

# BUDGET SESSION

**Mendocino County  
Board of Supervisors**

**April 7, 2009**

## AN ONGOING SERIES . . . .

### □ February 24, 2009

- Projected 2008-09 revenues
- Provided 2008-09 2nd Quarter Report
- Board approved HHSA lay-off resolution
- Board discussed Sheriff's Office
- Directed Departments over budget to return with solutions

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Mendocino County Board Budget Work Session

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## . . . . OF MEETINGS

### □ March 3, 2009

- Received presentations from HHSA, Auditor, Planning & Building, Grand Jury and Sheriff
- Approved lay-off 10.5 HHSA positions
- Directed Planning & Building return with 5 lay-offs
- Directed CEO to meet with Sheriff

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### □ March 16, 2009

- Updated 2008-09 projected Shortfall
- Received presentations from Planning & Building and Sheriff's Office
- Authorized Planning & Building to lay off one clerical position
- Determined to achieve savings within 2008-09 fiscal year

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## TODAY'S SESSION

- First, review updated projections of 2008-09 budget shortfall
- Second, review and approve Hiring Freeze Policy
- Third, determine positions, if any, to be unfrozen
- Fourth, give direction and select from options to resolve shortfall

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## COMPONENTS OF SHORTFALL

- County GF Revenues: below budget -1,616,000
- Sheriff's Office / Jail: projected -1,100,000
- HHS/Mental Health: costs, audits -1,008,000
- HHS/Social Services/IHSS -768,000
- Planning & Building: loss of permits -411,000
- Other dept savings/revenues 308,000
- **Overall shortfall estimated: - \$ 4,595,000**
- Contingency Fund: applied to shortfall 522,000
- **Total Shortfall for 2008-09 - \$ 4,073,000**

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## MID-YEAR SHORTFALL

- **Total Projected Shortfall for 2008-09 \$ 4,073,000**
  - HHS \$ 1,776,000
  - General Fund \$ 2,297,000
- = \$297,000 beyond \$2M Target

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## SHORTFALL REMAINING

- MTO Agreements **\$1,500,000**  
toward \$2M Target
- Remainder of \$2M Target: **\$500,000**
- General Fund Shortfall beyond \$2M Target: **\$297,000**
- **Total projected Shortfall: \$797,000**

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## SHORTFALL REMAINING

- Total projected Shortfall: **\$797,000**
- Offsets and Cuts: **\$479,000**  
through Board, CEO and  
Departmental actions
- **Remaining Shortfall: \$318,000**

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## MEET & CONFER OUTCOMES

- County agreements with 8 of 9 units
  - Association of Confidential Employees
  - Department Heads Association
  - Management Association
  - Probation Employees Association (2)
  - SEIU Local 1021
  - Deputy Sheriff's Association
  - Law Enforcement Management Assoc.
  - Public Attorneys Association

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## HIRING FREEZE FOR 2008-09

- **Enforce Hiring Freeze in all depts**
  - NO positions filled in any dept before June 30, 2009 unless through internal hire/transfer
  - Any exceptions must be approved by the Board with funding source identified at the time of approval
  - Critical to maintaining integrity of cost-cutting process and to saving \$

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## NEXT STEPS FOR 2008-09

- Implement lay-offs over 7 weeks prior to end of fiscal year
  - **\$318,000 = 39 positions**
- Would provide head start in balancing 2009-10 Budget

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## RECOMMENDED ACTIONS

1. Approve proposed number of positions for lay-off and distribution of cuts
2. Direct staff to bring proposed lay-off classifications for Board approval on April 21, 2009 to address remaining projected shortfall of \$318,000
3. Direct staff to bring Zip Tie & Booking Ordinances for Board adoption ASAP

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## IN CONCLUSION

- Direct all Offices and Departments to manage staffing and budgets to remain below current projections through June 30, 2009

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## 2009 -10 BUDGET PRIORITIES

**Mendocino County  
Board of Supervisors**

## BOARD PRIORITIES 2009-10

### CONTINUING FROM 2006-07

- Debts and Liabilities, including Teeter
- Justice Facilities Planning
- General Plan, Housing Element, UVAP
- Mill Creek Dams project
- Finance System implementation
- Public Television/PEG Access funding
- Mental Health Budget and Services

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## BOARD PRIORITIES 2009-10

### CONTINUING FROM 2007-08

- **Compensation** commitments to staff
- Funding assistance for EMS and Fire
- Water Supply Projects
- Road construction and repair projects
- Microwave System implementation
- Economic Development/Infrastructure
- Mendocino Town Plan

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## BOARD PRIORITIES 2009-10

### CONTINUING FROM 2008-09

- Retirement System: County contribution, Retiree Health, etc.
- Utility Undergrounding

