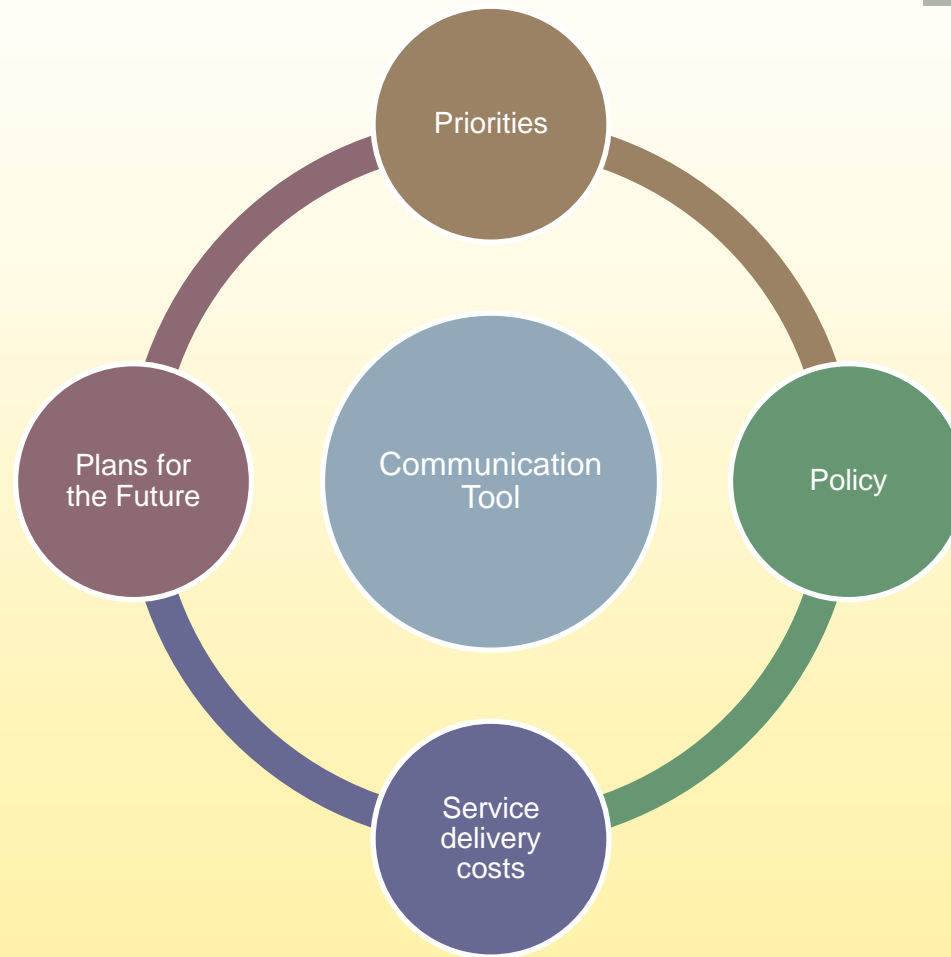




Budget Basics

Recommended Budget
FY 2013-14

What is a Budget? It's not just numbers!



What is the Recommended Budget?

- A forecast of all planned revenue and expenses
- Provides a model for how the county might perform financially given certain assumptions about the future
- Enables the actual financial performance of the county to be measured against the forecast
- A budget should balance:
 - Total revenue equals total appropriations

Is the Recommended Budget balanced?

- The Recommended Budget is balanced
 - $\text{Projected Revenue} = \text{Projected Appropriations}$



What assumptions are built into the Recommended Budget?

