

2017 Swift County Final Levy and Budget

Final 2017 Budget

Truth-In-Taxation Hearing

November 29, 2016

Today's Agenda

- Overview
- 2017 Budget Assumptions
- Historical Information
- 2017 Preliminary Budget and Levy
- 2017 Revenues and Expenses
- Discussion Items
- Timeline moving forward

Overview

2017 Budget and Levy
Truth-In-Taxation Hearing
November 29, 2016

Thank you to the Public

- To the citizens and public who are here tonight!
- Tonight the board and staff will:
 - Discuss budget and proposed property tax. This includes a discussion on the proposed property tax levy for the taxes payable year 2017 and the proposed budget for the taxes payable year 2017.
 - Provide an opportunity for public comment and questions.

Thank you to all County Staff

- Thank you to all of the department heads and staff who have work on the 2017 budget. This budget would not have been possible without their help and assistance.
- Special thanks to:
 - Kim Saterbak (Auditor)
 - Marlene Molden (Auditor)
 - Wayne Knutson (Assessor)
 - Gary Jensen (Human Service)
 - Lori Rooney (Highway)
 - Amanda Ness (Administration)

Overview - Swift is Strong

- **Strong Budget Position**
 - The County backs hospital debt and has a GO bond supporting the Federated Telephone project
 - The County's bond rating was improved to AA- in 2016
- **County wide fund balances increased by \$1,168,987 in 2015.** (County Staff was key in making this happen!)
 - General Fund revenues exceed expenditures by \$1,097,988 in 2015.

Overview - Swift is Strong

- Overall fund balances are now near recommended levels by the MN Secretary of State!
- Overall the levy increase for 2017 directly tied to past surpluses.

Overview - Outlook is positive

- Health care costs remain stable.
 - For 2017, rates are proposed to remain the same as 2016. This follows 3 years of flat rates.
 - At the end of October our health insurance reserve balance was over \$900,000.
 - For 2017, health insurance represents 6.7% of the total county budget.
 - If our claim trend holds, the health insurance committee will likely recommend a premium holiday (most likely one payroll) in 2017, which would save the County approximately \$68,500.

Overview - Outlook is positive

- MCIT contributions are flat for 2017.
- Employer rates for PERA remain unchanged for 2017.

Overview - Challenges

- New positions for 2017 (all start 1/1/17):
 - HR Manager , Administration
 - 2 CCO positions
 - Eliminates 1 new FT Deputy Sheriff in 2017 Budget
 - 2 CCO positions were in 2016 Budget – 1 was filled
 - Eligibility Worker , Human Services
 - Assistant County Attorneys moved from a 0.8 FTE to 0.9 FTE.

Overview - Challenges

- **Future Year Challenges**
 - **Lack of physical space to grow at Human Services**
 - **Accredited Assessors**
 - At least three local assessors (maybe a 4th) will not continue their current licenses beyond July 1, 2016.
 - Have picked up one township due to this for 2017.
 - New licensing requirement as of July 1, 2019 may see additional local assessors retire.
 - If townships elect for the County to take over, additional staff maybe needed beyond the deputy assessor in future budget years.
- **HVAC at Courthouse**

