

Jackson County 2014 Revenue Forecast

2013 Board Retreat

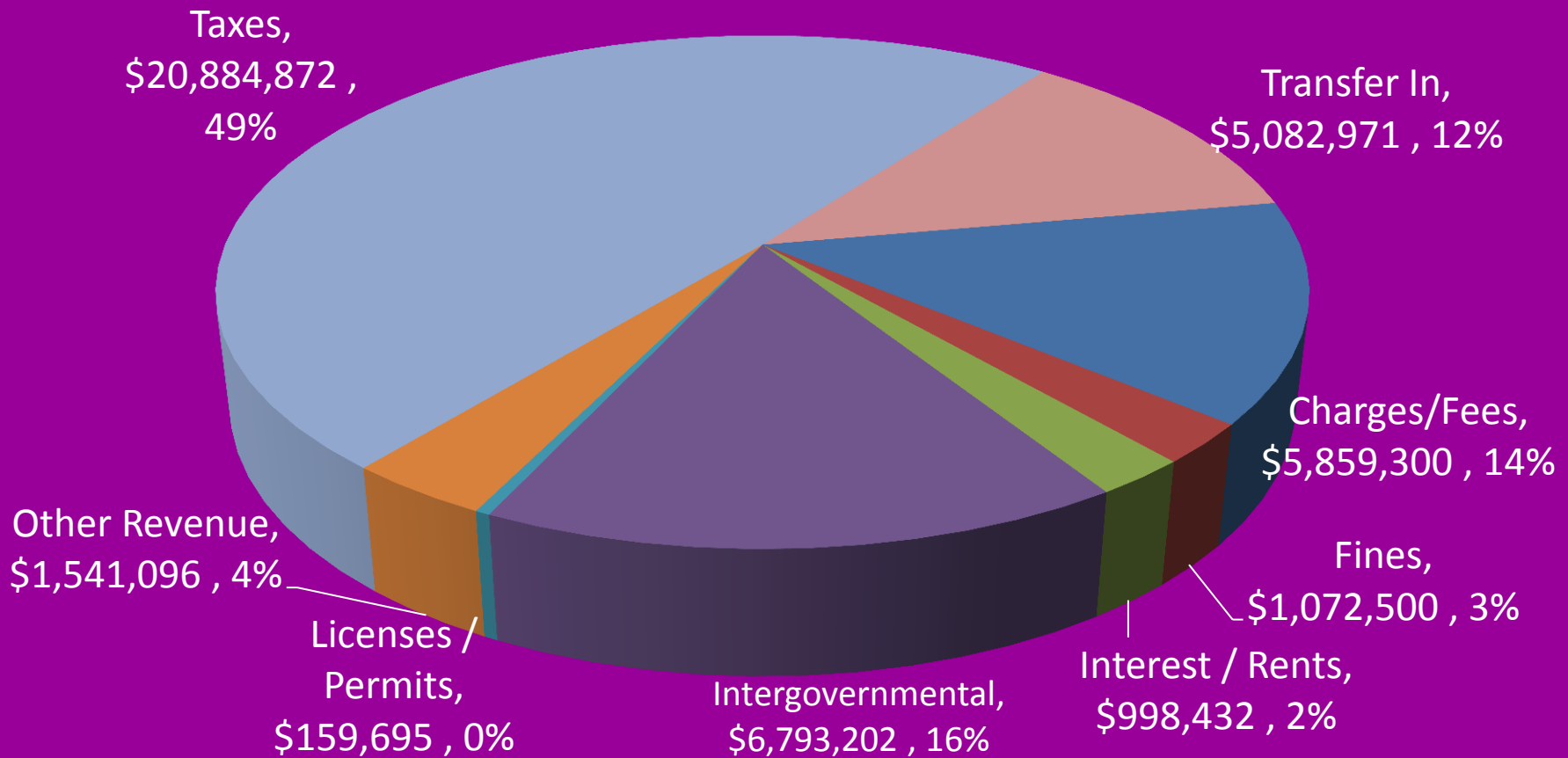


Revenue Committee



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

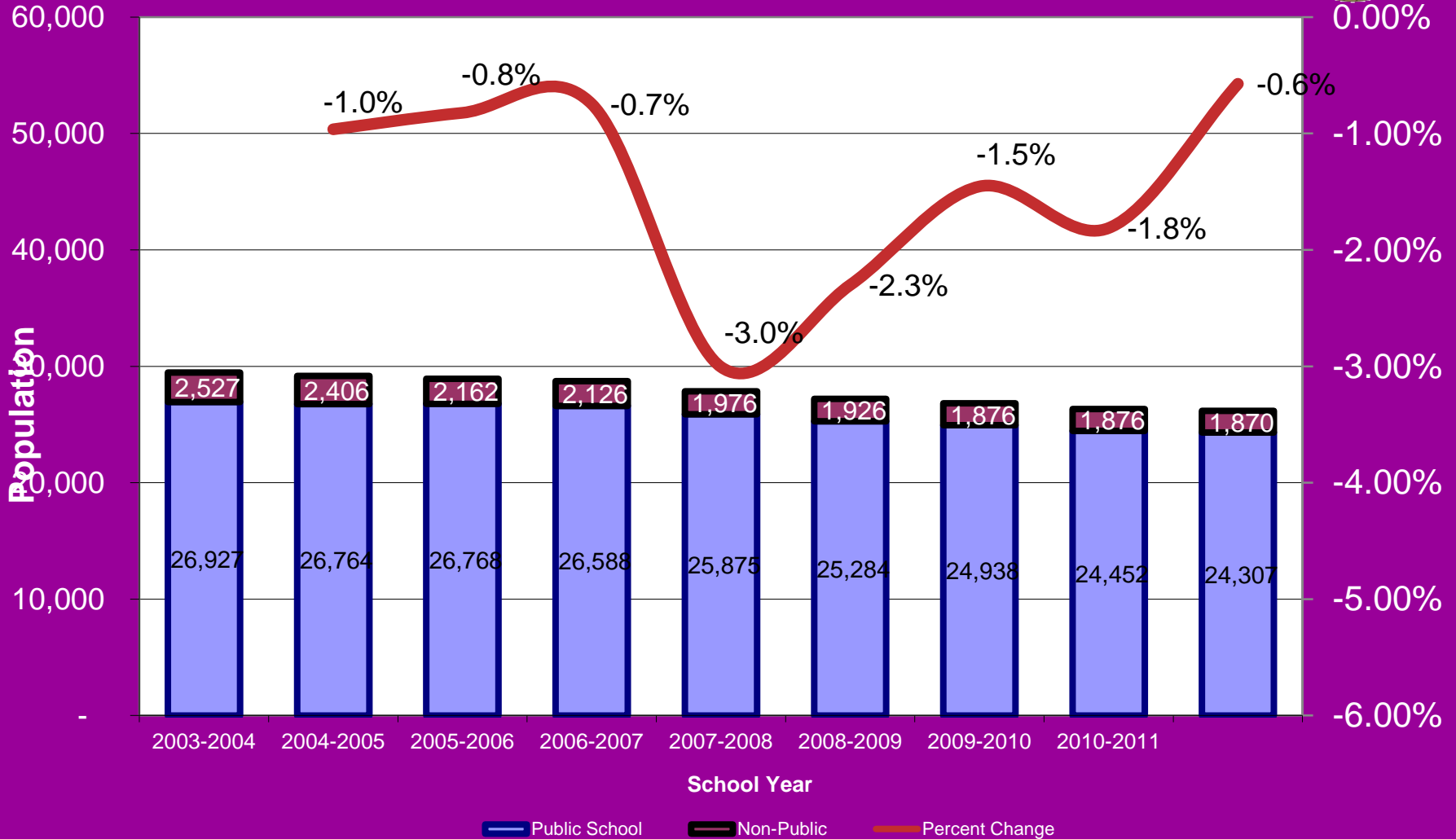
Primary

- 🐾 Foreclosures
- 🐾 Property Values
- 🐾 Housing
- 🐾 Inflation/Deflation
- 🐾 New Construction
- 🐾 Tax Captures / Giveaways
- 🐾 Population