- Property tax revenue: \$52.3 million
 - No growth – Same as FY 2012-13 year end projection

- Sales tax revenue: \$7.2 million
 - No growth – Same as FY 2012-13 year end projection

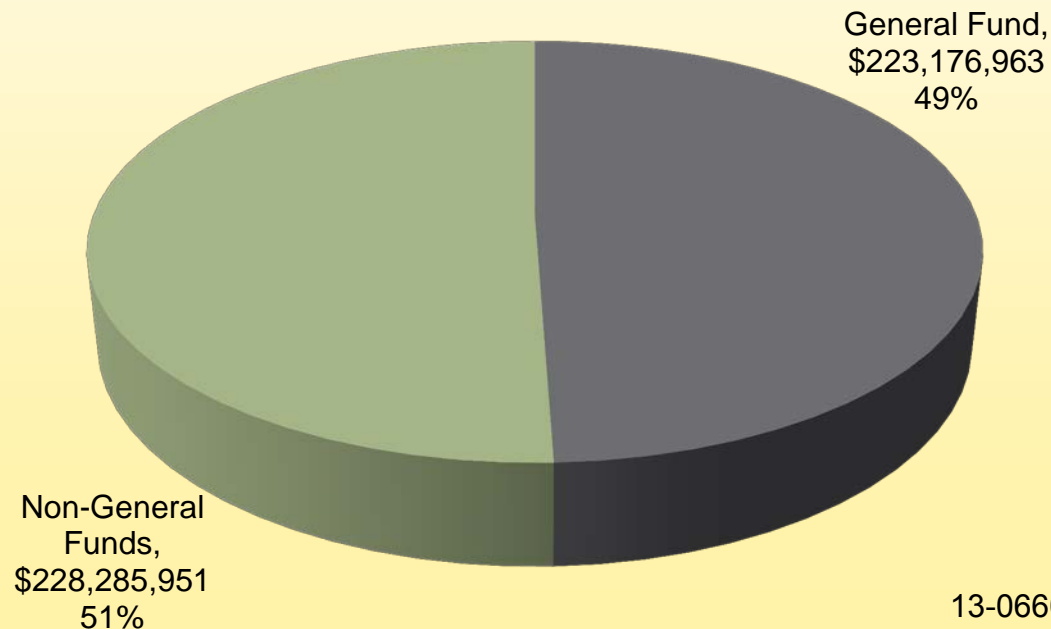
- Vehicle License Fees: \$16 million
 - No growth – Same as FY 2012-13 year end projection

How does the Recommended Budget compare to last year's budget?

- Total budget decreased by \$26.6 million (-5.5%)
- General Fund increased by \$7.4 million (3%)
- Full Time Equivalent employees (FTE's) increased by 27.33
 - 4 FTE's are being added to Information Technologies to centralize HHSA IT functions. In September, these allocations will be deleted in HHSA, resulting in a Net Increase of only 23.33 FTE's

How big is the Recommended Budget?

- **TOTAL** Recommended Budget = \$451,462,914
 - General Fund = \$223,176,963
 - Non-General Funds = \$228,285,951



What is the General Fund?