Opportunities

- Great workforce of dedicated public employees

2017 Budget Assumptions

2017 Budget and Levy
Truth-In-Taxation Hearing
November 29, 2016

Wages

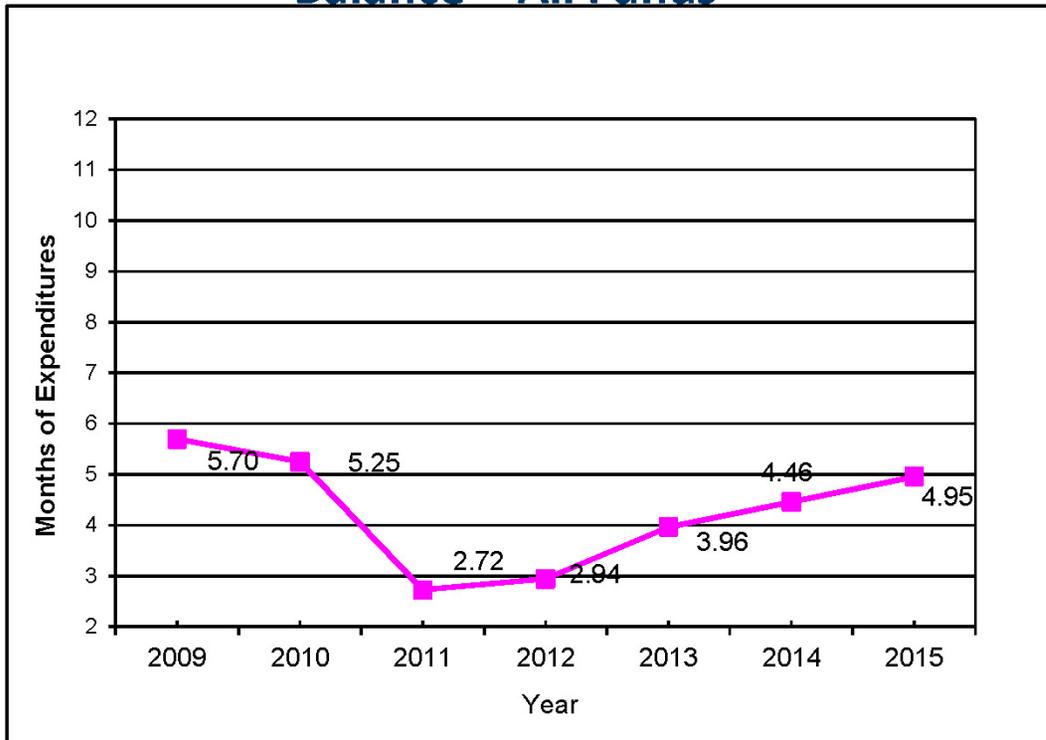
- All Labor Contracts are up on December 31, 2016.
 - In process of negotiating new contracts
 - One contract settled, three still in negotiations
- Budget includes 1.5% COLA increase + steps in the budget.
- With contracts still needing to be settled this is one area that is still in flex.

Insurance

- Health Insurance
 - Rates are flat for 2017.
- Life and Disability
 - Life will see a 13% rate reduction for 2017 by moving from MN Life to Sun Life.
 - Disability rates will remain the same for 2017.

Financial Results

Months of Expenditures in Fund Balance – All Funds



- MN Office of the State Auditor recommends minimum of 5 months for General and Special Revenue Funds
- Increase from the prior year is due to increases in Fund Balance in several funds
- Committed and Unassigned Fund Balance included in calculation

	2009	2010	2011	2012	2013	2014	2015
Expenditures	\$ 15,270,758	\$16,305,732	\$19,833,596	\$19,561,413	\$17,484,897	\$18,548,711	\$19,630,639
Fund Balance	7,247,956	7,129,626	4,503,403	4,792,868	5,770,311	6,887,629	8,103,285

Reserve Balances

- County as a whole we have 4.95 months of reserves. This has been trending up.
- General Revenue Fund ended 2015 with 3.62 months of unrestricted reserves.
 - Up from 1.41 months in 2014, 0.15 months in 2013 and -0.82 months in 2012.
 - Anticipate the same rate of growth in the General Revenue Fund balance and project we will have around 2.5 months of unrestricted reserves at the end of 2015.

Loan Repayments

- SCBH continues to repay the loan the County made to them in 2012. Annual payments (principal and interest) of \$121,412 to the County through 2032.
 - Proposed budget returns it to the general fund.
 - This could be used to off set any future bond payments related to building projects.

Historical Information

2017 Budget and Levy
Truth-In-Taxation Hearing
November 29, 2016

Historic CPA

Year	CPA
2017 (Certified)	\$187,950
2016 (Certified)	\$188,286
2015	\$196,020
2014	\$200,850
2013	\$160,939
2012	\$384,876
2011	\$384,876
2010	\$747,207 Unalloted to \$561,470
2009	\$846,119 Unalloted to \$754,636
2008	\$799,304 Unalloted to \$677,102
2007	\$882,841
2006	\$871,395
2005	\$933,229

