

# Fiscal Year 2016/2017

Roane County Budget



# Agenda

- Fiscal Year 2016/2017 BUDGET
  - No tax increase
  - No raise for county employees
  - raise for non-certified school employees and certified employees. Additional increase to the table for 20-25 years of service.

# Laws & Policies – Operational Laws

- Roane County, Tennessee operates under the County Budgeting Law of 1957, County Purchasing Law of 1957 and County Fiscal Procedure Law of 1957. These financial acts were adopted at the March, 1973 Roane County Quarterly Court meeting as agenda items #8, #9 and #10 respectively, and were amended at the June, 1973 meeting with resolution #14. The Roane County Board of Education has not been officially approved for inclusion into the 1957 Act; however, they operate as included except for their payroll function. The school purchasing is handled under the Roane County Private Act of 1933 which makes the County Executive the Purchasing Agent.

# Laws & Policies - Financial Policies

- Resolution 04-11-32 established the Fund Balance Policy and Resolution 07-12-07 revised the policy; in addition, the School Board Policy 4.38 sets forth their requirements. For Fiscal Year 2017 the County Budget is: not in compliance with our fund balance policy in the General Purpose School Fund (141) which has lower than required fund balance. The General Purpose School Fund (141) is attempting to add to fund balance slowly over several years to get to the optimum level.
- Resolution 03-11-22 established the Capital Projects Policy.
- Resolution 03-11-23 established the Debt Management Policy and Resolution 07-12-08 revised the Policy.
- Resolution 01-13-06 established the Donation Acceptance Policy for State and Federal Personal Property.
- Resolution 01-13-07 established the Vehicle Procurement Policy.
- Resolution 07-13-10 section #3 established the Donation Acceptance Policy for Non State or Federal donations.
- Roane County's Spending Prioritization Policy is as follows; for the General Fund funds will be spent in the following order; restricted, committed, assigned and finally unassigned. For all special revenue funds, debt funds, capital project funds, trust and agency funds, funds will be spent in the following order, unassigned, assigned, committed and finally restricted.
- Resolution 04-16-05 stating the policy on investment in existing Industrial Park property improvements

# FY 16/17 Budget Overview

- Operating Funds Revenue: \$94,733,330
- Operating Funds Expenditure: \$96,739,523
- 24 Active Funds:
  - 7 General Government
  - 1 Highway
  - 5 Schools
  - 3 Debt
  - 3 Capital
  - 1 Wastewater Enterprise
  - 2 Internal Service Funds
  - 2 Agency Funds

# Value of the Penny

- Property Tax is measured in pennies levied

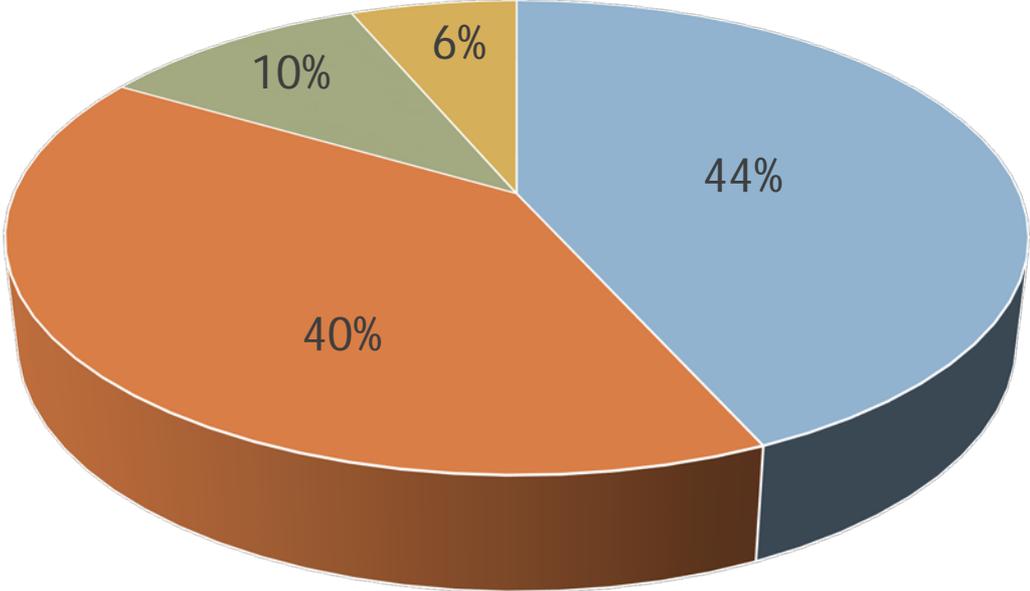
		FY16	Est. FY17
Rural	Paid by property owners outside of all cities	\$68,000	\$69,000
Rural School	Paid by property owners outside of all cities plus Kingston, OS, & Rockwood	\$92,000	\$94,000
Education Debt	Paid by property owners outside of all cities plus Kings, OS, Rockwood, & Harriman	\$103,000	\$105,000
Countywide	Paid all property owners in Roane County	\$118,000	\$118,000

