

FY 16 YEAR END OVERVIEW

Board of Supervisors Work Session
September 27, 2016

Preliminary and Unaudited Results for FY16

Work Session Agenda

- FY16 Year End Summary
 - Unappropriated Balance
 - Capital Reserves
 - Historical Data on Year End Balances
- FY16 General Government Revenue Summary
- FY16 General Government Expenditure Summary
- Other General Funds
- Internal Service Funds (Health, Dental, Risk Management)
- Next Steps

FY16 Year End Summary

Revenues		Expenditures	
Revenue Budget - General Fund	\$179,938,338	Expenditure Budget - General Fund	\$179,938,338
Actual Revenues	\$180,916,108	Actual Expenditures	\$178,596,621
Revenues above Budget	\$977,770	Expenditure Savings	\$1,341,717
Less: 2016-17 Beginning Balance Unappropriated Balance	(\$544,881)	Department Carryovers	(\$282,017)
Remaining Balance for Capital	\$432,889	Remaining Available for Capital	\$1,059,700

Unappropriated Balance

General Fund Unappropriated Balance	
Balance at Fiscal Year End 2016	\$22,305,348
FY17 Contribution to Fund Balance	544,881
Projected Fiscal Year End 2017 Balance	\$22,850,229
% of Budget	10.95%

- General Fund Unappropriated Balance Policy: Minimum of 10% of General Fund Budget and a target of 11% of General Fund Budget

Capital Reserves – After Year End Close

Total Capital Reserves	
Balance at Fiscal Year End 2016	\$3,372,135
FY17 Capital Reserve Appropriation in CIP	(1,366,000)
Additions from revenues (net transfer to unappropriated)	432,889
Additions from expenditures (net transfer after departmental carry-over expenditures)	1,059,700
Close-out DSS Building Fund	\$423,856
Projected Capital Reserve Balance at Fiscal Year End 2017	\$3,922,580

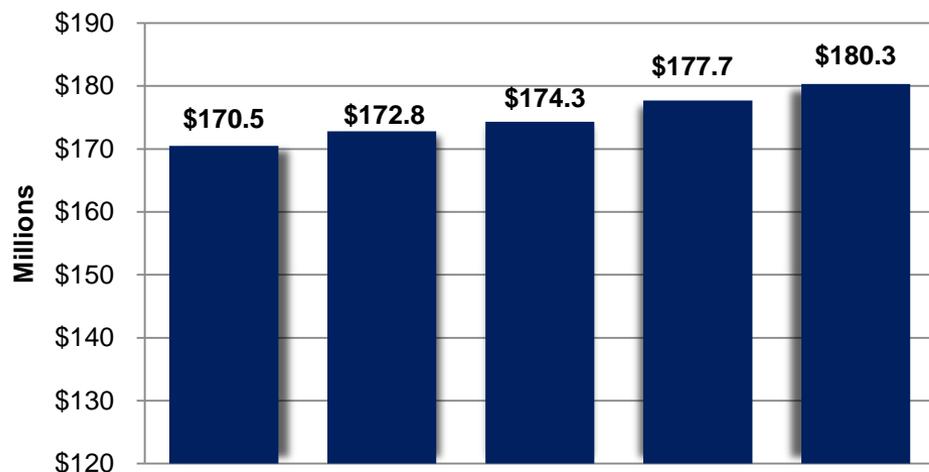
Summary of Revenues and Expenditure Savings

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Unaudited 2016</u>
COUNTY					
Surplus Revenues	\$ 202,222	\$ 978,954	\$ 2,017,363	\$ 2,183,788	\$ 977,770
Expenditure Savings	3,936,893	3,665,481	3,001,241	1,272,470	1,341,717
TOTAL	<u>4,139,115</u>	<u>4,644,435</u>	<u>5,018,604</u>	<u>3,456,258</u>	<u>2,319,487</u>
Use of Surplus:					
Fire and Rescue Capital-Fee for Service	202,222	-	178,977	-	-
General Fund Unappropriated Balance	-	194,239	532,638	500,000	544,881
Transfer to Capital Reserves	1,270,929	1,442,859	1,910,844	2,354,765	1,492,589
Department Rollovers	2,665,964	3,007,337	2,396,145	601,493	282,017
TOTAL	<u>\$ 4,139,115</u>	<u>\$ 4,644,435</u>	<u>\$ 5,018,604</u>	<u>\$ 3,456,258</u>	<u>\$ 2,319,487</u>

