



County of Mendocino

EXECUTIVE OFFICE

BUDGET UPDATE

FEBRUARY 23, 2010

TODAY'S UPDATE

- Re-cap of February 2, 2010 Board Action
- Budget assumptions
- Budget planning meetings
- Criteria for determining options and recommendations
- FY 09-10/FY 10-11 options
- Executive Office recommendations

RECAP OF FEBRUARY 2, 2010 BUDGET ACTION

- Board adopted budget balancing plan (resolution) setting guidelines to eliminate structural deficit by FY 2011-12
- Board took following actions relative to Sheriff's Office:
 - No reduction in field deputies
 - Reduce operational costs by 10 %
 - Implement a workforce reduction plan to include reducing supervisors and managers
- Board directed Executive Office to report back on February 23,2010 with possible options for reducing FY 09-10/
FY 10-11 projected shortfall

BUDGET ASSUMPTIONS

- Reducing a structural deficit requires long-term planning and action
- “Business as usual” is a thing of the past
- Mendocino County cannot continue to provide the same level of services as in the past
- All departments will participate in reducing the revenue shortfall
- Even under adverse conditions, Mendocino County can still remain a strong organization

FY 2009-10 BUDGET PLANNING MEETINGS

- January 11, 2010: BOS/DH Workshop
- January 13, 2010: County Finance Team/DHs
- February 2, 2010: BOS Workshop
- February 3, 2010: County Finance Team/DHs
- February 17, 2010: County Finance Team/DHs

CRITERIA FOR DETERMINING OPTIONS AND RECOMMENDATIONS

- Non-mandated programs/services may be eliminated
- To the extent possible, minimize loss of service to the public
- To the extent possible, minimize unintended consequences or impacts (i.e. ↓ \$ = ↑ \$)



