LAKE COUNTY
FLORIDA

Budget Workshop

December 4, 2012

Budget Workshop

LAKE COUNTY
FLORIDA

Purpose

- **The Purpose of this Budget Workshop is to review the actual results of FY 2012, analyze the estimated change to FY 2013 Budget, and begin the discussion of the FY 2014 Budget challenges.**

Presentation Outline

- **FY 2012 4th Quarter Report**
- **Schedule**
- **FY 2013 Adopted Budget**
- **Budget Reconciliation**
- **FY 2014 Assumptions**
- **FY 2014 Issues and Challenges**
- **Summary / Preliminary Observations**

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FY 2012 4th Quarter Report

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- Revenue Status
- Expenditure Status
- Summary
- Staffing Status

FY 2012 4th Quarter Report

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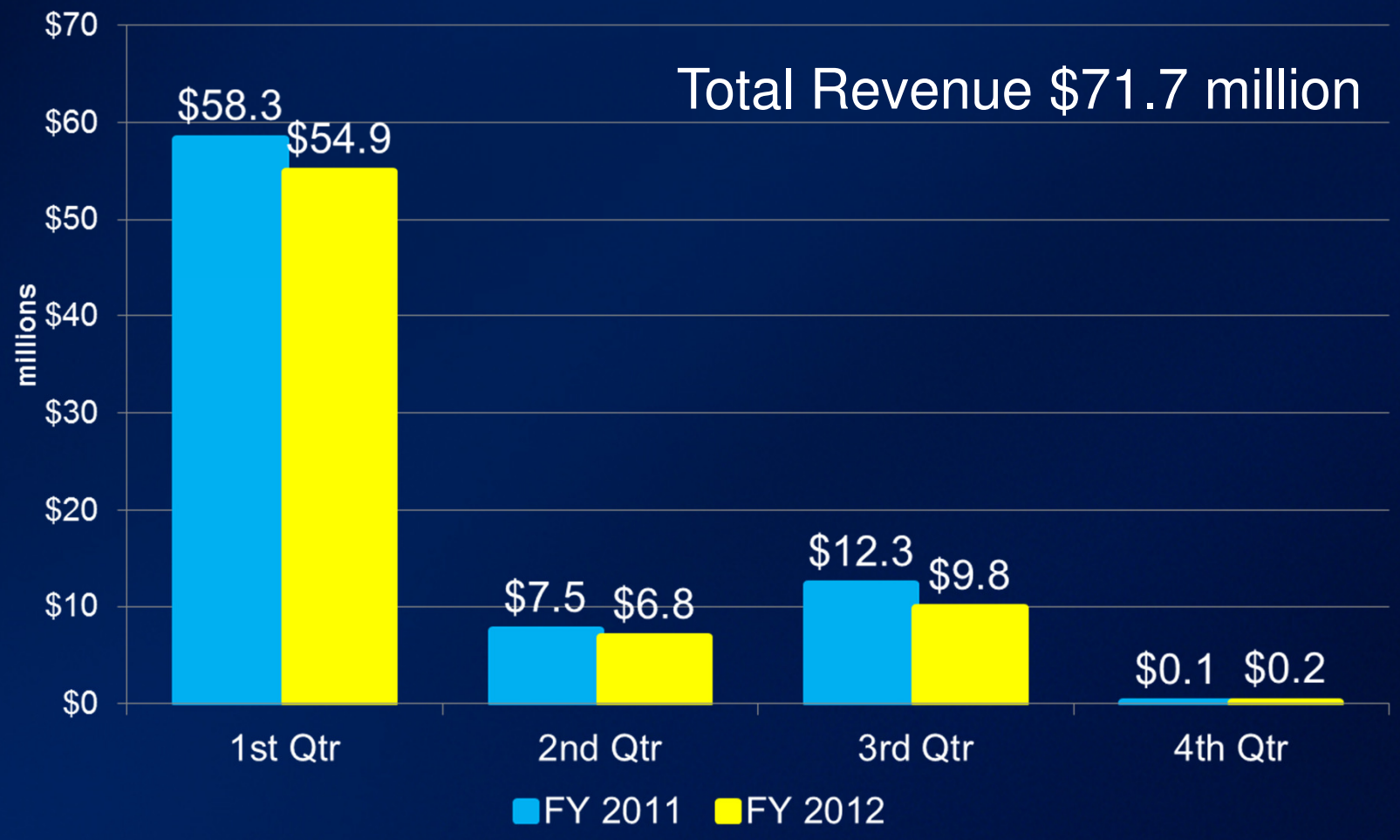
FLORIDA

Ad Valorem Revenues (General Fund)



FY 2012 4th Quarter Report

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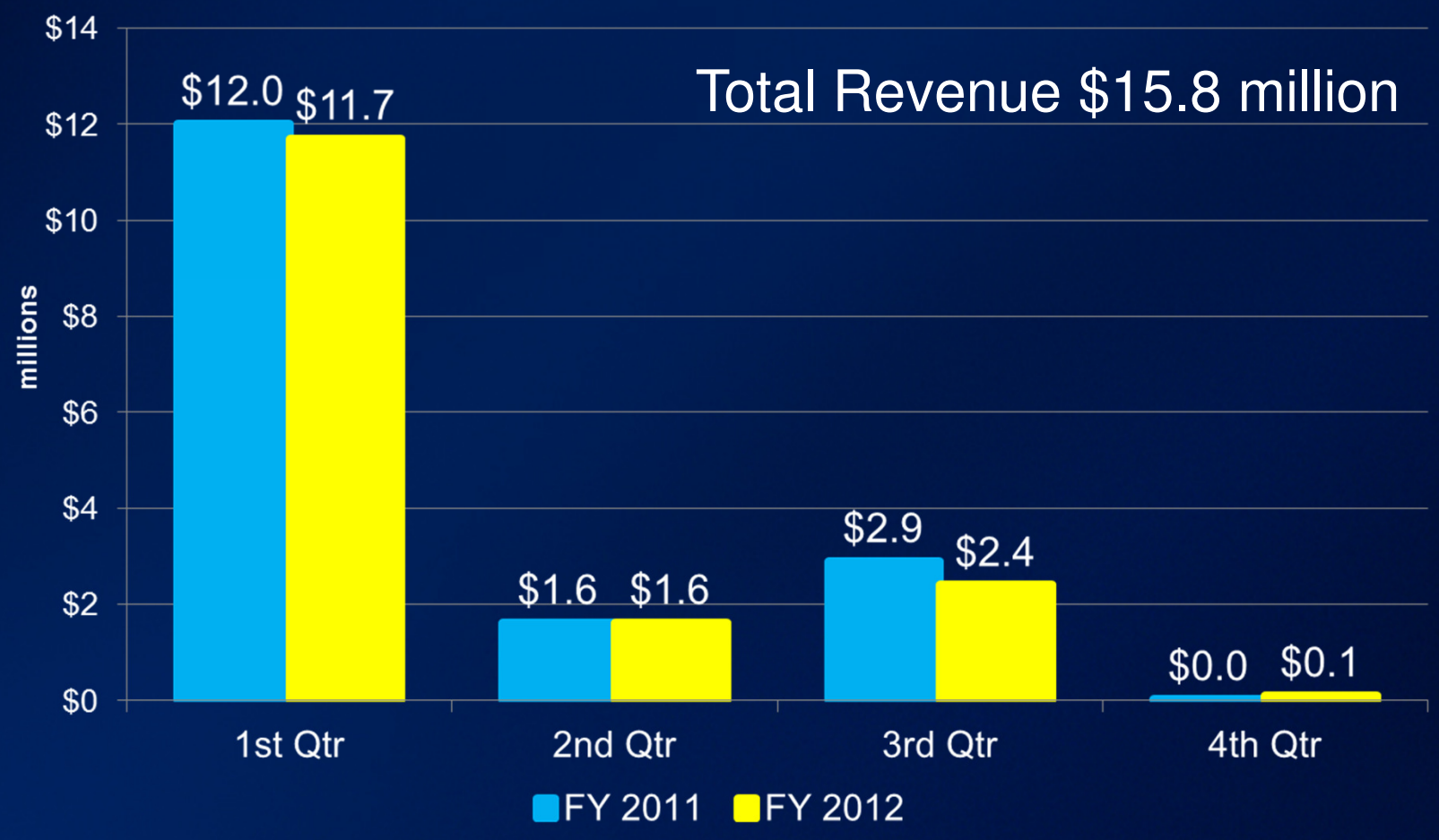
Fire Rescue Non Ad Valorem Assessment Revenues



