



SAN BENITO COUNTY BOARD OF SUPERVISORS

Margie Barrios
District No. 1
Chair

Anthony Botelho
District No. 2

Robert Rivas
District No. 3

Jerry Muenzer
District No. 4

Jaime De La Cruz
District No. 5
Vice-Chair

County Administration Building – Board of Supervisors Chambers, 481 Fourth Street, Hollister, California

BUDGET HEARINGS – FISCAL YEAR 2011-2012 JULY 19 - 28, 2011 ACTION MINUTES

The Board of Supervisors of San Benito County met in the Board Chambers beginning July 19, 2011 for budget hearings. Supervisors Barrios, De La Cruz, Botelho, Rivas and Muenzer were present. Also present was County Administrative Officer Rich Inman, County Counsel Matthew Granger, and Clerk of the Board Denise Thome. Chair Barrios presided.

9:30 A.M. - CALL TO ORDER:

- a) Chair Barrios led the Pledge of Allegiance.
- b) *Upon motion duly made, seconded and carried, acknowledged Certificate of Posting.*

BUDGET HEARING SCHEDULE

9:30 A.M., TUESDAY, JULY 19, 2011 – BUDGET HEARINGS BEGIN

Budget Hearings began on Tuesday, July 19, 2011 at 9:30 a.m. and were continuous through Thursday, July 21, 2011 at 2:34 p.m. and were continued to Thursday, July 28, 2011 at 9:00 a.m. through 11:18 a.m. and completed. All budget hearing items were approved temporary due pass (TDP).

INTRODUCTION, OPENING REMARKS & BUDGET OVERVIEW – County Administrative Officer

Chair Margie Barrios gave an overview of how the budget hearings would proceed, noting that the public would be allowed 2 minutes each for public comment.

County Administrative Officer Rich Inman commented that his first involvement in budget hearings was in June of 1974 and he had never experienced what the County was currently going through today. He noted that there were requests by Behavioral Health and Probation Departments to present first. He suggested that immediately after adopting the budget they needed to re-open, re-evaluate and regularly re-visit budget matters at every Board meeting. He added that documents had been distributed that morning with changes to the budget.

Management Analyst Catherine Shaw gave a PowerPoint presentation on the budget overview, noting that Vehicle License Fee money was not included. The General Fund Balancing Strategy summarized as follows:

Expenses	\$33,324,255
Revenue	25,397,897
Deficit	(7,926,358)

Proposed Contingency	<u>(200,000)</u>
Total Needed to Balance	<u>(8,126,358)</u>
Estimated 7/1/11 Fund Balance	4,700,000
Adjustments	1,710,801
Use Prudent Reserves	<u>1,715,557</u>
Balanced	0

Management Analyst Shaw added that would leave 12% in Prudent Reserves.

CAO Inman stated that the problem was revenues, adding that the budget did not include anticipated revenues such as Vehicle License Fees or AB 109 money. He indicated that once they had a number and knew how much the County was going to get, they would be back to the Board for appropriation. CAO Inman advised the Board that if they wanted to contribute money to Community Based Organizations (CBO), the money was in there. He recommended continuing to do so as they keep people out of the County system. He indicated that there was a 7% discrepancy in the amount budgeted and that they could reduce the amount to the four groups that have applied, by 7% each. He indicated that he just needed direction whether to fund CBO or not and a consensus to continue and specify amounts later.

There was a consensus of the Board to fund CBO and continue the matter until later to specify amounts per organization.

CAO Inman spoke of the Economic Development Corporation.

There was a consensus of the Board to discuss when they got to the actual budget item.

CAO Inman indicated that a major element was the freeing up of money from the post closure of the landfill in the next fiscal year. He explained that this year the department heads would be responding to the Board directly during the budget hearings and not with the management analyst as in the past. CAO Inman stated that he would like to investigate the public defender cost, noting that it had gone from \$600,000 to \$1,000,000. He spoke of the possibility of working with Health and Human Services Agency to calculate and determine the ability to pay in order to get a handle on public defender expenses.

Chair Barrios and Supervisor Botelho concurred with investigating the ability to charge defendants.

CAO Inman further spoke of the possibility of providing public defender services in-house.

