

Fiscal Year 2014 Executive Recommended Budget Bay County, Michigan



Prepared by:
Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer

Kimberly Priessnitz
Assistant Finance Officer

October 15, 2013



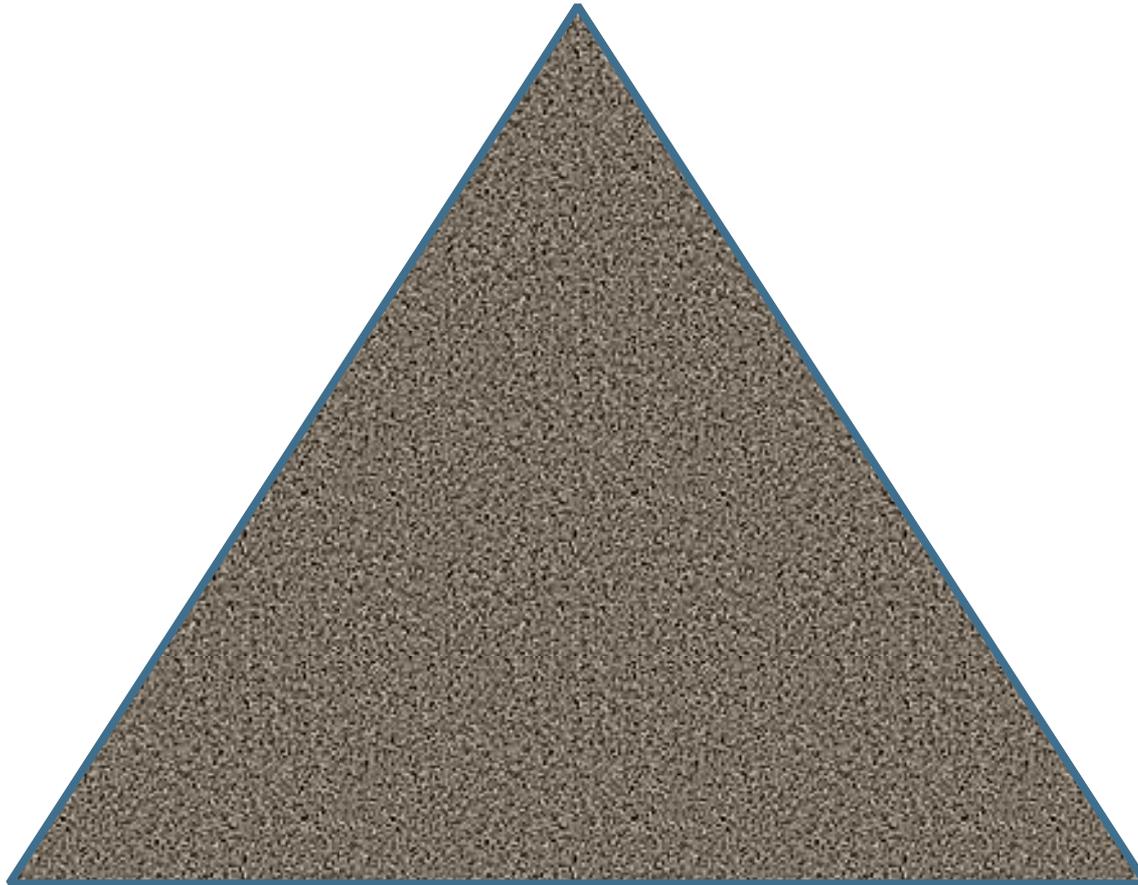
2014 Executive Recommended Budget Overview

- INTRODUCTION
- REVENUES
- EXPENDITURES
- RECOMMENDATIONS
- Q&A



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CITIZENS OF BAY COUNTY



FISCAL RESPONSIBILITY

EMPLOYEES



2014 Budget Highlights

- **A balanced budget was submitted by the statutory deadline**
- **Total county spending for all funds \$126M**
- **Total General Fund expenditures \$35.0 M**



