

EXAMINE COUNTY STRUCTURAL DEFICIT PROJECTIONS

Discretionary Revenue
vs.
Ongoing Cost of Operations

September 1, 2009



General Fund Budget Overview

Assumptions – Means of Financing

- Discretionary revenue projections based on current real estate forecast and economic projections
- Use of \$6 million from General Fund Reserve each year
- Prop 172 projected reduction in FY09/10 to FY08/09 actual receipts
- Prop 172 projected flat in out years
- Assumes County made whole with Prop 1A suspension

General Fund Budget Overview

Assumptions – Expenditures

- Addresses only known expenditures
- Expenses increase by 5% each year
- No cushion for any unforeseeable expenses during the year
- No contributions to General Fund Reserves

5-Year Forecast - Revenues

- Revenue decline from FY08/09 to FY13/14 by \$18.8 million or 10%

FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14
Actual	Revised	Projected	Projected	Projected	Projected
	9/1/2009	Budget	Budget	Budget	Budget

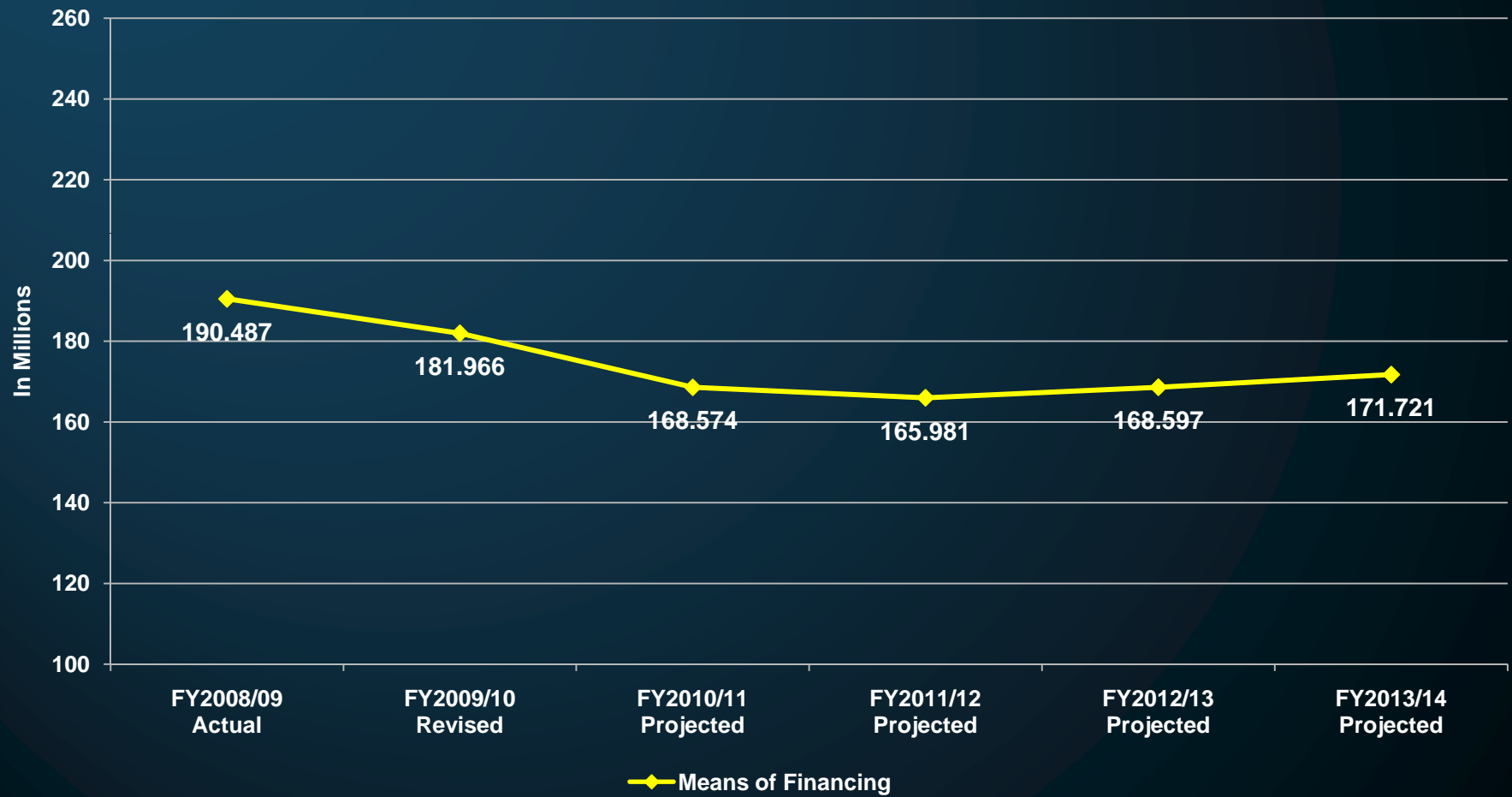
MEANS OF FINANCING

Discretionary Revenue	156.837	145.010	134.918	132.607	134.630	137.201
Public Safety Revenue Fund	26.590	26.500	26.856	27.124	27.667	28.220
Ongoing Revenues	183.427	171.510	161.774	159.731	162.297	165.421
From General Fund Reserve	0.000	6.000	6.000	6.000	6.000	6.000
From Accrual Leave Designation	0.800	0.500	0.300	0.250	0.300	0.300
From Deferred Maintenance Reserves	6.260	3.956	0.500	0.000	0.000	0.000
Total Means of Financing	190.487	181.966	168.574	165.981	168.597	171.721

General Fund Structural Deficit

Means of Financing

5-Year Forecast



5-Year Forecast - Expenditures

- Expenses increase from FY08/09 to FY13/14 by \$36 million or 18%

FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14
Actual	Revised	Projected	Projected	Projected	Projected
	9/1/2009	Budget	Budget	Budget	Budget

