

# San Juan County Financial Review

1<sup>st</sup> Quarter 2010

May 11, 2010

# Overview

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- 2009 was a bad year
- 2010 is a “hold steady and hope for the best” year
- Questions are:
  - Can we stay within our expenditures budgets?
  - Will revenue meet projections?
- A small (2%) budget reduction is already planned

# Putting it in perspective: 2006 – 2010 Expenditure Comparisons

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<b>2006 Actuals</b>	<b>2007 Actuals</b>	<b>2008 Actuals</b>	<b>2009 Actuals</b>	<b>2010 Adjusted Budget</b>
11,363,545	12,743,400	13,976,458	13,154,982	13,623,063
Change from previous year	+12.14%	+9.68%	-5.88%	+3.56%*

\* Note: 2010 Budget includes one million dollars of new revenue from the targeted levy lift.

# Expenditures Summary

<b>Fund(s)</b>	<b>Budget</b>	<b>1Q Exps</b>	<b>% Used</b>
Current Expense	13,623,063	3,096,470	22.77%
All County Funds	46,629,098	7,513,757	15.14%

- How much should we have spent?
  - About ¼ of Jan expenses are prior year, and
  - 2.75 months/12 months = 22.91%
- Expenditure patterns vary by fund and by dept
- We watch closely funds spending more than 25% of annual budget per quarter

# Current Expense Expenditures by Dept

<b>General Government Depts</b>	<b>Budget</b>	<b>1Q10 Exps</b>	<b>% Used</b>
General	0	1,088	
County Administration	621,684	137,369	22.10%
Assessor	718,280	151,872	21.14%
Auditor	720,857	181,265	25.15%
Board of Equalization	17,103	4,801	28.07%
Facilities	542,201	110,261	20.34%
County Council	472,044	114,170	24.19%
Election Reserve	210,593	67,049	31.84%
General Administration	815,927	122,630	15.03%
Operating Transfers	340,384	83,846	24.63%
Treasurer	357,761	76,505	21.38%
<b>Subtotal, Gen Gov Depts</b>	<b>4,816,834</b>	<b>1,050,856</b>	<b>21.82%</b>

# Current Expense Expenditures by Dept

<b>Law &amp; Justice Depts</b>	<b>Budget</b>	<b>1Q10 Exps</b>	<b>% Used</b>
Clerk	339,194	81,654	24.07%
District Court/Probation	684,454	173,603	25.36%
Juvenile Court	369,050	88,307	23.93%
Superior Court	196,930	15,203	7.72%
<b>Subtotal, Courts</b>	<b>1,589,628</b>	<b>358,767</b>	<b>22.57%</b>
Law Library	27,092	7,099	26.20%
Prosecuting Attorney/Coroner	908,902	219,080	24.10%
<b>Subtotal, Prosecutor</b>	<b>935,994</b>	<b>226,179</b>	<b>24.16%</b>
Civil Service	15,653	1,819	11.62%
Communications	692,622	185,438	26.77%
Jail	418,631	78,140	18.67%
Sheriff	2,446,950	621,188	25.39%
<b>Subtotal, Sheriff</b>	<b>3,573,856</b>	<b>886,585</b>	<b>24.81%</b>
<b>Subtotal, Law &amp; Justice</b>	<b>2,525,622</b>	<b>584,946</b>	<b>23.16%</b>

# Current Expense Expenditures by Dept

<b>Community Services</b>	<b>Budget</b>	<b>1Q10 Exps</b>	<b>% Used</b>
Community Dev't & Planning	1,307,441	276,010	21.11%
County Agent	198,014	35,539	17.95%
Health & Community Srvcs	1,201,296	268,030	22.31%
<b>Subtotal, Comm'ty Srvcs</b>	<b>2,706,751</b>	<b>579,578</b>	<b>21.41%</b>
<b>Current Expense Total</b>	<b>13,623,063</b>	<b>3,101,965</b>	<b>22.77%</b>

# County-Wide Expends by Fund

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- All funds are below 20%, except:
  - Current Expense (22.77%) – addressed above
  - Grants Fund (22.83%):
    - Health & Community Services – 24.06%
    - Juvenile Court – 7.75%
    - Planning Grants – 22.86%
    - Prosecutor Grants – 23.02%
    - Sheriff Grants – 12.75%
  - Criminal Justice Receiving (51.50%) – because money is distributed early in the year
  - Auditor Document Preservation (20.97%) – because of a \$70K budgeted transfer for True Automation



# Revenues Summary

<b>Fund(s)</b>	<b>Budget</b>	<b>1Q Revs</b>	<b>% Rcvd</b>
Current Expense	13,623,063	2,699,954	19.82%
All County Funds	46,629,098	7,308,339	14.73%

- How much should we have received?
  - Revenue is highly seasonal, with peaks in April & October
  - CE “% Rcvd” after April receipts was 40.05%
- We watch patterns of receipt by revenue type to project whether revenue will meet budget

# Current Expense Revenues by Basub

Revenue Type	Budget	Revs thru 3/10	% Rcvd
Cash	5,477	0	0.00%
Taxes	9,827,437	1,504,747	15.31%
Licenses and Permits	1,115,263	329,984	29.59%
Intergovernmental Revenue	1,151,015	421,724	36.64%
Charges for Goods and Services	898,732	177,946	19.80%
Fines and Forfeits	155,482	16,710	10.75%
Miscellaneous Revenues	146,288	42,052	28.75%
Nonrevenues	0	0	
Other Financing Sources	323,369	206,790	63.95%
<b>Grand Total</b>	<b>13,623,063</b>	<b>2,699,954</b>	<b>19.82%</b>

