

BOS Strategic Direction Workshop

February 22, 2010

Goals for Workshop

- Review Current Strategic Direction Work plan – January 2009 to June 2010
- Discuss Over Arching Goals
- Discuss Focus Areas for upcoming year
- Outline next steps towards adopting 2010/11 Strategic Direction Work Plan
- Evaluation of department-level fiscal/admin services
- Countywide Cost Accounting system

Status of Current Strategic Direction Work Plan (Jan 2009/Jun 2010)

Model Governance by Policy

- By February 23, 2009 formally affirm the Board shall adhere to: County Charter Section 211: Communications with Employees (included in adopted Work Plan)
- By March 15, 2009 submit language clarifying Board's policy role and relationship to CAO to the Charter Review Committee (Board determined not to submit specific language)

Status of Current Strategic Direction

Work plan

Achieve Financial Stability

- By FY 2009/10 adopt an operating budget which does not exceed annual ongoing revenues (Achieved with adoption of FY 2009/10 Budget in September 2009)
- Maximize all revenue opportunities (Evaluated all opportunities for value and sustainability)

Maintain Financial Solvency

- By FY 2009/10 adopt, monitor monthly and formally report to the Board at least quarterly, or as problems are noted, a monthly cash flow plan in order to better manage cash flow needs (Reporting capabilities did not ultimately support the efficient production of a monthly cash flow plan. Utilized monthly and quarterly budget review to extract as much information as possible about cash flow.)

Status of Current Strategic Direction

Work plan

Ensure Organizational Integrity

- By April 30, 2009 hold a BOS workshop to provide input to the CAO regarding projects and activities to be prioritized in the FY 2009/10 Budget process (March 3 and 20, 2009)
- By April 30, 2009 hold a BOS workshop to define and prioritize core County functions or projects that are consistent with our Strategic Direction (April 6, 2009)
- By FY 2009/10 adopt a budget that supports and balances provision of core functions of county business (September 2009)
- By December 2009 identify and quantify significant organizational needs that are at risk of failing or not supporting core business needs of the County or may negatively impact our Strategic Direction (Reorganization of general services functions within DOT and the impact of several storms has resulted in a fresh evaluation of facilities and support system. Specific plans will emerge over next 8 months)
- Identify within the FY 09/10 budget key performance measures around the Board's highest priorities and expectations. Establish a quarterly review and reporting process. (Key performance measurements were established for Mental Health, General Plan implementation and Economic Development with frequent updates to the Board on all topics)

Status of Current Strategic Direction Work plan

Encourage Economic Development

- By June 30, 2009 hold a BOS workshop that reviews the interaction between the General Plan and Economic Development. Priority will be given to revising Policy J-2 that outlines a process and set of incentives that prioritizes and attracts industrial and commercial projects to the County (12 month action plan adopted on May 18, 2009)
- By May 2009 evaluate the use and distribution of County promotional funding (Reviewed and incorporated into budget and RFP process)
- By June 30, 2009 implement Board direction related to the 5 Year General Plan review and establish work plan for FY 2009/10 that prioritizes support for economic development (Six specific workshops held between March and June 2009 plus multiple ones in second half of year)
- Maximize our ability to access the Federal stimulus funds for El Dorado County (Departments evaluated and considered multiple ARRA funding opportunities against County needs, programmatic and administrative capabilities, and reliability of funding)

Status of Current Strategic Direction Work plan

Evaluate Public Infrastructure Investment

- Review economic development goals relative to the Capital Improvement Program (CIP) (Workshops in March 2009 and February 2010)
- Review the Accumulated Capital Outlay (ACO) Program relative to economic development and energy savings benefits (As a result of consolidating general service functions into DOT, the ACO is being prioritized to address energy use and facility maintenance)
- Review the Parks Program relative to strategic planning goals around recreation (DOT is moving forward with the Parks Master Plan and adding more public outreach and surveys regarding parks and recreation. Reopened skate park and entered into agreements for improvements to El Dorado Beach.)

