

FY16 Jefferson County Budget Overview

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March 2015**

Over the last 18 months the County has made significant changes in the budget process and has reallocated limited resources which have resulted in an improvement in the finances of the County. In FY14 and prior the County was using prior year reserves to fund reoccurring expenditures. This process was ceased by reducing the budget by \$1,450,299 in FY14 and an additional amount of 1,312,134 in FY15 for a total reduction of \$2,762,433 from the original FY14 budget.

Over the years the County has become dependent on gaming revenue from table games and video lottery to balance the general operating budget. On an annual basis, as compared to four years ago, the County has \$800,000 less in table game revenue and \$1,150,000 less in video lottery revenue for a total reduction of \$1,950,000 in revenue. Over the past 18 months this has been the most significant factor in the reason for budget reductions. Listed below for reference are two charts which show the decline of table game revenue and video lottery revenue.

In FY16 the County faced an additional revenue challenge which is the reaching of the maximum levy rate allowed by the State of West Virginia. The levy rate is not set by the County Commissioners but is determined by a formula of the State of West Virginia. Once the maximum levy rate is reached a County would not receive as much revenue as in previous years. Listed below for reference is a chart showing the increase in levy rates over the years.

In order to meet the above challenges of declining revenues the County Commissioners provided instructions that in FY16 the budget process would be zero based budgeting, with approximately 400 budget accounts needing very specific justification for funding. Unlike incremental based budgeting where last year's budget is the starting point, with zero line item budgeting the starting point is zero. Past expenditures no longer exist in zero line item budgeting simply because they have acquired history. Departments were required to provide specific detail of each line item in their budget without regards to historical spending of that line. Each spending item within each budget line was then required to be reported as either, a Mandated Function, Mission Critical Function, Discretionary Spending, or New Initiative. Once the above data was compiled each of the department managers had a budget workshop with the Commissioners. After hearing all the presentations the Commissioners then engaged in budget deliberations and made budget funding decisions in an informed and rational manner in comparison to a budget method that does not differentiate the importance of one expenditure versus another.

During the above process the Commissioners eliminated in excess of 1.3 million dollars of requested expenditures. Listed below is a chart which shows the proposed FY16 budget as compared to the FY15 budget and also shows the YTD actual revenue and expenditures as of January 31, 2015. Overall revenue is slightly increased by the amount of 1.35% with the most significant increase being tax revenue. Tax revenue can increase due to three reasons, increased development, assessment value, and the levy rate. When using the levy rate formula as required by the State of West Virginia the levy rates were going to reach the maximum allowable rate in FY16 with class 2 property being at 28.60 cents per \$100 of valuation. There is a provision for the County to override one portion of the formula to reduce the increase. The Commissioners exercised this option and were able to reduce the levy rate from the maximum to 28.38 cents per \$100 of valuation. The most significant decrease in revenue in FY16 is projected to be gaming revenue decreasing in the amount of \$263,684.

On the expenditure side of the budget the expenditures increased 1.21% as compared to FY15. 46% of the departments decreased their budget or stayed the same as FY15. Most of the remaining departments did not have any significant increase in their budgets. The jail budget was increased \$250,000 over the FY15 budget. Listed below for reference is a chart on jail costs. JCESA funding remained at the same level for FY16 at \$1,447,562. While the attached chart shows a \$150,000 increase that increase is a result of the general operating fund paying \$150,000 that was previously paid out of the coal severance fund. In FY16 the coal severance fund does not have the liquidity to continue to pay for a portion of the JCESA allocation. In addition to the \$1,447,562 JCESA in FY16 will benefit from the recent implementation of the ambulance fee which has gross billings of \$850,000 (excluding the allowance for bad debt). Increased funding for the Sheriff's Office is related to equipment needs in FY16 specifically two new vehicles and replacing bullet proof vests. Fire Departments have an increased funding in aggregate \$46,375 with Libraries increased in aggregate \$16,000.

In summary the Commissioners were successful in proposing a balanced budget without depending on prior year reserves. They were able to control costs and allocate resources consistent with their vision that they have for County government.

A more complete analysis of the County budget and finances will be placed on the County website in April 2015 after the proposed budget has been finalized and submitted to the State of West Virginia.

