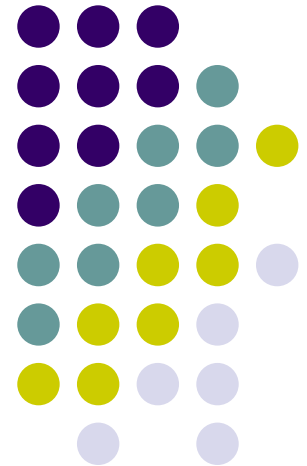
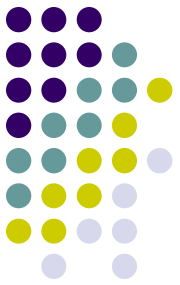


Washtenaw County 2006/07 Budget Development

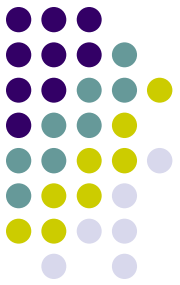
Presentation to Working Session
September 8, 2005





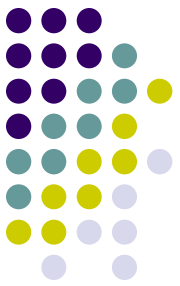
Agenda

- Mandate for budget development
- History of county budget development process
- Vision for 2006/07
- Impact of Major Issues
- 2006/07 Process Overview
- Presentation of Budget to BOC



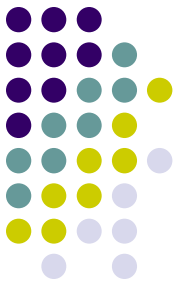
Mandates for Budget Development

Budget Mandates – Statute



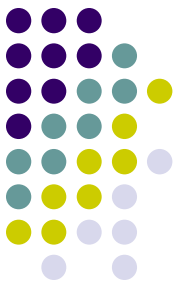
- MCLA 141.434
- Chief administrative officer shall have final responsibility for budget preparation, presentation of the budget to the legislative body, and the control of expenditures under the budget and the general appropriations act.
- Chief administrative officer in each local unit shall prepare the recommended annual budget for the ensuing fiscal year.

Budget Mandates – Statute



- Chief administrative officer shall transmit the recommended budget to the legislative body according to a schedule that allows adequate time for review and adoption by the legislative body before commencement of the budget year.
- Chief administrative officer shall furnish to the legislative body required information for proper consideration of the recommended budget.
- Before final passage of a general appropriations act by the legislative body, a public hearing shall be held.

Budget Mandates – Policy



- County Policy I.B5[a].1 (resolution 86-0252)
- Allow county departments to submit annual budget requests to the Board of Commissioners through the County Administrator
- Requests must include rationale for request for proper analysis by Budget Office and must be made in accordance with budget calendar
- Final approval of the Board must be no later than the annual meeting of the Board in accordance with State statute

Budget Mandates – Policy

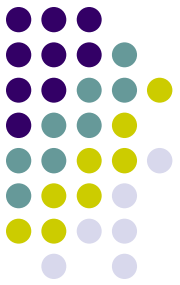


- Biennial Budget Resolution provides many guidelines on budget development
 - Biennial budget development with annual adoption to comply with statute and adjust for major variables
 - Administrator shall establish calendars, forms and review processes to assure departments participate in budget development process
 - Ensure adequate budget for all county positions
 - All position reclassifications should be considered within the budget process unless merited by emergency
 - Unearmarked Reserves budget of \$100,000 annually

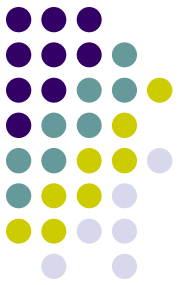
Budget Mandates – Policy



- Biennial Budget Resolution provides many guidelines on budget development
 - Charge indirect costs through cost allocation plan
 - Development of capital improvement plan
 - County Administrator shall prepare long-term revenue and expenditure projections for BOC to consider trends
 - Budget provided to BOC in summary and detail format with sufficient narrative to permit thorough analysis
 - Adopt and maintain a balanced budget

