

A RESOLUTION ADOPTING THE RECOMMENDED BUDGET SOLUTIONS AS THE FIRST PHASE OF MODIFICATIONS TO CREATE A BALANCED BUDGET FOR THE 2010/11 FISCAL YEARS AND AUTHORIZING THE COUNTY ADMINISTRATOR TO CONTINUE TO WORK WITH THE ORGANIZATION AND UNIONS TO IDENTIFY ADDITIONAL LONG-TERM STRUCTURAL SOLUTIONS THAT WILL BALANCE THE 2010/11 BIENNIAL BUDGET TO BE BROUGHT TO THE WAYS & MEANS COMMITTEE NO LATER THAN SEPTEMBER 16, 2009 AS PHASE 2 OF THE 2010/11 RECOMMENDED BUDGET

WASHTENAW COUNTY BOARD OF COMMISSIONERS

July 8, 2009

WHEREAS, Washtenaw County has been impacted by the economic downturn affecting most entities within the State of Michigan and around the nation; and

WHEREAS, for the first time since the creation of the property equalization system more than 50 years ago, the rate on taxable value has decreased from the prior year; and

WHEREAS, estimated best case and worse case budget projections for the 2010/11 fiscal years were presented to the Board of Commissioners in February 2009 as part of the Financial State of the County based on revenue variability and an assumption that expenditures would continue growing at previous levels; and

WHEREAS, the Board instructed the County Administrator to take a conservative approach in revenue projections given the economic instability; and

WHEREAS, a projected structural budget deficit target of nearly \$26 million was established for the 2010/11 biennial budget cycle; and

WHEREAS, the leadership and engagement of the Board of Commissioners has been essential in the budget development process with a series of information sessions to help dissect the budget methodically and to secure guidance from commissioners on key policy considerations; and

WHEREAS, commissioners demonstrated their commitment and leadership to the community through many informational sessions with constituents, local units of government and the business sector; and

WHEREAS, County Administration sought engagement and input from the entire organization through Town Hall sessions and weekly updates on the County's intranet site; and

WHEREAS, the Department Heads Group and Labor Management Team began meeting twice a month with County Administration in an effort to stay informed and offer input; and

WHEREAS, an internal Strategy & Budget Group comprised of County Administration, Elected Officials and Department Heads convened weekly; and

WHEREAS, a multi-faceted approach was developed in response to the budget situation including four major strategic focus areas with target solutions including:

1. Maximizing Revenue Growth (\$3-5 million)
2. Department Identified Expenditure Reductions (\$7-10 million)

3. Employee Compensation & Benefit Modifications (\$12-14 million)
4. Other Major Organizational Changes (\$3-7 million); and

WHEREAS, the organization was asked to first identify revenue opportunities to assist with the principle of securing services and jobs where possible which resulted in \$4,384,409 in revenue growth solutions; and

WHEREAS, these revenue enhancements are predominately through maximizing outside revenue opportunities including federal Medicaid and stimulus funding; and

WHEREAS, revenue enhancements through the county's shared services efforts with local units of government as well as efforts to increase collections are also included; and

WHEREAS, fee adjustments are recommended within Public Health and Environmental Health, with details to be forthcoming in a future resolution with necessary regulation updates; and

WHEREAS, County Administration requested each Department Head and Elected Official complete a strategic exercise to evaluate their operations and determine possible structural budget modifications around scenarios for a 5, 10, 15 and 20% budget reduction from 2009 levels; and

WHEREAS, guidelines were included to help reach these target amounts, including the following six principles to be applied in the order shown:

- Revenue Generation
- Reducing the Cost of Doing Business
- Organizational Restructuring including Management to Staff Reductions
- Collaborations
- Service level Reductions in both Mandated and Non-Mandated Programs
- Elimination of Non-Mandated Programs; and

WHEREAS, the County's Department Heads and Elected Officials, with engagement by their staff, identified solutions that minimized the loss of services and jobs; and

WHEREAS, these scenarios were then reviewed with strategic recommendations being implemented based on the identified impact of such a modification on staff, the organization and the community; and