Proposed FY16 General Operating Budget
Jefferson County WV

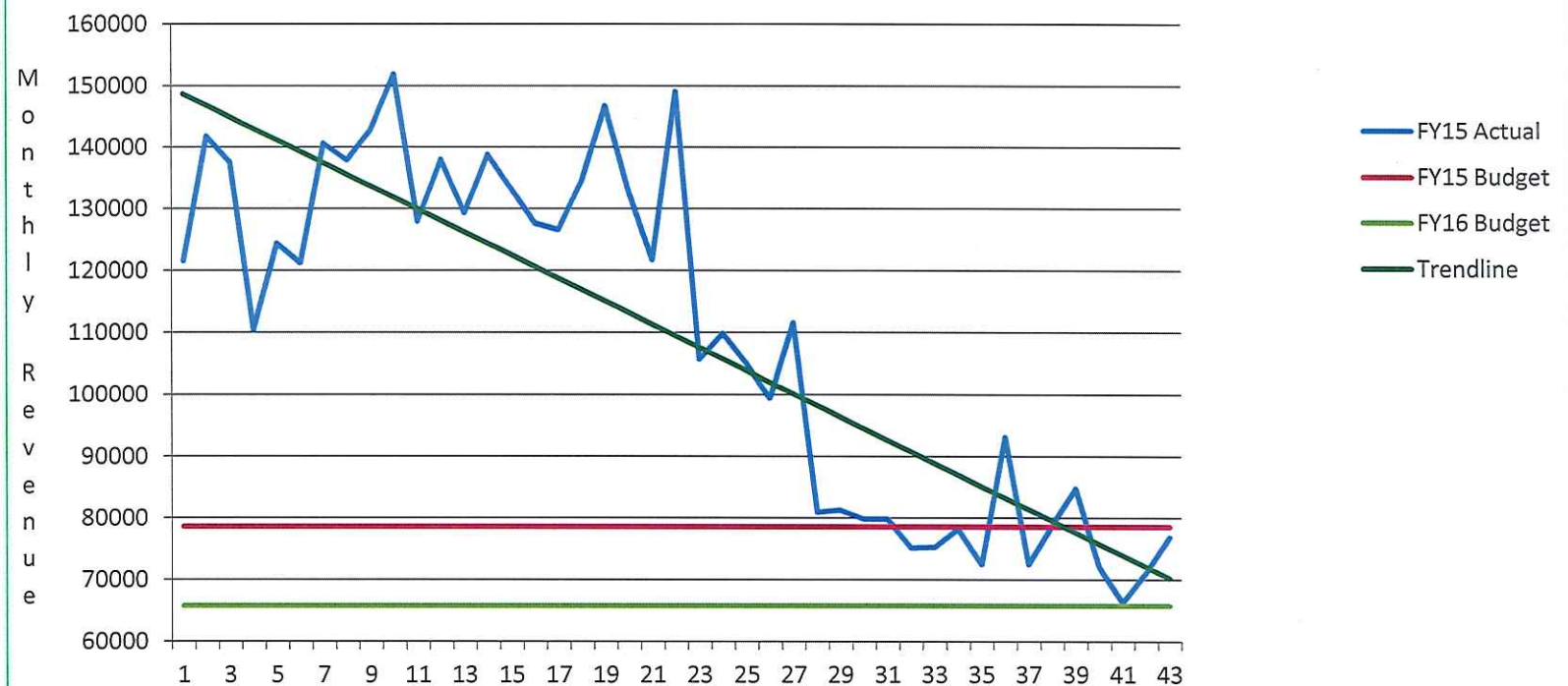
	FY16 Proposed Budget	FY15 Budget Ending 6/30/15	FY15 actual as of 1/31/15	Change of FY16 budget to FY15 (decrease)	% Change
Revenue Classification					
Taxes	12,582,514	12,059,566	7,353,756	522,948	4.34
Tax Penalties	295,000	301,220	215,764	(6,220)	(2.06)
Property Transfer	598,000	468,000	371,542	130,000	27.78
Gas/oil	41,000	81,957	81,957	(40,957)	(49.97)
Horse Racing	12,686	14,219	7,703	(1,533)	(10.78)
Wine Liquor	32,000	25,433	27,049	6,567	25.82
Hotel Occupancy	549,500	520,000	383,496	29,500	5.67
Decal fees	65	75	26	(10)	(13.33)
Bldg Permits	200,000	170,000	140,449	30,000	17.65
Misc Permits	131	150	128	(19)	(12.67)
Grants	160,462	121,000	131,022	39,462	32.61
Payment in lieu of taxes	11,676	11,676	11,676	-	-
Sheriff Service Process	17,600	18,000	10,725	(400)	(2.22)
Sheriff Earnings	30,000	28,000	17,926	2,000	7.14
Clerk Earnings	192,375	206,500	102,156	(14,125)	(6.84)
Circuit Clerk Earnings	65,815	65,183	33,049	632	0.97
Prosecuting Earnings	1,278	1,129	703	149	13.20
Accident reports	3,500	3,500	2,370	-	-
Map Sales	2,700	4,200	1,591	(1,500)	(35.71)
Rent	47,400	47,175	24,075	225	0.48
Ambulance Fees	675,000	600,000	375,000	75,000	12.50
911 Fees	1,760,000	1,885,058	953,410	(125,058)	(6.63)
Franchise Agreements	400,000	402,796	210,718	(2,796)	(0.69)
IRP fees	8,000	10,140	4,654	(2,140)	(21.10)
Jail fees	95,000	96,912	96,912	(1,912)	(1.97)
Interest	20,290	17,273	14,845	3,017	17.47
Misc revenue	100	50	150	50	100.00
Sheriff Commission	15,000	12,000	11,619	3,000	25.00
Table Games	790,000	943,444	522,623	(153,444)	(16.26)
Video Lottery	3,114,553	3,224,793	2,146,981	(110,240)	(3.42)
Reimbursements	277,873	313,583	165,822	(35,710)	(11.39)
General School Reimbursements	250,000	264,000	156,164	(14,000)	(5.30)
Trns Assessor Val fund	464,698	494,949	-	(30,251)	(6.11)
Total Revenue	22,714,216	22,411,981	13,576,061	302,235	1.35

