



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

M E M O R A N D U M

TO: Honorable Dennis C. Moss
And Members, Board of County Commissioners

FROM: Charles Anderson
Commission Auditor

A handwritten signature in cursive script, appearing to read "Charles Anderson", is written over the printed name.

DATE: April 23, 2009

SUBJECT: Revenue Estimating Conference Report

On April 3, 2009, the Office of Strategic Business Management (OSBM), the Finance Department and the Office of the Commission Auditor (OCA) held a revenue estimating conference to discuss the current fiscal year revenue streams in addition to projections for FY 09-10 and the continued instability and deterioration of the economy. Although there were no major disagreements concerning the revenue projections, we did share and review revenue data gathered by each department.

Attached, OCA has prepared several revenue reports containing budget information for your review. Certain revenue streams were selected because of their economic impact on services. To highlight a few issues:

- FY 08-09 General Fund revenue is estimated to be \$12.366 million less than budget (Budget \$1,867,084-Projection \$1,854,718) mostly due to reductions in interest and ad valorem.
- In FY 08-09, OSBM estimates utilizing \$71 million in carryover for year-end amendment requirements (MDPD, Elections, Clerk of the Court, and other departments plus revenue shortage); therefore leaving only \$15 million in carryover for FY 09-10.
- FY 09-10 proprietary budgets indicate continued revenue slide and could necessitate staffing adjustments in the following departments:
 - Building Department permits are down 4.95%
 - Consumer Services revenue is down 11.69%
 - DERM grant revenue is down 2.17%
 - Finance credit and collection revenue is down 54.46%
 - Planning and Zoning planning revenue is down 23.63%

Conditions may change over the next few months. The information utilized by OSBM as a basis from which to establish revenue projections is preliminary. It is OCA's intention to report to the Board of County Commission any changes in revenue projections as more information becomes available.

Special thanks to OSBM for the information provided and their cooperation. Please contact me if any additional information is required or with any questions you may have concerning the attached reports.

Attachments:

1. Spreadsheet "General Fund (FY 2007-2008 to FY 2009-2010 Budget Projections) As Presented by OSBM on April 3, 2009"
2. Spreadsheet "Selected Proprietary Revenues (FY 2007-2008 to FY 2009-2010 Budget Projections) As Presented by OSBM on April 3, 2009"
3. Spreadsheet "Fire Rescue and Library (FY 2007-2008 to FY 2009-2010 Budget Projections) As Presented by OSBM on April 3, 2009"

C: Honorable Carlos Alvarez, Mayor
George M. Burgess, County Manager
R.A. Cuevas, Jr. County Attorney
Jennifer Glazer-Moon, Special Assistant/OSBM Director
Carter Hammer, Director, Finance Department
Diane Collins, Assistant Director, Clerk of the Board Division
Jess McCarty, County Attorney's Office