Secondary

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

Public School Enrollment



Business Start Ups / Closures

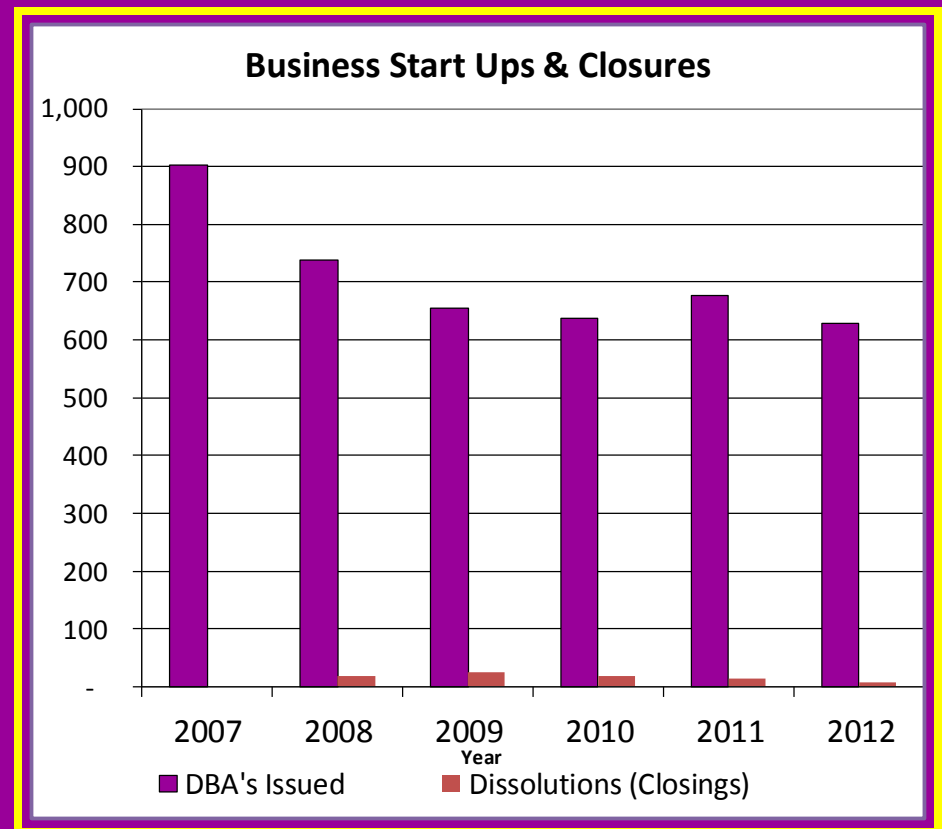


Trends

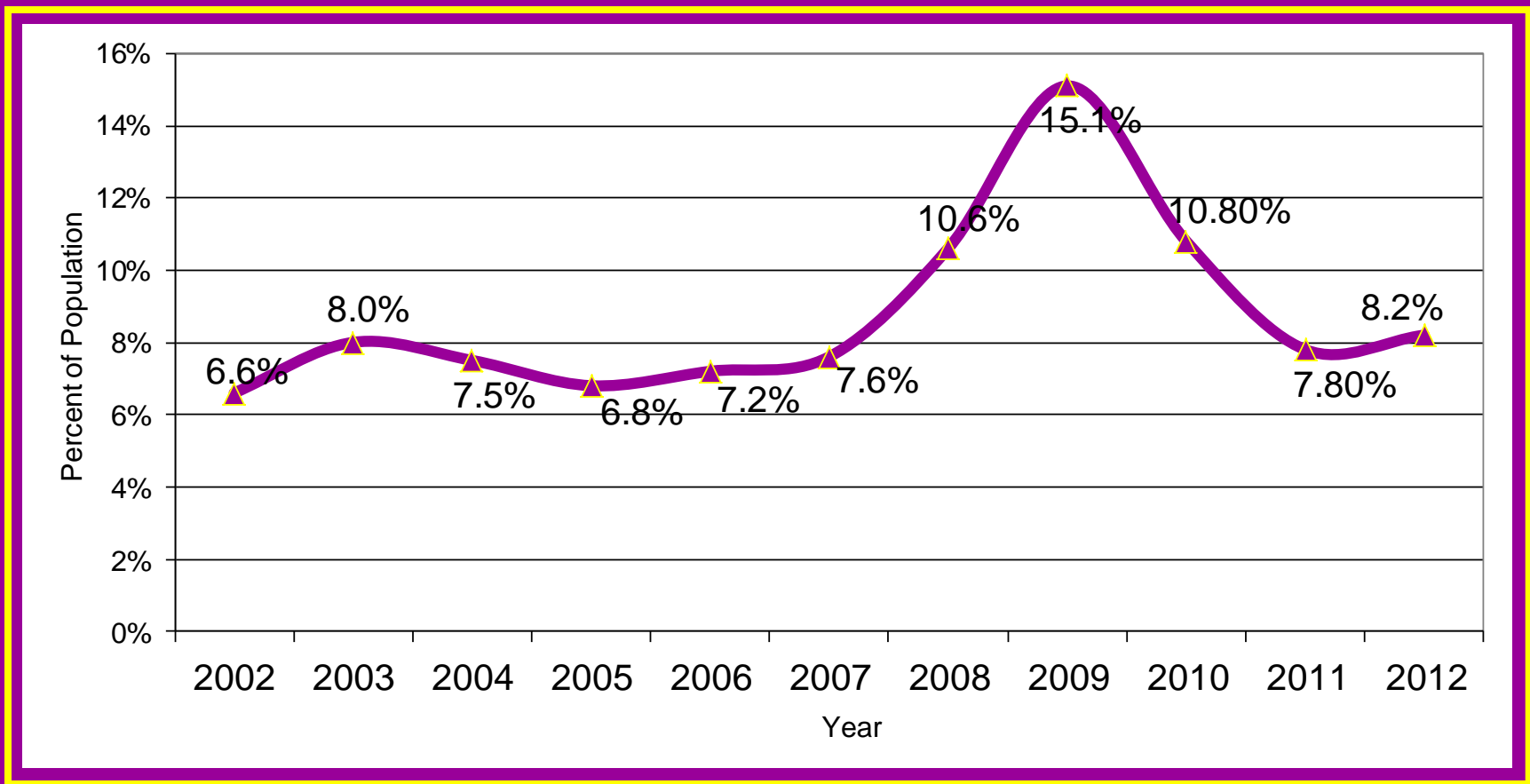
- Down 18% in 2008
- Down 11% in 2009
- Down 3% in 2010
- Up 6% in 2011
- Down 7% in 2012

