

COUNTY ADMINISTRATOR'S OFFICE

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Community Workshop on Budget Budget Challenges: County & Non-Profits Seeking Input

**April 26, 2010
9:00 am – 11:00 am**

**Location: 675 Texas Street, Fairfield
County Government Center
1st Floor - Multi Purpose Rooms**

1. Welcome & Overview on the County Budget (10 minutes) Michael D. Johnson, CAO
 - State of the County
 - Structural Deficit
 - County Budget Cuts
 - County Policy Against Backfilling Federal and State Cuts

2. Overview Federal & State Funding in 2010 (5 minutes) Patrick Duterte, Director of H&SS

3. State of Non-Profits in Solano County (5 minutes)
 - Robert Fuentes, Chair, Non-Profit Coalition
 - Joe Martinez, President, Solano County Farm Bureau (invited)
 - Nicole Byrd, Executive Director, Solano Land Trust

4. Priority Setting – Providing Input (80 minutes) Carol Paterson, UC Cooperative Extension Office Solano
Director, Facilitator
 - Small Group Exercise - What are the best ideas going forward?
Participant's breakout into discussion groups to look and provide input/strategies
 - Small groups report out and set priorities
 - Discussion

5. Presentation - United Way: Go Solano Program (10 minutes) Aimee Durfee, United Way

6. Next Steps & Adjournment (10 minutes)

Status of the County's Fiscal Condition



Presentation to
Community Workshop
on the Budget
April 26, 2010

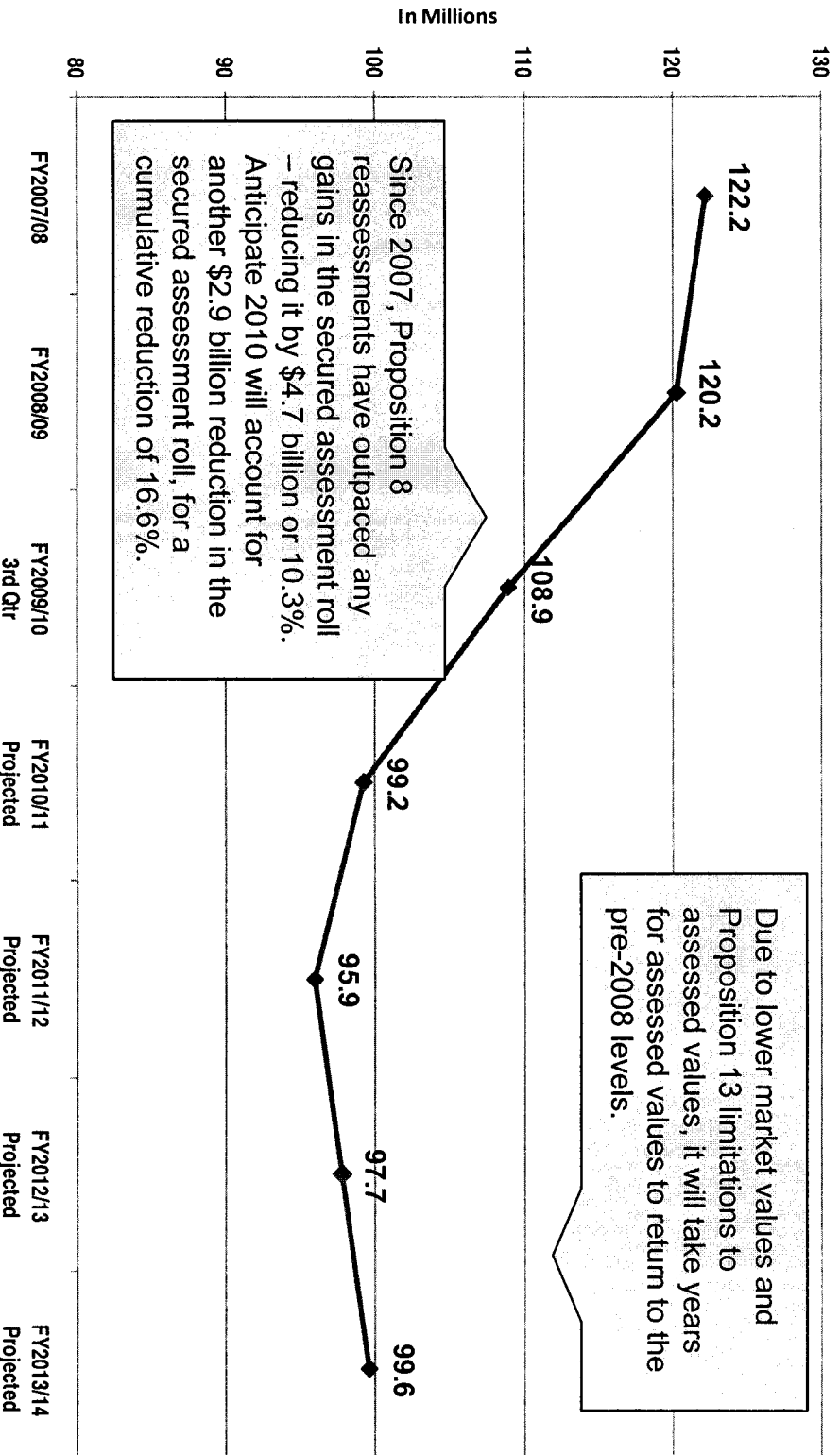


Economic Realities

- **Quadruple blow affecting County coffers**
 - **Housing Meltdown:** high foreclosure rates and lower assessed values
 - **Credit Crisis:** reduced income from investments
 - **Recession:** sluggish retail affecting sales taxes
 - **State Budget:** cuts to balance State budget reduce funding to local governments

General Fund Property Tax

(as of March 31, 2010)





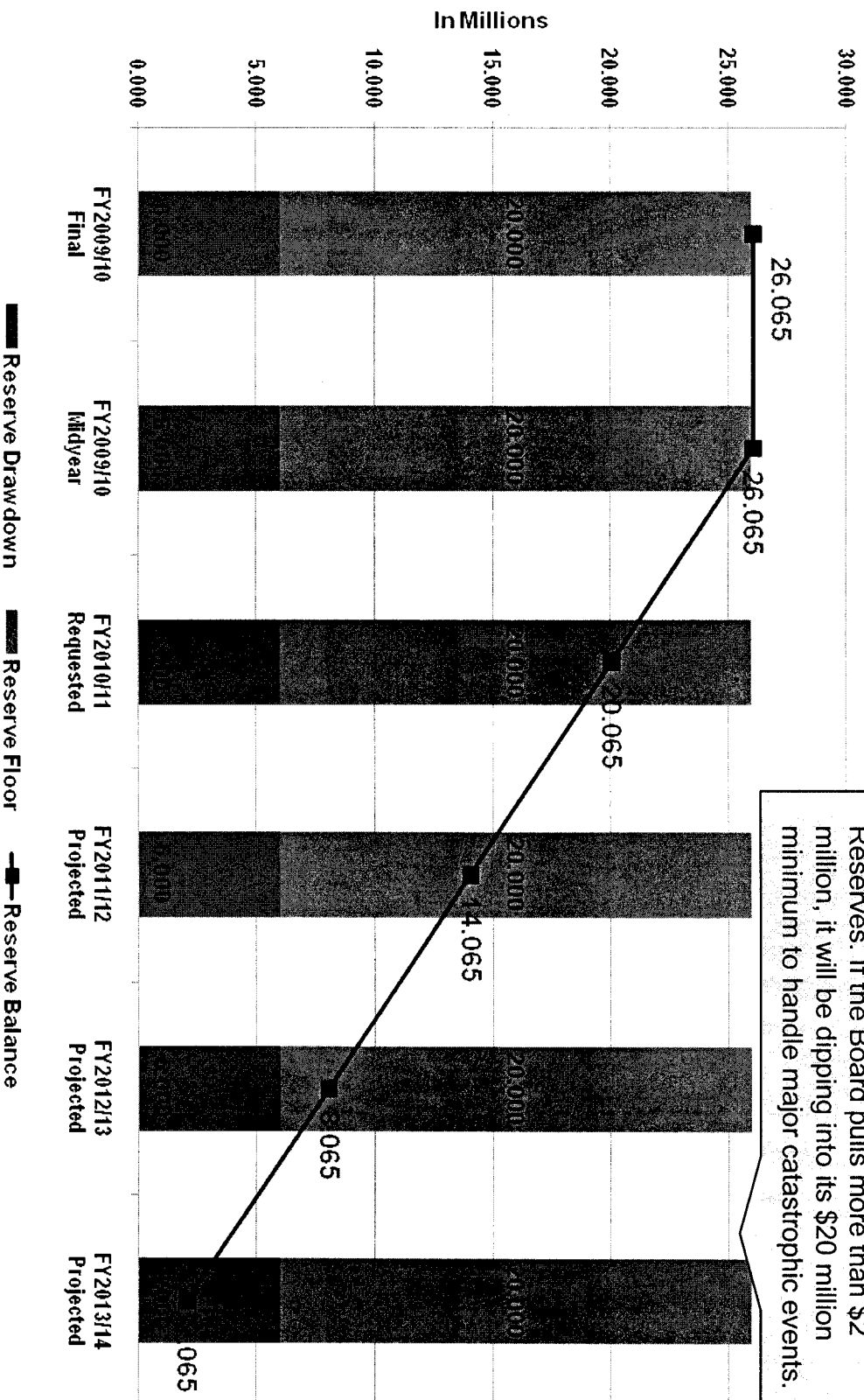
Other Revenues

(as of March 31, 2010)

