

**FLAGLER COUNTY BOARD
OF COUNTY COMMISSIONERS
Budget Overview - April 24, 2013**





Budget Timeline Milestones

- June 1 - Preliminary Tax Rolls
- July 1 - Final Tax Rolls
- July 15 – County Admin Budget
- August 5 – Adoption Trim
- September - Budget Adoption



Budget Workshops

- April 24 – BOCC Kick Off
- May - 13th and 29th
- June – 17th
- July -16th and 29th (TRIM)
- August 12th and 26th
- September 5th (1st) & 19th (2nd)



Overview

- ❑ Not in Dire Straits/Not Crisis – New Adjustments
(Revenues/Expenditures/Reserves-Rollover)
- ❑ Cost to Provide Services Properly
- ❑ Operating Revenues versus Operating Expenditures
- ❑ Organization - Change/ New Normal
- ❑ Being Proactive – Make Tough Decisions Now



Overview

- ❑ Focus on General Fund
 - ❑ Information over time -- Cloudy to Clear
 - ❑ Staff is focused on getting everything Together (1 down)
 - ❑ Your Process – Workshops – One-on-one - Constitutionals
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Background



Drop in Property Valuation

- **07-08 Taxable Value \$12,184,917,324**
- **08-09 Taxable Value \$11,200,626,942**
- **09-10 Taxable Value \$9,452,067,430**
- **10-11 Taxable Value \$7,667,193,838**
- **11-12 Taxable Value \$6,563,932,871**
- **12-13 Taxable Value \$6,153,800,977 6% valuation**
Over 49.5% decrease in 5 yrs.

