

PHELPS COUNTY 2015 BUDGET MESSAGE

Now on this 27th day of January, 2015, comes Pamela K. Grow, Clerk of the County Commission, as budget officer, and presents for the records of the County Commission information and estimates for the year 2015 as required by The County Budget Law (Sections 50.525 to 50.745, RSMo.)

I, Pamela K. Grow, as Phelps County Clerk and Ex-Officio Budget Officer, submit the following Budget Message:

I would like to express my appreciation for the county employees and their earnest efforts to serve our citizens, cognizant of the responsibility they bear to govern the governed. Desirous not to overlook the citizen and taxpayer, however, I must express that the government of Phelps County is indebted to, and indeed exists to serve, the people of Phelps County. It is the people, after all, who pay for the government they are receiving. It is incumbent upon the government of the county to manage the affairs of the county with transparency, for the governed cannot give their consent for what their government does, if these deeds cannot be seen. It is also incumbent for the government to conduct its affairs in the most frugal and thrifty manner possible, or, as is said in state law, "It is hereby made the first duty of the county commission...at its regular January term to go over the estimates and revise and amend the same in such way as to promote *efficiency* and *economy* in county government," (Section 50.740.1, RSMo, emphasis added.)

The laws of the state of Missouri require the annual budget to "present a complete financial plan for the ensuing budget year" (Section 50.550.1, RSMo.) This budget shall describe all proposed expenditures, estimated operating deficits or surpluses of prior years, anticipated interest charges and bond payments (if any), and expenditures for the coming year. Adequate provisions for expenditures for the cost of holding elections, holding circuit court in the county chargeable against the county, repair and upkeep of bridges which are the county's responsibility, as well as salaries, office expenses, and deputy and clerical labor of all county offices and agencies, are to be made. This budget must set forth in detail the means of financing the proposed expenditures.

Receipts of the county "for operation and maintenance, shall be credited to the general fund (Section 50.550.1, RSMo)", while receipts from the special tax levy for roads and bridges, and expenditures for the same, are to remain separate.

Sales tax revenue for Phelps County, having increased somewhat sharply by 6% for FY 2014 compared with FY 2013, is expected to show a more modest gain closer to 2% for 2015. Due to the increase in sales tax receipts of over \$150,000 county-wide, a property tax levy roll-back is anticipated for 2015, affecting ultimate property tax

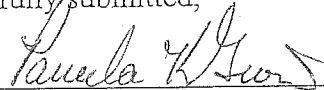
revenues for the year. Rolla has seen a significant amount of new multi-family residential construction during recent years, but a conservative estimate of the increase in assessed valuation has been assumed (total assessed valuation of \$566,650,335, up from \$561,039,936.) Thus a conservative projection of property tax (\$801,920, General Revenue/\$588,000, Special Road and Bridge) and a temperate projection of sales tax (\$1,739,441 GRF/\$934,574 SRB) have been used.

The Phelps County Budget comprises 30 funds: General Revenue Fund, Special Road and Bridge Fund, the Assessment Fund, and 27 others categorized by the Missouri State Auditor's Office as "generic funds." Within the General Revenue Fund are found the departments of General County Government (County Commission, County Clerk, Elections, Building and Grounds, Treasurer, Collector, Recorder of Deeds, Circuit Clerk, Court Administration, and Public Administrator); Public Safety (Sheriff, Jail, Prosecuting Attorney, Juvenile Officer, and Coroner); and other departments (Circuit Judges, Courthouse Security, Family Court Program, and disbursements for entities including the Office of Public Defender, Extension Office, County Surveyor, and Civil Defense.) Proceeds from the Law Enforcement Sales Tax (0.375%) and other revenue sources such as civil fees for the Sheriff's Department and intergovernmental revenues from criminal forfeitures have for many years been the basis for the seven law-enforcement related funds, which supply the needs for the functions of the Sheriff's Department and Jail.

Original expenditure requests within the GRF exceeded anticipated revenues by \$173,805, which would call upon cash resources unless modified. Original expenditure requests within the SRB exceeded revenues by \$594,901, but due to extreme strain on the Fund due to 2013 flooding, the road work resulting, and the pressing road repair needs which were postponed due to that flooding, this might be considered to be within the parameters of this fund's net cash balance for the start of 2015. The ongoing maintenance and upkeep of our county's vital roadway infrastructure is a critical function of local government.

The County Budget Law requires 3% of anticipated General Fund Revenues to be set aside within an emergency fund. This sum is budgeted for 2015 at \$135,182. Money may be transferred from this fund at any time during the year, but only on the recommendation of the budget officer, and only upon the unanimous vote of the county commission (Section 50.540.4, RSMo.)

Respectfully submitted,



(Signature)

Phelps County Clerk and Budget Officer