Preliminary and Unaudited Results for FY16

FY16 Actual Revenue

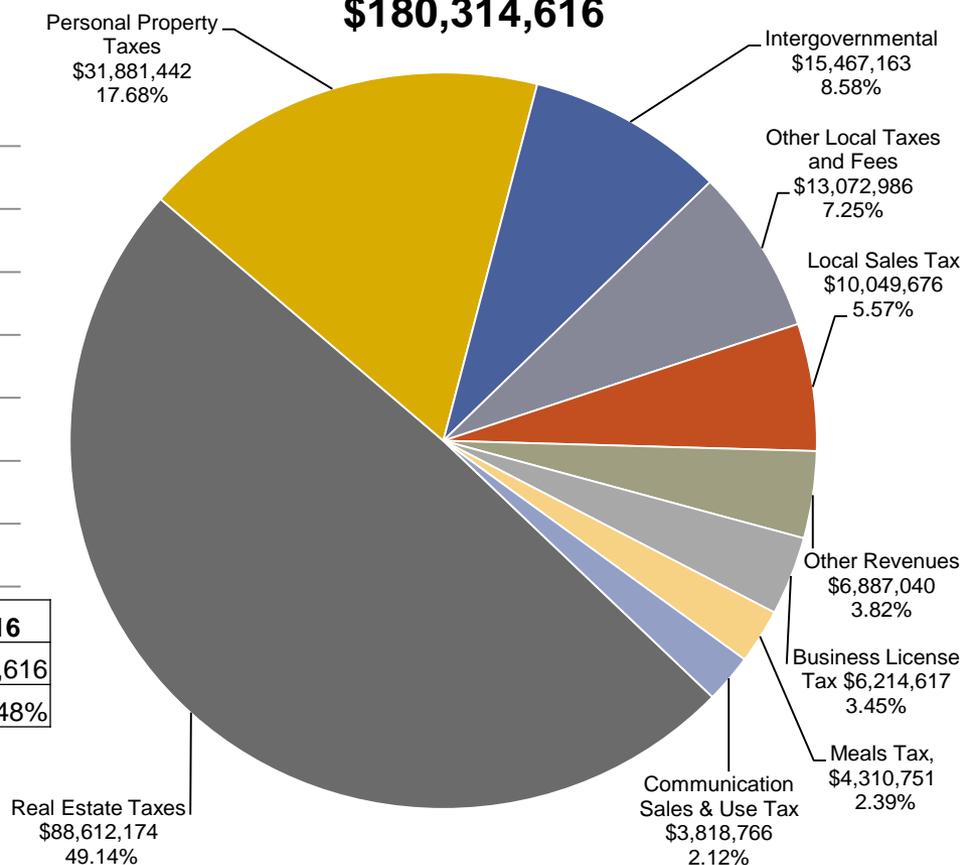
*Actual Revenue - FY12 through FY16



	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Revenue	\$170,496,582	\$172,814,424	\$174,322,443	\$177,678,237	\$180,314,616
YOY Growth	-0.53%	1.36%	0.87%	1.95%	1.48%

*FY16 Total General Government Revenue

\$180,314,616



*Excludes Carryover for Encumbrances

Preliminary and Unaudited Results for FY16

FY 2016 Actual Revenue – Budget vs. Actual

Category	Final Budget FY 16	Actual FY 16	Difference Final vs. Actual	% Difference	Adopted Budget FY 17
Real Estate Taxes ¹	\$88,725,995	\$88,612,174	(\$113,821)	-0.13%	\$90,383,701
Personal Property Taxes ¹	\$31,793,620	\$31,881,442	\$87,822	0.28%	\$32,834,622
Intergovernmental Revenue (State/Federal)	\$14,992,724	\$15,467,163	\$474,439	3.16%	\$15,047,703
Other Local Taxes and Fees ²	\$12,560,610	\$13,072,986	\$512,376	4.08%	\$12,953,400
Local Sales Tax	\$10,100,000	\$10,049,676	(\$50,324)	-0.50%	\$10,252,000
Other Revenues ³	\$6,717,946	\$6,887,040	\$169,094	2.52%	\$6,693,118
Business License Tax	\$6,399,100	\$6,214,617	(\$184,483)	-2.88%	\$6,447,000
Meals Tax	\$4,071,850	\$4,310,751	\$238,901	5.87%	\$4,362,750
Communication Sales & Use Tax	\$3,975,000	\$3,818,766	(\$156,234)	-3.93%	\$3,796,000
Carryover for Encumbrances	\$601,493	\$601,493	\$0	0.00%	\$488,921
Total	\$179,938,338	\$180,916,108	\$977,771	0.54%	\$183,259,215

