

Preliminary Budget Development



**Worksession
March 20, 2012**

Fiscal Year 2012/2013

AGENDA

March 6, 2012 (9am to Noon)

- Introduction
- Financial Overview: Presentation of financial status, fund forecasts, and summary of future challenges.
 - *Property Appraiser Update*
 - *General Revenue*
 - *Self Insurance Programs*
 - *Transportation Funding / Sales Tax Program*
- Board Discussion / Direction

AGENDA

March 20, 2012 (9am to Noon)

- Financial Overview: Presentation of financial status, fund forecasts, and summary of future challenges.
 - *Water & Sewer Fund*
 - *Solid Waste Fund*
 - *Fire Fund*
- FY2012/13 Budget Development Goals
- Review Financial Challenges and Special Issues
- Board Discussion / Direction

Financial Overview

Environmental Services

- **Water & Sewer Fund**
- **Solid Waste Fund**

Financial Overview

Fire Fund

- **Unincorporated County**
- **City of Altamonte Springs**
- **City of Winter Springs**

Fire MSTU Ad Valorem Taxes

FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13
\$46.0M	\$48.0M	\$42.3M	\$38.9M	\$36.5M	\$35.4M
HB1B	Amend I + WS Merger	Market	Market	Market	Market
---	3.8%	-11.7%	-8.8%	-5.3%	-3.0%



- **HB1B: 12% Millage Rate Reduction from 2.6334 to 2.3299**
- **Amendment 1: -8.9% Reduction \$4.5M**

Revenue Decrease 30%

Fire Fund

Emergency Medical Services Transport Billing

Fire Fund

FY2010/11

Year End Results:

- - Operating Deficit
- Revenue +\$1.3M
- Lapsed Appropriations \$2 Million
 - \$1M Personnel
 - \$1M Operating

FY2010/11 (Unaudited)	
Operating Revenue	\$44.1M
Operating Expenditures	<u>\$44.7M</u>
Operating Balance	- \$0.6M
Beginning Fund Balance	<u>\$40.1M</u>
Ending Fund Balance	\$39.5M

Fire Fund

Fund Balance Reconciliation

FY2011/12 Budget Beginning Fund Balance	\$36.4M
Project Balances Forward	\$ 0.5M
Mid-Year Adjustment	<u>\$ 2.6M</u>
Actual 9/30/2011 Ending Fund Balance	\$39.5M

Preliminary Close



- **Budget / Actual**
- **Adjustment**
- **Fund Balance includes \$20M Reserved for Future Requirements**

Fire Fund

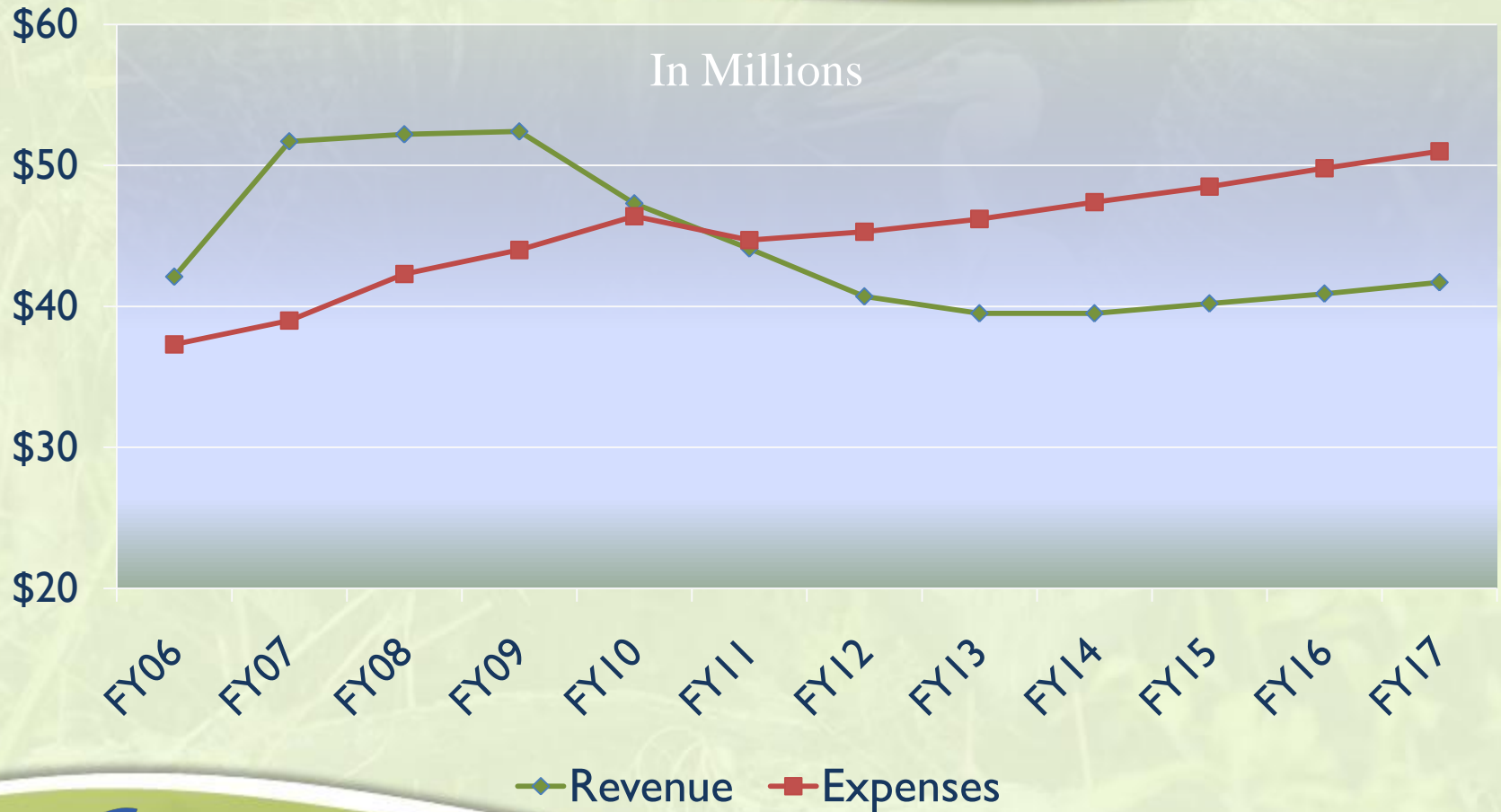
FY2011/12 Budget	
Appropriations for Expenditure	<u>\$45.3M</u>
<u>Sources:</u>	
Operating Revenues	\$40.7M
Reserves Used	<u>\$4.6M</u>
Balanced FY12 Budget	<u>\$45.3M</u>