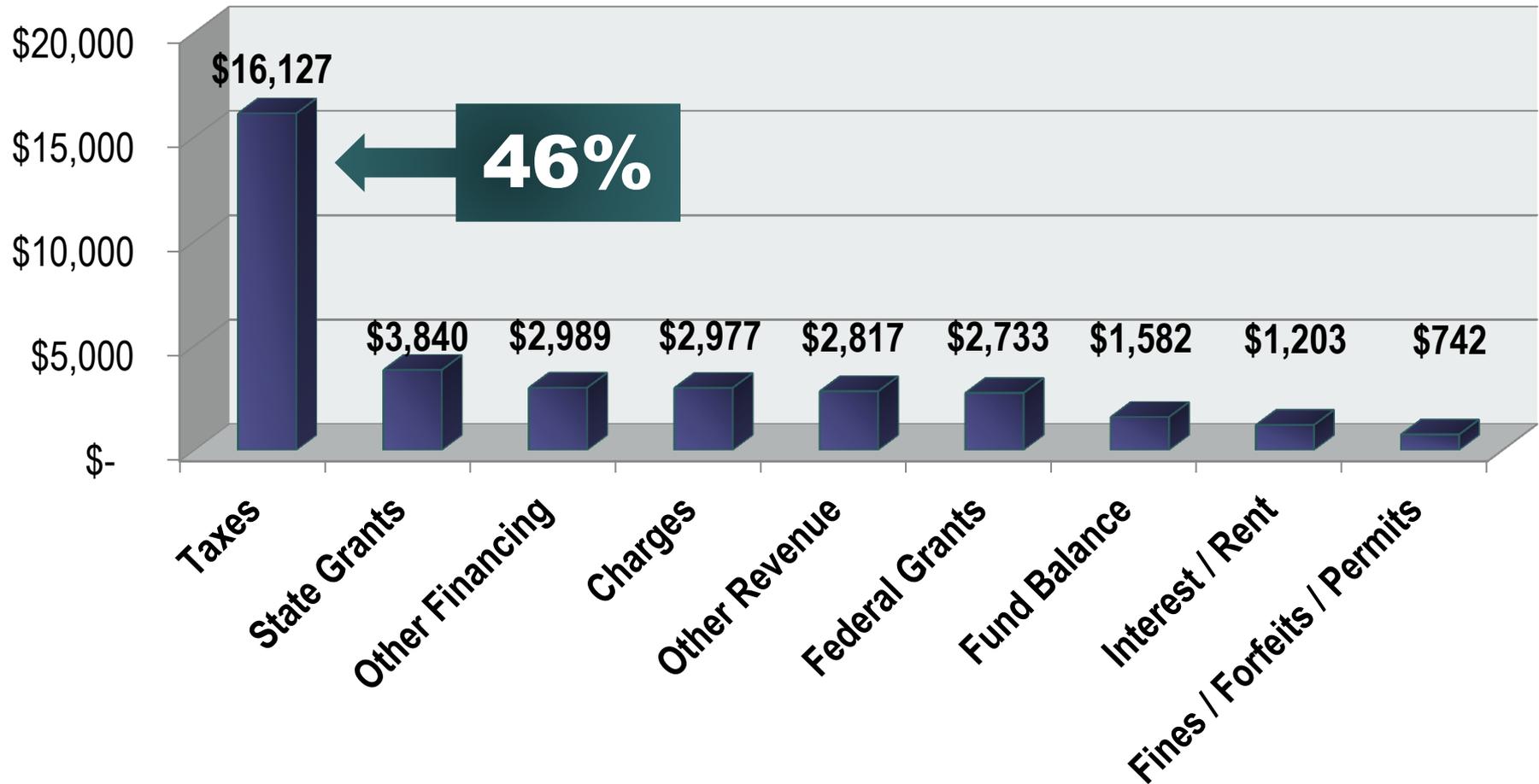
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2014 General Fund Revenues

Thousands

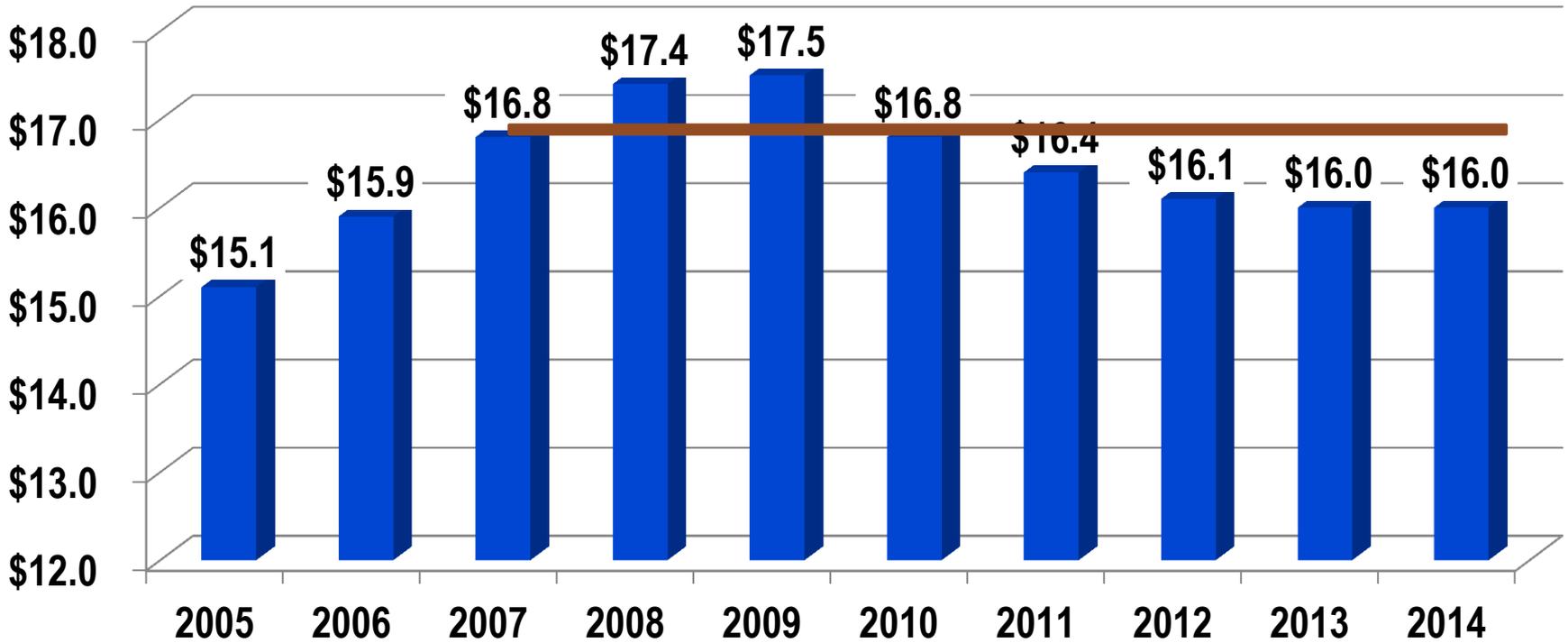




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Bay County General Fund Property Tax Collections