- **Our revenue sources are declining**
 - ↓ Prop 172 off nearly \$4 million from budget
 - ↓ State program revenues
 - ↓ State sales tax realignment
 - ↓ Interest income
 - ↓ Redevelopment pass thrus
 - ↓ Vehicle license fees

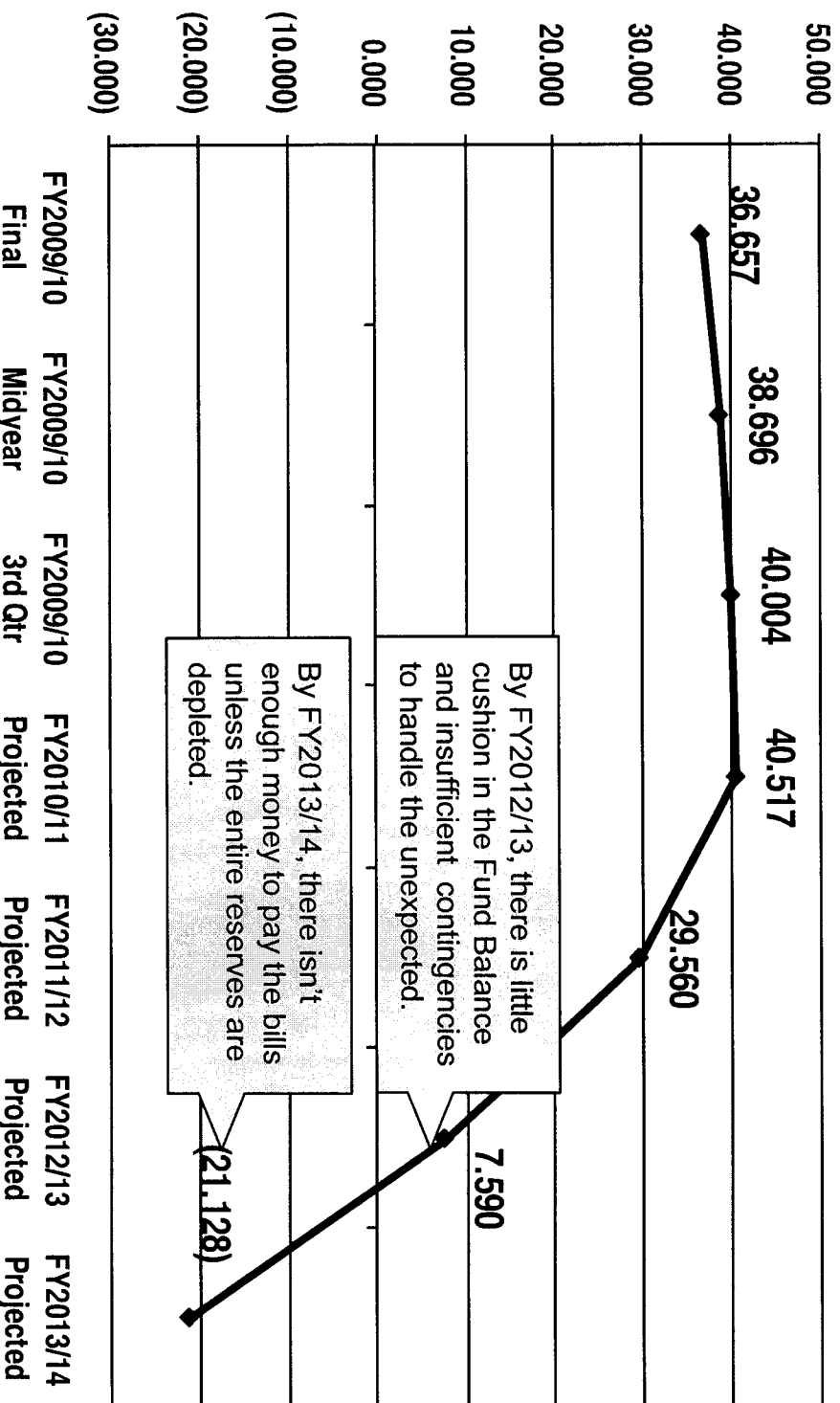
General Fund Reserves Projection

(as of March 31, 2010)