Expenditures					
Commission	1,646,785	1,704,450	968,965	(57,665)	(3.38)
County Clerk	758,820	858,405	413,301	(99,585)	(11.60)
Circuit Clerk	637,694	684,454	362,111	(46,760)	(6.83)
Tax Office	575,687	617,390	356,755	(41,703)	(6.75)
Prosecuting Attny	1,782,007	1,810,398	1,025,486	(28,391)	(1.57)
Assessor	523,104	550,090	329,141	(26,986)	(4.91)
Assessor AVF	464,698	494,949	264,946	(30,251)	(6.11)
Statewide Computer	63,100	57,075	14,261	6,025	10.56
Agricultural Agent	130,445	128,222	68,586	2,223	1.73
Elections	337,536	284,240	192,225	53,296	18.75
Magistrate Court	1,000	1,000	497	-	-
Courthouse (Maintenance)	1,128,766	1,128,469	621,900	297	0.03
Other Buildings	634,750	649,750	292,691	(15,000)	(2.31)
Data Processing	336,483	335,003	114,504	1,480	0.44
Regional Dev Authority	19,795	19,795	19,794	-	-
Economic Development	437,967	448,017	299,846	(10,050)	(2.24)
GIS	248,143	242,947	133,821	5,196	2.14
Planning	396,101	394,833	195,262	1,268	0.32
Engineering	751,805	746,637	421,710	5,168	0.69