WHEREAS, a total budget reduction of \$11,150,668 is included from this exercise, including \$6,766,259 in expenditure reductions and \$4,384,409 in revenue growth solutions; and

WHEREAS, most departments are being recommended for a reduced general fund contribution of 10 – 20% from 2009 adopted levels; and

WHEREAS, a few departments have reductions greater than this level due to opportunities within revenues, contractual arrangements or vacancies that currently exist; and

WHEREAS, a handful of departments are not being recommended for significant reductions to preserve program levels at this time; and

WHEREAS, a net total of 22.8 FTE are included for elimination with the plan for an additional 3.3 FTE within Public Health / Environmental Health to be considered as part of their 2009/10 budget and the possible elimination of positions within the courts; and

WHEREAS, at least 11.8 of these positions are vacant; and

WHEREAS, the budget amounts include a target budget reduction within the 14-A District Court lump sum budget agreement of 10% or \$375,000 which is still being evaluated by the court to determine specifics for implementation; and

WHEREAS, a reduction in the Trial Court lump sum budget is still in negotiations with an amount to be determined; and

WHEREAS, it is recommended that the county close the Juvenile Day Break program effective January 1, 2010 which is a combined residential and day treatment program for youth brought before the court requiring substance abuse treatment; and

WHEREAS, an organizational restructuring is proposed to take place with a net reduction of 1.35 FTE within the Water Resources Commissioner's Office due to retirements and alignment of Department of Public Works and Soil Erosion; and

WHEREAS, a reduction in state revenue within Public Health and Environmental Health is anticipated but not specifically known at this time, and as such the general fund appropriation to these services may need to be revisited in September when the complete 2010/11 budget is presented; and

WHEREAS, reductions within the County's infrastructure allocations is included for the 2009 – 2011 fiscal years with a focus on maintaining existing infrastructure for the next few years with a comprehensive review to be completed during the summer and incorporated into the 2010/11 biennial budget as to the long-term impact and sustainability of such a reduction; and

WHEREAS, additional savings are recommended through major organizational changes that were beyond the department scenarios or were external to the responsibility of a particular departments; and

WHEREAS, the level of support to the not-for-profit agencies generates a good deal of attention and it is clear that a balance between internal operations and support for external operations must be reached; and

WHEREAS, the majority of agencies are included for an annual 20% reduction beginning in 2010, with the county's Human Services, Children's Well-Being, Fair Housing and Michigan Tenant Counseling allocations being shifted to the management of the Office of Community Development as is outlined in a separate resolution for Board consideration; and

WHEREAS, the reduction in Outside Agency allocations also includes Special Initiatives including the removal of fiscal support for the North South Commuter Rail initiative (WALLY) beginning in 2009, the reduction of the Eastern County Economic Development allocation from \$300K to \$100K, and the reduction of the Support Housing Initiative from \$250K to \$200K with the continuation of a reduced appropriation to the Housing Contingency Fund to continue to fund this initiative; and

WHEREAS, organizational restructurings include the shifting of Community Corrections and Emergency Management to the Sheriff's Office, with a commitment by the Sheriff to reduce one management position and explore other cost saving measures; and

WHEREAS, the Board of Commissioners previously extended the County's Police Services contracts for the 2010 fiscal year retaining the same service delivery and cost methodology at a 2% price increase and by way of this resolution extends the contracts through 2011 with a 4% price increase above the 2010 amounts; and

WHEREAS, the budget solutions contained within this resolution are a significant step in developing a balanced budget for the 2010/11 fiscal years although more solutions are still needed to be identified; and

