

Purpose



The purpose of the presentation is to update the Board on the General Fund and the FY 2013 Budget Process.

Presentation Outline



- **May 2012 Workshop**
- **Property Values**
- **Constitutional Offices**
- **County Departments**
- **Proposed Organizational Strategies**
- **FY 2013 General Fund Projections**
- **Parks, Stormwater, and Roads MSTU**
- **Public Lands Voted Debt**
- **Summary**
- **Next Steps**

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May 2012 Workshop



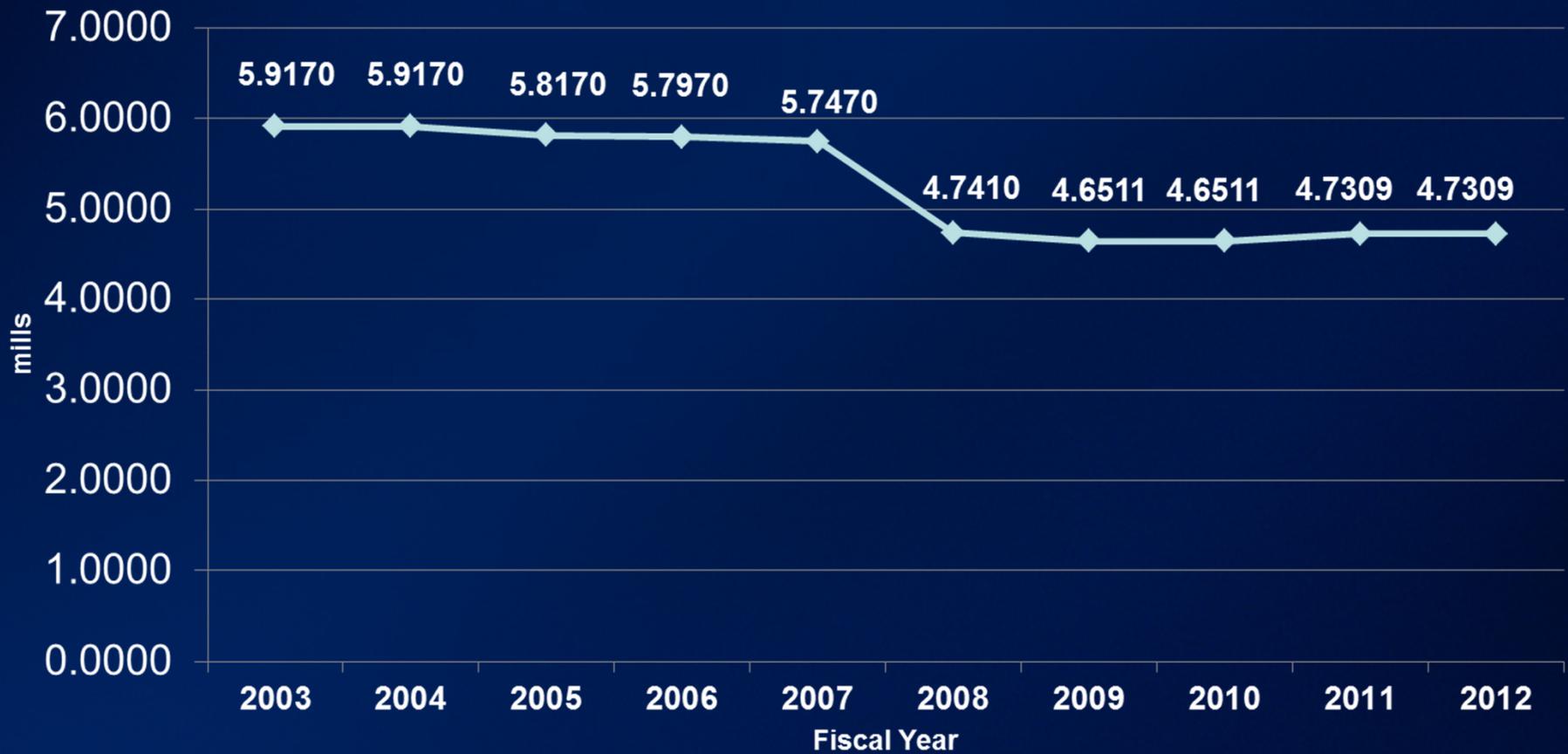
Millage Rate Comparison

| | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 |
|--------------------------|---------|---------|---------|---------|---------|---------|
| General | 5.7470 | 4.7410 | 4.6511 | 4.6511 | 4.7309 | 4.7309 |
| Lake County Ambulance | 0.5289 | 0.4651 | 0.4651 | 0.4651 | 0.3853 | 0.3853 |
| Public Lands Program | 0.2000 | 0.2000 | 0.1101 | 0.1101 | 0.1101 | 0.1101 |
| Total County Wide | 6.4759 | 5.4061 | 5.2263 | 5.2263 | 5.2263 | 5.2263 |
| Stormwater, Roads, Parks | 0.6000 | 0.4984 | 0.4984 | 0.4984 | 0.4984 | .4984 |
| Fire EMS | 0.0000 | 0.0000 | 0.3222 | 0.3222 | 0.3222 | 0.3222 |

May 2012 Workshop



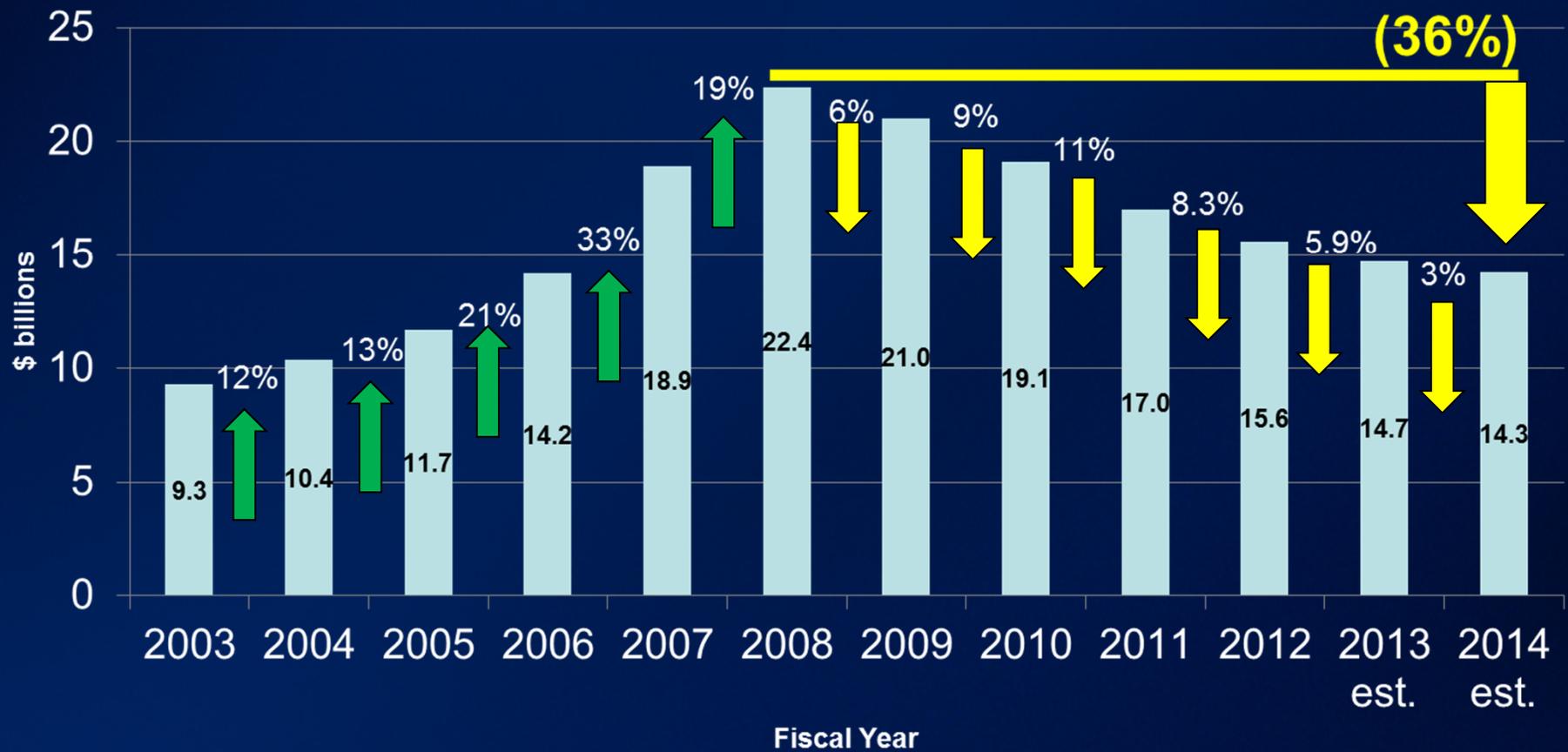
10 Yr Millage Rate (General Fund)