Fund Balance Projection

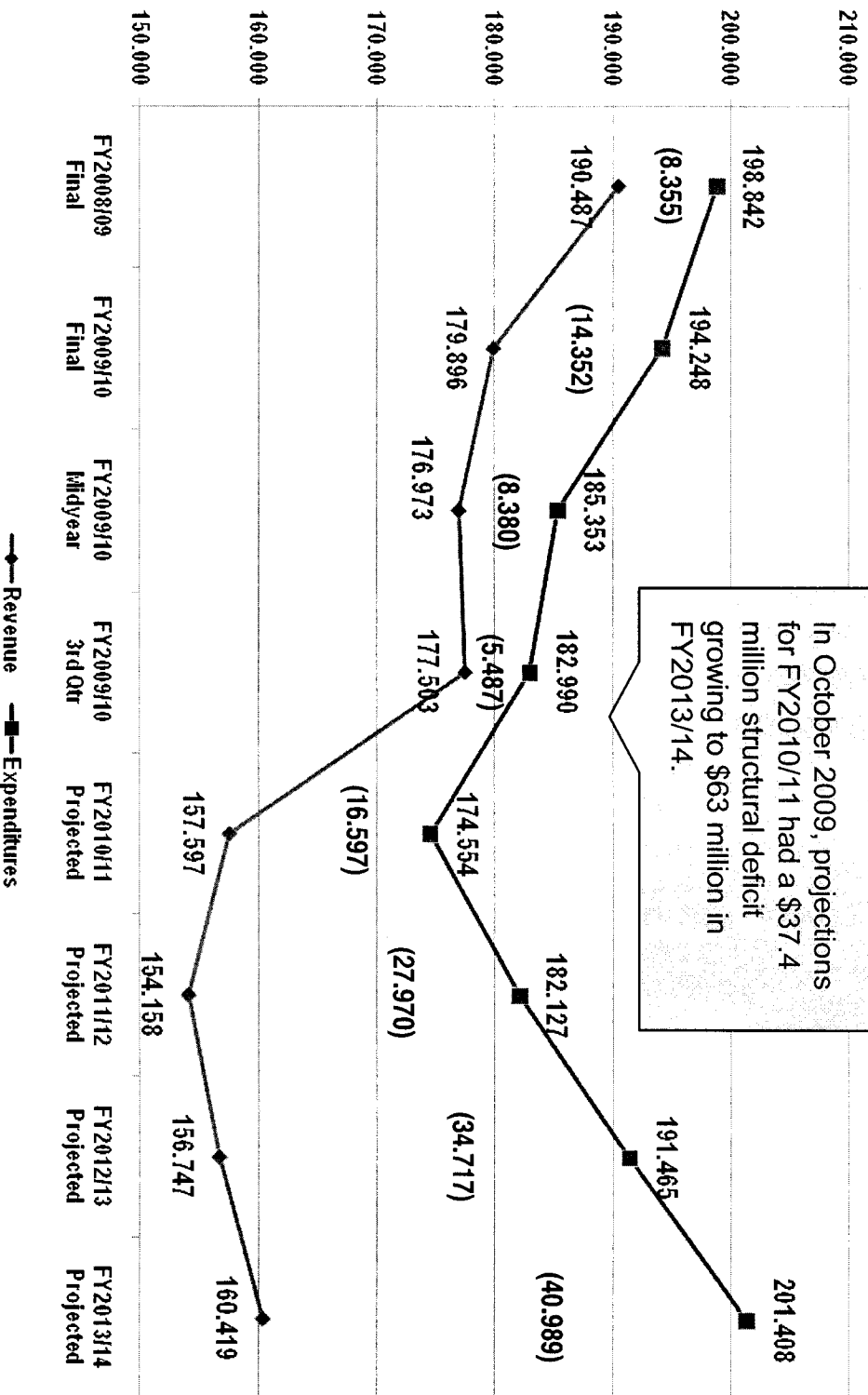
(as of March 31, 2010)

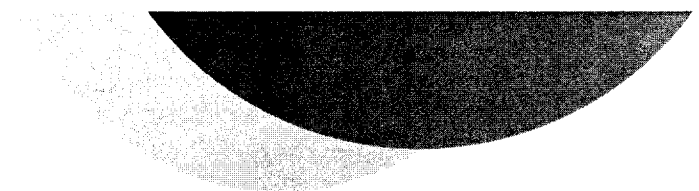


General Fund

Expenditure/Revenue Projection

(as of March 31, 2010)





