

On October 29, 2014, Mark Gassaway and Tom Scullion of the Auditor's Office presented the 2014 Third Quarter Finance Report to Commissioners Mielke, Madore, and Barnes. The purpose of this e-mail is to memorialize these discussions.

Finance Report

Most items discussed are reflected in the report, with key points being:

- Economic indicators appear to be steady, though somewhat mixed. Upward trends are highlighted by countywide retail sales tax, which increased 9.3% year over year. Unincorporated sales tax growth was 7.4% which approximates the statewide increase of 7.1%. Commercial building permits increased year over year. However, permit valuations dropped significantly. Unemployment continues on a downward trend based on preliminary data.
- An amendment to the General Fund fund balance policy was proposed to stabilize County service levels by setting aside a portion of sales tax receipts in excess of budget growth estimates during good economic cycles to be used in less favorable times. A Staff report with the proposed amendment will put on a future consent agenda for the Commissioner's approval.
- The 2013-2014 General Fund budget anticipated the use of \$6.7M of unassigned fund balance. Current projections indicate that approximately \$3.0M to \$4.0M of unassigned fund balance will be used. It is also projected that unassigned fund balance at the end of the biennium will hit the target set by the County's risk based fund balance policy.
- There are additional obligations that will place demands on General Fund resources, such as the CRESA Radio Replacement Project. The Finance Team will discuss these obligations as the facts become available. The team will present options to the Board to meet those obligations and minimize the impact on the General Fund's fund balance.