

County of Marin

Long-Term Restructuring Policy Options

Department: Countywide

Description of Policy Option: Restructure Green Commute Program to balance program goal of reducing trips with reducing program costs

Staff recommended option:

Reduce days eligible for reimbursement. Currently employees are eligible for reimbursement up to 5 days per week. This option would reduce eligible days to 4 days per pay period (two days per week). Participation currently averages about 6.4 days per pay period. This change would save approximately \$125,000 annually and would likely result in a modest reduction in participation.

In addition, full-time staff support for the program would be eliminated for an additional program savings of approximately \$125,000 per year. The following marketing and outreach efforts could no longer be provided:

- Quarterly employee recognition before the Board of Supervisors
- Attendance at departmental, divisional staff meetings for in-depth program presentations; and collect employee feedback.
- Articles in quarterly editions of Frankly Speaking.
- Consistent targeting of registrants and participants via FYI announcements of upcoming events and updates to Green Commute Program MINE site.
- Updates to Green Commute Program “welcome” packets to County’s New Hire Orientation folders.
- Seasonal “Commuter Appreciation Weeks” featuring on-location giveaways and detailed information for employees utilizing one of the five alternative modes of transportation.
- Off-campus location ‘pop-in visits’ to deliver useful, fun green materials and answer specific employees’ questions about the program.
- Collaborative promotional efforts with Golden Gate Transit, 511.org, Marin Transit, and outside businesses.
- Short video productions of different aspects of the Green Commute Program by Media Interchange, including employees’ testimonials from carpools, the bus, bicycles, and the sidewalk.
- Informational e-minders and pertinent, timely press articles to be featured on website.
- Encourage employees to participate in the Transit Reimbursement Program and set aside funds (on a pre-tax basis) from their paycheck of up to \$105.00/month for qualified mass transit expenses.
- Conduct other promotions associated with events such as Earth Day, Bike to Work, and the Wellness Fair.

Estimated Reduction in NCC: \$250,000

Description of Affected Departments/Programs/Services: Countywide program impacts on participating employees

County of Marin

Long-Term Restructuring Policy Options

Expected Change in Service: Proposal would result in decreased number of days that would be eligible for reimbursement and elimination of marketing and outreach efforts

Impacts on Community and/or County Organization: Potential decrease in the number of employees that participate in the program

Timeframe of Implementation: Starting in January 2010

Data/Information Used to Support Option: Green Commute Program data collection

Policy Considerations/Future Analysis:

Any significant program change will require discussion with bargaining units and changes to on-line participation form, as required. If pursued, all bargaining obligations would be fulfilled, as required.

Alternative options to reduce the annual cost of the program are:

Option 1: Reduce the daily stipend. The current stipend is equal to the amount of a roundtrip for Marin local transit service provided by Golden Gate (\$2.00/trip). If employees use Translink or purchase fare cards, they can reduce the roundtrip costs to \$3.60/day. An option is to reduce the stipend for all modes to match the discount fare level. This would likely result in a modest reduction in participation.

Option 2: The stipend could be further reduced from Option 1 based upon the assumption that employees use the Transit Reimbursement Plan in order to purchase tickets with pre-tax dollars. Assuming an employee is in the 20% federal tax bracket, they could save an additional \$0.72 from the above Translink or fare card purchase. This could reduce the stipend to \$3.00/day. Based upon the estimated \$324,421 annual stipend expense, this would save approximately \$81,105, and still provide a stipend equal to the cost of riding local transit. This would likely result in a modest reduction in participation.

Option 3: Change the focus of the program to short term incentives by staggering the stipend. Short term incentives have been found to change behavior. For example, if the stipend were only offered for the first month of each quarter, costs could be reduced by two-thirds. Based upon the estimated \$324,421 annual stipend expense, this would save approximately \$216,280. However, this could result in some confusion about when employees are compensated and when they are not, and there would also likely be an increase in employees submitting late reimbursement requests. This would likely result in a modest reduction in participation.

Option 4: An alternative to Option 3 would be to offer stipends the first two months of each quarter, which would save approximately \$108,140. This would likely result in a modest reduction in participation.

Option 5: In lieu of offering cash incentives, the County could offer additional vacation hours for participating in the green commute program (such a program is utilized by Santa Barbara County).

County of Marin

Long-Term Restructuring Policy Options

Department: Countywide

Description of Policy Option: Reduce General Fund support of County Print Shop

Estimated Reduction in NCC: \$100,000 in FY 2010-11; \$200,000 starting in FY 2011-12 (total current Net County Cost is approximately \$580,000).

Description of Affected Departments/Programs/Services: Countywide (all departments and other clients that make use of the print shop)

Expected Change in Service: Explore conversion of print shop to a copy shop. Reduce scope of services provided and explore downsizing and/or reclassifying existing staffing levels. Some print shop equipment would be sold.

Impacts on Community and/or County Organization: A reduction in program scope and staffing would result in a decreased range of services provided by the office and a decreased capacity to meet the current level of services requested from county departments and other clients. Functions of department would essentially revert to a copy shop rather than a full-service print shop.