FY 2012 4th Quarter Report

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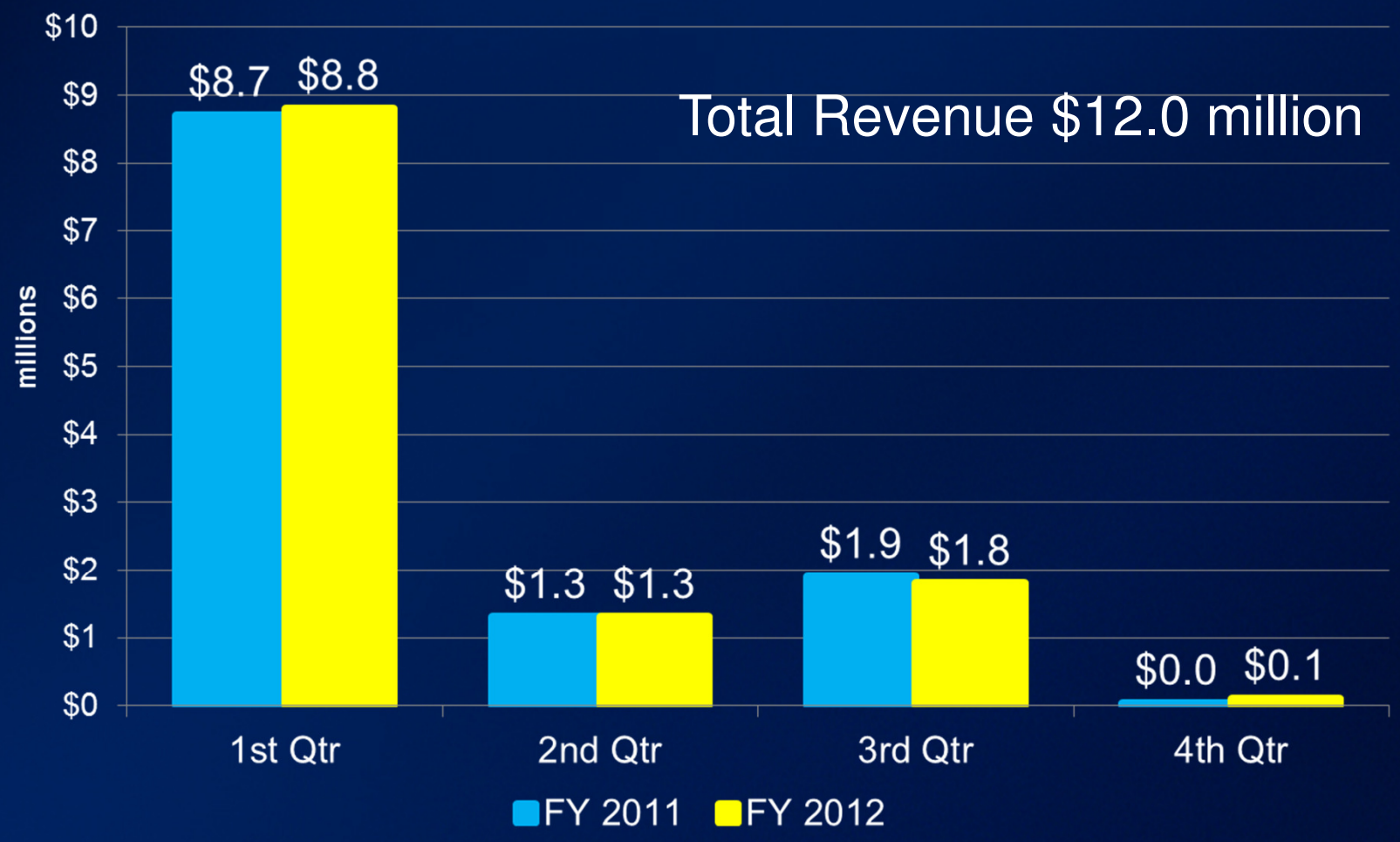
Solid Waste Disposal Assessment Revenues



Total Revenue $12.0 million

FY 2012 4th Quarter Report

LAKE COUNTY
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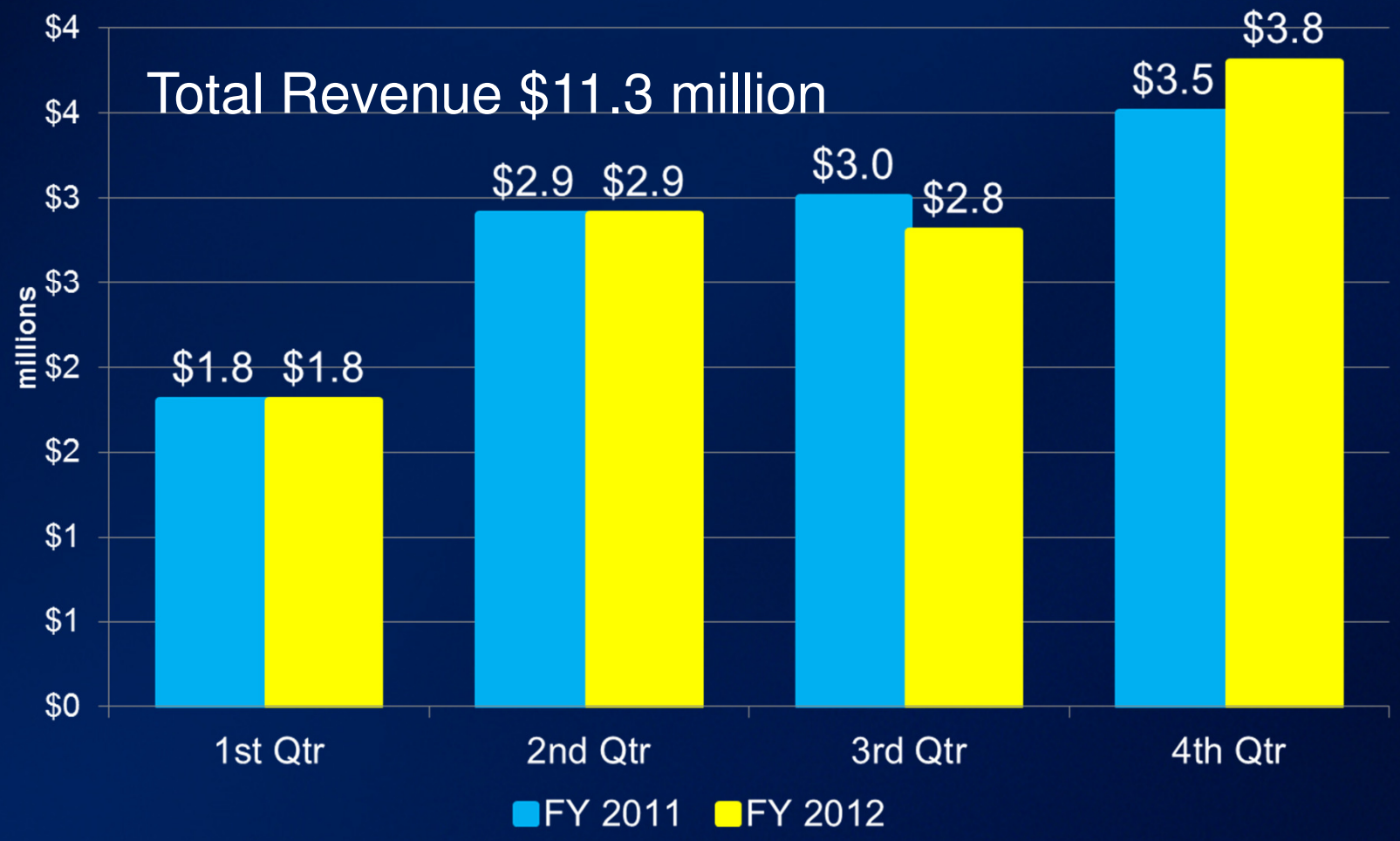
State Sales Tax Revenues