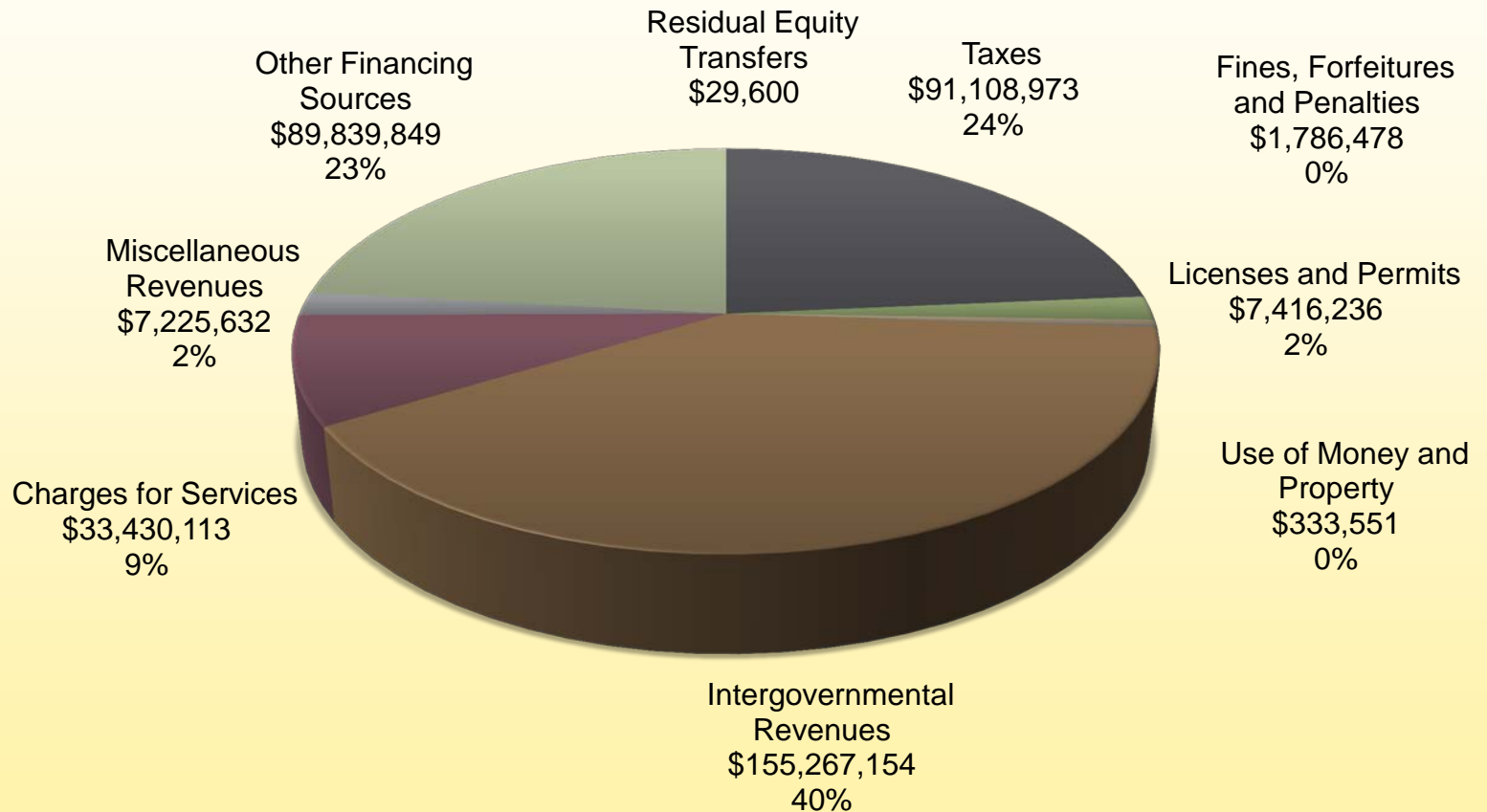
- The General Fund is the slice of the budget primarily funded with discretionary dollars

What are Non-general funds?

- Non-General Fund spending is determined by state law or other special conditions

