

## Creating a Financially Sustainable Future - Part II

Establishing a budget plan that supports the County's core functions in the long term

### Today's Workshop Goals

- Present Board with results of discussions with Departments to identify Tier 1 adjustments
- Identify 08/09 savings from Tier 1, 2 & 3
- Share CAO staff's analysis of results of discussions
- Receive Board input and direction on what to implement in Addenda

2009 V10P52 - 11/2/23

## Board Direction at July 28<sup>th</sup> Workshop

- Board approved in concept use of Tiered Sustainability Plan to bring budget into balance
- Board directed CAO to initiate Tier 1, 2 & 3 planning with Departments
- Board directed CAO to return to BOS on August 25<sup>th</sup> for special meeting to provide update and seek further direction

## Proposed Budget (June 08) – Five Year Forecast

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$219,496,504	\$213,050,385	\$220,281,212	\$227,730,851	\$234,271,069
Appropriations	219,496,504	228,198,389	232,118,529	238,187,038	243,588,174
Total	0	(15,148,003)	(11,837,317)	(10,456,187)	(9,317,106)

- Property tax growth at 4.5%
- Department revenue growth of 2%
- FY 2009-10 salaries and benefits based on accounting system projection
- 2.5% growth rate in Salaries and benefits for FY 2011-13
- 3% growth rate for Operating Expenses

## Revised Five Year Forecast with all Options Implemented (shortfall only)

	FY 2010	FY 2011	FY 2012	FY 2013
Proposed Budget	\$15,148,003	\$11,837,317	\$10,456,187	\$9,317,106
Tier 1 (Category 1)	(4,648,823)	(4,765,044)	(4,884,170)	(5,006,274)
<i>Subtotal</i>	<i>10,499,180</i>	<i>7,072,273</i>	<i>5,572,017</i>	<i>4,310,832</i>
Tier 1 (Category 2)	(2,512,654)	(1,920,942)	(1,583,957)	(1,605,728)
<i>Subtotal</i>	<i>7,986,526</i>	<i>5,151,331</i>	<i>3,988,060</i>	<i>2,705,104</i>
Tier 1 (FY 08/09)	(1,690,568)	-	-	-
Tier 3 (FY 08/09)	(922,755)	-	-	-
<b>Total</b>	<b>\$5,373,203</b>	<b>\$5,151,331</b>	<b>\$3,988,060</b>	<b>\$2,705,104</b>

\* Assumes 4.5% property tax growth

## Tiered Sustainability Plan - Revisited

- Tier 1- Long term reductions
  - Long-term sustainable reductions
  - Hard cost program reductions in salaries/benefits
  - Implementation plan over the next 6-8 months
  - Begin recognizing 100% of these reductions in FY 2009-10
- Tier 2 - One-time reductions and revenue use:
  - General Fund contributions to outside agencies
  - General Fund contributions to DOT
  - Furloughs and Golden Handshakes
  - Discretionary revenue sources not already obligated to support ongoing operations ie Casino Revenue/Tobacco Settlement
  - Return to Board in February 2009 to evaluate need and discuss implementation
- Tier 3 - Annual savings:
  - Department savings thru vacancies and operating savings
  - Programmed annually as return to fund balance
  - Review with Board in June during budget workshops
  - As Tier 1 reductions grow, Tier 3 savings may shrink

### Department Tier 1 Implementation Options from 7/25/08

	4% Reduction	6% Reduction	Amount Proposed
Assessor	155,622	233,433	86,782
Auditor-Controller	128,128	192,191	81,727
Board of Supervisors	56,625	84,938	81,764
Chief Administrative Office	89,320	133,979	255,123
County Counsel	100,468	150,702	71,501
Fleet & Facilities	228,393	342,589	598,972
Human Resources	40,403	60,605	101,884
Information Technologies	195,718	293,578	285,208
Recorder Clerk	87,886	131,829	217,308
Treasurer/Tax Collector	99,267	148,900	315,017
Subtotal	1,181,829	1,772,744	2,095,286
Agriculture	51,363	77,045	215,000
Development Services	365,916	548,874	1,393,655
Environmental Management	119,600	179,400	61,500
Surveyor	82,440	123,659	88,795
UCCE	9,271	13,907	0
Subtotal	628,590	942,885	1,758,950
District Attorney	311,592	467,387	55,750
Probation	464,490	696,734	279,431
Public Defender	113,113	169,669	0
Sheriff	2,091,946	3,137,919	2,356,512
Subtotal	2,981,140	4,471,710	2,691,693
Health-Animal Control	63,094	94,640	89,281
Human Services *	70,251	105,377	324,521
Library	101,860	152,790	173,933
Veterans	15,074	22,611	27,813
Subtotal	250,279	375,419	615,548
Total	5,041,838	7,562,758	7,161,477

