



County Government

Introduction

The Proposed Budget Book represents the County's primary policy and budget document. It articulates the Board of Supervisors' priorities, how departments align their program goals and objectives to achieve the Board's priorities, and provides information on how available County resources are targeted to achieve them.

This County Overview section of the Proposed Budget Book highlights Marin County's proposed budget and management plan for Fiscal Year 2009-10. It is structured to provide high-level context regarding Marin County, how its government is structured, and how the County strives to create, measure and accomplish its goals. The County also publishes a separate Budget-in-Brief, which summarizes the County's budget, programs and services.

County Government

Marin County is a general law county that is a geographic and political subdivision of the State of California. Under the State Constitution, the County is responsible for providing state-established health care, welfare, and criminal justice programs, and to enforce state and federal laws. These services are provided to all residents within a county's jurisdiction. In many cases, the minimum level of services, administrative guidelines, and the power of a county to provide these services are defined by state law.

In addition, Marin County provides regional services such as libraries, parks and open space preserves, performing arts facilities, an airport, weights and measures inspection, and pesticide regulation. The County also provides municipal services such as police and fire protection, building inspection, and road maintenance for residents of unincorporated areas.

Eleven incorporated cities and towns are located within Marin County, including the County seat of San Rafael. The central and most visible location of Marin County government is the Marin County Civic Center in San Rafael, which was designed by Frank Lloyd Wright and is on the National Register of Historic Places. The Civic Center is home to a public library as well as many other County services. The Civic Center also houses the Hall of Justice, including court facilities and public safety departments. Other County facilities and services can be found throughout the county.

Composition of Marin County Incorporated and Unincorporated Population January 1 2009

AREA	POPULATION	% OF TOTAL
UNINCORPORATED	70,224	27%
SAN RAFAEL	58,363	23%
NOVATO	52,921	20%
MILL VALLEY	14,006	5%
SAN ANSELMO	12,644	5%
LARKSPUR	12,255	5%
CORTE MADERA	9,739	4%
TIBURON	8,941	3%
SAUSALITO	7,532	3%
FAIRFAX	7,434	3%
ROSS	2,401	1%
BELVEDERE	2,158	1%
MARIN COUNTY	258,618	100%

California Department of Finance, January 2009

The Board of Supervisors

The Board of Supervisors is both the legislative and executive body of Marin County government. The Board adopts policies, establishes programs, appoints non-elected department heads, and adopts annual budgets for all County departments. The Board of Supervisors also serves as the governing board for several special districts including the Open Space District, Flood Control District, Housing Authority, Transit District and Redevelopment Agency. Each special district is distinct from the County and has separate roles, budgets and staff.

Supervisors also serve on regional agencies and as ex-official members on the boards of county service districts.

The Board of Supervisors is a five-member board elected by district on the basis of population, as required by state law. Supervisors are elected on a non-partisan basis and serve for a term of four years. Supervisors also elect a President, Vice President, and Second Vice President annually among themselves.

The current Marin County Board of Supervisors includes:

- **District 1: Supervisor Susan L. Adams (Second Vice President)**
- **District 2: Supervisor Harold C. Brown, Jr. (President)**
- **District 3: Supervisor Charles McGlashan**
- **District 4: Supervisor Steve Kinsey**
- **District 5: Supervisor Judy Arnold (Vice President)**

The Board generally meets every Tuesday in the Board Chambers of the Civic Center to discuss and vote on all County policy items. The Board's meeting schedule and agenda are posted weekly on the Board of Supervisors website, located at www.co.marin.ca.us, and are printed in the local newspaper. Audio and video broadcasts of Board meetings (both live and archival) are also available on the Board of Supervisors' website.

County Administrator

The County Administrator is appointed by and operates directly under the Board of Supervisors, providing research, information and recommendations, and aiding its executive function by providing management guidance and assistance.

The County Administrator's Office (CAO) provides overall countywide coordination of programs and services. The CAO annually prepares and monitors implementation of the budget adopted by the Board of Supervisors; prepares the County's State and Federal Legislative Plan for the Board of Supervisors; oversees implementation of the County's Strategic Plan; and provides guidance for organizational development. The CAO is also responsible for oversight of the Risk Management and Facilities Planning programs.

County Organizational Structure

The Marin County Proposed Budget is divided into six functional service areas that represent general categories of service to county residents:

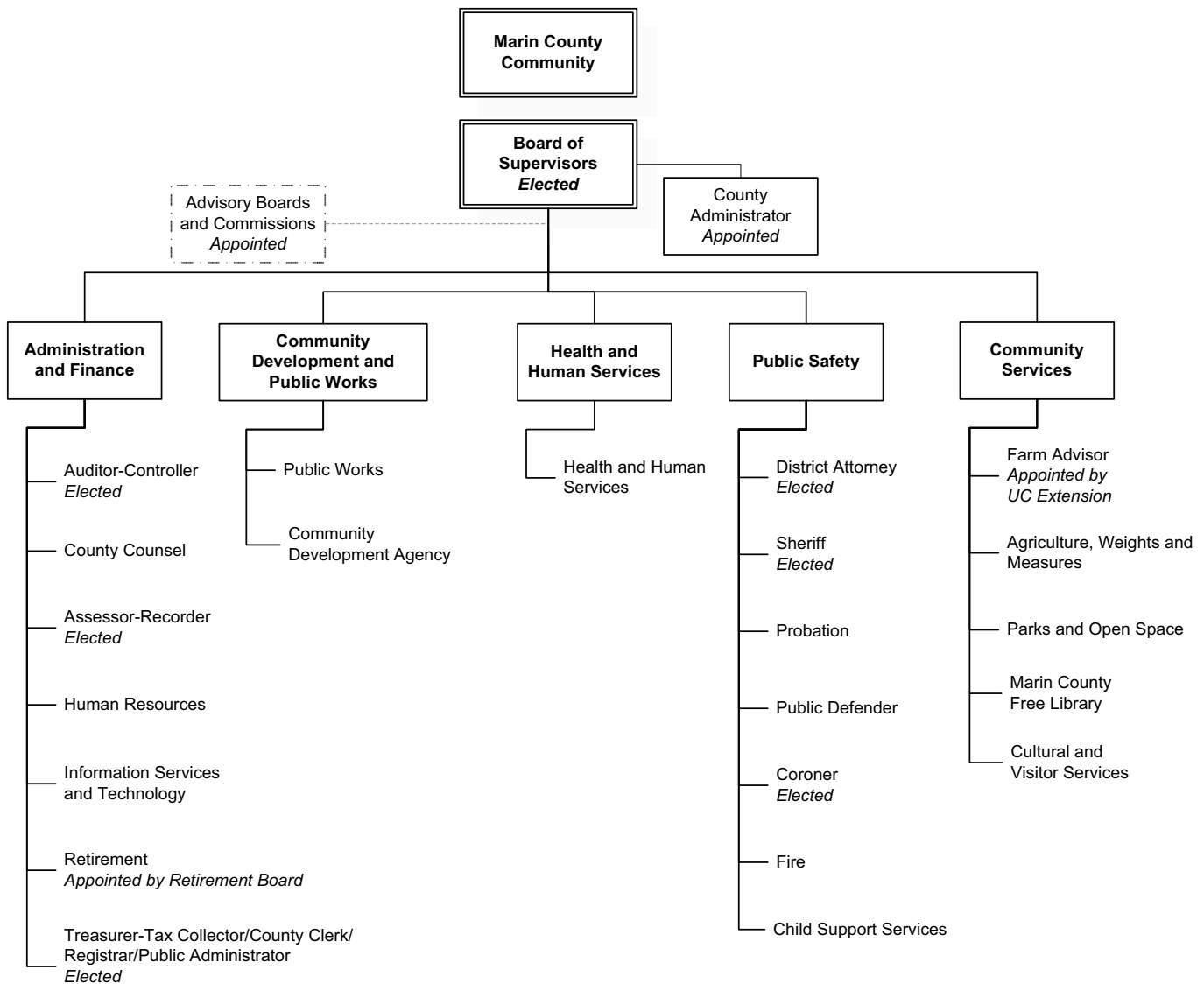
- **Health and Human Services**
- **Public Safety**
- **Administration and Finance**
- **Community Development and Public Works**
- **Community Services**
- **Non-Departmental**