¹ Includes Penalties and Interest

² Other Local Taxes and Fees includes: Public Service Corporation Tax, Payment in Lieu of Taxes, Consumer Utility, Motor Vehicle License, Recordation and Conveyance, Hotel/Motel, Other Local Taxes and Fees

³ Other Revenues includes: Permits, Fees, & Licenses, Fines and Forfeitures, Use of Money and Property, Charges for Services, Recovered Costs, and Miscellaneous Revenue

See Attachment A for additional revenue details

Preliminary and Unaudited Results for FY16

Actual Revenue – Major Categories

• Real Estate

(Includes Penalties and Interest)

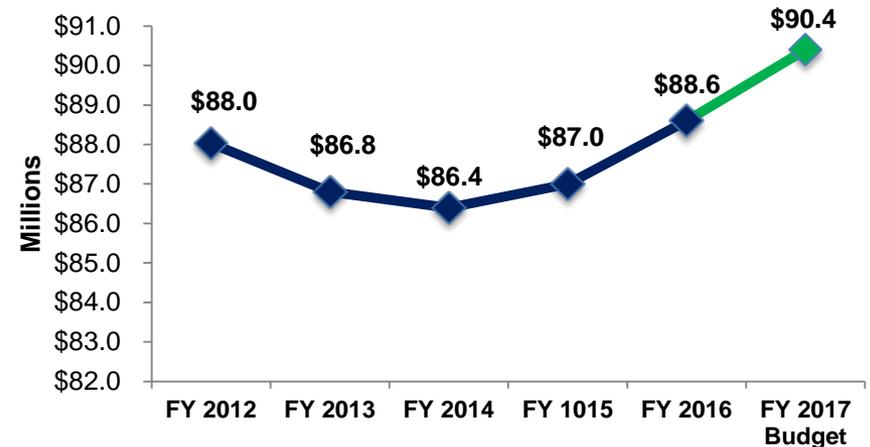
- FY16 Amended Budget: \$88,725,995
- FY16 Actual: \$88,612,174
- FY16 Variance: (\$113,821)
- Modest growth budgeted for FY 17 (1.5%)

• Personal Property

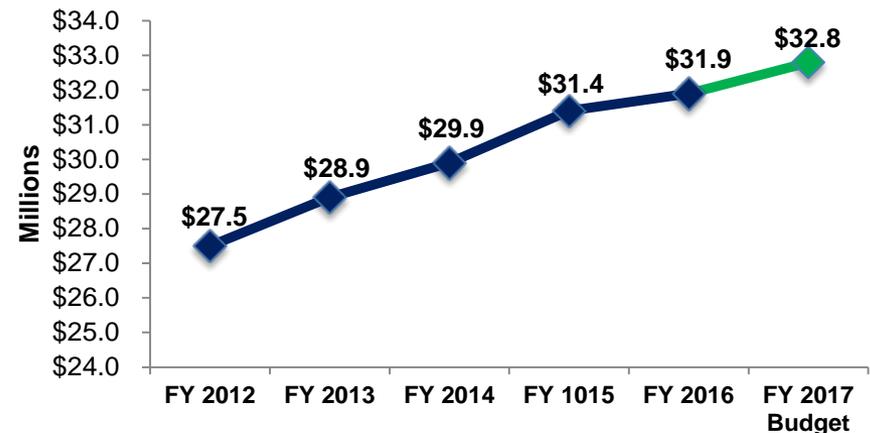
(Includes Penalties and Interest)

- FY16 Amended Budget: \$31,793,620
- FY16 Actual: \$31,881,442
- FY16 Variance: \$87,822

