

2012 Budget Retreat Wrap Up



Board Retreat Process



Strategic Plan Review

Revenue Expenditure
Forecast

Budget Target
Recommendation

Retreat Outcomes



Priorities

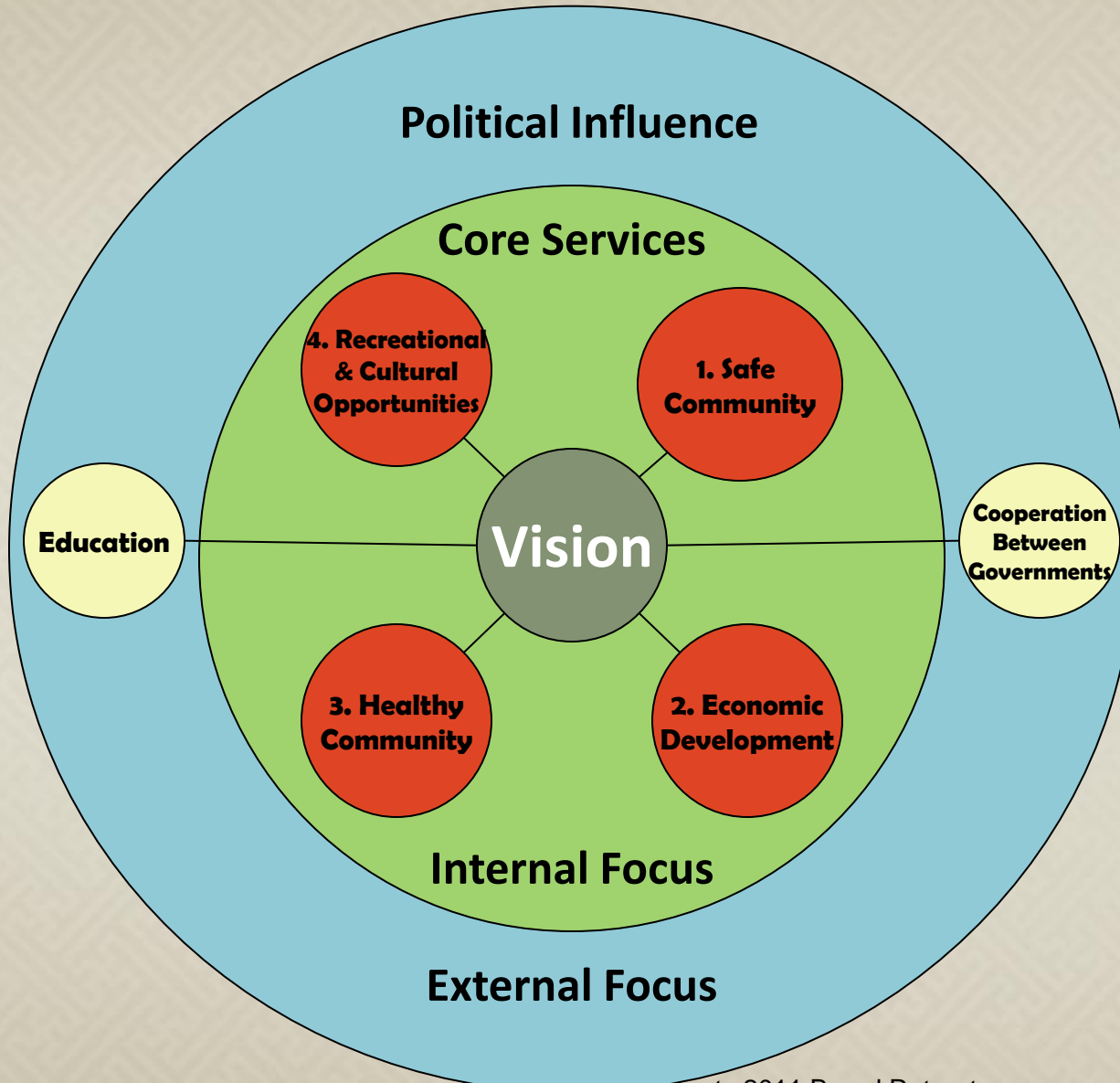


Revenue &
Expenditure Target



Strategy

Jackson Board of Commissioners Strategic Priorities



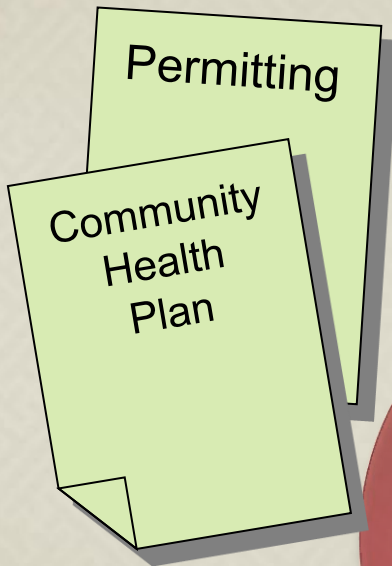
Organizational Goals

Improved Work Environment

Core Values

Integrity
Leadership
Collaboration
Responsiveness
Accountability

Be Thinking About The Impact of Your Plan on...



Re-Establishing Priorities



Priorities Set in 2008

Prior Board Ranked
Programs Two Years Ago

New Board January 2011

Re-Establish Program
Rankings

How do we use it?

