



# FY 2016 OPERATING BUDGET KICKOFF

December 9, 2014



# Presentation Topics

- FY14 Results
- History and Trends
- FY 2016 Target Base Development

# General Fund 2014: Operating Results

	Original Budget	Final Budget	Actual	Variance
Revenues and Transfers In	\$ 981,950,000	\$ 985,263,434	\$ 1,011,404,476	\$ 26,141,042
Expenditures and transfers out	(981,950,000)	(988,143,096)	(975,268,189)	(12,874,907)
Fund Balance Appropriated	-	(2,879,662) **	-	
Revenues and transfers in over expenditures and transfers out			36,136,287	
Fund balance at the beginning of the year			196,311,374	
Fund balance at the end of the year			232,447,661	

\*\* Budgeted appropriation of fund balance represents approximate encumbrances from fiscal year 2013 of \$2.1 million and \$783,000 appropriated midyear for Human Services needs.

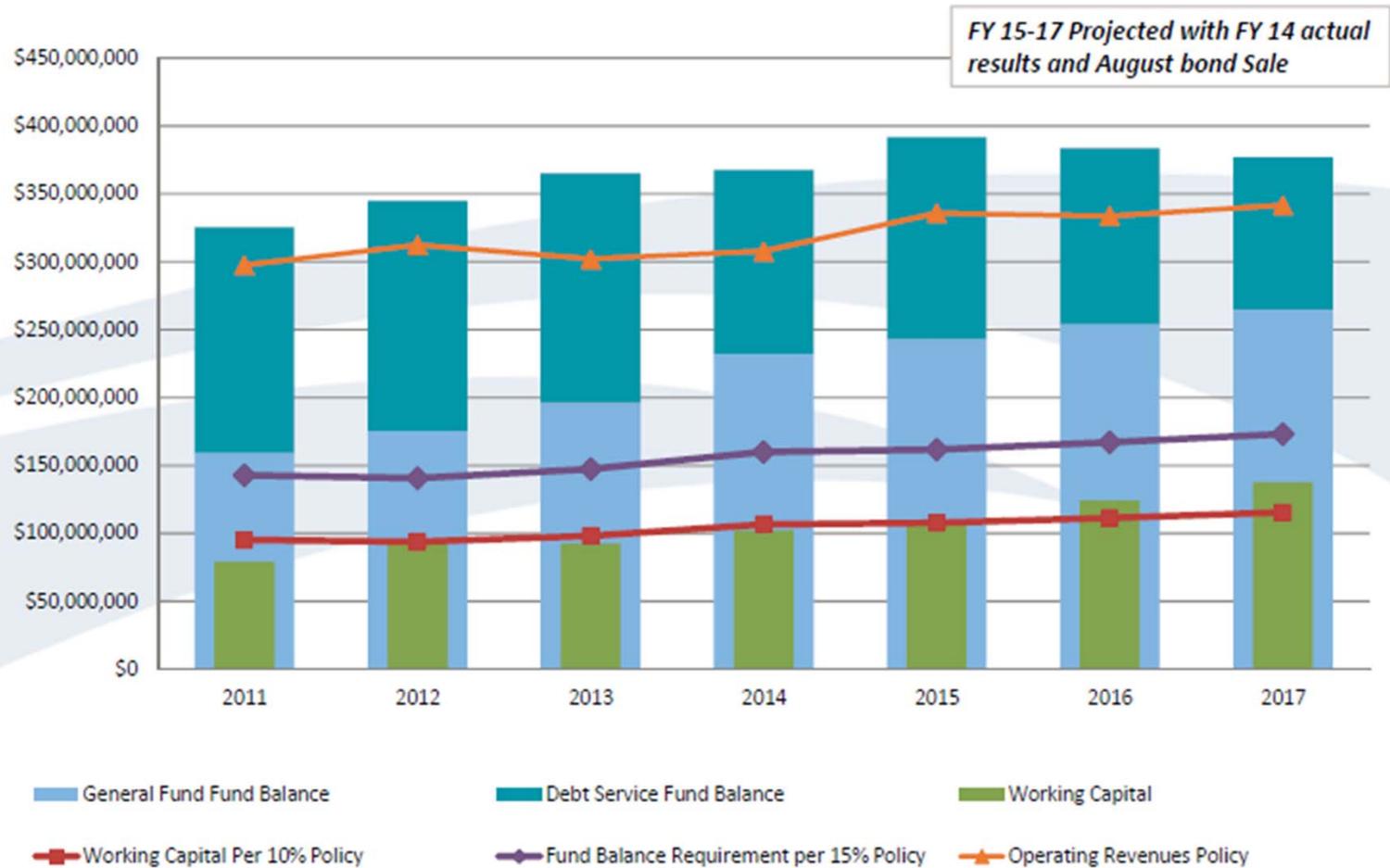
# General Fund 2014: Revenues

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Taxes:				
Property	\$ 682,085,000	\$ 682,085,000	\$ 684,676,706	\$ 2,591,706
Sales	132,481,000	133,454,000	141,340,059	7,886,059
Other	10,740,421	10,740,421	12,687,838	1,947,417
Total taxes	\$ 825,306,421	\$ 826,279,421	\$ 838,704,603	\$ 12,425,182
Intergovernmental	87,813,713	88,936,266	100,120,404	11,184,138
Charges for services	61,400,880	62,335,541	63,892,407	1,556,866
Licenses and Permits	3,624,386	3,868,641	4,701,663	833,022
Other	1,370,460	1,370,425	1,485,254	114,829
Transfers in	2,434,140	2,473,140	2,500,145	27,005
Subtotal before Appropriated Fund Balance	981,950,000	985,263,434	1,011,404,476	26,141,042
Appropriated Fund Balance	-	2,879,662	-	(2,879,662)
Total Revenues	\$ 981,950,000	\$ 988,143,096	\$1,011,404,476	\$ 23,261,380

# General Fund 2014: Expenditures

	Budgeted Amounts		Actual	Budget vs. Actual Favorable (Unfavorable)
	Original	Final		
<b>General government</b>	\$ 46,625,492	\$ 46,962,136	\$ 43,976,995	\$ 2,985,141
<b>Human services</b>	183,356,024	187,460,923	180,846,040	6,614,883
<b>Education</b>	343,686,958	343,686,958	343,686,958	-
<b>Community development &amp; cultural</b>	27,029,888	27,330,064	26,959,932	370,132
<b>Environmental services</b>	8,675,487	8,694,737	8,301,441	393,296
<b>General services administration</b>	25,656,059	25,998,605	25,317,452	681,153
<b>Public safety</b>	115,327,092	116,316,673	114,486,371	1,830,302
<b>Transfers out</b>	231,593,000	231,693,000	231,693,000	-
<b>Total Expenditures</b>	\$ 981,950,000	\$ 988,143,096	\$ 975,268,189	\$ 12,874,907