Real Estate Revenue



Personal Property Revenue



Actual Revenue – Major Categories

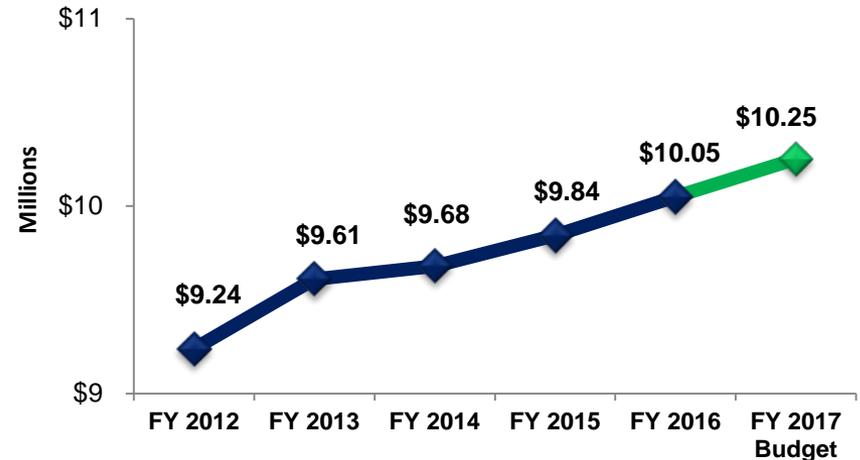
• Sales Tax

- FY16 Amended Budget: \$10,100,000
- FY16 Actual: \$10,049,676
- FY16 Variance: (\$50,324)

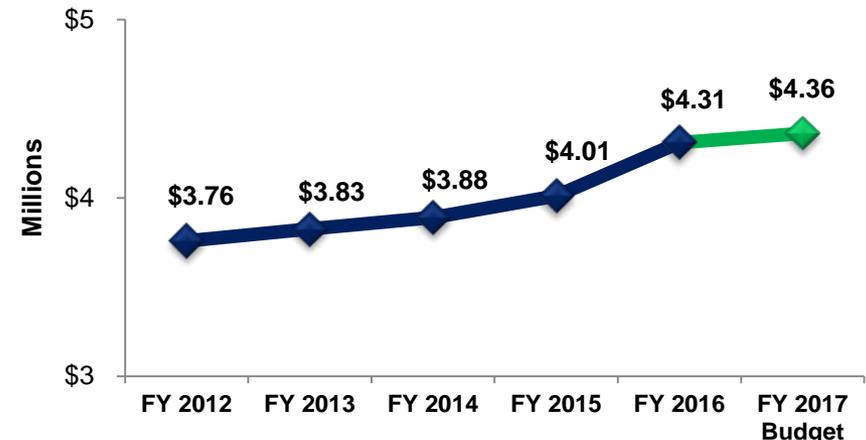
• Meals Tax

- FY16 Amended Budget: \$4,071,850
- FY16 Actual: \$4,310,751
- FY16 Variance: \$238,901

Sales Tax Revenue



Meals Tax Revenue



Actual Revenue – Major Categories

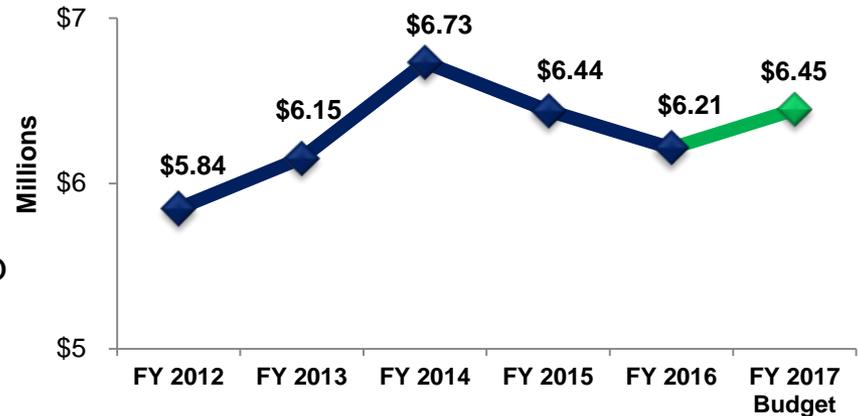
• Business License Tax

- FY16 Amended Budget: \$6,399,100
- FY16 Actual: \$6,214,617
- FY16 Variance: (\$184,483)
- Loss of Cox Cable primary reason for drop in revenues

