

PHELPS COUNTY
2018 BUDGET MESSAGE

Now on this 30th day of January, 2018, 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 2017 as required by the County Budget Law (Sections 50.525 to 50.745, RSMo.)

The care taken by elected officials and department heads to adhere to their annual budgets is noted and appreciated, as is their compliance with returning their budget estimates for the New Year.

County Budget Law states: "It is hereby made the first duty of the county commission in counties of classes three and four 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. The commission may alter or change any estimate as public interest may require and to balance the budget, first giving the person preparing supporting data an opportunity to be heard. After the county commission shall have revised the estimate it shall be the duty of the clerk of said commission forthwith to enter such revised estimate on the record of the said commission and the commission shall forthwith enter thereon its approval." (RSMo 50.740.1)

I would like to emphasize several phrases. "First duty" shows just how important the budget framework is. It is the "first order of business," given the highest priority. Secondly I would emphasize "efficiency and economy." We are to avoid waste, and to spend the taxpayer's money from whatever source (local, state, or federal) as frugally as we possibly can. We may want to consider not spending at all, that is, not even applying for some of this taxpayer money. This might keep the size of government somewhat in check, by some infinitesimally small amount. Some would counter, "Well, if we don't apply for the funds, someone else just will..." and I would counter that by saying, "When is the growth of government appropriation ever to end, then?" It will not.

Sources of revenue to the county overall were increased by 4.8% between 2016 and 2017 calendar years. There was a slight decrease in property tax overall, more than offset by an increase in sales tax revenue.

The sum of the property tax levies for County Revenue and Special Road and Bridge increased incrementally in 2018, as allowed by the increase in the Consumer Price Index. However, the ratio of the levies is different, reflecting my conviction that the levies must be calculated separately. A lengthy discussion is precluded here, but should anyone wish to see my reasoning, it can be provided. This will result in more property tax for SRB, and less for County Revenue. Sales Tax apportionment remains the same in this year's budget.

Payroll expenses continue to be a major part of the County budget; for the General Revenue fund alone, \$2.335 million of the \$4.139 million (56%) expenditures for 2017. Beginning in 2018, the County has elected to take on payment of one-fourth of the 4% of gross salary that our employees previously contributed to CERF, the County Employees Retirement Fund. This 1% will now be a benefit, not a deduction, for the full-time employees. With an anticipated full-time payroll in the neighborhood of \$5 million, this represents an additional \$50,000 outlay by the County for its workforce. The County continues its generous payment of 90% of employee medical insurance premiums, approximating \$7,500 per year for each full-time employee enrolled, as well as payment of 25% of dependent premiums, which was adopted in 2017. As a full-time employee works 2080 hours, this represents over \$3 per hour additional compensation.

A major outlay in 2018 will be the construction costs for the renovation of the 1972 Jail, to ready it for non-federal inmates. This is hoped to relieve crowding in the New Jail, which alone remains compliant with federal requirements. The Phelps County Sheriff's Department has received federal authorization to transfer \$2.2 million from the Asset Forfeiture Fund to the Law Enforcement Sales Tax Fund for this purpose. Again, this is not new tax money or revenue, but an inter-fund transfer. The Road and Bridge Department intends to transfer \$100,000 from its debt service fund into its main fund, Special Road & Bridge (SRB).

State statute requires that not less than 3% of anticipated revenues be set aside as an emergency fund; this in recent years has never been called upon. In 2018, an additional \$100,000 has been set in the emergency fund against the possibility of extraordinary medical costs of employees. The General Revenue Fund began 2017 with a balance of \$1.342 million; began 2018 with \$1.703 million, and is projected to finish the year with \$1,421 million.

Special recognition is given the Circuit Judges, who again in 2017 cut the county portion of their budget in a meaningful way.

Respectfully submitted



Pamela K. Grow
Phelps County Clerk