These service areas are composed of 23 separate departments. A majority of the departments are directed by officials appointed by the Board of Supervisors, while some - including the Auditor-Controller, Assessor-Recorder, Treasurer-Tax Collector/Clerk/Registrar/Public Administrator, Coroner, Sheriff, and District Attorney - are elected by residents to serve a four-year term. As a result of the passage of Measure B in November 2008, the offices of Auditor-Controller and Treasurer-Tax Collector will be consolidated by January 2011 into an appointed Director of Finance position. The chart on the following page illustrates the County organizational structure by functional service area.



County Government

Marin County Organization Chart



Boards and Commissions

The Board of Supervisors has established advisory boards, committees and commissions to which it appoints residents to serve. The purpose of these appointive boards, committees and commissions is to provide opportunities for members of the community to participate in and act on matters of public concern. Some commissions are discretionary while others are mandated by state statute. Each commission represents the constituents of a specific issue, policy or program focus.

County Budget

The budget is a comprehensive financial plan that funds the County's workplan for the fiscal year. As part of the budget process, departments evaluate their accomplishments for the preceding year and determine next steps for the coming fiscal year to further implement the goals and desired outcomes of

the department. The Proposed Budget document articulates the intentions of the departments for the coming year, detailing long-term goals and objectives and the associated initiatives for which funding is being requested. The budget strives to be thorough, clear and transparent.

After its adoption, department managers, the Auditor-Controller and the County Administrator's staff review and analyze revenue and expenditure detail throughout the year to identify variances from the budget.

Budget Process

The County Administrator oversees the County budget process, including the coordination and review of department budget requests and the final preparation of a Proposed Budget for the Board of Supervisors' consideration and adoption.

The County operates on a fiscal year basis that begins July 1 of each year, and ends the following June 30. The California State Constitution requires that all public agencies adopt an annual balanced budget, allowing for a temporary appropriation to be in place by June 30 of each year, with a final appropriation adopted on or before September 30.

Preparation of the annual budget requires an intensive effort covering a period of over nine months. Ongoing dialogue with the departments, advisory commissions and the Board of Supervisors is critical to the development of a meaningful budget document.

After final adoption, the Board may revise the budget. Departments cannot amend the budget without approval by the Board of Supervisors, except for adjustments between accounts within a department that do not increase the overall appropriations of a department. However, as departments identify new or additional revenue sources or needs throughout the year, the Board may consider budget revision requests. The County Administrator's staff meets regularly with departments to discuss the budget modifications and potential needs throughout the year, with a thorough review at mid-year.

New Financial System Implementation

The County has implemented SAP Public Sector software that provides financial, human resource and other operational information. The County's system, called the Marin Enterprise Resource Integrated Technology (MERIT) system, is referred to many times throughout the Proposed Budget document. The MERIT system provides the County with integrated administrative business systems and is being implemented in a phased fashion.

The County has taken strides to reformat the budget to a program-level view. In line with the County's Managing For Results (MFR) process, the program-level view of the organization provides a more detailed view of how appropriations are utilized to provide services consistent with the County's mission and priorities.

Financial Management and Guidelines

In planning for and preparing the annual budget each year, prudent fiscal decisions are made that will sustain the long-term health and well-being of the County organization. Accordingly, the County Administrator strives to make fiscal recommendations in the Proposed Budget that adhere to the following financial guidelines:

1. Balanced Budget: The annual budget must balance resources with expenditure appropriations (California State Government Code §29009). The Board requires the County Administrator's Office, in coordination with the Auditor-Controller, to ensure that expenses are controlled in such a manner that department budgets are not expended above

the levels that are appropriated in the annual budget or beyond that which the County has the funds to pay.

