



AGENDA ITEM SUMMARY

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

Department: BOCC

WORK SESSION **Meeting Date:**

REGULAR AGENDA **Meeting Date:** 9/10/2013

Required Originals Approved and Attached?

Will be provided on:

Item Summary:*

- | | | |
|---|---|---|
| <input type="checkbox"/> Call for Hearing | <input type="checkbox"/> Contract/Agreement/MOU** | Contract # |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Proclamation | <input checked="" type="checkbox"/> Budget Item |
| <input type="checkbox"/> Draft Ordinance | <input type="checkbox"/> Final Ordinance | <input type="checkbox"/> Other |
- Documents exempt from public disclosure attached:

Executive Summary:

The 2014 Preliminary Roll-up Budget proposal is hereby presented for discussion as required by the Clallam County Home Rule Charter, and thus continues the budget adoption process that will result in a final public hearing, on Dec 3rd and an adopted budget on December 10, 2013.

General Fund Revenues are still not growing, in fact are projected to be pretty much flat for the next several years. We are expecting a small increase in sales taxes, and are projecting the full 1% increase in property tax, as allowed by law (about \$98,000), and a little increase in timber sales, but not much else. The big changes in Revenue are the cuts we are receiving from the state in grants and contracts for services, losing more than \$400,000 in Community Development (Long Range Planning) and \$400,000 in Health & Human Services (Environmental Health) from last year's budget, together with a significant reduction (\$140,000) in Juvenile Services (Becca, DBHR and Chemical Dependency grants), all of which cause problems, even though we can stop many of the direct services that used to be funded, because of the elimination of each grant's support dollars that help pay for the still existing administrative staff. Total General Fund Revenues are projected at \$31,550,833 down \$942,453 from 2013.

On the expenditure side, for the purposes of this preliminary budget we are assuming that no new agreements will be reached in bargaining with any of our eight unions, and all concessions (furlough days, COLA give-back) from the past two years go away (as previously agreed). Absent any new agreements, State Law demands that we must follow the expired bargaining agreements for one year (2014) before we can impose new conditions of employment. So, in this budget we go back to 37.5 hrs for all but 24/7 and emergency services employees, we pay a 1.08% COLA, add \$10/mo to the employer paid health insurance premiums, and have the restored ability to lay off employees as finances may require. In addition, we are now paying the third (and largest) of three mandatory increases in payments to the state retirement fund (\$226,228 total), and dealing with the effects of a 1.2% Consumer Price Index change (July to July) that will affect the costs of fuel, supplies and outside services. Total General Fund Expenditures actually go down by \$379,439 to \$32,060,466,

* Submit original and 5 copies
** Submit 3 originals and 5 copies

because of reductions in contracted services, leaving a \$509,633 shortfall (before any new asks) that we will have to deal with, one way or another, by the time the final budget is approved in December.

We expect to end 2013 with \$10,000,000 in General Fund Reserves (\$7,500,000 of which are specifically restricted) leaving \$2,500,000 available to pay for urgently needed capital replacement projects (like our outdated core computer system) without borrowing money, and to cushion any future surprizes until the economy gets better.

Please review the attached budget schedule 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: 9/04/2013