

2012 Budget Expenditure Forecast



Budget Theme



Be Prepared

- County is in a strong financial position because of the Board's fiscal prudence
- We're making progress on our strategic plan
 - We were able to do things this past year.
- We must continue to push ourselves to do things better, cheaper, and faster
- Revenue Sharing in jeopardy

Our Budget Tactics



- Long-term planning
 - Five-year fiscal planning
- No Gimmicks
 - No short-term fixes needed
- Conservative estimates of revenues
- Reducing Expenditures
- Participative
 - Department Heads and Elected Officials Working Together
- Open

FY 2011 Budget Adjustments

| Revenue | |
|-------------------------------------|---------------------|
| Approved Budget | \$41,414,757 |
| Adjusted Tax Revenue | (\$237,218) |
| MCF Reimbursement | 209,584 |
| Revenue Sharing | \$729,605 |
| Fund Balance | (\$475,093) |
| Budget Stabilization | (\$250,000) |
| Sandstone Law Enforcement Contracts | \$91,617 |
| Total | \$41,483,252 |

| Expenditure | |
|-------------------------------------|---------------------|
| Approved Budget | \$41,414,757 |
| Clerk Sharing – Aging / Health | (\$23,122) |
| | |
| | |
| | |
| | |
| | |
| Sandstone Law Enforcement Contracts | \$91,617 |
| Total | \$41,483,252 |

2012 Base Budget



The Starting Point

- Base -\$41,483,252



With adjustments, 2011 will only use \$261,863 of reserves (a reduction of \$725,093 from budgeted).