- 2. Pursuit of New Revenues/Maximizing Use of Non-General Fund Revenues:** County departments will pursue revenue sources, when reasonable, in support of the countywide goals. Where not prohibited by law, departments will maximize use of non-General Fund revenues prior to using General Fund money to fund programs. In any case, the Board expects that revenues will only be budgeted when there is substantial assurance of their receipt in the fiscal year that is being considered. The County will continue to advocate for more discretion over its revenue sources and to diversify and maximize discretionary revenue sources to improve the County's ability to manage revenue fluctuations.
- 3. Use of "One-Time" Funds:** The Board expects that one-time revenues shall be dedicated for use as one-time expenditures. Annual budgets will not be increased to the point that ongoing operating costs become overly reliant on cyclical or unreliable one-time revenues. In the face of downturns in the economy or any significant State cuts in subventions for locally mandated services, the use of one-time sources of funds will only be used to ease the transition to downsized and/or reorganized operations.
- 4. Cost Recovery Through Fees:** Departments must utilize fees to recover costs where reasonable and after all cost-saving options have been explored. There must be statutory authority for the County to charge a fee and the fee must be approved by the Board of Supervisors, with the exception of those fees in which a statute mandates the imposition of the fee. If permissible by law, fees and charges will cover all costs of the services provided, unless otherwise directed by the Board. Programs financed by charges for services, fees, grants, and special revenue fund sources will pay their full and fair share of all direct and indirect costs to the extent feasible and legally permitted.
- 5. Grants:** As required by current Board policy, any new grant award that requires new County funds/matching requirements or other County commitments must be reviewed by the County Administrator. The County Administrator reviews and approves any proposed allocation of grant monies before departmental submission of the grant application to the granting agency. When applying for grants for ongoing programs (as opposed to planning or capital grants), departments should consider how funding will be provided for the duration of the program. To the extent legally possible, all grant applications should be based on full costing, including overhead and indirect costs. Where matching funds are required for grant purposes, departments should provide as much "in-kind" contribution as allowed instead of hard-dollar matches. Unless long-term funding is secure, departments should avoid adding staff to support new grant-

County Government

supported programs. If it is necessary to add staff, limited term positions should be used to support programs.

6. **Interest Earnings:** Unless otherwise prohibited by law or Generally Accepted Accounting Principals (GAAP), interest earnings in County operating funds shall be retained in the General Fund.
7. **Matching Funds/Backfill:** Generally speaking, federal and state program reductions will not be backfilled with County discretionary revenues except by Board direction. The Board typically does not backfill these programs due to their size and impact on the County's financial position. The Board, at its discretion, may provide County "overmatches" to under-funded programs to ensure or enhance specified levels of service.
8. **Cost Allocation:** Countywide overhead costs shall be allocated to all County departments based upon the cost allocation and implementation plan developed annually by the Auditor-Controller.
9. **Budget Reductions:** Reductions shall be evaluated on a programmatic basis to reach the appropriations level required within the available means of financing. When budget reductions are necessary, departments will prioritize their services and programs and propose reductions in areas that have the least impact in achieving countywide and departmental goals. Departments must also consider the potential effects on interrelated or cross-departmental programs when developing budget reductions.
10. **Non-Emergency Mid-Year Requests:** Mid-year budget and capital project requests of a non-immediate nature requiring the use of fund balance are recommended to be referred to the next year's budget deliberations to accommodate prioritization relative to countywide and departmental goals and available financing sources. Mid-year requests with other funding sources, or which can be absorbed within a department's budget, will be considered as a component of the County's "Actuals & Expectations" mid-year review process.
11. **Appropriations from Unanticipated Revenues:** Appropriations from departmental unanticipated revenues will not be recommended unless the department is either reaching or exceeding its total departmental revenue estimates on a monthly or quarterly basis, or its revenues are in line with historical revenue trends for that department and the appropriation is consistent with departmental and countywide goals. Grant program revenues and appropriations will be handled separately.
12. **General Fund Support/Net County Cost:** General Fund Support is the amount of General Fund money to a given budget after revenues and other funding sources are subtracted from expenditures. Significant variances from budgeted General Fund Support/Net County Cost amounts during the

fiscal year may result in a recommendation to reduce expenditures to ensure that the budgeted net cost are achieved by the end of the fiscal year.

13. **Debt Financing:** Debt is incurred for the purpose of spreading capital project costs over the years in which the improvement will provide benefits. Debt is also incurred to reduce future costs such as refinancing (pension obligation bonds, general obligation bonds, certificates of participation) at lower interest rates. The County will consider, finance, and administer debt consistent with Marin County's Debt Policy.
14. **General Fund Balance:** General Fund balance that is available at the end of any given fiscal year is estimated during the final stages of the budget development process for the following year. Much of this amount is derived from salary savings and other unencumbered balances that are generated in departmental operating budgets. Fund balance will be used to achieve and maintain the County's reserve goals and to balance the next year's budget. Reliance upon fund balance for budget balancing will be monitored and will not materially deviate from past actual activity. It is the policy of the Board that the County should strive to reduce its reliance upon the prior year's remaining fund balance to finance the next year's operations.
15. **Funding of Contingency Reserves and Designations:** For the General Fund, the County shall maintain a minimum of 5% of its operating budget in contingency or budget uncertainty reserves.

Contingency reserves will be used in future years to phase into fiscal distress periods in a planned, gradual manner, or to support costs on a one-time basis for the following purposes:

- Impacts of unanticipated reduction in state and/or federal grants and aid
- Economic recession or depression and corresponding budget actions before the beginning of any one fiscal year
- Impacts of a natural disaster
- Unanticipated or unbudgeted lease expense that is necessary for the delivery of local services
- Unforeseen events that require the allocation of funds

Other reserves may be used to designate one-time funds for anticipated events or requirements, or for significant capital projects to minimize debt service and issuance costs ("pay-as-you-go" capital spending).

Administrative designations may be established for the cost of anticipated expenditures where there is uncertainty concerning the exact timing and/or amount of the expenditures that will be needed in the fiscal year. The County Adminis-

trator will review any request for an administrative designation and verify that funding can be taken from existing appropriations.

- 16. Collection of Fees for Service:** All departments in the County shall make a reasonable effort to collect all unpaid amounts due them. In consultation with the County Administrator, County departments may utilize the Treasurer's Central Collections service.

Departments wishing to engage the Central Collections Division's services shall enter into the Treasurer's Memorandum of Understanding with the Central Collections Division of the Treasurer-Tax Collector's Office to establish responsibilities of the Central Collections Division and the Client Department. Such Memorandum of Understanding shall also reference the Central Collections Division Discharge of Accountability Policy, which codifies under what circumstances the Central Collections Department would suspend collection efforts on delinquent accounts determined "not collectable." However, any delinquent accounts suspended in accord with this policy would remain in archive status to preserve the County's right to collect on all unpaid fees.

After the discharge of accountability is exercised by the Central Collections Division, the responsibility to resolve the outstanding collectible amount will rest with the individual department in accordance with applicable laws and regulations.

Debt Management

To the extent that resources are available, the County will consider providing for the routine maintenance of County facilities and infrastructure from operating resources. The County will attempt to fund capital projects with grants, land use fees (including impact fees) or other non-recurring resources. If these funding sources are insufficient, the County will consider developing new funding sources using general revenues, operating surplus or capital reserves to fund capital projects. The County will also consider leveraging these resources with bonds or Certificates of Participation.