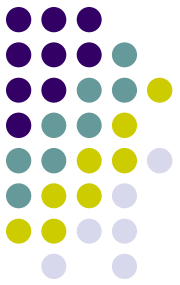


History of Budget Development in Washtenaw County



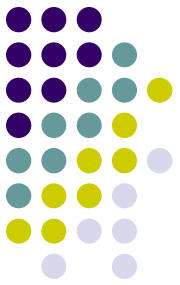
History

- Creation of Biennial Budget in 1993 for 1994/05
Budget adoption
- Benefits of biennial budget development:
 - Focus on long-term financial stability benefiting staff, program and customers
 - Increased time for reviewing performance measures and planning appropriate business improvements
 - More thoughtful requests for resource adjustments
 - Reduced time and burden on organization to focus on service delivery



History

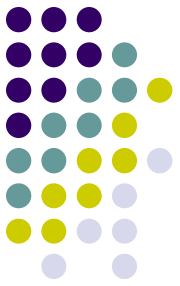
- Creation of Business Improvement Process (BIP) in 1996/97 Budget Development
- Prior to BIP:
 - Discussions focused on cost reductions
 - Budget office was “gate keeper”
 - Realized only short term solutions to budget problems
 - Budget discussions at line-item level
 - “We” vs. “They”



1996/97 Budget Process

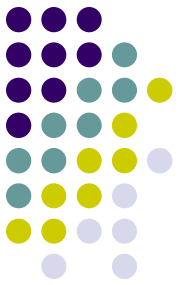
- 5 year balanced projection
- Partnership on revenue projections
- Establishment of Guiding Principles
- Conceptual model for BIP
- Preliminary discussion with Budget office to “agree” on numbers
- Departments given authority to manage budget

1998/99 Budget Process



- DH involvement in development stages of BIP
- Department Business Plans
- Integration of BOC Priorities with BIP
- Long range perspective on infrastructure needs (professional development, technology, space)
- Increased emphasis on fiscal stability
- Budget discussion with Administration focused on enhancements as related to BOC priorities, Guiding Principles and Business Plans

2000/01 Budget Process



- Enhanced role of Department Heads in defining process and prioritization
- Joint recommendation from Budget office and Departments for “base level” of appropriation
- Pilot to integrate Business Plans with Budget (Central Administration Survey)
- Attach dollars at program level
- Commitment to 10 year balance projection

2002/03 Budget Process

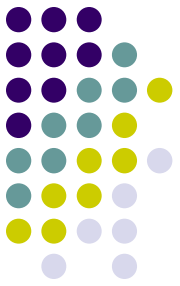


- Business Plans integrated with Budget
- Emphasis on reducing the cost of doing business and enhancing service through collaboration
- Engagement of staff at all levels in preparation of business plans
- Business plan contain a vision of 2010 with specific goals for 2002/03
- Information Sessions for BOC