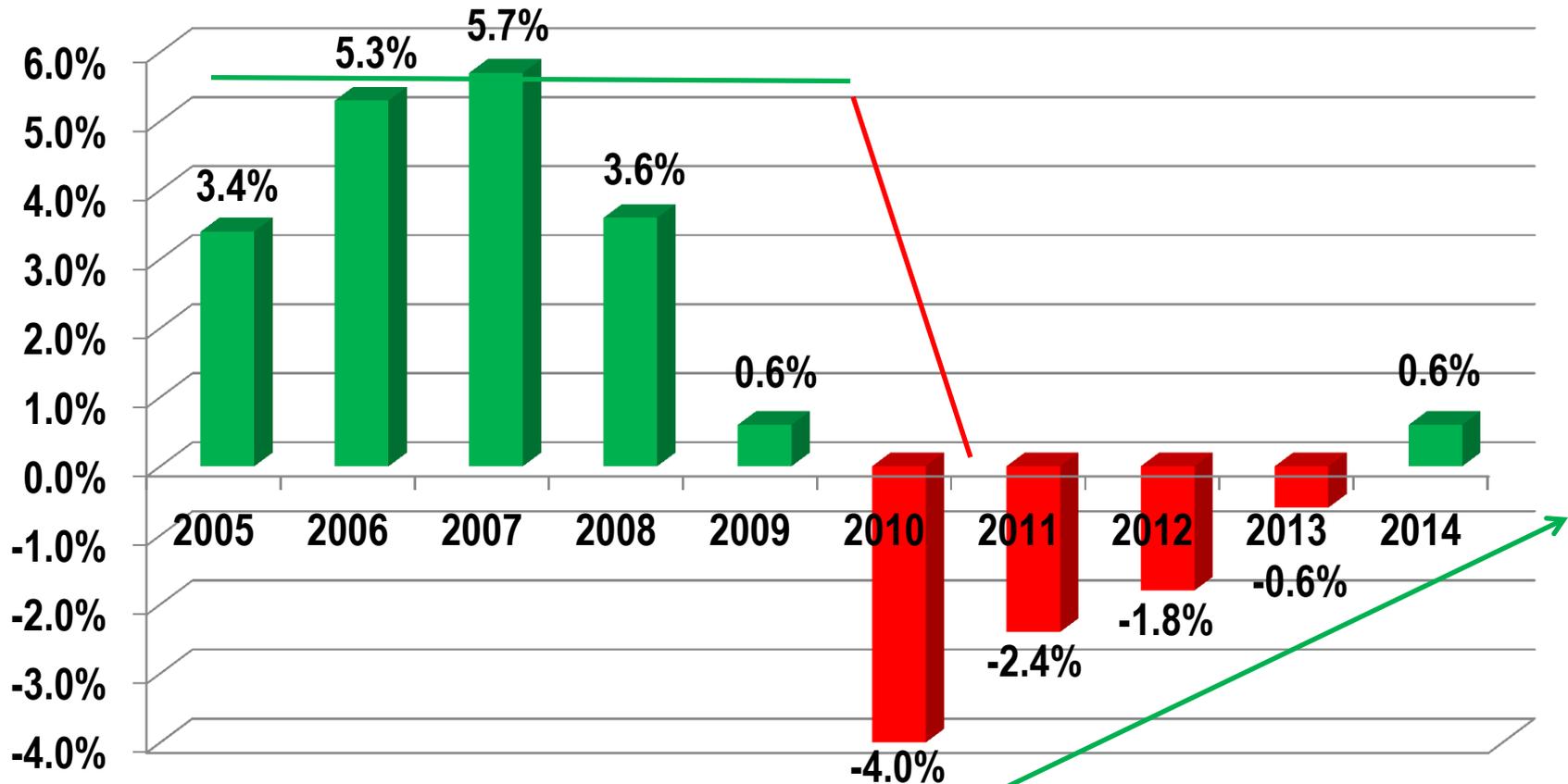
Millions



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General Fund Property Tax Collections

Percentage change from previous year





2014 - General Fund Revenues

- \$1,175,000 transfer to the General Fund from the Delinquent Tax Revolving Fund
- Revenue Sharing increased 1% from 2013
- Register of Deeds: Recording and Transfer Tax Fees \$380,000



