  - **R & R Projects Postponed**
- **CPOS expiration; shortfall in operations and maintenance staff funding in FY13**
- **State Funding Cuts & Shifts; Federal Impacts of SRS and PILT Full Funding Reauthorizations**



# **MAJOR FUND: HIGHWAY USERS REVENUE - PUBLIC WORKS**

## **Short and Long Term Concerns**

- **Highway Funding (HURF, SRS, VLT, Cost Share Contracts) All At Risk**
- **Service Levels Will Be Impacted**
  - **Likely Service Reductions Needed**
  - **Evaluate Discretionary Non-Mandated Programs**
  - **Some Current Service Levels Inconsistent**
  - **Service Levels Not Maintained - eg. Roads**
    - **Deterioration Due to Lack of Maintenance**
    - **Replacement Required Earlier When Not Maintained**



# **MAJOR FUND: COUNTY PARKS AND OPEN SPACE - PARKS AND RECREATION**

## **Short and Long Term Concerns**

- **CPOS Funding Expires in September, 2014 (FY15)**
- **CPOS Funding Operations and Maintenance Positions; \$3M exhausted in FY12**
- **Current Parks Maintained With “One-Time” Funding**
- **Addition of Parks and Open Space has Increased Operating and Maintenance Costs**



# MAJOR FUND: FLOOD CONTROL

## Short and Long Term Concerns

- **Unfunded Response to Annual Ongoing Summer Flooding**
- **Recurring Cost of Safety, Property Protection and Debris Removal**
- **Mitigation Projects – Federal and State Grant Funds Require Cost Share; Very Limited Funding**
- **County-Wide Construction Projects – Limited Funding for Many Needs**
- **Adequate Funding Level Not Known – Project Identification Process in Progress**
- **Reimbursement Basis for Response & Mitigation Costs**



# **MAJOR FUND: PUBLIC HEALTH SERVICES DISTRICT**

## **Short and Long Term Concerns**

- **Declining assessed value (full cash) impacts revenue (secondary tax)**
- **State Mandated Costs Will Continue to Increase**
  - **County % of Cost Share and Usage Likely to Increase**
- **Expenditure Growth Exceeds Revenue Growth**
- **Grant Revenue – Grants Becoming Competitive**
- **Federal/State Budget cuts/cost shifts/sweeps**



# **MAJOR FUND: JAIL DISTRICT**

## **Short and Long Term Concerns**

- **Department of Corrections Prisoner Shift**
  - **Facility Capacity**
  - **Loss of Bed Rental Revenue**
- **Expenditure Growth Faster Than Revenue Growth**
- **No Permanent Revenue Fixes**



# MISSION CRITICAL: COMPENSATION

## Short and Long Term Concerns

- No Merit Increases In 3 Years to Help Balance Budget
- 41% of Positions Under Market; Some 30% Below
- HAY Study Identified Positions Needing Reclassification– Currently No Funding To Correct
- Consequence of Not Funding = Increase In Turnover Costs
- Impacts All Funds



# **MISSION CRITICAL INFRASTRUCTURE: FACILITIES**

## **Short and Long Term Concerns**

- **Status Quo Option Results in Higher Cost in General Fund**
- **Assets Continue to Deteriorate; Expensive Failures Possible**
- **Scenario #2 with Information Technology Strategic Plan Compliments**
  - **Bonds Issued, Tax In Place and Construction – 2 years after Voter Approval**
- **Higher Turnover Cost and Lower Morale**
- **Impacts All Funds**



