



APPROVED ★

NOV 24 2009

★ See attached  
minute Order

BY *Maria Chiola*, deputy  
CLERK OF THE BOARD

AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS

<b>ITEM TITLE</b> Consider adopting a resolution amending the Position Allocation List to delete 186.03 filled and vacant FTEs to achieve workforce reductions to mitigate the General Fund structural deficit		<b>BOARD MEETING DATE</b> November 24, 2009	<b>AGENDA NUMBER</b> 13
<b>Dept:</b> <b>Contact:</b> <b>Extension:</b>	County Administrator's Office Quang T Ho Assistant County Administrator 6113	<b>Supervisorial District Number</b>  All	
<b>Published Notice Required?</b>		Yes _____	No <u> X </u>
<b>Public Hearing Required?</b>		Yes _____	No <u> X </u>

**DEPARTMENTAL RECOMMENDATION:**

It is recommended that the Board of Supervisors consider adopting a resolution amending the Position Allocation List to delete 186.03 filled and vacant FTEs to achieve workforce reductions to mitigate the General Fund structural deficit.

**SUMMARY:**

Since the FY2009/10 Budget Hearings, the County's financial condition has continued to deteriorate due to the unprecedented economic downturn and State budget actions. Program reduction measures early in this fiscal year have proven inadequate to address the General Fund structural deficit caused by a significant drop in revenues and increased expenses.

On October 27, 2009, your Board accepted staff's report outlining \$12.4 million in proposed budget reductions to alleviate the County's FY2009/10 General Fund structural deficit. Further, your Board directed the County Administrator and Director of Human Resources to continue meeting and conferring with recognized employee organizations to agree to reduction in salary and or benefits to mitigate layoffs and close the County's General Fund structural deficit.

**FINANCING:**

The revised \$11,191,309 in reductions consist of a majority of General Fund departments, Public Safety and Health and Social Services (H&SS) departments totaling \$9,702,476, Special Revenue Funds of \$432,327, and Internal Service Funds of \$1,056,506. The \$11.2 million in proposed cuts are the result of deleting 138.53 filled positions, eliminating 47.5 funded and vacant positions, and reducing contract services and supplies.

The Internal Service Fund savings of \$1.1 million will reduce charges for services to all county departments this fiscal year and beyond. The \$9.7 million General Fund cuts will narrow the current General Fund gap.

If the County takes no actions to address the current fiscal year's structural deficit, staff projects that General Fund structural deficit will be \$37.4 million in FY2010/11. The recommended actions should have a cumulative impact that will reduce nearly \$30 million of the FY2010/11 structural deficit and stabilize the rapid deterioration of General Fund balance.

## **DISCUSSION**

On September 1, 2009, the Board received a financial report on the known impacts of State budget reductions and the continued economic downturn. Based on the most recent analysis, there is a substantial General Fund structural deficit estimated at \$18.9 million at the end of this fiscal year. The latest information on the State front continues to cause concern as the current year State budget deficit is projected to exceed \$14 billion.

On October 6, 2009 the Board directed the County Administrator to prepare targeted reductions of at least \$9 million, or approximately 50%, of the General Fund structural deficit projected for FY2009/10. The County Administrator's Office calculated that 11.3% of the \$265.4 million in countywide salary and benefits, or \$30 million, is necessary to generate the General Fund savings of \$9 million.

On October 27, 2009, the Board directed staff to return on November 24, 2009 to report on the following: 1) concessions made by bargaining units which would allow the County Administrator's office to utilize savings to minimize layoffs; 2) review proposed cuts to departments, due to methodology used for Cost Allocation plan revenue; to revise new target cuts; and 3) provide cost/benefit analyses of reductions to ensure that could result in actual savings or cost avoidance.

As the Board is aware, the Director of Human Resources has been meeting since June 2009 with the recognized employee organizations in an effort to reduce the County's employee compensation costs. Since October 27, 2009, County negotiation teams have met in good faith and provided proposals that generated significant General Fund savings that would have been used to mitigate a large number of layoffs.

As of this writing, the Deputy Sheriff's Association and the unrepresented management staff have made concessions. In addition, we are close to tentative agreements with the Operating Engineers, the Middle Management and the Attorney bargaining units. If these agreements are finalized by Tuesday, November 24, 2009, we would recommend reduction to the layoff list in these units.

Without progress in meeting and conferring with unions to develop additional concessions, the County will need to delete 186.03 FTE positions to meet the \$11.2 million reduction target, of which 138.53 positions are filled, and to close the FY2009/10 General Fund structural deficit.

## **ALTERNATIVES:**

Your Board may choose not to adopt staff recommendations; however, this is not recommended because delaying and deferring actions will exacerbate the financial burden on the County this fiscal year and beyond.

## **OTHER AGENCY INVOLVEMENT:**

Developing the information included in this Report involved all County departments.

## **DEPARTMENT HEAD SIGNATURE:**

By \_\_\_\_\_

  
**Michael D. Johnson**  
**County Administrator**

Attachments: Attachment A – Revised \$9 Million Reduction Target  
Attachment B - Resolution Amending the Position Allocation List