

# **FY 2025 Budget Work Session**

**June 10, 2024**





Materials  
Provided  
before Work  
Session

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FY24 Budget versus  
Actual Compared to  
FY25 Budget

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FY25 Year to Date  
Contractual Services  
Detail

# Work Session Topics



REVISED  
RECOMMENDAT  
ION: GENERAL  
FUND AND FIRE  
TAX DISTRICT



REVENUE-  
NEUTRAL TAX  
RATE



VACANCY RATE AND  
FUND BALANCE  
APPROPRIATED



FY24 FINAL  
BUDGET  
ADJUSTMENTS

# General Fund Revised Recommendation

## ORIGINAL RECOMMENDATION

General Fund  
\$36,141,000

Proposed Tax Rate  
65.35 cents

*A 6.85 cent increase over the revenue-neutral  
rate of 58.5 cents*

## REVISED RECOMMENDATION

General Fund  
\$35,377,000

*Reduction of \$764,000*

Revised Tax Rate  
60.75 cents

*A 2.25 cent increase over the revenue-  
neutral rate of 58.5 cents  
A reduction of 4.6 cents from Recommended*

# Fire Tax District Revised Recommendation

## ORIGINAL RECOMMENDATION

Fire Tax District  
\$1,173,000

### Proposed Tax Rate

~~.0063~~ 3.00 cents

A ~~.003~~ cent increase over the revenue-neutral  
rate of 2.937 cents

## REVISED RECOMMENDATION

General Fund  
\$1,315,000

*Increase of \$142,000*

### Revised Tax Rate

~~.0075~~ 3.69 cents

A ~~.75~~ cent increase over the revenue-neutral  
rate of ~~58.5~~ cents **2.937**

An increase of ~~.69~~ cents over Recommended  
**.0069** to Current Rate

# Property Valuation

Real property – residential and commercial is 83% of tax base

14% of real property is non-taxable

|  | Assessed Valuations<br>as of January 1 |                      | \$ Change           | % Change   |
|--|--|----------------------|---------------------|------------|
|  | 2016                                   | 2024                 |                     |            |
| <b>TAXABLE REAL PROPERTY</b>                                   | <b>1,583,356,929</b>                   | <b>2,226,658,473</b> | <b>643,301,544</b>  | <b>41%</b> |
| <b>Real property exclusions, exemptions<br/>and deferments</b> | <b>(240,151,807)</b>                   | <b>(275,793,000)</b> | <b>(35,641,193)</b> | <b>15%</b> |
| <i>Approximate 1% appeals factor</i>                           |  | <i>(20,000,000)</i>  | <i>(20,000,000)</i> | <i>0</i>   |
| <b>TOTAL TAXABLE REAL PROPERTY</b>                             | <b>1,343,205,122</b>                   | <b>1,930,865,473</b> | <b>587,660,351</b>  | <b>44%</b> |
| <b>TAXABLE PERSONAL PROPERTY</b>                               | <b>48,591,110</b>                      | <b>51,000,000</b>    | <b>2,408,890</b>    | <b>5%</b>  |
|  |  |                      | 0                   | 0          |
| <b>PUBLIC SERVICE COMPANIES</b>                                | <b>75,960,957</b>                      | <b>103,000,000</b>   | <b>27,039,043</b>   | <b>36%</b> |
|  |  |                      | 0                   | 0          |
| <b>MOTOR VEHICLES</b>  | <b>169,258,468</b>                     | <b>220,000,000</b>   | <b>50,741,532</b>   | <b>30%</b> |
|  |  |                      |                     |            |
| <b>GRAND TOTAL VALUATION</b>                                   | <b>1,637,015,657</b>                   | <b>2,304,865,473</b> | <b>667,849,816</b>  | <b>41%</b> |

# Revenue-neutral rate calculation per General Statute

| Last year prior to revaluation | Valuation in 2024 | Tax Rate in 2024 | Estimated tax levy |
|--------------------------------|-------------------|------------------|--------------------|
| 2024                           | 1,808,802,927     | 0.7350           | 13,294,702         |

| First year of revaluation | New Valuation | Tax rate to produce | Tax levy equal to 2024 |
|---------------------------|---------------|---------------------|------------------------|
| 2025                      | 2,304,865,473 | 0.5768              | 13,294,702             |

