

February 25, 2013

FY 2012-13 MID-YEAR PROJECTION

General Fund Summary

	FY 2012-13 Budget	Projected June 30, 2013	Variance	% of Budget
Revenues	\$221,075,419	\$223,322,518	\$2,247,099	101%
Expenditures	\$221,075,419	\$212,526,135	(\$8,549,284)	96%

Revenues – \$2.2M increase

- ⦿ Non Departmental Revenues
 - Net increase of \$1.4M
- ⦿ \$Departmental Revenues
 - Net increase of \$848K

Expenditures – (\$8.5M decrease)

- ⦿ Departmental expenditure savings of \$3.2M
- ⦿ Non-departmental expenditure savings of \$5.3M (primarily comprised of General Fund contingency)

Fund Balance

- The net effect of increased revenues of \$2.2M and decreased expenditures of \$8.5M results in a projected fund balance of \$10.8M for FY 2013-14
 - \$5.3M in unspent contingency (this will be rolled forward to FY 2013-14)
 - \$4.1M in projected department savings/increased revenues
 - \$1.4M in additional non-departmental revenues

Road Fund, Community Services, Public Health and
Mental Health

OTHER FUNDS

Road Fund Summary

	FY 2012-13 Budget	Projected June 30, 2013	Variance	% of Budget
Revenues	\$102,849,759	\$95,377,961	(\$7,471,798)	92%
Expenditures	\$102,849,759	\$95,377,961	(\$7,471,798)	92%

- ⦿ Changes related to shift in the timing on construction starts and acquisition of right of way as well as lower construction bids
- ⦿ Reduced use of fund balance of \$2.5M resulting in a year end fund balance projection of \$12.3M

Community Services Summary

	FY 2012-13 Budget	Projected June 30, 2013	Variance	% of Budget
Revenues	\$14,865,824	\$14,865,824	\$0	100%
Expenditures	\$14,865,824	\$14,865,824	\$0	100%

- The department does not anticipate any material changes from budget

Public Health Summary

	FY 2012-13 Budget	Projected June 30, 2013	Variance	% of Budget
Revenues	\$25,668,433	\$18,542,185	(\$7,126,248)	72%
Expenditures	\$25,668,433	\$18,643,877	(\$7,024,556)	72%

- Reduced revenues are related to less planned use of fund balance and decreased Drug Medi-Cal and AB109 services
- Reduced expenditures primarily related to no planned use of Contingency (\$4.3M) and services & supplies savings (\$1.4M)
- Department projects a year end fund balance of approximately \$6M

Mental Health Summary

	FY 2012-13 Budget	Projected June 30, 2013	Variance	% of Budget
Revenues	\$24,253,849	\$14,635,140	(\$9,618,709)	60%
Expenditures	\$24,253,849	\$16,557,771	(\$7,696,078)	68%

- ◎ Traditional Mental Health Programs
 - Projections include a use of fund balance of \$600K primarily related to late implementation of Mental Health Service Act programs
- ◎ Mental Health Services Act (MHSA) Programs
 - Projections include a use of fund balance of \$1.3M related to spending down funds advanced in a prior fiscal year

5 YEAR GENERAL FUND FORECAST

Assumptions

- Property Tax remains flat based on FY 2012-13 year end projection
- All other non-departmental revenues remain flat
- Department revenues grow 1%
- 2% growth in operating costs
- \$1.8M for roads
- 25% (approx. \$500K) of TOT remains in the General Fund operating budget

