



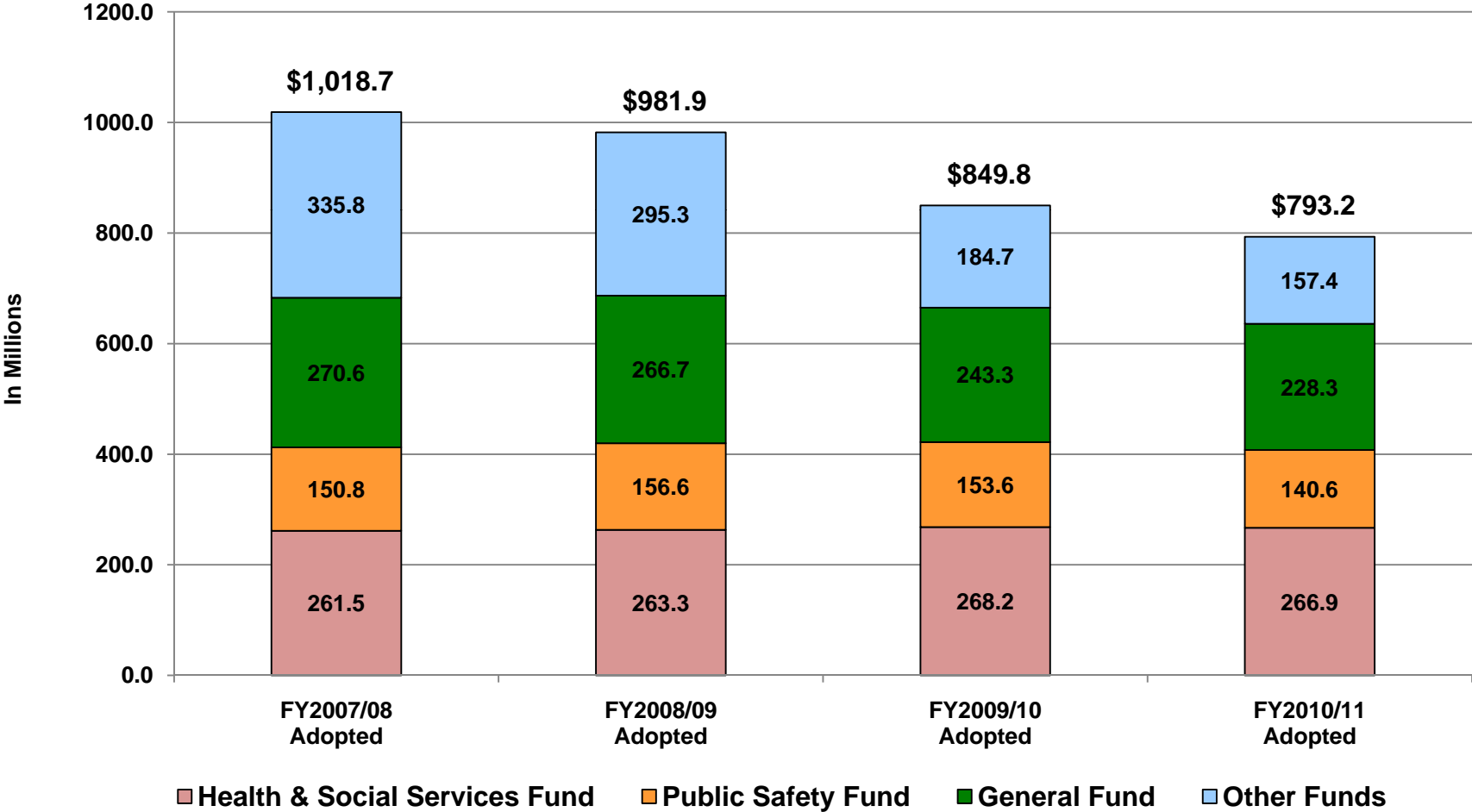
Budget Workshop

Aug. 31, 2010



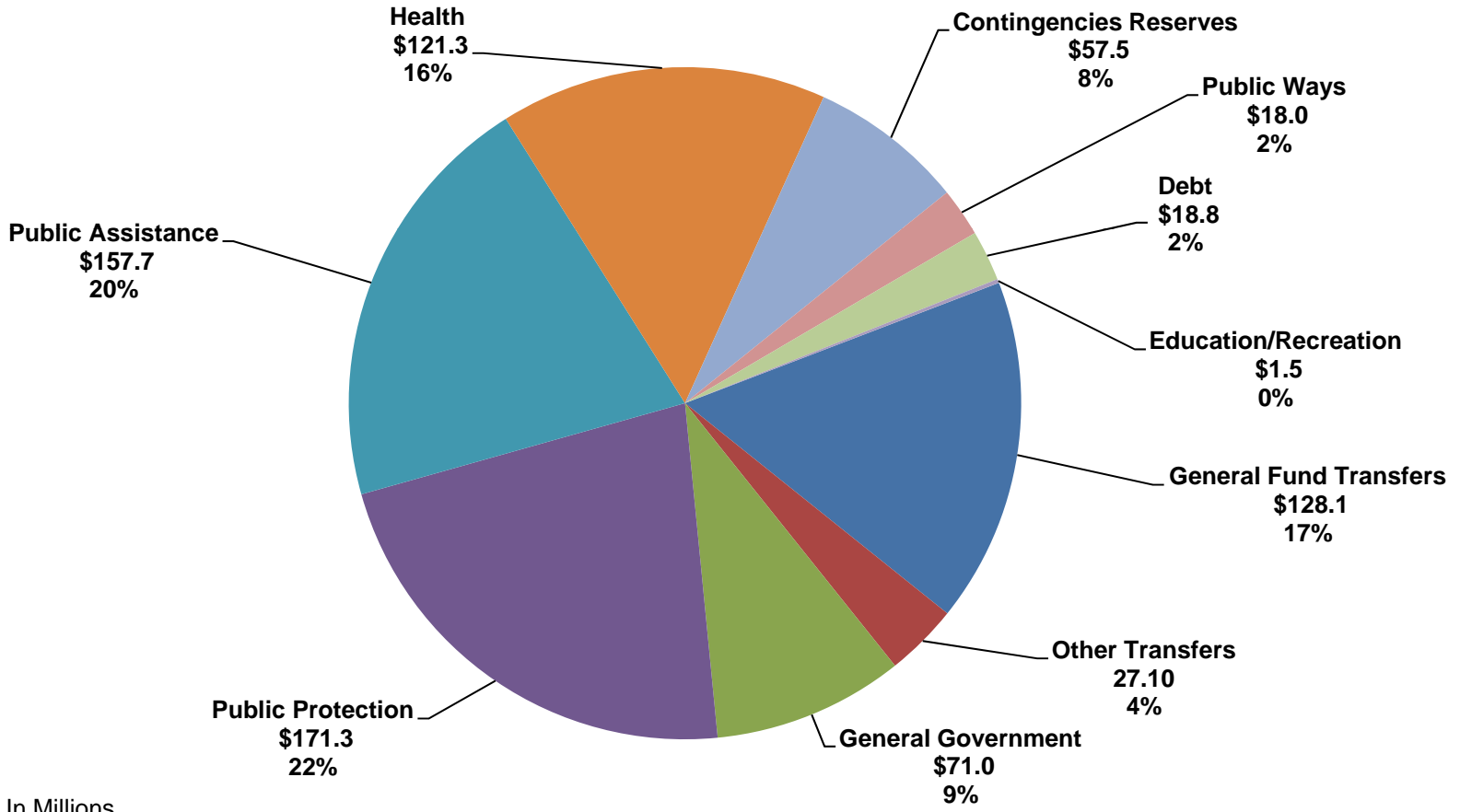
Solano County Total Budget

Decrease of (\$226 million), or (22%), since market peak in FY2007/08



FY2010/11 Total Budget – Expenditure Plan

