

MEMORANDUM

To: Campbell County Board of Supervisors

From: R. David Laurell, County Administrator *R. David Laurell 1/4 BOS*

Subject: AGENDA ITEM – FY 2011 Annual Priority Initiatives (20 minutes)

Date: December 21, 2009

BACKGROUND:

Please find attached a draft FY 2011 Priority Initiatives list for the Board's consideration to assist with budget development for the upcoming fiscal year. These goals cover the period beginning July 1, 2010 and are based on direction from the Board and Committees during the course of the year as well as the Planning Session held in October. A few minutes is scheduled at this meeting to update the Board on the current year Priorities and briefly review the Ongoing and draft items for FY 2011. Time for further discussion will be scheduled on the January 19th agenda.

DISCUSSION:

Once approved this list will provide the Board's direction for focusing financial and personnel resources during the period covered. Fiscal year 2011 will no doubt be a year with fewer available financial resources. In planning for that event, all areas of the County have been asked to plan for a reduction of 5% or more compared to the current budget. A common theme within these Priorities is an emphasis on a substantial decline in state revenues. Local revenues continue to perform close to last year's levels in total and are projected to continue along those lines into FY 2011. As a result of the loss in state revenues a number of Priorities have been moved back a year or more.

As you know the County anticipated a number of years ago an eventual downturn in revenues. Through prior fiscal planning we are positioned better than many other localities with accumulated reserves to help offset a reduction in state revenues. Reserves are not recommended to cover the entire shortfall, which is currently estimated at close to \$4.5 million less than FY 2010, but should be used as previously planned by the Board to stabilize the decline through FY 2013 as needed.

To cover part of the anticipated shortfall for the current fiscal year and FY 2011 we will be recommending the continuation of actions adopted by the Board in December during the budget process. This includes the rolling vacancy hiring freeze, consolidation of

services when opportunities present, and freezing all but essential capital expenditures for FY 2011. For the current fiscal year it appears that financial resources are consistent with what we have been discussing with the Board. This will result in a reasonable decrease in fund balance reserves at year end as well as savings in expenditures due to implemented strategies.

The presentation method for the County's Priority Initiatives is similar to last year's and items are notated based on the anticipated status of the item on June 30, 2010. Items are separated by responsible area and first note Priorities that are scheduled for Completion and then Priority 1, Priority 2 and Future Initiatives. Priorities are noted if any changes have been made. Several items appear in more than one department on the list. This is to help ensure efficient collaboration with more complex initiatives. Ongoing Responsibilities are shown separately for easier review.

Each Priority One and Two Initiative notes the description of the goal followed in (parenthesis) by the estimated completion date, and the person/persons primarily responsible for making it happen. Priority One Initiatives are those that will start within the upcoming 2011 fiscal year. Priority Two Initiatives are those that we anticipate will start in the following fiscal year. Future Initiatives are those that we anticipate will start sometime after FY 2012. Backup information and analysis for Priority One items is available for review now and will also be available during the budget process.

Our goal is to capture all of the capital and operational enhancements on this unified list for the Board and staff to be able to see and plan. The Priorities adopted by the Board will be used to develop the capital and operating budget requests for the coming year. The CIP is scheduled for presentation to the Board on March the 1st and the operating budget on April 5th.

RECOMMENDATION

Following review staff is requesting the Board provide any initial input on the draft FY 2011 Priority Initiatives. Staff will schedule agenda time for the Board's regular January 19th meeting to address any outstanding items and recommend adoption of the final list with any amendments the Board determines are appropriate.

Attachments:

List of Ongoing Responsibilities

List of Completed, Priority 1, Priority 2 and Future Initiatives