

# FY 2011 Proposed Budget

**August 24, 2010**

**Presented by: James Pehrson, CPA**

**Director/Comptroller**



COBB COUNTY FINANCE DEPARTMENT

# Challenges

- **Economic Challenges**
- **Impacts on Revenue**
- **Actions Taken**
- **Balancing the Budget**

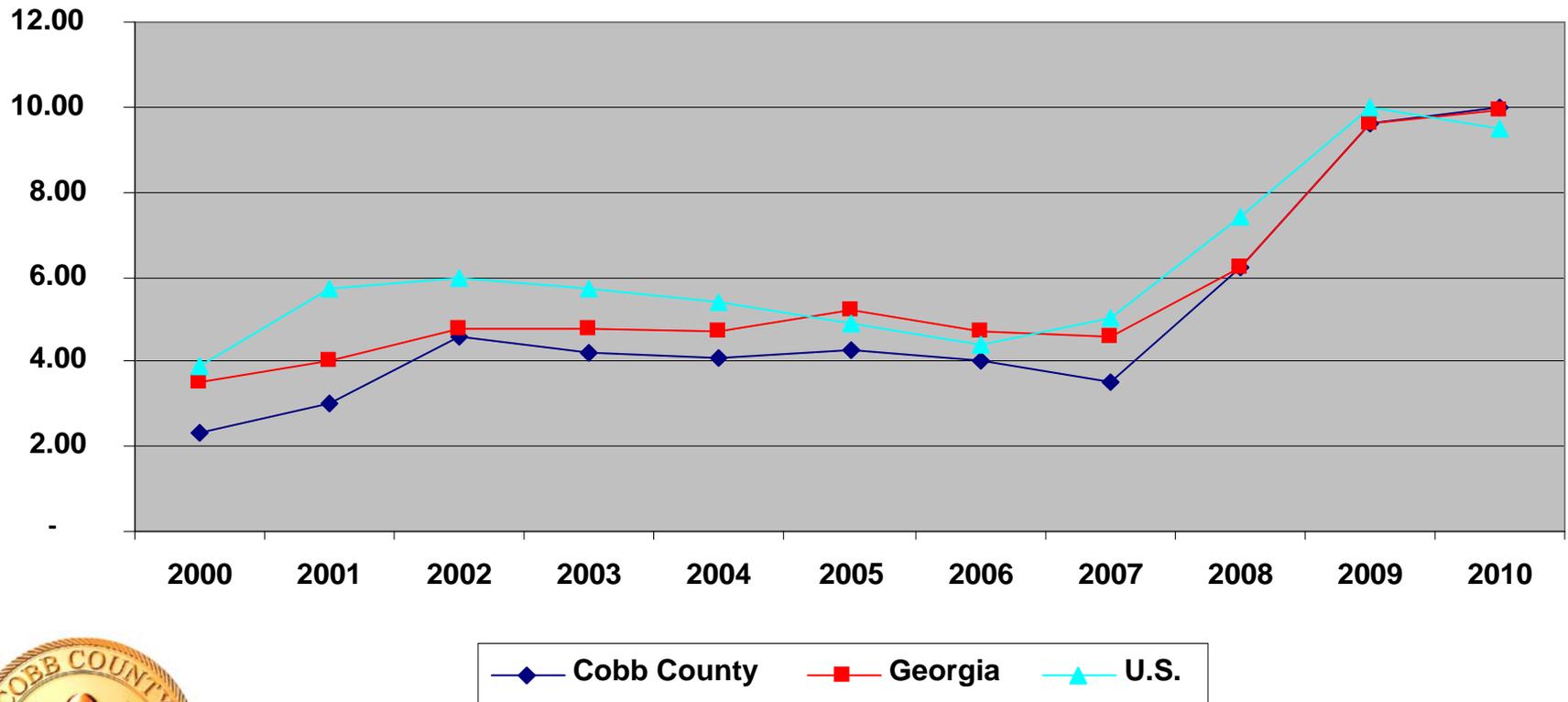


# Economic Challenges

- Short-term trials of today are quickly evolving into the normal operating conditions of the next two to five years.
  - Impacting all sectors of the economy
- National League of Cities' *City Fiscal Conditions in 2009* report outlines a lag between economic and local government fiscal conditions that make it difficult to envision local government revenues beginning to grow back to 2006 levels before 2013.
  - Local governments recovery typically lags private sector



# Economic Recession - Unemployment

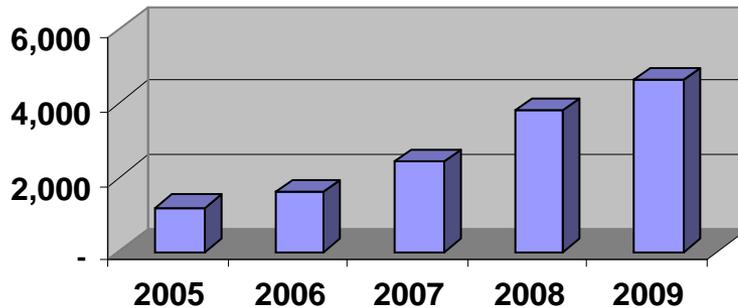


**Source Data:**  
Georgia Department of Labor  
U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

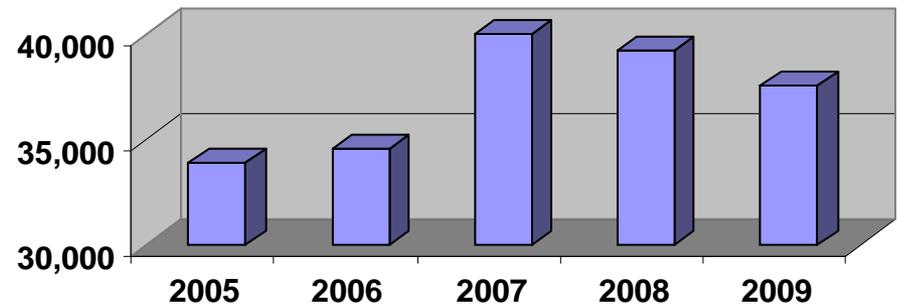
COBB COUNTY FINANCE DEPARTMENT

# Economic Recession - Other Indicators

Cobb County Foreclosures



Per Capita Income



Source Data:  
Woods & Poole Economic Report



# State Legislature - HB 233

- **Passed by State Legislature in 2009**
- **Places a 3 year moratorium on all increases in assessed values of all classes of property which are subject to ad valorem taxation**
- **Impacts Cobb Fiscal Years 2010 – 2012**
- **Funds Impacted:**
  - **General Fund**
  - **Fire District Fund**
  - **Debt Service Fund**



