

**FY 2009-10 Summary Budget Outline
Preliminary Budget Reduction Recommendations (Continued)
June 9, 2009**

SUMMARY OVERVIEW 2009-10 RECOMMENDED BUDGET (Continued)

On June 2, 2009 the Board of Supervisors approved by Resolution the layoff of 14 department positions and continued discussions to reduce a projected shortfall at that time of \$(2.9) million dollars. After Board direction, the projected discretionary revenue was reduced to remove the Transient Occupancy Tax (TOT) revenue in the amount of \$350,000 that was included in the projected revenue. The projected shortfall was then \$(3.2) million.

The Board also directed that the Executive Office return on June 9th for continued discussion regarding the Sheriff's budget and the Public Defender's budget with recommendations in mitigating the projected shortfall as stated by these departments.

The current budget shortfall was then revised to \$(5.2) million dollars after adding back the net Sheriff's Office shortfall of approximately \$(2,014,419) million dollars, which was the recommended layoffs for the Sheriff's Office as part of the Phase I and Phase II cuts and impacts to meet Net County Cost.

Below is the original recommended solutions for Phase I by the Sheriff's Office which reduced the Sheriff's Office projected shortfall from \$(3.8) million dollars to **\$(2,014,419)**.

If the Board approves the recommendations for the Sheriff and Public Defender budgets, the net budget shortfall is approximately \$(3.2) million dollars.

Sheriff Budget Unit 2310 and Budget Unit 2510

The CEO and staff have met with the Sheriff's office since June 2, 2009 Board meeting, and have discussed various recommended solutions by the Sheriff's office to mitigate the shortfall still remaining per the Sheriff's office of \$2,014,419 million dollars to meet the assigned Net County Cost for the Sheriff and the Jail budgets. A worksheet analysis has been revised and prepared by the Sheriff's office on the Sheriff and Jail budget units 2310 and 2510 below including other supplemental worksheets for Board review. Below are revised solutions as stated by the Sheriff's office:

MENDOCINO COUNTY SHERIFF'S OFFICE & JAIL			
2009-2010 BUDGET WORKSHEET FOR 6/9/2009			
<u>SHORTFALL IN NET COUNTY COST ASSIGNMENT</u>	<u>Total</u>	<u>2310</u>	<u>2510</u>
SHERIFF'S "IDEAL" BUDGET - ALL POSITIONS FULLY FUNDED USING AUDITOR'S PROJECTIONS	23,751,821	13,457,426	10,294,395
LESS NET COUNTY COST ASSIGNED BY THE CEO	19,929,745	11,069,108	8,860,637
SHORTFALL BETWEEN IDEAL BUDGET AND ASSIGNED N.C.C.	3,822,076	2,388,318	1,433,758
<u>MEASURES TO MITIGATE BUDGET SHORTFALL</u>			
CURRENT VACANCIES (3) IN 2310 TO REMAIN UNFILLED	151,523	151,523	
CURRENT VACANCIES (8) IN 2510 TO REMAIN UNFILLED	640,866		640,866
ANTICIPATED RETIREMENTS (4) NET OF VACATION PAYOUT	542,582	542,582	
3/31/2010 RETIREMENTS (2) NET OF VACATION PAYOUT	51,806	19,508	32,298
ELIMINATE BUDGETED EXTRA-HELP IN BU 2510	83,025		83,025
USE FUND BALANCE RESERVES FOR OPERATIONS *	200,000	200,000	
USE ASSET FORFEITURE FOR O/T REIMB.	200,000	200,000	
VACANCIES DUE TO ATTRITION DURING FISCAL YEAR	88,621	53,173	35,448
LAYOFF OF 5 SHERIFF'S SERVICES TECHNICIANS, NET OF VACATION PAYOUT	261,096	56,008	205,088
ADDITIONAL REDUCTIONS TO OVERTIME PER SHERIFF	750,000	400,000	350,000
REDUCTIONS IN MILEAGE/TRAVEL PER SHERIFF	50,000	40,000	10,000
ADDITIONAL REVENUE FROM NEW AND INCREASED FEES	59,800	59,800	
TOTAL MITIGATING MEASURES	3,079,319	1,722,594	1,356,725
ADDITIONAL, UNIDENTIFIED SAVINGS OR REVENUE ENHANCEMENTS	742,757	665,724	77,033
	0		
<u>* ANTICIPATED USE OF FUND BALANCE RESERVES</u>			
1100-770023	90,000		
1100-770026	20,000		
1100-770027	90,000		
TOTAL	200,000		

The Sheriff's office has submitted a revised list of layoffs to include 5 Sheriff's Technicians with no patrol positions recommended for layoff at this time. At this time there is still a projected shortfall as depicted above in the amount of **\$(742,757)** as stated by the Sheriff's office. The following additional recommended commitments as agreed by the Sheriff are stated below:

- The Sheriff has agreed that no additional funding is being requested over the Net County Cost as shown on the Master Recommended Worksheet for the 2009-10 budgets to meet the Net County Cost assignments.
- The Sheriff will not go over the assigned Net County Costs for 2009-10, unless there are emergency circumstances that will increase costs in addition to the ordinary costs of doing business, for which there are no provisions for reimbursement to offset these costs or additional sources of revenue in the 2009-10 fiscal year or in future years.
- The Sheriff has agreed that he will utilize any discretionary financial management tools within legal parameters to meet the Net County Costs for 2009-10 as assigned for his budgets.
- The Sheriff has agreed that as part of the quarterly report on his departments fiscal status, or as soon as possibly known, the Sheriff's Office will report to the Executive Office and to the Board, any projected overages due to emergency circumstances as stated above in the second bullet point.
- The Sheriff will manage within the assigned Net County Costs in compliance with the Board directed hiring freeze to hold all future vacant positions considering the mandated requirements of the jail, and to mitigate the remainder of the projected shortfall of \$(742,757).

The CEO is recommending several options for the Board to consider below:

Option 1 – The Board approves the Sheriff's Office recommendations as stated above to mitigate the projected \$3,822,076 million dollar shortfall to meet the Net County Cost assignments.

Option 2 – The Board approves the Sheriff's Office recommendations as stated above to mitigate the projected \$3,822,076 million dollar shortfall, including directing the Sheriff's Office to provide an additional layoff list to mitigate the remaining shortfall of \$742,757 or the Sheriff may submit additional solutions to mitigate this shortfall to zero. (If Sheriff Deputies were to be considered, this would be approximately 7 deputy positions).

Public Defender Budget Unit 2080

The Executive Office has further analyzed the Public Defender's budget and has revised the original recommendation to include 1 FTE Investigator position for layoff, and to utilize salary savings from delay in hiring and internal promotion as a recommendation to retain the 1 FTE Legal Secretary position. In addition, a worksheet analysis for Public Defender's budget unit 2080 has also been provided for Board review below:

Salary Savings from PD position as Budgeted for 2009-10	Amount
PD current salary and benefits 2 months July and August	\$ 31,133
Vacation Buy Out	\$ 9,891
Assumes interim position for Assistant to assume PD position 10 months @ Step 2 \$89.80 per hr x 1733.40	\$ 124,825
Total Costs for PD position all year	\$ 165,849
PD positions currently budgeted	\$ 186,867
Savings from PD position as budgeted +\$186,867-165849= \$21018	\$ 21,018
Proposed Savings to mitigate Legal Secretary position	
Assistant Salary with Full benefits currently at Step 5	\$ 145,332
Delay of Hiring 4.5 months Assistant Position Step 5 \$69 per hr x 778 hrs	\$ (53,682)
Savings from PD position as budgeted +\$186,867-165849= \$21018	\$ (21,018)
Savings from delay in Hiring and Internal Promotion	\$ (74,700)
.95 Secretary or 1 FTE Secretary proposed for layoff with benefits	\$ 73,240
Net Savings	\$ (1,460)

Summary Conclusion

On June 4, 2009 the Executive Office requested that departments submit recommendations for cuts of another 10% to meet the projected \$(5.2) million dollar shortfall for Phase III to balance the Recommended Budget. It is anticipated that these recommendations will be presented on June 16, 2009.

The Executive Office has calculated that an average salary with benefits for a county employee is \$75,000. In order to reduce the \$(5.2) million dollar shortfall, layoffs of 43 positions ave to be reduced or eliminated, or other cost reductions of programs that will assist in reducing the general fund contribution to departments in order to balance the Recommended Budget for 2009-10.

Recommended Budget Next Steps and Other Items for Discussion at Future Meetings

- June 16th - Information regarding further potential cuts submitted by departments will be reviewed by the Executive Office for consideration and recommendation and will be presented on June 16th or as the Board directs.
- June 23rd – The Executive Office will present the Master Recommended Budget Worksheet for final approval by the Board of Supervisors as the template for the Recommended Budget for 2009-10. As the Board directed DOT will present recommendations and options for the continuation of the discussion on the matter of privatization of the Solid Waste Division.

At this time, it is unknown what the outcome of Phase III meet and confer negotiations with bargaining units will be.

Phase IV – Possible Final Budget Next Steps

The Executive Office will present to the Board of Supervisors any additional State Budget cuts and possible impacts stated by departments for consideration and further action between the Recommended Budget and Final Budget.

As in prior years, the Executive Office will continue with the Board priority that no State cuts will be backfilled with general fund dollars,

The CEO is also recommending that departments utilize any stimulus dollars which may offset shortfalls due to loss of State funding.