

# **Budget Balancing Initiatives**

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**Office of Management and Budget**

**March 16, 2009**

# Lower Revenue Forecasts

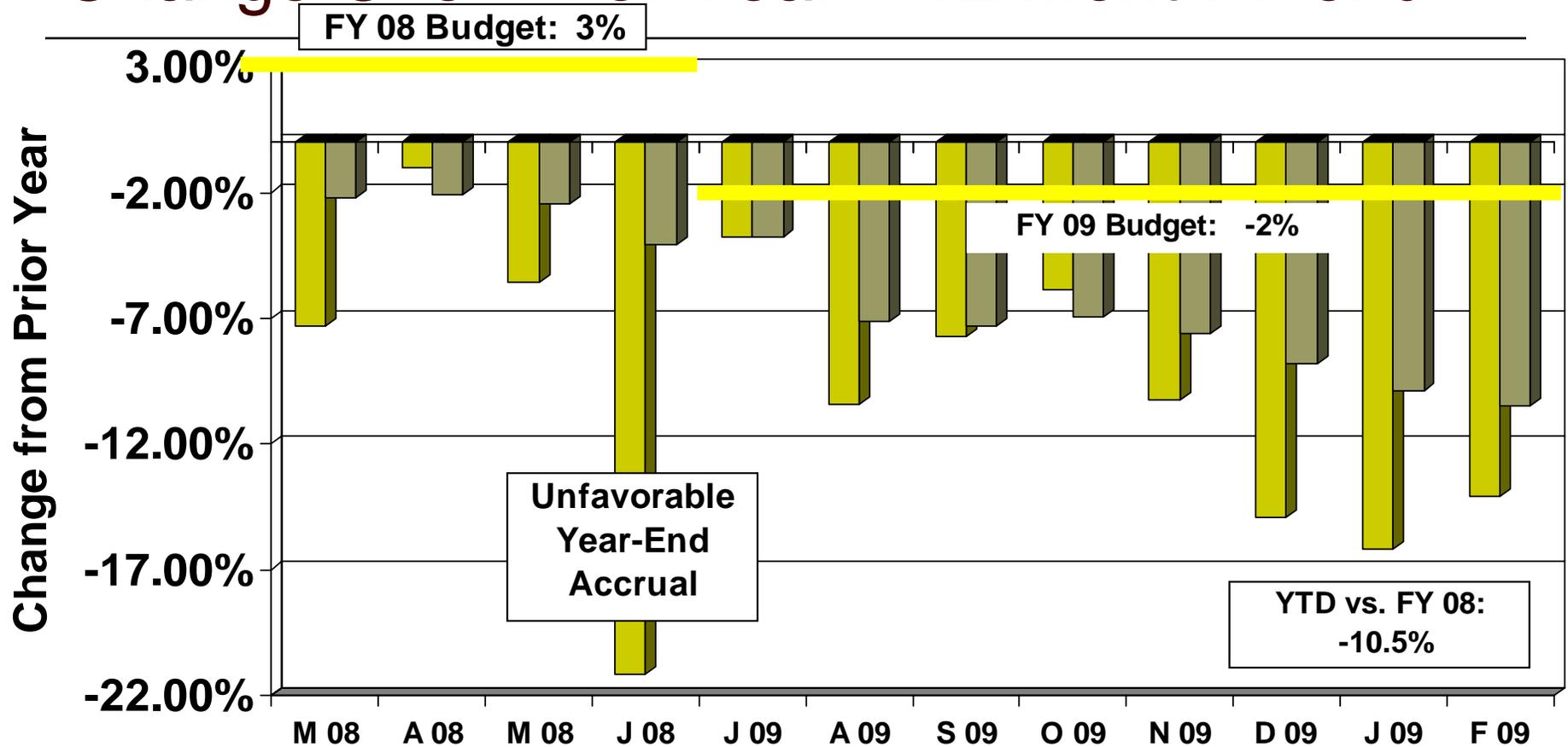
	FY 08	FY 09			
	Actual	Adopted Budget	Oct. Forecast *	YTD Actual**	Jan. Forecast*
Sales	-4.0%	-2.0%	-8.2%	<b><u>-10.5%</u></b>	<b>-9.9%</b>
VLT	-2.9%	-2.0%	-10.0%	<b>-8.2%</b>	<b>-13.0%</b>
Jail	-5.0%	-2.0%	-8.6%	<b><u>-12.0%</u></b>	<b>-11.0%</b>
HURF	-4.5%	7.5%***	-12.0%	<b><u>-13.0%</u></b>	<b>-12.6%</b>

\*Quarterly "worst case" by Elliott D. Pollack and Co.