# Local Option Sales Tax

- ½ to education, ½ to situs (location it was collected)
- Current local option sales tax rate is 2.5% of 2.75% maximum

	FY15 actual	FY 16 estimate	FY17 budget
141/144	6,609,817	7,400,000	7,250,000
101/111/116	761,054	820,000	820,000

# Revenue Sources for Operating Funds (101-156)



■ Local    ■ State    ■ Other    ■ Federal

# 101 General Fund

- Mainly operation of the Courthouse, Health Department, Sheriff's Department and Jail
- Revenues come from: Property Tax, Fees, TVA
- Expenditures are: Salaries & Benefits, Operational expenses

# 101 General Fund

			Proposed	
	2016 Tax Rate:	<u>69.5</u>	2017 Tax Rate:	<u>69.5</u>
7/1/2016	Beginning FB	6,776,533	Penny Value:	<u>118,000</u>
	Est. Revenues	16,868,795	Property Tax:	<u>8,201,000</u>
	Est. Expenditures	<u>(17,586,416)</u>		
	Transfer to Capital	<u>(119,000)</u>		
6/30/2017	Budget ending FB	<u>5,939,912</u>	Budget effect on FB	<u>( 836,621)</u>
	Fall Out (5%)	<u>879,321</u>		
6/30/2017	Est. ending FB	<u>6,819,233</u>	Estimated effect on FB	<u>42,700</u>
	FB % of expenditures	42%		
	FB Policy 35%-45%:	Compliant		



# 101 – General Fund Revenues

Estimated Revenues		
Local Taxes	10,588,350	62.9%
State of Tennessee	2,325,178	13.8%
Federal Government	147,967	0.9%
Other Sources	<u>3,777,300</u>	22.4%
TOTAL	16,838,795	

# General Fund Expenditures by Major Function

General Government	3,025,246	17.1%
Finance	2,287,205	12.9%
Administration of Justice	2,350,915	13.3%
Public Safety	7,212,402	40.7%
Public Health & Welfare	907,122	5.1%
Social, Cultural & Recreation	504,172	2.8%
Ag & Natural Resource	142,693	0.8%
Other Operations	1,156,661	6.5%
Transfer to Capital	<u>119,000</u>	0.7%
Total	17,705,416	

# 116 Solid Waste Fund

- Operation of all 12 Convenience Centers
  - Open 7:30am - 5:30pm Mon, Tues, Thurs, Fri, Sat
  - Located all over the county
  - For use by residents outside of the cities
  - Most have recycling boxes available
- Revenue: Rural Sales Tax and TVA Revenue Sharing
  - Sales Tax collected outside of the cities
- Expenditures: Largest items are Salaries and Disposal Fees
  - Most employees are part time

# 116 Solid Waste Fund Summary

			Proposed	
7/1/2016	Beginning Fund Balance	586,794		
	Estimated Revenues	908,000		
	Estimated Expenditures	<u>(894,651)</u>	Sales Tax:	<u>660,000</u>
	Transfer to Capital	<u>(140,000)</u>		
6/30/2017	Budget ending FB	<u>460,413</u>	Budget effect on FB	<u>(126,651)</u>
	Fall Out (10%)	<u>89,465</u>		
6/30/2017	Est. ending FB	<u>549,608</u>	Estimated effect on FB	<u>(37,186)</u>
	FB % of expenditures	53%		
	FB Policy 10%-100%+:	Compliant		

