

Building a Local Government Budget

FY2018-2019 Budget Process

- This presentation provides the groundwork for the development, preparation, and monitoring of the annual fiscal year budget
- The annual budget or operating budget is a document that details the financial plan for the local government that also must incorporate all legal statutes, ordinances and regulations. The budget does not end with the adoption, the budget is monitored and amended throughout the fiscal year.
- The budget at the point of adoption and throughout the fiscal year is balanced between anticipated revenues and expenditures
- The following are a few key items used during the budget process:
 - Current and previous year budgets with actual expenditures and revenues
 - Prior year financial reports
 - Current year financial reports including cash flow projections
 - Debt service requirements, contracts, and other commitments
 - State and Federal aid information
 - Internal financial policies
 - Multiyear capital plans (as this potentially affects the operating budget)
 - New and pending legislation
 - Goals and objectives of staff and the Board of Supervisors

Proposed Budget Development Timeline for FY2018-2019

November/December

- Budget letter is sent to staff giving budget direction for submittal of their departmental budget
- Budgets are submitted to the Finance Department

January

- Identify key expenditure and revenue variables such as compensation (including staffing), health insurance, state funding, and other economic trends that may affect the upcoming year
- Schedule budget work sessions with the Board of Supervisors
- The Department of Finance meets with each department director to review the requests to ensure all required data and justifications are included in the request (this is done in detail by each line item)
- The Department of Finance meets with the County Administrator to review the requests

February

- Budget work sessions
- The Department of Finance and County Administrator continue to review the budget and make adjustments as needed
- The Department of Finance present forecasted revenues to the County Administrator for review

March

- County Administrator presents a proposed budget
- The Board of Supervisors approves a public hearing advertisement

April

- Budget public hearing
- Adopt tax rates and operating budget

May

- Board approves the appropriation resolution which establishes the spending authority to begin July 1st

Revenues

- Revenues are forecasted using a three to five year trend along with information on current and future economic changes, along with current or pending legislation
- The largest source of revenue in the General Fund is property taxes, which include personal property and real estate. The County is on a four year reassessment period which will impact the FY2019 budget or calendar year 2018 tax year
- The budget is comprised of local, state, federal revenue sources, the FY2018 percentage breakdown is shown:



Local Revenue Sources

General Property Taxes

- Real Estate Taxes
- Personal Property Taxes
- Machinery and Tools Tax

Local Taxes

- Sales Tax
- Business License Tax
 - Meals Tax
- Transient Occupancy Taxes
- Communication Taxes

Permits, Fees and Licenses

Fines and Forfeitures

Use of Money and Property

Charges for Services

Recovered Costs

State Revenue Sources

Non-Categorical Aid

- Mobile Home Titling Tax
 - Recordation Tax
 - PPTRA

Categorical Aid

- Compensation Board
- Social Services related aid
- Children's Services Act
- Victim Witness Grant
- Other public safety grants

Federal Revenue Sources

Categorical Aid

- Social Services related aid
- Public Safety grants

Expenditure Budget Request Preparation Details

The following slides will detail how the expenditure budget by department is formulated.

KING GEORGE COUNTY
Operating Budget Request

Fiscal Year 18/19

DEPARTMENT NAME: Finance

NUMBER: 12510

FUND: 100

3500 PRINTING & BINDING

Description		Quantity	Cost	Total	County Admin Adjustments	BOS Adjustments	Final Budget
1	W2 Forms	2	\$ 450.00	\$ 900.00			\$ 900.00
2	Check Forms	2	\$ 500.00	\$ 1,000.00			\$ 1,000.00
3	Direct Deposit Forms	2	\$ 700.00	\$ 1,400.00			\$ 1,400.00
4	Logo Printing - envelopes, letterhead, tabs etc	1	\$ 1,000.00	\$ 1,000.00			\$ 1,000.00
5		-	\$ -	\$ -			\$ -
6		-	\$ -	\$ -			\$ -
7		-	\$ -	\$ -			\$ -
8		-	\$ -	\$ -			\$ -
9		-	\$ -	\$ -			\$ -
10		-	\$ -	\$ -			\$ -
11		-	\$ -	\$ -			\$ -
12		-	\$ -	\$ -			\$ -
13		-	\$ -	\$ -			\$ -
14		-	\$ -	\$ -			\$ -
15		-	\$ -	\$ -			\$ -
Total Requested				\$ 4,300.00	\$ -	\$ -	\$ 4,300.00