2004/05 Budget Process



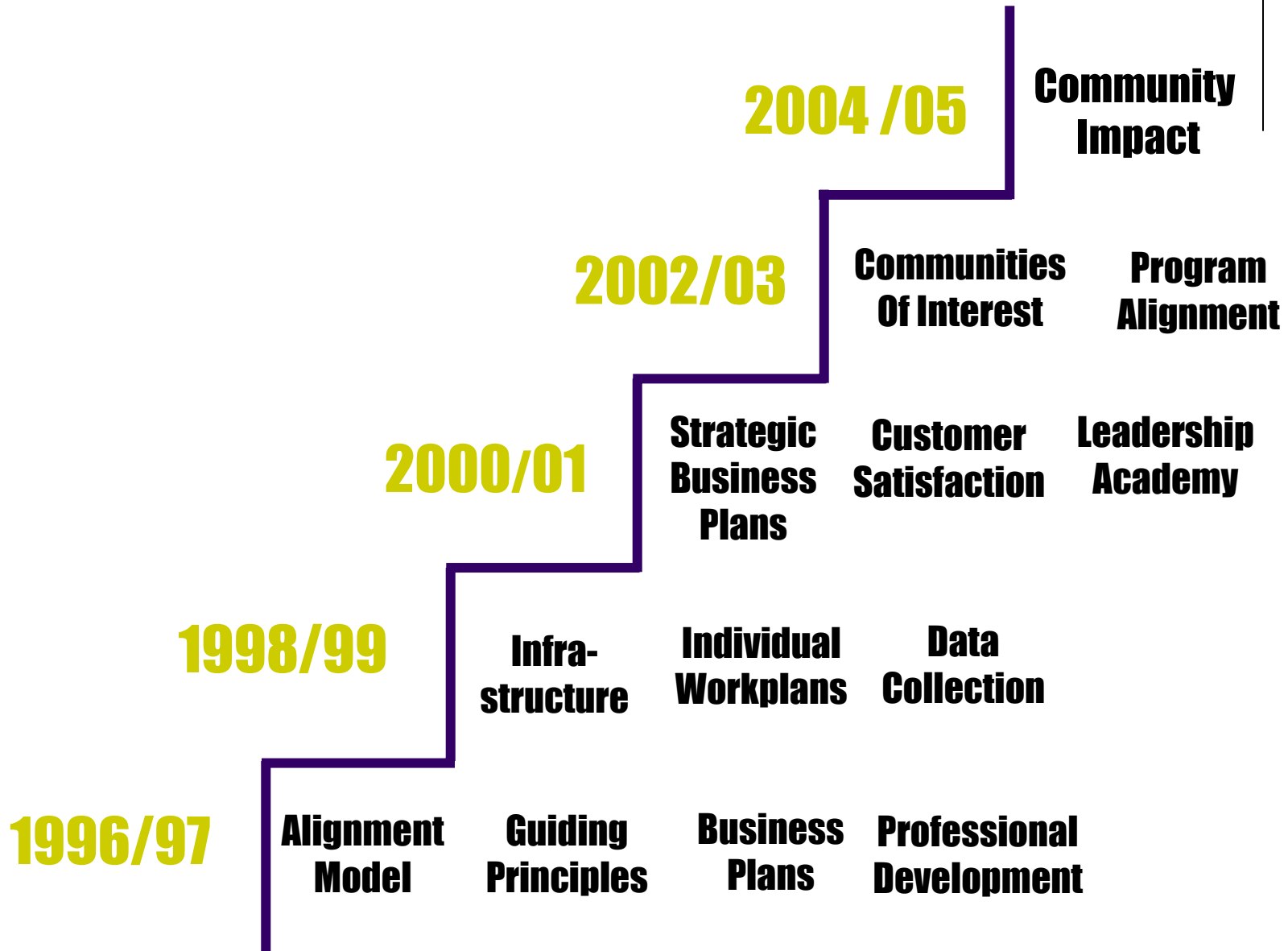
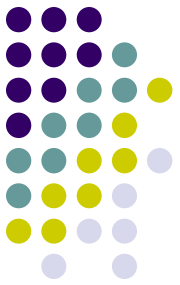
- World Class Service → Community Impact
- Communities of Interest
 - Gather Input
 - BOC Presentations
 - Budget Discussions
- Renewed focus on reducing the cost of doing business



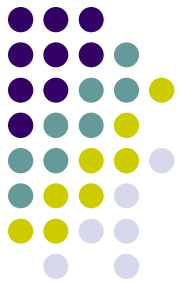
What we have accomplished

- Partnership with organization
- Budget resources based on Business Plans
- Budget and business improvement part of conducting county business through quarterly meetings
- Long range planning for fiscal stability
- Budgeting based on desired outcomes
- Alignment of management activity
- Working towards vision through collaboration