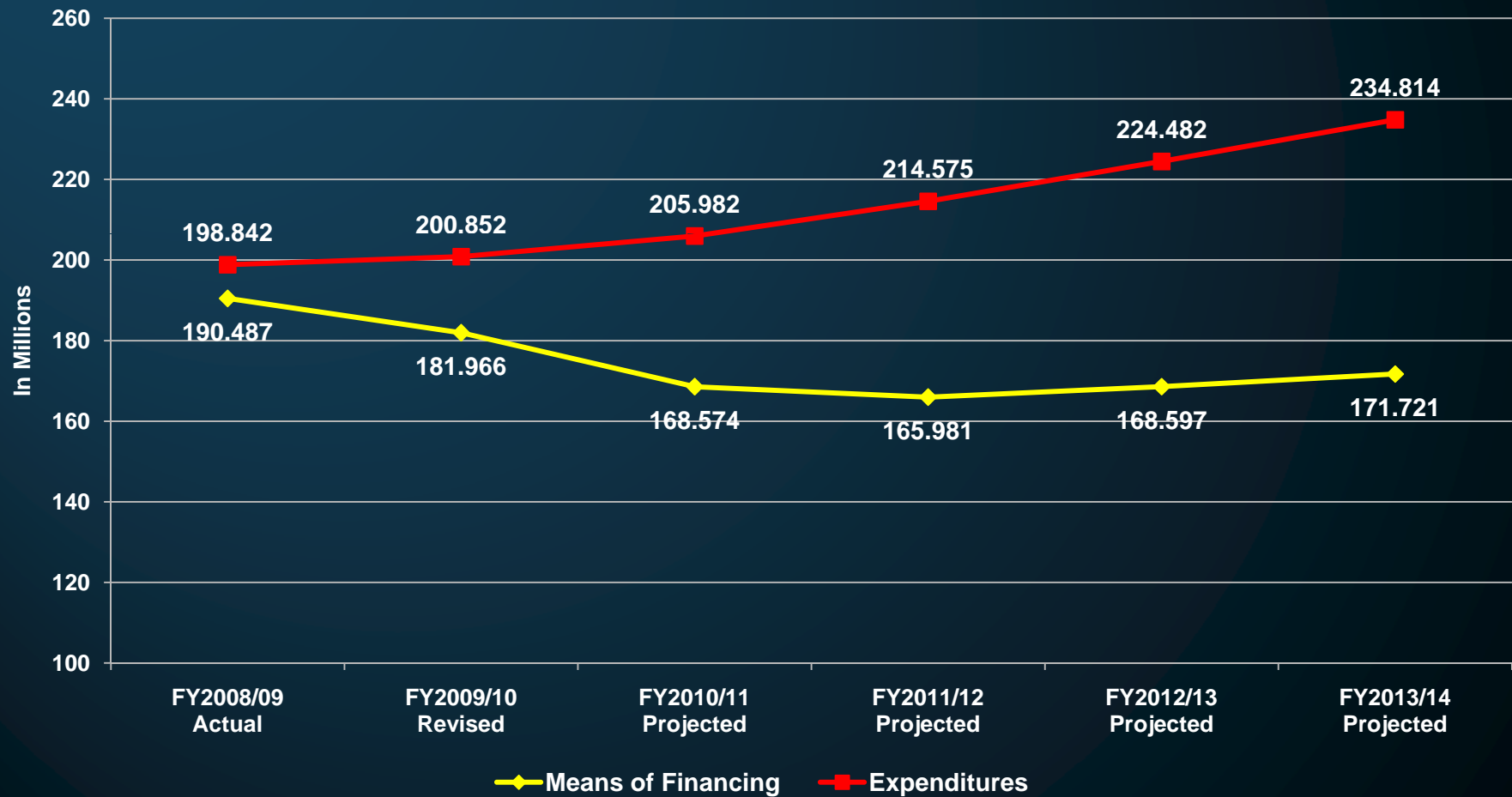
EXPENDITURES

Net County Cost	158.504	167.738	176.125	184.931	194.178	203.887
Long-Term Debt	1.713	2.158	2.201	2.269	2.337	2.408
Public Safety Expense	26.590	26.500	26.856	27.124	27.667	28.220
Accrual Leave Payoff Budget	0.407	0.500	0.300	0.250	0.300	0.300
Deferred Maintenance	6.260	3.956	0.500	0.000	0.000	0.000
To General Reserves	5.368	0.000	0.000	0.000	0.000	0.000
Total Expenditures	198.842	200.852	205.982	214.575	224.482	234.814