May 2012 Workshop



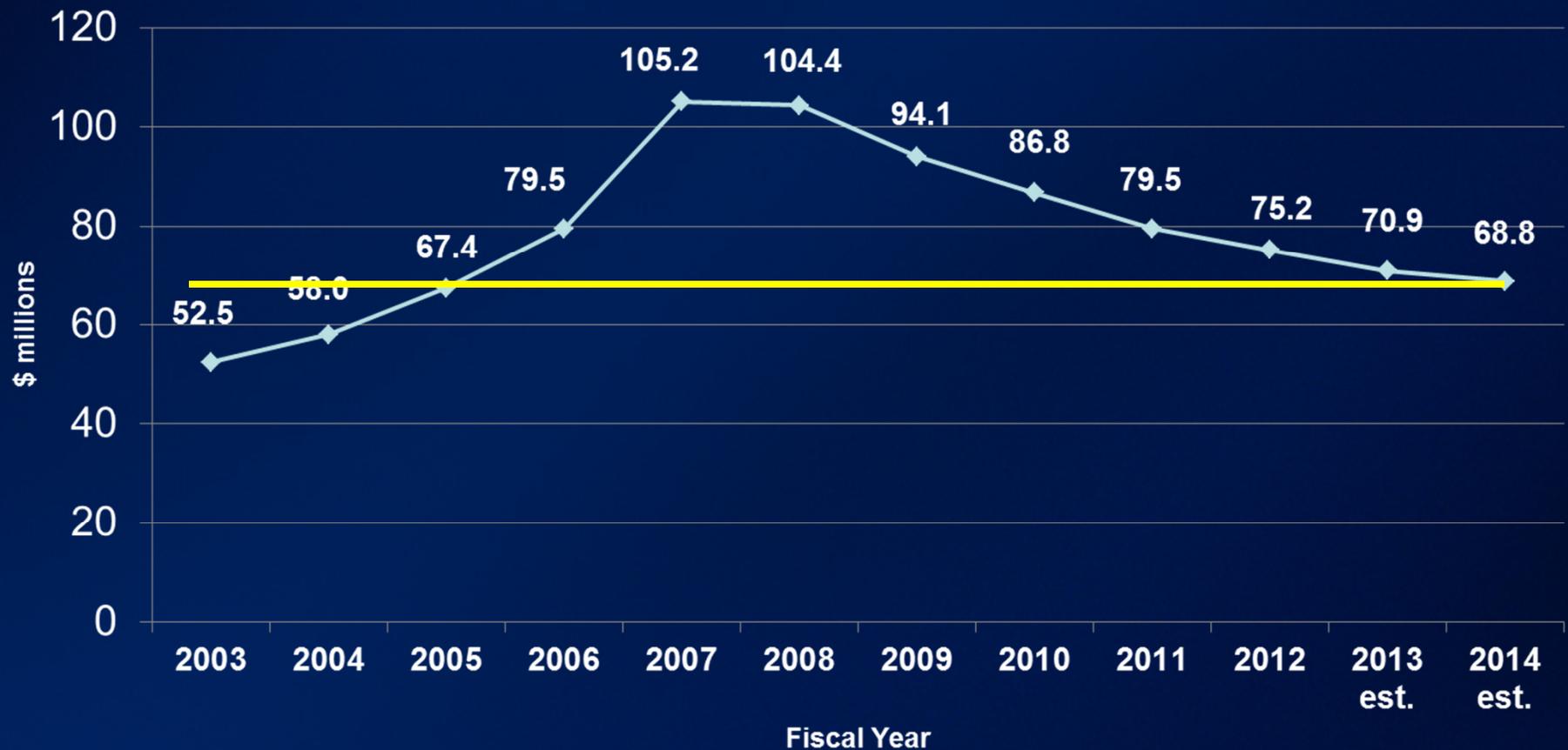
Gross Taxable Value (General Fund)



May 2012 Workshop



Countywide Ad Valorem



May 2012 Workshop



Budget Challenges

- **Reductions in Ad Valorem**
- **Medicaid**
- **Transportation Disadvantaged**
- **Library**
- **Court House O&M**
- **Litigation**

