



BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

M E M O R A N D U M

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

FROM: Charles Anderson
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name and title.

DATE: September 2, 2009

SUBJECT: FY 09-10 Countywide / UMSA General Fund Revenues

On May 15, 2009, OCA attended a Revenue Estimating Conference (REC) with OSBM to discuss the County's revenue streams. At the REC, revenue estimates and continued deterioration in state and local finances were discussed.

No further RECs have been conducted since May based on OSBM's advisement that no significant changes had occurred since that last meeting. The FY 09-10 Proposed Budget reflects updated projections, two additional months of actual revenues and State information.

OCA has prepared a comparison analysis of General Fund Revenue Sources, between the May 15, 2009, REC and the Proposed Budget release, which is provided as an attachment to this memo. Noted below are some of the variances:

- The Property Tax Roll is proposed at \$1.168 billion, while it had been estimated by the REC at \$1.287 billion; a decrease of \$119.175 million (9%).
- Local Government Half-Cent Sales Tax (State Sales Tax) is proposed at \$112.179 million, however, it had been estimated by the REC at \$114.553 million; a decrease of \$2.374 million (2%).
- County State Revenue Sharing is proposed at \$26.449 million, where it had been estimated by the REC at \$28.760 million; a decrease of \$2.311 million (8%).
- Municipal (UMSA) State Revenue Sharing is proposed at \$45.800 million, whereas it had been estimated by the REC at \$48.210 million; a decrease of \$2.410 million (5%).

- Business Taxes is proposed at \$6.500 million, while it had been estimated by the REC at \$8.236 million; a decrease of \$1.736 million (21%).
- Sheriff and Police Fees are proposed at \$3.936 million, however, it had been estimated by the REC at \$4.891 million; a decrease of \$955,000 (20%).
- Carryover is proposed at \$21.313 million, whereas it had been estimated by the REC at \$15.000 million; an increase of \$6.313 million (42%). FY 08-09 carryover is projected at \$86.131 million and FY 07-08 carryover was \$109.671 million. Based on a two year comparison a decrease in carryover of \$88.358 million (80.5%) from FY 07-08 to the proposed FY 09-10 is noted.
- Emergency Contingency Reserve is proposed to be decreased by \$36.311 million from FY 08-09 Adopted amount of \$74.288 million; a 49% decrease resulting from the following transfers:
 - \$21.674 million to support capital projects in the Capital Outlay Reserve; and
 - \$14.637 million to offset the liquidation of the receivable booked in anticipation of mitigation payments now terminated.

It is important to note the amount remaining in the Emergency Contingency Reserve is proposed at \$38.655 million. Volume 1 p. 21 states: "As a baseline, the total of all reserves in the general fund was lowered to five percent of the total budget, still within recognized best practices for budgeting reserves."

It is anticipated that OSBM will provide updated figures for the First Budget Hearing, September 3, 2009. Earlier this month, the State of Florida, Office of Economic and Demographic Research, reduced their estimates of Florida's general revenue by \$147 million for the current year. There is a corresponding impact to local revenue derived from state sources such as: Local Government Half-Cent Sales Tax (State Sales Tax), County State Revenue Sharing, and Municipal (UMSA) State Revenue Sharing. No reductions to any other revenue sources have been recommended at the present time.

Attachment

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 Acting Division Chief, Clerk of the Board Division
Jess McCarty, County Attorney's Office

	Proposed Countywide Budget 2009-10	Proposed UMSA Budget 2009-10	Proposed Combined GF Budget 2009-10	REC 5/8/09 Combined GF Budget 2009-10	Variance	Percent Increase/ Decrease
GENERAL FUND REVENUE SOURCES						
General Property Tax Roll	1,038,311	130,186	1,168,497	1,287,672	(119,175)	-9%
Ninth Cent Gas Tax (Local Option)	10,439	0	10,439	10,439	0	0%
State Gasoline and Motor Fuels Tax	12,130	0	12,130	12,130	0	0%
Communications Services Tax	0	43,796	43,796	43,790	6	0%
Local Gov't Half-Cent Sales Tax (State Sales Tax)	51,693	60,486	112,179	114,553	(2,374)	-2%
Local Option Gas Tax (Local Option Six Cents)	40,667	0	40,667	40,668	(1)	0%
Utility Tax	0	66,798	66,798	66,819	(21)	0%
Administrative Reimbursement	35,782	14,616	50,398	49,716	682	1%
Carryover	20,634	679	21,313	15,000	6,313	42%
Interest	3,600	900	4,500	4,500	0	0%
Franchise Fees (FPL)	0	52,407	52,407	52,576	(169)	0%
(County) State Revenue Sharing	26,449	0	26,449	28,760	(2,311)	-8%
(Municipal) State Revenue Sharing	0	45,800	45,800	48,210	(2,410)	-5%
Business Taxes	4,550	1,950	6,500	8,236	(1,736)	-21%
State Crime Lab Reimbursement	699	0	699		699	
Alcoholic Beverage License	587	264	851		851	
Secondary Roads	500	0	500		500	
Race Track Revenue	447	0	447		447	
State Insurance Agent License Fee	464	0	464		464	
Sheriff and Police Fees	2,834	1,102	3,936	4,891	(955)	-20%
Other	500	0	500		500	
Miscellaneous	1,521	620	2,141		2,141	
Transfer from Emergency Contingency Reserve	21,674	14,637	36,311		36,311	
Total	1,273,481	434,241	1,707,722	1,787,960	(80,238)	-4%

Emergency Contingency Reserve Fund
(Dollars in thousands)

	Adopted FY07/08			Adopted FY08/09			Proposed 09/10		
	Countywide	UMSA	Total	Countywide	UMSA	Total	Countywide	UMSA	Total
Revenues:									
Transfer from Countywide									
General Fund	\$21,567	\$1,000	\$22,567	\$1,928	\$0	\$1,928	\$0	\$0	\$0
Carryover	\$59,994	\$2,037	\$62,031	\$67,640	\$3,076	\$70,716	\$70,000	\$3,137	\$73,137
Interest Earnings	\$2,400	\$81	\$2,481	\$1,515	\$69	\$1,584	\$1,750	\$79	\$1,829
Subtotal	\$83,961	\$3,118	\$87,079	\$71,083	\$3,145	\$74,228	\$71,750	\$3,216	\$74,966
Transfers out:									
To support capital projects in the Capital Outlay Reserve							(\$21,674)		(\$21,674)
To offset the liquidation of the receivable booked in anticipation of mitigation payments now terminated							(\$11,421)	(\$3,216)	(\$14,637)
Subtotal							(\$33,095)	(\$3,216)	(\$36,311)
Balance in Contingency Reserve Fund							\$38,655	\$0	\$38,655