



Cass County Commission

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2011 Budget Information

President John Quincy Adams once said, "Facts are stubborn things; and whatever may be our wishes, our inclinations, or the dictates of our passions, they cannot alter the state of facts and evidence." The fact is that the budget process for the 2011 budget has been difficult. Procedures and budget deadlines in state statute were missed. The Cass County Commission, as a whole, accepts responsibility for the outcome. No one person is at fault... but as a cooperative body, we realize there were breakdowns in communication. The proposed 2011 budget seeks to address those procedural breakdowns and improve communication among office holders and citizens.

The facts are clear. In both 2009 and 2010 Cass County used reserves and money provided to the County in the Aquila settlement to avoid reductions. Further, revenue projections across the state continue to falter. At the end of 2010, officials noted that we not only needed to use reserves, but also borrow from the 911 Reserve Fund to meet expenditures and address some up-front costs to the Cass County Broadband Project because there was a delay in releasing USDA grant dollars to the county. These transfers were made to insure services would move forward, allow the county to move forward on the federal-broadband project, and allowed us to move forward on road projects.

The unanimous goal of the current County Commission is to maintain a balanced budget for 2011. Because we used reserves to complete the 2010 budget, we do not have one-time monies to maintain our current level of staffing. Thus, we had to make reductions in the 2011 budget and prioritize our services. Our resolve is clear... we will live with what the voters have given us and we will not raise taxes to balance the 2011 budget.

Toward the end of 2010, Cass County officials knew the 2011 budget would be tight, increased revenues in sales tax and decreased revenues in the use-tax made it difficult to completely map out exactly where we might end the year. Hopes of using reserves to complete 2010 were discussed. Discussion of using a loan from the 911 Reserve Fund was also discussed. Admittedly, protocols and procedures were not followed as they should have been. However, the Cass County Treasurer can account for every dollar that was spent and what reserves were used to meet 2010 expenditure obligations.

On January 3, the new Presiding Commissioner took office but was prohibited from acting as such by Judge Cook in the same day. This effectively left Cass County without a Presiding Commissioner. On January 14 the previous Presiding Commissioner and budget officer submitted a budget recommendation to the Cass County Clerk and Cass County Commission. However, the new auditor noted that the budget document recommended did not contain the proper information as required in state statute.

On January 18 the Cass County Commission voted to name the District 2 Associate Commissioner as the temporary budget officer. The Cass County Commission took the January 14 budget document and noted that it needed to be redrafted correctly. Thus, the temporary budget officer began working with the Cass County Treasurer to review the

budget recommendations. After a great deal of work checking actual spending and work reviewing department budgets, the Cass County Treasurer and the temporary budget officer have created a budget document that includes the actual spending numbers of 2009, 2010, the budget recommendations by the previous budget officer, and the final budget recommendations of the temporary budget officer. Included with this document is this narrative that will explain the key points and policy of the 2011 Cass County Budget.

The temporary budget officer would like to thank the previous budget officer and Presiding Commissioner for his work and help throughout this process and further thank each office holder and department head for their work in providing input on how to balance the 2011 budget. Also, the temporary budget officer would like to thank the Cass County Treasurer for keeping an outstanding account of how our dollars are spent and working with the temporary budget officer to create a sound budget for 2011.

Cass County has prepared a budget that is balanced, provides quality services, and focuses on county government living within its means. We hope that citizens and officials will find this information helpful and useful.

BUDGET INFORMATION

The total Cass County budget, including all funds and projects is \$81 million. However, please note that this includes the Cass County Broadband Project as \$25 million, \$10 million in bonds approved by the voters for Road & Bridge improvements, and \$2 million in a Training for Tomorrow Grant. If you remove these funds the Cass County Budget is nearly flat-lined from the previous year.

Amidst trying times, Cass County is seeing great things happen. As President Ronald Reagan said, "Double, no triple, our troubles and we'd still be better off than any other people on earth. It is time that we recognized that ours was, in truth, a noble cause."