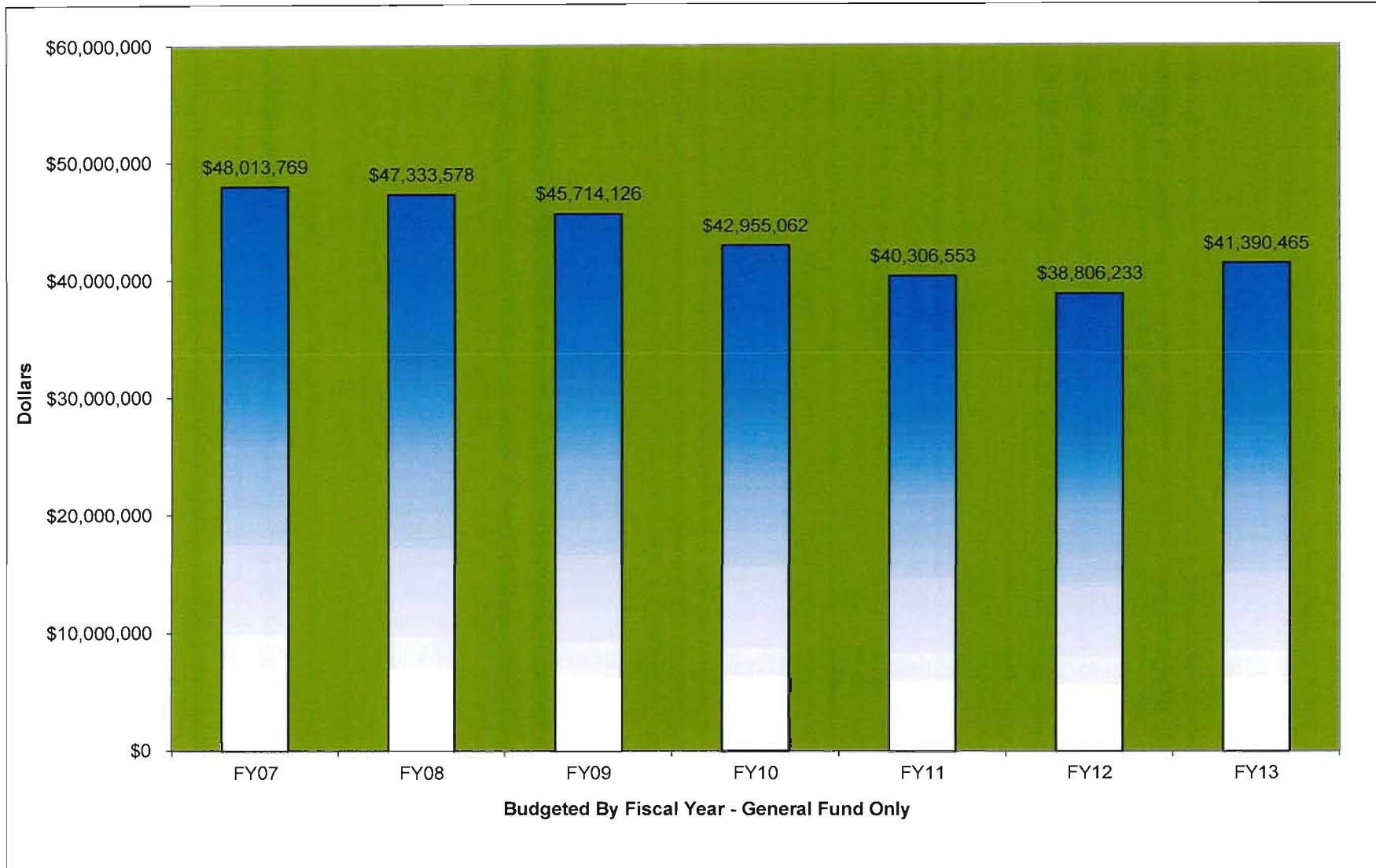


2013-14 Valuation

Estimated to be Flat this year

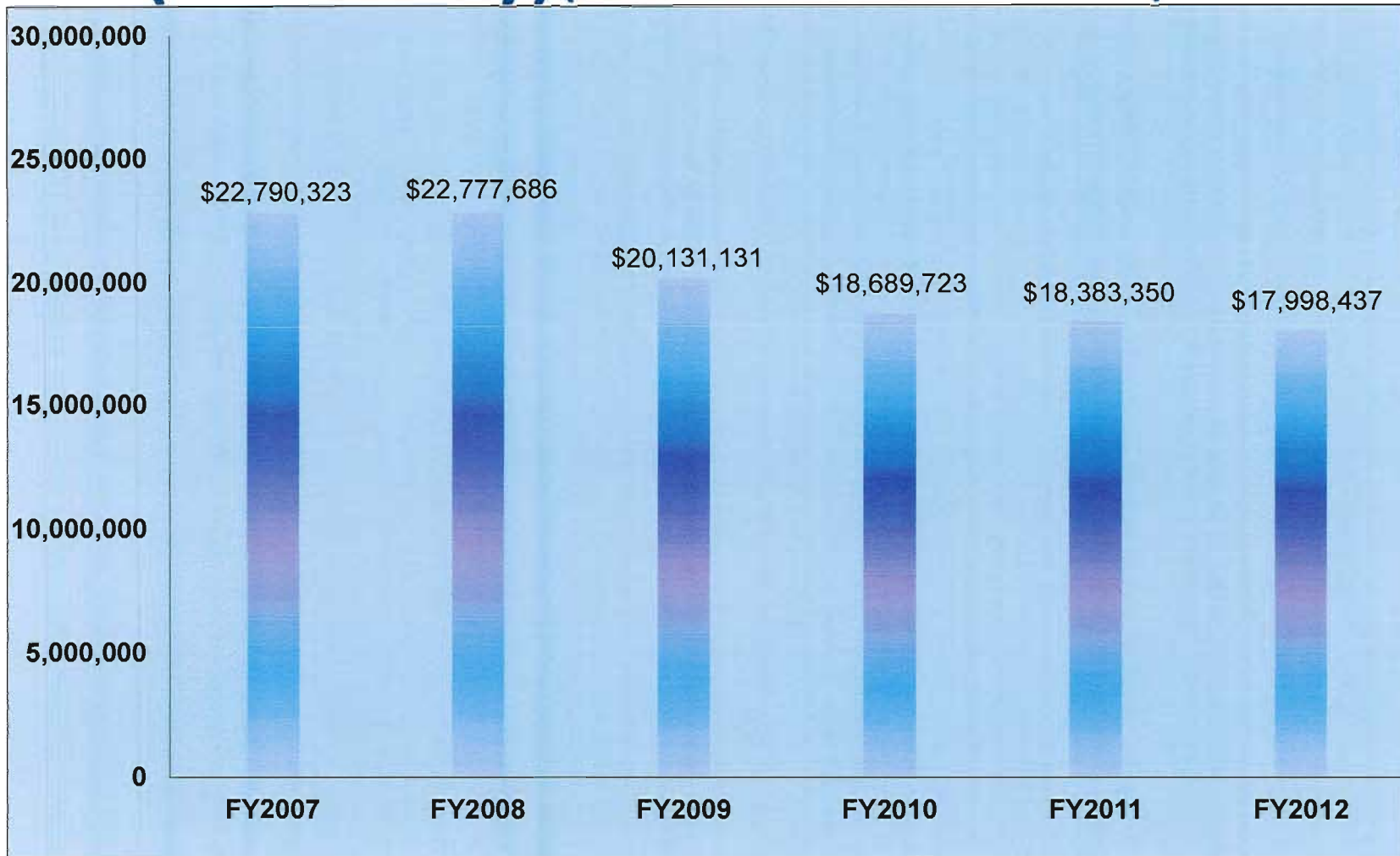
Even if a 1% increase, it would
only generate approximately
\$435,000

Property Taxes (Less the 5% Statutory Reduction)





County Personnel Services (BOCC Only)(4.8 Million Per Year)





