



# Reviving

THE *river* OF *grass*

Budget Follow-up Issues

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# Purpose

- Review District Business Process
- Follow-up on December 15 Financial Forecast Presentation
- Consider Process Additions for Upcoming Planning and Budgeting

# District Business Process Background

- Process implemented in FY2005
- FY2009 was 5<sup>th</sup> year
- Establishes Governing Board strategic priorities
- Programmatic budget revenue-driven targets
- Incorporates prior expenditure performance



# District Business Process Background

- Consistent approach has provided fiscal benefits & operational improvements
- Redirection of existing funding and direction of growth to strategic priorities
- Better positioned to respond to legislative and voter-approved tax reform efforts
- Increased efficiencies and reduced operating costs
- Revenues available for debt service



# December Forecast Follow-up

- Continue to monitor economic and market conditions
- Establish a range of potential impacts to guide future planning
- Focus on more likely scenario as basis for ad valorem reduction estimates (EDR December 4 estimates)
- Plan for worst case by assuming utilization of full 30% debt ratio cap

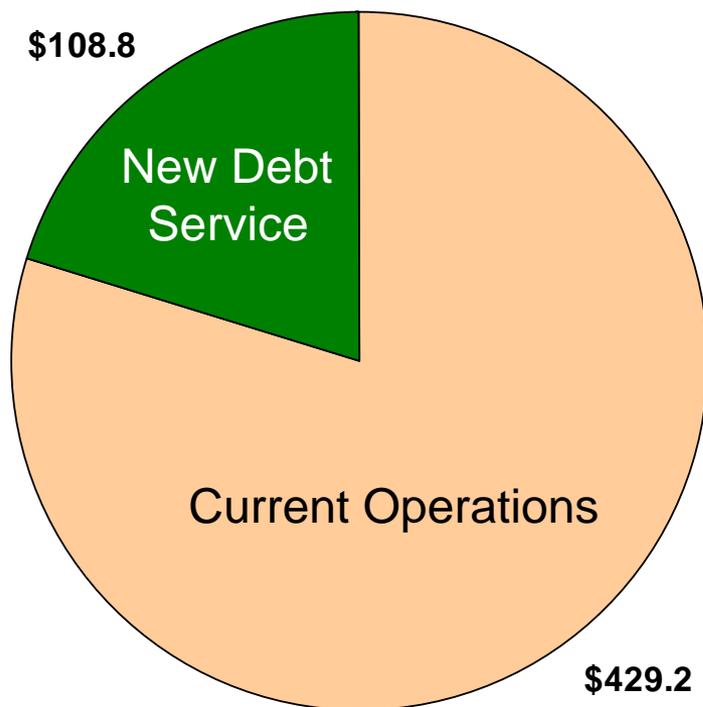
# December Forecast Follow-up



- Plan for potential impacts of state funding reductions (land management, exotics, bond debt service, PILT, existing unspent trust fund balances)
- Consider one-time funding requirements:
  - Existing land contracts
  - Settlements of outstanding litigation (condemnation, inverse, personal injury)