- All Programs are Good
- Communicate to Staff About What's Most Important
- Make Difficult Decisions

Safe Community



Program	New Ranking	Previous Ranking
County Sheriff	1	1
Prosecuting Attorney	2	3
Emergency Dispatch	3	2
Road Patrol, Advanced Enforce./Investig.	4	7
County Jails	5	6
12th District Court	6	4
Circuit Court	7	5
County Clerk	8	8
Emergency Management	9	10
Youth Center	10	12

Economic Development



Program	New Ranking	Previous Ranking
Enterprise Group	1	1
Airport	2	2
Sheriff	3	11
Parks General	4	5
Register of Deeds	5	4
Equalization	6	8
County Treasurer	7	7
Sparks Park	8	3
Cascades Falls	9	6
County Clerk	10	19
MSU Extension	11	10

Healthy Community



Program	New Ranking	Previous Ranking
Health Administration	1	1
Community Health Nursing	2	2
Immunizations	3	4
Veterans Affairs	4	8
Health Education	5	10
AIDS Counseling & Testing	6	3
Immunization Action Plan	7	7
Environmental Health	8	6
Sexually Transmitted Diseases	9	5
In-Home Services	10	13

Recreation & Cultural Opportunities



Program	New Ranking	Previous Ranking
Fair	1	2
Sparks Park	2	1
Cascades Falls	3	4
Parks General	4	3
Out-County Parks	5	5
Congregate Meals	6	6
Parks Police	7	7
Cascades Golf Course	8	8
Swains Lake County Parks	9	9
Pleasant Lake County Park	10	10

Priorities



1. Are you comfortable with the existing Strategic Priorities?

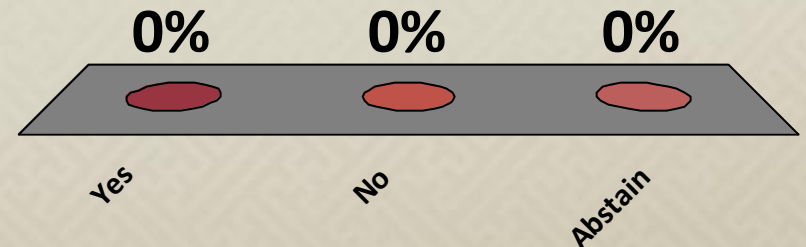
For Budgeting Conversation...
Internal Focus Right Now



2. Can you support the Board's combined ranking of programs?

Can you support the Board's combined prioritization?