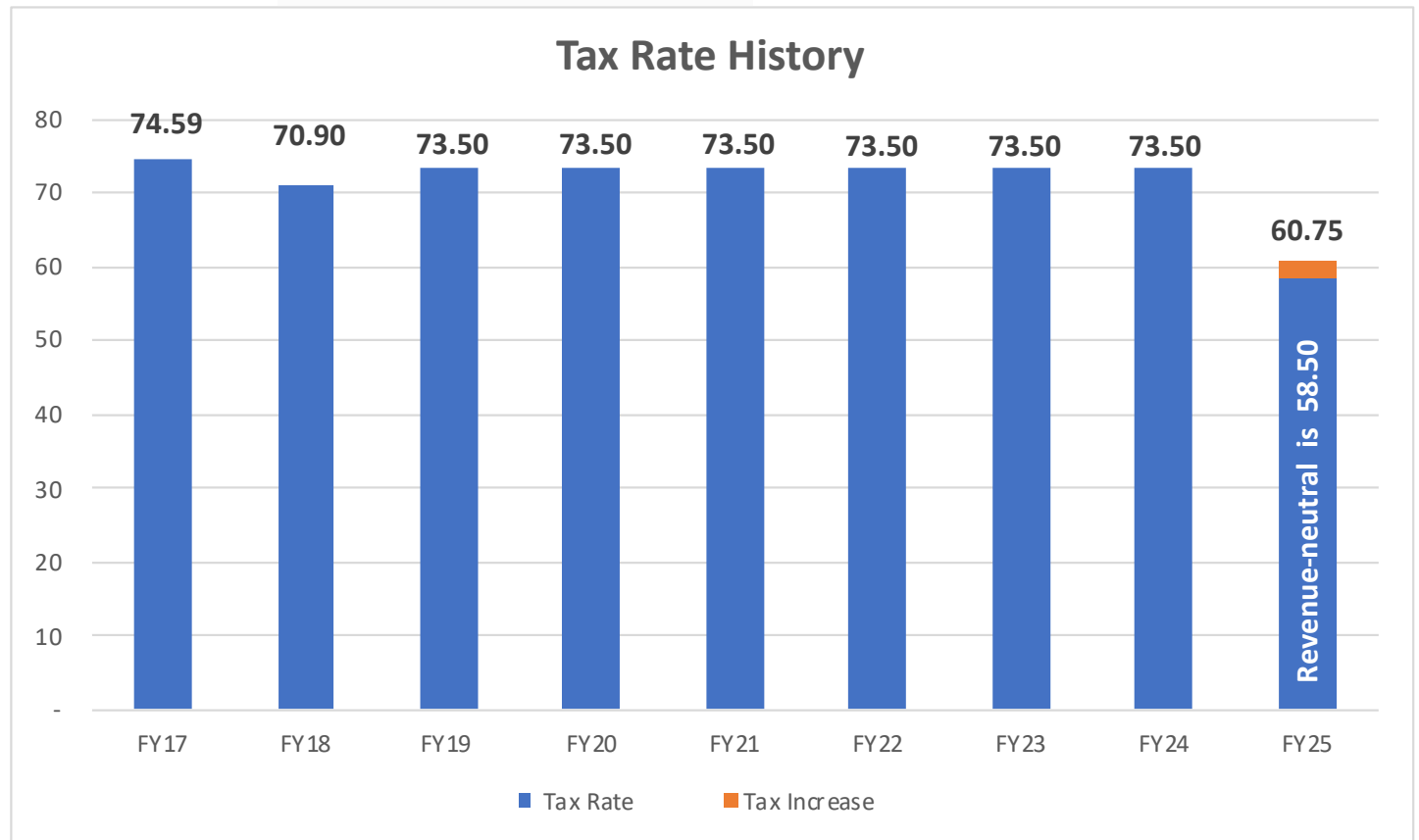
Solving for a tax rate that generates the same dollar amount as the prior year

| Period between valuations | Average annual growth is applied to neutral rate |
|---------------------------|--|
| 2017 to 2024              | 1.44%  |

|                                       |        |
|---------------------------------------|--------|
| Revenue-neutral rate capturing growth | 0.5851 |
|---------------------------------------|--------|

# Property Tax Rate

Proposed  
Increase of  
2.25 cents





# Impact of Revaluation

The Board approves a “Schedule of Value” at the time of a revaluation that is used to value new construction at the same value as of 1/1/16