\*\*February 2009.

\*\*\*Estimate did not factor in State revenue diversions.

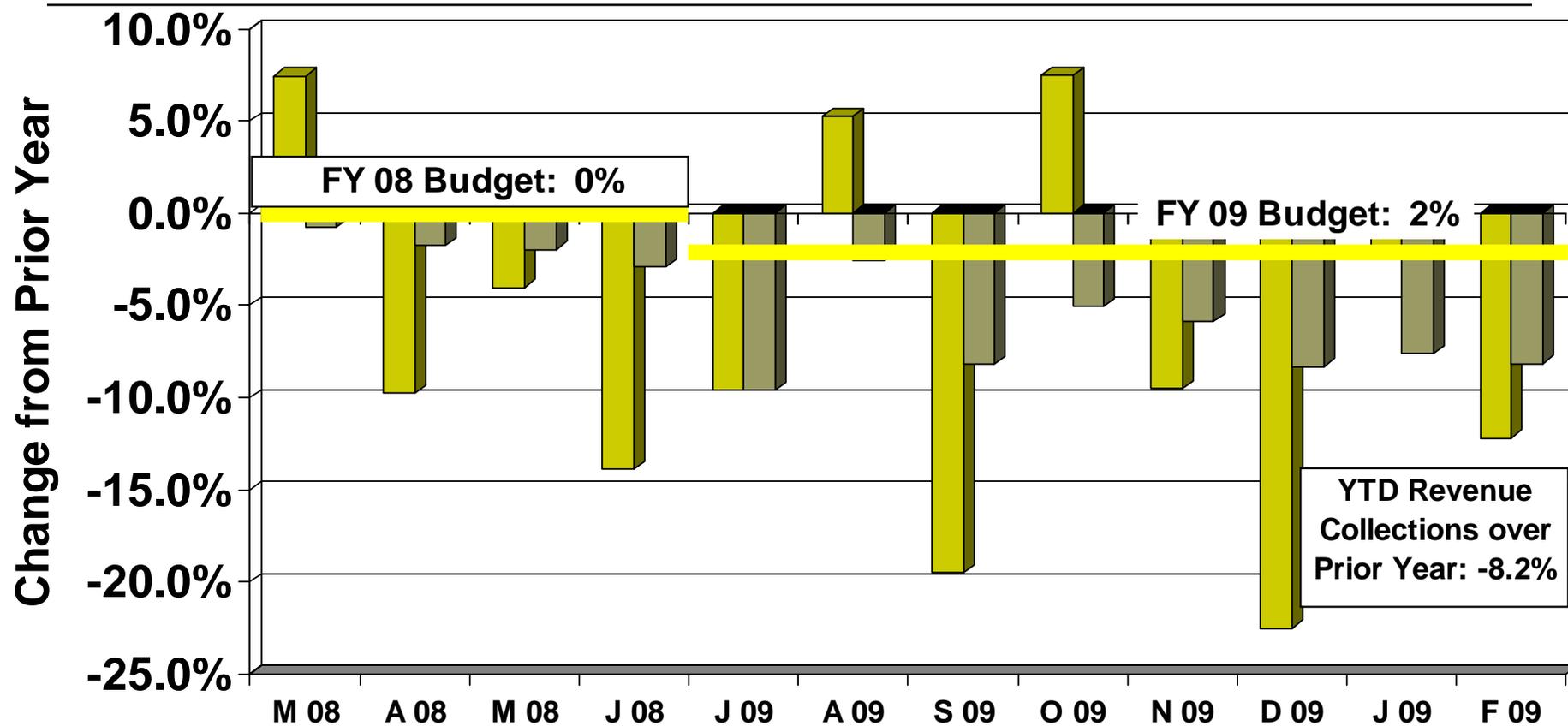
# State Shared Sales Tax Change Over Prior Year – 12 Month Trend



