

County Manager's FY 2013 Proposed Budget Overview

County Board Recessed Meeting - February 14, 2012

- October 2011 – Total County & School budget gap estimated at \$13 - \$15 million:
 - Real estate assessment assumed to grow @ 3%
 - County Gap – \$10 million to \$11 million
 - Cost pressures ranging from compensation to new facilities
 - Anticipated Funding Gap – Amount equal to 1.7 cent tax rate increase
 - School Gap - \$3 million to \$4 million
 - Cost pressures from enrollment, compensation & capacity
- November/December 2011 – Refined revenue and expense estimates; solicited community input

January 2012 – CY 2012 Real Assessments Released

- Real estate assessment increased 6.6%
 - Residential tax base up 0.7% (average single-family homeowner up 1.8%)
 - Commercial tax base up 13.5% (includes apartments)

- At current tax rates an additional \$19.0 million was realized above Budget Planning
 - Schools - \$7.6 million
 - County Operations – \$8.9 million
 - Assessment increase helped fund County gap identified at budget planning
 - Other revenue & expense adjustments contributed to a final balanced proposed budget
 - Crystal City TIF – \$2.5 million

- **Maintain Our Commitments to Fund Services For:**
 - Health & Safety of the Community
 - Affordable Housing
 - Long Term Financial Sustainability
 - Public Schools
 - Providing a Safety Net For Those in Need
- **Preserve the County's High Bond Ratings**

“Provide a balanced budget that limits FY 2013 ongoing County expenditures (excluding schools transfer) to the FY 2012 adopted level plus 1.0 percent.” (CPI-U is 3.0%)

- Maintain 46.1% revenue sharing with Schools
- Meet Previous Commitments by Board for New Facilities
- New Expense if Fully Offset By Fee Revenue

- County Manager's Proposed Budget meets expenditure cap guidance
 - FY 2012 Budget (excluding Schools): \$619.3
 - 1% Growth Allowance 6.2
 - New Facility & Contingent Allowance 3.9
 - Total \$629.34

 - Proposed Budget (excluding Schools) \$629.32
- School revenue sharing of local taxes at current tax rates were split County (53.9%) / Schools (46.1%)
- Base budget meets previous commitments by Board for new facilities
- Proposed budget includes additional information & recommendations in 4 areas outlined by the County Board:
 - Compensation
 - Libraries
 - Housing
 - Pay-As-You Go capital