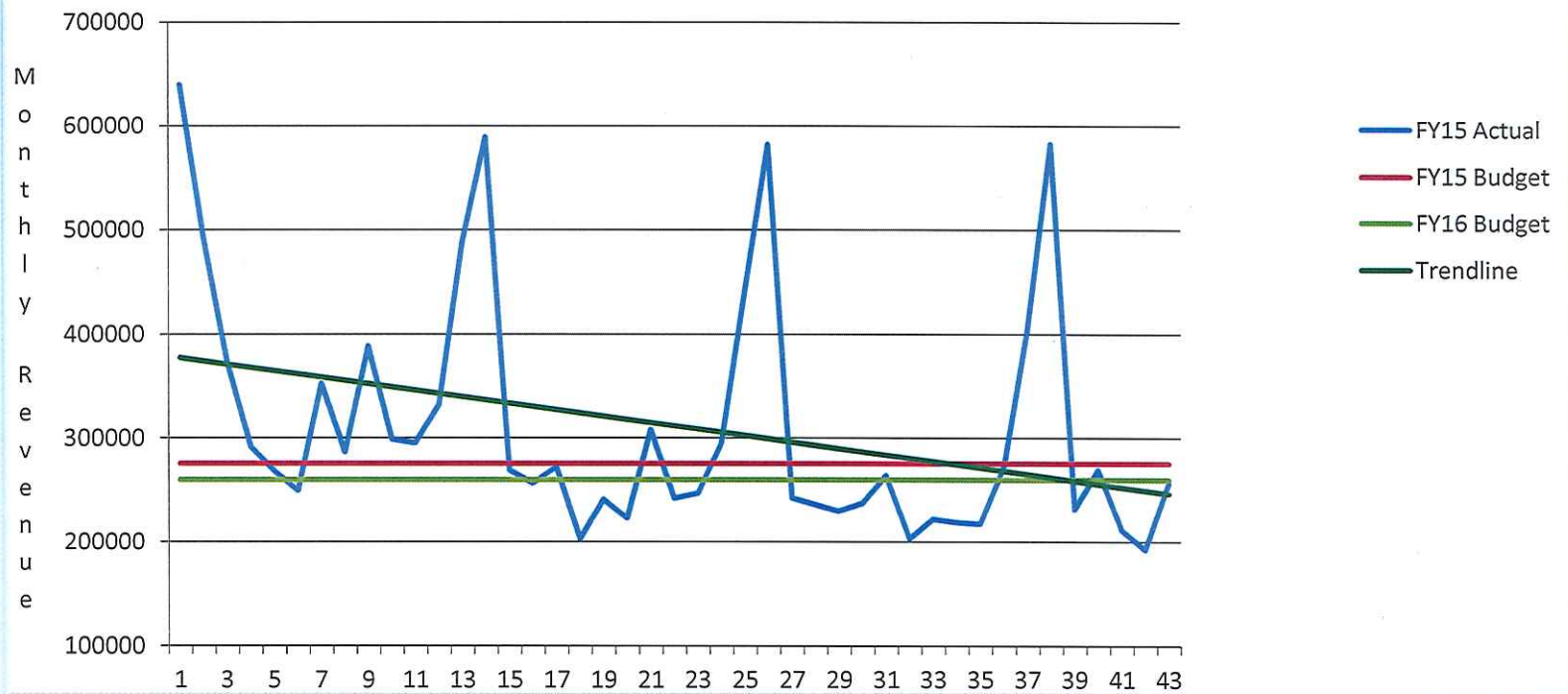
Proposed FY16 General Operating Budget
Jefferson County WV

	FY16 Proposed Budget	FY15 Budget Ending 6/30/15	FY15 actual as of 1/31/15	Change of FY16 budget to FY15 (decrease)	% Change
Zoning	72,704	71,338	40,878	1,366	1.91
Law Enforcement	3,521,034	3,491,075	1,929,836	29,959	0.86
Service of Process	18,000	18,000	3,198	-	-
Regional Jail	1,350,000	1,100,000	783,705	250,000	22.73
Emergency Services	266,458	269,635	130,843	(3,177)	(1.18)
Communication Center	2,013,285	2,001,437	1,116,904	11,848	0.59
Fire Depts	420,000	373,625	243,500	46,375	12.41
JCESA	1,447,562	1,297,562	1,085,672	150,000	11.56
Ambulance Fees Remittance	675,000	600,000	375,000	75,000	12.50
Animal Control	325,809	335,644	176,965	(9,835)	(2.93)
Central Garage	307,470	352,786	150,906	(45,316)	(12.85)
Parks and Recs	505,160	493,529	345,128	11,631	2.36
Arts and Humanities	10,990	10,400	7,006	590	5.67
Historical Commission	15,900	15,400	10,373	500	3.25
Visitors Center	275,110	260,000	175,140	15,110	5.81
Library	250,000	234,000	175,500	16,000	6.84
Public Transportation	10,275	10,275	7,706	-	-
Waste Authority	-	1,500	1,500	(1,500)	(100.00)
Total Expenditures	22,359,443	22,092,330	12,855,562	267,113	1.21
Contingency Reserve for FY16 Budget	354,773	319,651	-	35,122	10.99
Net	-	-	720,499	-	-

