

Maximum Levy Discussion

9/1/2020

Major Uncertainties



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- Pandemic
- Economy
- Policy – Waivers/CARES/State and Federal funding
- Human Services
- Personnel costs

Summary of Proposed Planning Parameters

- Preliminary cost pressure estimates
 - Labor Costs:
 - Salaries/FICA\PERA TBD
 - Health Insurance ~4.4%
 - Non Labor Costs (only previously approved Contract Increases) 0.0%
- Vacancies created from hiring limits available to fund cost pressures (~94/52 FTEs currently vacant)
- Levy Management Account (LMA) is available for 2021 and future years if needed (~\$6.0 million available)

Current Vacancies



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Department/Division	Vacant FTEs	Vacant FTEs Approved to Fill	Net FTEs
ADMINISTRATION	4.00	2.00	2.00
COMMUNITY SERVICES	43.80	15.50	28.30
ELECTED OFFICES	9.00	4.00	5.00
OPERATIONS, MANAGEMENT AND BDGT	10.00	2.00	8.00
PHYSICAL DEVELOPMENT	17.00	13.00	4.00
PUBLIC SERVICES AND REVENUE	9.97	5.00	4.97
COUNTY TOTAL	93.77	41.50	52.27
Total Levy for Vacant FTEs			\$ 4,036,984
Average Levy per FTE			\$ 77,233

Options for Using Vacant FTEs in 2021



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- Eliminate Funding & Eliminate FTE
- Eliminate Permanent Funding & Convert FTE to Limited Term with One-Time Funding
- Eliminate Funding and Keep FTE available in County Wide if Needed or Funding Becomes Available
- Keep Funding and Keep FTE (Vacant)

2021 Planning Base (PB)



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- **Known Costs**
 - Health Insurance \$1.2 M
 - Adjustment for Revised PB Salaries (\$1.2 M)
 - Non-Personnel Costs (net) \$0.3
 - Total Known Costs \$0.3 M

Total Known Costs could be funded with 4 Vacant FTEs

- **Unknown Costs**
 - Salary Costs TBD
 - FICA/PERA TBD

Every 1% Salary increase amounts to approximately \$1.7 M or a 1.2% potential impact on the levy

Potential 2021 Levy Options



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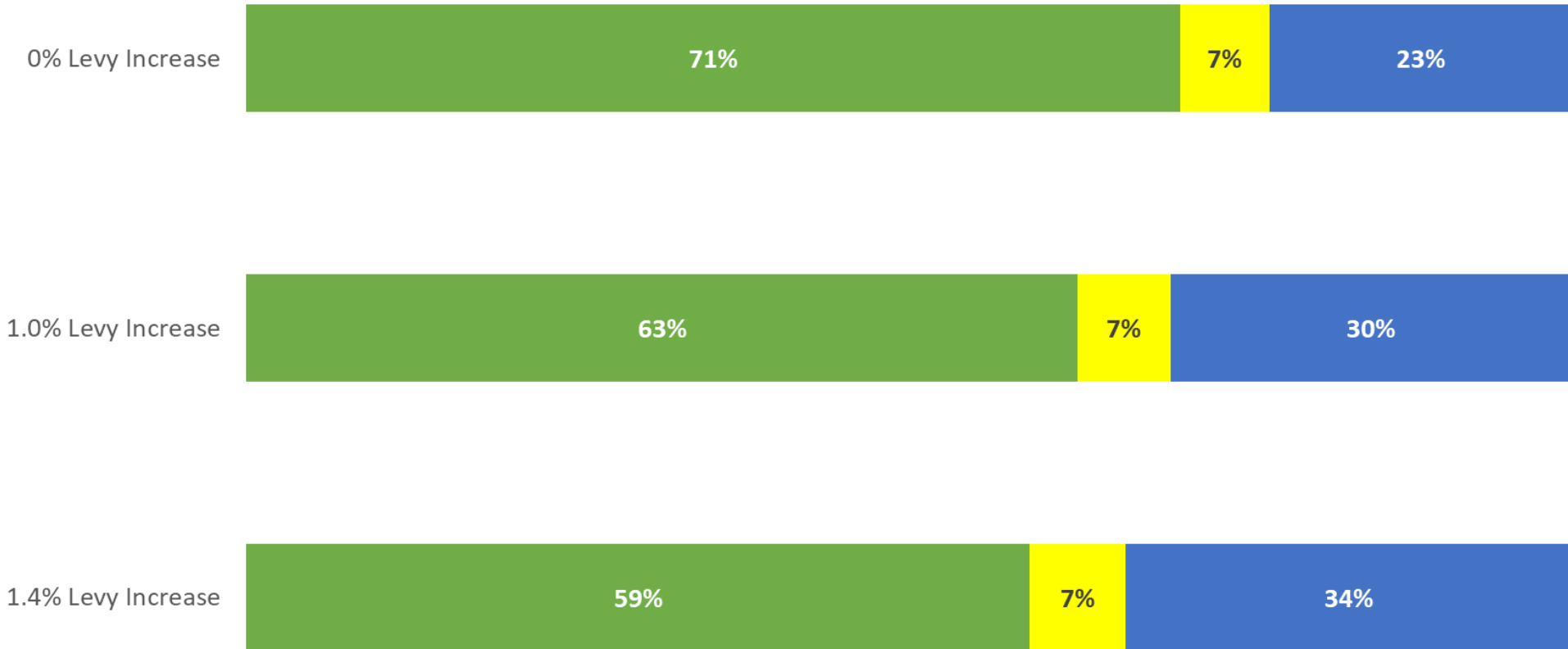
2020 Adopted Levy	Potential Levy Change	2021 Potential levy	Change from 2020	Impact on Taxes Payable for a Median Valued Home
\$ 144,613,647	0.00%	\$ 144,613,647	\$ -	\$ (10.28)
\$ 144,613,647	1.00%	\$ 146,059,783	\$ 1,446,136	\$ (3.11)
\$ 144,613,647	1.40%	\$ 146,638,238	\$ 2,024,591	\$ (0.24)

