

Washtenaw County Board of Commissioners

Budget Planning Retreat II
May 16, 2013

Summary DRAFT

Submitted by Mary O'Hare

The following is a summary of the WC Board of Commissioner's second budget planning retreat on May 16, 2013. Seven of the nine Commissioners participated in the retreat. Elected Officials and county staff were present but did not participate in the activities or discussion. *Please see the minutes of the May 16th^h Working Session for a full roster of attendees.*

Prior to the retreat, Commissioners were given a list of priority areas, determined from the previous retreat in March. These areas are listed in the box on page 2. Below each area are some suggested outcomes to better clarify the nature of that priority area. Commissioners were invited to prepare for the retreat by reflecting on these outcome areas and making a determination about how or how much they would invest county dollars in each area. The difficulty of determining actual investment choices without having the numbers associated as to cost of each priority, specific projects or initiatives or what is currently spent in each area was acknowledged. The focus of the May retreat was to go beyond a brainstormed set of areas that had equal or unknown priority weight to a set of weighted interests that would further the budget development process.

Questions Commissioners were asked to consider include:

- How important do you think that priority/interest area is? If you were to invest in it, would you invest a lot, a little, or nothing?
- Thinking again about investing in a priority area, what if new funding (such as a new or increased millage, bonding, a new or increased fee, etc.) were needed to advance a priority. Would you want to explore that new mechanism?
- The county, especially the BOC, can play many roles in making Washtenaw County a great place to live and thrive. For each priority/interest area, think about what roles you think make the most sense for us to play, keeping in mind that we can sometimes play several roles at once!

To further define those roles, the following is an excerpt from the handouts.

Community Outcomes: Key Roles for Washtenaw County Government

Washtenaw County government has tremendous power in creating, shaping, and influencing the quality of life in Washtenaw County. While some of this power comes through local ordinance or funding, the county can play a variety of critical roles in impacting a change in a community condition or population.

Most often, impacting community change cannot be accomplished by Washtenaw County, but county government can play a number of significant roles from **investor**, to **partner**, to **catalyst and facilitator**, to **convener**, to **advocate and educator**. By their very nature, community outcomes and change efforts require multiple stakeholders and partners, each contributing to the change in community condition or population. In order to be effective, these partners need a *common agenda, shared measurements, mutually reinforcing activities, continuous communication, and adequate infrastructure to support shared efforts.*

Priority Areas/Interests from Retreat I

Ensuring that Washtenaw County Government has a Sustainable & Effective Labor Force

- Washtenaw County government attracts and retains talented and committed employees
- Washtenaw County makes ongoing investments in the professional development and education of its workforce
- Washtenaw County develops deep leadership “bench strength” to effectively lead the organization into the future

Mobility in Washtenaw County

- Washtenaw County has excellent roads, bridges, and related infrastructure to facilitate efficient movement of county residents and local goods and services; and/or,
- Residents in Washtenaw County can travel easily and affordably throughout the county, using motorized or non-motorized routes and connections

Robust Economic & Workforce Development

- Washtenaw County has the highest State employment rate, including communities on the eastside; and/or,
- Entrepreneurs and local businesses have access to capital, talent, and supports needed to grow and thrive; and/or,
- Housing and transportation costs will be affordable to residents earning less than 80% of the area’s median income; and/or,
- Washtenaw County has safe and stable neighborhoods, with high rates of homeownership; and/or,
- Washtenaw County, local communities, and private and corporate partners work together to strengthen the local economy; and/or,
- All Washtenaw County residents have access to broadband internet connection

Ensure a Community Safety Net (Health & Human Services)

- Washtenaw County residents have ready and affordable access to primary care for mental, oral, and physical health; and/or,
- Children in Washtenaw County will have access to the care, support, and developmental tools they need to be ready for kindergarten; and/or,
- Youth in Washtenaw County will graduate from high school, ready for college or career; and/or,
- Residents of Washtenaw County will be food secure; and/or,
- Poverty rates throughout Washtenaw County, including on the eastside, will be the lowest in the State; and/or,
- Low-income residents have access to affordable transportation options

Reduced Environmental Impact

- Residents in Washtenaw County can easily travel throughout the county, using motorized or non-motorized routes and connections Preserve parks and open spaces; and/or,
- Residents in Washtenaw County can easily access parks, natural areas, and open spaces; and/or,
- Washtenaw County government will be carbon neutral

At the retreat, Commissioners were each given a set of fictitious dollars to spend on the areas listed. This was used as a weighted representation of how much of an investment each commissioner would “spend” on the area. Each dollar represented a sort of value token so that in adding up the dollars in each area a relative value for that priority area could be determined. The expectation of this re-weighting of priorities, from all being equal to diversifying the investment, is that County Administration can use this information as the budget is being developed over the summer and as new dollars become available in the future.

In addition to dollars that represented funding the County is likely to have, Commissioners were given additional dollars that represented what funding they might seek if the opportunity to invest more in a priority area became available. In this sense, beyond allocated dollars in the budget they were also showing intent to spend their “political capital” by being willing to go after additional funding or partnerships.