# 118 Ambulance Fund

- Operation of 4 Countywide Ambulances
  - Ambulances are 24/7
  - There are 3 24 hour shifts of employees
- Revenues: Patient Charges and Property Tax
  - Patient charges are collected by a 3<sup>rd</sup> party billing company and turned over to the county
- Expenditures:
  - Salaries and Benefits, Vehicle Maintenance, Fuel and Replacement Parts, Medical Supplies

# 118 Ambulance Fund Summary

			Proposed	
	2016 Tax Rate:	<u>2.0</u>	2017 Tax Rate:	<u>2.0</u>
7/1/2016	Beginning Fund Balance	880,288	Penny Value:	<u>118,000</u>
	Estimated Revenues	2,635,600	Property Tax:	<u>236,000</u>
	Estimated Expenditures	<u>(2,566,283)</u>		
6/30/2017	Budget ending FB	<u>949,605</u>	Budget effect on FB	<u>69,317</u>
	Fall Out (5%)	<u>128,314</u>		
6/30/2017	Est. ending FB	<u>1,077,919</u>	Estimated effect on FB	<u>197,631</u>
	FB % of expenditures	42%		
	FB Policy 10%-100%+:	Compliant		

# 121 Fire & Animal Control Fund

- Revenue: Rural Property Tax, Rural Sales Tax, Fees earned by Animal Control
  - Property tax is levied on property outside of all cities
  - Fees come from animal turn ins, contracts with cities for acceptance of animals
- Fire Budget: \$557,535
  - \$245,000 of this budget is to directly benefit the five (5) volunteer fire departments
- Animal Budget: \$308,688

# 121 – Fire and Animal Control

			Proposed	
	2016 Tax Rate:	<u>6.0</u>	2017 Tax Rate:	<u>6.0</u>
7/1/2016	Beginning Fund Balance	434,076	Penny Value:	<u>69,000</u>
	Estimated Revenues	646,800	Property Tax:	<u>414,000</u>
	Estimated Expenditures	<u>(866,223)</u>	Sales Tax:	<u>60,000</u>
6/30/2017	Budget ending FB	<u>214,653</u>	Budget effect on FB	<u>(219,423)</u>
	Fall Out (5%)	<u>43,311</u>		
6/30/2017	Est. ending FB	<u>257,964</u>	Estimated effect on FB	<u>(176,112)</u>
	FB % of expenditures	27%		
	FB Policy 10%-100%+:	Compliant		

# 122 Sheriff's Drug Fund\*

- Fund supporting Sheriff's Dept. drug work
- Revenue: Court Fines, Seizures
- Expenditures: Law Enforcement Supplies, Vehicles

7/1/2016	Beginning Fund Balance	122,022		
	Estimated Revenues	47,700		
	Estimated Expenditures	(153,921)		
6/30/2017	Ending Fund Balance	<u>15,801</u>	Effect on Fund Balance	<u>(106,221)</u>
	FB % of expenditures	10%	FB Policy 10%-100%+:	Compliant

# 123 Recycling Fund

- Operation of the Recycling Center and Landfill Post Closure costs
- Revenues: Property Tax, Fees, Sale of Recycled Materials
  - Property tax is levied countywide
  - Center sells metal, cardboard, paper and plastic
- Expenditures: Salaries, Disposal Fees and Capital

# 123 Recycling Fund Summary

			Proposed	
	2016 Tax Rate:	<u>3.0</u>	2017 Tax Rate:	<u>3.0</u>
7/1/2016	Beginning Fund Balance	380,106	Penny Value:	<u>118,000</u>
	Estimated Revenues	739,500	Property Tax:	<u>354,000</u>
	Estimated Expenditures	<u>(862,436)</u>		
6/30/2017	Budget ending FB	<u>257,170</u>	Budget effect on FB	<u>(122,936)</u>
	Fall Out (5%)	<u>39,622</u>		
6/30/2017	Est. ending FB	<u>296,792</u>	Estimated effect on FB	<u>(83,314)</u>
	FB % of expenditures	34%		
	FB Policy 10%-100%+:	Compliant		

