

A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO IMPLEMENT THE RECOMMENDED BUDGET AMENDMENTS TO BRING THE 2008 BUDGET BACK INTO BALANCE AND TO CONTINUE WORK WITH THE ORGANIZATION TO IDENTIFY LONG-TERM STRUCTURAL SOLUTIONS TO BE BROUGHT TO THE WAYS & MEANS COMMITTEE NO LATER THAN APRIL 2, 2008

WASHTENAW COUNTY BOARD OF COMMISSIONERS

March 5, 2008

WHEREAS, the Board of Commissioners adopted the 2008/09 Biennial Budget (Resolution #07-0222) on November 14, 2007; and

WHEREAS, since the adoption of the 2008/09 Biennial Budget several variables including revenue assumptions for property taxes and anticipated savings from labor negotiations have changed resulting in a projected general fund budget shortfall between \$8 to \$10 million in the 2008 fiscal year; and

WHEREAS, the Administrator's Office, County Budget and Finance Offices, Human Resources and a Strategic Oversight Committee, an advisory group comprised of department heads and staff, have identified possible solutions to address this budget shortfall; and

WHEREAS, the recommended solutions for the 2008 budget shortfall include a combination of one-time expenditure savings and use of non general fund reserves plus long-term structural changes which leverage new revenue sources and reduce annual expenditures; and

WHEREAS, County Administration has implemented forums to engage staff at all levels within the organization in the development of long-term recommendations for maintaining fiscal stability, which will be presented to the Ways and Means Committee no later than April 2, 2008; and

WHEREAS, this matter has been reviewed by Corporation Counsel, the Finance Department, the Human Resources Department, the County Administrator's Office, the County's Strategic Oversight Committee and the Ways and Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the county administrator to implement the recommended budget amendments to bring the 2008 budget back into balance including:

- Personnel cost adjustments of approximately \$1.9 million as a result of revised anticipated savings from labor negotiations and an estimated \$2.3 million from the implementation of a hiring freeze as of 1/1/08
- New revenue sources including a transfer of at least \$1M from the Property Foreclosure Fund into the general fund as allowed under the revised state law,

an increase in E911 revenue and the implementation of an Integrated Health Waiver for new revenue in CSTS

- Reduction in the level of general fund support to non general fund departments through an adjustment to appropriations or the Cost Allocation Plan as follows:
 - Community Collaborative of Washtenaw County (CCWC) Administration: \$30K
 - Employment Training & Community Service: \$100K
 - Environmental Health: \$100K
 - Head Start: \$100K
 - Public Health: \$100K
 - CSTS: \$1M
- Transfer a total of \$1.1M previously earmarked for the Towner renovation project from the CSTS and Public Health fund balances (\$700K and \$400K, respectively)
- Reductions in the general fund expenditure budgets for continuous improvement initiatives (\$200K), pay for performance for non-union employees (\$200K), Travel/Conferences (\$100K) and capital equipment appropriation (\$100K)
- Cancellation of annual county-wide events with a focus on identifying alternative more cost effective options for employee recognition and appreciation
- Revised allocation of take home vehicles to realize approximately \$30K in savings
- Redirecting the cash from the Revenue Sharing Reserve Fund into the General Fund as a means to not have negative cash flow in the General Fund as allowed by law which will also increase interest earnings in the General Fund
- Use of NGF fund balances and reduced planned contribution to General Fund fund balance in an estimated amount of \$500K and \$250K respectively to be used if necessary with actual amounts to be determined as part of the 2008 annual year-end audit

BE IT FURTHER RESOLVED that the Board of Commissioners continues to direct the Administrator to provide quarterly budget updates on the status of the county budget.

BE IT FURTHER RESOLVED that the Board of Commissioners authorizes the County Administrator to continue work with the organization to identify long-term structural solutions to be brought to the Ways & Means Committee no later than April 2, 2008.