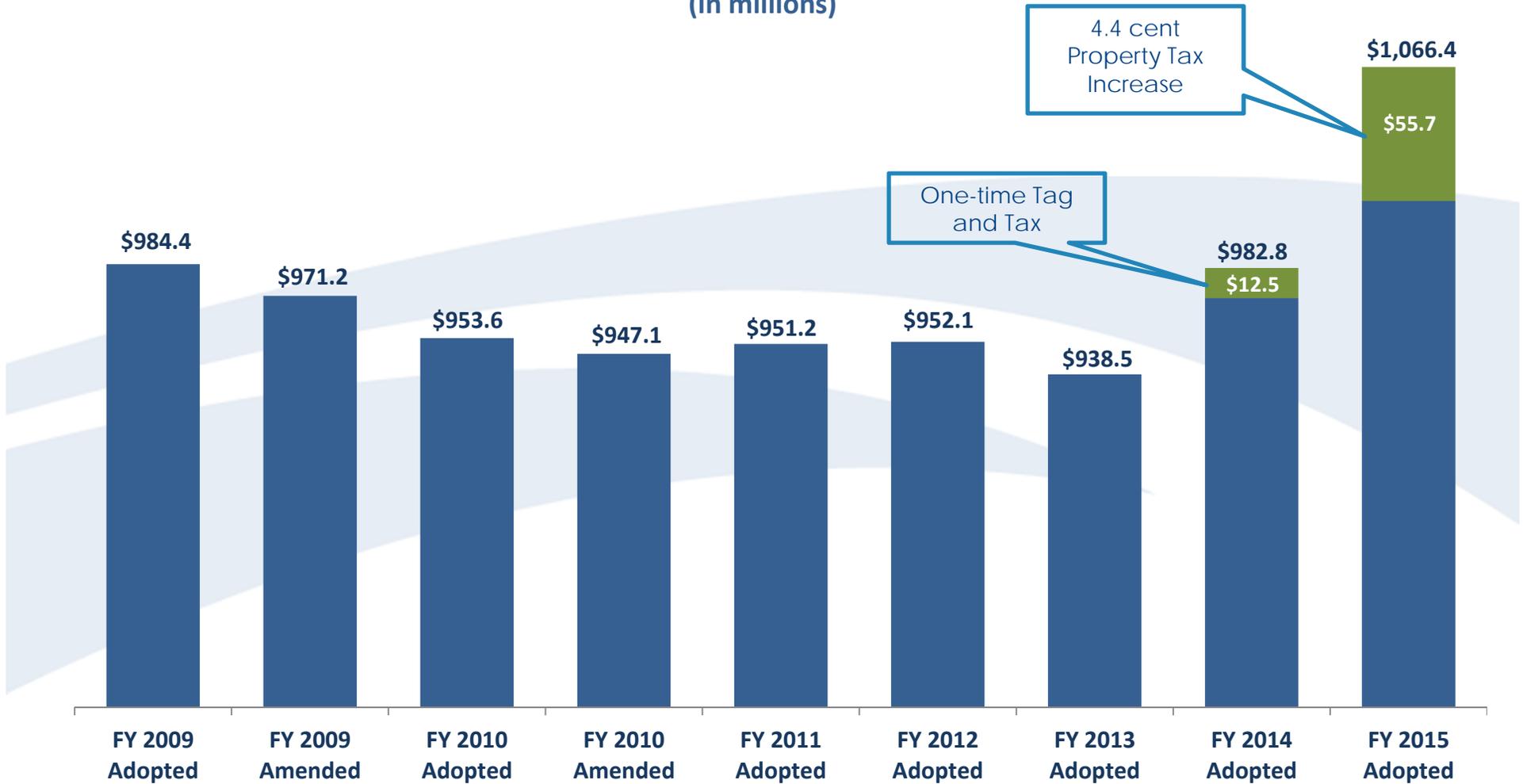
# Meeting Fund Balance Targets



