

# COUNTY EXPENSES



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## EVALUATING COMPETING BUDGET PRIORITIES

- What is the overall financial health of the county?
- Is it mandated?
- Will it create efficiencies?
- Will it require more staffing?
- Does it have a dedicated revenue source?
- Will one-time money be used for a potentially ongoing expense?
- Does it meet current and future growth projections?



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## THE ABC'S OF COUNTY BUDGETS

- What are “A,” “B,” “C,” and “D” budgets?
  - “A” budgets are for salaries and wages only.
  - “B” budgets are for everything else (unless your county has a C budget).
  - “C” budgets are for capital expenses (not always used).
  - “D” Budget are for employee benefits (retirement, FICA, insurance, etc).



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### ALL IN A DAY'S WORK ®



“Do you want a salary or benefits?”



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## THE A BUDGET: EMPLOYEE COMPENSATION

- How to compute employee wage/salary increases?
  - Straight percentage across the board.
  - Set dollar amount across the board.
  - Step & Grade system or market longevity system.
  - Distribute a set dollar amount for elected officials and department heads to handout as merit.
  - **IMPORTANT:** Make it equitable and don't get sued!
  - **NOTE:** Salaries are set by BOCC (Section 31-3106, Idaho Code).



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## ELECTED OFFICIAL SALARIES

- What is in the budget is “full compensation” for their service.
- Not to be raised or lowered during the fiscal year.
- No bonuses and no reductions other than as required by law.
- Idaho Code sections: 32-3101, 31-3106, and 31-816.



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## EMPLOYEE BENEFITS

- Health, accident, and life insurance
- Vacation, sick leave, and personal holiday
- PERSI
- Social Security
- Worker's Compensation
- Unemployment



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## “B” BUDGET EXPENSES

- Annual county operating expenses including office equipment and supplies.
- Be sure to review the previous years expenditures.
- Take into consideration any upcoming onetime projects/costs.
- Equipment replacement schedules can be helpful for identifying when items should be budgeted for replacement.
- U.S. Communities is a great purchasing source for office supplied and equipment ([www.naco.org](http://www.naco.org)).
- Remember to plan for the unexpected (within reason).
- Know what you can and can't afford.



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## “C” BUDGET EXPENSES

- Funding for buildings, special capital equipment/machinery, vehicles, etc.
- Generally requires long-term planning.
- Funding options:
  - Annual appropriation lease,
  - Save up and pay-as-you go,
  - General obligation bonding (66 2/3 voter approval),
  - Revenue bonding (50% + 1 voter approval), or
  - Judicial confirmation (ordinary and necessary).



## “D” BUDGET EXPENSES

- Used only if benefits are not included in a county’s “B” budget.
- Funding for employee benefits, including:
  - Payroll Taxes (Social Security, Medicare)
  - Health Insurance (dental, medical, vision, etc.)
  - Employee Retirement (PERSI, 401(k), 457(b), etc.)
  - Unemployment Insurance
  - Workers Compensation
- Not all counties have a “D” budget.



## BUDGET AMENDMENTS

- What if the budget looks like it will be overdrawn?
- Open budget and make adjustment in public hearing with proper notice (Section 31-1605, Idaho Code).
- Expenditures made in excess of any of the budget appropriations could result in a misdemeanor (Section 31-1607, Idaho Code).



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## GENERAL BUDGET RESERVES

- BOCC has the right to make general reserve appropriations, not to exceed 5% of the Current Expense and Justice Fund Budget (Section 31-1605, Idaho Code).
- This may be used in the event of unforeseen contingencies requiring money not placed in the budget to be expended. Requires a unanimous vote of the BOCC.



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## SPECIAL CONSIDERATIONS

- Loss of state Transportation Strategic Initiative Program means no. LHTAC funding through the Budget Surplus Eliminator.
- Public Defense Commission workload standards.
- Capital improvement funding options continue to be limited (jails, courthouses, etc.).
- Medicaid Expansion
- Magistrate court funding phase in (liquor fund, district court fees).