1. Yes
2. No
3. Abstain



Board Retreat – February 15, 2011

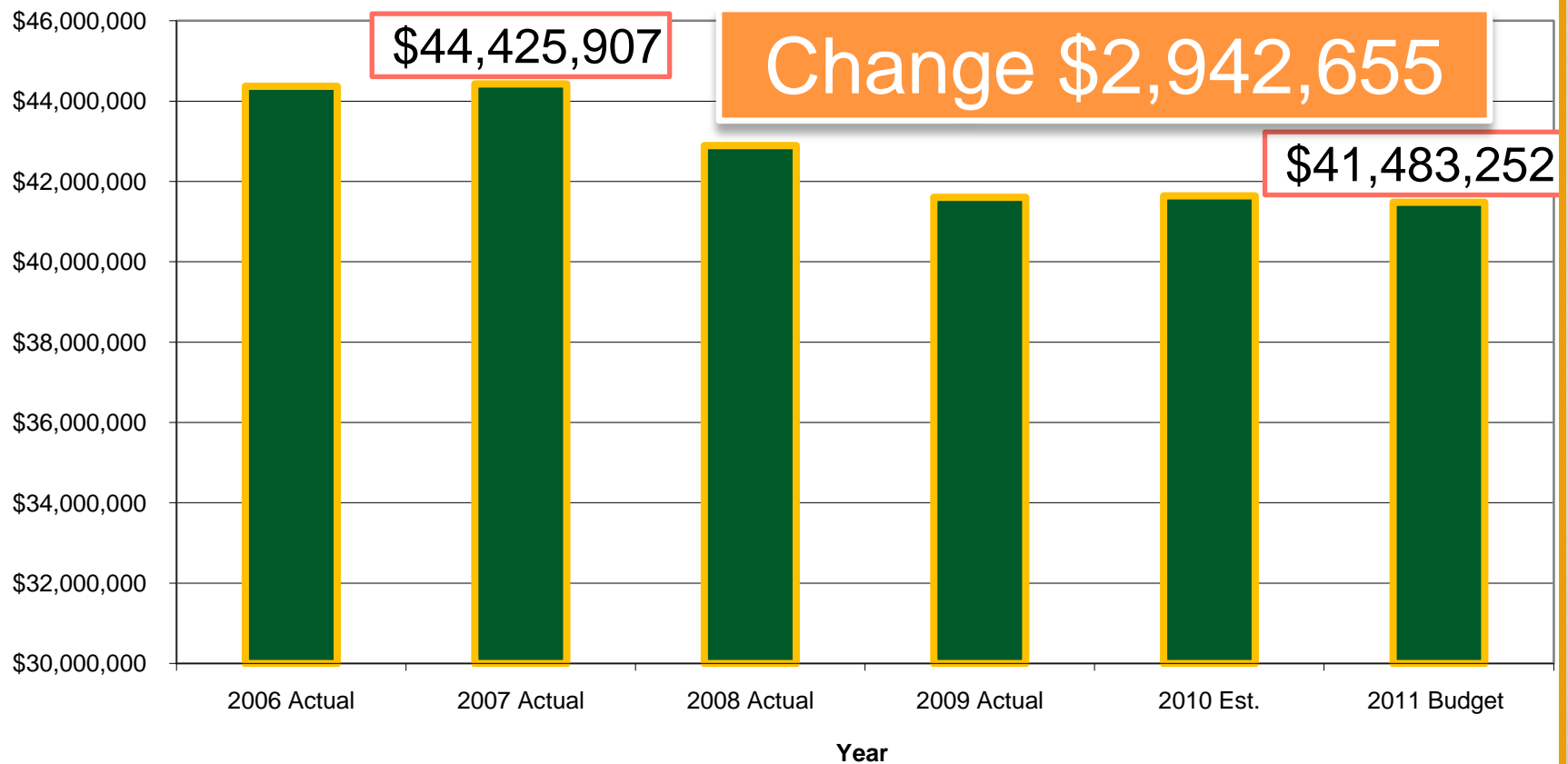
Financial Target



Progress



General Fund Budget History



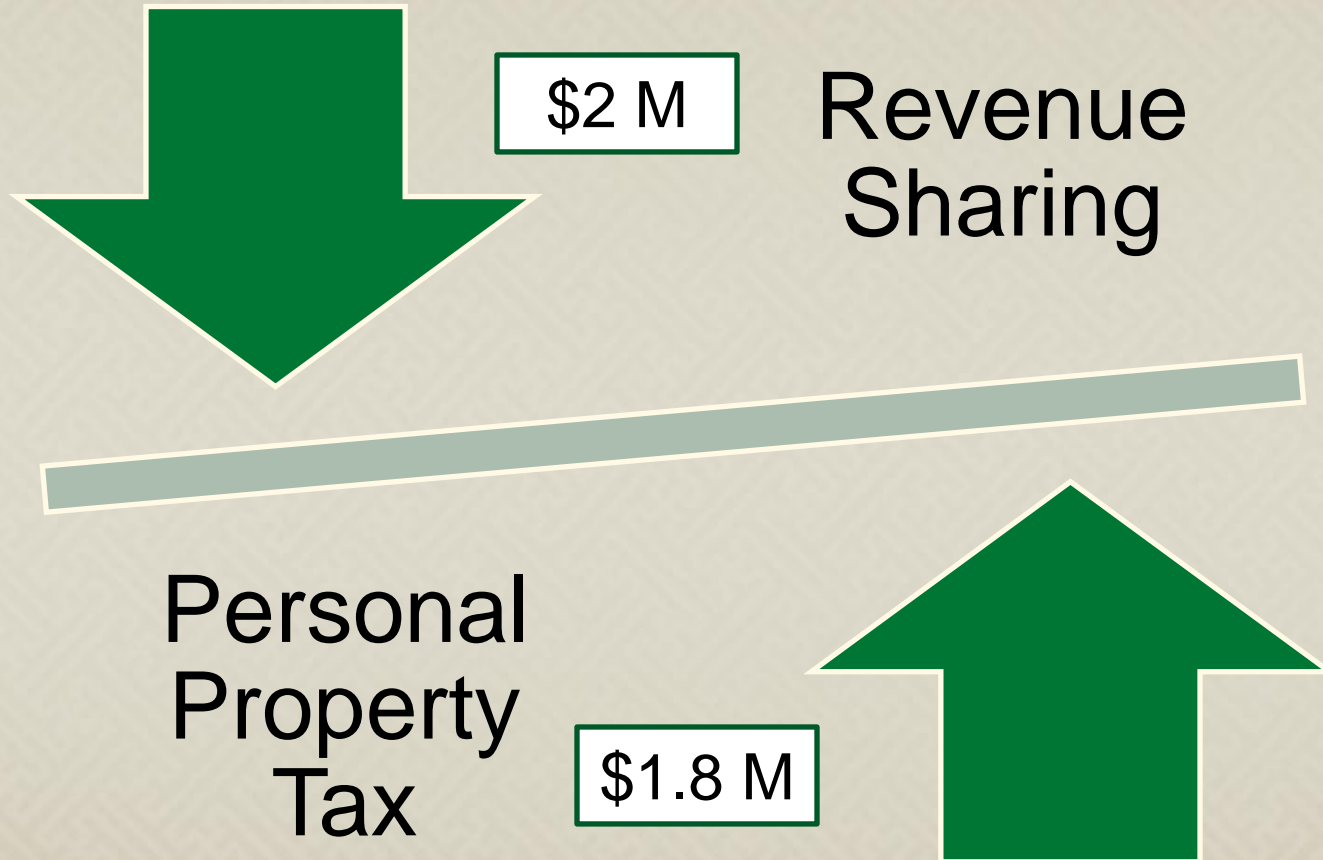
For a Rainy Day



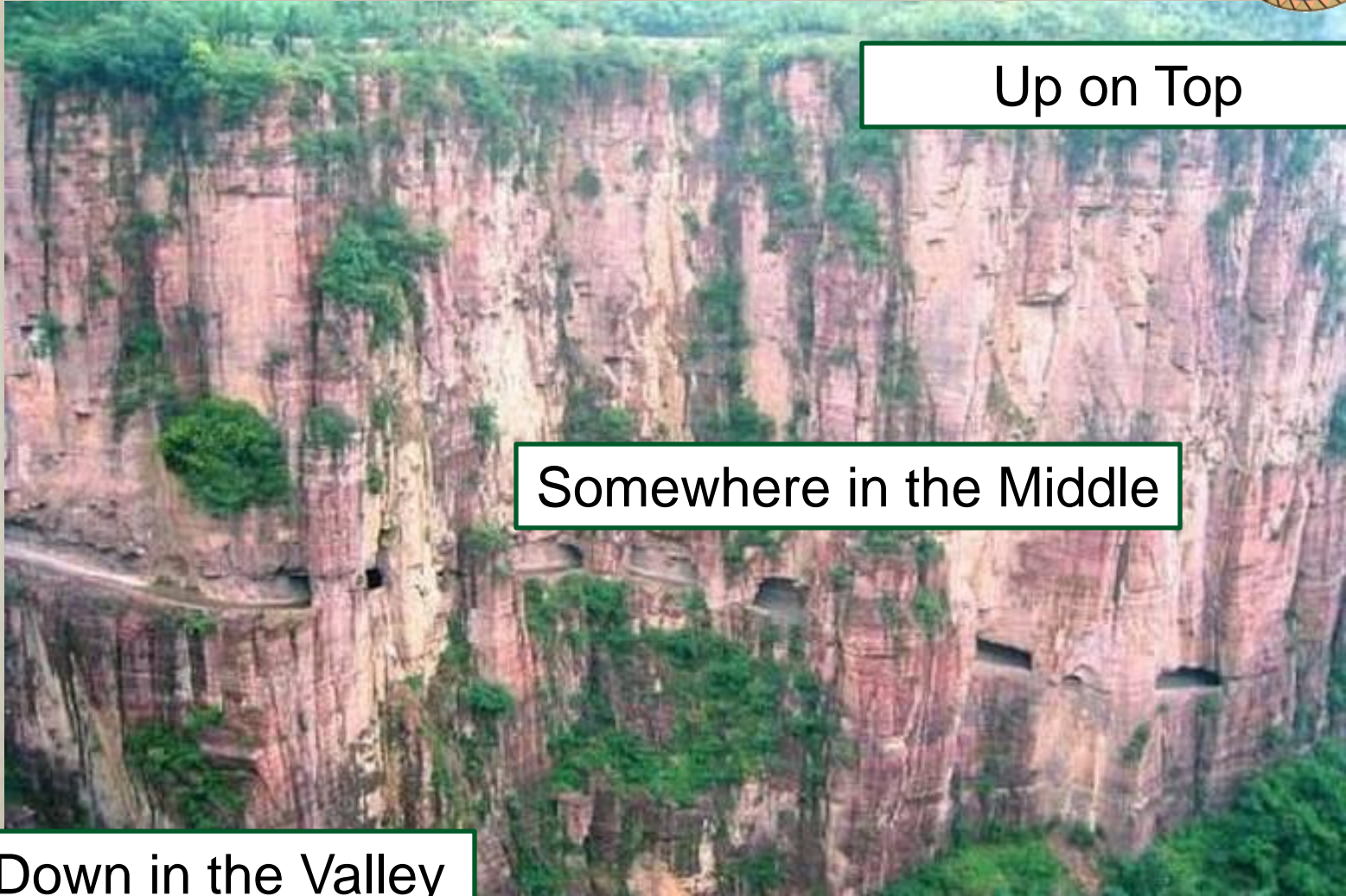
Undesignated unreserved Fund Balance above Board Goal of 24%	\$2.5 Million
Budget Stabilization Fund	\$1.5 Million
Total	\$4.0 Million



New Developments



Which Path Will it Be?



Up on Top

Somewhere in the Middle

Down in the Valley

Scenario Planning



Some Revenue Sharing

Contingency 1

- Full Revenue Sharing
- Full Property Tax

Most Likely

Contingency 2

- Revenue Sharing or Property Tax Cut by \$2 M

Personal Property Tax Intact

Most Likely



Walk Down the Middle



Most Likely



Assumptions

- Partial Revenue Sharing @ \$2 Million
- Personal Property Tax Unchanged
- Practical Wage Increases
- Taxable Value Changes - -1%, -1%, 0%, 1%, 1%
- Reduction in Employer Pension Contribution

Impacts

- Continue with 2011 5-Year Plan
- Still make efficiency improvements

What do I mean by efficiency improvements?