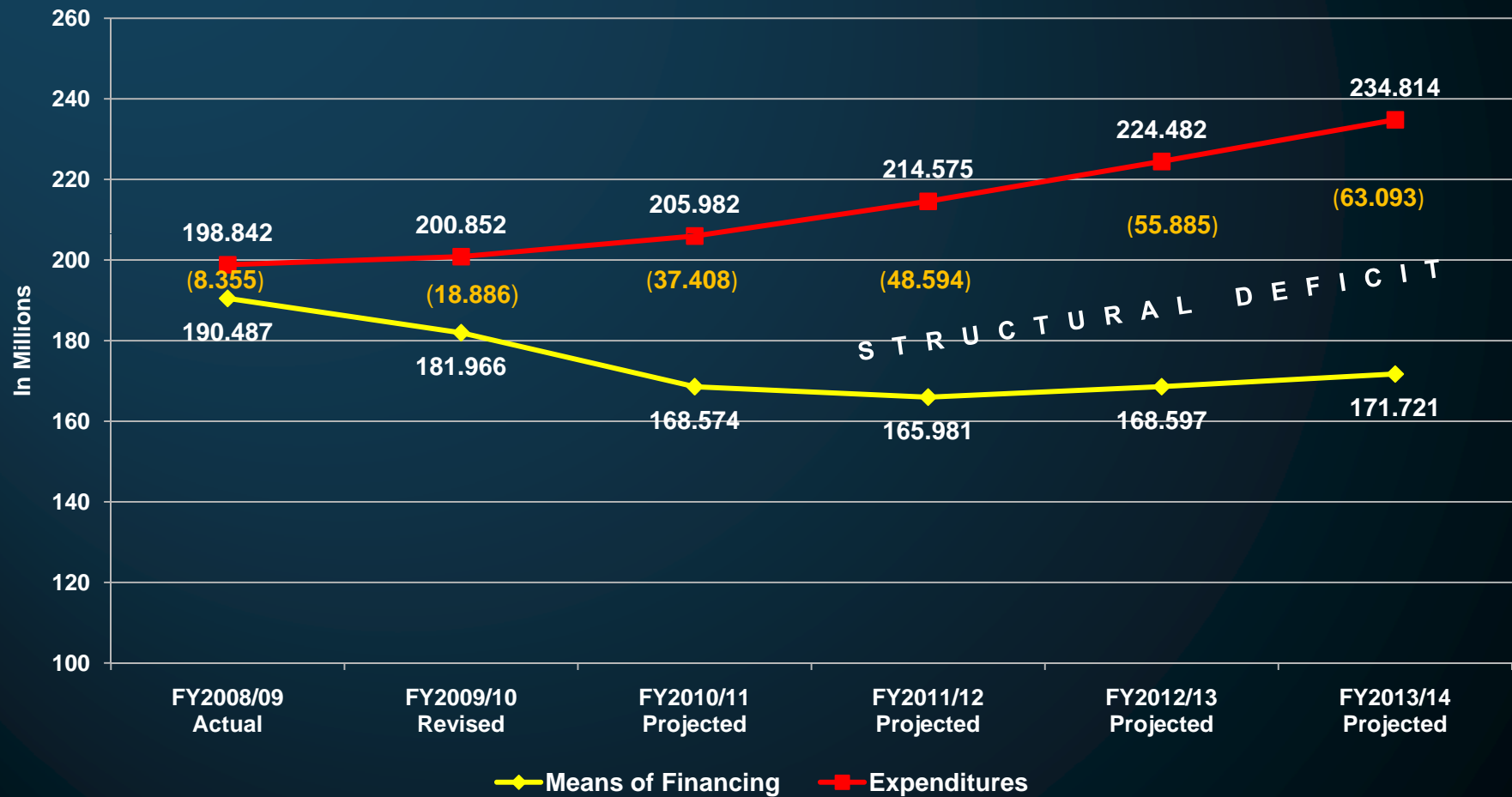
General Fund Structural Deficit

Means of Financing & Expenditures