May 2012 Workshop



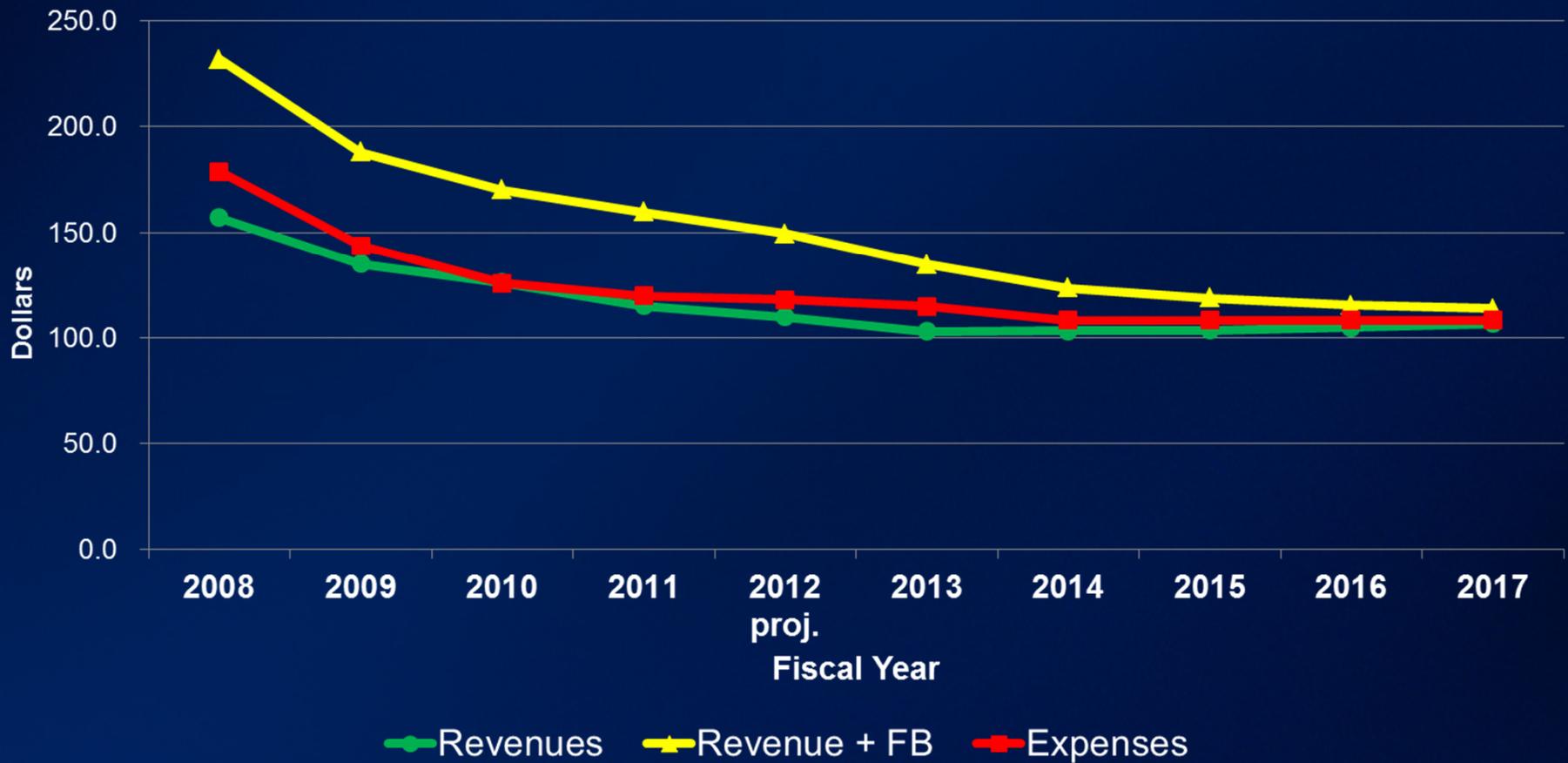
Assumptions-Scenario 4

- **Taxable Values**
 - **FY 2013 – 0%**
 - **FY 2014 – 0%**
 - **FY 2015 – 0%**
 - **FY 2016 – 1% increase**
 - **FY 2017 – 2% increase**
- **Expenses**
 - **FY 2013 – 5% Decrease FY 2014 – 5% Decrease**
- **Includes 5 year update of Transportation Disadvantaged funding**
- **Includes impact of Medicaid to Revenue Sharing**
- **Constitutional transfers at 5% decrease**
- **Includes preliminary Department submittals**
- **Decrease in Solid Waste transfer FY 2014**

May 2012 Workshop



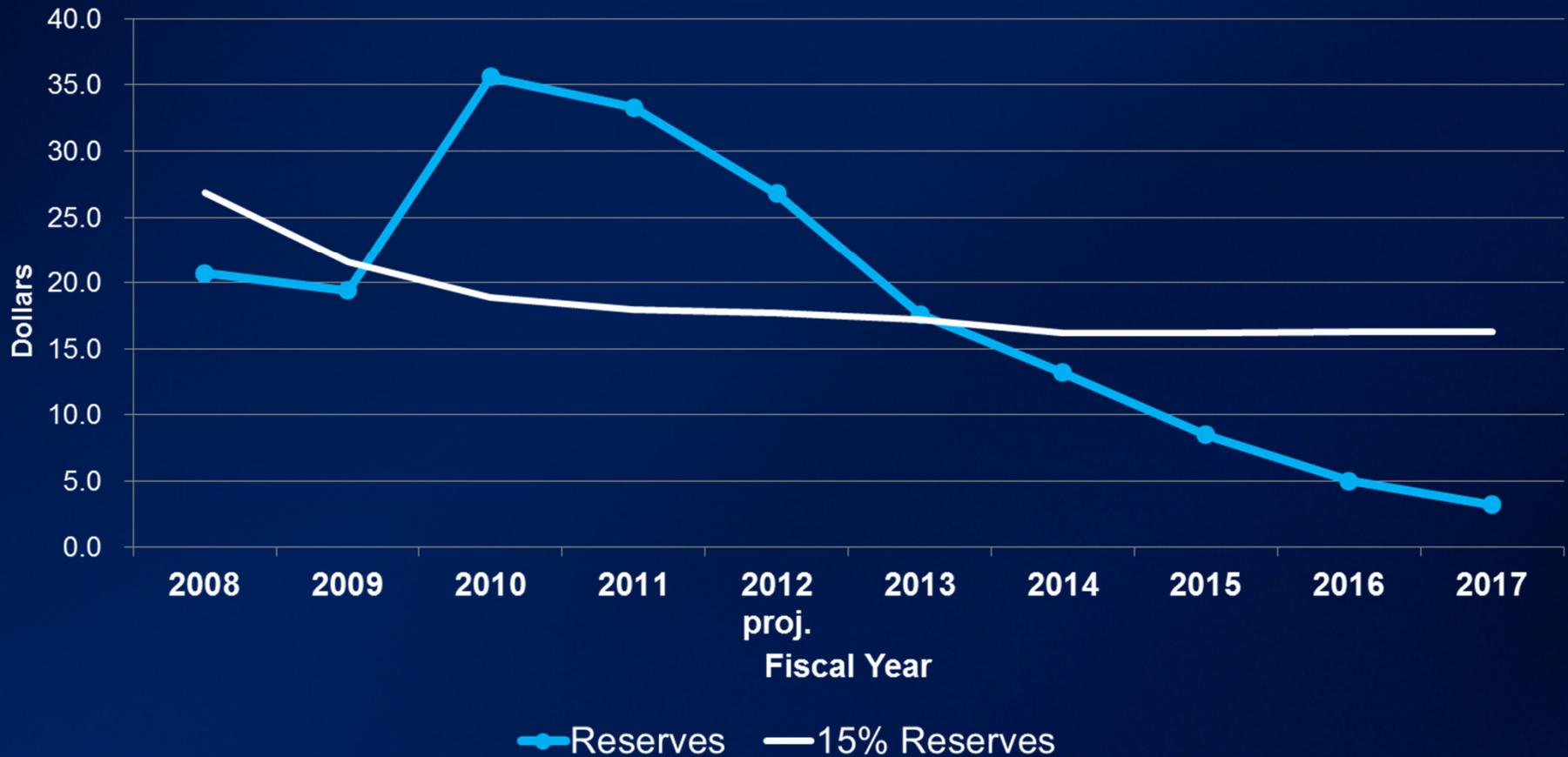
Projections-Scenario 4



May 2012 Workshop



Projections-Scenario 4



May 2012 Workshop



- **Scenario 4**
- **Reductions in BCC Departments and Constitutional Offices when coupled with the same ad valorem revenue as FY 2012 are projected to keep Reserves at BCC Policy of 15%**
 - **FY 2013 Reserves – 15.3%**
 - **FY 2014 Reserves – 12.1%**
 - **FY 2015 Reserves – 7.8%**

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Property Values



Estimated Property Values – May 30, 2012

| | 2011 Taxable Value | 2012 Taxable Value | Change |
|----------------------------------|-----------------------|-----------------------|---------------|
| Lake County General Fund | 15,632,400,116 | 14,715,258,169 | -5.87% |
| Lake County Ambulance | 15,632,400,116 | 14,715,258,169 | -5.87% |
| Public Lands Voted Debt | 15,632,400,116 | 14,715,258,169 | -5.87% |
| Parks, Stormwater, Roads MSTU | 8,315,879,658 | 7,743,899,232 | -6.88% |
| Fire Services MSTU | 8,730,034,527 | 8,147,217,720 | -6.68% |

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Constitutional Offices



- **Clerk of Courts – Overall Decrease of 7.3%**
 - FY 2013 reduction of \$55,280 or 1.5%
 - Anticipate returning excess fees of \$220,000 in FY 2012
- **Property Appraiser – Increase of 1.3%**
 - Eliminated 4 positions since FY 2010
 - More reductions would hinder ability to meet statutory duties
- **Supervisor of Elections – Decrease of 16.5%**
 - Reduction in expenses of \$352,838