Timeframe of Implementation: Beginning in FY 2010-11

Data/Information Used to Support Option: Departmental cost estimates

Policy Considerations/Future Analysis: County departments would need to utilize outside services for more complex graphics work. If pursued, all bargaining obligations would be fulfilled, as required.

County of Marin

Long-Term Restructuring Policy Options

Department: Countywide

Description of Policy Option: Implement Voluntary Separation Incentive Program (VSIP)

Estimated Reduction in NCC: No specific estimated reduction in Net County Cost for the VSIP since the savings is based on the number of employees accepted into the program. As an example, if 30 employees were separated from the County as a result of this program, the County would generate savings of approximately \$750,000 in FY 2009-10 and \$3,000,000 annually beginning in FY 2010-11 based on an average total cost per employee of \$100,000.

Description of Affected Departments/Programs/Services: The VSIP could potentially affect each department based on the applications received and the final acceptance into the program.

Expected Change in Service: The program could change or reduce the level of service currently provided by County departments depending on the number and type of positions eliminated. However, the VSIP is intended to accelerate attrition rather than dramatically change service levels.

Impacts on Community and/or County Organization: As part of the VSIP review process, the County Administrator's Office (CAO) will review applications with affected departments to determine operational impact, consistency with long-term restructuring vision, and ability to eliminate the position or an equivalent position on an ongoing basis. The CAO would only recommend separations to your Board that could meet these three criteria.

Timeframe of Implementation: Your Board approved the creation of the VSIP on August 11 with the initial phase opened in late August and targeted for Health and Human Services employees in classifications affected by State budget reductions. The second phase will be conducted countywide beginning in October and opened to employees with a minimum of 10 years of full-time service hours with the County in a regular position. Certain classifications would be exempted from consideration based on operational needs.

Data/Information Used to Support Option: The overall purpose of the VSIP is to increase voluntary attrition that would result in ongoing cost savings. This approach was a frequently-cited suggestion by County employees as a way to reduce long-term costs while minimizing potential layoffs. In developing the VSIP, the County researched similar programs in other agencies and incorporated elements applicable to the County's needs.

Policy Considerations/Future Analysis:

- Ability of departments to eliminate positions of employees who apply for the program and incorporate into long-term restructuring options
- Ensuring appropriate and timely knowledge transfer from employees separating as part of the program

County of Marin

Long-Term Restructuring Policy Options

Department: Countywide

Description of Policy Option: Consider a voluntary time off (voluntary furlough) program as a method of reducing County costs.

Estimated Reduction in NCC: TBD

Description of Affected Departments/Programs/Services: The program would allow employees to voluntarily take a maximum of 12 days off without pay in a fiscal year. Unlike existing "leave without pay" time, this program would allow employees to take uncompensated leave, but still allow them to accrue other leaves and benefits, and would not detrimentally affect their retirement compensation calculation. Approval of requests would be made at the sole discretion of the department head.

Expected Change in Service: There should not be an impact on service. Departments would have to balance requests with workload demand, as is done now for other types of leave.

Impacts on Community and/or County Organization: Approval of the voluntary time off would allow employees to contribute to the County and, at the same time, allow for greater but uncompensated leave time.

Timeframe of Implementation: FY 2009-10

Data/Information Used to Support Option: Sonoma County's Voluntary Time Off program, implemented this fiscal year, was used as a basis for this proposal. In addition, an employee subcommittee of the Long Term Restructuring Working Group is working to develop these parameters.

Policy Considerations/Future Analysis: Implementing this change into the payroll system will require MERIT programming time which could be accomplished this fiscal year. The CAO, HR and IST departments will continue to work with the employee subcommittee to develop a more detailed program and outline requirements.

County of Marin

Long-Term Restructuring Policy Options

Department: Countywide

Description of Policy Option: Explore increase to countywide revenues

Estimated Reduction in NCC: Approximately \$250,000 ongoing beginning FY 2011-12

Description of Affected Departments/Programs/Services: Countywide, though departments responsible for collecting/accounting for sales tax, transient occupancy tax, and business license revenues include the Treasurer's Office and County Auditor's Office.

Expected Change in Service: No change in service; existing taxes and/or schedules would need to be revised to reflect the new rates but there should be no additional or new ongoing costs associated with administration.

- An increase of the base sales tax rate of 0.5% (from 9% to 9.5% total) would generate approximately an additional \$100,000-\$150,000 per year. (In San Rafael, the sales tax rate is 9.5%).
- An increase of the transient occupancy tax from 10% to 11% would generate an additional \$100,000 per year.
- An increase in business licenses is more difficult to project without more extensive analysis since the business license tax schedule applies varying rates based upon type of business and gross receipts.

Impacts on Community and/or County Organization: An increase in the transient occupancy tax would be borne primarily by visitors to the County. For comparison, the hotel tax in San Francisco is 14%.

An increase in the sales tax would be borne by residents and visitors alike. For comparison, the sales tax rate in San Francisco is 9.5%, and is 9% in most areas of Sonoma County (9.25% in Santa Rosa and Sebastopol).