# 131 Highway Fund

- Maintenance of County Roads including mowing roadsides, salting, paving and patching pavement.
- Revenues: Gasoline and Motor Fuel Tax, Property Tax, Sale of Gasoline, State Aid
  - Property tax is levied countywide
  - Highway Department sells gasoline to other government departments
  - State Aid is money from the state to assist with the paving/repaving of roads (% State/% Local)
- Expenditures: Hot Mix (Asphalt), Salaries, Machinery Parts

# 131 Highway Fund Summary

			Proposed	
	2016 Tax Rate:	<u>10</u>	2017 Tax Rate:	<u>10</u>
7/1/2016	Beginning Fund Balance	937,269	Penny Value:	<u>118,000</u>
	Estimated Revenues	4,097,900	Property Tax:	<u>1,180,000</u>
	Estimated Expenditures	(4,351,116)		
	Transfer to Capital/Debt	<u>(319,894)</u>		
6/30/2017	Budget ending FB	<u>364,159</u>	Budget effect on FB	<u>(573,110)</u>
	Fall Out (3%)	<u>134,130</u>		
6/30/2017	Est. ending FB	<u>498,290</u>	Estimated effect on FB	<u>(438,980)</u>
	FB % of expenditures	11%		
	FB Policy 7%-15%+:	Compliant		

# 131 Highway Fund Revenue

Estimated Revenues				
Local Taxes		1,306,500	31.9%	
State of Tennessee		2,731,400	66.7%	
Other Sources		<u>60,000</u>	1.5%	
TOTAL		4,097,900		

# 131 Highway Fund Expenditures

Estimated Expenditures		
Salaries	1,077,159	23.1%
Other Expenses	<u>3,593,851</u>	76.9%
TOTAL	4,671,010	