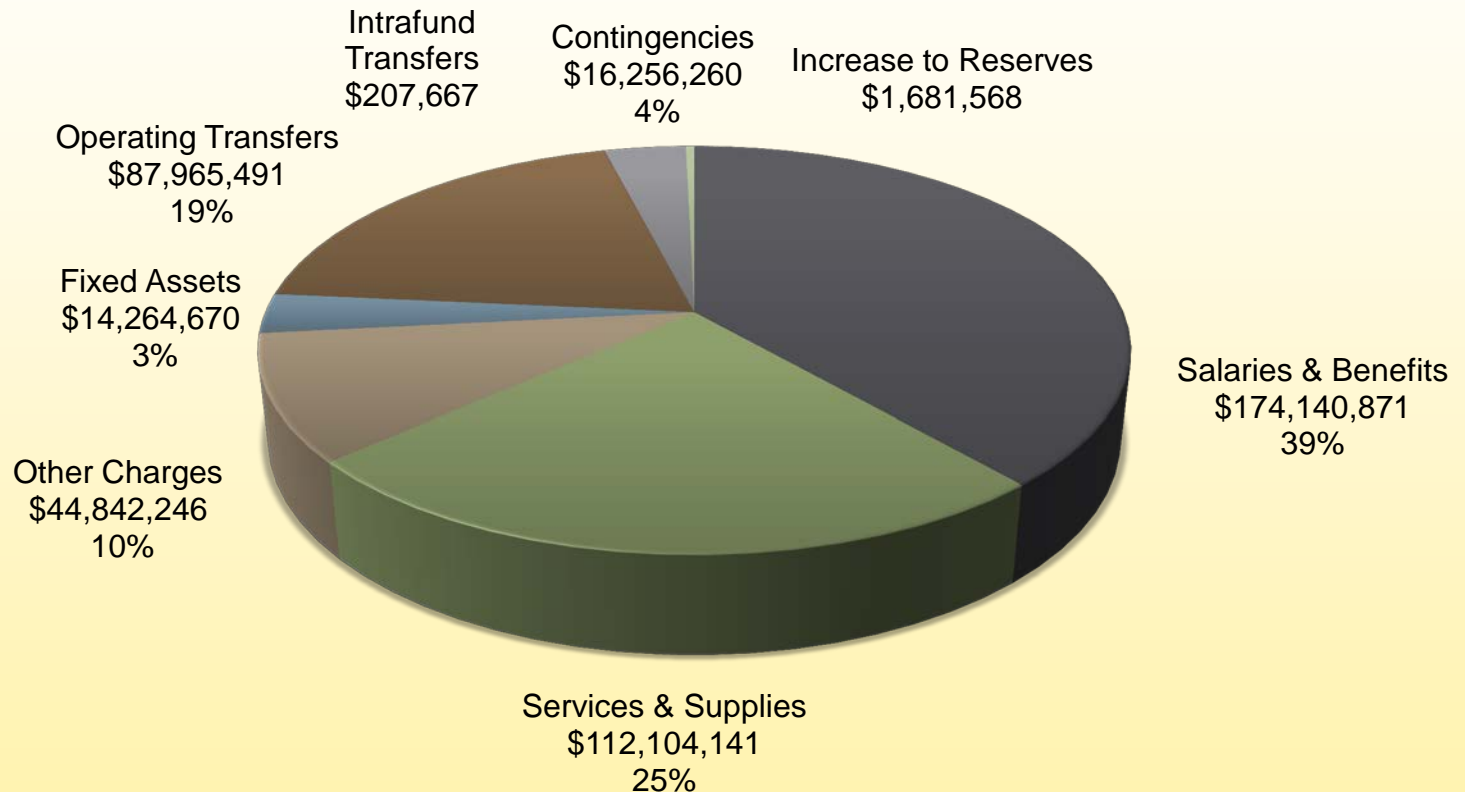


Where does all the money come from in the Recommended Budget?



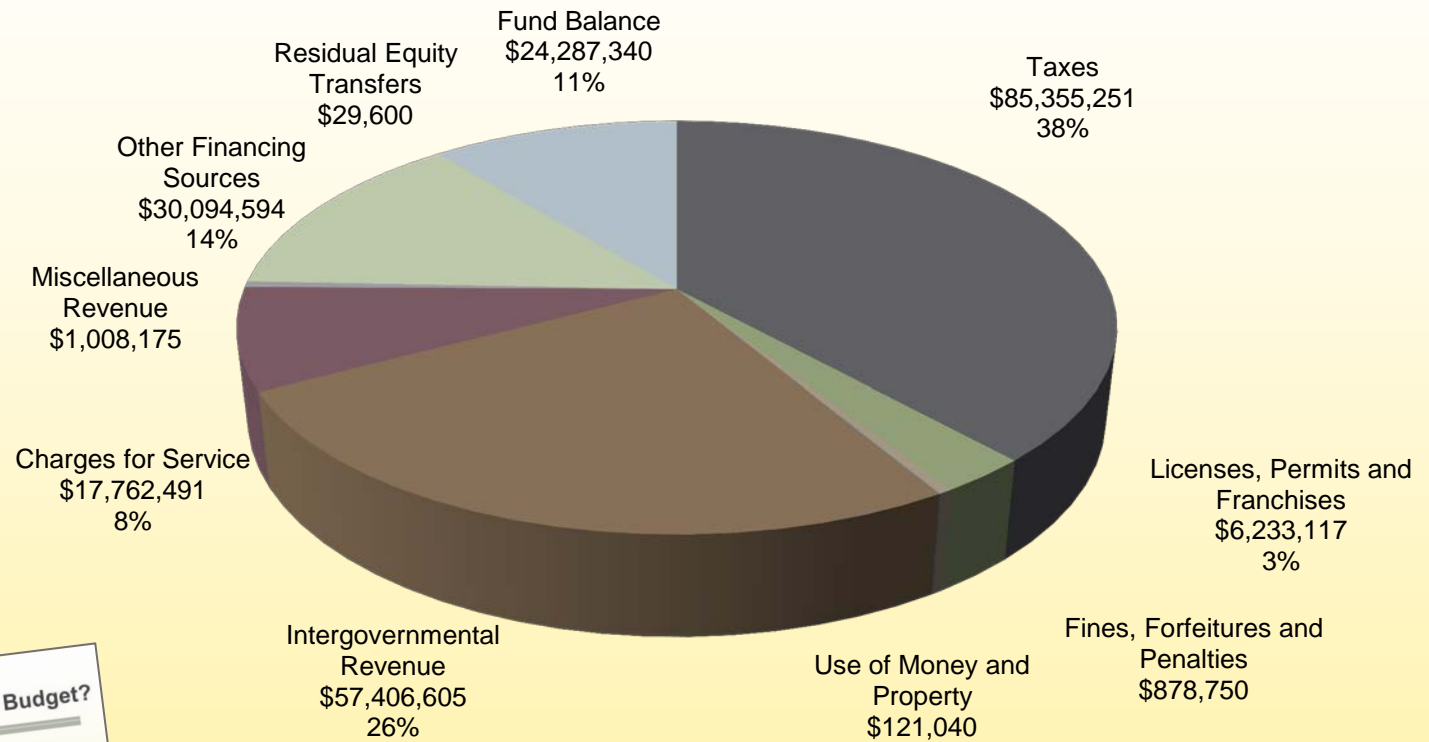
(revenue sources across all funds)