What we have accomplished

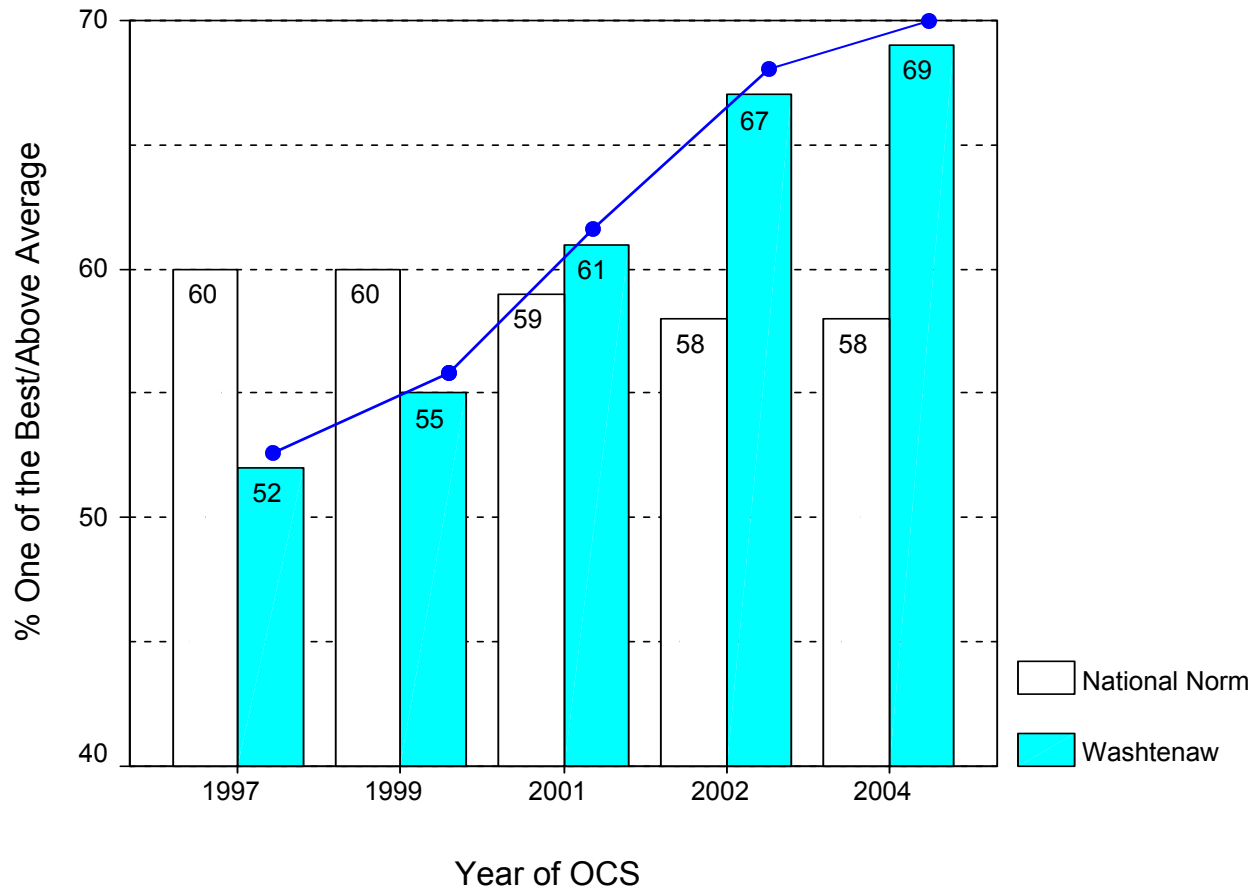


What we have accomplished



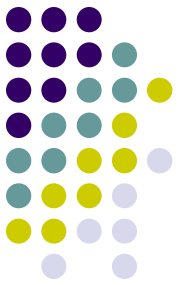
Employee Satisfaction

“How would you rate Washtenaw County as a place to work compared with other organizations you know about?”