FY 2012 4th Quarter Report

LAKE COUNTY
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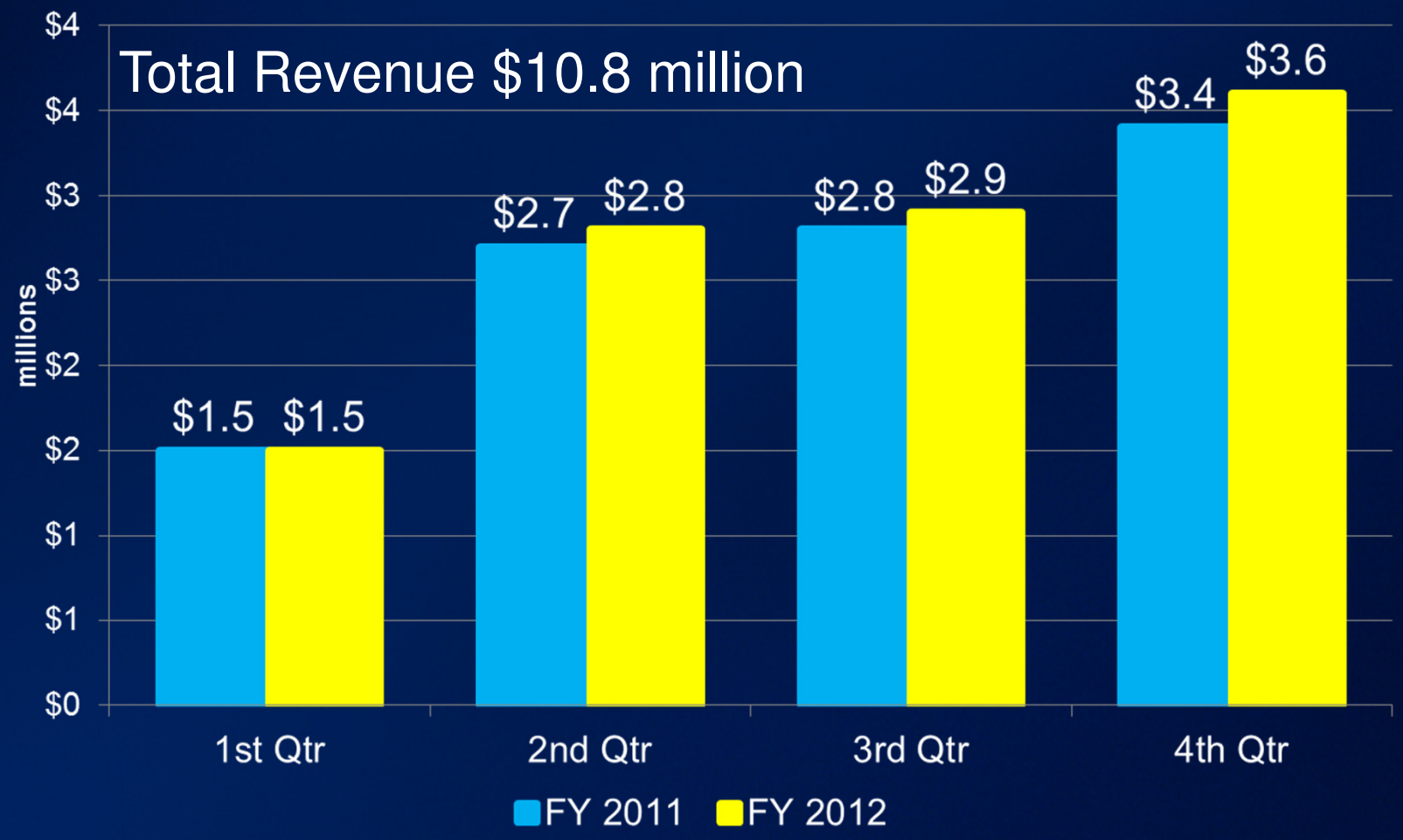
Infrastructure Sales Tax Revenues



FY 2012 4th Quarter Report

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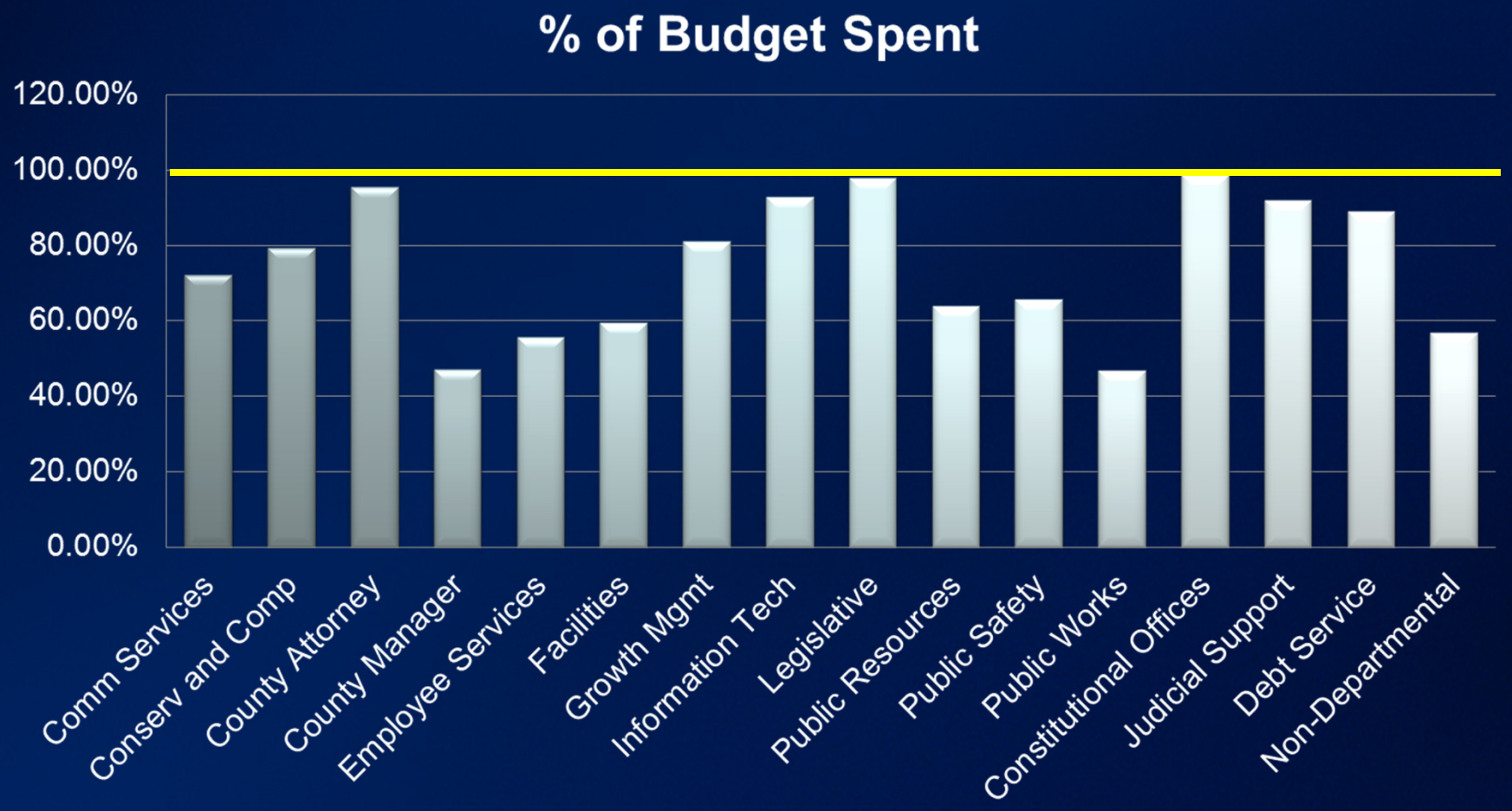
Expenditure by Department