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## BOARD PRIORITIES 2009-10

### NO NEW/ADDITIONAL PRIORITIES ARE RECOMMENDED

- Given the necessity of addressing ongoing priority commitments and reducing debts, and
- Given the projected loss of local revenues and proposed State cuts

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# Fiscal Report

April 7, 2009

## Summary of Challenges – County General Fund

### CHALLENGE 1: Local Revenues

Revenue Shortfalls	\$		Modifications / Offsets	\$		Shortfall Balance \$
BU# 1000	1,696,000	→	Additional revenue	80,000		1,616,000
	0		Contingency Fund	522,000		-522,000
	0	→		0		0
<b>Projected Shortfall</b>	<b>1,696,000</b>	-	<b>Projected Offsets</b>	<b>602,000</b>	=	<b>\$1,094,000</b>

### CHALLENGE 2: Federal/State/Other Revenues

Revenues Shortfalls	\$		Modifications / Offsets	\$		Shortfall Balance \$
Williamson Act /GF	565,000	→	In State budget	565,000		0
Law Enforce Grants	1,142,000	→	Received, not cut	1,142,000		0
CalMET	160,000	→	Merged into SO BU	90,000		70,000
	0	→	Additional LE grants	100,000		-100,000
	0	→		0		0
<b>Potential Losses</b>	<b>1,867,000</b>	-	<b>Projected Offsets</b>	<b>1,897,000</b>	=	<b>\$ -30,000</b>

### CHALLENGE 3: Over Budget Expenditures Per 2<sup>nd</sup> Quarter Update

Shortfalls / Unbudgeted	\$		Modifications / Offsets	\$		Shortfall Balance \$
Sheriff/Jail Budgets	1,100,000	→		0		1,100,000
HHSA	1,776,000	→	Not General Fund	1,776,000		0
Planning & Building	411,000	→		0		411,000
	0	→	Other Dept Net Under	278,000		-278,000
	0	→		0		0
<b>Projected Shortfall</b>	<b>\$3,287,000</b>	-	<b>Projected Offsets</b>	<b>2,054,000</b>	=	<b>\$1,233,000</b>
<b>Total Shortfall</b>	<b>\$6,850,000</b>	-	<b>Total Offsets</b>	<b>\$4,553,000</b>	=	<b>\$2,297,000</b>

Please note that all figures in this report are estimates and projections and are subject to change as newer or more accurate information becomes available.

## Summary of Actions

### **ACTION: Board/Executive Direction**

Please note 2nd Qtr Update included most of these cuts

Specific Cuts / Reductions	Approximate \$
Encourage VTO	10,000
Reduce Travel	30,000
Stop bottled H <sub>2</sub> O	10,000
Increase fees	0
Freeze Hiring	105,000
Fund Balance	0
Eliminate most EH	20,000
	0

MTO instead  
 Approx 6 mo  
 Approx 6 mo  
 2008-09  
 7 FTEx3 mo  
 2008-09  
 Approx 6 mo

$$\text{Shortfall } \boxed{\$2,297,000} - \text{ Offsets } \boxed{\$175,000} = \text{ Shortfall } \boxed{\$2,122,000}$$

### **ACTION: Board Direction/Meet & Confer**

Specific Cuts / Reductions	\$
MTO Agreements	1,500,000
Auditor's VTO	3,000
Planning & Building	146,000
Sheriff Asset Forfeiture	155,000
	0

$$\text{Shortfall } \boxed{\$2,122,000} - \text{ Offsets } \boxed{\$1,804,000} = \text{ Remaining Shortfall } \boxed{\$318,000}$$

**FY 2008-09  
BUDGET**

\$318,000 = 39 FTE of lay-offs over a 7 week period

Other revenue offsets could include Sheriff's fees for marijuana eradication and jail booking.

# Hiring Freeze Policy for FY 2008-09

April 7, 2009 DRAFT

This Policy establishes oversight of creating and filling vacant County positions to control and reduce personnel expenditures in order to decrease the projected budget shortfall for the balance of Fiscal Year 2008-09. This formalizes the operational policy exercised by the County Executive Office since January 2009. It is effective from April 7, 2009 through June 30, 2009.

