



County Commission Communications

A Periodic Column Written by Ed Douglas, Presiding Commissioner

BUDGET FINALIZED

FEBRUARY 2017

Thanks to those who helped prepare the budget

The County Budget was finalized January 30th. I would like to thank Sherry Parks, our County Clerk for all her hard work in bringing all the numbers together for us, in arranging budget meetings with elected officials, and preparing the final budget. I would also like to thank all of the elected officials for their efforts in presenting to us very lean expense budgets. Finally, I would like to thank our new commissioners, East District Commissioner Alvin Thompson and West District Commissioner Dave Mapel, for their hard work in finalizing the budget. Both new commissioners jumped right into the budget and offered very valuable input in the process.

BUDGET SUMMARY: COUNTY FUND BALANCES

The 2017 budget was very tight and tighter than last year. Our ending operating funds balance, which is the sum of our General Revenue Fund and our Law Enforcement fund after the budget was completed, was \$34,891. This compares to an ending balance of \$79,509 for 2016. This low balance for operating reserves is a major concern for our County. Several counties surrounding us have operating reserves of \$2 million to \$3 million dollars. Our low balance makes us vulnerable to unexpected occurrences and is one of the reasons for requesting additional funds in our ballot issue this April. The ending balance of all fund balances in the 29 separate funds (most of which are established by state statutes) was \$412,328. This is also a decrease from last years ending balance for all funds of \$739,523. Most of this difference from the previous year is caused by a decrease in the road and bridge fund as a result of including in our budget the replacement of two bridges which will cost approximately \$150,000 each. These two bridges will be built out of county funds. Most of our bridges are built with federal money for 80% of the bridge cost. The other 20% must come from county funds or credit we have accrued in the past building bridges (called a soft match). In order to have the 20% soft match, we have to occasionally spend our own funds to build up this soft match; 2017 is one of these years.

COUNTY REVENUE AND SALES TAX BOTH LOWER

County revenue for 2017 is budgeted at \$4,840,176 down from \$5,284,236 in 2016. Our sales tax revenue for the year was lower than the previous year. Consequently, we are budgeting \$25,000 less this year than last. County expense is budgeted at \$5,793,463, also down from the 2016 expense of \$5,815,286. County expense exceeds county revenue because fortunately there is some money in budgets that doesn't get spent each year. In our operating funds, this has amounted to about \$300,000 per year for the last two years. One example of a way unspent money occurs would be if we budget for eight deputies and one of the deputies moves and the position takes 60 days to fill. This results in a savings of 60 days of salaries. Fortunately, we normally have a certain amount of occurrences like this, but it is not a real reserve we can count on. This underscores OUR need for a more significant reserve which is part of our sales tax request.

JAIL INMATE COUNT DOWN FOR YEAR BUT COST PER INMATE IS UP

We were able to budget a lower prisoner count in 2017 than 2016. Inmate count was down last year, and so we were able to base our budget in 2017 on 38 prisoners per day, down from 43 in 2016. Unfortunately, we believe that last year's reduced inmate count was an aberration and that the long-term trend will still grow gradually. Also, our per day cost per inmate which was increased from \$30 per day in 2015 to \$34 per day in 2016 is expected to be increased to \$40 per day at the end of this year based on what we have been told by the Daviess/DeKalb Regional Jail Board. This will increase our costs significantly and is another reason for our revenue issue on the ballot in April.

COUNTY STAFF

Although our budget is very tight, we felt we needed to provide a 2% cost of living increase in employee salaries. Our business is a service business, and our employees are important. The staff of the elected officials at the court house has a starting wage of \$9.65 per hour, and the staff only is allowed to work a 35-hour week because a 40-hour week is not affordable. Therefore, our County Commission believes it is important to do what we can to compensate them as fairly as possible. The 2% cost of living increase will at least help keep them from losing ground.

ATTACHED BUDGET SUMMARY

[Attached is a summary of our budget sheet.](#) To make it more readable, I have summarized 22 very small designated funds into a category called "other". These funds are reasonably small amounts; and their combination allows a summary budget to appear on one page. If you have questions, please feel free to call or come up to visit with us.