Cost Reductions To Date

(As of March 31, 2010)

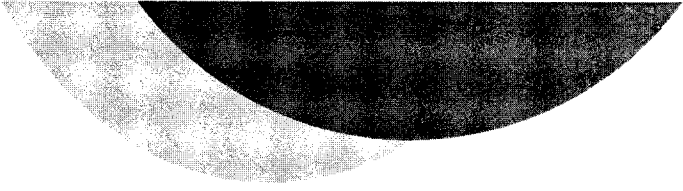
- **Since FY2008/09**
 - Reduced General Fund budget by \$12 million
 - Maintained hiring freeze on most non-vital positions
 - Reduced contract costs, where possible
 - Shrank workforce by more than 460 positions, or 14.9%
 - From 3,116 to 2,653 allocated positions



Cost Reductions To Date

(As of March 31, 2010)

- **Since FY2008/09**
 - Worked with labor unions to make interim wage and benefit concessions
 - Deputy Sheriffs, Mid-Managers, Attorneys temporarily picked up 3% of their share of retirement costs (EPMC)
 - All unrepresented employees permanently pick up 3% of their share of retirement costs (EPMC)
 - Offset by 3% COLA increase, except for Board of Supervisors, Department Heads, Asst. Department Heads, Deputies
 - Management Incentive Program eliminated



Cost Reductions Going Forward

- **Other cost reduction efforts**
 - Exploring opportunities for consolidation
 - Looking at automation to create efficiencies
 - Examining another round of early retirement incentive
 - Exploring retirement restructuring options (two-tier system)
 - Presented potential concessions to unions
 - Most options are dependent on re-negotiating current employee union contracts

Proposed Menu of Personnel Cost Reduction Options

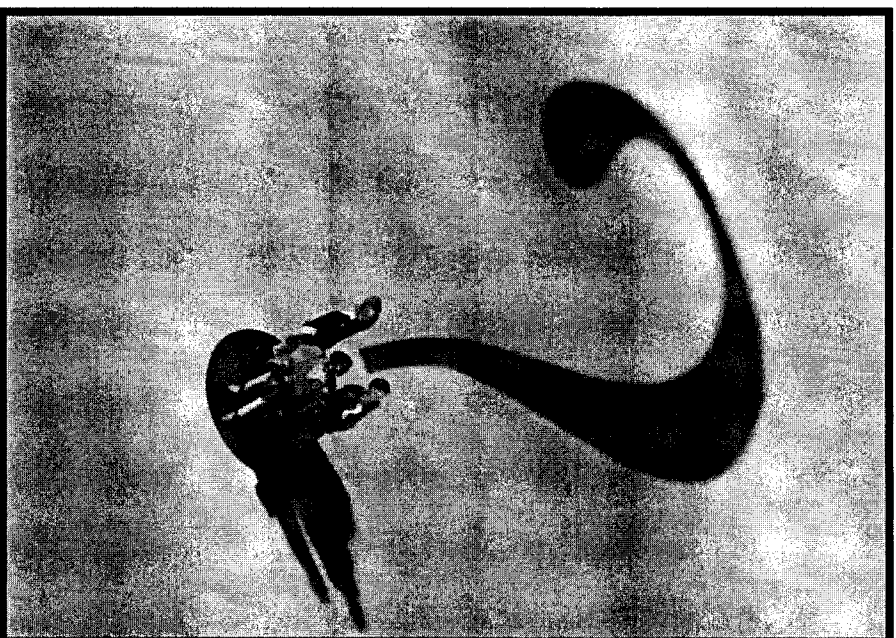
Program	General Fund Share
Forego 3% COLA & related benefit costs <i>(SEIU, DSA and Physicians COLAs in FY2010/11)</i>	1,105,473
Rescind Employer Paid Member Contribution (EPMC) by 6% for all employees	4,004,931
Reduce employee work week to 37.5 hours	3,115,016
Furlough 12 days	3,048,435
Rescind 2 floating holidays	509,226
Reduce cafeteria plan by \$100 per month	782,443
Total	12,565,524



Realities Going Forward

- **State budget will force additional cuts**
 - Where and how deep are unknown
- **Changing community expectations**
 - What's an acceptable level of service?
 - Not enough resources for County to be all for all
 - Hard choices need to be made

Questions & Answers



April 26, 2010

Status of the County's Fiscal Condition