What does the Recommended Budget pay for?



Salaries & Benefits = People = Services to the Public

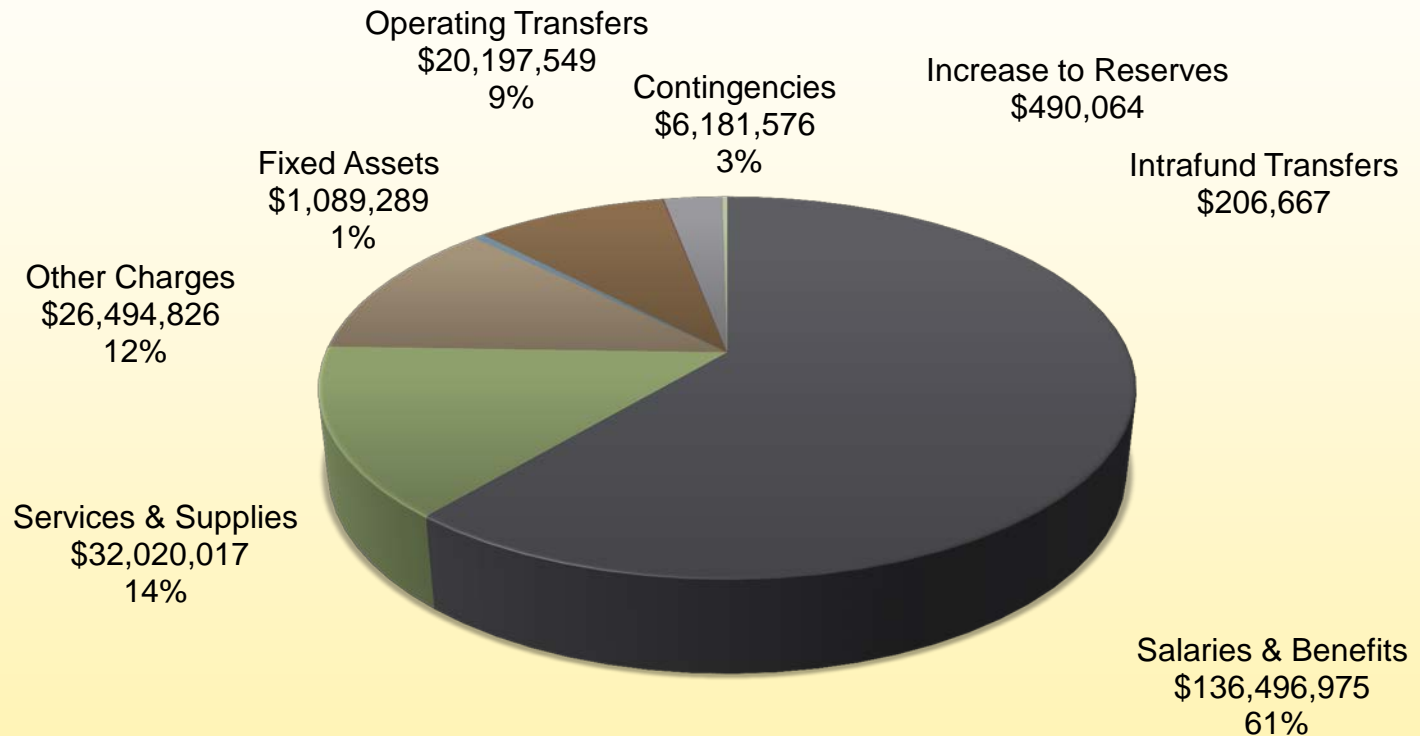
Where does the *General Fund* money come from?



