

Slides to be updated with
final fiscal information
at presentation on
Tuesday
February 24, 2009

BUDGET WORKSHOP 2008-09 REDUCTIONS

Mendocino County
Board of Supervisors

February 24, 2009

THIS PRESENTATION

- Updated 2008-09 revenue projections and forecast revenues for 2009-10
- Reported on State budget crisis for 2008-09 combined with 2009-10
- Provided 2008-09 2nd Quarter Report and projected to the end of fiscal year

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BALANCING BUDGET 2008-09

BUDGET REDUCTIONS UP FRONT

- 6% cut in assigned Net County Cost, majority of departments submitted at Net County Cost = \$2.4 million
- Departments' absorption of increases in wages and benefits, mostly through salary savings = \$4.8 million

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BALANCING BUDGET 2008-09

BUDGET TIGHTENING

- Suspended Vehicle Replacement Fund for 2008-09 = \$445,925
- Utilized Mill Creek Dams insurance reimbursement for Water Projects and Contingency Fund = \$489,000
- Held the line on capital projects and fixed assets; no new positions added

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REVENUES FY 2008-09

- Economic conditions nation-wide have negatively impacted property values and transactions, retail activity, investment returns
- Sales tax revenues projected at 4.15% below prior year levels
- Property tax revenues and fees projected below prior year levels
- Assessed Valuation of 6.23%

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STATE BUDGET FY 2008-09

- Delayed/deferred State payments shift cash flow and interest issues to County
- Williamson Act Subvention of \$565,000 currently budgeted, but still at risk
- No COLAs for CalWORKs or SSI
- Cuts to Human Services programs
- Passage of ballot measures needed for some proposed revenue increases

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2ND QUARTER REPORT

- CEO working with departments to stay within budget
- **Projection** of FY 2008-09 budget shortfall to be addressed through cost cutting measures is _
- Current projection of zero fund balance carry-over going into FY 2009-10

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MID-YEAR SHORTFALL

- Current overall shortfall estimated at _
- HHS/Mental Health
Program costs, inc. prior audits
- HHS/Social Services/IHSS
Realignment Sales Tax decrease
- General Fund - offset by Contingency
Decreased property & sales tax

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COST SAVINGS SOUGHT

- Hard hiring freeze -estimated _ in vacancy savings
- Review of Extra Help positions
- Voluntary Time Off saved _ of total funding sources
- Elimination of bottled water _
- Reduced travel

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TARGETED SAVINGS

- Target of \$2,000,000 in General Fund savings sought through meet and confer process
- Target of \$2,000,000 in HHS funding

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GENERAL FUND TARGET

- County developed proposal for twelve (12) days of Mandatory Time Off (MTO) or the equivalent value to be taken eight (8) hours per pay period through June 30, 2009
- Approximately ten (10) lay-offs implemented April 1, 2009 necessary for each missed MTO day

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HHS TARGETED SAVINGS

- HHS developed proposal for four (4) hours weekly Mandatory Time Off (MTO) schedule to June 30, 2009
- Up to 24 lay-offs may be necessary to achieve full target for 2008-09 and downsize for 2009-10, depending on results from MTO, VTO, and HHS hiring freeze/attrition

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MEET & CONFER PROCESS

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

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SHORTFALL REMAINING

- MTO Agreements have addressed approximately _ of target of \$2,000,000 in General Fund
- Remaining shortfall is _
- Estimated _ lay-offs are necessary

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TAKING ACTION TODAY

- Action to be taken today will be reported out of this afternoon's Closed Session
- Board resolute in addressing this challenge and committed to ending the fiscal year in balance

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