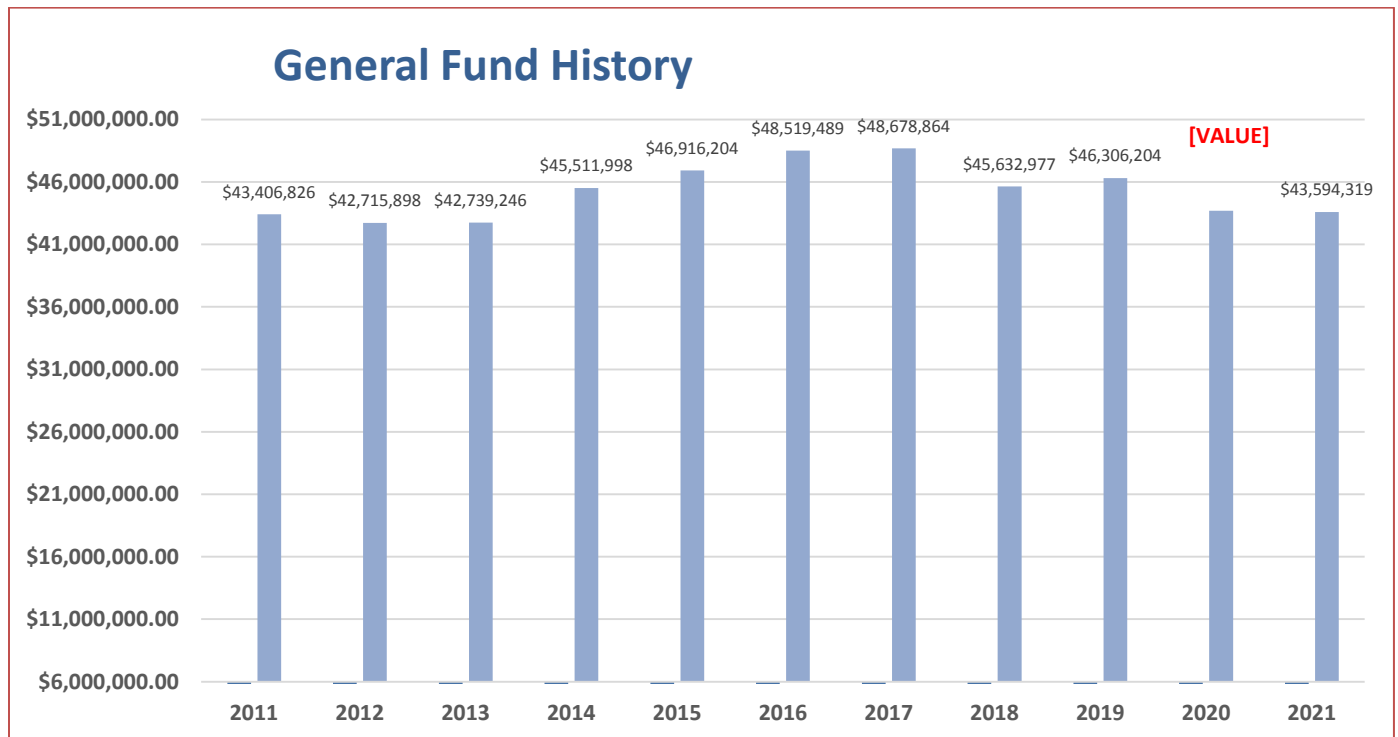


General Fund Budget History

The following graph shows an 11-year history of the general fund budget for Jackson County. The recommended budget for Fiscal Year 2020 is \$43,695,240 which constitutes a 5.6% decrease from the amended 2019 Budget. Starting in 2020, Department on Aging, Animal Shelter and Control budgets have been moved to their own respective funds which explains the decrease in the fund balance from 2019 to 2020.