WHEREAS, the County Administrator is continuing work with the organization and with the leadership of all of the county's bargaining units during the summer and will bring a final recommended budget for 2010/11 on September 16, 2009; 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 Strategy & Budget 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 solutions for the 2010/11 biennial budget, with an early implementation date to provide savings in the 2009 fiscal year, as outlined in the executive summary of recommendations attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that the Board of Commissioners approves the reductions to the Outside Agency Allocations as attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby approves the continuation of discussion with the Washtenaw County Trial Court and District Court in pursuit of an agreement on a lump-sum budget adjustment for the 2010/11 fiscal years.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby approves the price increases for 2011 Police Services contracts of 4% above the 2010 adopted price and authorizes the County Administrator and Corporation Counsel to implement such contract amendments.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby modifies resolution #08-0082 regarding the establishment of the Saline Court Reserve Fund to fund Phase II of the Court beginning in 2010. Through negotiations with the court, it is agreed if approved by the board to maintain implementation of this arrangement in fiscal year 2010, but with an adjustment to the baseline budget due to the projected budget deficit within the General Fund. For budgetary purposes, the net positive position that will therefore remain in the General Fund is to be a savings of \$375,000 for 2010 and 2011. If a net positive position in excess of this amount is realized in either of these fiscal years, the excess will be redirected to Saline Court Reserve Fund.

BE IT FURTHER RESOLVED that the Board of Commissioners directs the Administrator to continue pursuing additional possible structural solutions as outlined in the Executive Summary as attached, including negotiations with all bargaining units, to balance the 2010/11 budget, with

the presentation of the 2010/11 Recommended Budget Phase 2 to be brought to the Ways & Means Committee on September 16, 2009.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby approves the attached position modifications, with an effective date upon approval by the Board of Commissioners unless otherwise noted.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby approves the attached permanent elimination of position currently on hold vacant status.

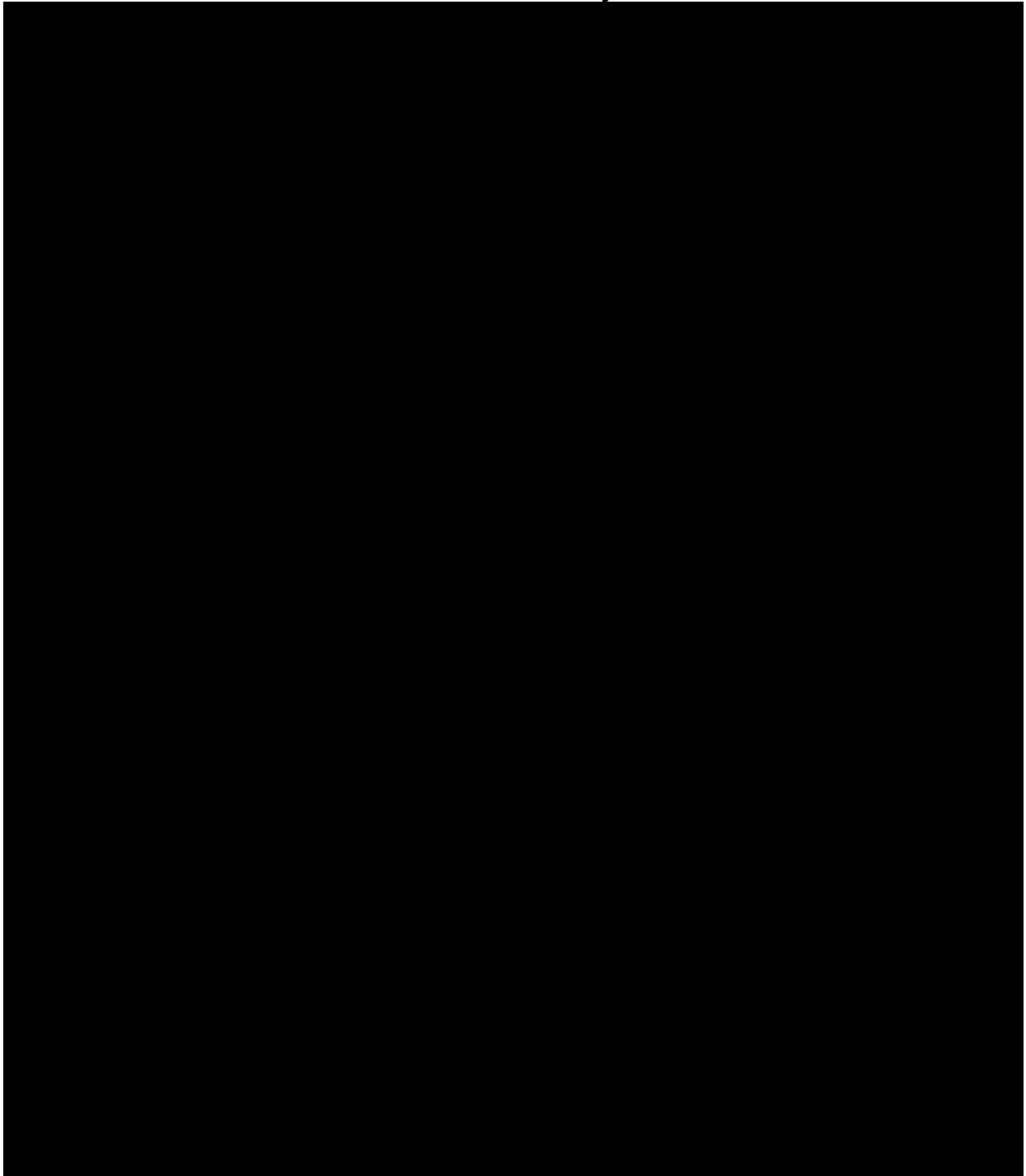
## 2010/11 Budget Position Modifications – Phase 1