What we have accomplished

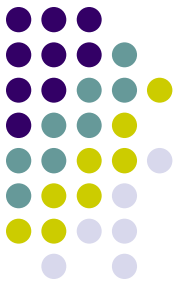
Customer Service and Improvement



Total Washtenaw County

	Total Washtenaw County			Diff from:	
	Very Much So/For the Most Part	Somewhat	Only Slightly/ Not at All	Norm	2002
Washtenaw County provides the best products and services within prescribed regulations	71 %	19 %	10 %	+3	0

What we have accomplished



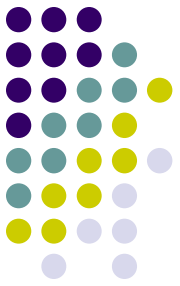
Respect for Employees

Total Washtenaw County

	Very Much So/For the Most Part	Somewhat	Only Slightly/ Not at All	Diff from:	
				Norm	2002
Washtenaw County treats me with respect and dignity	80 %	12 %	7 %	+20	+3
My Immediate Supervisor treats me with respect and dignity	85	8	7	+13	2
My Department/Program Head treats me with respect and dignity	80	11	9	NA	+1

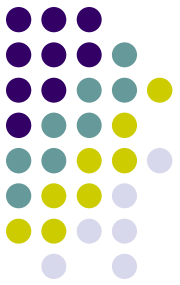
What we have accomplished

Training and Resources to Do the Job



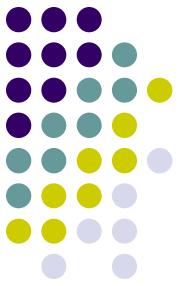
Total Washtenaw County

	Very Much So/For the Most Part	Somewhat	Only Slightly/ Not at All	Diff from:	
				Norm	2002
I have received adequate training to perform my current job effectively	77 %	13 %	10 %	+20	+4
I have the resources to do my job well	66	21	13	+5	+4



Vision for 2006/07 Budget

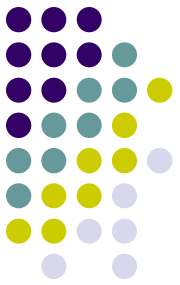
Vision for 2006/07 Budget



Advance Community Impact – Focus on Leadership

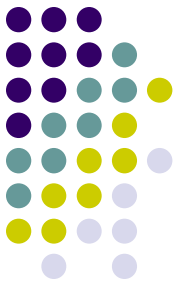
- Push organization to think about needed leadership to significantly impact community in their focus area
- Determine where Washtenaw County should be leader or should influence others to take leadership role

Vision for 2006/07 Budget



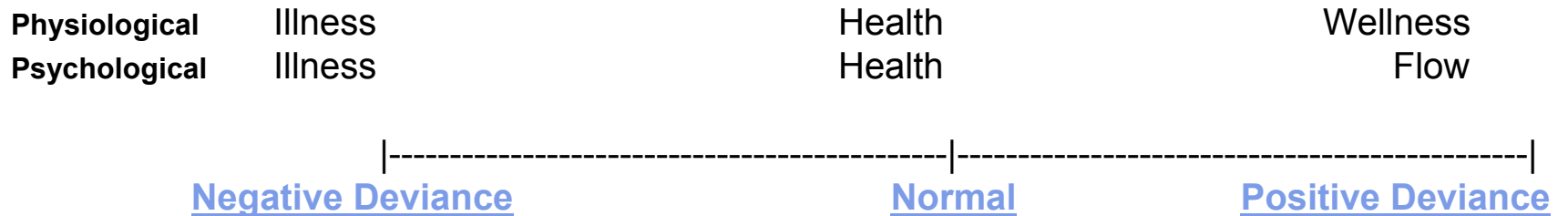
Incorporate Abundance Model

- Learn from past successes
- Ensure planning efforts build upon these successes to take to next level