Long-Term Debt

The County Board of Supervisors has approved three debt issues in the past 10 years and maintains a superior AAA insured rating (AA+ uninsured).

Capital Improvement Plan and Budget

As part of the annual budget process, the Board of Supervisors adopts a Capital Improvement Plan that outlines a five-year plan for public improvement projects. Board authorization of a new capital project occurs in concurrence with approval of the project's budget and schedule. Approval of the project budget authorizes total expenditures over the duration of the

project, which often spans multiple years. The annual appropriated budget for the Capital Improvement Plan reflects appropriations for projects to be implemented in the fiscal year along with any debt payments related to capital outlay. Project balances are carried forward each fiscal year through the completion of the project.

Budget Considerations

Basis of Budgeting

The annual budget is prepared, reviewed and approved in accordance with the County Budget Act. The budget is prepared using generally accepted accounting principles. Governmental funds such as the General Fund, Special Revenue Funds and Debt Service Funds use the modified accrual basis for accounting, while Proprietary Funds use the full accrual basis.

The annual budget includes all operating, capital and debt service requirements of Marin County for the subsequent fiscal year. The annual budget also includes: the revenue and expense assumptions upon which the budget is based; the number of budgeted positions by department and program; and the mission, strategic priorities and performance measures of each department and program.

Legal Mandates

A significant portion of the County's budget covers programs or services mandated by state and federal law. Increases in the cost and/or level of services of existing programs drive the budget process.

Appropriations Limit (Gann Limit)

In 1979, California voters enacted Proposition 4, an initiative that became codified as Article XIII B of the State Constitution. This article, later amended by Proposition 111 in 1990, imposes spending limits on the annual appropriations of taxes for the state, counties, cities, special districts and schools. The spending limit is calculated using base-year appropriation levels adjusted annually to reflect the California per capita change in personal income and the percentage change in the population.

County Fund Structure

The County accounts for expenditures and revenues according to generally accepted accounting principles as defined by the Governmental Accounting Standards Board (GASB). The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balanced set of accounts. The County budget is allocated across multiple operating funds to allow for proper accounting of all expenditures and revenues. The Fiscal Year 2009-10 Proposed Budget for all funds appropriated by the Board of Supervisors is \$434,594,815.

County Government

ALL OPERATING FUNDS SUMMARY

All Funds	FY 2007-08 Actual	FY 2008-09 Proposed	FY 2008-09 Approved	FY 2009-10 Recommended	FY 2009-10 Change
Expenditures					
Salaries & Benefits	\$254,126,013	\$262,777,249	\$262,662,030	\$269,264,442	\$6,602,412
Service and Supplies	\$142,645,121	\$110,831,781	\$115,393,624	\$106,409,333	(\$8,984,291)
Other Charges	\$20,006,644	\$49,726,450	\$49,749,493	\$48,360,253	(\$1,389,240)
Interdepartmental Charges	\$3,506,623	\$3,159,988	\$2,820,146	\$3,560,787	\$740,641
Contingency-Reserves	-	\$4,500,000	\$4,500,000	\$7,000,000	\$2,500,000
Total Expenditures	\$420,284,401	\$430,995,468	\$435,125,293	\$434,594,815	(\$530,478)
Revenues					
Taxes	\$184,936,770	\$164,253,959	\$164,253,959	\$166,692,922	\$2,438,963
Licences, Permits & Franchise Fees	\$9,260,792	\$9,999,818	\$10,005,818	\$9,220,572	(\$785,246)
Fines, Forfeitures, Penalties	\$5,507,810	\$5,136,228	\$5,208,475	\$5,624,040	\$415,565
Revenues From Use	\$10,285,582	\$7,016,079	\$7,236,079	\$5,610,092	(\$1,625,987)
Intergovernmental Revenues	\$170,732,003	\$156,147,038	\$159,665,985	\$156,462,998	(\$3,202,987)
Charges for Current Services	\$48,034,758	\$44,283,236	\$44,307,460	\$44,292,516	(\$14,944)
Miscellaneous Revenues	\$23,541,691	\$17,285,775	\$17,574,182	\$17,341,069	(\$233,113)
Budgeted Transfers	\$7,256,750	-	-	-	-
Total Revenues	\$459,556,157	\$404,122,133	\$408,251,958	\$405,244,209	(\$3,007,749)
Use of Fund Balance	(\$39,271,755)	\$26,873,335	\$26,873,335	\$29,350,606	\$2,477,271
Allocated Positions (FTE)	2,215.82	2,188.80	2,210.52	2,192.93	(17.58)

COUNTY OPERATING FUNDS DESCRIPTION

Name Fund	Fund Type	Fund #	Description
General	General	10000	The major countywide fund that directly funds costs of most programs and departments in County government.
Road	Special Revenue	20100	The fund is dedicated to general maintenance of roads and the transportation infrastructure of the unincorporated districts of Marin County. Funded largely from the Highway Users tax, also commonly known as the Gas Tax.
County Fire	Special Revenue	20200	The fund is dedicated to the accumulation and accounting of funds for structural fire protection in the unincorporated areas served exclusively by the Marin County Fire Department. It is funded from property taxes.

COUNTY OPERATING FUNDS DESCRIPTION

Name Fund	Fund Type	Fund #	Description
County Library	Special Revenue	20300	The fund is dedicated to library services for the residents of the unincorporated areas of the county, Corte Madera, Fairfax, Novato and Ross, as well as services in San Rafael through the Civic Center branch. The Library receives funding from property taxes, State funds and special assessments.
Fish & Game	Special Revenue	20400	The fund is dedicated to supporting various fish and game preservation and related educational programs.
Child Support	Special Revenue	20500	The operating fund for the Department of Child Support Services, which is fully funded by state and federal monies.
Building Inspection	Special Revenue	20800	The operating fund for County building inspection operations which is fully supported by fee and fine revenue.
Environmental Health	Special Revenue	20900	The operating fund for the County Environmental Health Services Agency, which is fully supported by fees and fines.
IST MIDAS	Special Revenue	21000	The operating fund for Marin Informational and Data Access Systems (MIDAS) which is a Joint Powers Authority for the provision of a public County Internet site, funded through user fees.
FishNet4C	Special Revenue	21100	The operating fund for a salmon protection and restoration program invoking several California coastal counties.
Grants	Grant	22010-540	Five separate funds have been established for the management of grant funds received from state, federal, local and other sources, including the Community Development Block Grant program.
Capital Projects	Capital Projects	27900	The fund dedicated for the accumulation and expenditure of resources for the financing of the County's Capital Improvement Program, which is often funded by a combination of general fund, state and federal monies.
Debt Service	Debt Service	28101, 28102, 28103 and 28600	Funds established for the payment of bonds and bond certificates issued by the County. Associated revenues and funds are collected in the general or capital fund depending on debt type and transferred to the appropriate fund for payment.
Special Aviation	Enterprise	31010	The fund dedicated to administering the operations of the County airport, which is funded by user fees.
East Shore Wastewater Project Maintenance	Internal Service Fund	31040	The fund dedicated to monitoring the operations of the East Shore Wastewater Project, which is fully funded by fees.
Workers' Compensation	Internal Service Fund	32010	The fund dedicated for the accumulation and expenditure of resources for County workers' compensation costs; it includes employer contributions from all eligible County budgeted funds.
Employee Retirement Operations	Pension/ Employee Benefit Trust	33020	The fund dedicated to administering the operations of the County Retirement Department, which is funded by contributions from a separate retirement trust fund.
High Tech Theft Apprehension Grant	Agency Trust Fund	80553	This fund is supported by two grants from the Governor's Office of Emergency Services to address high technology crime.

