

County Executive's Report

NOVEMBER 3, 2021

3-6-6-12 Model

3 Q4 of FY 20

Maintain essential services, freeze positions, review discretionary spending, preserve case

6 Q1/2 of FY 21

Respond.
Recover.
Recalibrate.

6 Q3/4 of FY 21

Revisit financials, respond accordingly, implement longer-term structural changes

12 FY 22

Transitional budget

Our economic outlook is **stabilizing**.
Our community is **adapting**.

Our organization is **transforming for the future**.

General Fund Revenue Growth Trends

Fiscal Year	1 st -3 rd Quarters	4 th Quarter
FY 18	4.7%	4.0%
FY 19	5.4%	6.0%
FY 20	4.4%	0.6%
FY 21	2.6%	7.0%

- In **FY 18 & 19**, the first 3 quarters of revenue growth were close to 4th quarter growth

- The first 3 quarters of **FY 20**, at 4.4%, were comparable to recent history, but that changed in the 4th Quarter due to the pandemic

- The first 3 quarters of **FY 21** had slower growth, until total revenues improved in the 4th quarter

- Note: 4th quarter changes are impactful because for the past 5 years, 46% of General Fund revenues are collected in the 4th quarter

FY 2021 Performance

July 1, 2020 to June 30, 2021

Unaudited Fiscal 21 Year-End Performance

- Revenues exceeded budget by \$16.1 million or 5.3%
- Expenditures were under budget by \$15.4 million or 4.9%

Unaudited General Fund's fund balance

- *“The fund balance is built over the years from savings to provide the County with working capital to enable it to finance unforeseen emergencies without borrowing”* – Adopted County Financial Policies
- Anticipated positive variance after policy, appropriated, obligated, & planned uses of General Fund's fund balance = \$13.2 million in one-time funding

Sustained Focus on Strategic Priorities

Climate Action
Planning

Outdoor
Recreational Parks
and Amenities

Economic
Development
Program

School Space
Needs

Infrastructure
Planning

Aging Urban
Neighborhood
Revitalization

Court Complex
Expansion/
Upgrade

Rio/29 Area
Redevelopment

Broadband
Expansion

Quality Government Operations

Workforce
Stabilization

Economic
Outlook

Financial
Foundation

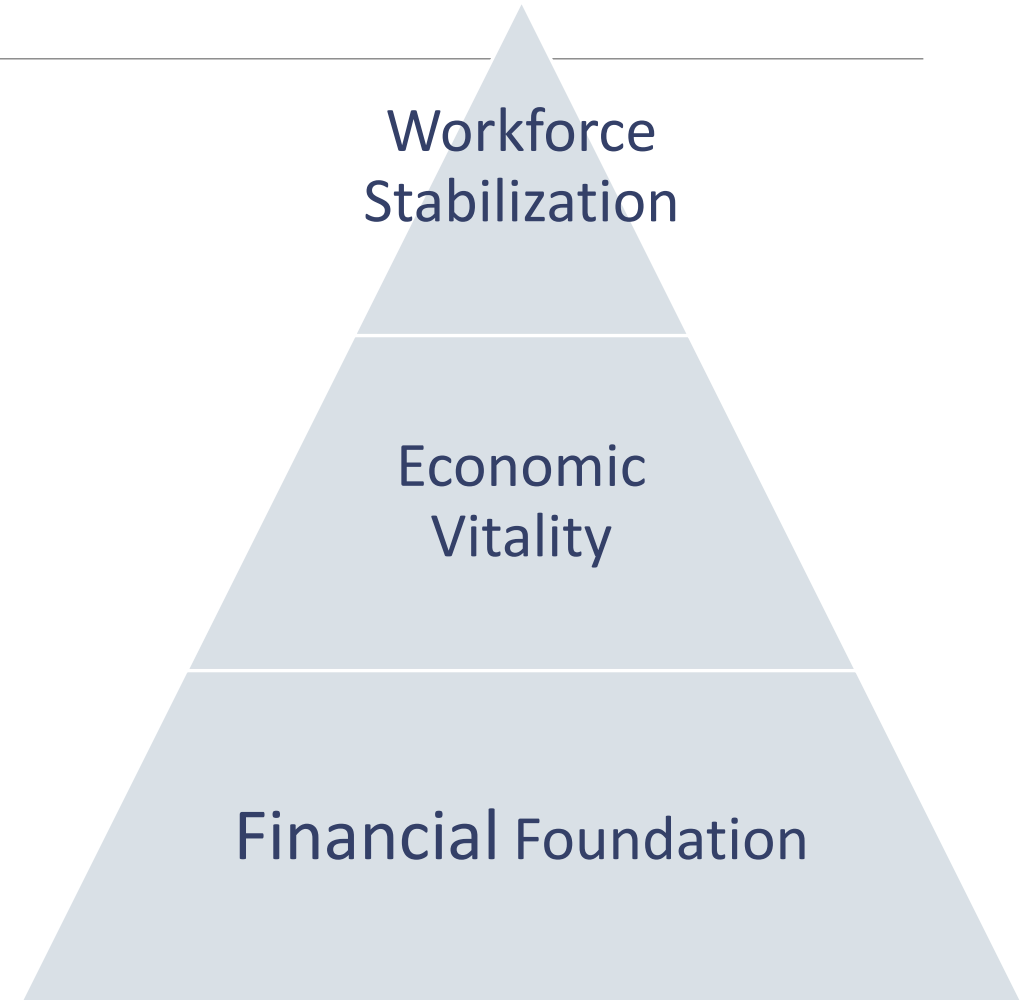
How Can We Use This Moment to Transform?

FY 21 – One-Time Funding

- Board consideration of the one-time \$13.2 million will be brought forward in connection with planning for FY 23
- Recommendations are aimed to support the priorities in the triangle and the Strategic Plan

FY 22 – Revenue base has grown

- December 1 - Board consideration of additional workforce stabilization initiatives
 - Mid-year salary adjustment for employees
 - Targeted additional positions to adjust to the changing environment



Next Steps

- FY 21 Audit
 - Audit Committee Meeting Nov. 19, 2021
 - December 15
- FY 22 Budget
 - November 17: 1st Quarter Financials
 - December 1: Budget Amendment, including Workforce Stabilization
- Five-Year Financial Planning
 - November 17 & December 15 Work Sessions
 - Capital Improvement Plan Advisory Committee
- FY 23 Budget Process
 - December 15 Real Estate Reassessment Presentation
 - February 23 County Executive's Budget Recommendation