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# **BOONE COUNTY, KENTUCKY**

## **Fiscal Year 2006-2007 County Budget (All Funds)**

### **Budget Message**

#### **Introduction**

The county administration is pleased to submit its proposed FY 2006-2007 budget document for consideration and adoption by the Boone County Fiscal Court. The annual county budget represents one of the most important policy documents that the Fiscal Court will enact during the course of a year and reflects the resources, strategies and goals of the county in the delivery of public services to our citizens. The budget document retains a particular importance in a local government such as Boone County, where the high pace of growth and development, and demand for public services, are ever present. This high growth environment, while generating additional resources to underwrite the cost of services, also presents unique challenges that must be addressed to protect, preserve and enhance the quality of life for our residents.

The county's elected body is committed to the provision of a quality public service delivery program and to that end is proposing to continue existing programs and services at present levels. A review of the proposed budget clearly illustrates the county's commitment to provide those fundamental public services that are highly valued by our customers such as public safety, incarceration, transportation, social services, and recreation/leisure programs. The county has made a concerted effort in recent years to improve its collaborative efforts with other local agencies and state government in an effort to more efficiently utilize available resources, pursue available state/federal grant funding and minimize the overall tax burden of individual taxpayers. The county will continue to pursue strategic partnerships that will improve funding options and enable the staff to work smarter and more efficiently.

#### **County General and Special Funds**

The county maintains fourteen (14) separate funds that together comprise the total proposed FY 2007 budget of \$ 98,375,631. This total represents a 4.5% increase over FY 2006 appropriations of \$94,108,848. Although operating expenditures have increased in excess of this percentage from the prior year, a significant reduction in large capital projects is primarily attributable for this rather nominal increase. The largest of these funds is the General Fund, which supports basic services and functions including general government, public protection, health, social services, recreation, debt service and administration. Total General Fund appropriations account for \$41,591,630, an increase of 11% from the prior budget year. This increased funding level is required to support the growth and demand for public services within the county.

Other types of county funds vary in size and purpose and may contain restrictions for use stipulated by statute, regulation or policy of the Fiscal Court. In other instances county government serves the limited role of collection/fiduciary agent for funds that are transferred to other local government agencies. Special Funds included in the budget contain the following appropriations for FY 2007:

<u>Fund name</u>	<u>Total appropriation</u>
Public Works Fund	\$ 7,820,060
Jail Fund	4,945,902
Local Government Economic Assistance Fund	191,500
Federal Grants Fund	1,500,000
Assisted Housing Fund	5,076,000
Assisted Housing Reserve Fund	670,000
Mental Health/Retardation/Senior Citizens Fund	2,453,500
Boone County School Tax Fund	8,135,000
PSCC Operating Fund	2,529,217
Public Safety Fund	2,475,650
Motor Vehicle Rental Tax Fund	1,679,000
Earl Parker Robinson Fund	306,000
Capital Improvement Fund	19,002,172

The one new fund within the county budget is the PSCC Operating Fund. This fund accounts for activity and services related to the operation of consolidated communication services for public safety departments, including 911 emergency services, throughout the county.

### Revenues

Revenue forecasting is by design conservative to respect the potential for fluctuations within the economy and variation of the rate of growth and investment in the county by the private sector. Positive growth in the tax and employment base is anticipated for FY 2007. The primary sources of revenue within the General Fund budget include taxes, licenses and permits, charges for services and intergovernmental revenue. Significant categories of revenue include occupational license fees, projected to increase by 4.7% from the prior year, real estate taxes, projected to increase by 10.1% (from new property) and licenses and permits, projected to increase by 13.2%. Intergovernmental revenue is anticipated to increase just slightly to \$2,265,142. The county is forecasting to end FY 2007 with an unreserved fund balance of \$3,267,211 along with a reserve balance of \$1,420,000 for an escrowed debt service payment. The unreserved funds would be available for appropriation throughout the year by the Fiscal Court for emergencies and other unforeseen needs of the county. There are no new taxes proposed by the Fiscal Court in the forecasting of revenue for FY 2007.

