2010/11 Budget Development
Executive Summary of Administrator's Recommendation Phase 1

Washtenaw County has worked extensively over the past six months in response to the economic crisis. Below is a summary of the County Administrator's recommendations as the starting point for developing a balanced budget for 2010/11. These will be recommended to the Board of Commissioners on June 3.

1. Revenue Growth *Target: $3-5 Million*

- WCHO/CSTS maximizing Medicaid funding
- Stimulus funding in ETCS, Head Start, Community Development
- Fee adjustments in Public Health & Environmental Health
- Maximize revenue opportunities within Office of Sheriff, Water Resource Commissioner and County Treasurer
- Shared Services revenue for HR & IT
- Act 88 Millage for Economic Development Marketing (pending legal review)

2. Department Reductions *Target: $7-10 Million*

- Most departments between 10 – 20% when combined with revenue enhancements (See handout with list by department)
- Departments did a great job of minimizing impact to jobs and services
- Permanent elimination of Deputy County Administrator and Organizational Development Director
- Restructuring in Water Resources
- Elimination of Juvenile Day Break Program
- Lump Sum Adjustment to Trial Court TBD and District Court of $375K
- There are a few departments with amounts smaller than 10% reductions to secure program levels

3. Employee Comp & Benefits *Target: $12-14 Million*

- Non Union cancellation of salary increases originally adopted for 2010
- Non Union Salary Reduction 3% 1/1/2010 and 2% 1/1/2011
- Non Union cancellation of Pay for Performance for 2009, 2010 and 2011
- Non Union Medical Change to Blue Cross Blue Shield Community Blue PPO 3 (max individual $1000 / max family $2000) effective 1/1/2010
- Non Union medical premium sharing of $50 per month effective 1/1/2011
- Enter Union negotiations with attempt to align salary and medical with Non Union

4. Major Organizational Changes *Target: $3-7 Million*

- Police Services 4% Price Increase for 2011
- Shifting of Community Corrections to Sheriff with permanent elimination of one management position
- Shifting of Emergency Management to Sheriff with exploration of cost savings

- Reduce most outside agency allocations by 20%
- Shift CWB/HS Outside Agencies to Community Development
- Reduce funding for Special Initiatives

- Lump sum reductions in 1/8th Mill and Technology Plan for 2010/11 – specific recommendations to come in fall with long-term sustainability plan
- Minimize infrastructure initiatives for 2010/11 fiscal years, with focus on maintaining existing infrastructure

Recommended Next Steps

- May 29 – Group 180 Presentation on Recommended Budget
- June 3 – 2009 Budget Review with Aligned Solutions from 2010/11 Budget Development
- June 3 – Presentation and Ways & Means consideration of recommendations, including resolutions:
    - 2010/11 Budget Solution Phase 1
    - Non Union Compensation and Benefit Adjustments
    - Outside Agency Process and Funding Allocation
- June 4 – Presentation on Recommended Budget to Department Heads Group, Labor Management Team (LMT) and County Management & Support Group (CMSG)
- July 8 – BOC adoption of June 3rd Recommendations
- June – August
    - Union negotiations
    - Development of lump-sum budget reduction for Trial Court
    - Development of Capital Budget
    - Consideration of Act 88 Marketing Millage
    - Further analysis on items still under consideration
- September 16 – Presentation of 2010/11 Recommended Budget to Ways & Means
- September – October
    - Ways & Means Review of Recommended Budget
- November 18 – BOC adoption of 2010/11 Budget
- 2010 – Strategic Planning & Prioritization to Determine Long-Term Direction of Washtenaw County including 2012/13 Budget

2010/11 Budget Development – Items Still Under Consideration

The items below are not included as specific recommendations for June 3rd but will be explored during the summer and incorporated into the September 2010/11 Budget Recommendation as determined appropriate. The magnitude of reductions will be partially dependent on the level of savings realized within Employee Compensation & Benefits through negotiations with our Unions.