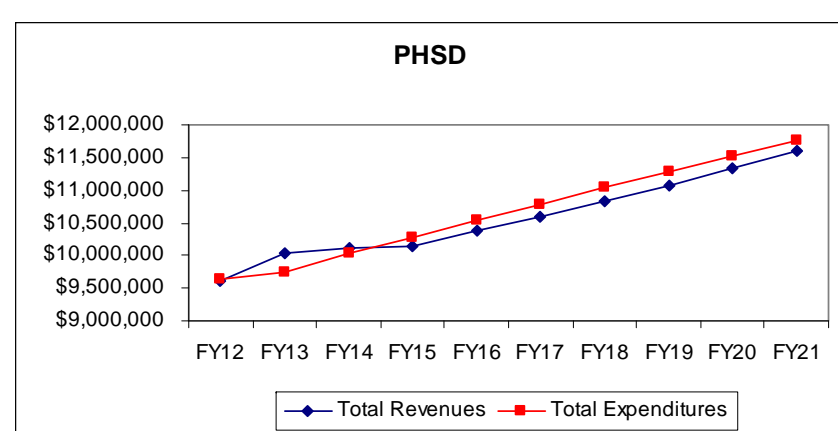
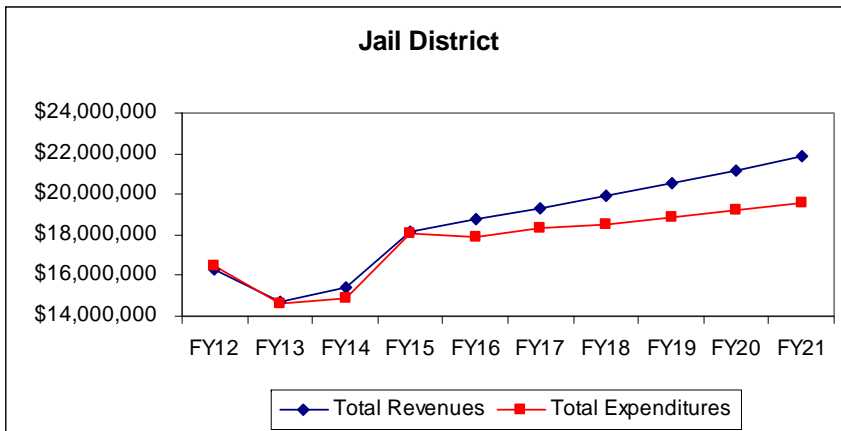
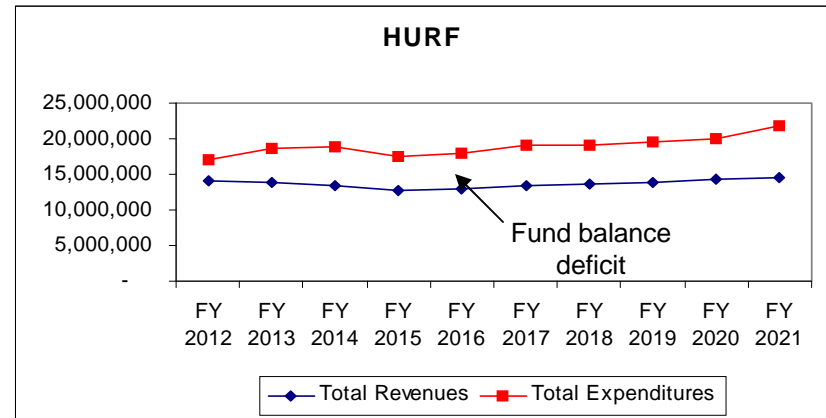
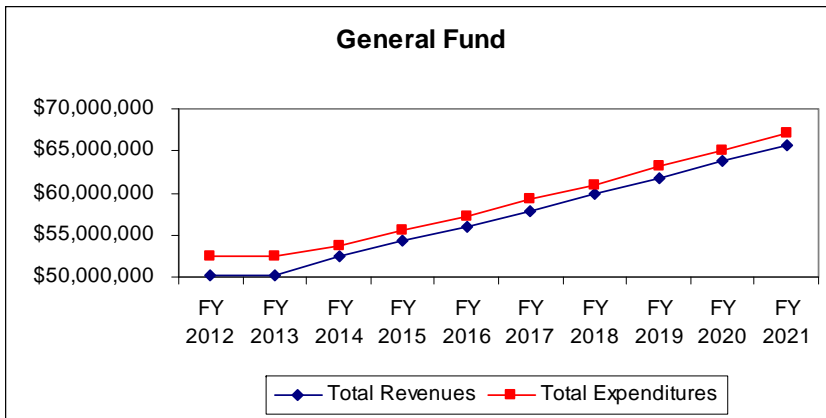
# MISSION CRITICAL INFRASTRUCTURE: INFORMATION TECHNOLOGY