**not actual budget request, for illustration purposes only

**King George County
Operating Budget Request**

Fiscal Year: 18/19

Department Name Finance
Dept # 12510
Fund # 100

Acct #	Description	Department Request	County Admin ADJUSTMENTS	CA Recommended Budget	BOS ADJUSTMENTS	BUDGET
4 100 12510 1100	Salaries & Wages - Regular	\$ 548,025	\$ -	\$ 548,025	\$ -	\$ 548,025
4 100 12510 1101	Salaries - Shift Differential Pay	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 1200	Salaries & Wages - Overtime	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 1300	Salaries & Wages - Part time	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 1400	Salaries & Wages - Part time	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 2100	FICA	\$ 41,925	\$ -	\$ 41,925	\$ -	\$ 41,925
4 100 12510 2210	VRS Retirement	\$ 37,861	\$ -	\$ 37,861	\$ -	\$ 37,861
4 100 12510 2220	VRS Hybrid	\$ 2,638	\$ -	\$ 2,638	\$ -	\$ 2,638
4 100 12510 2510	Disability Hybrid	\$ 214	\$ -	\$ 214	\$ -	\$ 214
4 100 12510 2300	Health Insurance Premiums	\$ 111,688	\$ -	\$ 111,688	\$ -	\$ 111,688
4 100 12510 2400	VRS Life Insurance	\$ 7,179	\$ -	\$ 7,179	\$ -	\$ 7,179
4 100 12510 2600	Unemployment Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 2700	Worker's Comp Insurance	\$ 604	\$ -	\$ 604	\$ -	\$ 604
4 100 12510 3110	Prof. Serv - Health Services	\$ 4,800	\$ -	\$ 4,800	\$ -	\$ 4,800
4 100 12510 3120	Prof. Serv - Accounting/Auditing Services	\$ 72,100	\$ -	\$ 72,100	\$ -	\$ 72,100
4 100 12510 3130	Prof. Serv - Management Consulting Services	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 3150	Prof. Serv - Legal Services	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 3160	Prof. Serv - Other	\$ 700	\$ -	\$ 700	\$ -	\$ 700
4 100 12510 3320	Maintenance Service Contracts - Con Services	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 3500	Printing & Binding	\$ 4,300	\$ -	\$ 4,300	\$ -	\$ 4,300
4 100 12510 3600	Advertising	\$ -	\$ -	\$ -	\$ -	\$ -
4 100 12510 5210	Postal Services	\$ 4,848	\$ -	\$ 4,848	\$ -	\$ 4,848
4 100 12510 5220	Messenger Services	\$ 150	\$ -	\$ 150	\$ -	\$ 150
4 100 12510 5230	Telecommunications	\$ 3,960	\$ -	\$ 3,960	\$ -	\$ 3,960
	Department Total	\$ 840,992	\$ -	\$ 840,992	\$ -	\$ 840,992

County Of King George													
HISTORIC EXPENDITURES & BUDGETS FY 2017-2018													
		FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Amended Budget	FY18 Department Request	County Admin ADJUST	FY18 Preliminary	BOS ADJUST	FY18 Preliminary Budget
	GENERAL FUND												
Fund 100	LEGISLATIVE												
11010	Board of Supervisors	70,419	63,018	61,974	67,318	76,748	82,141	82,141	80,641	1,500	82,141	-	82,141
	GENERAL ADMINISTRATION												
12110	County Administrator	385,371	339,256	337,126	314,804	335,588	335,134	335,134	335,134	-	335,134	-	335,134
12210	County Attorney	84,766	126,873	279,381	421,881	247,762	162,000	162,000	205,112	(43,112)	162,000	-	162,000
12220	Human Resources	38,961	65,563	84,401	110,118	143,177	158,848	158,848	161,727	(2,879)	158,848	-	158,848
12310	Commissioner of Revenue	327,540	363,564	366,849	380,469	385,395	373,151	373,151	373,151	-	373,151	-	373,151
12320	Reassessment	-	138,517	25,699	-	41	175,000	175,000	175,000	-	175,000	-	175,000
12410	Treasurer	293,953	273,694	279,296	277,920	307,813	327,137	327,137	327,137	-	327,137	-	327,137
12510	Department of Finance	795,812	793,943	777,514	800,060	817,153	827,016	827,016	852,016	(25,000)	827,016	-	827,016
12600	Information Technology	238,967	332,435	319,259	336,802	326,262	439,695	439,695	527,185	(87,490)	439,695	-	439,695
13100	Electoral Board	53,678	44,191	34,424	35,036	55,291	70,585	70,585	73,585	(3,000)	70,585	-	70,585
13200	Registrar	116,523	114,513	110,637	110,592	150,683	191,013	191,013	191,013	-	191,013	-	191,013

**not actual figures, for illustration purposes only

Early Budget Factors for FY2018-2019

- State Funding
- School Funding
- Compensation Cost
- Outside Agencies
- Health Insurance
- Juvenile Detention and Regional Jail Funding
- New Position Requests
- Board of Equalization
- Vehicles
- County Attorney
- County Engineer
- Ambulance Fees

Significant Capital Projects

- Company 2 and Company 4 Fire Stations
- New Courthouse
- School Buses
- Decommission Purkins Corner and Oakland Park WWTP
- Redundant Communications System
- Accounting System

Significant Capital Projects

(preliminary cost estimates)

- Company 2 and Company 4 Fire Stations: *\$8 to \$10 million*
- New Courthouse: *\$16 to \$19 million*
- School Buses and Fire Apparatus: *\$550,000/yr. for buses; \$225,000 for each ambulance;*
- Decommission Purkins Corner and Oakland Park WWTP: *\$4 to \$6 million*
- *Redunant Communications System \$1 million*
- *Accounting System \$1 million*

<u>General Fund</u>	
Audited Fund Balance at June 30, 2017 (Fund 100)	\$ 21,989,841
County Operating Carryovers	\$ (507,189)
County Purchase Order Operating Carryovers	\$ (330,336)
Schools P.O./Operating Carryovers	\$ (751,861)
FY17 Operating Budget	\$ (829,000)
FY17 Capital Projects	\$ (2,501,100)
Rate Stabilization Fund	\$ -
Reserved Per Policy 15% of Total Operating Budget	\$ (11,659,331)
Preliminary Estimated at 6/30/2018**	\$ 5,411,024
<u>Capital Improvement Fund</u>	
Audited Fund Balance at June 30, 2017	\$ 15,633,719
Carryover from previous years projects	\$ (2,239,026)
Carryover from Gas Line Project	\$ (2,684,722)
Reserved for Turf Replacement	\$ (400,000)
Reserved Per Policy (debt service or \$2 mill)	\$ (5,992,943)
Preliminary Estimated at 6/30/2018**	\$ 4,317,028

Questions?

FY2018-2019 Budget Process