**General Fund (FY 2007-2008 to FY 2009-2010 Budget Projections)
As Presented by OSBM on April 3, 2009**

Revenue item	Notes	FY 07-08 Budget (\$000)	FY 07-08 Actual (\$000)	Variance- FY 07-08 Actual to FY 07-08 Budget (\$000)	Variance- FY 07-08 Actual to FY 07-08 Budget (%)	FY 08-09 Budget (\$000)	FY 08-09 Projections REC-1 (\$000)	Variance- FY 08-09 Projections to FY 08-09 Budget (\$000)	Variance- FY 08-09 Projections to FY 08-09 Budget (%)	FY 09-10 Budget Projections REC-1 (\$000)	Variance- FY 09-10 Budget Projections to FY 08-09 Projections (\$000)	Variance- FY 09-10 Budget Projections to FY 08-09 Projections (%)
Countywide (CW) Ad Valorem		\$1,067,370	\$1,070,967	\$3,597	0.34%	\$1,128,607	\$1,125,221	(\$3,386)	-0.30%	\$1,138,185	\$12,964	1.15%
UMSA Ad Valorem		\$151,254	\$152,405	\$1,151	0.76%	\$146,680	\$146,240	(\$440)	-0.30%	\$149,487	\$3,247	2.22%
Communications Service Tax		\$46,524	\$49,689	\$3,165	6.80%	\$48,355	\$45,672	(\$2,683)	-5.55%	\$43,790	(\$1,882)	-4.12%
Franchise Fees (FPL)	1	\$49,148	\$48,668	(\$480)	-0.98%	\$51,799	\$51,799	\$0	0.00%	\$52,576	\$777	1.50%
Local Govt Half-Cent Sales Tax Program		\$126,541	\$134,017	\$7,476	5.91%	\$121,548	\$118,800	(\$2,748)	-2.26%	\$114,553	(\$4,247)	-3.57%
Local Option Gas Tax		\$44,938	\$47,198	\$2,260	5.03%	\$43,500	\$42,384	(\$1,116)	-2.57%	\$40,668	(\$1,716)	-4.05%
Ninth Cent Gas Tax		\$11,325	\$11,205	(\$120)	-1.06%	\$11,000	\$10,880	(\$120)	-1.09%	\$10,428	(\$452)	-4.15%
State Gax Tax		\$13,454	\$14,849	\$1,395	10.37%	\$13,629	\$12,732	(\$897)	-6.58%	\$12,230	(\$502)	-3.94%
Utility Tax		\$69,664	\$73,274	\$3,610	5.18%	\$65,273	\$69,296	\$4,023	6.16%	\$66,819	(\$2,477)	-3.57%
Administrative Reimbursement	2	\$44,550	\$45,574	\$1,024	2.30%	\$48,045	\$46,606	(\$1,439)	-3.00%	\$49,716	\$3,110	6.67%
Carryover (General Fund 010 only)	3	\$87,508	\$109,671	\$22,163	25.33%	\$79,065	\$86,131	\$7,066	8.94%	\$15,000	(\$71,131)	-82.58%
Interest		\$18,000	\$14,261	(\$3,739)	-20.77%	\$15,300	\$4,706	(\$10,594)	-69.24%	\$4,500	(\$206)	-4.38%
County Revenue Sharing		\$33,749	\$31,444	(\$2,305)	-6.83%	\$32,165	\$30,318	(\$1,847)	-5.74%	\$28,760	(\$1,558)	-5.14%
Municipal Revenue Sharing Program		\$46,383	\$48,210	\$1,827	3.94%	\$46,395	\$48,210	\$1,815	3.91%	\$48,210	\$0	0.00%
Miscellaneous	4	\$15,241	\$20,618	\$5,377	35.28%	\$15,723	\$15,723	\$0	0.00%	\$15,723	\$0	0.00%
Total		\$1,825,649	\$1,872,050	\$46,401	2.54%	\$1,867,084	\$1,854,718	(\$12,366)	-0.66%	\$1,790,645	(\$64,073)	-3.45%

Notes

1-Franchise Fee budget figure reflects the 2009 FPL rate increase (8%)

2-Administrative rate for FY 08-09 is 3.0% and for FY 09-10 is 3.4%

3-Carryover in FY 08-09 anticipated to be utilized by Police-\$24 million, Elections-\$5 million, Clerk of the Court-\$7 million, Other-\$20 million, and Revenue shortage-\$15m

4-Miscellaneous in FY 08-09 and FY 09-10 were not discussed at the Revenue Estimating Conference

Miscellaneous includes:

Business License Tax	\$8,269
Sheriff Fees	\$4,236
Indirect Cost Recovery	\$992
Alcoholic Beverage License Fees	\$948
Crime Lab Reimbursement	\$699
Other	<u>\$5,474</u>
	\$20,618

**Selected Proprietary Revenues (FY 2007-2008 to FY 2009-2010 Budget Projections)
As Presented by OSBM on April 3, 2009**

