



## AGENDA ITEM SUMMARY

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

**Department:** BOCC

**WORK SESSION** ☐ **Meeting Date:**

**REGULAR AGENDA** ☒ **Meeting Date:** 9/09/2014

**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 2015 Preliminary Roll-up Budget 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 2nd and an adopted budget by December 09, 2014.

General Fund Revenues are expected to materially decline, from \$32,844,000 projected for this year to \$30,997,762 in 2015, as State reimbursements are projected to be reduced in many areas, while major economic indicators for the Olympic Peninsula remain flat or project slightly lower. We are expecting a \$200,000 decrease in sales taxes, from 2014, as the economic boost we received from the two big hi-way projects between Sequim and Port Angeles end and there are no other big building projects known to be starting next year. The latest information from the DNR projects a slowing down of public timber sales in our region, but we are hopeful that private timber sales will maintain their high levels for at least one more year. We are projecting the full 1% increase in property tax, as allowed by law (up \$100,000) to \$10,100,000, but not much else is expected to go up. The big changes in Revenue are in the Assessor's office, Community Development, Sheriff Operations, Health & Human Services, Juvenile Services and Superior Court, mostly due to the anticipated cuts from the state in grants and contracts for services. In other funds, it must be noted that the Roads Department is also projecting the first of several years of declining revenue from \$13,900,000 projected this year to \$12,748,947 for 2015, again projecting state and federal project reimbursements to be down significantly, but also a reduction in gas taxes collected.

On the expenditure side, for the purposes of this preliminary budget we are assuming that no new agreement has been reached in bargaining with the one remaining union still not settled, the majority of hourly workers (other than 24/7 shift workers) stay at the 37.5 hour work week (but do get a 1% COLA on January 1st and again on July 1<sup>st</sup>, and that there have been no reductions in staffing due to the reductions in revenue. Total General Fund Expenditures also go down from the 2014 projection (\$32,740,864) to \$31,479,549, thus projecting a use of reserves of \$481,787 to balance the budget (before departmental asks for new spending of \$932,393). The Road Department projects spending \$15,227,778 for 2015, using \$2,478,831 of their reserves for 2015 projects and maintenance. The

\* Submit original and 5 copies

\*\* Submit 3 originals and 5 copies

other major spending increase will be the Carlsborg Sewer Project. We expect to start construction as early as possible, during the spring, completing as much as we can before winter sets in. While we are budgeting for \$12,950,014 worth of costs (and nearly \$10,000,000 worth of loan proceeds from the Department of Commerce to the Opportunity Fund) during 2015, it would take a lot of good luck to realistically get that much done during the first year.

Due to several one-time revenue increases in 2014 we reported on during the Mid-Year Review, we do expect to end 2014 with a pretty healthy General Fund Reserve of at least \$11,000,000 (\$7,500,000 of which are specifically restricted) leaving \$3,500,000 available to pay for unexpected and/or one time capital replacement projects without borrowing money, and as a cushion for future surprises as we really don't expect to see the economy get much better over the next several years.

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:** 9/03/2014