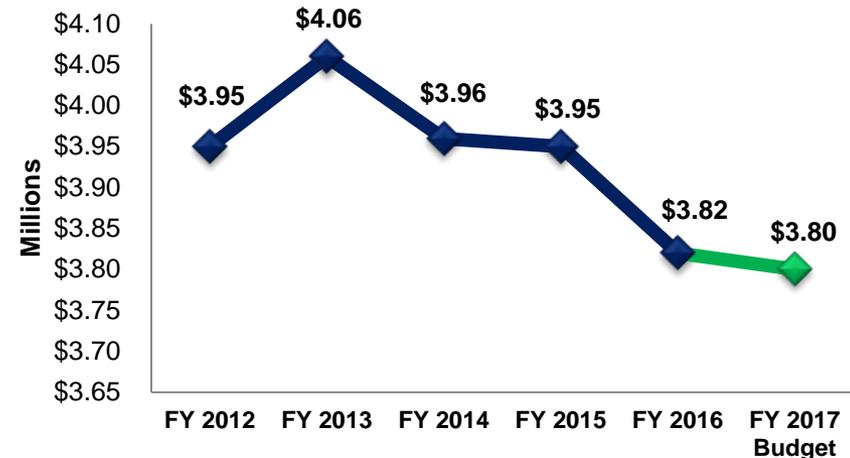
• Communications Sales & Use Tax

- FY16 Amended Budget: \$3,975,000
- FY16 Actual: \$3,818,766
- FY16 Variance: (\$156,234)
- Downward trend reflects reduction in land-lines

Business License Tax



Communication Sales & Use Tax

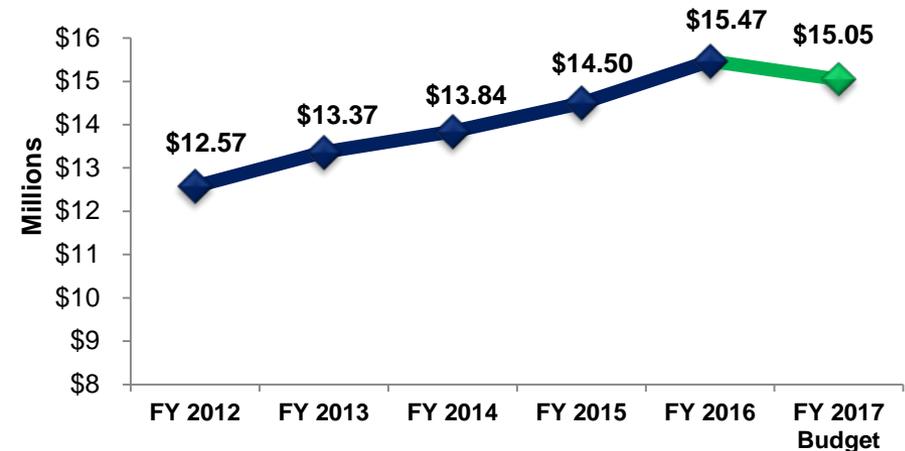


Actual Revenue – Major Categories

• Intergovernmental Revenue

- FY16 Amended Budget: \$14,992,724
- FY16 Actual: \$15,467,163
- FY16 Variance: \$474,439
- Variance primarily due to increased reimbursements for mandated social services