**Revenues under budget  
\$26.5 million YTD  
through February 2009**

**■ Month ■ YTD**

# State Shared Vehicle License Tax Change Over Prior Year – 12 Month Trend

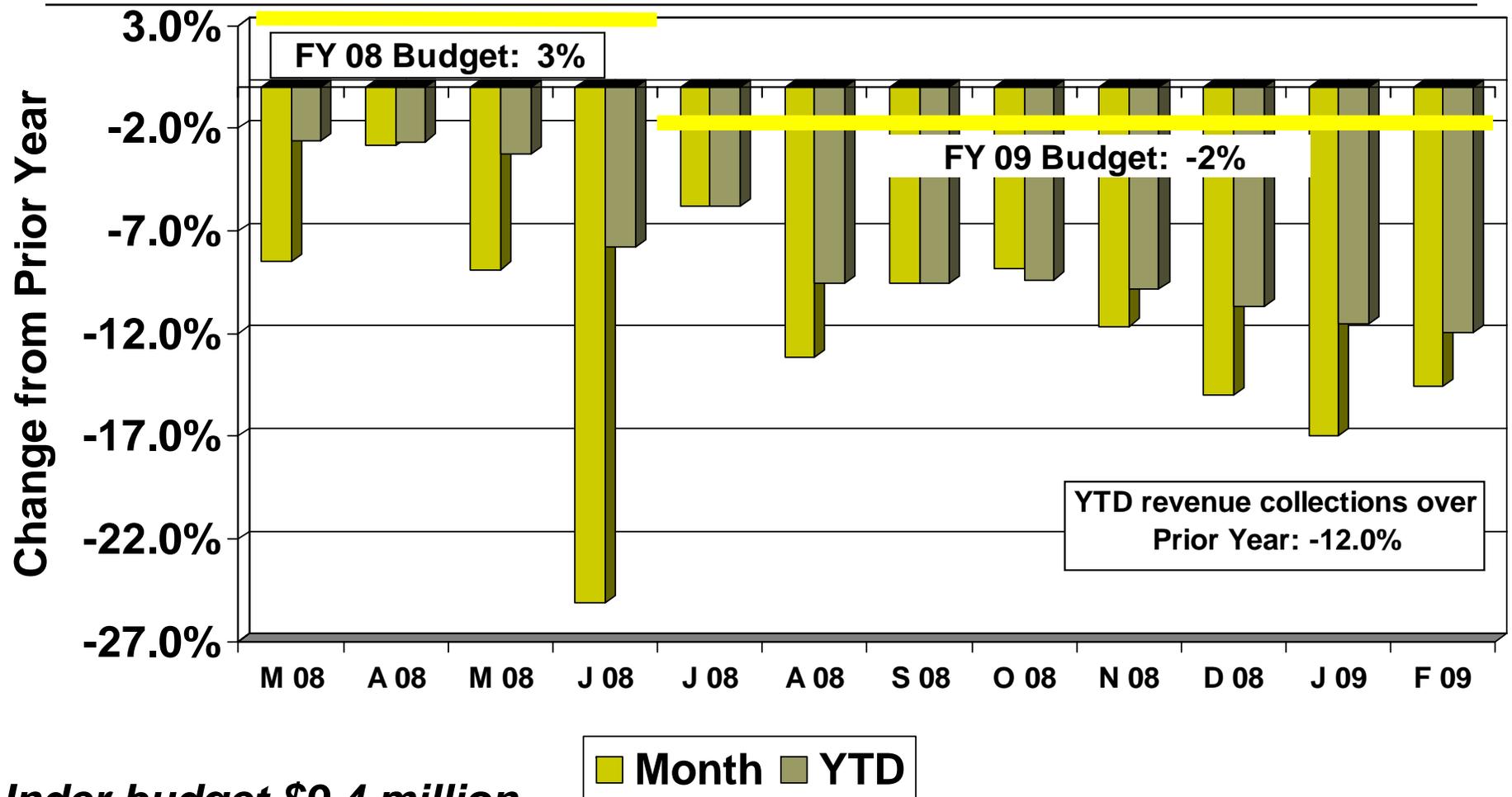


***Under budget \$5.9 million  
YTD through February 2009***