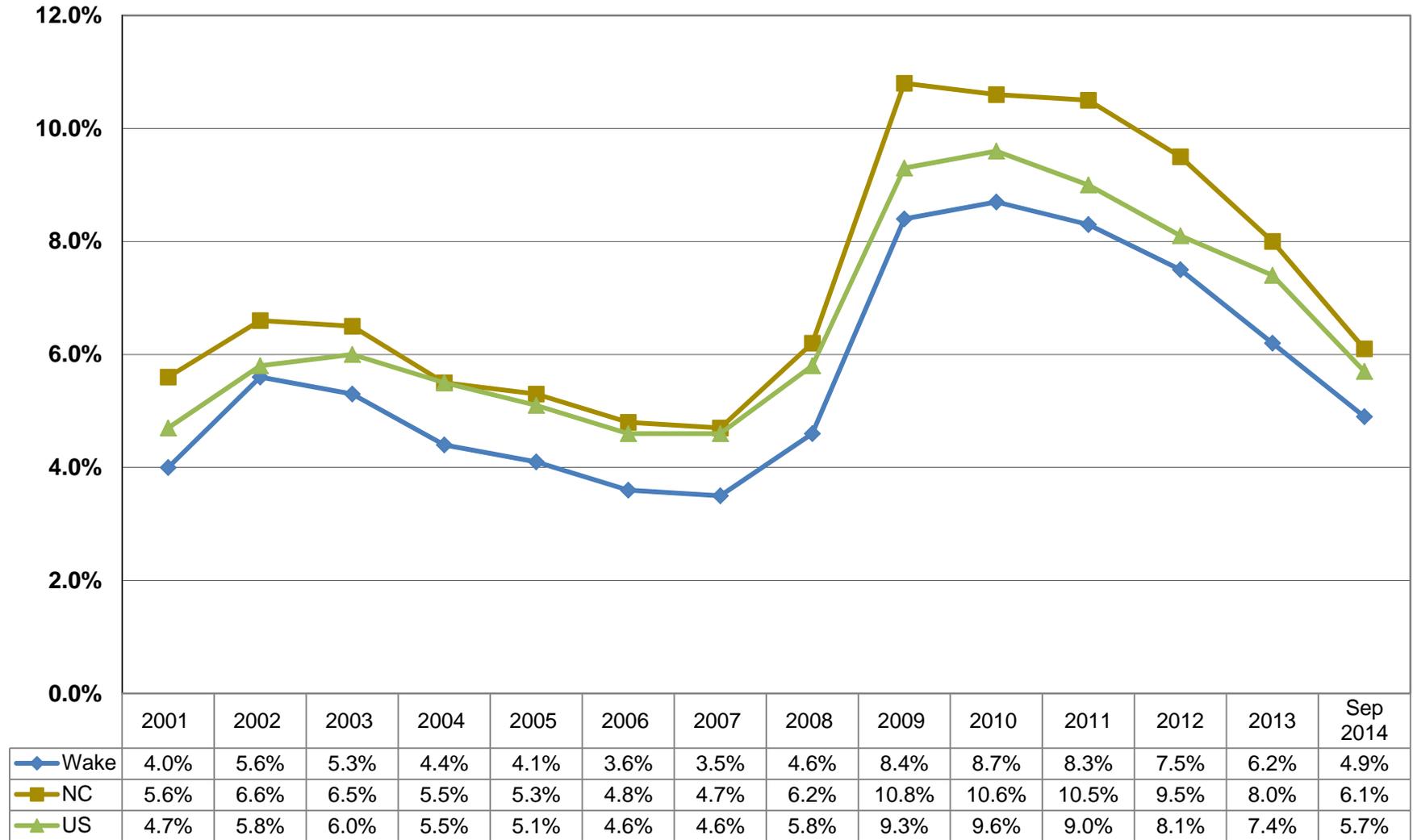
# History and Trends

# Budget Changes Since FY 2009

(in millions)