Implications

- Plateaued



Unemployment



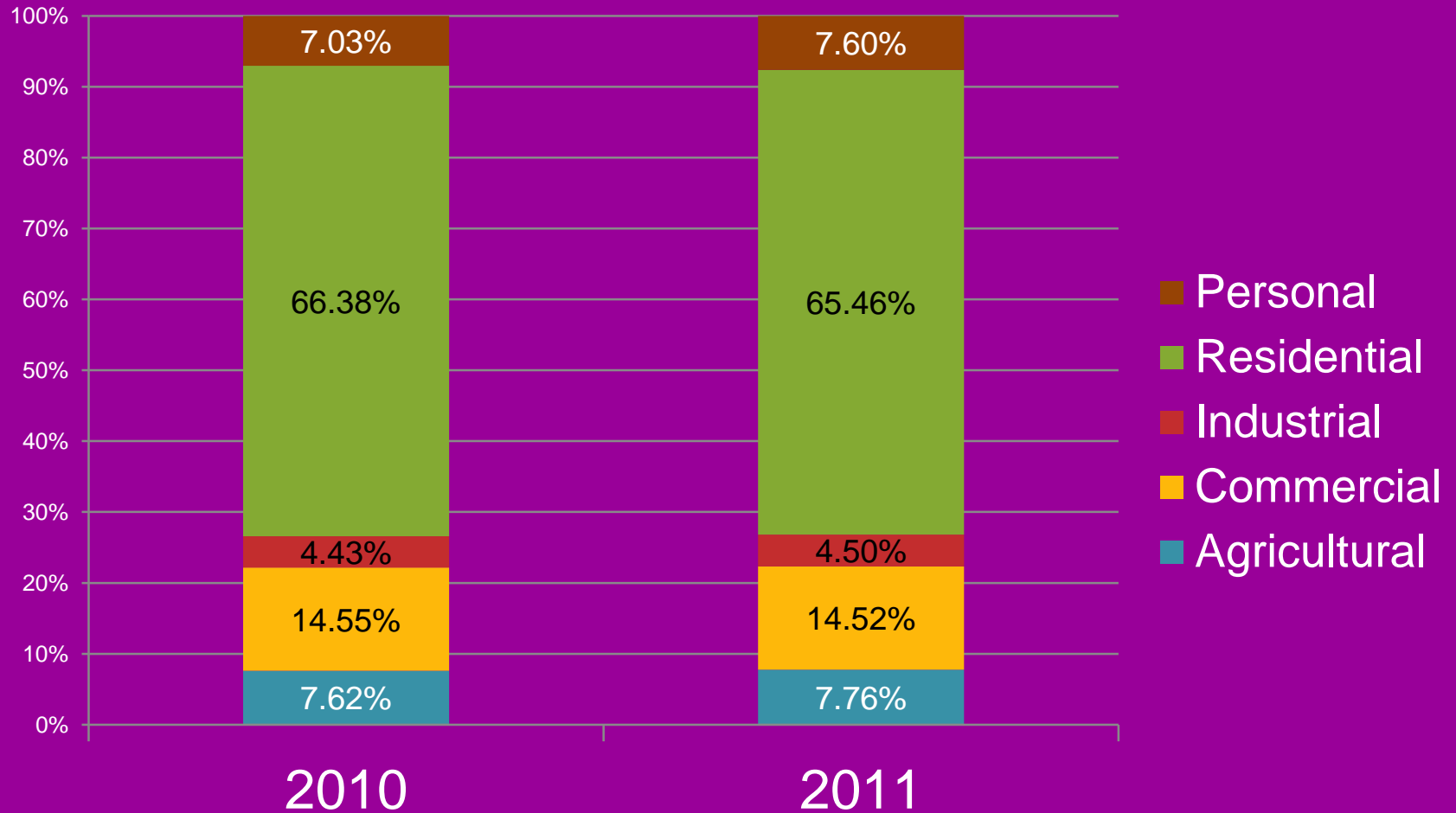
New Construction



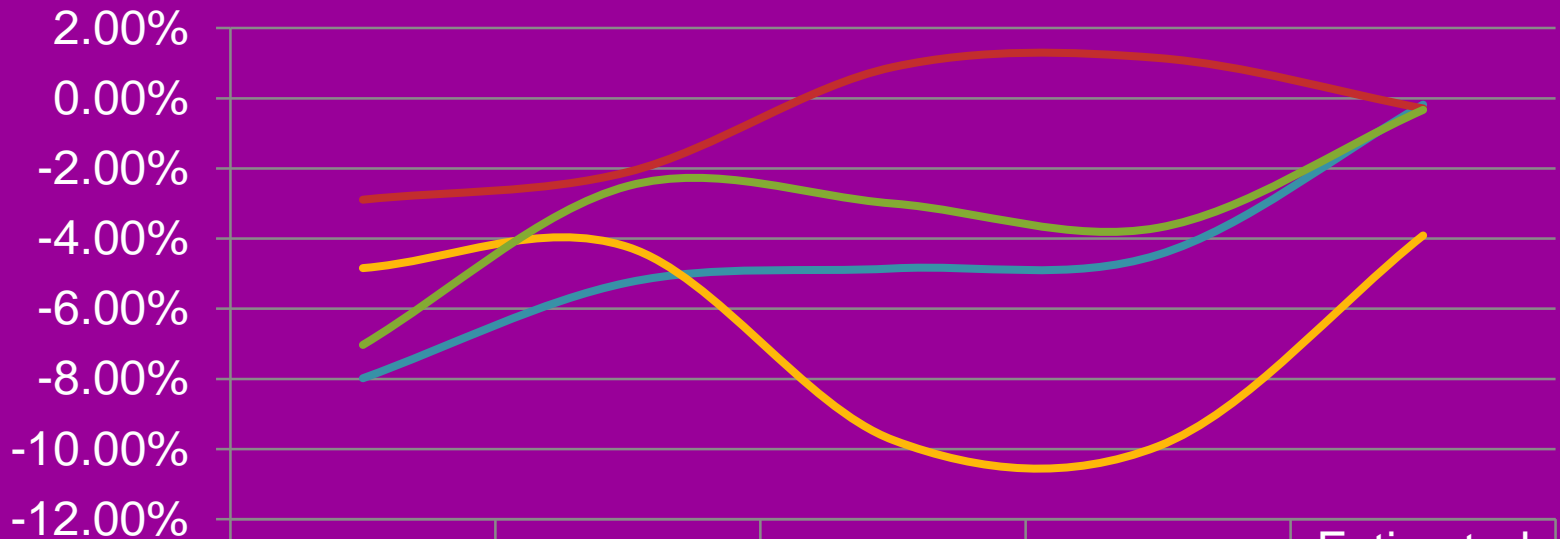
- Trends
 - New Construction Same
 - Renovations Up
- Implications
 - Consumer Confidence rising