Spending plan down \$56.6 million, or 6.7%, from FY2009/10 Adopted

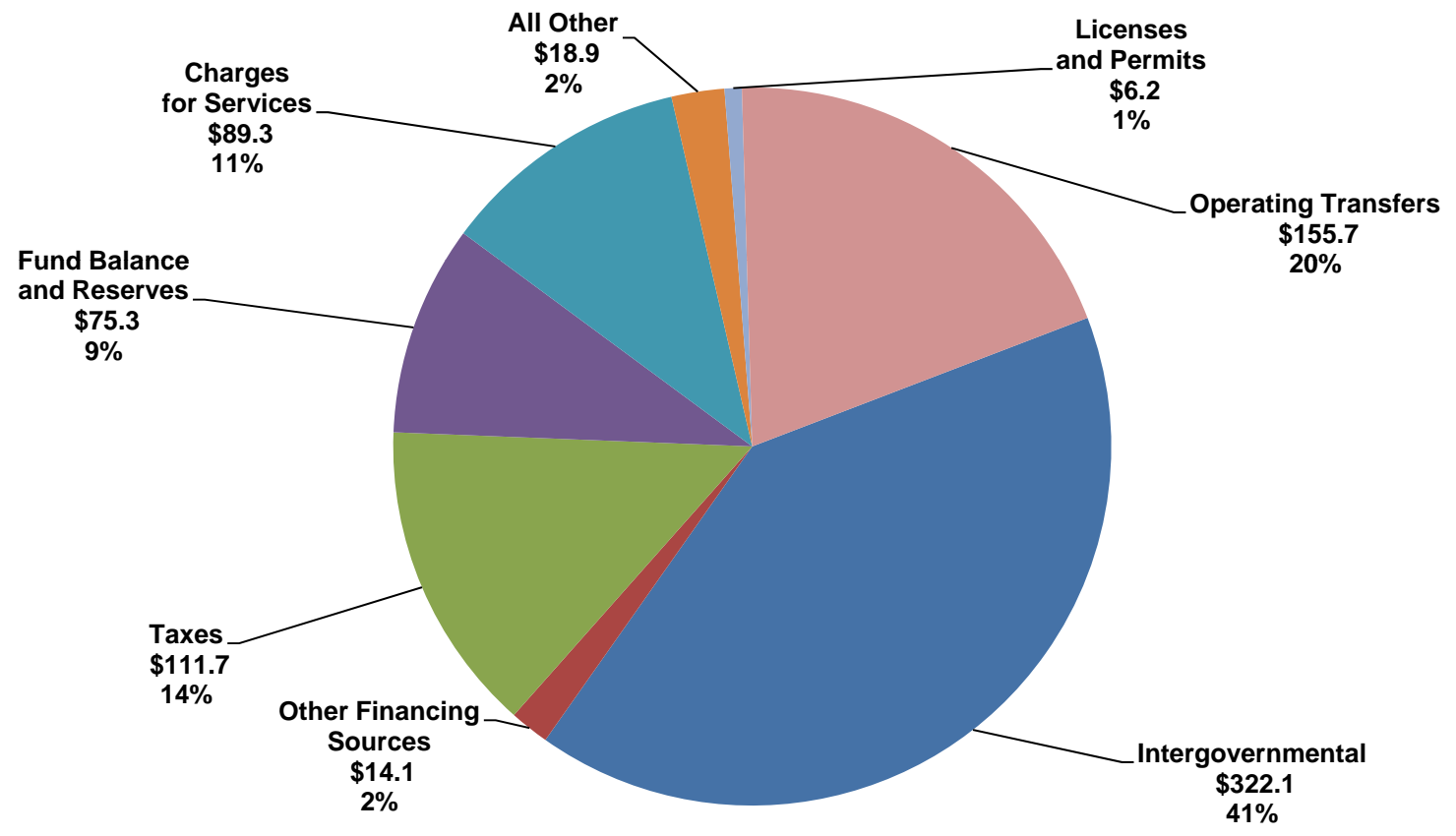


In Millions

\$793,183,837

FY2010/11 Total Budget – Means of Financing

The Solano County FY2010/11 budget is balanced with available resources

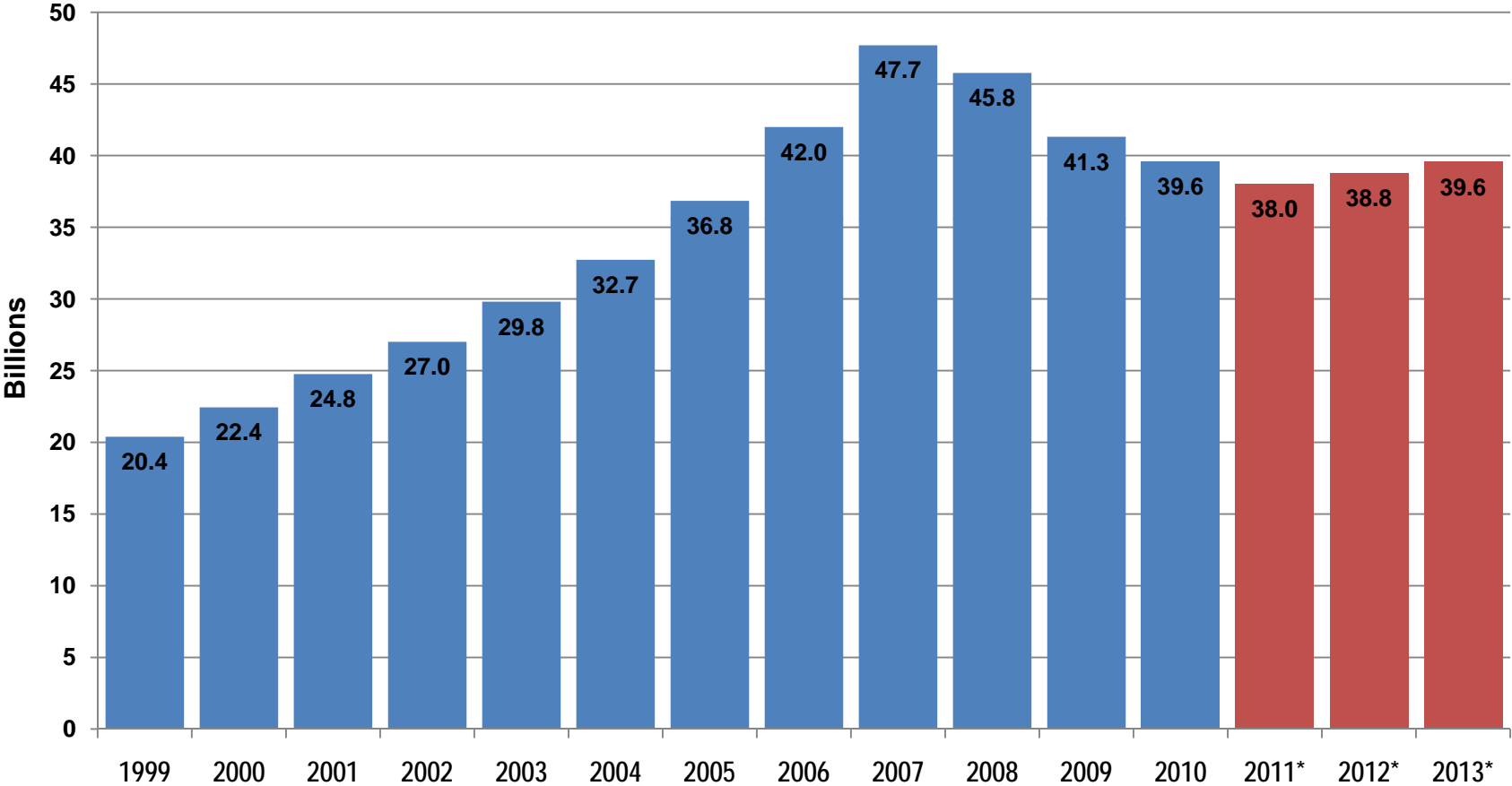


In Millions

\$793,183,837