**HOW MUCH MONEY ARE
WE TALKING ABOUT?**

BUDGETED DISCRETIONARY REVENUE, FY 2009-10

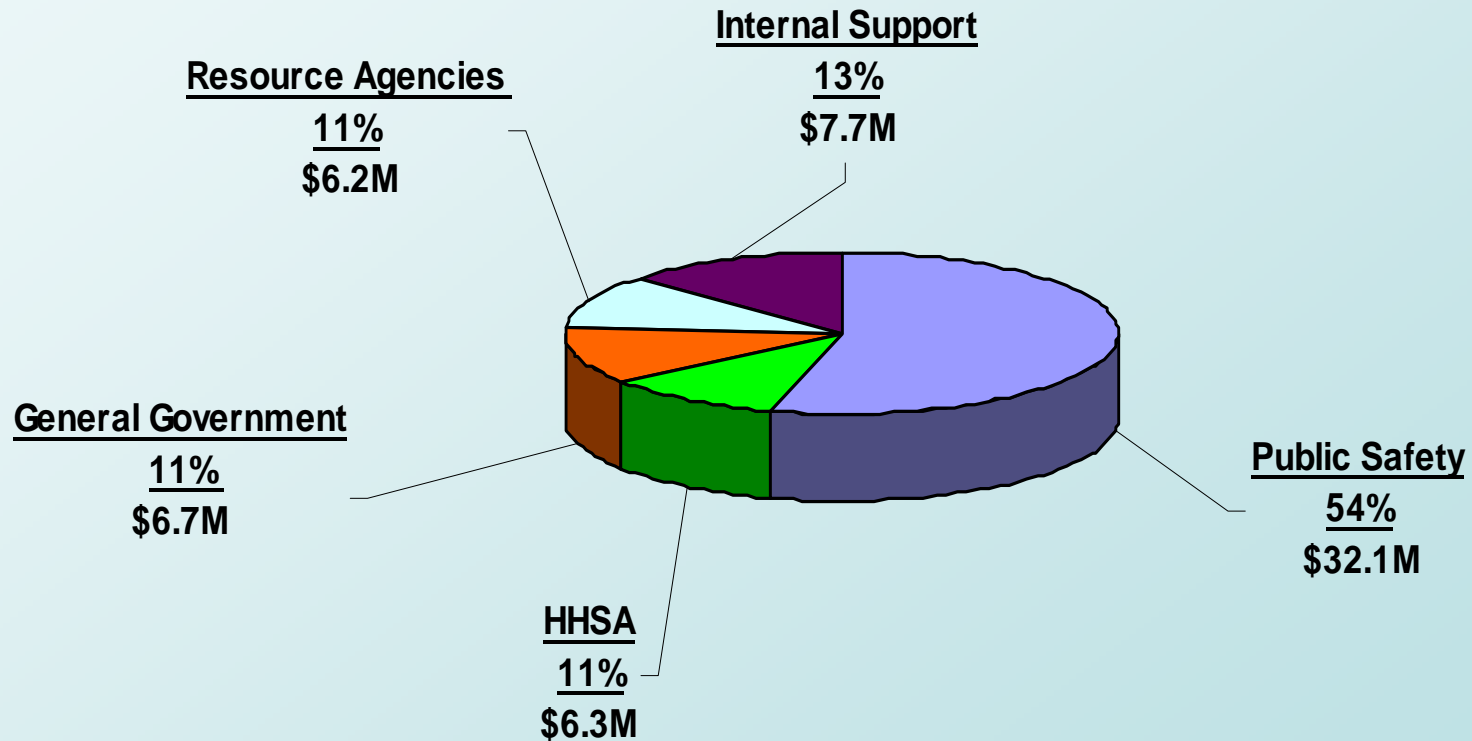
Total General Fund \$59M

Description	Amount	Description	Amount	Description	Amount
Clerk of the Board	\$389,512	Courts – AB 233	\$(1,143,252)	Public Health Admin	\$21,249
Board of Supervisors	\$602,692	Grand Jury	\$113,836	Environmental Health	140,184
Executive Office	\$985,856	District Attorney	\$3,799,739	AODP	522,407
Auditor-Controller	\$550,922	Public Defender	\$2,405,939	Public Health Nursing	224,949
Assessor	\$1,330,557	Alternate Defender	\$691,925	EMS	256,369
Treasurer-Tax Collector	\$116,440	Conflict Defender	\$85,000	County Medical Services Program	247,572
General Services	\$224,459	Child Support Services	\$145,424	Cal. Children's Services	95,324
County Counsel	\$419,535	Sheriff-Coroner	\$10,641,536	Solid Waste	90,884
Human Resources	\$577,222	Jail	\$9,415,413	Social Services Admin.	1,272,370
Elections	\$118,890	Juvenile Hall	\$2,653,820	HHSA Administration	25,000
Buildings & Grounds	\$2,459,374	Probation Office	\$1,911,551	Cal Works/Foster Care	1,941,222
Garage	\$(141,897)	Agriculture	\$353,704	In-Home Support Services	601,894
Capital Improvements	\$259,000	Emergency Services	\$283	General Relief/ Assistance	750,300
Promotion	\$525,212	Planning & Building	\$584,156	Library (district funds)	1,285,984
Land Improvement	\$565,380	Planning Team	\$515,132	Farm Advisor	301,374
Teeter Plan	\$769,204	Animal Care	\$331,010	County Museum	326,558
Miscellaneous	\$1,190,938	Transportation	\$3,317,169	Certificates of Participation	2,090,000
Clerk-Recorder	\$(16,807)	Round Valley Airport	\$49,501	Appropriation for Contingencies	50,760
Information Services	\$2,066,197	Little River Airport	\$52,748	Water Agency	282,432

From Auditor, 2010

THE DISCRETIONARY PIE - \$59 MILLION

General Fund Allocations by Percentage





**HOW MUCH OF A SHORTFALL
ARE WE TALKING ABOUT?**

SHORTFALL

- **FY 2009-10 = \$3.6M**
- **FY 2010-11 = \$4.0M** (projected)

HERE ARE THE OPTIONS:

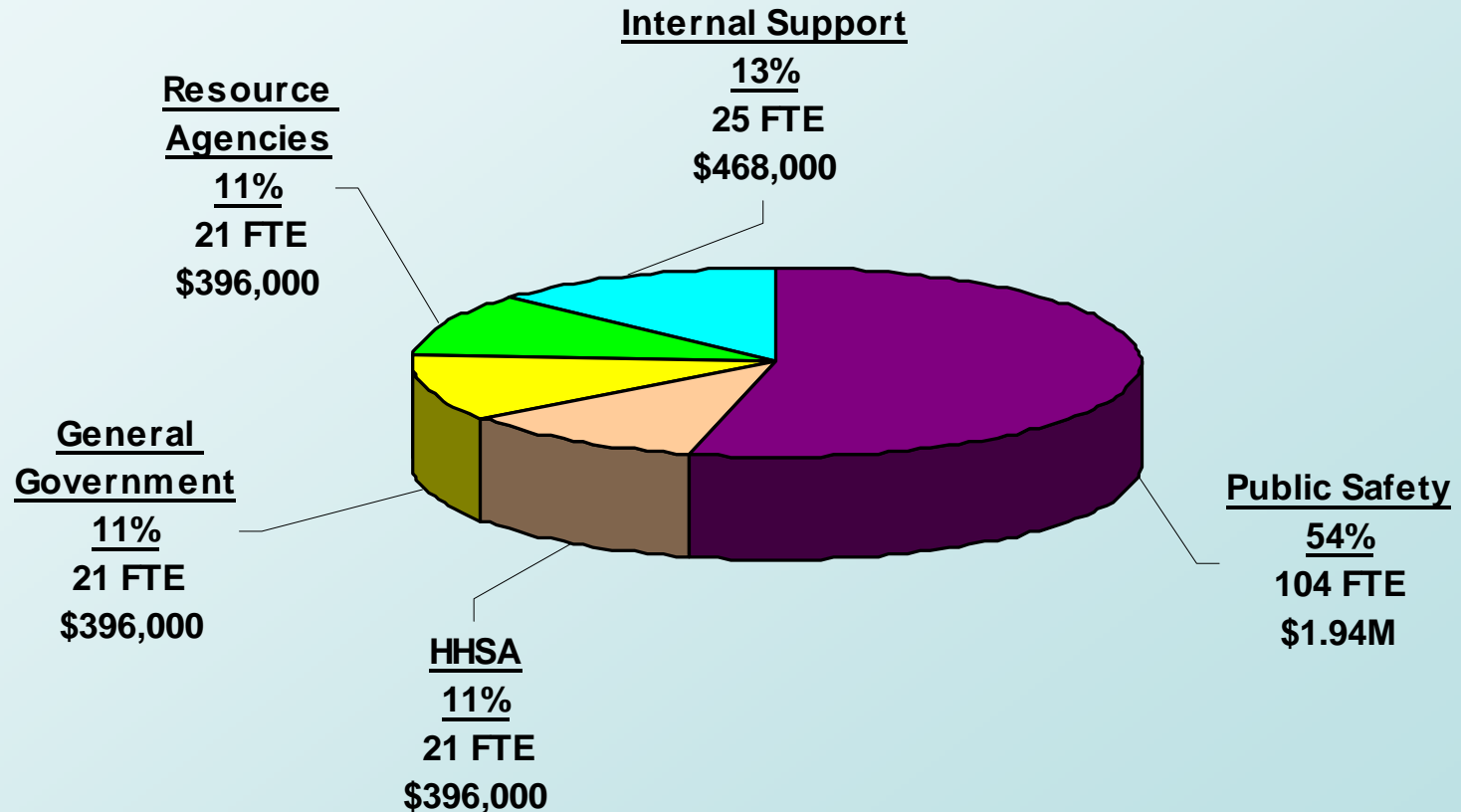
- Workforce reduction
- Service reduction
- Organizational restructure through consolidation and staffing ratio modifications
- Wage concessions
- Workweek reduction
- Parcel Tax