**■ Month ■ YTD**

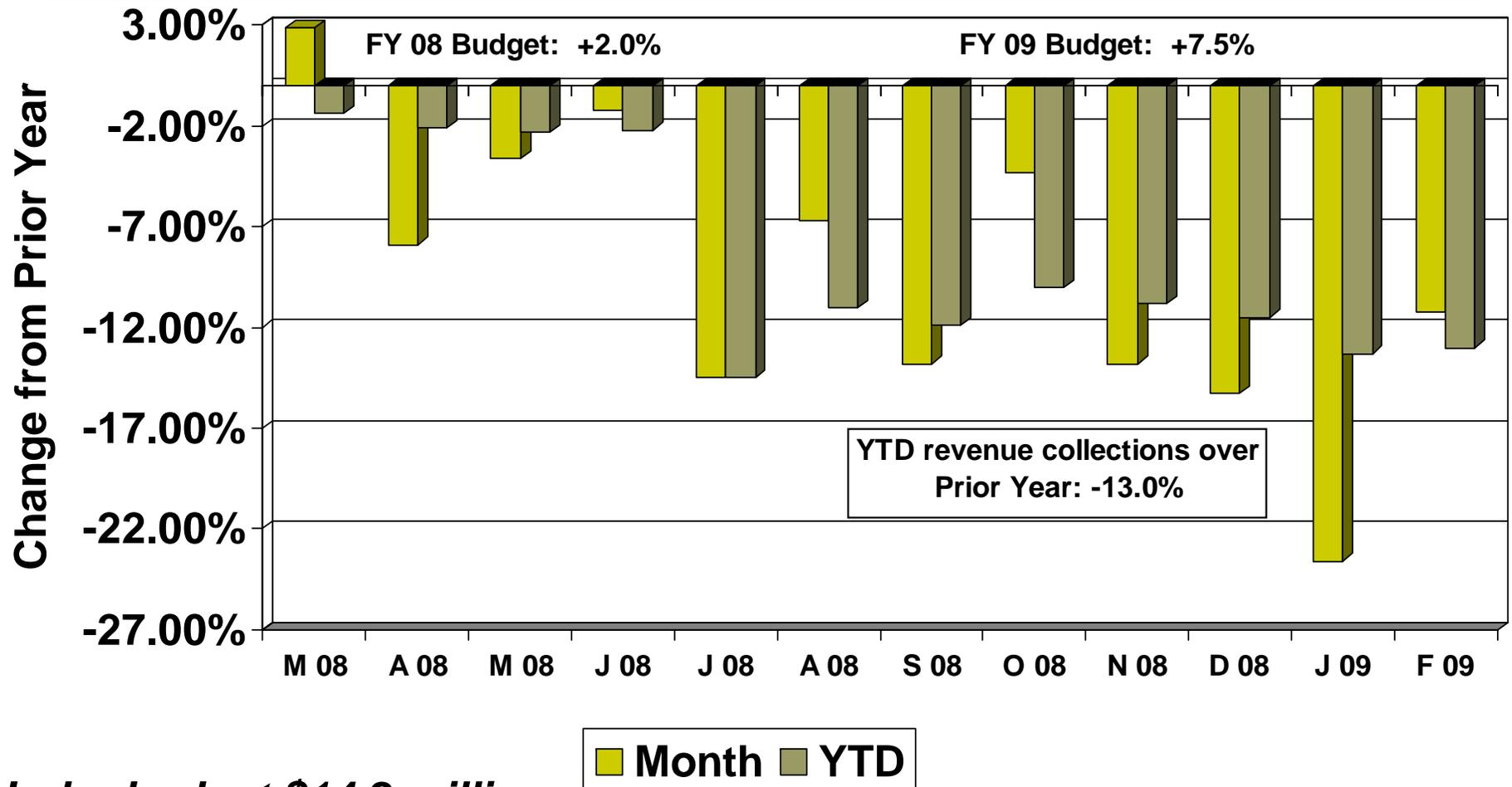
# Jail Excise Tax

## Change Over Prior Year – 12 Month Trend



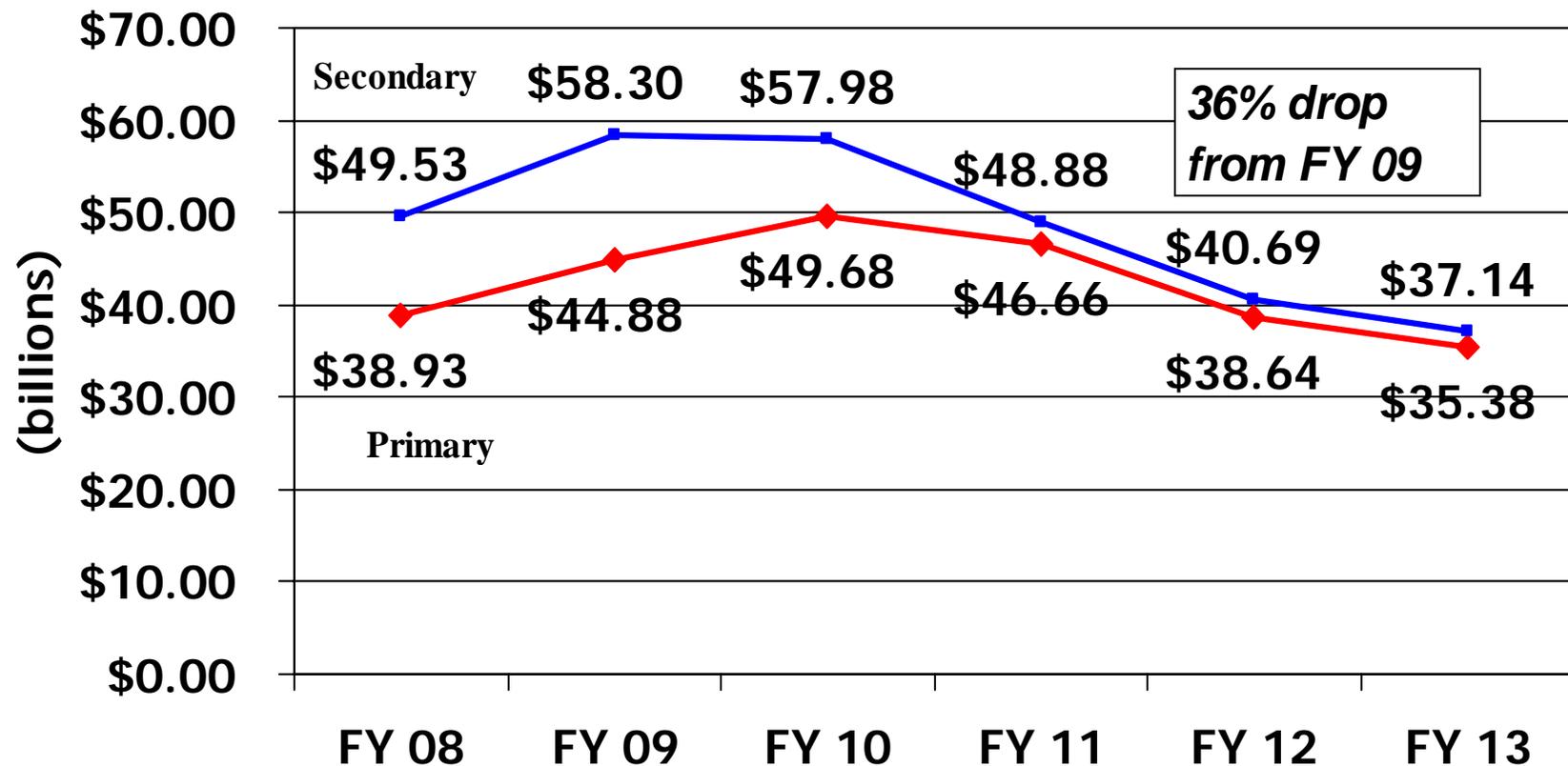
***Under budget \$9.4 million  
YTD through February 2009***

# Highway User Revenue Change Over Prior Year – 12 Month Trend



***Under budget \$14.2 million  
YTD through February 2009***

# Assessed Value Declines Fiscal Years 2011-13



January 2009 Pessimistic forecast by Elliott D. Pollack and Co.