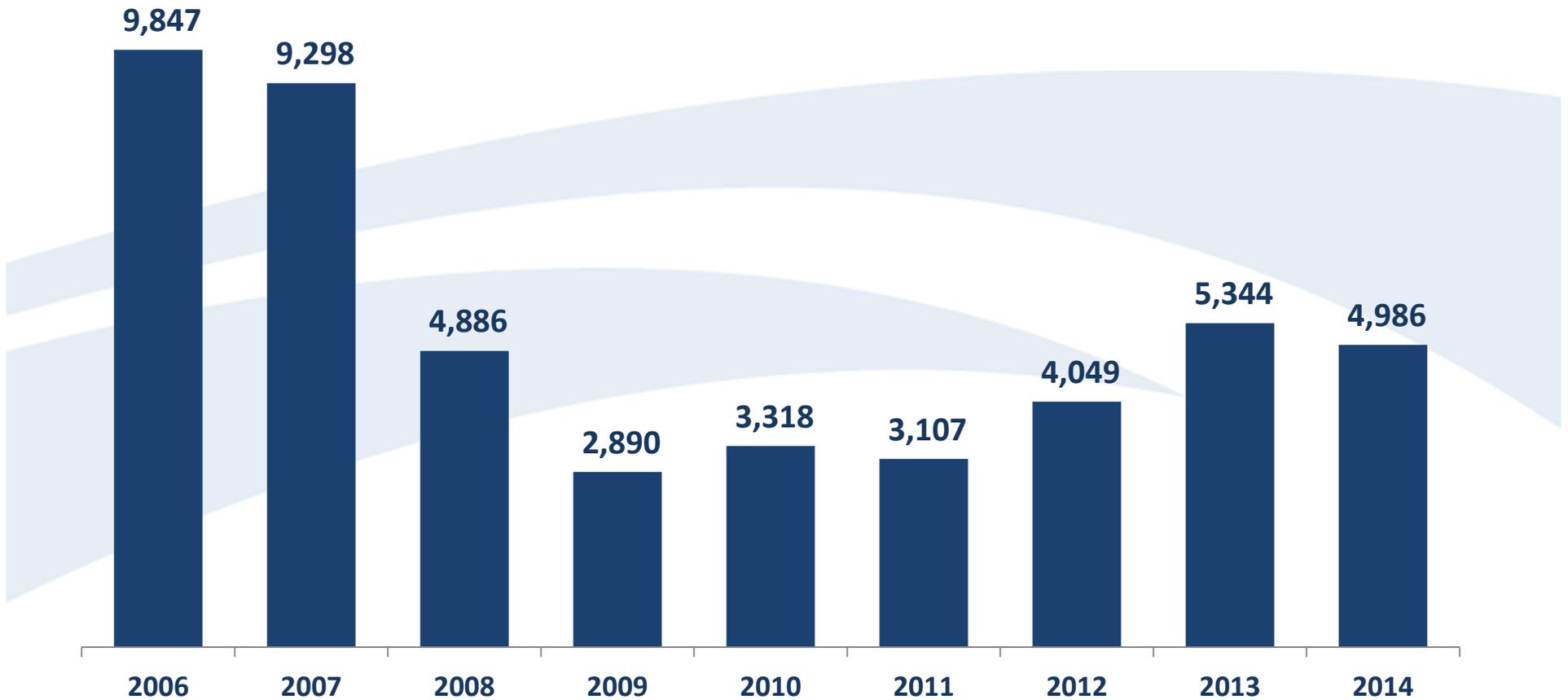
# Unemployment



# Property Value (in millions)

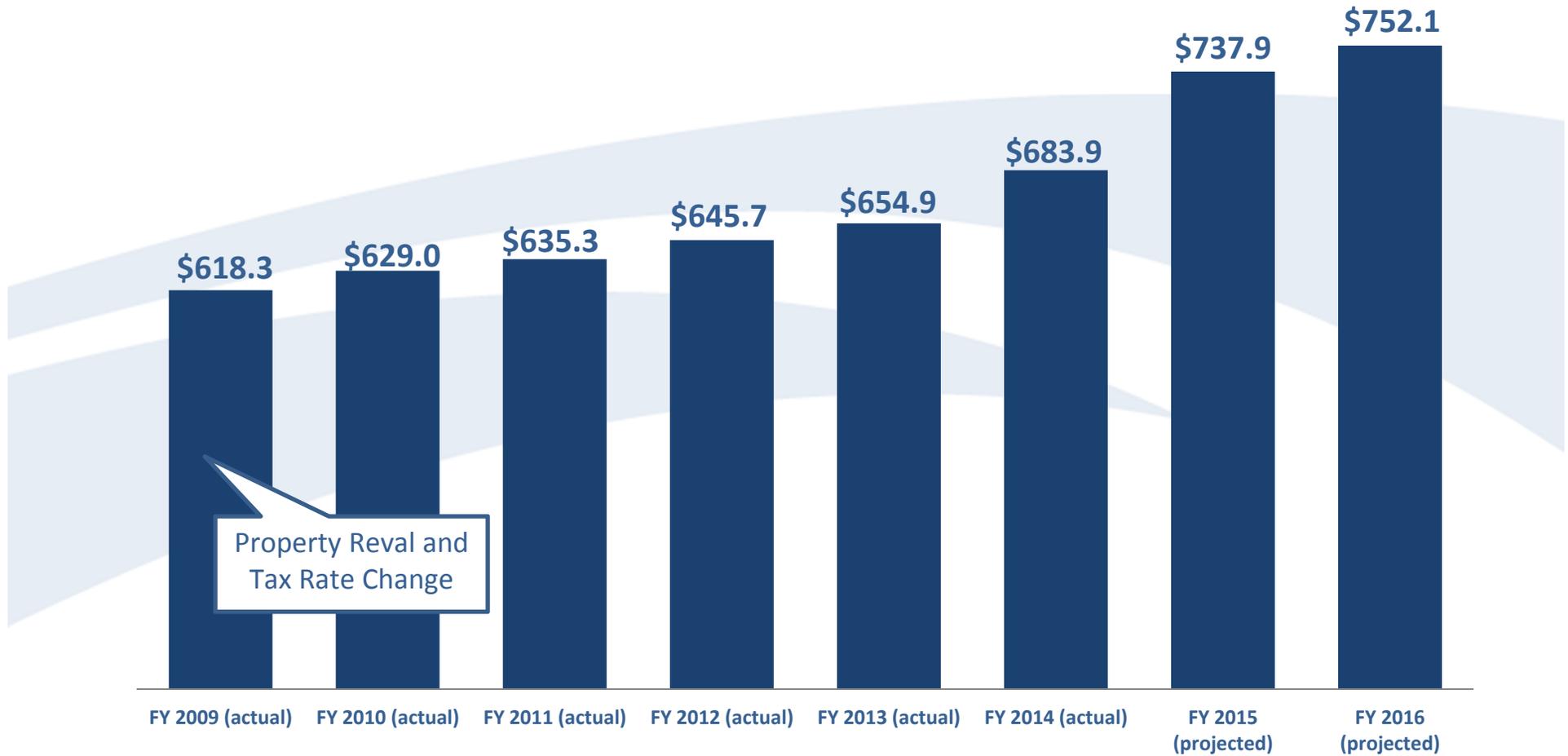
	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Budget	FY15 Estimate	FY16 Estimate
<b>Total Value</b>	<b>\$120,555.80</b>	<b>\$122,450.13</b>	<b>\$125,084.60</b>	<b>\$127,365.00</b>	<b>\$127,286.52</b>	<b>\$130,450.00</b>
<i>% Change</i>	0.41%	1.57%	2.15%	1.82%	1.76%	2.42%
Real Property	104,028.40	105,311.00	107,096.25	109,375.00	109,550.00	112,225.00
<i>% Change</i>	0.93%	1.23%	1.70%	2.13%	2.29%	2.61%
Personal Property (non-vehicle)	6,044.80	6,173.30	6,343.29	6,470.00	6,300.00	6,350.00
<i>% Change</i>	-7.43%	2.13%	2.75%	2.00%	-0.68%	-1.85%
Public Service	2,828.10	2,827.40	2,900.94	2,950.00	2,866.52	2,950.00
<i>% Change</i>	-0.35%	-0.02%	2.60%	1.69%	-1.19%	0.00%
Vehicle	7,654.50	8,138.43	8,744.12	8,570.00	8,570.00	8,925.00
<i>% Change</i>	7.81%	6.32%	7.44%	-1.99%	-1.99%	4.14%

