

**Jackson County Board of Commissioners Meetings Minutes**  
**November 8, 2006 - Committee of the Whole Meeting**  
**Jackson County Commissioners Chambers: 5:30 p.m.**

**CALL TO ORDER:**

Chairman Shotwell called the November 8, 2006, meeting of the Jackson County Board of Commissioners Committee of the Whole to order at 5:30 p.m.

**ROLL CALL:**

Present: (7) Cmr. Herl, Lutchka, Duckham, Reynolds, Videto, Gumbert & Shotwell. Absent: (5) Cmr. Brittain, Mahoney, Berkemeier, Smith & Wilson.

**PUBLIC COMMENT:**

Earl Poleski

**SPECIAL ORDER:**

a) **Review of the proposed 2007 Budget.**

Randy Treacher, Acting Administrator/Controller, assisted by Gerard Cyrocki, Finance Officer, gave a power point presentation on the 2007 proposed budget.

The first line graph showed the 10-year history of the General Fund Budget which has increased by fifteen million dollars since 1998.

The 2007 major budget issues are: No increase in the bottom line of non-personnel accounts, budget increase in unreserved fund balance, contribution to the self-insured Workers Compensation Fund for the first time in many years, budget funds for compensation plan implementation and the relocation of the fleet operation to the Sheriff Department.

In order to balance the 2007 budget, the following transfers will have to be made: \$500,000 into Fund Balance, \$500,000 into the Budget Stabilization Fund (also known as the rainy day fund), \$123,268 increase transfer to the Workers Compensation Fund and \$100,000 transfer in from the Sheriff Wireless Fund. Randy noted that the county's policy has been to put up to 15% of our expenditures into the Budget Stabilization Fund, but this is probably 2 or 3 %. Gerard stated that by transferring \$500,000 into the Budget Stabilization Fund will take it to the level it was at in 2003. We started withdrawing from it in 2004.

A pie chart for 2007 showed **expenses by group** and Public Safety was the largest followed by Judicial expenses. Randy noted that in fact, if you put those two together, they are about half of the total of the General Fund expenditures. If we are going to continue to have good basic services throughout the county, we have to look at, unfortunately the Judicial and Public Safety in terms of being able to fund the rest of the county. Everything else that we do from the Treasurer's Office to Public Health to Department on Aging fits into that other half of the pie. A detailed list is in your packets that supports the expenses.

A graph showing expense comparison by year from 2002 through 2007 by group again shows that Public Safety is the most costly. This chart not only shows in relationship where the county expenditures are, but it also shows a history of where they're going by the various groups. If something isn't done by that group or groups that are spending the largest part of the dollars, the rest of us don't have a chance. The bump up in the Health in '06 & '07, 100% of that is the senior millage. That's not an increase in expenditures of General Fund dollars although it's transferred in to the General Fund. It's not like they're given an additional allocation, in fact, the allocation is the same. That's an increase because of the senior millage. So even that bump is a bit artificial on Health and Social Services. If you take a look at it, it's less than a million dollars and that's basically 100% of the senior millage. Part of that Public Safety increase is the new jail. There is an increase because of that so we do have to take that into account. The actual expenditures are about double of what were estimated. It is utilities, food, medical, personnel and lots of stuff.

A pie chart was done showing **expenses by type**. Wages are the largest piece of the pie totaling almost \$18 million dollars followed by fringes at \$6.3 million. A worksheet was also done listing all expenses by type. Herl asked if the \$2.2 million for retirees was for health care and Randy affirmed that it was. Gerard added that a portion of the health care is paid out of a separate retirees' health fund that was set up several years ago, so the \$2.2 million is not the total the County is paying. Gerard noted that wages in 2000 were \$12.06 million. Reductions

must be made in full-time wages as part-time won't help. The total wages are \$18 million dollars from the General Fund.

Pie charts showed **wages by type** and also **wage and fringe data**. Randy noted that \$24.3 million dollars out of our \$45 million budget goes for wages and fringes. If we are going to affect the budget significantly, we've got to look at wages and fringes. In looking at the **revenues by type** pie chart, note this is what type of revenue we receive, not what department they come from. First of all, \$23.5 million of our total budget comes from taxes, basically property taxes. We get some money from licenses and permits and some intergovernmental transfers. These charges and fees are again, lots of things. A lot of that money comes from the Register of Deeds Office. The Transfers In include the revenue sharing reserve fund money, the transfers in from the Department on Aging, as well as the transfers in from the Sheriff Department from the jail millage. Inter-governmental was next with \$5.7 million, however, is down due to no revenue sharing. A little bit of money comes in from fines and that comes from the courts. A detailed list follows this chart also. If you take the blue part (taxes) and most of the orange part (transfers in) you can see that taxes are basically what runs the county.