The Cass County Broadband project is moving forward and a general contractor has been selected. The United States Department of Agriculture is releasing funds to allow the construction of this project to move forward and we will be able to reach 90% of Cass County with a fiber-optic network that will provide high-speed internet services to businesses and residents. This infrastructure improvement will be a boost to our communities.

In 2010 voters approved Cass County to obtain \$34 million in road bonds. Cass County chose to issue those bonds in segments. In 2010 Cass County issued \$10 million. In January 2011 Cass County issued another \$10 million in bonds for further road improvements and work. Cass County is firmly committed to continued improvements to our road infrastructure. We continue to see positive things happen as we work with cities and MoDOT to improve our road-ways. Further, we are excited that in 2012 Cass County will see 71 Highway upgraded to federal interstate status as I-49.

Last year we saw a 2% increase in sales-tax revenue but our use-tax revenue did not materialize as expected. Combine this with shortfalls in fees and other areas, Cass County Officials took a conservative approach for revenue predictions in 2011. County officials expected a 2% increase in revenues for the 2011 budget. In February 2011 sales tax revenue was up 4.4% year-to-date over last year. While this is good news, we are cautiously optimistic.

The Cass County Commission is setting a policy standard to meet with the Cass County Auditor and the Cass County Treasurer once a month to discuss the budget, review expenditures, and work together to make sure we are living within our means.

The General County Budget, which included the Health Department, WIC, Vital Records, Buildings & Grounds, Planning, County Clerk, County Treasurer's Office, County Auditor's Office, Codes & Zoning, County Recorder's Office, University Extension, County Collector's Office, Medical Examiner, and other services, has a total budget of \$11.6 million.

The Law Enforcement Justice Center Budget includes the County Public Administrator's Office, County Prosecuting Attorney, Juvenile Department, Cass County Sheriff's Office, Circuit Courts, Cass County Circuit Clerk's Office, and other service has a total budget of \$9.7 million.

Public Works (Road & Bridge) including the cities portion of the ¼ cent road & bridge sales tax and federal bridge dollars has a total budget of \$9.2 million. As stated earlier, the county has \$10 million in 2011 road bonds, of which \$6 million will be spent on improvements this year.

Several other budget items like the Sheriff's Revolving Fund, Civil Process Budget, grant awards, the 911 Fund, the 911 Reserve Fund, and Assessor's Fund make up the remainder of the 2011 budget.

Yes, Cass County has had to make some difficult decisions and prioritize services. Yet, amidst these trying times Cass County continues to move forward. County officials are committing to live within their means, work as a cooperative body of leaders, and insure that Cass County is safe, secure, and sound. We will continue to work with citizens and officials to make sure we stand firm on the principles of living within the 2011 budget and look forward to citizen input and ideas.

BUDGET ITEMS OF NOTE

The County Commission used both general revenue reserves and road & bridge reserves to meet expenditures in the 2010 budget. However, there was a need to also borrow from the 911 Reserve Fund to help with the Cass County Broadband Project and to meet General Revenue expenditures. It should be noted that some of these funds are ready to be paid back as soon as the budget is approved. The following is what was borrowed and how it will be repaid:

1. Cass County Broadband Project – The project grant/loan dollars were delayed by the USDA (United States Department of Agriculture) due to technical issues. Thus, Cass County borrowed from the 911 Reserve Fund temporarily to address up-front costs for the project. In January of 2011 the USDA authorized the release of funds and these funds will be used to pay back \$477,087. Some of these funds will be also be paid back by revenue generated from the Cass County Broadband Project.
2. General Revenue Funds – Because we lived on reserves on 2009 and 2010, maintenance costs at the new Justice Center were extremely high, and due to the fact revenues in certain areas of the budget (i.e. Cass County Use Tax) did not materialize as expected, we borrowed from the 911 Reserve Fund to meet expenditures, preserve employees, and ensure services were provided to the end of 2010. The amount borrowed was \$478,808. However, these one-time monies were only a stop-gap. Since revenues did not come in as expected, we had to make the difficult decision in 2011 to eliminate positions in Maintenance Department, Road & Bridge, the Health Department, the Sheriff's Office and the Prosecutor's Office. The reduction in staffing will help us pay back the 911 Reserve Fund in 2011. Please note the following:
 - a. We reduced our Maintenance/Janitorial Staff down to (6) – removing (4) positions.
 - b. We reduced our Road & Bridge in 2010 by (4) full-time positions and (9) part-time positions and reduced it further in January of 2011 removing (2) full-time positions and (1) part-time position.
 - c. We removed the health-department's part-time nurses and have (1) full-time nurse on duty.
 - d. We removed (4) positions in the Sheriff's Office by attrition – in other words, they had four vacant positions that we will not fill in 2011. This recommendation came from the office of the Sheriff.
 - e. We removed (2) positions in the Prosecutor's Office, but moved one of those positions under the Child-Support budget...netting the loss of only (1) job. The Child-Support budget receives some state funding that allowed this move.
 - f. We reduced the LAGERS Pension Benefit (employment pension plan) and saved \$368,000 for 2011.