The tax value of new construction is not based on the sale of the property but the value had the property existed at 1/1/16

If the tax rate is not periodically adjusted, real property owners experience deferred taxes

Revaluation “rebalances” the property tax base and sets all values at current market rates

| NEW PROPERTY VALUATION                               |  | New House Built in 2021 | Taxes at 73.5 Cents |                    |
|--|--|-------------------------|---------------------|--------------------|
| House Sold For                                       |  | 150,000                 | 1,103               |                    |
| <b>Taxable Value Based on 1/1/16</b>                 |  | <b>112,500</b>          | <b>827</b>          | <b>Tax Bil</b>     |
| Difference between Sales and Taxable Amount          |  | 37,500                  | 276                 | <b>Tax Savings</b> |
| <b>Tax Savings for 22 to 24</b>                      |  |                         | <b>827</b>          |                    |
| REVALUATION IMPACT                                   |  |                         |                     |                    |
| New Value at Revaluation (10% Increase)              |  | 165,000                 |                     |                    |
| <b>New Tax Bill at Revenue-neutral rate of 58.50</b> |  |                         | <b>965</b>          |                    |
| <i>Revaluation Change in Tax Bill</i>                |  |                         | <i>138</i>          |                    |
| Amount of 2.25 cent Tax Increase                     |  |                         | 37                  |                    |
| <b>Total FY25 Tax Bill</b>                           |  |                         | <b>1,002</b>        |                    |
| <b>Annual Increase</b>                               |  |                         | <b>176</b>          |                    |
| <b>Monthly Increase</b>                              |  |                         | <b>15</b>           |                    |

## Impact of 2.25 cent tax increase

Table provides  
examples of the  
impact of the  
proposed tax increase  
on properties of  
various amounts

| Property Type                     | Value     | Annual Increase | Monthly Increase |
|-----------------------------------|-----------|-----------------|------------------|
| House A                           | 125,000   | \$28            | \$2.34           |
| House B                           | 175,000   | \$39            | \$3.28           |
| Vacant Land                       | 50,000    | \$11            | \$0.94           |
| Commercial Building X             | 250,000   | \$56            | \$4.69           |
| Commercial Building Y             | 750,000   | \$169           | \$14.06          |
| Agricultural<br>Present-Use Value | 1,000,000 | \$0             | \$0.00           |

# General Fund Revised Recommendation

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# General Fund Revenue Changes

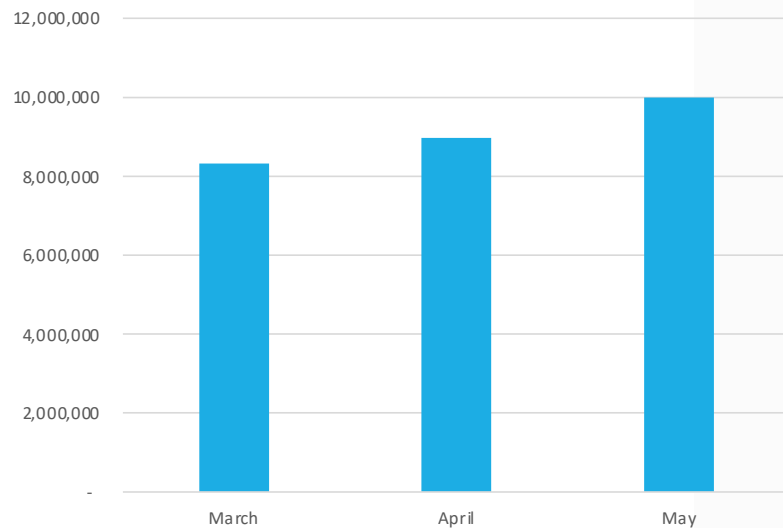
**Investment Income**  
\$275,000 Increase