## Short and Long Term Concerns

- **Technology Is Essential To Everyday Work**
  - Major Computer Replacement Programs – Underfunded
    - Personal Computers and Servers
  - Network and Smartphones
  - County-Wide Licensing Compliance for existing software applications
  - Enterprise Systems
  - Optimizing Technology Use – Video/Teleconferencing for Training, Meetings
- **Impacts All Funds**

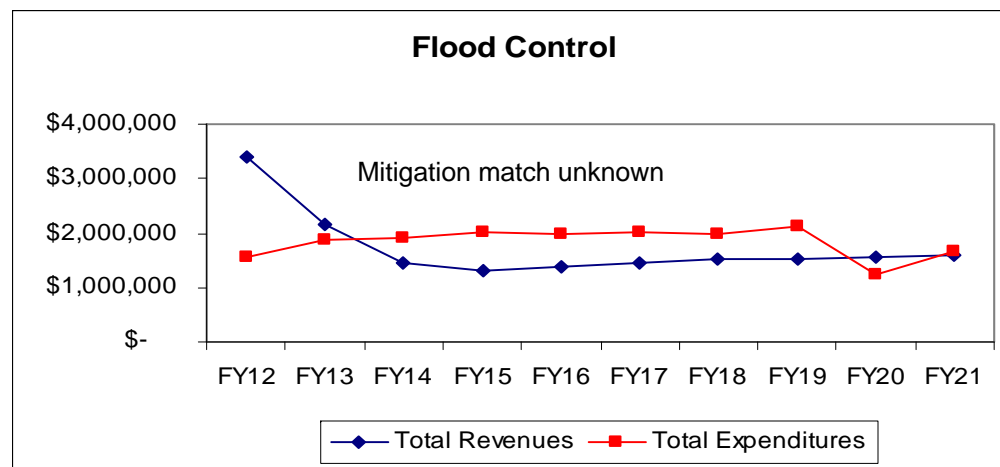
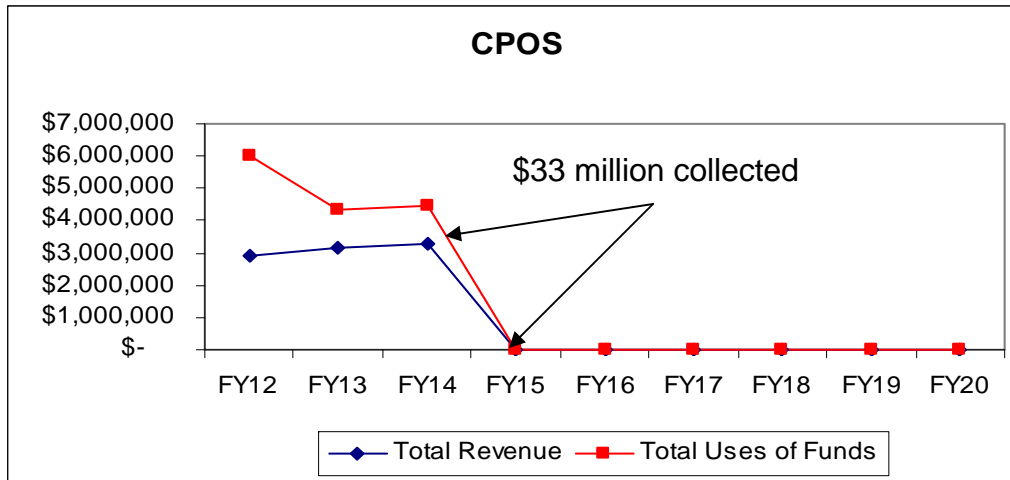