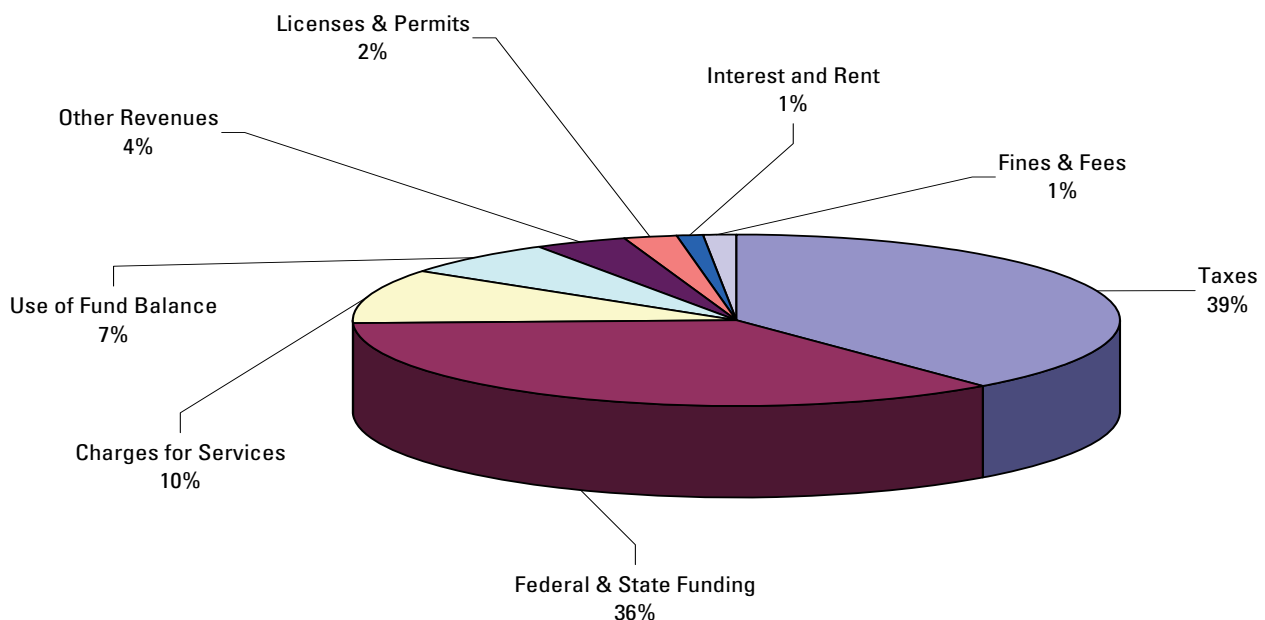
County Government

The Board of Supervisors also oversees the budgets for special districts including two sewer maintenance districts, 19 county service areas, 11 flood control zones, two lighting and landscape districts and six permanent road divisions. Full financial detail can be found in the Special District budget, which is produced separately by the Auditor-Controller's Office.

Total Sources

The County receives revenues from the following general categories: Federal and State Funding; Taxes; Charges for Services; Interest and Rent; Fines and Fees; Licenses and Permits; Other Revenues; and Use of Fund Balance. Based on the funding source, revenues must be used to support particular services; some revenues may be used at the discretion of the Board of Supervisors and are commonly referred to as general or discretionary revenue.

All Funds Revenue by Major Sources for Fiscal Year 2009-10 (Total Revenues: \$434,594,815)



- 1. Taxes (39%):** This category includes current year secured and unsecured property taxes; sales and use taxes; special district augmentation fund taxes (related to Library and Fire Districts) and supplemental assessments.

Property Tax: The County is responsible for the collection and distribution of all property taxes. The County collects an estimated \$400 million in property taxes annually.

The County receives 19% of all collected property tax and distributes the remaining portion among the school districts, cities, special districts and redevelopment agencies within the County.

Other Taxes: In addition to property taxes, the County receives sales tax and hotel tax monies collected within the unincorporated areas of Marin.

- 2. Federal and State Funding (36%):** This includes funding from the state and federal government for provision of mandated services including welfare administration, administration of various health services and public safety programs. The

County receives additional revenue from state and federal agencies through competitive grant programs such as the District Attorney's High-Tech Task Force, Homeland Security Grants received through the Sheriff's Office of Emergency Services, and various health and public development grants.