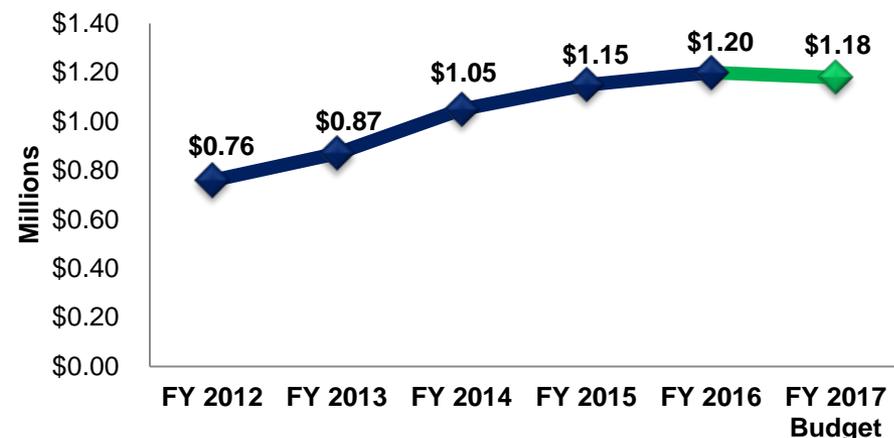
Intergovernmental Revenue



• Hotel & Motel Room Taxes

- FY16 Amended Budget: \$1,058,610
- FY16 Actual: \$1,201,410
- FY16 Variance: \$142,800

Hotel & Motel Room Taxes

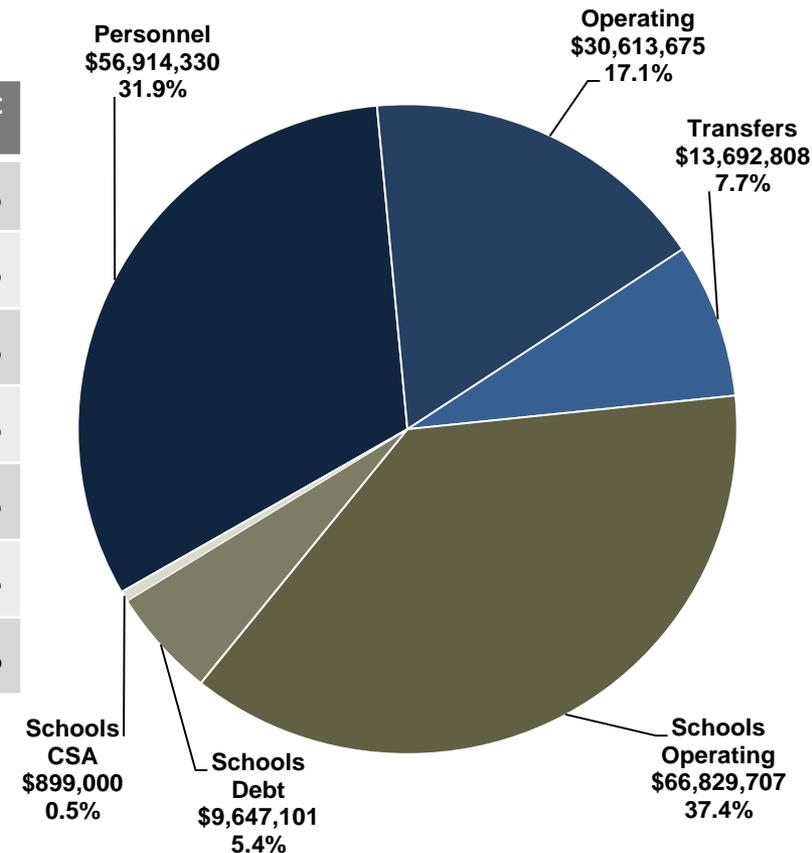


Actual Expenditures – General Government

See attachment B for details on General Government Department Budgets

***FY 16 Expenditures
\$178,596,621**

Category	FY 16 Amended	FY 16 Actual	Balance	% of Budget Expended
Personnel	\$57,411,053	\$56,914,330	\$496,724	99.13%
Operating	\$31,458,668	\$30,613,675	\$844,993	97.31%
Transfers	\$13,692,808	\$13,692,808	\$0	100.00%
Schools Operating	\$66,829,707	\$66,829,707	\$0	100.00%
Schools Debt	\$9,647,101	\$9,647,101	\$0	100.00%
Schools CSA	\$899,000	\$899,000	\$0	100.00%
Total	\$179,938,338	\$178,596,621	\$1,341,717	99.25%



