



Jackson County

2015 Revenue & Expenditure Forecast

2014 Board Retreat



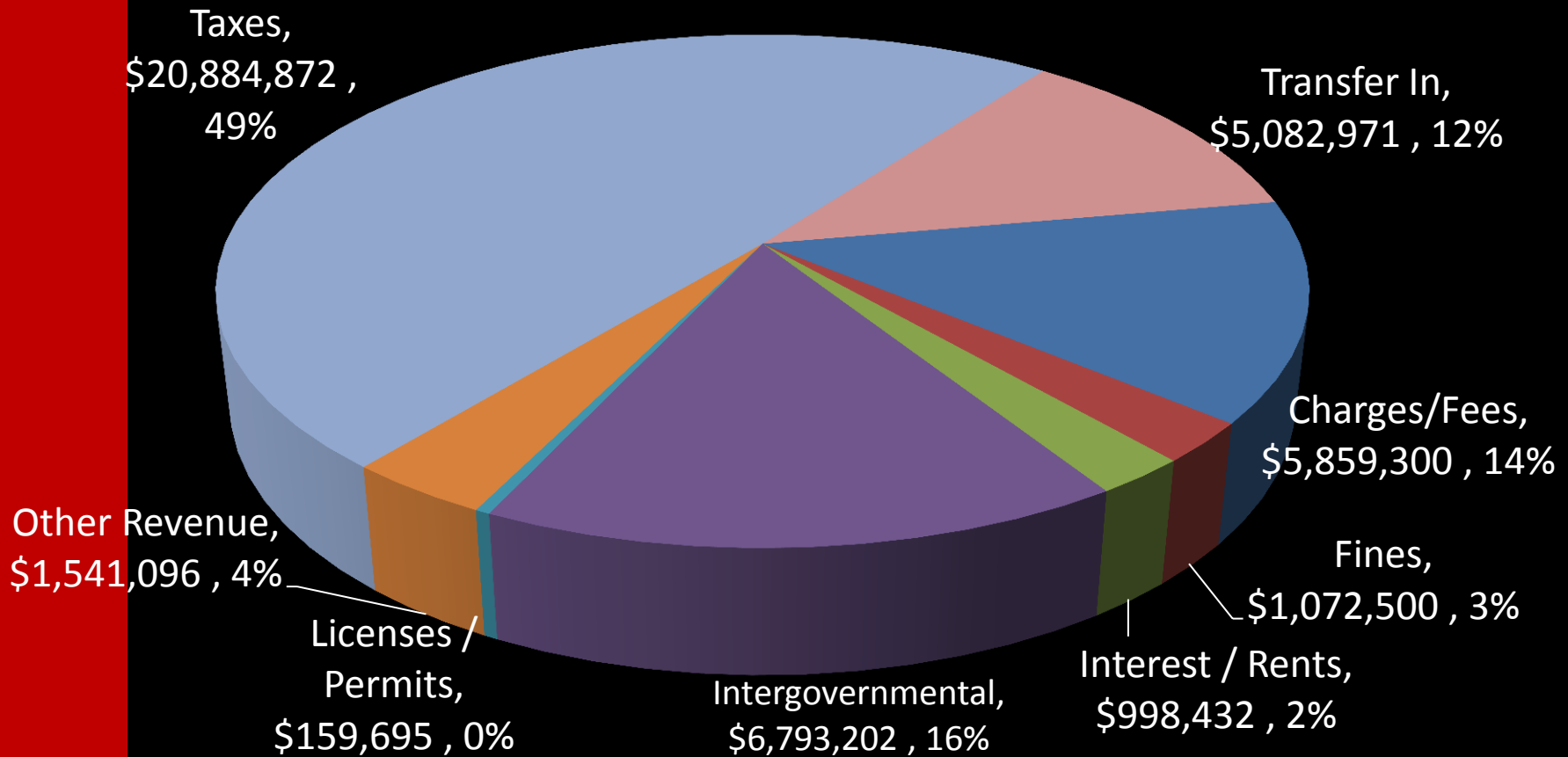


Revenue Committee

Mike Overton	Administrator/Controller
Adam Brown	Deputy Administrator
James Latham	Finance Officer
Karen Coffman	Treasurer
Diane Donaldson	Deputy Treasurer
Ruth Scott	Director of Equalization
Joanna Lagow	Deputy Equalization Director
Amanda Riska	County Clerk/Register of Deeds
Mona Webb	Deputy Register of Deeds



Revenue Sources





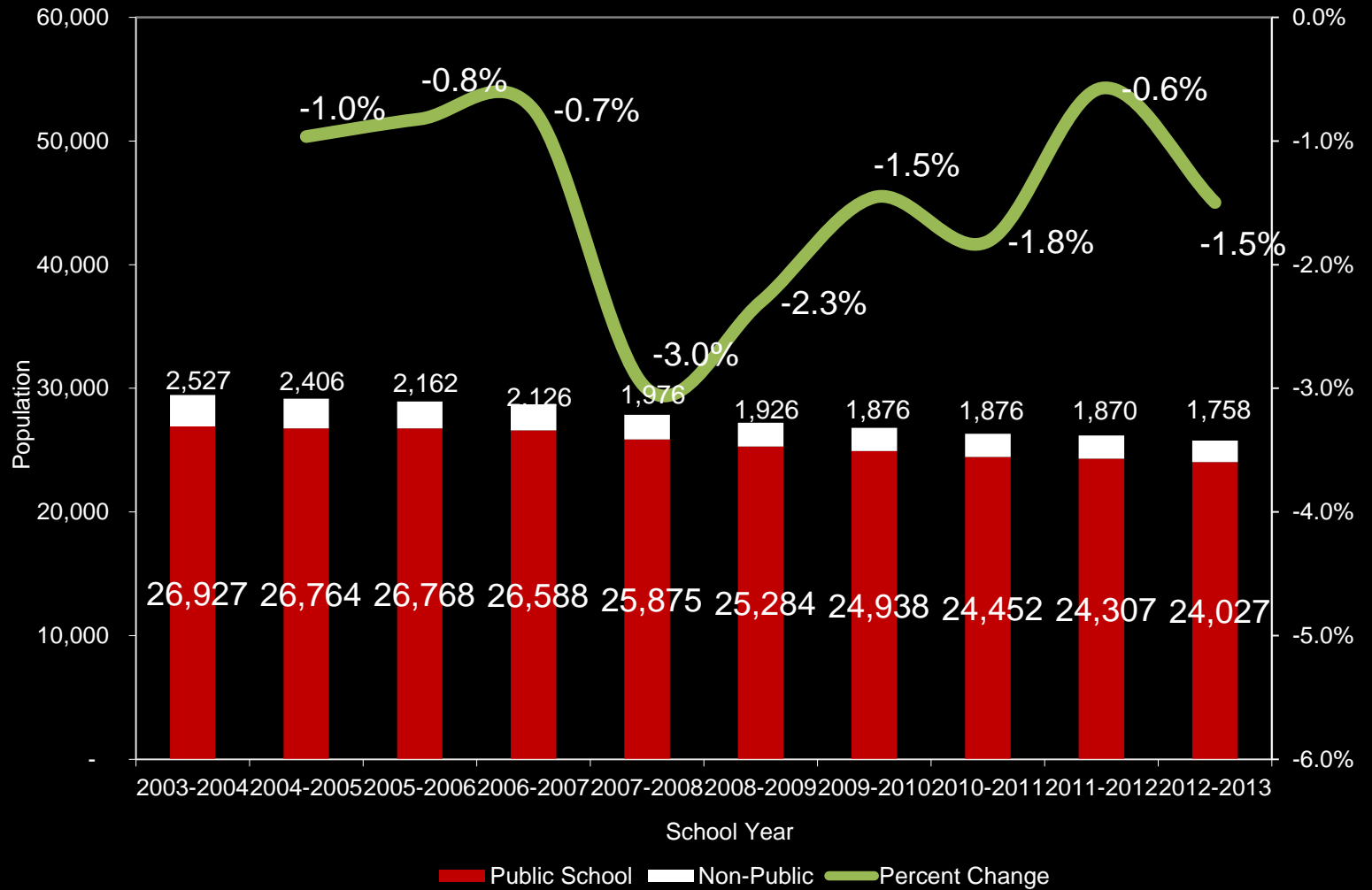
Key Indicators

Primary

- 🐾 Foreclosures
- 🐾 Property Values
- 🐾 Housing
- 🐾 Inflation/Deflation
- 🐾 New Construction
- 🐾 Tax Captures / Giveaways
- 🐾 Population
- 🐾 School Enrollment
- 🐾 Business Start Up/Closure
- 🐾 Unemployment
- 🐾 Delinquency Rate