Timeframe of Implementation: Long term

Data/Information Used to Support Option: Estimates informed by input from Treasurer-Tax Collector's Office and Auditor-Controller's Office

County of Marin Long-Term Restructuring Policy Options

Policy Considerations/Future Analysis: Increasing revenues during a recession may have negative macroeconomic consequences; resident support may not be overwhelming. Increasing the sales tax, business tax, or transient occupancy tax would require a vote of the people.

County of Marin

Long-Term Restructuring Policy Options

Department: Countywide

Description of Policy Option: Explore restructuring or elimination of specialty courts, including Adult Drug Court and STAR Court

Estimated Reduction in NCC: \$600,000

Description of Affected Departments/Programs/Services: District Attorney, Public Defender, Probation, Health and Human Services – Alcohol, Drug, and Tobacco Services, and Marin County Courts

The Adult Drug Court is an intensive court-supervised program, which offers highly structured outpatient treatment alternatives to certain non-violent offenders. This voluntary program is offered to defendants after they plead guilty in court. Participation in Adult Drug Court requires defendants to make regular court appearances before a judicial officer, who works with a team that includes a deputy district attorney, deputy public defender, and treatment providers who provide clinical assessments and drug and counseling services. This court program is designed to give offenders an opportunity to take responsibility for their actions and change their lives.

STAR Court is a court-supervised program for defendants who have serious mental illnesses, which require medication, treatment and other services, and who choose to participate in STAR Court as an alternative to traditional supervised probation. The goal of STAR Court is to decrease the frequency of clients' contacts with the criminal justice system by improving their social functioning skills and by linking them to employment, housing, regular treatment, and support services. STAR Court works in collaboration with Marin County's STAR Program, which is a full service partnership providing culturally competent, intensive, integrated services to mentally ill offenders. Clients must first be in the STAR Program before they become eligible to participate in STAR Court. The STAR Court Team includes a judicial officer, probation officer, district attorney, defense counsel, STAR Program Case Manager and treatment providers.

Expected Change in Service: Potential reduction or elimination of General Fund support for specialty courts, including Adult Drug Court and STAR court

Impacts on Community and/or County Organization: Reduction or elimination of General Fund support for these programs could result in the loss or reduction of staffing and treatment services for these programs. Such a change would reduce or eliminate the number of opportunities for therapeutic alternatives to incarceration and/or opportunities for rehabilitation for the drug-addicted and/or mentally ill residents of Marin County. Elimination of the Adult Drug Court could also result in the loss of federal funds that serve to off-set the costs of the program.

Timeframe of Implementation: FY 2010-11

County of Marin

Long-Term Restructuring Policy Options

Data/Information Used to Support Option: FY 2009-10 budget

Policy Considerations/Future Analysis: This option would need to be compared to program impacts of other criminal justice reductions necessary to close the estimated FY 2010-11 budget gap. If this option is pursued, all required bargaining obligations would be fulfilled as required.

County of Marin

Long-Term Restructuring Policy Options

Department: Countywide

Description of Policy Option: Explore a new, less costly retirement plan for new employees

Estimated Reduction in NCC: Approximately \$100,000 in FY 2009-10 and up to \$2.5 million ongoing over the next 30 years.

It is estimated that reverting to the prior benefit formulas would save approximately 1% to 1.5% of employer payroll over time - or \$1.5 million to \$2.5 million per year. As these savings would accrue only to new employees on or after the date of implementation, full estimated annual savings of \$2.5 million would not accrue for some number of years into the future.

Description of Affected Departments/Programs/Services: All new County of Marin employees hired in 2011 or later. Some employees would also experience savings to the extent they paid half of the incremental cost of the current enhanced tiers. For example, the county could negotiate a lower cost retirement plan for new employees, such as a 2% at 61 benefit formula for miscellaneous (vs. current 2% at 55 formula) and a 3% at 55 benefit formula for safety employees (vs. current 3% at 50 formula). The 2% at 61 and 3% at 55 tiers existed prior to approval of the current enhanced tiers several years ago.

Expected Change in Service: May impact ability to attract new employees in the future.

Impacts on Community and/or County Organization: Local governments recognize public employee defined benefit plans have served career employees well for many decades. However, current public pension systems are not sustainable. A myriad of factors contribute to this conclusion, including current economic and investment climates, pension reforms in the private sector, longer life expectancies, and shrinking work forces.

While maintaining the goal of providing full career employees with pension benefits that maintain a reasonable standard of living into retirement, benefit levels should be fair and adequate but also fiscally sustainable both for employers and taxpayers. An additional interest is ensuring that changes to pension plans be mindful of regional impacts to recruit and retain competitively for the best employees.

Timeframe of Implementation: FY 2010-11

Data/Information Used to Support Option: Current budget information and estimated impact of changes as percent of payroll.

County of Marin Long-Term Restructuring Policy Options

Policy Considerations/Future Analysis: Would require negotiation with bargaining units, additional study with actuary, and additional study regarding competitiveness with surrounding jurisdictions. Current employees, or employees hired before implementation of the new tiers, would not be impacted.