*Excludes transfers to Capital Reserves

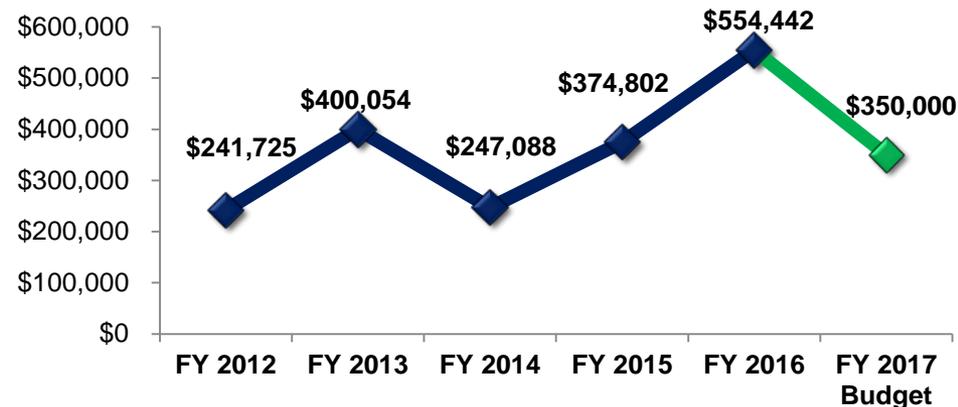
Preliminary and Unaudited Results for FY16

FY16 Budget Items

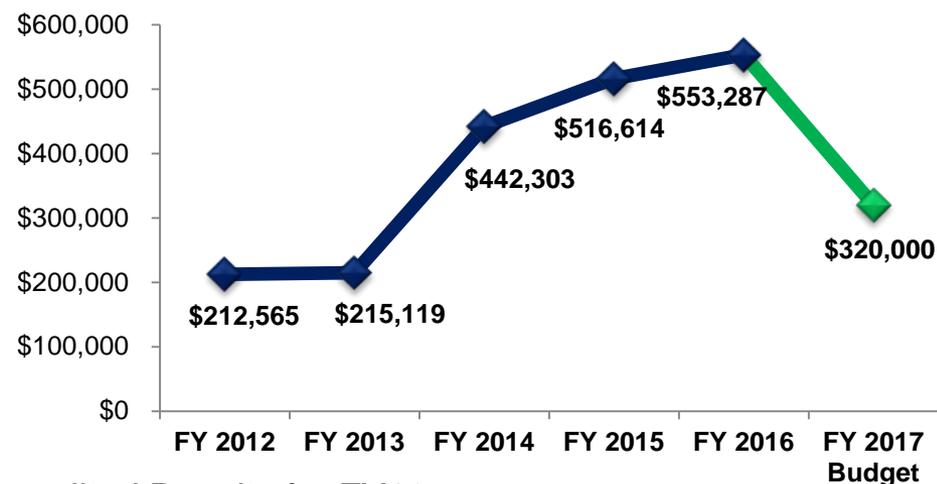
Flexible Leave & Separation Pay

- Flexible Leave and Separation Pay ran significant deficits in FY 2016 (\$640K)
- Separation Pay increased by \$50K to \$350K in FY 17
- Flexible Leave Pay increased by \$120K to \$320K
- Reduced pay-out from 80 hours to 40 hours in FY 17 to balance budget

Separation Pay



Flexible Leave



FY16 Budget Items

Other General Government Budget Items

- Snow expenditures primarily in Parks, Recreation & Tourism department (not budgeted)
- Increased balances in both Capital Reserves and Unappropriated Fund Balance
- Revenues within 0.5% of amended budget; Expenditures within 0.75% of amended budget

Other Funds

Children's Services Act (CSA)

Fund	FY 2016 Beginning Balance	FY 2016 Revenues	FY 2016 Expenditures	FY 2016 Surplus/(Deficit)	FY 2016 Ending Balance	Fund Balance Budgeted in FY 2017
Children's Services Act (CSA)	\$4,199,311	\$5,324,497	\$6,808,984	(\$1,484,487)	\$2,714,824	\$1,160,250

- Fund balance may be depleted by the end of FY 18
- Prioritize replenishing CSA fund balance during FY 18 budget development

Children's Services Act Fund	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals
Beginning balance	\$6,172,100	\$6,023,267	\$5,275,027	\$4,199,311
Net income/loss	(\$148,833)	(\$748,240)	(\$1,075,716)	(\$1,484,487)
Ending Balance	\$6,023,267	\$5,275,027	\$4,199,311	\$2,714,824
Change in General Fund Contribution	(\$500,000)	(\$200,000)	-	-
Change in School Fund Contribution	(\$500,000)	(\$200,000)	-	-

