

# **FY 2016 Final Supplemental**

September 28, 2016

Budget Office Work Session presented to the Clark County Council

# Agenda

- Review supplemental purpose, guiding principles and process
- Departmental requests
- County Manager recommendations
- Questions and Council feedback

# Purpose

- Make final adjustments to the current 2015-2016 budget (e.g. technical corrections, final revenue forecast updates).
- Recognize new budget-neutral items (e.g. grants, reimbursable work).
- Address critical items only.

# Guiding Principles

- Maintain maximum financial flexibility to react to changing circumstances.
- Preserve current service levels.
- Follow the current plan for fund balance stability.

# Evaluation Criteria

- Based on feedback from a focus group held in July 2016 with budget users, evaluation / scoring criteria were developed to increase transparency and quality of recommendations.
- The Finance Team used these criteria to evaluate and score new funding requests; this excludes required items, technical corrections, revenue forecast updates, and budget neutral items such as grants or pass-through funds.

# Evaluation Criteria for New Requests

	IF FUNDED...	Rating Scale (1 to 3)
<b>Liability / risk / safety</b>	...is there avoidance or reduction of liability / risk with respect to infrastructure failure, operations continuity, or legal compliance /mandate?	<b>3 =High; 2 = Medium; 1 = Low/None</b>
<b>Positive impact for citizens</b>	...will there be significant value for county residents and service delivery? Is there alignment with county strategic plan, results and priorities?	<b>3 =High; 2 = Medium; 1 = Low</b>
<b>Efficiency gains</b>	...will there be long-term cost containment? Will there be revenue enhancement or leveraged funding?	<b>3 =High; 2 = Medium; 1 = Low/None</b>
<b>Workforce engagement and contributions</b>	... what is the impact on county employees (e.g. training, workforce planning, benefits, personal safety and welfare, morale, etc)	<b>3 = Positive impact; 2 = No impact; 1 = Negative impact</b>

# Process & Timelines

**Sept 2 2016**  
Department  
submissions due

**Sept 28 2016**  
Council Work Session

**Oct 11 2016**  
Notice of Public  
Hearing

**Sept 6-15 2016**

- Budget Office review
- Finance Team / County Manager review and form recommendations

**Oct 5 2016**  
Materials ready for  
public hearing request

**Oct 25  
2016**  
Public  
Hearing

# Requests Overview

A total of 51 budget requests were received. Requests were primarily related to:

- Infrastructure major maintenance and replacement
- Maintaining current service levels
- Safety and security
- Updating revenue forecasts and existing expenditure allocations
- Recognizing grant proceeds

# General Fund Recommendations

- **Total:** \$2.8 million
  - Ongoing: \$0.1 million
  - One-time: \$2.7 million
- All General Fund requests are recommended for funding, with a modification to Sheriff's overtime package SHR-04, which is recommended for funding one-time only for \$0.5 million; funds will be placed in contingency and disbursed as needed at year end.
- Requests are funded using additional revenue above forecast; majority of the revenue above forecast is one-time due to a technical adjustment recognizing criminal justice and 0.4% optional sales tax revenues that were earned but not received until the first two months of the subsequent year.

# General Fund 2015-2016 Budget Available Fund Balance Overview (target: \$23 million)

	Available fund balance
Jan 1, 2015 starting point	25,221,466
Not available (dedicated Sheriff funds)	(417,881)
Not available (permanent reserve sales tax)	(743,490)
Budgeted fund balance use	(3,549,752)
Anticipated expense savings	1,200,000
Final 2016 supplemental revenue forecast update	5,913,095
Final 2016 recommended packages	(2,836,863)
Dec 31, 2016 ending balance	24,786,575

## General Fund Requests: Already approved by Council

Package number	Full title	2015-2016 Change in Fund Balance
<b>ITS-03</b>	IT position changes	\$ 23,300
<b>ITS-04</b>	Approve the shift in headcount between Assessor's Office and IT	\$ -
<b>PAT-01</b>	Foster Pepper Invoices	\$ (85,000)

## General Fund Requests: Required

Package number	Full title	2015-2016 Change in Fund Balance
<b>BGT-01</b>	Retirement reserve program medical costs	\$ (200,000)
<b>BGT-02</b>	Update General Fund sales tax revenues	\$ 4,693,454
<b>BGT-03</b>	Update miscellaneous General Fund revenues	\$ 1,219,640
<b>GEN-16</b>	Indigent Defense Supplemental	\$ (995,000)
<b>PWK-06</b>	Request to add budget to General Fund Parks Maintenance for reimbursement on emergency expenses incurred in 2016.	\$ (8,333)