### What Departments told us:

- Willing to be team member if everyone participates
- Willing to put certain programs on table but were sure the Board wouldn't support them
- Wanted to use Tier 2 strategies before going to Tier 1

## Reduction Category A – defined

- Sustainable salary and benefit adjustments based on reorganizations and reductions implemented in the FY 2008-09 proposed budget – *recognize work already accomplished*
- Sustainable operating expense reductions (ie. fixed assets, office supplies, etc.)
- Increased revenues based on updated information

## Reduction Category B - defined

- Policy decisions with program implications
- Deletion of FTE's
- Deletion of contract services
- Outsourcing of services

## General Government



## General Government

Department	Category A	Category B	Total
BOS	\$81,764		\$81,764
CAO	\$105,123	\$150,000	\$255,123
Auditor-Controller	\$81,727		\$81,727
Treasurer-Tax Collector	\$166,042	\$148,975	\$315,017
Assessor	\$86,782		\$86,782

## General Government

Department	Category A	Category B	Total
County Counsel	\$71,501		\$71,501
Human Resources	\$101,884		\$101,884
Information Technologies	\$285,208		\$198,500
Facilities & Fleet Services	\$598,972		\$598,972
Recorder-Clerk/Elections	\$101,308	\$116,000	\$217,308
<b>Total</b>	<b>\$1,680,311</b>	<b>\$414,975</b>	<b>\$2,095,286</b>

## General Government

- Board of Supervisors-Category A
  - Deletion of position in March 2008 results in approximate annual savings of \$75,700
  - Reductions in services and supplies of \$5,885
- Chief Administrative Office-Category B
  - Federal lobbyist contract-annual savings of \$120,000
    - Minimal return on investment
  - State lobbyist contract-annual savings of \$30,000
    - Not actively pursuing proprietary legislation
    - County represented through several other organizations (CSAC, RCRC, CHEAC, CMSP) who employ lobbying staff

## General Government

### ■ Auditor-Controller-Category A

- Annual Savings = \$81,700 due to revised projection
- No FTE reductions due to workload issues
  - Centralization of cost-applied review process

### ■ Treasurer-Tax Collector-Category A

- Deletion of FTE in March, 2008 results in approximately annual savings of \$165,000
- Savings of \$900 in services & supplies

### ■ Treasurer-Tax Collector-Category B

- Reorganization resulting in net reduction of 1 FTE and approximate annual savings of \$99,000
- Transfer of Revenue Recovery Unit - approximate annual savings of \$39,000
- Deletion of sealed bid timeshare sale-\$10,000

## General Government

### ■ Assessor- Category A

- Deletion of positions in FY 07-08 results in ongoing annual savings of \$86,782

### ■ Assessor- Category B

- Restoration of funding for 2 FTE's in FY 08-09 recommended due to impact of vacancies on roll completion

### ■ County Counsel- Category A

- Annual salary and benefit savings of \$21,000 assumes deletion of vacant, unfunded position



## General Government

### ■ Human Resources-Category A

- Reductions in services & supplies- \$30,000
- Revenue for Privacy Compliance Officer- \$50,000

### ■ Information Technologies-Category A

- Changes to software maintenance fees-\$102,500
- Increase in cable fee revenue-\$20,000
- Revised projection savings- \$162,708

### ■ Facilities & Fleet-Category A

- Reductions in March, 2008 and FY 2008-09 Proposed Budget result in annual savings of approximately \$599,000