# FY 10 Structural Deficits (millions)

	General	Detention	TOTAL
Revenue:			
FY 2008-09 Revised Budget	\$ 1,166.2	\$ 369.2	\$ 1,535.5
FY 2009-10 Base Adjustments	(65.6)	(20.5)	(86.1)
FY 2009-10 Base	\$ 1,100.6	\$ 348.8	\$ 1,449.4
Expenditures:			
FY 2008-09 Revised Budget	\$ 1,166.3	\$ 369.2	\$ 1,535.5
FY 2009-10 Base Adjustments	0.9	6.8	7.6
FY 2009-10 Base	\$ 1,167.2	\$ 376.0	\$ 1,543.2
Budget Issues	\$ (24.0)	\$ -	\$ (24.0)
<b>FY 2009-10 Structural Deficit</b>	<b>\$ (90.6)</b>	<b>\$ (27.2)</b>	<b>\$ (117.8)</b>
<b>Budget Balancing Initiatives</b>			
March 16 Agenda	\$ 24.8	\$ 7.8	\$ 32.6
Pending Future Agenda	22.0	3.2	25.2
	<b>\$ 46.8</b>	<b>\$ 11.0</b>	<b>\$ 57.8</b>
<b>FY 2009-10 Remaining Deficit</b>	<b>\$ (43.8)</b>	<b>\$ (16.2)</b>	<b>\$ (60.0)</b>

# FY 10 State/Federal Impacts (millions)

	General	Detention	TOTAL
<b>FY 2009-10 Remaining Deficit</b>	<b>\$ (43.8)</b>	<b>\$ (16.2)</b>	<b>\$ (60.0)</b>
<b>State/Federal Issues:</b>			
Replacement for FY 09 Contribution	\$ (4.7)	\$ -	\$ (4.7)
FY 2009-10 ALTCS Growth	(7.0)	-	(7.0)
DOC Inmate Shift*	-	(60.0)	(60.0)
Trip Reduction Program	(0.9)	-	(0.9)
Superior Court Risk Management	(1.0)	-	(1.0)
Tourism Fund Contribution	(1.7)	-	(1.7)
Federal Medicaid Assistance	TBD	-	-
	<b>\$ (15.4)</b>	<b>\$ (60.0)</b>	<b>\$ (75.4)</b>
<b>Surplus/(Deficit) with State/Federal Issues</b>	<b>\$ (59.1)</b>	<b>\$ (76.2)</b>	<b>\$ (135.3)</b>

\* Does not include \$40 million in one-time costs.



# Departmental Budget Reductions

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- Tentative recommendations/agreements with over two-thirds of departments
- Savings primarily achieved by:
  - Eliminating vacant positions
  - Reducing administration
  - Identifying operating efficiencies



# Budget Reductions Achieved

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- Assessor – General Fund (\$2,222,820)
- Elections – General Fund (\$3,902,278)
- Emergency Management - General Fund (\$46,999)
- Emergency Management – Emergency Management Fund (\$46,999)
- Facilities Management/Public Works – General Fund (\$1,843,695)
- Facilities Management/Public Works – Detention Fund (\$97,869)



# Budget Reductions Achieved

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- Parks and Recreation – General Fund (\$754,597)
- Recorder – General Fund (\$495,729)
- Recorder – Surcharge Fund (\$364,485)
- Finance – General Fund (\$390,779)
- County Manager – General Fund (\$401,681)
- County Manager – Detention Fund (\$236,948)



# Budget Reductions Achieved

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- Internal Audit – General Fund (\$106,605)
- Workforce Management and Development – General Fund (\$545,215)
- Materials Management – General Fund (\$123,454)
- Materials Management – Reprographics Fund (\$22,163)
- Risk Management – Risk Management Fund (\$70,739)
- Equipment Services – Equipment Services Fund (336,480)



# Budget Reductions Achieved

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- Medical Examiner – General Fund (\$877,523)
- Public Health – General Fund (\$1,850,781)
- Correctional Health – General Fund (\$596,717)
- Correctional Health – Detention Fund (\$6,717,386)
- Public Fiduciary – General Fund (\$191,814)
- Management and Budget – General Fund (\$593,593)
- Health Care Programs – General Fund (\$1,128,397)



# Health, Welfare & Sanitation Service Reductions

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- Medical Examiner – General Fund
  - Medicolegal Death Investigations (\$45,694)
  - Decedent Medical Examinations (\$83,230)
- Public Health - General Fund
  - Family Planning Clinic (\$204,057)
- Public Health – Public Health Fee Fund
  - Family Planning Clinic (\$320,847)



# Health, Welfare & Sanitation Service Reductions

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- Animal Care and Control – General Fund
  - Elimination of Low Priority checks in unincorporated areas (\$65,016)