Employee Impact Discussion

Employee Salary Ranges

<u>Salary Range</u>	<u>Number of Full Time Employees</u>
Under \$20,000	23
\$20,000 to \$30,000	59
\$30,000 to \$40,000	56
\$40,000 to \$50,000	97
\$50,000 to \$60,000	21
\$60,000 to \$70,000	15
\$70,000 to \$80,000	8
\$80,000 to \$90,000	3
\$90,000 to \$100,000	2
Over \$100,000	5

**81% make
below
\$50,000
per year**

Based on 289 current full-time Employees

Pay Impact of CPI

Consumer Price Index

Year	Nation	South
2008	0.1%	0.0%
2009	2.7%	2.9%
2010	1.5%	1.4%
2011	3.0%	3.3%
2012	1.8%*	3.2%*
Total	9.1%	10.8%

* 2012 estimated CPI

The above CPI shows an estimated US City average for all Urban Consumers

Pay Decreases

Insurance Increases – Blue Choice

	<u>Employee Only</u>	<u>Employee plus One</u>	<u>Employee plus Family</u>	
2007-2008	No charge	\$74.60	\$198.19	included health, dental and vision
	<u>Employee Only</u>	<u>Employee plus Spouse</u>	<u>Employee plus Children</u>	<u>Employee plus Family</u>
2008-2009	No charge	\$97.79	\$77.61	\$201.18
<i>Percent of Increase</i>	<i>0.00%</i>	<i>31.09%</i>	<i>4.03%</i>	<i>1.51%</i>
2009-2010	No charge	\$97.79	\$77.61	\$201.18
2010-2011 Blue Choice	\$54.95	\$193.76	\$143.48	\$326.92
<i>Percent of Increase</i>	<i>100.00%</i>	<i>98.14%</i>	<i>84.87%</i>	<i>62.50%</i>
2011-2012 Blue Choice	\$54.95	\$193.76	\$143.48	\$326.92

Pay Decreases (FRS)

FRS Employee Pre-Tax Contribution

	3% annual
\$20,000.00	\$540.00
\$22,500.00	\$607.50
\$25,000.00	\$675.00
\$30,000.00	\$765.00
\$35,000.00	\$892.50
\$40,000.00	\$1,020.00
\$45,000.00	\$1,147.50
\$50,000.00	\$1,275.00
\$55,000.00	\$1,402.50
\$60,000.00	\$1,530.00

From FRS Paycheck Calculator

Based on Federal Marital Status – Married.

<http://www.myfrs.com/imageserver/pay-calculator/Take-home-pay-calculator.htm>

Cumulative Employee Impacts

Average Salary	CPI	Insurance	Insurance Plan Changes	FRS	Total Decrease
\$20,000.00	9.30%	3.90%	12.35%	3.00%	15.90%
	\$1,860.00	\$780.84	\$2,470.00	\$540.00	\$16,819.16
\$25,000.00	9.30%	3.12%	9.88%	3.00%	15.12%
	\$2,325.00	\$780.84	\$2,470.00	\$675.00	\$21,219.16
\$30,000.00	9.30%	2.60%	8.23%	3.00%	14.45%
	\$2,790.00	\$780.84	\$2,470.00	\$765.00	\$25,664.16
\$35,000.00	9.30%	2.23%	7.06%	3.00%	14.08%
	\$3,255.00	\$780.84	\$2,470.00	\$892.50	\$30,071.66
\$40,000.00	9.30%	1.95%	6.18%	3.00%	13.80%
	\$3,720.00	\$780.84	\$2,470.00	\$1020.00	\$34,5479.16
\$45,000.00	9.30%	1.74%	5.49%	3.00%	13.59%
	\$4,185.00	\$780.84	\$2,470.00	\$1,147.50	\$38,886.66

Also, this information does not include the suspension of the Merit/Performance program in 2008!
 Not including normal withholdings of FICA, Social Security Tax, Medicare, etc.