WORKFORCE REDUCTION

FY 2009-10 ESTIMATED WORKFORCE REDUCTION

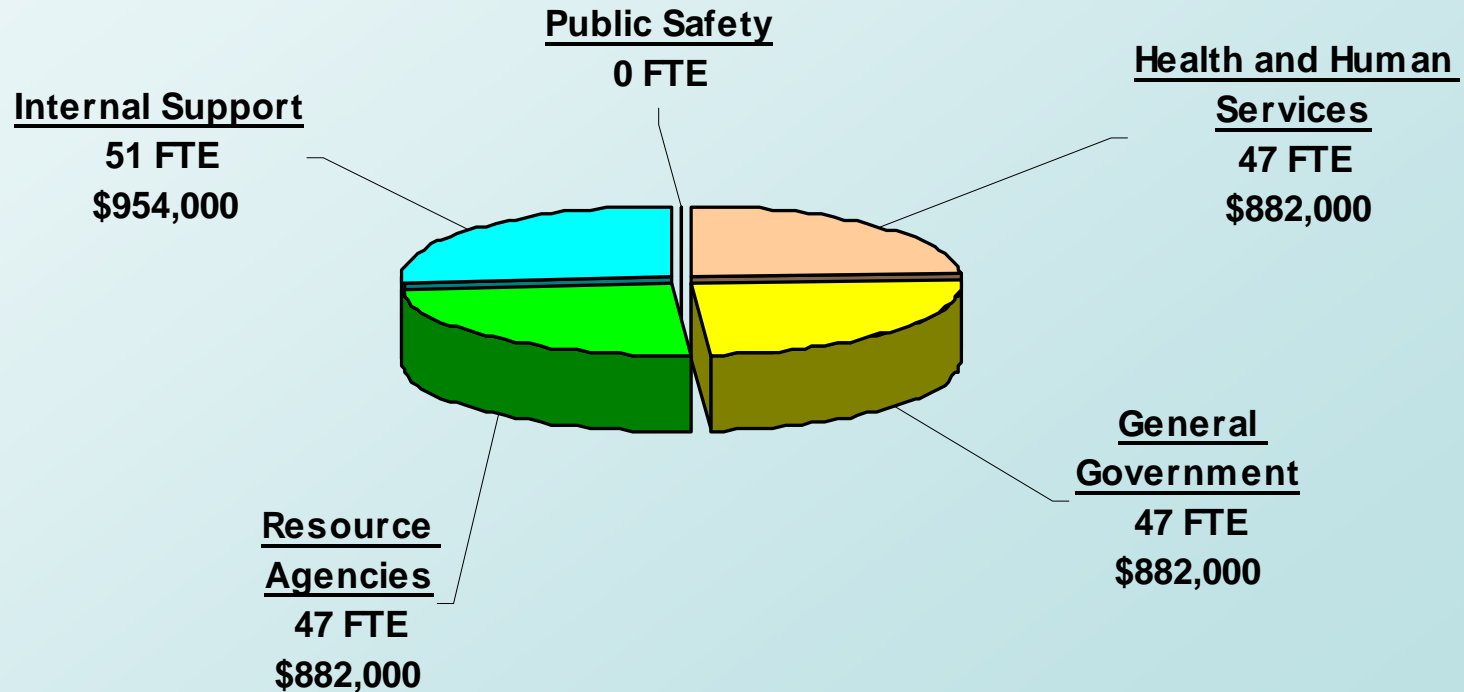
192 Total FTE's to Mitigate FY 2009-10 \$3.6 Shortfall



Note: 1 FTE averaged at \$75,000 annual salary/benefits

FY 2009-10 ESTIMATED WORKFORCE REDUCTION

**192 Total FTE's by Function to Mitigate FY 2009-10 \$3.6
Shortfall Excluding Public Safety**



Note: 1 FTE averaged at \$75,000 annual salary/benefits



SERVICE REDUCTION

(NON-MANDATED SERVICES)

BUDGET BALANCING OPTIONS, FY 2009-10 (FROM DEPARTMENT MANDATED AND NON-MANDATED CHART)

Department	Brief description of services provided	Proposed Action	FTE's Impacted	Estimated General Fund Savings FY 09-10	Estimated General Fund Savings FY 10-11
Planning & Building, BU 2851	Administration of coastal planning activities	Lay off staff in coastal office and absorb duties in Ukiah	6 funded FTE	\$44,000	\$176,218
Library, BU 6110	Library services	Close Willits Library	2 funded FTE	\$31,000	\$125,000
Animal Control, Coast Shelter, BU 2860	Food & care for impounded animals	Close Fort Bragg animal shelter and lay off staff	2 funded FTE	\$19,123 (less than 1 quarter savings, due to animal care costs)	\$83,150
Museum, BU 7110	Preservation of archives and artifacts of heritage and history	Close Museum and shift maintenance of environmental controls to GSA and lay off staff	3 funded FTE	\$75,000	\$300,000
AODP, BU 4012	Adult Treatment- Drug Court and Family Dependency Drug Court provide out patient treatment for drug abuse to families	Elimination of services within the county affecting approximately 290 clients	8 funded FTE	\$125,000	\$522,407

BUDGET BALANCING OPTIONS, FY 2009-10 (FROM DEPARTMENT MANDATED AND NON-MANDATED CHART)