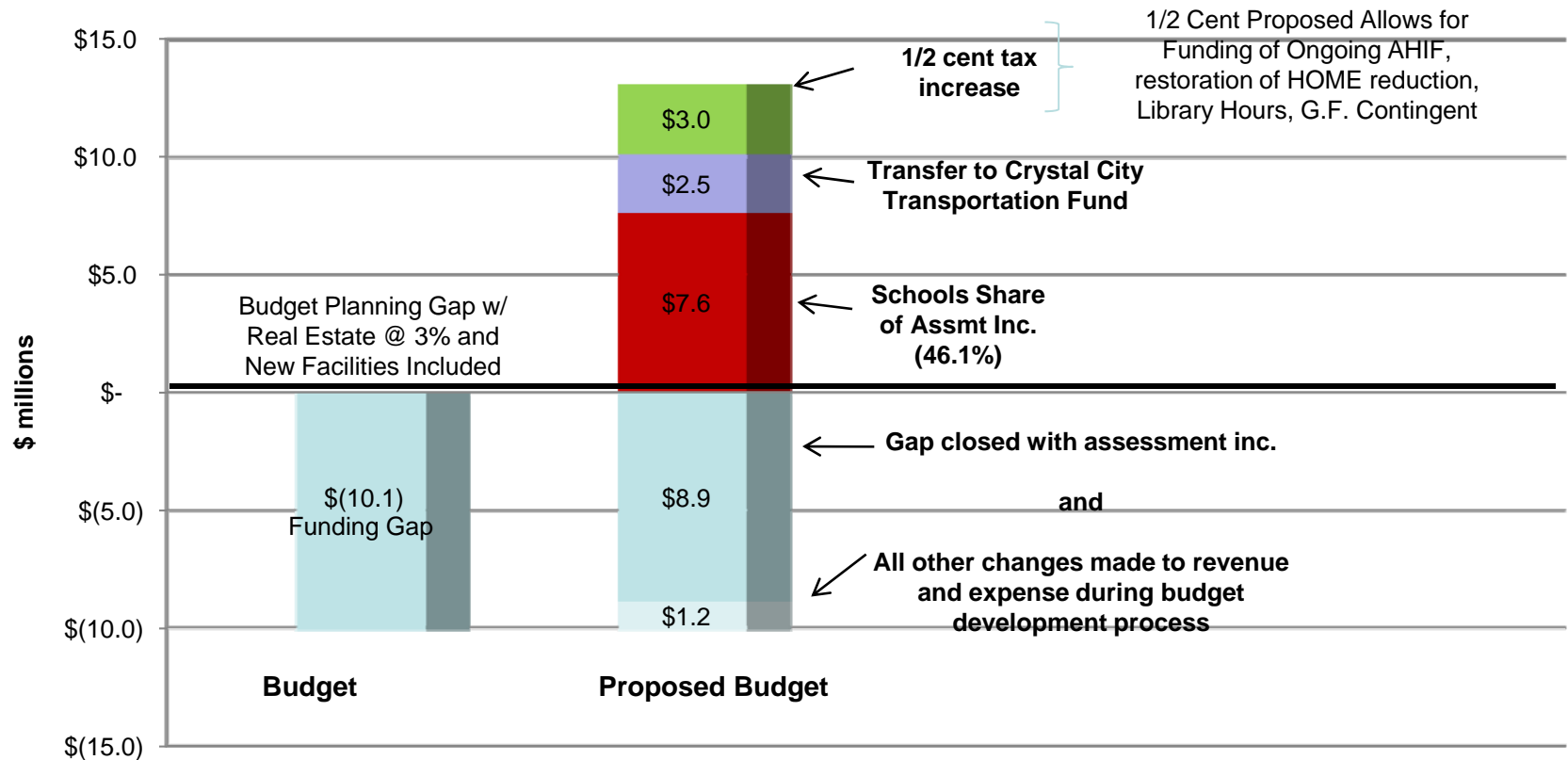


- **Compensation – Budget Includes:**
 - Merit Step
 - Retirement & OPEB obligations / Health Care Increase – County & Employees
 - Living Wage – Increased from \$12.75/hour to \$13.13/hour
- **Libraries - Proposed base budget includes a recommendation to restore the branch hour reductions**
- **Housing**
 - Multi-year Plan Process
 - Restore \$514,622 in lost HOME federal funding
 - Increase ongoing AHIF funding by \$1,327,304
 - New comprehensive homeless services center
 - Mary Marshall assisted living residence
 - One new senior housing planning positions and one housing position transferred to General Fund due to loss of federal funding
- **Pay-as-You Go Capital**
 - Provides for ongoing funds for capital

- Proposed Total General Fund budget of \$1.03 billion
 - 2.1% increase over FY 2012
- County Operating Budget (excluding Schools) totals \$629.3 million
 - FY 2012 operating budget = \$619.3 million
 - Base budget + New facilities: 1.6% increase over FY 2012
 - Most recent CPI (through December) is 3.0%
- Decrease in household solid waste rate of 10%

Assessment Growth Allocation

Assessment Growth & 1/2 Cent Tax Increase Above 3% forecasted at Budget Planning



Proposed Budget Includes:

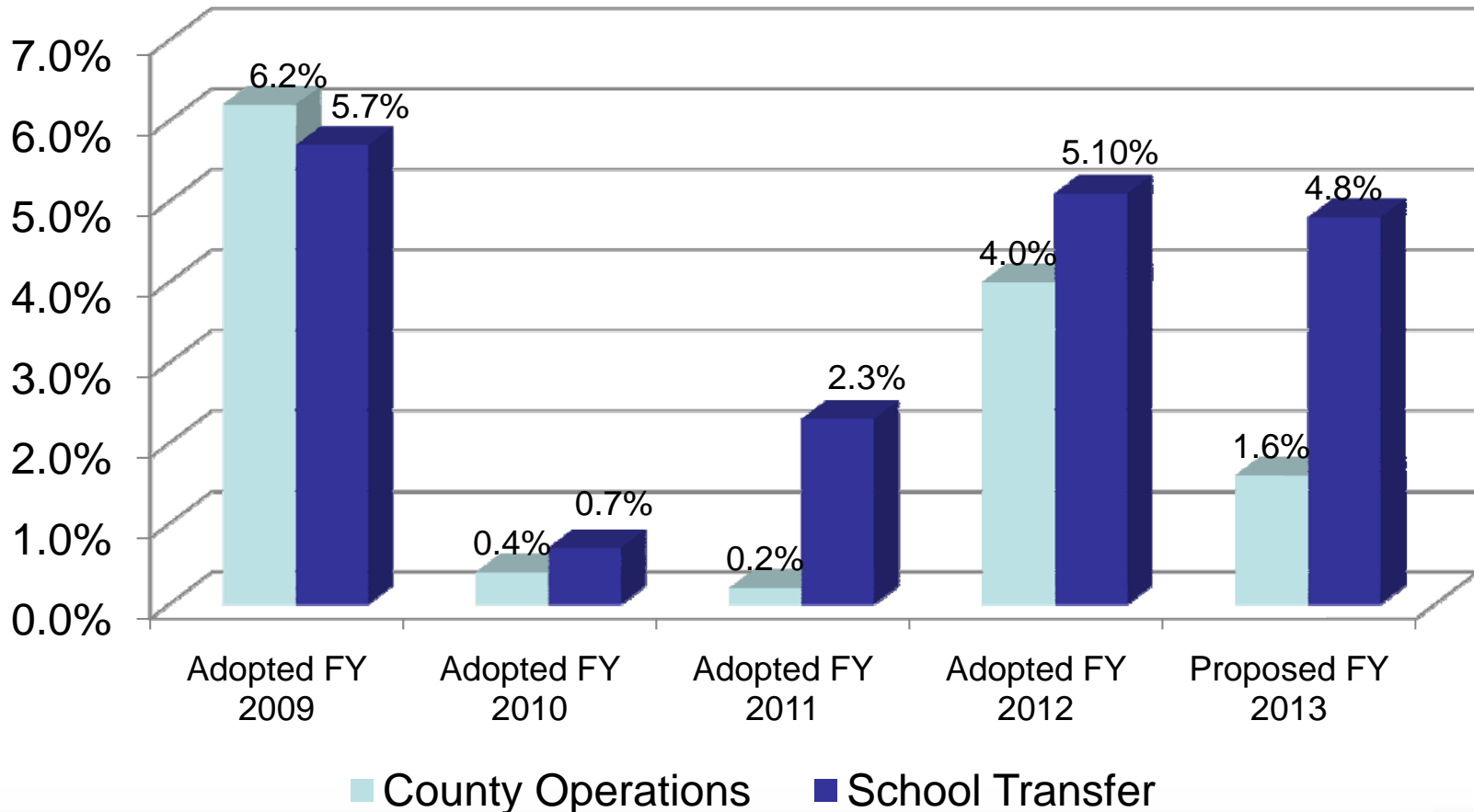
- New Facilities Funding (Mary Marshall, Year Round Shelter, Long Bridge Park, Penrose Square)
- Contractual Increases, Metro & Debt Obligations
- Strategic / Targeted Investments
 - Travel & Tourism Promotion Efforts
 - Housing Program Planning & Support
 - More focused diversity effort

Proposed Budget Includes a ½ cent Tax Rate Increase Which Targets County Specific Needs and Board Priorities:

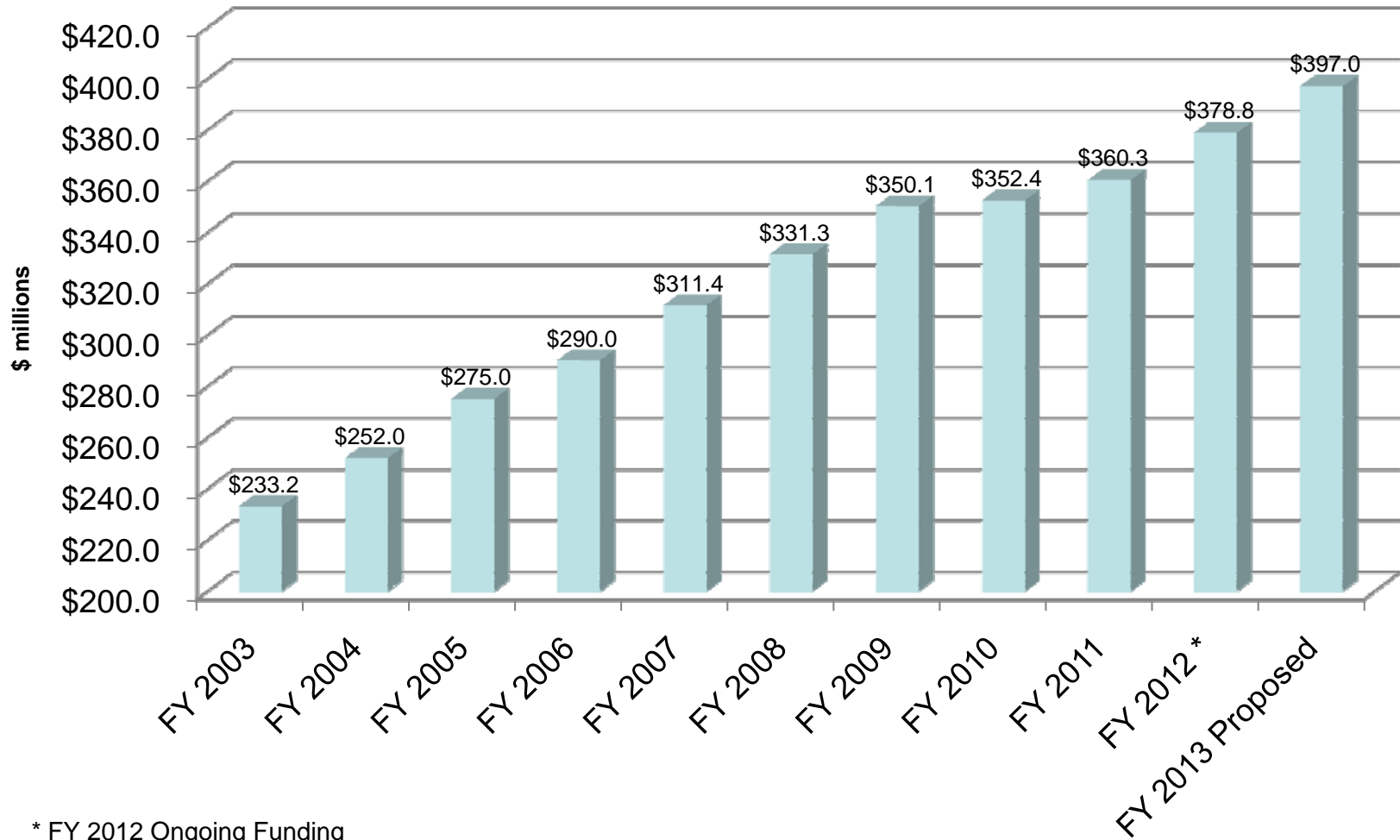
- Housing (AHIF) - \$1.8 million
 - Replaces lost federal funding (\$0.5 million) and funds with ongoing \$'s
 - Funds \$1.3 million in ongoing that was one-time in FY 2012
- Libraries – \$0.4 million
 - Restores Branch Hours Reduced in FY 2010 & FY 2011
- General Fund Contingent – \$0.5 million
- Critical Technology Security Needs – \$0.2 million

