AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC

WORK SESSION ☐ **Meeting Date:**

REGULAR AGENDA ☒ **Meeting Date:** 9/13/2016

Required Originals Approved and Attached? ☒
Will be provided on:

Item Summary:*

☐ Call for Hearing
☐ Resolution
☐ Draft Ordinance
☐ Contract/Agreement/MOU**
☐ Proclamation
☐ Final Ordinance
Contract #
☒ Budget Item
☐ Other
Documents exempt from public disclosure attached: ☐

Executive Summary:

The "Preliminary Roll-Up Budget" is the first public document (by the 2nd Tuesday in September) dealing with the following year's budget. It is actually a compilation of 93 Budgets, by 20 different departments that have been submitted to the Budget Director, essentially "rolling-up" all of the services, contracts and labor agreements from the current year to reflect next year's requirements. At the same time, future revenues are estimated by each of the departments, with varying degrees of uncertainty due to the unpredictability of tax revenues (and some grants) that are heavily dependent upon local, state and nation-wide economic conditions. Historically, Preliminary Roll-up Budget projections tend to overstate actual expenditures and understate actual revenues, resulting in a significant "structural deficit". In addition, each department submits their "Schedule D's" which are departmental requests for changes (increases) in the base budget that must first be considered and approved by the Commissioners (usually, during meetings with each department during the first week in October) before they can get added into the upcoming "Administrator's Final Recommended Budget". That is the next budget document that is made available to the public (by the 3rd Tuesday in November), after the Administrator and the Budget Director meet individually with most of the department heads and finance staff to ask questions about their asks and to refine all the various revenue estimates to reflect new information that comes in during the later stages of the budgeting process, together with input from the public meetings that are held in all three Commissioner Districts. Finally, on the 1st Tuesday in December, the final two Public Hearings on the budget are held, and the Budget Resolution (including any changes approved by the BOCC) is adopted by the Commissioners.

The Preliminary Roll-up Budget for 2017 is hereby presented for discussion as required by the Clallam County Home Rule Charter, on the 2nd Tuesday in September:

General Fund Revenues are projected by the Departments to be $34,795,988, in the preliminary budget this year, essentially flat from 2016. And "roll-up" Expenditures are projected at $37,205,762, which would result in the use of $2,409,774 in general fund reserves to balance the budget. Not included in these totals, the Departments are making new "asks" for additional expenditure authority

totaling $1,959,232 ($1,720,627 from the General Fund Reserve, $189,385 from new Grants, and $49,220 of new revenue from operational sources). In Other Funds, the Roads Department is projecting $13,730,584 in revenues with $21,607,291 in total expenditures, using $7,876,707 of their reserve balance during the year. Total staffing levels have increased by 23.89 FTE's since 2015, and the full 40 hour work week has been maintained, with 1% COLA's for most of the staff on January 1st and again on July 1st, which, together with benefit cost increases makes up the bulk of the expenditure increases from last year. The other major spending increase will be the Carlsborg Sewer Project, which is expected to be fully completed during 2017.

As we reported during the Mid-Year Review, we do expect to end 2016 with a still healthy General Fund Reserve of $10,198,403 ($6,750,000 of which are specifically restricted) leaving $3,448,403 available to use to cover any "structural deficit" created by 2017 spending that is higher than revenues.

Please review the attached budget data and feel free to ask me, or our Budget Director, Debi Cook any questions.

Budgetary Impact :(Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget Action is required, has it been submitted and a copy attached?** ☐

This is the preliminary, roll-up budget

Recommended Action :(Does the Board need to act? If so, what is the department's recommendation?)

Ask questions, suggest direction for final budget approval.

County Official Signature: _____

Date Submitted: 9/07/2016