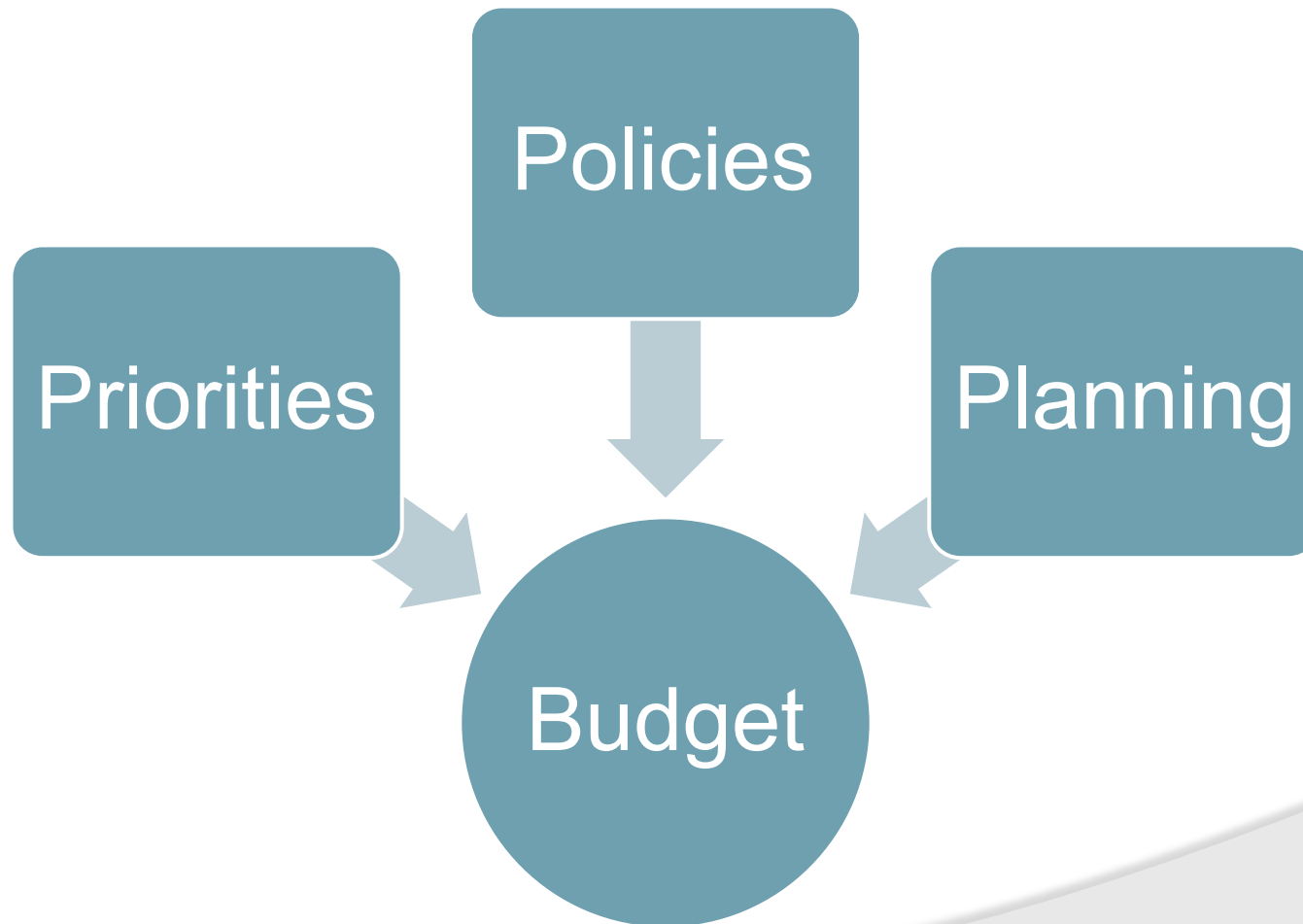
5 Year Variances

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
As of 9/17/12					
Revenues	\$199,191,111	\$203,356,672	\$207,812,137	\$213,314,946	N/A
Appropriations	205,026,981	212,642,288	220,173,895	227,980,709	N/A
Surplus/(Shortfall)	(5,835,870)	(9,285,616)	(12,361,758)	(14,665,763)	N/A
Attachment B					
Revenues	200,691,821	201,882,026	205,406,994	208,946,102	213,519,789
Appropriations	205,960,828	210,069,975	214,066,235	218,152,179	222,329,450
Surplus/Shortfall	(5,269,008)	(8,187,949)	(8,659,241)	(9,206,076)	(8,809,661)
Variance					
Revenues	1,500,710	(1,474,646)	(2,405,143)	(4,368,844)	N/A
Appropriations	933,847	(2,572,313)	(6,107,660)	(9,828,530)	N/A
Surplus/Shortfall	566,862	1,097,667	3,702,517	5,459,686	N/A

What has changed?

- ⦿ Slight increase in revenues due to change in base-line
- ⦿ Reduced revenues due to change in fund balance related to pushing out ERP savings projections one year
- ⦿ Decreased appropriations due to reduction in operating expense increase from 4% to 2%
- ⦿ Increased appropriations due to additional \$1.3M annually for Road Maintenance

Remember....



Policies to help guide FY 2013-14 Budget

Use of one-time funds
for one-time expenses

Improve Technology
Efficiencies (ERP)

Increase
Infrastructure
Maintenance (General
Fund contribution to
Roads)



Spend
Conservatively

Invest Wisely

Be Flexible

CAO Recommendation

- ⦿ Budget message for FY 2013-14 is “hold the line” (spend conservatively)
- ⦿ All requests for changes to department budgets should be evaluated based on the return on investment (invest wisely)
- ⦿ All projections will be re-evaluated at 3rd quarter and any significant variances will be reported to the Board (be flexible)

It's a closed system