NOTE: The savings in these reductions and the reduction in the LAGERS benefit will allow us to pay back the 911 Reserve Fund in a timely manner.

3. Road & Bridge and CIA Cities Fund – Public Works (Road & Bridge Department) and the CIA Cities Fund (dollars used to help cities with their road projects) borrowed from the bond debt-service funds to complete road projects. The total borrowed between the two funds was \$531,286. The argument was that due to good weather, crews had the opportunity to get projects completed in 2010. Cuts made to

Road & Bridge will allow us to transfer \$315,000. Along with that, a \$142,000 FEMA Reimbursement, and the \$89,000 currently in the Public Works Reserve Fund will allow the county to pay back the bond debt-service fund.

4. Building Fund – Cass County had a Road & Bridge Building Fund in hopes of upgrading our facilities. This fund contained \$564,000 to help with facility needs. We used this fund with a loan to pay for the NEW Public Works Building at 307th Street. This fund will be paid back by the 2011 Use Tax collections. It is scheduled to be paid off by August of 2011.
5. Restoration Fund – The Cass County Restoration Fund borrowed from General Revenue to complete projects at the Old Courthouse. This will be restored in the 2011 budget through collected court fees.

The reduction to staffing in 2011 is a difficult task to bear. Cass County officials made difficult and heart-felt decisions to reduce staffing but at the same time found ways to minimize the impact. Early numbers in January indicated that we may have to make further reductions, but after the County Treasurer analyzed actual spending and looked at numbers no further staffing cuts were needed. Thus, early thoughts of further reducing the recorder's staff, the sheriff's staff, and other departments were not needed.

Here are some further budget highlights :

DESIGNATED COUNTY BUDGET ITEMS

Funds like the Assessors Fund, the Recorders Fund, and the Collectors Fund are funds protected under state law. Likewise, certain funds in the Sheriff's office are also protected. These funds are solvent and balanced. These designated funds will allow Cass County to continue to provide quality services. Further, it is noted in state law that we cannot give the Assessor's office or the Collector's office less in General Revenue than we did the previous year. We followed state law and insured these funds are balanced.

GENERAL COUNTY ITEMS

The General Revenue Budget is balanced. One area of concern is the General Revenue Reserve Fund. Under state statute we are required to fund this at 3% of our total General Revenue Budget. Cass County found a means of addressing our 3% reserve issue but will continue to improve our reserve funds foundation as we move through 2011.

In 2010, the Cass County Commission approved the refinancing of the Cass County Justice Center. This gave us \$2.2 million that can be used for law-enforcement and justice center capital projects. For example, if a Sheriff's car is totaled, or a storm blows out a window, or an air-conditioning unit goes out, we can use this emergency reserve to address those unexpected situations. However, it should be noted that this \$2.2 million reserve can only be used for law-enforcement or justice center issues. Because this facility presents our largest risk, we are committed to holding this \$2.2 million in reserve for unexpected events that may arise.