# County-Wide Revenues by Basub

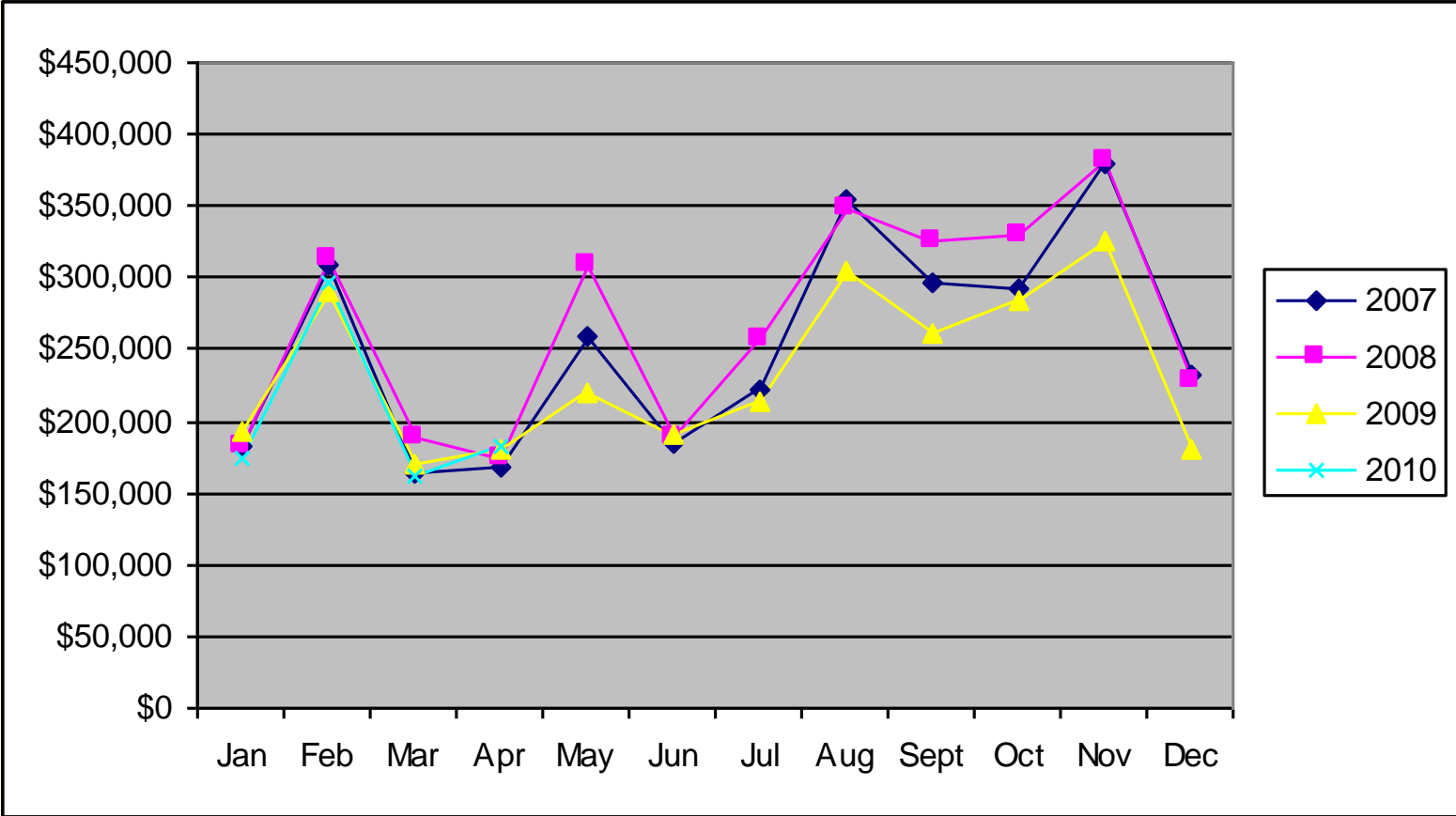
Revenue Type	Budget	Revs thru 3/10	% Rcvd
Cash	6,175,649	0	0.00
Taxes	16,955,357	2,487,619	14.67
Licenses and Permits	1,164,263	342,692	29.43
Intergovernmental Revenue	10,442,302	2,692,708	25.79
Charges for Goods and Services	4,996,656	867,596	17.36
Fines and Forfeits	160,782	17,402	10.82
Miscellaneous Revenues	1,963,666	412,917	21.03
Nonrevenues	150,000	0	0.00
Other Financing Sources	7,620,423	487,406	6.40
<b>Grand Total</b>	<b>49,629,098</b>	<b>7,308,339</b>	<b>14.73%</b>

# Tax Revenue Status by Type:

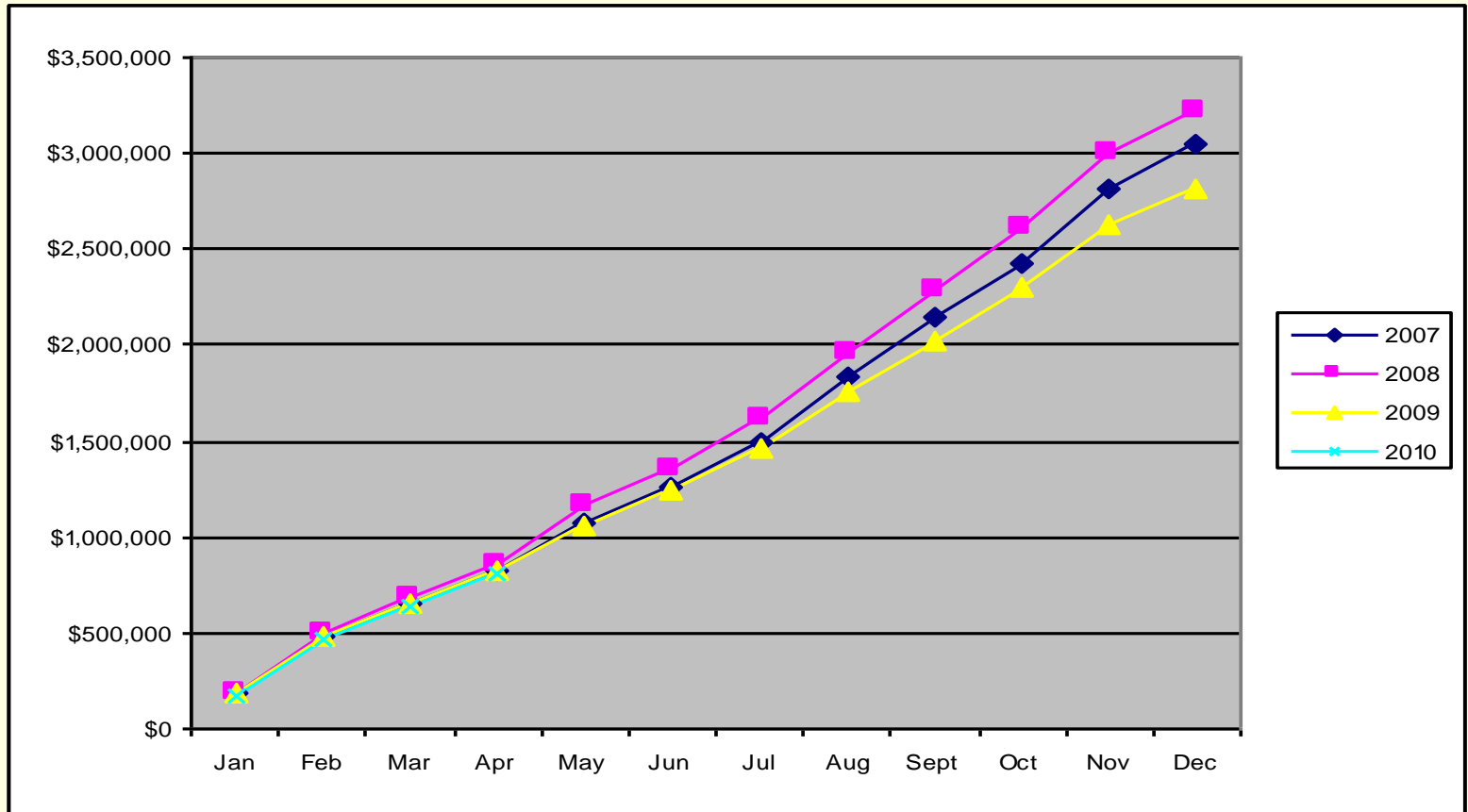
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- Property Tax:
  - Reliable, as always
- Sales Tax: on target to meet budget
  - Reminder: it was on target this time last year, also
- Real Estate Excise Tax (REET)
  - Last 2 months encouraging, but still below budget