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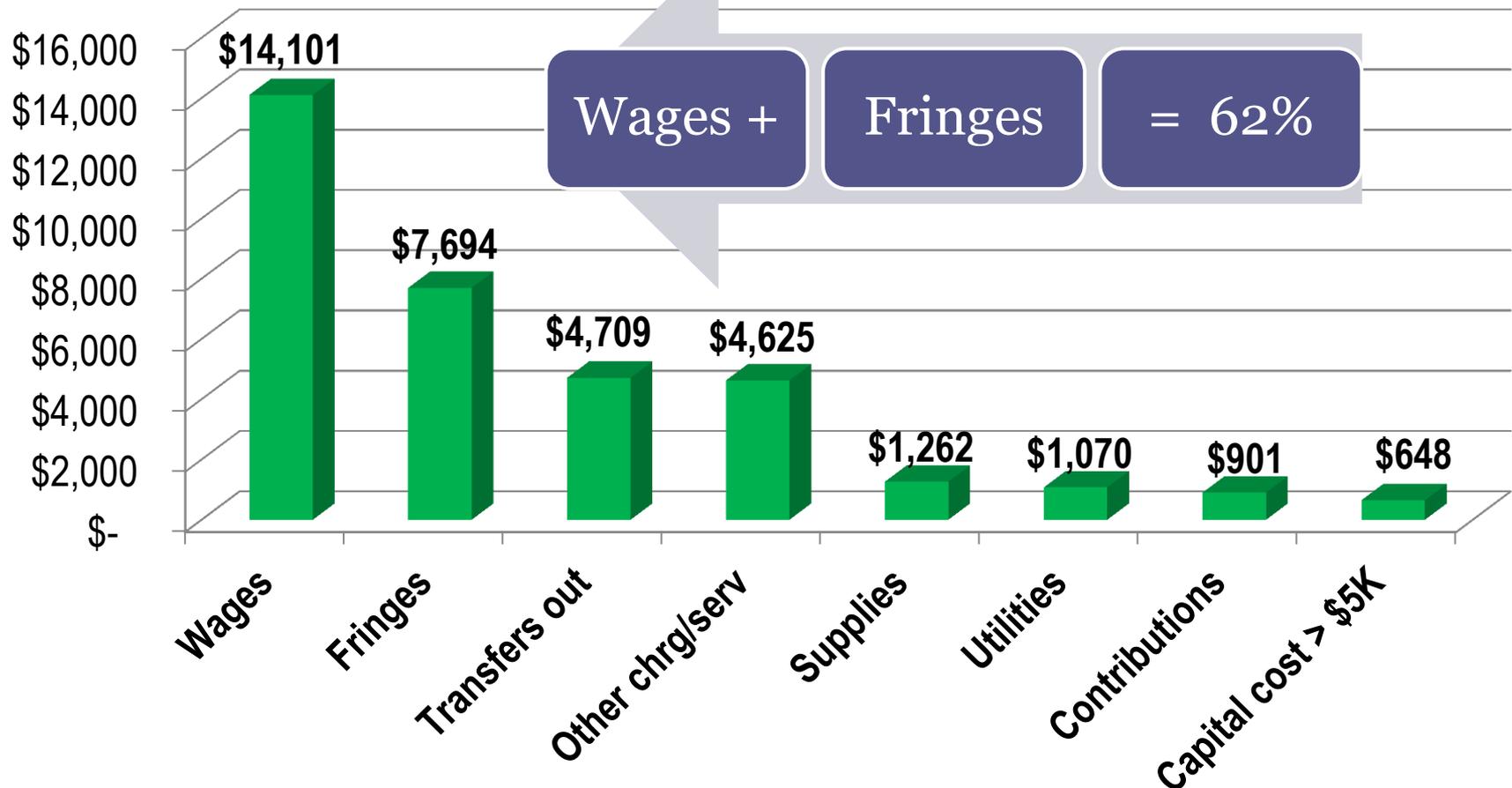


EXPENDITURES

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2014 - General Fund Expenditures