# Property Tax Revenues

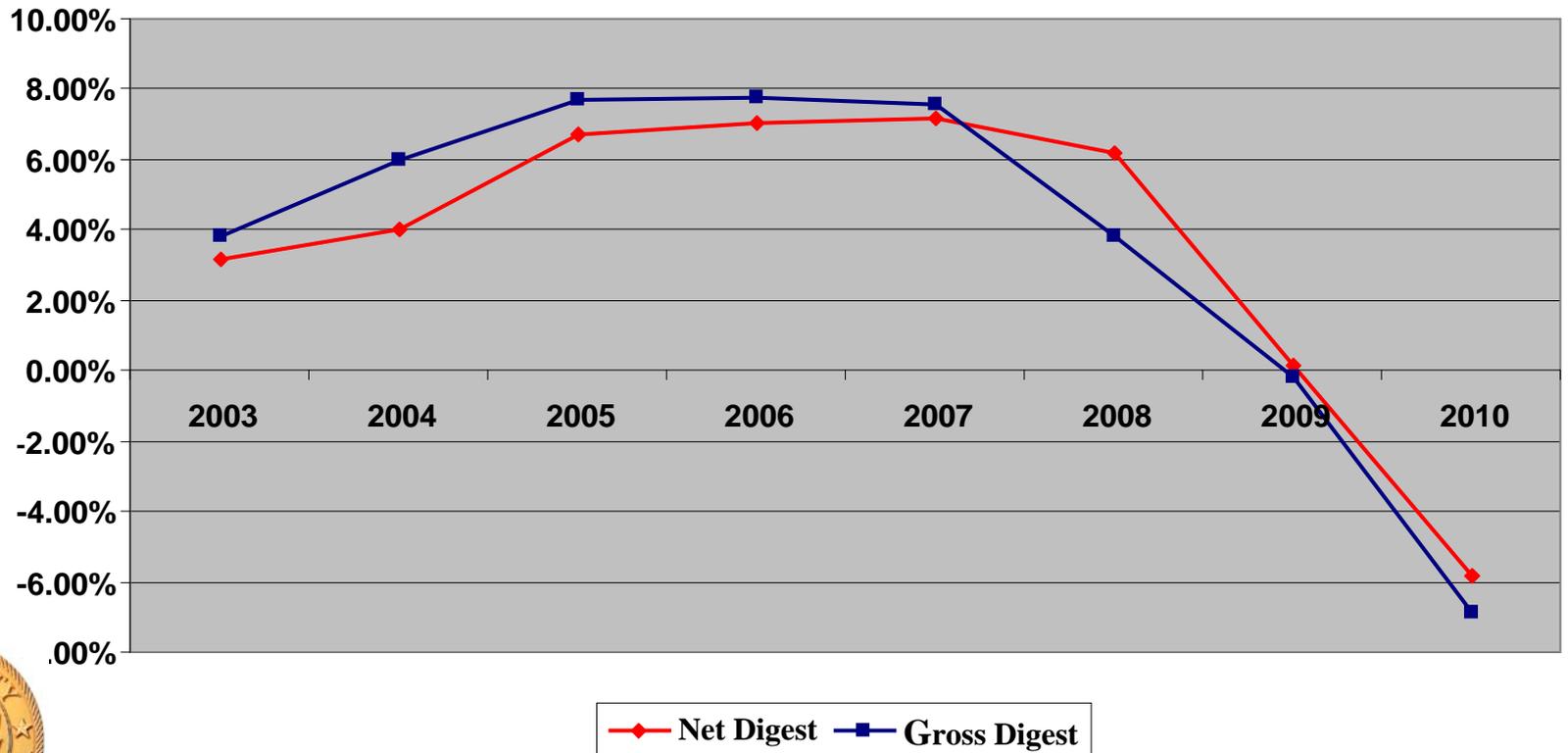
**General Fund - 55%**

**Fire District Fund - 97.42%**

**Debt Service Fund - 97.37%**



# General Fund Tax Digest - % Change from Previous FY



COBB COUNTY FINANCE DEPARTMENT

# General Fund – Assessed Values

	FY 2008		FY 2009		FY 2010	
Gross County Digest	\$	33,818,897,411	\$	33,757,593,994	\$	31,428,353,769
Less M&O Expemptions	\$	(6,221,771,592)	\$	(6,114,764,422)	\$	(5,404,300,852)
Net M&O Digest	\$	27,597,125,819	\$	27,642,829,572	\$	26,024,052,917
Net M&O Millage		6.82		6.82		6.82
Net Ad Valorem Levy	\$	188,212,398	\$	188,524,098	\$	177,484,041
Net \$ Change	\$	10,989,011	\$	311,700	\$	(11,040,057)
Net % Change		6.20%		0.17%		-5.86%



# Assessed Values – Austell

	FY 2008		FY 2009		FY 2010	
Gross Digest	\$	246,841,574	\$	239,913,859	\$	195,159,120
Less M&O Exemptions	\$	(6,039,534)	\$	(5,144,278)	\$	(4,172,299)
Net M&O Digest	\$	240,802,040	\$	234,769,581	\$	190,986,821
Net \$ Change	\$	11,095,542	\$	(6,032,459)	\$	(43,782,760)
Net % Change		4.83%		-2.51%		-18.65%