Historic Net Levies

Year	Certified Net Levy	Percentage Change
2017 (Preliminary)	\$ 10,382,921	4.3%
2016 (Final)	\$ 9,773,657	3.9%
2015	\$ 9,406,965	5.7%
2014	\$ 8,898,984	3.0%
2013	\$ 8,635,405	5.9%
2012	\$ 8,155,264	3.9%
2011	\$ 7,850,554	9.0%
2010	\$ 7,201,210	3.4%
2009	\$ 6,964,275	7.6%
2008	\$ 6,474,520	15.4%
2007	\$ 5,611,645	11.8%

2017 Preliminary Budget and Levy

Preliminary 2017 Budget
County Board Presentation
September 6, 2016

Preliminary 2017 Budget Summary

	2016 Final	2017 Preliminary
Revenue		
General Revenue	\$6,634,531	\$7,101,859
Road and Bridge	\$7,853,071	\$11,543,433
Human Services	\$5,216,226	\$5,331,775
Library	\$124,087	\$127,810
Solid Waste	\$816,250	\$834,150
Expenses		
General Revenue	\$6,927,553	\$7,035,009
Road and Bridge	\$7,830,857	\$11,290,830
Human Services	\$5,216,226	\$5,331,775
Library	\$124,087	\$127,810
Solid Waste	\$989,900	\$977,930
Net		
General Revenue	(\$293,022)	\$66,850
Road and Bridge	\$22,214	\$252,603
Human Services	\$0	\$0
Library	\$0	\$0
Solid Waste	(\$173,650)	(\$143,780)
TOTAL NET	(\$444,458)	\$175,673

Proposed Levy Totals

	2016 Final	2017 Preliminary
Gross Levy	\$ 9,961,943	\$ 10,382,921
CPA	\$ 188,286	\$ 187,950
Operating Levy	\$ 9,773,657	\$ 10,194,971
Special Levies	\$ 37,621	\$ 37,775
Total Final Net Levy	\$ 9,811,278	\$ 10,232,746

Proposed Gross Levy by Fund

	2016 Final	2017 Preliminary	Percent Increase
Revenue	\$ 5,195,878	\$ 5,535,709	6.5%
Road and Bridge	\$ 1,905,027	\$ 1,905,027	0%
Human Services	\$ 2,736,951	\$ 2,814,375	2.8%
Library	\$ 124,087	\$ 127,810	3.0%
Solid Waste	\$ 0	\$ 0	0%
	\$ 9,961,943	\$ 10,382,921	4.3%

Possible Gross Levy Increases

- 2017 Preliminary Gross Levy = \$10,382,921

Percentage Net Levy Increase	Amount of new levy dollars	New Levy Total
2%	\$199,239	\$10,161,182
3%	\$298,858	\$10,260,801
4%	\$398,478	\$10,360,421
4.3% (preliminary Levy)	\$428,364	\$10,382,921
5%	\$498,097	\$10,460,040
6%	\$597,717	\$10,980,638

Possible 2017 Levy Increase Impacts

VERY Preliminary

- Assumptions:
 - Residential Home \$85,000
 - 2017 value decreased 3.5% over 2016 value
 - Residential Home \$200,000
 - 2017 value decreased 3.5% over 2016 value
 - Commercial Property
 - 2017 value no change from 2016 value
 - 40 Acres of Ag Land
 - 2017 value decreased 8.7% over 2016 value

Preliminary Levy Increase Impacts

VERY Preliminary

- Estimated **County portion** Property Tax for 2017

Percentage Levy Increase	Residential \$85,000	Residential \$200,000	Commercial Property	40 Acres of Ag Land
0%	\$225.86	\$670.37	\$1,350.87	\$856.35
1%	\$228.11	\$677.08	\$1,364.38	\$864.92
2%	\$230.37	\$683.78	\$1,377.89	\$873.48
3%	\$232.63	\$690.48	\$1,391.40	\$882.04
4%	\$234.89	\$697.19	\$1,404.91	\$890.61
4.3% (proposed)	\$235.57	\$699.20	\$1,408.96	\$893.15
5%	\$237.15	\$703.89	\$1,418.42	\$899.17