# December Forecast Follow-up

## FY09 Ad Valorem Budget - \$538.0M

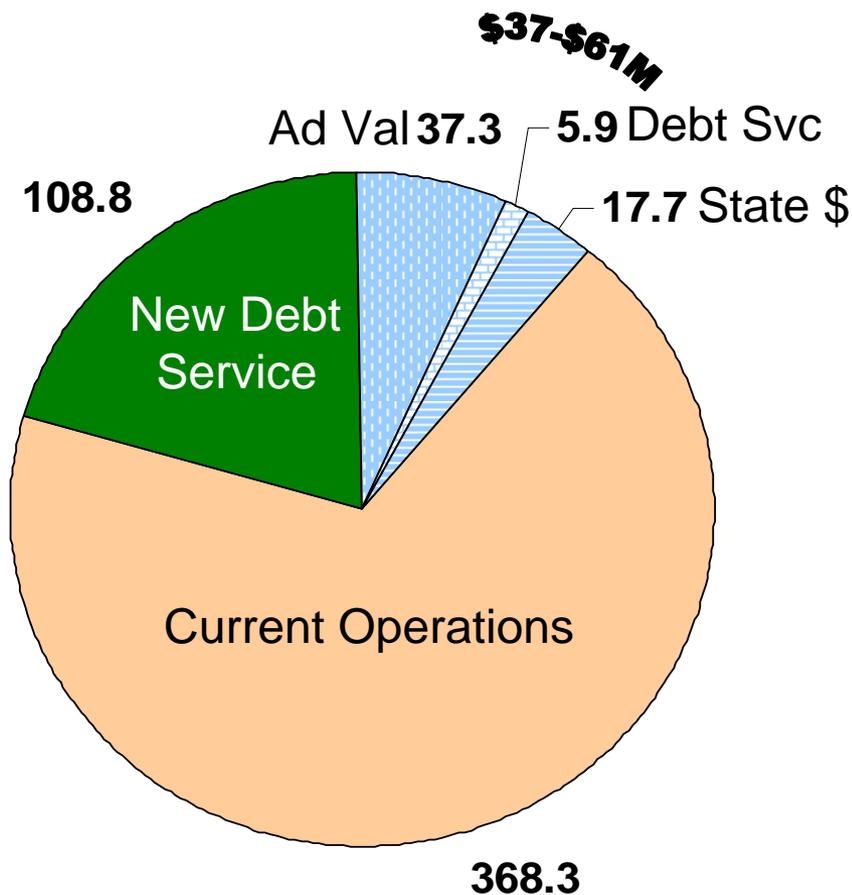


- Current operations includes:
- COP1 debt service \$35.5M
  - O&M Capital \$ 45.3M
  - Contracts/Operating \$150.1M
  - Reserves \$ 23.1M (contingency/hurricane)
  - Personnel Costs \$175.2M

# December Forecast Follow-up



## Potential Recurring Revenue Reductions



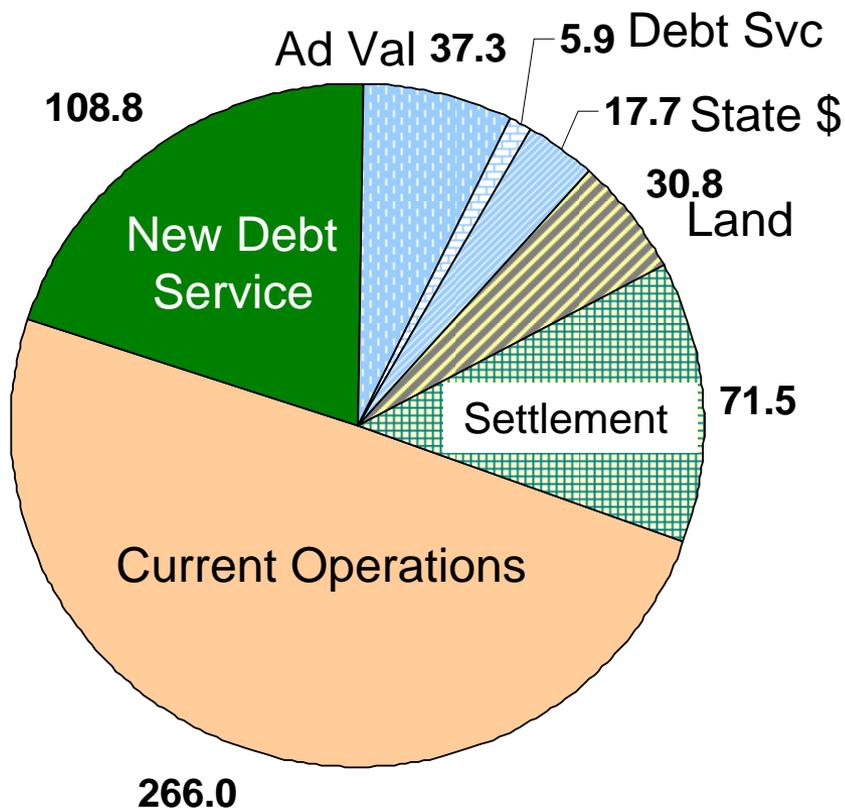
Options for recurring revenue shortfalls:

- Levels of service
- FY09 burn rates
- Efficiencies
- Technology
- Millage rates

# December Forecast Follow-up



## Adding Outstanding Land Contracts/ Potential Litigation Settlements



Options for recurring revenue shortfalls:

- Levels of service
- FY09 burn rates
- Efficiencies
- Technology
- Millage rates

Options for one-time cash needs:

- Prior Year balances
- FY09 reserves
- FY09 burn rate

# Business Process Steps

- Separate recurring revenue needs from one-time needs:
  - Staff is working on an analysis of fund balances and reserves that could be used to fund one-time needs – i.e. existing land contracts.
- Add business process steps designed to:
  - Facilitate a prioritization and trade-off discussion of the Governing Board
  - Analysis of reductions necessary to meet potential recurring revenue projections
- Resulting Board decisions will drive future planning and budgeting

# Summary



- Planning:
  - Utilize “more likely” scenario as basis for planning
  - Plan for full 30% debt ratio payment
  - Plan for potential of no state funding
  - No proposed increase in staffing levels
- Decision Points:
  - Potential level of service impacts
  - Trade-offs are critical
  - Opportunity to review and re-prioritize
  - Governing Board decisions on lower priorities and funding levels will drive FY2010 planning & budgeting process