POSITION CONTROL NO.	POSITION TITLE	NOTE	EMPLOYEE GROUP	GRADE	CREATE	ELIMINATE	HOLD VACANT	REMOVE FROM HOLD VACANT
<b>ADMINISTRATION</b>								
3506-0003	Deputy County Administrator	b	32	35			1.0	
<b>CHILDREN'S SERVICES</b>								
1605-0031	Senior Account Clerk I/II	b	15	16			1.0	
2270-0001	Youth Counselor- Day Treatment	c	11	22			1.0	
2270-0002	Youth Counselor- Day Treatment	c	11	22			1.0	
2270-0003	Youth Counselor- Day Treatment	c	11	22			1.0	
2270-0005	Youth Counselor- Day Treatment	c	11	22			1.0	
2270-0006	Youth Counselor- Day Treatment	c	11	22			1.0	
7741-0001	Detention Supervisor	d	10	77				1.0
7743-0001	Day Break Supervisor	c,d	10	77			1.0	
<b>CLERK/REGISTER OF DEEDS</b>								
1519-XXXX	Record Management Specialist	c,h	12	15				1.0
1519-XXXX	Record Management Specialist	c,h	12	15				1.0
1519-XXXX	Record Management Specialist	c,h	12	15			1.0	
2523-0034	Administrative Coordinator	b	32	25				1.0
2757-0001	Sr Clerk/Reg Analyst I/II/III	b	32	27/28/29			1.0	
1811-0006	Sr Records Mgmt Specialist	b	12	18	1.0			
<b>HUMAN RESOURCES</b>								
2760-0001	Human Resources Assistant	b	32	27			1.0	
2941-XXXX	Human Resources Generalist I/II	c,h	32	29/30			1.0	
<b>HEAD START</b>								
0502-0002	Nutrition Assistant	a,b	32	5			0.8	
1634-0005	Cook- HeadStart	b	12	16			1.0	
2631-0001	HS Program Support Coordinator	g	32	26			1.0	
1130-0001	Nutrition Assistant	a,b	12	11	0.8			
1130-0002	Nutrition Assistant	b	12	11	1.0			
<b>MSU EXTENSION</b>								
1878-0011	Customer Service Specialist	b	12	18			0.8	
<b>OFFICE of STRATEGIC PLANNING</b>								
3249-0001	Organizational Development Manager	b	32	32			1.0	
<b>PUBLIC DEFENDER</b>								
1571-0013	Legal Clerk	e	12	15				1.0
1571-0016	Legal Clerk	e	12	15				1.0
<b>PUBLIC/ENVIRON HEALTH</b>								
3360-0001	Environmental Services Director	a	32	33			1.0	
3428-0001	Administrative Health Officer	b	32	34			1.0	
3451-0001	Health Officer	a	32	34	1.0			
<b>SHERIFF</b>								
2831-0001	CC Deputy Director	b	32	28			1.0	
5401-XXXX	Office Specialist	c,h	16	54			1.0	
<b>WATER RESOURCES</b>								
1878-0012	Customer Service Specialist	b, f	12	18			1.0	
3353-0001	Public Works Division Director	c	32	33			1.0	
7746-0001	GIS Supervisor	b	10	77			1.0	
2581-0001	Water Resources Service Coord.	b	32	25	1.0			