## General Government

### ■ Recorder-Clerk/Registrar of Voters-Category B

- Annual savings of \$217,308 assume permanent deletion of two vacant, unfunded positions
- Recorder-Clerk Division would return to FY 2004-05 staffing level

## General Government 5 Yr Summary of Proposed Reductions

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
Board of Supervisors	\$5,885	\$81,764	\$83,838	\$85,965	\$88,146
Chief Administrative Office	\$105,000	\$255,123	\$262,401	\$269,888	\$277,590
Auditor-Controller	-	\$81,727	\$83,770	\$85,864	\$88,011
Treasurer-Tax Collector	\$108,000	\$315,017	\$322,947	\$331,077	\$339,411
Assessor	-\$95,000	\$86,782	\$88,952	\$91,175	\$93,455

## General Government 5 Yr Summary of Proposed Reductions (cont)

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
County Counsel	\$50,000	\$71,501	\$73,546	\$75,650	\$77,814
Human Resources	\$30,000	\$101,884	\$104,586	\$107,359	\$110,207
Information Technologies	\$198,500	\$285,208	\$289,276	\$293,445	\$297,719
Facilities & Fleet Services	-	\$598,972	\$613,946	\$629,295	\$645,027
Recorder-Clerk/ROV	-	\$217,308	\$221,741	\$228,309	\$234,017
<b>Total</b>	<b>\$402,385</b>	<b>\$2,095,286</b>	<b>\$2,145,003</b>	<b>\$2,198,027</b>	<b>\$2,251,397</b>

## Land Use & Development Services



## Land Use / Development Services

Department	Category A	Category B	Total
Agriculture	\$215,000	-	\$215,000
Development Services	1,393,655	-	1,393,655
Environmental Management	-	61,500	61,500
Surveyor	-	88,795	88,795
<b>Total</b>	<b>\$1,608,655</b>	<b>\$150,295</b>	<b>\$1,758,950</b>

## Land Use / Development Services

- **Development Services (Category A)**
  - Long term sustainable reductions were approved in May 2008
  - These reductions result in approximate annual savings of \$1.3 million
- **Agriculture (Category A)**
  - Long term sustainable reductions were approved in the FY 2008-09 proposed budget resulting in approximately \$175,000 in annual savings

## Land Use / Development Services

- **Environmental Management – Category B**
  - Reduce West Slope Mosquito Abatement program to a seasonal program only
    - Annual Savings = \$60,000
    - Currently funded with Franchise Fees
    - Would reduce 1 FTE to a .5 FTE (Position is currently filled)
    - Position is currently doing education and prevention activities during the off-season

## Land Use / Development Services

### ■ Surveyor – Category B

#### □ Eliminate 1 FTE

- Vacant Assistant in Land Surveying
- Savings of \$44,000 in FY 2008-09 (Funded for 6 months)
- Annual savings of approximately \$88,795 beginning in FY 2009-10

## Land Use / Development Services

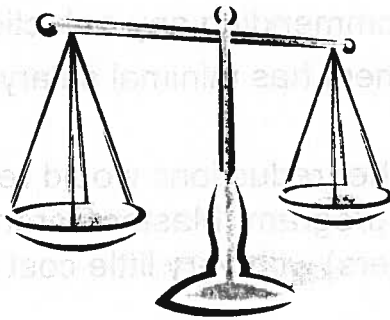
### ■ UCCE

- Not recommending any reductions at this time
- Department has minimal salary and benefit costs
- Any further reductions would result in shutting down a program (Master Gardner/Food Preservers) with very little cost savings to County

## Land Use/Development Services 5 Yr Summary of Proposed Reductions

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
Agriculture	\$39,000	\$215,000	\$219,400	\$223,910	\$228,533
Development Services	-	1,393,655	1,428,496	1,464,209	1,500,814
Environmental Management	60,000	61,500	63,038	64,613	66,229
Surveyor	44,000	88,795	91,015	93,290	95,623
UCCE	-	-	-	-	-
<b>Total</b>	<b>\$143,000</b>	<b>\$1,758,950</b>	<b>\$1,801,949</b>	<b>\$1,845,512</b>	<b>\$1,891,199</b>