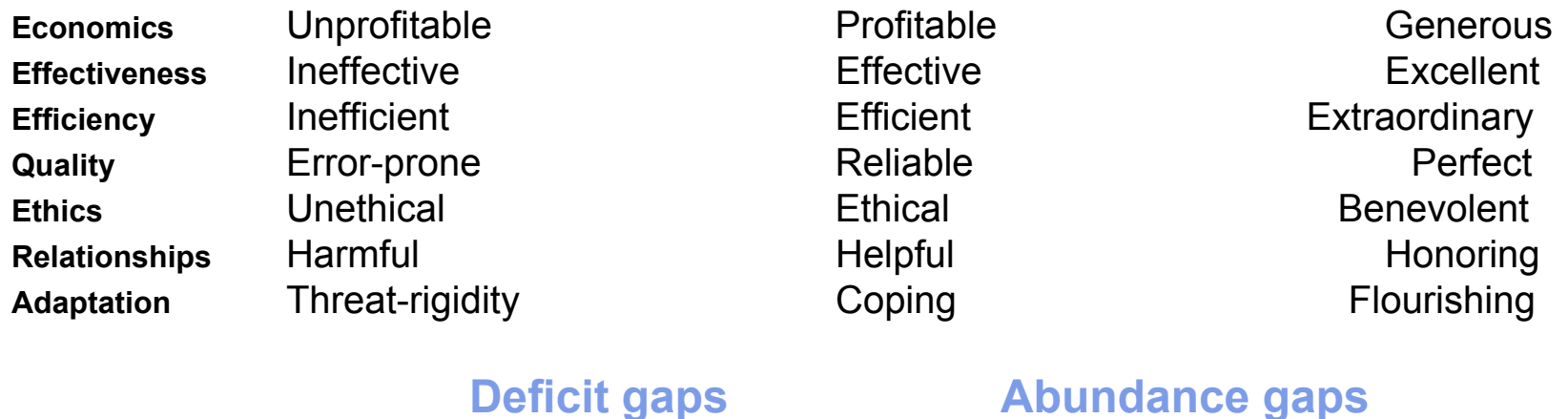


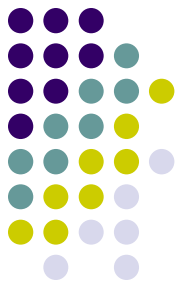
A Continuum Illustrating Positive Deviance

Individual:



Organizational:





Comparing Approaches To Change

PROBLEM SOLVING APPROACH

Problem Identification

Identify problems or needs

Cause Analysis

Analyze symptoms and root causes

Identify Solutions

Generate alternatives that address problems

Action Planning

Design interventions that address or solve problems

BASIC ASSUMPTION:

Our job is to overcome major problems

ABUNDANCE APPROACH

Appreciating and Valuing

Identify peak experiences

Explaining Success

Identify elements of the best past successes

Creating Sustainability

Identify what should be continued in the future

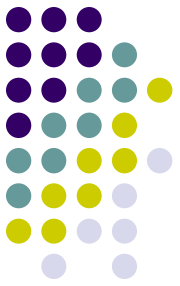
Designing a Destiny

Design interventions that create an ideal future

BASIC ASSUMPTION:

Our job is to embrace and enable our highest potential

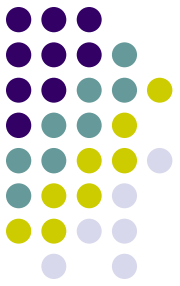
Vision for 2006/07 Budget



Build upon existing planning efforts

- Business Improvement Process so successful that planning efforts are a constant part of our work rather than being done during each budget cycle – use quarterly business meetings to discuss business issues and resource needs
- Ensure existing plans are focused towards county vision
- Use existing plans as means for resource allocation discussions

