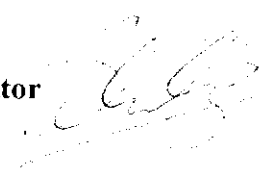


**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of Commissioners
FROM: Philip Morley, County Administrator
DATE: July 26, 2010
RE: Budget Update



STATEMENT OF ISSUE:

On July 26, staff will present an update on current financial projection for 2010 and a preliminary financial projection for 2011 and for 2012-2015.

ANALYSIS:

The national, state and local economies are affected by the most significant recession in a generation. This presents challenges to Jefferson County government to maintain important public services for the community at a time when resources are very limited.

This briefing is an initial report early in the 2011 budget process to identify the nature of the challenges we face, so that our citizens, elected officials, department directors, and staff can begin thinking about potential solutions.

Previous 2010 Budget Status Updates were presented to the Board of County Commissioners on March 22 and April 5, 2010. The presentation on April 5 concluded:

- At the end of March 2010 revenues were trending below expectations by about *\$260K at year's end*, led by lower sales tax, private harvest tax, and investment income. These reduced expectations in 2011 as well.
- Unbudgeted one-time revenues in 2010 appeared sufficient to retain our year-end fund balance goal, but raised questions about 2011.
- 2010 revenue projections were still very moveable.

Consequently, on April 5, staff recommended:

- Continue to monitor the budget carefully, month by month;
- Save where possible; pursue revenues;
- Be prepared. Develop strategies. Continue to work with all branches, departments and unions, as appropriate.
- Review 2011 revenue assumptions, and revise budget strategy leading into 2011 as appropriate.

- Strategize our **known 2012 funding gap** that requires \$800K in additional General Fund service cuts &/or new revenues.
- Grow the future. Continue our emphasis on strengthening economic development in Jefferson County.

Subsequent actions by the County since April have followed these recommendations. The July 26 updated budget projections provide important information about our budget status, and support the work to develop appropriate financial strategies for Jefferson County government.

FISCAL IMPACT:

No direct impact from this briefing. Revenues and expenditures will be balanced for budget years 2010 and 2011.

RECOMMENDATION:

Consider these most recent financial projections for 2010, 2011 and beyond to develop and execute appropriate fiscal strategies in concert with adopting 2011 Budget Goals and Objectives.

REVIEWED BY:



County Administrator Date