

FY 2013 Budget Forecast Overview

County Manager Meeting with
Commission and Civic Representatives

December 1, 2011

- Financial Summary – Expenditure Growth Exceeds Projected Revenue
 - Revenue growth = 2%
 - Expenditure growth = 3%
- County Board Guidance
 - Expenditure budget constrained (1% above FY 2012 County Government expenditures)
 - Allows expenditure growth above 1% limit for 4 new facilities and funding contingents at appropriate levels

- Revenue Increasing Slightly
 - Real Estate Values Positive
 - 3% assessment base increase projected
 - Residential Assessments – 1% - 2% increase
 - Commercial Assessments – slightly higher than residential
 - Other non-tax and local County revenue slightly positive
 - State & federal revenue slightly negative
- Revenue Growth Projected to Increase 2% Over FY 2012

Expenditure Pressures

- Employee Compensation - \$6.9 million
- Metro - \$0.8 million
- Contractual/Misc. - \$1.8 million
- New Facility Costs - \$3.1 million

Board Expenditure Growth Constraint is
approximately \$10 million

- FY 2013 County Revenue/Expenditure Gap – \$10 to \$12 million
 - Revenue Growth – 2%
 - Expenditure Growth – 3%
- Schools Projected Gap – \$3 to \$4 million

Additional Pressures

- Additional pressures NOT included in overall County/School gap:
 - County capital commitments not in base funding
 - Additional Safety Net needs
 - Restoration of previous program reductions
 - New County or Schools' initiatives

FY 2014 Budget Pressures

- Continued projected gap between revenue growth (2.6%) and expenditure growth (3.2%) for current services
- New Facilities/Costs
 - Arlington Mill operations
 - Office space & homeless shelter
 - Franchise agreement expiration
 - Metro
 - Safety net needs

County Board Guidance Highlights

- Limits ongoing expense growth to 1.0% above FY 2012 (excludes School transfer)
- Allows for expenditures above the 1.0% for the operating expenditures of:
 - Mary Marshall Assisted Living Facility
 - Long Bridge Park
 - Penrose Square
 - Court Square East (Shelter & County offices)
- Revenue sharing with Schools at the FY 2012 level (53.9% county / 46.1% Schools)
- Manager to provide either FY 2013 or multi-year strategies or recommendations for:
 - Compensation
 - PAYG
 - Libraries
 - Housing

County Board Guidance

- Prepare a 10-year CIP
- Address the Following Issue Areas
 - County infrastructure and other physical assets
 - Investment in Schools
 - Financial capacity
 - Other policy goals

Facilities & Land for County and Schools and Schools Capacity Planning

Next Steps – FY 2013

- Updates to Revenue Forecasts
 - December – more information on real estate assessment values
 - December – Governor’s budget presented
 - Early January – real estate assessments finalized.
- Commission Chair Meeting – Tonight
- Community Budget Forum – December 7th, 2011 @ 7:00 pm in Central Library
- Online Community Chat – December 15th, 2011 at 10:00am