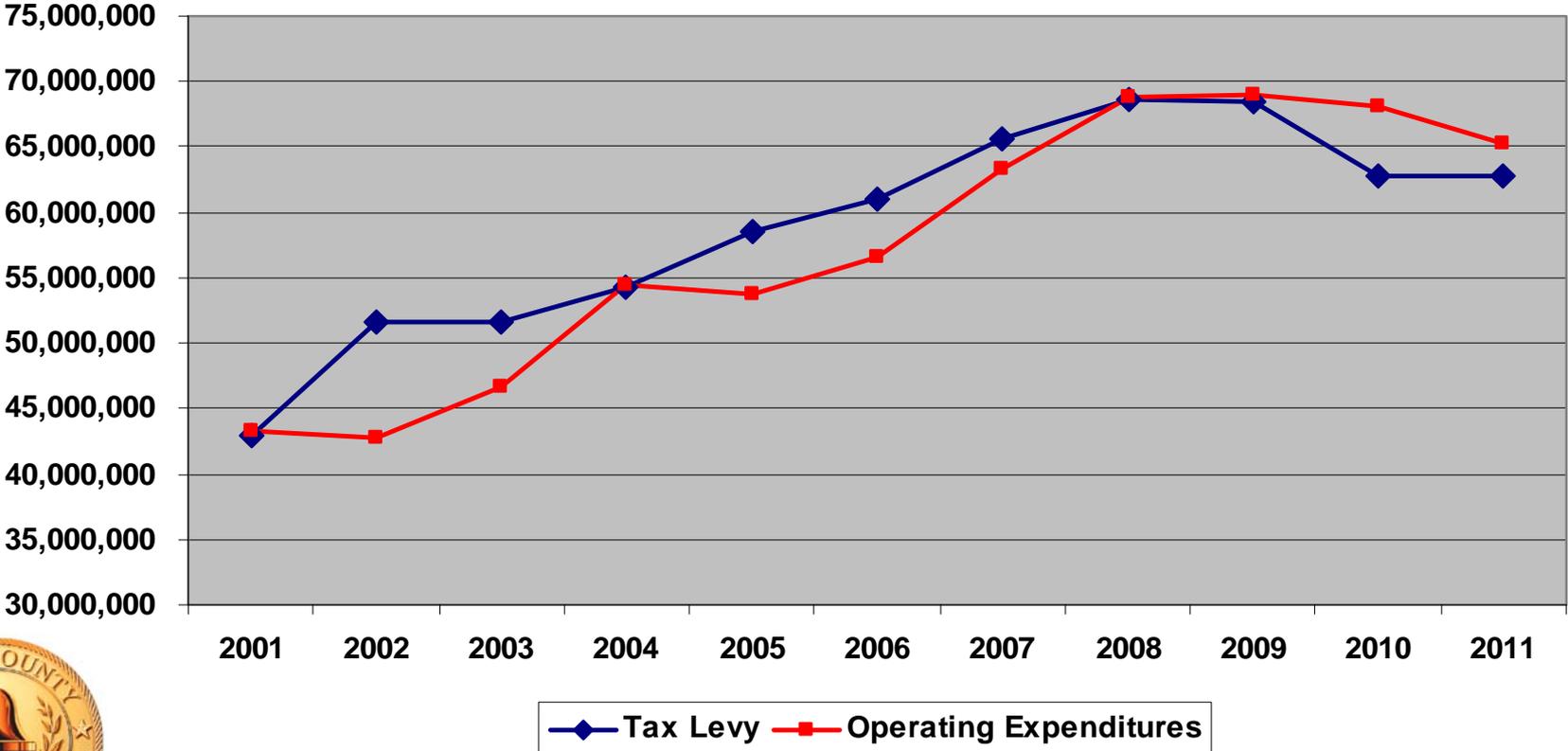


# Assessed Values – Powder Springs

	FY 2008	FY 2009	FY 2010
Gross Digest	\$ 472,127,168	\$ 466,075,515	\$ 392,453,676
Less M&O Exemptions	\$ (1,667,042)	\$ (3,542,181)	\$ (3,024,103)
Net M&O Digest	\$ 470,460,126	\$ 462,533,334	\$ 389,429,573
Net \$ Change	\$ 25,371,263	\$ (7,926,792)	\$ (73,103,761)
Net % Change	5.70%	-1.68%	-15.81%

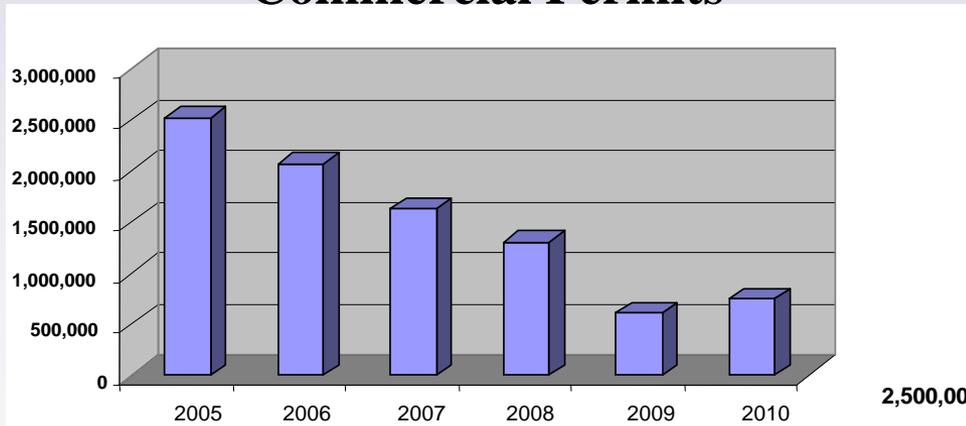


# Fire Fund Tax Digest - % Change from Previous FY

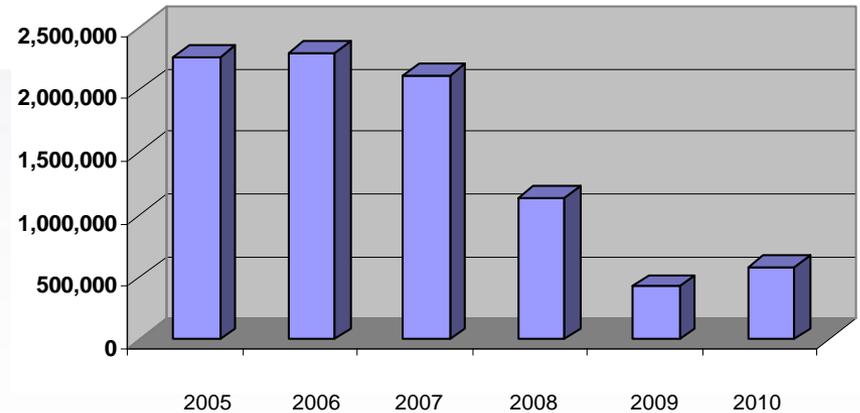


# Other Revenues - Permitting Fees

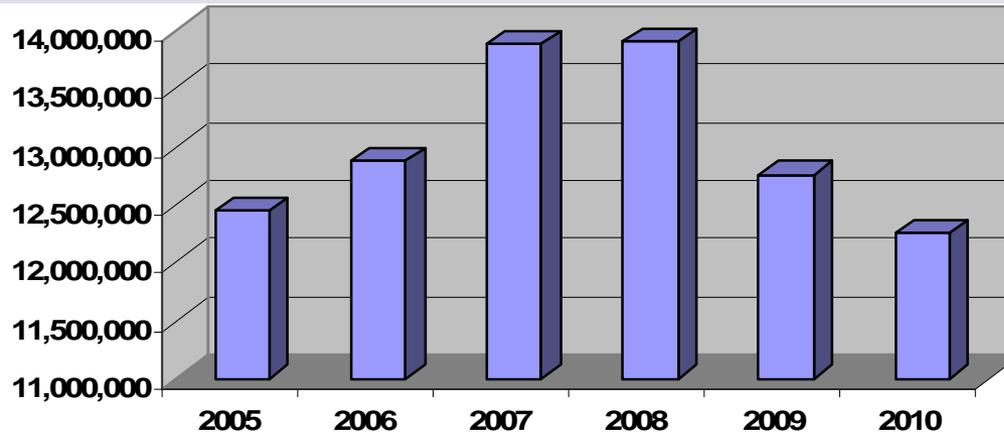
## Commercial Permits



## Residential Permits



# Revenues – Business License



Fiscal Year	Amount	
2010	12,410,382	<i>*projected</i>
2009	12,927,562	<i>actual</i>
2008	14,057,944	<i>actual</i>