Levy Impacts on Residential Homestead Properties



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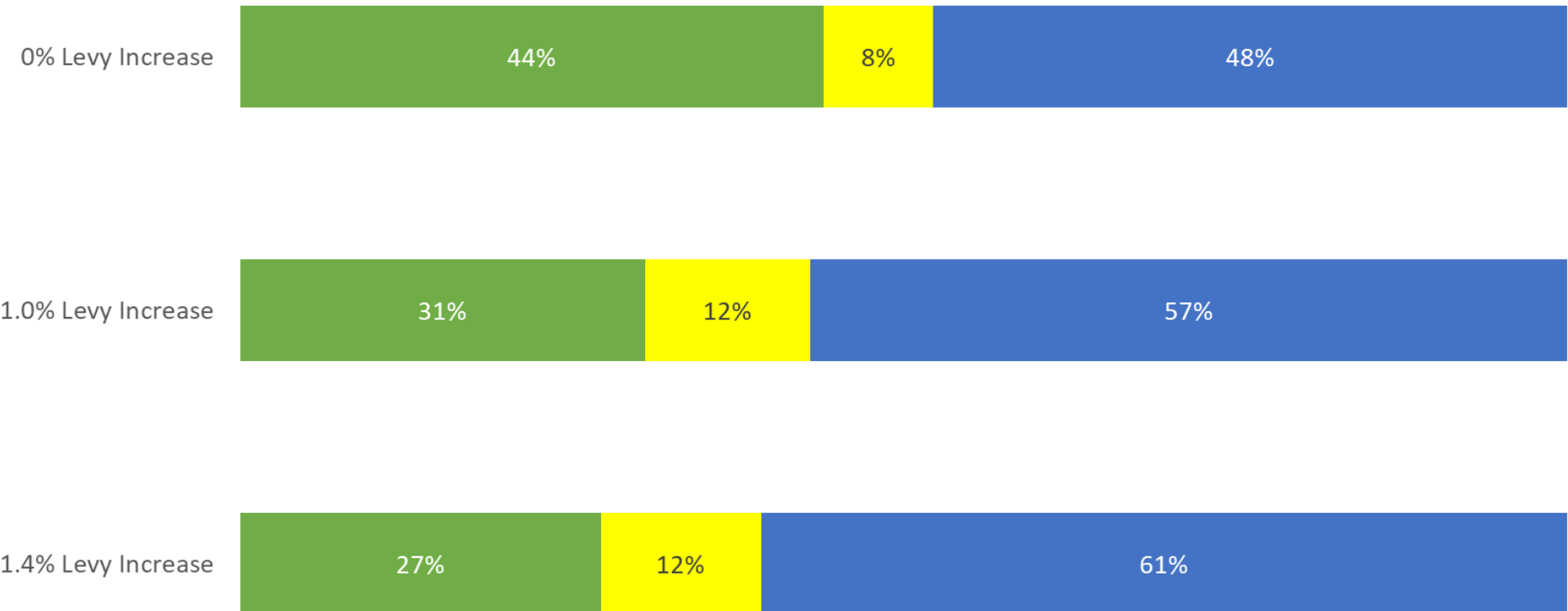
121,635 Parcels



