

# FY 2011-12 Mid-Year Projection

February 28, 2012

# General Fund Summary

	<b>FY 2011-12 Budget</b>	<b>Projected June 30, 2012</b>	<b>Variance</b>	<b>% of Budget</b>
Revenues	\$209,421,937	\$208,662,165	(\$759,772)	99.6%
Expenditures	\$209,421,937	\$199,236,334	(\$10,185,603)	95.1%

# Revenues – (\$760K decrease)

- Non Departmental Revenues
  - Net increase of \$1M
    - \$1.2M increase in Property Taxes
      - Property tax revenues projected to remain flat (budget assumed a 0.5% decline)
    - \$500K increase in SB90 revenue
    - \$300K increase in misc. taxes and fees
    - \$750K decrease in Sales Tax
    - \$238K decrease in Assessment Tax Collection Fees
- Departmental Revenues
  - Net decrease of \$1.8M

## Expenditures – (\$10.1M decrease)

- Projected net decrease of \$10.1M in expenditures
  - Departmental expenditure savings of \$4.8M
  - Non-departmental expenditure savings of \$5.3M (primarily comprised of General Fund contingency)
- One department is projecting exceeding their Net County Cost budget:
  - Information Technologies (\$42,289)

# Fund Balance

- The net effect of decreased revenues of \$760K and decreased expenditures of \$10.1 results in a projected fund balance of \$9.4M for FY 2012-13
  - \$5.4M in unspent contingency (this will be rolled forward to FY 2012-13)
  - \$3M in projected department savings
  - \$1M in additional non-departmental revenues (property tax)

# Other Funds

Road Fund, Community Services,  
Public Health and Mental Health

# Road Fund Summary

	<b>FY 2011-12 Budget</b>	<b>Projected June 30, 2012</b>	<b>Variance</b>	<b>% of Budget</b>
Revenues	\$74,069,356	\$62,585,412	(\$11,483,944)	84%
Expenditures	\$74,069,356	\$62,585,412	(\$11,483,944)	84%

- Changes related to shift in the timing on construction starts and acquisition of right of way as well as lower construction bids
- Projection includes a reduced use of fund balance of \$3.4M resulting in a projected year end fund balance of \$9.5M

# Community Services Summary

	<b>FY 2011-12 Budget</b>	<b>Projected June 30, 2012</b>	<b>Variance</b>	<b>% of Budget</b>
Revenues	\$16,706,347	\$16,706,347	\$0	100%
Expenditures	\$16,706,347	\$16,706,347	\$0	100%

- The department does not anticipate any material changes from budget



# Public Health Summary

	FY 2011-12 Budget	Projected June 30, 2012	Variance	% of Budget
Revenues	\$24,523,361	\$18,334,655	(\$6,188,706)	75%
Expenditures	\$24,523,361	\$18,439,004	(\$6,084,357)	75%

- Reduced revenues are related to no planned use of fund balance
- Reduced expenditures primarily related to no planned use of Contingency (\$4.2M), services & supplies savings (\$1.9M), and salary savings (\$500K)
- Projections include a use of fund balance of \$104,349

# Mental Health Summary

	FY 2011-12 Budget	Projected June 30, 2012	Variance	% of Budget
Revenues	\$22,210,987	\$15,395,102	(\$6,815,885)	69%
Expenditures	\$22,210,987	\$17,075,498	(\$5,135,489)	77%

- Traditional Mental Health Programs
  - Projections include an increase in fund balance of \$1.5M primarily related to a one-time cost settlement from FY 2006-07
- Mental Health Services Act (MHSA) Programs
  - Projections include a use of fund balance of \$3.2M related to spending down funds advanced in a prior fiscal year

# 5 Year General Fund Forecast

# Assumptions

- Attachment B1
  - Property Tax remains flat based on FY 2011-12 projection
  - All other non-departmental revenues remain flat
  - Department revenues grow 1%
  - Salaries & benefits grow 4% annually
  - All other appropriations grow 3% annually
- Attachment B2
  - No growth in FY 2012-13 in Net County Cost
  - All other assumptions remain the same
  - Growth is added back beginning in FY 2013-14