Capital Project Discussion

Deferred Capital Projects/Equipment Needed Now – Not in FY 2012/13 Budget

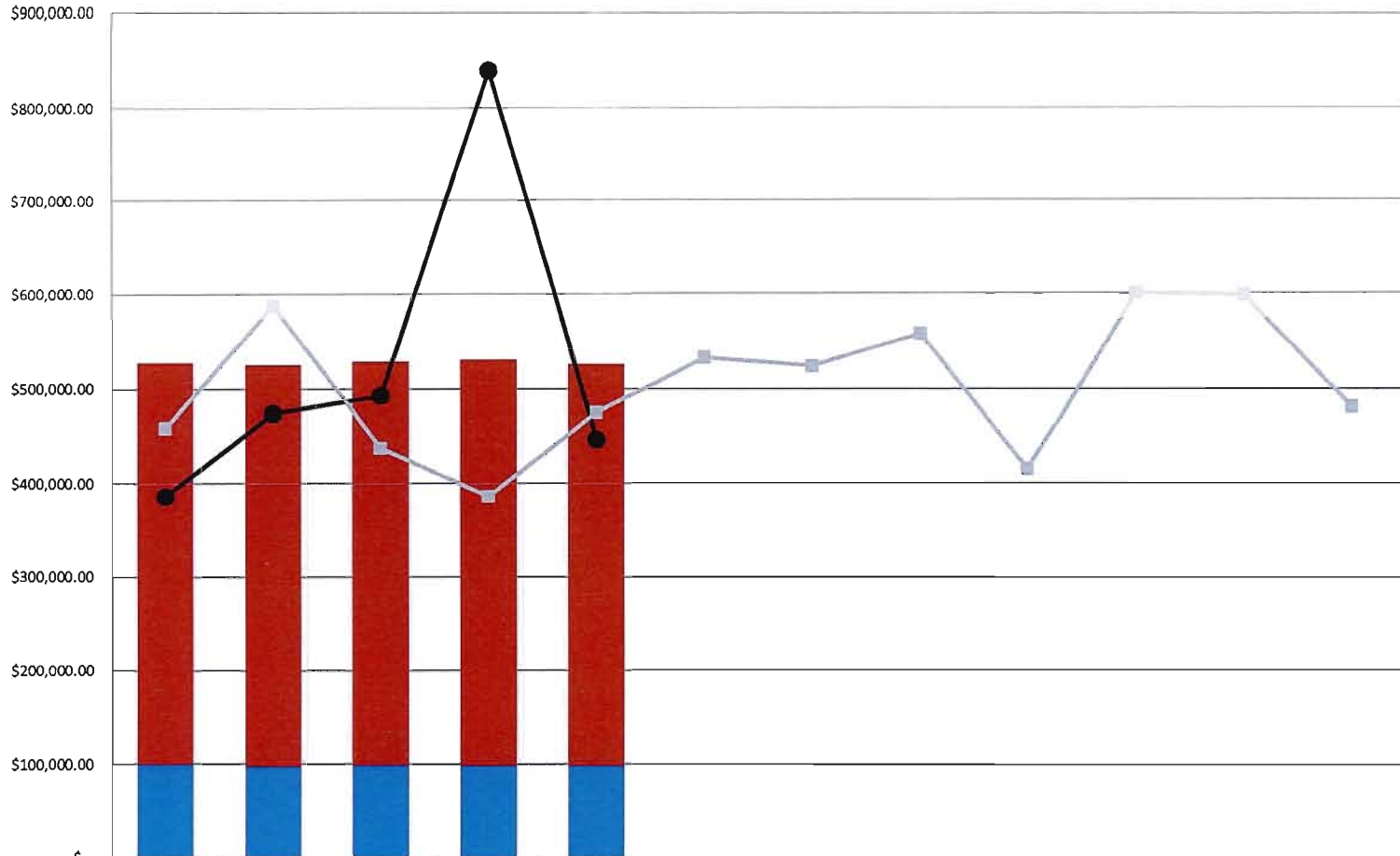
Item	Amount	June 11 Decision
• <i>Remainder of Jail Design</i>	\$250,000	Defer
• Soccer Parking on Roberts Road	\$110,000	Defer
• Betty Steflik Board Walk	\$ 50,000	Defer
• Inmate Facility Repairs	\$150,000	Defer
• Equestrian Pedestrian Bridge Repair	\$ 40,000	Defer
• Skateboard Park Rehab	\$120,000	Defer
• Regular Roof Replacements	\$130,000	\$100,000
• Equipment Ambulance	\$180,000	Defer
• Regular HVAC Replacements	<u>\$ 70,000</u>	<u>\$ 60,000</u>
Total	\$1,100,000	\$160,000

Every year there is at least \$500,000 in maintenance and replacement type Capital Projects/Equipment that we need to be doing as a County.