Your Tax Base

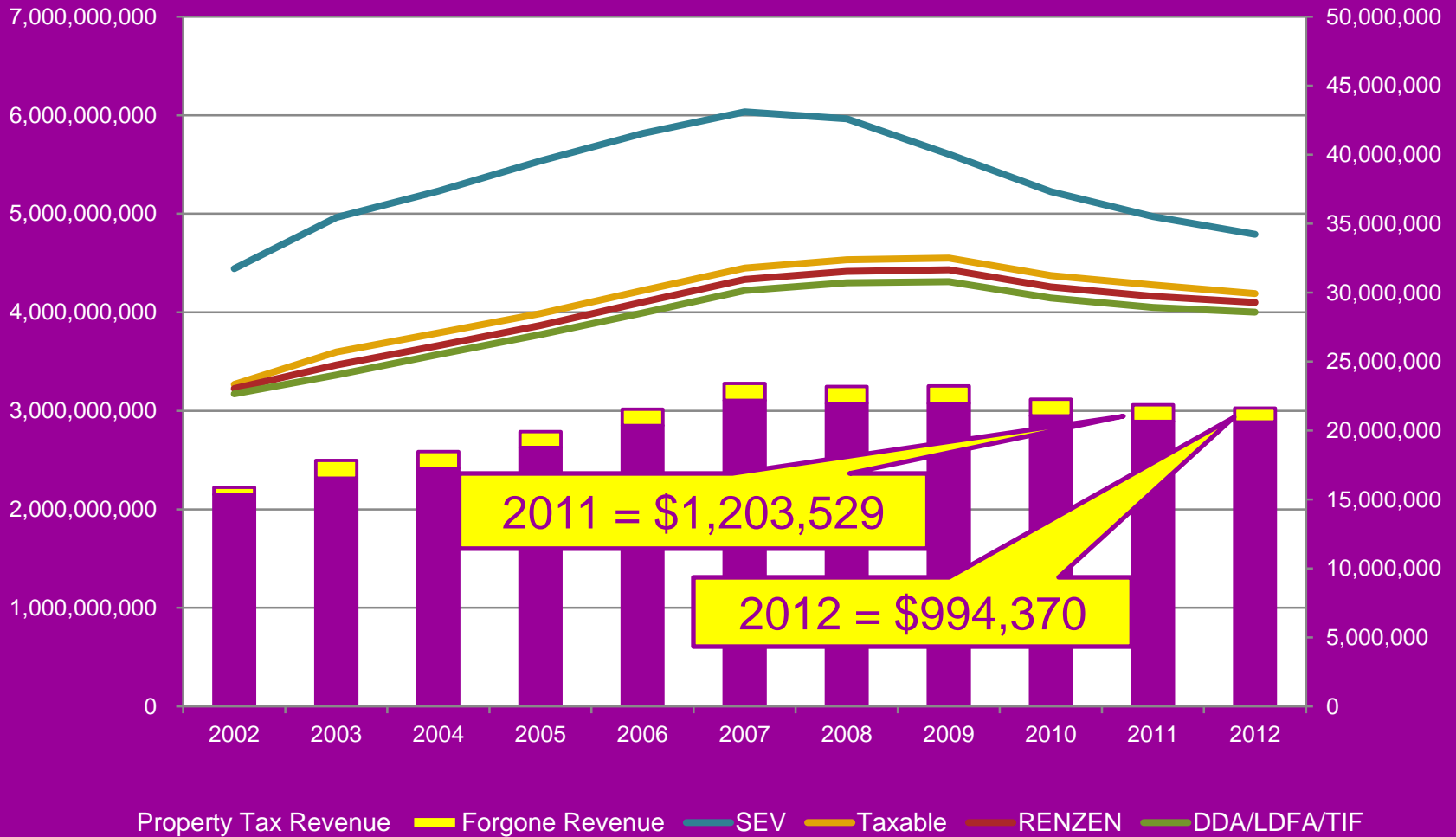


Trends by Category

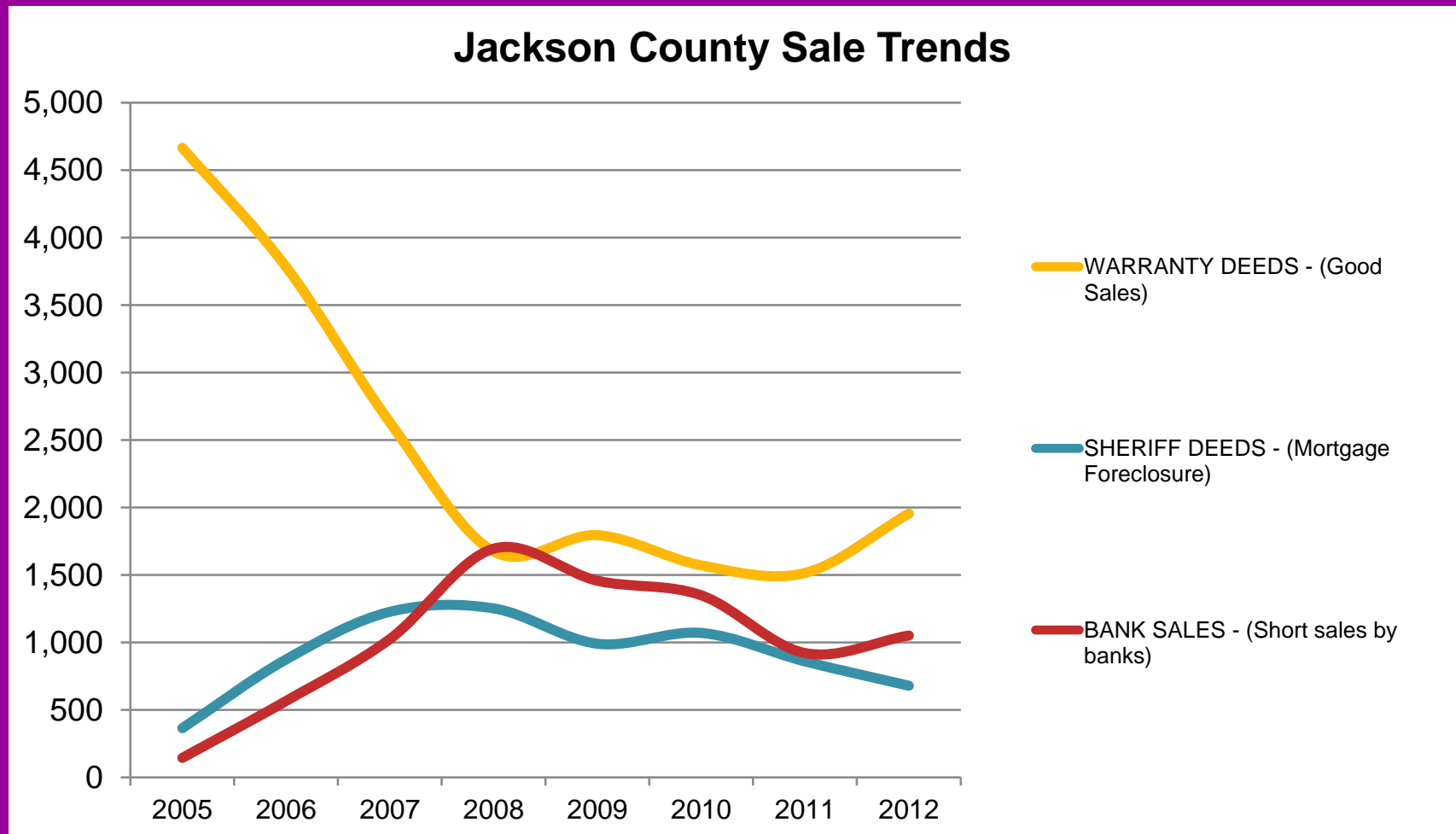


	2009	2010	2011	2012	Estimated 2013
Residential	-7.98%	-5.25%	-4.85%	-4.46%	-0.18%
Commercial	-4.84%	-4.24%	-9.74%	-9.92%	-3.91%
Agricultural	-2.89%	-2.10%	0.89%	1.15%	-0.29%
Industrial	-7.03%	-2.50%	-3.00%	-3.69%	-0.33%
Total	-6.47%	-4.40%	-5.05%	-4.16%	-0.12%