For a Rainy Day

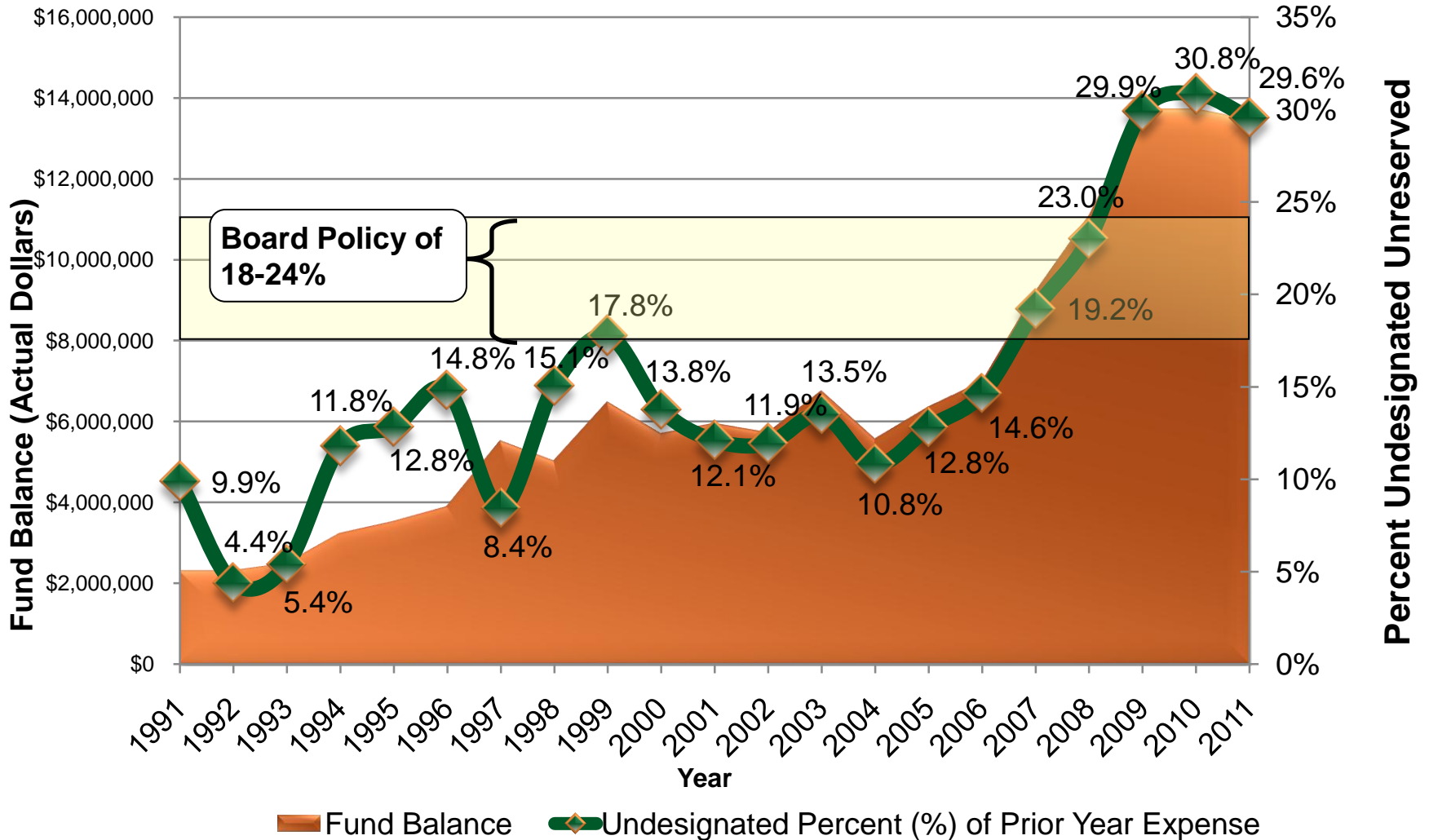


| | |
|--|----------------------|
| Undesignated unreserved Fund Balance above Board Goal of 24% | \$2.5 Million |
| Budget Stabilization Fund | \$1.5 Million |
| Total | \$4.0 Million |





Fund Balance History



Fund Balance Use



What do we do with the fund balance?

- Fund balance is a sign of fiscal stability
- Have a policy and stick to it

Why is the fund balance so large this year?

- Tax Revenue up from projections
- State revenue share came through
- Original budget planned to use \$1.2 million from reserves
- Increase in jail boarding revenue contributed to General Fund bottom line

2012 Factors



Compensation



- Employee's have only received a 4% market adjustment in the past 5 years.
- A 1% Market Adjustment was contemplated for 2012 in the 5-year plan

Past Market Adjustments

| Year | Adjustment |
|-------|------------|
| 2007* | 2% |
| 2008 | 1% |
| 2009 | 1% |
| 2010 | 0% |
| 2011 | 0% |

*New Salary Schedule

Capital Needs



Capital Fund Requested & Recommended 2011



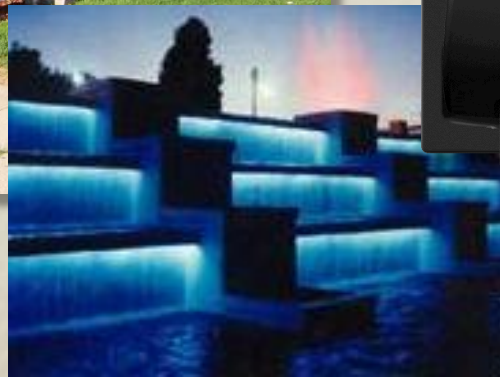
Delinquent Tax Revolving Fund may no longer be sufficient to cover all capital needs.

Typically spend \$800,000 to \$1.1 million per year

Capital Needs



We intend to publish the first Capital Improvement Program



Factors to Consider for 2012

| Cost | Trend | Details | Net Impact |
|---------------------|-------|--|----------------|
| Health Insurance | Up | Health Care Fund strong and can absorb one year's increase | \$0 |
| Retirement Premium | Down | Market Impacts | (\$200,000) |
| Wages | Up | Have not received any market adjustments in two years | \$200,000 |
| Step Increases | Up | According to contracts | \$150,000 |
| FTE Reduction | Down | Attrition | (\$25,000) |
| Total Impact | | | 125,000 |