*includes CIP

FY 2012 4th Quarter Report

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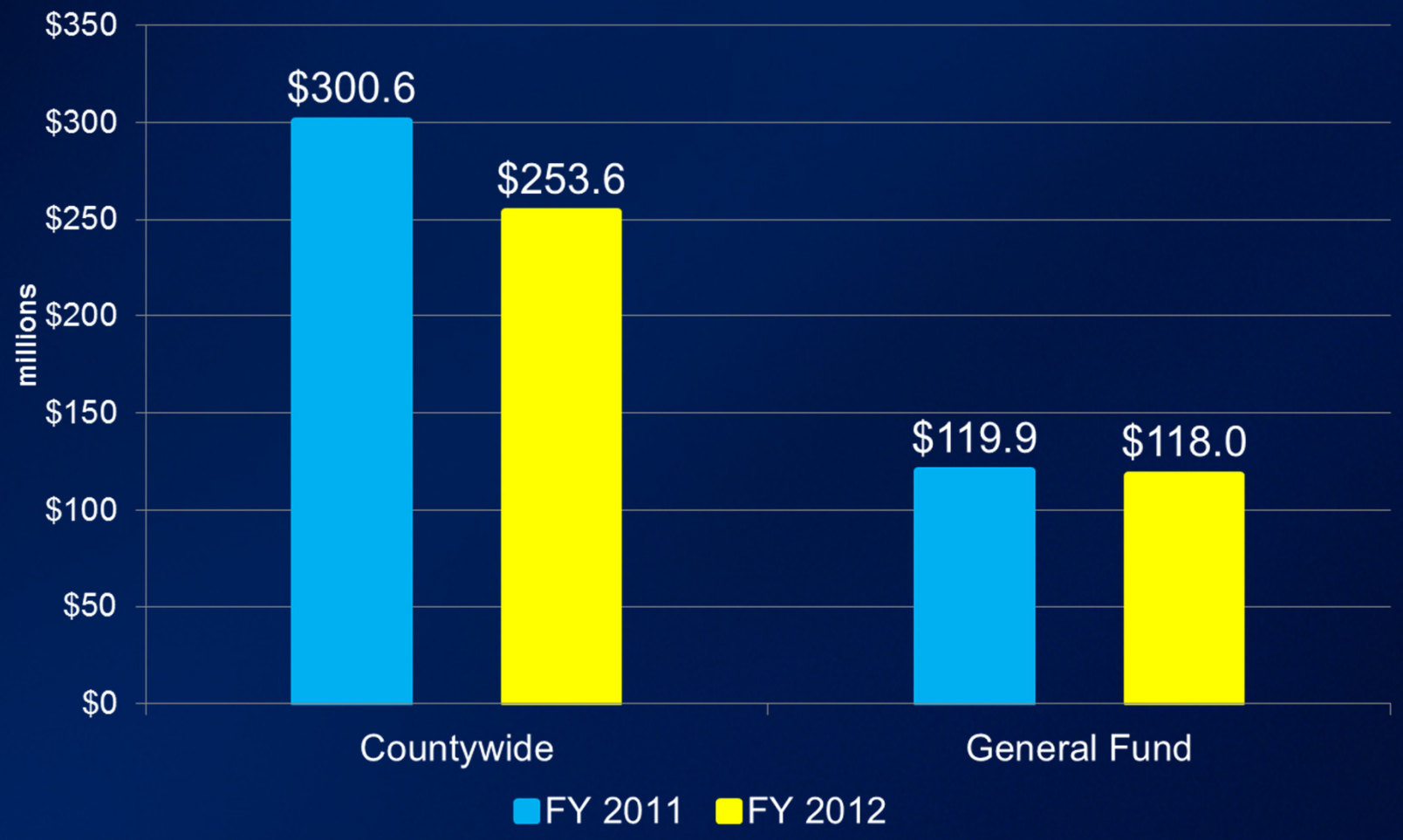
4th Quarter Expenditures



FY 2012 4th Quarter Report

LAKE COUNTY
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Summary

- Revenues
  - Overall are meeting expectations
  - Property Taxes are lower as expected
  - Sales Tax Revenues are on target
- Expenditures
  - Overall spending is on target and below last year

FY 2012 4th Quarter Report

Full time positions as of September 30, 2012

Department	Adopted FY 2012	Filled	Vacant
Community Services	23	22	1
Conservation and Compliance	53	49	4
County Attorney	7	7	0
County Manager	51	4	1
Office of Budget		7	0
Office of Economic Development & Tourism		7	1
Office of Information Outreach		7	0
Fleet Management Division		16	1
Procurement Services Division		7	0
Facilities Development & Management	30	26	4
Growth Management	35	30	5
Human Resources	8	7	1
Information Technology	25	23	2
Judicial Support	9	8	1
Legislative	8	8	0
Public Resources	104	91	13
Public Safety	207	206	1
Public Works	182	172	10
Total – Board of County Commissioners	**742**	**697**	**45**

Presentation Outline

- FY 2012 4th Quarter Report
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Schedule

- **Budget workshops**
  - **December 4th – Budget Outlook and Sheriff**
  - **December 11th - Lake EMS Budget discussion**
  - **December 18th – Public Transportation**
  - **January 8th – Parks/Libraries**
  - **January 22nd – Other Budget Issues**
  - **February 12th – Budget Guidelines**

Schedule

- **Tentative Budget Schedule**
  - **December / January – budget strategy**
  - **February / March – budget development**
  - **April / May – review, analysis and meetings with County Manager**
  - **June – property values from Property Appraiser**
  - **June / July – budget workshops and recommended budget**
  - **September – public hearings and adoption**