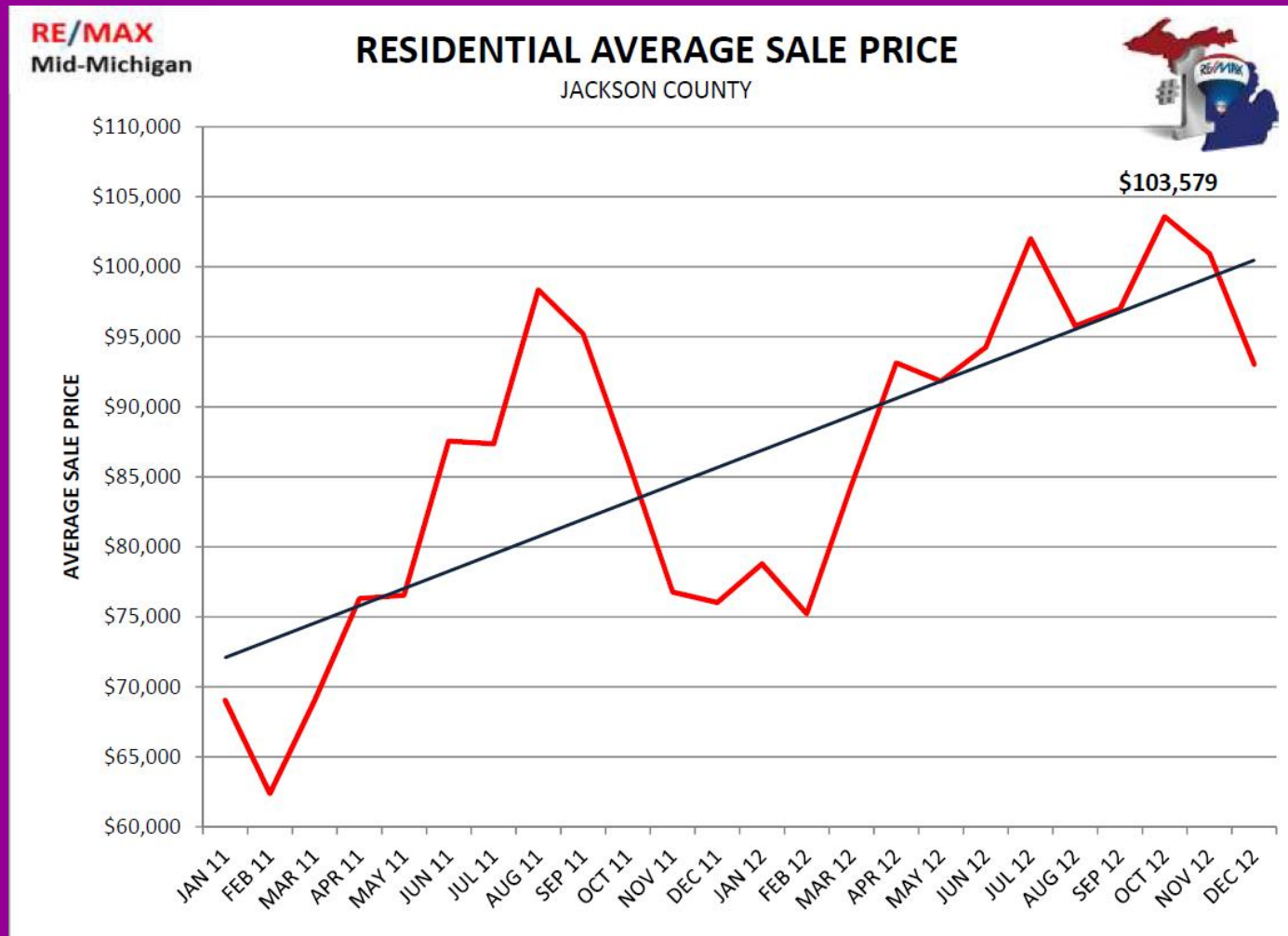
Tax Expenditures



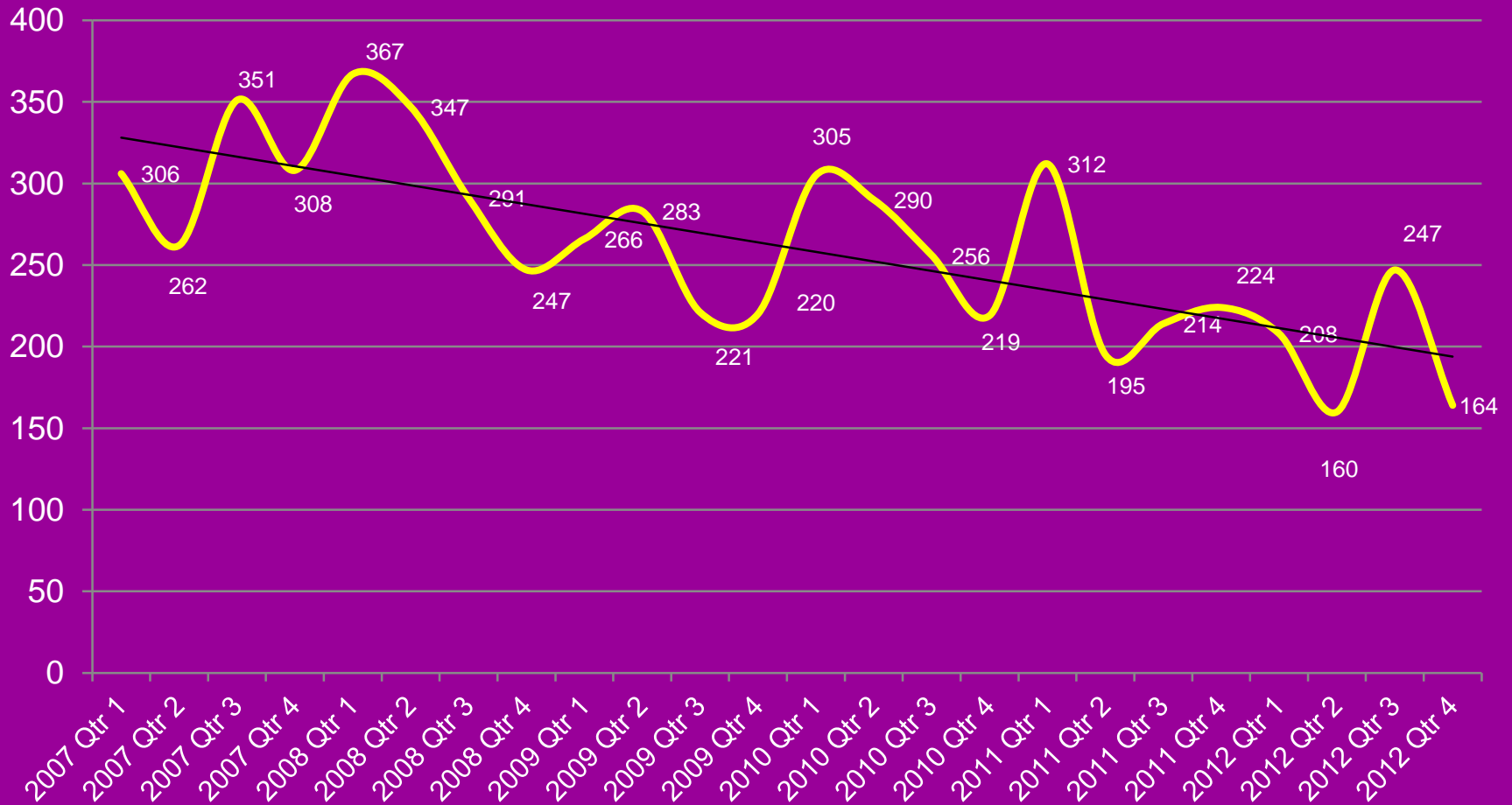
Sale Trends



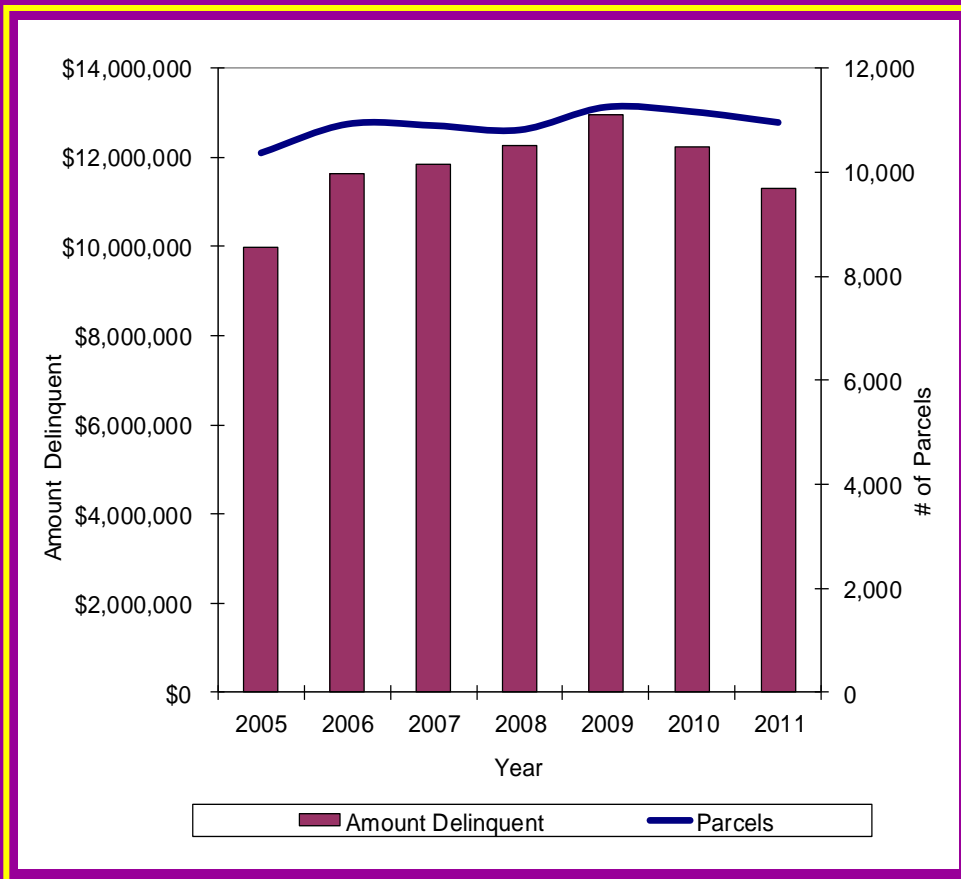
Average Sale Price



Sheriff's Deeds/Foreclosure



Tax Delinquency Rate – Real



Trends

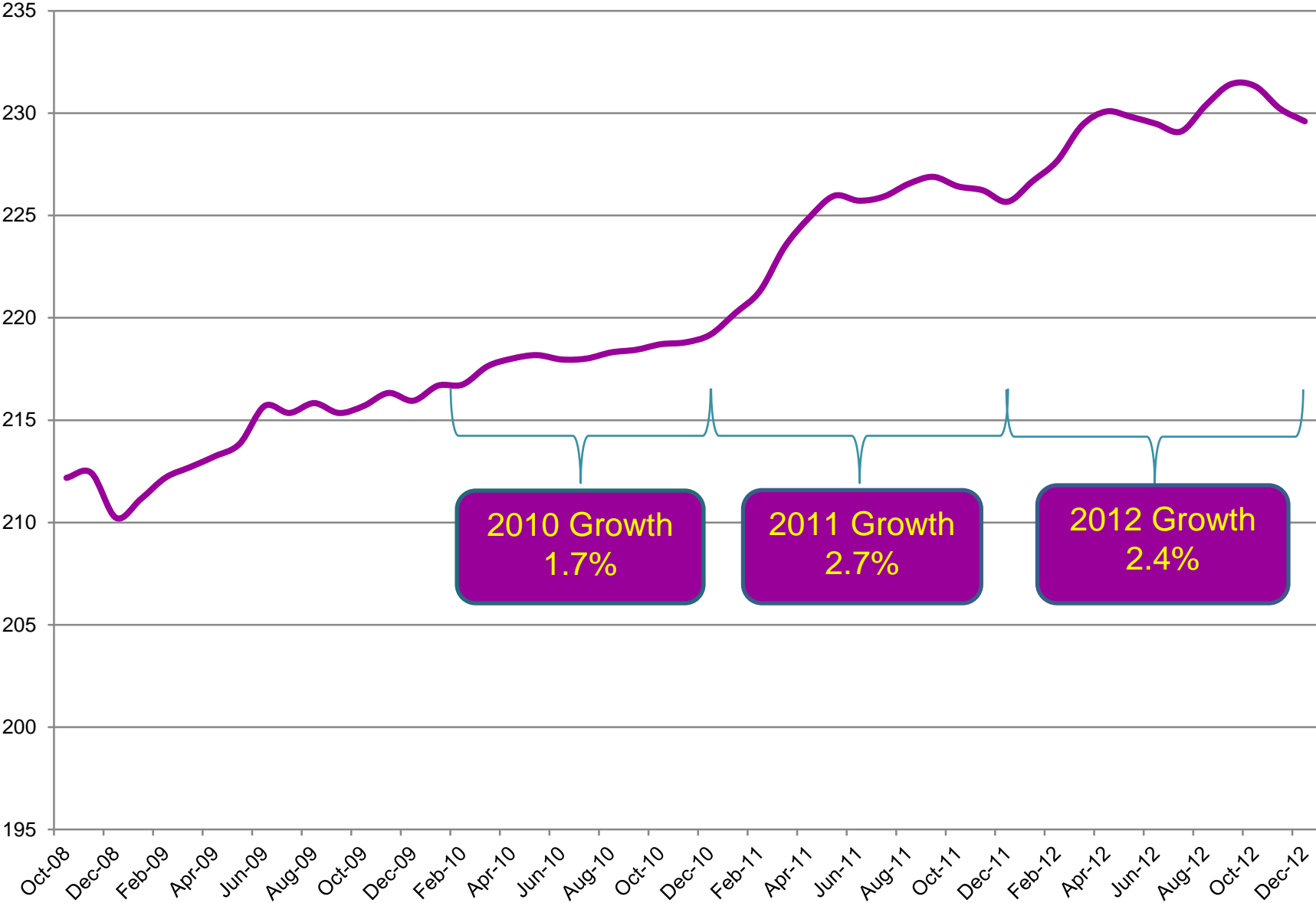
- Positive Relationship
- Amount Delinquent
- Still High # of Parcels