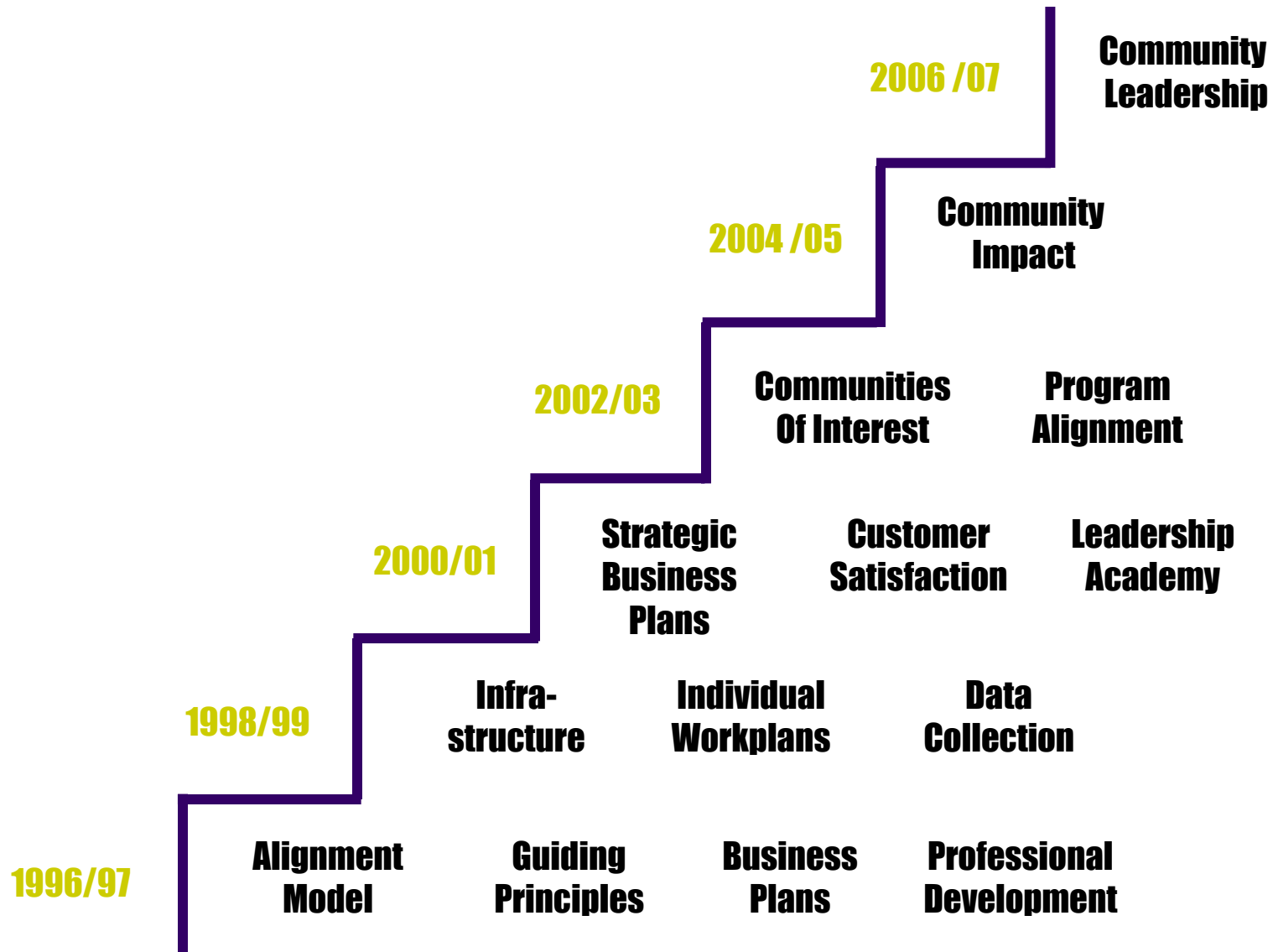
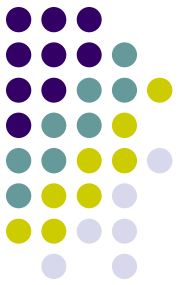
Vision for 2006/07 Budget

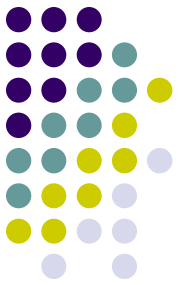


Stabilize Organization

- Allow staff time to adapt to new realities due to cutbacks and reorganizations that have occurred over past few years
- Take time to evaluate realized outcomes of past decisions
- Determine how to further advance each Community of Interest to move us closer to vision

