

Boone County, Missouri

FY 2018 PROPOSED BUDGET-- Highlights

Budget Priorities and Budgetary Impact (see pages 3-7 of Budget Message):

1. Maintain fiscal stability within the County's major operating funds
2. Provide additional staffing for the Public Administrator, the Prosecuting Attorney, and the Sheriff
3. Maintain competitive salaries and benefits for the County's workforce
4. Provide routine replacement of equipment, vehicles, and technology; provide funding to replace the County's financial software (ERP-Enterprise Resource Planning software, re-budgeted from 2017)
5. Fund routine maintenance and preservation of the County's transportation network

Multi-fund composition:

- 40+ Governmental Funds: 5 major funds (93.5% of total budget) and 35+ nonmajor funds (6.5% of total budget)
- 10 Internal Service Funds.
- 3 Private Purpose Trust Funds

Property tax levies—NO CHANGE:

- General Fund: \$0.12 per \$100 Assessed Valuation
- Road and Bridge Fund: \$0.05 per \$100 Assessed Valuation

County-controlled fees:

- Modest increase to Food Handler Permit fees (\$10-\$25 per establishment). Permit fees are based on a combination food sales volume and risk factors (i.e., the type and amount of food prepared). The increase is needed to meet the County's 50% target cost recovery policy requirement.
- No other changes to County-controlled fees

Aggregate Budgetary Comparison Fiscal Year 2017 and Fiscal Year 2018:

	All Governmental Funds Combined <small>(excluding Capital Project Funds)</small>			Internal Service Funds		Private Purpose Trust Funds	
	2017	2018	%	2017	2018	2017	2018
	Budget	Budget	Chg	Budget	Budget	Budget	Budget
Operating Revenues	\$ 70,205,902	71,068,787	1%	\$ 6,395,140	6,364,211	\$ 1,128	1,143
Other Financing Sources <i>(net of interfund transfers)</i>	78,364	161,367		-	-	-	-
Planned Use of Fund Balance (net)	8,213,669	8,631,457		404,346	-	2,392	1,557
Total Revenues & Other Sources <i>(net of inter-fund transfers)</i>	\$ 78,497,935	79,861,611	2%	\$ 6,799,486	6,364,211	\$ 3,520	2,700
Total Expenditures & Other Uses <i>(net of inter-fund transfers)</i>	\$ 78,497,935	79,861,611	2%	\$ 6,799,486	6,299,226	\$ 3,520	2,700

Approximately 60% of operating revenues are legally restricted due to statutory provisions or ballot language.

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Planned use of Fund Balance reflected in the Proposed Budget:

General Fund (\$4.7 M)

- Emergency Appropriation
- Replacement software (ERP—Enterprise Resource Planning software)
- Election costs
- Replacement phone system
- Cyclical equipment and vehicle replacement

Road and Bridge Fund (\$0.45 M)

- Emergency Appropriation
- Cyclical equipment replacement

Law Enforcement Services Fund (\$0.34 M)

- Vehicle and equipment replacements are larger than the normal annual budgetary amount

Community Children’s Services Fund (\$1.5 M)

- Resources accumulated in the fund during prior years are being appropriated in fiscal year 2018 (a timing difference)

911/Emergency Management Fund (\$0.37 M)

- Non-recurring radio infrastructure improvements

All nonmajor funds combined, approximately 35 funds (\$1.2 M)

- Resources accumulated in the funds during prior years are being appropriated in fiscal year 2018 (a timing difference)
- Significant “contingency” appropriations

Fund balances in major operating funds are projected to exceed the minimum 17% established by policy (Budget Message, page 30). The *minimum* fund balance amount ensures adequate cash flow and avoids short-term borrowing costs. Amounts beyond the minimum mitigate risk of revenue volatility, a significant inherent risk whenever sales tax is the primary revenue base. It also provides a funding mechanism for cyclical expenditures (elections, equipment replacement, etc.).

Projected Net Fund Balance at December 31, 2018:

	-----Major Funds-----							All Governmental Funds
	General Fund	Road and Bridge Fund	Law Enforcement Services Fund	Community Children's Services Fund	911/ Emergency Management Fund	Nonmajor Governmental Funds		
Projected Fund Balance 12/31	\$ 11,889,827	13,575,794	2,034,394	7,642,759	13,685,039	8,151,147		56,978,960
Less: Fund Balance Unavailable for Appropriation	(393,675)	(9,000,000)	(1,185,800)	-	(10,300,000)	(930,407)		(21,809,882)
Projected Net Fund Balance	<u>\$ 11,496,152</u>	<u>4,575,794</u>	<u>848,594</u>	<u>7,642,759</u>	<u>3,385,039</u>	<u>7,220,740</u>		<u>35,169,078</u>
As a percent of expenditures	35%	25%	21%	90%	32%			
# of months expenditures	4.2	3.0	2.6	10.8	3.9			

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FTE changes (see pages 28-29 of Budget Message): Net increase of +0.19 FTEs

- +1.15 FTEs—related to election activity (temporary increase, General Fund)
- -0.79 FTEs—net decrease in Juvenile program assistant part-time hours exceeds increase in part-time court security hours (permanent decrease, General Fund)
- -1.00 FTEs—partial year grant funding for two full time Deputy Juvenile Officers; the Budget will be amended to reflect increased FTE allocations upon notification of grant extension/renewal (General Fund)
- +1.00 FTEs—additional full-time Deputy position for Public Administrator (General Fund)
- +1.00 FTEs—additional full-time Evidence Custodian position for Sheriff (General Fund)
- +1.00 FTEs—additional full-time Assistant Prosecuting Attorney (General Fund)
- -1.17 FTE—partial year grant funding for Internet Crimes Unit positions; the Budget will be amended to reflect increased FTE allocations upon notification of grant extension/renewal (General Fund)
- -1.00 FTE—eliminate a full-time position resulting from changes to state laws governing conceal-and-carry gun permits (Sheriff's Revolving Fund)

Capital Project Funds:

- Continuation of ECC Construction Project— Appropriations originally approved in 2014. Facility was completed in 2017; technology to be completed in 2018
- Space needs analysis underway for the public safety campus (mixed use: law enforcement evidence storage; Facilities Maintenance; 911 radio maintenance/repair; Emergency Management equipment storage). Analysis expected to conclude during 2018; an implementation plan to be developed for 2019 budget.

Future Outlook:

- Significant revenue challenges resulting from growing untaxed e-commerce retail sales. For sales tax revenue, **county officials should expect flat or even declining revenues for the foreseeable future.**
- **Potential consequences:** no funding for additional FTE positions; no funding for periodic adjustments to Salary Range Table or for salary increases; pressure to increase county-controlled fees; pressure to reduce services and cut costs; increase to General Fund property tax revenue rate (current tax rate is below the allowable maximum); reallocation of existing budgetary resources
- County officials need to initiate internal discussions, conduct analysis, and collaborate on cost containment and cost reduction measures
- Educate voters and win their support in passing a local Use Tax

Budget Hearings:

- 7:00 PM Tuesday, November 28, 2017
- 1:30 PM Thursday, November 30, 2017
- 9:30 AM Tuesday, December 5, 2017

Scheduled Approval Date: 9:30 AM Tuesday, December 19, 2017 (per state law, must be approved no later than January 10, 2018)