## Law & Justice



## Law & Justice

Department	Category A	Category B	Total
District Attorney	\$55,750	\$0	\$55,750
Sheriff	\$1,008,393	\$1,348,119	\$2,356,512
Probation	\$32,500	\$246,931	\$279,431
Total	\$1,096,643	\$1,595,050	\$2,691,693

## Law & Justice

### ■ District Attorney

- No positions recommended for elimination due to workload considerations and the high number of murder trials underway in the County (revisit at mid year)
- Category A Reductions:
  - Sustainable reduction made in 2008-09 Proposed Budget with the elimination of the in-house Bad Check Program
  - Anticipate increase in grant revenue
  - Other Reductions FY 2008-09 Savings
  - Majority of other adjustments provide savings in 2008-09

## Law & Justice

### ■ Public Defender

- No cuts recommended at this time due to workload considerations and the high number of murder trials underway in the County (revisit at mid year)

## Law & Justice

### Sheriff

#### ■ Sheriff's Proposal

- Total Savings of \$745,387
- Category A:
  - Position Eliminations = 2.0 FTE (vacant)
  - Fund Boat Patrol with Grant Dollars only – Set NCC to Zero
- Category B:
  - Rubicon Patrol
  - Handshake Opportunities
    - 2.0 Sworn Positions
- Other Reductions FY 2008-09 Savings – Technology Initiatives \$331,125



## Law & Justice

### Sheriff

- CAO's Proposal
  - Total Savings of \$1,611,125
  - Category A:
    - Revised Salary Projection \$611,125
  - Category B:
    - Reduce Overtime from \$4,274,170 to \$4,024,170
    - Suspend commitment for positions planned for 2009-10

*Comments for the Sheriff budget*

## Law & Justice

### ■ Probation

- Category A:
  - Professional Services reductions
  - Overtime reductions
  - Short term savings in FY 2008-09
- Category B:
  - Position eliminations = 3.0 FTE (vacant)
  - Leave 1.5 FTE vacant in FY 2008-09
  - Eliminate payment of \$35K to Mental Health for services (requires discussion w/Mental Health)

*Make reduction of 4.5*

## Law & Justice 5 Yr Summary of Proposed Reductions

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
District Attorney	\$264,152	\$55,750	\$56,519	\$57,307	\$58,114
Public Defender	-	-	-	-	-
Sheriff	\$1,138,523	\$2,356,512	\$2,402,974	\$2,106,179	\$2,146,383
Probation	\$386,962	\$279,431	\$283,729	\$288,160	\$292,727
<b>Total</b>	<b>\$1,789,637</b>	<b>\$2,691,693</b>	<b>\$2,743,222</b>	<b>\$2,451,646</b>	<b>\$2,497,224</b>

## Health & Human Services



## Health & Human Services

Department	Category A	Category B	Total
Animal Services	\$89,281	-	\$89,281
Library Services	173,933	-	173,933
Human Services	-	\$324,521	\$324,521
Veteran Affairs	-	27,813	27,813
<b>Total</b>	<b>\$263,214</b>	<b>\$352,334</b>	<b>\$615,548</b>

## Health & Human Services

- **Animal Services (Category A)**
  - Updated revenue projections for contracts with City of SLT and City of PVL
  - Reduction in contract services for large animal shelter and care beginning in 2010
- **Library (Category A)**
  - Long term sustainable reductions were approved in FY 2008-09 budget (1.5 FTE)
  - Updated revenue projections for property taxes \$64,000
  - Museum services, supplies and fixed assets reduced approximately \$14,000

## Health & Human Services

### ■ Human Services – Category B

#### □ Eliminate SB163 Wraparound Funds

- Savings of \$97,500 in FY 2008-09 (funded for 6 mos)
- Annual savings of \$195,000 beginning in FY 2009-10

#### □ Closure of two Sr. Nutrition sites

- Savings of \$35,000 in FY 2008-09 (funded for 6 mos)
- Annual savings of approximately \$72,000 beginning in FY 2009-10
- Deletion of 1.62 FTE, positions are currently filled