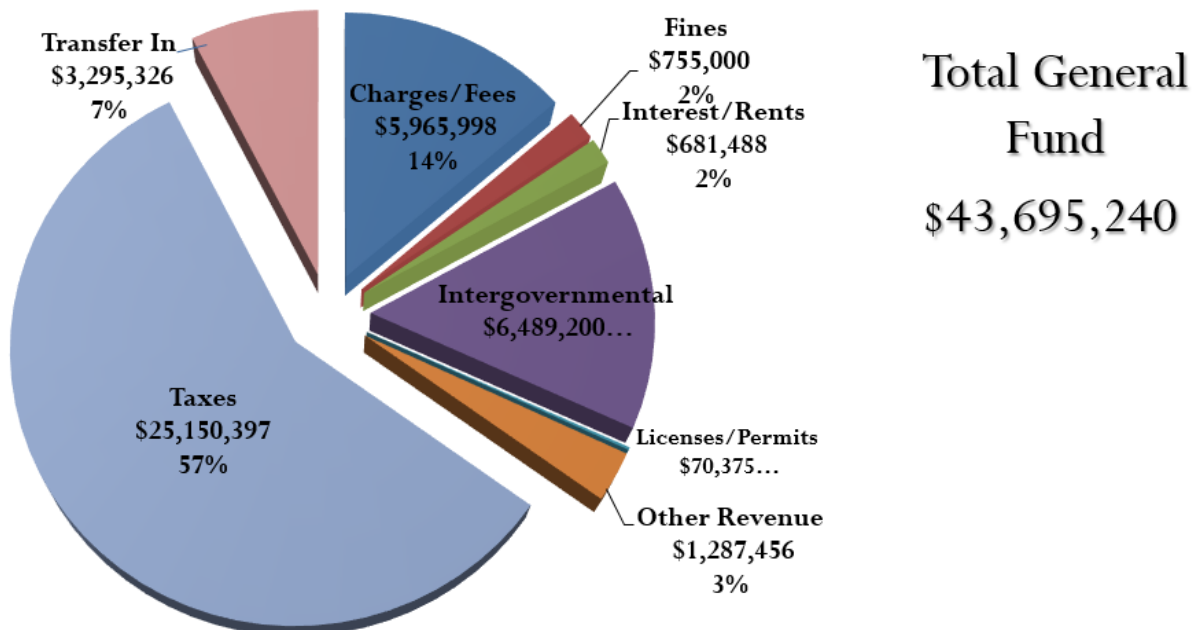
The county continues to maintain a strong fund balance consistent with the guidelines established by the Board of Commissioners. Board policy defines the fund balance as the percent of the annual audited expenditures and transfers out of the previous fiscal year that is undesignated and unreserved. The projected fund balance at the end of 2020 is 19.1%, which is within the Board's policy of a fund balance between 18% and 24%. A strong fund balance is appropriate for two reasons. First, property taxes for the current fiscal year are not collected by the county until several months after the fiscal year starts. Consequently, a high fund balance ensures adequate cash flow. Second,

a strong fund balance helps the county respond to a rapidly changing economic environment. The county maintains a strong bond rating of AA- with a stable outlook from Standards and Poor and an Aa3 with Moody's investor service.