Public School Enrollment





Business Start Ups / Closures



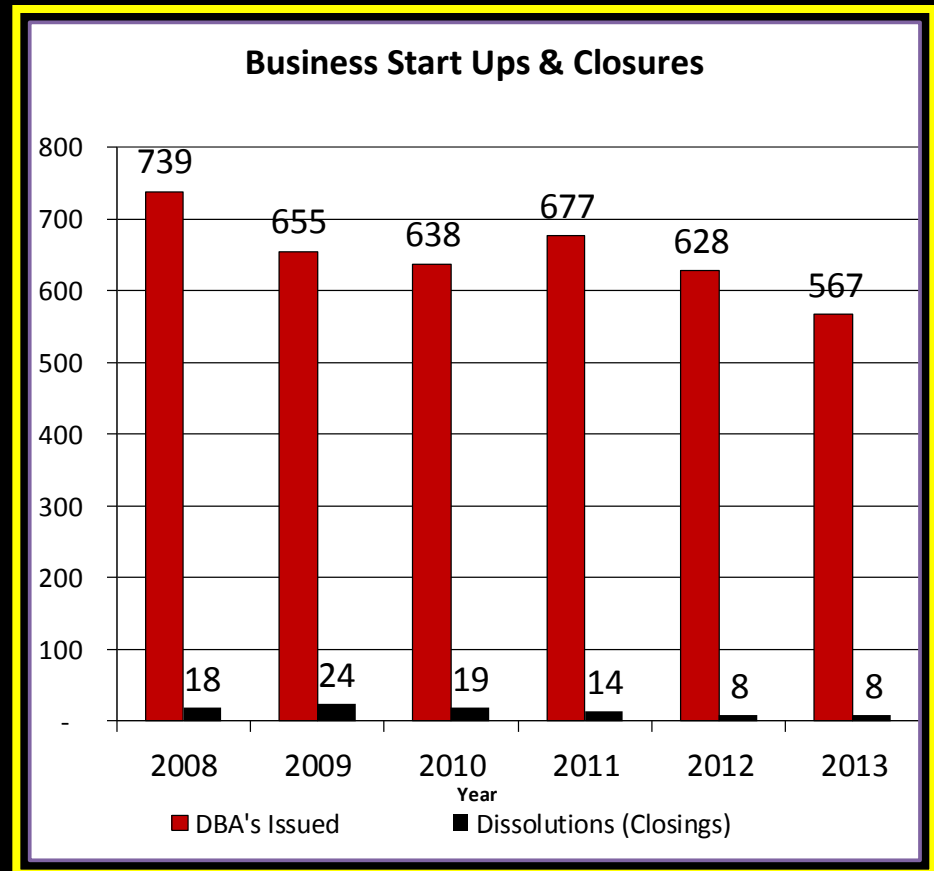
Trend

- Down 18% in 2008
- Down 11% in 2009
- Down 3% in 2010
- Up 6% in 2011
- Down 7% in 2012
- Down 10% in 2013