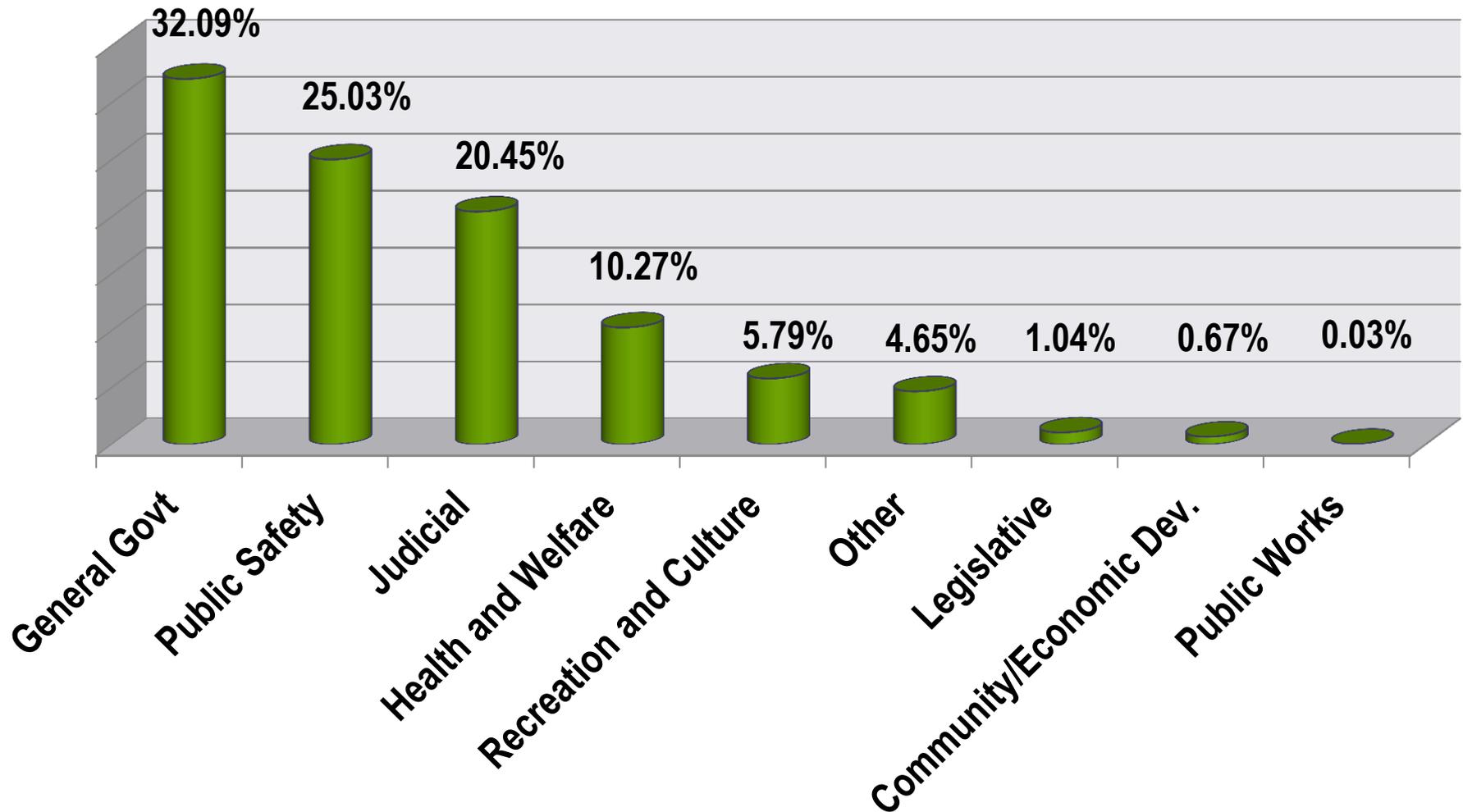
Thousands





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General Fund Expenditures by Function





Other General Fund Expenditure Factors

- Wages Three percent (3%) increase
added to base
+
One percent (1%) lump sum
or three personal days



Other General Fund Expenditure Factors (Continued)

- Health Insurance Active employee and retiree health insurance is \$5.2M, which includes a projected increase of \$746K or 16.7%
- Health Cost Reducing Measures
 - New Co-Pay & Deductible Structure
 - Wellness Approach

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General Fund Expenditures Retirement System

- As of December 31, 2012, the **General Group** in the retirement system had a funded ratio of 104.7%; as a result, the recommended employer contribution to the pension system is 3.87% of payroll beginning January 1, 2014. This recommendation is a result of the most recent actuarial study.

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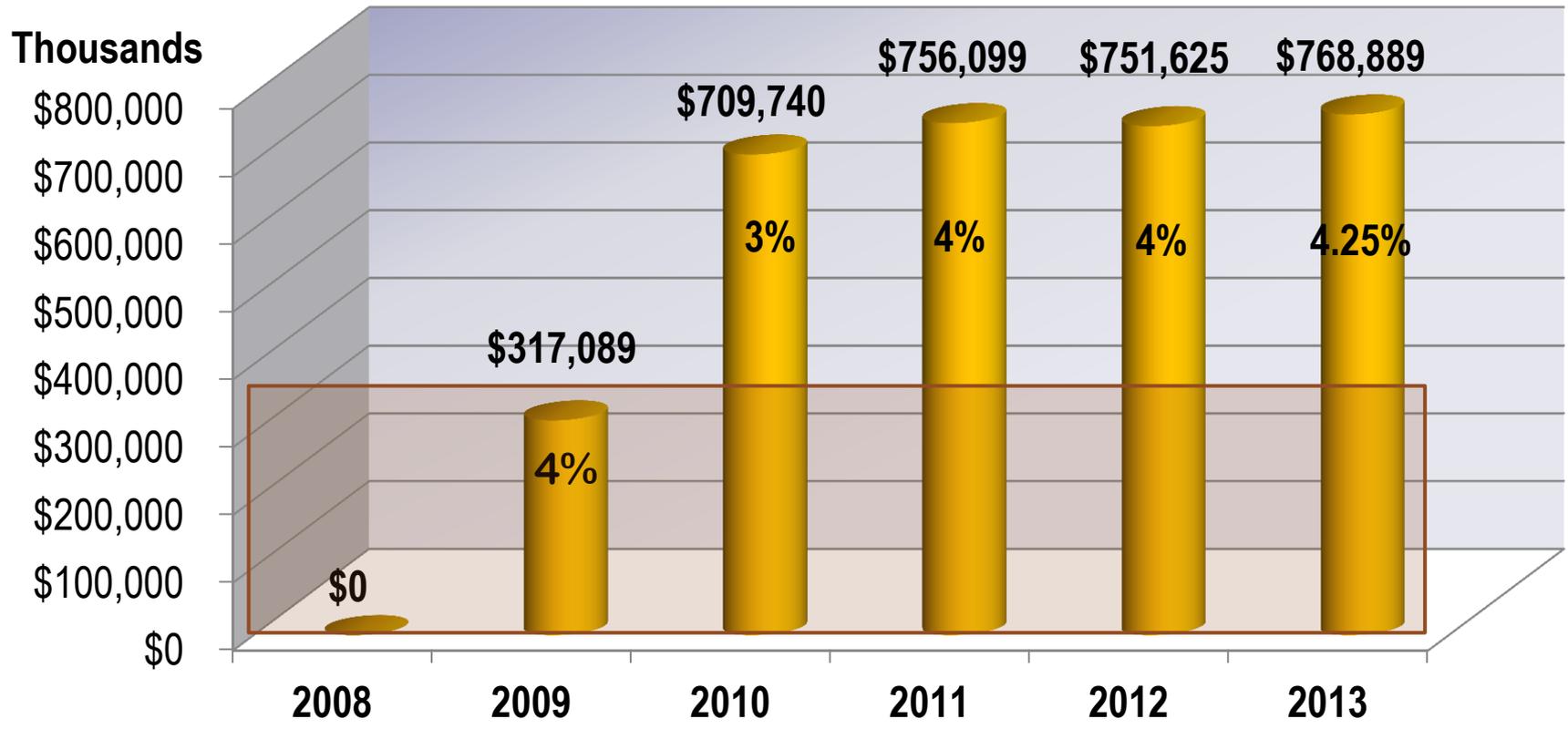
General Fund Expenditures Retirement System (Continued)