# Other Revenues – Hotel Motel Tax

<u>Monthly Comparison</u>	FY Revenues Thru July	FY 10 Inc/(Dec) over FY
Fiscal Year 2010	\$ 6,733,842	\$ -
Fiscal Year 2009	\$ 6,819,836	\$ (85,994)
Fiscal Year 2008	\$ 8,044,184	\$ (1,310,342)

Fiscal Year	Amount	
2010	9,245,973	<i>*projected</i>
2009	9,327,241	<i>actual</i>
2008	11,084,810	<i>actual</i>



# FY 2011 Proposed Budget

## Other Challenges



COBB COUNTY FINANCE DEPARTMENT

# **FY 2011 New Operational Demands**

## **2005 SPLOST Projects:**

**New Detention Facility**

**New Court House**

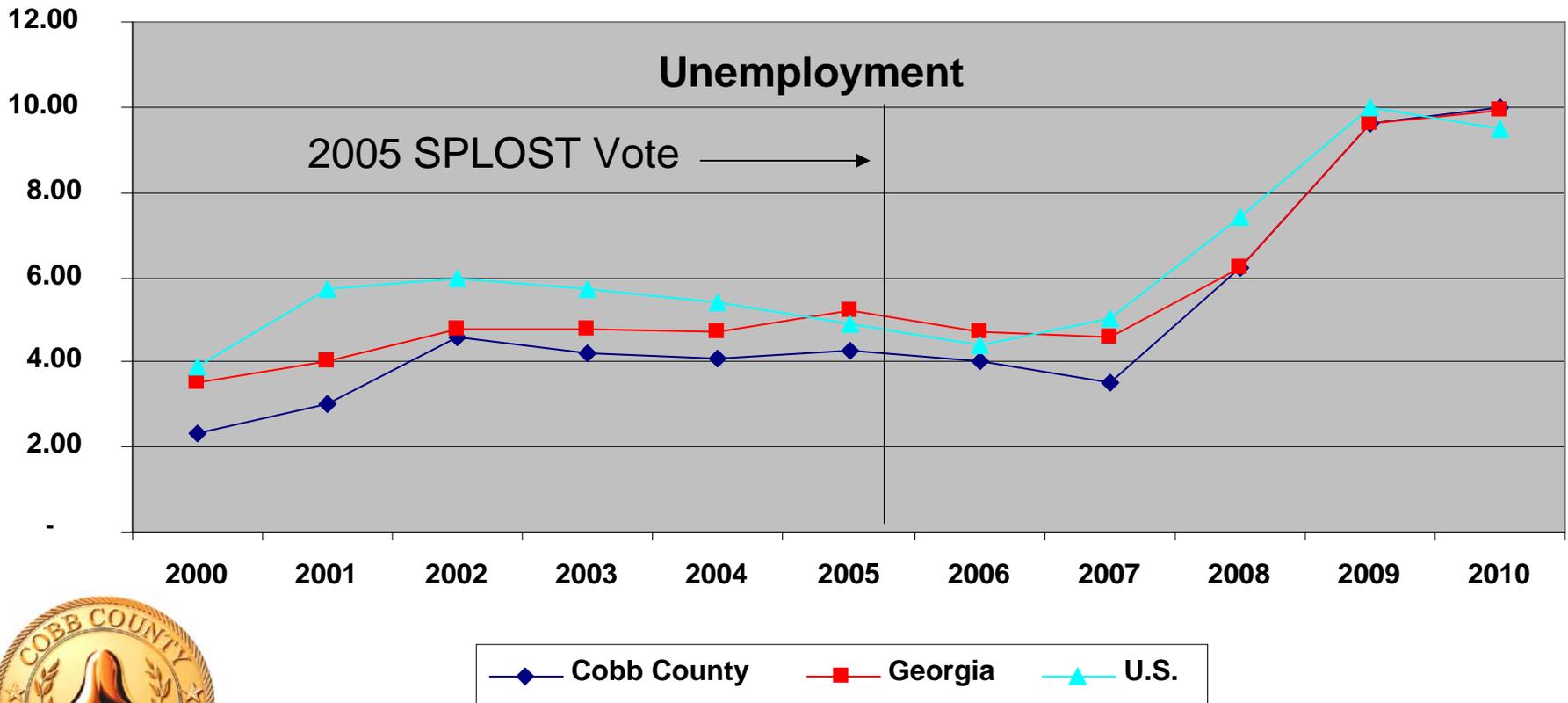
**New DOT Facility**

*Approved by voters on September 20<sup>th</sup> 2005*



COBB COUNTY FINANCE DEPARTMENT

# When 2005 SPLOST was Approved



# FY 2011 Proposed Budget

## Prior & Current Year Actions Taken



COBB COUNTY FINANCE DEPARTMENT

# Actions Taken

**Hiring Freezes – First Implemented FY 2007**

**Privatization of Solid Waste - \$5 million annual savings to General Fund – Sept 2009**

**Retirement Program - \$6 million annual savings**

**Prior BOC Actions - \$3 million annual savings**

**Dec. 2009 – FY09 Budget reduced by \$19.6m**

**March 2010 – FY09 Budget reduced by \$5.4m**

**Jan. 2010 – FY10 Budget reduced by \$8.0m**



# Full-Time Employees by Function

	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>
<b>General government</b>	<b>1,154</b>	<b>1,155</b>	<b>1,099</b>
<b>Public safety</b>	<b>2,076</b>	<b>2,162</b>	<b>2,166</b>
<b>Public works</b>	<b>167</b>	<b>164</b>	<b>149</b>
<b>Health and welfare</b>	<b>55</b>	<b>55</b>	<b>50</b>
<b>Culture and recreation</b>	<b>312</b>	<b>309</b>	<b>283</b>
<b>Housing and development</b>	<b>104</b>	<b>108</b>	<b>93</b>
<b>Water</b>	<b>407</b>	<b>403</b>	<b>405</b>
<b>Solid waste</b>	<b>54</b>	<b>54</b>	<b>6</b>
<b>Total</b>	<b>4,329</b>	<b>4,410</b>	<b>4,251</b>



# Additional Actions Taken

- **Projects Unfunded or Deferred**
  - **Web Portal**
  - **GIS**
  - **311**
  - **Bldg Maintenance/Renovation Projects**
  - **Street Paving**
  - **Storm Drain Maintenance**
- **Operating Capital Freezes**
- **Departmental Operating Accounts**