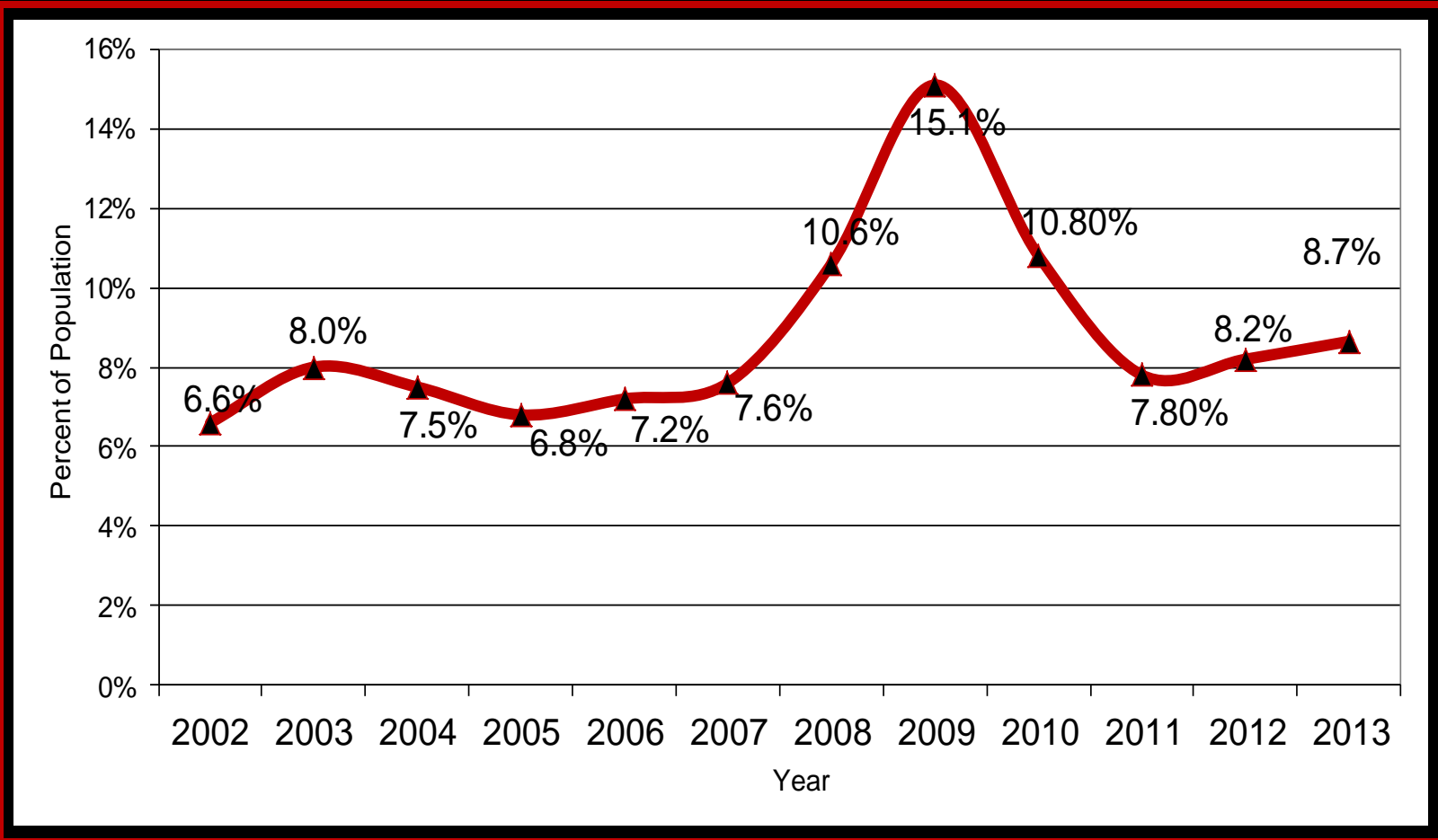
Implications

- Plateaued





Unemployment





New Construction



Trends

- New Construction Same
- Renovations Up



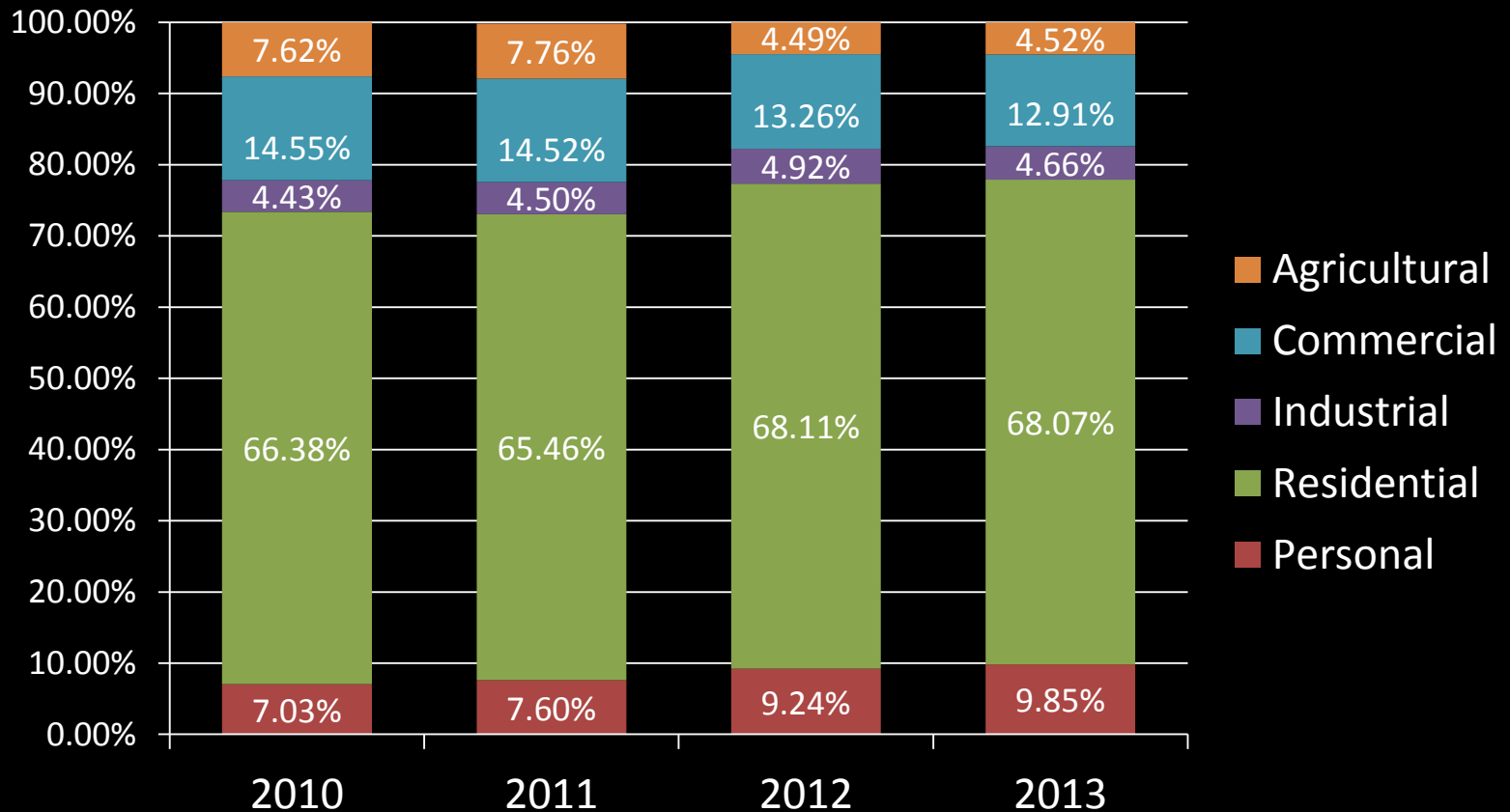
Implications

- Consumer Confidence Steady and Rising





Your Tax Base

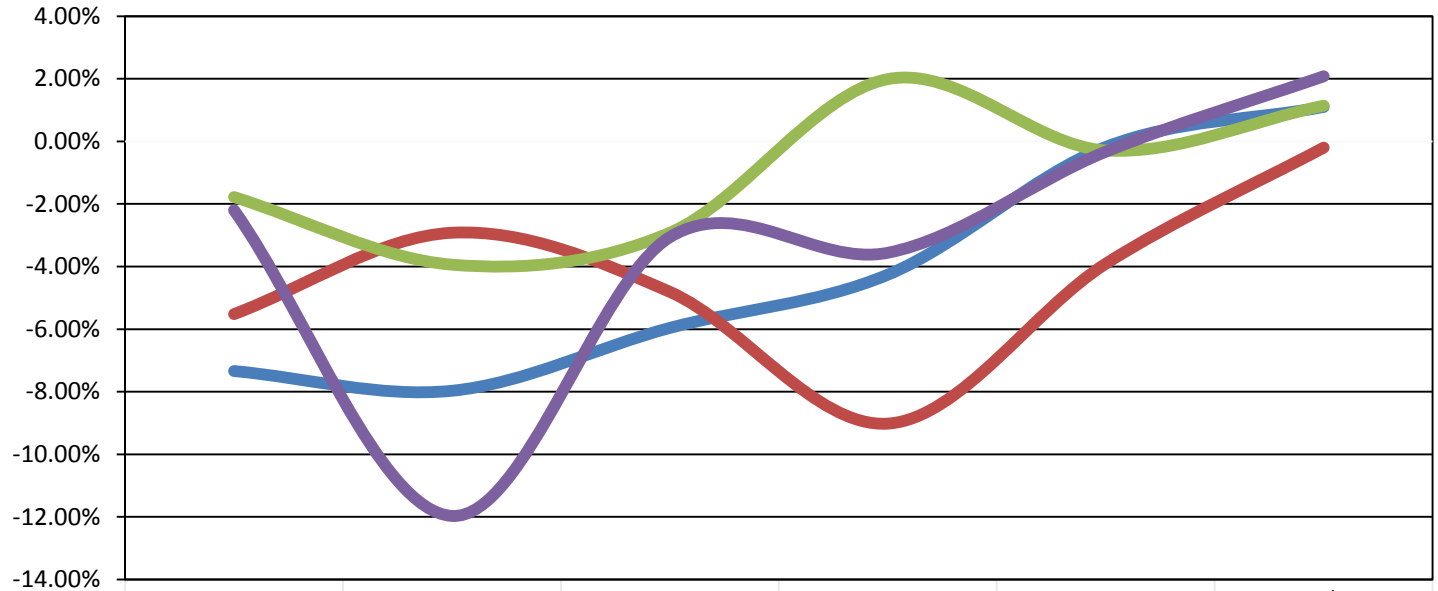


- Increasing residential and reducing commercial tax base, as a percentage of the whole.



Trends by Category

State Equalized Value

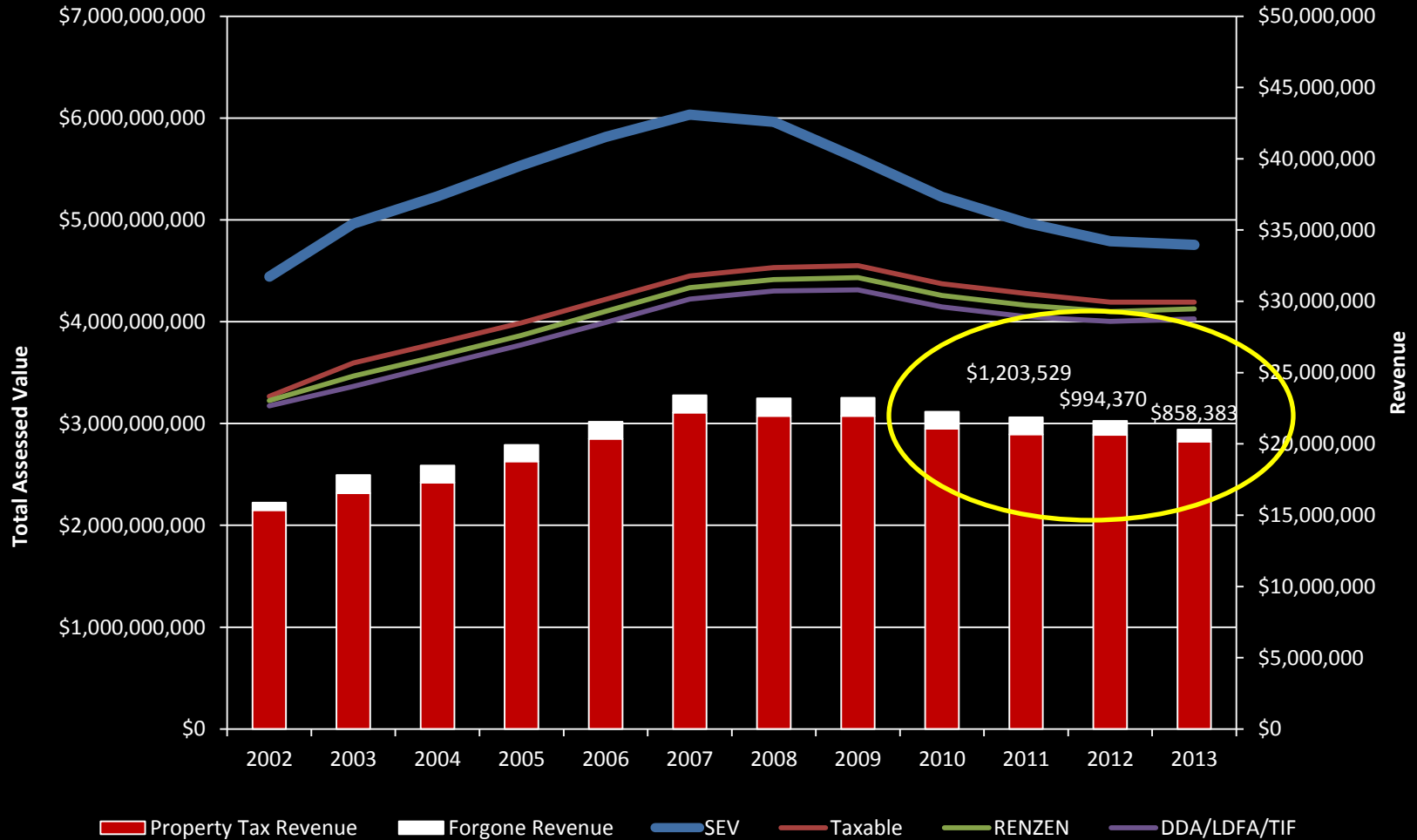


	2009	2010	2011	2012	2013	Estimated 2014
Residential	-7.34%	-7.97%	-5.96%	-4.26%	-0.18%	1.10%
Commercial	-5.52%	-2.92%	-4.81%	-9.02%	-3.91%	-0.20%
Agricultural	-1.78%	-3.94%	-2.92%	1.99%	-0.29%	1.14%
Industrial	-2.20%	-11.97%	-3.06%	-3.56%	-0.33%	2.08%