Revenue item	Notes	FY 07-08 Budget (\$000)	FY 07-08 Actual (\$000)	Variance- FY 07-08 Actual to FY 07-08 Budget (\$000)	Variance- FY 07-08 Actual to FY 07-08 Budget (%)	FY 08-09 Budget (\$000)	FY 08-09 Projections REC-1 (\$000)	Variance- FY 08-09 Projections to FY 08-09 Budget (\$000)	Variance- FY 08-09 Projections to FY 08-09 Budget (%)	FY 09-10 Budget Projections REC-1 (\$000)	Variance- FY 09-10 Budget Projections to FY 08-09 Projections (\$000)	Variance- FY 09-10 Budget Projections to FY 08-09 Projections (%)
Convention Development Tax (CDT)		\$44,500	\$46,966	\$2,466	5.54%	\$47,986	\$43,946	(\$4,040)	-8.42%	\$41,749	(\$2,197)	-5.00%
Professional Sports Facilities Franchise Tax		\$9,035	\$8,862	(\$173)	-1.91%	\$8,924	\$7,532	(\$1,392)	-15.60%	\$7,155	(\$377)	-5.01%
Tourist Development Tax (TDT)		\$18,071	\$17,723	(\$348)	-1.93%	\$17,848	\$15,065	(\$2,783)	-15.59%	\$14,312	(\$753)	-5.00%
Tourist Development Surtax - Food & Beverages		\$5,538	\$5,663	\$125	2.26%	\$5,733	\$4,813	(\$920)	-16.05%	\$4,572	(\$241)	-5.01%
Aviation Fees & Charges		\$263,629	\$258,865	(\$4,764)	-1.81%	\$243,792	\$247,357	\$3,565	1.46%	\$314,528	\$67,171	27.16%
Building Permitting Trades Fees	1	\$28,316	\$20,615	(\$7,701)	-27.20%	\$24,692	\$21,773	(\$2,919)	-11.82%	\$20,696	(\$1,077)	-4.95%
BCCO Product Approval Revenue	2	\$2,067	\$3,798	\$1,731	83.74%	\$2,500	\$3,020	\$520	20.80%	\$2,600	(\$420)	-13.91%
BCCO Surcharge	2	\$3,198	\$3,069	(\$129)	-4.03%	\$2,500	\$2,300	(\$200)	-8.00%	\$2,101	(\$199)	-8.65%
CAA Grants (Federal and State)		\$65,728	\$64,946	(\$782)	-1.19%	\$62,426	\$71,856	\$9,430	15.11%	\$68,718	(\$3,138)	-4.37%
OCED Grants HOME		\$6,517	\$6,419	(\$98)	-1.50%	\$6,291	\$6,291	\$0	0.00%	\$5,977	(\$314)	-4.99%
OCED Federal Community Development Block Grants		\$18,296	\$17,982	(\$314)	-1.72%	\$17,621	\$17,621	\$0	0.00%	\$16,740	(\$881)	-5.00%
OCED/MMAP Documentary Stamp Surtax	3	\$40,059	\$20,982	(\$19,077)	-47.62%	\$23,913	\$8,000	(\$15,913)	-66.55%	\$10,000	\$2,000	25.00%
Transit/OCITT Charter County Transit System Surtax	2	\$160,617	\$186,501	\$25,884	16.12%	\$171,101	\$176,896	\$5,795	3.39%	\$169,732	(\$7,164)	-4.05%
Office of the Clerk Fees and Charges	4	\$31,313	\$16,727	(\$14,586)	-46.58%	\$23,027	\$12,000	(\$11,027)	-47.89%	\$12,500	\$500	4.17%
CSD Fees and Charges	2	\$6,432	\$6,192	(\$240)	-3.73%	\$7,876	\$7,496	(\$380)	-4.82%	\$6,620	(\$876)	-11.69%
CSD Code Fines/Lien Collections	2	\$826	\$998	\$172	20.82%	\$856	\$744	(\$112)	-13.08%	\$667	(\$77)	-10.35%
DERM Grants (Federal and State)	2	\$7,807	\$8,951	\$1,144	14.65%	\$7,761	\$6,177	(\$1,584)	-20.41%	\$6,043	(\$134)	-2.17%
DERM Operating Permit Fees	2	\$6,450	\$6,119	(\$331)	-5.13%	\$6,170	\$6,500	\$330	5.35%	\$6,246	(\$254)	-3.91%
DERM Plan Review Fees	2	\$8,050	\$7,183	(\$867)	-10.77%	\$7,750	\$6,950	(\$800)	-10.32%	\$6,794	(\$156)	-2.24%
Finance Ad Valorem Fees	2	\$11,819	\$27,279	\$15,460	130.81%	\$17,197	\$25,125	\$7,928	46.10%	\$22,509	(\$2,616)	-10.41%
Finance Tourist Tax Fees	2	\$2,495	\$2,403	(\$92)	-3.69%	\$2,726	\$2,452	(\$274)	-10.05%	\$2,330	(\$122)	-4.98%
Finance Credit and Collections-1	1	\$3,237	\$3,021	(\$216)	-6.67%	\$4,133	\$2,244	(\$1,889)	-45.71%	\$1,022	(\$1,222)	-54.46%
Homeless Trust Food and Beverage Tax for Homeless and Domestic Violence		\$11,924	\$14,419	\$2,495	20.92%	\$11,696	\$14,707	\$3,011	25.74%	\$13,972	(\$735)	-5.00%
Planning Revenue	2	\$1,627	\$1,990	\$363	22.31%	\$1,326	\$1,007	(\$319)	-24.06%	\$769	(\$238)	-23.63%
P&Z Impact Fee	2	\$1,138	\$789	(\$349)	-30.67%	\$951	\$779	(\$172)	-18.09%	\$736	(\$43)	-5.52%
Procurement Mgmt Universal Access Program (UAP)	5	\$8,000	\$10,807	\$2,807	35.09%	\$11,981	\$9,700	(\$2,281)	-19.04%	\$8,592	(\$1,108)	-11.42%
PHT Public Hospital Sales Surtax	2	\$195,000	\$186,726	(\$8,274)	-4.24%	\$178,128	\$176,896	(\$1,232)	-0.69%	\$169,732	(\$7,164)	-4.05%
PWD Construction/Plat Fees	2	\$6,742	\$2,409	(\$4,333)	-64.27%	\$4,532	\$1,600	(\$2,932)	-64.70%	\$1,600	\$0	0.00%
SWM Collection Fees and Charges	6	\$136,788	\$143,894	\$7,106	5.19%	\$136,097	\$144,207	\$8,110	5.96%	\$136,332	(\$7,875)	-5.46%
SWM Disposal Fees and Charges	6	\$122,711	\$123,473	\$762	0.62%	\$127,371	\$120,047	(\$7,324)	-5.75%	\$116,415	(\$3,632)	-3.03%
SWM Resource Recovery Energy Sales	6	\$24,531	\$18,067	(\$6,464)	-26.35%	\$27,845	\$18,849	(\$8,996)	-32.31%	\$18,426	(\$423)	-2.24%
Total		\$1,252,461	\$1,243,838	(\$8,623)	-0.69%	\$1,212,750	\$1,183,950	(\$28,800)	-2.37%	\$1,210,185	\$26,235	2.22%