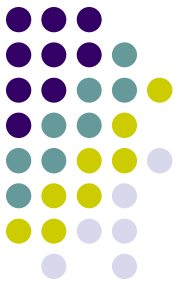
Continuous Improvement





2006/07 Process

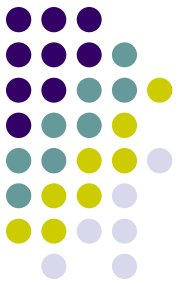
2006/07 Process



January - June

- Quarterly business meetings to discuss planning efforts, focus on community impact and key measures of success
- Compile information on mandates and direction of each Community of Interest
- Present information on current services and initiatives to BOC

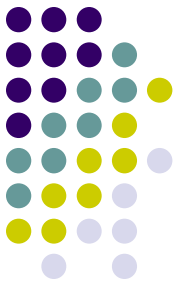
2006/07 Process



June – August

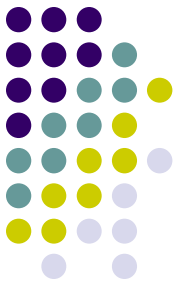
- Base Budget Discussions to determine needed resource allocation to maintain current reality of operations
- Infrastructure Discussions to discuss vision and infrastructure needs to reach vision

2006/07 Process

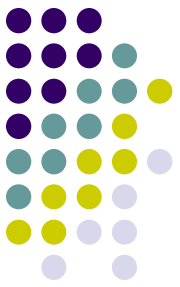


August - September

- Determine financial capacity given major issues
 - Public Safety & Justice Initiative
 - Fringe Benefits
 - Infrastructure Needs
- Development of 2006/07 Recommended Budget

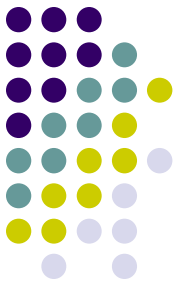


Major Issues



Public Safety & Justice

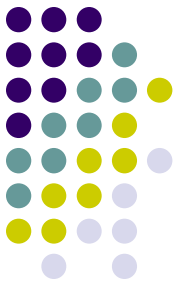
- Delayed presentation of budget to BOC
- Uncertainty of financial capacity of organization and budget reductions necessary throughout organization
- Process continued identifying what resources were needed for current reality and how to realize increased effectiveness and efficiencies



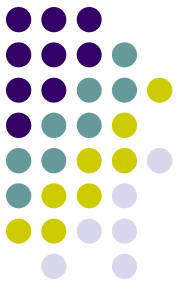
Fringe Benefits

- Develop cost saving measures for medical, dental, life/disability and employee assistance program to limit growth of fringe benefit costs
- Greatly increased costs for pension liability

Infrastructure Needs

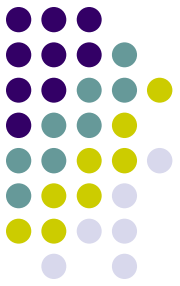


- Ensure adequate maintenance on current infrastructure
- Further advance systems integration
- Implementation of Business Continuity Plan



Presentation of 2006/07 Budget to BOC

Budget Presentation to BOC



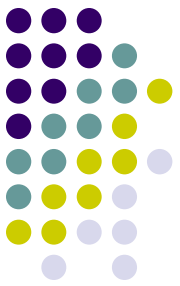
Sept 8 **Budget Development Process Overview**

Sept 21 **Financial Capacity of Organization
CWB & Human Services RFP
Setting millage rate**

Sept 22 **Overview of Community Needs & Goals**

Oct 5 **Presentation of Recommended Budget –
Overview**

Budget Presentation to BOC



- Oct 6** **Recommended Budget by Community of Interest – Health, Children’s Well Being**

- Oct 19** **Recommended Budget by Community of Interest – Housing, Land Use & Environment**

- Oct 20** **Recommended Budget by Community of Interest – Public Safety & Justice, Civic Infrastructure, Support Services**

Budget Presentation to BOC



- | | |
|-----------------|--|
| Nov 5 | Ways & Means Adoption of 2006/07 Budget |
| Nov 16 | BOC Adoption of 2006/07 Budget |
| Jan 2006 | Publication of Budget Summary |

Budget Presentation to BOC



Questions?