# FY 09 Expenditures – County Wide (Selected Accounts)

Account Description	September 2009	September 2008	Inc/(Dec)	% Change
Salaries-Overtime	3,932,628.63	6,082,591.30	(2,149,962.67)	-35.35%
General Office Supplies	588,345.55	649,626.10	(61,280.55)	-9.43%
Computer Supplies	511,608.95	597,038.01	(85,429.06)	-14.31%
Food & Service Supplies	415,486.52	482,969.00	(67,482.48)	-13.97%
Accountable Equipment	430,000.63	499,572.74	(69,572.11)	-13.93%
Registration	271,902.09	443,357.09	(171,455.00)	-38.67%
Travel - Business	222,312.99	443,206.82	(220,893.83)	-49.84%
Travel - Training	223,743.97	316,385.52	(92,641.55)	-29.28%
General Printing Charges	562,940.99	632,940.55	(69,999.56)	-11.06%
	<b>7,158,970.32</b>	<b>10,147,687.13</b>	<b>(2,988,716.81)</b>	<b>-29.45%</b>



# FY 10 Expenditure Analysis (selected accounts)

Account Description	July 2010	July 2009	Inc/(Dec)	% Change
Salaries-Overtime	2,493,800.46	3,352,936.10	(859,135.64)	-25.62%
General Office Supplies	470,556.86	457,454.72	13,102.14	2.86%
Computer Supplies	432,067.80	397,711.03	34,356.77	8.64%
Food & Service Supplies	318,946.95	339,944.39	(20,997.44)	-6.18%
Accountable Equipment	439,303.13	347,842.28	91,460.85	26.29%
Registration	249,361.83	234,935.24	14,426.59	6.14%
Travel - Business	194,023.40	176,337.74	17,685.66	10.03%
Travel - Training	188,549.14	187,721.42	827.72	0.44%
General Printing Charges	447,809.68	468,176.06	(20,366.38)	-4.35%
	<b>5,234,419.25</b>	<b>5,963,058.98</b>	<b>(728,639.73)</b>	<b>-12.22%</b>



# FY 2011 Proposed Budget



COBB COUNTY FINANCE DEPARTMENT

# FY 2011 Proposed Operating Budget

<b>Operating Budgets</b>	<b>FY 10 Adopted</b>	<b>FY 11 Proposed</b>	<b>% Change</b>
<b>Governmental Activities:</b>			
General Fund	\$ 337,998,371	\$ 328,259,554	-2.88%
Claims	\$ 78,629,766	\$ 83,854,754	6.65%
CSBG	\$ 442,259	\$ 661,337	49.54%
Debt Service	\$ 9,324,152	\$ 8,644,312	-7.29%
E911	\$ 9,838,533	\$ 9,924,384	0.87%
Fire	\$ 70,859,312	\$ 65,611,370	-7.41%
Hotel/Motel Tax	\$ 9,400,000	\$ 9,100,000	-3.19%
Law Library	\$ 707,800	\$ 707,743	-0.01%
Parking Deck	\$ 459,919	\$ 584,600	27.11%
<i>Subtotal</i>	<b>\$ 517,660,112</b>	<b>\$ 507,348,054</b>	<b>-1.99%</b>
<b>Business-type Activities:</b>			
Golf Course	\$ 2,186,184	\$ 2,039,396	-6.71%
Solid Waste	\$ 3,270,932	\$ 3,539,324	8.21%
Transit	\$ 19,381,105	\$ 18,488,555	-4.61%
Water	\$ 179,467,313	\$ 188,999,127	5.31%
<i>Subtotal</i>	<b>\$ 204,305,534</b>	<b>\$ 213,066,402</b>	<b>4.29%</b>
<b>Total</b>	<b>\$ 721,965,646</b>	<b>\$ 720,414,456</b>	<b>-0.21%</b>



# General Fund Revenues

General Fund	FY 10 Adopted	FY 11 Proposed	% Change
<b>Revenues:</b>			
Property Taxes	\$ 186,673,374	\$ 176,924,898	-5.22%
Penalties & Interest	\$ 4,731,000	\$ 5,209,825	10.12%
Other Taxes	\$ 36,092,502	\$ 35,381,510	-1.97%
Licenses and Permits	\$ 17,504,838	\$ 20,431,344	16.72%
Intergovernmental Revenues	\$ 4,317,268	\$ 3,494,013	-19.07%
Charges for Services	\$ 44,735,196	\$ 44,329,119	-0.91%
Fines and Forfeitures	\$ 15,640,000	\$ 16,431,688	5.06%
Miscellaneous Revenue	\$ 3,741,432	\$ 4,819,337	28.81%
Other Financing Sources	\$ 472,894	\$ 435,433	-7.92%
Transfers	\$ 24,089,867	\$ 20,802,387	-13.65%
<i>Total</i>	<b>\$ 337,998,371</b>	<b>\$ 328,259,554</b>	<b>-2.88%</b>



# General Fund Expenditures

General Fund	FY 10 Adopted	FY 11 Proposed	% Change
<b>Personnel Services</b>			
Salaries	\$ 162,708,954	\$ 155,864,058	-4.21%
Taxes & Benefits	\$ 71,098,672	\$ 75,632,168	6.38%
<b>Total Personal Services</b>	<b>\$ 233,807,626</b>	<b>\$ 231,496,226</b>	<b>-0.99%</b>
Operating	\$ 77,140,413	\$ 73,130,768	-5.20%
Capital	\$ 1,186,189	\$ 1,147,202	-3.29%
Debt Service	\$ 1,208,956	\$ 1,000,194	-17.27%
Transfers Out	\$ 21,958,805	\$ 19,825,803	-9.71%
Contingency	\$ 2,696,382	\$ 1,659,361	-38.46%
<i>Total</i>	<b>\$ 337,998,371</b>	<b>\$ 328,259,554</b>	<b>-2.88%</b>



# Grants & Capital Budgets

<b>Grant Funds</b>	<b>FY 10 Adopted</b>	<b>FY 11 Proposed</b>	<b>% Change</b>
<b>CDBG</b>	<b>3,695,678</b>	<b>3,857,767</b>	<b>4.39%</b>
<b>HOME</b>	<b>1,893,294</b>	<b>1,955,086</b>	<b>3.26%</b>
<b>JAG</b>	<b>169,229</b>	<b>171,323</b>	<b>1.24%</b>
<i><b>Subtotal</b></i>	<b>5,758,201</b>	<b>5,984,176</b>	<b>3.92%</b>
<b>Capital Funds</b>			
<b>800 MHz Radio System</b>	<b>1,087,694</b>	<b>1,087,694</b>	<b>0.00%</b>
<b>Capital Projects</b>	<b>6,271,915</b>	<b>7,131,746</b>	<b>13.71%</b>
<b>Water RE&amp;I</b>	<b>37,676,924</b>	<b>38,766,369</b>	<b>2.89%</b>
<b>Water System Dev Fee</b>	<b>40,236,514</b>	<b>54,019,200</b>	<b>34.25%</b>
<i><b>Subtotal</b></i>	<b>85,273,047</b>	<b>101,005,009</b>	<b>18.45%</b>
<b>Total Grant &amp; Capital Funds</b>	<b>91,031,248</b>	<b>106,989,185</b>	<b>17.53%</b>