Assessed Values of Solano Properties

Property taxes are 1% of assessed value; County's share 19 cents on the dollar



* Estimated figures

Assessed Values Continue Decline

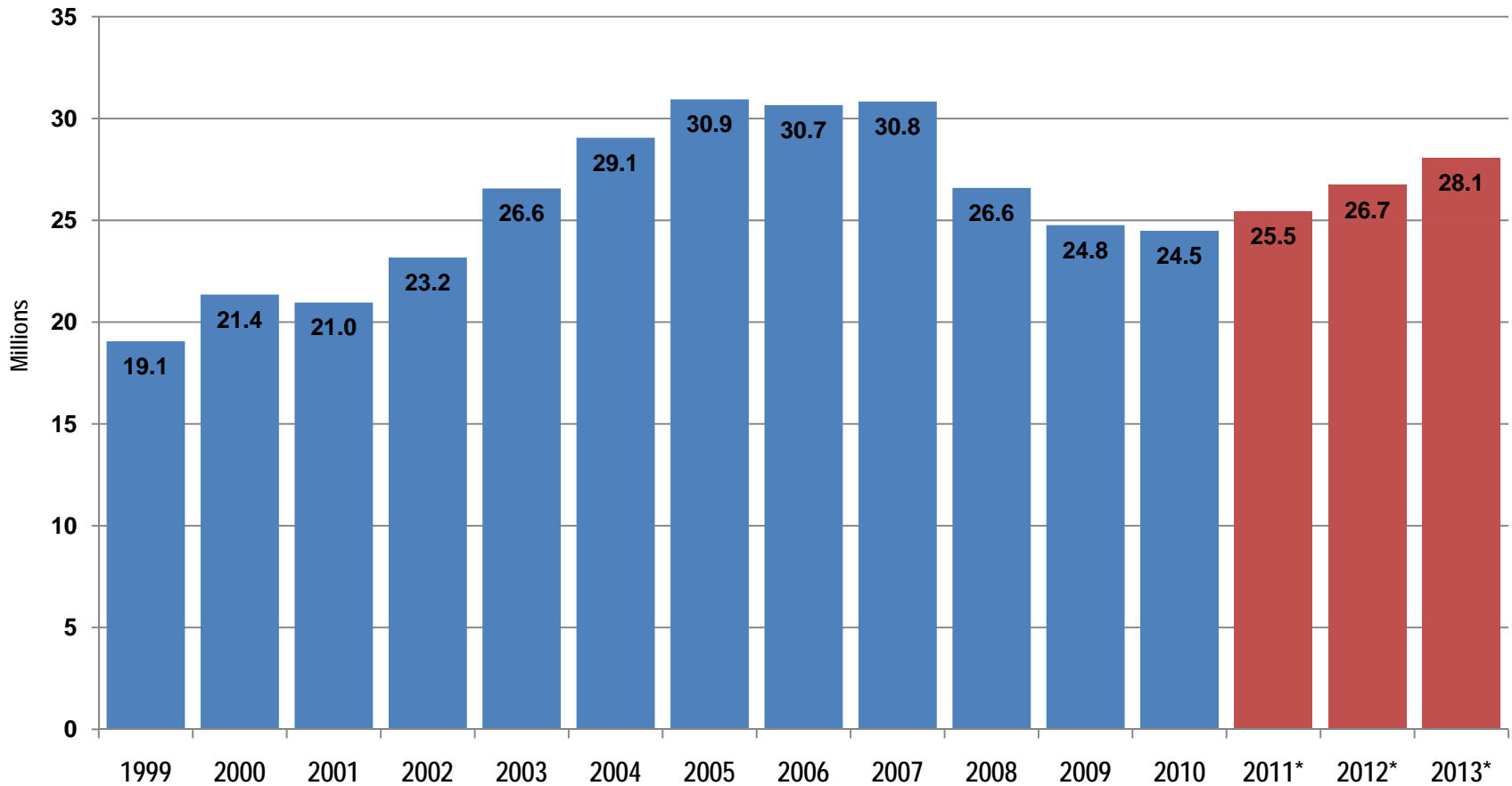
Assessed values reduced by Prop. 13 will take years to return to market peak