General Fund
\$223,176,963



What does the General Fund pay for?

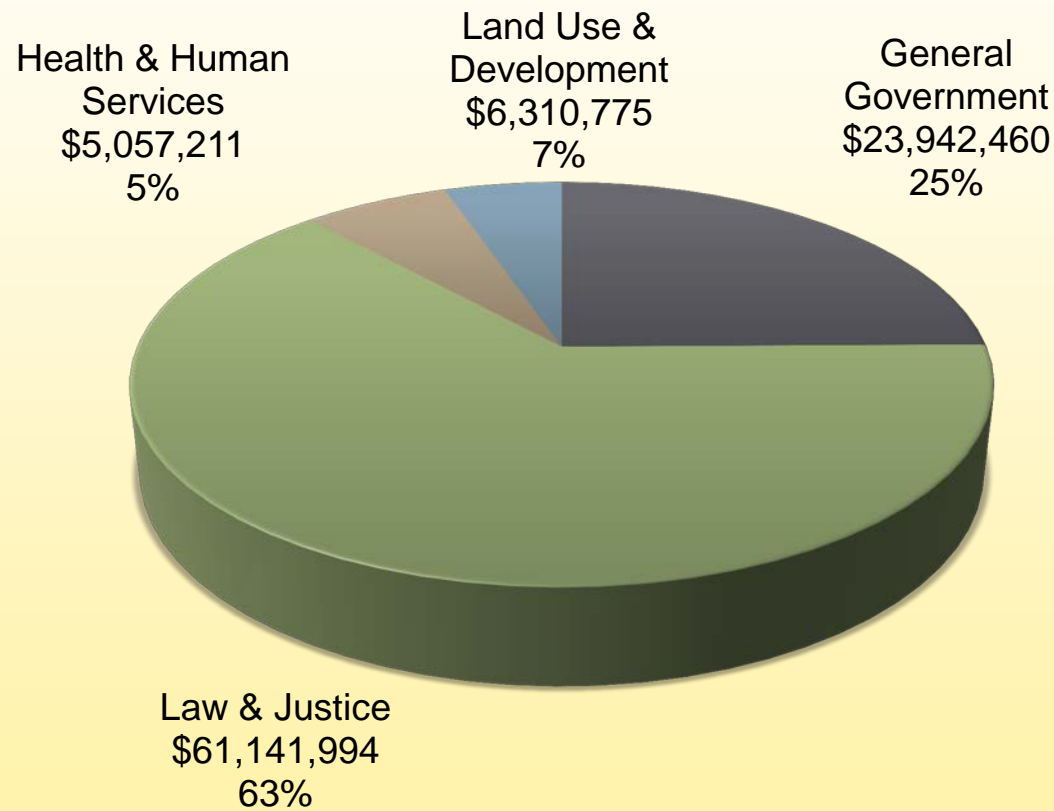


Salaries & Benefits = People = Services to the Public

How does the General Fund support county programs?