Other county funds derive revenue from a multiplicity of sources including federal and state aid, taxes, licenses, permits, fees, surcharges, grants and interest income.

### Expenditures

Total expenditures within the General Fund are projected at \$41,591,630, an increase of 10.6% from the prior fiscal period. As a local government organization providing public services, personnel and personnel-related expenditures constitute a significant portion of the General Fund budget (44.3%). A number of the increases in the proposed budget are in part attributable to expenditures the county has limited or no control over such as state pension contributions, workers compensation coverage, employee health insurance coverage and fuel. Employee cost of living increases are proposed at 3.0% to augment

merit increases pursuant to the county's pay classification system. Four (4) additional full-time positions are proposed within the budget to ensure that service levels are maintained.

The General Fund contains two significant interfund transfers to other funds; \$4,323,488 to the Public Works Fund and \$456,902 to the Jail Fund. These transfers are necessary to address the county's transportation system maintenance needs and to ensure that the jail is operated in full accordance with standards promulgated by the state of Kentucky. The county has also appropriated \$3,182,750 as its annual contribution to the Transit Authority of Northern Kentucky (TANK) to provide public transportation services for residents of the county. Another major appropriation of the General Fund includes \$8,200,000 for public safety services, more specifically a transfer to the Boone County Sheriff's Department operating budget. This contribution reflects the county's share of funding under the post-consolidation of the Boone County Police and Sheriff's Departments, which occurred in 2001. The county's FY 2007 funding level represents a 9.3% increase from the prior year and is attributable to many of the same personnel-related expenditures noted within the General Fund where the county has limited control and discretion.

The Public Works Fund contains total expenditures of \$7,820,060, a decrease of 17% from FY 2006, although clarification is in order regarding overall fund activity. The decrease is primarily attributable to a planned capital improvement project involving the construction of a new Public Works Facility that was transferred to the Capital Improvements Fund. Upon adjustment of the budget to exclude this one-time capital outlay and debt service, the annual operating budget for this fund is increasing by 4.0% as it relates to recurring expenditures.

### Capital Improvement Fund

This fund accounts for a variety of ongoing and planned capital improvement projects relating to the county's infrastructure, facilities and other special projects authorized by the Fiscal Court. During the past several years the county has completed several significant capital improvement projects such as a new public safety complex, a justice center for circuit and district courts, a new jail, educational facility and a community center. These facilities have each addressed a critical need for the county and will ensure effective service delivery in these areas. Total capital improvement appropriations for FY 2007 are \$19,002,172 a 10.5% reduction from the prior year. This reduction is the result of the completion of multiple capital projects noted in prior periods in addition to the limited available resources for new projects. This limitation in funding represents a constraint for the county in planning and implementing critical capital projects for the future that are necessary to enhance service levels, provide infrastructure upgrades and continue to promote and accommodate growth.

### Summary

The submitted budget document reflects responsible fiscal policies and stewardship that will continue to move Boone County forward in terms of service delivery and capital investment for its citizens and businesses. It is important to reiterate that the county's proposed budget does not introduce any new taxes or fees to underwrite the cost of government. The county has and will continue to make every effort to secure tax dollars from state and federal sources originating from within Boone County. As mentioned the county will also continue to explore partnerships and alliances that will provide broader access to resources and expertise that improve services and benefit the customer.

While there are many healthy signs included within the budget document, the county is not without challenges and long term needs that must be met to sustain the pace of growth and quality of life. Transportation system improvements, extension of water and sewer service, the acquisition and development of land to support a high quality recreation program and continuing improvement in the

delivery of basic public services are all challenges constrained by limited resources. The county must position itself to address these challenges in the future in order to foster an environment of sustainable growth. This effort will require leadership from the Fiscal Court, strategic planning, innovation, a long-term perspective and possible changes in state law. The Judge Executive's office and county administration look forward to partnering with the Fiscal Court and citizens of Boone County to successfully meet these challenges.

Respectfully Submitted,

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Gary W. Moore  
Boone County Judge Executive

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Date