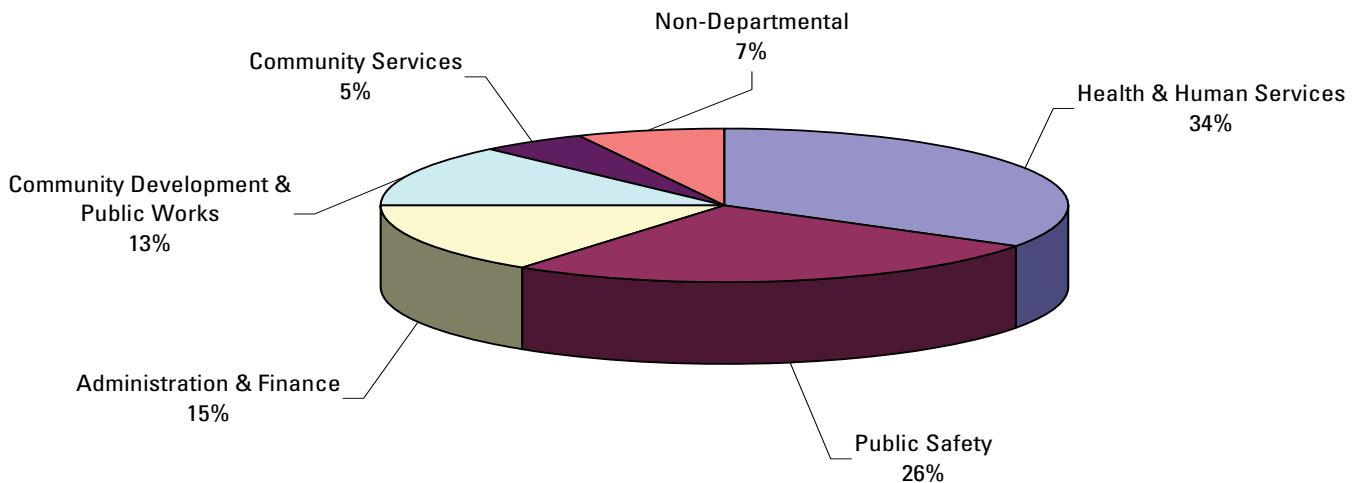
- 3. Charges for Services (10%):** This revenue is generated from various fees charged by the County for its services, such as park admission fees, election services fees, survey fees and jail booking fees.
- 4. Use of Fund Balance (7%):** This is the carry-over from the prior year of unexpended appropriations and unexpected revenues. The County strives to maintain reliance on a fund balance of 5 to 7 percent to maintain on-going operations.
- 5. Other Revenues (4%):** Revenues include Marin Community Foundation grants, miscellaneous reimbursements, sales of publications and charges by the General Fund to other funds for services performed, such as telephone expenses paid to the General Fund by the Roads Fund.

- 6. **Licenses and Permits (2%):** Revenue in this category is generated through the sale of business licenses, franchise fees, building permit fees and related licenses and permits.
- 7. **Fines and Fees (1%):** This revenue category includes Vehicle Code Fines, Court and miscellaneous fines, forfeitures and penalties assessed by the departments.
- 8. **Interest and Rent (1%):** This includes earnings on bank deposits, the County's short-term investment pool managed by the Treasurer's office, rental fees charged for the use of Marin Center and park properties, and depreciation recovery charges for certain County assets.

Distribution of County Funds

Most services and programs provided by the County are contained in the General Fund. The budget is divided into six major categories of services including: Health and Human Services; Public Safety; Administration and Finance; Community Development and Public Works; and Community Services. The sixth category of Non-Departmental accounts is for those expenses and revenues that are not directly associated with a single department, such as the County's obligation to the State Trial Courts or the County's portion of discretionary vehicle license registration fees.

All Funds Expenditures by Major Service Area for Fiscal Year 2009-10 (Total Expenditures: \$434,594,815)



Non-Departmental includes contributions to various reserves.

Net County Cost

Net County Cost = (Department Expenditures) - (Department Revenues)

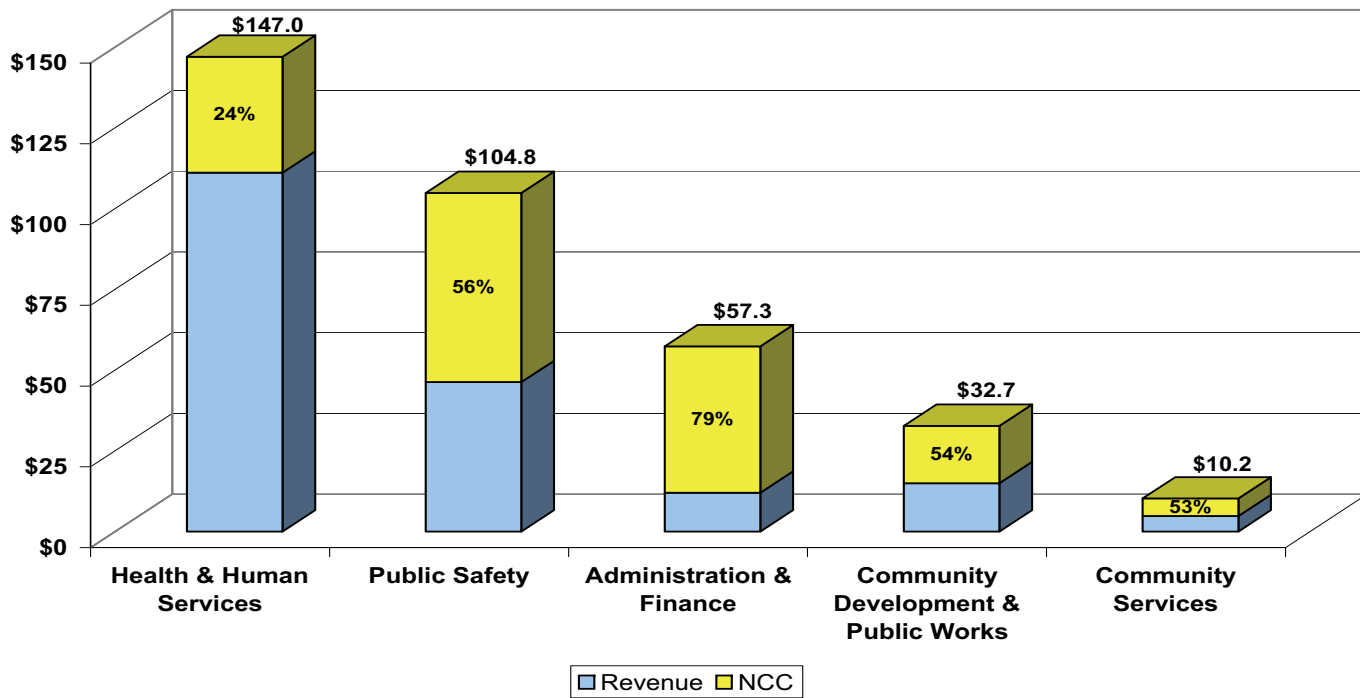
Many County programs do not have a dedicated revenue stream to fully offset operating costs. As a result, these programs are supported by general purpose revenues such as property or sales taxes. Some departmental programs are able to generate substantial revenues, such as state or federal reimbursements for social services programs. The County also uses general purpose revenues to provide a required match to receive these state or federal revenues. When appropriate, departments charge fees for services, such as the building inspection program, which is completely cost-covered.

