



Reviving
THE river OF grass

Forecast Follow-up Issues

WRAC Briefing on January 2009 Audit & Finance
Committee Presentation

Today's Presentation

- Present key findings of December 15 Financial Forecast
- January Audit & Finance Committee Follow-up on December Forecast

December Forecast Background

- Staff prepared 10-year projections of revenues sources and continuation level of service for expenditures
 - Optimistic: - 3.8% ad valorem revenue change
 - More Likely: - 8.6% ad valorem revenue change
 - Pessimistic: - 9.3% ad valorem revenue change
- Each also included different scenarios for:
 - Debt service interest rates: 6%, 7%, 7.5%
 - State funding availability – WMLTF, Florida Forever

December Forecast Background

- The result in all cases were projected deficits for FY2010:
 - Optimistic: - \$9.7M
 - More Likely: - \$88.1M
 - Pessimistic: - \$104.3M
- Summary:
 - Taxroll values and revenues likely to decrease for at least the next year – how much is the key
 - Potential impact on current levels of service of -2% to -22%
 - Potential impact of declining state revenues

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

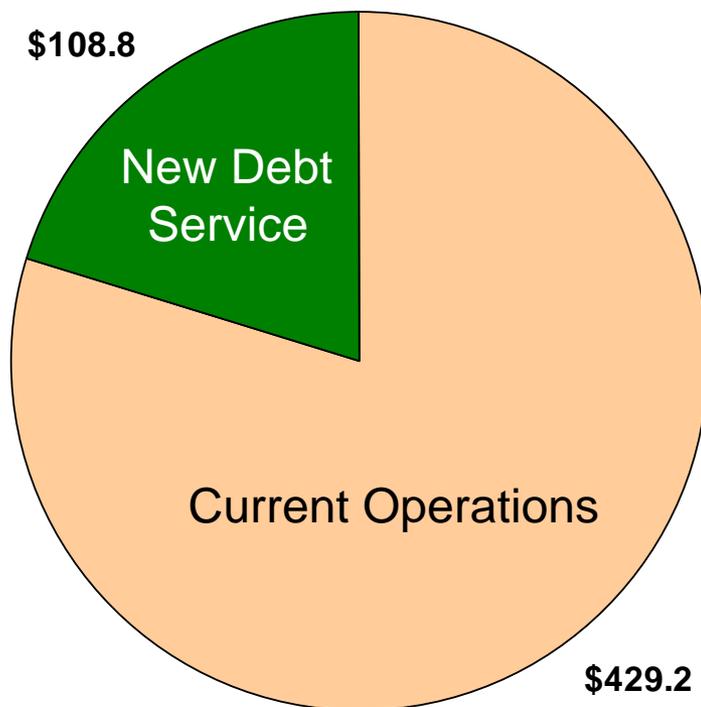
December Forecast Follow-up



- 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



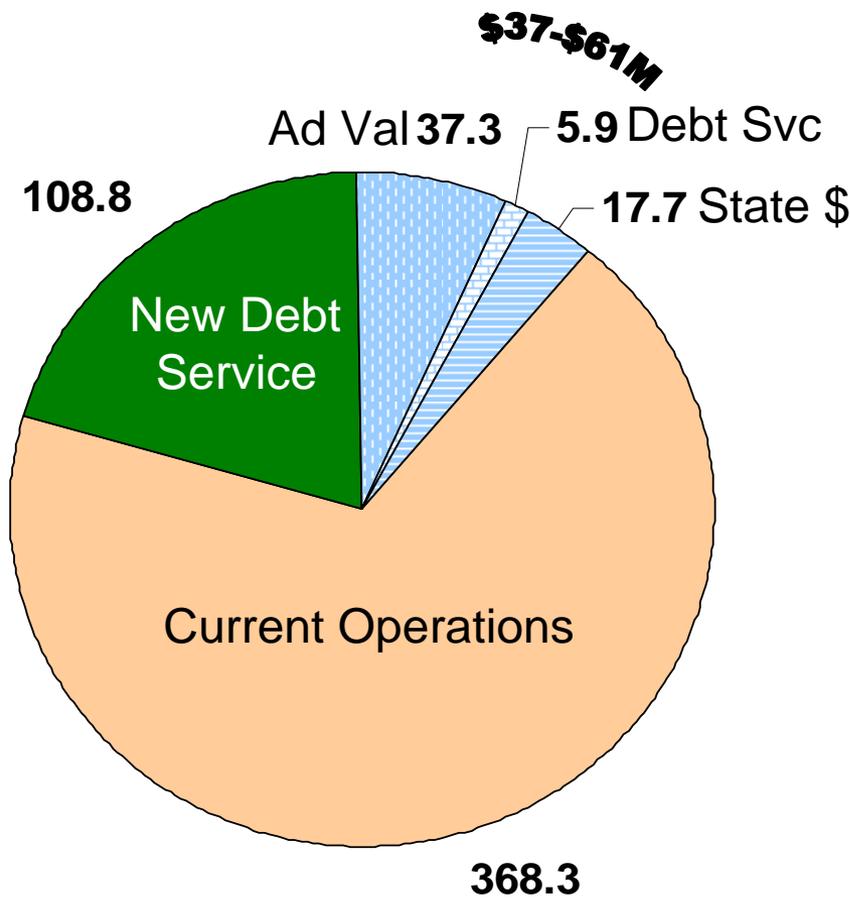
Current operations includes:

- 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

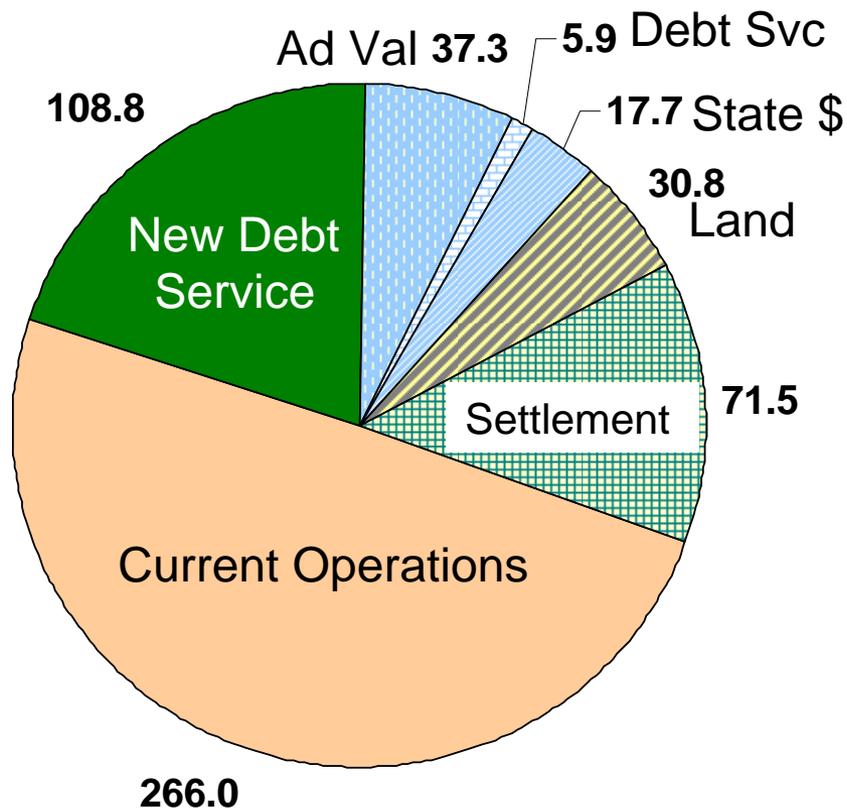


Options for recurring revenue shortfalls:

- 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