Board of County Commissioners
Agenda Request

Date of Meeting:	August 4, 2014
Date Submitted:	July 31, 2014
To:	Honorable Chairman and Members of the Board
From:	J. David Edwards, County Administrator Greg James, Finance Director Brandy Price, Budget Coordinator
Subject:	Third Budget Workshop Regarding the Development of the FY2014/2015 Budget

Statement of Issue:
This workshop is the last of three scheduled workshops in the development of the FY2014/2015 Final Budget.

Background:
On January 6, 2014 the FY2014/2015 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 FY2014/2015 Budget Development Workshops, the first on March 3, 2014, and the second on June 2, 2014. 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, 2014. General Revenue (non-departmental) estimates for FY2014/2015 have been established and a preliminary budget was prepared and delivered to the Board on July 15, 2014.

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 FY2014/2015 Final Budget. The County Administrator will outline the changes that have been made to the FY2014/2015 Preliminary Budget since it was delivered to the Board.

The highlights of those changes are listed below:

General Fund

- In department 0100, Board of County Commissioners, an assumed increase of 1% was applied to all Elected Officials in anticipation of the release of the Finalized Salaries of Elected County Constitutional Officers and School District Officials for Fiscal Year 2014-15 Table by the Office of Economic and Demographic Research. The budgetary impact was an increase of $2,429.

- In department 1900, Agriculture Extension Services, all estimated revenue was budgeted in a single department, and an ancillary department, 1900-01 was deactivated. This change was neutral and it did not increase nor decrease the total departmental budget.
- In department 2300, Facilities Management, anticipated increases in the cost of the Florida Department of Environmental Protection (FDEP) mandated fuel contamination were added. These increases do not impact the FY2014/2015 Budget, but do affect the FY2015/2016 budget and therefore, the overall future financial position of the County.
- In department 6000, Emergency Medical Services (EMS), several employees hourly rate was adjusted to reflect a change in those employees job classification in anticipation of dual certification status. These changes are in accordance with the Wakulla County Personnel Policy and Procedures Manual, Pay and Job Classification Plan. These changes resulted in an increase for the EMS department of $59,910.

Special Revenue Funds

- In Fund 107-RECR-01, the Recreational User Fee Fund, additional revenue was budgeted due to an increase in Summer Camp activity at the Community Center. The budgetary impact of this change is an increase of $2,000.
- In Fund 150, the Sheriff Fine & Forfeiture Fund, a reserve line was added as a contingency for actual number of jail inmates exceeding the estimated 200. Each additional inmate costs $1,620 per year for food and supplies. Per F.S. 129.06(2)(b), appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expense in the same fund, but expenditures may not be charged directly to the reserve for contingencies. Therefore, the Board would need to approve a budget amendment in order for the expenditure of reserve funds. This change results in an increase of $100,000 to the fund and brings the amount of cash forward needed to balance the fund up to $438,112.
- In Fund 180, the Fire Department MSBU Fund, the contracted services line item was increase to reflect the cost of required annual physicals for all Firefighters. Also, one employee is expected to attain an additional certification in FY2014/15 which will result in a change in that employees job classification and increase in hourly rate. This change is in accordance with the Wakulla County Personnel Policy and Procedures Manual, Pay and Job Classification Plan. In addition, a line item of $30,000 for operating equipment was added for the purpose of replacing out dated Self Contained Breathing Apparatus (SCBA) at several County Volunteer Fire Stations in FY2014/2015 and for the following five years. The budgetary impact of these changes is an increase of $81,196.

Enterprise Funds

- In Fund 435, the Sewer Operating Fund, a line item was added for property insurance which resulted in an increase of $17,162
- In Fund 440, the Solid Waste Operating Fund, the anticipated loan amount to complete to closure of Lower Bridge Landfill was increased due to estimated costs for construction being higher than projected after the completion of the bid process. The necessary loan amount is now $990,670. The higher loan amount forces a higher amount of debt service beginning in FY2015/2016. Also, the preliminary budget was submitted to the Board with an increase in the Solid Waste Assessment Rate from $196 to $199.

After the second budget workshop, the Board expressed reluctance to move forward with this rate increase, so it has been removed. These changes resulted in an increase of $249,208. It should be noted that the financial position of this fund in the five year model does not maintain fund balance policy and will need to be supplemented with General Fund assistance in the future if the rate increase does not get approved.

At this point in the budget process, there are some outstanding issues that need Board discussion so that decisions can be made and implemented. Those issues are listed below:

- Health Insurance Rate Increase / CHP
- Mandated Fuel Contamination Clean Up
- Sewer Fund USDA Loan/Grant
- Solid Waste Assessment Rate
- Solid Waste Landfill Closure

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 Tentative FY2014/2015 Budget and Proposed Millage Rate is scheduled for Tuesday, September 9th 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.