1. The Executive Office may authorize filling all budgeted 24-hour positions at the following FTE levels in these classifications: 46 Jail Corrections Deputies, 5 Jail Sheriffs Technicians, 22 Juvenile Hall Corrections Counselors, 11 Public Safety Dispatchers.
2. The Executive Office may authorize filling the following classifications while maintaining a 10% vacancy rate (comparable to MTO level) in allocated positions: 11 out of 13 Deputy District Attorneys, 12 out of 14 (11 Regular and 3 Alternate) Deputy Public Defenders, 50 out of 56 (47 in BU#2310 and 9 in BU#2510) Deputy Sheriffs.
3. The Executive Office may authorize filling budgeted permanent positions through transfer, internal hiring, dual fill, or external hiring in the following categories (which are also MTO exempt): positions that are entirely funded with Federal dollars, State dollars, Realignment, grant or categorical funds, Child Support, Air Quality Management District, as well as minimal Extra Help for Library, Elections, Mental Health Crisis, Juvenile Hall coverage, and Agricultural seasonal tasks.
4. No other Permanent positions will be authorized to be filled by the Executive Office.
5. No new Permanent positions will be created.
6. No other new Extra Help positions will be approved.
7. No new Dual Fills of positions will be approved.
8. The Board of Supervisors will make the decisions regarding filling General Fund positions referred to in #4, as well as any new positions referred to in #5, #6, and #7 per the following process:
  - A. Department Heads will request special consideration to fill (or create) critical positions by submitting requests through Human Resources to the Executive Office.
  - B. The Executive Office and the Department will present positions to the Board General Government Committee as a standing agenda item for review on a case-by-case basis.
  - C. Committee recommendations to fill positions will be submitted by the Executive Office to the Board of Supervisors as consent items on the next possible Board agenda.

*Alternatives: The Executive Office and Department could request approval to fill positions directly to the full Board on the consent agenda or in regular session. Departments could appeal positions not supported by the Executive Office or by the General Government Committee to the full Board.*

On July 1, 2009, the County will return to processing requests to fill positions from Departments through Human Resources for review and the Executive Office for approval, modification or denial, in accordance with the approved FY 2009-10 Proposed Budget.

## Distribution of Potential Shortfalls Across Budget Units in proportion to Budgeted Salaries

Document for  
comparison  
purposes; does  
not represent  
a proposal or a  
recommendation.

	Budgeted Salaries	Distribution of \$4,000,000	Distribution of \$2,000,000	Distribution of \$318,000	Distribution of \$100,000	FTE/7 Wks @ \$318,000	FTE/12 Mo @ \$4,000,000	10% MTO 12 Mo
Water Agency	286,375	28,533	14,266	2,268	713	0.3	0.5	28,638
General Services Agency	3,393,993	338,161	169,080	26,884	8,454	3.3	5.6	339,399
Human Resources	628,852	62,656	31,328	4,981	1,566	0.6	1.0	62,885
Clerk of the Board	287,706	28,666	14,333	2,279	717	0.3	0.5	28,771
Executive Office	909,548	90,623	45,311	7,205	2,266	0.9	1.5	90,955
Auditor-Controller	609,925	60,770	30,385	4,831	1,519	0.6	1.0	60,993
Assessor-Clerk-Recorder	1,399,627	139,452	69,726	11,086	3,486	1.4	2.3	139,963
Treasurer-Tax Collector	383,997	38,260	19,130	3,042	956	0.4	0.6	38,400
County Counsel	839,700	83,664	41,832	6,651	2,092	0.8	1.4	83,970
Dept of Transportation	5,402,055	538,234	269,117	42,790	13,456	5.3	9.0	540,206
Court Collections	396,641	39,519	19,760	3,142	988	0.4	0.7	39,664
District Attorney	2,648,201	263,854	131,927	20,976	6,596	2.6	4.4	264,820
Public Defender/Alternate	2,074,691	206,712	103,356	16,434	5,168	2.0	3.4	207,469
Sheriff/Jail	9,238,227	920,451	460,226	73,176	23,011	9.1	15.3	923,823
Probation/Juvenile Hall	3,363,551	335,128	167,564	26,643	8,378	3.3	5.6	336,355
Agriculture	423,093	42,155	21,077	3,351	1,054	0.4	0.7	42,309
Planning & Building	2,085,769	207,816	103,908	16,521	5,195	2.0	3.5	208,577
HHSA	4,525,370	450,885	225,443	35,845	11,272	4.4	7.5	452,537
Library	859,045	85,591	42,795	6,804	2,140	0.8	1.4	85,905
Farm Advisor	175,350	17,471	8,736	1,389	437	0.2	0.3	17,535
Museum	214,802	21,402	10,701	1,701	535	0.2	0.4	21,480
<b>TOTALS</b>	<b>40,146,518</b>	<b>4,000,003</b>	<b>2,000,001</b>	<b>317,999</b>	<b>99,999</b>	<b>39</b>	<b>67</b>	<b>4,014,652</b>
<b>Totals in Depts &lt; 15 FTE</b>	<b>5,155,989</b>	<b>513,719</b>	<b>256,859</b>	<b>40,840</b>	<b>12,843</b>	<b>5</b>	<b>9</b>	<b>515,599</b>

Ave FTE/7Wk    Ave FTE/Year  
is \$8,076      is \$60,000