FY2011/12

Budget (Amended):

- Revenues down \$3.4M
- Balanced using Reserves
- Expenditures at base
Operating:
 - *No funding Stations*
 - *No funding for Fleet or Capital Maintenance*

Fire Fund



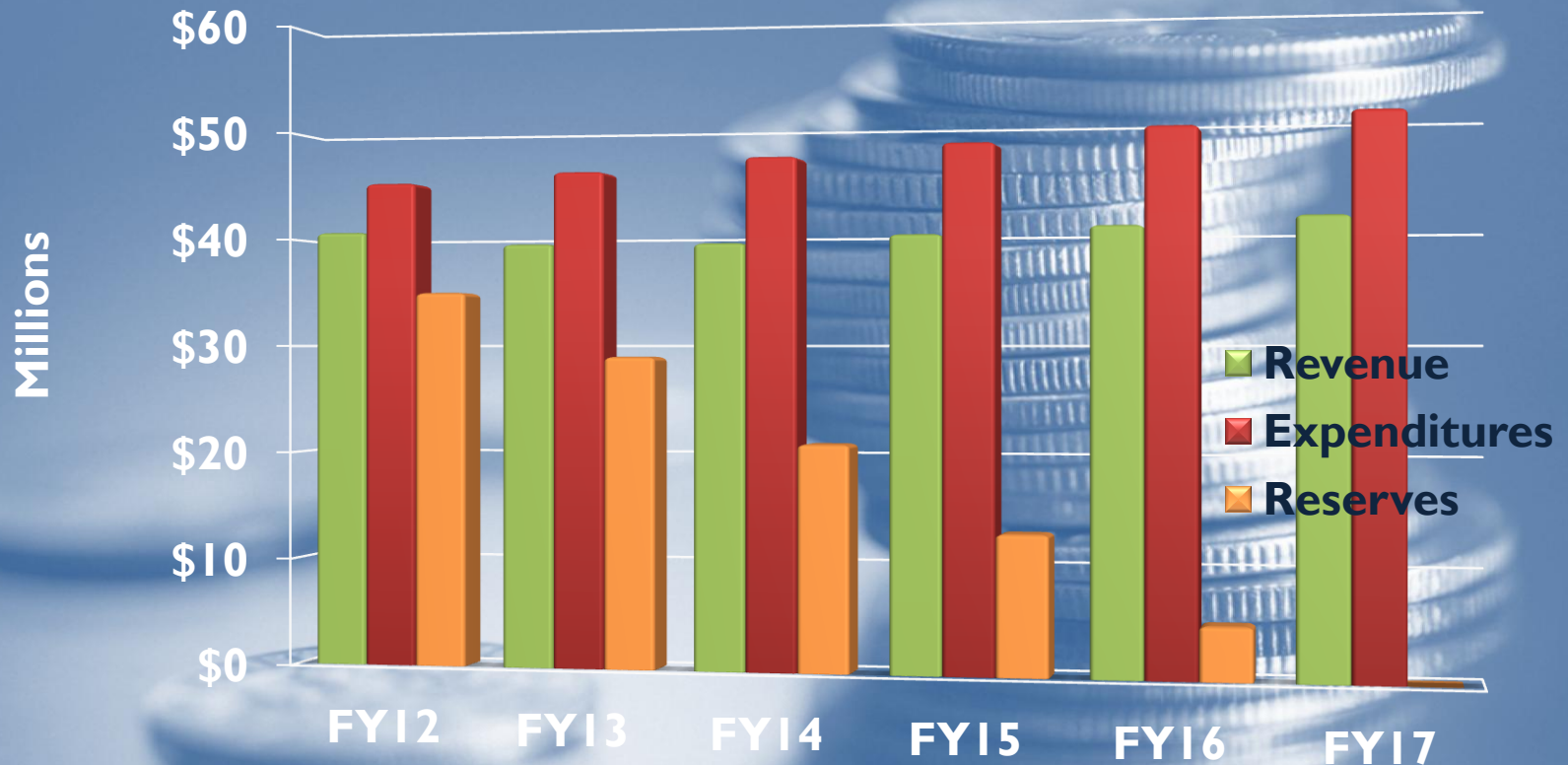
Forecast: Fire Fund



\$20M Reserved for Future Requirements	Operational Balancing	Operating Reserve
Fiscal Year 2011/12 (Assessments -3%)	-\$5M	\$15M
Fiscal Year 2012/13 (Assessments -0%)	-\$7M	\$9M
Fiscal Year 2013/14 (Assessments +2%)	-\$8M	\$1M
Fiscal Year 2014/15 (Assessments +2%)	-\$8M	---
Fiscal Year 2015/16 (Assessments +2%)	-\$9M	---
Fiscal Year 2016/17 (Assessments +2%)	-\$9M	---

Forecast: Fire Fund

Operating Balance / Total Reserve Level



FY13 Budget Development Goals

- 1. Renewal and Replacement Plans**
- 2. Program Assessments**

FY13 Budget Development Goals

- **Renewal and Replacement Plans**
 - *Fleet*
 - *Technology*
 - *Facilities*
- **Benefits**
 - *Institutionalized Process: formal, documented and holistic*
 - *Transparency and Understanding*
 - *Assessment of needs for better business planning*
 - *Ties into long-term financial plan*

FY13 Budget Development Goals

- **Fleet Renewal and Replacement Plan**
 - *One-time Process: Fleet Inventory Assessment*
 - *Outcome: Rolling Fleet Replacement Plan*
 - *Annual Process:*
 - **Rolling Replacement Plan – updated based on policy criteria**
 - **Listing of by program with identified replacement items**
 - **Written analysis and disposition**
 - **Fleet**
 - **Department**
 - **County Manager**
 - **Board**

FY13 Budget Development Goals

■ Program Assessments

- *Program Description: Purpose, Regulations, Activities/Services*
- *Inputs (Resource Requirements)*
 - **Staffing**
 - **Technology**
 - **Fleet**
 - **Facilities**
 - **Other Equipment**
- *Outputs (Product)*
- *Initial Outcomes (Results)*
- *Long-term Outcomes (Goals)*

Begin Process in 2012
and continue for FY14
Budget Development

Summary

Summary of Key Discussion Items