Constitutional Offices



- **Tax Collector – To Be Determined**
 - Budget is due August 1st
- **Sheriff - Decrease of 5%**
 - Transfer for operations reduced by \$2,613,439
 - Estimated incremental cost of \$356,181 for Court Services for Lake County Court House Expansion (Not Included)

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County Departments



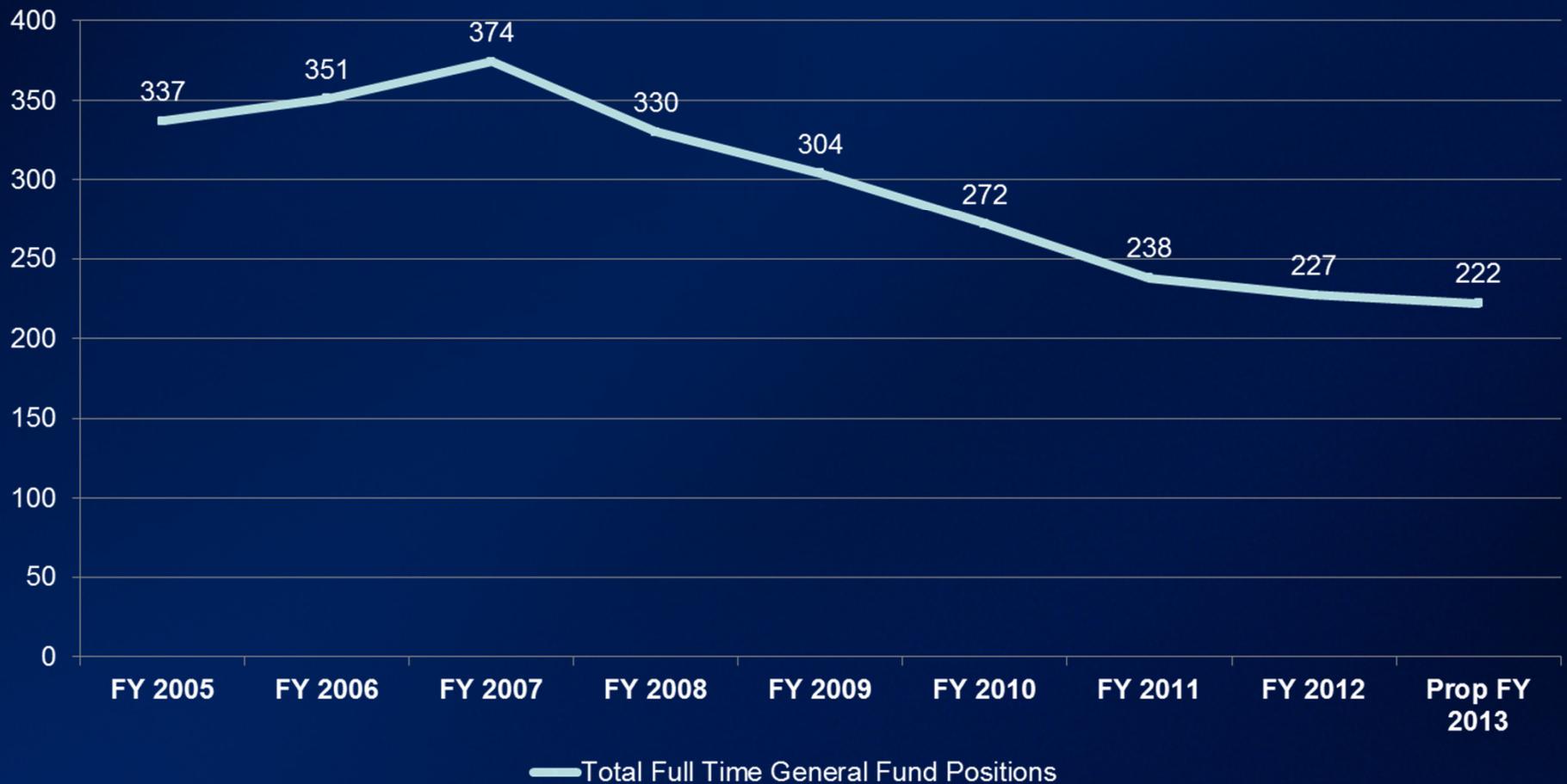
Philosophy

- **Do More With Less**
 - Evaluating processes and looking for ways to be more efficient
 - Reviewing expenditures looking for ways to reduce costs
 - Looking at services and evaluating outsourcing opportunities where financially feasible

County Departments



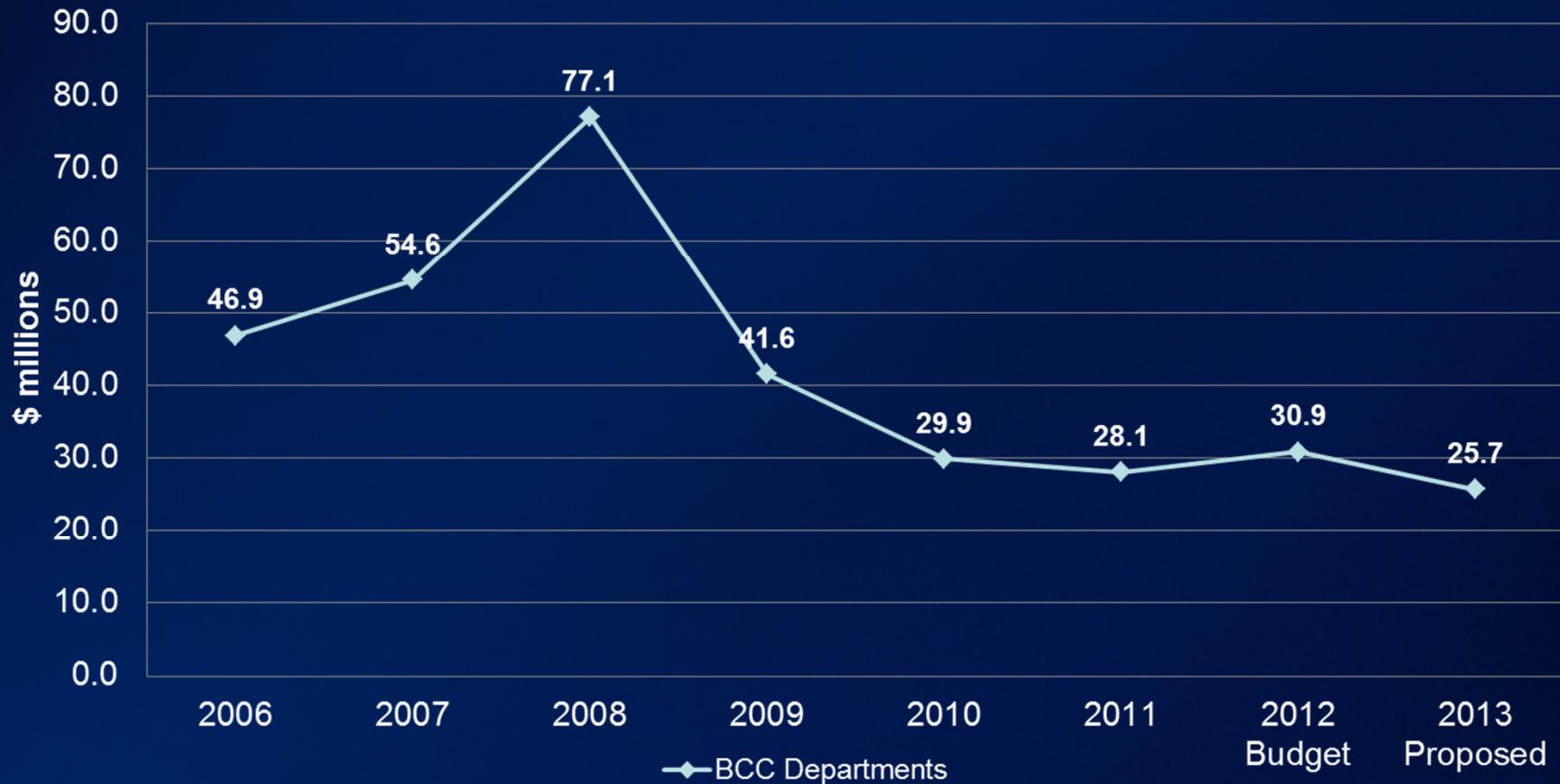
Changes in Number of General Fund Positions