Total	-6.49%	-7.14%	-5.44%	-4.81%	-.12%	.95%
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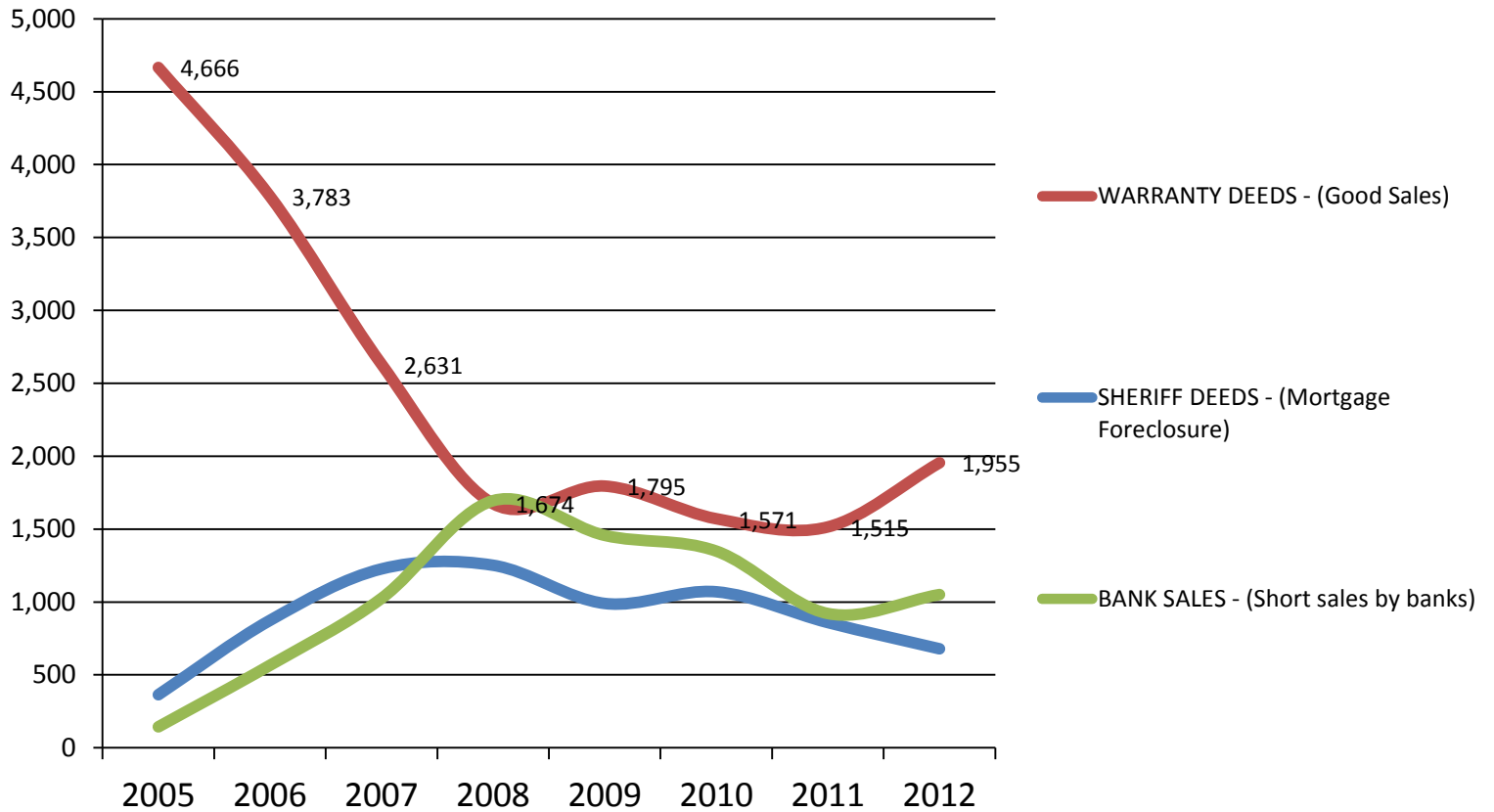
Tax Expenditures & Revenues