General Revenue Funds

- **Finance P25 Communications System/Towers Project**
 - *Increases General Revenue Reserves \$19M*
 - *Pledges the guaranteed entitlement portion of the County Revenue Sharing Program*
- **Bond Call 10/1/2012: 1992 Gas Tax Revenue Bonds**
 - *Uses \$6.4M in General Revenue Reserves to call bonds at 4.5 to 5% interest rates*
 - *Savings of \$1,125,490 in interest over next 6 years*
- **Transportation Funding**
 - *General revenue supports other Transportation Expenditures \$9M annually*
 - *Local Option Gas Taxes expire August 2013/2015; begin evaluation and discussions*
 - *Capital maintenance of \$15 annually in 2001 Infrastructure Sales Tax through FY14*
 - *Future operating requirements for Sunrail and LYNX*
 - *Future funding will need to be addressed; staff to establish timelines*

Self-Insurance Funds

■ Workers Compensation Fund

- *Begin to gradually increase Rates to cover full costs*
- *Maintain reserves at highest confidence level based on Actuarial Evaluations*

■ Property / Liability Fund

- *Continued assessment of rates to cover full costs*
- *Maintain adequate level of reserves in relation to insured and FEMA coverage*

■ Health Insurance Premiums

- *Continued Analysis of fund activity; Reserves at 50% of Claims*
- *Begin to Index Premiums to avoid spikes*

Other Major Operating Funds

■ Water & Sewer Fund

- *Use of connection fees for payment of eligible debt serves – BAR FY12*
- *Renewal and Replacement Funding through indexing of rates vs. debt issues*
- *Continued monitoring of rates for indexing requirements*

■ Solid Waste Fund

- *Exercise option to landfill yard waste to reduce operating costs by \$400K*
- *Evaluate further in 2013 Bond Call 10/1/2013 for \$400K interest savings*
- *Continued monitoring of rates for indexing requirements*

■ Fire Fund

- *Transport Fees – Bring back for adjustment*
- *Operational Service and Financial Balance*

Budget Development FY2012/13

Board Discussion / Direction