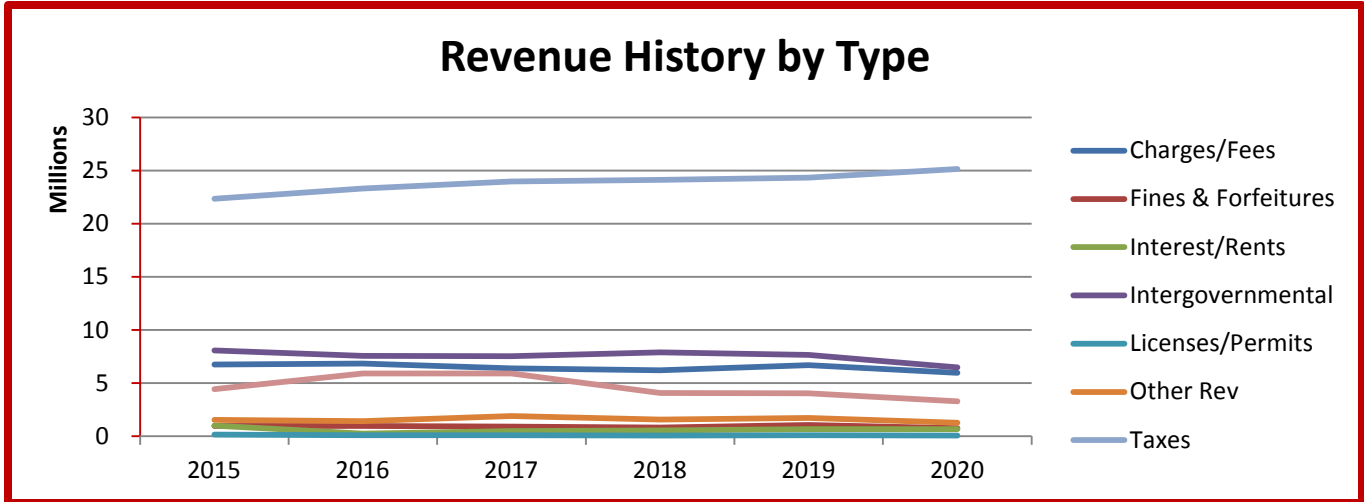
Revenues

As can be seen below, Jackson County is primarily reliant on real and personal property taxes for over half of its revenue. As such, the county budget is extremely vulnerable to market real estate fluctuations. The 2020 budget has an increase of 2.5% in Property taxes.

2020 Revenues



The following chart shows a 6-year history of revenues by the type of revenue. The most significant losses of revenue prior to 2013 have been in taxes, which is the largest source of revenue as previously discussed.



Property Tax

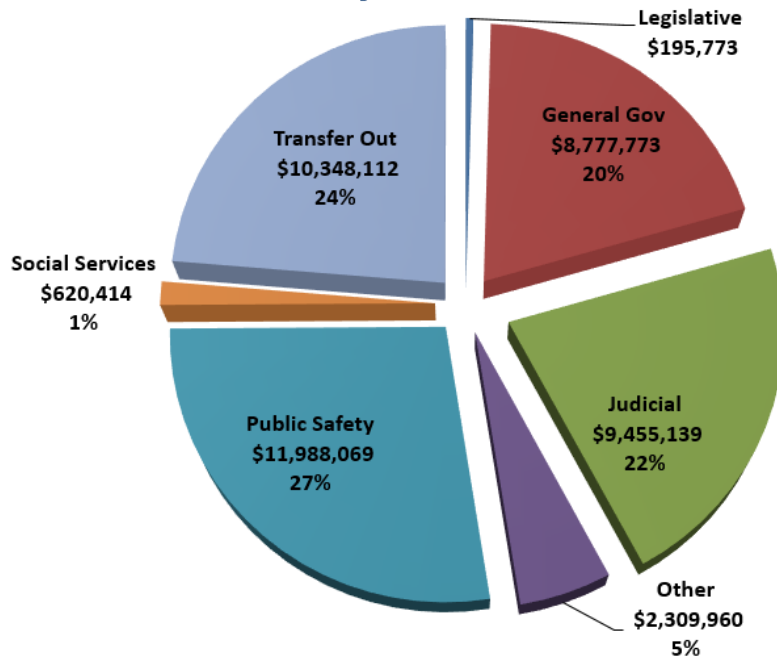
The County uses a Revenue Committee to estimate the largest revenue source, property tax. Members of the Revenue Committee are the County Administrator/Controller, Finance Director, Treasurer, Deputy Treasurer, Equalization Director, Deputy Equalization Director, Clerk/Register of Deeds, and Deputy Register of Deeds. The revenue committee analyzes statistical data, public and private economic outlook reports, and feedback from community and business partners.

The taxable values for FY 2019 increased by 4.08%, but according to The Headlee Amendment of 1978, the increase is limited to the lesser of Consumer Price index or 5.00% unless the property is sold or there is any new construction. The Consumer Price Index is around 1.9% and there is new construction in Jackson County. Taken into account the estimated Consumer Price Index of 1.9% and the new construction, the recommended increase for the budget for 2020 is 2.5% for property taxes.

Expenditures

The adjacent chart shows 2020 budget expense by group. Groups are defined by the State of Michigan and are defined in more detail below the graph. Public Safety, which primarily includes law enforcement, consumes 27% of the budgeted expenses. Judicial services are the next largest component of the budget at 22%, which includes the circuit and district court programs.