- **(\$8.1 billion) reduction in secured assessment roll from market peak in 2007 to 2010 estimates**
 - ▣ Equals (\$81 million) loss in tax revenues across Solano County
 - ▣ (\$15.4 million) loss in County General Fund property tax revenues

- **\$39.6 billion in estimated secured assessment roll for 2010**
 - ▣ Estimated (\$2.5 billion) in Prop 8 reductions
 - Residential properties: (\$1.5 billion) reduction
 - Estimated 57,000 residential properties re-assessed in 2010
 - Commercial/industrial properties: (\$1 billion) reduction

Public Safety: Prop 172

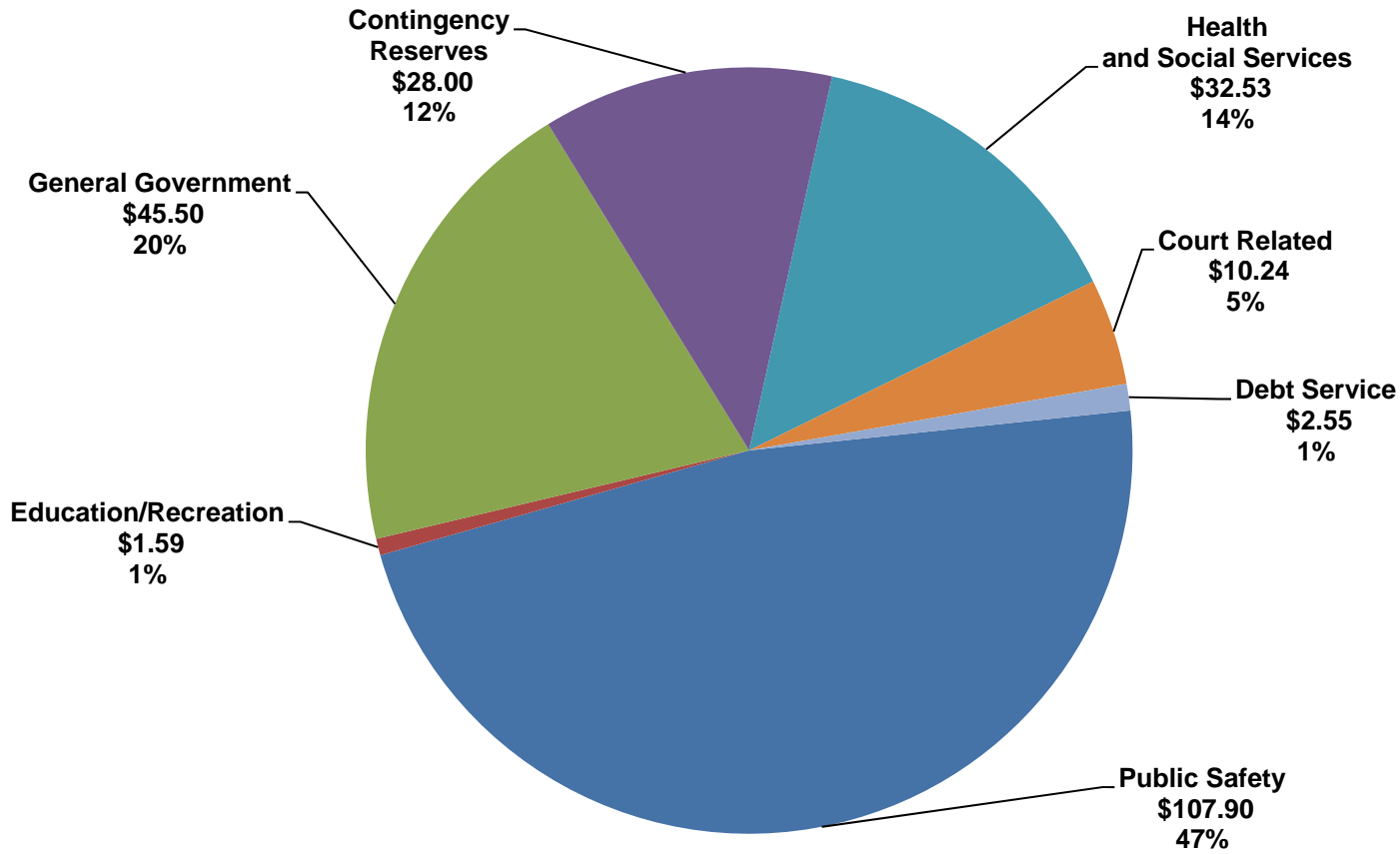
Dedicated funding for public safety down \$6.3 million, or 20%, from 2007