County Departments



7 Yr Expenditure Comparison



County Departments



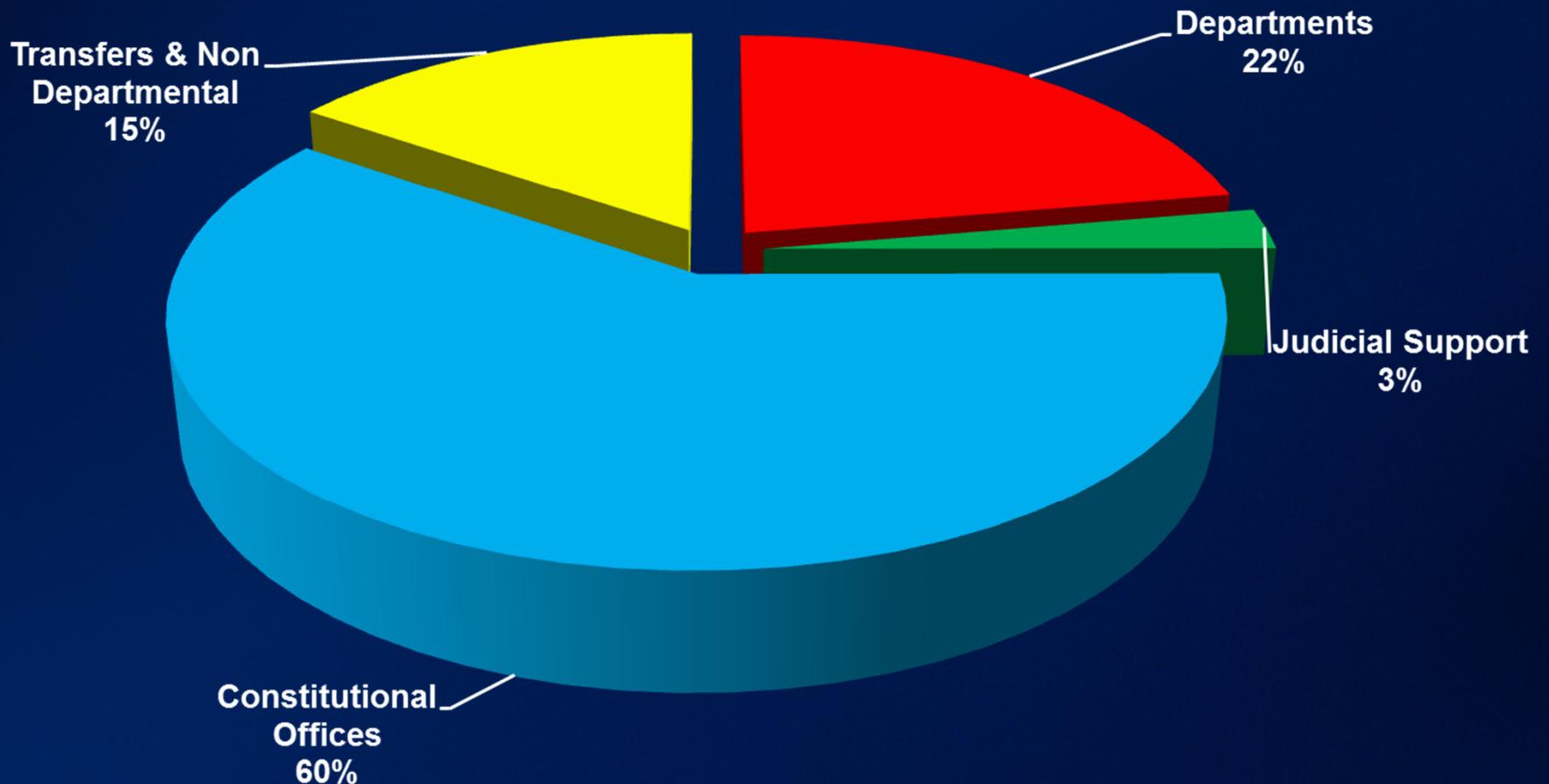
Budget Reductions

- **\$30.9 Million** **FY 2012 Departmental Budget**
 - **\$ (2.7) Million** **Reduction in Medicaid Expenses, will be deducted from State Revenues**
 - **\$ (1.0) Million** **One time expense of South Lake Health Clinic(costs reimbursed)**
 - **\$ (1.5) Million** **Reductions made by County Departments (4.8% reduction) includes increases to Risk and Health Insurance costs**
-
- **\$25.7 Million** **FY 2013 Proposed Departmental Budget**

County Departments



FY 2013 Proposed Expense Budget \$115.4 million



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Proposed Organizational Strategies



Continued Effort to Reduce Costs

- **Growth Management - Building Services**
 - Contract inspections in outlying areas
 - Smaller workforce at 40 hours per week
- **Petroleum Storage Tank Program**
 - Contract terminated by FDEP
- **Facility Management**
 - Additional opportunities for outsourcing
- **Library System**
 - Elimination of interlibrary loan program

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FY 2013 General Fund Projections