# MAJOR FUND 10 YEAR PLAN GRAPHS





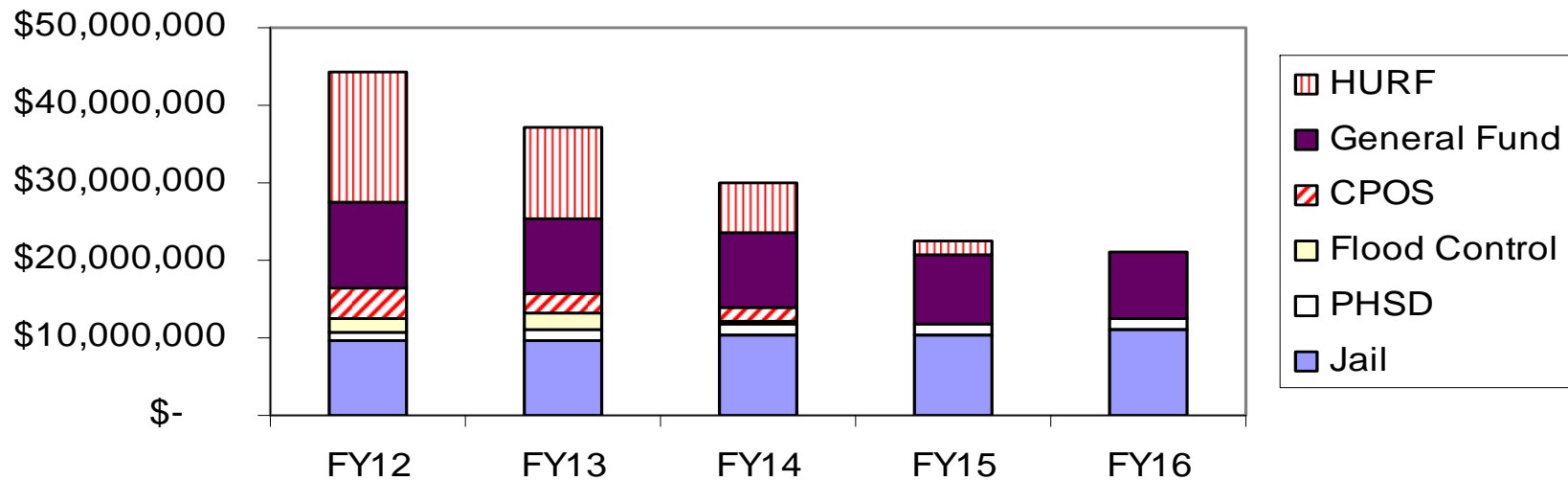
# MAJOR FUND 10 YEAR PLAN GRAPHS





# COMBINED 10 YEAR PLANS

## 5-Year Fund Balance Projections



HURF: Fund balance deficit in FY16

General Fund: Spend unreserved fund balance; no R&R or ITSP

CPOS: Collect \$33 million by FY14

Flood Control: Fund balance deficit in FY15???



# WHERE DO WE GO FROM HERE?



# **NEW TIMES = CHANGE APPROACH**

- **Costs in All County Funds Increase Over Time**
  - Expenditures Grow Faster than Revenues
- **Status Quo Does Not Address Issues**
  - Need to Change How We Do Business (Services Provided and Level of Services)
- **Normal Revenue Growth Not Enough to Sustain Current Service and Program Levels and Needs**
- **Only Increasing Tax Revenue Will Not Solve Problems**
- **In Future, Cannot Meet All Needs**



## **CRITICAL DECISIONS NEEDED**

- **Prioritize Core County Services & Staffing and Set Appropriate Service Level (level of service in programs) Based On:**
  - **Available Future Resources**
  - AND**
  - **Possible New Revenue Sources Based on Essential County Programs**
  - AND**
  - **Mandate Re-evaluation – Legislative and Self Imposed**



# CONSIDERATION GOING FORWARD: ESSENTIAL COUNTY PROGRAM FOCUS

- Public Safety
- Public Health
- Courts and Criminal Justice
- Roads

- Government Support Services:
  - Assessor
  - Treasurer
  - Recorder
  - County Attorney

## Focus Across All Programs and Funds:

- Maintain Current Assets
- Cost Efficiency Into the Future, not Short-Sighted “Windfalls”