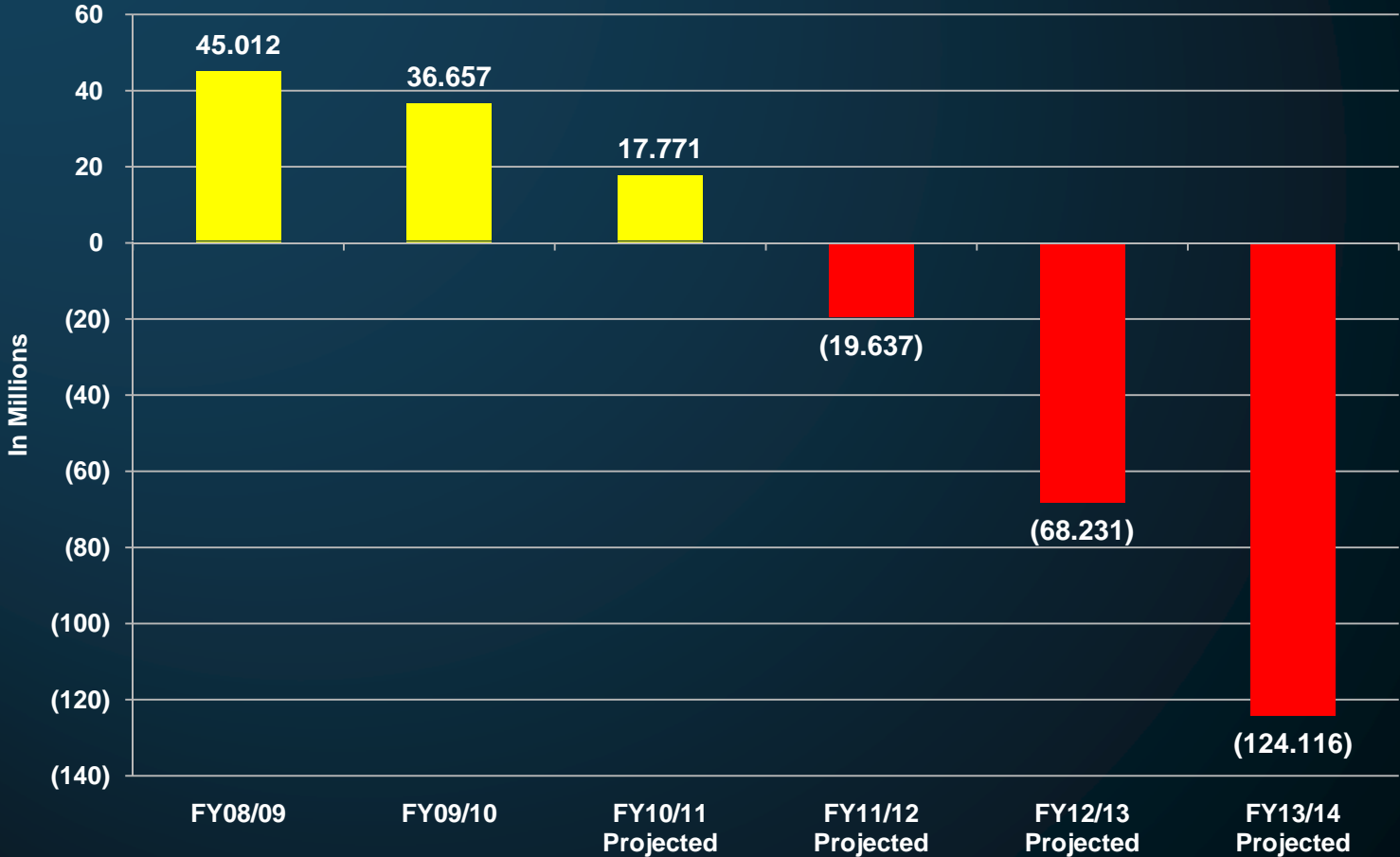
5-Year Forecast



General Fund Structural Deficit 5-Year Forecast



