



# Initial Budget Development

## Mid-Biennium Review

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FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE

APRIL 29<sup>TH</sup>, 2025



# Outline

- 1 The Challenge
- 2 Guiding Principles
- 3 The Process
- 4 Council Considerations
- 5 Next Steps



*Building a bridge to an economically resilient future*



# The Challenge

## Because

- The county budget funds essential services that protect our community, enhances wellbeing, strengthens economic security, and supports future planning

## However

- Costs to provide these services are **outpacing** the County's annual revenue growth

## Therefore

- We must take both short- and long-term actions to stabilize our budget and secure our ability to serve the community





# The Challenge

- In the short-term, we must address the anticipated cost increases for 2026
- We are still evaluating the projected 2025 ending fund balances and 2026 revenue projections. This will help us understand any changes compared to what was assumed in November 2024
- In the long-term, we must address the structural imbalance between our revenues and expenses
- Some mandatory cost increases are anticipated but not yet budgeted. Examples of these include: to be negotiated wage increases, public defense standards, TORT costs, and facility maintenance needs.
- **Some contraction is necessary unless the revenue landscape changes significantly**







# Guiding Principles

- Budget are our values transformed into action
- Every budget decision has real-world impacts
- No flat across the board cuts - instead targeted service-based choices

## Our guiding principles for this budget

**Economic Resilience** – building stability in fluctuating market conditions

**Core Services** – staying true to the role of a County government

**Transparency** – providing the public with a clear picture of where tax dollars are spent and services provided





# The Process

Departments are asked to

## 1) Update Inventory of Services (IOS)

*Is this service statutorily required or discretionary services that the County has added to meet community needs?*

*What is the intended purpose of this service and what are the outcomes?*

*What are the costs and how is this program being funded?*

*If it is not mandatory – what policy document or council action led to the service? Does it still address the original purpose?*





# The Process

Departments are asked to

## 1) Develop Low and High Reduction Scenarios

*All departments must model a low and high reduction scenario in specific funds and describe the impact of those cuts.*

A	B	C	D	E	F	G	H	I
						Low Reduction Scenario	High Reduction Scenario	
	Dept	Fund	2026 Revenue Budget	2026 Expense Budget	Target	Sum of potential reductions	Target	Sum of potential reductions
	24:County Executive	1000:General Fund	(47,520,261)	23,133,661	83,000	(50,000)	167,000	(75,000)
	24:County Executive	1240:Countywide Emerg Med Sr Fd	(24,209,121)	26,977,560	18,000	-	36,000	-
	Fund	Division	Program	Cost Center	2026 Revenue Budget	2026 Expense Budget	Low Reduction Scenario	High Reduction Scenario
	[Name of Fund]	[Name of Division]	[Program Name]	[Cost Center # and Name]		[Expense budgeted in this CC in the 2026 Adopted Budget, if applicable]	[Enter amount of proposed reduction - enter as a negative number]	[Enter amount of proposed reduction - enter as a negative number]
	1000:General Fund	240000:County Executive	2400:County Executive	10002400:General Fund Revenues	(39,893,393)		-	-
	1000:General Fund	240000:County Executive	2400:County Executive	10002401:County Executive		1,369,956	(50,000)	(75,000)



# The Process

## *For Example:*

A \$100,000 reduction to seasonal maintenance staffing will necessitate a reduction of approximately [##] % or [##] full-time equivalent positions.

Decreasing investments in park maintenance negatively impacts the community as it can contribute to unsafe, unappealing parks, reduced accessibility, and diminished social and economic benefits, ultimately impacting community well-being.

## **Operational Impacts**

- Degradation of park infrastructure and aesthetic quality, including overgrown vegetation & deferred repairs
- Increased vulnerability to vandalism with reduced staffing presence
- Potential safety concerns if maintenance issues are not addressed promptly

## **Economic Implications:**

- Diminished visitor experience may lead to reduced park attendance
- Negative impact on local businesses that rely on park-generated foot traffic
- Potential reduction in tourism revenue for the broader community

## **Long-term Fiscal Considerations:**

- Deferred maintenance results in higher remediation costs over time
- Preventative maintenance is more cost-effective than reactive repairs
- Future budget allocations may need to be increased to restore facilities to acceptable standards.





# Next Steps

Date	Step
April	Release initial budget instructions Executive's office briefs the Council on the process to prepare a
June 9	Departments submit response to initial budget information requests
June 9-June 30	Executive/Finance review of initial information. Present to council on information received
June/July	Revenue Forecast Update
July	Executive and Finance provide instructions to departments on based budget adjustments and ASRs to prepare for the Mid-biennium Review
August 1	Department's submit based budget adjustments and ASRs to Finance
August 1-30 <sup>th</sup>	Executive reviews ASRs and prepares initial recommendation
September	Executive presents initial recommendations to Council, gets input, modifies as necessary This includes sharing all requests received
Week of October 13 <sup>th</sup> or 20 <sup>th</sup>	Executive transmits proposed Mid-biennium budget changes to Council



# Next steps

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What other information would be helpful to make decisions about potential reductions?

What are the Council's guiding principles for this process?