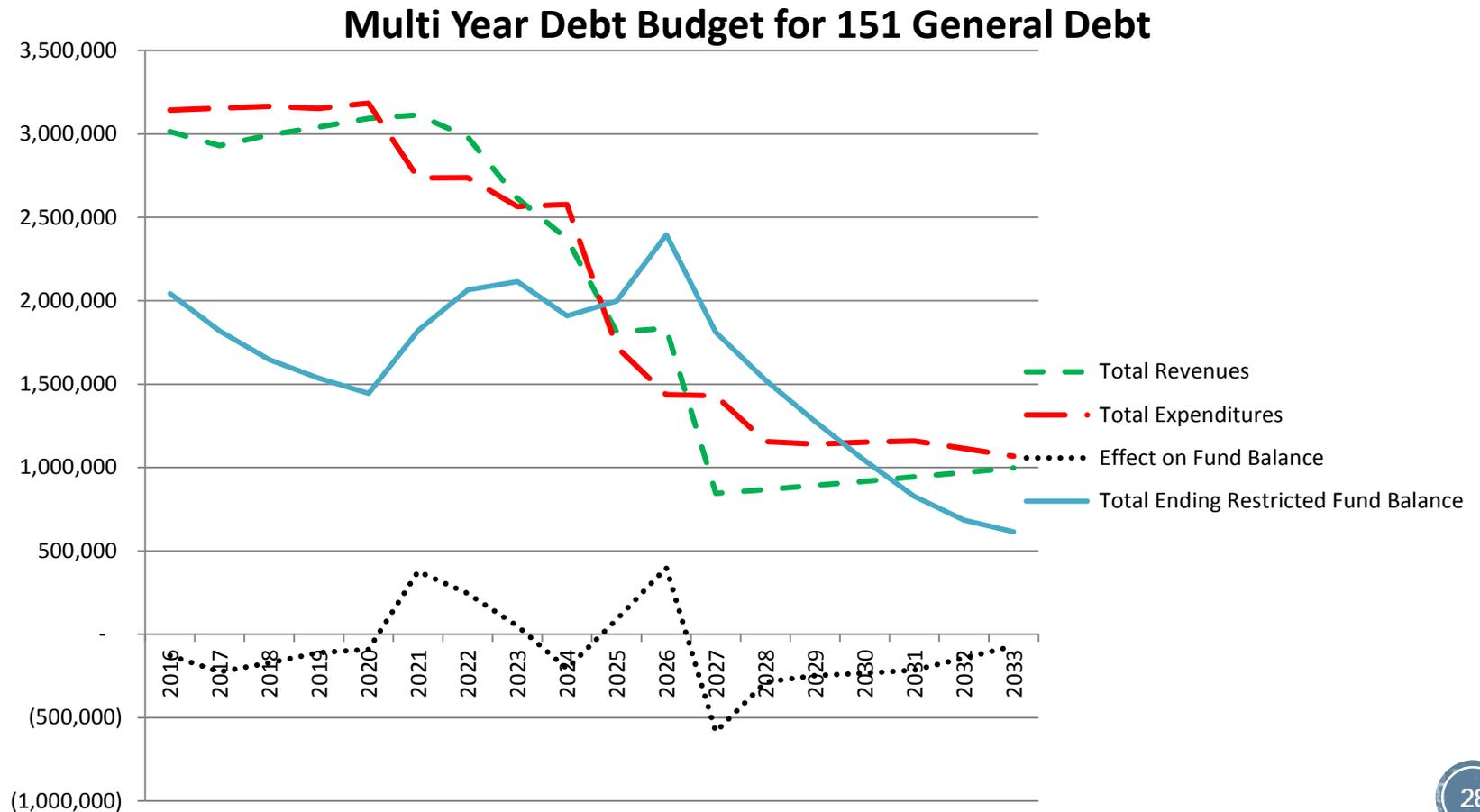
# 151 General Debt Service Fund

- Used to pay general debt obligations of the county including principal and interest
- Revenue: Property Tax, transfers in from operating funds
  - Property Tax is levied countywide
- Expenditures: Principal and Interest on Bonds
  - 2 loans for Plateau Park
  - 3 refunded bonds
    - 1 for the jail (2008)
    - 1 general refunding (2009)
    - 1 for highway, wastewater, misc. (2010)

# 151 – General Debt Fund

			Proposed	
	2016 Tax Rate:	<u>14.5</u>	2017 Tax Rate:	<u>14.5</u>
7/1/2016	Beginning Fund Balance	2,042,132		
	Estimated Revenues	2,930,369	Penny Value:	<u>118,000</u>
	Estimated Expenditures	(3,154,917)	Property Tax:	<u>1,711,000</u>
6/30/2017	Ending fund balance	<u>1,817,584</u>	Effect on FB:	<u>(224,548)</u>
	FB % of expenditures	58%	FB Policy 50%-150%:	Compliant

