

Update: Preliminary 5-Year Financial Plan Overview

Board of Supervisors Strategic
Planning Retreat

October 24, 2008

| 5-Yr Financial Plan - Potential FY09 & 10 Adjustments | Previous Discussion | |
|--|---|--|
| Projected Total FY09 Revenue Shortfall | (\$4.1 million) | |
| Beginning LG Financial Plan Shortfall <ul style="list-style-type: none"> Includes continued FY08 savings 17 frozen & (\$500,000) operating | (9.3 million) | |
| Reduced operational expenditures | Reduce discretionary spending, prepare 5% contingencies | |
| Expanded Hiring Freeze | FY08: 17 positions FY09: 15 positions Total: 32 positions | |
| Salary Increase | 3.93% (market) | |
| Increase to Agencies | 2% | |
| Board-planned 5-Year Plan programs | Eliminated | |
| Use of "lockbox" funds | No | |
| Reduction in Capital Transfer | None | |
| Use of Board Reserve | None | |
| Projected FY10 Shortfall - Adjusted | (\$5.5 million) | |

| 5-Yr Financial Plan - Potential FY09 & 10 Adjustments | Previous Discussion | Update |
|--|---|---|
| Projected Total FY09 Revenue Shortfall | (\$4.1 million) | (\$4.9 million) |
| Beginning LG Financial Plan Shortfall • Includes continued FY08 savings 17 frozen & (\$500,000) operating | (9.3 million) | (10.1 million) |
| Reduced operational expenditures | Reduce discretionary spending, prepare 5% contingencies | Immediate implementation of additional \$1 million |
| Expanded Hiring Freeze | FY08: 17 positions FY09: 15 positions Total: 32 positions | FY08: 17 positions FY09: 25 positions FY10: 15 positions Total: 57 positions |
| Salary Increase | 3.93% (market) | None |
| Increase to Agencies | 2% | 0% |
| Board-planned 5-Year Plan programs | Eliminated | Eliminated |
| Use of "lockbox" funds | No | Yes |
| Reduction in Capital Transfer | None | 1 cent |
| Use of Board Reserve | None | \$200,000 |
| Projected FY10 Shortfall - Adjusted | (\$5.5 million) | (\$1.8 million) |

Outlook for Years 2-5 of Five-Year Financial Plan

Revenues

- Assumes one cent tax increase in year two
- Assumes slow economic recovery and real estate value increases

Expenditures

- Meets basic obligations
- Includes minimal baseline increases
- Includes salary and benefit increases
- Includes minimal school increases based on projected revenues
- Maintains frozen positions
- Delays expansion of new services until years 4 & 5
- Delays or eliminates various capital projects

* Currently finalizing the Plan for review in November