Chair Barrios indicated that she had asked for staff number comparisons and had received a listing in totality whereas she wanted to see by department. She wanted the information by department in order to treat departments fairly.

CAO Inman stated that he could provide that information.

Supervisor De La Cruz suggested that they do the Library's budget first.

Chair Barrios stated that Behavioral Health and Probation had requested to be heard first and then they could hear the Library third if that was the consensus of the Board.

FY 2011/2012 RECOMMENDED BUDGET

All budget hearing items are approved "temporary do pass"

GENERAL GOVERNMENT

BINDER PAGE

1. Board of Supervisors

(Page 13)

CAO Inman provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

2. Clerk of the Board

(Page 17)

CAO Inman provided an overview.

Hollister resident Marty Richman spoke under public comment.

Upon motion made by Supervisor Muenzer and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)

3. County Administrative Office

(Page 20)

CAO Inman provided an overview.

Upon motion made by Supervisor Rivas and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

4. County Counsel

(Page 23)

County Counsel Granger provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

5. Auditor

(Page 27)

Clerk-Auditor-Recorder provided an overview. He stated that there was an error in the amount of \$34,200 under temporary salaries and it should be removed.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Muenzer, approved TDP as recommended by CAO reducing temporary salaries by \$34,200 along with deduction of F.I.C.A. (Unanimous)

6. Elections

(Page 31)

Clerk-Auditor-Recorder provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

7. Treasurer

(Page 34)

Treasurer-Tax Collector Mary Lou Andrade provided an overview.

Upon motion made by Supervisor Rivas and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)

8. Tax Collector

(Page 37)

Treasurer-Tax Collector Mary Lou Andrade provided an overview.

Hollister resident Marty Richman spoke under public comment.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

9. Assessor

(Page 40)

Assessor Tom Slavich provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

10. Internal Services

(Page 44)

Treasurer-Tax Collector Mary Lou Andrade provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

11. Risk Management/Insurance

(Page 47)

CAO Inman provided an overview noting that there were 3 major cases this year and there should be a reduction next year.

Upon motion made by Supervisor Rivas and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

12. Information Technology

(Page 50)

IT Manager Ray Espinosa provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

13. GIS

(Page 53)

Management Analyst Riopel provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

14. General Purpose / Non-Departmental Revenues

(Page 57)

Management Analyst Shaw provided an overview.

Upon motion made by Supervisor Botelho and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

15. General Fund Contributions/ Non-Departmental Expenditures

(Page 60)

Management Analyst Shaw provided an overview noting that \$6,000 had to be added to OPEB adding that it was in the final number.

Hollister resident Marty Richman spoke under public comment.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO, including the \$6,000 increase to LAFCO. Supervisors Barrios and Botelho voted no. (Vote passed 3 to 2)

16. Buildings and Grounds Maintenance

(Page 64)

Public Works Director Steve Wittry provided an overview.

Upon motion made by Supervisor Botelho and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)

17. Capital Outlay Fund

(Page 67)

Capital Projects Manager Adam Goldstone provided an overview.

Hollister resident Marty Richman spoke under public comment.

Upon motion made by Supervisor Rivas and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)

PUBLIC PROTECTION

BINDER PAGE

18. Grand Jury

(Page 73)

Management Analyst Shaw provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

19. District Attorney

(Page 76)

District Attorney Candace Hooper provided an overview.

Upon motion made by Supervisor Botelho and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

20. Victim Witness Assistance Program

(Page 79)

Victim Witness Program Coordinator Julie Roybal provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

21. Child Support Services

(Page 82)

Management Analyst Shaw provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

22. Public Defender

(Page 85)

Management Analyst Shaw provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

Sheriff

23. Operations (Patrol)

(Page 89)

Sheriff Darren Thompson provided an overview.

Hollister resident Marty Richman spoke under public comment.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

24. Communications (911)

(Page 92)

Management Analyst Riopel provided an overview.

Upon motion made by Supervisor Botelho and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

25. Corrections Division (Jail)

(Page 96)

Sheriff Thompson provided an overview.