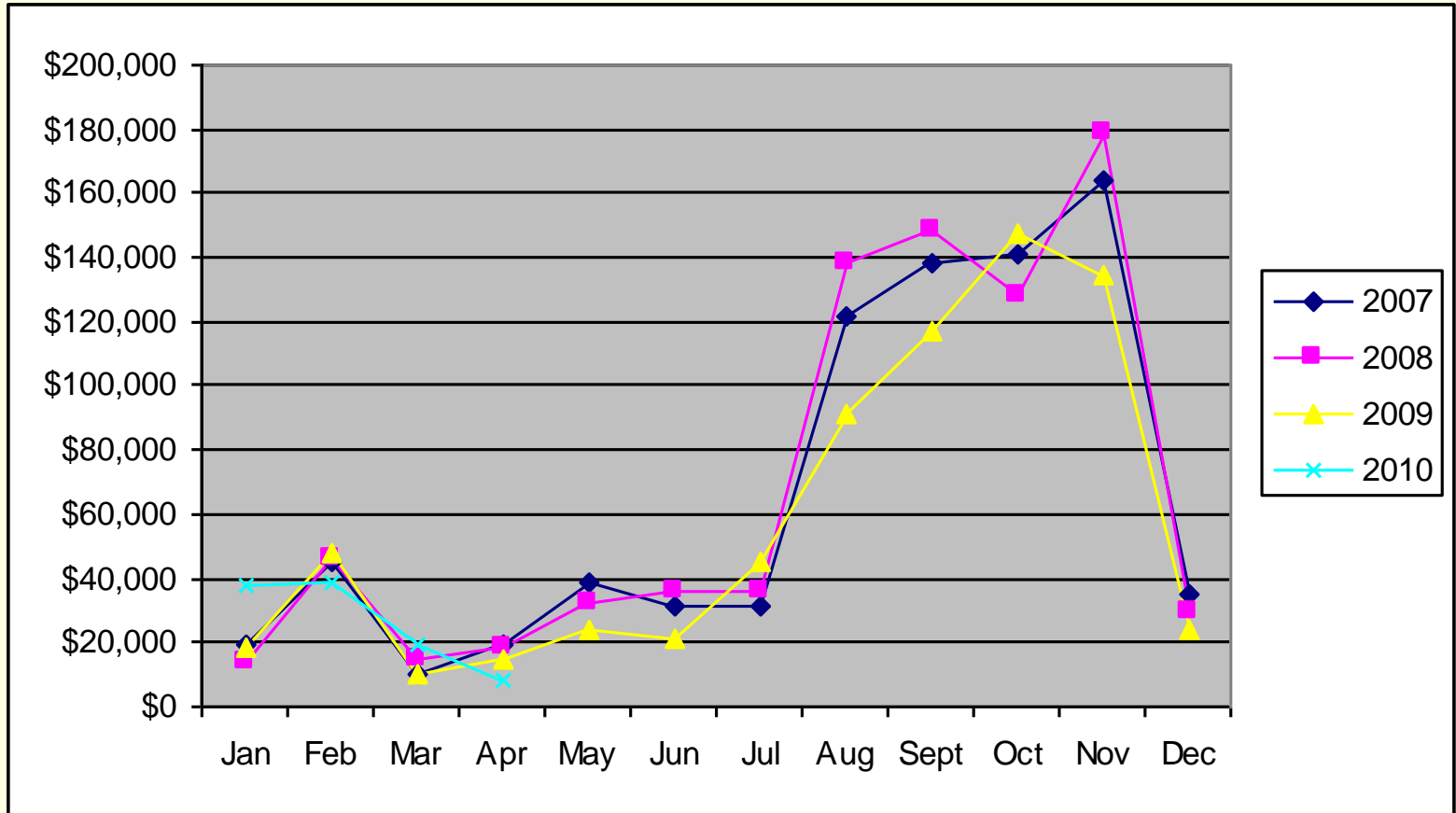
# Revenue Trends: Sales Tax



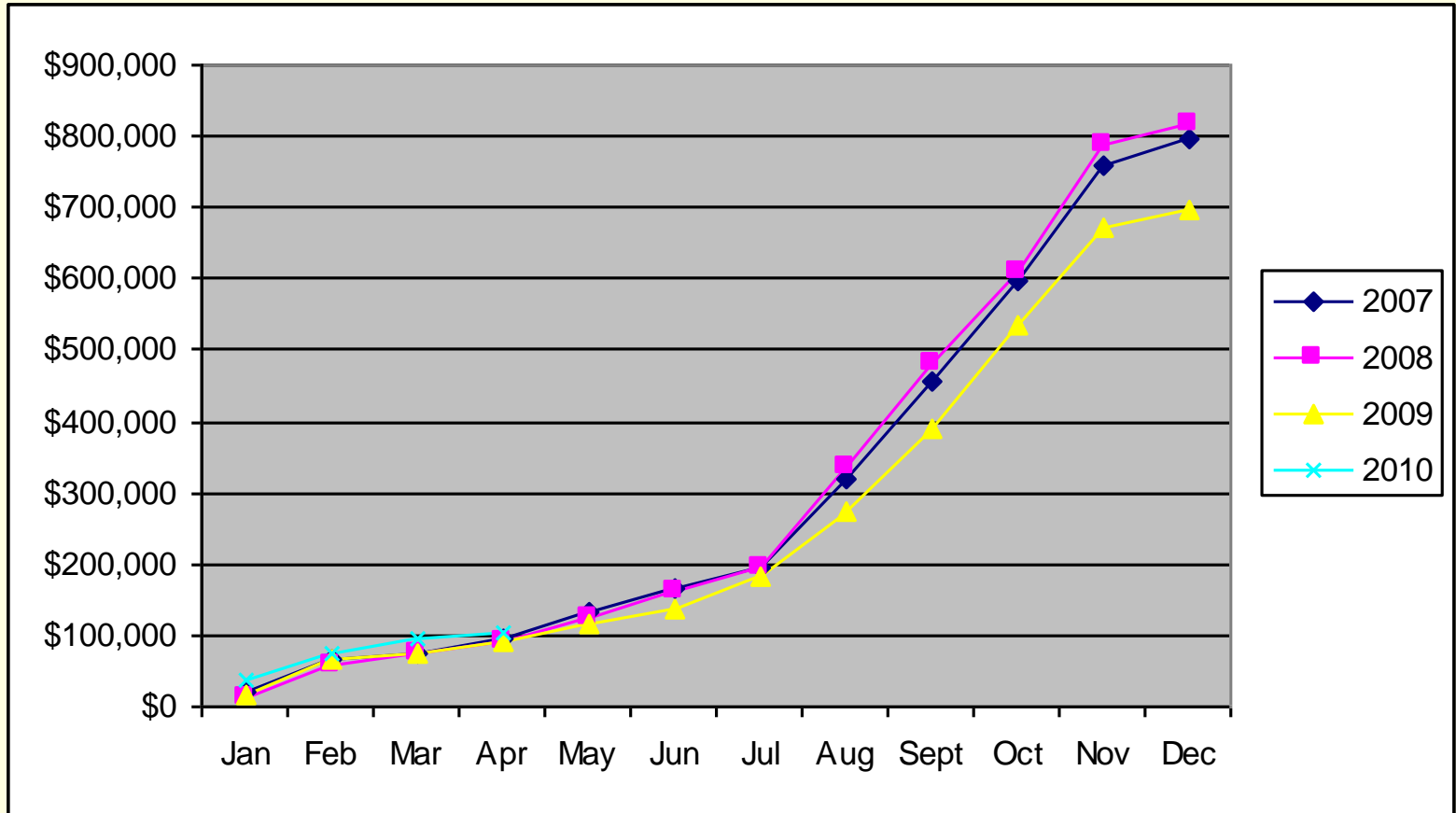
# Sales Tax Cumulative



# Revenue Trends: Lodging Tax

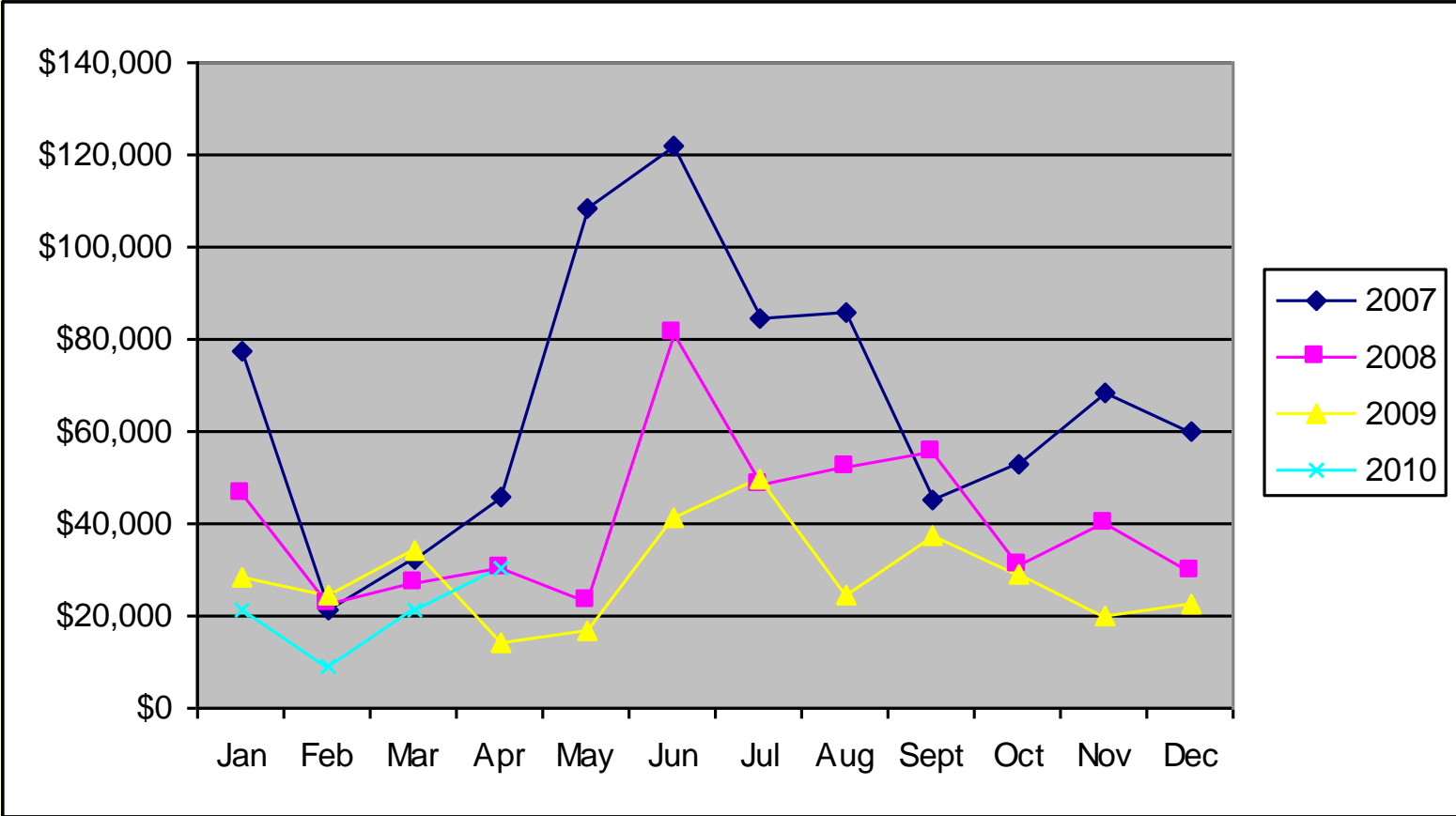