Health Insurance

Expense versus Funding

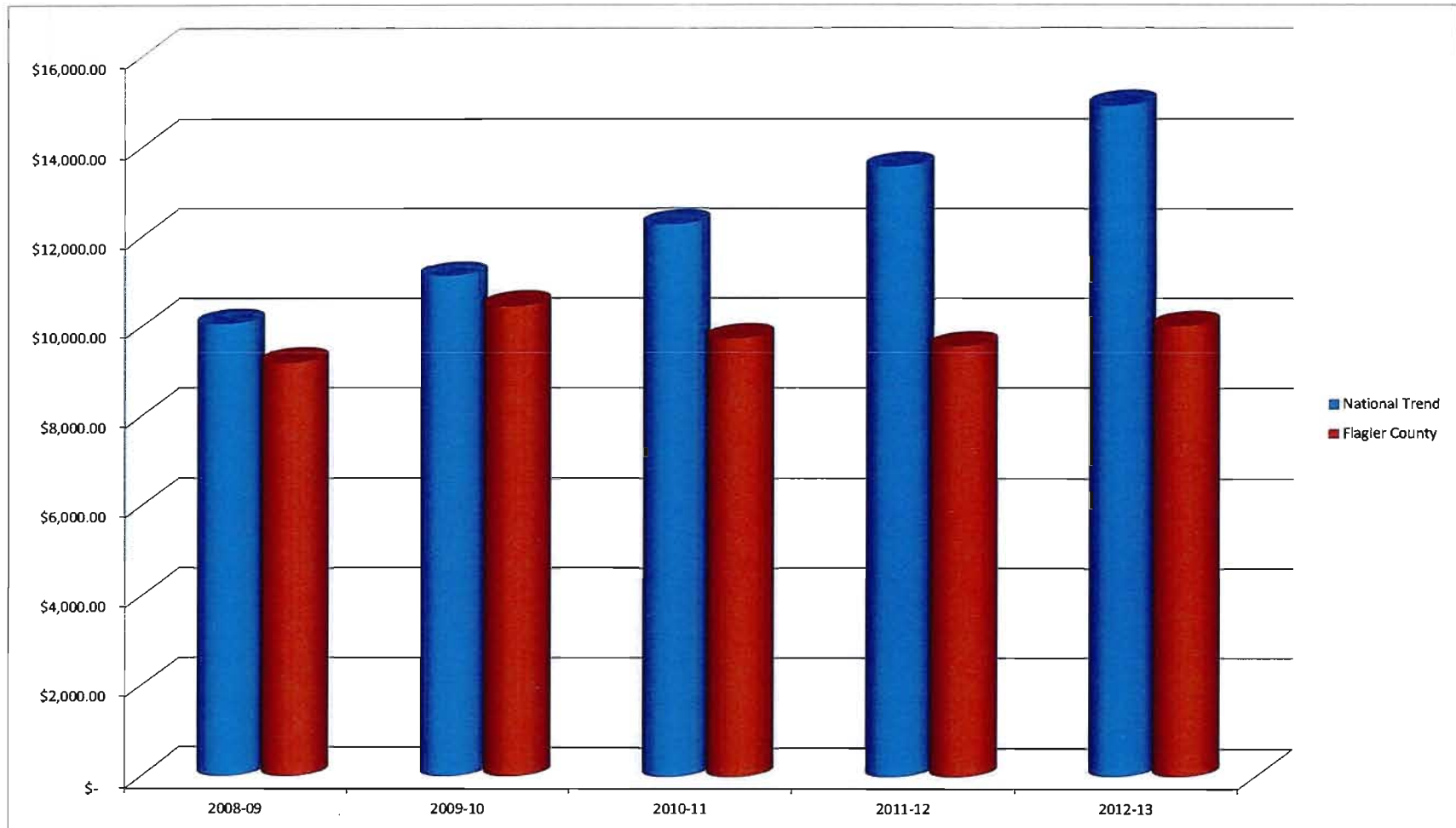



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2012-13 County Funding	\$427,452.06	\$426,760.39	\$429,527.07	\$432,293.75	\$426,760.39							
2012-13 Employee Contributions	\$100,022.65	\$98,230.69	\$99,003.14	\$98,347.89	\$98,783.05							
2012-13 Total Expenses	\$386,033.80	\$473,762.89	\$492,593.30	\$839,558.15	\$446,426.84							
2011-12 Total Expenses	\$458,717.05	\$588,181.35	\$437,723.49	\$386,195.75	\$475,177.84	\$532,829.77	\$523,973.89	\$557,993.86	\$415,218.36	\$600,176.00	\$598,101.98	\$481,835.28

Flagler County

Medical and Rx Plan Costs Compared to National Average

The following trend analysis combines national averages and trends compiled from Segal Health Trend Surveys. Flagler County's annual costs analysis information includes total average administrative fees, reinsurance premiums and claims costs.





Since 2010 Health Care Reform has impacted our Health Plan. Each year the Health Plan is responsible for including and paying for more services at 100% of the cost. There is no cost sharing for the member for these services.

- Wellness and Preventative Services covered at 100%
- Vaccinations covered at 100%
- Birth Control covered at 100%
- Colonoscopy's covered at 100%
- Mammograms covered at 100%
- Some prescriptions covered at 100%
- Screening for many diseases and conditions
 - HIV, Sexually Transmitted Infections, Blood Pressure, Cholesterol, Obesity, Diabetes, etc.
- Covered Preventive Services for Women, including Pregnant Women (Effective August 1, 2012)
- Preventive Services for Children

In 2014 additional Health Care Reform Requirements include:

- Pre-Existing conditions will be covered
- Employers must offer “affordable” coverage to all full-time employees working more than 30 hours per week. Flagler County currently meets the definition of having “affordable coverage” .
- Individuals must obtain health insurance coverage or pay a penalty. Flagler County could be impacted by this provision if there are employees/members who had previously waived health insurance coverage ,who will add coverage to be able to avoid the penalty.
- Additional fees required to be paid to federal government totaling \$65 per MEMBER (including spouses and children) per year. **Approximately \$100,000.00 paid to the Federal Government**