# Capital Projects

	<b>FY 11 Proposed</b>
<b>Voice Over IP</b>	<b>786,090</b>
<b>Community Development Application System</b>	<b>611,070</b>
<b>Public Safety Record Mgt System</b>	<b>807,971</b>
<b>PC &amp; Printer Replacement</b>	<b>979,889</b>
<b>Judicial Upgrade System</b>	<b>146,971</b>
<b>Tivoli Storage Manager</b>	<b>83,950</b>
<b>Regional Transportation Plan</b>	<b>564,077</b>
<b>Powder Springs Station</b>	<b>2,835,578</b>
<b>Radar Units &amp; Digital Camera's-Police Veh.</b>	<b>216,150</b>
<b>Emergency Notification Sirens</b>	<b>100,000</b>
<b>Total Capital Projects</b>	<b>7,131,746</b>



# Summary of Actions Taken for FY 2011

## Targeted Fee Increases

### Community Development:

Commercial Permits

Residential Permits

Business License

Zoning

Alcohol Taxes

### Parks & Recreation

### Library

### Public Safety:

Police

Training Center

Animal Control



# Summary of Actions Taken for FY 2011 (cont.)

## **Libraries:**

**Close Regional Libraries except Central Library on Sunday  
Reduce Weekday Operating Hours by 1 hour per day**

## **Parks:**

**Utilities - No Field Lights for December, January and July**

## **DOT:**

**Pavement Contracts - 50% reductions**

**Shoulder Maintenance Contracts - 50% reductions**

**Street Sweeping Contracts - 50% reductions**

## **OPEB:**

**Reduced Load from 30% to 26% on premiums**

## **Vacant Positions Unfunded for FY 2011:**

**General Fund - 37 Full-time positions (3 converted to part-time)**

**Fire District Fund - 33 positions**



# Summary

- **Economic challenges** - Greatest Recession since Great Depression 1929-1939
- **Impact on revenue** - Continued decrease in property tax and other revenues
- **Actions taken** - Cost cutting, staff reductions and working smarter
- **Balanced budget** - Presents the best scenario for Cobb County today



# **Proposed FY 11 Budget Schedule**

**Advertise in Marietta Daily Journal  
August 27, 2010**

**Public Hearing  
September 14, 2010**

**Adoption  
September 28, 2010**





**Cobb County Government  
Fiscal Year 2011 Proposed Budget  
(Attachments)**



## COBB COUNTY BOARD OF COMMISSIONERS

100 Cherokee Street, Suite 300  
Marietta, Georgia 30090-7000  
(770) 528-3305 • fax: (770) 528-2606  
Email: TLee@cobbcounty.org

Tim Lee  
Chairman

**TO:** All Elected Officials, Agency Directors & Department Managers

**FROM:** Tim Lee, Chairman   
David Hankerson, County Manager 

**DATE:** August 17, 2010

**SUBJECT:** County-Wide Hiring Freeze and FY11 Budget

With the current state of the economy, we feel it is necessary to further strengthen our existing hiring freeze to ensure that the County balance the budget for FY11 and meet its established goals and objectives.

All positions not authorized to be filled or exempted from the freeze will continue to be frozen. Those positions frozen will remain unfunded for FY11. All positions previously authorized to be filled (full-time and part-time) and under recruitment are now to be frozen unless the Human Resources Department receives notification by the close of business **Wednesday, August 18<sup>th</sup>** that a conditional offer has been made to an applicant along with a draft hiring proposal. The positions exempted from the freeze are those in the Public Safety Agency and the Sheriff's Office essential to protective and emergency services to the public.

We recognize that not being able to immediately fill vacant positions may cause hardships within your departments. We apologize for the disruption for those of you who were in the process of interviewing for positions authorized to be filled. The County Manager will continue to have the discretion to make exceptions on a position by position basis where justification is provided showing the impact to essential services if a position(s) remain vacant.

When considering the impact this freeze will have on your services, we encourage you to explore other alternatives with Human Resources, such as hiring a part-time employee instead of a full-time employee to fill a need. We also ask that departments consider reassigning employees to another department where there is a need and the reassigned employee has the skill sets to perform the required duties of the position. Those employees reassigned would have the option to return to their original department when an opportunity becomes available. We will be asking those departments with a diminished workload to evaluate their staffing and identify positions that can be reassigned or deleted (employees holding positions targeted for deletion will be reassigned to other departments where there is a need). Should any departments have difficulty, the County Manager will identify positions to be reassigned or deleted.

In addition to the hiring freeze, **all non-essential overtime will continue to be frozen.** We ask that you work with your staff to flex schedules in order to meet your service needs and avoid the use of any overtime.

We have been strongly committed to keeping our total workforce employed. With your continued support we hope to maintain our commitment to avoid any layoffs or furloughs of County staff due to the economy. Please contact Human Resources Director Tony Hagler at 770-528-2564 for any assistance.



## BOARD OF COMMISSIONERS

100 Cherokee Street, Suite 300  
Marietta, Georgia 30090-9610  
Phone: (770) 528-3305 Fax: (770) 528-2606 Email: [solens@cobbcounty.org](mailto:solens@cobbcounty.org)

Samuel S. Olens  
Chairman

To: Elected Officials  
Department Managers

From: Sam Olens, Chairman  
David Hankerson, County Manager

Date: November 14, 2008

Re: FY 2009 Budget

With the current state of our economy and uncertainty of county revenue collections, it is absolutely critical to the financial health of our county government that we implement prudent measures now to conserve our FY 2009 operating funds.

I am requesting that each department immediately review in-detail their FY 2009 budgets to identify savings in their operating budgets, in an amount greater than or equal to 5% of the department's operational budgets. I am very mindful of the difficulty some departments may have in reaching this target, however all departments will participate in our efforts to protect the county's financial resources. Each department will provide a list of potential budget reductions to the Finance Department's Budget Division to the attention of Dan Streett, Budget Administrator by no later than Friday, December 5, 2008. The list should include a notation of any operating or service impacts that will occur for each item on the list. Our staff and the Finance Department stand ready to assist you in preparing these lists.

I am also requesting that each department immediately review in-detail their FY 2009 personal services budget and staff roster to identify vacant positions that can be removed and not funded. This is in addition to the current hiring freeze.

Effective immediately, all county employee out-of-town travel is restricted to essential business and required certification training only. All capital projects and operating capital purchases will be delayed until further notice with the exception of SPLOST and Water & Sewer projects. Exceptions will require Chairman or County Manager approval.

We are also seeing certain State budgetary cuts impacting not only County revenue streams but also causing increases to the County's operational costs. At this time we ask that you absorb any increased operational cost that was previously funded by State dollars.

Additionally, effective immediately, the General Fund's Undesignated Contingency is no longer available to any agency or department as an external or supplemental source to fund

personal services, operating or capital requests. All future FY 2009 requests must be funded completely from within that agency's or elected officials' current budget.