# Lodging Tax Cumulative

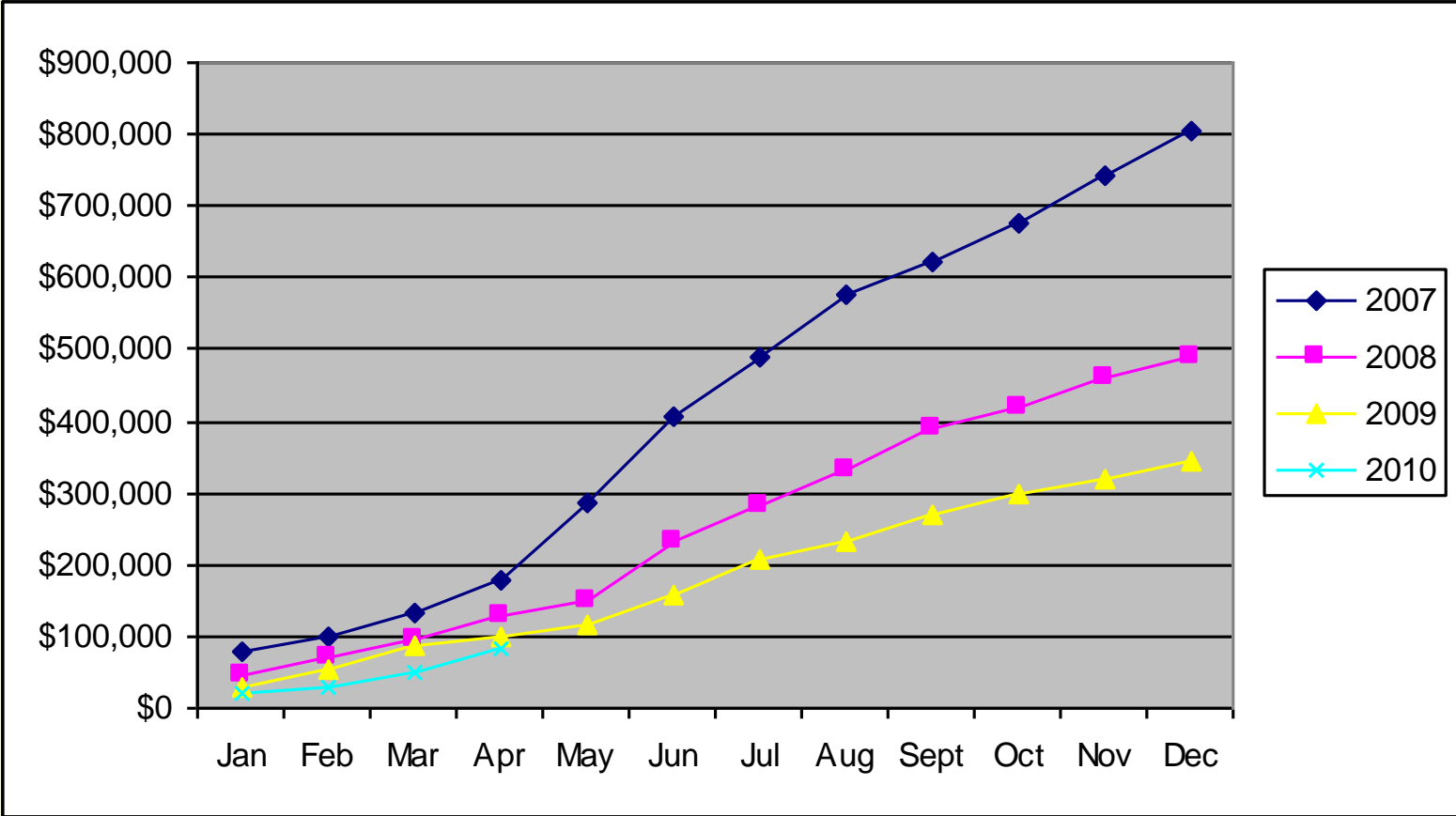




# Revenue Trends: REET



# REET Cumulative

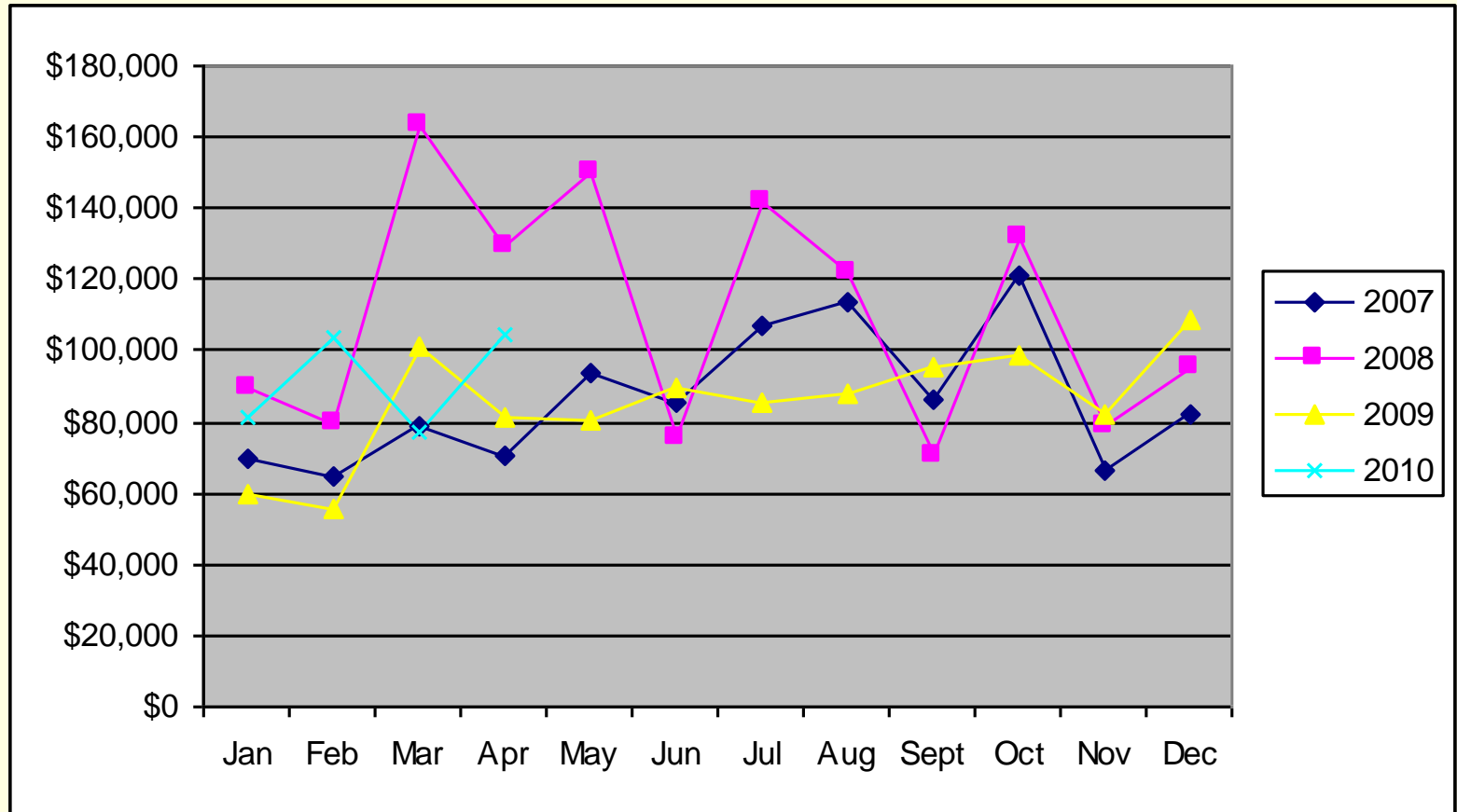


# “The Other Third” Status by Type

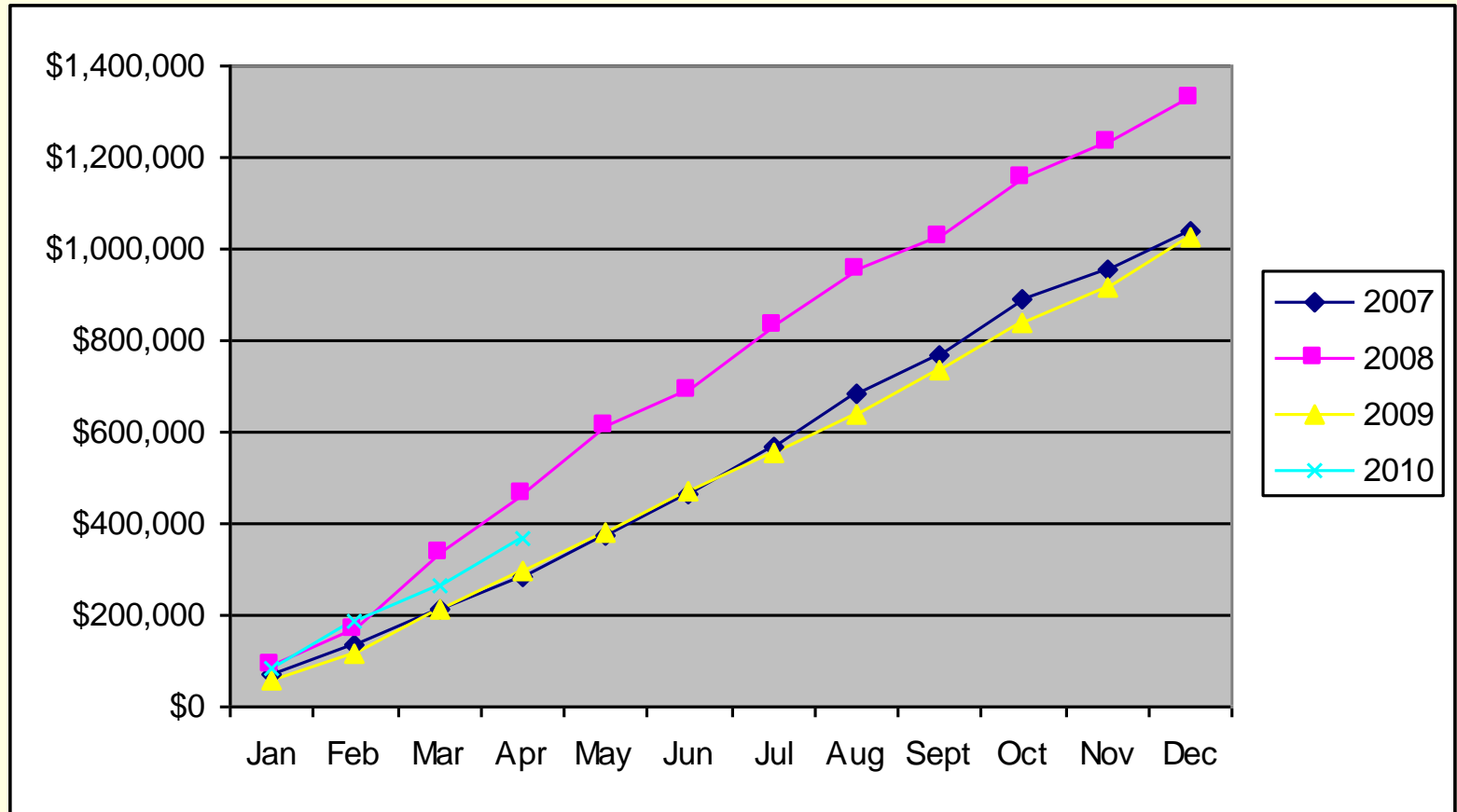
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- These are the revenue sources that collapsed last year.
  - Licenses and Permits – exceeding budget
  - Intergovernmental – far exceeding budget
    - This is a timing issue, not likely a true increase
  - Fines and Penalties – below budget, but a small revenue source
  - Misc Revenues (Interest) – below budget
- Together, these sources are exceeding budget