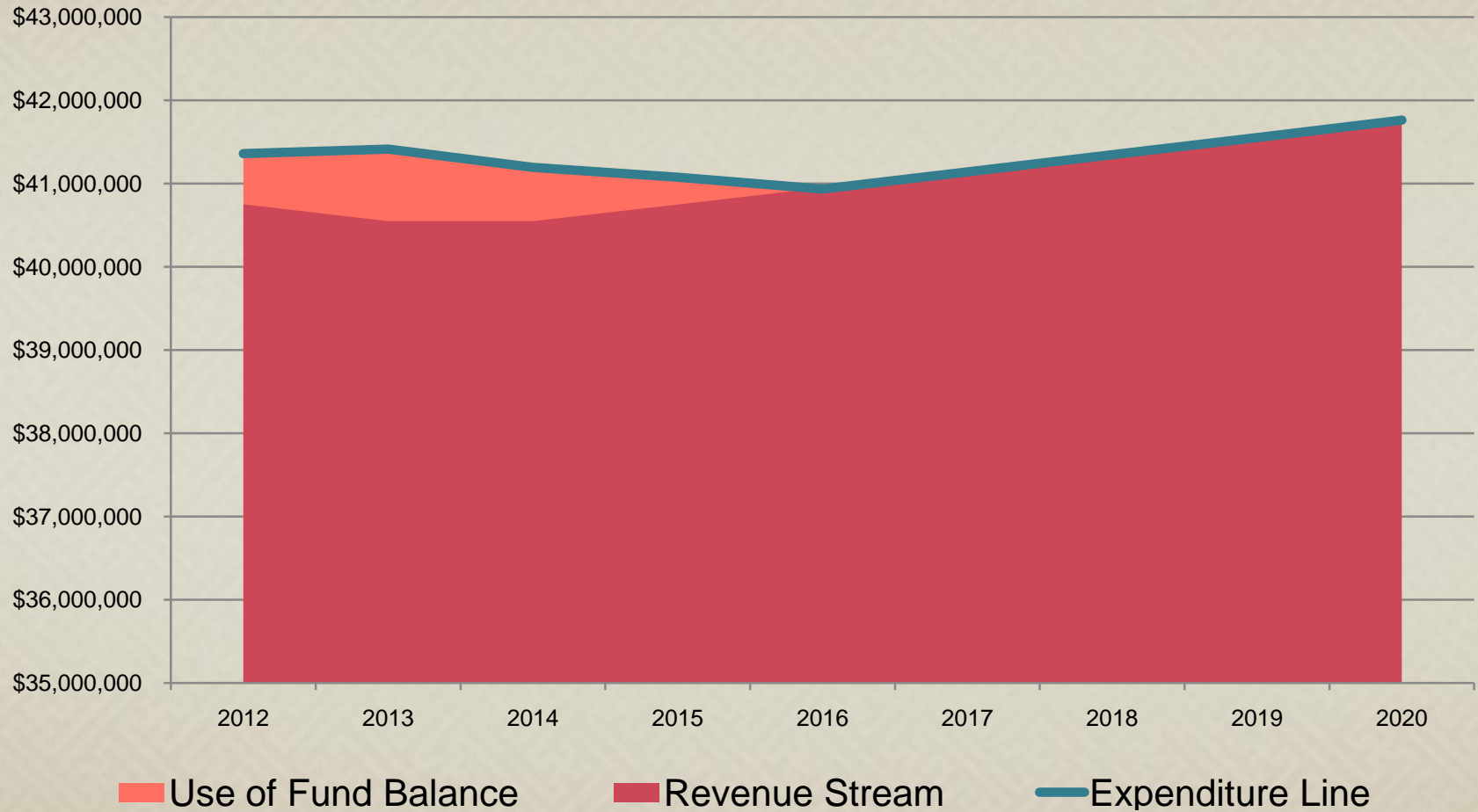
Same level of service at cheaper cost

Most Likely



Revenues	2012	2013	2014	2015	2016
Taxes Real	18,638,527	18,454,643	18,270,276	18,270,276	18,453,152
Taxes Personal	1,793,000	1,772,569	1,754,664	1,754,664	1,772,037
Taxes Adjusted	(204,315)	(202,272)	0	200,249	202,252
Total	\$ 20,227,212	\$ 20,024,940	\$ 20,024,940	\$ 20,225,189	\$ 20,427,441
Intergovernmental	4,608,708	4,608,708	4,608,708	4,608,708	4,608,708
Revenue Sharing	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Transfer In	4,579,859	4,579,859	4,579,859	4,579,859	4,579,859
Other Revenue	9,333,553	9,333,553	9,333,553	9,333,553	9,333,553
Fund Balance	608,920	865,298	645,298	328,927	(15,325)
Total Revenue	\$ 41,358,252	\$ 41,412,358	\$ 41,192,358	\$ 41,076,236	\$ 40,934,236
Expenses	2012	2013	2014	2015	2016
Base Budget	41,483,252	41,358,252	41,412,358	41,192,358	41,076,236
Wages	325,000	150,000	330,000	150,000	333,000
Health Costs	0	175,122	0	183,878	0
Retirement	(200,000)	(50,000)	(50,000)	(50,000)	(50,000)
Transfer Out	100,000	228,984	0	100,000	100,000
Annual Cuts	(350,000)	(450,000)	(500,000)	(500,000)	(525,000)
Total Expenditures	\$ 41,358,252	\$ 41,412,358	\$ 41,192,358	\$ 41,076,236	\$ 40,934,236