Preliminary Levy Increase Impacts

VERY Preliminary

- Estimated **County portion** Property Tax Change between 2016 and 2017

Percentage Levy Increase	Residential \$85,000	Residential \$200,000	Commercial Property	40 Acres of Ag Land
0%	\$5.65	\$16.77	\$79.90	(\$19.41)
1%	\$7.91	\$23.48	\$93.41	(\$10.85)
2%	\$10.17	\$30.18	\$106.92	(\$2.28)
3%	\$12.43	\$36.88	\$120.42	\$6.28
4%	\$14.69	\$43.59	\$133.93	\$14.84
4.3% (proposed)	\$15.36	\$45.60	\$137.99	\$17.41
5%	\$16.94	\$50.29	\$147.44	\$23.41

Surrounding County 2017 Levy Changes

County	% Change
Big Stone	5.15%
Chippewa	3.44%*
Kandiyohi	2.11%*
Lac qui Parle	3.72%
Pope	1.99%
Stevens	5.0% - 10.0%*
Swift	4.3%
Yellow Medicine	1.57% - 2.57%*

*Indicates goal for December finalization

Other Levies

- **RDA - \$97,000** (Increase from \$87,000)
- **HRA - \$70,000** (Down from \$145,000 in 2016)

2017 Revenues and Expenses

2017 Budget and Levy
Truth-In-Taxation Hearing
November 29, 2016

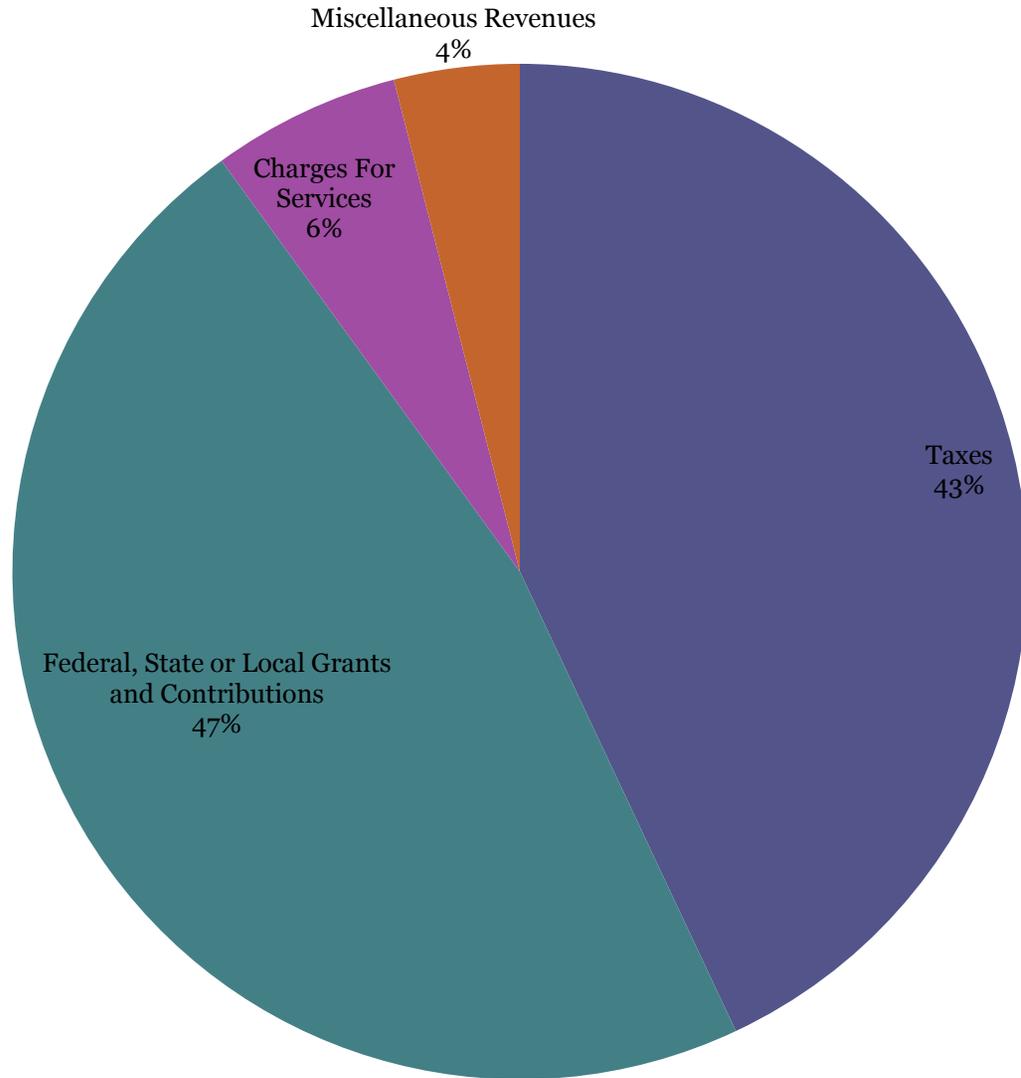
Revenues and Expenses

- The proposed 2017 budget contains:
 - Revenues of \$24,811,217
 - \$ 10,382,921 is the proposed levy with \$10,232,746 in actual County property taxes after CPA and special levies are accounted for.
 - Expenditures of \$24,635,544.

2016 and 2017 Revenue Sources

	2016		2017	
Taxes	\$ 10,397,783	50%	\$ 10,820,950	43%
Federal, State or Local Grants and Contributions	\$ 8,593,020	42%	\$ 11,580,062	47%
Charges For Services	\$ 1,486,762	7%	\$ 1,498,805	6%
Miscellaneous Revenues	\$ 180,700	1%	\$ 911,400	4%
Total	\$ 20,658,265		\$ 24,811,217	

