

## MEMORANDUM

TO: All County Departments  
FROM: Todd Wiltgen, Chair  
DATE: March 3, 2017  
RE: 2017-18 Budget Requests

The County Board recently reviewed the status of the 2016-17 County budget, as well as some additional costs which we will be facing during the next few years. Several important issues are worth noting:

1. Payroll costs, which include benefits, increase on an annual basis between \$2 million and \$2.5 million.
2. The County Board used 0.7 cent of the Railroad Transportation Safety District's tax rate last year to fund county operations. This was a \$1.6 million number and will need to be a discussion item as we try to reduce the levy amount used by the County.
3. Current property tax reduction proposals before the Legislature as well as other possible reductions from state agencies could have an impact on our spending and revenue choices.

The County Board is asking County Departments to develop Service Based budgets, in addition to the normal budget development process. The County Board feels this process will be a way to better explain the link between services and annual cost. The decision was made to take a different analytical approach in preparation for FY2017-18 decisions. This will also be an alternative way for communicating how county funds are being spent. Each department will describe services provided by their department along with an estimated cost for each service.

The County Board anticipates budget requests for FY2017-18 will be far greater than our ability to pay. **Therefore, the County Board is asking that FY2017-18 budget requests for operating costs and capital outlay come in at 97% of the adopted FY2016-17 budget of operating costs and capital outlay.** Salaries and benefits will not be part of the 97% asking requirement. Departments need to understand that because property taxes are such a high percentage of our overall revenue base, tough decisions have to be made on an annual basis to balance the budget.

Please review all revenue accounts in depth and indicate any potential revenue shortages or changes. After the budget requests have been reviewed and the Board has a better handle on fund balances, anticipated revenues, and budgeted expenditures, adjustments will be made to present a proposed balanced budget.

The Board does not anticipate dollars will be available for expansion of services or personnel. However, if a necessity exists, expansion budgets must be separately stated on the Request for Increase in Personnel or Services form provided with justification for the need, and will be discussed with the Board prior to approval.

Please follow all of the instructions and properly complete all forms by April 7, 2017.

### **ADDITIONAL ITEMS TO CONSIDER**

#### **Grants**

Please complete the Federal Grants form listing the federal grants your department has been awarded or will receive for FY2017-18. Include the awarded or budgeted amount, the federal agency awarding the grant, the program title, the CFDA number, the business unit used for accounting purposes, the revenue account, any positions funded by the grant, the grant period, and any county match.

#### **Computers**

As in the past, the Board will budget for computers funded with property tax dollars in the Information Services budget. Please identify your FY2017-18 need and obtain a cost estimate from Information Services. Your request for FY2017-18 along with the estimate must be submitted at the same time as your budget.

#### **Cutoff on Expenditures**

The cutoff to notify the Purchasing Department for FY2016-17 purchases over \$20,000 will be May 1 and the cutoff for purchases less than \$20,000 will be June 15. The last date for sending payment vouchers to the Clerk will be June 30. Payroll will be accrued through June 30.

#### **Salaries**

Salary cost-of-living increases will be budgeted by the County Board in the General Fund Contingency budget, unless the increase has been approved in contract for the upcoming budget.

**Managing your FY2016-17 budget from now to June 30 will be helpful. Unexpended amounts will increase year-end balances, thus, reducing next year's tax requirements.**

The County Board realizes the budgeting process requires substantial effort on your part. However, adequate documentation and timely submission of your agency's budget request is essential to us in determining the spending levels of the County in line with the revenues available.