Further reductions in department serviceability levels

Reductions in departments not significantly reduced in first round

Building Inspection – Maximize revenue generation opportunities or eliminate whole program

Children's Services – Close Juvenile Detention requiring court to find alternative residence for youth

Community Development – Reduce appropriation

Head Start – Reduce or transfer responsibility of program to another entity

Health Funding – Pursue possibilities to further maximize outside funding

Health Integration – Pursue possibilities to restructure management and service delivery

MSU Extension – Reduce or eliminate whole program

Outside Agencies – Further reduce above the 20% recommendation

Outside Agencies Special Initiatives – Reduce or eliminate

- Housing Contingency
- Supportive Housing Initiative
- Eastern County Economic Development

Professional Development – Evaluate needs of organization and options to reduce or contract out

Regional Dispatch – Continue to pursue options to regionalize central dispatch

Sheriff Police Services – Continue evaluation of cost of providing contract policing

Sheriff Corrections – Evaluate options of jail expansion including delay or closing existing pod

Soil Erosion – Seek additional reimbursement and/or raise permit fees

Strategic Planning – Reduce or eliminate whole program

Support Services Organizational Structure – Possible realignment of management structure

VEBA – Continue evaluation of issuing debt to fund liability

2010/11 BUDGET DEVELOPMENT TARGET REDUCTIONS BY DEPARTMENT

	Administration Recommendation								
Department	Revenue Growth	Budget Reduction	FTE Reduction	Total 2009 Budget Baseline	Target % Reduction	Explanation	2009[1]	2010	2011
14A District Court	-	375,000	TBD	3,753,526	10%	Lump Sum Amount - currently identified $90K	89,663	375,000	375,000
Admin	-	205,439	1.00	1,059,665	19%	Elimination of Deputy (due to resignation)	115,793	205,439	205,439
Budget	-	-	-	408,387	0%	None recommended at this time	-	-	-
Building Inspection	-	-	0.20	-	0%	Policy decision pending on future of program; currently supported by Capital Reserves; FTE reduction is Customer Service Specialist position split between multiple departments	-	-	-
Children's Services	-	667,827	6.00	2,509,470	27%	Eliminate Day Break program and vacant admin staff; transfer outside agency to OCD; reduction in WATT	28,595	667,827	667,827
Clerk / Register of Deeds	-	311,077	4.00	3,917,883	8%	Eliminate 1.0 FTE in Vitals and Admin (vacant); 2.0 in Deeds (automation fund vs HV) with new volume methodology to be established	32,149	311,077	311,077
Community Development	-	-	-	82,674	0%	None recommended at this time	-	-	-
Corporation Counsel	-	57,562	-	278,005	21%	Move Risk Mgmt Coordinator to 100% Self Insurance Fund	57,562	57,562	57,562
Emergency Management	-	15,040	-	267,560	6%	Vehicle and operating budgets; under review with Sheriff due to organizational restructuring	15,040	15,040	15,040
Equalization	-	20,893	-	1,205,368	2%	Operating budget adjustments	20,893	20,893	20,893
ETCS	93,763	-	-	468,813	20%	GF Appropriation Reduction through Maximizing Outside Funding	93,763	93,763	93,763
Facilities	-	1,000,000	-	7,398,488	14%	$250K OM still being confirmed; $750K 1/8th Mill not sustainable long-term	500,000	1,000,000	1,000,000
Finance	18,308	-	-	3,827,667	0.5%	Reimbursement revenue from Copier Fund	18,308	18,308	18,308
Head Start	101,685	100,000	1.00	820,260	25%	Federal COLA; position elim in 2010/11 grant	-	101,685	201,685
Human Resources	25,000	250,305	2.00	1,346,676	20%	Revenue from Pittsfield; 2.0 FTE (one vacant); reduction of PD by $75K	125,000	275,305	275,305
Information Technology	120,000	1,180,000	-	5,099,682	25%	$600K Tech Plan not sustainable long-term; remaining in IT GF operations through reduced maintenance contracts, employee development and revenue enhancements (A2)	500,000	1,300,000	1,300,000
MSU Extension	-	102,472	0.80	511,758	20%	Eliminate CSS FTE; operating budget reductions	-	102,472	102,472
Office of Strategic Planning	13,000	257,658	1.00	1,241,598	22%	Eliminate OD Manager (vacant); operating reductions include contracts for comprehensive plan projects	195,000	260,658	270,658
Parks	-	TBD	-	-		Outside agency contracts - specifics TBD and pending approval of Parks Commission	-	TBD	TBD
Project Management	-	-	-	437,063	0%	Still under review; short-term implications with capital projects and community initiatives	-	-	-
Prosecuting Attorney	-	-	-	4,548,043	0%	None recommended at this time	-	-	-
Public Defender[2]	-	315,106	2.00	2,368,625	13%	Continue HV of 4.0 FTE; 2.0 additional Legal Clerks placed on HV	220,981	315,106	315,106