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## COUNTY BUDGET CYCLE



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## COUNTY BUDGET CYCLE: THE BASICS

- The county fiscal year ends on September 30<sup>th</sup> and the new one begins on October 1<sup>st</sup> (Section 31-1601, Idaho Code).
- Cash basis resolution needs to be done each year to authorize counties to accumulate fund balances and carry them to the next fiscal year (Section 31-1605A, Idaho Code).



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## STEP ONE: NOTICE OF BUDGET HEARING

- Set date and time for annual budget hearing (taxing district clerks to notify county clerk of annual budget hearing no later than April 30<sup>th</sup> (Section 63-802A, Idaho Code)).
- Failure to notify county of budget hearing will result in a taxing district's inability to raise their property tax budget by 3%.



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## STEP TWO: NOTIFY ELECTED OFFICIALS/DEPARTMENT HEADS

- County Auditor will notify in writing each elected official and department head to submit itemized revenue and expenditures for the budget on or before the 1<sup>st</sup> Monday in May



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## STEP THREE: PRELIMINARY BUDGETS FILED

- Elected officials and department heads file their preliminary budget with the Auditor by the 3<sup>rd</sup> Monday in May.
- Best Practice: BOCC and Auditor should meet with elected officials and department heads to review requests and gather input.



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## STEP FOUR: RECOMMENDED BUDGET

- Auditor to submit recommended budget to BOCC by the first Monday in August (Section 31-1604, Idaho Code).



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## STEP FIVE: PUBLISH TENTATIVE BUDGET

- Auditor must publish tentative budget not later than the third week in August and notice public budget hearing.
- This must include two previous years actual amounts expended and current fiscal year divided into two categories: wages and expenses
- Remember: Once published, a budget can only be reduced.



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## STEP SIX: BUDGET HEARING

- Public budget hearing must be held on or before the Tuesday following the first Monday in September.
- Such hearing may be continued from day to day but must be concluded by the second Monday in September (Section 31-1605, Idaho Code).
- The budget can not increase once published.
- The BOCC adopts the budget by resolution.



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## THE BUDGET HEARING IS PUBLIC

- This is the time for public input.
- The hearing could last the length of time it takes for the Auditor to read the budget into the record or for hours of public comment.



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# BUDGET HEARING

- Public can be heard - hearing can be continued
- Officials can be examined by BOCC
- Hearing must conclude by second Monday of September
- Commissioners fix budget by resolution
- Budget can't exceed what was advertised (can be less) and can't exceed property taxes advertised



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RESOLUTION NO. 2014- \_\_\_\_\_

RESOLUTION ADOPTING THE ENSUING BUDGET FOR FISCAL YEAR 2014-2015  
COUNTY OF TWIN FALLS, STATE OF IDAHO

WHEREAS, Idaho Code §31-1605 provides that the Board of County Commissioners will hold a budget hearing on or before the Tuesday following the first Monday in September of each year following publication of notice of said budget; and

WHEREAS, the Board of Twin Falls County Commissioners met at Twin Falls County West on Tuesday, September 2, 2014, and Wednesday, September 3, 2014, pursuant to the designated published time;

NOW, THEREFORE, BE IT RESOLVED BY THE Twin Falls County Board of Commissioners that the fiscal year 2014-2015 budget is fixed as follows: Salaries and wages \$17,367,088.00; Other Expenses and Benefits \$24,338,641.00 for a total budget of \$41,705,729.00. A copy of the entire budget is available upon request at the Clerk's Office.

DATED this 3<sup>rd</sup> day of September, 2014.

TWIN FALLS COUNTY BOARD OF  
COMMISSIONERS

*/s/ Terry Ray Kramer* \_\_\_\_\_  
Terry Ray Kramer, Chairman

*/s/ Leon Mills* \_\_\_\_\_  
Leon Mills, Commissioner

*/s/ George Urie* \_\_\_\_\_  
George Urie, Commissioner

ATTEST:

*/s/ Kristina Glascock* \_\_\_\_\_  
Kristina Glascock, Clerk



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