The difference between program expenditures and program revenues is known as the net county cost (NCC). The NCC is the amount the County must fund from the General Fund to

support the program, and is funded through a variety of discretionary financial sources available to the County including property and sales tax, vehicle license registration fees and prior-year fund balance. The County's reliance on NCC increases as the County loses revenue from state and federal sources, requiring the County to increase department or general purpose revenues, or to reduce expenditures. The following two charts compare department expenditures, revenues and NCC, first by service area in graphical format, and second by department in table format.

County Government

Percent Net County Cost (NCC) of Total General Fund Expenditures by Service Area for Fiscal Year 2009-10 (Millions)



General Fund Net County Cost (NCC) By Service Area

	FY 2009-10 Proposed Expenditures	FY 2009-10 Proposed Revenues	FY 2009-10 Proposed NCC
Health and Human Services			
Planning and Administration	-	(\$44,000)	(\$44,000)
Aging and Adult Services	2,682,878	(1,555,682)	1,127,196
Alcohol, Drug and Tobacco	6,617,267	(5,461,725)	1,155,542
Community Mental Health	36,392,215	(28,406,091)	7,986,124
Social Services	56,548,250	(48,124,508)	8,423,742
Public Health	44,774,683	(27,527,095)	17,247,588
Service Area Total	\$147,015,293	(\$111,119,101)	\$35,896,192
Public Safety			
Child Support Services	947,613	(947,613)	-
Coroner	1,322,216	(285,512)	1,036,704
District Attorney	13,136,423	(4,569,759)	8,566,664
Fire	17,273,287	(12,819,135)	4,454,152
Probation	15,561,153	(6,972,531)	8,588,622
Public Defender	6,993,066	(1,662,688)	5,330,378

General Fund Net County Cost (NCC) By Service Area

	FY 2009-10 Proposed Expenditures	FY 2009-10 Proposed Revenues	FY 2009-10 Proposed NCC
Sheriff	49,601,858	(19,002,072)	\$30,599,787
Service Area Total	\$104,835,617	(\$46,259,310)	\$58,576,307
Administration and Finance			
Board of Supervisors	2,970,998	(26,407)	2,944,591
County Administrator	9,119,667	(2,693,281)	6,426,386
Assessor-Recorder	8,242,936	(3,073,366)	5,169,570
Auditor-Controller	4,165,391	(1,522,941)	2,642,450
County Counsel	4,560,515	(179,690)	4,380,825
Human Resources	4,881,927	(1,000)	4,880,927
Information Services and Technology	16,967,908	(1,546,294)	15,421,614
Treasurer-Tax Collector / Registrar / County Clerk	6,427,358	(2,975,420)	3,451,938
Service Area Total	\$57,336,700	(\$12,018,399)	\$45,318,301
Community Development and Public Works			
Community Development Agency	6,803,113	(2,853,293)	\$3,949,820
Public Works	25,923,838	(12,105,078)	13,818,760
Service Area Total	\$32,726,951	(\$14,958,371)	\$17,768,580
Community Services			
Agriculture, Weights and Measures	1,738,362	(884,189)	854,173
Cultural & Visitor Services	3,438,813	(2,185,375)	1,253,438
Farm Advisor	396,191	-	396,121
Parks and Open Space	4,656,139	(1,705,314)	2,950,825
Service Area Total	\$10,229,505	(\$4,774,878)	\$5,454,627

County Strategic Plan

Since 2001, the Board of Supervisors has used the County's Strategic Plan (A Blueprint for Excellence in Public Service) in directing the development and administration of the County organization. The Strategic Plan seeks to align County programs with guiding principles to provide excellent service to the Marin County community, as well as provide a foundation and direction to guide organizational development. The Strategic Plan expresses the County's commitment to build a sustainable community and to encourage the participation of all Marin County residents in their County governance. The Stra-

tegic Plan is organized into four major strategies: The Customer, The Employee, Communication, and Performance Management. In addition to these strategies, the Strategic Plan articulates desired outcomes and a series of actions to accomplish each strategy.

Managing for Results

Performance management, one of the four strategies of the Strategic Plan, involves measuring the effectiveness of County programs in achieving community outcomes. To further define this strategy, the Board of Supervisors expressed its vision to

County Strategic Plan

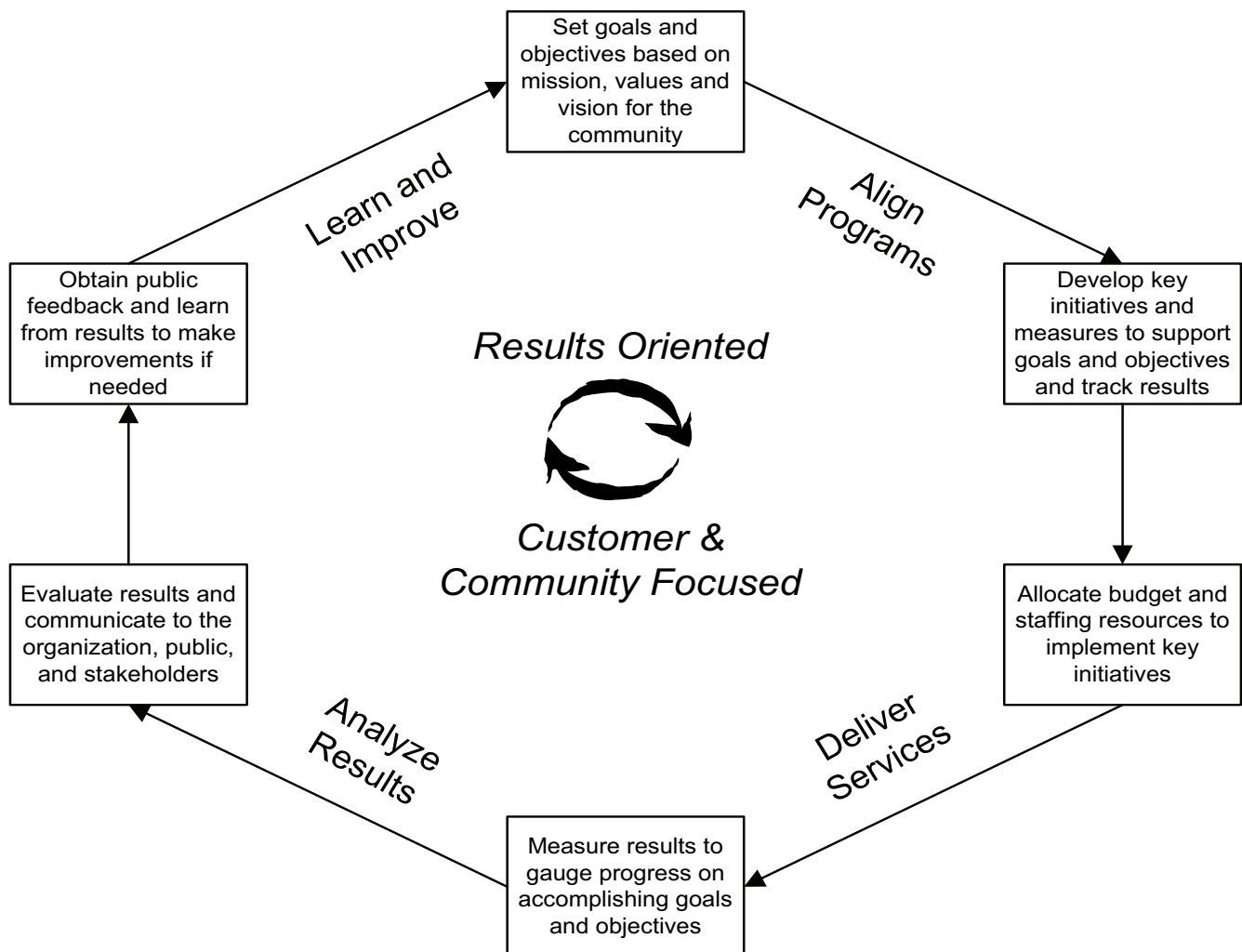
becoming a "Well-Managed County" with the following elements:

- Results-oriented
- Customer and community focused
- Mission and values-driven
- Collaboration and participation among all levels of the organization
- Cycle and culture of continuous improvement
- Budgets and business systems aligned with overall mission, values and goals

In 2004, the County developed and implemented a program called Managing For Results (MFR) to achieve this vision of a "Well-Managed County." MFR is a tool that helps the County "do the most important things well" by identifying the County's most important priorities, aligning department and program activities to reflect those priorities, and using measures to track progress in accomplishing them. MFR is also an integral part of the budget process, as countywide and department priorities help inform budget enhancements recommended in the Proposed Budget.

As shown in the diagram below, MFR is a dynamic, ongoing process that continues the County's efforts to build a high-performance organization that achieves results in addressing community and organizational needs.

Managing for Results in Marin County Organizational Management Framework



Countywide Goals and Objectives

As an initial step in implementing MFR, the Board of Supervisors approved a set of Countywide Goals in December 2004. The Countywide Goals reflect the internal goals from the Strategic Plan and identify the County's community and organizational priorities.

To further articulate countywide priorities, the Board adopted a set of strategic objectives (listed below) in December 2005 based on the five community-oriented Countywide Goals. The strategic objectives are designed to translate the broad goals into more measurable statements to give further strategic direction to departments and programs. The results of the County's first community survey conducted in 2005 helped inform the development of these objectives.

COUNTYWIDE GOALS

MISSION

The mission of the County of Marin is to provide excellent services that support healthy, safe and sustainable communities; preserve Marin's unique environmental heritage; and encourage meaningful participation in the governance of the County by all



COMMUNITY GOALS

<p><u>Healthy Communities</u></p> <p>Public Health Services; Culture and Lifelong Learning Resources; Healthy Lifestyles; Pollution Prevention</p>	<p><u>Safe Communities</u></p> <p>Crime Prevention; Emergency Response; Social Justice; Safe Roadways; Emergency Preparedness</p>	<p><u>Sustainable Communities</u></p> <p>Affordable Housing; Diverse Modes of Transportation; Sustainable Economy; Efficient Resource Use; Energy Conservation</p>	<p><u>Environmental Preservation</u></p> <p>Environmental Stewardship and Enhancement; Agricultural Heritage; Waste Management; Land Use Planning</p>	<p><u>Community Participation</u></p> <p>Accessible Public Facilities; Public Service Opportunities; Voter Participation; Diversity in Government</p>
---	--	---	--	--

ORGANIZATIONAL GOALS

<p><u>Excellent Customer Service</u></p> <p>Responsive; Knowledgeable; Accountable; Respectful; Nondiscriminatory</p>	<p><u>Employer of Choice</u></p> <p>Recruitment and Retention; Employee Recognition; Work-Life Balance; Training; Career Opportunities</p>	<p><u>Effective Communication</u></p> <p>Employee and Interdepartmental Communication; Two-Way Public Communication; County Web Information</p>	<p><u>Managing for Results</u></p> <p>Results-Based Decision-Making; Outcome Measurement; Continuous Improvement</p>	<p><u>Financial Responsibility</u></p> <p>Fiscal Management; Sustainable Resource Management; Goal-Directed Resource Allocation; Accountability</p>
--	---	--	---	--

Healthy Communities

- Improve Community Access to Health Services
- Provide Community Enrichment through Cultural, Recreational, and Learning Opportunities
- Promote Healthy Lifestyles for County Residents

Safe Communities

- Ensure Community Safety through Effective Law Enforcement and Prevention
- Promote a Fair Justice System through Restorative and Therapeutic Programs
- Reduce the Risk of Wildfires in Partnership with Our Community
- Provide Effective Emergency Preparedness and Response

Performance Measures

Sustainable Communities

- Reduce Traffic Congestion by Providing Transportation Choices
- Support Affordable Housing Opportunities
- Promote Efficient Resource and Energy Use
- Encourage Collaboration with Public/Private Organizations

Environmental Preservation

- Maintain and Enhance Open Space
- Support and Promote the County's Agriculture Heritage
- Protect the Natural Environment

Community Participation

- Encourage an Informed and Engaged Community
- Improve Access to County Facilities and Services
- Promote and Support Diversity

Performance Measures

Performance measures are a key component in the County's Managing for Results program as measures help assess the quality of County programs and overall progress in achieving the County's most important priorities. A good measurement system serves as both a management tool to help departments manage and continuously improve their operations as well as a communication tool in recognizing and communicating results to both the organization and the public. Measures should involve different types of data (workload, efficiency, and effectiveness) and can inform many types of decision-making, including strategic (mission and goals), operational (specific initiatives and activities), and financial (resources).

Beginning in FY 2006-07, County departments have been developing performance measures for their specific programs. These measures are located within the department sections of the Proposed Budget document.