

COVID-19 Budget Impacts Update

June 25, 2020



COVID-19

- Ability to identify shortfalls of current revenues – charges for services, license permits, some intergovernmental streams
- Some streams have recovered, however others have been delayed to FY2021.
- All numbers will change with fiscal year end close and updated projections from state or external resources.



Potential Revenue Impacts - General Fund – June 30, 2020

	Amount from Original	Notes
Property taxes ^	(\$1,020,000)	Delayed collections- most likely able to collect
Local Option Sales Taxes*	\$450,000	State committed to full distribution
Charges for Services ^	(\$1,100,000)	Conservation, Health, Treasurer
Use of Property and Money (Interest and Investments)	_____?	Reallocation to earning funds
	(\$1,670,000)	

* Losses deferred to FY 2021; as of 6/22 – Will change upon fiscal year close out.



Potential Revenue Impacts - General Fund – June 30, 2021

	Amount	Notes
Local Option Sales Tax*	(\$690,000)	15% Yearly Reduction or average 50% for 3.5 months- Deferred to 2021
Interest income	(\$500,000)	1/3 + ROI– after reallocation to other funds
Intergovernmental*	\$222,240	FEMA Public Assistance / COVID Grants
Licenses and Permits	(\$30,000)	Health
Charges for Services	(\$158,500)	Conservation, Recorder, Health
Fines, Forfeitures, Misc.	<u>(\$40,000)</u>	Attorney
	(\$1,196,260)	

* Estimated gains / losses from FY 2020.



Potential Expenditure Impacts - General Fund – June 30, 2021

	Amount	Notes
Salaries	(\$108,000)	Conservation, open positions
Benefits	(\$8,630)	FICA / IPERS
Elected Officials salary and benefits	(77,095)	Difference in budgeted compensation and current
Purchase Services - Reductions	(\$109,290)	Travel, education, Conservation reduction of services, etc.
Purchase Services – Known Expenditures	\$280,223	Insurance and Elections
Supplies and Materials	<u>\$ 3,550</u>	Cleaning supplies offset by Conservation reduction of services
	(\$ 19,242)	



General Fund – Summary - June 30, 2021

	Amount	Notes
Reduction of Revenues	(\$1,196,260)	Reduced revenues
Reduction of Expenditures	<u>(\$19,242)</u>	Reduced expenditures
Revenues over Expenditures	<u>(\$1,177,018)</u>	\$1.2 million balanced budget gap

	Original Budget	COVID Changes	Adjusted Estimate
Revenues and Transfers In	\$67,890,812	(\$1,196,260)	\$66,694,552
Expenditures and Transfers out	<u>(\$68,020,812)</u>	<u>\$19,242</u>	<u>(\$68,001,570)</u>
Net Change	<u>(\$130,000)</u>	<u>(\$1,177,018)</u>	<u>(\$1,307,018)</u>



Strategy Steps

- Utilize Fund Balance – FY 20
 - \$783,000 assigned from FY 2019 savings- reassigned to COVID-19 downturn
 - This will supplement FY 2020 downturn
- Continue to monitor for positive variances of 2021 budget
 - COVID Grants
 - Commercial Industrial Backfill
 - Departmental spending over 12 month span
- Re-evaluation of 2021 Strategic Plan – Long term strategy
- Continued Short-term strategies – Personnel Costs, Capital, Materials / Contractor costs



Capital Fund

- Capital Fund is projecting reduction of \$170,000 dedicated gaming taxes in FY 2020. \$100,000 dedicated gaming taxes in FY 2021. 15% reduction FY 2021 due to decreased capacity.
- Recommend retaining FY 2019 savings in General Fund and not transferred to Capital Fund \$783,980.

	March 2020	FY 20	FY 21	FY 22		FY 20 -22 Total	March 20 Plan	Variance
Revenues	\$6.3M	\$5.5M	\$4.9M	\$4.8M		\$15.2M	\$15.5M	(\$0.3M)
Capital	\$9.9M	\$7.1M	\$7.5M	\$6.1M		\$20.7M	\$20.9M	(\$0.2M)
Net Income	(\$3.6M)	(\$1.6M)	(\$2.6M)	(\$1.3M)		(\$5.5M)	(\$5.4M)	(\$0.1M)
Fund Balance	\$3.3M	\$5.0M	\$2.4M	\$1.1M		\$1.1M	\$1.4M	(\$0.3)

Capital Projects impacted – timing or budget estimate

Expenditures

- Vehicles
- General remodeling
- Juvenile Court Services HVAC
- JDC security doors
- Admin elevator access
- Administration windows and recladding
- Land acquisition
- Routine technology & equipment
- Network core / distribution
- Technology assessment
- Website upgrade

Revenues

- Gaming taxes
- Optional transfers tied to savings
- Capital grants



Other Impacts

- Secondary Roads is projecting a reduction in Roads Use Taxes of \$400,000 – Planned reduction in capital and fund balance
- Mental Health Fund is exposed to low fund balance and delay in property taxes.



Summary

- County Fund Balance was built for this purpose; however we should manage the situation to not drain away equity. Low points are July and August. Recommend to balance utilization over the course of the recession.
 - Fiscal Year 2020 is in the process of year end closeout.
 - Fund Balance estimates in July / August
- Review 2021 fiscal year with strategic plan priorities and funding in July 2020.
- Continue short term strategies

