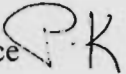




615 South 9th Street, Suite 100
Tacoma, Washington 98405-4673
(253) 798-7450 • FAX (253) 798-6699

June 3, 2009

TO: Elected Officials
Department Directors

FROM: Patrick Kenney, Director of Budget and Finance 

RE: 2009 Budget Reductions

As you are aware we continue to experience revenue shortfalls due to the recession (sales tax, interest revenues, development permitting, recordings, vehicle license fees, etc.). These revenue shortfalls will require us to take additional budget balancing measures, including direct reductions in General Fund expenses.

Per this memorandum the County Executive is directing that each Department in the General Fund (excepting Corrections and Human Resources) reduce their expenses by an amount equal to 1.25% of their current 2009 Budget. Detailed guidelines regarding this directive are attached.

We realize that departments will have difficulty in meeting this objective, and that staffing and service reductions will likely result from these cutbacks. However, the current economic situation and projections for next year require that these reductions be made now. We thank all of you for cooperating in this very unpleasant endeavor.



1.25% REDUCTION GUIDELINES

- a) The 1.25% savings to be achieved are **simply calculated** by multiplying your current 2009 Budget by 1.25% (e.g., \$4,000,000 x .0125 = \$50,000 savings needed).
- b) The savings to be achieved must be a **net savings** (net of any related revenue losses or grant reductions). For example, if the \$50,000 savings proposal would also result in a related revenue loss of \$10,000, then you must generate another \$10,000 in savings (net).
- c) Pension savings from the **new state pension rates cannot count** towards the 1.25% because we are already “banking on these savings” to keep the across-the-board cuts down to only 1.25%. Pension savings directly related to staff cutbacks can be counted toward your 1.25% target.
- d) We are requesting that you send an outline of your proposed 1.25% savings plan and the likely service impacts to the Budget and Finance Director by **June 26th**. Please use the **attached form** to describe those savings and impacts.