Hollister resident Marty Richman spoke under public comment.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

26. Office of Emergency Services (Page 99)

Management Analyst Riopel provided an overview.

Upon motion made by Supervisor Botelho and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

27. Coroner (Page 103)

Administrative Services Manager Kellie Kennedy provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)

28. UNET (Page 106)

Administrative Services Manager Kennedy provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

29. Drug Abuse & Rural Crime Grants (Page 109)

Management Analyst Shaw provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

30. Marshal (Page 112)

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

31. Probation (Page 114)

Chief Probation Officer Brent Cardall provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO with an \$186,000 reduction in revenues. (Unanimous)

32. Juvenile Detention Facility

Administrative Services Specialist Rita Campbell provided an overview. (Page 118)

Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

33. Gang Prevention (Page 121)

Administrative Services Specialist Rita Campbell provided an overview.

Upon motion made by Supervisor Rivas and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)

34. Agricultural Commissioner/Sealer of Weights & Measures (Page 125)

Agricultural Commissioner Ron Ross provided an overview.

Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

35. Mosquito Abatement Program (Page 128)

Agricultural Commissioner Ron Ross provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

36. Fish and Game Commission (Page 131)
Management Analyst Shaw provided an overview.
Upon motion made by Supervisor Muenzer and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)
37. Animal Control/Veterinarian Services Contract (Page 134)
Management Analyst Riopel provided an overview.
Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)
38. County Fire (Page 137)
Management Analyst Riopel along with Assistant Chief of Operations Phil Matteson and Battalion Chief Paul Avila provided an overview.
Upon motion made by Supervisor Muenzer and seconded by Supervisor De La Cruz, approved TDP of Option B, with net county cost of \$256,642 as recommended by CAO. (Unanimous)
39. County Clerk (Page 140)
Clerk-Auditor-Recorder Joe Paul Gonzalez provided an overview.
Upon motion made by Supervisor Botelho and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)
40. County Recorder (Page 143)
Clerk-Auditor-Recorder Joe Paul Gonzalez provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)
41. Public Administrator (Page 146)
Treasurer-Tax Collector Mary Lou Andrade provided an overview. She noted that there was additional money in revenue from the most recent estate case, that should be included. She asked that care and support be reduced by \$2,000.
Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved TDP as recommended by CAO with the addition of the trust money and the reduction in care and support, leaving a net county cost of \$8,803. (Unanimous)
42. Planning and Building (Page 149)
Planning Director Gary Armstrong provided an overview.
Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)
43. Abandoned Vehicle Abatement (Page 152)
Planning Director Gary Armstrong provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

44. General Plan (Page 155)
Planning Director Gary Armstrong provided an overview.
Hollister resident Marty Richman spoke under public comment.
Upon motion made by Supervisor Barrios and seconded by Supervisor De La Cruz, approved TDP with amendments for a net county cost of \$554,000 as recommended by CAO. (Unanimous)
45. Land Development Projects (Page 158)
Planning Director Gary Armstrong provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)
46. Housing & Economic Development (Page 161)
Planning Director Gary Armstrong provided an overview.
Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)
47. LAFCO (Page 165)
Planning Director Gary Armstrong provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

PUBLIC WAYS AND FACILITIES

48. Public Works Administration and Engineering (Page 168)
Management Analyst Janelle Cox provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)
49. Public Works Road Maintenance (Page 171)
Public Works Director Steve Wittry provided an overview along with a handout with numerous changes to the budget.
Upon motion made by Supervisor Botelho and seconded by Supervisor De La Cruz, approved TDP, with staff's changes that reduced the revenue by \$126,581 with total revenue \$2,613,365, as recommended by CAO. Supervisor Muenzer voted no. Motion passed 4 to 1.
50. Road & Bridges Capital Improvement Projects (Page 174)
Capital Projects Manager Adam Goldstone provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)
51. CSA Internal Service Fund (Page 179)
Capital Projects Manager Adam Goldstone provided an overview.
Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved TDP as recommended by CAO, with the understanding that additional information to be presented. (Unanimous)

PUBLIC WAYS AND FACILITIES (cont.)

