

# **2009 Recommended Budget Reaffirmation**

Washtenaw County Ways & Means  
September 17, 2008

# Agenda

- Overview of Process & Budget Status
- Major Changes in Budget Projection
- Recommendations
- Next steps

# 2008/2009 Biennial Budget

- Since 1993 the county has done a biennial budget to align strategic planning and streamline process for organization
- BOC adopted 2008/2009 budget on November 14, 2007
- As is standard practice, BOC instructed Administrator to bring back a “reaffirmed” 2009 budget that incorporates inevitable changes in economic condition

# Changing Conditions Required Quick Action

- Became evident shortly following adoption that economic conditions were worsening
- Administrator worked with organization to re-balance 2008 with a resolution adopted by BOC in February
- Negotiations with organization for structural solutions for 2009 immediately followed with the first round adopted by BOC in April

# 2009 Budget Action – April 2008

- Resolution projected a \$13 Million budget shortfall in 2009
- Based on a 0% property tax growth expectation
- Resolution adopted \$10 Million in reductions and changes – leaving \$3 Million gap to be identified
- BOC instructed Administrator to bring balanced budget later in 2008 – after researching Items for Consideration and other means to reduce costs

# Expanding 2009 Deficit

- Since April, projected deficit has increased to ~\$15 Million
- Major reasons include:
  - Property taxes now assumed at -1.5%
  - Clerk / Register revenue down \$600K
  - Tax Refund Overpayments increased by \$300K
  - Sheriff reserve increased by \$600K for jail expansion staff transition
  - Updated salary projections and fringe rates

# Updated 2009 Budget

- Over \$5 Million-plus in recommended revenue enhancements & expenditure reductions are recommended
- Recommendations produced through working with all areas of organization
- Sought to retain services and minimize impact on community
- Significant reductions made in Support Services

# Overview of Recommendations

- Support Services Reorganization
  - Direct reporting of all program areas to Deputy Administrator
  - Expectation for efficiencies through further integration
  - Consolidate Community Planning and Internal Planning, retaining major BOC priority areas in some capacity
  - Redistribute energy initiatives among Planning and Infrastructure staff

# Overview of Recommendations

- Transfer Library for the Blind and Physically Disabled to Ann Arbor District Library
  - Agreement to provide services county-wide
  - Ongoing discussions to minimize impact on current LBPD patrons
  - No cost to the county
  - Retain LLRC as a meeting and professional development facility
  - Savings of more than \$500K in 2009

# Overview of Recommendations

- Move janitorial services in-house as pilot
  - Currently contract out
  - Issues with service delivery satisfaction
  - In-house allows for economies of scale on other core Facilities functions
  - Create 14.0 FTE but with projected savings of \$100K annually
  - Contingent upon 2 year pilot with union agreement to outsource again if not successful

# Overview of Recommendations

- Focus on maintaining current infrastructure
  - Staff reductions in IT and FM strategic to allow for continued commitment to maintain existing infrastructure
  - Not recommended to reduce technology plan or 1/8<sup>th</sup> Mill allocations
  - Infrastructure enhancements must be strategic as new limits on staff and resources

# Overview of Recommendations

- Summary of Support Services Reorganization
  - Total of 24 position eliminations, of which 5 are vacant and 19 are currently filled
  - At least 3 retirements with others eligible
  - Personnel savings over \$2 Million
  - Total savings for 2009: approximately \$2.4 Million
  - 5 year total reduction: over 50 FTE and \$5.3 Million

# Overview of Recommendations

- Shift of responsibilities for Environmental Health services to Public Health Official
- Net appropriation reduction to CSTS / WCHO by \$960K due to increased Medicaid funding
- Elimination of Third Share program

# Overview of Recommendations

- Trial Court collections effort to increase revenues by \$200K
- Trial Court negotiations on expenditure budget reduction with lump sum amount of \$250K budgeted
- Public Safety & Justice focus on indigent status expecting to save \$40K
- Lump sum reduction for Sheriff of \$500K pending discussions after General Election

# Overview of Recommendations

- New Veteran Relief Fund as allowed by Public Act 214
  - Ability to levy 1/10<sup>th</sup> of a mill to cover costs of providing services to local indigent veterans
  - Recommendation to BOC on October 1<sup>st</sup> for the approval of 1/50<sup>th</sup> of mill, generating \$315K in revenue
  - Budget includes offsetting \$234K in GF support

# Overview of Recommendations

- Other position modifications
  - Administration
  - District Court
  - Public Defender
  - Prosecuting Attorney
  - Emergency Management
  - Clerk / Register of Deeds
  - Equalization

# Overview of Recommendations

- Additional General Fund Appropriation Reductions
  - ETCS by \$100K
  - Community Development by \$40K
  - Community Collaborative

# Overview of Position Reductions

- Total of 37.2 net position eliminations, of which 14.7 are vacant and 22.5 are currently filled
- At least 6 retirements with others eligible
- Creation of 14.0 Positions for Janitorial Services
- Personnel savings over \$3.5 Million

# Next Steps

- Continue monitoring key variables and indicators with quarterly reports to BOC
- Immediately begin strategy for 2010/11
- Implement vision process to determine priorities and strategic focus areas for next 10 years
- Begin 2010/11 Planning & Budget Development Process

**Questions/Comments**