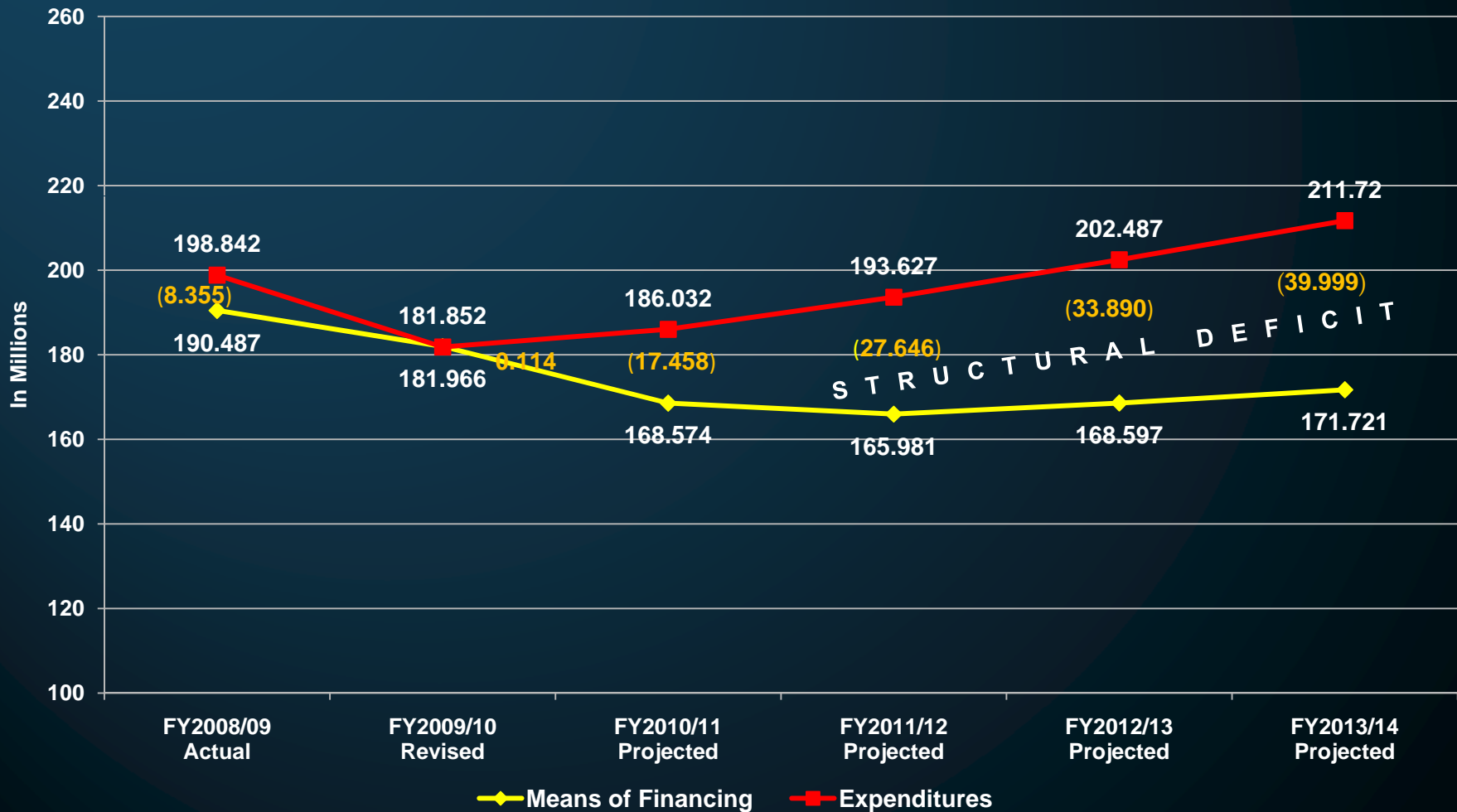
5-Year Forecast of Fund Balance (No Changes to Reduce Structural Deficit)



