

Efficiencies

Over the past two years, several initiatives have been undertaken to introduce operating efficiencies throughout the organization. The budgetary impacts of these efficiencies are ongoing and can be summarized as follows:

1. Efficiencies included in the FY12 adopted budget were assumed to continue in development of targets for FY13. Therefore, these efficiencies were already recognized as part of the budget strategy.
2. The FY13 proposed budget reflects a decrease of 0.8% or \$3.4M vs FY12 in operating expenses for the non-enterprise departments under the County Administrator. The decrease was achieved in spite of the following forecast increases in operating expenditures:
 - a. FRS contribution increase of 6.0%
 - b. Health insurance contribution increase of 10.0%
 - c. Fuel cost increase of 3.0%
 - d. Electricity cost increase of 5.0%
 - e. Other non-personnel expenditures increase of 1.3%

Additional detail regarding forecast assumptions is provided in the Key Forecast Assumptions section of the Budget Message in the FY13 Proposed Budget document.

Corrections to Personnel Position Comparison

The Personnel Position Comparison report was incorrect as presented in the Summary section of the FY13 Proposed Budget. It reflected a net increase of 44 positions (including 39 under the Board) and it should have reflected 17 (including 15 under the Board).

The attached revised version of the Personnel Position Comparison presented as pages B-18 and B-19 reflects several corrections to the position counts. The sources of the corrections fall into two categories:

1. Typographical errors;
2. The report reflected positions that should not have been captured as they are temporary and/or part-time.

After making the corrections above, the net increase in full-time permanent positions from FY12 to FY13 for departments under the Board of County Commissioners is 15 positions. This net increase consists of 6 positions in the General Fund and 9 positions in enterprise funds.

The attached revision highlights the corrections and revised figures.

PERSONNEL POSITION COMPARISON *

	FY12 Budget	Increase/ Decrease	FY13 Request
<i>Board of County Commissioners</i>			
Board of County Commissioners	14 0	0 14	14
County Attorney	33	0	33
<i>County Administrator</i>			
Airport	64	0 +	64 65
Animal Services	47	0	47
Building & Development Review Services	68	0 +	68 69
Communications	22	0 3	22 25
Community Development	28	0 +	28 29
County Administrator	7	1	8
Dept of Environment and Infrastructure (DEI):	834 833	11 12	845
Economic Development	14	0 +	14 15
Emergency Management	10	0	10
Health & Human Services	84	0	84
Justice & Consumer Services	22	1	23
Office of Management & Budget	9 10	1 0	10
Parks and Conservation Resources	188	(3) (4)	185 184
Planning	27	0	27
Public Safety ⁽¹⁾	126	0 3	126 129
Purchasing	15	2	17
Real Estate Management ⁽²⁾	160	(2)	158
Risk Financing Administration	12	0 +	12 13
Tourist Development Council	<u>33</u>	<u>4</u>	<u>37</u>
<i>Total County Administrator</i>	1,770	15	1,785
<i>Total Board of County Commissioners</i>			
	1,817	15	1,832

* Permanent Full Time Positions.

⁽¹⁾Public Safety includes EMS/Fire Administration and Emergency Communications Departments

⁽²⁾ Reflects consolidation of Fleet Management with Real Estate Management

PERSONNEL POSITION COMPARISON *

	FY12 Budget	Increase/ Decrease	FY13 Request
<i>Constitutional Officers</i>			
Clerk of the Circuit Court	109	(3)	106
Property Appraiser	123	0	123
Sheriff	2,263	5	2,268
Supervisor of Elections	34	0	34
Tax Collector	<u>258</u>	<u>0</u>	<u>258</u>
<i>Total Constitutional Officers</i>	2,787	2	2,789
<i>Other</i>			
<i>Court Support</i>			
Judiciary	<u>38</u>	<u>0</u>	<u>38</u>
<i>Total Court Support</i>	38	0	38
<i>Independent Agencies</i>			
Business Technology Services	146	0	146
Construction Licensing Board	11	0	11
Employee Health Benefits	1	0	1
Human Resources	30	0 3	30 33
Medical Examiner	2	0	2
Office of Human Rights	<u>10</u>	<u>0</u>	<u>10</u>
<i>Total Independent Agencies</i>	200	0	200
<i>Total Other</i>	238	0	238

<i>TOTAL POSITIONS</i>	4,842	17	4,859
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PERSONNEL POSITION COMPARISON * SUMMARY

	FY12 Budget	Increase/ Decrease	FY13 Request
<i>Board of County Commissioners</i>	1,817	15	1,832
<i>Constitutional Officers</i>	2,787	2	2,789
<i>Court Support</i>	38	0	38
<i>Independent Agencies</i>	200	0	200

<i>TOTAL POSITIONS</i>	4,842	17	4,859
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* Permanent Full Time Positions.