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FY 2013 Adopted Budget

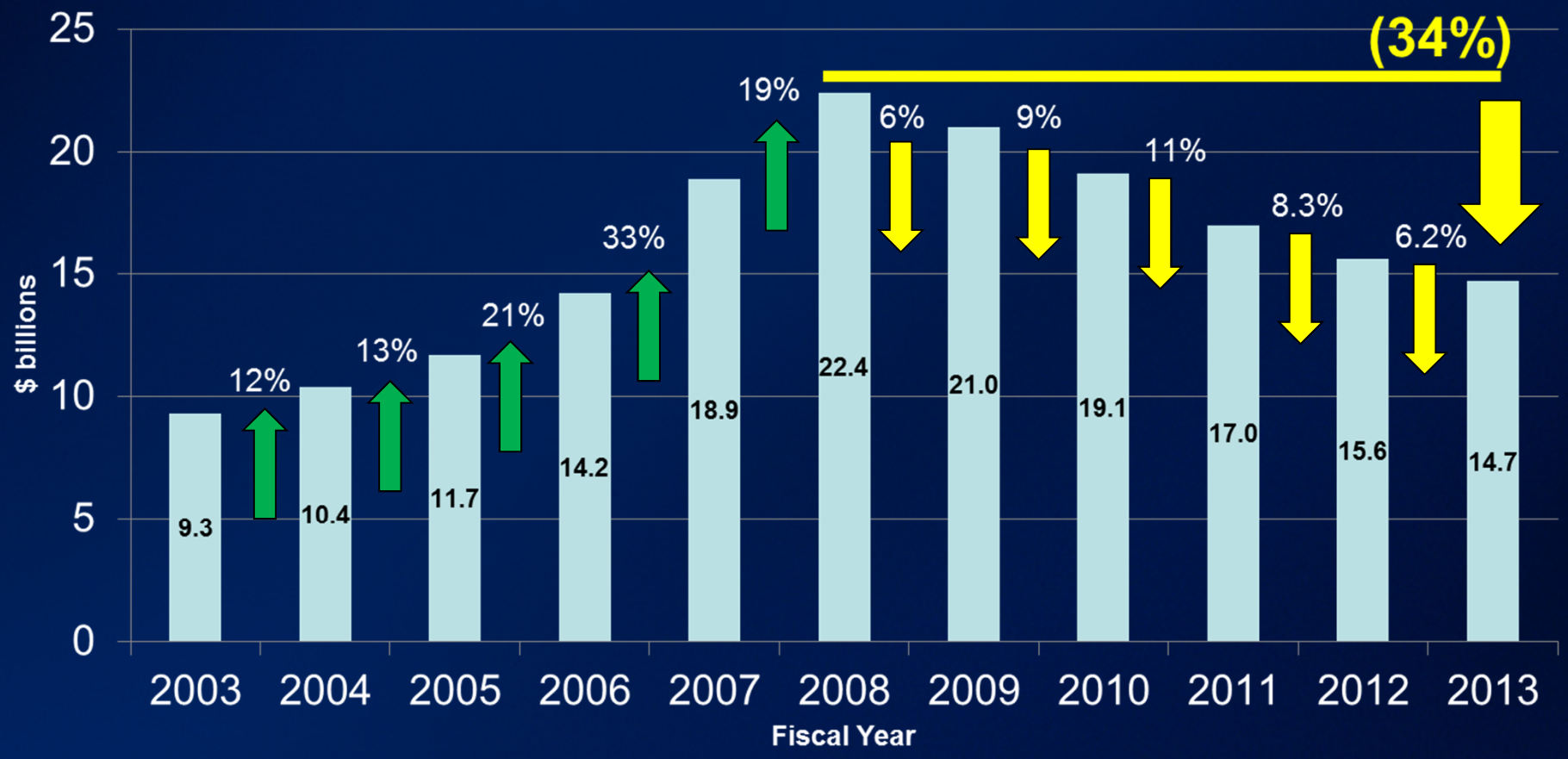
- **FY 2013 Adopted Budget - $381.7 million**
- **General Fund Operating Budget - $120.0 million**
- **Countywide property values decreased by 6.2%**
- **Lake EMS and Fire Rescue Millages kept at FY 2012 rates**
- **General Fund and Stormwater, Parks, and Roads Millages proposed at rollback rate – BCC voted to keep rates at FY 2012 level**

FY 2013 Adopted Budget

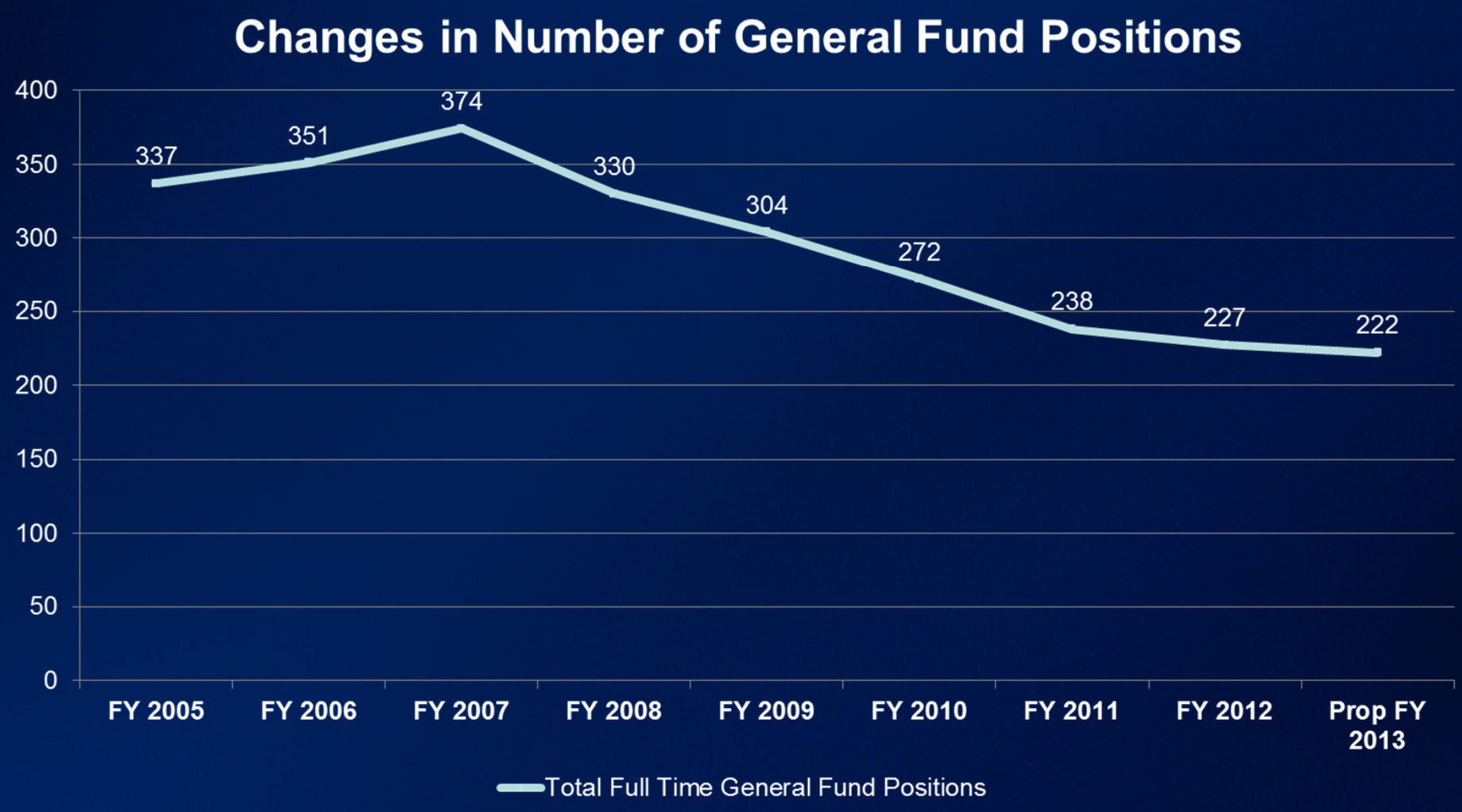
- **Public Lands Voted Debt Millage increased to ensure coverage of debt payments (principal and interest)**
- **Budget was balanced with:**
  - **Reductions in operating budgets of 5% (County Departments and Constitutional Offices)**
  - **Reductions in Reserves**

FY 2013 Adopted Budget

Gross Taxable Value (General Fund)