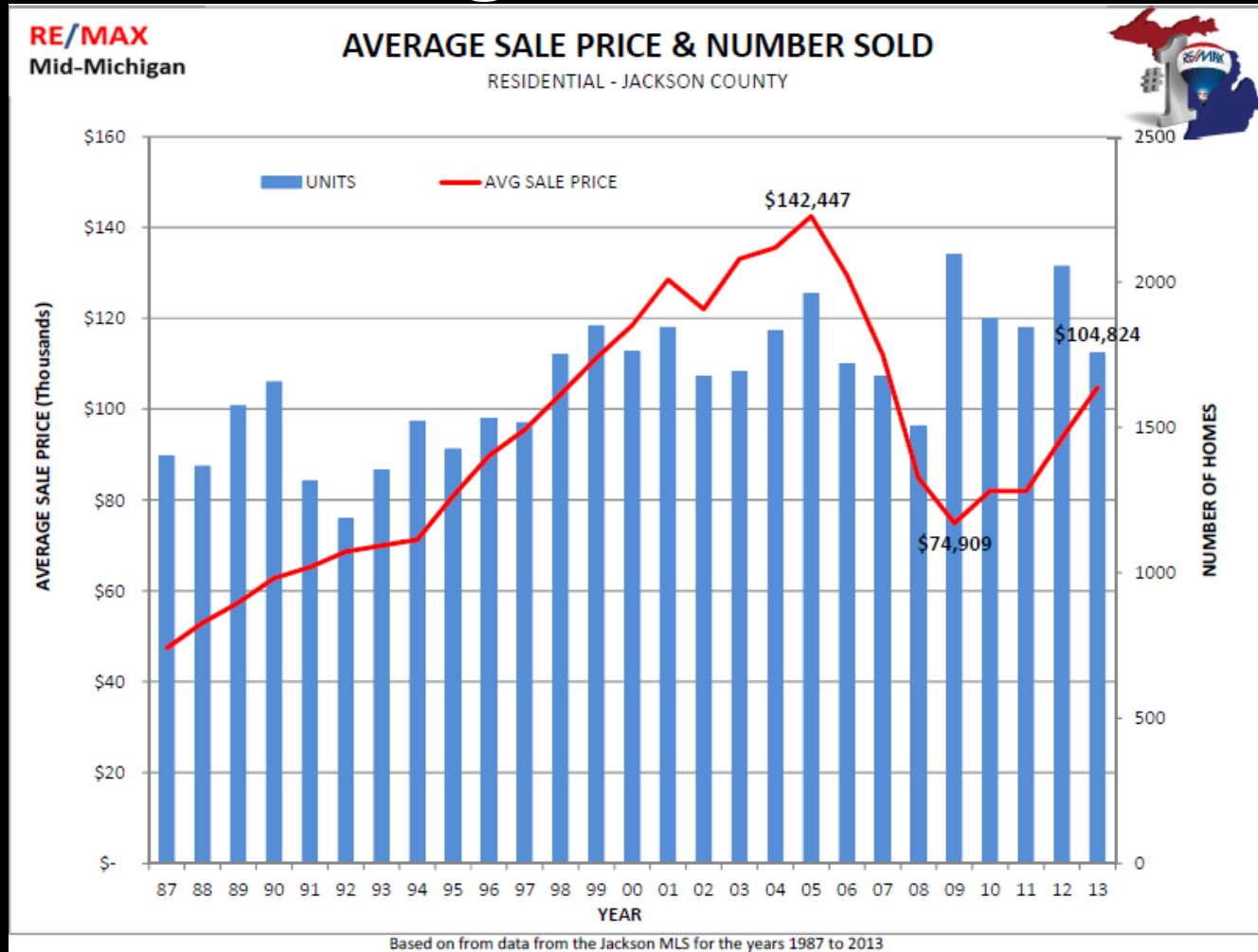
Sale Trends

Jackson County Sale Trends



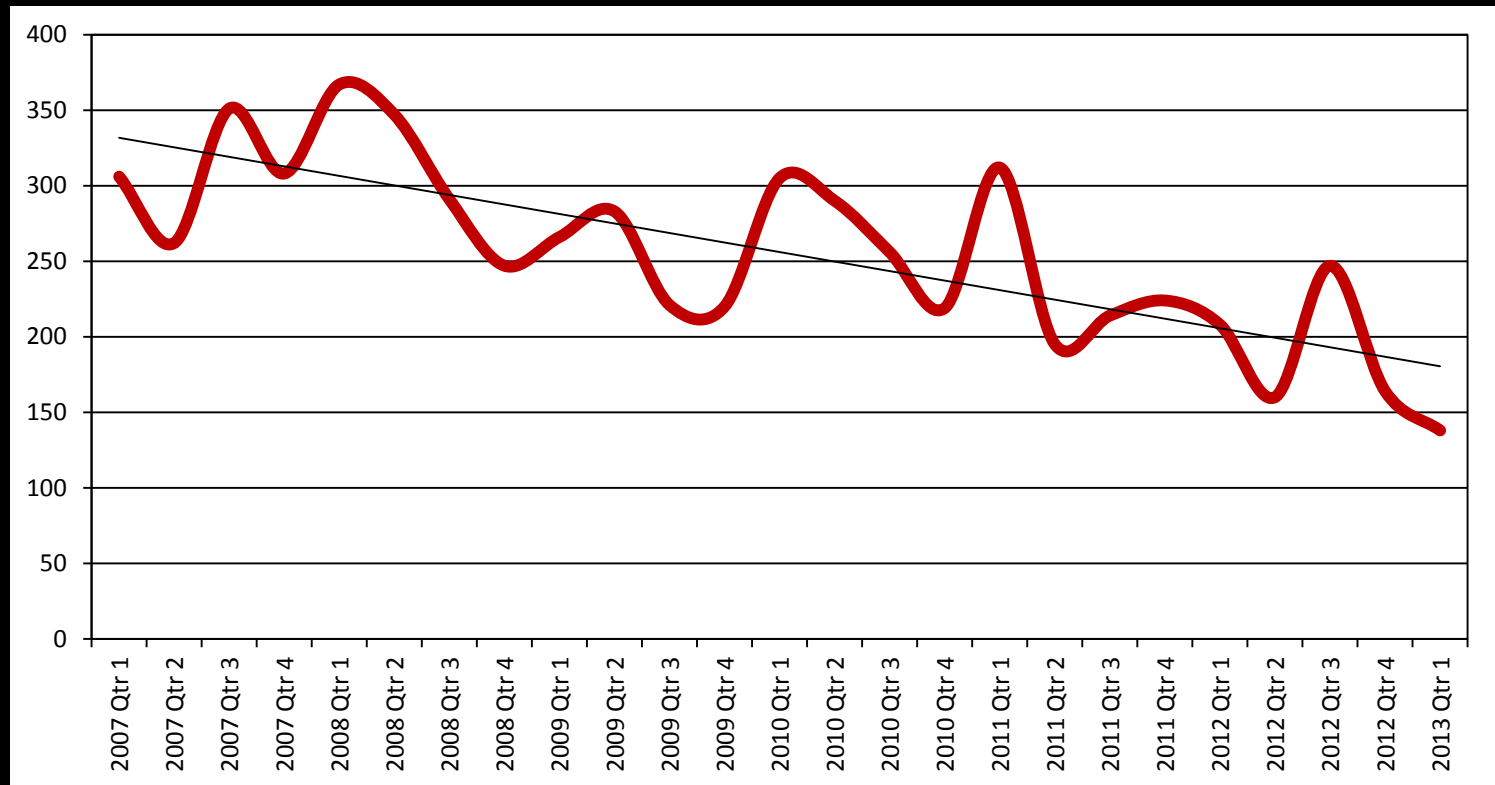


Average Sale Price



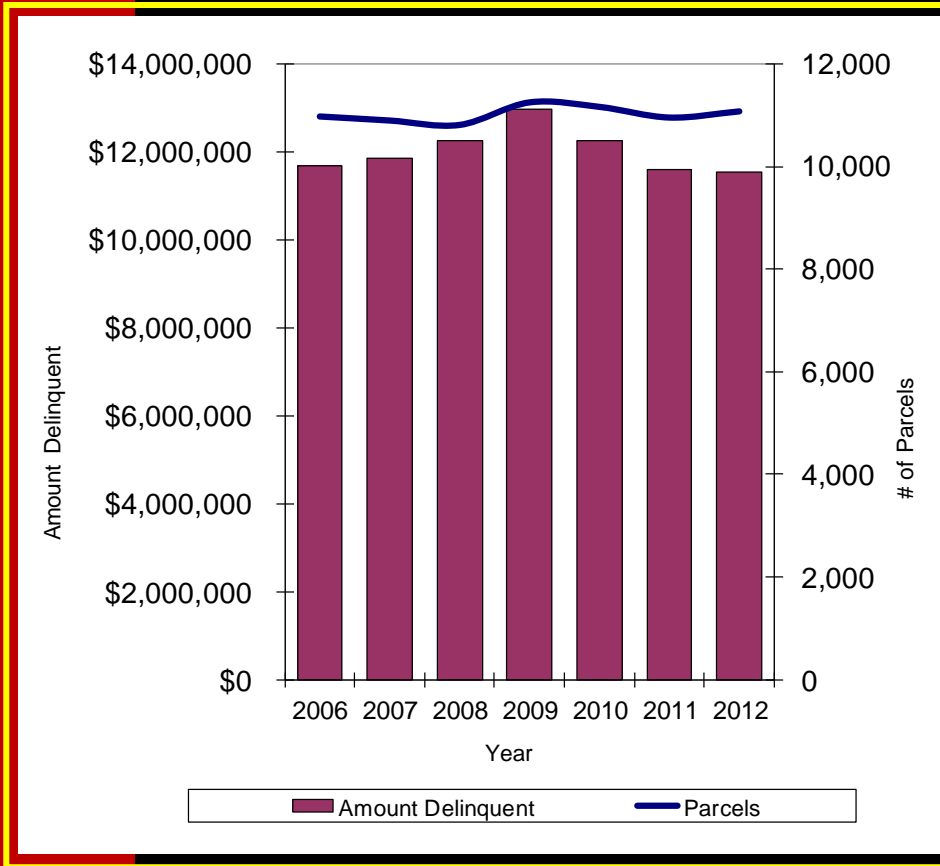


Sheriff's Deeds/Foreclosure





Tax Delinquency Rate – Real



Trends

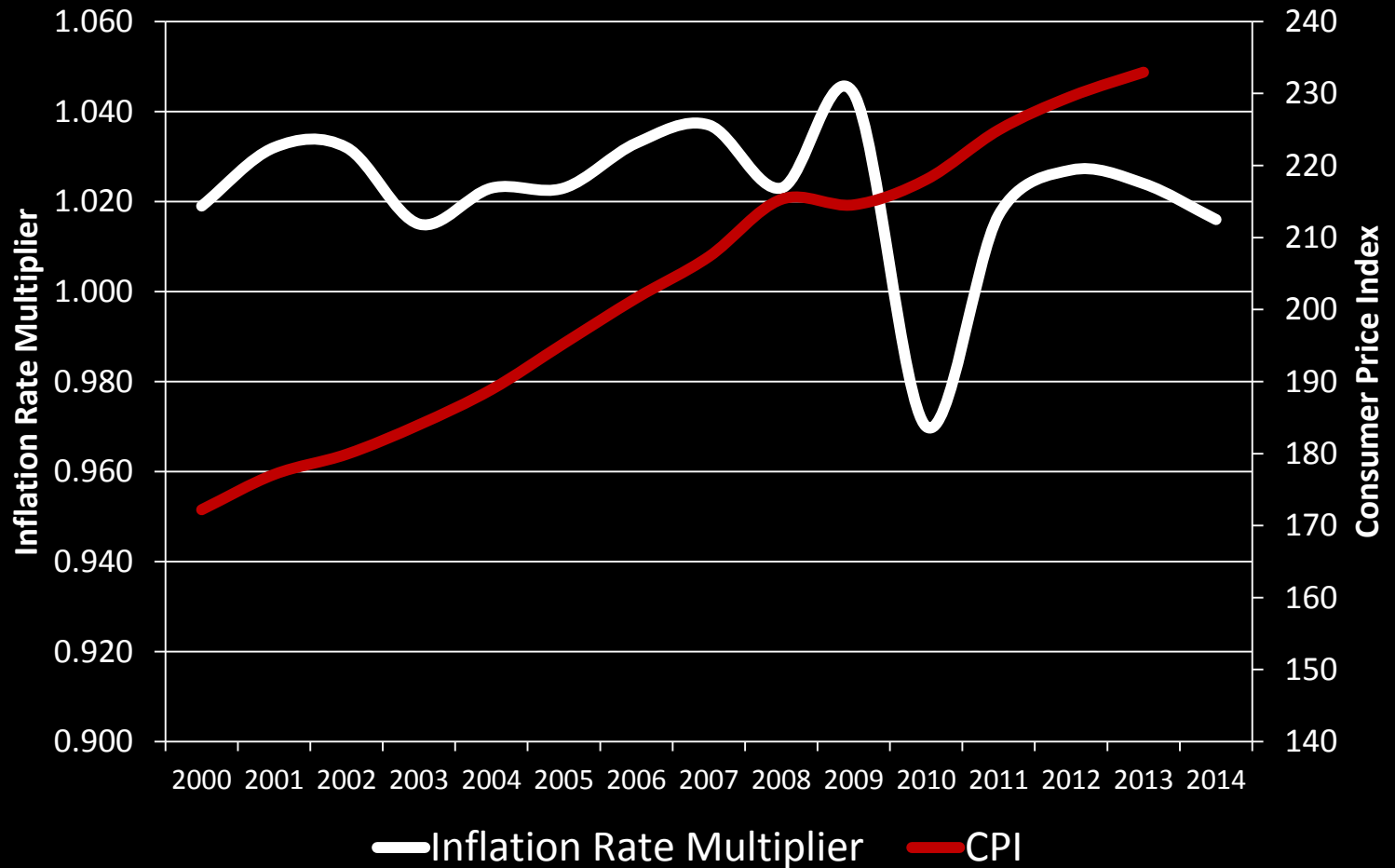
- Increase in number of units delinquent
- Three consecutive years of decline in amount delinquent



Implications

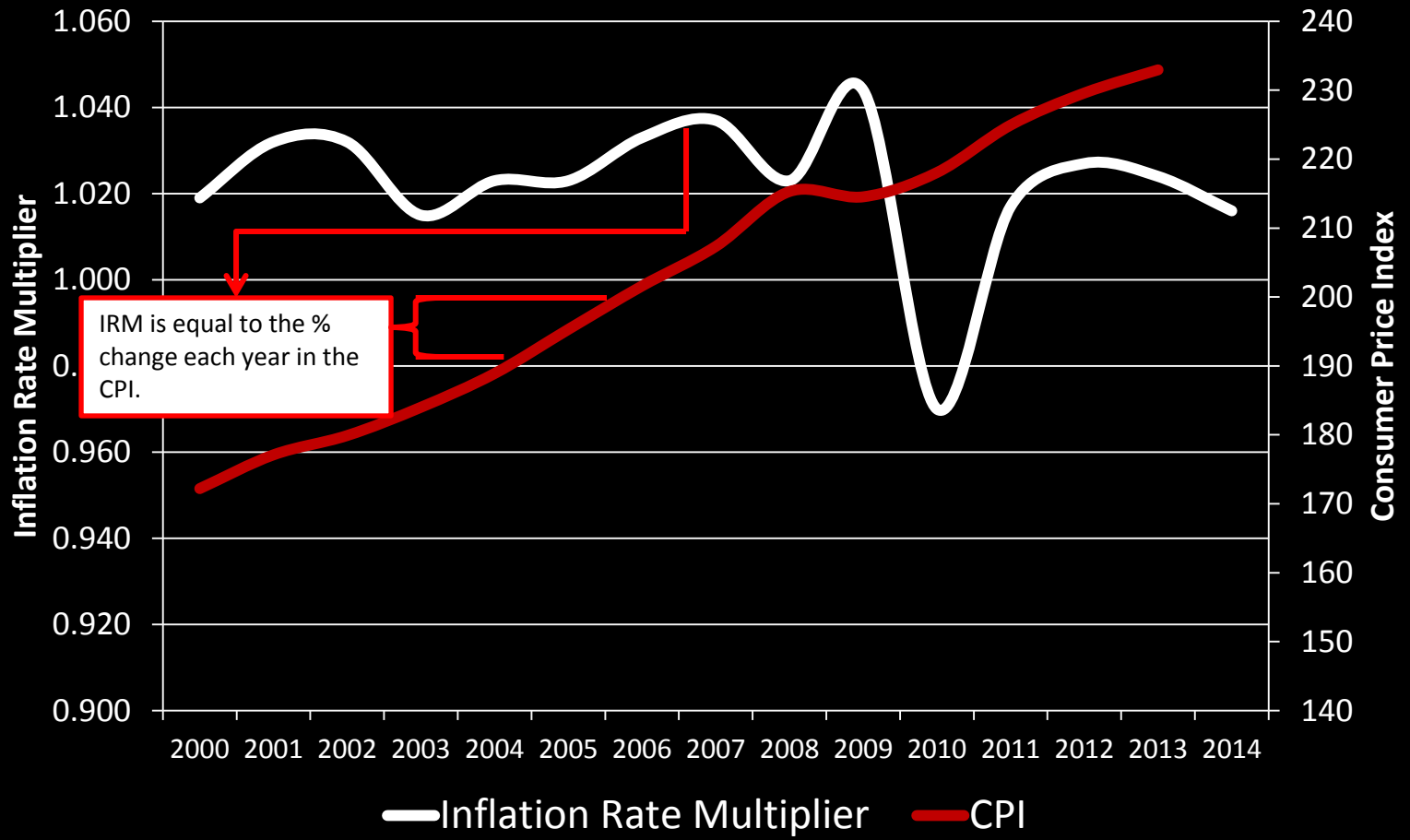
- Average value of a delinquent property is lower than before
- Higher end properties are not as likely to be delinquent