Blue Choice Plan	
Employees Enrolled	368
Total Employees and Dependents	850
Employee Funding	\$780,256.32
County Funding	\$3,062,714.76
Total Estimated Funding	\$3,842,971.08
Claims 1/1/12 -12/31/12	\$3,687,646.00
Health Care Reform Fees (estimated)	\$55,250.00
Stop Loss (estimated)	\$360,509.04
ASO fees (estimated)	\$223,614.00
Total Estimated Costs	\$4,327,019.04
Difference in Funding vs. Cost	-\$484,047.96
Percentage of Difference	-11.19%

Blue Options Plan	
Employees Enrolled	268
Total Employees and Dependents	642
Employee Funding	\$300,159.24
County Funding	\$2,224,410.72
Total Estimated Funding	\$2,524,569.96
Claims 1/1/12 -12/31/12	\$1,336,904.47
Health Care Reform Fees (estimated)	\$41,730.00
Stop Loss (estimated)	\$252,256.32
ASO fees (estimated)	\$162,408.00
Total Estimated Costs	\$1,793,298.79
Difference in Funding vs. Cost	\$731,271.17
Percentage of Difference	40.78%

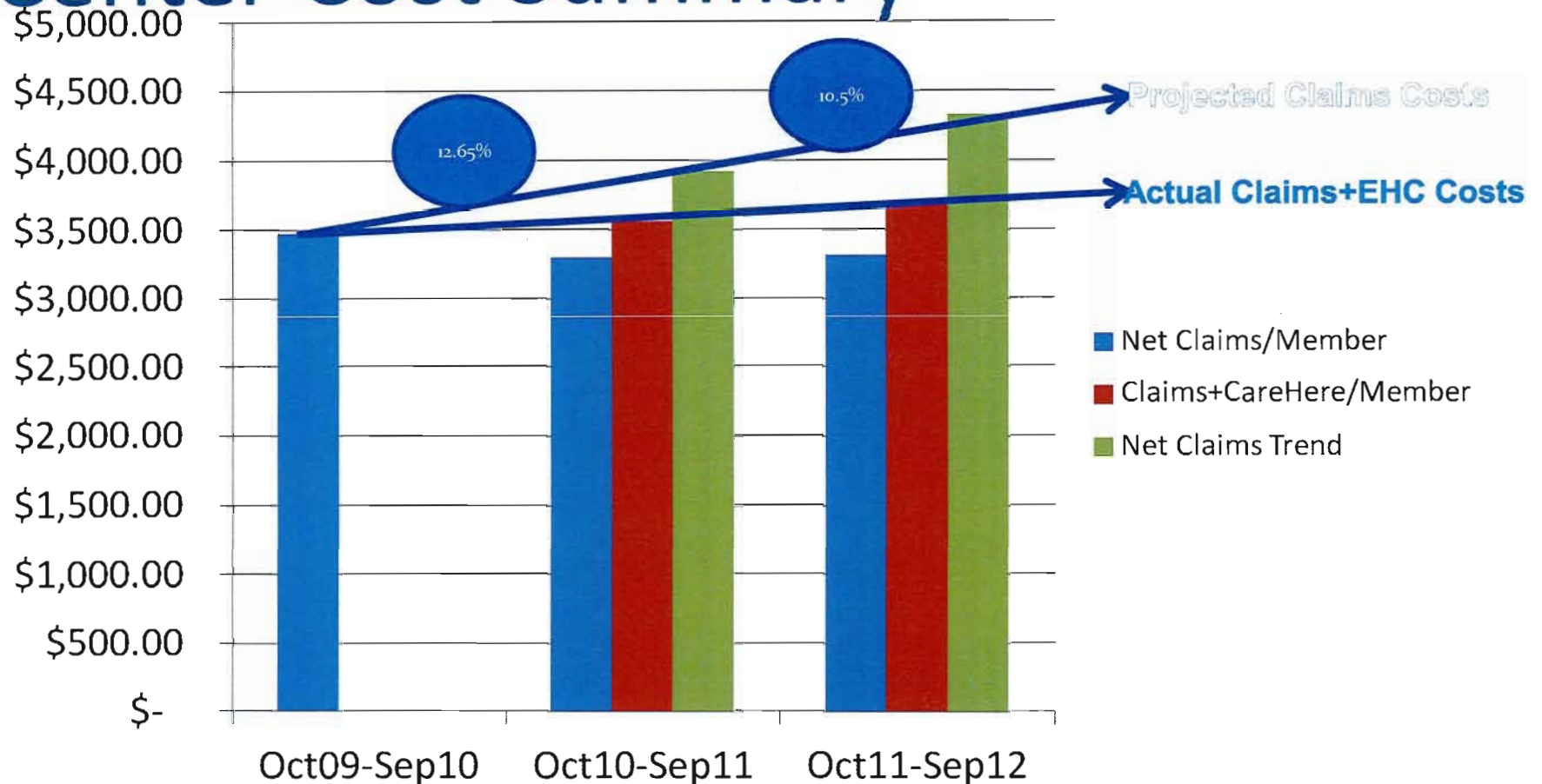


- Employee Health Clinic

2012 Costs: \$498,932.67

2013 Estimated Costs: \$523,312.30

Health Plan + Employee Health Center Cost Summary



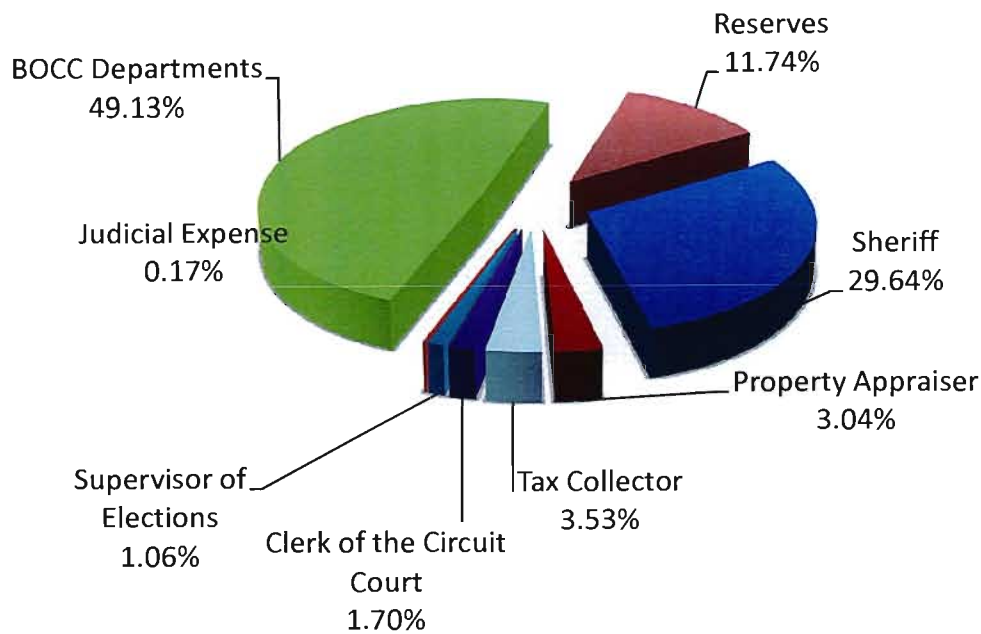
Implementation of the EHC has decreased Health Plan claims costs and reduced trend to normal annual inflation range of 3%



Sustainment Discussion



General Fund



Expenses

Sheriff	\$	19,323,890
Property Appraiser		1,980,705
Tax Collector		2,300,000
Clerk of the Circuit Court		1,107,864
Supervisor of Elections		688,777
Judicial Expense		109,350
		<hr/>
		25,510,586
BOCC Departments		32,025,779
