



COUNTY ADMINISTRATOR
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TO: Barbara Levin Bergman, Chair
Ways & Means Committee

FROM: Robert E. Guenzel
County Administrator

DATE: February 20, 2008

SUBJECT: 2008 Recommended Budget Amendment

BOARD ACTION REQUESTED:

It is requested that the Board of Commissioners authorize 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.

BACKGROUND:

On November 14, 2007 the Board of Commissioners adopted the 2008/09 Biennial Budget (resolution 07-0222). This was done after a year-long process with much information and deliberation conducted by County Administration and the Board. During the development of the budget, it was clear through a review of financial indicators that the county was in good financial condition presently although there were uncertain times ahead. The county has worked over the years to make Guiding Principle #1 a top priority which has resulted in extremely high bond ratings, reasonable levels of debt, General Fund reserves in line with policy and annual surpluses. However, the picture was mixed when looking forward, especially when estimating the impact the State and local economy would have on the county revenues and demand for services.

Property Taxes

The level of property tax revenue to be expected in the General Fund in fiscal year 2008 was one of the largest questions raised in the budget development. The county was operating in unprecedented times due to the Statewide shift in county property taxes from a December to July levy. The impact on the county's budget development was that the amount of revenue to be received would not be known until during the fiscal year for which it was to be recorded. Therefore, the county will not know the real revenue amount for property taxes until April of this year (2008). Using past levels as a guide proved to be invalid as well. The 2007 Equalization report demonstrated a 6% growth factor in taxable value, as had been the case almost every year over the past decade (see chart below).



While it was known that the housing market was in a significant decline, it was believed that the county would realize some cushion in revenue collections due to the large gap between the SEV (State Equalized Value) and Taxable Value. County Administration, Equalization, Finance and Budget began monitoring this variable closely. With information available at the time of budget development, the estimated growth rate in revenue was modified in the 2008 budget from a 5.5% original projection down to 3.5%, thought to be a reasonably conservative amount given the past history. What became clear is that for recently transferred properties where the SEV and taxable value become equal, the homeowners would actually have a reduced tax bill due to the declining market value. New information since the adoption of the budget suggests that even this 3.5% growth rate is too optimistic and that the county should prepare for a flat level of revenue.

Anticipated Labor Savings

Going into the 2008/09 budget development, the county had a structural deficit of \$3 million. This had been known during the 2006/07 budget process but it was decided to postpone the long-term solution to allow the organization to stabilize after several years of position reductions and organization restructurings. The change in revenue assumptions from the property tax issue outlined above, as well as related revenue reductions in the Clerk's Office, Building Services and Environmental Health due to the housing market realities, created an additional issue for the General Fund budget of over \$2.3 million. As outlined in the 2006/07 Budget, the largest anticipated solution to

the projected structural budget deficit was through the county's pending labor negotiations. These negotiations were running in parallel to the county's budget development process, resulting in the need to rely on projected anticipated savings to be incorporated into the 2008/09 adopted budget.

There were three categories of anticipated labor savings including wages, medical and retirement. It is expected that some of these savings will still materialize. However, part of the projected savings for retirement included a change in the way pensions might be set up. Actuarial studies were done with second party verification that calculated anticipated savings to the county's liability for retirement costs. It came to the county's attention in late November that those studies included an error and inaccurate assumptions resulting in the savings to be much less than was projected. Since these anticipated savings were the original means to deal with the structural budget deficit and have been incorporated into the 2008/09 budget, a new solution must now be identified.

It must also be noted that the county engages in strategic planning every two years in alignment with the biennial budget development. As is the standard in each budget process, this resulted in new investments into areas of consideration that promote the values of the organization and best support the community. While the county realized that fiscal indicators were uncertain moving forward, Administration and the Board knew the county had to respond to the growing needs of the citizens and keep the organization moving in a strategic direction for the future. In some cases these initiatives only require leadership, partnership and time; however in many cases hard dollars are necessary. The 2008/09 budget included new investments for both internal and external contributions of approximately \$2 million. These investments were balanced within the budget based on the assumptions at the time of the adoption, including the anticipated labor savings and a level of property taxes at a 3.5% growth factor.

