



Mendocino County Farm Bureau

Affiliated with the California Farm Bureau Federation and the American Farm Bureau Federation

COPY

September 15, 2009

CEO Tom Mitchell
Executive Office
501 Low Gap Road, Room 1010
Ukiah, CA 95482

Re: Our August 21, Budget Discussion

Dear Mr. Mitchell,

Thank you for spending Friday afternoon with us and explaining the issues and obstacles associated with the Mendocino County Budget. In an attempt to better understand the budget the membership of Mendocino County Farm Bureau (MCFB) has developed some questions that did not get fully answered at the meeting. We would appreciate some clarification on the following;

- Is there currently a clear plan to encourage increased revenue generating commercial, agricultural, industrial or other business activity within Mendocino County?
- The latest Mendocino County Human Resources Department Notice states the retiree health reserves will be exhausted by January 2011. What is the projected cost for the retiree health benefit over the next 10 year period and where will that money come from?
- How much did MCERA pay out for retiree healthcare benefits from fiscal year 2000 through fiscal year 2009, and what was the source of those funds? How much is the expected total for this benefit in the current budget year, how much of that is planned to be paid by the County and/or MCERA, and if MCERA is expected to make any payments, what will be the source of those funds?

- What is the current unfunded liability for the pension plan based both on the Actuarial and Market Value of Pension Fund Assets, not including the pension obligation bonds? What is the Funding Ratio for the Pension Fund, again for both the Actuarial and Market Value of Assets?
- What is the Total Debt of the county and how much of our approximate discretionary budget will go toward serving the principle and also the interest on this debt?
- From our experience it appears that it can be very difficult for the supervisors and citizens to get clear and understandable Mendocino County budget and financial information. Is there any current or planned program that would make this information more readily available for public review?

In light of the smoke and mirrors budget process the state of California is involved with and the historic level of deficit spending by the federal government, it should come as no surprise that the membership of MCFB is concerned with our local budget and debt situation. At our meeting on Friday we heard about numerous obstacles that stand in the way of controlling the current debt situation in Mendocino County. We are convinced that fiscal responsibility needs to be a cornerstone of county government and needed changes must take place sooner rather than later.

Thank you again for joining us a few weeks ago and we look forward to a continued discussion of this issue.

Sincerely,



Mike Anderson
President
Mendocino County Farm Bureau

Cc: Supervisor John Pinches
Supervisor Carre Brown
Supervisor John McCowen
Supervisor Kendall Smith
Supervisor David Colfax