By Catherine Stortz Ripley (C-T) - Livingston County's spending plan for 2017 is "very, very tight", and the county plans to end the year with ending balances less than it did in 2016. The county commission - comprised of Presiding Commissioner Ed Douglas and newly elected associate commissioners Alvin Thompson and Dave Mapel - unanimously approved the budget following a public hearing Tuesday morning. The county's fiscal year began January 1. The overall 2017 ending balance of the county's approximate 30 funds is projected to be \$412,000 compared to last year's ending balance of \$739,000.

A couple of big-ticket items in this year's budget are two bridge projects included in the county's road and bridge fund that will be fully funded by the county for an estimated cost of \$300,000. The bridges are located near Chula. Although two are included in the 2017 budget, it's possible that only one will be completed this year. The bridges will be funded by the county and designated as "soft-match" funds that can be used to leverage federal funds for future bridge projects. The county's bridge projects often are paid for with 80 percent federal funds and 20 percent local money. The local 20 percent, also known as soft-match, can come from projects that were completed solely with county funds. Each county bridge is estimated to cost \$150,000. One bridge included in this year's budget is on Third Street, west of Chillicothe. This will be a BRO bridge that will be paid for with 80 percent federal funds and 20 percent local soft-match funds.

Douglas commended those involved with the county's budget development. "The county clerk did a great job, and the elected officials did a good job of knowing our restraints and keeping requests slim," he said. "The new commissioners jumped in and rolled up their sleeves and made good suggestions. The projected low 2017 ending balance underscores the county's need for passage of a half-cent sales tax on the April ballot," Douglas said. "The timing for a sales tax increase is very important," he said. "Things are tight."

The costs for housing prisoners has been a big issue, Douglas said. The county houses its inmates at the Daviess DeKalb Regional Jail. Although the commissioners continue to research the possibility of building a Livingston County Jail, at this time, the cost is "well beyond the affordability of Livingston County," according to Livingston County Clerk Sherry Parks. The county had budgeted for an average daily prisoner count of 43 inmates. The actual average was down from that number; however, the census was starting to increase toward the end of the year. For 2017, the county is budgeting for an average census of 38 prisoners per day. The cost per inmate increased from \$30 per day in February 2016 to \$34 per day. At the end of 2017, the rate is expected to increase to \$40 per day.

The county clerk stated that the county continues to operate a centralized dispatch center through a partnership with the city of Chillicothe. However, due to declining revenues collected through 911 fees, which is primarily due to the increased popularity of VOIP phone lines and cell phone usage, 911 services are being supplemented with funds that should be used in other areas of service to the county citizens, Parks stated. "With Missouri being the only state in the nation that does not have a 911 fee on cell phones, local government will continue to struggle to support this service until major changes in funding are instituted," Parks said.

The clerk stated that the 2017 budget includes federal and state grant funds for numerous services, including a supplement to the deputy sheriff's salary, maintenance of voter registration equipment and new equipment for the sheriff's department.

The county's general sales tax collections for 2016 were down by approximately 1.6 percent from the previous year which will result in a minimal property levy assessed to the taxpayers for the 2017 tax year, Parks said. The county has budgeted \$25,000 less in sales tax than what was budgeted the previous year, according to Douglas.

The 2017 budget reflects a 2 percent cost of living increase for full-time employees. Douglas noted that the starting salary for employees is \$9.65 per hour and that employees work 35 hours per week. The county continues to fund the LAGERS pension plan, half of the CERF pension plan and the Prosecuting Attorney Retirement plan. The commissioners also chose to continue to fund a bridge insurance plan for all fulltime employees and elected officials. This plan was implemented when the county insurance premium increased and the commissioners saw this as a way to offset out-of-pocket expenses for employees. Livingston County offers health insurance to all full-time employees and elected officials through Blue Cross Blue Shield, with the county funding the majority of the premium.

In her budget message to the commissioners, Parks stated that the elected officials and employees work diligently to provide quality services to the citizens of Livingston County.



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