## General Fund Requests: Budget neutral / technical adjustments

Package number	Full title	2015-2016 Change in Fund Balance
<b>ACT-01</b>	Recognize ASPCA Grant Revenue and Authorize Associated Spending Authority	\$ -
<b>ASO-01</b>	Reverse Readopt Package Consolidating Tech Reserve Funds	\$ -
<b>BGT-04</b>	Update and distribute General Fund payroll contingency reserves	\$ (2,189,918)
<b>CRR-01</b>	Washington Traffic and Safety Committee (WTSC) State Impaired Driving Grant	\$ -
<b>GEN-10</b>	Water and Sewer cost	\$ -
<b>GEN-13</b>	Correct Telecom Expenses	\$ -
<b>JUV-02</b>	Office of Juvenile Justice Federal Grant Increase	\$ -
<b>JUV-03</b>	Accept \$22,000 Office of Juvenile Justice Federal Grant (JDAI)	\$ -
<b>JUV-04</b>	Office of Juvenile Justice Federal Grant to Reduce Racial and Ethnic Disparities at Arrest and Referral	\$ -
<b>SHR-02</b>	2016-17 Sex Offender Address and Residency Verification Grant	\$ -
<b>SHR-03</b>	2016 PacifiCorp Lakes Patrol Contract Extension	\$ -
<b>TRS-01</b>	Transfer Budget Capacity from Department 171 to Department 170	\$ -

## General Fund Requests: Recommended

Package number	Full title	2015-2016 Change in Fund Balance
<b>GEN-09</b>	County-Wide Services	\$ (142,500)
<b>GEN-18</b>	Clark County Campus Security	\$ (54,250)
<b>ITS-01</b>	Budgeting software system	\$ (235,880)
<b>ITS-02</b>	Network Performance Remediation	\$ (639,200)
<b>SHR-04</b>	Enforcement Overtime Adjustment	\$ (500,000)

There were no requests deemed “Not Recommended” for the General Fund.

## All Other Funds Requests: Already approved by Council

Package number	Fund	Full title	2015-2016 Change in Fund Balance
<b>GEN-01</b>	1003	Fairgrounds Fire Station Remodel	\$ -
	5193	Fairgrounds Fire Station Remodel	\$ -
<b>GEN-02</b>	3083	Heritage Farm LID parking lot additional funding	\$ (60,000)
	5193	Heritage Farm LID parking lot additional funding	\$ -
<b>GEN-03</b>	3083	Replacement of Jail Sally Port Doors	\$ (15,764)
	5193	Replacement of Jail Sally Port Doors	\$ -
<b>GEN-04</b>	5193	Public Works Major Maintenance Reserve Project	\$ (100,000)
<b>GEN-05</b>	1027	Repair of the Dolle Building Sewer Line	\$ (19,928)
	5193	Repair of the Dolle Building Sewer Line	\$ -
<b>GEN-06</b>	3083	Emergency Repair of the CRESA Emergency Generator	\$ (18,005)
	5193	Emergency Repair of the CRESA Emergency Generator	\$ -
<b>GEN-08</b>	1027	VA Lease and Tenant Improvements	\$ (100,000)
	5193	VA Lease and Tenant Improvements	\$ -
<b>ITS-03</b>	5092	IT position changes	\$ (7,300)
<b>JUV-01</b>	1033	Two new Juvenile Services Association positons	\$ (69,986)
<b>PBH-01</b>	1025	Mental Health Sales Tax Fund (Fund 1033) fund balance support of Public Health's Nurse-Family Partnership Program	\$ 1,100,000
	1033	Mental Health Sales Tax Fund (Fund 1033) fund balance support of Public Health's Nurse-Family Partnership Program	\$ (1,100,000)
<b>PWK-01</b>	1012	Reclassification of Administrative Assistant (APW0008) to Office Manager	\$ (23,397)

## All Other Funds Requests: Required

Package number	Fund	Full title	2015-2016 Change in Fund Balance
<b>BGT-05</b>	1011	Update payroll contingency reserves for all other funds	\$ (300,000)
	1018	Update payroll contingency reserves for all other funds	\$ (45,000)
	1022	Update payroll contingency reserves for all other funds	\$ (40,000)
	1025	Update payroll contingency reserves for all other funds	\$ (750,000)
	1032	Update payroll contingency reserves for all other funds	\$ (640,000)
	1932	Update payroll contingency reserves for all other funds	\$ (10,000)
	1934	Update payroll contingency reserves for all other funds	\$ (14,000)
	1936	Update payroll contingency reserves for all other funds	\$ (23,000)
	1939	Update payroll contingency reserves for all other funds	\$ (23,000)
	1952	Update payroll contingency reserves for all other funds	\$ (200,000)
	5040	Update payroll contingency reserves for all other funds	\$ (110,000)
	5043	Update payroll contingency reserves for all other funds	\$ (14,000)
	5091	Update payroll contingency reserves for all other funds	\$ (170,000)
	5093	Update payroll contingency reserves for all other funds	\$ (220,000)