**ABC Profits**  
\$9,000 Increase

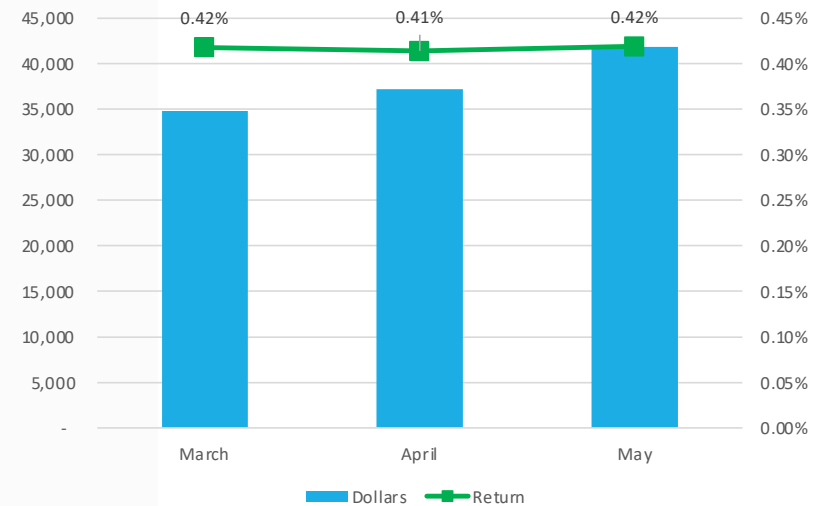
**Sheriff Department  
Revenues**  
\$9,000

Investment return is currently at annual return of 5%, estimate revised to \$425,000

## INVESTMENT BALANCE



## INVESTMENT INCOME





# Other Revenues

## ABC PROFITS

ABC profits for FY24 are currently running ahead of estimates

Budget estimated increased from \$17,000 to \$26,000

## SHERIFF

Decreased Gun Permit to zero from \$2500 due to change in law

Increased Jail Inmate Commissary Fee by \$15,000 and Telephone Fees by \$5000

# General Fund Expenditure Changes

## Budget Corrections

**\$237,000 Decrease**

## Revised Recommendations

### Sheriff Vehicles

**\$95,000 Decrease**

### Revised Salary Recommendation

**\$400,000 decrease**

# Budget Corrections

| Expenditure Line Item         | Increase<br>(Decrease) | Explanation                     |
|-------------------------------|------------------------|---------------------------------|
| Loan-Courthouse Improvements  | 4,214                  | Budgeted incorrect              |
| EMS Capital Outlay            | (107,400)              | Carried over from FY24 in error |
| Sheriff Professional Services | (72,600)               | Request entered twice           |
| Health Insurance-Sheriff      | (8,714)                | One positions too many          |
| Health Insurance-Health Dept  | (13,000)               | 1.5 positions too many          |
| Special Separation Allowance  | (40,000)               | Recalculated Amount             |

**\$ (237,500)**





# Changes related to Fire Tax District

## IMPACT ON GENERAL FUND

Eliminate transfer from General Fund to Fire Tax District in the amount of \$31,500

## CHANGE IN RECOMMENDED FIRE TAX RATE

Maintain rate a current .369 cents, a .75 cent increase above the revenue-neutral rate

Fire Tax absorbs the \$31,500

Additional revenue of \$142,000 available for Fire Opera

# Changes to Fire Tax District

## Impact on General fund

Eliminate transfer from General Fund to Fire Tax District in the amount of \$31,500

## Impact on Fire Tax District

Maintain current tax rate of .369 cents, .75 cents above the revenue-neutral rate

Fire Tax absorbs the \$31,500

Additional revenue of \$142,000 available for Fire Operations

|                       | Fire Tax Revenues |                |                  |
|-----------------------|-------------------|----------------|------------------|
|                       | Proposed          | Tax Increase   | Revised          |
| Property Taxes        | 607,520           | 173,500        | 781,020          |
| Sales Taxes           | 218,500           |                | 218,500          |
| Transfer-General Fund | 31,500            | (31,500)       | -                |
| Motor Vehicle Fee     | 315,480           |                | 315,480          |
|                       | <b>1,173,000</b>  | <b>142,000</b> | <b>1,315,000</b> |



## Summary of General Fund Budget Revisions

Reduces recommended  
tax rate to **2.25** cents to a  
recommended tax rate of  
**60.75** cents

|  |                      |
|--|----------------------|
| <b>Recommended General Fund Revenues</b> | <b>\$ 36,141,000</b> |
| Revenue Increases                        | 293,500              |
| Decrease in Proposed Tax Rate            | (1,057,500)          |
| <b>Revised General Fund Revenues</b>     | <b>\$ 35,377,000</b> |

|  |                      |
|--|----------------------|
| <b>Recommended General Fund Expenditures</b> | <b>\$ 36,141,000</b> |
| Budget Corrections                           | (237,500)            |
| Eliminate Sheriff Vehicle Expansion          | (95,000)             |
| Revised Salary Recommendation                | (400,000)            |
| Eliminate Transfer to Fire Tax District      | (31,500)             |
| <b>Revised General Fund Expenditures</b>     | <b>\$ 35,377,000</b> |