■ Property Tax Change \$0 or Less ■ Property Tax Change \$1 to \$5 Increase ■ Property Tax Change \$6 or Greater Increase

Levy Impact on Commercial Properties (>\$1 million)

2,405 Parcels

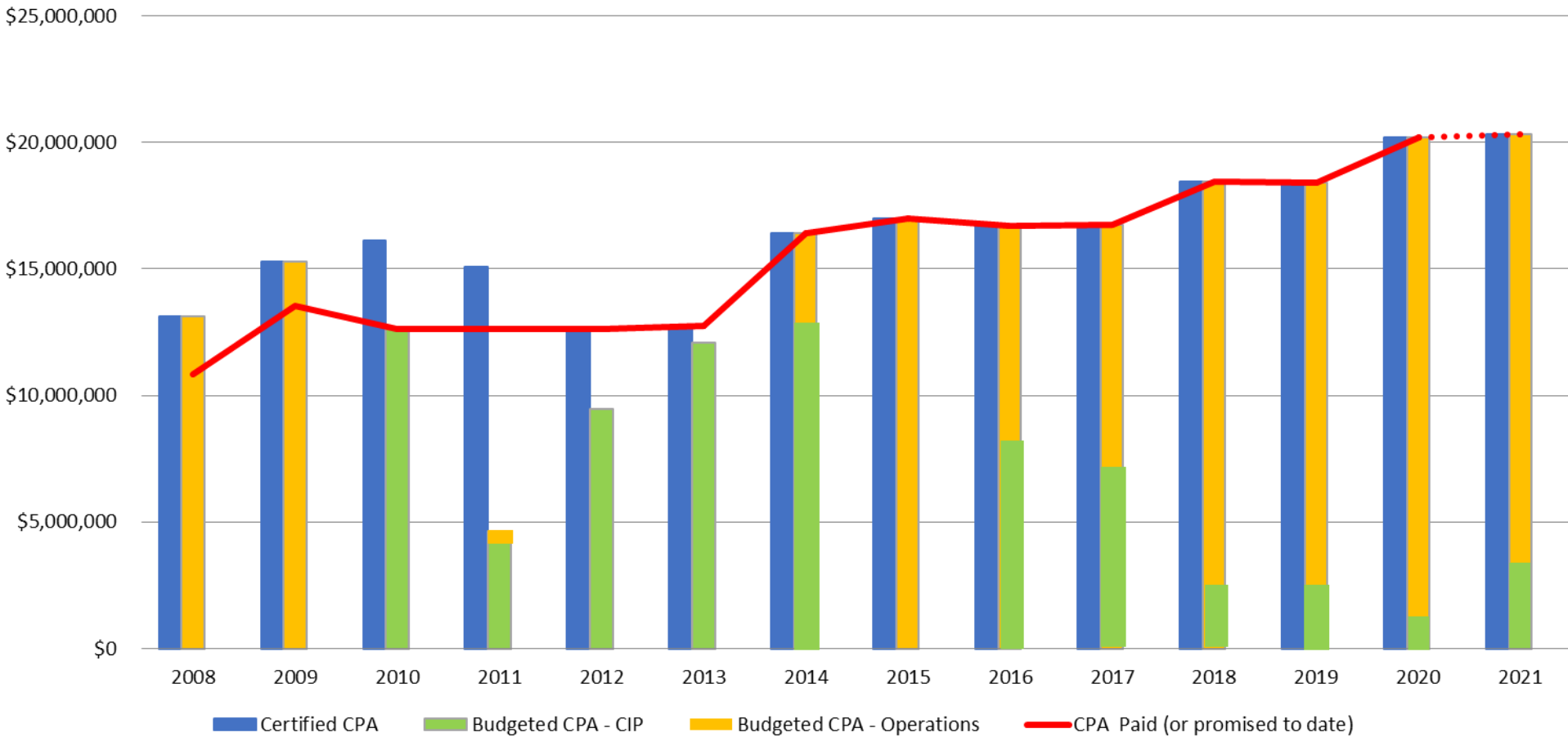


■ Property Tax Change \$0 or Less ■ Property Tax Change \$1 to \$5 Increase ■ Property Tax Change \$6 or Greater Increase