# Culture & Recreation Service Reductions

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- **Parks and Recreation – Lake Pleasant Fund \$19,382**
  - Reduces the number of staff available to assist park customers at the Desert Outdoor Center (\$35,529)
  - Offset by increases due to position transfer from the Enhancement Fund \$54,911
  
- **Parks and Recreation – Enhancement Fund \$269,519**
  - Reduces the number of staff available to assist park customers at the Desert Outdoor Center and Nature Centers (\$232,424)
  - Offset by increases due to position transfers from the General Fund \$607,416



# General Government Service Reductions

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- Finance – General Fund
  - Collections Program (\$97,975)
  - Real Estate Program (\$50,565)
  - Financial Document Processing (\$43,602)
  - Financial Reporting (\$64,215)
- Internal Audit – General Fund
  - Contract Audit Services (\$20,000)
  - Audit Plan Reduction (\$153,860)
- Risk Management – Risk Management Fund
  - Environmental Services Projects and Contingency (\$181,450)



# General Government Service Reductions

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- Call Center – General Fund (\$266,248)
  - Increase wait times from approximately 30 seconds to 3-5 minutes. In addition, the current economic conditions are causing more calls to be educational as citizens are attempting to understand the correlation between assessed values and taxes. (\$110,140)
  - Eliminate Temp Service and Temporary Pay resulting in busy signals, and 15-20 minute wait times during peak seasons (i.e. Notice of valuation mailings, tax bills and election questions) (\$41,279)



# General Government Service Reductions

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- **Non-Departmental – Major Maintenance General Fund (\$1,422,094)**
  - Postponement of projects to future years, limited service impact (i.e. replacing air handlers, renovation of public restrooms, retrofitting of switch gear)
- **Non-Departmental – Major Maintenance Detention Fund (\$559,237)**
  - Postponement of projects to future years, limited service impact (i.e. shower replacements, control retrofits, painting)
- **Non-Departmental – County-wide Maintenance Contracts General Fund (\$788,365)**
  - Reduces janitorial services at non-public buildings (\$562,000)
  - Reduces window cleaning higher than the first floor (\$36,256)



# Pending Budget Reductions

## (to be included in next budget action)

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- Clerk of the Superior Court – General Fund (\$3,251,210)
- Adult Probation – General Fund (\$7,420,316)
- Juvenile Probation – General Fund (\$3,287,517)
- Juvenile Probation – Detention Fund (\$3,204,663)
- Superior Court – General Fund (\$8,024,377)



# Special Thanks

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- Presiding Judge Barbara Mundell
- Michael Jeanes – Clerk of the Superior Court
- Barbara Broderick, Chief Adult Probation Officer
- Carol Boone, Chief Juvenile Probation Officer
- Keith Russell, Assessor
- Helen Purcell, Recorder
- Karen Osborne, Elections



# Special Thanks

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- Richard Vanderheiden, Public Fiduciary
- Rodrigo Silva, Animal Care and Control
- David Sobieski, Call Center
- Warren Leek, Emergency Management
- John Cantu, Equipment Services
- Janet Palacino, Facilities Management
- R.J. Cardin, Parks and Recreation
- Ross Tate, Internal Audit



# Special Thanks

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- Betty Adams, Correctional Health Services
- Ken Andersen, Research and Reporting
- Wes Baysinger, Materials Management
- David Boyer, Office of the Medical Examiner
- Dr. Robert England, Public Health
- Peter Crowley, Risk Management
- Shelby Scharbach, Finance
- David Smith, County Manager
- Elizabeth Yaquinto, Workforce Management and Development



# Next Steps

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- ❑ Finalize and approve additional budget balancing initiatives
- ❑ Determine impact of the Post Employment Health Plan Enhancement Program (PEHPEP)
- ❑ Finalize capital lease payoff options
- ❑ Identify other Non-Departmental reductions
- ❑ Evaluate impact of new April quarterly revenue forecasts from Elliott D. Pollack and Co.
- ❑ Update five-year forecast



## Budget Calendar – Remaining Dates

March 30	Budget Balancing Initiatives – Part II
May 18	Recommended Budget Presentation
May 20	Tentative Budget Adoption
June 22	Final Budget Adoption
August 17	Property Tax Levy Adoption

*Dates are subject to change due to uncertainty about the State budget.*



**Office of Management & Budget**