We understand and expect these measures will strain your staff and resources in ways that may cause you to modify operations. By working together responsibly, we hope to avoid the need for drastic actions in the weeks ahead.



100 Cherokee Street, Suite 400  
Marietta, Georgia 30090-9610  
Phone: (770) 528-1503 Fax: (770) 528-1501 TDD/TTY: (678) 581-5429

*Director/Comptroller*

**AGENDA ITEM NO. \_\_\_\_\_**

**TO:** David Hankerson  
County Manager

**FROM:** James Pehrson  
Assistant Comptroller

**DATE:** December 18, 2008

**PURPOSE**

To amend the FY 2009 current county budget by reducing departmental budgets, to include the selective elimination of various vacant positions. To give the County Manager authority for additional revenue and expense budget adjustments, as may be required for the remainder of the fiscal year. Further, to authorize the revision of the Classification Policy to give the County Manager the authority to delete positions.

**BACKGROUND**

On November 14, 2008 the Chairman and County Manager requested that all elected officials and agency/department directors thoroughly review their current FY 09 operating budgets and submit budgetary savings. This agenda authorizes the County Manager to implement the budget and position reductions identified by the agencies, departments, and elected officials. It also authorizes the County Manager to delete any vacant position that is not mission essential to the county, and defer the hiring in FY 2009 for any open position. With the uncertainty of future county revenues during these tough economic times, these proactive steps are necessary and prudent measures to protect the county's financial resources.

A large portion of the expense budget reductions are in the following expense types:

- Regular, Overtime, and Part-time Salaries, and the corresponding Fringe Benefits
- Salary Contingency for Employee Merit
- Interfund Transfers (or subsidies) to other operating or capital funds
- Capital Purchases
- Office Supplies, Microfilming and Printing
- Employee Travel and Training
- Gas, Diesel, and CNG Fuel
- Professional, Legal, Consulting, Maintenance, and Repair Services

Budget reductions will be partially offset by accelerating County funding of its 0.25% pension contribution increase required as of 10/01/09 to be effective March 2009. The employee pension contribution increase of 0.25% scheduled for March 2009 will be delayed until March 2010. The scheduled March 2010 increase of an additional 0.25% increase remains as per the original schedule.

The following number of vacant full-time positions by department are currently identified to be deleted:

- 8 Community Development
- 3 Transportation
- 4 Parks, Recreation & Cultural Affairs
- 3 Library
- 3 Finance
- 2 Information Services
- 2 Tax Assessor

- 1 Human Resources
- 1 Purchasing
- 5 Water System

**FUNDING**

The following are FY 09 budget reductions estimated by fund:

General Fund	\$14,000,000
Fire	\$1,190,000
Transit	\$1,015,000
Senior Services	\$190,000
E911	\$195,000
Water System	\$2,350,000
Solid Waste	\$230,000
Compost	\$155,000
Law Library	\$21,000
Capital Projects	\$1,100,000
Casualty & Liability	\$215,000

Included in the General Fund amount above, is the restoration of the fund's Undesignated Contingency to the original adopted amount of \$1.5 million by reallocating \$837,401 of the reductions.

The following is a list of savings in the Capital Projects Fund being returned to other funds, due to the delay or termination of various projects:

General Fund	\$518,245
Fire	\$195,027
Water System	\$616,191
E911	\$21,818
Parking Deck	\$272
Law Library	\$311
Child Support Grant	\$933
Golf Course	\$1,089
Casualty & Liability	\$1,944
CDBG	\$2,216
SPLOST Fund	\$151,493

**RECOMMENDATION**

To amend the FY 2009 current county budget by reducing departmental budgets to include the selective elimination of various vacant county positions. To give the County Manager authority for additional revenue and expense budget adjustments, as may be required for the remainder of the fiscal year, and authorize the corresponding budgetary transactions. Further, to authorize the revision of the Classification Policy to give the County Manager the authority to delete positions.

**Attachments**

- Classification Policy-Amendments
- Position Deletions List



## BOARD OF COMMISSIONERS

100 Cherokee Street, Suite 300  
Marietta, Georgia 30090-9610  
Phone: (770) 528-3305 Fax: (770) 528-2606 Email: [solens@cobbcounty.org](mailto:solens@cobbcounty.org)

Samuel S. Olens  
Chairman

To: Elected Officials  
Department Managers

From: Sam Olens, Chairman  
David Hankerson, County Manager

Date: February 26, 2009

Re: FY 2009 Budget

This past November and December we took specific measures to protect the financial health of our county government. Your overwhelming support and cooperation is greatly appreciated and has significantly helped us to meet the challenges that face us.

As most everyone knows, conditions outside the control of our government have worsened, to the extent that we must once again ask for your assistance. Pending State legislation, if approved, would severely reduce our revenues in this and future years. The economic situation continues to place additional strains on our revenues.

Again, we are requesting that each department immediately review in-detail their FY 2009 budgets to identify additional savings in their budgets. This includes the review of the personal services budget and the staff roster to identify any vacant positions that can be removed and not funded. Please provide a list of all potential budget reductions to the Finance Department's Budget Division by no later than Tuesday, March 3, 2009.

Additionally, all over-time spending will be frozen effective with the next pay period. The only exceptions to this over-time restriction are for emergencies and matters of public safety. These exceptions will require the approval of the respective agency director or elected official. All earlier restrictions with respect to hiring, travel, and capital spending remain in-place.

We know these difficult measures may cause a strain on your operations. Our staff and the Finance Department stand ready to assist you. Working together, we will again successfully meet these challenges in the responsible manner that our citizens deserve and have come to expect.



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*Director/Comptroller*

**AGENDA ITEM NO. \_\_\_\_\_**

**TO:** David Hankerson  
County Manager

**FROM:** James Pehrson  
Assistant Comptroller

**DATE:** March 10, 2009

**PURPOSE**

To seek direction from the Board of Commissioners with the management of Cobb's FY 09 budget and to further amend the FY 09 current county budget by reducing departmental budgets, to include the selective elimination of various vacant positions.

**BACKGROUND**

During the February 24, 2009 BOC meeting the Chairman charged the County Manager to present additional budgetary reductions for the FY 09 adopted budget. These first set of budgetary reductions was submitted to the Board during the December 18, 2008 meeting. Based on actions currently being taken by the State legislature and with the continued uncertainty of future county revenues during these tough economic times, these proactive steps are necessary and prudent measures to protect the county's financial resources.

A large portion of the expense budget reductions are in the following expense types:

- Regular, Overtime, and Part-time Salaries, and the corresponding Fringe Benefits
- Interfund Transfers (or subsidies) to other operating or capital funds
- Capital Purchases
- Office Supplies, Microfilming and Printing
- Employee Travel and Training
- Gas, Diesel, and CNG Fuel
- Professional, Legal, Consulting, Maintenance, and Repair Services

Selected vacant full-time positions by department are to be deleted in addition to operating budget reductions.