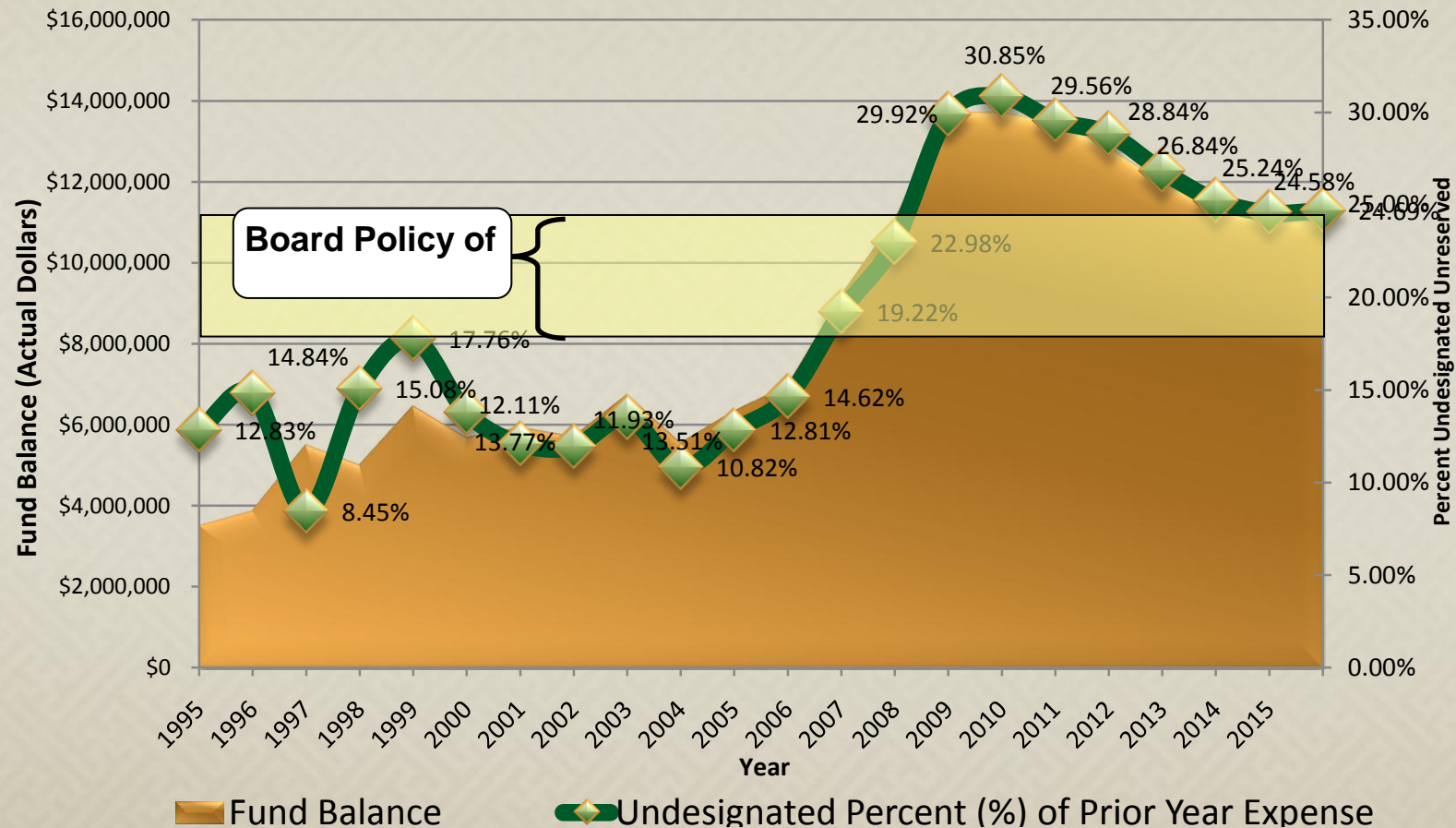
Structural Balance



Fund Balance Impact



Fund Balance Projection



Contingency 1



Assumptions

- Revenue Sharing Fully Funded
- No Impact on Personal Property Tax

Impacts

- Adds \$1.3 million
- Able to attack strategic goals
- Focus efforts with gazelle intensity on priorities
 - Make progress towards OPEB liability and Capital
- Still make efficiency improvements

Contingency 1



Revenues	2012	2013	2014	2015	2016
Taxes Real	18,638,527	18,454,643	18,270,276	18,270,276	18,453,152
Taxes Personal	1,793,000	1,772,569	1,754,664	1,754,664	1,772,037
Taxes Adjusted	(204,315)	(202,272)	0	200,249	202,252
Total	\$ 20,227,212	\$ 20,024,940	\$ 20,024,940	\$ 20,225,189	\$ 20,427,441
Intergoernmental	4,608,708	4,608,708	4,608,708	4,608,708	4,608,708
Revenue Sharing	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Transfer In	4,579,859	4,579,859	4,579,859	4,579,859	4,579,859
Other Revenue	9,333,553	9,333,553	9,333,553	9,333,553	9,333,553
Fund Balance	608,920	865,298	465,298	328,927	(198,325)
Total Revenue	\$ 42,658,252	\$ 42,712,358	\$ 42,312,358	\$ 42,376,236	\$ 42,051,236
Expenses	2012	2013	2014	2015	2016
Base Budget-Most Like	41,358,252	41,412,358	41,192,358	41,076,236	40,934,236
OPEB	500,000	500,000	600,000	600,000	600,000
Riverwalk	700,000	700,000			
Capital-Other	100,000	100,000	520,000	700,000	517,000
Total Expenses	\$ 42,658,252	\$ 42,712,358	\$ 42,312,358	\$ 42,376,236	\$ 42,051,236

Contingency 2



Assumptions

- State revenue sharing or personal property tax eliminated by \$2 Million from 'Most Likely Level'

Impacts

- Net Impact (\$2 Million)

There will be impacts to level of service.