FY 2013 Adopted Budget



FY 2013 Adopted Budget

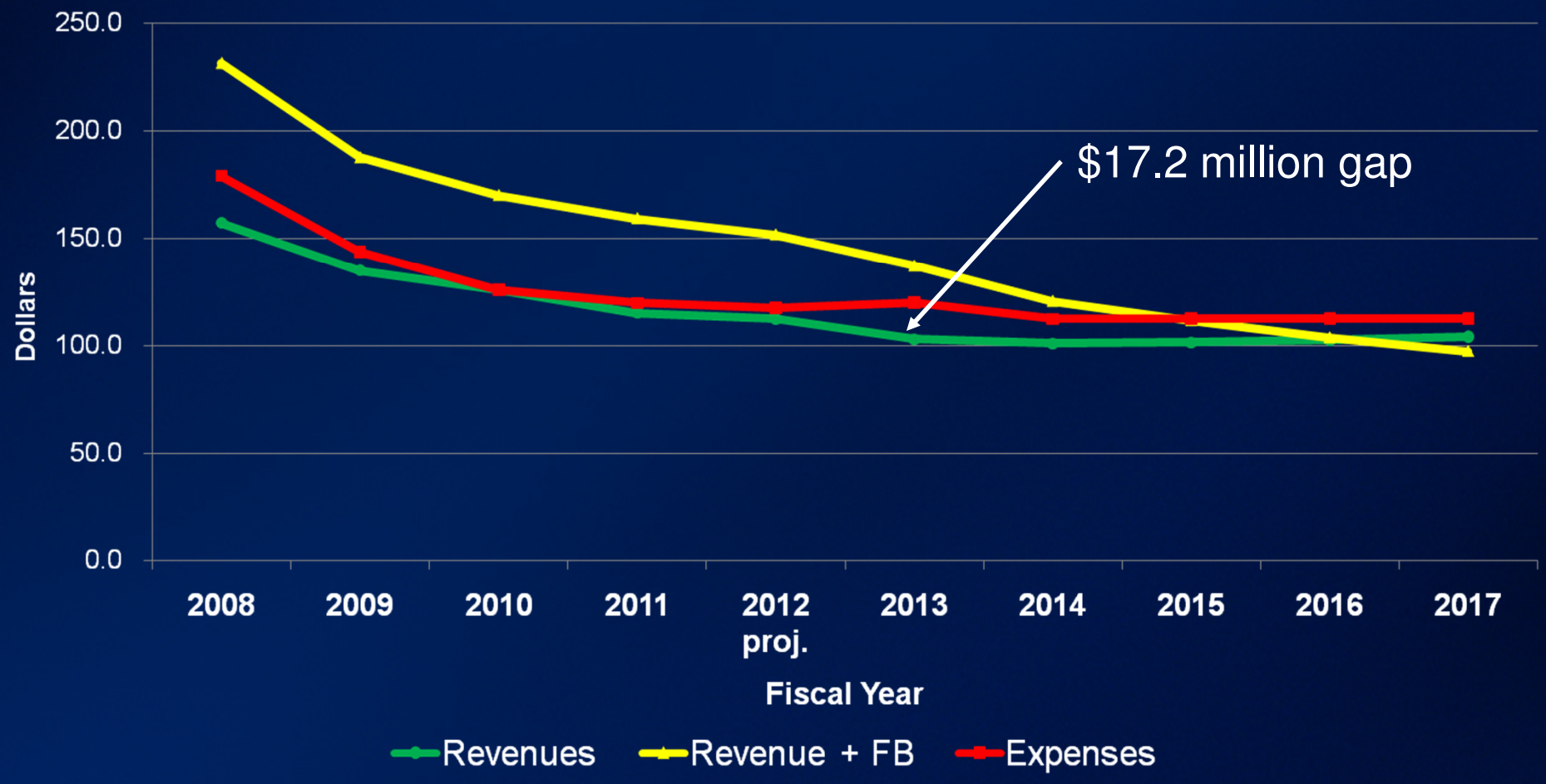
LAKE COUNTY
FLORIDA

Assumptions

- Taxable Values
  - FY 2013 – 6.2% 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 additional excess fees from Clerk
- 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