* Estimated figures

FY2010/11 General Fund – Expenditure Plan

Spending plan down \$15 million, or 6%, compared to FY2010/11 Adopted

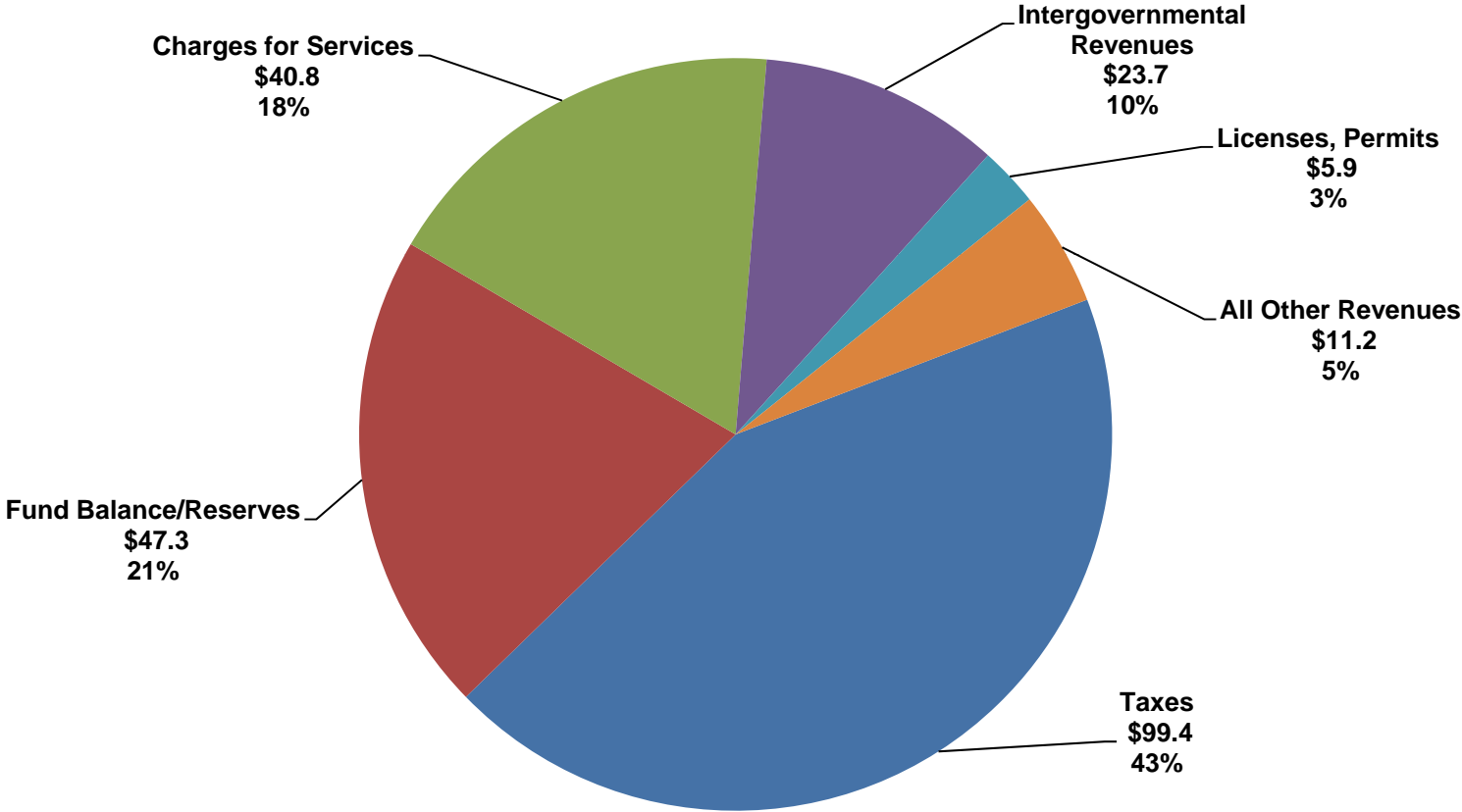


In Millions

\$228,119,107

General Fund – Means of Financing

Revenues down \$15 million, or 6%, compared to FY2010/11 Adopted

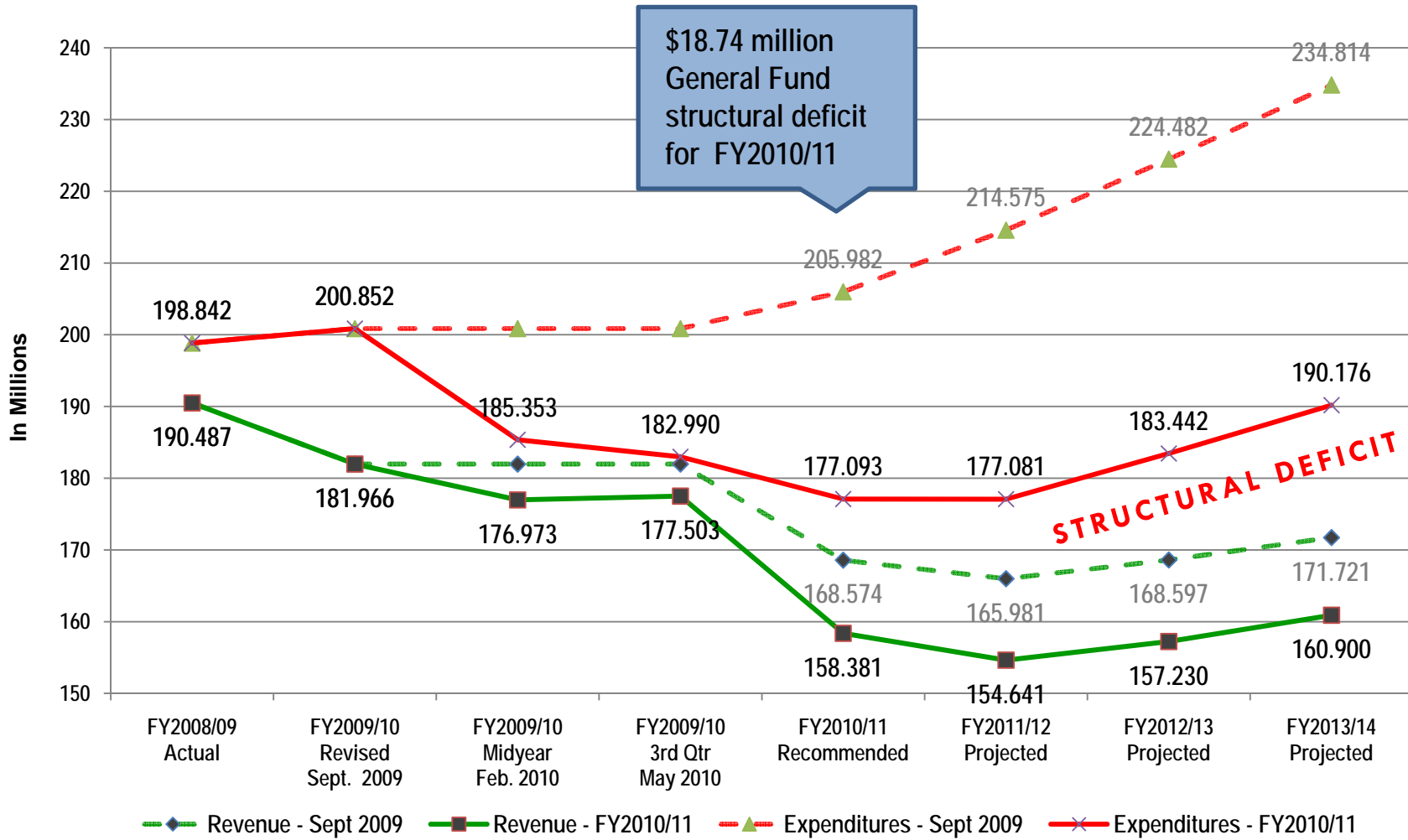


In Millions

\$228,326,977

Revised General Fund Projection after Reductions

Cut \$28.9 million in expenses, but lost additional \$10.2 millions in revenues



Ongoing Expenditure Reductions

Cumulative impact of budget reduction efforts since September 2009

11

COUNTY OF SOLANO

BUDGET WORKSHOP

AUGUST 31, 2010

	Countywide	General Fund
MIP reduction (Jul 09), elimination (Mar 10)	572,348	188,875
All unrepresented employees forego 3% COLA from Aug 09 until Mar 10; Board, Department Heads and Asst Dept Heads receive no COLA	214,406	70,753
