



COUNTY OF MENDOCINO
BOARD OF SUPERVISORS
501 Low Gap Road • Room 1090
Ukiah, California 95482

October 8, 2002

To: The Citizens of the County of Mendocino

On September 17, 2002, the Mendocino County Board of Supervisors adopted its final budget for fiscal year 2002-2003. That budget, presented herewith, will govern the financing of the county's service delivery system through June 30, 2003. The Board of Supervisors believes that this budget seriously addresses the difficulties of adequately serving the many needs that exist in our county in a time of economic uncertainty and funding cutbacks.

This document identifies expenditure limits for county budget units and the special districts that are under the purview of the Board of Supervisors. It also includes revenue estimates for fiscal year 2002-2003 and other fiscal and narrative information relative to county operations. In the interest of clarity and comprehensiveness, new organizational charts, graphics, and details on special purpose grants are included in this report.

This year the Board faced a number of significant financial challenges resulting from reduced levels of economic activity which began well over a year ago, and which were exacerbated by the events of September 11, 2001. While Mendocino County's financial condition was significantly affected by a downturn in the local economy, it was further impacted by developments at the state level. Faced with a \$23 billion budgetary shortfall, the State of California attempted to address the problem primarily through a strategy that included internal borrowing, nonrecurring revenues, and short-term revisions to state taxes. In an effort to minimize program reductions in a gubernatorial election year, it was a strategy based in part on the expectation that the economy would begin to rebound in the spring of 2003. With most economic forecasts currently predicting a slow economic recovery, and the independent Legislative Analyst's Office projecting a state shortfall of up to \$13 billion in 2003-2004, the California Department of Finance has issued a directive for all departments to develop scenarios for a twenty percent reduction in funding for the next budgetary cycle.

Accordingly, Mendocino County has begun financial planning for fiscal year 2003-2004. The Board of Supervisors has directed staff to develop financial projections and to prepare for departmental and program reviews to begin in January 2003. The Board intends to work closely with staff and the public to develop a spending plan for 2003-2004 that balances fiscal responsibility with the on-going need to provide services to Mendocino County residents and visitors.

Lastly, the Board of Supervisors thanks all of those who have provided us with advice, consent, and criticism during the budget process and throughout the year. Public input is crucial to our efforts to make informed and responsible policy, planning, and program decisions. We value your interest and support as we endeavor to protect and advance the public interest in the context of an uncertain local, state, national and, indeed, international economy and polity.

Respectfully Submitted,

J. David Colfax, Ph.D., Chairman
Mendocino County Board of Supervisors

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