Reserves		7,651,423
		<hr/>
Total Expenses	\$	65,187,788

Actual Option Selected - Smaller Millage Increase/Medium Reserve Usage

General Fund Operational Revenues	\$50,500,000
Property Taxes 95% Roll Forward (\$38,805,000)	
Other Funding (\$ 10,310,000)	
One Time Funding (\$ 1,385,000)	
<u>Additional One time Funding (\$ 2,776,000)</u>	<u>+\$5,360,000</u>
	\$ 55,860,000
<u>New Ad Valorem 95% Roll Forward (\$ 2,584,000)</u> [40 mills 39.57 (40 cents per \$1,000)]	
General Fund Operational Expenses	\$55,150,000
Constitutional Officers & Judicial (\$24.5 Million)	
Board of County Commissioners (\$30.65 Million)	
<u>Budget Adjustments (Personnel/Other)</u>	<u>+\$ 710,000</u>
	\$ 55,860,000
Difference	\$ 0



Starting FY 2013/14

General Fund Operational Revenues	\$51,700,000
Same Property Taxes Generated 95% (\$41,390,000)	
Other Funding (\$10,310,000)	
General Fund Operational Expenses	<u>\$55,000,000</u>
Constitutional Officers & Judicial (\$24.50 Million)	
Board of County Commissioners (\$30.50 Million)	
Difference Start of Fiscal Year 13/14	(\$ 3,300,000)

Assumes No Other Changes



Major Budgetary Challenges

• Elections Equipment (2 years)	\$ 250,000
• Medicaid Match Increase	\$ 455,000
• Rebuilding Reserves	\$1,000,000
• Deferred Capital Projects/Equip.	\$ 750,000
• FRS Retirement Increase	\$ 870,000
• Health Insurance Increase	\$ 250,000
• Additional Positions	\$ 425,000
• Salary/Cost of Living Adjustment	\$ 750,000
• Miscellaneous Issues	<u>\$ 250,000</u>
Total Estimated Challenges	\$5,000,000