Before, during and after the activity, the Commissioners expressed several concerns that will carry to the next budget planning retreat.

1. Mandated services were not included in the list of priority areas. This was intentional in the design so as not to create competing interests between mandated and non-mandated services. It was noted that there could be value that the other elected officials can draw to shape their own planning. It was disappointing to some that there was no mechanism to allocate even more money toward mandated services or to reallocate dollars that have been previously allocated in the budget.
2. The exercise was theoretical by design and this was frustrating for many of the commissioners participating wanting instead to see numbers, current budgets and potential options for budget cuts. The very real budget task that the commissioners will need to address by the end of the year loomed over the retreat discussion. Commissioners are focusing on the \$6.99 million structural deficit that could mean 72 General Fund funded positions.

Financial & Human Resource Investment Priorities

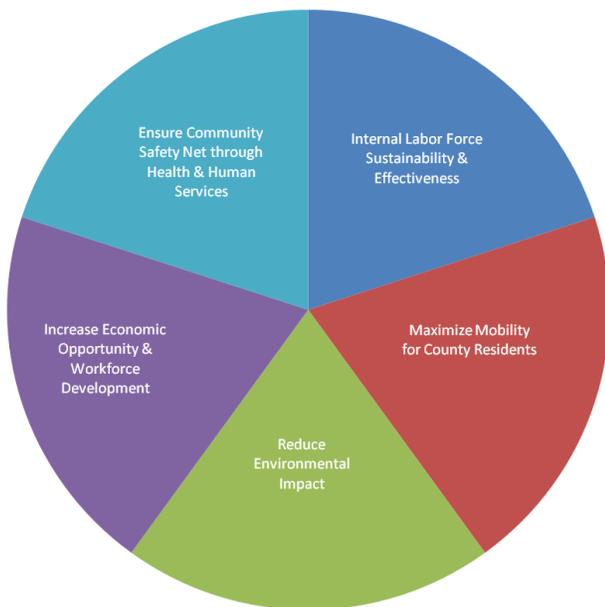


Chart 1

The following pie charts show the difference before and after the exercise. Chart 1 indicates all areas at equal weight. In the exercise, there was no mechanism to add in additional areas or to indicate allocate less than 100% of the fictitious dollars. This forced choice adjusted the percentages into the values represented in chart 2.

Values

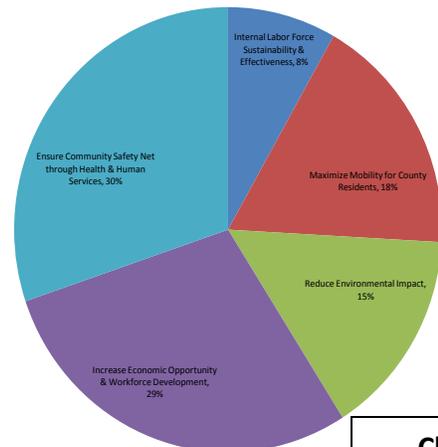


Chart 2

Chart 3

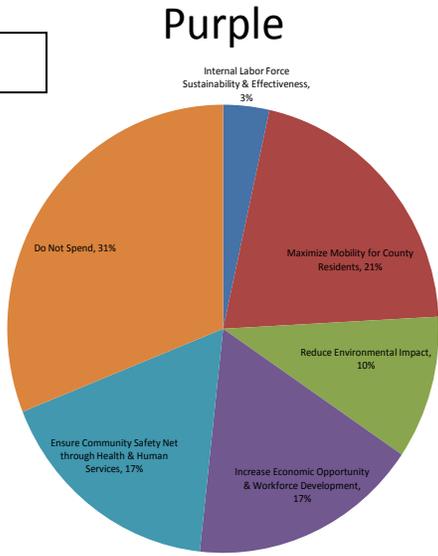


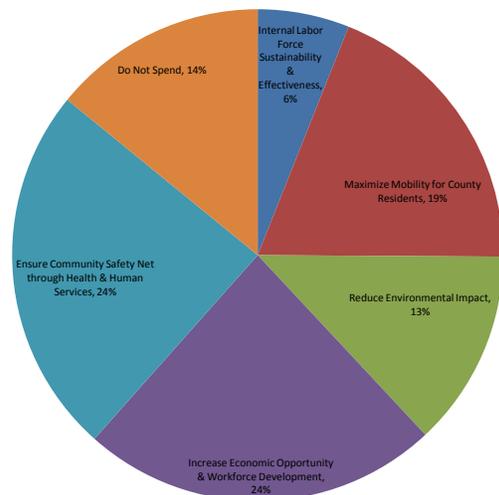
Chart 3 indicates how the values expressed would look if only new dollars were used. The additional orange segment was added to reflect the desire on the part of some commissioner not to spend additional dollars but to stick within the funding we currently have.

The combined chart shows the values expressed when both the regular dollars and new (purple) dollars are included.

In discussing how the commissioners had 'spent' their dollars and the purple extra dollars it was clear that different ways of approaching the exercise brought more alternatives to the discussion.

