


FY 2013-14 Mid-Year Projection

March 11, 2014


General Fund Summary

	FY 2013-14 Budget	Projected June 30, 2014	Variance	% of Budget
Revenues	\$249,675,162	\$252,995,760	\$3,320,598	101%
Expenditures	\$249,675,162	\$235,254,639	(\$14,420,523)	94%



Revenues – \$3.3M increase

- Non Departmental Revenues
 - Net increase of \$3.3M
 - \$2.5M increase in Property Taxes
 - \$850K increase in Sales Taxes
 - \$250K increase in Property Transfer Taxes
 - \$232K increase in Transit Occupancy Tax (TOT)
 - \$500K decrease in Assessment and Tax Collection fees
 - \$100K decrease in Recording fees
- \$Departmental Revenues
 - Net increase of \$34K



Expenditures – (\$14.4M decrease)

- \$9.6M in unspent contingency
- Departmental expenditure savings of \$4M
- Non-departmental expenditure savings of \$800K



Fund Balance

- The net effect of increased revenues of \$3.3M and decreased expenditures of \$14.4M results in a **projected fund balance of \$17.7M for FY 2014-15**



Economic Uncertainties/Assumptions

- Maintains a General Reserve of 5% or \$10M for economic uncertainties
- Departments estimating very conservatively
 - Employee wage increases (Still negotiating with several labor unions)
 - Uncertainty with County-wide cost plan
 - Late approval of Department rates
 - New fiscal models within two new agencies

Other Funds

Road Fund, Community Services, Public Health and
Mental Health

Road Fund Summary

	FY 2013-14 Budget	Projected June 30, 2014	Variance	% of Budget
Revenues	\$85,372,489	\$80,299,038	(\$5,073,451)	94%
Expenditures	\$85,372,489	\$80,299,038	(\$5,073,451)	94%

- Changes related to shift in the timing on construction starts and acquisition of right of way as well as lower construction bids
- Use of fund balance of \$674K resulting in a year end fund balance projection of \$4.5M

Community Services Summary

	FY 2013-14 Budget	Projected June 30, 2014	Variance	% of Budget
Revenues	\$9,730,038	\$8,822,111	(\$907,927)	91%
Expenditures	\$14,865,824	\$14,865,824	(\$907,927)	91%

- Changes primarily related to decreases in federal program revenues

Public Health Summary

	FY 2013-14 Budget	Projected June 30, 2014	Variance	% of Budget
Revenues	\$26,578,190	\$20,030,275	(\$6,547,915)	75%
Expenditures	\$26,578,190	\$20,030,275	(\$6,547,915)	75%

- Reduced expenditures primarily related to no planned use of Contingency (\$5M), services & supplies savings (\$763K), and salary savings (\$727K)
- Department projects a year end fund balance of approximately \$6.3M

Mental Health Summary

	FY 2013-14 Budget	Projected June 30, 2014	Variance	% of Budget
Revenues	\$28,439,356	\$19,794,540	(\$8,644,816)	70%
Expenditures	\$28,439,356	\$18,846,407	(\$9,592,949)	66%

- Traditional Mental Health Programs
 - Projections include an almost 100% use of fund balance of \$1M. The program is not sustainable and cost saving measures need to be taken. The Department has been undergoing fundamental program changes in staffing to best utilize resources and optimize billing practices.
- Mental Health Services Act (MHSA) Programs
 - Projections include an increase in fund balance of approximately \$948K for a total year end projected fund balance of \$10.4M. Savings are due to the late start in initiating programs due to the adoption of the FY 2013-14 MHSA plan in December.

5 Year General Fund Forecast



Assumptions

- Tax revenue increases 1% based on FY 2013-14 year end projection
- All other non-departmental revenues remain flat
- Department revenues grow 1%
- 4.5% growth in salaries and benefits
- 2% growth in all other operating costs
- \$2.3M for roads
- 25% (approx. \$550K) of TOT remains in the General Fund operating budget
- Fund balance numbers very conservative

Last year's fund balance figure was \$4M higher than the Mid-year projection

5 Year Variances

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
As of 9/16/13					
Revenues	\$223,744,135	\$223,738,631	\$228,141,635	\$233,584,228	N/A
Appropriations	229,520,817	233,980,375	238,446,772	243,032,276	N/A
Surplus/(Shortfall)	(5,776,682)	(10,241,743)	(10,305,137)	(9,448,049)	N/A
Attachment B					
Revenues	231,257,884	229,977,169	235,522,808	242,256,749	245,982,182
Appropriations	233,372,562	241,705,346	250,376,897	259,291,810	268,664,843
Surplus/Shortfall	(2,114,677)	(11,728,176)	(14,854,088)	(17,035,062)	(22,682,661)
Variance					
Revenues	7,513,749	6,238,538	7,381,173	8,672,521	N/A
Appropriations	3,851,745	7,724,971	11,930,125	16,259,534	N/A
Surplus/Shortfall	(3,662,005)	1,486,433	4,548,951	7,587,013	N/A



What has changed?

- Slight increase in revenues due to change in base-line
- Increased Intergovernmental revenues to offset increased appropriations in Human Services
 - Assumes that cost sharing will result in additional federal and state revenues to cover increased appropriation assumptions
- Increased appropriations due to increase in salaries and benefits assumption from 2% to 4.5%



CAO Recommendation

- Budget message for FY 2014-15 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)