CPA History



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Levy Impact to Move to 85%/15% Split



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	91% Ops	9% CIP	Total
2020 Budget	\$ 18,434,379	\$ 1,766,913	\$ 20,201,292
Change needed to attain 85/15 split & New CPA	\$ (1,161,906)	\$ 1,281,171	\$ 119,265
	85% Ops	15% CIP	Total
2021 Certified CPA	\$ 17,272,473	\$ 3,048,084	\$ 20,320,557
Levy Needed to Reduce Operation Split by 6%	\$ 1,161,906		

2021 Budget: Known, Unknown, Risks and Uncertainties



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Impacts of individual items

Category	\$ amount	Levy %	FTE equivalents	Levy Management Account	
				(used)	remaining
Known impacts:					
Net planning base change:	\$ 300,000	0.2%	4	\$ (300,000)	\$ 5,700,000
Unknowns and Risks:					
<u>Potential revenue losses:</u>					
5% loss (or shift) of State HS grants	\$ 990,000	0.7%	12	\$ (990,000)	\$ 5,010,000
Buy back CPA to 85% operating	\$ 1,161,906	0.8%	15	\$ (1,161,906)	\$ 4,838,094
<u>Potential cost increases:</u>					
Each 1% increase in payroll costs	\$ 1,700,000	1.2%	21	\$ (1,700,000)	\$ 4,300,000

2021 Budget and Tax Levy: Risks and Uncertainties



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2021 Budget and Tax Levy: Risks and Uncertainties

Cumulative impacts of multiple items

Range of maximum impacts-- Up to:

Category	\$ amount	Levy %	FTE losses	Levy Management Account	
				(used)	remaining
Net planning base change:	\$ 300,000	0.2%	or 4	or \$ (300,000)	\$5,700,000
Planning base +5% state grant loss or shift	\$ 1,290,000	0.9%	or 16	or \$ (1,290,000)	\$4,710,000
Planning base + 5% grant loss + 85% CPA	\$ 2,451,906	1.7%	or 31	or \$ (2,451,906)	\$3,548,094
Planning base, revenue losses +1% payroll growth	\$ 4,151,906	2.9%	or 52	or \$ (4,151,906)	\$1,848,094
Planning base, revenue losses +2% payroll growth	\$ 5,851,906	4.0%	or 73	or \$ (5,851,906)	\$ 148,094
Net planning base change:	\$ 300,000	0.2%	or 4	or \$ (300,000)	\$5,700,000
Planning base + 1% payroll cost growth	\$ 2,000,000	1.4%	or 25	or \$ (2,000,000)	\$4,000,000
Planning base + 1% payroll +5% state grant loss	\$ 2,990,000	2.1%	or 37	or \$ (2,990,000)	\$3,010,000
Planning base + 1% payroll +5% state grant loss+ 85% CPA	\$ 4,151,906	2.9%	or 52	or \$ (4,151,906)	\$1,848,094
Planning base, revenue losses +2% payroll growth	\$ 5,851,906	4.0%	or 73	or \$ (5,851,906)	\$ 148,094

Budget Model: 0% Levy Growth



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	2021	2022	2023	Total Use of LMA
Levy	\$ 144.61	\$ 144.61	\$ 148.80	
Net Operating Budget Cost Growth (%)	1.3%	2.3%	2.3%	
Net Operating Budget Cost Growth - Base	0.62			
Net Operating Budget Cost Growth - One-Time	\$ 3.00	\$ 6.59	\$ 6.52	
Adjusted Planning Base Levy	\$ 148.23	\$ 151.20	\$ 155.32	
Adjustment for Potential Revenue Loss - Base :	\$ 1.16	\$ -	\$ -	
Revenue Adjusted Planning Base Levy	\$ 149.39	\$ 151.20	\$ 155.32	
Funding				
Permanent Expense Reductions	\$ (0.38)			
One-Time Expense Funding or Deferred Costs	\$ (3.00)			
Levy Management Account	\$ (1.40)	\$ (2.40)	\$ (2.20)	\$ (6.00)
Total Planning Base Levy	\$ 144.61	\$ 148.80	\$ 153.12	
% Levy Change from Prior Year (PY)	0.0%	2.9%	2.9%	
\$ Levy Change from Prior Year (PY)	\$ -	\$ 4.19	\$ 4.32	