**UNFUNDED MEDICAID MANDATE (HB5301)
ESTIMATED IMPACT ON GENERAL FUND FORECAST (UPDATED 7/13/12)**

ORIGINAL BACKLOG									REVISED BACKLOG		
State Fiscal Year	Estimated Billing Increase	Estimated Current Billing Amount	County Fiscal Year	Estimated Current Billing Amount	Original Backlog (@ 100%; constrained to 50% of Revenue Sharing)	Estimated Total Billings deducted from Shared Revenues	Medicaid Expenditures as estimated in FY13 Forecast	Net Impact on Forecast (May 2012)	Revised Backlog (@ 100%; constrained to 50% of Revenue Sharing)	Estimated Total Billings deducted from Shared Revenues	Net Impact on Forecast (July 2012)
			11-12	16,829,526	0		12,000,000	(4,829,526)	0		(4,829,526)
12-13	8.51%	18,070,395	12-13	18,261,718	6,958,024	25,219,742	13,000,000	(12,219,742)	6,107,539	24,369,257	(11,369,257)
13-14	4.24%	18,835,688	13-14	19,021,079	5,339,074	24,360,153	13,900,000	(10,460,153)	3,053,769	22,074,848	(8,174,848)
14-15	3.94%	19,577,250	14-15	19,770,056	5,339,074	25,109,130	14,900,000	(10,209,130)	3,053,769	22,823,826	(7,923,826)
15-16	3.94%	20,348,475	15-16	20,587,258	5,339,074	25,926,332	16,000,000	(9,926,332)	3,053,769	23,641,028	(7,641,028)
16-17	4.69%	21,303,608	16-17	21,551,290	5,329,639	26,880,929	17,200,000	(9,680,929)	3,053,769	24,605,059	(7,405,059)
17-18	4.65%	22,294,335	17-18	22,556,848	0	22,556,848	18,500,000	(4,056,848)	0	22,556,848	(4,056,848)
18-19	4.71%	23,344,388	18-19	23,618,766	0	23,618,766	19,900,000	(3,718,766)	0	23,618,766	(3,718,766)
19-20	4.70%	24,441,900	19-20	24,728,143	0	24,728,143	21,400,000	(3,328,143)	0	24,728,143	(3,328,143)
20-21	4.68%	25,586,873	20-21	25,887,519	0	25,887,519	23,000,000	(2,887,519)	0	25,887,519	(2,887,519)
21-22	4.70%	26,789,456	21-22	27,104,232	0	27,104,232	24,700,000	(2,404,232)	0	27,104,232	(2,404,232)
total FY13 - FY22				223,086,909	28,304,885	251,391,794	182,500,000	(68,891,794)	18,322,616	241,409,526	(58,909,526)
Net Decrease in total Backlog billing									9,982,269		

Notes: The State Fiscal Year is July-June; the County's Fiscal Year is Oct-Sept.

FAC estimates for the Medicaid impacts were produced on a State Fiscal Year basis. These estimates have been converted to a County Fiscal Year basis to determine the required adjustments to the County's FY2013-FY2022 Forecast.

The Revenue Sharing adjustment for the Backlog billing is shown at 100% of the estimated total. This assumes that the County will petition the State for a review of the charges. If the County does not exercise this option, the State will reduce the backlog amount to 85% of the total, (\$24.1M). This would result in original Medicaid impact being \$4.2M and revised impact being \$2.7M less than shown above. The difference would affect Fiscal Years 2014 to FY2017.

The revised backlog is based on state revisions that reduced Backlog billing. Revised figures distributed by FAC on 7/13/12.

There is an impact on the County for FY2012 because deductions from Half Cent Sales Tax revenue will begin as of May 2012. The "current billing" amount for FY2012 is estimated by reducing the FY2013 estimate by the percentage increase presented in the FAC estimates.

FAC did not estimate FY 2022. The estimates for that year reflect a continuation of the projected increase trend for the previous three years.

FY13 Non-Recurring Funds: Sources and Uses

	<u>FY12 Budget</u>	<u>FY12 Estimate</u>	<u>FY13 Proposed</u>	<u>Change</u>
<u>Sources:</u>				
Beginning Fund Balance	\$ 122.5	\$ 126.7		\$ 4.2
Revenues	\$ 433.6	\$ 439.4		\$ 5.8
Expenditures	\$ (434.0)	\$ (439.3)		\$ (5.3)
Medicaid (unanticipated)	\$ -	\$ (4.8)		\$ (4.8)
Total Sources Change				\$ (0.1)

15% Reserve Level	\$ 84.9	\$ 81.7	\$ 3.2
Fund Balance exceeding 15%	\$ 1.8	\$ -	\$ 1.8
Use of Fund Balance (non-SLSA)			\$ 5.0
<u>Uses:</u>			
Justice CCMS Project			\$ (3.9)
Chiller			\$ (1.5)
Total Uses			\$ (5.4)
		Shortfall	\$ (0.4)

NOTE: FY12 Estimate for revenues reflects increases resulting from grants and other revenues.