- Departments get money from different sources
 - For example: grants, state & federal agencies, and charges for service
- When that doesn't cover all of the department's costs, the difference is made up with other General Fund discretionary dollars
- These other discretionary dollars are a department's **“Net County Cost”**
- Departments are required to live within their “Net County Cost” to ensure that no additional General Fund support is required

Distribution of Net County Cost by Program Area FY 2013-14



Distribution of Net County Cost by Department FY 2013-14

	2013-14 NCC	% of Total NCC
BOS	1,484,583	1.54%
CAO	6,106,633	6.33%
A/C	2,735,658	2.84%
Treasurer	1,162,294	1.21%
Assessor	3,116,964	3.23%
County Counsel	2,388,506	2.48%
Human Resources	1,297,105	1.34%
Information Technologies	2,686,350	2.79%
Economic Development/Parks & Trails	1,895,999	1.97%
Recorder Clerk	1,068,376	1.11%
Subtotal	23,942,468	24.82%
Grand Jury	83,449	0.09%
Courts	1,555,500	1.61%
District Attorney	5,424,099	5.62%
Public Defender	2,712,173	2.81%
Sheriff	41,309,792	42.83%
Probation	10,056,981	10.43%
Subtotal	61,141,994	63.39%
Surveyor	1,565,502	1.62%
Agriculture	509,851	0.53%
DOT - County Engineer & Cemeteries	752,187	0.78%
Development Services	3,483,235	3.61%
Environmental Mgt	-	0.00%
Subtotal	6,310,775	6.54%
Health - Animal Control	1,281,648	1.33%
Veterans	327,758	0.34%
Human Services	1,937,224	2.01%
Library	1,510,581	1.57%
Child Support Services	-	0.00%
Subtotal	5,057,211	5.24%

Does the Recommended Budget contain reserve funds?

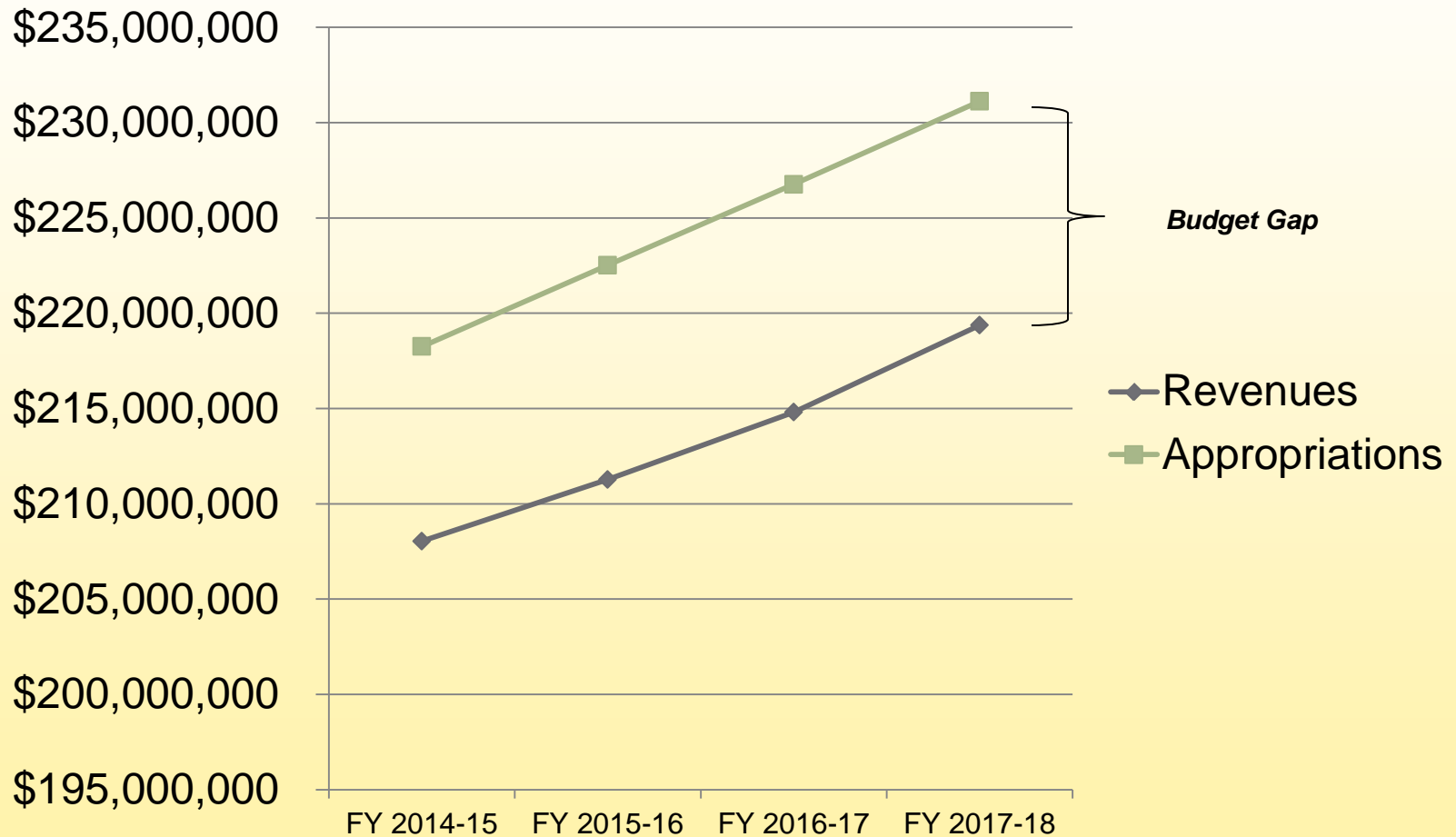
- 8% set aside for “rainy day” including:
 - \$9.9 million in reserves
 - 5% of adjusted General Fund appropriations
 - \$6.2 million for contingency
 - 3% of adjusted General Fund appropriations
- \$12.9 million set aside as designation for Capital Projects
 - \$6M of this has been obligated for FENIX (Fiscal Enterprise and Information Exchange), the County’s new financial system