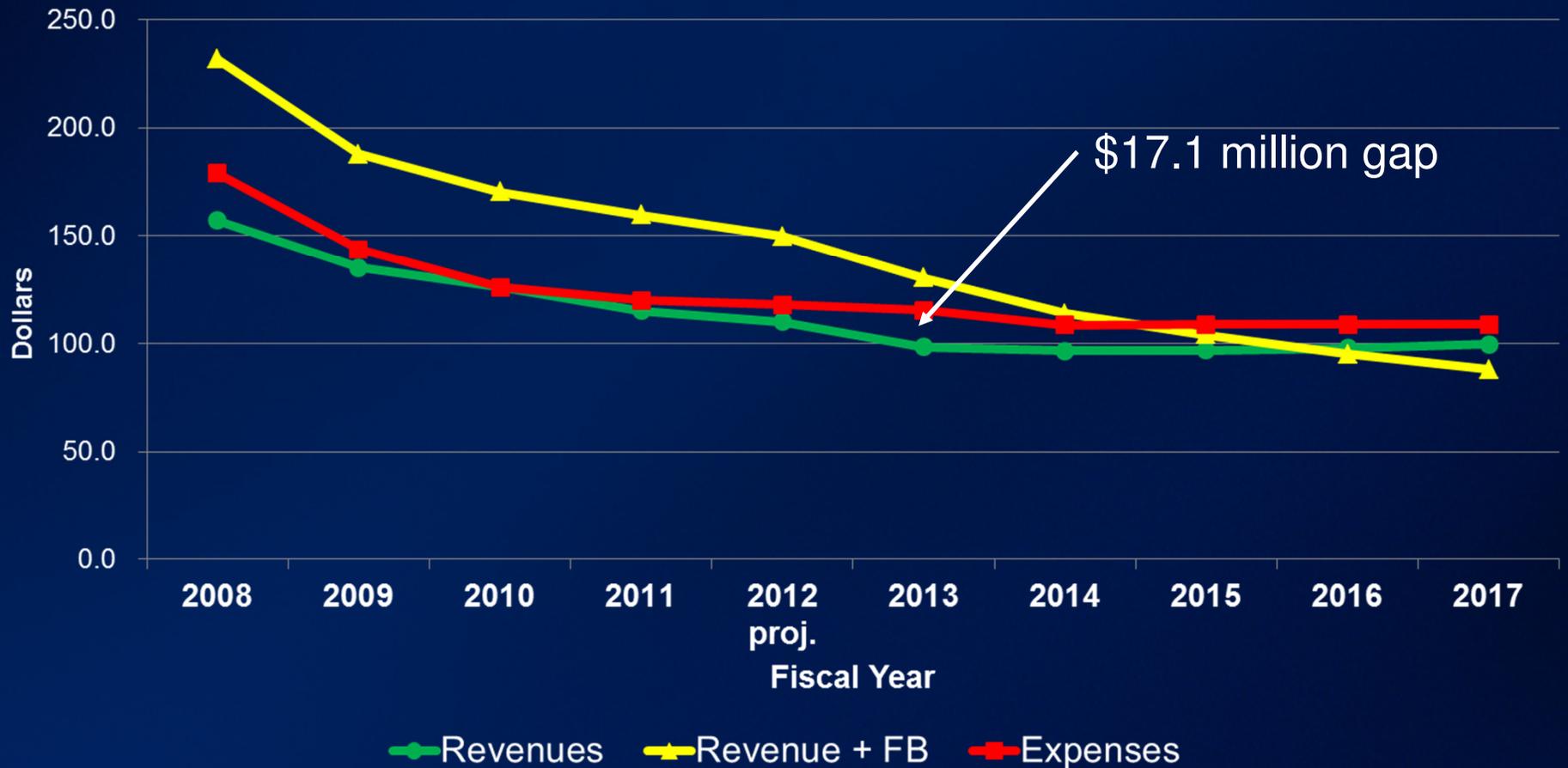
Assumptions

- **Taxable Values**
 - **FY 2013 – 5.9% decrease**
 - **FY 2014 – 3% decrease**
 - FY 2015 – 0%
 - FY 2016 – 1% increase
 - FY 2017 – 2% increase
- **Expenses**
 - **FY 2013 – 5% Decrease FY 2014 – 5% Decrease**
- Includes 5 year update of Transportation Disadvantaged funding
- Includes impact of Medicaid to Revenue Sharing
- Includes Constitutional Office submittals
- Decrease in Solid Waste transfer FY 2014

FY 2013 General Fund Projections



Scenario 1 - Revenue Decrease



FY 2013 General Fund Projections



Scenario 1 - Revenue Decrease



FY 2013 General Fund Projections



Scenario 1 - Revenue Decrease

- **Reductions in BCC Departments and Constitutional Offices when coupled with projected ad valorem revenue declines will not maintain Reserves at BCC Policy of 15%**
 - **FY 2013 Reserves – 12.9%**
 - **FY 2014 reserves – 4.9%**

FY 2013 General Fund Projections



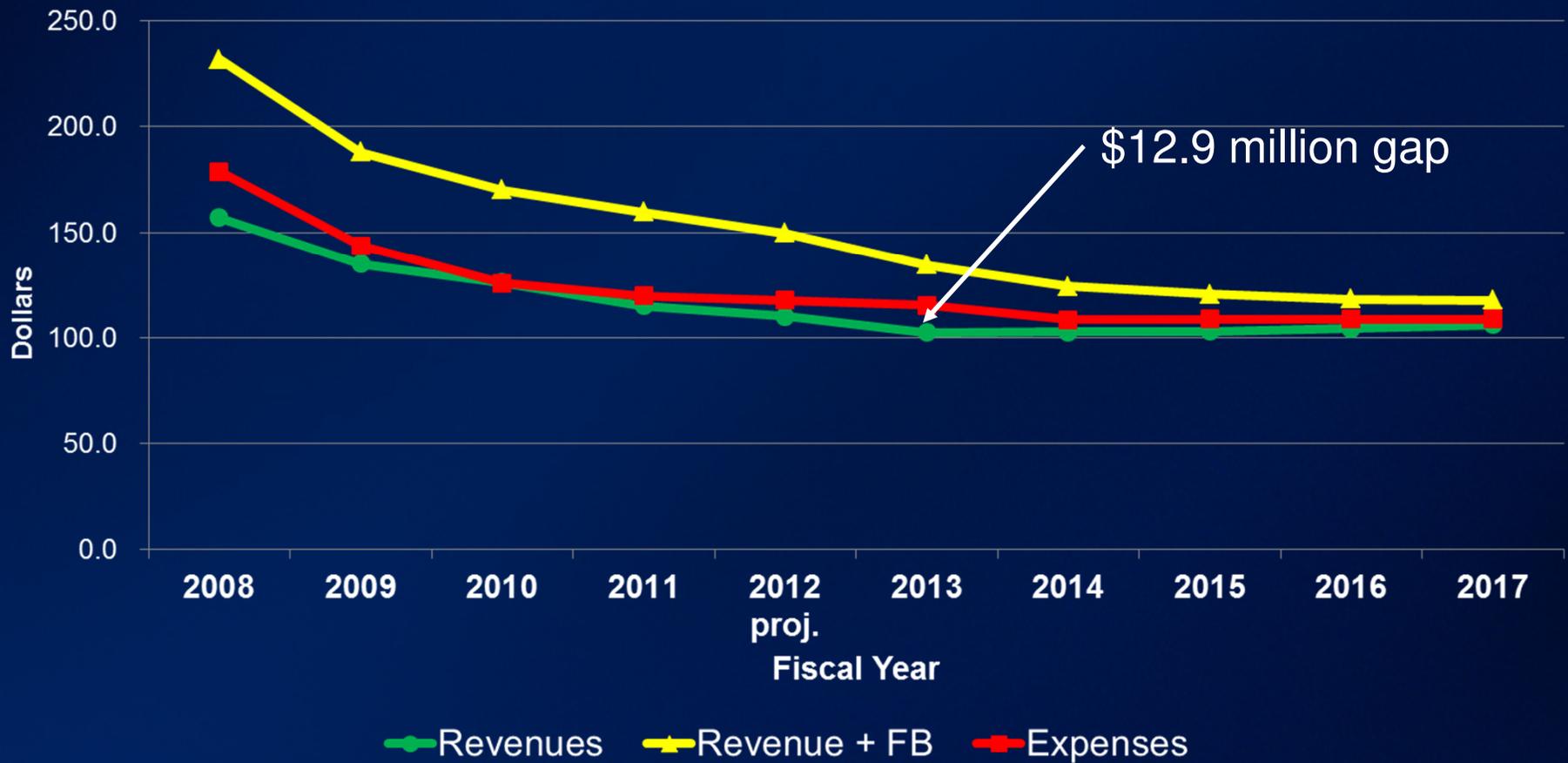
Assumptions

- **Taxable Values**
 - **FY 2013 – 0%**
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 - **FY 2015 – 0%**
 - **FY 2016 – 1% increase**
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- **Expenses**
 - **FY 2013 – 5% Decrease FY 2014 – 5% Decrease**
- **Includes 5 year update of Transportation Disadvantaged funding**
- **Includes impact of Medicaid to Revenue Sharing**
- **Includes Constitutional Office submittals**
- **Decrease in Solid Waste transfer FY 2014**

