



AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC

WORK SESSION **X Meeting Date:** 10/13/2015

REGULAR AGENDA **Meeting Date:**

Required Originals Approved and Attached?

Will be provided on:

Item Summary:*

- | | | |
|---|---|---|
| <input type="checkbox"/> Call for Hearing | <input type="checkbox"/> Contract/Agreement/MOU** | Contract # |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Proclamation | <input checked="" type="checkbox"/> Budget Item |
| <input type="checkbox"/> Draft Ordinance | <input type="checkbox"/> Final Ordinance | <input type="checkbox"/> Other |
- Documents exempt from public disclosure attached:

Executive Summary:

The 2016 Recommended Budget is hereby presented for discussion as required by the Clallam County Home Rule Charter, and thus continues the budget adoption process that will next include the BOCC and Department Head individual meetings, and which result in a final public hearing, on Dec 1st and an adopted budget by December 08, 2015. General Fund Revenues are expected to rise to \$33,382,954 as we receive updated projections for Sale of County Timber, Property Taxes and new Grant income for 2016. Economic indicators for much of the Olympic Peninsula remain pretty optimistic. We are expecting only a small decrease in sales taxes, from the record amount collected in 2015, as the 2/10's reduction in the unincorporated portions of the county plays out, expecting that the increase in economic activity will largely offset the reduced collections and hoping that, by the end of the year, we might just be collecting more than ever. The latest information from the DNR projects an increase in public timber sales in our region, as the decadal arrearage solution starts to kick in. We are no longer budgeting for an automatic 1% increase in property taxes, but do expect that the new construction values will add a little to our property tax collections. On the expenditure side, this recommended budget makes good on the BOCC promise to use up most of our "excess" reserves, this year, to maintain a 40 hour work week for all full-time employees, to offset the reductions in sales tax collections until the improved economy makes it back, and to pay for as many "one-time" efficiency improving expenditures as the Department Heads can justify. Total General Fund Expenditures are recommended at \$36,112,320, including \$2,330,849 of departmental asks above what was already included in the roll-up budget. If this budget is ultimately approved by the BOCC, it will use \$2,729,366 in Reserves, leaving the ending fund balance at (a still very healthy) \$9,457,945. I am still working to get tentative approvals from both the City of Port Angeles and the City of Sequim on our proposal to consolidate misdemeanor criminal justice administration, which will have us increase our costs and our revenues almost equally, but will save both cities considerable expense, due to overall efficiency of operations. There will be changes in all of our budgets, if that agreement can be finalized before we make our budgets final.

The Road Department projects spending \$18,554,216 for 2016, against revenues of \$14,056,187, using \$4,498,029 of their reserves on 2016 projects and maintenance. The other major spending will finally be for the Carlsborg Sewer Project. We expect to start construction as early in the spring as possible, and hope to be finished by the end of the year, starting operation in 2017. Please review the attached budget schedule data and feel free to ask me, or our Budget Director, Debi Cook any questions.

* Submit original and 5 copies
 ** Submit 3 originals and 5 copies

Budgetary Impact : (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget Action is required, has it been submitted and a copy attached?**

This is the Administrator's Recommended Budget

Recommended Action : (Does the Board need to act? If so, what is the department's recommendation?)

Ask questions, review and prepare for Departmental meetings.

County Official Signature: _____



Date Submitted: 10/08/2015

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