# OVERVIEWS: VACANCY RATE AND APPROPRIATED FUND BALANCE

# Understanding budgeting for vacancies

## How Salaries are Budgeted

Salary line items are budgeted assuming all positions are filled for every day of the year

## The Reality of Salary Expenditures

During the year, staff turns over, it may take months to fill a position, during that budget savings occur from the vacancy

## What is a Vacancy Allowance

A budget reduction that anticipates all positions will not be filled for every day of the year – a “negative” salary line item

## Why Budget A Vacancy Rate

To more accurately budget likely expenditures while maintaining salary line items for authorized positions

## FY23 VACANCY SAVINGS WERE \$1.3 MILLION

| FUND               | CATEGORY                     | BUDGET            | ACTUAL            | SAVINGS          |
|--------------------|------------------------------|-------------------|-------------------|------------------|
| <b>100</b>         | <b>GENERAL FUND</b>          |                   |                   |                  |
|                    | 5A SALARIES                  | 8,255,829         | 8,043,308         | 212,521          |
|                    | 5B BENEFITS                  | 3,103,675         | 2,556,597         | 547,078          |
| <b>100</b>         | <b>GENERAL FUND Total</b>    | <b>11,359,504</b> | <b>10,599,905</b> | <b>759,599</b>   |
| <b>130</b>         | <b>SOCIAL SERVICES</b>       |                   |                   |                  |
|                    | 5A SALARIES                  | 2,194,954         | 2,059,524         | 135,430          |
|                    | 5B BENEFITS                  | 870,437           | 704,302           | 166,135          |
| <b>130</b>         | <b>SOCIAL SERVICES Total</b> | <b>3,065,391</b>  | <b>2,763,827</b>  | <b>301,564</b>   |
| <b>140</b>         | <b>PUBLIC HEALTH</b>         |                   |                   |                  |
|                    | 5A SALARIES                  | 1,671,659         | 1,475,429         | 196,230          |
|                    | 5B BENEFITS                  | 567,284           | 450,765           | 116,519          |
| <b>140</b>         | <b>PUBLIC HEALTH Total</b>   | <b>2,238,943</b>  | <b>1,926,194</b>  | <b>312,749</b>   |
| <b>150</b>         | <b>LIBRARY FUND</b>          |                   |                   |                  |
|                    | 5A SALARIES                  | 234,094           | 235,266           | (1,172)          |
|                    | 5B BENEFITS                  | 90,906            | 83,463            | 7,443            |
| <b>150</b>         | <b>LIBRARY FUND Total</b>    | <b>325,000</b>    | <b>318,729</b>    | <b>6,271</b>     |
|                    |                              |                   |                   |                  |
| <b>Grand Total</b> |                              | <b>16,988,838</b> | <b>15,608,655</b> | <b>1,380,183</b> |

## FY24 BUDGET ANTICIPATED SAVINGS; FY25 REVISED BASED ON ACTUAL EXPERIENCE

|                            | FY24<br>ORIGINAL<br>BUDGET | FY25<br>PROPOSED | CHANGE           |
|----------------------------|----------------------------|------------------|------------------|
| <b>General Fund</b>        |                            |                  |                  |
| Finance                    | (40,000)                   | (15,000)         | 25,000           |
| Information Technology     | (10,000)                   | 0                | 10,000           |
| Sheriffs Office            | (400,000)                  | (100,000)        | 300,000          |
| 911 Communications         | (100,000)                  | (50,000)         | 50,000           |
| Emergency Medical Services | (100,000)                  | (100,000)        | 0                |
| Economic Development       | (25,000)                   | 0                | 25,000           |
| <b>Total General Fund</b>  | <b>(675,000)</b>           | <b>(265,000)</b> | <b>410,000</b>   |
| <b>Social Services</b>     | <b>(300,000)</b>           | <b>(155,916)</b> | <b>144,084</b>   |
| <b>Public Health</b>       | <b>(125,000)</b>           | <b>0</b>         | <b>125,000</b>   |
| <b>Public Library</b>      | <b>(20,000)</b>            | <b>0</b>         | <b>20,000</b>    |
|                            | <b>(1,795,000)</b>         | <b>(685,916)</b> | <b>1,109,084</b> |

