

MEMORANDUM
(from the closed session of the May 26 Board Meeting)

Date: May 26, 2009

To: Executive Committee/Board of Directors

From: Todd Lueders, President/CEO and Management Team

RE: Proposed Revisions to the 2009 Budget

In early January the Board of Directors approved a balanced budget for 2009. The main priorities driving the plan for 2009 were to:

- Maintain the same level of program support and service to the communities we serve.
- Work to retain most if not all staff while seeking new efficiencies in doing more with less.

As of today, we have identified new unbudgeted money to be received during the second quarter of 2009. Those funds are:

1. **Rudy Futer Estate**- A portion of the Futer Estate is expected to be received by the Foundation and added to the Futer Fund by June. The funds consist of a \$2.3 million annuity and \$700,000 in cash. The administrative fees will go toward our operating budget (2% of \$3.0 million or \$60,000).
2. **The California Endowment**- A planning grant in the amount of \$125,000 for the East Salinas Healthy Communities Initiative has been approved by The California Endowment. The administrative fees will go toward our operating budget (18% of \$125,000 or \$18,750).
3. **Packard, Hewlett and James Irvine Foundations**- A Community Leadership Project grant proposal was submitted for \$700,000 over 3 years. The administrative fees will go toward our operating budget (20% of \$235,000 for year one or \$47,000).

Grand Total: \$125,750

Proposed use of the funds to date:

1. Redesign of CFMC's website at \$40,000 – ***Approved by Board of Directors 04/28/09.***
2. CEO recruitment expenses of \$35,000 – ***Approved by Board of Directors 04/28/09.***

We recommend one final revision to the 2009 budget upon receipt of the above funds. Built into our initial 2009 budget were voluntary salary reductions. Several managers had volunteered to take unpaid time off in order to present a balanced budget. The total wage cost of this plan is \$49,000.

STAFF RECOMMENDATION

Staff recommends using the balance of the unbudgeted funds to be received by removing the voluntary salary reductions effective immediately. Due to the timing of the planned time off for staff, it would be prudent to notify staff prior to July 1st.