



AGENDA ITEM SUMMARY

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

Department: BOCC

WORK SESSION ☐ **Meeting Date:**

REGULAR AGENDA ☒ **Meeting Date:** 12/11/2012

Required Originals Approved and Attached? ☒

Will be provided on:

Item Summary:*

- ☐ Call for Hearing
- ☒ Resolution
- ☐ Draft Ordinance

- ☐ Contract/Agreement/MOU**
- ☐ Proclamation
- ☐ Final Ordinance

- Contract #
- ☒ Budget Item
- ☐ Other

Documents exempt from public disclosure attached: ☐

Executive Summary:

The 2013 Budget is hereby presented for approval as required by the Clallam County Home Rule Charter.

General Fund Revenues are budgeted at \$31,279,578, and are still being held back by the weak economy. We are expecting a slight decrease in sales taxes, but the increase of 1% in property tax, as allowed by law (\$97,387.53), and new construction (\$100,445.18) will be enough to offset it. Additional revenues include a \$100,000 increase in timber sales, an additional \$200,000 transfer from Roads to the Sheriff for Traffic Policing and a (one-time) return of \$1,000,000 previously sent to Capital Projects because of the one-time increase in Real Estate Excise Tax of about the same amount makes it less necessary to ensure that funds are available for the foreseeable costs of repair and maintenance to county facilities. Losses in revenue are mostly the result of cuts from the state in grants and contracts for services from last year's budget, together with a significant reduction expected in fines and forfeits as traffic ticket collections continue to reduce.

On the expenditure side, we are now paying the second of three mandatory increases in payments to the state retirement fund, dealing with the effects of a 2.7% Consumer Price Index change (July to July) that will affect salaries and benefits costs, as the 2 year concession agreement with all of our unions only forgives the 2012 Cost Of Living Adjustment (for each year), 2013's will be fully honored, and are in the second year of the three year project to replace our core computer system in Information Technology. The budget also includes new expenditures for 2, half-time, security officers to enable the Sheriff to "beef up" court room security as recommended by the county's security committee. Even with all that, General Fund Expenditures actually decrease from 2012, to \$30,934,51. The County continues to be very frugal. Over the last 4 years we cut many, non-critical expenditures and eliminated new staff hires (except for temporary, grant funded positions and the new security personnel), froze replacement hires due to attrition whenever possible (actually laying off some in each of the last two years), resulting in total staff reductions of 32.72 FTE since 2009. We partnered with all of our unions to get 2 years worth of salary concessions in the form of COLA

* Submit original and 5 copies

** Submit 3 originals and 5 copies

relief and unpaid furlough days in exchange for no more layoffs (worth almost \$1,800,000), but those agreements will expire at the end of 2013 and will also need to be dealt with by this time next year. We expect to end 2013 with \$10,445,227 in General Fund Reserves (\$7,500,000 of which are recommended to be restricted) leaving less than 3 million dollars, available to pay for unforeseen emergencies and cash flow efficiencies without borrowing money until the economy gets better. The General Fund does end up with a balanced budget showing a small surplus of \$345,227, but we have to remember that the \$1,000,000 in one-time revenue, due to the recapture of Capital Project monies, will not be available again and will have to be dealt with in the 2014 budget process.

The Total 2013 Budget also includes Special Revenue Fund accounts with revenues of \$37,419,628 and expenditures of \$47,707,314, using \$10,287,686 of reserve balances which cannot be used for general operating expenses, but only for the specific purposes each fund was set up to perform.

Finally, Clallam County is, once again, one of the major contributors to the economic health of the community. The 2013 Budget shows that while \$27,972,400 in total taxes, fees, licenses, permits, fines and forfeits are taken out of the economy, more than \$57,741,435 in total salaries, contracts for services, and capital projects are put back in, for a net improvement to the local economy of \$29,769,035.

Please review the complete budget information and feel free to ask me or our Budget Director Kay Stevens 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 2013 Budget.

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

Approve the 2013 Budget Resolution.

County Official Signature:



Date Submitted: 12/06/2012