Inflation / Deflation





Impact of CPI on IRM





Primary Indicators

Primary

- Foreclosures
- Home Sales
- Inflation/Deflation
- New Construction
- Tax Captures
- Population

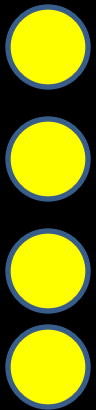




Secondary Indicators

Primary

- School Enrollment
- Business Start Up/Closure
- Unemployment
- Delinquency Rate





Summary

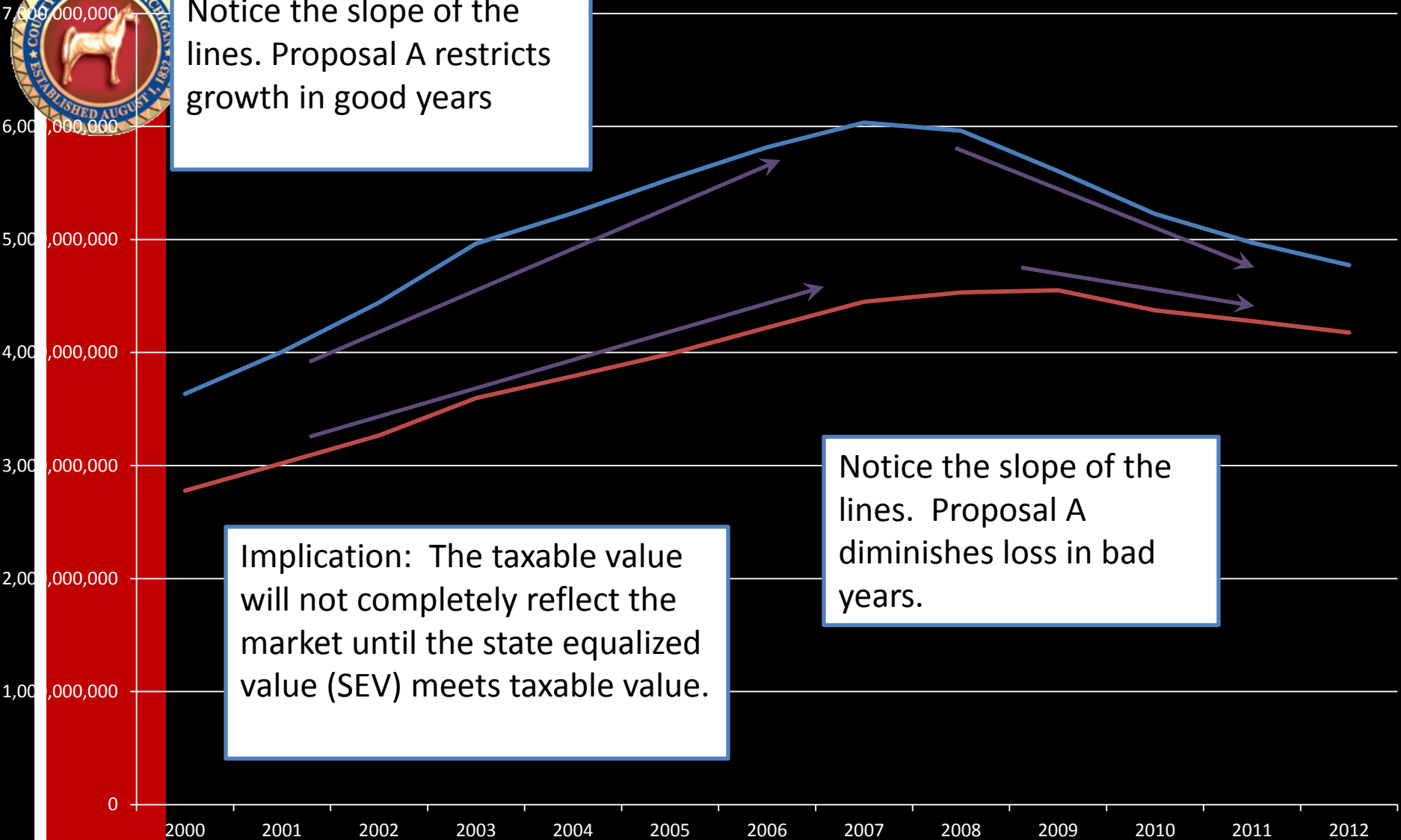


Market Conditions

- Stability from 2011 to 2012
- Property tax revenue loss in 2013 better than budgeted
- Recovery is improving quicker than previously forecasted
- National economic indicators are improving



Notice the slope of the lines. Proposal A restricts growth in good years

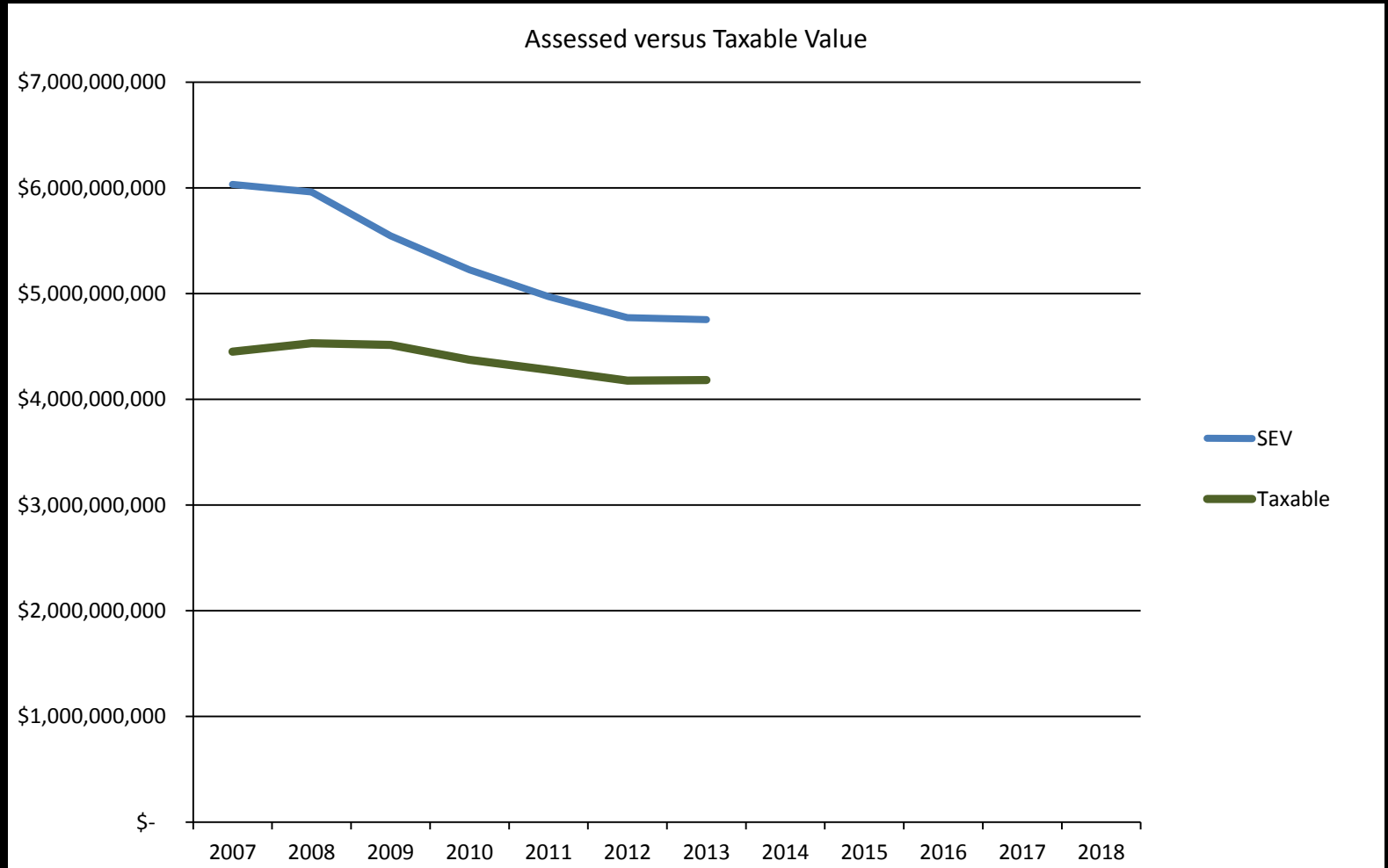


Implication: The taxable value will not completely reflect the market until the state equalized value (SEV) meets taxable value.