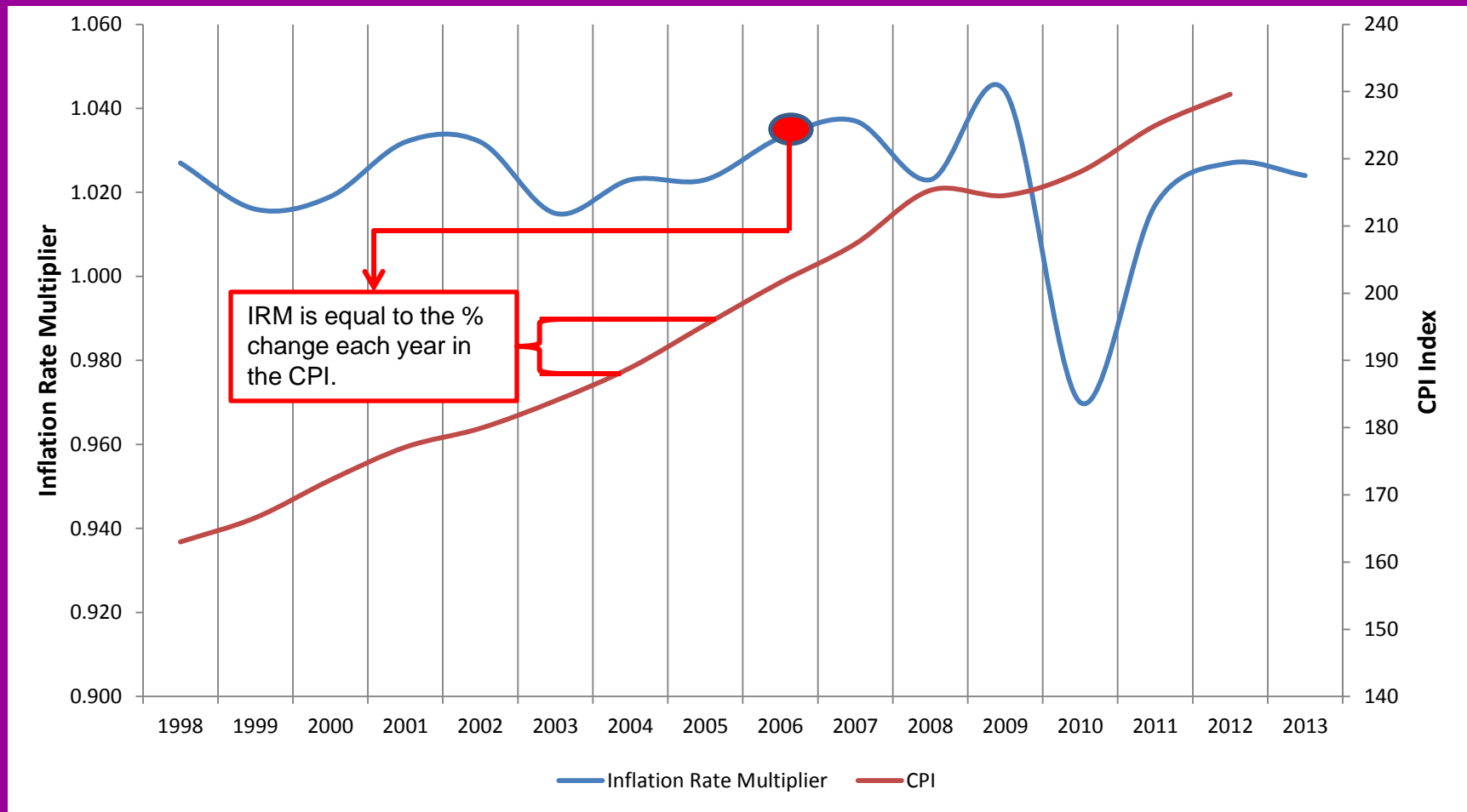
Implications

- Less interest income
- Less money for capital improvement

Consumer Price Index



Impact of CPI on IRM



Primary Indicators



Primary

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

Additional 2010 Impacts

Down - Level

Good Sales, Price Stable

Positive Impact

New- Flat, Renovations up

Down, some expiring

Projected flat



Secondary Indicators



Primary

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

Trend

Stable

Flat

Stable

Improved



Summary



Market Conditions

Stability from 2011 to 2012

Property tax revenue loss in 2013 better than budgeted

Recovery is improving quicker than previously forecasted

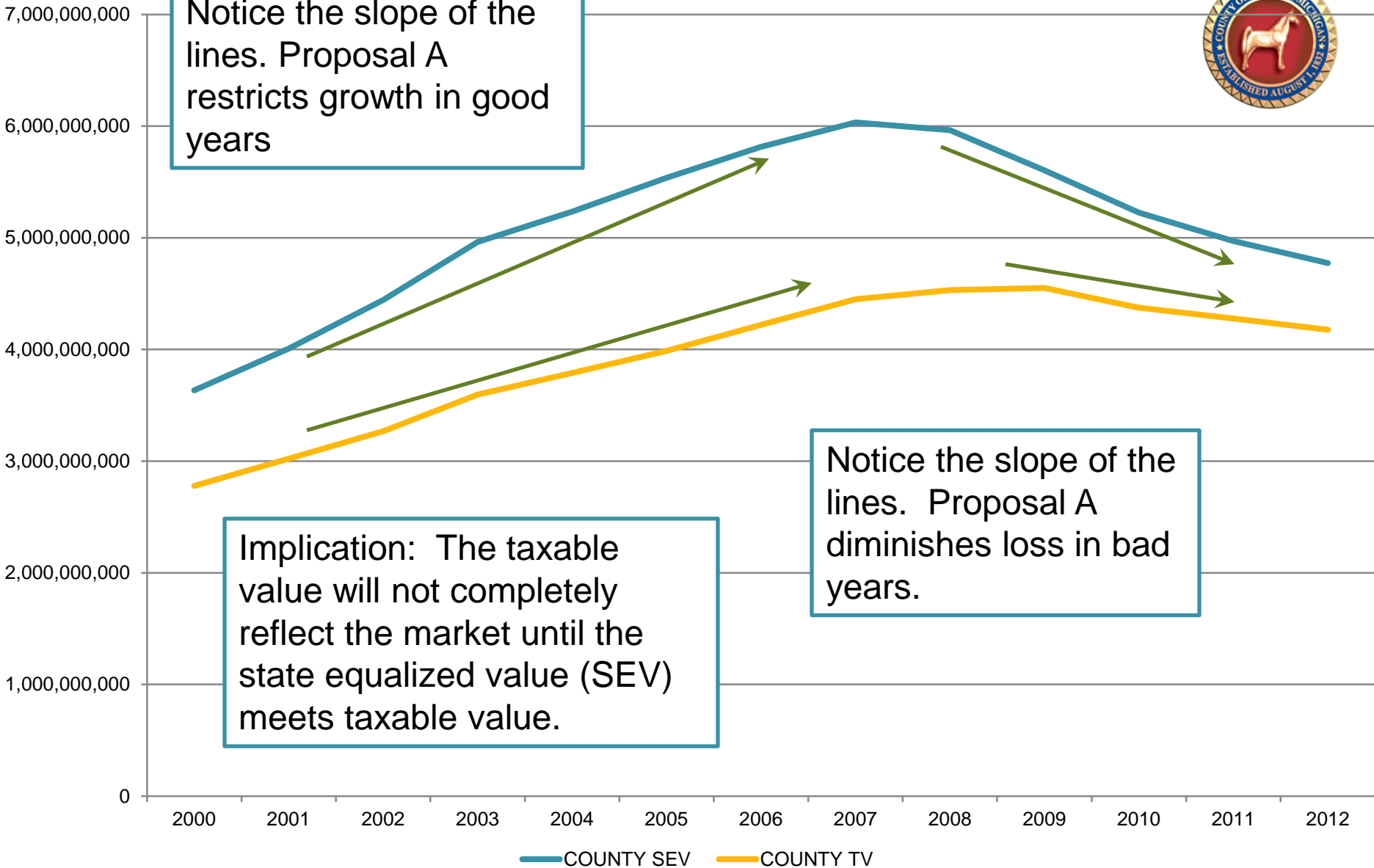
National economic indicators are improving