General Fund Structural Deficit

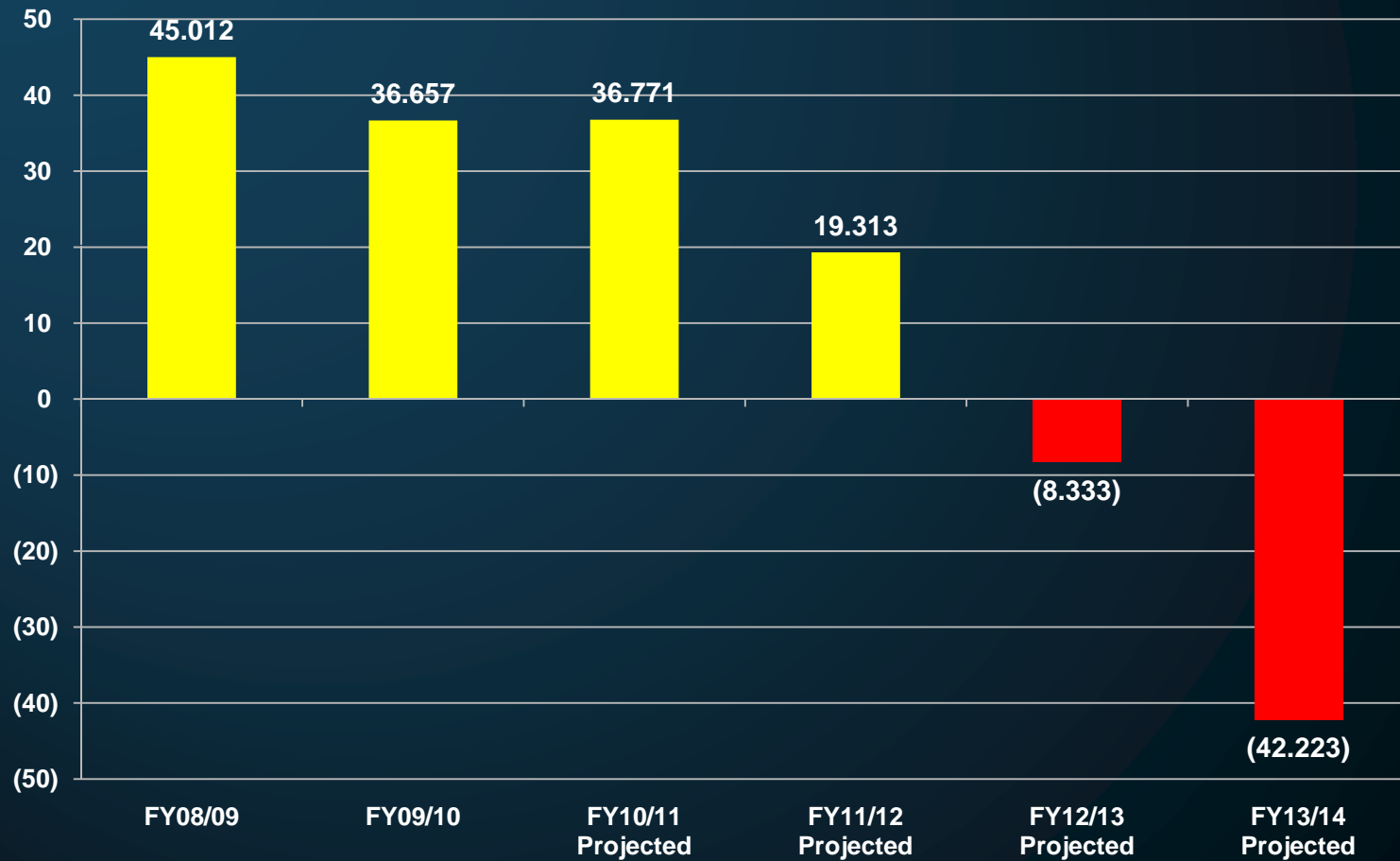
5-Year Forecast

(Eliminates \$18.886 million FY09/10 Structural Deficit)