# Sheriff's Budget

|                   | LINE ITEM          | FY23      |           |          | FY24 BUDGET |           |           | FY25      |          |
|-------------------|--------------------|-----------|-----------|----------|-------------|-----------|-----------|-----------|----------|
|                   |                    | BUDGET    | ACTUAL    | VARIANCE | BUDGET      | ACTUAL    | VARIANCE  | BUDGET    | VARIANCE |
| WITH VACANCY RATE | SHERIFF            |           |           |          |             |           |           |           |          |
|                   | SALARIES-FULL TIME | 1,848,425 | 1,723,900 | 124,525  | 2,125,084   | 1,831,064 | 294,020   | 2,124,106 | (978)    |
|                   | SALARIES-PART TIME | 50,000    | 77,916    | (27,916) | 58,500      | 97,257    | (38,757)  | 58,500    | -        |
|                   | SALARIES-OVERTIME  | 72,500    | 127,052   | (54,552) | 84,825      | 150,734   | (65,909)  | 84,825    | -        |
|                   | VACANCY ALLOWANCE  |           |           | -        | (400,000)   | -         | (400,000) | (100,000) | 300,000  |
|                   | DETENTION          |           |           |          |             |           |           |           | -        |
|                   | SALARIES-FULL TIME | 810,099   | 835,076   | (24,977) | 969,697     | 835,625   | 134,072   | 1,008,264 | 38,567   |
|                   | SALARIES-PART TIME | 30,000    | 53,627    | (23,627) | 35,100      | 46,594    | (11,494)  | 35,100    | -        |
|                   | SALARIES-OVERTIME  | 40,000    | 83,232    | (43,232) | 52,650      | 59,453    | (6,803)   | 52,650    | -        |
|                   | TOTAL SALARIES     | 2,851,024 | 2,900,803 | (49,779) | 2,925,856   | 3,020,727 | (94,871)  | 3,263,445 | 337,589  |

|                      | LINE ITEM          | FY23      |           |          | FY24 BUDGET |           |          | FY25      |          |
|----------------------|--------------------|-----------|-----------|----------|-------------|-----------|----------|-----------|----------|
|                      |                    | BUDGET    | ACTUAL    | VARIANCE | BUDGET      | ACTUAL    | VARIANCE | BUDGET    | VARIANCE |
| WITHOUT VACANCY RATE | SHERIFF            |           |           |          |             |           |          |           |          |
|                      | SALARIES-FULL TIME | 1,848,425 | 1,723,900 | 124,525  | 2,125,084   | 1,831,064 | 294,020  | 2,124,106 | (978)    |
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|                      | SALARIES-OVERTIME  | 72,500    | 127,052   | (54,552) | 84,825      | 150,734   | (65,909) | 84,825    | -        |
|                      | VACANCY ALLOWANCE  |           |           | -        |             | -         | -        |           | -        |
|                      | DETENTION          |           |           |          |             |           |          |           | -        |
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|                      | TOTAL SALARIES     | 2,851,024 | 2,900,803 | (49,779) | 3,325,856   | 3,020,727 | 305,129  | 3,363,445 | 37,589   |

Without the vacancy rate, the salary budget change is less than \$40,000

Using a vacancy rate in FY24 created capacity for other expenditure increases without the need for a tax increase