BINDER PAGE

52. Council of Governments

(Page 212)

Administrative Services Specialist Kathy Postigo provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

BEHAVIORAL HEALTH

53. Mental Health

(Page 215)

Director of Behavioral Health Alan Yamamoto provided an overview.

Upon motion made by Supervisor Botelho and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

54. Substance Abuse

(Page 219)

Director of Behavioral Health Alan Yamamoto provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

HEALTH AND SANITATION

Items 55 through 69 were considered all together.

Administrative Services Manager Nadine DaRoza provided an overview for items 55 through 69.

55. Public Health Summary Fund

(Page 223)

56. Public Health Services

(Page 225)

57. Immunization & Prevention Prog. Combined with Public Health Services

(Page 228)

58. Tobacco Education

(Page 230)

59. Ryan White AIDS Program

(Page 233)

60. Child Health & Disability Prevention Program

(Page 235)

61. Environmental Health

(Page 238)

62. Local Enforcement Agency Combined with Environmental Health

(Page 242)

63. Adolescent Family Life Program Combined with Maternal & Child Health

(Page 244)

64. Maternal & Child Health Combined with AFLP

(Page 246)

65. Maternal & Child Health Commiss. Combined with Maternal & Child Health

(Page 250)

66. Challenge Grant

(Page 252)

67. Emergency Preparedness

(Page 254)

68. California Children's Services Admin. Combined with CCS Diagnostic

Treatment & Therapy

(Page 257)

69. CCS Diagnostic Treatment and Therapy

(Page 259)

Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved items 55 through 69 TDP as recommended by CAO. (Unanimous)

70. Emergency Medical Services

(Page 263)

Health and Human Services Agency Director Kathy Flores provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

71. County Medical Services Program Participation Fee

(Page 267)

Management Analyst Catherine Shaw provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

72. Integrated Waste Management Landfill (Page 270)

Integrated Waste Management Director Mandy Rose provided an overview.
Upon motion made by Supervisor Muenzer and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

73. Regional Agency (Page 273)

Integrated Waste Management Director Mandy Rose provided an overview.
Upon motion made by Supervisor Muenzer and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

PUBLIC ASSISTANCE

Items 74 through 80 considered all together.
Health and Human Services Agency Director Kathy Flores provided an overview.
Hollister resident Marty Richman spoke under public comment.

74. Human Services Agency Administration (Page 276)

75. AFDC FG/U Cal Works Assistance (Page 280)

76. Foster Care Assistance (Page 283)

77. Title IV-B Child Welfare Services (Page 286)

78. Cal Works Support Services (Page 289)

79. Cal Learn (Page 292)

80. Cal Works – State Only (Page 294)

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Muenzer, approved items 74 through 80 TDP as recommended by CAO. (Unanimous)

81. In Home Supportive Services (Page 297)

Health and Human Services Agency Director Kathy Flores provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

82. General Relief-Aid to Indigents (Page 300)

Health and Human Services Agency Director Kathy Flores provided an overview.
Upon motion made by Supervisor Botelho and seconded by Supervisor Barrios, approved TDP with reductions bringing net county cost to \$10,000, as recommended by CAO. (Unanimous)

83. Community Services & Workforce Development (Page 303)

Health and Human Services Agency Deputy Director Enrique Arreola provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

84. Migrant Labor Housing Center (Page 307)

Health and Human Services Agency Deputy Director Enrique Arreola provided an overview.
Upon motion made by Supervisor De La Cruz and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

85. First Five

(Page 310)

Management Analyst Catherine Shaw provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

86. Contribution to Community Based Organizations

(Page 313)

CAO Inman provided an overview.

Clay Kempf of the Seniors Council of Santa Cruz and San Benito/Area Agency on Aging, gave an overview of their program and also spoke on behalf of the Senior Citizens Legal Services. He suggested that the award for the Area Agency on Aging be reduced by \$613, with \$356 going to Advocacy, Inc. and \$257 going to Senior Citizens Legal Services.

Kathleen Johnson of Advocacy, Inc. thanked and acknowledged Mr. Kempf for giving up a portion their share of the contribution.