Notes

- 1-Declining revenues have caused layoffs and may continue into FY 09-10
- 2-Declining revenues may require staffing adjustments
- 3-FY 09-10 proposed budget reflects an optimistic turnaround of the real estate market
- 4-FY 09-10 proposed budget reflects a more realistic forecast of the real estate market
- 5-Calculated by contract price, it is anticipated that the revenue will decline in FY 09-10
- 6-Consumers are buying less, therefore less trash is consumed

**Fire Rescue and Library (FY 2007-2008 to FY 2009-2010 Budget Projections)
As Presented by OSBM on April 3, 2009**

Revenue item	FY 07-08 Budget (\$000)	FY 07-08 Actual (\$000)	Variance- FY 07-08 Actual to FY 07-08 Budget (\$000)	Variance- FY 07-08 Actual to FY 07-08 Budget (%)	FY 08-09 Budget (\$000)	FY 08-09 Projections REC-1 (\$000)	Variance- FY 08-09 Projections to FY 08-09 Budget (\$000)	Variance- FY 08-09 Projections to FY 08-09 Budget (%)	FY 09-10 Budget Projections REC-1 (\$000)	Variance- FY 09-10 Budget Projections to FY 08-09 Projections (\$000)	Variance- FY 09-10 Budget Projections to FY 08-09 Projections (%)
Library Ad Valorem	\$81,256	\$81,583	\$327	0.40%	\$81,011	\$81,011	\$0	0.00%	\$81,910	\$899	1.11%
Fire Ad Valorem	\$311,957	\$313,524	\$1,567	0.50%	\$308,386	\$308,386	\$0	0.00%	\$314,284	\$5,898	1.91%