Expenditure Impact 2012



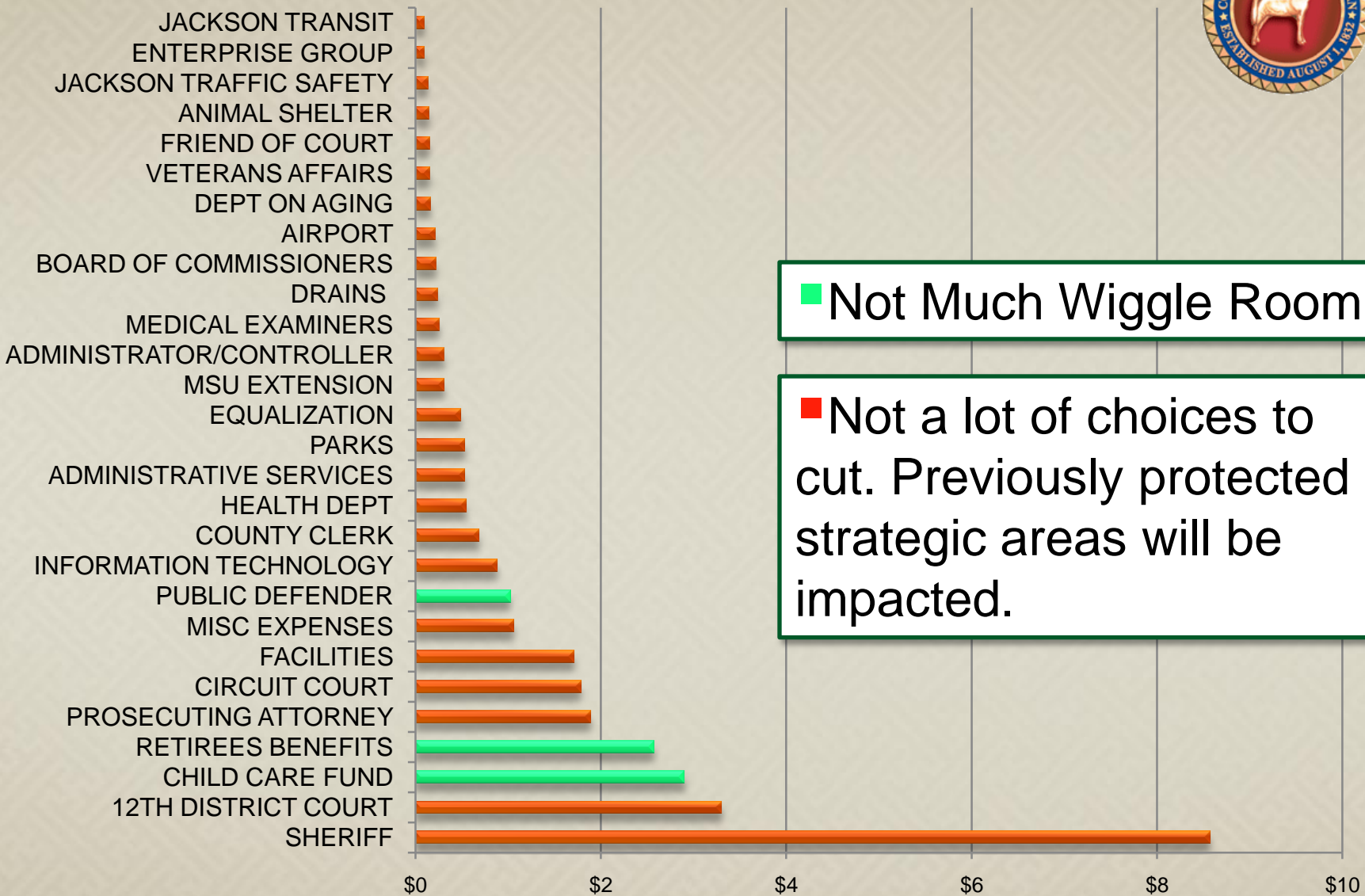
| Expenditures | 2012 |
|---------------------|---------------------|
| 2011 Base | \$41,483,252 |
| Adjustments | \$125,000 |
| Total | \$41,608,252 |

Net Impact 2012



| | No Revenue Sharing | Revenue Sharing 50% |
|---------------------------|---------------------|---------------------|
| Revenues | | |
| GF Revenue | \$41,483,252 | \$41,483,252 |
| Revenue Sharing | (\$2,529,605) | (\$879,605) |
| Property Tax | (\$204,315) | (\$204,315) |
| Fund Balance/Stablization | \$1,000,000 | \$1,000,000 |
| Total | \$39,749,332 | \$41,399,332 |
| Expenditures | | |
| 2012 Expenditures | \$41,608,252 | \$41,608,252 |
| Cuts to Make | (\$1,858,920) | (\$208,920) |
| Total | \$39,749,332 | \$41,399,332 |

Net General Fund Impact Greater Than \$100,000



■ Not Much Wiggle Room

■ Not a lot of choices to cut. Previously protected strategic areas will be impacted.

Approach for Discussion



Prepare with 50% RS

Assume 50% Revenue Sharing

- Ask Departments to Prepare Budget with \$400,000 in cuts

Prepare Contingency Plan

If Revenue Sharing is eliminated

- Prepare plan that maximizes fund balance to smooth reduction over five-year plan.
- This plan will be painful and felt by the community in terms of service delivery.

Legislative Agenda



Staff Recommendation: The Board should take a position and be vocal

- Open to reductions, but opposed to the State eliminate revenue sharing.
- If there is a long-term need to reduce state revenue sharing, then do it responsibly through a five-year plan.
- Total elimination will have a dramatic impact on public safety.
- Resolution & Lobbying

To Do



- Capital Improvement Program
 - Will give us a better idea of our long-term needs
 - Will help us decide an appropriate level of funding
- Extrapolate the Five-Year Plan
 - More detail, more accurate

Final Retreat Session



- February 15, 2011
 - Affirm Priorities
 - Survey
 - Review Five-Year Plan
 - Approve Recommended Target

Ideas, Questions, Comments, Discussion