Process Overview

These issues combined result in a current projected budget issue of between \$8-10 million, or approximately 10% of the General Fund, for the 2008 fiscal year. These issues are permanent in nature, actually growing annually resulting in higher projected shortfalls into the future if not dealt with in a structural budget reduction as soon as possible. A group of organizational Department Heads and staff, known as the Strategic Oversight Committee (SOC) have been brought together to assist in the development of principles, process, communication and solution generation. As structural solutions need to be reviewed very carefully with a thorough implementation plan being generated to minimize the impact on the organization and citizens, a recommendation for 2008 is provided below which includes the first round of structural solutions as well as some short-term options to bring 2008 back into balance. The process for identifying the recommendations to balance the long-term budget projections is also provided and will be brought back to the board for consideration no later than April.

DISCUSSION:

As demonstrated above, several variables have shifted since the time of the 2008/09 budget adoption in November 2007 resulting in a current projected General Fund

shortfall for the 2008 fiscal year of between \$8-10 million. The two dominant changes are the result of revised property tax estimates and savings from labor negotiations. Altering the property tax assumption from 3.5% as included in the 2008 budget down to an estimated 0% is a decline of approximately \$2.5 million. The budgeted savings from labor for a change in retirement benefits resulted in over \$5 million for the General Fund alone which, as outlined above, is now known will not materialize. Other variables in the budget are being closely monitored as well with some other potential negative variances. One issue that has occurred over the past few years is the rising cost in the Sheriff's Office due to jail overcrowding. For fiscal year 2007, the Sheriff needed additional General Fund support of over \$1 million that was not included in the budget. Unfortunately this level of budget increase was not recognized at the time of the 2008/09 budget development and was therefore not incorporated for 2008 either. The needs of the Sheriff in 2008, as well as other variables such as a change in how Friend of the Court reimbursements are calculated and the level of interest earnings to be recognized, are uncertain at this time but will be monitored extremely closely in partnership with each county department or agency and will be included in quarterly updates to the Board throughout the year.

Recommended Structural Solutions for 2008

Over the past two months, the Administrator's Office, County Budget and Finance Offices, Human Resources and the Strategic Oversight Committee have worked very hard to identify possible solutions to the budget realities at hand. Some structural solutions are outlined below. The intention is to start these modifications in 2008 and implement them annually for continued savings.

New Labor Savings

While the budget shortfall includes a loss of labor savings from what was included in the 2008/09 budget, some labor savings are expected to materialize. It is estimated that approximately \$1.9 million in new savings can be depended on in 2008, with even more for 2009 and beyond.

Integrated Health Waiver

The WCHO is working with state and national authorities to create a specialty Integrated Health Waiver for Washtenaw County. The waiver will address the needs of individuals with mental illness, substance abuse, developmental disability or serious emotional disturbance through integration of physical health and behavioral health care. This waiver will enable additional Federal Match to be available to the local community, permitting the WCHO to increase funding to integrated health providers, including CSTS.

Property Foreclosure Transfer

When the state gave an option to counties to participate in PA 123 or the Urban Homestead Legislation in an attempt to prevent property foreclosures, the county Treasurer took a leadership role in making this program a reality for Washtenaw County. During 2007, the state revised the law which directs the Treasurer to report to commissioners any remaining fund balances following the two year cycle of helping

homeowners or engaging in a property foreclosure. The available funds in accordance with the law are to become the discretion of the Board of Commissioners and are available to transfer into the General Fund. While the Treasurer is not obligated to provide the formal report until June 30, 2008 as to the status of fund balance, it is estimated that over \$1 million is available for transfer in 2008, with annual transfers at much smaller levels that are still to be determined for each fiscal year into the future. This transfer will not negatively impact the important work being conducted by the Treasurer and other county collaborations to help as many homeowners as possible retain their homes.

Central Dispatch E911 Revenue

The Board of Commissioners approved a change in the E911 fee collection, as allowed by a revised State law. This change is intended to catch up with the significant changes in technology, and now includes a standard fee for all communication devices with access to 9-1-1 including cell phones and VOIP. It is estimated that \$100K additional revenue annually will be collected in the General Fund, with other PSAP units realizing an increase as well.

Strategic Planning / Organizational Consultant Use

The county prides itself on being a continuous improvement organization, striving for the best possible organization structure to meet the demands of the citizens in need. This means the county does not accept status quo operations and looks for areas of improvement. Many times, this requires an outside assistance in specialized consulting services. Years ago the county established a Continuous Improvement budget in the General Fund of \$300K for such initiatives as well as efforts including the Organizational Capabilities Study and other surveys to measure our success. While these efforts continue to be important, and in some cases are even more critical during times of implementing structural operational changes, it is recommended to reduce this budget by \$200K annually into the foreseeable future. This will allow for a minimum level of outside support continuing when determined absolutely necessary, and will allow for a focus on savings dollars in all areas possible that will not result in position elimination.