Provide Courteous, Helpful and Professional Service

- By February 2009 incorporate public and customer service expectations in all employee evaluations including Department Heads (Department Heads directed to incorporate.)

Over Arching Goals – What are the BIG issues we should care about?

- *Deliver Value for Tax Dollars* – the public wants to know the County is using tax dollars wisely
- *Achieve Financial Stability* - constrained finances will continue to negatively impact the County's ability to provide core services
- *Deliver the Core Functions of County Government* – make sure the focus is on what we need to have not what is nice to have
- *Encourage Economic Development* – in fulfilling its roles and responsibilities the public sector needs to support not impede economic development activities in the private sector to the greatest extent possible
- *Ensure Capability of County Government to meet Public needs* - effective and efficient County services are dependent on investing in and maintaining certain infrastructure needs

Within those Over Arching Goals what should we focus on?

- Special Focus Areas should represent important activities above and beyond individual departments' work plans
- Special Focus Areas should have performance measures developed to track progress
- Some Examples of Special Focus Areas:
 - General Plan Implementation
 - Infrastructure: Facilities and IT
 - Communication
 - Homeless Sheltering
 - Countywide Cost Accounting

Special Focus Area Options

General Plan – Continue to Simplify and Clarify

- Problem Statement: The General Plan is a "one size fits all" policy document, but the County has many different issues and areas that need to be addressed
 - Update Zoning Ordinance
 - Complete Land Use Manual
 - Track INRMP milestones
 - Establish objectives for Community Identity
 - 5 Year General Plan Update: Work with Planning Commission to create a prioritized list of general plan issues to be acted upon through the 5 year general plan update

Special Focus Area Options

Infrastructure – Facilities and IT

- Problem Statement – The County needs to preserve and maximize its valuable physical and systems resources and ensure the completion of key projects in order to best serve the public
 - Complete the West Slope Animal Shelter Project
 - Ensure placement of County Courthouse next to West Slope Jail
 - Fully utilize existing building assets to offset lease costs and maximize their energy efficiency
 - Incrementally upgrade/replace and fund IT infrastructure

Special Focus Area Options

Communication

- Problem Statement – Both the public and County employees will need to understand the impact of financial constraints on the County’s ability to provide core services and support a workforce to do the work
 - Inform public on role and capability of county government through:
 - Use of social media
 - Use of Youth Commission and other commissions
 - Use of website and public cable channels
 - Budget Basics
 - Inform employees on status of budget and provide opportunity for input
 - Brown Bag lunches
 - Budget Basics

Special Focus Area Options

Homeless Sheltering

- Problem Statement: Churches wish to join together to offer shelter for the homeless but currently there are permit and cost barriers to doing so
 - Develop a simple and low cost permitting processes to allow churches in certain zones to host overnight guests

Special Focus Area Options

Countywide Cost Accounting

- Problem Statement – Determining the actual cost of doing business is critical to assess the value of services and to maximize external revenues
 - Manage move to full cost accounting and maximize revenues
 - Evaluate fee structures and their nexus with services

Other Over Arching Goals and Special Focus Areas to include, ones not to include?

- Board Discussion
- Staff and Public Comment

Strategic Direction 2010/11

- **Next Steps**

- CAO to consolidate all information from today's workshop
- Bring back draft Strategic Direction Work Plan with proposed performance measures to Board by March 29th for review and adoption
- Utilize adopted Strategic Direction 2010/11 in review and presentation of Proposed FY 2010/11 Budget

Evaluation of department-level fiscal/admin services

- Current status of department-level fiscal/admin services
- Models for providing department-level fiscal and administrative functions
- **Recommendation**