- Comm. Dan Smith stated that he had put "safe neighborhoods" on every dollar that he had allocated to the workforce development category. He noted that he had written "roads" on each dollar he put into the mobility category.
- Comm. Ping stated that she had written grant on each one of her purple dollars.
- Comm. Conan Smith stated that all of his purple dollars were taxes. He noted that when he thought about investing in improving the environment he was thinking about internal changes the county could make to be more environmentally friendly.

Combined



There are no definitive conclusions to be drawn from this second retreat. This exercise

established the next level of prioritizing but does not necessarily represent the defined priorities of the Board. Subsequent retreats will need to bring the focus down to the community outcome level even more so that dollars allocated can be attributed to outcomes and measures can produce information needed for future budget development. The retreat

concluded with a commitment to continue the discussion, bring more depth by way of budget numbers and options to the table for commissioners to deliberate.

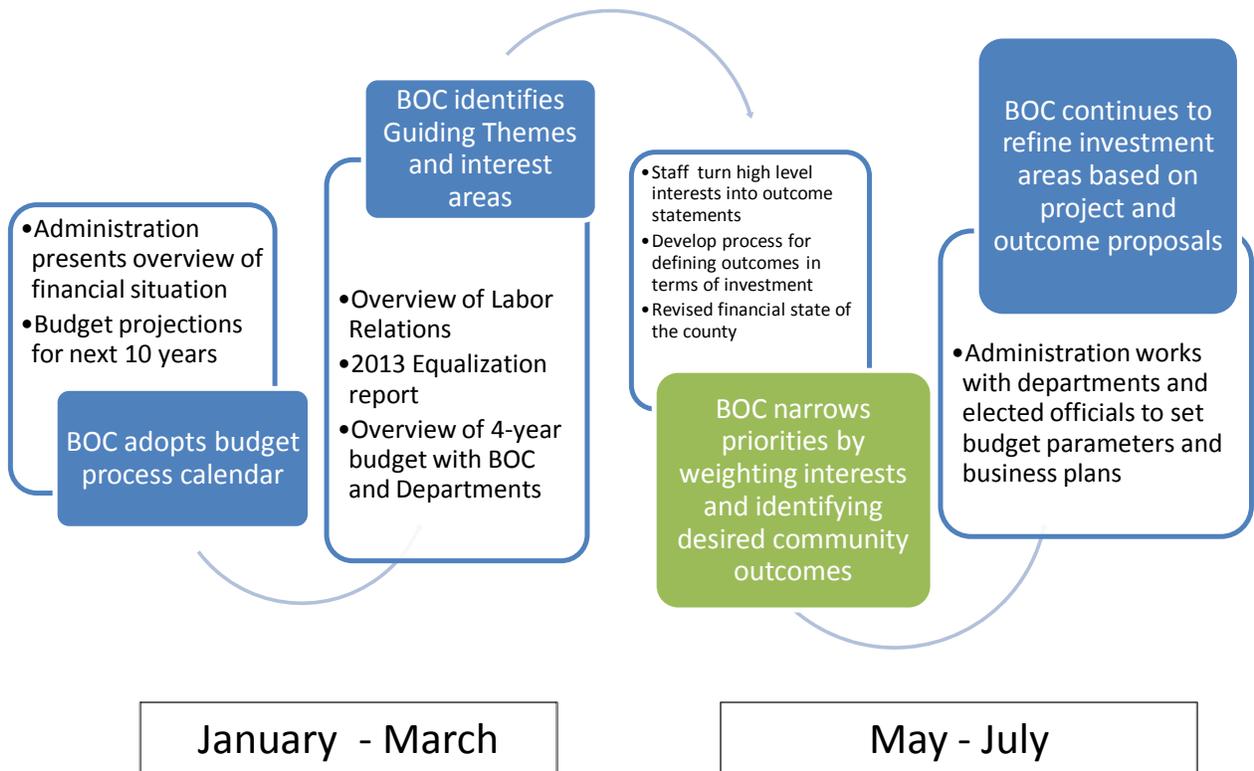
Suggestions, for moving this process forward to better understand the budget and to have more say in how the budget is developed, were offered by the commissioners including:

- Organizing small work groups around areas of the budget that would include county staff as well as commissioners and crafted around existing budget framework, so that all areas, even mandated services, can apply these priorities to their budget development. Work groups would bring a product back to Ways and Means for review and discussion. This idea was also met with alternative views that saw small groups as too isolating, wanting the perspectives of the whole group.
- Look at the priorities set by departments and elected officials in order to inform the commissioners priorities or so that a more complete picture of all the priorities could be established. As examples Sheriff Jerry Clayton and the Office of Community and Economic Development, were mentioned as having prepared strategic plans which the county will need to take time to understand.
- Weigh in on the budget development sooner rather than later. The farther down the path of budget development the county gets, the harder it will be to look at alternatives.

An outline indicating the work ahead in the budget timeline is attached for reference.

Budget Process for Board and Administration

January - December 2013



Budget Process for Board and Administration (continued)

