COUNTY DEPARTMENT AGENDA REQUEST

Department:	Finance	Presenter(s):	Mary S. Holland
Meeting Date:	Thursday, October 28, 2010	Type of Request:	Old Business

Wording for the Agenda:

Further discussion resulting from a previous request from staff concerning current account and fund balances for Fiscal Year 2010.

Background/History/Details:

At the October 14, 2010 Commission meeting, staff presented financial information related to the Workers' Compensation Fund with a recommendation to provide additional funding. The Board requested staff to review other fund balances and provide a recommendation as to other funding requirements for fiscal year ended June 30, 2010.

Staff has identified a number of funds and recommendations regarding them. The attached information includes existing account/fund balances and recommendations for addressing each of them.

What action are you seeking from the Board of Commissioners?

Approval of staff's recommendations regarding account and fund balances.

If this item requires funding, please describe:

Has this issue come before the Commissioners in the past?	Yes	If so, when?	Thursday, October 14, 2010
Do you need audio-visual for the presentation?		Back-up Material Submitted?	Yes

STAFF USE ONLY

Approved by Finance	Yes	Reviewed by Legal	Yes
Approved by Purchasing	Not Applicable	Approved by County Clerk	Yes
Administrator's Approval	Yes		

Staff Notes:

Fayette County
GEORGIA

Where Quality Is A Lifestyle

To: Jack Krakeel

From: Mary S. Holland

Date: October 20, 2010

Subject: FY 2010 Fund Balance

In response to questions raised concerning current account and fund balances, staff has conducted additional reviews of these balances as of June 30, 2010. Attached is a chart showing those funds, actual balances from the last three years, the impact of the 2011 adopted budget, recommendations for additional funding and adjusted 2011 figures. To summarize, the recommendations are as follows:

- **Asphalt & Tack –**
  - During FY 2010, 96% of asphalt expense was related to and funded by SPLOST. For FY 2011, the focus is on non-splost county roads of which 25 miles is planned for paving at a total cost of $1.6M. The current adopted budget for 2011 is $900,000, an additional funding of $700,000 for FY 2011 is being recommended.
- **Victim's Assistance –**
  - The Victim's Assistance Fund has experienced a downturn in fine revenues over the last three years to the point where three of the four personnel assigned to this fund were moved to the General Fund in FY 2010. In addition, the General Fund transferred $270,853 to cover shortages in those years prior to 2010. During the 2011 budget process, expenditures were reduced by $45,000 to compensate for the continued shortage in anticipated revenues. To replenish these reductions, the recommendation is to fund an additional $45,000 from the General Fund's FY 2010 overage.
- **Worker's Compensation –**
  - The FY 2010 activity in workers comp resulted in a reduction in fund balance of $425,000. This fund has not been included in the annual budget process and has a current balance of $747,000. The recommendation is to fund an additional $100,000 bringing the total to $847,000. In addition, funding should be considered on an annual basis.

- **Vehicle Replacement** –
  - During FYs 2009 and 2010, the County paid down the GMA Lease Pool debt by $1.8M with no budgeted replacement funds. The recommendation is to replace these funds with a one-time transfer of $1.4M from the FY2010 overage and plan future funding in the annual budget process to recover other repayments. Additional analysis needs to be completed to determine the balance level needed to meet the County's vehicle replacement requirements.
- **Funding Sources** –

Fund	Asphalt & Tack	Victim's Asst	Worker's Comp	Vehicle	Total
General	$700,000	$45,000	$72,000	$938,000	$1,755,000
Fire	-	-	$14,000	$378,000	$392,000
EMS	-	-	$6,000	$84,000	$90,000
Water	-	-	$8,000	-	$8,000
Total	$700,000	$45,000	$100,000	$1,400,000	$2,245,000

- **Defined Benefit Plan** –
  - The December 31, 2009 actuary report lists an unfunded actuarial accrued liability of $188,500. The required funding for calendar year 2010 is 2% of payroll while actual funding remains at 3.8%. There is no need for additional funding as the Plan is on target and given minimal changes in the assumptions for 2010, there is no reason to expect a material unfunded liability at the end of 2010 (reference attached schedule).

Staff is requesting the Board of Commissioners approve additional funding in the amount of $2,245,000 as outlined above which leaves an overage in FY 2010 of $1,995,000 for the General Fund ($700,000 for asphalt will be applied in FY 2011), $135,000 overage in the Fire Fund, $485,000 overage in the EMS Fund.

Fund Balance / Net Assets

As of June 30	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 Adopted Budget / Fund Balance	Recommended Additional Funding	Adjusted 2011
Asphalt & Tack (General Fund)	*$ 1,300,150*	*$ 566,265*	*$ 86,357*	*$ 900,000*	***$ 700,000***	*$ 1,600,000*
Victims Assistance	$ 892	$ 1,993	$ 13,100	$ 40,318	**$ 45,000**	*$ 85,318*
Yr over Yr Change (1,000)	*(103)*	*1*	*11*	*27*		
Worker's Compensation	$ 1,492,359	$ 1,171,994	$ 747,011	$ 747,011	**$ 100,000**	*$ 847,011*
Yr over Yr Change (1,000)	*(222)*	*(320)*	*(425)*	-		
Vehicle/Equipment Fund	$ 9,121,345	$ 8,251,193	$ 7,005,204	$ 7,005,204	**$ 1,400,000**	*$ 8,405,204*
Yr over Yr Change (1,000)	*(890)*	*(870)*	*(1,246)*	-		
General Fund	$ 31,671,529	$ 32,953,339	$ 36,003,702	$ 35,757,404	*$ (1,755,000)*	$ 34,002,404
Yr over Yr Change (1,000)	*544*	*1,282*	*3,050*	*(246)*		
Fire Services*	$ 2,397,805	$ 2,855,842	$ 3,382,810	$ 3,023,059	*$ (392,000)*	$ 2,631,059
Yr over Yr Change (1,000)	*335*	*458*	*527*	*(360)*		
Emergency Medical Services	$ 484,521	$ 855,308	$ 1,430,786	$ 1,430,786	*$ (90,000)*	$ 1,340,786
Yr over Yr Change (1,000)	*485*	*371*	*575*	-		
Water System	$ 77,521,475	$ 77,804,756	$ 76,970,025	$ 77,468,174	*$ (8,000)*	$ 77,460,174
Yr over Yr Change (1,000)	*1,008*	*283*	*(835)*	*498*		

* Capital project and construction in progress funds have not been included.

** The December 31, 2009 Actuarial Valuation Report on Fayette County's Defined Benefit Plan and subsequent funding:

Actual County Contributions CY 2010	$ (1,242,885)
Required Funding for CY 2010	596,470
Projected Net Pension Obligation	(646,415)
Unfunded Actuarial Accrued Liability @ 12/31/09	188,500
Estimated End of Year Position at 12/31/2010	$ (457,915)