Pauline Valdivia of Jovenes de Antano thanked the Board for their support noting that their agency serves over 1500 people.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO with \$37,150 going to Jovenes de Antano, \$26,933 going to Seniors Council of Santa Cruz and San Benito, \$5,000 going to Advocacy, Inc. and \$3,600 going to Senior Citizens Legal Services. (Unanimous)

87. Veterans Services

(Page 317)

Management Analyst Catherine Shaw provided an overview.

Upon motion made by Supervisor Botelho and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

EDUCATION

88. County Library

(Page 320)

Librarian Nora Conte provided an overview.

Those speaking under public comment in support of the library were; Hollister resident Jackie Munoz, Hollister School District Trustee Rebecca Salinas, Hollister resident Ruth Erickson, Hollister resident Marty Richman and San Benito County resident Lanty Mason (who provided two handouts).

Chair Barrios made a motion approving TDP as recommended by CAO with a net county cost of \$629,343. Supervisor Botelho seconded the motion.

Under the question:

Supervisor De La Cruz stated that he could support the motion if money from the Library trust fund was used.

Chair Barrios amended her motion approving TDP as recommended by CAO, using \$20,000 from the Library trust fund leaving a net county cost of \$609,343. Supervisor Botelho amended his second. The motion passed unanimously.

Chair Barrios appointed herself and Supervisor Rivas to an ad hoc committee to look into the Library.

89. University of California Cooperative Extension 4-H/ Farm Advisor

(Page 324)

Management Analyst Catherine Shaw provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)

RECREATION

BINDER PAGE

90. Veterans Memorial Park

(Page 328)

Public Works Director Steve Wittry provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor De La Cruz, approved TDP as recommended by CAO. (Unanimous)

91. Recreation and Parks

(Page 331)

Public Works Director Steve Wittry provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor Botelho, approved TDP as recommended by CAO. (Unanimous)

DEBT SERVICES

92. Long-term Debt Repayment – Jail & Juvenile Hall

(Page 334)

Management Analyst Catherine Shaw and Clerk-Auditor-Recorder Joe Paul Gonzalez provided an overview.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Muenzer, approved TDP as recommended by CAO. (Unanimous)

93. Long-term Debt Repayment – Sheriff Admin./County Permit Ctr. Bldg.

(Page 337)

Management Analyst Catherine Shaw provided an overview.

Upon motion made by Supervisor Muenzer and seconded by Supervisor Rivas, approved TDP as recommended by CAO. (Unanimous)

APPROPRIATION FOR CONTINGENCIES

94. Appropriation for Contingencies

(Page 340)

Management Analyst Catherine Shaw provided an overview.

Hollister resident Marty Richman spoke under public comment.

Upon motion made by Supervisor De La Cruz and seconded by Supervisor Rivas, approved TDP as recommended by CAO. Supervisors Barrios and Muenzer voted no. The motion passed 3 to 2.

95. **Final Budget Deliberations:**

County Administrative Officer Rich Inman stated that he would like time to compile where they were at with the budget. He requested that it be continued to Friday, Monday or Tuesday when they could come back to the Board with recommendations after computations.

Chair Barrios noted that OPEB (Other Post Employment Benefits) and PERS (Public Employees Retirement System) were over a million dollars and they needed to discuss whether to use.

Supervisor Botelho felt they needed to establish a shared basis for funding PERS instead of the County paying the whole 7%. He suggested that as contracts expire, in place employees pay a portion of retirement. He further felt they couldn't have the payout situation continue.

Chair Barrios agreed, for any new contracts and felt that they should put away money for vacation and sick payout and create a policy to address the matter.

Supervisor Rivas stated that they had an obligation to meet current contracts with the bargaining groups and felt they should move forward with an idea to cap vacation and sick leave balances with the bargaining groups.

Supervisor Botelho stated that he was not suggesting taking away anything already earned, but going forward. He suggested a cap. He further requested that the Budget Committee come forward with ideas.

CAO Inman suggested that Board members come up with ideas for the Committee to look at and tell them at the August 2, 2011 meeting.

Supervisor Botelho further felt that they had to pull the reigns back on PERS also.

Chair Barrios indicated that she would support that.

Supervisor Muenzer stated that Cal PERS set up the fund and the Budget Committee should look into it.