What does the Recommended Budget mean for the future?

- Future year deficits assume:
 - No growth in Discretionary Revenues
 - \$2 million in operational savings each year
 - Annual savings from the investment strategy
 - Maintaining 8% reserve/contingency
 - Annual appropriations growth of approx. 2%

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Total Revenues	\$223,176,963	\$208,040,545	\$211,272,783	\$214,807,292	\$219,372,714
Total Appropriations	\$223,176,963	\$218,252,267	\$222,516,671	\$226,761,774	\$231,121,441
Total Revenue Surplus/Shortfall	\$ -	\$ (10,211,722)	\$ (11,243,888)	\$ (11,954,482)	\$ (11,748,727)

Future year deficits



Why Budget “policy” is so critical

- Use of one-time revenues or savings for one-time expenses
- If you use one time revenues or savings for ongoing operational expenses, the budget gap widens
- If you spend conservatively and invest wisely in programs that create organizational efficiencies, the budget gap closes

Goal of Investment Strategy



FENIX Budget

- The Recommended Budget does not include the line item budget for FENIX implementation
- The Chief Administrative Office is recommending the Board approve the following \$4.8M:
 - \$1,885,852 in professional services for Tyler Technologies Implementation Contract
 - \$158,900 for various hardware/software costs including the following fixed assets:
 - \$2,827,723 for additional resources (limited term employees, contracted employees, stipends, other project costs)
 - Any funds not expended in FY 2013-14 will carry forward into FY 2014-15

Additional Fixed Assets

- Two requests for fixed assets that did not get purchased in FY 2012-13 and need to be purchased in FY 2013-14 require BOS approval:
 - Library
 - \$3,550 for a kiosk (grant funded)
 - IT - FENIX
 - Equal Logic Storage Array Controller \$60K
 - Symantec Netbackup Appliance \$70K

Next Steps

- Receive feedback from the public and the Board for budget considerations in September
- Adopt the Recommended Budget as presented, including the addition of the FENIX budget and Fixed Asset changes
- Adopt the Amended Personnel Resolution adding 27.33 FTE's