Financial Information Systems

The General Fund includes \$100K for continuous improvement efforts around our financial information systems. The need for this is not decreasing, however, it has been determined that these expenditures can be combined and prioritized into the county's Technology Plan funding. It is recommended that this entire budget be eliminated for 2008 and annually into the future.

Take Home Vehicle Assignments

A continued focus of the county and the board is around the county's fleet and vehicle assignment, especially when staff have been awarded the benefit of taking county owned vehicles home between shifts. A thorough review has been conducted and it is recommended that approximately 15 take home vehicle assignments be discontinued. It is estimated that this will save the county at least \$30K annually.

Level of Support to Non General Fund Departments

When the State budget shortfalls began to impact the county in the early 2000s through flat or reduced annual revenue provided to county programs, the county responded by providing annual appropriation increases from the General Fund to these departments. This has continued annually and is included in the 2008/09 budget and long-term projections. While it is still an important means to maintain service levels in these important programs, some reductions are necessary to balance 2008. It is recommended that the level of General Fund support provided are adjusted in 2008 and continuing into the future as follows:

- \$30K to Community Collaborative of Washtenaw County (CCWC) Administration
- \$100K to Employment Training & Community Service
- \$100K to Environmental Health
- \$100K to Head Start
- \$100K to Public Health
- \$1 million to CSTS (through unfreezing of Cost Allocation Plan)

It is believed that the majority of these reductions can be absorbed through position vacancies, revenue adjustments or other anticipated budget savings. In addition, it is recommended that the General Fund adjust the appropriation approved in the 2008/09 budget for the Solid Waste Community Hazardous Waste Clean Up program by \$20K. This will result in a reduced level of service taking the anticipated number of clean up days from four (4) to three (3) for the fiscal year. It is recommended that these appropriation reductions continue into the future, with possible additional reductions being incorporated into the forthcoming resolution outlining the recommended long-term budget solution.

Short-Term Solutions for 2008

All of the structural recommendations outlined above add up to almost \$5 million in anticipated savings for 2008. A process is underway to identify options for additional structural reductions that will balance the projected budget shortfall in 2009 and beyond. This process is thoroughly outlined below for consideration. However, the following solutions cannot be relied on for 2008 savings, resulting in a remaining projected deficit of \$3-5 million. As a result, some short-term solutions were also needed to balance the 2008 budget. These recommendations include:

Hiring Freeze

In light of the budget realities facing the county, it was decided on January 1st to implement a hiring freeze greatly limiting the filling of any vacant positions in General Fund supported departments. This included county permanent positions, part-time temporary positions, and contractual employees. It is anticipated that at least \$2.3 million in cost savings for the General Fund will materialize with a hiring freeze lasting the entire fiscal year.

Pay for Performance (Non Union Staff)

With all union employee benefits being considered as part of labor negotiations, it was critical to also review the non conforming benefits offered to non union staff. The primary difference is that union staff are provided longevity pay for years of service and non union staff are offered annual pay for performance increases based on their annual performance evaluation. Pay for Performance costs the General Fund approximately \$450K annually, depending on the level of benefit set by the Administrator. It is recommended to reduce this benefit to a total of \$250K, saving the General Fund at least \$200K for year 2008. The details of how this reduced benefit will be implemented are still to be determined.

Capital Equipment Replacement

The General Fund appropriates \$200K annually for capital equipment replacement, which includes furniture and department operational equipment needs. This allocation is critical to ensure county operations continue without interruption when the time for equipment replacement is necessary. However, it is thought that this allocation can be reduced in half for one fiscal year saving the General Fund \$100K. If it were to be absolutely necessary to replace more equipment than what the reduced appropriation would allow, a reasonable fund balance exists that could be used on a temporary basis.

County-wide Events

Several county-wide events are held each year, including the Employee Recognition Breakfast, Summer Picnic and Holiday Party. The county has been expending approximately \$35K annually to fund these events. It is recommended that this budget be redirected into the General Fund to offset the budget shortfall for 2008. Alternative employee recognition and appreciation ideas are being considered.

Travel / Conferences

As stated above, the county remains committed to be a continuous improvement organization. This includes the retention of an internal world-class professional development program, with the flexibility to offset such training with external conferences. In light of the budget realities; however, it is felt that these opportunities should be limited and conducted when only determined absolutely critical to maintain operations and meet customer needs. In the General Fund, there is approximately \$200K spread among all departments for travel and conferences. It is recommended that these departmental budgets be cut in half for fiscal year 2008 resulting in savings of \$100K to the General Fund.

