

FY 2011 Budget Development

January 30, 2010



2010 Wake County Board of
Commissioners' Planning Retreat
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Today's Agenda

Update of FY 2010 budget situation

Expectations for FY 2011

Actions to balance the budget

Future Activities



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FY 2010 Revenues

\$965.2 million budget (as of January 30)

Expect actuals to end year at \$950.45M

Sales taxes below expectations

State Shared revenues down

**Construction and real estate related
revenues still low**



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Major Revenue Sources

	FY 2010 Adopted Budget	FY 2010 Amended Budget	FY 2010 Year-End Proj	FY 2011 Projection
Property Taxes	\$ 626,761,300	\$ 626,761,300	\$ 631,773,300	\$ 637,900,000
Sales Taxes	\$ 122,633,000	\$ 122,633,000	\$ 115,663,127	\$ 115,634,000
State	\$ 113,148,292	\$ 119,444,534	\$ 112,186,443	\$ 108,255,145
Federal	\$ 9,375,785	\$ 11,883,696	\$ 11,094,484	\$ 10,310,140
Charges for Services	\$ 62,026,882	\$ 62,026,882	\$ 59,016,435	\$ 59,200,000
Licenses & Permits	\$ 4,116,219	\$ 4,116,219	\$ 2,959,637	\$ 3,000,000
Other	\$ 14,160,522	\$ 16,951,167	\$ 16,379,195	\$ 14,600,949
Transfers IN	\$ 1,378,000	\$ 1,378,000	\$ 1,378,000	\$ 1,378,000
TOTAL General Fund	\$ 953,600,000	\$ 965,194,798	\$ 950,450,621	\$ 950,278,234



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FY 2010 Expenditures

\$965.2 million budget

Departments likely to close within budget

Year end projection \$952.0 million

Vacant positions, decreased spending on support costs, renegotiated contracts, less “pass through” expenses



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FY 2011 Budget Development

Process began in early December

Initial projections of FY11 revenues and expenditures

\$950.3 million Revenues

\$958.3 million Expenditures

Plus additional items

Departments' requests due by February 1



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FY 2011 Revenues

\$950.3 million (down \$14.9M from current FY)

Property Tax	\$637.9 million (up \$11M)
Sales Taxes	\$115.6 million (down \$7M)
State/Federal	\$118.6 million (down \$12.7M)
Chgs/Permits	\$59.2 million (down \$2.8M)
Other	<u>\$19.0 million</u> (down \$3.4M)
Total	\$950.3 million



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FY 2011 Expenditures

\$958.3 million base (down \$6.9 from current FY)

Transfers to Capital/Debt	\$213.5 million (up \$7.4M)
WCPSS, Wake Tech	\$330.5 million (same)
Human Services Dept	\$224.0 million (down \$13.2M)
Other County departments	<u>\$190.3 million</u> (down \$1.1M)
Total Base	\$958.3 million



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Department Requirements

Human Services	\$224 million (down \$13.2M)
Sheriff	\$62 million (flat)
EMS	\$19 million (flat)
Community Svcs	\$25.1 million (down \$0.3M)
GSA	\$27 million (down \$1M)
Environmental Svcs	\$8.3 million (up \$0.3M)
All Others	\$48.9 million (down \$0.1M)



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Initial FY 2011 Budget Difference (Gap)

Revenues	\$950.3 million
Expenditures	<u>\$958.3 million</u>
Gap	(\$8.0 million)



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Additional Expenses - \$9.77M

Local Govt Retirement System (\$2.7 million)

Reinstate library books budget (\$773,000)

Employee 2% merit & benefit increases (\$3M)

County's health insurance support (\$800,000)

Mental Health Continuum of Care (\$2-3M)

Impacts of State's FY10 decisions (~\$925,000)



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Adjusted FY 2011 Budget Difference (Gap)

Revenues	\$950.3 million
Expenditures	<u>\$968.1</u> million
Gap	(\$17.8 million)



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Department Reductions

All departments requested to identify 7% worth of reductions (\$18 million gross)

Submittals on January 25 totaled \$16 million

Senior Management Team to review and comment in late February

Further analysis and discussions between departments and County Manager in March/April



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Examples of Reductions

Close Inner City Mental Health Clinic (\$156,000)

Reduce custodial services in County facilities (\$269,000)

Eliminate 11 ICE positions (\$382,000, but lose \$240,000 in revenues)

Close one Branch Library (\$794,000)

Reduce service hours of ambulances (\$89,000 annually for every 12 hours/shift)

Eliminate vacant position from eWake Team (\$135,000)

Total \$16 million



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Future Activities

Budgetary requests reviewed, “gap closures” sought (February/March)

County Manager meets with departments (March/April)

BOC Work Session updates (March/April/May)

County Manager develops and presents FY 2011 Recommended Budget (May 17)

BOC Budget Hearings (June 7)

BOC Adopts FY 2011 Budget (June 21)



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Summary

Current fiscal year projected to close under budget (revenues & expenses)

Next year's revenues expected to remain low while departments continue holding line on expenditures

Additional expenses will create \$9.77M gap and require departmental reductions



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