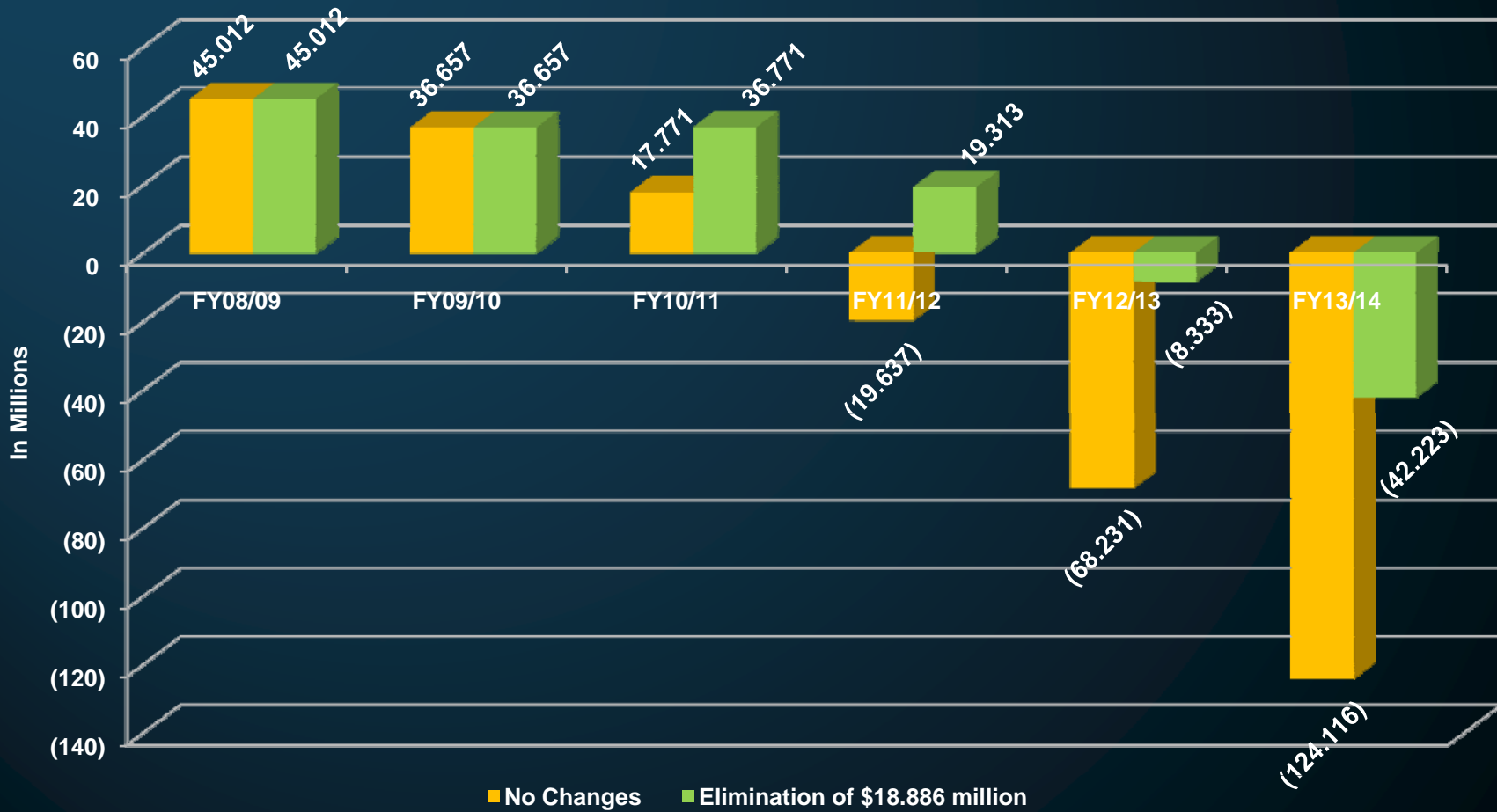
5-Year Forecast of Fund Balance

(Eliminates \$18.886 million in FY09/10 Structural Deficit)



5-Year Forecast of Fund Balance

No Changes vs. With Elimination of \$18.886 million in FY09/10



General Fund Budget Overview

State Economic Outlook

- Job losses continue to increase
 - Unemployment rate for California, Solano County higher than national unemployment rate
- Sales tax receipts fell 18.75%
- Current year State budget deficit of \$14 billion
- Prop 1A suspension/securitization still fluid

General Fund Budget Overview

Recommendations

- Address the structural deficit of increasing expenses and shrinking revenues
- Focus on long-term solutions
- Eliminate or downsize discretionary programs
- Address rising cost of employee compensation and benefits
- Downsize the County workforce
- Eliminate, consolidate services where possible

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Questions