2020 Expenditures by Group



Total General Fund
\$43,695,240

Expenditure Groups

Public Safety - Sheriff, Road Patrol, Lawnet, Marine Law Enforcement, County Jail, Chanter Road Jail, Community Corrections, Emergency Management, Truancy Grant

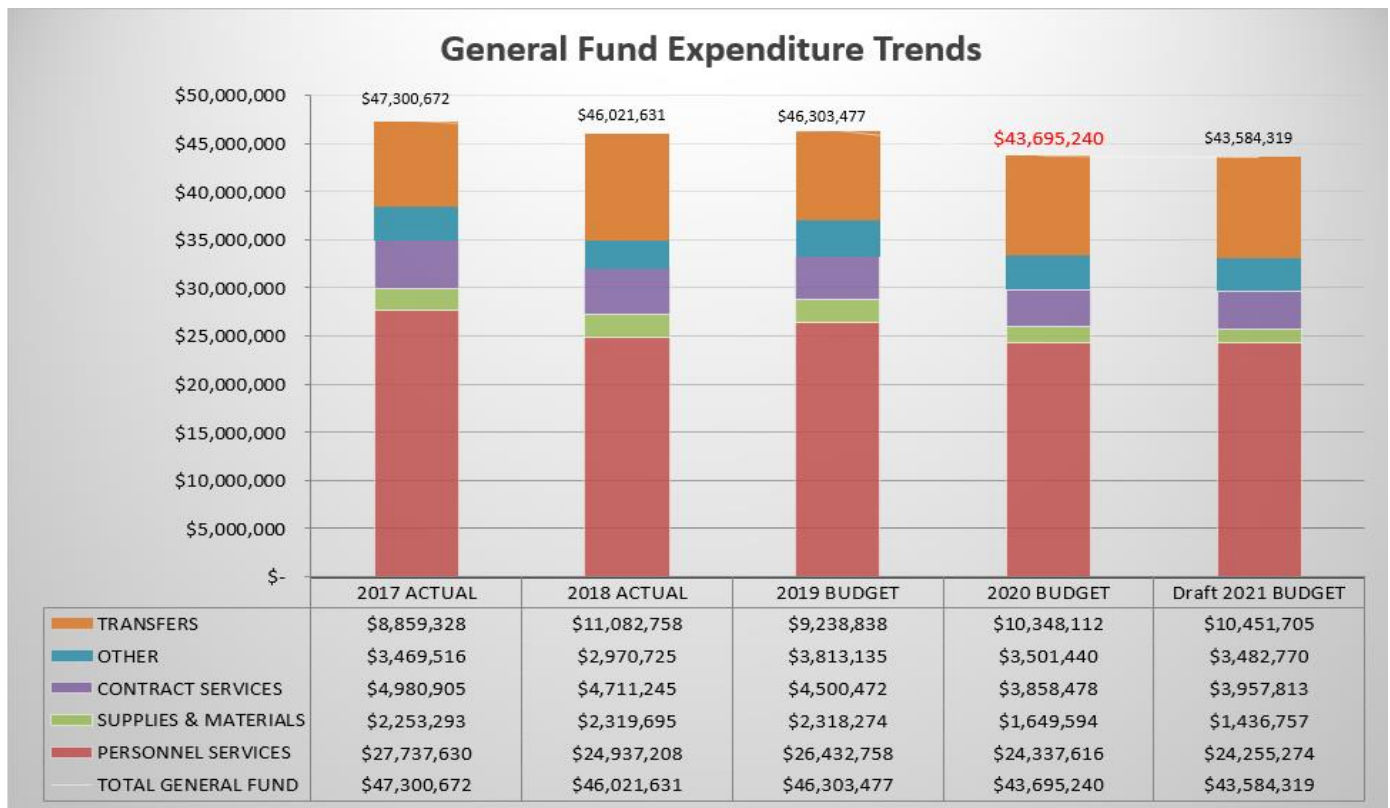
General Government - Public Elections, Administrator/ Controller, Clerk, GIS, Administrative Services, Equalization, Register of Deeds, Remonumentation, Treasurer, MSU Extension, Information Technology, Maintenance, Fleet, Drain Commissioner

Judicial - Circuit Court, Jury Commission, 12th District Court, Circuit Court Probation, Prosecuting Attorney, Public Defender, Prosecuting Attorney Family Division, Prosecuting Attorney Victims Rights, District Court Intensive Probation

Legislative - Board of Commissioners

Social Services - Abstinence Program, Medical Examiner, Veterans Burial, Veterans Affairs

Expenses can also be viewed, as shown below, by category. The personnel costs category accounts for the largest portion of the county budget. Jackson County negotiates wages and benefits with ten collective bargaining units. Non-union employee wages and benefits are set by the Board of Commissioners. The 2020 budget anticipates a 2% market adjustment for union and 3% non-union employees.





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