Towner Renovation Project

As part of the 20 year space plan, a building renovation project for the Towner facility was planned for 2008. The funding source of this was \$1 million from the past two years of 1/8th Mill Building Appropriation, plus the use of \$1.1 million fund balances in the departments housed in Towner including CSTS and Public Health, as well as one time allocations from two outside agencies also housed in the facility including WCHO and WHP. Part of this renovation initiative is imperative for the future sustainability of

the facility itself. It is felt that this can be accomplished within the \$1 million reserve from the 1/8th Mill. However, the remainder of the project is recommended to be cancelled allowing the \$1.1 million in CSTS and PH fund balances to be redirected to the General Fund to assist with the budget shortfall.

Use of Non General Fund Reserves

Over the past several years, the county has used available reserves within many of the non General Fund departments as a means to handle budget shortfalls. As discussed during the 2008/09 budget development, it is desired to start building these reserve levels back up. However, based on preliminary year end 2007, there are two funds that will be increasing their fund balances above levels previously thought. This includes our Self Insurance (Risk Management) fund and our Technology Plan. While not the most desirable solution, it is recommended as one last short-time measure to use a portion of these fund balances to help balance 2008. As many variables within the budget are being monitored and the status won't be known until later in the fiscal year, it is estimated that a total of \$500K will be needed. Using this amount from these two funds will still allow for a reasonable level of balance to be retained.

Contribution to General Fund Reserves

In each annual budget, the General Fund includes a planned surplus for contribution to General Fund fund balance as a means to maintain the level at the established policy level of 8% of total expenditures net of indirect costs. Given that the General Fund budget will be reduced by 8-10%, it is thought that not contributing to the fund balance for one fiscal year will be an acceptable measure still allowing for the policy to be maintained. This will be determined with the year end 2008 audit and is recommended to be implemented as necessary.

Use of Revenue Sharing Reserve Fund for Cash Flow

Many changes occurred when the State passed law to shift the county's tax levy from December to July. One consequence was on the cash flow of the General Fund. The property tax revenue used to be received early in the year to sustain expenditures throughout the entire fiscal year. Now, costs begin to be incurred as of January 1st, however the property tax revenue (over 70% of the General Fund) is not collected until the second half of the year. This creates a negative cash balance in the General Fund. The law allows for the use of the Revenue Sharing Reserve Fund cash to be moved into the General Fund if such an issue arises. It is necessary for this to be the county's practice for 2008 and beyond until the Revenue Sharing Reserve Fund is depleted. A positive impact of this is that it will result in approximately \$700K of interest to be generated for the General Fund in fiscal year 2008. Interest levels will stay above previous levels for the next few years, although on a declining basis as the level of cash declines through the use of the Revenue Sharing Reserve Fund. It is still a significant long-term issue to identify a solution to the General Fund cash flow shortage as it is projected that the Revenue Sharing Reserve Fund will not be available after fiscal year 2011.

Process for Achieving Long-Term Fiscal Stability Solutions

The structural and short-term solutions identified will balance the 2008 budget if the projected shortfall remains at a maximum level of \$10 million. As outlined in policy, quarterly updates will be provided to the Board of Commissioners to notify the Board of the status of the budget, emerging issues, and an explanation of any significant variables. In addition, another resolution will be presented to the commissioners no later than April 2nd with a long-term fiscal stability recommendation, including a permanent, structural solution to the budget difficulties. An extensive process is underway with the entire organization to generate this list of recommendations. It is felt that a comprehensive effort of Department Head, management and staff involvement is critical for both the identification and implementation of these structural changes to how we do business, or what business we do as an organization. Multiple avenues for communication sharing and idea generation have been pursued. These include:

- The new 2008 Budget Modification website on the internal intranet site which not only provides information but also includes a Feedback Forum in which staff can ask questions anonymously,
- Town Hall meetings in which a random selection of staff throughout the county can ask direct questions and offer suggestions to the Chair of the Board and County Administration,
- Administration representation at department staff meetings as requested,
- Development of the Strategic Oversight Committee, and
- Discussions at recurring Department Head, County Management Support Group, Labor Management Team and Group 180 Leadership meetings.

