

FY 2016 Delta County Budget

Presented to the Board of Commissioners
September 1, 2015

Financial Outlook

Positives

- Strong financial reserves
- Positive 2015 tax growth
- Minimal debt burden
- Stable insurance costs

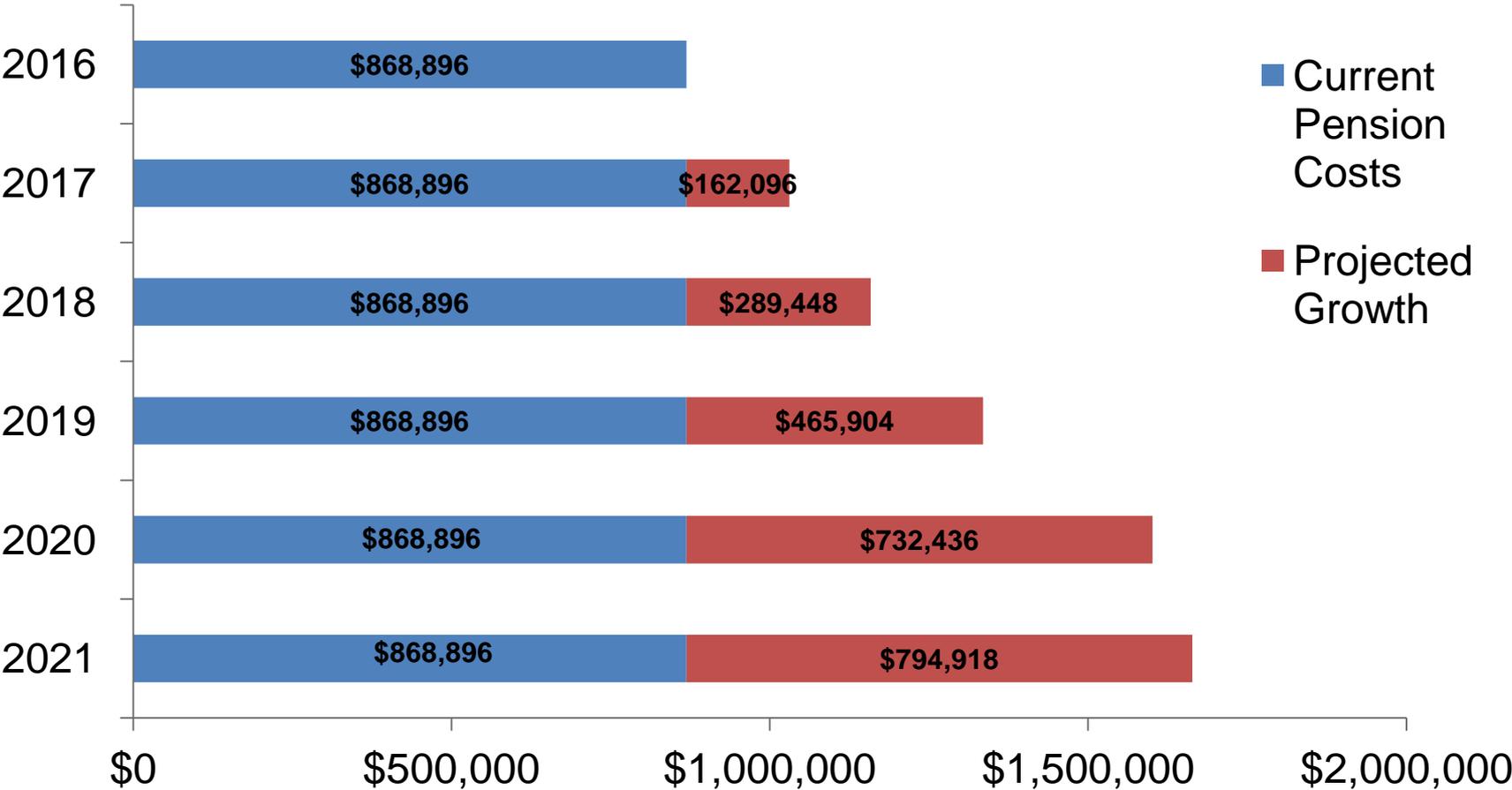
Challenges

- Tax appeals (dark store)
- Summer tax collection
- Unfunded mandates
- Pension cost growth