In order to create a more broad reserve, the Cass County Commission is committed to increasing our reserve to address other issues that may impact the county or other county facilities. Thus, we are moving forward on the sale count real-estate assets. This includes the property on Jefferson in Harrisonville, the old Sheriff's Office, the Health Department Annex, and the Road & Bridge Buildings in Harrisonville. The proceeds from these sales will go to replenish the General Reserve Fund. Further, the sale of these properties and buildings will further reduce our maintenance and utility costs. As we work on the 2012 budget later on this year, we will work to insure we have a sound reserve that meets state statute. Our goal is to insure we maintain a 3% reserve that we help us address emergencies should they arise.

Another area of notice is maintenance costs for all county buildings. We have reduced our maintenance personnel and are asking elected officials to now keep their own offices clean. Further, our current maintenance will work to keep the halls and bathrooms clean in the Courthouse, Collectors/Assessors Annex, and the Justice Center. Some elected officials will also assist with cleaning their various floors in the Old Courthouse.

As we mentioned, the LAGERS Pension Benefit was reduced to help balance the budget. We continue to provide a health-care plan to employees and did not reduce salaries. It should be noted that the move to reduce the LAGERS Pension Benefit is a temporary move and that the Cass County Commission will move to increase this in future budgets as revenues improve.

LAW ENFORCEMENT & JUSTICE CENTER

Utility and maintenance costs continue to plague the Justice Center. Cass County took steps to install the Tri-Gen Energy System in 2010 to help create more energy efficiency for the building. The budget takes into account this savings.

Law Enforcement is a major priority in Cass County. Cass County officials worked diligently with the Cass County Prosecutor and Cass County Sheriff to minimize reductions. We want to thank their offices for working with the Commission. While we did see budget reductions in these two offices, we are prioritizing any future improvements in revenue to restore positions to these offices and insure that Cass County remains safe and secure.

BUDGET PROCESS

As we move through 2011 the Cass County officials are paying close attention to important issues that have been brought to the forefront and deserve attention. Upon adopting the 2011 Cass County Budget, the Cass County Commission will hold monthly meetings with the Cass County Treasurer and Cass County Auditor to review revenues, expenditures, and budget items.

Further, the Cass County Auditor has assured the Cass County Commission he will provide each Commissioner with a monthly budget report in order to review budget items throughout 2011. Plus, he has committed to inform the Cass County Commission when he cannot certify an expenditure due to a lack of funds. We appreciate his work to keep us informed.

The Cass County Treasurer is also committed to assisting the Cass County Commission. His office tracks revenues and he has committed to insuring that the Commission is kept informed as to what level revenues are being collected so that we can make informed decisions as we proceed throughout 2011.

Changes to the 2011 budget will go through a public hearing process and citizens will be kept informed if changes are being considered or made. The County Commission will vote on such changes and will include other county elected officials in any discussions regarding budget amendments or changes.

SPECIAL THANKS

We would like to say thank you to our Cass County Treasurer and his staff for working diligently with the temporary budget officer to present a budget document that shows actual spending and how the county budget works. He went above and beyond the call to ensure that we were provided with the correct information.

We would also like to thank every county office-holder for their work with the budget process. We appreciate the team-work and cooperation that was shown to seek efficiency in our services and balance our 2011 budget. We appreciate their willingness to work with both citizens, department heads, and officials to find solutions that will move Cass County forward in 2011.

CLOSING THOUGHTS

President John Quincy Adams was right. Facts are stubborn things. Whatever may be our wishes, our inclinations, or the dictates of our passions, they cannot alter the state of facts. Yet, amidst difficult times we have worked to maintain services, improve the quality of our roads, support law enforcement, improve our infrastructure, and strive for efficiency.

The 2011 budget process has been difficult, educational, and positive. We grieve over the difficult decisions we have had to make. We appreciate the fact that it has given us the opportunity to educate and improve transparency. It has

produced more citizens' involvement, which is always positive. We may agree and disagree in many regards, but we are still a great county.

We believe that a bright future lies ahead...and look forward to setting sights on the horizon. Ever forward and ever upward! We would the citizens of Cass County to remember the words of President Abraham Lincoln: "We are not enemies, but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection. The mystic chords of memory...will yet swell the chorus of the Union, when again touched, as surely they will be, by the better angels of our nature."