Current status of department-level fiscal services

- Department's are creating separate systems to track budgets and costs
- No reporting standardization
- Process and product lacks consistency
- Staff resources are not easily shared
- Defensibility compromised
- Inefficient and staff intensive to support
- Duplication of effort required
- Overall financial health of system impaired
- BPREP, FAMIS and Payroll systems do not support departmental cost accounting and reporting requirements

Models for Department-level Fiscal/Admin Support

- Stand alone Department Fiscal/Admin Unit
- Informal or MOU Relationships
- Centralized Service Unit
- Consolidate/Reorganize Departments

Stand alone Department Fiscal/Admin Unit

- Provides core fiscal and administrative services to support a single department's operations
- May include:
 - Accounts payable and receivable
 - Budget preparation and management
 - Grants fiscal management
 - Payroll
 - Contracts
 - Purchasing
 - HR
 - IT

Challenges with Small Stand Alone Department Fiscal/Admin Units

- **Capability Challenges**

- Efficient work processing
- Redundancies/duplication
- Analytical constraints
 - Ability to analyze budgets
 - Ability to make projections
 - Ability to analyze cash flow
- Silo production result in different systems & structures that create more work and less efficiency at the processing (Auditor) and review (CAO) levels

- **Performance Challenges**

- Small units lose key capacities when one person leaves and often lack professional level oversight
- Skills improvement and ongoing training difficult
- Department Heads often lack ability to assess quality of work

Informal or MOU Relationships

- A better resourced department services another department, for example:
 - Recorder and Surveyor
 - CAO and Public Defender
 - Environmental Management and Development Services (proposal forthcoming)

Centralized Service Unit

- **Law and Justice**

- Evaluation shows challenging to implement
 - Difficult to identify clear accountability and reporting relationships
 - Complicated by type of Departments involved i.e. Court-appointed and Elected Dept Heads
 - Concern about appropriateness of sharing information
 - Current organizational structures unequal and inconsistent

- **General Government**

- Generally uncomplicated fiscal processes being done by limited staff
- Staffing doing fiscal processes are usually also doing program activities so difficult to extract whole FTEs

Consolidate/Reorganize Departments

- **Recent Successful Examples**
 - Human Services (Community Services/Social Services)
 - Health Services (Public Health/Mental Health)
 - DOT (Transportation/General Services)
- **Future Considerations**
 - Public Works Agency (DOT, EMD, Dev Services, Surveyor)
 - Health and Human Services Agency (Health Services, Human Services, Veterans)

Recommendation

- Continue to assess fiscal and administrative service efficiencies and implement changes where value indicated
 - March 2nd for EMD and Development Services
- Seek additional ways to achieve uniformity of approach and accountability, such as through a countywide cost accounting structure

Countywide Cost Accounting Structure

The First Step towards an updated financial system

Benefits:

- Uniformity of approach
- Helps answer the question “what does my tax dollar buy”?
 - Accurately tracks true cost of providing services
- Accurately portray administrative costs
- Capture non county funding for administrative costs to the extent possible
- Ensure highest level of accountability on charges
- Achieve better reporting and data extraction
- Prevent loss of revenues

Challenges in implementing:

- Individual/non standardized nature of department fiscal/admin structures
- Current fiscal staff may not have necessary skill base
- Requires countywide process and multi year implementation plan
- Need central guidance and staff support for transition
- May need commitment of additional general funds or increase in fees to cover fully burdened general fund programs and services

Critical Moment

- Implementation of countywide cost accounting structure is already under way
- Need to ensure that a system to guide ongoing implementation is in place before beginning of fourth quarter to ensure maximum revenue received and minimum impact on general fund (particularly important through the year end close)

Recommendation

- Establish team to lead process: Auditor-Controller, CAO & IT, along with department representatives
- Plan for roll out over next 2-3 years
- Approve hiring Internal Auditor to support team, guide process and liaison between departments, Auditor-Controller and CAO and authorize the position to be charged back to departments
- Define needs and requirements of financial system replacement and evaluate an incremental process to do so based on one time funding opportunities

Discussion/Direction