Chair Barrios asked Supervisor Muenzer if he meant for vacation and sick savings.

Supervisor Muenzer replied affirmatively.

Supervisor Rivas felt they had to look at the other impacts to employees over the years, such as furloughs and no Cost of Living Allowances (COLA), which were probably some of the worst in the area. He relayed that in conversation with Monterey County Supervisors, they could not believe what our employees are up against.

Auditor Joe Paul Gonzalez noted that there were assignments to hold money in reserves and they were using it this year to balance the budget. He added that it was the third year of using the money and it was up to the Board whether to continue setting aside money.

CAO Inman noted that it creates a million dollar debt for 2012/13.

Chair Barrios felt they would not be meeting their future debt obligations if they did not set it aside.

CAO Inman replied yes, in part.

Auditor Gonzalez stated that with OPEB and PERS they had to pay the retirement obligation but could defer OPEB payments.

CAO Inman felt they may have more options.

Supervisor De La Cruz made a Council of Governments (COG) announcement that the Airport Land Use Commission meeting would be held after 3:00 p.m.

Hollister resident Marty Richman spoke under public comment.

The meeting was adjourned at 2:34 p.m. to Tuesday, July 26, 2011 in the afternoon session after the public hearing.

The budget hearings reconvened and were opened on Tuesday, July 26, 2011 at 2:38 p.m. and were continued to Thursday, July 28, 2011 at 9:00 a.m.

The budget hearings reconvened and were opened on Thursday, July 28, 2011 at 9:00 a.m.

County Administrative Officer Inman led the Pledge of Allegiance.

Chair Barrios requested an overview.

Auditor Joe Paul Gonzalez explained the General Fund categories and that the expected fund balance for June 30, 2011 was \$18,777,929. He further explained how they came up with the estimated total fund balance of \$10,098,113 for June 30, 2012. He noted that Rancho Larios was being dropped out of non-spendable money and was cash and unassigned. He noted that only at budget hearings could the Board cancel reserves.

CAO Inman highlighted prudent reserves noting that they had dropped from 5.7 million last fiscal year to 4 million initially proposed for 2011/12 fiscal year. He indicated that the new strategy would add \$500,000 back in for 2011/12 fiscal year bringing the proposed total for prudent reserves to \$4,549,518.

Lengthy discussion ensued among Board members and staff.

Management Analyst Catherine Shaw gave a PowerPoint presentation on the Seven Year Look Back and Where It All Started.

CAO Inman reported that he had received verification of Vehicle License Fee funding for Probation. He suggested that the Board immediately begin discussing the 2012/13 fiscal year budget and having the budget discussion on the agenda each month.

Hollister resident Marty Richman spoke under public comment.

Supervisor Botelho commented that staff had stepped up to the plate and San Benito County employees deserved a lot of thanks. He noted that bargaining units made sacrifices including layoffs, skeleton crews and working towards consolidations. He felt there was a list of areas to consider. He stated that he was proud of the library and would like to keep it County but that it was a non-mandated service. He further stated that there was an increase in funding because of the benefit package and suggested a salary reduction for supervisors to show the employees that they shared their sacrifices. He felt they should reconsider \$100,000 cut for County Counsel that was originally requested. Supervisor Botelho offered the idea of one of the lawyers in County Counsel taking over the Public Defender responsibilities. He requested that the Budget Committee consider a reduction of non-essential hours, perhaps Fridays. He acknowledged that he knew there were already furloughs, but that they should visit and consider. He spoke of capping sick and vacation time and felt they should develop a policy and quickly. He repeated that employees may have to pick up a portion of P.E.R.S. Supervisor Botelho spoke of the 2nd tier different level of benefits and felt that it needed to be fair and should be considered. He stated that a major issue was that the salary matrix system was too broad and that they should eliminate the bottom and top step. He commented that there were too many steps and that it should be narrowed sometime in the near future. He further felt they should freeze salaries across the board, all units, everyone. Supervisor Botelho noted that they gave fire more than proposed and could not believe that they couldn't use County Service Area #36 monies to pay for some of it. He felt that should be looked into.

