What Do We Do?

- In this economic environment, should the County raise taxes?
  - If so, how much?
  - If so, which taxes?
- How do we reduce expenses?
  - What principles should be used for reducing services?
  - Should we consider cutting services entirely or reducing levels of services?
  - What additional efficiencies can we create?
- What magnitude of service reductions should be considered, when and with what level of public discussion?
  - How do we avoid creating unnecessary anxiety in the workplace that may reduce productivity and lower staff morale?
  - How do we avoid creating unnecessary anxiety in the community about loss of services?
- How do we deal with employee compensation?
  - How should compensation for County employees compare with our neighbors and with the Schools?
  - Should we reduce staff and services to give other staff pay increases?
  - Should we focus on preserving jobs? Should we consider furloughs to preserve jobs?

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What Does $45 million +/- Equate to for the County?

- Plugging a $45 million gap for the County only through cuts in the departments would require a reduction of 13.3% in each department's net tax support.

- Plugging a $45 million gap for the County just by cutting positions would require cutting approximately 496 full-time equivalent positions – 15% of General Fund FTEs.

- Plugging a $45 million gap for the County just by increasing the real estate tax rate would require a 17.1 cent increase over the current rate, increasing the average taxpayer's bill 13.6% ($617 for the year).

- $45 million is roughly equivalent to the net tax support of the General Fund budgets of the Fire Department and Office of Emergency Management combined, OR the combined budgets of the Department of Parks, Recreation and Cultural Resources, Libraries, and the Department of Community Planning, Housing and Development.

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How Much Do We Have To Cut?

% Change to Average Homeowner Bill	Tax Rate Change in CY 2010	$ Change in Average Tax Bill	Expenditure Reduction Required
-5%	0¢	-$225	$45.0 million
0%	4.6¢	$0	$32.7 million
1%	5.5¢	$47	$30.3 million
2%	6.4¢	$91	$27.9 million
3%	7.4¢	$140	$25.3 million
4%	8.3¢	$185	$22.9 million
5%	9.2¢	$229	$20.5 million

* All scenarios assume the average residential property declines 5% and commercial properties decline 14% in CY 2010

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Real Estate Tax Revenue Generated at Different Tax Rate Increases

(County-side)