In looking at the graph chart **revenue by type by year**, this shows seven years of history. We've done that so you'll get an idea of what's going on. We've already talked about taxes. Seven years of revenue from licenses is not worth talking about. Inter-governmental has gone down, but remember that inter-governmental used to include revenue sharing from the state and it doesn't any more. It goes into a revenue sharing reserve fund and then we transfer it in. Fines are down and that's largely from District Court, but not exclusively. In looking at all the revenue sources, we already know that most of our money comes from taxes. Basically, the rest of the revenue sources for the last seven years have been stagnant and revenues from other funding sources have not increased. We need the taxes to balance our budget.

If property continually gets captured, then our only source of increased revenue is gone or captured and that would be significant. Gerard noted that the local capture here in Jackson is over \$1.3 million dollars, so that could possibly have been the money coming into the General Fund. Keep in mind that is for development and is money that turns elsewhere. Janet Rochefort, Treasurer, offered some information regarding local capture.

Poleski noted that we haven't talked much about charges and noted they are stagnant and wondered if it's because our rates aren't increasing as they should. Randy responded that most departments do not look forward to coming to the Board of Commissioners to increase their charges as it's not a pleasant experience. They are reviewed on an annual basis, but many of our charges are set by statute and they can't be changed.

Gerard noted that the 2<sup>nd</sup> largest revenue source (Transfers In) will be off the books by 2010 and we'll have to reduce the budget by \$3,000,000 a year. Another big hit in revenue for '07 is that we're not boarding prisoners anymore. Also note that the \$1.23 million for jail millage is all that we take in. Even if our expenses are double, this is not paying for the extra expenses for operating the jail. It's not paying for even half of the expenses. There is no more revenue from the millage to cover those additional expenditures that weren't expected in the jail. As far as the Department on Aging millage, that is only 2.5 mills and this is roughly the max that can come in from that. We've been looking at revenues by type - that is the kind of revenue. Now we're going to look at where they come from. The pie chart **revenues by group** shows that Judicial brings in about \$6 million dollars a year; Public Safety about \$2.3 million dollars. General includes our tax millage and that all comes into the Treasurer's Office. Health/Social Services is about \$1.7 million and Transfers In comes in from Department on Aging millage, Sheriff Department millage and in the revenue sharing reserve fund totals about \$6.6 million. A detailed list follows the chart.

**Net County Expense Chart** (also known as the Jim Rice chart) shows the amounts that each group brings in and what they spent. General Government brings in all the taxes which really supports the Judicial, Public Safety, Social Services and so on. A detailed list follows the chart.

A chart from 1990 through 2007 shows the **General Fund - Fund Balance History** per the audit. This is actual millions of dollars in the unreserved/undesignated fund balance. Putting in one-half million dollars by the end of 2007 still doesn't put us where we should be. The Fund Balance should be 16% to 20% or more of the unreserved, undesignated fund balance. The estimated undesignated/unreserved fund balance for 2007 shows about 13.27%. These two charts are different; one is dollars and this is percent of prior year expenditures. As our budget goes up, to get this percentage higher, takes more money.

Gerard is working on a plan to project what the county needs to do for the next couple of years. We need some goals, not just policies. We have a plan to reduce our expenditures, but we need to look at how much is really needed. Then the two need to be integrated together and hopefully be part of the strategic planning we do after the first of the year.

The **2007 Equipment Fund Highlights** are: Nine(9) replacement automobiles/trucks at \$199,700, eighty (80) replacement computers approximately \$100,000 and in-car video recorders for the Sheriff Department budgeted at \$52,000. Randy noted that we currently have about 600 active computers and we should replace at least 150 of them each year.

**Public Improvement Fund Highlights for 2007** are: Record retention - courthouse at \$50,000; building tuck pointing - \$130,000; fair projects - \$65,000 (comes out of their own budget) and airport runway realignment at \$50,000. Once the runway is done, it is expected that they will be pretty much self-supporting, but we need to fund it locally.

The Jackson County 2007 General Fund Budget is \$45,933,432.

*Moved by Gumbert, supported by Videto* to adjourn the Committee of the Whole meeting. Motion carried. The meeting was adjourned at 6:55 p.m.

James E. Shotwell, Jr. - Chairman, Jackson County Board of Commissioners  
Sandra L. Crowley - Jackson County Clerk