

COUNTY COMMISSION INFORMATIONAL BRIEFING

Title: Third Quarter Budget Update

COMMISSION MEETING DATE: October 17, 2023

REQUESTING DEPARTMENT OR AGENCY: County Administration

CONTACT PERSON: Phillip Smith-Hanes

1. Description of Issue

Review of County budget performance, January 1, 2023, through September 30, 2023.

2. Discussion of Issue

The County Administrator reviewed both revenues and expenditures through September 30 for the seven County funds which levy a property tax (General Fund, Road & Bridge Fund, Noxious Weed Fund, Employee Benefits Fund, Health Department Fund, Special Road Fund, Special Bridge Fund), and compared those revenues and expenditures against the same period for the prior year (2022). Also reviewed were current-year revenues and expenditures for all Fire Districts.

Overall, revenues are doing quite well compared to both budget and the prior year's performance, but expenditures are up as well when compared to the prior year.

Within the General Fund, five departments have expended in excess of 75% of their budgets – County Attorney and Courts (which was anticipated based on the case backlogs and new judges), Emergency Management (which is related to a grant that was paid from the operating budget), Expo and Senior Services (both of which make sense based on increased usage of their respective facilities). For the General Fund as a whole, there is no concern about exceeding expenditure budgets, while revenues are at 102% of estimates. It should be noted, as mentioned previously, that revenues are slowing in the Register of Deeds and Planning offices, while sales tax continues to come in strong and interest income is up by more than four times last year's amount.

While the same general trends of increased expenditures hold true for Road & Bridge, Noxious Weed and the fire districts, expenditures in those funds are less than 75% of budget through the first three quarters. The only area noted for concerns was in contract hauling in Road & Bridge, which is up dramatically from the prior year and above budget. This line was increased for 2024, but staff will need to continue monitoring it for future increases.

The one fund where expenditures are above 75% of budget is the Health Department. This was noted as a concern at the time of the mid-year report in July as well. Consistent with that prior discussion, however, revenues for the Health Department continue to exceed the pace of expenditures.

Conversely, in the Employee Benefits Fund expenditures are down as a percentage of budget compared to the prior year.