# 5 Year Variances – With growth (B1)

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
As of 9/19/11					
Revenues	\$193,853,190	\$195,901,723	\$197,970,441	\$200,161,732	N/A
Appropriations	202,481,347	209,665,535	217,059,999	224,723,536	N/A
<b>Surplus/Shortfall</b>	<b>8,628,157</b>	<b>13,763,812</b>	<b>19,089,558</b>	<b>24,561,804</b>	<b>N/A</b>
Cumulative	8,628,157	22,391,969	41,481,527	66,043,332	
Attachment B1					
Revenues	197,010,369	197,325,088	199,683,101	202,160,955	204,708,217
Appropriations	202,463,422	209,654,259	217,054,536	224,724,182	232,723,412
<b>Surplus/Shortfall</b>	<b>5,453,053</b>	<b>12,329,171</b>	<b>17,371,435</b>	<b>22,563,227</b>	<b>28,015,195</b>
Cumulative	5,453,053	17,782,224	35,153,660	57,716,887	85,732,083
Variance					
Revenues	3,157,179	1,423,365	1,712,660	1,999,223	N/A
Appropriations	(17,925)	(11,276)	(5,463)	646	N/A
<b>Surplus/Shortfall</b>	<b>3,175,104</b>	<b>1,434,641</b>	<b>1,718,123</b>	<b>1,998,577</b>	<b>N/A</b>
Cumulative	3,175,104	4,609,745	6,327,868	8,326,445	13

## 5 Year Variances – With no NCC growth (B2)

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
As of 9/19/11					
Revenues	\$193,853,190	\$195,901,723	\$197,970,441	\$200,161,732	N/A
Appropriations	202,481,347	209,665,535	217,059,999	224,723,536	N/A
<b>Surplus/Shortfall</b>	<b>8,628,157</b>	<b>13,763,812</b>	<b>19,089,558</b>	<b>24,561,804</b>	<b>N/A</b>
Cumulative	8,628,157	22,391,969	41,481,527	66,043,332	
Attachment B2					
Revenues	195,036,035	196,606,389	199,004,675	201,472,697	204,010,019
Appropriations	196,359,711	203,176,225	210,355,367	217,775,320	225,465,247
<b>Surplus/Shortfall</b>	<b>1,323,676</b>	<b>6,569,836</b>	<b>11,350,691</b>	<b>16,302,624</b>	<b>21,455,227</b>
Cumulative	1,323,676	7,893,513	19,244,204	35,546,827	57,002,055
Variance					
Revenues	1,182,845	704,666	1,034,234	1,310,965	N/A
Appropriations	(6,121,636)	(6,489,310)	(6,704,632)	(6,948,216)	N/A
<b>Surplus/Shortfall</b>	<b>7,304,481</b>	<b>7,193,976</b>	<b>7,738,867</b>	<b>8,259,180</b>	<b>N/A</b>
Cumulative	7,304,481	14,498,457	22,237,324	30,496,504	14

# What has improved from September related to the FY 2012-13 projection?

- Attachment B1 Assumptions - \$3.2M improvement
  - On-going revenues - \$2.2M
    - Primarily increased property tax projections (no growth versus 0.5% decline)
  - Departmental One-time savings - \$1M
    - September assumed \$2M in fund balance related to department savings
    - Mid-year projections equal \$3M in fund balance related to department savings primarily related to vacancies and other one-time savings

# What has improved from September related to the FY 2012-13 projection?

- Attachment B2 Assumptions - \$7.3M improvement
  - On-going revenues - \$2.2M
    - Primarily increased property tax projections (no growth versus 0.5% decline)
  - Departmental One-time savings - \$1M
    - September assumed \$2M in fund balance related to department savings
    - Mid-year projections equal \$3M in fund balance related to department savings primarily related to vacancies and other one-time savings
- Decreased Net County Cost - \$3.8M
- Decreased reserve - \$300K



## Next Steps – CAO Recommendation

- Direct the Chief Budget Officer to establish FY 2012-13 Net County Cost targets for departments at FY 2011-12 levels (Attachment B2)
  - This means that departments will have to absorb any increased salary and benefit costs
  - This will be the starting point for the FY 2012-13 Recommended Budget
- The Recommended Budget document will include impacts to services based on these targets
- All projections will be re-evaluated at 3<sup>rd</sup> quarter and any significant variances will be reported back to the Board
- The Chief Administrative Officer will continue to lead the investment strategy adopted by the Board to work towards on-going savings aimed at closing the future structural budget gap