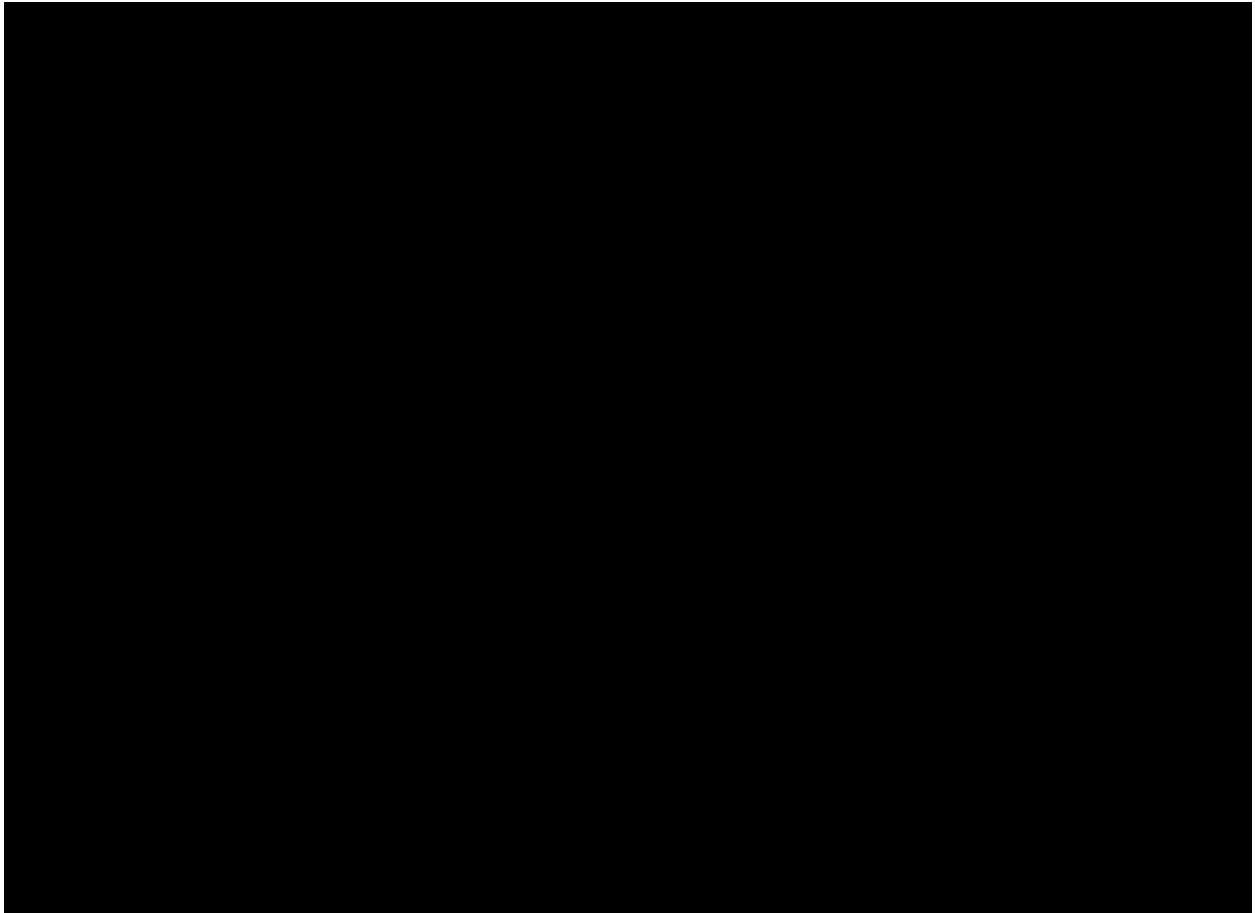
**Notes:**

- a- Reclassification
- b- Effective upon BOC approval
- c- Effective 12/31/09
- d- Transfer of Daybreak Supervisor
- e-Effective 9/1/09
- f-position shared w/EH
- g-contingent on Oral Health grant funding ending
- h-position TBD