Eliminate 66.6 positions in Sept 09	5,912,553	1,952,142
General Fund Reduction Strategy in Oct 09 (<i>\$9 million in FY09/10, including 172 positions deleted</i>)	54,449,345	17,968,284
Early Retirement Incentive in Dec 09 (69 positions)	14,782,743	4,927,581
Temporary 3% EPMC pickup (Deputy Sheriffs – Oct 09, Mid-managers & Attorneys – Jan 10)	397,963	132,654
Permanent 3% EPMC pickup (Management and unrepresented employees – Mar 10)	580,046	193,469
TOTAL	77,058,724	25,432,758

Cumulative Reductions

For last three years, the County has been trimming the workforce

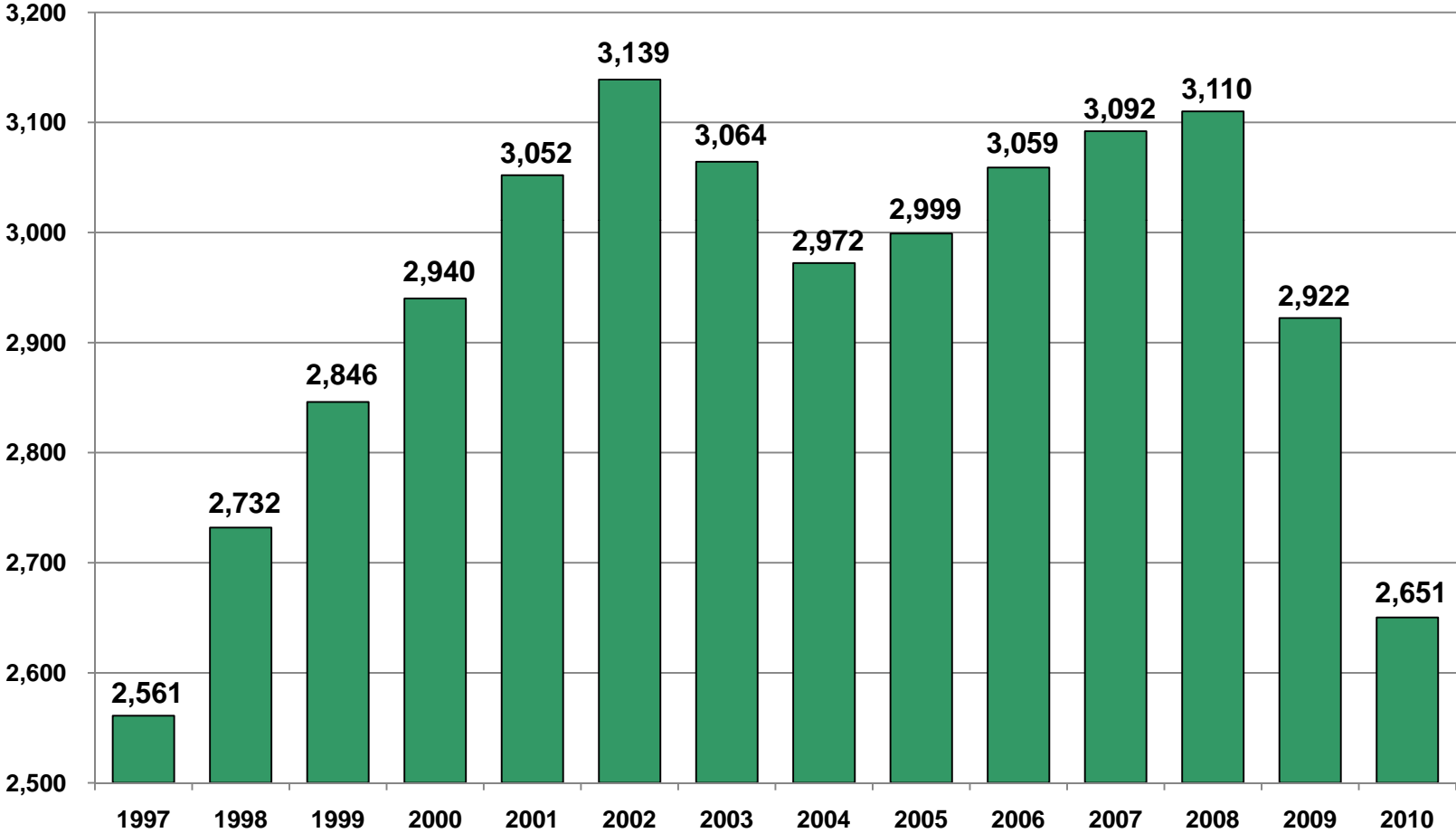
□ Position reductions

- Reflects reductions in FY2009/10 Adopted Budget, FY2009/10 strategic reduction efforts and FY2010/11 Recommended Budget

