AGENDA ITEM SUMMARY

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

Department: BOCC

WORK SESSION **Meeting Date:**

REGULAR AGENDA **Meeting Date: 12/06/2016**

Required Originals Approved and Attached? ☒

Will be provided on:

Item Summary:*

☒ Call for Hearing ☐ Contract/Agreement/MOU** Contract #

☐ Resolution ☐ Proclamation ☒ Budget Item

☐ Draft Ordinance ☐ Final Ordinance ☐ Other

Documents exempt from public disclosure attached: ☐

Executive Summary:

The 2017 Proposed Budget is hereby presented for Public Hearing on December 6, 2016, and thus continues the budget process that will result in an adopted budget no later than December 13, 2016. After approving the great majority of Departmental "asks" and several new spending proposals that come with grant revenues, the General Fund shows Revenues of $36,667,867, which includes increases in Sales Taxes (reflecting an uptick in large construction projects in the unincorporated county), increases in Sale of County Timber (due to DNR catching up prior year's cutting shortfall) and some increased Grant Revenues from the State. In addition, we are budgeting for the automatic, inflationary increase in property taxes (.953% as allowed by law) together with an increase in new construction coming on to the books, which will increase our total property tax collections. On the expenditure side, General Fund Expenditures are budgeted at $38,956,258, resulting in a $2,288,391 use of reserves that would leave $8,311,609 (21.3% of expenditures) as the year-end Reserve Balance. This number is $363,796 more than the minimum Reserve Balance required by Policy ($7,947,813), and the BOCC is very concerned that it will not be sufficient for the County to weather another recession (like we had during 2009-2012), nor will it provide us any cushion to deal with the potential for significant cuts in State Contracts / Grants that may be implemented as the Legislature deals with the implications of fully funding basic education (the McLeary decision), forcing us to make significant cuts in personnel and levels of service that would be detrimental to all the citizens of Clallam County. To that end, the board is committed to reduce the use of Reserves, during 2017, by $1,500,000, working with the entire leadership team to identify potential restructuring of staffing levels due to attrition (we are expecting more than 50 people to retire during the year), to look for savings in budgeted spending (due to increased efficiency) at every possible opportunity, as well as to look hard at any new revenue opportunities that can be implemented to improve (or at least save) county-wide services, all year long. Please review the attached budget data and charts and feel free to ask me, or our Budget Director, Debi Cook any questions that you might have.

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 Proposed 2017 Budget.

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

Ask any questions you might have, suggest any changes you would like to see, and adopt the Budget.

County Official Signature: _____

Date Submitted: 11/30/2016

* Submit original and 5 copies

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

Questions? Call Trish Holden, Clerk of the Board, ext 2234