Public Health / Environmental Health[3]	412,495	476,493	1.45	4,605,095	19%	Max federal and state funding; Eliminate 3.0 clerical (one vacant); Health Officer; Increase summer layoff for H&V; Fee increases in EH; Collaboration with WRC for Stormwater; Eliminate .45 CSS; Increase cremation fees; reduce Worksite Wellness; decrease GF for Solid Waste clean up day; 3.3 of the FTE are planned for BOC action at a later date	22,000	838,988	888,988
Sheriff[4]	260,000	1,248,603	2.00	15,586,777	10%	Jail medical/food contracts; reduce fleet; eliminate 1.0 LAWNET Office Specialist (vacant); Inmate phone revenue; revenue generation for civil processing and commissary; Shift of Community Corrections with elimination of 1.0 vacant position; In addition, Sheriff has agreed to maintain the lump sum reduction of $500K in 2009 as a structural solution - this is reflected here although it is already assumed in the 2010/11 budget projections	675,000	1,508,603	1,508,603
Treasurer	160,000	-	-	1,050,686	15%	Accomodation fee revenue; school aid interest	-	160,000	160,000
Trial Court	-	TBD	TBD	11,612,021	TBD	Lump Sum Amount	-	TBD	TBD
Veteran Affairs	-	18,227	-	364,542	5%	Maximize Veteran Relief millage funding	-	18,227	18,227
Water Resources Commissioner (including DPW and Stormwater)[5]	111,856	164,557	1.35	1,917,867	14%	Increase reimbursement for Drain Inspectors, vehicles; 50% reim for Env Mgr (A2); Reorg with 1.0 net FTE elim (vacant); elim Director PW (retirement); operating budget reductions	109,470	276,413	276,413
WCHO/ CSTS	3,068,302	-	-	4,062,521	76%	Max medicaid funding	1,534,151	3,068,302	3,068,302
Total	**4,384,409**	**6,766,259**	**22.80**	**80,750,720**	**14%**	**Additional 3.3 FTE reduction planned for PH / EH and will be brought to BOC as part of the Health 2009/10 budget resolution for a total 26.1 FTE Reductions**	**4,353,368**	**10,990,668**	**11,150,668**
	Total Revenues & Expenditures	**11,150,668**							

[1] Every department head has been asked to save county resources where possible. Solutions shown in 2009 are recommended for implementation during 2009, with others still under consideration.

[2] Includes budget savings for 2.0 positions previously placed on Hold Vacant status that have been removed from 2009 budget

[3] Only 1.45 FTE reduction included in June 3rd with 3.3 FTE planned. The budget amounts may be revised once the impact of State budget reductions in the 2008-09 and 2009-10 fiscal years is known

[4] Includes budget savings for $500K lump sum reduction already included in 2009 budget

[5] The Total 2009 Budget Baseline is net of reimbursement revenue