- As of December 31, 2012, the **Sheriff Group** in the retirement system had a funded ratio of 112.3%. As a result, the recommended employer contribution to the pension system is .55% of payroll beginning January 1, 2014. This is the first time since the December 31, 1994, valuation the **Sheriff Group** has a required contribution.



Retirement System Contributions

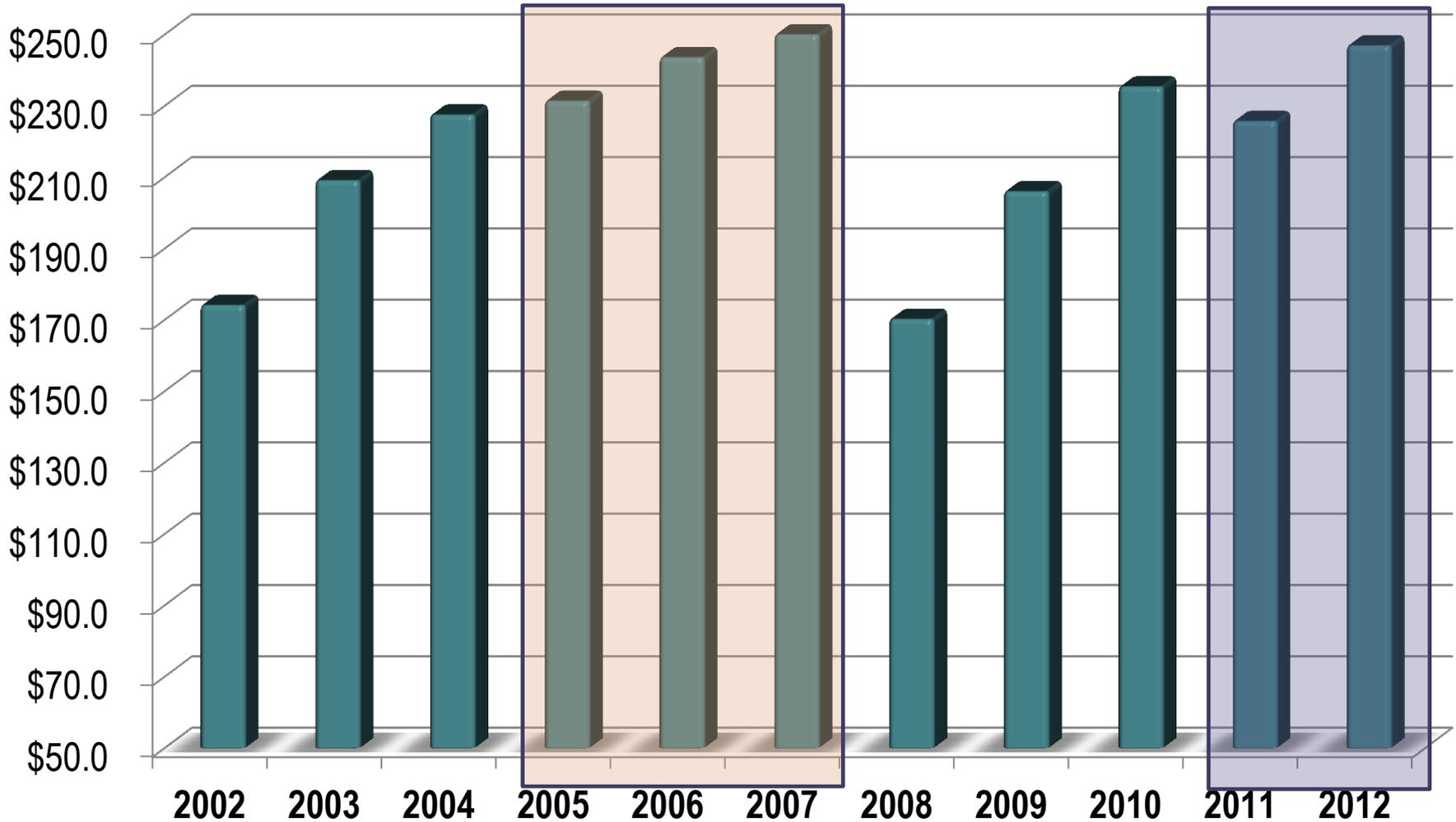
Includes 4% Employee/Employer Negotiated Contribution - Excluding Sheriff Group