# CONSIDERATIONS GOING FORWARD

## Workforce Challenges

- **Competitive Compensation Plan**
  - **Proactive approach as labor market recovers; not reactionary; learn from past**
- **Maintain a Current Compensation Plan**
  - **Reduce FTEs As Needed to Fund Adjustment**
- **Employee Training**
- **Tools and Workspace**



# CONSIDERATIONS GOING FORWARD

## Workforce Challenges – Continued

- Retention and Recruitment
  - Cost of Turnover is High – Keep Employees Who Are Trained and Performing Well
  - Be Competitive in the Market – Ability to Recruit



# **SOLUTIONS: TOOLS IN OUR TOOLBOX**

## **✓ 3 Prong Approach**

- Revenue Opportunities
- Reduce Programs/Services Costs
- Reserves

## **✓ Legislative Relief (Adds to 3 Prong Approach)**

- ✓ Mandates and Required Programs
- ✓ Revenue Opportunities



# REVENUE OPPORTUNITIES

## Prong #1



# REVENUE INCREASE EXAMPLES

## Recurring:

1/10<sup>th</sup> Cent Sales Tax

\$2.4 million per year

\$0.10 Secondary Property Tax

\$1.7 million per year (Depends on District Boundaries)

## One-Time:

\$0.10 Secondary Property Tax

\$1.7 million per yr = about \$12M Bond, 10 yrs

\$0.10 Secondary Property Tax

\$1.7 million per yr = about \$25M Bond, 20 yrs



# REVENUE OPPORTUNITIES

- **HANDOUT #1 – Revenue Options by Fund and Mission Critical Area**



# OTHER CONSTRAINTS

- **Timing Issues**
  - **Tax Increases – November Election in Even Years**
  - **Other Elections**
  - **Community Tax Capacity – Other Jurisdictions**
- **Tax Rate or amount limits**
  - **Rates Subject to Caps and Limits**
- **Use limitations (flexibility)**
  - **Special Districts**
  - **Debt Issues – Secondary Property Tax for Capital Only**



# **REDUCE PROGRAMS AND SERVICE COSTS**

## **Prong #2**



# **SERVICE/PROGRAM REDUCTIONS**

- **Core Services Identified Based on Priority/Essential Function in Each Major Fund**
- **Service Cuts to Those Major Funds Under Pressure**
- **Determine Discretionary Programs**
  - **Reduce or Eliminate**
  - **Consideration of Private Sector Alternatives**
  - **Evaluate Subsidies**
- **Level of Service for Mandates**
- **Determine Highest Priorities – Citizens, Board of Supervisors, County Manager, Elected Officials/Appointed Directors**



# **SERVICE/PROGRAM REDUCTIONS**

- **Cost Reductions Must Be a Part of The Solutions**
- **Some Major Revenue Funds**
  - **Do Not Have Additional Options**
  - **Options Are Limited and/or Not Adequate**
- **Example: General Fund Has More Needs than Resources and Limited Readily Available Revenue Options**
  - **Use of General Fund Resources Not Restricted**
  - **Other Funds Seek Backfill Funding from General Fund**



# **USE OF RESERVES**

## **Prong #3**



# USE OF RESERVES

- Revenue Smoothing Reserves Available
- Reserves Available to Draw on Until “New Reality” Picture Clearer
- Many Unknowns Until Return to “Normal”
  - May Never Return to “Normal”
- Took Time to Build; Used in Past 3 Years
  - 10 Years to Build/Save; Need to Replenish
- Use in FY 12 To Get To Decision Points
  - Provide Time to Follow Action Plan Steps



# USE OF RESERVES

- **HURF: Reserves through FY14**
- **General Fund: (Non-Contingency) Reserves to Backfill Across All County Funds**
- **Flood Control: Reserves through FY14?**
  - **Revolving Loan Fund \$2 mil balance could be used for road related capital**
- **PHSD & Jail District: Spending down, but reserves available through 10-year projection period**



# LEGISLATIVE RELIEF

- **Can Add to 3 Prong Approach by**
  - **Authorizing Revenue Opportunities**
  - **Lifting Mandates for Programs, Services, Service Levels**
  - **Allowing Flexibility in Use of Revenues**
  - **Flexibility in Service Delivery of Required Programs**