**2010/11 Hold Vacant Positions to be Permanently Eliminated**



**2010/11 Hold Vacant Positions to be Permanently Eliminated (continued)**



## 2010/11 Outside Agency Allocations

Amounts shown are preliminary as it will be required for agencies to apply for funding and demonstrate the service delivery and community outcomes attained by these allocations; allocations shown with a Yes under "Shift to Community Development" are recommended to be managed through the competitive bid process through the Office of Community Development. In addition, it is being considered for the County to issue a millage in accordance with Act 88 to offset the current SPARK contribution. Discussions are underway with Parks & Recreation for the possible realignment of a few agency allocations which would require approval by the Parks Commission.

Category	Agency Name	2009 Budget	Administrator's Recommendation	% Reduction	Shift to Community Development
Dues / Membership	BOC Dues	10,399	10,399	-	No
Dues / Membership	MAC Dues	20,315	20,315	-	No
Dues / Membership	Humane Society	400,000	500,000	-	No
Dues / Membership	Huron Riv. Water Coun.	11,892	11,892	-	No
Dues / Membership	Riv. Raisin Watershed	8,233	8,233	-	No
Dues / Membership	SEMCOG	175,000	175,000	-	No
Dues / Membership	SEMCOG Water Quality	10,000	10,000	-	No
Human Services	Area Agency On Aging	23,712	23,712	-	No
Human Services	Blueprint for Aging	25,000	20,000	20%	No
Human Services	Supportive Housing Initiative	250,000	200,000	20%	No
Human Services	DHS Child Abuse Prevention	38,000	-	100%	No
Human Services	Dispute Resolution Center	30,000	24,000	20%	No
Human Services	Dom Viol Proj Saf Hou	120,000	96,000	20%	No
Human Services	Eviction Prevention	50,000	40,000	20%	No
Human Services	Fair Housing	50,000	40,000	20%	Yes
Human Services	Family Learning Institute	15,000	12,000	20%	No
Human Services	Food Systems Economic Partners	15,000	12,000	20%	No
Human Services	Human Services/CWB Funding	1,000,000	800,000	20%	Yes
Human Services	Legal Resource Center	5,000	4,000	20%	No
Human Services	Michigan Tenant Counseling	17,250	13,800	20%	Yes
Human Services	NAAPID	10,000	8,000	20%	No
Human Services	Neutral Zone	20,000	20,000	0%	No
Human Services	NEW Center	35,000	28,000	20%	No
Human Services	Project Grow	4,500	3,600	20%	No
Human Services	R.S.V.P Approp.	12,000	9,600	20%	No
Human Services	S.E.M. Legal Services	75,000	60,000	20%	No
Human Services	Shelter Association	200,000	160,000	20%	No
Human Services	Small Business Development Cen	10,000	8,000	20%	No
Human Services	Soil Conservation	30,000	30,000	-	No
Human Services	Success by Six	50,000	40,000	20%	No
Human Services	UATS Reserve	20,000	20,000	-	No
Human Services	United Way - 211	40,000	20,000	50%	No
Special Initiatives	Eastern County Economic Dev	300,000	100,000	67%	No
Special Initiatives	Eastern County Incubator	50,000	50,000	-	No
Special Initiatives	NS Commuter Rail	150,000	-	100%	No
Special Initiatives	Spark	200,000	200,000	-	No
	<b>Total</b>	<b>3,481,301</b>	<b>2,778,551</b>	<b>20%</b>	