## All Other Funds Requests: Required

Package number	Fund	Full title	2015-2016 Change in Fund Balance
<b>BGT-01</b>	5044	Retirement reserve program medical costs	\$ 200,000
<b>BGT-02</b>	1030	Update General Fund sales tax revenues	\$ 48,132
<b>BGT-06</b>	1033	Update non-General Fund major tax revenues	\$ 2,062,525
	3056	Update non-General Fund major tax revenues	\$ 3,505,309
	3083	Update non-General Fund major tax revenues	\$ 3,505,309
<b>GEN-07</b>	3083	Jail Work Center Condensing Unit	\$ (24,450)
	5193	Jail Work Center Condensing Unit	\$ -
<b>GEN-11</b>	1003	Event Center Increased Expenditures	\$ (71,166)
<b>GEN-12</b>	5040	General Liability Increase Expenditure Authority	\$ (650,000)
<b>PWK-06</b>	1032	Request to add budget to General Fund Parks Maintenance for reimbursement on emergency expenses incurred in 2016.	\$ -

# All Other Funds Requests: Budget Neutral / Technical Adjustments

Package number	Fund	Full title	2015-2016 Change in Fund Balance
<b>ASO-01</b>	3194	Reverse Readopt Package Consolidating Tech Reserve Funds	\$ -
<b>CJC-01</b>	1018	Victim Advocate (Budget Neutral)	\$ 6,470
<b>GEN-10</b>	5093	Water and Sewer cost	\$ -
<b>PAT-02</b>	1022	Add a grant funded revenue position to fund 1022 Victim Assistance	\$ -
<b>PWK-02</b>	3055	Request budget authority to close out Fund's 3069, 3175, and 3180	\$ 200
	3061	Request budget authority to close out Fund's 3069, 3175, and 3180	\$ 365,000
	3069	Request budget authority to close out Fund's 3069, 3175, and 3180	\$ (365,000)
	3175	Request budget authority to close out Fund's 3069, 3175, and 3180	\$ (100)
	3180	Request budget authority to close out Fund's 3069, 3175, and 3180	\$ (100)
<b>PWK-03</b>	3055	Request budget authority for our Park Impact Fee districts	\$ 570,000
	3277	Request budget authority for our Park Impact Fee districts	\$ (70,000)
	3278	Request budget authority for our Park Impact Fee districts	\$ (200,000)
	3280	Request budget authority for our Park Impact Fee districts	\$ (300,000)
<b>SHR-01</b>	6315	2016 Justice Assistance Grant	\$ -
<b>TRS-02</b>	3194	Adjust Budget Capacity for Joint Lobby Point of Sale Project	\$ -

# All Other Funds Requests: Recommended

Package number	Fund	Full title	2015-2016 Change in Fund Balance
<b>GEN-15</b>	4008	Increase Expenditure and Revenue Budget for Tri Mountain Golf Course	\$ 110,000
<b>GEN-17</b>	3083	Allocate REET II for Facilities Maintenance	\$ (50,000)
	5093	Allocate REET II for Facilities Maintenance	\$ -
<b>ITS-01</b>	3194	Budgeting software system	\$ -
<b>ITS-02</b>	1003	Network Performance Remediation	\$ (6,240)
	1011	Network Performance Remediation	\$ (42,320)
	1012	Network Performance Remediation	\$ (84,640)
	1017	Network Performance Remediation	\$ (5,360)
	1018	Network Performance Remediation	\$ (8,880)
	1025	Network Performance Remediation	\$ (36,240)
	1935	Network Performance Remediation	\$ (20,960)
	3194	Network Performance Remediation	\$ -
	4014	Network Performance Remediation	\$ (7,600)
	4420	Network Performance Remediation	\$ (8,480)
	4580	Network Performance Remediation	\$ (4,880)
	5006	Network Performance Remediation	\$ (6,720)
	5040	Network Performance Remediation	\$ (2,640)
	5091	Network Performance Remediation	\$ (6,240)
	5092	Network Performance Remediation	\$ (11,600)
	5093	Network Performance Remediation	\$ (8,000)
<b>PBH-02</b>	1025	Funding Adjustments	\$ 22,056
<b>PWK-05</b>	1012	Purchase an Asphalt Float Attachment for the skid steer loader	\$ (17,785)
	5091	Purchase an Asphalt Float Attachment for the skid steer loader	\$ -

## All Other Funds Requests: Budget intervention

Package number	Fund	Full title	2015-2016 Change in Fund Balance
<b>GEN-14</b>	3056	Allocate REET I for Facilities Maintenance	\$ (859,967)
	5093	Allocate REET I for Facilities Maintenance	\$ 859,967

There were no requests that were deemed “Not recommended” for all other funds.

# Next Steps

- Questions / discussion
- Council feedback
- Hearing materials to be finalized by Monday October 3<sup>rd</sup>
- Public hearing notice October 11
- Public Hearing October 25