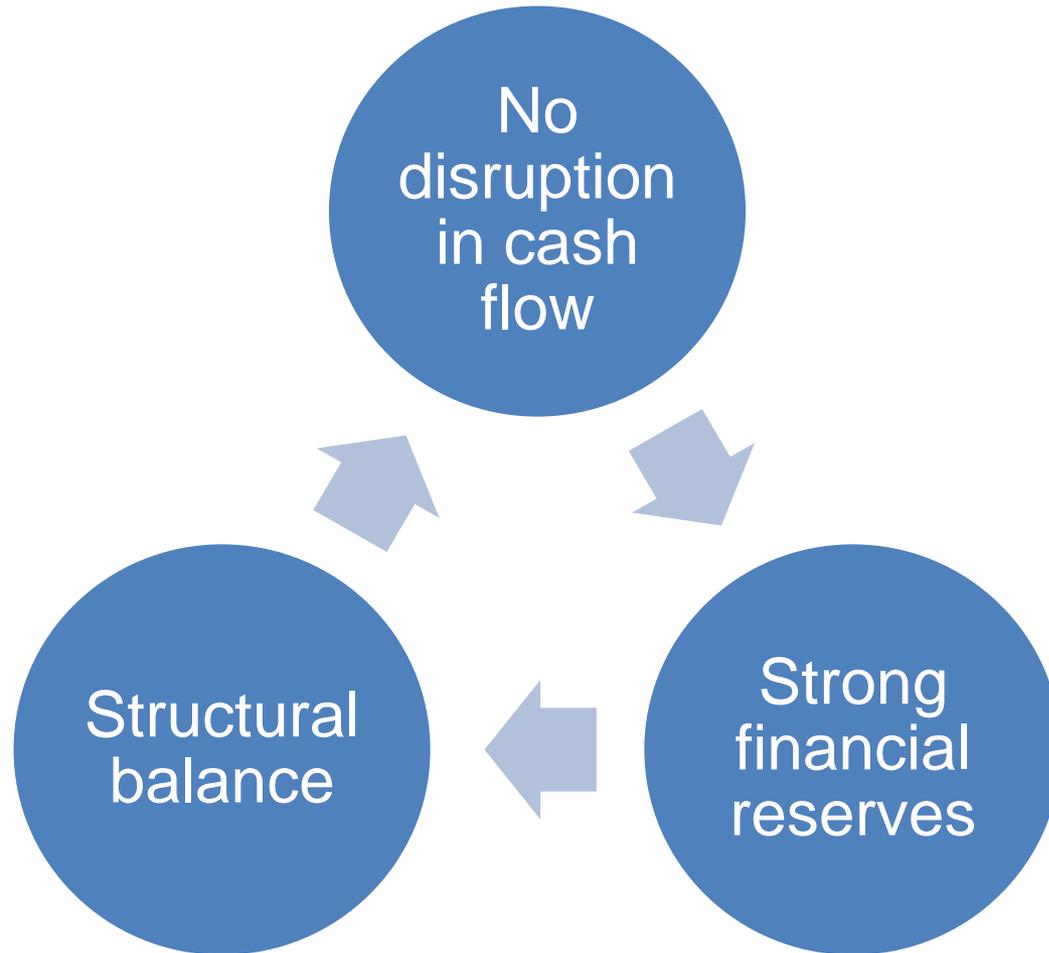
Variables

- State revenue sharing
- Flat economy

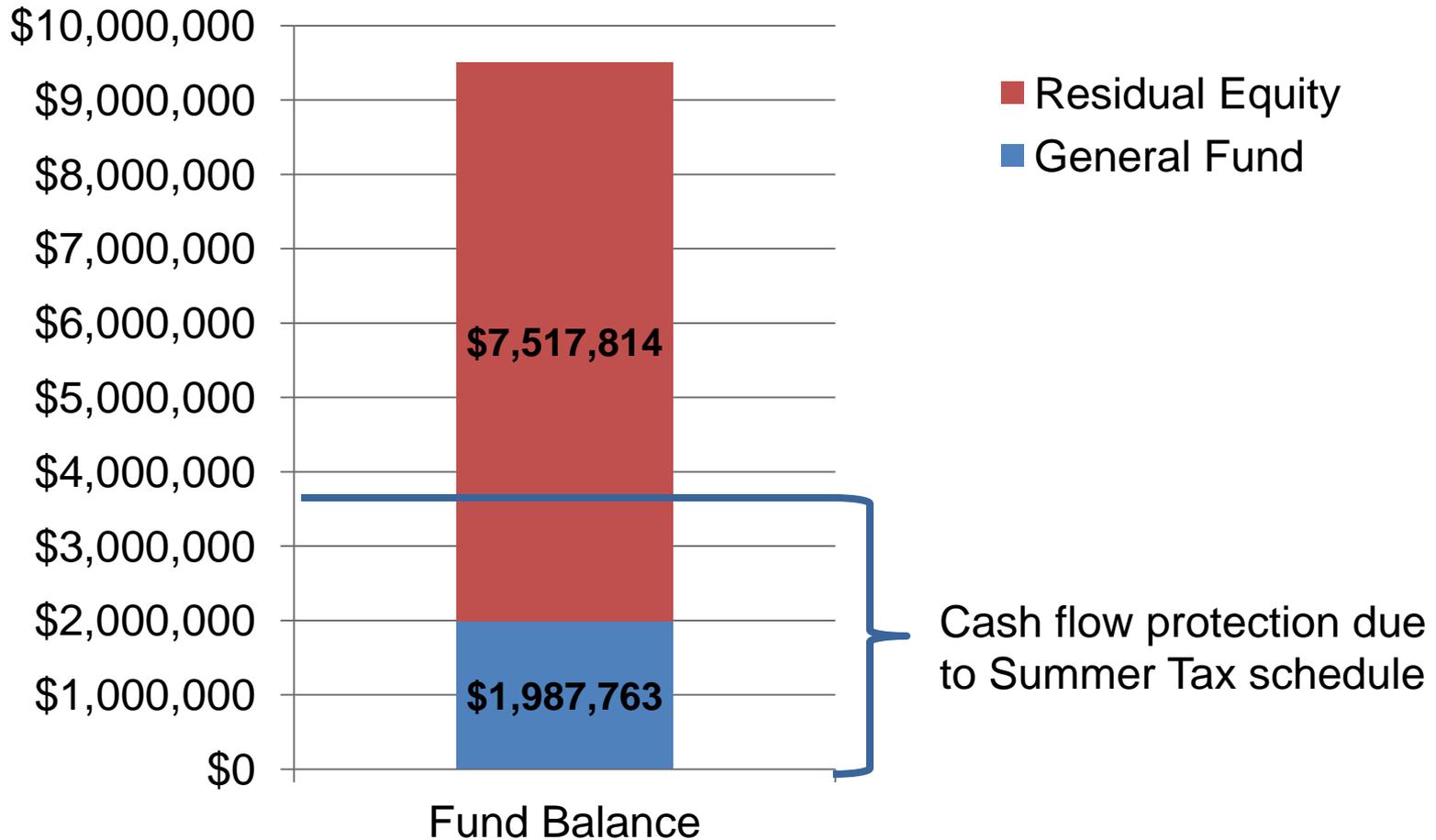
Projected Pension Cost Growth



Financial Goals

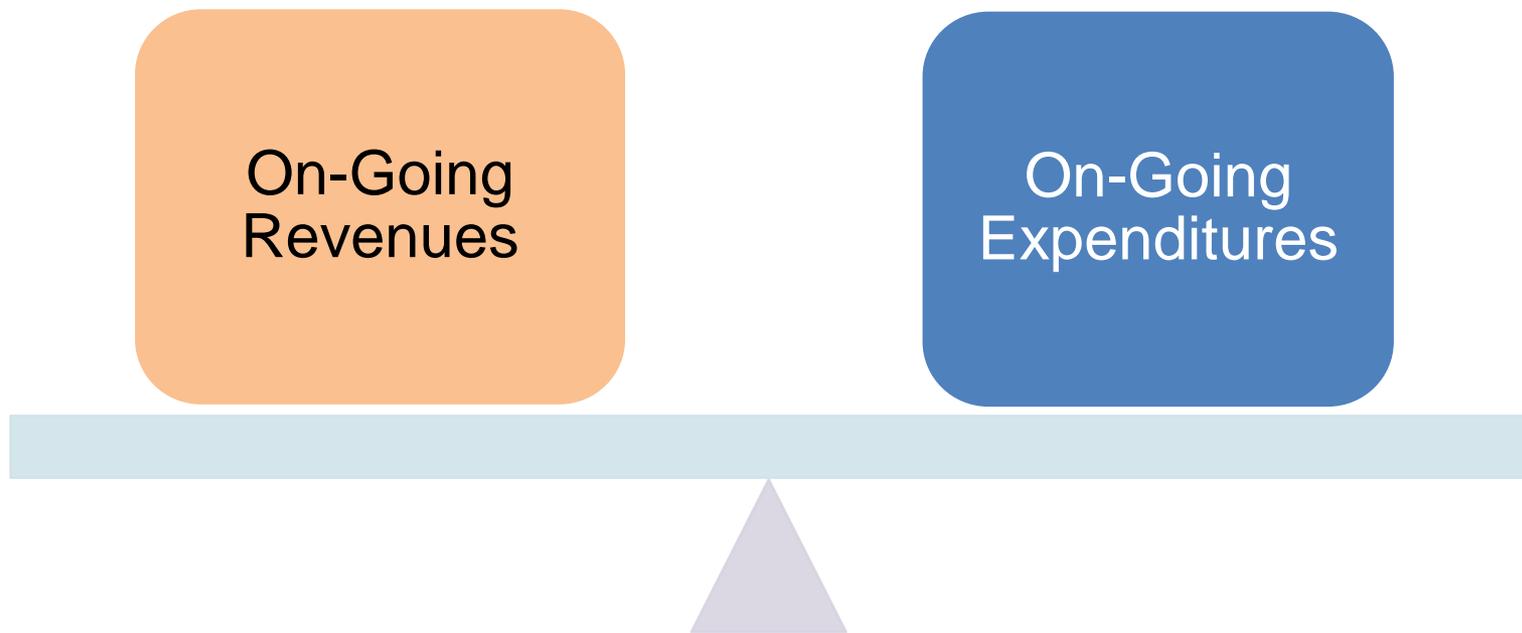


Cash Flow and Financial Reserves



Structural Balance

One-time revenues only used for one-time expenditures



FY 2016 Budget Highlights

- ✓ No layoffs
- ✓ No tax increases
- ✓ Structurally balanced budget
- ✓ Maintains General Fund reserves
- ✓ Wage increase in two labor contracts

FY 2016 Proposed Budget Summary

Fund Description	Original FY 2015 Budget	Proposed FY 2016 Budget	Budget Change
General Fund	\$9,735,544	\$9,535,565	-\$199,979
Road Patrol Fund	\$1,346,826	\$1,281,710	-\$65,116
Airport Fund	\$1,036,810	\$1,008,550	-\$28,260
911/Dispatch Fund	\$812,000	\$911,000	\$99,000