**RECOMMENDATION**

To seek direction from the Board of Commissioners with the management of Cobb's FY 09 budget and to further amend the FY 09 current county budget by reducing departmental budgets, to include the selective elimination of various vacant positions.

**TO:** All Elected Officials and Department Managers

**FROM:** Sam Olens  
Chairman

David Hankerson  
County Manager

**DATE:** December 7, 2009

**SUBJECT:** **County-Wide Hiring Freeze and FY10 Budget**

As you all are aware our economy continues to struggle with little improvement. We are proud that Cobb County has avoided layoffs, furloughs or salary reductions as many other state and local governments have had to experience.

Although the Board of Commissioners has adopted a balanced budget for FY10, our revenues continue to be less than projected. With the state of the economy at this time and national events that have further affected the economy, we feel it necessary to further strengthen the current hiring freeze to ensure the County operates within funding approved. We must take certain measures to ensure the County can meet its established goals and objectives.

All positions not authorized to be filled or exempted from the freeze will continue to be frozen. All positions previously authorized to be filled (full-time and part-time) and under recruitment are once again frozen unless the Human Resources Department has selection paperwork submitted by the close of business Tuesday, December 8<sup>th</sup>. The positions exempted from the freeze are those in the Public Safety Agency and the Sheriff's Office essential to protective and emergency services to the public.

We recognize that not being able to immediately fill vacant positions may incur hardship within your organizations. We apologize for the disruption for those of you who were in the process of interviewing for positions authorized to be filled. The County Manager will continue to have the discretion to make exceptions on a position by position basis where justification is provided showing the impact to services with a position remaining vacant.

We encourage that you explore other alternatives with Human Resources, such as a part-time employee instead of a full-time employee to fill a need. We also ask that departments consider reassignments across departments where existing County staff able to perform the essential functions of your vacant position may be reassigned from a department

whose workload has diminished to fulfill your need. Those employees reassigned would have first opportunity to return to their department when an opportunity becomes available. We will be asking those departments with a diminished workload to evaluate their staffing and identify positions to be reassigned.

In addition to the hiring freeze, all non-essential overtime is frozen. We ask that you work with your staff to flex schedules in order to meet your service needs and avoid the use of any overtime.

The County Manager and staff will be reviewing vacant positions as well and those that have been vacant for extended periods may be recommended for deletion.

In addition, we ask that you look at other areas within your operating accounts for savings. This would include but not be limited to travel, training, registration, and supplies. Please be prepared to provide a list of any potential savings to your Budget Department analyst by no later than December 14th.

We have been strongly committed to keeping our workforce in full. With your continued support we hope to maintain that commitment to avoid any layoffs of County staff or furloughs due to the economy. Please contact Human Resources Director, Tony Hagler, 770-528-2564 for any assistance.

Sincerely,

Sam Olens  
Chairman

David Hankerson  
County Manager



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100 Cherokee Street, Suite 300  
Marietta, Georgia 30090-7000  
(770) 528-2600 / fax: (770) 528-2606

**TO:** Board of Commissioners

**FROM:** David Hankerson, County Manager

This item has been electronically signed by:  
James Pehrson, CPA, Assistant Comptroller  
David Hankerson, County Manager

**DATE:** January 12, 2010

## **PURPOSE**

To amend the current FY 2010 budget by reducing departmental budgets, to include the selective elimination of various vacant positions, and authorization to offer an early retirement window to those employees who have already reached, or will reach by 12/31/2011, the normal retirement or 'rule of 80' provisions.

## **BACKGROUND**

On December 7, 2009 the Chairman and County Manager requested that all elected officials and agency/department directors review their current FY 10 operating budgets and submit any budgetary savings identified. This agenda authorizes the County Manager to implement the budget and position reductions identified by the agencies, departments, and elected officials. It also authorizes the County Manager to delete any vacant position that is not essential to the county, and defer the hiring in FY 2010 for any open position. It also authorizes the on-going reduction of budgets due to unfilled positions. With the continued uncertainty of future county revenues, these proactive steps are necessary to protect the county's financial resources.

A large portion of the expense budget reductions are in the following expenditure types:

- Regular, Overtime, and Part-Time Salaries, and the corresponding Fringe Benefits
- Interfund Transfers (or subsidies) to other operating or capital funds
- Capital Purchases
- Supplies, Gas/Diesel Fuel, and Printing

Employee Travel and Training

- Professional, Maintenance, and Repair Services

The following number of vacant full-time positions, by department, are currently identified to be deleted:

- 5 Information Services
- 2 Community Development
- 5 Transportation
- 1 Human Resources
- 3 Fleet
- 5 Parks, Recreation & Cultural Affairs
- 1 Tax Assessor
- 2 Water System

Additionally the following actions are being implemented with this agenda:

- Reducing the scope and/or number of events on the 2010 calendar at the Mable House Barnes Amphitheatre.
- Reducing specific non-critical transportation activities such as street sweeping, mowing of medians and shoulders and traffic upgrades.
- Prior-year cell tower revenues, not authorized for capital expenditures per Board action, will be available at the discretion of the County Manager to offset operational costs of the Parks, Recreation and Cultural Affairs Department, in FY 2010 and beyond.
- Offer an early retirement window to those employees who have already reached, or will reach by 12/31/2011, the normal retirement or 'rule of 80' provisions. It is intended that this will be cost-neutral to the Pension and OPEB (Other Post-Employment Benefits) Funds, as well as generate budget savings in FY 2010 and beyond.

## **FUNDING**

The following are estimated FY 10 budget reductions by fund, which include savings from capital projects:

General Fund	\$7,372,700
Fire	\$ 260,864
Senior Services	\$ 21,711
E911	\$ 9,940
Water System	\$ 229,562
Capital Projects	\$ 732,008
Casualty & Liability	\$ 96,948

The following Capital Projects Fund savings, by contributing operating fund, are due to the delay or termination/completion of several technology projects:

General Fund	\$ 909,561
Fire Fund	\$ 125,421
Water Fund	\$ 122,593
E911 Fund	\$ 9,940

## **RECOMMENDATION**

To **authorize** amendment of the current FY 2010 budget as follows:

- **Authorize** the reduction of departmental budgets to include the selective elimination of various vacant county positions,
- **Authorize** the County Manager to make additional revenue and expense budget adjustments, as may be required for the remainder of the fiscal year, to include the ongoing reduction of budgets due to unfilled positions,
- **Authorize** the County to offer an early retirement window to those employees who have already reached, or will reach by 12/31/2011, the normal retirement or 'rule of 80' provisions to include incentives, as presented at this meeting (efforts will be made to eliminate positions or to under-fill with lower-grade, full-time or part-time positions),
- **Authorize** the amendment of the Cobb County Employees Pension Plan document relative to the early retirement window,
- **Authorize** the corresponding budgetary transactions, and
- **Further authorize** the Chairman to execute the necessary documents.