# CONCEPTUAL EXAMPLE

## LONG TERM STRATEGIC RECOVERY PLAN FOR FUTURE



# PLAN KEY CONSIDERATIONS

- **Consistent Application of Foundations Previously Adopted and Implemented**
- **Constrained Areas of Needs That Are Part of the Core Service**
- **Prioritized Core Services Needed to Maintain Capacity Without Focusing on “Urgent” or “Immediate Needs” First**
- **Aligned Solutions System (County)-Wide**
- **Order of Events Based on “Naturally Occurring Dates”**



# **STRATEGIC RECOVERY PLAN: NEXT STEPS**

- **Step One: Prioritization of Long-Term Core Programs & Preferred Solutions (regardless of timing)**
  - **Include Citizens, Board of Supervisors, County Manager and Leadership Team in Process to Determine Core Programs**
  - **Preferred Solutions Include Priority to Core Programs, Cuts/Reductions, Funding Sources and Legislative Relief**



# STRATEGIC RECOVERY PLAN: NEXT STEPS

- **Step Two: Translating Priorities to Annual Budgets and 10 Year Financial Plans**
  - Continual Process – Can't Fix Everything in One Year
  - How to Time Decisions - Considerations
    - Phasing
    - Election Dates
    - Legislative Sessions
    - Public Outreach
- **Step Three: Developing Timeline/Schedule to Implement Preferred Solutions**



# **STRATEGIC RECOVERY PLAN: STEP ONE**

## **PRIORITIZATION & PREFERRED SOLUTIONS ROAD MAP KEY ELEMENTS**

- **Board of Supervisors, County Manager, Leadership Team Evaluation & Prioritization of Programs/Services and Service Levels**
  - **Departments & County Manager**
  - **Board of Supervisors & Leadership Team Retreat**
  - **Board of Supervisors & County Manager Retreat**
- **Citizen Outreach & Input**

***Draft of Detailed Road Map In Progress***



# **STRATEGIC RECOVERY PLAN: STEP TWO**

## **TRANSLATING PRIORITIES AND PREFERRED SOLUTIONS INTO ANNUAL BUDGET ROAD MAP KEY ELEMENTS**

- **Decisions from Step One Used to Update Financial Plan (10 Year)**
- **Use Strategic/Annual Budget Process**
- **Integrate Timeline Components**
- **Evaluate Annually, Adjust as Needed**

***Draft of Detailed Road Map In Progress***



# **STRATEGIC RECOVERY PLAN: STEP THREE**

## **TIMELINE/SCHEDULE TO IMPLEMENT PRIORITIES & PREFERRED SOLUTIONS KEY ELEMENTS**

- **Layout Priorities and Preferred Solutions by Fiscal Year – Timing of Solutions**
  - **CPOS Expires 9/2014**
  - **Elections**
- **Schedule Steps (Action Plans) Leading Up To Implementation of Each Preferred Solution**

***Draft of Detailed Timeline/Schedule In Progress***



# DISCUSSION

- **Questions?**
- **Thoughts, Concerns, Feedback**
- **Requests for Additional Information and/or Clarifications**



## NEXT STEPS

- **Budget Meetings begin May 23<sup>rd</sup>**
  - **Update on FY11 Financial Status**
  - **FY12 Budget Outlook**
  - **Review Highlights of Long Term Strategic Recovery Plan**
  - **Presentation of Detailed Road Maps and Timeline/Schedule for Strategic Recovery Plan**
- **Meetings with Departments May 24-27th**
- **Wrap up Budget Meetings on May 31st**



# ACKNOWLEDGEMENTS

## County Financial Planning Team Members:

- County Manager's Office
  - Steve Peru, County Manager
  - Mike Townsend, Deputy County Manager
  - Larry Dannenfeldt, Deputy County Manager
  - Joanne Keene, Government Relations Director
  - Lucinda Andreani, Special Initiatives Director
  - Alan Maguire, Consultant
- Human Resources – Allison Eckert, Director
- Finance – Sandi Schulz, Director
- Finance - Siri Mullaney, Budget and Planning Manager