Schools' transfer totals \$397.0 million

- \$18.3 million, or 4.8% in new ongoing revenue
- Excludes additional \$3.8 million in one-time funding from FY 2012
- Funds new enrollment of 821 students, estimated at \$8.3 million



Adopted County Transfer to Schools



* FY 2012 Ongoing Funding

One-Time Funding Available

- Real Estate Assessments Increase of 6.6% (3.0% in FY 2012 Budget
 - County Portion (53.9%) : \$4.5 million
 - Schools Portion (46.1%): \$3.8 million
 - TOTAL: \$8.3 million
- County Manager's Proposed ½ Cent Increase in Base Budget Yields an Additional \$1.5 million in One-time Funds
- Total One-time Funds Available for County Board - \$6.0 million

Tax & Fee Burden on Average Household

Summary of Residential Taxes and Fees									
Average Homeowner Impact	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012 (FY13) Scenarios				
					Current	Proposed			
Average Assmt	530,800	520,100	503,200	510,200	519,400	\$0.005	\$0.010	\$0.015	
Tax Rate (Inc. Sanitary Dist)	\$0.848	\$0.875	\$0.958	\$0.958	\$0.958	\$0.963	\$0.968	\$0.973	
Real Estate Tax	\$4,501	\$4,551	\$4,821	\$4,888	\$4,976	\$5,002	\$5,028	\$5,054	
Personal Property*	338	268	273	322	328	328	328	328	
Annual Decal Fee*	48	50	66	66	66	66	66	66	
Refuse Fee	307	326	344	326	294	294	294	294	
Water / Sewer Service	738	784	822	853	883	883	883	883	
Residential Utility Tax	72	72	72	72	72	72	72	72	
Total Residential Tax & Fees	\$6,004	\$6,051	\$6,398	\$6,527	\$6,619	\$6,645	\$6,671	\$6,697	
Percent Change	4.1%	0.8%	5.7%	2.0%	1.4%	1.8%	2.2%	2.6%	
Dollar Change	\$237	\$46	\$347	\$129	\$92	\$118	\$144	\$170	
* For two car household									

- February 14th (today) the County Board will determine the tax & fee levels to advertise
- Real estate tax rate advertisement sets the highest rate the County Board can adopt
- Business Improvement District (BID) tax rates
- No changes to other taxes proposed (personal property, BPOL)

Advertise a Real Estate Tax Rate of 1 Cent Higher than the County Manager's Proposed Budget

(1 ½ cent tax rate increase (\$0.973/\$100 of assessed value))

- Consider increased funding to housing, safety net programs, maintenance capital & compensation
- Annual Average Homeowner Impact
 - Additional 1½ cent tax rate increase and other fee changes: 2.6% or \$170

December 2011	County Manager met with Commission chairs Community Budget Forum at Central Library On-line chat with community On-line chat with employees
Ongoing	2013 budget page on website with “feedback” link for public comments

Next Steps

- Feb. 11 Budget overview worksession
- Feb. 14 County Manager presentation – full budget online
County Board action on tax and fee advertisements
- Feb. 16 County Board work sessions begin and continue through mid-April
- Mar. 20 Public hearing on budget
- Mar. 22 Public hearing on tax rate and fees
- April 21 Budget adoption