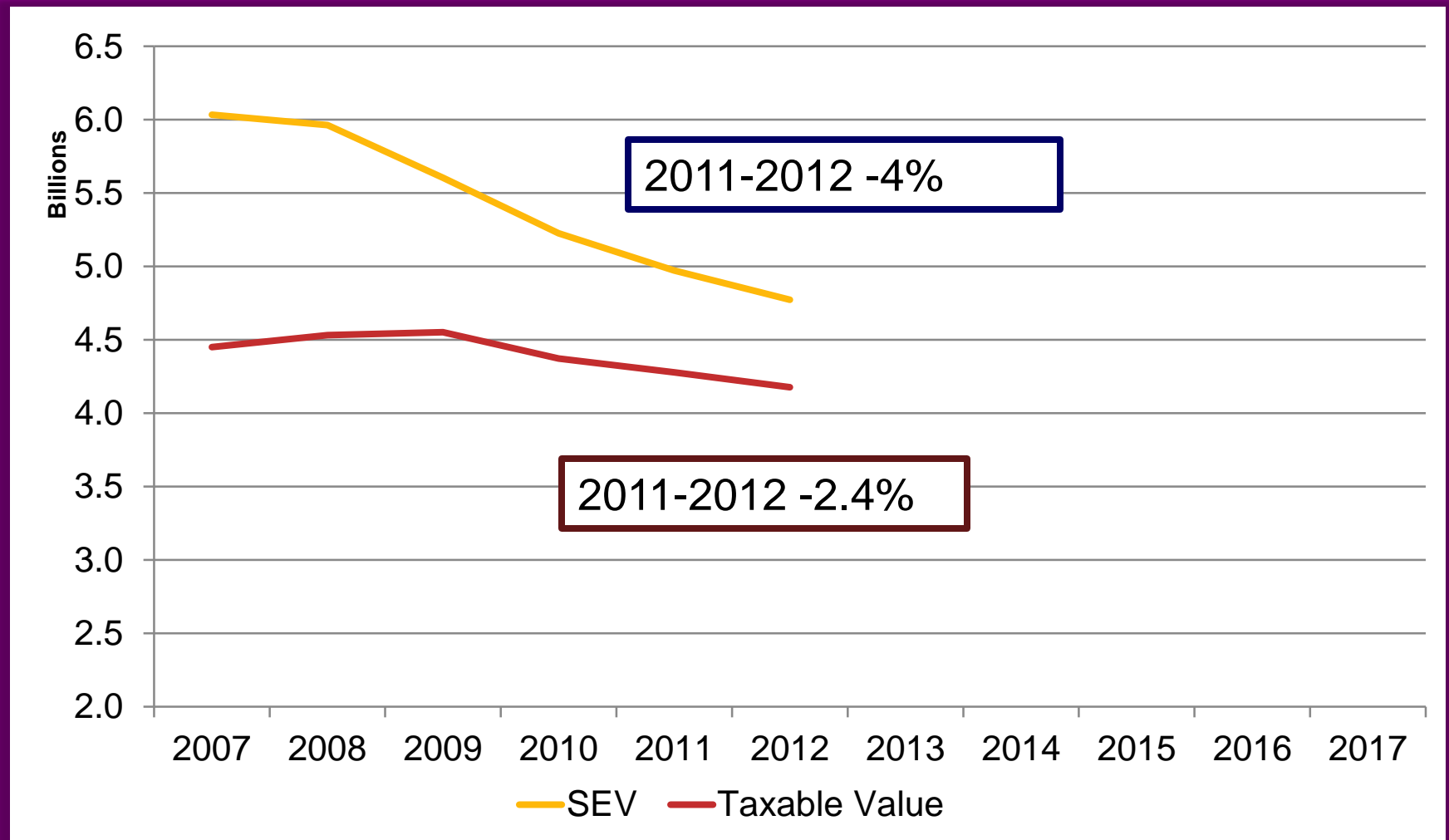
Notice the slope of the lines. Proposal A restricts growth in good years

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.