	June 30, 2009	Reductions	July 1, 2010	% Change
Public Protection	1,199.5	(203.5)	996	(17.0%)
Health Services	504.4	(41.4)	463	(8.3%)
Public Assistance	698.5	(59.5)	639	(8.5%)
General Government	313.8	(62.8)	251	(20.1%)
All Others	347.7	(46.7)	301	(13.4%)
Total	3,063.9	(413.9)	2,650	(13.5%)

Shrinking the Workforce

Size of County workforce rolled back to almost 1997 levels



Proposed Menu of Options

Asked employee unions to consider these or offer their own ongoing reductions

6% Net Reduction in General Fund Personnel Costs	
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 <i>(reduced \$255,220 to reflect permanent 3% EPMC pickup by management and unrepresented employees)</i>	3,749,710
Reduce 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
Establish lower retirement tier <i>(two-tier system as adopted on 6/29/10)</i>	TBD
Total	12,310,303

Proposed Menu of Options: Results to Date

Fiscal realities require the County to reduce costs where 70%-plus of costs are

- **Correctional Supervisors – ratified new contract**
 - Affects 25 employees, saves \$42,342 in FY2010/11
- **Correctional Officers – imposed contract**
 - Affects 190 employees, saves \$341,248 in FY2010/11
- **Both have same COLAs, retirement changes**
 - 3% reduction in EPMC in next paycheck
 - 0% to 3% COLA in January 2011 with an equal reduction in EPMC
 - New hires under lower retirement tier – 2% at age 55 versus 2% at age 50

Upcoming Milestones

Keep informed on County budget matters at www.solanocounty.com

- **Board Workshops to Reduce \$6 million of General Fund Structural Deficit this fiscal year**
 - Aug. 31 & Sept. 21: Review department programs
 - Oct. 26: Program prioritization and budget reduction actions
 - October 2010 thru January 2011: Implementation of budget decisions

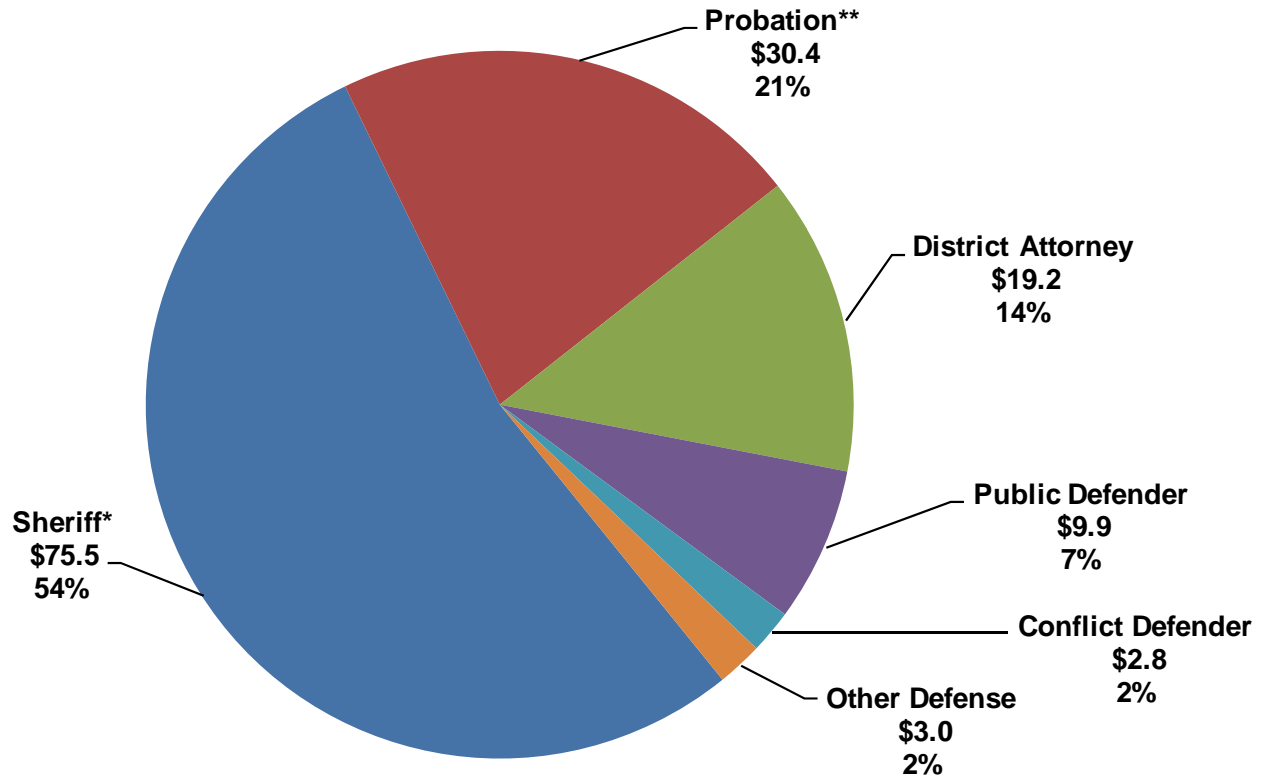
- **State Budget ‘Solutions’ to add more local cuts**
 - Round 1 expected in late September 2010
 - Round 2 expected after the elections in November 2010