Contingency 2



Revenues	2012	2013	2014	2015	2016
Base Revenues	40,749,332	40,547,060	40,547,060	40,747,309	40,949,561
Cuts to State Rev.					
Sharing or PP Tax	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Fund Balance	1,400,000	1,000,000	800,000	500,000	300,000
Total Revenue	\$ 40,149,332	\$ 39,547,060	\$ 39,347,060	\$ 39,247,309	\$ 39,249,561
Expenses	2012	2013	2014	2015	2016
Base Budget-					
Most Likely	41,358,252	40,149,332	39,547,060	39,347,060	39,247,309
Additional Cuts	(1,208,920)	(602,272)	(200,000)	(99,751)	2,252
Total Expenses	\$ 40,149,332	\$ 39,547,060	\$ 39,347,060	\$ 39,247,309	\$ 39,249,561

Where do we get \$2 M



not
easy

Alternatives

1. 30 Positions
 - FTE Reduction Schedule
2. Wage Reductions
3. Millage Increase
 - Headlee Rollback
 - Voter Approved – 5.94 mills
4. Reductions to Retiree Health

Our Recommendation



Prepare

- Most Likely Budget
- Contingency One as Suggested
- Contingency Two
 - Would need greater development

Your Thoughts?

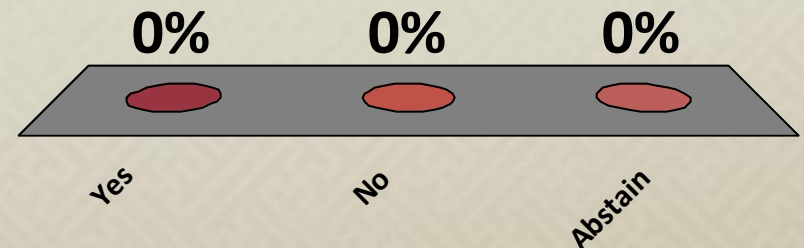
Can you support the 2012 target, \$41,358,252?



Most Likely,
with Contingency 1 and 2

1. Yes
2. No
3. Abstain

Change of \$125,000
.3% Reduction





Michigan 2011

Good for Jackson,
Good for Michigan

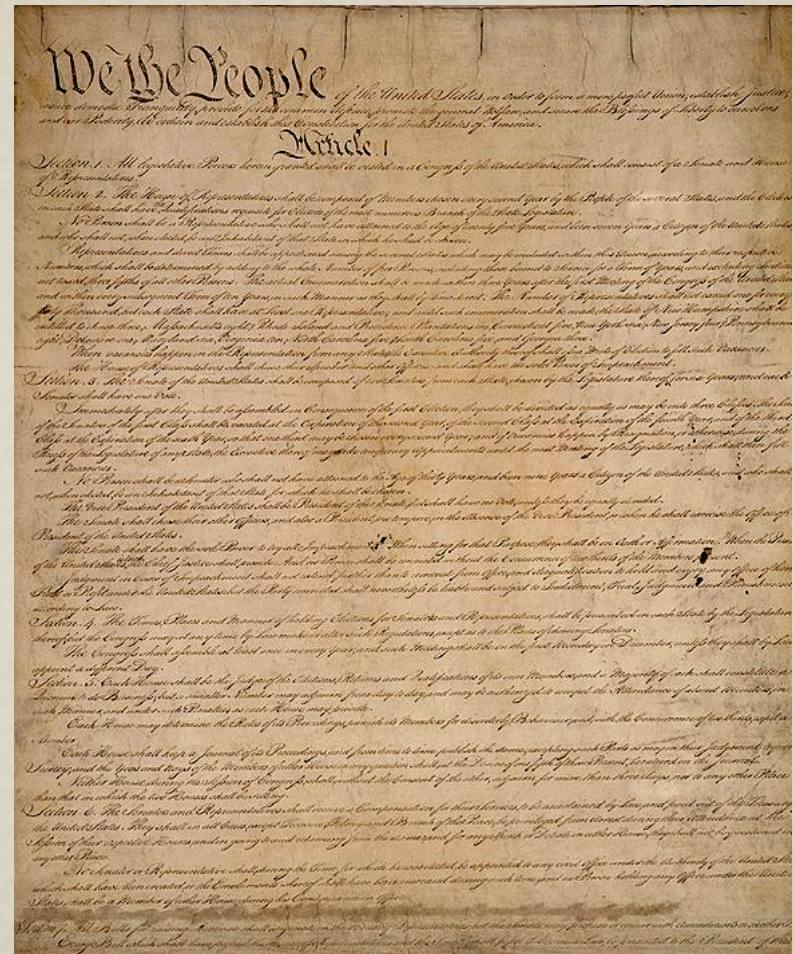


Legislative Agenda

Legislative Agenda



- Talk about legislative issues
- Have you consider several issues
- Vote on direction for each issue
- Create a resolution that Board members can advocate



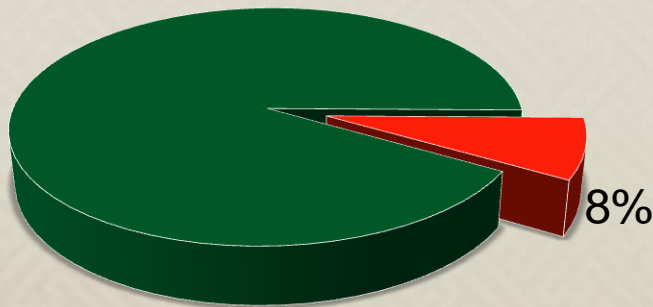
Legislative Issue 1



Revenue Sharing

- Jackson County is opposed to any legislation that would make cuts to revenue sharing irresponsible.