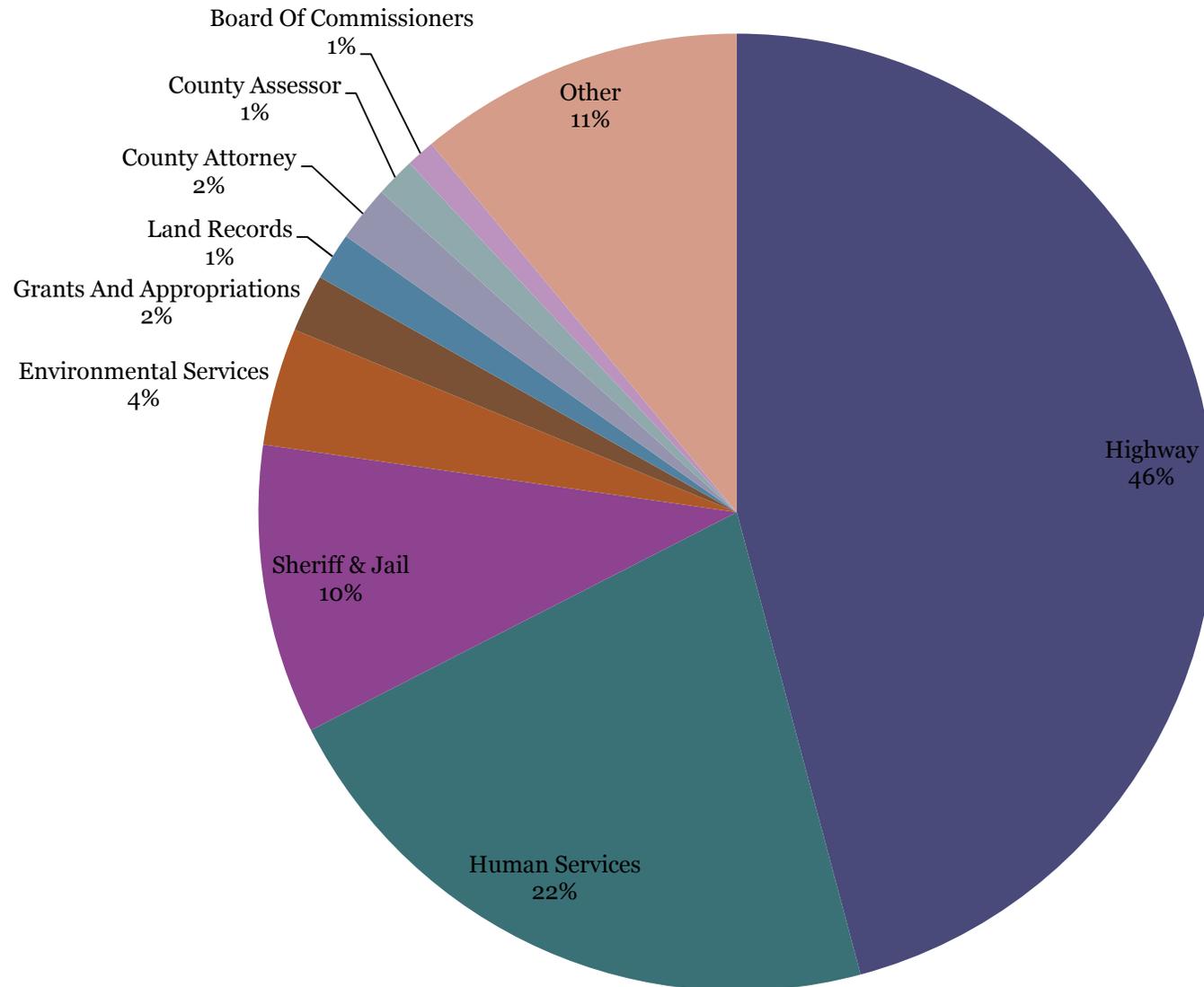
2016 Revenues



2016 and 2017 Expenses by Department

Department	2016	2017
Highway	\$ 7,830,857	\$ 11,290,830
Human Services	\$ 5,260,951	\$ 5,331,775
Sheriff & Jail	\$ 2,342,568	\$ 2,410,048
Environmental Services	\$ 989,900	\$ 977,930
Grants And Appropriations	\$ 448,657	\$ 478,530
Land Records	\$ 418,630	\$ 397,344
County Attorney	\$ 414,610	\$ 464,905
County Assessor	\$ 320,620	\$ 330,620