FY24 was the first year of budgeting for vacancies

Experience informs better estimates for FY25

# Fund Balance Appropriation

## BALANCES AND APPROPRIATIONS

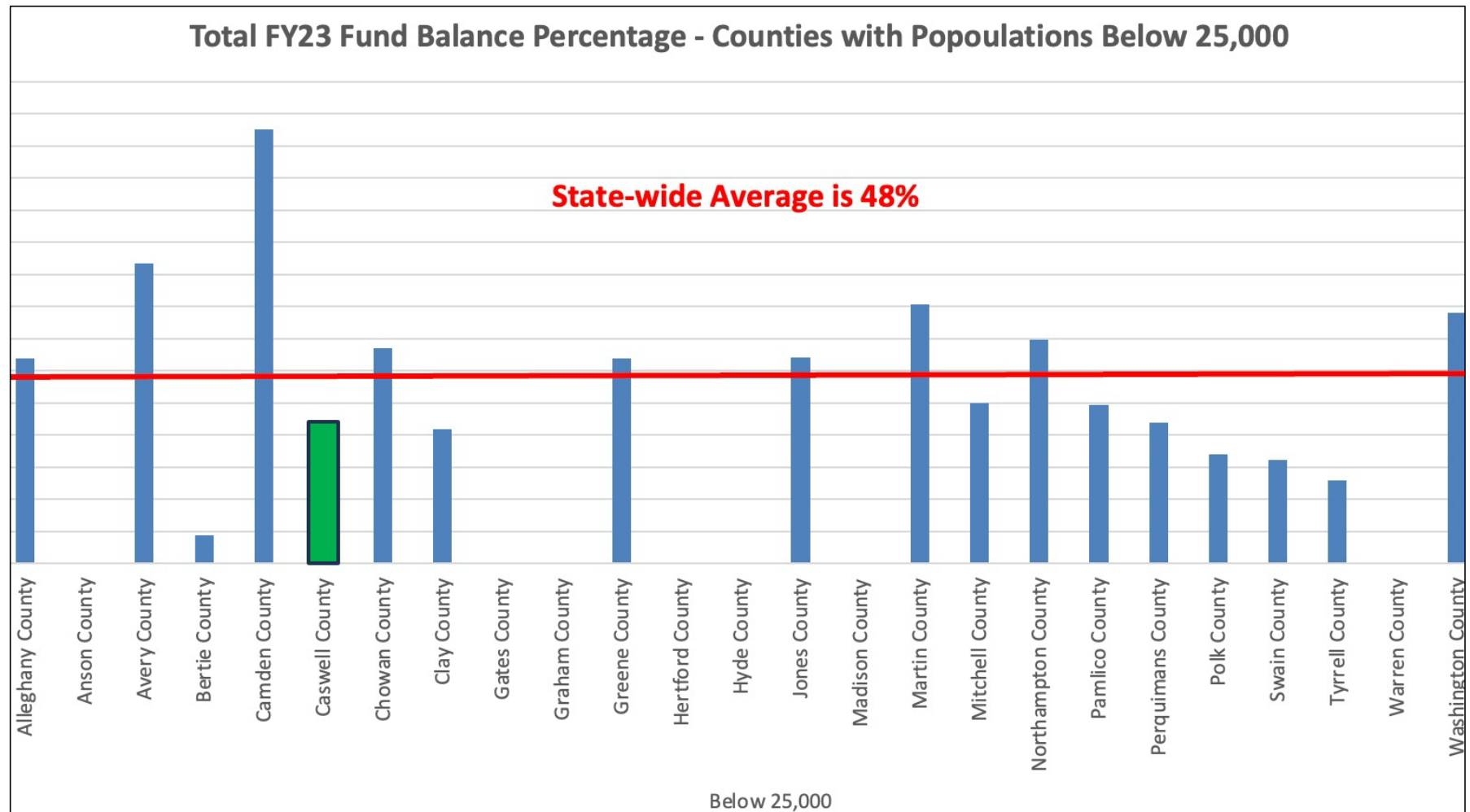
|                             | June 30, 2022<br>Estimate | FY24<br>Appropriated | FY25<br>Appropriated |
|-----------------------------|---------------------------|----------------------|----------------------|
| General Fund                | 9,850,980                 | 2,454,473            | 2,878,632            |
| ROD Automation Fund         | 63,904                    |                      |                      |
| Department Of Social Svcs   | 425,542                   | -                    | 366,691              |
| Public Health               | 1,432,485                 | 558,845              | 886,744              |
| Library Fund                | 180,265                   |                      |                      |
| Capital Reserve School Fund | 1,520,426                 |                      |                      |
|                             | 13,473,601                | 3,013,318            | 4,132,067            |

## CAPITAL OUTLAY EXPANSIONS FUNDED WITH FUND BALANCE

|                             |               |
|-----------------------------|---------------|
| Maintenance                 | 307,500       |
| E-911                       | 289,000       |
| PCC Capital Outlay Increase | 80,000        |
|                             | <hr/> 676,500 |



# Total Fund Balance Comparisons



# FY24 Wrap-up Ordinance

Final Budget Amendments

- General Fund
- Other Funds

Fund Balance Set Asides for:

- Inspections (Restricted)
- Economic Development (Committed)

Thank you