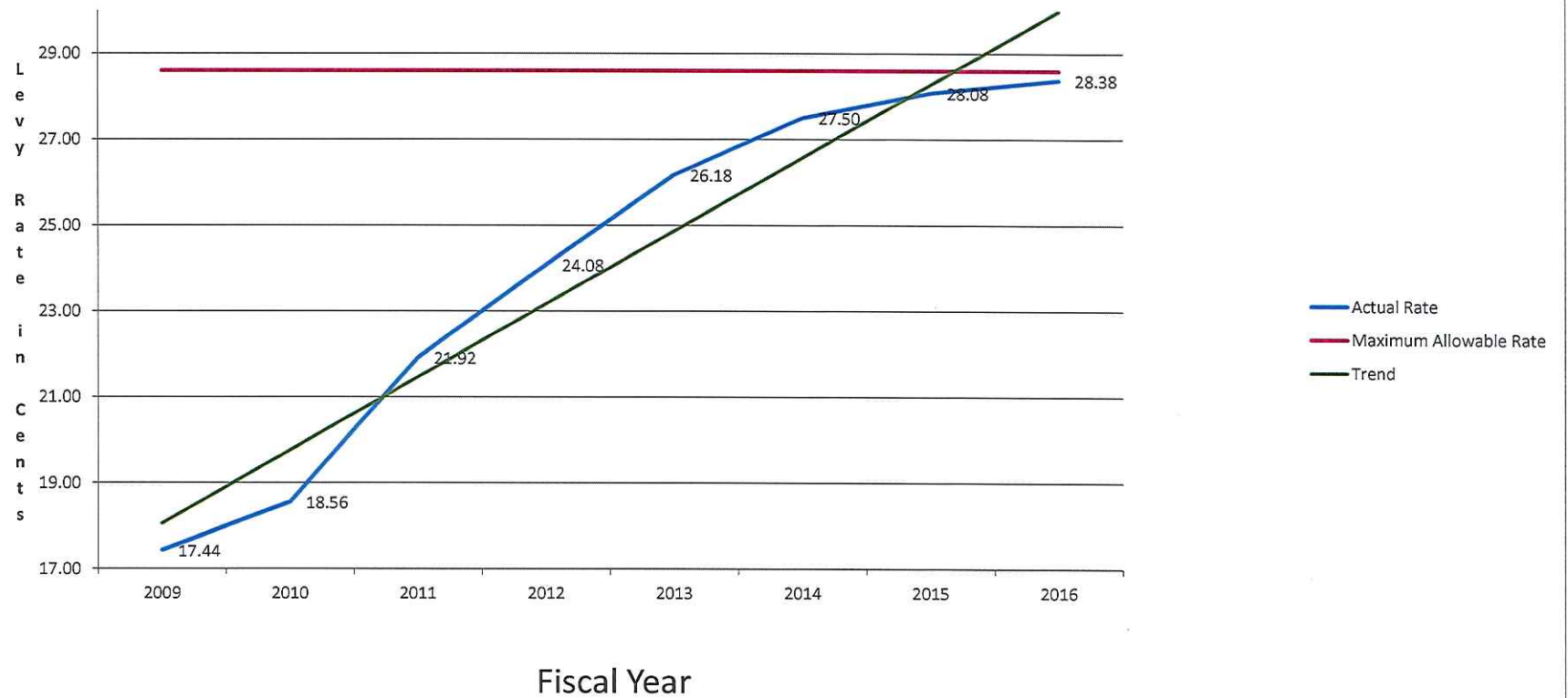
Table Games
001-370-OT-000
43 month Period July 2011 - Jan 2015



Video Lottery
001-373-OT-000
43 month Period July 2011 - Jan 2015



Class 2 Property Cents per \$100 of Valuation
Maximum Allowable Rate is 28.60 Cents



Jail Costs

001-704-03-344-000-PS-000

43 month Period July 2011 - Jan 2015