Board Of Commissioners	\$ 248,010	\$ 239,443
Other	\$ 2,827,920	\$ 2,714,119
Total	\$ 21,102,723	\$ 24,635,544

2017 Expenditures by Departments



Incredible Value

- “Bundled” Cable, Phone, and Internet service costs residential homeowner about \$100.00 a month

Cable

Phone

Internet



Incredible Value

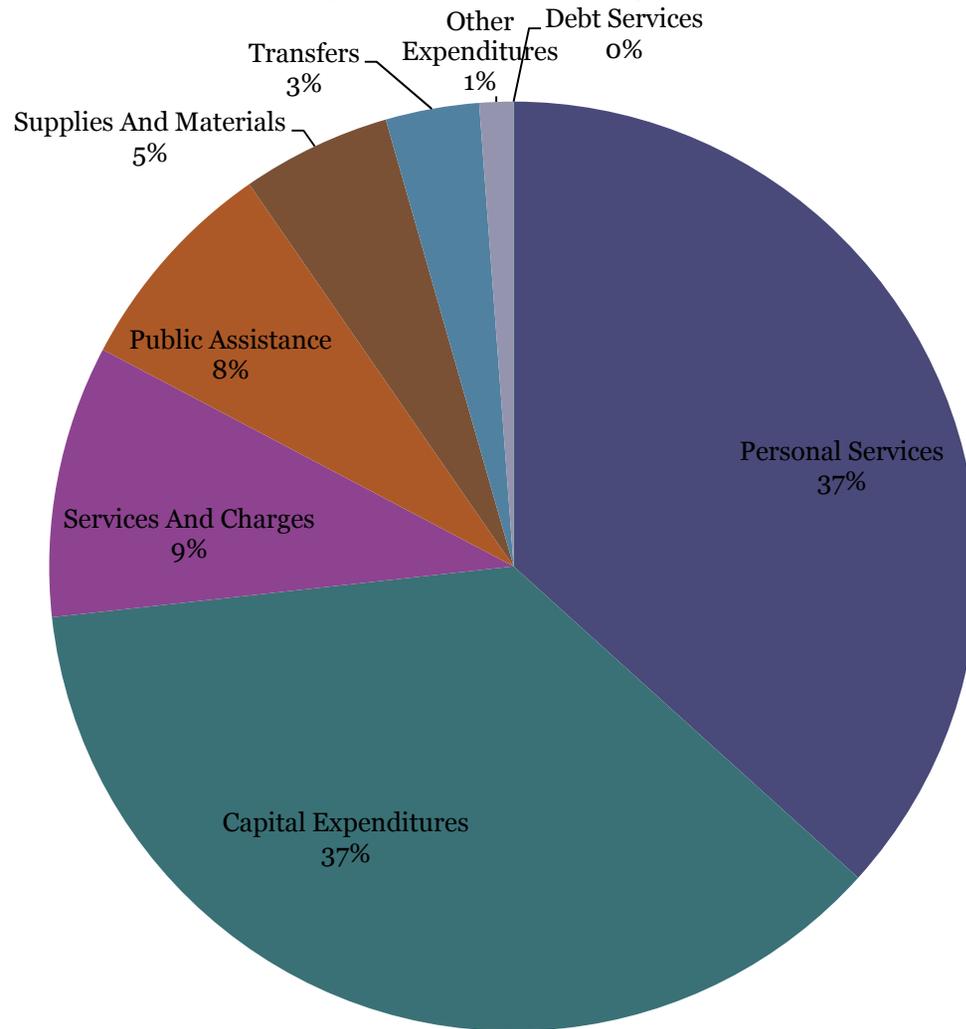
- The county's “bundled” services cost the average homeowner under \$50.00 a month.