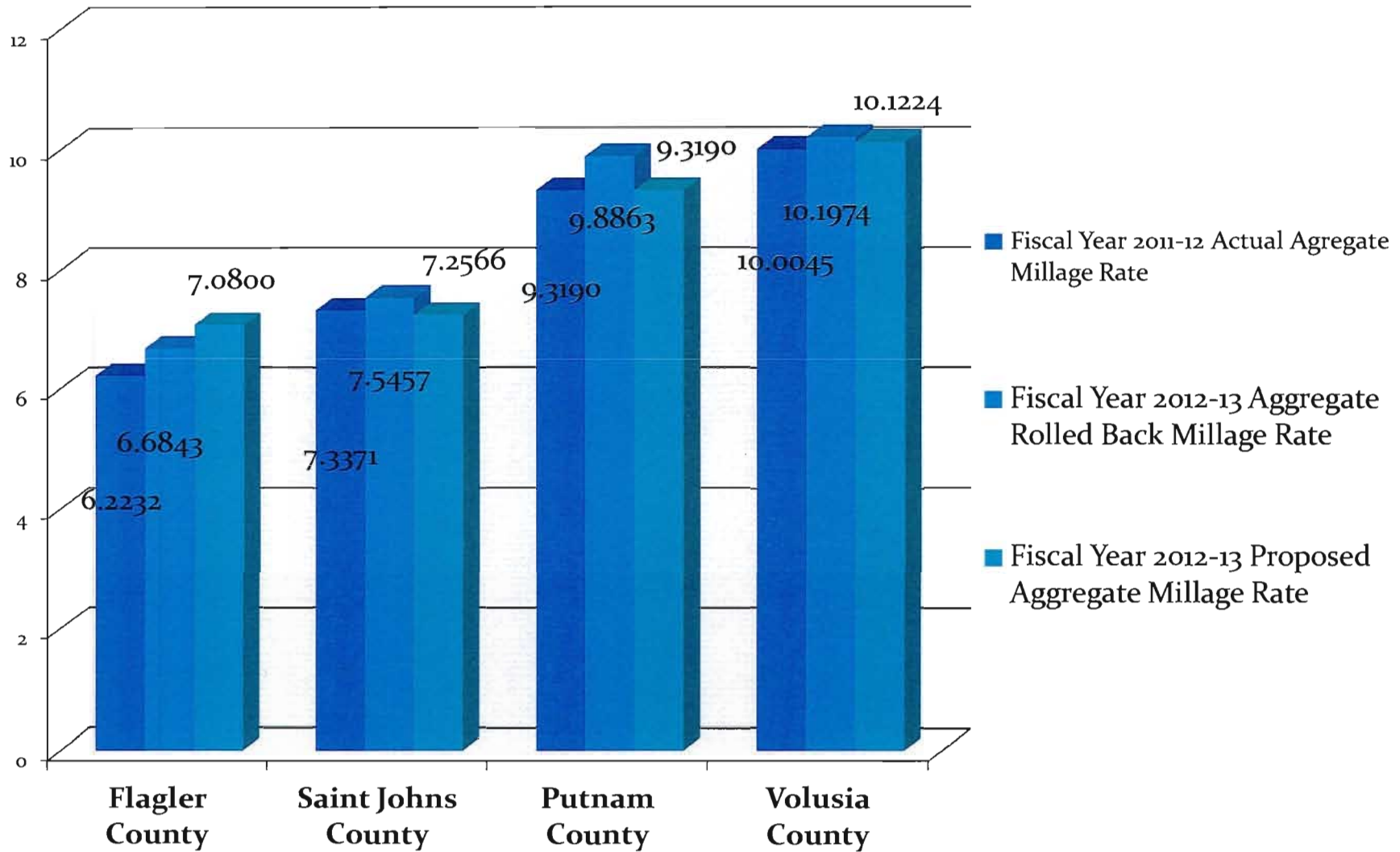
Closing the Gap

Additional Revenues

Cut Services/Reduce Expenses

Use of Reserves

Millage Rates





Closing the Gap

Additional Revenues

- Property taxes
 - Sales Taxes ($\frac{1}{2}$ Cent \$1,900,00)
 - Gas Taxes (Limited Benefit)
 - Special Districts(Same)
 - Increased Fees (Minor/Limit)
 - Electric Franchise (Approx. \$1 Million)
-



Closing the Gap

Additional Service Cuts

- Freeze New Capital Projects
 - Reduce Library Hours
 - Reduce Capital Equip
 - Eliminate Old Capital Projects
 - Few cuts – More Adds - Capital
-



Closing the Gap

Use of Reserves

Not an Option FY 2013-14



ESTIMATED VALUATION AT 100%

Valuation Currently = \$6,153,800,977

Each 1 cent millage =	\$ 61,500
Each 10 cents millage =	\$ 615,000
Each 50 cents millage =	\$3,075,000
Each \$1.00 cents millage =	\$6,150,000

*Increase in assessed value will increase slightly.

**By law we budget based on 95%; collection around 96%



Discussion Points

- Budget Process - Faster, Specific Information, anything Different ???
- Specific areas you want us to focus on ???
- Strategies/Ideas for Staff???