FY 2013 General Fund Projections



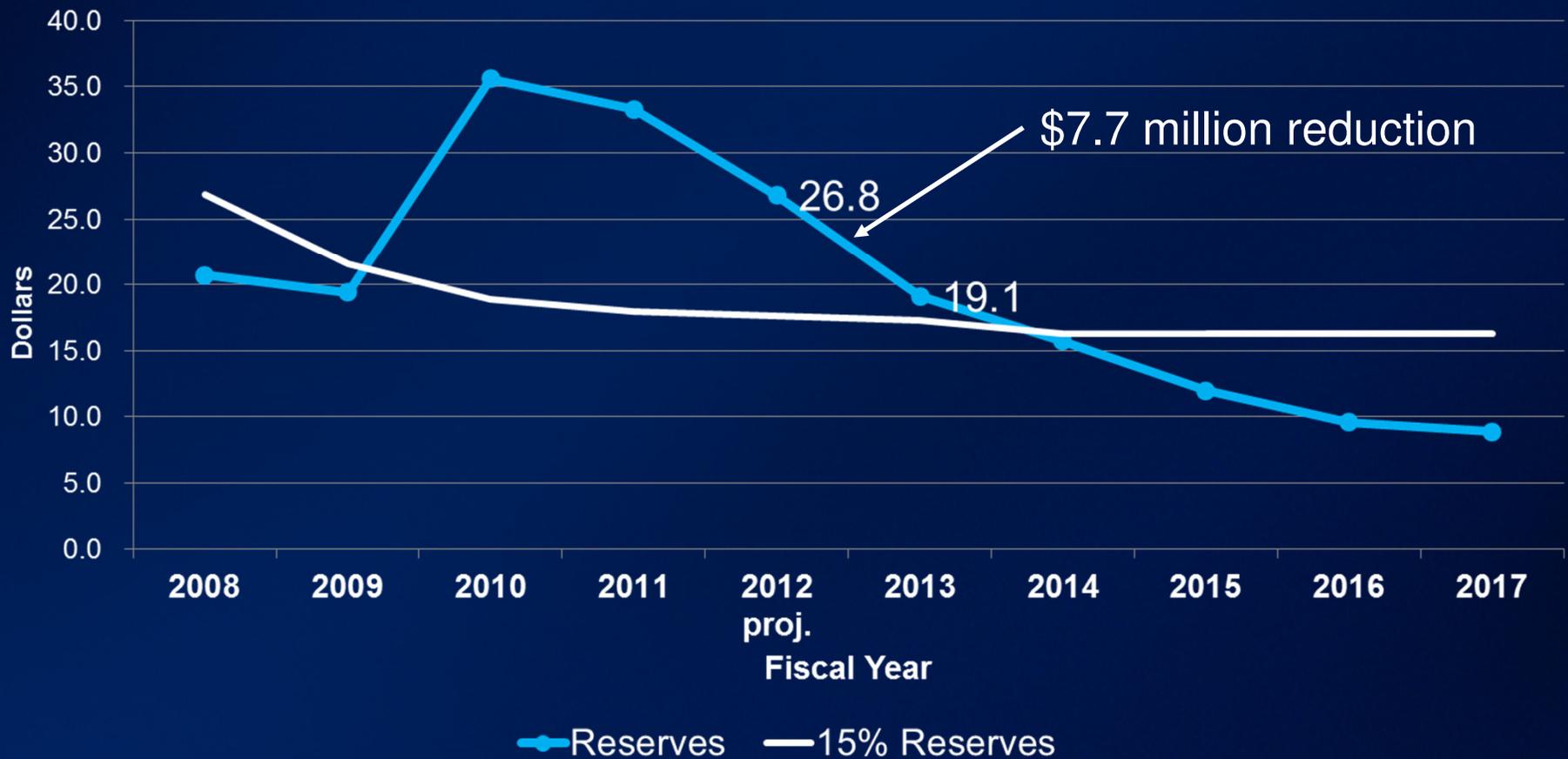
Scenario 2 – Revenue Neutral



FY 2013 General Fund Projections



Scenario 2 – Revenue Neutral



FY 2013 General Fund Projections



Scenario 2 – Revenue Neutral

- **Reductions in BCC Departments and Constitutional Offices when coupled with the same ad valorem revenue as FY 2012 are projected to keep Reserves at BCC Policy of 15%**
 - **FY 2013 Reserves – 16.5%**
 - **FY 2014 Reserves – 14.4%**
 - **FY 2015 Reserves – 11.1%**

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Parks, Stormwater, Roads, MSTU



Parks, Stormwater, Roads MSTU

- **Ad Valorem Revenue levied in Unincorporated Lake County**
- **Estimated property values declined 6.88%**
- **Budgeted Revenues for FY 2012 of \$4,131,774**
- **Projected revenues for FY 2013 of \$3,873,459**
- **Split between Parks, Stormwater, and Roads**
 - **Parks – 87.1% or \$3,375,332**
 - **Stormwater – 12.9% or \$498,127**
 - **Roads – 0%**

Parks

- **MSTU is main source of operational funding for the Parks and Trails Division**
- **Expansion of active recreation parks**
 - North Lake Park, Minneola Athletic Complex, East Lake park
- **Due to declining revenues:**
 - Reduced funding for repairs and maintenance
 - Will not have budgeted reserves in Parks Service – MSTU (Fund 1231)

Stormwater

- **MSTU was intended to fund operational needs and stormwater projects**
- **The Parks and Trails Division has been receiving an increasingly larger allocation**
- **Due to declining revenues:**
 - **No new funding for stormwater projects**
 - **Had to allocate funding from reserves in the Stormwater Management MSTU (Fund 1230) to fund operations and maintenance**

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Public Lands Voted Debt



Background

- **Approved by voters November 2, 2004**
- **Limited Ad Valorem tax not to exceed one third (1/3) of a mill**
- **Purpose of bond issue**
 - **Acquisition and improvement of lands within County, to protect drinking water sources, preserve natural areas, protect open space from overdevelopment, improve water quality, and provide parks and trails**
- **April 19, 2007 issued \$34,720,000 in bonds**
- **Term June 1, 2007 to April 1, 2026**
- **Adequate debt service coverage and maintaining bond ratings**

Public Lands Voted Debt



| | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|----------------------|---------|---------|---------|---------|---------|---------------|
| Public Lands Program | 0.2000 | 0.1101 | 0.1101 | 0.1101 | 0.1101 | 0.1900 |