2016 and 2017 Expenses by Type

Type	2016	2017
Personal Services	\$ 8,692,229	\$ 9,039,220
Capital Expenditures	\$ 5,602,857	\$ 9,007,251
Services And Charges	\$ 2,667,326	\$ 2,332,217
Public Assistance	\$ 1,847,850	\$ 1,882,850
Supplies And Materials	\$ 1,346,536	\$ 1,279,872
Transfers	\$ 758,991	\$ 802,424
Other Expenditures	\$ 186,934	\$ 291,710
Debt Services	\$ -	\$ -
TOTAL	\$ 21,102,723	\$ 24,635,544

2017 Expenditures by Function



Discussion Items

2017 Budget and Levy
Truth-In-Taxation Hearing
November 29, 2016

Jail Staffing

- Added two new CCO positions in the jail for 2016 due to the 2911 rules, which require that there be designated jailers 24 hours per day/7 days/week. One position was filled. We applied for a variance from the Department of Corrections - that variance was denied.
- For 2017, one CCO position was already included in the budget. A second position will need to be added, to be filled in June, 2017.

Proposed Budget Changes

<u>Department</u>	<u>Proposed Item</u>	<u>Effect on Budget</u>
Sheriff	Defer purchase of one squad car	(\$40,000)
Sheriff	Eliminate New Deputy position	(\$72,280)
Sheriff	Add in-squad & body cameras	\$73,000
Jail	Add New CCO position (June, 2017)	\$34,780
	Net Effect	(\$4,500)

Additional Proposal

- The Sheriff is also proposing that they be allowed to retain the proceeds from the sale of three squad cars and to use those funds to purchase a used mini-van to be used as a transport vehicle. No effect on the budget.

On the Horizon...

- Building Projects
- Strategic Planning
- Hospital Assisted Living Project
- Prairie Correctional Facility
- Other???

Are there changes to the Budget that the Board and/or public want to discuss at this time?

Budget Schedule

2017 Budget and Levy
Truth-In-Taxation Hearing
November 29, 2016

2017 Budget Calendar

July 15, 2016	Budget Forms due to Administrator
July 25 – Aug 5, 2016	One on One meetings between Department Heads and Administrator
Late August, 2016	Health Insurance Committee Rate Recommendation
September 6, 2016	Review Initial Budget Requests with the Board
September 6, 2016	Last Regular Meeting to set HRA/RDA Preliminary 2017 Levies
September 6, 2016	Deadline to set HRA/RDA preliminary 2017 Levies
September 20, 2016	Last Regular Meeting to set County preliminary 2017 Levy and TNT Meeting
September 30, 2016	Deadline to set County preliminary 2017 Levy and date for TNT meeting
November 29, 2016	TNT Meeting 
December 15, 2016	Last Regular Board Meeting to set final 2017 Levy
December 30, 2016	Deadline to set final 2017 Levy and Budget

For More Information

- All of Swift County's budget documents can be viewed at www.swiftcounty.com/budget
- Contact Interim County Administrator Janice Fransen at 320-314-8399 or via email at jan.fransen@co.swift.mn.us

Questions?

Thank you for attending!