Department	Brief description of services provided	Proposed Action	FTE's Impacted	Estimated General Fund Savings FY 09-10	Estimated General Fund Savings FY 10-11
Agriculture, BU 2710	Wildlife services	Lay off trappers (60 day notice)	2 funded FTE	\$18,000	\$72,000
Probation	Prop 36 Probation/Adult Program for probationers	Lay off 1 FTE DPO	1 funded FTE	\$13,000	\$52,000
Veterans Service	Services and transportation for Vets	Close VSO in Willits and elimination of outreach services including Van transport to SF – Terminate lease on Ukiah VSO	1 funded FTE	\$17,000	\$70,000 and \$23,000 for termination of Ukiah VSO
Workforce Investment Act	Provides services and promotes adult employment training, development and promotes economic development	Eliminate administrative oversight which is mandatory to receive WIA federal funds	1 funded FTE	\$15,000	\$64,426
Total General Fund Savings				\$357,123	\$1,428,492



ORGANIZATIONAL RESTRUCTURE THROUGH CONSOLIDATION

ORGANIZATIONAL RESTRUCTURE THROUGH CONSOLIDATION

<u>Departments</u>	<u>Consolidation Effort</u>	<u>Annual Savings</u>	<u>Benefits</u>
Museum & Library	Administrative consolidation (reduce administration by 2 FTE's)	\$150,000	Keeps both facilities open, with reduced hours

This is an example of consolidation. Further exploration is needed by Department Heads and Executive Office to fully analyze any consolidation effort.



WAGE CONCESSION

WAGE REDUCTION BY BARGAINING UNIT

Salary Reduction for 26 Pay Periods (1 year)

Bargaining Unit	1%	5%	10%
SEIU	\$174,501	\$872,505	\$1,745,010
DSA	\$131,938	\$659,690	\$1,319,380
DDIT	\$9,675	\$48,375	\$96,750
MCLEMA	\$24,842	\$124,210	\$248,420
Management	\$32,513	\$162,565	\$325,130
Confidential	\$8,814	\$44,070	\$81,410
Department Head	\$11,765	\$58,825	\$117,650
Elected	\$12,672	\$63,360	\$126,720
Unrepresented	\$22,096	\$110,480	\$220,960
MCPEA	\$37,506	\$187,530	\$375,060
MCPAA	\$29,832	\$149,160	\$298,320
Total	\$496,154	\$2,480,770	\$4,961,540

Figures based on FY 09-10 / Does not consider FY 10-11 salary adjustments



WORK WEEK REDUCTION

WORK WEEK REDUCTION

Departments	Reduction	Proposed Action	Funding Source	Estimated General Fund Savings FY 09-10	Estimated General Fund Savings FY 10-11
All	Countywide staff reduction utilizing MTO	10% continuation of MTO pending meet and confer	General Fund	\$405,333	Approx \$1.1M
All	Countywide staff work week reduction	Reduce work week to 32 hours pending meet and confer	General Fund	\$1,794,000	\$7,176,000
All	Countywide staff work week reduction	Reduce work week to 36 hours pending meet and confer	General Fund	\$897,000	\$3,588,000
All	Countywide staff work week reduction	Reduce work week to 37.5 hours pending meet and confer	General Fund	\$561,000	\$2,244,000

Based on Auditor's projections

PARCEL TAX

- Ballot measure for November 2010 to assess a Public Safety Parcel Tax.
- Also research other revenue possibilities, such as the TOT.

EXECUTIVE OFFICE RECOMMENDATIONS

FY 09-10

I.	Eliminate non-mandated services (26 FTE's)	\$357,123
II.	Negotiate 10% MTO	<u>\$405,333</u>
	Total:	\$762,456

- All other cost-cutting measures to be continued, including hiring freeze and determining feasibility of using grant funds to pay for existing staff, rather than filling grant-funded positions.
- If no wage concessions for MTO, then workforce reduction to meet \$405,333.
- The remaining deficit of \$2.8M to be mitigated by FY 10-11 actions.

RECOMMENDED STRATEGY FOR FY 10-11

■ Continue the elimination of non-mandated services	\$1.4M
■ Department consolidation, where it makes sense	\$0.5M
■ Implement defined staffing ratios (supervisors : frontline staff)	\$0.5M
■ 10% reduction in General Fund NCC for all departments	\$5.0M
■ Wage concessions (2%)	\$1.0M
■ Safety subsidy (Public Safety) *	<u>\$0.6M</u>
Total:	\$9.0M

* Other retirement system reduction strategies being reviewed

In Summary,

- While there is no easy answer, action must be taken.
- We must continue to implement our February 2, 2010 approved Budget Balancing Plan.
- With a long-term, comprehensive planning process including the decision-makers, management, staff, and our community partners, we can get there.