

2015 BUDGET MESSAGE

The 2015 budget presented some unique challenges. The budget was delayed due to issues in the Treasurer's office that caused the audit to be submitted to the county weeks later than normal. A late audit meant the County did not have audited year-end figures needed to prepare the budget until later than usual, which in turn resulted in the budget being presented to the Commissioners for approval 3 weeks later than normal.

In addition to Treasurer issues creating delays in completing the budget timely, the County also experienced both a loss of valuation and estimated revenue loss. This is my 11th budget and the first budget I have prepared in which both loss of valuation and revenue reductions were factors in preparing the budget.

Despite the challenges encountered by the Commissioners the Commissioners worked diligently to prepare a budget that provides to the taxpayers of Barton County quality services at an affordable price. I want to work through this statement.

1. **THE COMMISSIONERS WORKED DILIGENTLY.** I doubt many citizens understand how involved the Barton County Commissioners are in the budget process. The Barton County budget is not a budget that staff prepares, and then the governing body reviews and approves. The Commissioners are intimately involved in the budget preparation. This starts in early June when myself, Donna Zimmerman, and Jessica Wilson start visiting with the Commissioners about the budget. The involvement continues throughout June, July, and this year into August. The Commissioners meet with department heads, elected officials, and supported agencies to discuss their budgets. The Commissioners discuss the budget and provide direction to me relative to budget details and the Commissioners' directions are incorporated into the budget. The Commissioners spend many hours working on the budget during the budget season.

2. **TO PREPARE A BUDGET THAT PROVIDES QUALITY SERVICES.** Barton County provides many services to its taxpayers. Significant services include law enforcement and a jail, 911, road and bridge, noxious weeds, health department, and courthouse services. Taxpayers have come to expect the county will provide not just services, but quality services. County employees generally want to provide good services. I had a first hand experience last week I want to share with you. I went to SE 50 Road last week, the 5 mile black top, to talk to the Road and Bridge employees and watch them seal that road. I rode in the dump trucks, in the oil pot, and on the spreader. The employees did not talk about pay. Rather they talked about how nice the road was they were putting down – a chip seal road – dramatically better than a sand seal road, but a lot more expensive, and talked about how nice it would be if there was money to do all the county roads of the same quality. I appreciated their concern and explained money is a finite resource. They never talked about pay raises, but I know, as do the commissioners, that keeping the type employee who is concerned about the quality of the road requires investing money in that employee. Many other county employees have the same desire to provide a positive result as do the road and bridge employees.

3. AT AN AFFORDABLE PRICE. I have witnessed the Commissioners time and again agonizing over the dichotomy of providing services without having to increase the tax burden on the taxpayers anymore than absolutely necessary, and struggle to come to the right balance between providing services and raising taxes.

With this said, I want to discuss the proposed 2015 budget.

The basic formula for a municipal budget is expenditures less revenue equals the amount of money needed to be raised by the mill levy.

I will work through that formula, but will do so by first addressing revenues.

REVENUES

Valuation losses means that for the first time in many years a mill is worth less money in the 2015 budget than it was worth in the 2014 budget. A mill in the 2015 budget is estimated at \$270,227.22, whereas in the 2014 budget it is worth \$272,753.18, a loss of \$2,525.96 per mill or about \$90,000.00 of revenue compared to the 2014 budget. The county estimates a loss of \$320,082.00 in other revenues, as set forth on the Major Revenue Losses Chart. The estimated revenue losses, plus valuation declines, total \$410,000.00 and are the equivalent of approximately 1.5 mills.

2015 Budget - Major Revenue Losses			
Fund	Increase (Decrease)	%	
General Fund Revenue	(89,452)	-3.08%	\$75,000 Reduction in Mortgage Registration & Reduced Delinquent Tax Estimate
Road & Bridge Fund Revenue	(30,630)	-2.27%	Primarily due to Special City & County Highway Reduction (\$20,973) & Reduced Delinquent Tax Estimate
Employee Benefit Fund Revenue	(200,000)	-46.13%	Health Coverage Trust Transfer is Done

The General Fund revenue chart contains a summary of estimated revenues for 2015. The county does have a variety of revenue sources. Most revenues are estimated to be similar in 2015 to 2014.