SUMMARY FOR FY12

- FY11 Ending Fund Balance ended \$4.2m higher than budgeted in FY12.
 - Recurring revenues estimated to exceed recurring expenditures by \$0.5M for FY12.
 - During FY12, HB 5301 resulted in unanticipated \$4.8m add'l Medicaid costs.
- NET RESULT FOR FY12:** Ending Fund Balance will be \$0.1m lower than the FY12 adopted budget.

SUMMARY FOR FY13

- FY12 Ending Fund Balance carries over into FY13 and includes \$84.9M for 15% reserve level (based on FY12 total revenues).
 - FY13 Ending Fund Balance requires \$81.7M for 15% reserve level (based on FY13 total revenues).
- NET RESULT:** Additional \$3.2M in non-recurring funds available in FY13.
- FY12 Ending Fund Balance carries over into FY13 and includes \$1.8M above 15% reserve level (based on total revenues).
- NET RESULT:** Additional \$1.8M in non-recurring funds available in FY13. Total non-recurring = \$5.0M.
- FY13 Proposed includes \$5.4m in non-recurring projects.
 - Only \$5.0M available in non-recurring funds.
- NET RESULT FOR FY13:** Recommend using \$0.4M in SLSA to fund non-recurring projects.

FY12 - FY14 Fund Balances

	<u>FY12 Budget</u>	<u>FY12 Estimate</u>	<u>FY13 Proposed</u>	<u>FY14 Forecast</u>
Total Resources	\$ 556.1	\$ 566.1	\$ 543.7	\$ 530.0
Ending 15% Reserve Level	\$ 83.4	\$ 84.9	\$ 81.7	\$ 79.6
Ending SLSA	\$ 28.6	\$ 28.6	\$ 14.3	\$ -
Fund Balance exceeding 15%	\$ 3.4	\$ 1.8	\$ -	\$ (3.0) *
Ending Total Fund Balance	\$ 115.4	\$ 115.3	\$ 96.0	\$ 76.6

* Represents amount below 15% reserve level. Note that pursuant to the budget strategy, the SLSA is depleted in FY14.

- FY13 Proposed uses \$14.3m of the SLSA funds, \$13.9m for recurring expenditures and \$0.4m for non-recurring.
- FY13 Ending Fund Balance includes the 15% reserves and \$14.3m in SLSA, with no reserves left above the 15% level.
- FY14 Forecast includes the use of the remaining \$14.3m in SLSA, plus \$3.0m of the 15% reserves.
- FY14 Ending Fund Balance will be 14.5% of Total Resources, with no SLSA remaining.

Total Fund Balance: Revenue & Expenditures

	<u>FY12 Budget</u>	<u>FY12 Estimate</u>	<u>FY13 Proposed</u>	<u>FY14 Forecast</u>
Beginning Total Fund Balance	\$ 122.5	\$ 126.7	\$ 115.3	\$ 96.0
Total Revenue	\$ 433.6	\$ 439.4	\$ 428.4	\$ 434.0
Total Resources	\$ 556.1	\$ 566.1	\$ 543.7	\$ 530.0
Recurring Expenditures	\$ (434.0)	\$ (444.1) **	\$ (442.3)	\$ (451.9)
Non-recurring Expenditures	\$ (6.7)	\$ (6.7)	\$ (5.4)	\$ (1.5)
Total Expenditures	\$ (440.7)	\$ (450.8)	\$ (447.7)	\$ (453.4)
Recurring shortfall	\$ (0.4)	\$ (4.7)	\$ (13.9)	\$ (17.9)
Non-recurring shortfall	\$ (6.7)	\$ (6.7)	\$ (5.4)	\$ (1.5)
Total shortfall	\$ (7.1)	\$ (11.4)	\$ (19.3)	\$ (19.4)
Ending Total Fund Balance	\$ 115.4	\$ 115.3	\$ 96.0	\$ 76.6
Ending 15% Reserve Level	\$ 83.4	\$ 84.9	\$ 81.7	\$ 79.6
Ending SLSA	\$ 28.6	\$ 28.6	\$ 14.3	\$ -
Fund Balance exceeding 15%	\$ 3.4	\$ 1.8	\$ 0.0	\$ (3.0) ***
SLSA Used	\$ -	\$ -	\$ 14.3	\$ 14.3

* Includes the additional \$4.2m in fund balance from FY11.

** Includes the unanticipated \$4.8m cost of Medicaid backlog payments from the State.

*** Represents amount below 15% reserve level. Note that pursuant to the budget strategy, the SLSA is depleted in FY14.

- FY13 Total Fund Balance decreases by \$19.3m, including the use of \$14.3m of SLSA.
- FY13 Total Fund Balance maintains the 15% reserve level while retaining \$14.3m of original SLSA for future use.
- FY14 forecasts the use of the remaining \$14.3m of SLSA, in addition to \$3.0m of the 15% reserve level.
- FY14 Ending Fund Balance would only contain 14.5% of Total Resources.