All of the ideas and input gained by these discussions are being recorded and incorporated into the process for consideration. This process is outlined below:

- Department Head's submit cost savings possibilities using a 5% and 10% reduction target
- Deputy Administrators meet with each Department Head to talk about options and further explore possibilities
- Administration uses principles established by Strategic Oversight Committee (SOC) to weigh Department Head identified reductions and identify all possibilities, including those raised by management, staff and Administration including a brainstorm around:
 - Mandated vs. discretionary services
 - Comparison of best practices by looking at level of county program staff and budget with Ingham and Kalamazoo Counties – taking into consideration differences between citizen required service levels
 - Level of management staff vs. direct service staff
 - Revenue generation

- Administration meets with Communities of Interest to review recommendations, discuss systems impact and further negotiate opportunities for restructuring
- Sort options by principles including impact on community, impact on organization and political realities
- Compose list of structural recommendations by dollar tiers beyond what is projected to be needed
- Strategic Oversight Committee review list of structural recommendations
- Administrator presents resolution to commissioners no later than the April 2nd Ways & Means Committee meeting

IMPACT ON HUMAN RESOURCES:

The requested Board action has no impact on Washtenaw County positions, personnel policies or procedures.

IMPACT ON BUDGET:

The projected shortfall within the General Fund for fiscal year 2008 is between \$8-10 million depending on the final determination of some pending variables. Implementing the recommended solutions will balance the budget as long as all budget variables stay within this projected level. Close monthly monitoring with quarterly updates to the Board will highlight the budget variances as well as the success of these solutions to keep the budget balanced throughout the fiscal year. A summary of the projected shortfall and recommended solution is provided on the following page.

2008 Budget Variables and Solutions

	2008 Projected Variance
Potential Budget Issues	
Property Tax Revenue - Assuming 0% for 2008 - 2010 revised from 3.5%	(2,500,000)
Labor Negotiations - Original Pension Savings Assumption	(5,200,000)
Jail Overcrowding & Expansion Project Transition	(800,000)
Annual Actuarial Reports (WCERS & VEBA) - Variations Above Budgeted Amounts	(197,000)
Community Corrections Increased GF Support	(26,000)
FOC State Revenue Change	(300,000)
Police Services Litigation Attorney Fees	(100,000)
PS&J Statutory Line Items	(150,000)
Interest Earnings - Dependent on Cash Flow in GF	(250,000)
Total Projected Shortfall - Additional Variables to be Monitored	(9,523,000)
 Structural Solutions Identified	
Final Projected Labor Savings	1,900,000
Use of Property Foreclosure Fund Balance & Annual Transfer to GF	1,000,000
Reduce county contribution to Central Dispatch due to New Funding Structure	100,000
Reduce Strategic Planning / Organizational Consultant Use	200,000
Reduce Budget for Financial Information Systems	100,000
Reduce take home vehicles unless under contract	30,000
Reduce Level of Support for NGF Departments	1,500,000
Total Structural Savings Identified	4,830,000
Surplus / (Shortfall)	(4,693,000)
 Short Term Solutions Identified*	
Hiring Freeze and reductions - Salaried Permanent, PT Temps, Interns, Contractual	2,300,000
Limit or No Pay for Performance (2008 Year End)	200,000
Reduce Budget for Capital Equipment Replacement	100,000
Reduce Countywide Events for Year	25,000
Reduce Travel / Conferences by 50%	100,000
Reduce scope of Towner Renovation Project - Move fund balances to GF	1,100,000
Interest Increase due to Revenue Sharing Reserve Cash in GF	700,000
Use of NGF Fund Balances	168,000
Total Short Term Solutions	4,693,000
Surplus / (Shortfall)	-

**Additional Use of NGF Fund Balance and Reduced Contribution to General Fund Fund Balance if Necessary
Specific amounts to be determined at 2008 year end audit*

IMPACT ON INDIRECT COSTS:

These recommendations will not alter the calculated indirect cost amounts for any county department. As many of the non General Fund departments are charged at a level significantly less than their calculated amount, it is possible that the implementation of the reduced General Fund support will occur through the unfreezing of their Cost Allocation Plan actual charges, thereby allowing for more CAP revenue to be brought into the General Fund.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

All county departments and many outside agencies are impacted by these recommendations. These solutions were developed in an attempt to minimize the direct service impact that would be felt by the citizens of Washtenaw County.

CONFORMITY TO COUNTY POLICIES:

This action conforms with county policy.

ATTACHMENTS/APPENDICES:

Resolution

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.