Notable General Fund Revenue Changes

Revenue Name	What It is	Change	Why It's Changing
Convention Facilities Tax	State liquor tax distribution from 3 largest counties	(\$122,390)	Expiration of statewide agreement
Insurance Reimbursement	Payment from Road Patrol and state allocations	(\$90,000)	Road Patrol will pay their share directly – more appropriate budgeting
County Clerk Services	Fees paid by citizens for County Clerk services	(\$12,000)	Portion of revenue to go to Concealed Pistol Licensing Fund
Federal In Lieu Of	Federal payment instead of taxes for federally owned land	\$40,000	Federally approved payment has increased in recent years
Residual Equity Interest	Interest earnings on Residual Equity Fund	\$53,000	Administrative recommendation to capture interest earnings

Notable General Fund Expenditure Changes

Cost Name	What It is	Change	Why It's Changing
Sick Leave Fund Transfer	Transfer to fund which pays unused sick leave upon termination	(\$50,000)	After consulting with Auditor, maintenance of separate fund not necessary
Service Center Transfer	Transfer to fund which covers costs associated with Service Center	(\$50,000)	Fund has \$600,000 in fund balance and approximately \$40,000 in annual costs
Professional and Consulting	Primarily used for County's Civil Attorney	(\$10,000)	Expectation of reduction in use of legal services
Circuit Court Attorney Fees	Attorney fees for public defenders	\$18,000	Increased number of trials and in Attorney rates
Veteran Affairs	Funding for a Veteran Affairs Office	\$46,688	Expansion from part-time (12 hour) office to full-time
Contingency	Anticipated General Fund surplus	\$133,867	Reserved for labor negotiations, unanticipated costs, and tax appeal buffer

How Tax Dollars Are Allocated

Cost Description	Budget	%
Prosecutor and Courts	\$3,082,158	32.3%
Jail and Sheriff Admin.	\$2,205,737	23.1%
Maintenance and Custodial	\$463,850	4.9%
Board and Administration	\$449,164	4.7%
Clerk/Elections/Deeds	\$374,546	3.9%
Airport Subsidy	\$350,000	3.7%
Mental Health and Substance Abuse	\$343,171	3.6%
Bond Payments	\$326,680	3.4%
Health Department	\$271,731	2.8%
Unallocable Pension Cost	\$201,016	2.1%
Technology Purchases	\$187,200	2.0%

Cost Description	Budget	%
County Treasurer	\$178,399	1.9%
Equalization Services	\$177,341	1.9%
Contractual Personnel	\$166,100	1.7%
Contingency Funds	\$138,867	1.5%
General Insurance	\$136,000	1.4%
Audit and Professional	\$116,000	1.2%
Equipment, Repair, and Capital Outlay	\$115,000	1.2%
General Appropriations	\$104,350	1.1%
Parks and Conservation	\$75,000	0.8%
MSU Extension	\$45,100	0.5%
Miscellaneous Costs	\$28,155	0.3%

Preliminary Administrative Priorities

Fiscal Stability

- Structurally balanced budget
- Create financial policies to protect fund balances
- Improve and standardize county's procurement process

Employee Relations

- Protect pension benefits of retirees
- Secure multi-year union contracts prior to expiration
- Enhance management development programs

Citizen Transparency

- Increase information available to citizens online
- Simplify and standardize process for citizens to obtain information

Public Safety Services

- Prioritize statutory public safety responsibilities
- Maximize coordination with Sheriff and Prosecutor

FY 2016 Administrative Priorities

- Jail planning and funding
- Long-term Equalization and GIS structure
- Maintenance Department staffing
- Inventory of all equipment
- Review of Building and Zoning service
- Enhance Delta County's online presence
- Address County Audit issues

This presentation, a detailed budget, and a report on changes are available at:

www.deltacountymi.org