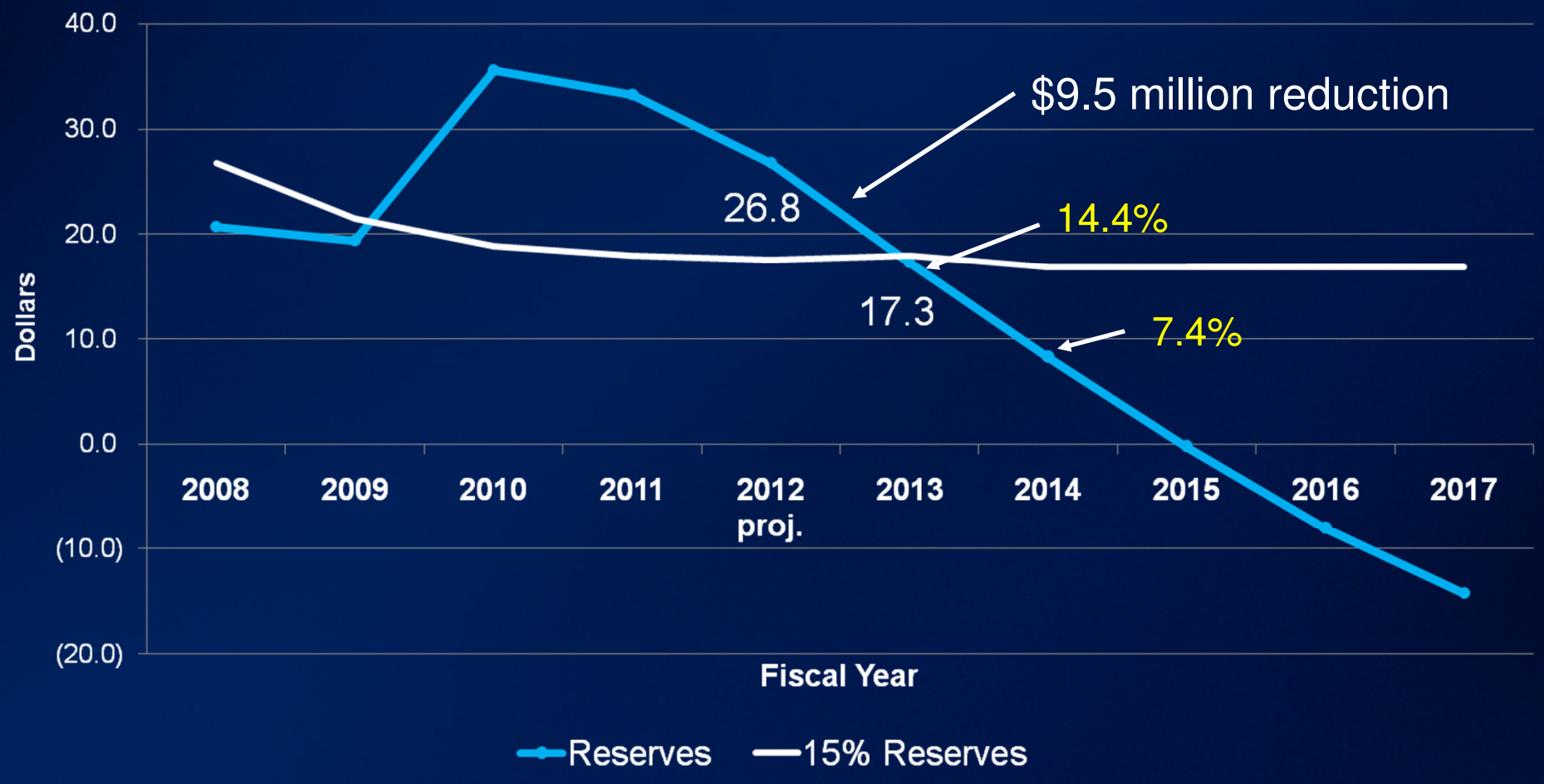
FY 2013 Adopted Budget

Scenario 1 – Revenues and Expenses

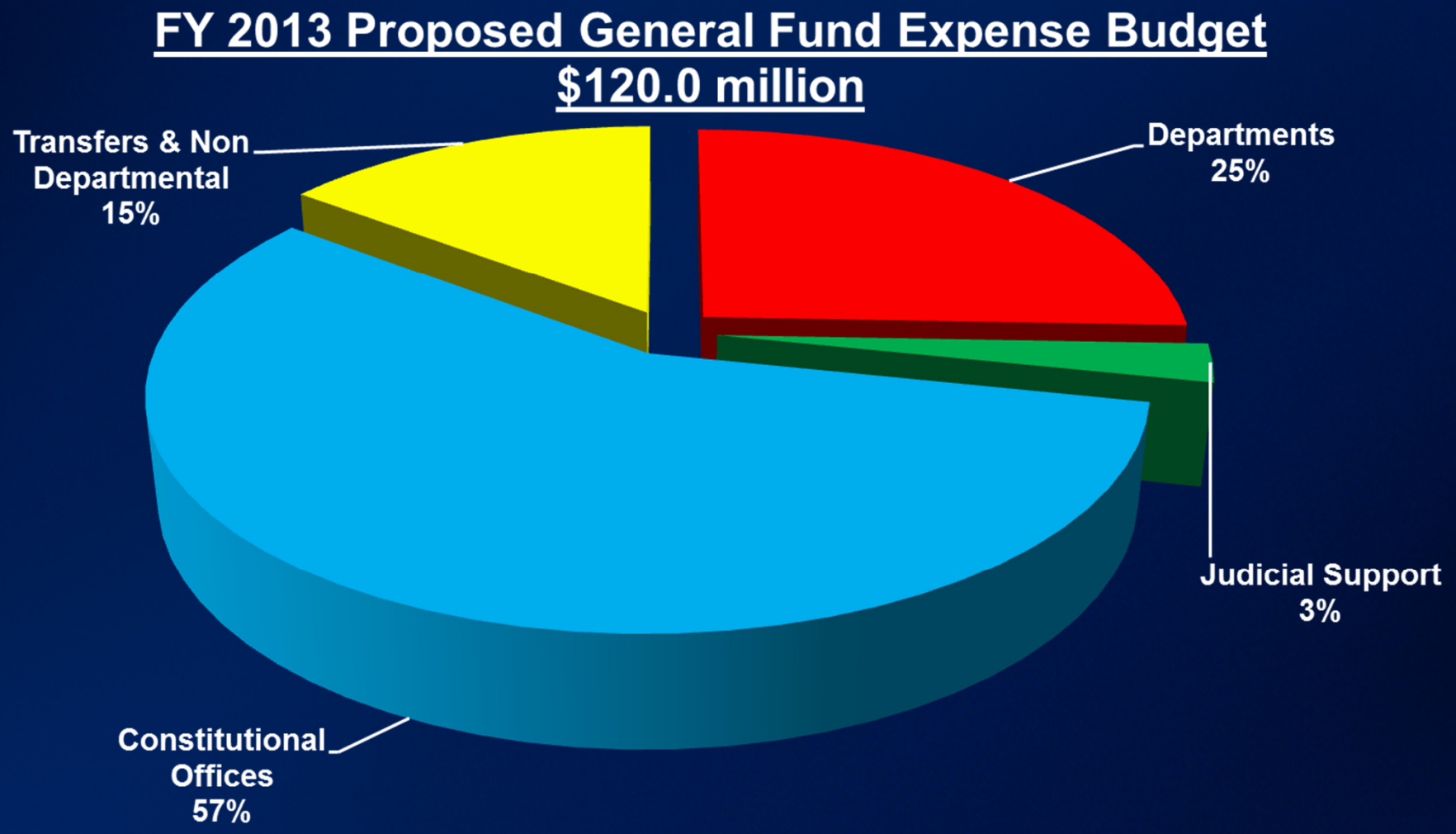


FY 2013 Adopted Budget

Scenario 1 – Projected Reserves



FY 2013 Adopted Budget



FY 2013 Adopted Budget

LAKE COUNTY
FLORIDA

Total Proposed FY 2013 General Fund Budget $120.0 million

• Departments	25%	$30.7 million
• Judicial Support	3%	$ 3.2 million
• Constitutional Offices	57%	$68.4 million
– Sheriff $53.5 million		
• Non Departmental	15%	$17.7 million

- Debt Service
- CRA Payments
- Library Transfer
- Public Transportation Transfer
- Medical Examiner

FY 2013 Adopted Budget

LAKE COUNTY
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Millage rates for FY 2013 as follows:

	FY 2013
Lake County General Fund Countywide Millage	4.7309 mills
Lake County Ambulance MSTU	0.3853 mills
Lake County Stormwater, Roads, Parks MSTU	0.4984 mills
Lake County Fire Rescue EMS	0.3222 mills
Total Proposed Millage	5.9368 mills
Lake County Public Lands-Voted Debt	0.1900 mills

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Budget Reconciliation

- **Adopted Budget Book has been completed and distributed**
- **Reserve Policy has been changed to a 7% to 12% range**
- **Evaluation of FY 2012 after close out**
- **Estimate Cash Brought Forward and Reserve adjustments**

Budget Reconciliation

- **Cash Brought Forward**
  - **FY 2013 Budget** **$35.0 million**
  - **FY 2013 Estimated Actual** **$33.9 Million**

- **Reserves**
  - **FY 2013 Budget** **$17.3 million**
  - **FY 2013 Estimated Actual** **$16.5 million**

- **Reserves are estimated at 13.7%**

Budget Reconciliation

LAKE COUNTY
FLORIDA

Reasons for Change

- **Medicaid payments higher than expected**
- **Inmate Medical expenses higher than expected**
- **Lower than expected excess fees and revenues**

