**Board of County Commissioners**

**Workshop**

|  |  |
| --- | --- |
| Date of Meeting: | August 3, 2015 |
|  |  |
| Date Submitted: | July 23, 2015 |
|  |  |
| To:  | Honorable Chairman and Members of the Board |
|  |  |
| From:  | J. David Edwards, County AdministratorGreg James, Finance DirectorBrandy King, Budget Coordinator |
|  |  |
| Subject: | 3rd FY2015/2016 Budget Development Workshop |

**Statement of Issue:**

This is the 3rd and final workshop in the development of the FY2015/2016 Final Budget.

**Background:**

On January 5, 2015 the FY2015/2016 budget calendar was approved by the Wakulla County Board of County Commissioners. The following background information briefly recaps the history of Board action to date for the current budget cycle.

The Board has conducted two scheduled FY2015/2016 Budget Development Workshops, the first on March 9, 2015, and the second on June 15, 2015, and an additional workshop focused on the Fire MSBU Assessment and One Cent Sales Tax was held on July 20, 2015. The County Administrator has reviewed the current fiscal year position, and held departmental meetings to assess the performance, revenue projections and expense requests of all departments. All revenue and expense actual totals for the current fiscal year have been updated through June 30, 2015. General Revenue (non-departmental) estimates for FY2015/2016 have been established and a preliminary budget was prepared and delivered to the Board on July 16, 2015.

**Analysis:**

The primary objective of this budget development workshop is to have free and open discussion with the Board and seek direction on initiatives for the FY2015/2016 Final Budget. The County Administrator will outline the highlights and accomplishments of the FY2015/2016 Preliminary Budget and request input from the Board.

***General Fund***

* Based on historical allocations to the Constitutional Officers, sets a ***guideline*** percentage to be used going forward for distributing revenue increases
* Fully funds the Cost of Living Allocation (COLA) given effective April 1, 2015, assumes no COLA for fiscal year 2015/2016
* Fully funds the Florida Retirement System (FRS) contribution rate changes effective July 1, 2015
* Fully funds the cost of health insurance increase for Capital Health plan (CHP)
* Adds a 12 hour shift for EMS – 2 flex employees, 12 hours per day, daylight hours (exact time schedule to be established)
* Institutes the Veterans Services Officer as a full time position
* Adds a full time administrative position to the Animal Service Department
* Adds a full time position for maintenance of the Community Center. This additional position is offset by an increase in revenue of $58,400 over the current fiscal year
* Adds a full time position to the Revenue Collections Department
* Adds a full time position at the Wakulla County Public Library. This is additional position if offset by reallocating the salary and benefits of one current employee to the Library State Aid Grant Fund.
* Adds one part time position for Administration for a student in the On Job Training (OJT) Program
* Provides a contractually obligated CPI increase of 2% to the county attorney firm, Nabors, Giblin & Nickerson, P.A.

***Revenue Stabilization Fund (RSF)***

* Establishes the RSF as a safeguard for fluctuating or volatile revenue (CST, Fiscally Constrained Counties, Housing for Prisoner, etc.) and allows time for deliberate decisions in making future budgetary projections and assumptions
* Strategically and incrementally provides a method for the Fine & Forfeiture Fund to reduce dependence on the unpredictable Housing for Prisoner revenue
* Establishes a maximum amount of annual recurring growth allowing for disciplined expenditure control
* Unlike General Fund Reserve and Fund Balance, the RSF is intended to be used towards recurring expenses in periods of reduced revenue
* Transfer in of $300,000 in the current fiscal year to establish the fund
* Conceivably transfer a portion of the BP settlement to the RSF, as determined by the Board
* The RSF will not exceed 10% to 12% of total annual General Fund expenditures (approximately $1,300,000)

***Fine & Forfeiture Fund***

* Fully funds two additional E911 operators for the Wakulla County Sheriff Office (WCSO)
* In the Law Enforcement Division, Community and Youth Relations, fully funds the COPS Grant commitment for one final year
* Provides an increase to the total WCSO budget of $191,622 over the current fiscal year
* Allocates over 66% of the General Administration revenue increase to the WCSO
* Spreads the revenue decrease of $553,112 in Housing for Prisoner revenue across all Constitutional Officers

***Road Department Fund***

* Provides a contractually obligated CPI increase of 2% to the subcontractor company that operates Public Works, ESG Operations, Inc.
* Provides funding for the purchase of necessary capital equipment
* Provides $20,000 funding for Keep Wakulla County Beautiful (KWCB). KWCB was formally funded by National Forest Title III funds. Support of KWCB with Title III funding is no longer an authorized expenditure of this restricted funding

***Fire MSBU Fund***

* Preliminarily establishes the 2015/2016 Fire MSBU Assessment at $80 per household, $.064 per square foot commercial and $.1813 per acre for vacant land
* ***Does not fund*** any operating or capital equipment

***One Cent Sales Tax Fund***

* Fully funds capital maintenance of the Riversink Water Tower tank interior repainting, $60,000
* Fully funds replacement of a Class A Fire Engine, $390,000
* Fully Funds replacement of several Road Patrol vehicles for the WCSO, $98,500
* Provides $525,000 for road resurfacing, new paving, striping and bridge repair
* Continues debt service payments totaling $591,239
* Sets aside a reserve of $1,476,755 for anticipated paving projects in conjunction with the Magnolia Gardens and Wakulla Gardens Sewer Retrofit Project

***Riversink Water Fund***

* Provides a 2% CPI increase in services rates, as established by Resolution #13-14, providing an automatic index rate adjustment

At the July 20, 2015 Board Meeting, the Board adopted the Fire and Solid Waste Services “Preliminary” Rates; however, the “Final” rates will not be considered until the September 9th Board Meeting. Therefore, at this point in the budget process, the Board will need to discuss the following outstanding issues so that decisions can be made and implemented:

* Fire MSBU Assessment Rate
* Solid Waste Assessment Rate
* Waste Pro 2.5% CPI contract increase

**Summary:**

This is the third budget development workshop and nearing the end of the budget process. Over the next several weeks, budget meetings will continue and projections will be adjusted as additional months of revenue and expense data becomes available. The first public hearing to be held on the FY2015/2016 Tentative Millage Rate and FY2015/2016 Tentative Budget is scheduled for Wednesday, September 9, 2015 at 5:01 p.m.

*The budget numbers presented at the workshop are not final and are subject to change based on Board consideration of issues addressed in this or future workshops, subsequent estimate modifications, and any unanticipated events occurring in the remaining current year budget.*

**PLEASE NOTE: The Board does not take action during Workshops; however**

**staff requests the Board provide direction and if any consensus is reached on how to proceed prior to this workshop concluding. The direction provided to staff will be included into the record of the minutes and will eliminate staff bringing back an agenda item to ratify.**

**Attachment(s):**

1. FY2015/2016 Budget Presentation