Supervisor Muenzer observed that the last couple of years' revenues and expenditures had been falling together and they had not been closing the gap. He felt they needed to close the gap but that they couldn't do it all this year. He noted that Supervisor Botelho's suggestions went towards doing that.

Chair Barrios asked Supervisor Botelho if his proposed ideas were for this fiscal year.

Supervisor Botelho replied absolutely and that all employees realized the reality of what the Board was facing. He suggested that the Budget Committee prioritize with staff and address issues one by one and right now.

Supervisor Rivas agreed with the need to close the gap but noted that they had a lot of constraints to do that. He added that half of the revenue is from out of county and that there are many mandates. He indicated that they faced a lot of hurdles in closing the gap. He commented that it was his first year to balance a budget, and it was a budget that primarily relies on cuts, painful cuts. He stated that there were impacts to levels of service and took solace that they were doing what's necessary to move forward and put them on stable financial ground. He indicated that the Budget Committee would be meeting the next several weeks to review ideas and that they would make sure the full Board was informed.

Supervisor Muenzer felt the full Board needed to be made aware of what the Budget Committee was doing and suggested a regular agenda item where the committee could report out. He referred to the money budgeted for the Economic Development Corporation (EDC) and proposed paying it out in two payments and not a lump sum. He suggested \$25,000 now and in 6 months have the EDC report back and \$25,000 then.

Chair Barrios stated that they could recommend that today.

Supervisor De La Cruz noted that the City of Hollister may pull their \$75,000 contribution and felt the Board should make their contribution contingent upon the City of Hollister making

their \$75,000 contribution. He stated that he did not want EDC spending the County money and not have the City contribute.

Supervisor Botelho felt they should take that into account and suggested breaking the \$50,000 into 12 monthly intervals to see how things go. He added that if the City of Hollister did not fund he didn't know how EDC would remain viable. He stated that two payments of \$25,000 would be the bare minimum and that they needed to be result driven. He further commented that the Budget Committee also had to be result driven and he had not seen that to date. He stated that they just couldn't sit there and talk about it.

Further discussion was had between Board and staff regarding OPEB and PERS.

Auditor Joe Paul Gonzalez explained the smoothing period of 20 years and that they were paying higher rates to cover that.

Chair Barrios felt comfortable moving forward knowing that they were doing that and that it was already done. She asked why they had been doing additional set aside in the past.

Auditor Gonzalez explained that the previous CAO Susan Thompson set it up as a way to increase to prepare for retirement and was to be in place for at least three years. He added that as new money comes in the Board can set it aside with a 4/5 vote at anytime. He added that this was the third year of the three year term Ms. Thompson had set up. He indicated that in reality it was a double accounting process.

Chair Barrios surmised that it was a double reserve. She noted that there would be regular budget reports and thanked the Budget Committee for all of their hard work. She also thanked staff. Chair Barrios stated that in addition to regular reporting, she would like to see their specific suggestions come back to them. She listed such suggestions as; vacation and sick leave, meeting OPEB obligations, public defender issue, and monies in capital fund and the idea of selling properties. She stated that she would support Supervisor Botelho's recommendation of cutting back on County Counsel for 2011/12.

Supervisor De La Cruz noted that other departments were under consideration.

Chair Barrios concurred and that absolutely everything was still on the table.

Supervisor Rivas asked how much money was in the library trust fund.

Management Analyst Margie Riopel answered that \$20,000 was used which left a balance of \$68,000.

Supervisor Rivas spoke of the possibility of allocating more of that trust fund money for this year's budget. He asked what the intended use was for the trust fund money.

Chair Barrios stated that the trust fund was for planning for a new library and that they would need seed money for a bond.

Supervisor De La Cruz asked if notices had been sent to targeted individuals for layoff.

Management Analyst Jacki Credico replied not all of them and that the ones for the Sheriff's Office had gone out as they were for August 15, 2011. She added that notices would go out the next week for the rest of them with a target date of October 1, 2011.

Supervisor De La Cruz noted that mostly worker bees were being targeted and that perhaps mid-management should be targeted in order to be fair. He commented that a custodian was about \$65,000 to \$70,000 a year and a higher up was \$100,000, noting the bigger bang for their buck.

Chair Barrios asked which department.

Supervisor De La Cruz stated every department.