# Building Permits (January – October)

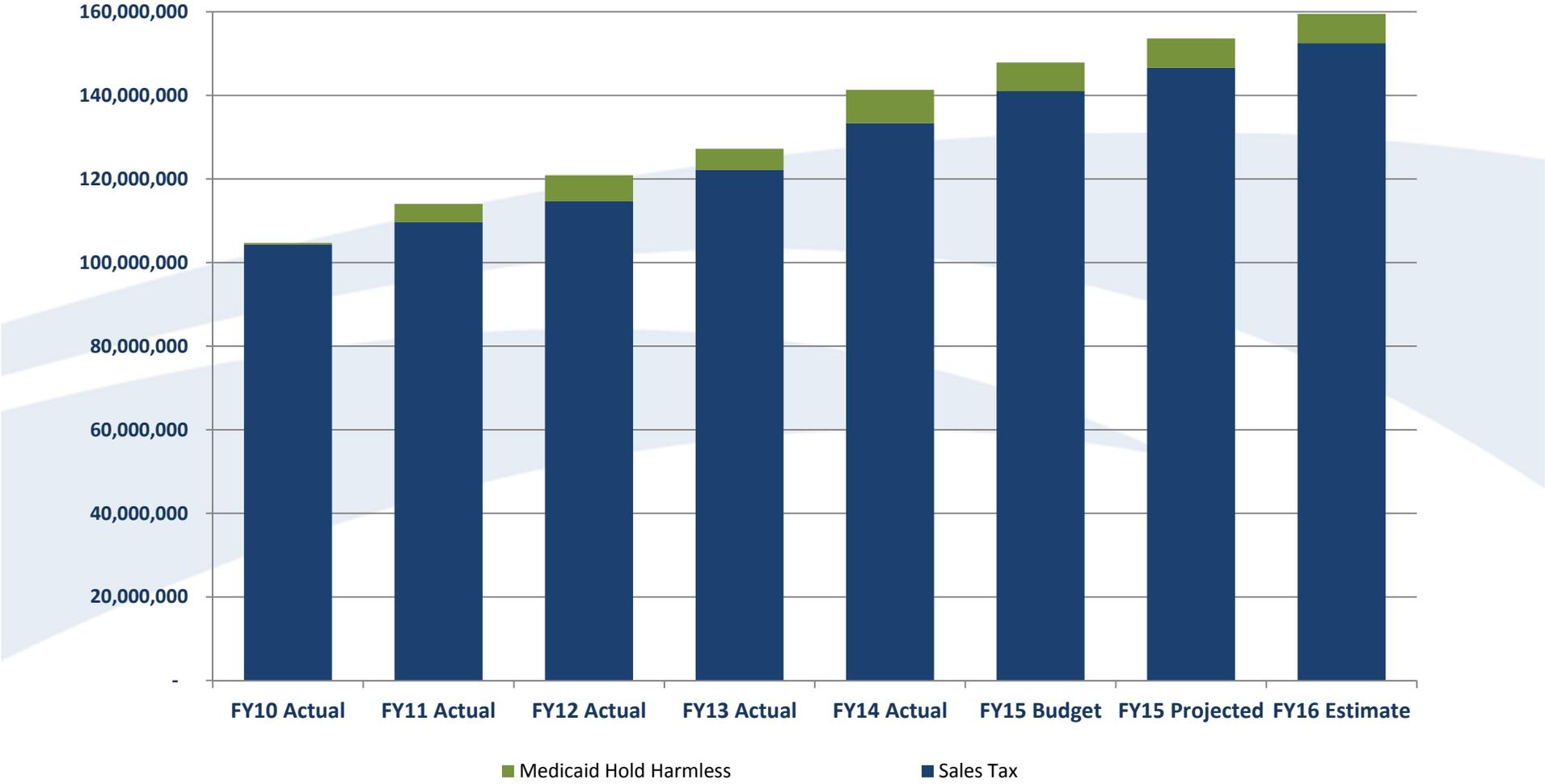


# Property Tax Revenue History

(in millions)



# Sales Tax Revenue History



# FY16 Target Base Budget Development

# FY 2016 Target Base Calculation

Starting Point	FY 2015 Adopted Budget: Non-salary and benefits
Minus	One-Time FY15 Adopted Costs
Plus	Projected FY 2016 Salary and Benefit Amounts
Equals	FY 2016 Target before BMS Adjustments
Plus/Minus	BMS Adjustments (incl. adjustments for inter-departmental charges)
Equals	FY 2016 Target Base

# Changes from Adopted to Target

<b>FY 15 Adopted Budget</b>	<b>1,066,422,000</b>
<b>Less Prior Year One-Time Costs</b>	<b>(3,641,454)</b>
	<b>9,355,038</b>
Recurring Board Revisions	13,318
HS - NC Fast Adjustment (Expenditures Only)	6,123,834
Revaluation Reserve Funding (offset by Appropriated Fund Balance)	2,254,400
Decrease in Temp Services Board of Elections	(370,016)
Annualization of FY13 Pay Increase (Pay and Fringe)	1,433,657
Change in Disability Funding	(134,995)
Change in Longevity Funding	(109,883)
Change in Vehicle Claims	(93,525)
Change in Worker's Compensation	(135,776)
Fleet Charges	
Change in Lease Rate	166,211
Change in Fuel	(180,247)
Change in Security Charges	14,162
Change in Utility Increases	126,370
Change in Facility Lease Charges	247,528
<b>Change to Property Tax Transfer</b>	<b>9,357,000</b>
Total of Above Items	15,070,584
