

Board of County Commissioners

Workshop

Date of Meeting: March 20, 2017

Date Submitted: March 1, 2017

To: Honorable Chairman and Members of the Board

From: David Edwards, County Administrator
Greg James, Finance Director
Brandy King, Budget Coordinator

Subject: First FY2017/2018 Budget Development Workshop

Statement of Issue:

This workshop is the first scheduled workshop in the development of the FY2017/2018 Budget.

Background:

The FY2017/2018 Budget Calendar was approved by the Board on January 3, 2017. The approved Budget Calendar lays out the budget development process so that the Board and public are aware of the events that will lead up to adoption of the final FY2017/2018 budget in September. This is the first of three workshops that the Board will hold during the budget process. Significantly, this approved calendar includes two additional Board workshops and public hearings, including those required under state law, for further citizen and Board input throughout the process to adopt the final budget.

Analysis:

As part of the preparation of the FY2016/2017 Final Budget, five year forecasts were calculated in an effort to improve long term financial planning for the County. The foundation for the FY2017/2018 is the forecasts that were approved as part the adoption process of the FY2016/2017 Final Budget.

The primary objective of this first budget development workshop is to have free and open discussion with the Board and to seek direction on challenges for FY2017/2018. At this point in the budget development process, the purpose is to focus on general concepts and ideas for constructing an effective five year forecast, rather than focusing on specific revenue and expense estimates. The preliminary budget is due to the Board on July 15, 2017.

Summary

This workshop is the first of three scheduled workshops during the FY2017/2018 Budget development process. Staff is seeking direction from the Board regarding the issues presented for consideration. In the upcoming weeks, Administration and Finance staff will be meeting with departments to formulate a preliminary budget for Board review at the next scheduled workshop. The second budget development workshop is scheduled for June 19, 2017.

Attachments:

1. FY2017/2018 Budget Development Presentation

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.



FY17/18 Budget Workshop

March 20, 2017

Historical Information - General Fund

- ▶ FY10/11 – \$283,195 Beginning Fund Balance of the General Fund
- ▶ This was \$2,497,862 below the goal of 29% of the annual expenditures
- ▶ Risk of State preemption due to deteriorating financial conditions.



Historical Information - General Fund

- ▶ Implemented ***Mandatory Furloughs*** for all Staff
 - ▶ Vacant positions were unfilled
- ▶ Constitutional Officers were asked to reduce expenses and furlough



Historical Information - General Fund

- ▶ FY11/12 - \$1,367,739 Beginning Fund Balance of the General Fund
- ▶ This was \$1,271,687 below the goal of 29% of the annual expenditures



Historical Information - General Fund

- ▶ New Administration effective 10/1/2011
- ▶ Identified opportunities for efficiency and organization improvements
 - ▶ Hold expenses, no COLA
- ▶ Develop a budget plan for the future to assess the impact of changes



Historical Information - General Fund

- ▶ FY12/13 - \$1,910,921 Beginning Fund Balance of the General Fund
- ▶ This was \$711,845 below the goal of 29% of the annual expenditures



Historical Information - General Fund

- ▶ Continue to make improvements in daily operations focusing on “low hanging fruit”
 - ▶ First full year of PST
 - ▶ Ad Valorem still declining
 - ▶ Hold expenses, no COLA



Historical Information - General Fund

- ▶ FY13/14 - \$2,488,030 Beginning Fund Balance of the General Fund
- ▶ This was \$395,275 below the goal of 29% of the annual expenditures



Historical Information - General Fund

- ▶ Consolidate Code Enforcement with Planning Department
 - ▶ Revenue data collection and analysis improved
 - ▶ Hold expenses, no COLA



Historical Information - General Fund

- ▶ FY14/15 - \$3,342,714 Beginning Fund Balance of the General Fund
- ▶ This was \$347,933 above the goal of 29% of the annual expenditures



Historical Information - General Fund

- ▶ Added one department dedicated to Revenue Collections
 - ▶ Ad Valorem still declining even as surrounding counties see small increases
- ▶ Employees receive first COLA since 2009



Historical Information - General Fund

- ▶ FY15/16 - \$4,074,375 Beginning Fund Balance of the General Fund
- ▶ This was \$665,635 above the goal of 29% of the annual expenditures



Historical Information - General Fund

- ▶ Added Revenue Stabilization Fund as a means to smooth revenue fluctuations
- ▶ Ad Valorem revenue increases slightly over prior year
 - ▶ Employees receive 2% COLA



FY15/16 Review - General Fund

Revenue

Budget \$10,721,523.

Actual \$11,067,385.

*this does not include Cash Forward
or Interfund Transfers*



FY15/16 Review - General Fund

Expense

Budget \$7,945,716.

Actual \$7,823,910.

*this does not include Reserve
or Interfund Transfers*



FY15/16 Review - General Fund

Change in Fund Balance

(\$157,459.)*

**FY15/16 actual amounts are currently being audited*

(Hurricane Hermine cost \$74,564)



FY15/16 Review - General Fund

General Fund

**Fund Balance
Target “Burn Rate”
(\$350,000.) per year**



Current Fiscal Year - General Fund

- ▶ FY16/17 - \$3,916,916 Beginning Fund Balance of the General Fund
- ▶ This was \$686,253 over the goal of 29% of the annual operating expenditures



Current Fiscal Year - General Fund

- ▶ Cash forward is budgeted to control the reduction of surplus in General Fund
 - ▶ Millage Rate cut to 8.25 mills
 - ▶ Employees receive 2% COLA



FY17/18 Budget Discussion - General Fund

- ▶ Basis of FY17/18 Budget is 5 year plan
- ▶ Monitor current year actuals and update as they become available
- ▶ Project increases based on historical information



FY17/18 Budget Discussion - General Fund

- ▶ What adjustments are needed to hit burn rate target?
 - ▶ Millage rate?
- ▶ General Fund condition vs. Other Funds



FY17/18 Budget Discussion - General Fund

- ▶ State and local revenues continue to be collected at a rate higher than estimated
- ▶ Overall favorable condition of economy is impacting these revenues
 - ▶ Expenses are being monitored and controlled appropriately



FY17/18 Budget Discussion - General Fund

Current Assumptions:

- ▶ 2% COLA
- ▶ CHP increase absorbed
- ▶ FRS increase
- ▶ 2% Constitutional Officer increase
- ▶ Cost allocation transfers in
- ▶ Transfer to Revenue Stabilization Fund



FY17/18 Budget Discussion - General Fund

Challenges and Opportunities:

- ▶ MSBU fund is near total depletion of cash
- ▶ Community Center
- ▶ Economic Development
- ▶ Demanding capital project program



FY17/18 Budget Discussion - General Fund

Questions and Discussion