MAJOR REVENUE SOURCES - General Fund		
Ad Valorem Tax	\$ 2,975,763	51%
Delinquent Tax	\$ 35,740	1%
Vehicle Taxes	\$ 385,893	7%
Watercraft Tax	\$ 4,374	0%
Neighborhood Revitalization	\$ (36,881)	-1%
Sales Tax	\$ 1,735,000	30%
Compensation Use Tax	\$ 80,000	1%
Other Tax	\$ 78,019	1%
Emergency Risk Management	\$ 24,000	0%
Sheriff, Prisoner Keep, and Others	\$ 95,000	2%
Environmental Management, Fees, and Grants	\$ 8,000	0%
Register of Deeds	\$ 132,500	2%
County Attorney, Diversion, and Other Fees	\$ 12,000	0%
District Court	\$ 75,000	1%
Motor Vehicle Operating Account	\$ 40,000	1%
Other Income	\$ 118,000	2%
Interest on Idle Funds	\$ 30,000	1%
Total	\$ 5,792,408	100%

Another major revenue source available to Road and Bridge is the Special City and Highway Gas Tax, expected to produce \$933,362.00 revenue for Road and Bridge.

EXPENDITURES

Barton County has been in a unique situation relative to expenditures. The Kansas State University Fiscal Trends and Conditions report for 2014 made an interesting statement regarding Barton County expenditures. Between 2004 and 2012, the most recent budget year K-State studied, Barton County's total expenditures, unadjusted for inflation, increased less than 1%. In real, inflation adjusted terms, expenditures declined 15%. The impact of this was stated well by Kevin Barr, the Extension Council President when he discussed Extension's Budget with the Commissioners back in July. Kevin stated that expenses are greater now that they were in 2009 but expenditures had been cut about \$31,000.00 for Extension between 2009 and 2014 and such a trend was not sustainable. The Commissioners responded by increasing the Extension budget by \$35,000.00, an increase of just under 20%.

As the Commissioners discussed the 2015 budget relative to County departments the Commissioners often commented that County operating expenses likewise have increased and the budget should reflect that increase.

However, the actual increases in operating money by funds are not significantly greater than in 2014. The 2014 budget contained expenditures totaling \$19,289,119.00. The 2015 budget contains proposed expenditures of \$19,553,150.00, an increase of 1.37%.

Where does the increase in expenditures occur?

The Proposed Expenditure Budget chart provides details.

2015 Proposed Expenditure Budget				
Fund	2013 Actual	2014 Budget	2015 Proposed Budget	Change from 2014 to 2015
General	6,470,835	7,290,266	7,296,016	5,750
Road and Bridge	4,520,308	4,715,000	4,770,750	55,750
Noxious Weed	899,504	786,750	806,150	19,400
Special Bridge Replacement	307,528	360,000	360,000	-
Employee Benefit Fund	2,459,205	2,578,370	2,776,200	197,830
Ambulance Fund	452,437	465,850	465,850	-
Mental Health	123,019	125,000	125,000	-
Developmental Disabilities	98,285	80,000	70,000	(10,000)
Health Fund	1,271,352	1,327,468	1,307,583	(19,885)
Unemployment	33,047			
Special Liability	35,480	72,943	93,000	20,057
Memorial Parks	25,335	40,000	40,000	-
Total Levied Funds	16,696,335	17,841,647	18,110,549	268,902
Solid Waste	1,027,498	1,180,537	1,177,860	(2,677)
Special Alcohol	9,176	6,995	5,783	(1,212)
Special Parks	6,130	6,940	3,019	(3,921)
911 Emergency Telephone Tax	280,941	167,000	166,500	(500)
Criminal Justice Information System (CJIS)	79,569	86,000	89,439	3,439
Total Non Levied Funds	1,403,314	1,447,472	1,442,601	(4,871)
Total Expenditures	18,099,649	19,289,119	19,553,150	264,031

The General Fund details are seen in the General Fund Expenditures.