<i>Miscellaneous Variances</i>	<i>(73,282)</i>
<b>FY 16 Target Base</b>	<b>1,081,419,302</b>

# FY16 Target Base

	FY15 Adopted	FY16 Base	Change	Notes
<b>Revenues</b>				
Property Taxes	737,930,000	752,115,000	14,185,000	<i>Largely due to Real Property</i>
Sales Taxes	147,883,570	159,517,000	11,633,430	<i>4% Growth Projection</i>
All Other Revenues	180,608,430	179,636,500	(971,930)	<i>Decrease in WCPSS Reserve and MCO Revenue, offset by increase in Reval Use of Appropriated Fund Balance</i>
<b>Revenues Subtotal</b>	<b>1,066,422,000</b>	<b>1,091,268,500</b>	<b>24,846,500</b>	
<b>Base Expenditures</b>				
County Departments	425,736,600	427,626,902	1,890,302	
WCPSS	337,676,400	341,426,400	3,750,000	
Wake Tech	16,478,000	16,478,000	-	
Transfers	286,531,000	295,888,000	9,357,000	
<b>Base Expenditures in System</b>	<b>1,066,422,000</b>	<b>1,081,419,302</b>	<b>14,997,302</b>	
<b>Surplus / (Gap)</b>	<b>-</b>	<b>9,849,198</b>	<b>9,849,198</b>	
<b>Items to Consider</b>				
Northeast Regional		1,000,000		<i>Planned opening 2nd Quarter of FY16</i>
WCPSS		8,300,000		<i>2.42% increase based on property tax base growth</i>
Wake Tech		400,000		<i>2.42% increase based on property tax base growth</i>
Employee Pay Increase		5,300,000		<i>3.00%, starting in October</i>
Health Insurance		750,000		
<b>Subtotal</b>		<b>15,750,000</b>		
<b>Surplus/ (Gap)</b>		<b>(5,900,802)</b>		