Budget Reconciliation

LAKE COUNTY
FLORIDA

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Budget Reconciliation

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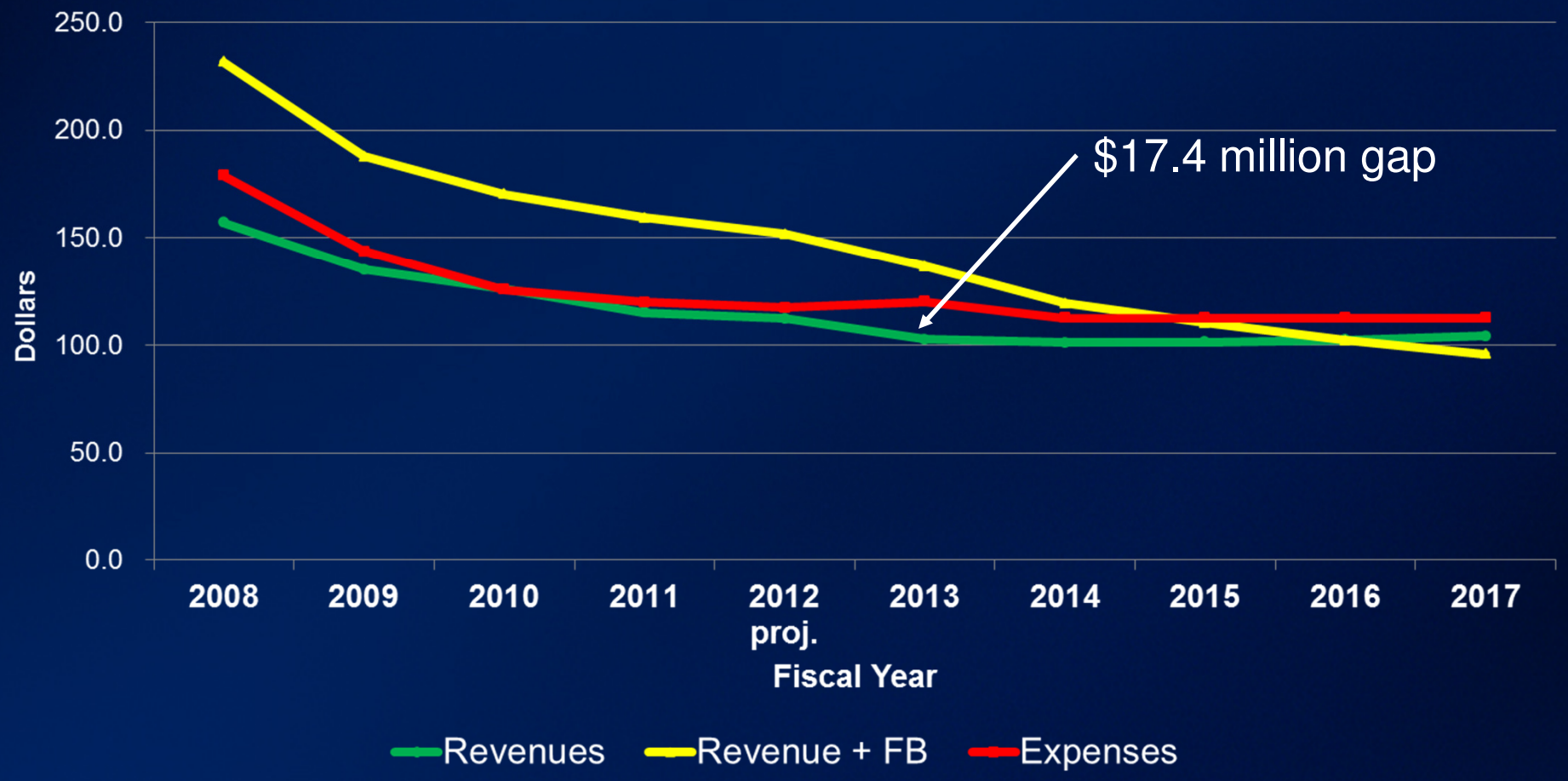

Budget Reconciliation

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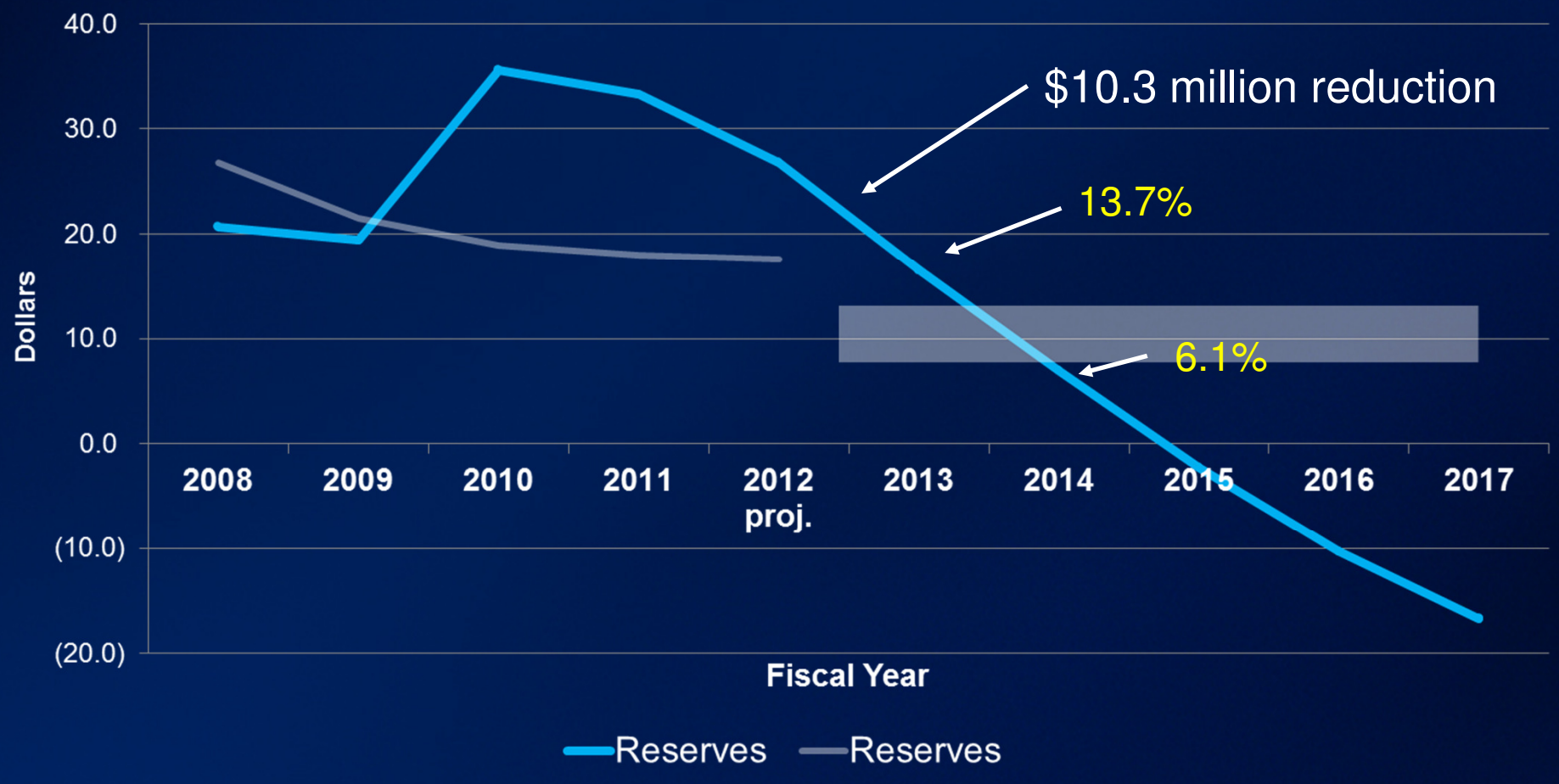

Budget Reconciliation

- **Similar trends in other ad valorem based funds including:**
  - **Stormwater, Parks, & Roads MSTU**
  - **Lake County Ambulance MSTU**
  - **Fire Emergency Medical Services MSTU**

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FY 2014 Assumptions

- **Economy is still slow to recover including the real estate market**
- **3 Constitutional Amendments that passed November 6th will have a minimal impact**
- **Property Values have not yet stabilized and may still decrease further**
- **Estimating 3% decline for planning purposes**
- **Reduction of expenses will be a part of budget strategy**
  - **Model includes a 5% reduction for County Departments and Constitutionals**

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FY 2014 Issues and Challenges

- **Uncertainty of property values and ad valorem revenues**
- **No employee raises in 4 years**
- **Future impacts of rising health benefit costs**
- **Reviewing risk management program and future insurance costs**
- **Legislative session – unfunded mandates?**
- **FRS litigation / possible changes to contribution rates**
- **Solid Waste changes**

FY 2014 Issues and Challenges

- **Astatula fuel remediation**
- **Public Transportation Funding**
- **Library Funding**
- **Stormwater, Parks, and Roads MSTU**
- **Parks**
- **Rising Medicaid costs and backlog**
- **Public Safety Radio System**

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Summary / Preliminary Observations

- **With existing assumptions Reserves will fall below the minimum of 7% (6.1%)**
- **5% reduction – equals approximately $5 million in reductions to departments and Constitutionals**
- **Estimate an additional reduction of $1.0 million to meet 7% Reserves**
- **Better than projected revenues or revenue enhancements could offset some of the reductions**

LAKE COUNTY

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Thank you.