2015 Proposed General Fund Expenditures				
Department	2013 Actual	2014 Budget	2015 Proposed Budget	Change
County Commissioners	97,081	98,550	105,505	6,955
County Clerk	247,562	288,425	277,405	(11,020)
County Clerk/Election	50,136	225,015	66,950	(158,065)
County Treasurer	133,862	146,350	159,960	13,610
County Attorney	459,340	473,700	491,855	18,155
Register of Deeds	102,575	116,980	118,130	1,150
Sheriff	976,263	1,030,166	1,138,045	107,879
County Appraiser	361,410	376,480	413,560	37,080
District Clerk/District Expenses	357,123	407,363	416,000	8,637
Courthouse General	606,946	875,602	580,505	(295,097)
Juvenile Detention	55,848	77,275	78,770	1,495
Facilities Maintenance	142,706	-	-	-
County Administrator	313,065	484,100	475,905	(8,195)
Information Technology	182,303	177,700	182,250	4,550
Finance General	394,789	473,300	583,340	110,040
Emergency/Risk Management	59,483	62,575	63,890	1,315
Detention Facility	1,090,487	1,166,835	1,292,991	126,156
Records Maintenance	39,998	-	-	-
Engineering	196,036	198,150	202,295	4,145
Environmental Management	86,649	85,525	88,925	3,400
Communications	517,173	526,175	559,735	33,560
Total General Fund	6,470,835	7,290,266	7,296,016	5,750

These figures do include a pay raise for county employees.

The Commissioners may recall that in December last year I met with each Department Head and elected official and asked them to work with me to plan for 2014. Part of that planning was to identify their most serious concern. The response of each department head and each elected official was the same – employee wages need to be increased in order to hire and retain quality employees.

The Sheriff has told the Commissioners about the problems he had in finding and keeping qualified and quality employees in both the jail and on the road. The County simply has not been competitive with other local law enforcement agencies. The result has been a carousel of the County training deputies only to lose them to another department, and starting the process over. The jail is a dangerous place to work and of all county operations, most likely to result in a law suit against the county because detainees like to sue the County. The Sheriff has had considerable difficulty hiring jail employees, in large part because the pay is inadequate given the work.

Road and Bridge lost good employees last year due to wage issues. 911 continues to have difficulty hiring and retaining employees. Other departments have the same problem. The County Attorney lost an employee just a month ago due to wages.

To help remedy pay issues the 2015 budget includes a 4% increase in the wage lines to fund a raise for employees. The Sheriff tells me that after the raise in 2015 it will be the first time in over 30 years the County will be competitive pay wise with other local law enforcement agencies.

The County provides support to a variety of supported agencies. The details for supported agencies are provided in the supported agency chart.

AGENCY \ ACTION SUPPORTED	2013 Budget	2014 Budget	2015 Proposed Budget
Barton County Arts Council	\$ 4,000	\$ 4,000	\$ -
Barton County Fair Association	\$ 24,000	\$ 24,000	\$ 25,000
Barton County Historical Society	\$ 46,500	\$ 46,500	\$ 46,500
Barton County Soil Conservation	\$ 24,650	\$ 24,650	\$ 24,650
Golden Belt Humane Society	\$ 16,250	\$ 16,250	\$ 30,000
Great Plains Development	\$ 5,500	\$ 5,500	\$ 6,890
Barton County Extension	\$ 204,250	\$ 180,000	\$ 215,000
Volunteers in Action / RSVP Medical Transport Program	\$ 8,000	\$ 8,000	\$ 8,000
Sunflower Diversified - Early Intervention	\$ 20,000	\$ 15,000	\$ 10,000
SW Kansas Agency on Aging	\$ 1,400	\$ 1,400	\$ 1,500
Prairie Enterprise Project	\$ 10,000	\$ 10,000	\$ -
Teen Court	\$ 3,000	\$ 3,000	\$ 3,000
Miscellaneous Contractual	\$ 50,000	\$ 75,000	\$ 75,000
Economic Development	\$ 30,000	\$ 50,000	\$ 77,800
Community Development - Scenic Byway	\$ 10,000	\$ 10,000	\$ 10,000
Ambulance - Special Distribution	\$ -	\$ -	\$ 50,000
TOTAL APPROPRIATIONS - General Fund	\$ 457,550	\$ 473,300	\$ 583,340
The Center for Counseling & Consultation	\$ 125,000	\$ 125,000	\$ 125,000
Southwest Developmental Services, Inc.	\$ 100,000	\$ 80,000	\$ 70,000

The net effect is an estimated 1.732 mill increase. Most of this increase is to offset valuation and revenue losses. Increased operating costs I have described are offset for the most part by the fact there will not be a need for year-end transfers of approximately \$270,000.00 due to the receipt of Oil and Gas Valuation Fund moneys that have helped stabilize the capital improvement and equipment replacement funds.

I want to recognize all who contributed time and effort to the 2015 budget. This list includes the Commissioners, the department heads, and supported agency heads. I want to recognize in particular the Finance Officer, Jessica Wilson, and the County Clerk, Donna Zimmerman for their many contributions in preparing the 2015 budget.