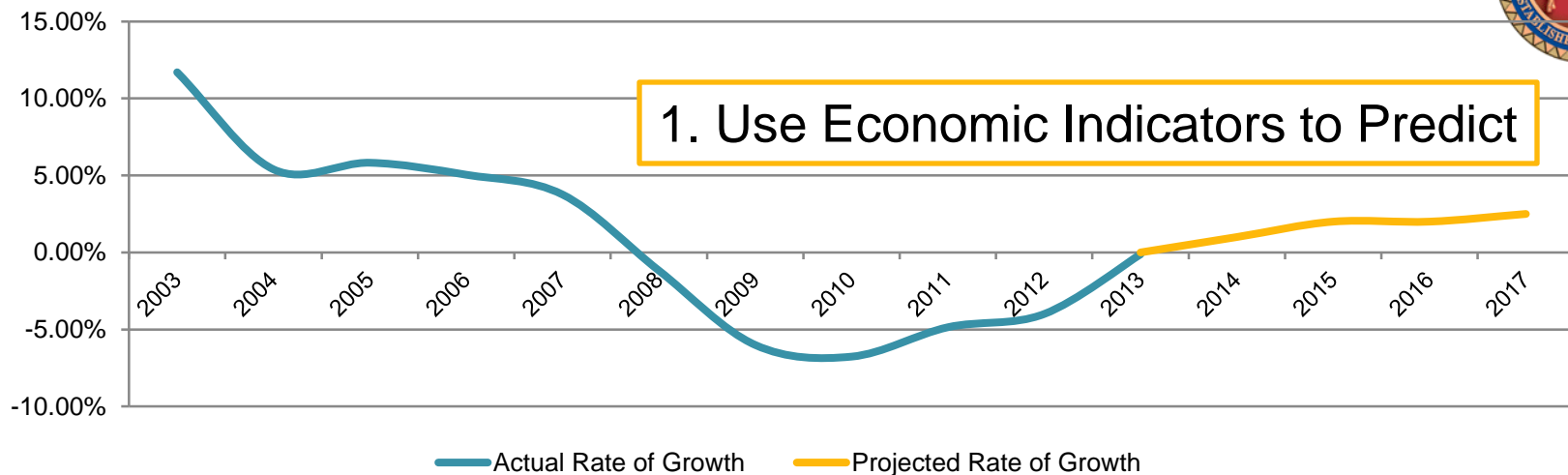


Assessed vs. Taxable

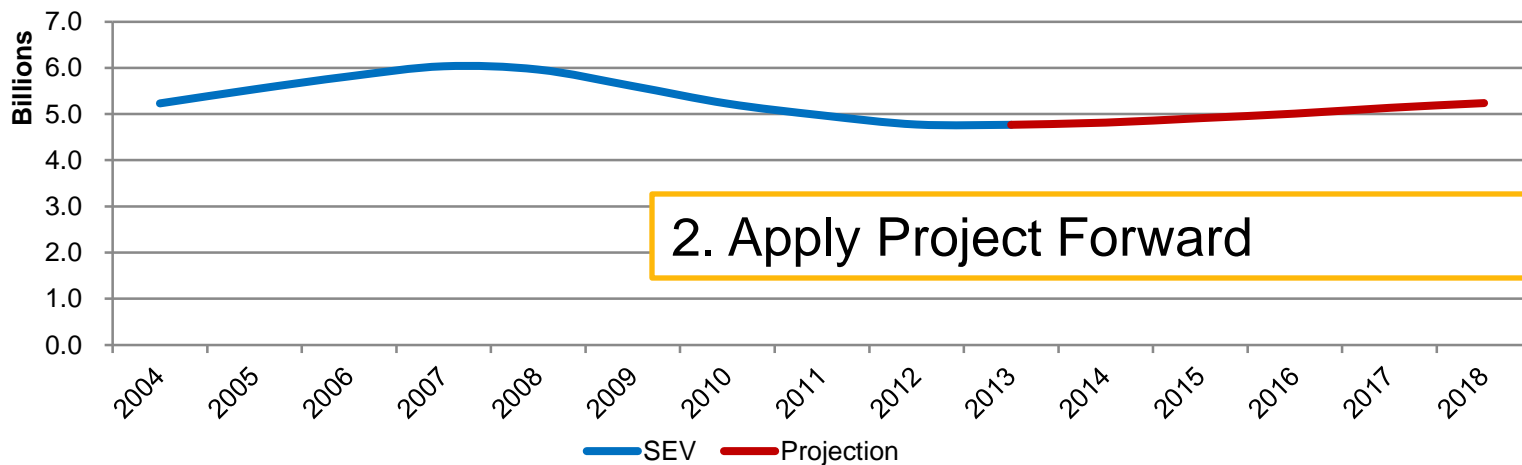




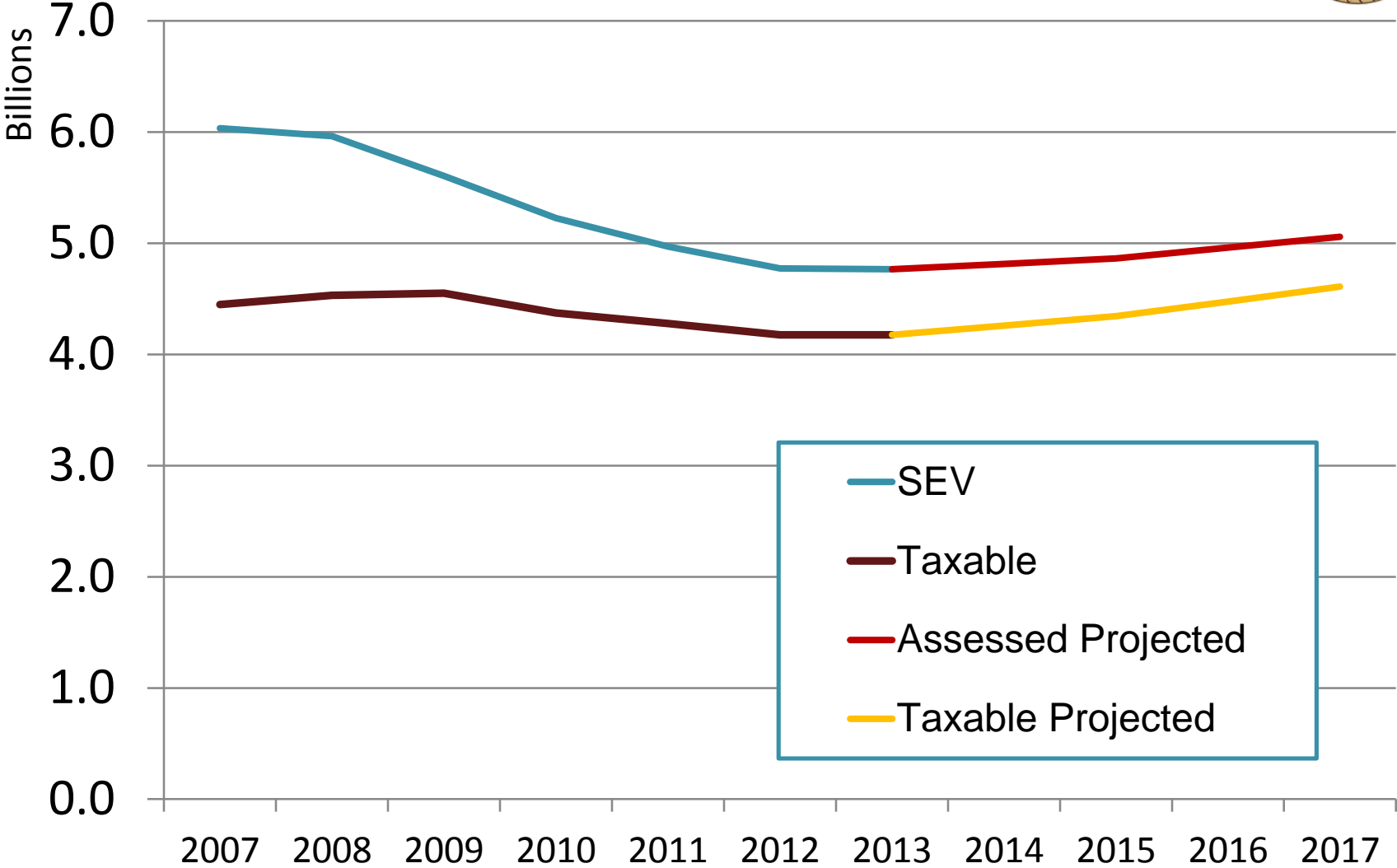
% Change in SEV



SEV



Assessed vs. 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
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Projected Tax Revenue	\$21,390,887
Increase from RenZone Expiration	\$143,175
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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)



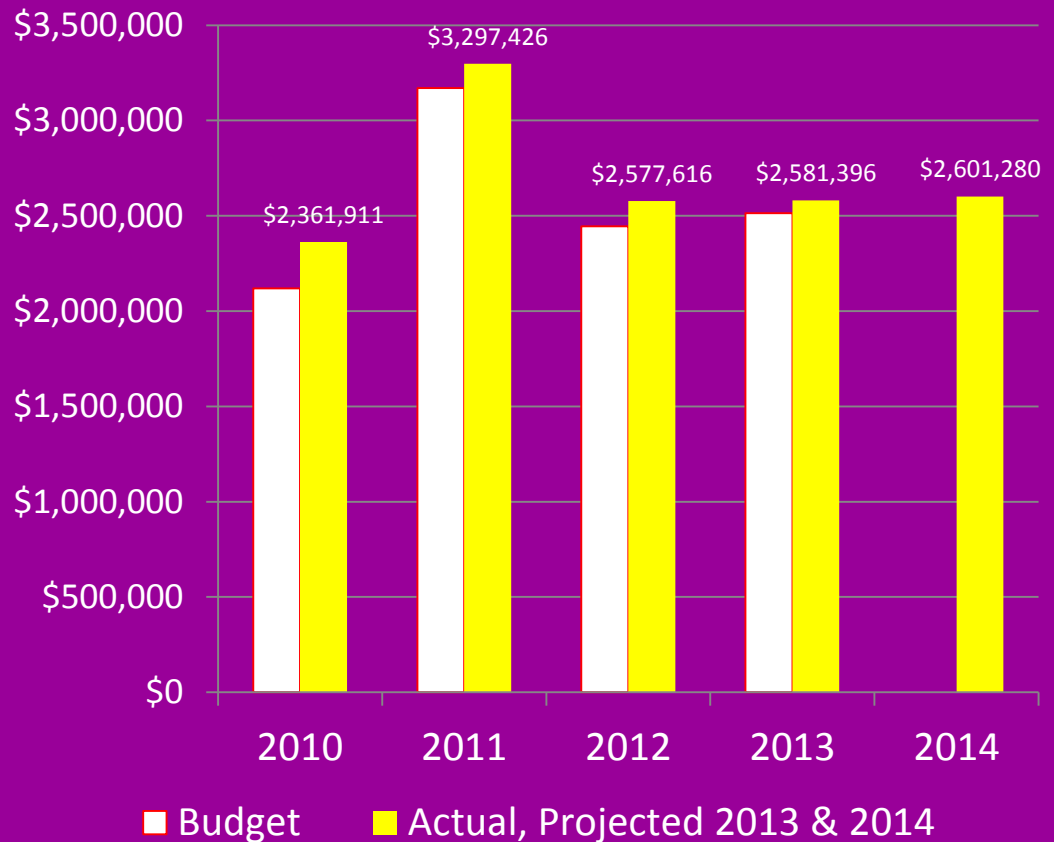
Revenue Sharing



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 need to be thinking about a long term strategy for increasing the pre-funding of OPEB

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

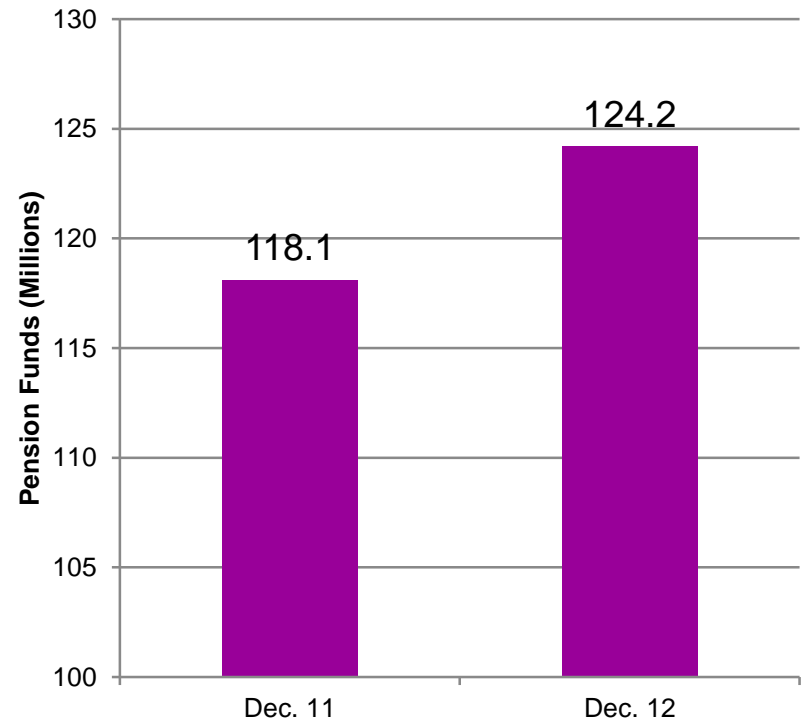


Smoothing

- 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