Budget Model: 1% Levy Growth



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	2021	2022	2023	Total Use of LMA
Levy	\$ 144.61	\$ 146.06	\$ 150.25	
Net Operating Budget Cost Growth (%)	1.3%	2.3%	2.3%	
Net Operating Budget Cost Growth - Base	2.06			
Net Operating Budget Cost Growth - One-Time	\$ 1.56	\$ 6.59	\$ 6.52	
Adjusted Planning Base Levy	\$ 148.23	\$ 152.65	\$ 156.77	
Adjustment for Potential Revenue Loss - Base :	\$ 1.16	\$ -	\$ -	
Revenue Adjusted Planning Base Levy	\$ 149.39	\$ 152.65	\$ 156.77	
Funding				
Permanent Expense Reductions	\$ (0.37)			
One-Time Expense Funding or Deferred Costs	\$ (1.56)			
Levy Management Account	\$ (1.40)	\$ (2.40)	\$ (2.20)	\$ (6.00)
Total Planning Base Levy	\$ 146.06	\$ 150.25	\$ 154.57	
% Levy Change from Prior Year (PY)	1.0%	2.9%	2.9%	
\$ Levy Change from Prior Year (PY)	\$ 1.45	\$ 4.19	\$ 4.32	

Budget Model: 1.4% Levy Growth



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	2021	2022	2023	Total Use of LMA
Levy	\$ 144.61	\$ 146.63	\$ 150.82	
Net Operating Budget Cost Growth (%)	1.3%	2.3%	2.3%	
Net Operating Budget Cost Growth - Base	2.62			
Net Operating Budget Cost Growth - One-Time	\$ 1.00	\$ 6.59	\$ 6.52	
Adjusted Planning Base Levy	\$ 148.23	\$ 153.22	\$ 157.34	
Adjustment for Potential Revenue Loss - Base :	\$ 1.16	\$ -	\$ -	
Revenue Adjusted Planning Base Levy	\$ 149.39	\$ 153.22	\$ 157.34	
Funding				
Permanent Expense Reductions	\$ (0.36)			
One-Time Expense Funding or Deferred Costs	\$ (1.00)			
Levy Management Account	\$ (1.40)	\$ (2.40)	\$ (2.20)	\$ (6.00)
Total Planning Base Levy	\$ 146.63	\$ 150.82	\$ 155.14	
% Levy Change from Prior Year (PY)	1.4%	2.9%	2.9%	
\$ Levy Change from Prior Year (PY)	\$ 2.02	\$ 4.19	\$ 4.32	

Potential 2021 Levy Options



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Budget Development Process



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- August 18 - County Board Budget Workshop #2
- September 1 - GGP Budget Update
- September 22 - County Board Adoption of maximum levy
- November 3-5 – County Board Budget Hearings
- December 1 – CIP Public Hearings
- December 1 – County Board Budget Public Hearing (“Truth-In-Taxation”)
- December 15 – County Board Adoption of 2021 Budget

Questions & Discussion

2021 Budget Planning Assumptions



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- Operating budget will look like 2020 budget for revenues
- Potential 2021 Operating budget expense savings in travel, printing, and mileage
- CIP levy amount same as 2020
- Overall CIP revenues will be reduced with greater reliance on fund balance
- New County Program Aid (CPA) will go into CIP to move closer to the 90% Operations/10% CIP split.

2021 Division Identified Requests



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2021 Budget Summary Report - Operations

Requested Changes to Planning Base Summary
as of 7/28/20

Division Summary	FTE	Total New Expenses	External Revenue	Internal Funding Sources	One Time COVID Costs	Levy
Countywide Operations	-	-	-	-	-	-
County Administration	-	-	-	-	-	-
Physical Development	1.00	1,732,174	55,000	986,056	691,118	-
Operations, Management and Budget	1.00	650,010	-	532,616	-	117,394
Public Service and Revenue	-	400,000	-	400,000	-	-
County Attorney	-	-	-	-	-	-
County Sheriff	4.50	817,971	-	95,703	-	722,268
Community Services	2.00	5,193,414	212,300	223,338	4,707,776	50,000
Total Recommended Requests	8.50	\$8,793,569	\$267,300	2,237,713	\$5,398,894	\$889,662

Total Potential Operating Cost Growth



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