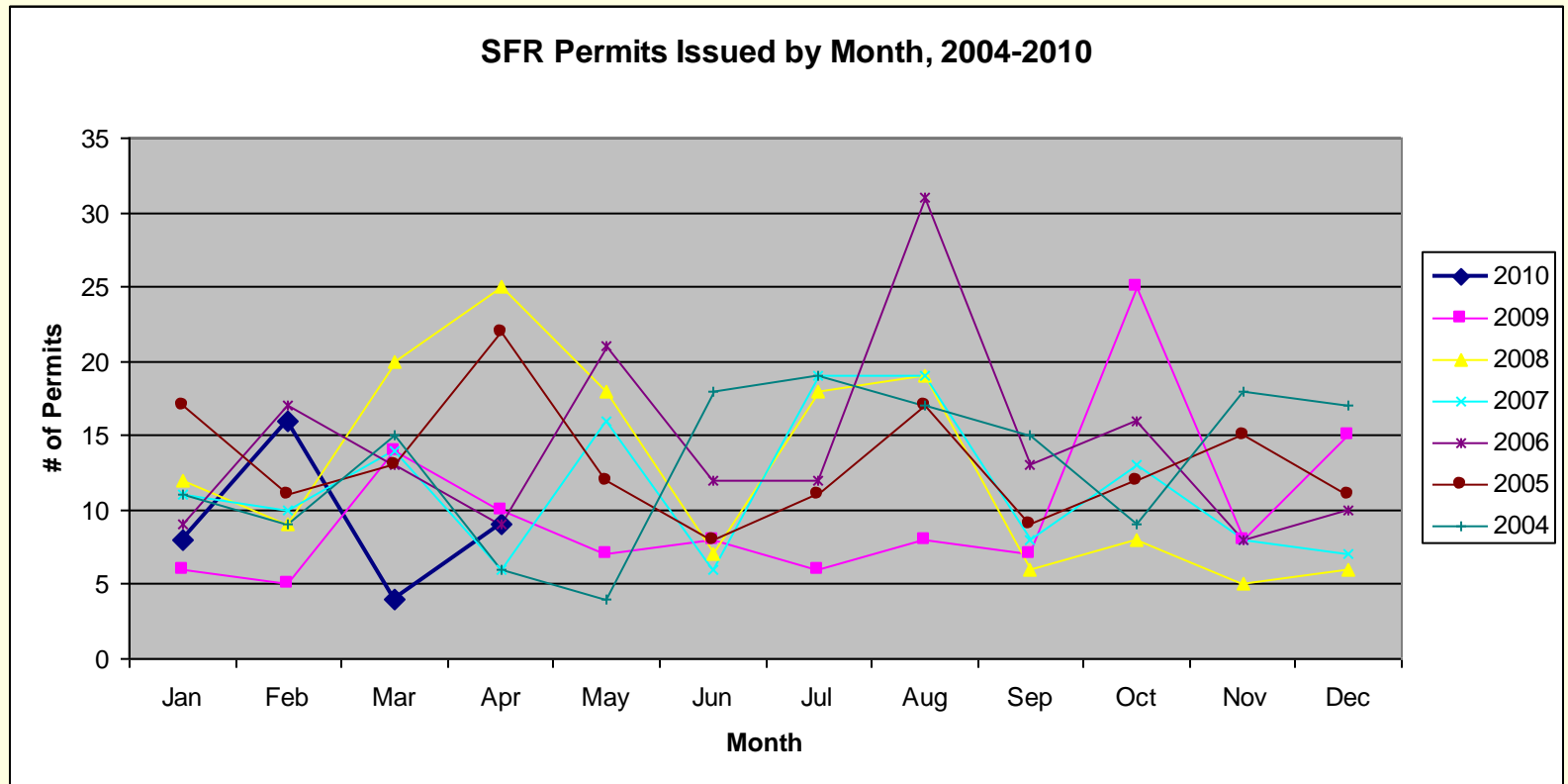
# Revenue Trends: Permitting



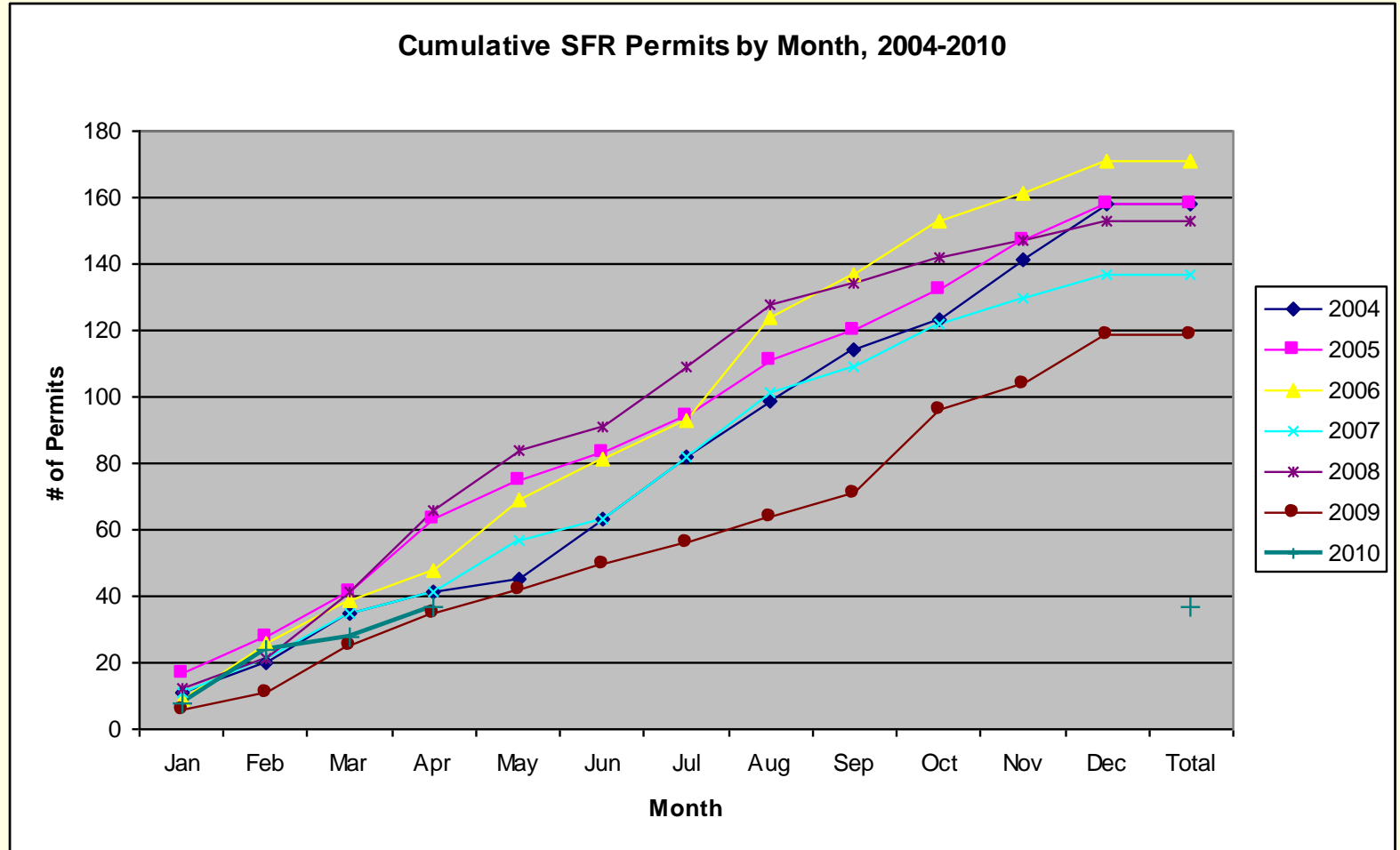
# Permitting, Cumulative



# Numbers of SFR Permits



# Cumulative Number of SFR Permits



# The 2% Reduction

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- Why do we need it?
  - Certain known expenditures were left out of the budget in an attempt to balance it
  - The adopted budget does not include the 8% ending cash required by the Reserve Ordinance of 2009
  - The Council committed at the time of budget adoption to reduce the budget early in 2010, in order to meet both these needs



# Expenditure Items to be Added

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■ Transfer to Insurance Reserve	\$40,000
■ Excess vacation/sick leave payoffs	\$10,000
■ Unemployment claims	\$50,000
■ General equipment	<u>\$10,000</u>
■ TOTAL	\$110,000

# Additional Ending Cash Needed

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- Reserve Ordinance calls for minimum ending cash = 8% of expenditures, and minimum beginning cash = 10%
- Current budget includes \$924,768 as ending cash, which = 6.79%
- With proposed expenditure changes, 8% of expenditures would be \$1,081,005
- Requires increase in ending cash of \$156,237

# Components of Proposed Changes

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■ Increase in ending cash	+\$156,237
■ Increase in expenditures	<u>+\$110,000</u>
■ Total	+\$266,237
■ Decrease in expenditures	-\$220,504
■ Increase in revenues	-\$29,603
■ Plus 96% of decrease in IS exps	<u>-\$10,615</u>
■ Total	-\$260,722