Questions & Answers



Public Safety – Expenditure Plan

Distribution of dollars by department



* Includes \$21.8 million for Jail

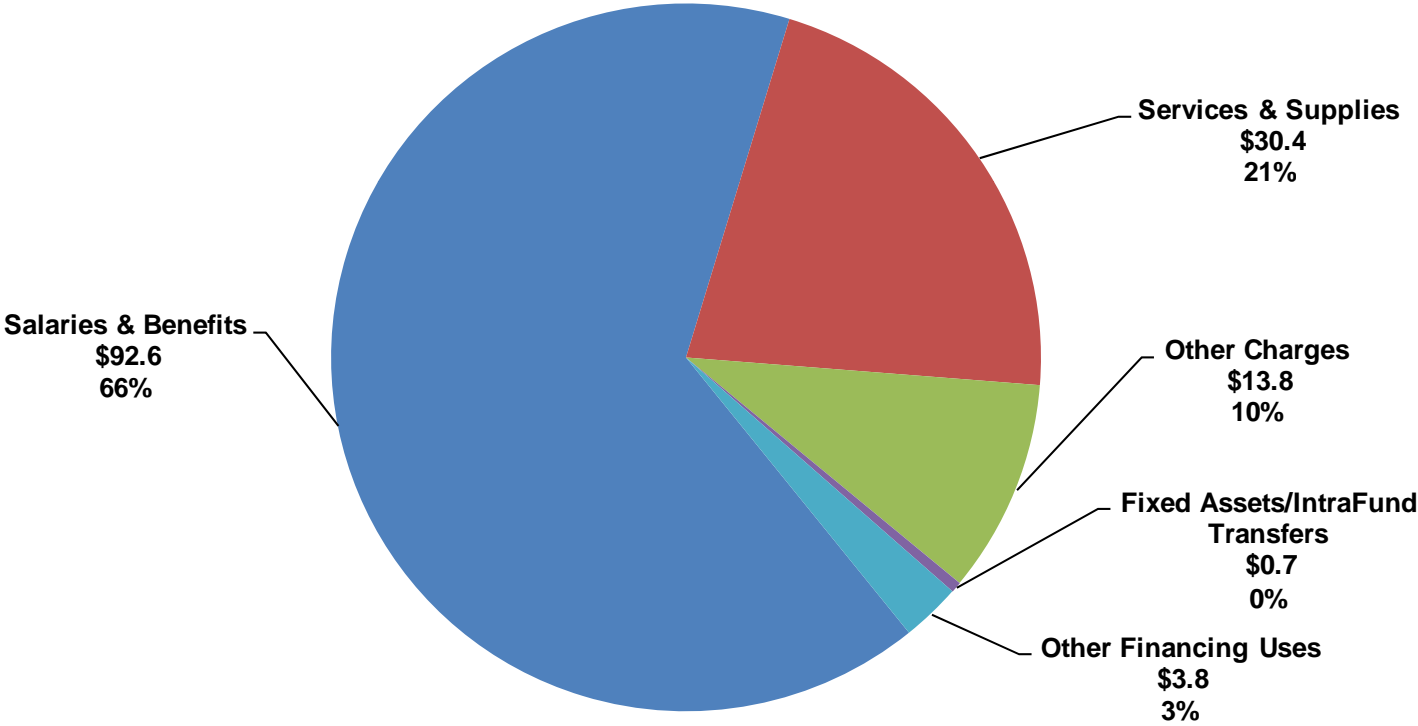
** Includes \$9.5 million for Juvenile Hall

In Millions

\$140,785,939

Public Safety – Expenditure Plan

Distribution of dollars by how money is spent

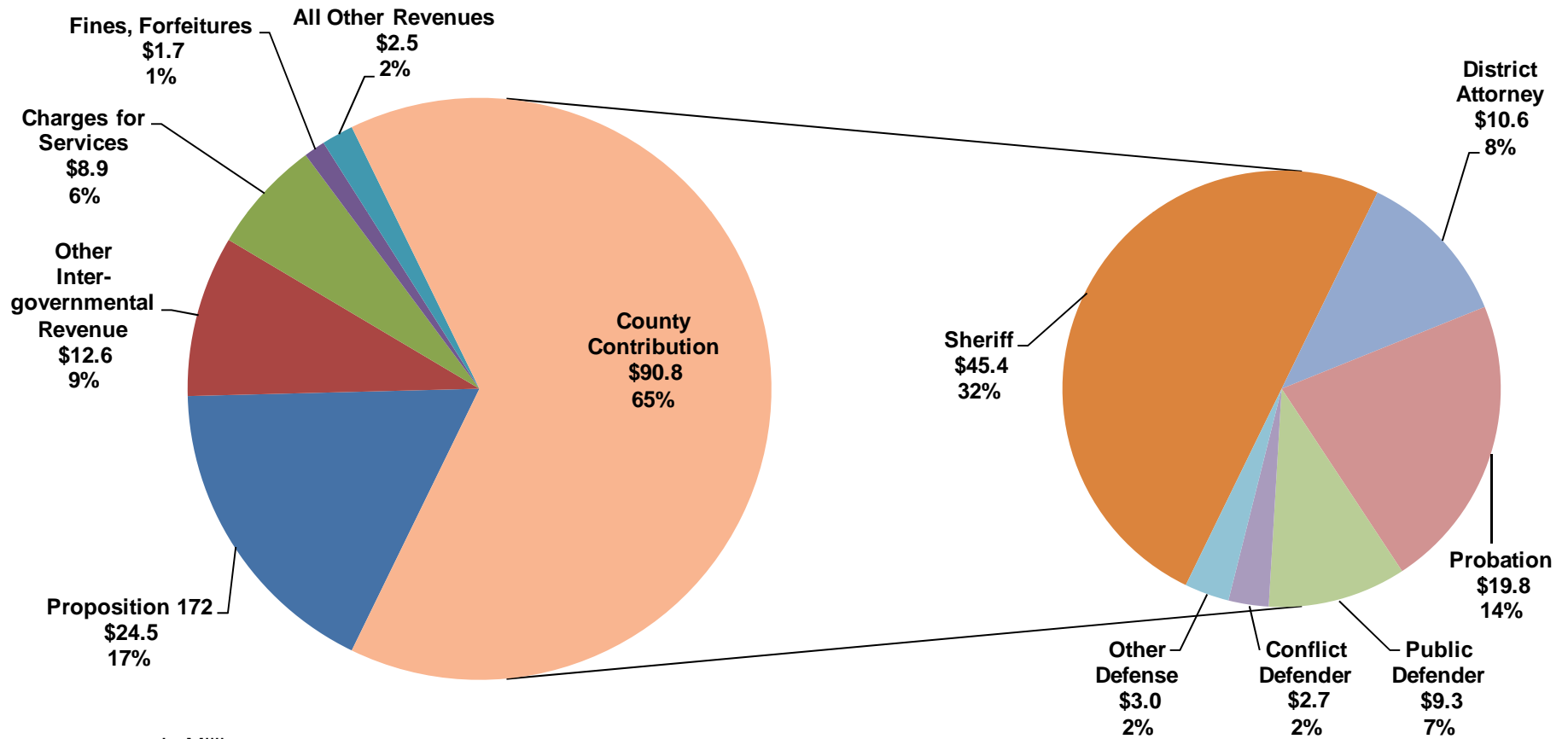


In Millions

\$140,785,939

Public Safety – Means of Financing

Distribution of General Fund dollars among Public Safety departments



In Millions

\$140,785,939