# FY16 Focus

- Estimating department revenues
- Update of Service Matrices
- Base alignment and contract list reviews
- Strong business cases for budget requests

# Change to Approach

- Enhance collaboration between
  - BMS & Departments - Early and Continued Engagement
  - CIP and Operating within BMS
  - CIP Core Team and Departments
- Increase “face-time” and site visits
- Improving Post-budget decision communications and implementation assistance
  - BMS and Internal Service Departments
  - BMS and All Departments Served

# Department Adjustments: Expenditures

## Departments Can

- Move the target base budget between divisions, units and objects
- Use comments in PB to explain changes (very helpful – reduces BMS questions)

## Departments Cannot

- Change the bottom line budget
- Make changes to fleet leases, fuel, utility chargebacks, facility leases, 800 MHz/CAD and risk management chargebacks, reserves

# Department Adjustments: Revenues

## Departments Can

- Update departmental revenue estimates based on expected volumes at existing rates
- Submit requests for fee or rate increases through the User Fee form

# BMS Assignments

Michelle Venditto	Budget and Management Services Debt Service Fund Emergency Management* Fire Tax Districts Fund* Fire/Rescue* Revenue Department WCPSS Operating	Chad Balke	Information Services Major Facilities Fund (Shared) Non-Departmental * Public Safety Communication Solid Waste Operating South Wake Landfill Operating
	CIP - Fire Tax* CIP - Schools (Shared)		CIP - Automation CIP - Major Facilities CIP - Public Safety CIP - Solid Waste
Alicia Arnold	Affordable Housing Fund Capital Area Workforce Development Fund Community Services Cooperative Extension Human Services	Meagan Honnold	Board of Commissioners* County Manager Office Facilities Design & Construction Finance / Risk Management* Wake Tech Operating
	County Attorney Board of Elections General Services Administration Human Resources* Major Facilities Fund (Shared) Register of Deeds CIP - Schools (Shared)		CIP - Affordable Housing CIP - Community Capital CIP - County Buildings CIP - Criminal Justice CIP - Economic Development CIP - Wake Tech CIP - Parks CIP - Open Space CIP Libraries
Rebecca Crawford	CCBI EMS Environmental Services Sheriff's Office Soil & Water Conservation District	Vacant	TBD
		Vacant	TBD

# Operating Budget Calendar

<u>Date</u>	<u>Item</u>
Tuesday, December 9, 2014	Operating Budget Kick-off
Thursday, January 15, 2015	Departments Submit on FY15 Year End Revenue Projections in PB
Monday, January 26, 2015 - Wednesday, January 28, 2014	PB Open Lab - Specific Dates TBD
Friday, January 30, 2015	Departments Submit Base Requests, FY16 Revenue Estimates, Expansions, Reductions, Contract Listings, User Fees, Updated Service Matrices
Friday, February 13, 2015	Board of Commissioners Retreat
Monday, March 2, 2015 - Wednesday, April 8, 2015	Budget Meetings
Wednesday, April 01, 2015	Departments Submit Narratives and Performance Measures, FY15 and FY16 Revenue Projections
Monday, May 18, 2015	2015 Recommended Budget Message
Monday, June 01, 2015	2015 Public Hearing
Monday, June 08, 2015	2015 Budget Work Session
Monday, June 15, 2015	2015 Budget Adoption

# Resources are on WeWake

- Departments > Budget & Finance > Learn About the Budget Process
  - Calendars
  - Target Base Development Materials
  - Manuals
  - Presentations
  - Templates

Questions?

Comments?