■ Additional reductions needed	-\$5,515

# Participation in 2% Reductions

Departments	Total Redux/ Rev Increases	% of Dept Budget	\$ from furloughs	% from furloughs
County Admin/BOE	(12,029)	-1.88%	(12,029)	100.00%
Assessor	(12,068)	-1.68%	(12,068)	100.00%
Auditor/Elections	(30,697)	-3.30%	(6,876)	22.40%
Facilities	(10,484)	-1.93%	0	0%
Clerk	(1,632)	-0.48%	(1,032)	63.23%
Council	(8,602)	-1.82%	(2,000)	23.25%
Community Dev & Plng	(28,736)	-2.20%	(28,736)	100.00%
County Agent	(1,291)	-0.65%	0	0.00%
District Court	(15,142)	-2.21%	(8,342)	55.09%
General Administration	(16,159)	-1.98%	0	0.00%

# Participation in 2% Reductions

Departments	Total Redux / Rev Increases	% of Dept Budget	\$ from furloughs	% from furloughs
Health & Comm'ty Srvcs	(15,920)	-1.33%	(15,920)	100.00%
Prosecutor/Law Library	0	0.00%		
Sheriff/Coms/Jail/CivSrvc	(68,825)	-1.93%	0	0.00%
Superior Court	(22,423)	-3.96%	0	0.00%
Treasurer	(6,099)	-1.70%	(6,099)	100.00%
<b>Total Current Expense</b>	<b>(250,107)</b>	<b>-1.84%</b>	<b>(93,102)</b>	<b>37.22%</b>
Information Services	(11,057)	-2.00%	(1,124)	10.17%
<b>Total CE savings, incl. 96% of IS savings:</b>	<b>(260,722)</b>	<b>-1.91%</b>	<b>(94,226)</b>	<b>36.14%</b>

# Summary

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- Expenditures overall are on-track to finish within budget.
  - Close scrutiny to individual depts is recommended.
- Revenue also appears on track to finish on budget.
  - Sales tax is once again the vulnerable spot.
- A 2% budget reduction is recommended, and a specific proposal close to completion.

# Questions?

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