## Health & Human Services

### ■ Human Services – Category B

#### □ Eliminate County overmatch for Aging Programs

- Ombudsman reduction from 1.0 FTE to 0.5 FTE, position is currently filled, savings of approximately \$16,000 in FY 2008-09 and \$33,000 annually thereafter
- Preventative Health reduction of extra help, savings of approximately \$16,000 annually
- Elder Abuse reduction of extra help, savings of approximately \$9,000 annually

## Health & Human Services

### ■ Veteran Affairs – Category B

□ Reduce 1.0 FTE Veteran Services Officer to 0.5 FTE

- Position is currently filled
- Savings of \$13,568 in FY 2008-09
- Annual savings of approximately \$28,000 beginning in FY 2009-10
- Discretionary services, current capacity allows for services to County and non-County clients

## Health & Human Services 5 Yr Summary of Proposed Reductions

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
Animal Services	-	\$89,281	\$119,144	\$95,951	\$98,504
Library	\$74,160	\$173,933	\$178,352	\$182,884	\$187,532
Human Services	\$173,006	\$324,521	\$327,759	\$331,078	\$334,480
Veteran Affairs	\$13,568	\$27,813	\$28,509	\$29,221	\$29,952
<b>Total</b>	<b>\$260,734</b>	<b>\$615,548</b>	<b>\$653,764</b>	<b>\$639,134</b>	<b>\$650,468</b>

### Tier 1 Implementation Options Proposed Summarized by Department & Category

Functional Group	Category A	Category B	Total
General Government	\$1,680,311	\$414,975	\$2,095,286
Land Use / Dev. Services	1,608,655	150,295	1,758,950
Law & Justice	1,096,643	1,595,050	2,691,693
Health & Human Services	263,214	352,334	615,548
<b>Total</b>	<b>\$4,648,823</b>	<b>\$2,512,654</b>	<b>\$7,161,477</b>

### Proposed FTE Changes

Department	Filled	Vacant
County Counsel		(1.0)
Recorder Clerk		(2.0)
Treasurer/Tax Collector	(1.00)	
Environmental Management	(0.50)	
Surveyor		(1.0)
Probation		(3.0)
Sheriff		(1.5)
Sheriff – Golden Handshake – Vacant for 2 years only	(2.00)	
Human Services	(2.12)	
Veteran Affairs	(0.50)	
<b>Total</b>	<b>(6.12)</b>	<b>(8.5)</b>

## Net changes to FTE allocations

- FY 2005-06 : Increase of 67 FTE's
  - FY 2006-07 : Increase of 31 FTE's
  - FY 2007-08 : Decrease of 13 FTE's
  - FY 2008-09 To Date: Decrease of 9 FTE's
  - FY 2008-09 Proposed: Decrease of 12.62 FTE's
- 
- Net change in 5 years = Increase of 63.38 FTE's

## Revised Five Year Forecast with all options implemented (shortfall only)

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Proposed Budget	\$15,148,003	\$11,837,317	\$10,456,187	\$9,317,106
Tier 1 (Category 1)	(4,648,823)	(4,765,044)	(4,884,170)	(5,006,274)
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Tier 1 (FY 08/09)	(1,690,568)			
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<b>Total</b>	<b>\$5,373,203</b>	<b>\$5,151,331</b>	<b>\$3,988,060</b>	<b>\$2,705,104</b>

## Next Steps:

- Board to give direction on implementation of general fund reduction options for Addenda
- Board to receive non-general fund Department budget information during September Budget Hearings
- Board to approve final budget by September 30, 2008
- Staff to return in October with program efficiency options requiring further evaluation
- Staff to return in February 09 with Tier 2 options and mid-year projections

Revised Five Year Forecast with all options implemented (partial only)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Total	\$2,173,300	\$2,143,300	\$2,143,300	\$2,143,300	\$2,143,300
General Fund	1,800,000	1,750,000	1,750,000	1,750,000	1,750,000
Non-General Fund	373,300	393,300	393,300	393,300	393,300
Capital Budget	100,000	100,000	100,000	100,000	100,000
Operating Budget	1,700,000	1,650,000	1,650,000	1,650,000	1,650,000
Reserve	100,000	100,000	100,000	100,000	100,000
Debt Service	100,000	100,000	100,000	100,000	100,000
Other	100,000	100,000	100,000	100,000	100,000