



Mid-Year Budget Update

Report to the Board of Supervisors

February 17, 2004



Mid-Year Budget Update

- ❖ We are in reasonably good financial shape, barring a further “jolt” from the State due to its continuing budget crisis
- ❖ But, remember, the budget numbers accommodate \$7.7 million in lost VLF revenues and a total of \$9.6 million in total General Fund adjustments



Mid-Year Budget Update

- ❖ Status of Discretionary General Fund Revenues
 1. Property Taxes are +\$645,000
 2. Transient Occupancy (Bed) Taxes are +\$429,000
 3. Interest Income is -\$324,000
 4. Vehicle License Fee Revenue is -\$2.08 million, but will be fully offset



Mid-Year Budget Update

❖ Status of General Fund Departments

1. Fire Department has a positive variance, but it relies on almost \$2 million from operating reserves, and Fire Fund property tax revenues are running behind estimates. A potential big problem next fiscal year.
2. Sheriff also has a current positive variance, but without an agreement with the Court on bailiff services, the budget could end up negative for the year, also, Overtime costs are again significantly above budgeted amounts.



Mid-Year Budget Update

- ❖ **Status of Special Revenue Funds & Other Funds**
 1. Social Services has a positive variance as revised State budget program allocations had both positive and negative impacts. Overall, fund balance use will increase to \$844,000, but the fund will have a year-end balance of at least \$600,000.
 2. The Workers Compensation fund has a current negative variance partly due to the Court's refusal to pay its \$503,000 annual premium for claims now being incurred during the time the Court was a part of this fund.



Mid-Year Budget Update

- ❖ Current Fund Balance and Forecast
- ❖ General Fund had a positive net variance (a combination of actual revenues above budgeted amounts and actual expenditures below budgeted amounts) of \$1.975 million through December 31.
- ❖ A General Fund fund balance (positive net variance) of not more than \$4.5 million is forecast for June 30, 2004.
- ❖ $\text{Fund Balance} + \text{Discretionary Revenues} = \text{Total Discretionary Funding Sources}$.



VLF Revenue Gap Update

❖ Gap 2 Analysis – January 5

January Anticipated GF VLF Revenue: \$0.9 M

Potential Gap – January –June: \$15.1 M

❖ Gap 2 Analysis – February

Actual February GF VLF Revenue: \$2.6 M

Revised Potential Gap: \$10.6 M

❖ Result: No Action Required at this Time

2/12/2004



VLF Revenue Gap Update

Adopted VLF Revenue

General Fund and Public Health Realignment \$35.90 million

Actual and Anticipated VLF Revenue through February 10

Actual General Fund and Public Health Realignment \$13.42 million

Anticipated Minimum Revenue (without Backfill) \$7.02

Less Shift from General Fund to Realignment (\$0.80)

Total \$17.57

Revenue Reductions

Tier 1 – October \$6.10

Gap 2 – January \$1.60

Total \$7.70

Potential Remaining Gap **\$10.63 million**

2/12/2004



Mid-Year Budget Update

Report to the Board of Supervisors

February 17, 2004