ROLL CALL:
Present: Supervisors Calcagno (Chair), Armenta, Salinas, Parker, and Potter.

1. Pledge of Allegiance – Supervisor Parker led the salute to the flag.

2. Additions and Corrections: There were no additions and corrections.

3. Public Comment (Limited to 3 minutes per speaker)
   · Wes Morrill, Chairman of the Monterey County Management Council, confirmed the Management Council Executive Board will support the Board of Supervisors in finding cost saving opportunities and will work with the Board to implement changes and solutions.

SCHEDULED MATTERS:

Items 5 through 16 were included in the final motion and vote.

4. County Administrative Officer Opening Remarks and Comments.
   · County Administrative Officer, Lew Bauman, commented on the expected budget gap of $11.1 million for 2008-09, $41.6 million in 2009-10 and potential $65 million in 2011-12. He advised that the three year budget forecast is an
estimate of revenues and expenditures and is intended to provide guidance with respect to budget planning. He advised today staff will present an overview of revenue projections, audit activities, cost savings opportunities, potential human resource programs, draft budget mitigating strategies, and request policy direction from the Board.

5. Received oral report regarding County’s Property Tax, Assessed Valuation and Cash Management from the County’s three Elected Finance Officers, Lou Solton, Treasurer Tax-Collector; Steve Vagnini, Assessor-Clerk Recorder; and Michael Miller, Auditor-Controller respectively. 
Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES

6. Received oral report from the Auditor-Controller regarding status of the Independent Financial Analysis being conducted by Harvey M. Rose Associates, LLC.
Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES

7. Received oral report from Department Head Committee on Cost Savings Opportunities.
Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES

8. Board Budget No. 08/09-143
Received presentation of the Talent Acquisition and Placement Services Program.
b. The Board acknowledged its support of the TAP program, in concept, and directed staff to return to the board with more detail regarding costs and strategic issues associated with implementation of the program
Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES

9. Board Budget No. 08/09-144
a. Received a status report from the County Administrative Office - Human Resources Division regarding the FY 2008-09 In/Out Placement Program for County employees; and
b. Provided no further direction to staff.
Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES

10. Board Budget No. 08/09-145
Accepted the report from the County Administrative Office regarding the Communication Process for notifying employees and employee organizations of proposed budget recommendations.
Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES

11. Board Budget No. 08/09-146
a. Received oral progress report on development of employee seniority lists; and
b. Directed the County Administrative Office to provide training to all Human Resources county-wide staff on layoff procedures; authorized staff to proceed with establishing employee seniority list; directed staff to provide a memo to
the Board regarding who will conduct the training and other issues associated with program. (Armenta questions)

**Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES**

12. Board Budget No. 08/09-147  
   a. Received and provided guidance regarding draft County Financial Policies which contain countywide financial principles and strategies for building the FY 2009-10 Recommended Budget and ongoing fiscal management; and  
   b. Directed the County Administrative Office to recommend Financial Policies, with any revisions directed by the Board, to the Board’s Budget Committee for future submittal and adoption by the Board; directed staff work with Department Heads to refine Board policies, connect with the stated interests of labor leadership today and bring this item back to full Board for a more thorough discussion of these policies and their impact to the County budget and County operations.

**PUBLIC COMMENT:**  
· Mike Kanalakis, Sheriff, advised that the Department Heads team received the financial policy document last week. He suggested that the Department Heads team be allowed to work with the County Administrative Office to develop a policy document and bring all suggestions back at the one time.

**Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES**

**Recess to Lunch - Closed Session**

**1:30 P.M. RECONVENED**

**ROLL CALL**  
Present: Supervisors Calcagno (Chair), Armenta, Salinas, Parker, and Potter.

13. Additions and Corrections for Closed Session: There were no additions or corrections to Closed Session.

14. Closed Session under Government Code section 54950, relating to the following items:  
   a. Pursuant to Government Code section 54957.6, the Board will confer with labor negotiators. Designated representatives: Keith Honda and Patricia Covert Employee organizations: All Units  

**CLOSED SESSION REPORT:** The Board provided direction to the negotiators on how to proceed to address matters that were discussed in open session; and on additional matters, direction was provided in Closed Session.

15. Board Budget No. 08/09-148  
   a. Received a summary report of 5% and 10% Net County Cost Budget Reduction Scenarios developed by Department Heads for Fiscal Year 2009-10;
b. Directed the County Administrative Officer to continue working with Department Heads to refine these scenarios and bring forth a consensus; and
c. Provided no further direction to staff.

Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES

16. a. Received a report on various approaches to addressing the County’s structural budget gap; and
b. Directed staff to address a 3-year budget scenario and a gap of $46 million using Scenario 6 (which includes the use of the 2008-09 fund balance, department reduction scenarios, MIA cap, ending the employer paid retirement contribution, 1-day per month furlough and suspension of the educational assistance program) as the starting point; directed Keith Honda to begin a dialogue with labor regarding closing that gap to avoid potential layoffs; suspended Tuition Reimbursement Program as of March 4, 2009, prospectively, recognizing that assistance has already been approved for some employees; directed staff to return within two weeks with a report on where we are in the Interest Based Bargaining negotiations and the possibilities of working collaboratively with labor as the County moves through concessions and expenditure reductions.

PUBLIC COMMENT:
· Don Ask, consumer of County services, suggested the Board consider public safety, legal mandates that need to be met, and the things taxpayers want as first priorities when they make the hard decisions.
· Albert Carlsen, Research Director for SEIU Local 521, requested the public and union members be allowed to see the background documents related to spending priorities, reserve policies, best practices and how the County came to the solutions/recommendations. He advised that SEIU would be working with member leaders and administration to present money saving opportunities; and requested to see the audit.

Motion by Supervisor Potter, seconded by Supervisor Salinas. ALL AYES

ORDER FOR ADJOURNMENT TO TUESDAY, MARCH 17, 2009

APPROVED:

/s/ Louis R. Calcagno
LOUIS R. CALCAGNO, CHAIR
BOARD OF SUPERVISOR

ATTEST:
GAIL T. BORKOWSKI
Clerk of the Board

BY: /s/ Gail T. Borkowski

S-1 – Scheduled Items SA - Supplemental Agenda AC - Additions and Corrections