CAO Inman expressed concern that in the compressed time frame they would be making decisions without discussing with the effected department head. He explained that each department was requested to cut 20% and that those departments that didn't make a 20% cut should be the ones they go back to.

Chair Barrios felt CAO Inman made a good point adding that County Counsel had been discussed.

Supervisor Botelho stated that he would like to leave discretion to each department head. He concurred that they should look at the departments that did not make a 20% cut.

Supervisor Muenzer concurred that they should look at the departments that did not make a 20% cut and some had even increased.

CAO Inman indicated that he was not comfortable or proud to make this suggestion or strategy. He added that there may be a good reason that some did not meet the 20% cut and that the Board needed to meet with department heads. He noted that there was an item on next week's agenda for direction to the Budget Committee. CAO Inman added that they would need to do layoffs by December for fiscal year 2012/13. He indicated that the Board had not established a legislative platform to take to RCRC, CSAC, etc.

Chair Barrios summarized that CAO Inman would prefer to approve the budget as presented and revisit between now and December.

CAO Inman felt the departments should come back to the Board directly and that they should re-open the hearings immediately.

Supervisor Rivas felt the concerns were valid but that they should move forward with what was on the table and make adjustments later.

Chair Barrios suggested acting on the adjustment changes immediately as they came up.

Supervisor Botelho felt they could not wait until December and that they had made that mistake the previous year with the Sheriff. He urged a commitment from the Board and the budget committee to work with staff next month and make a decision next month and realize fund balance potential for the rest of the year.

Supervisor De La Cruz suggested not waiting and if they were going to do it, they needed to talk about it now and maximize the savings by doing it now.

Supervisor Botelho noted that they could do County Counsel now and take the \$100,000 reduction. He added that the Board of Supervisors should take their cut now.

Chair Barrios supported Supervisor Botelho and have the Board take a 3% cut right now to set the tone.

Supervisor Muenzer suggested that they look at grant writing and perhaps hire a professional grant writer to assist the County.

CAO Inman indicated that they were currently working with the City of Hollister and the School District to do that.

The following persons spoke under public comment: Hollister resident Marty Richman and Hollister School District trustee Rebecca Salinas.

Discussion was had between Supervisors and staff regarding Other Post Employment Benefits (OPEB).

Supervisor Barrios made a motion to approve TDP of budget as recommended with the following changes; take more from reserves and apply at least \$50,000 out of prudent reserves to OPEB mandated liability, County Counsel take \$100,000 cut to budget that the Board was anticipating and Supervisors take a 3% cut in pay.

Supervisor De La Cruz recommended amending the motion to include sending an invitation to elected officials if they wish to contribute a 3% deduction in pay also and direct staff to bring back all packages including Board of Supervisors in October or in the next couple months to start January 1st.

Supervisor Barrios amended her motion to include Supervisor De La Cruz's recommendations.

Supervisor Botelho seconded the motion. The motion passed unanimously.

Supervisor Muenzer asked about the allocation of the Economic Development Corporation budget.

CAO Inman stated that they could simply give direction on how to pay out.

Supervisor De La Cruz recommended monthly payments and suggested directing staff to look into money the City of Hollister may or may not be contributing to the EDC.

Mr. Inman indicated that he could do that.

Supervisor Muenzer requested clarification that the EDC and the way they would be paid would come back to the Board.

CAO Inman stated that he would not pay anything until he received direction from the Board.

Upon motion duly made by Supervisor Botelho and seconded by Supervisor De La Cruz adjourned the budget hearings at 11:18 a.m. (Unanimous)

The vote of each member of the Board of Supervisors upon each matter at the foregoing meeting, unless otherwise stated, was as follows:

AYES:	SUPERVISORS: Barrios, Botelho, Rivas, Muenzer, De La Cruz
NOES:	SUPERVISORS: None
ABSENT:	SUPERVISORS: None

There being no further business the Board adjourned at 11:18 a.m. on Thursday, July 28, 2011 to August 2, 2011 at 9:00 a.m.

MARGIE BARRIOS, CHAIR
San Benito County Board of Supervisors

ATTEST:
Denise R. Thome, Clerk of the Board