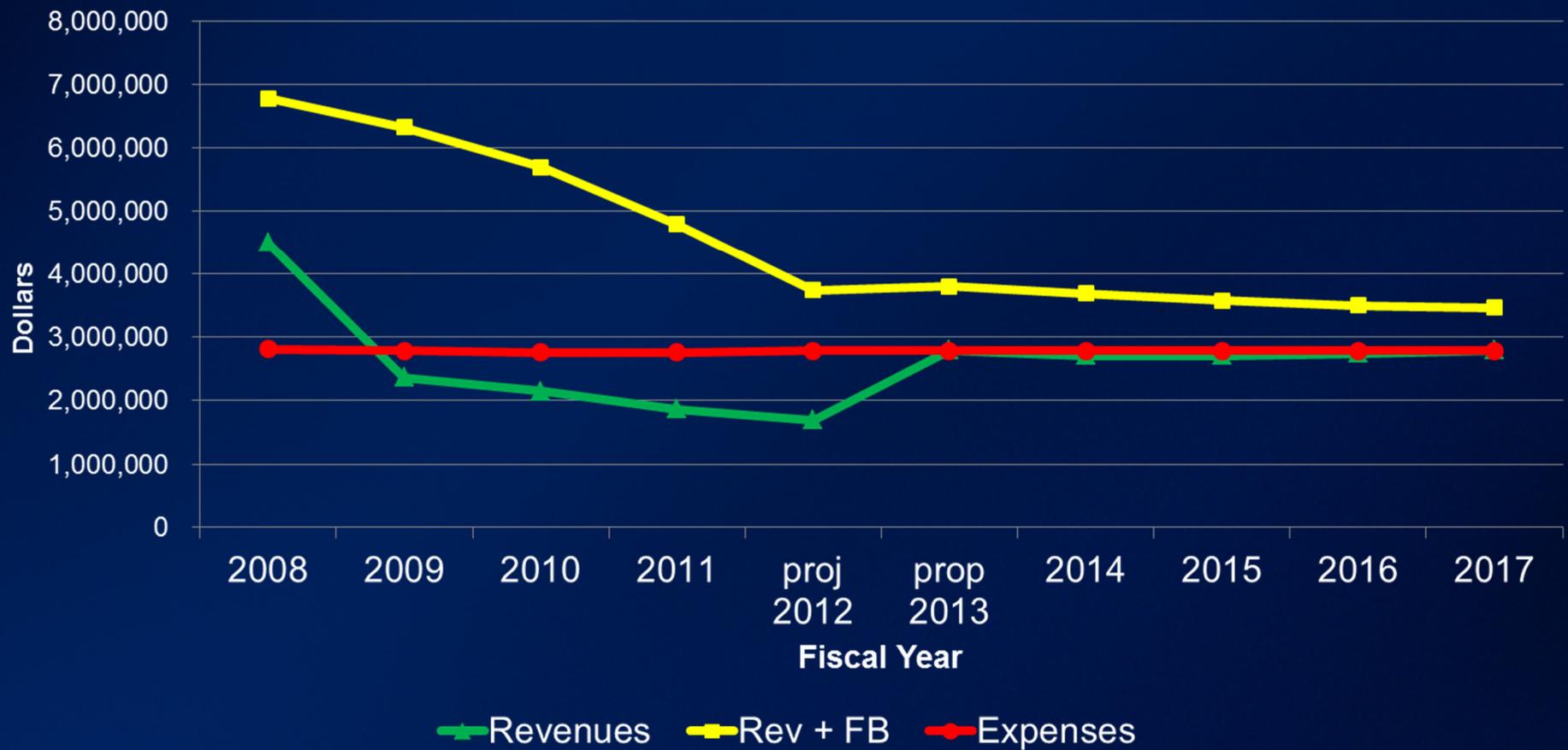
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 - **FY 2013 – 5.9% decrease**
 - **FY 2014 – 3% decrease**
 - **FY 2015 – 0%**
 - **FY 2016 – 1% increase**
 - **FY 2017 – 2% increase**
- **Target Reserve - 20% of expenses**

Public Lands Voted Debt



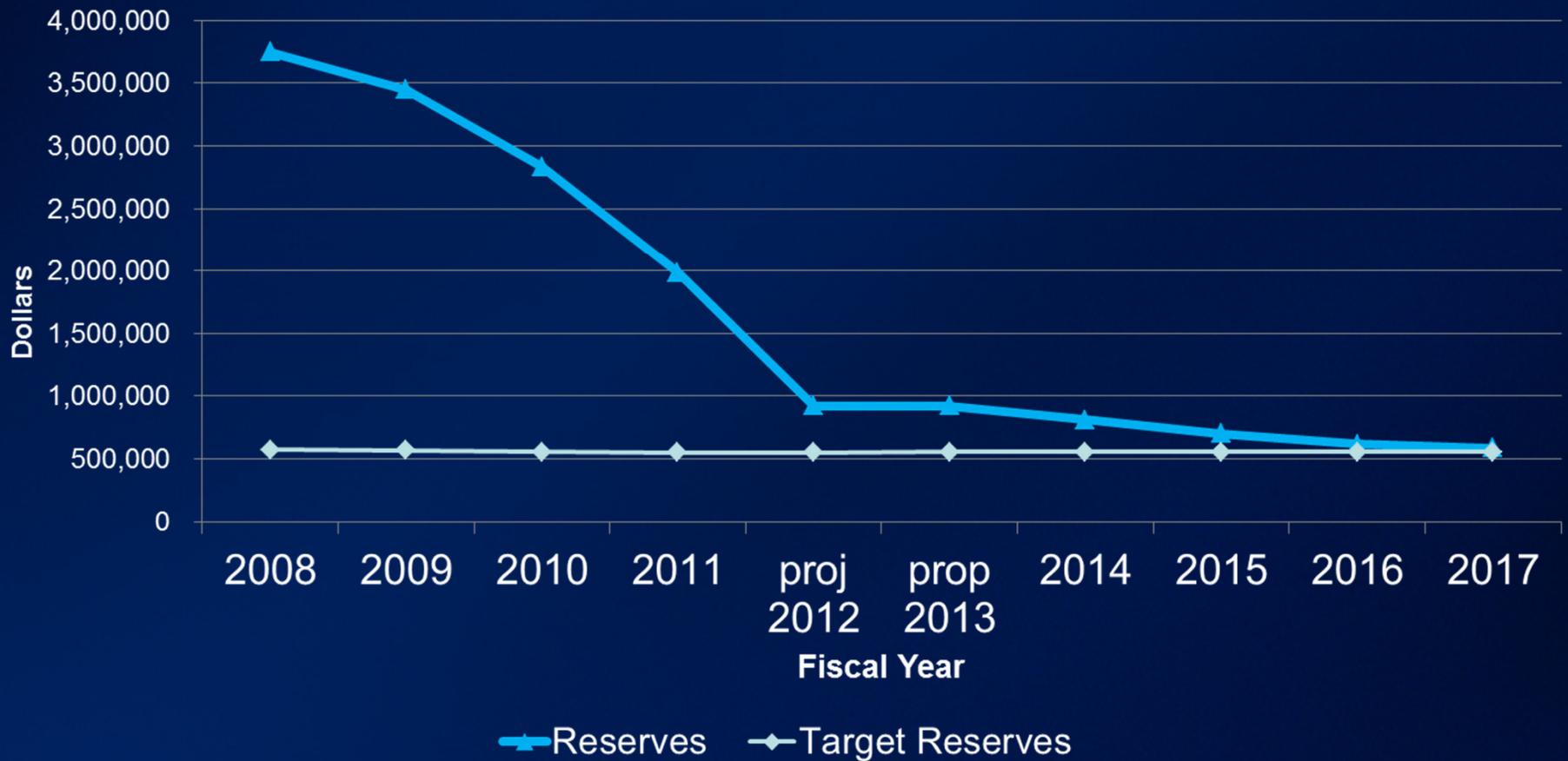
Projections



Public Lands Voted Debt



Projections



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Summary



- **Substantial decrease in property values of 5.9%**
- **Overall County Departments and Constitutional Offices met guidelines with reductions of 5%**
- **Additional Expenses for FY 2013**
 - Medicaid
 - Public Transportation
 - Courthouse Expansion O & M

Summary



- **Erosion of property values will result in an unacceptable level of reserves of 12.9%**
- **Maintaining the existing revenue levels is necessary to balance the budget and maintain adequate reserves**

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Next Steps



- **April-May** Budget meetings with Departments
- **May 30th** Budgets due from Constitutional Officers (Except Tax Collector)
- **June 1st** Preliminary estimate of property value
- **June 26th** Budget Workshop
- **June 29th** Certification of Taxable Property Value
- **July 3rd-15th** Distribution of Recommended Budget Book

Next Steps



- **July 24th** Adoption of TRIM Rates and budget workshop if needed
- **Aug. 1st** Budget due from Tax Collector
- **Aug. 4th** Statutory deadline to notify Property Appraiser of proposed TRIM Rates
- **Aug. 24th** Last day to mail TRIM notices
- **Sep. 11th** **First public hearing – 5:05 p.m.**
- **Sep. 25th** **Second public hearing – 5:05 p.m.**



LAKE COUNTY

FLORIDA

Thank you.