- Level of service will be impacted
- It would no longer be possible to protect our #1 Strategy, Safe Community
- Counties throughout Michigan rely on State Revenue Sharing

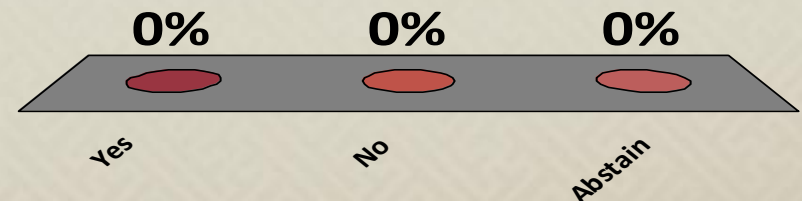


■ Other Revenues ■ Revenue Sharing

Include in Agenda: Opposition to irresponsible State Revenue Sharing cuts?



1. Yes
2. No
3. Abstain

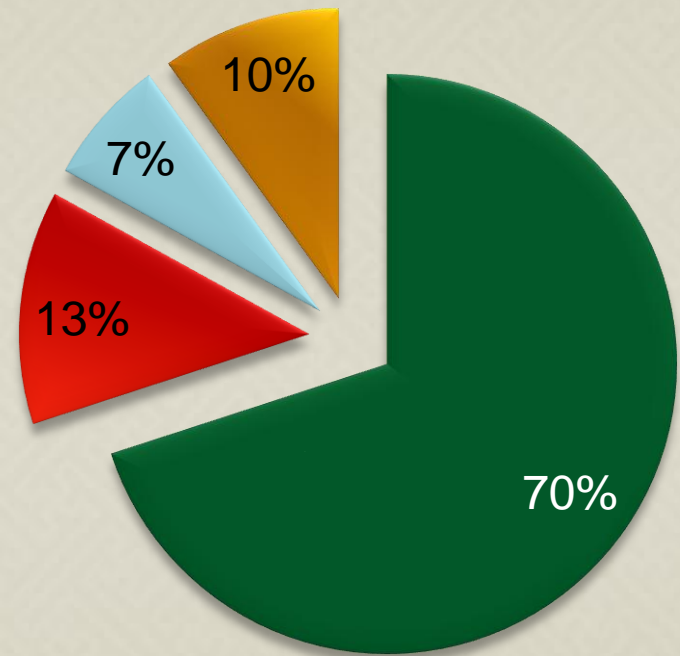


Legislative Issue 2



Should Jackson County oppose cuts to the personal property tax without replacement revenue?

Should there be a community discussion about where the tax burden lies?

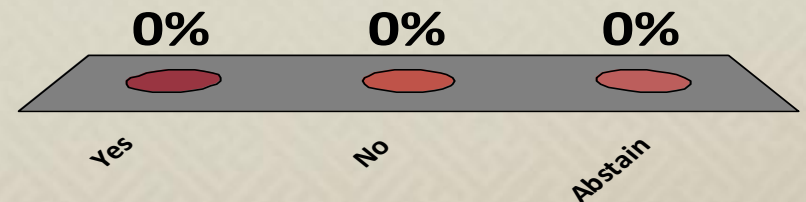


■ Residential ■ Commercial
■ Agriculture ■ Industrial

Include In Agenda: Opposition to personal property tax cuts without substitute revenue?



1. Yes
2. No
3. Abstain

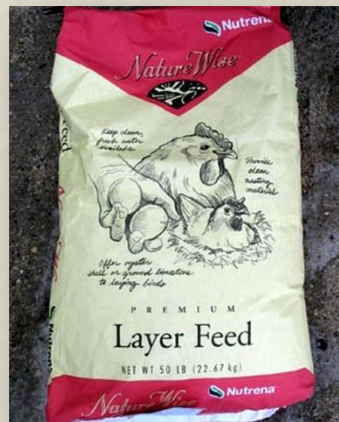


Legislative Issue 3



- Should Jackson County take a position on facilitating collaboration between governments?

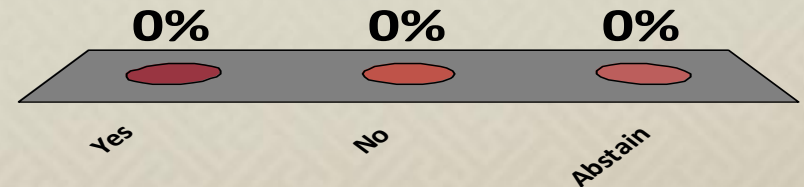
How far will one bag go?



Include In Agenda: Strongly encourage legislation that makes collaboration between governments possible?



1. Yes
2. No
3. Abstain



Legislative Issue 4



Should Jackson County support appropriations based on collaboration between governments?

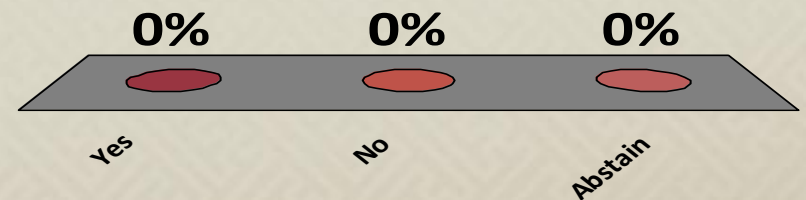


Jackson County is strongly positioned. Parks, Information Technology, Human Resources, Health Department, Community Partnerships, etc...

Include In Agenda: Support of appropriations based on collaborative arrangements?



1. Yes
2. No
3. Abstain



Other Legislative Items?



Next Steps



- Collaboration of Elected Officials & Department Heads based on target and priorities
- Enter Budgets
- Balance
- Presentation

Ideas, Questions, Comments, Discussion