See Attachment C for information on Other General Fund Programs

Preliminary and Unaudited Results for FY16

Internal Service Funds

Fund	Beginning Balance	FY16 Revenues	FY16 Expenditures	FY16 Surplus/(Deficit)	FY16 Ending Balance
Health	\$3,614,243	\$8,089,316	\$10,054,175	(\$1,964,859)	\$1,649,384
Dental	\$104,489	\$720,284	\$699,924	\$20,360	\$124,849
Risk Management	\$3,460,646	\$1,577,688	\$2,027,428	(\$449,740)	\$3,010,906

Health Insurance

- FY 2015-16 high claims year
 - 2 claims > \$200,000
 - 2 claims > \$150,000
 - 6 claims > \$100,000
 - 7 of the 10 claims are active and will continue in FY 17
- Recommended reserve level per Wells Fargo insurance consultant \$2.4 – 2.8 million
- Past decisions to cover rate increases for employees in lieu of pay adjustments have drawn down fund balance

Health Insurance Reserve Projection	
Beginning Balance	\$3,614,243
Health Insurance Contributions	8,089,316
Wellness Program	(438,255)
Professional Services	(54,320)
Health Insurance Claims/ACA Fees	(9,561,600)
Ending Balance	\$1,649,384
Projected Health Insurance Reserve	756,662
Reserve for IBNR (Claims Payable)	892,722
Total Health Insurance Reserve	\$1,649,384

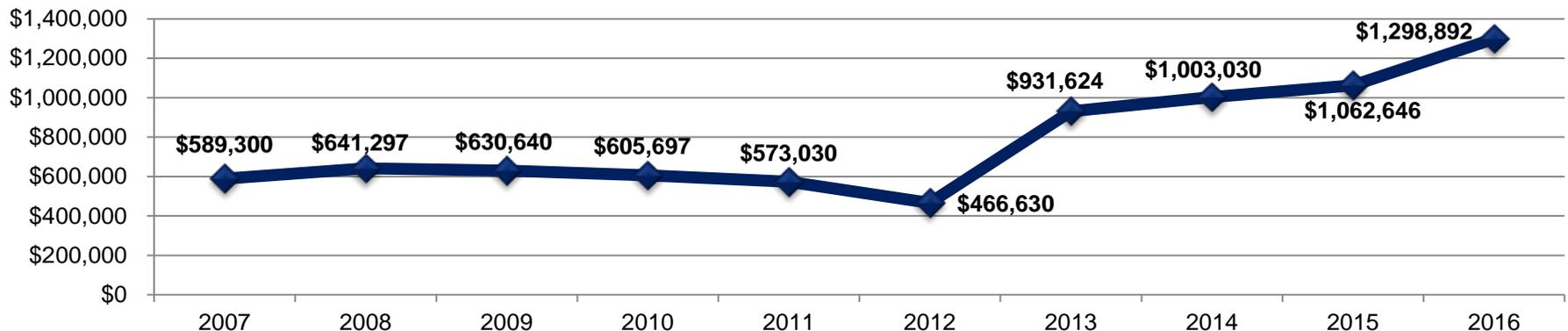
Risk Management

Workers' Compensation

- FY 2015-16 Workers' Compensation claims exceeded budget by \$349,539
- Significant portion of FY 16 claims are legacy claims
- FY17 budget increased Workers' Compensation by \$150,000
- New partnership with VACORP to manage risk and mitigate claims

Risk Management Reserve Projection	
Beginning Balance	\$3,460,646
Revenues	1,577,688
Expenditures	2,027,428
Ending Balance	\$3,010,906
Projected Reserve	707,521
Reserve for IBNR (Claims Payable)	2,303,385
Total Risk Management Reserve	\$3,010,906

Total Claim Cost FY2007 through FY2016



Preliminary and Unaudited Results for FY16

Next Steps

- Review of Outstanding Debt and Debt Fund at CIP meeting on November 8, 2016
- Continue partnership with departments to manage budgets more precisely
- Continued monitoring of revenues
 - Mid-year update to be provided January 2017
 - Emphasis on revenues that underperformed in FY 16
- FY17-18 Budget Development
 - Apply similar methodology as FY16-17 development
 - Incorporate Community Strategic Plan into budget development process

Questions and Comments