Notice the slope of the lines. Proposal A diminishes loss in bad years.

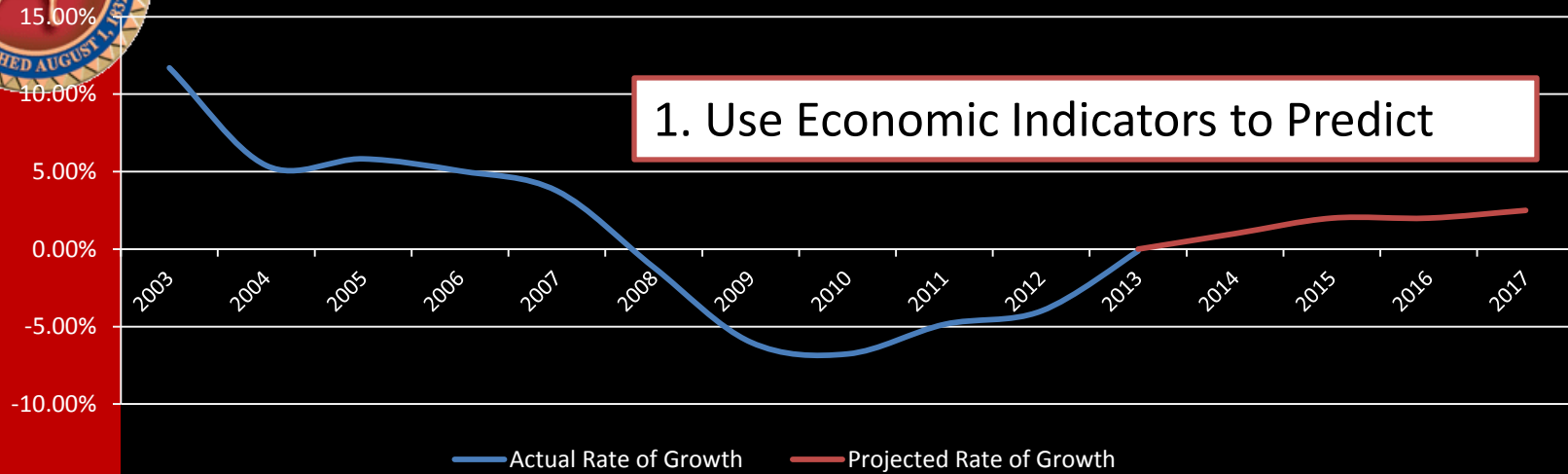


Assessed vs. Taxable

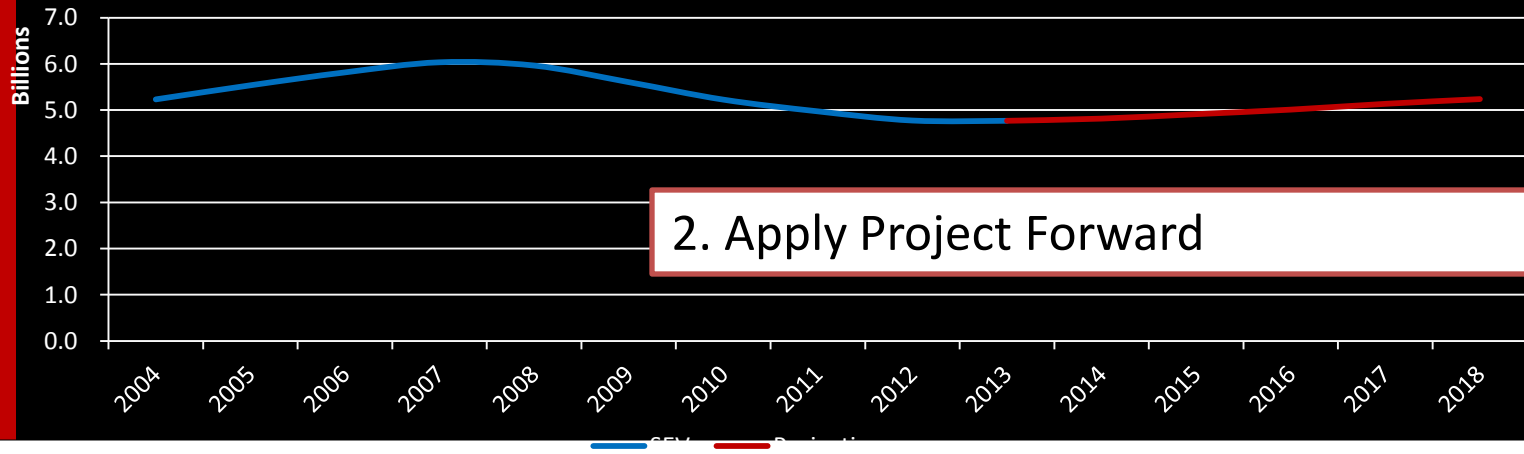




% Change in SEV

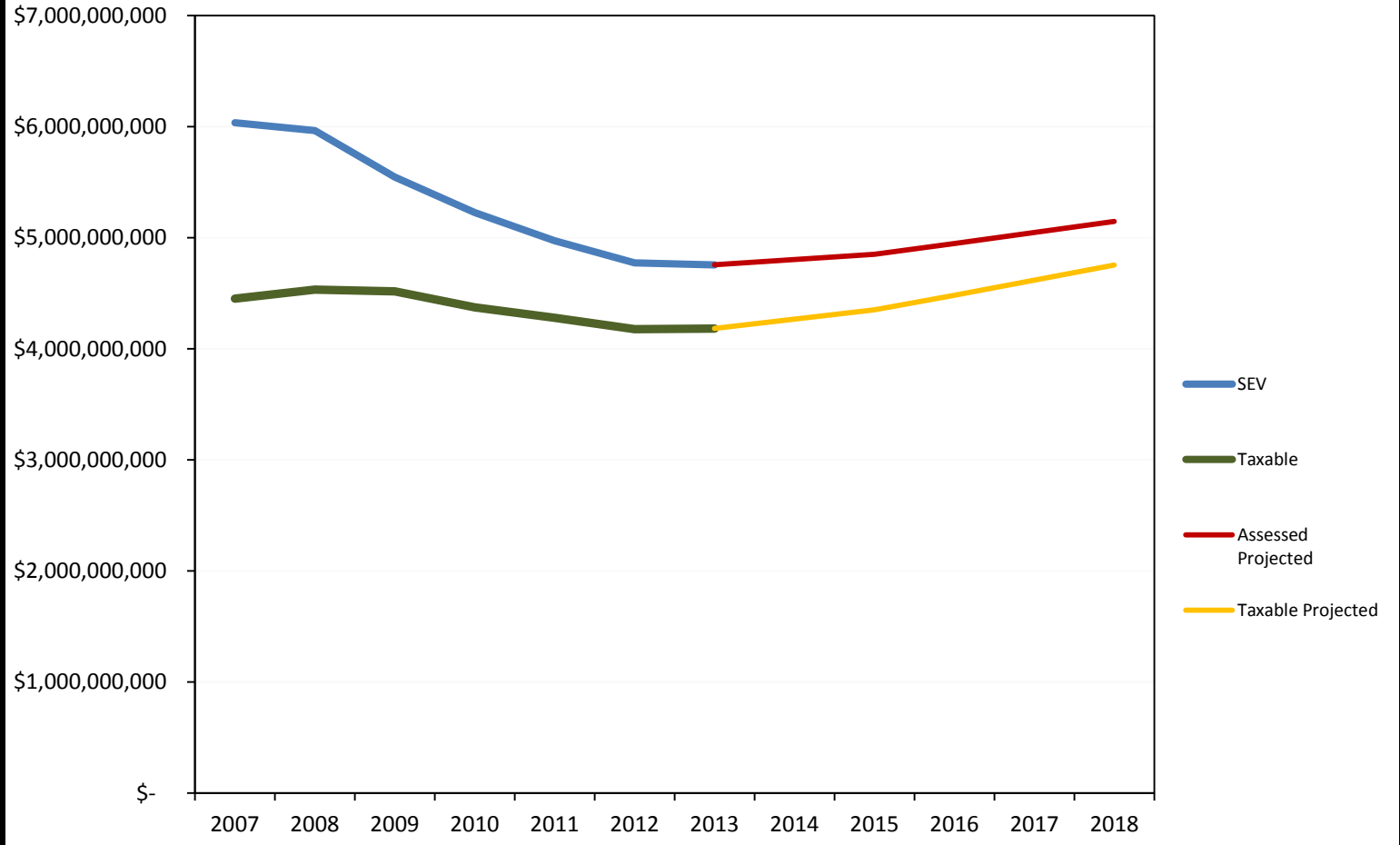


SEV





Assessed versus Taxable Value





RenZone

- Additional Revenue for 2014 \$143,175
- Additional Revenue for 2015 \$143,175

Property Tax Forecast – 2013

2013 Budgeted Tax Revenue	\$21,074,766
Projected Increase (County Forecast)	1.5%
New Revenue from Appreciation	\$316,121
Projected Tax Revenue	\$21,390,887
Increase from RenZone Expiration	\$143,175
Total New Tax Revenue	\$459,296