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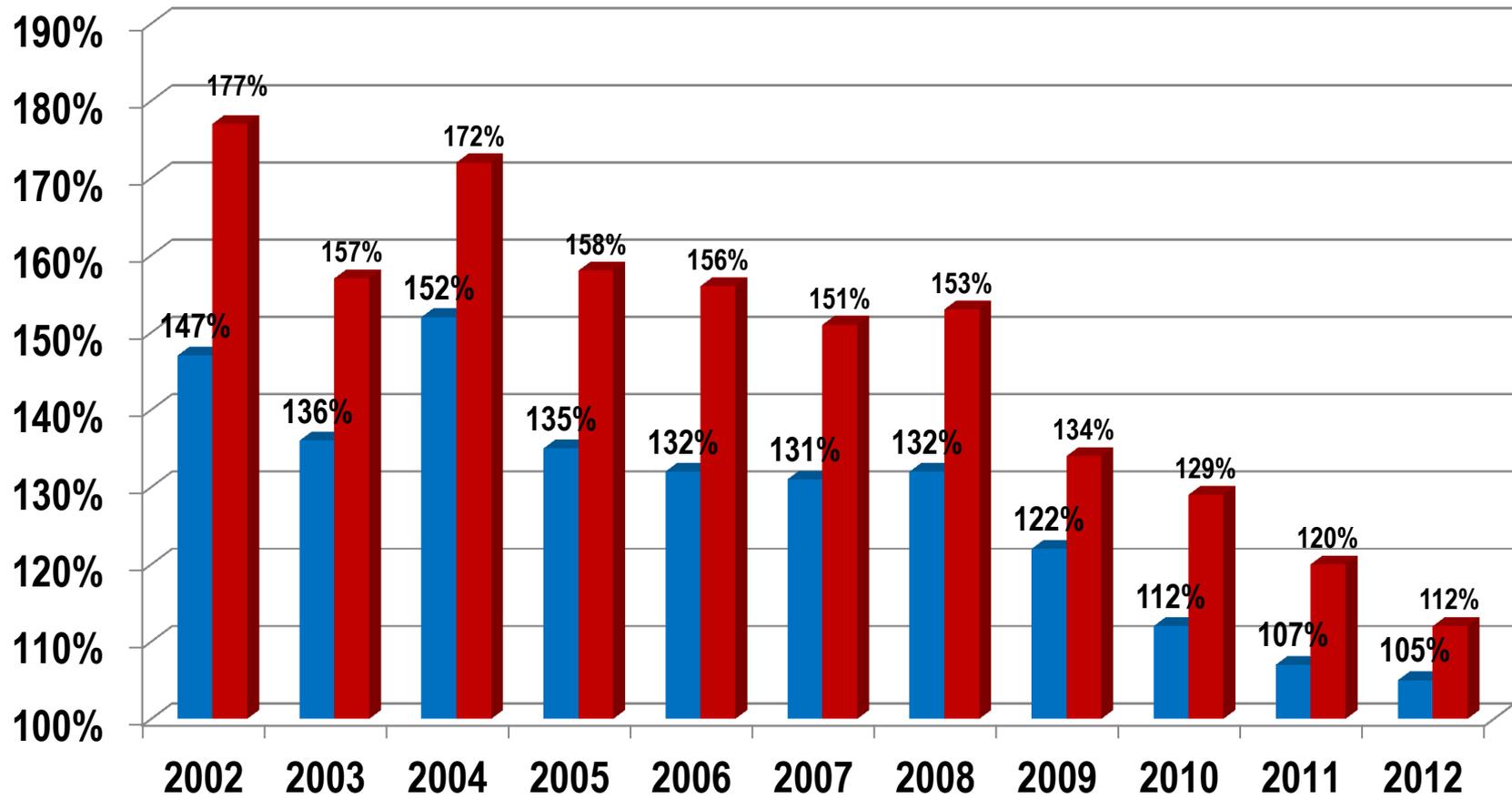
Retirement Fund Balances

Millions



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Percentage Funding Level of Pension Funds



Blue(left) = General Group Red = Sheriff's Group



2014 General Fund - Contributions

- **Bay Arenac Behavioral Health Authority - \$682 K**
- **Bay Futures - \$50K**
Specific expansion/attraction efforts

2014 Major Transfers Out

- **Health Department - \$1.208M**
- **Juvenile Home - \$567K**

Note: Other Child Care programs funded by the General Fund - \$830K, a \$273K increase over 2013 budget



