



WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) R

Date: 12-18-15 _____

Weekly Agenda Date: 12-22-15 _____

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Dennis D. Butler, Finance/Operations Controller

SUBJECT: Informational memo discussion on FY 2017 Proposed Budget

ACTION REQUIRED:

Approve Ordinance

Approve Resolution

Approve Motion

Give Direction

Other: Informational

Attachments

WORDING FOR AGENDA ITEM: Discussion on the status of Woodbury County's Proposed FY 2017 Budget.

EXECUTIVE SUMMARY:

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDATION:

ACTION REQUIRED / PROPOSED MOTION: No Action Required. Just Informational.



Woodbury County Board of Supervisors

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To: Woodbury County Board of Supervisors

From: Dennis D. Butler, Finance/Operations Controller *DDB*

RE: FY 2017 Proposed Budget

Date: December 18, 2015

This memo's purpose is to provide the Board of Supervisors an overall view of the proposed Woodbury County budget for FY 2017. As everybody knows the economic environment is improving and the County's cash reserves are in line with the County's Financial Policies. These will be challenging times as there are new factors involved in getting to the end result of a balanced budget, but the County will get through this period without major disruptions in services provided to the citizens of Woodbury County.

Included in this memo are schedules that summarizes the total budget by fund, total tax asking's as they stand in the proposed budget, the tax funds that are out of balance and the County's accrued cash reserves. As the Board of Supervisors review this memo I will explain each category.

The total Proposed FY 17 budget is compared to the current FY 16 budget. **Please remember that FY 17 is only proposed at this point.** It does not include any Improvement requests that total \$ 592,757.

<u>Fund</u>	<u>FY 16 Appropriations</u>	<u>FY 17 Appropriations</u>	<u>Difference</u>
General Basic	23,378,479	25,248,832	1,870,353
General Supplemental	6,019,316	6,359,406	340,090
County Services (Mental Health)	3,564,086	2,931,006	(633,080)
Debt Service	1,069,776	1,340,550	270,774
Rural Basic	1,433,975	1,427,034	(6,941)
Other Funds - Non Tax	<u>16,113,216</u>	<u>15,225,507</u>	<u>(887,709)</u>
Total	51,578,848	52,532,335	953,487

The County has five funds that levy taxes. They are the General Basic, General Supplemental, County Services, Debt Service and Rural Basic. In the following schedules I will show the budget short falls of revenue to expenditures, amount of new taxes without raising the tax rate and highlights by tax fund.

First I will present the status of revenue to expenditures by tax fund. **It must be remembered that this is our starting point in balancing the budget.** The county will have new availability of revenues from an increase in TIF releases from Sioux City (\$133,290,733 in taxable valuation), new construction, state ordered increases and a change in rollbacks. This availability may be used to balance the County budgets. Also the County has two other options which are to find additional sources of revenues and/or decrease expenses.

<u>Fund</u>	<u>Expenditures Over Revenues</u>
General Basic Fund	\$ 1,991,885
General Supplemental Fund	1,055,567
County Services (Sioux Rivers Region)	(633,080)
Debt Service	270,774
Rural Basic (Township)	205,438

The following will show what the potential tax asking's would be **if we keep the FY 17 tax rates the same** as the FY 16 tax rates. The total increase in taxable valuations amounted to \$ 281,947,160 county wide and an increase of \$ 18,457,005 of township purposes.

<u>Fund</u>	<u>FY 16 Tax Rate</u>	<u>Additional Taxes</u>
General Basic Fund	3.50000	\$ 986,815
General Supplemental Fund	2.82458	796,382
County Services (Sioux Rivers Region)	N.A.	
Debt Service	N.A.	
Rural Basic (Township)	3.12277	57,637

Again the new revenues is coming from an increase in TIF releases, slight increase in rollbacks, new construction and state ordered increases.

After reviewing the overall summary, I will now highlight by major fund revenues and expenditures.

Here are the highlights of changes in the General Basic Fund:

Revenues:

1. The transfers-in for employee benefits is up \$ 348,205 because of an increase in FY 17 benefits and a proposed increase of 8% in the county's share of health insurance.
2. Tax revenues will increase in this fund as the county must maintain a \$3.50 tax rate which is maximum allowed by law. This maximum rate has to be in place to enable the County to use the General Supplemental Fund. Additional taxes generated will amount to \$ 986,815.
3. The new CAP program that the County Attorney has implemented is generating new revenues projected to be \$ 100,000 with growth expected over the FY's ahead.

Expenditures:

1. In the Sheriff's office the expenditure codes for Food and Health Services Assistance have increased by \$ 246,413 over the current FY 16. Because of the increase in the jail facility population and the requirement of medical treatment these increases are uncontrollable.
2. In building services there are several large increases. In the expenditure codes for utilities there is an increase of \$ 99,508. With the new LED lights the projected cost of electricity should be reduced by a percentage related to the savings from moving to LED lights.
3. There is a 8% increase for the county share of health insurance costs which amount to an increase of approximately \$ 247,631 in the General Basic Fund
4. Also the county used gaming revenues in FY 16 to offset taxes in the amount of \$ 365,025. For FY 17 that option is up for discussion.

Here are the highlights of changes in the General Supplemental Fund:

Revenue:

1. Increase in care and keep of juveniles at the detention facility which will result in a projected increase of \$ 213,250.
2. New taxes related to the increase in the tax base will generate \$ 796,382.

Expenditures:

1. Emergency Services Allocation is proposed to increase \$101,872. For FY 2016 the county used gaming revenues for vehicle and equipment purchases in the amount of \$ 77,125 and also used cash reserves to hold the tax asking's down in the amount of \$ 35,000.
2. There is a 8% increase for the county share of health insurance costs which amount to an increase of approximately \$ 61,864 in the General Supplemental Fund.
3. In 2016 there will be a General Election that will cost the taxpayer \$ 256,964.

In regards to the accrued cash reserves our General Fund for FY 2015 is at 20.41%. Our goal is to have a 22% accrued cash reserve.

The Rural Basic Fund's tax asking for FY 17 is up by \$ 412,643. For FY 16 the Board of Supervisors decided to use the additional L.O.S.T. dollars deposited in the Secondary Roads fund to offset tax asking. The Supervisors have the same option for FY 17 in order to lighten the tax burden.

Last FY the Board did fund Planning & Zoning and Economic Development from L.O.S.T. Funds. This is an option the Board could exercise to assist balancing the budget.

The Debt Service Fund will increase the tax askings as the County will be adding a CIP loan for 2016 projects. The tax askings in this fund will increase by \$ 291,769. With the new CIP loan, the county will have an outstanding loan balance of \$ 4,047,395. The County will have used 1.31% of our debt limit which is \$ 308,443,393.

The County Services (M.H.) Fund tax asking will be reduced by \$ 633,080 for FY 2017.

When all is said and done, the Board of Supervisors will have to make some difficult decisions to balance the budget. There will have to be potential expenditure reductions, use the same total tax rate to generate new revenues and there will have to be a hard look at creating new revenues thru the cooperation of all Elected Officials and Department Heads.

The Board of Supervisors will complete the responsibility of balancing the budget with the taxpayers in mind in order to provide the functions and services to the citizens of Woodbury County through the most cost effective and efficient way possible.

FY 2017 should be a great year as there will be economic growth, tax base increases and creation of jobs.

I will be available for any questions that you may have.