Change in Previous Years Forecast from
(\$284,841) to (\$94,947)



Other Significant Revenues

- Clerk/Register of Deeds
- Investment Interest
- State Revenue Sharing
- Court Fees





Clerk/Register of Deeds

Gun Permits	\$40,000
Attorney Fees	\$30,000
Transfer Tax	\$50,000
<u>Recordings</u>	<u>\$75,000</u>
Total	\$195,000



Interest Income

- Market Difficult
 - Municipal investment options are limited
- Reduction in General Fund Revenues
- (\$200,000 to \$250,000)



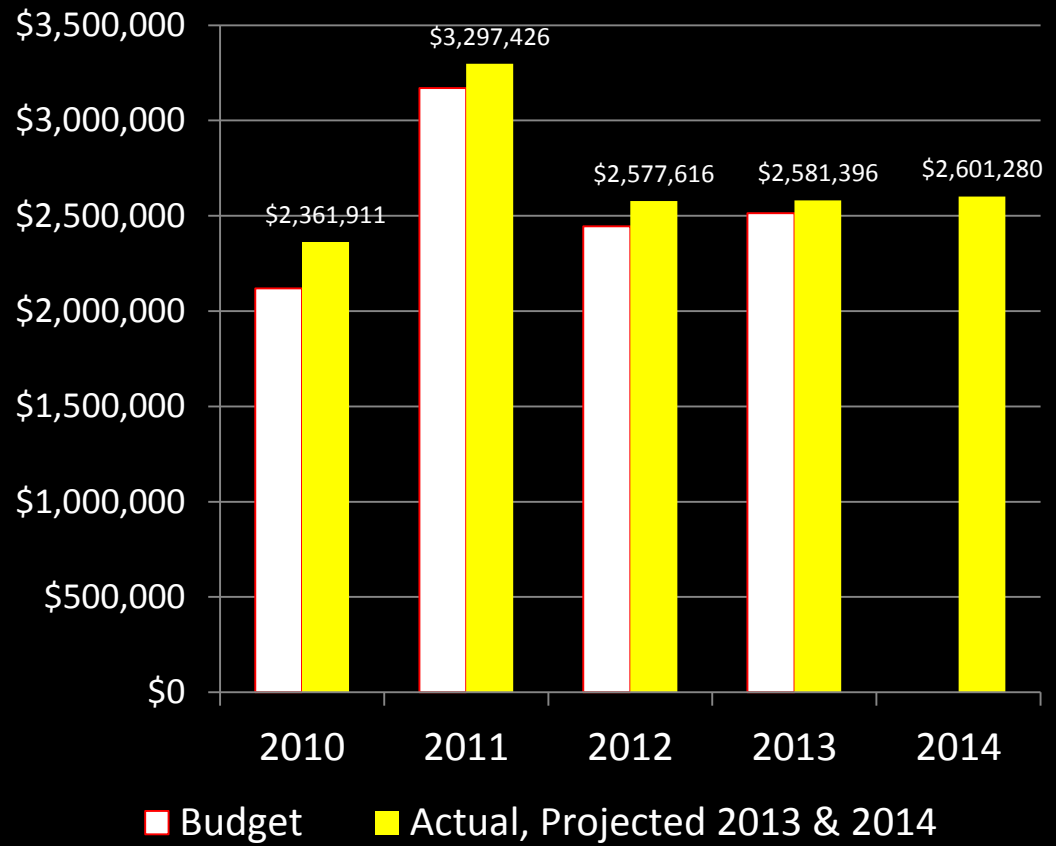


Revenue Sharing

Revenue Sharing

In 2013 and 2014 the County received small increases in State Revenue Sharing

- \$100,000





Total Revenue Impact

Source	Net Impact
Property Tax Revenue	\$ 459,296
Revenue Sharing	\$ 100,000
Court Fees	\$ 50,000
Clerk/Register of Deeds	\$ 195,000
Interest Income	\$ (200,000)
Total	\$ 604,296



Jackson County

2014 Expenditure Forecast

2013 Board Retreat



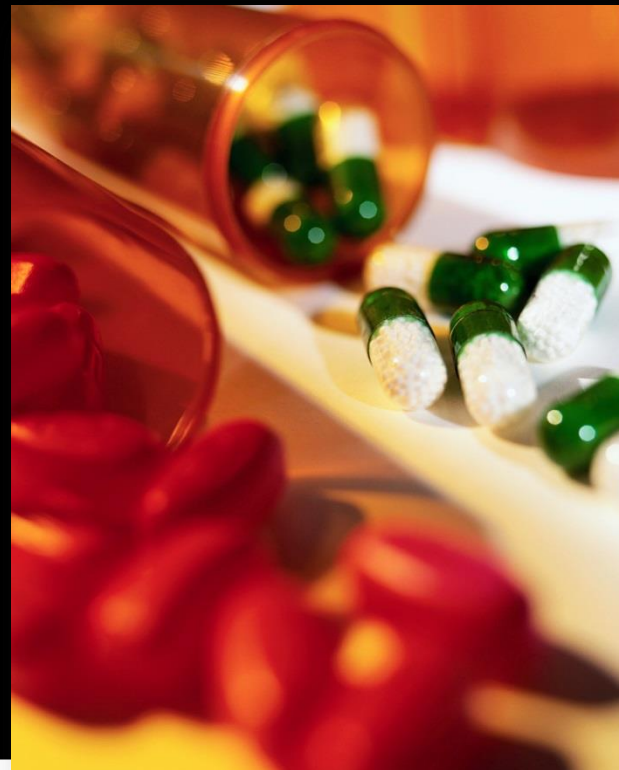


Legacy Costs

Pension Funding



**Other Post-Employment
Benefits (OPEB)**





OPEB

- Using \$1,000,000 annually from the OPEB Trust Account
- Trust account will be exhausted in 2013
- 2013 Budget includes using one-time reserves and pre-funding 2014 by over \$700,000

2013 Impact \$578,000

2014 Impact \$300,000

We
incr





Retiree Benefits

Pension ARC Increased

1. Closed Plan (2008-2010)
2. Change in Assumptions
3. Performance

Normal Cost

\$1,438,014

Annual Required Contribution

\$5,350,000

Previous ARC **\$3,000,000**

Net Change (-\$2.35 M)





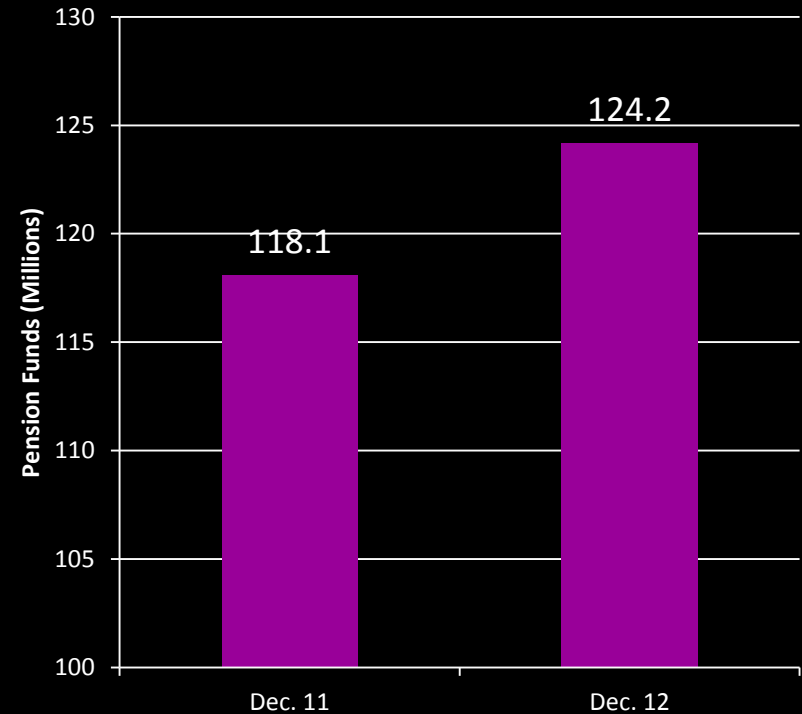
Retirement Impacts

Smoothing

- Four-year smoothing of actual and assumed investments
- The new actuarial study will remove large loss
- Forecasted rate of return should improve

Pension Funding

Pension Assets





Major Expense Impacts 2014

Additional Impact	Net Impact
Other Post-Employment Benefits	\$ 300,000
Retirement Contribution	\$ 2,350,000
Health Cost (Premium Change)	\$ (500,000)
Lifeways	\$ 500,000
Total	\$ 2,650,000



Next Steps

- More Research
- Tie together Revenues, Expenditures, and One-Time Savings
- March 19, 2013 – Set 2014 Budget Target and Priorities
- April 5, 2013 – Strategic Plan Draft
 - Board Review
 - Public Comment Review
- May 21, 2013 – Final Adoption of Strategic Plan
- Draft Budget Presentation June 7, 2013



Discussion



Metrics



Metrics



Metrics



Successes



Successes



Discussion