2014 Major Capital Expenditures

General Fund

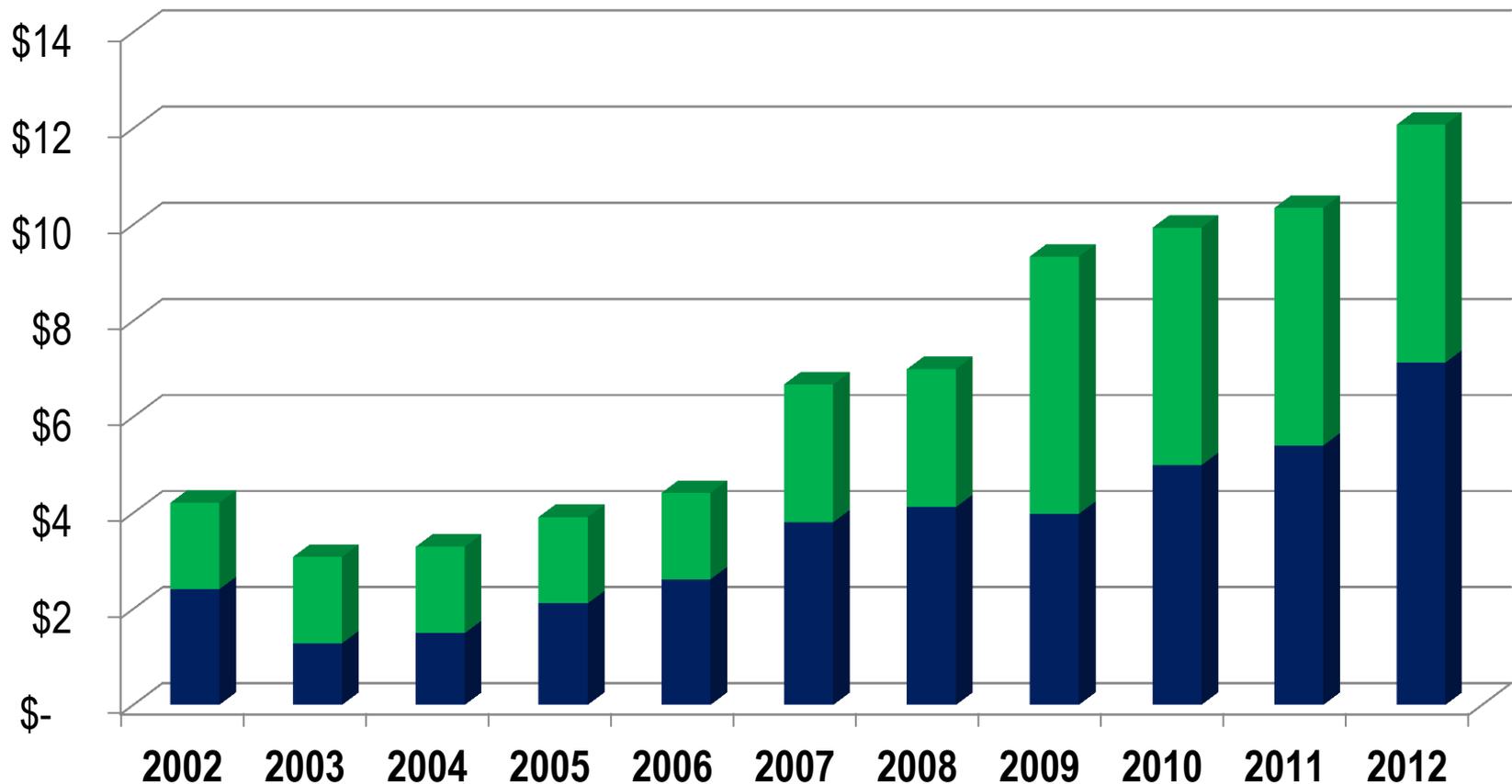
• Animal Control	\$ 25,000
• Homeland Security Grant	\$ 32,284
• Information Systems	\$ 39,900
• Building & Grounds	\$ 84,300
• Sheriff	\$ 63,347
• Pinconning Park (Grant funded)	\$ 135,800



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General and Budget Stabilization Fund Balances

Millions



Green: Budget Stabilization Fund

Blue: Assigned Fund Balance



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RECOMMENDATIONS





Recommendations

- **Maintain a status quo budget.**
- **Use approximately \$1.5M of Assigned Fund Balance to balance the budget. Approximately \$974K of this amount will be utilized to service the 2014 debt requirements. At the end of 2016, Bay County's primary government debt will be serviced.**
- **Maintain 15% reserve level in the Budget Stabilization Fund.**
- **This approach strikes a balance between the needs of the citizens of Bay County and its employees, while ensuring fiscal responsibility and excellent service to the community.**



Current Challenges

- **Federal Government Shutdown - Impact?**
- **Personal Property Tax Reform**
- **Federal Government Sequestration**



Recent Developments in Bay County

- **Bay Area Water Treatment Plant-Bay County:**
\$59.6M - 500 Construction Jobs
Completion Date: June 2015
- **Uptown at River's Edge:**
New Courtyard by Marriott
Tech-Friendly, 100-Room, Four-Story Hotel
- **Bay City Mill End Lofts Project:**
\$7.5M - 30 Full-Time Jobs
Completion Date: April 2014



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Questions?
Thank you!