# 151 – Multi Year Debt Budget Graph



# 152 Rural Debt Service Fund

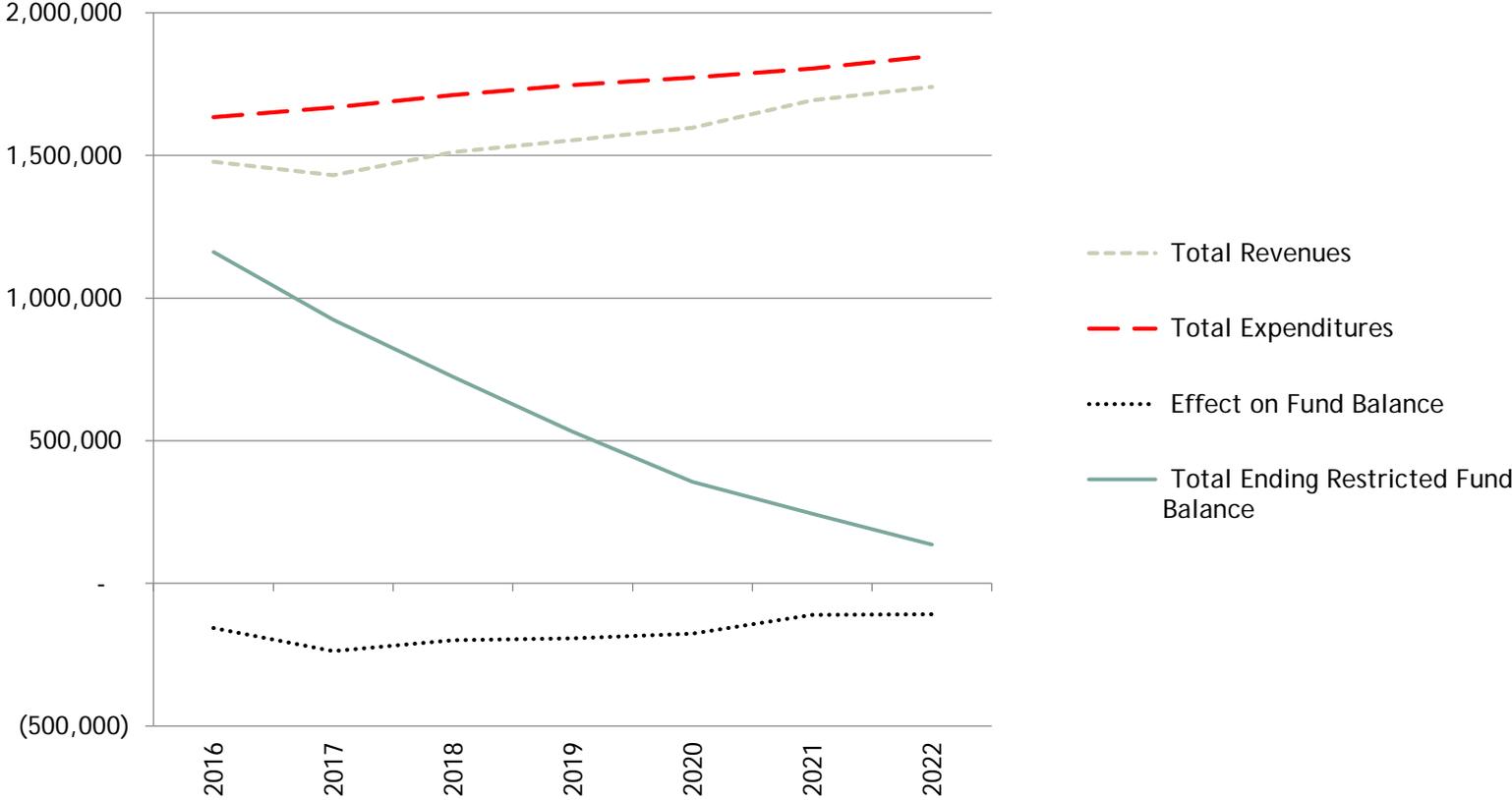
- Used to pay education debt incurred prior to 2002 and the merger of Harriman City Schools
  - No more debt will be issued from this fund
  - Only used until the Harriman City Schools joined the County System
- Revenue: Property Tax (outside of Harriman and OR)
  - Harriman and Oak Ridge did not receive any of the proceeds from the debt that was issued in this fund
  - Property levied countywide except for Harriman and Oak Ridge properties
- Expenditures: Principal and Interest on Bonds
  - 2 bonds
  - Will be paid off in 2022

# 152 – Rural Debt Fund

			Proposed	
	2016 Tax Rate:	<u>14.5</u>	2017 Tax Rate:	<u>14.5</u>
7/1/2016	Beginning Fund Balance	1,161,031		
	Estimated Revenues	1,430,650	Penny Value:	<u>93,000</u>
	Estimated Expenditures	(1,667,958)	Property Tax:	<u>1,348,500</u>
6/30/2017	Ending fund balance	<u>923,723</u>	Effect on Fund Balance:	<u>(237,308)</u>
	FB % of expenditures	55%	FB Policy 50%-150%:	Compliant

# 152 – Multi Year Debt Budget Graph

Multi Year Debt Budget for 152 Rural Education Debt



# 156 Education Debt Service Fund

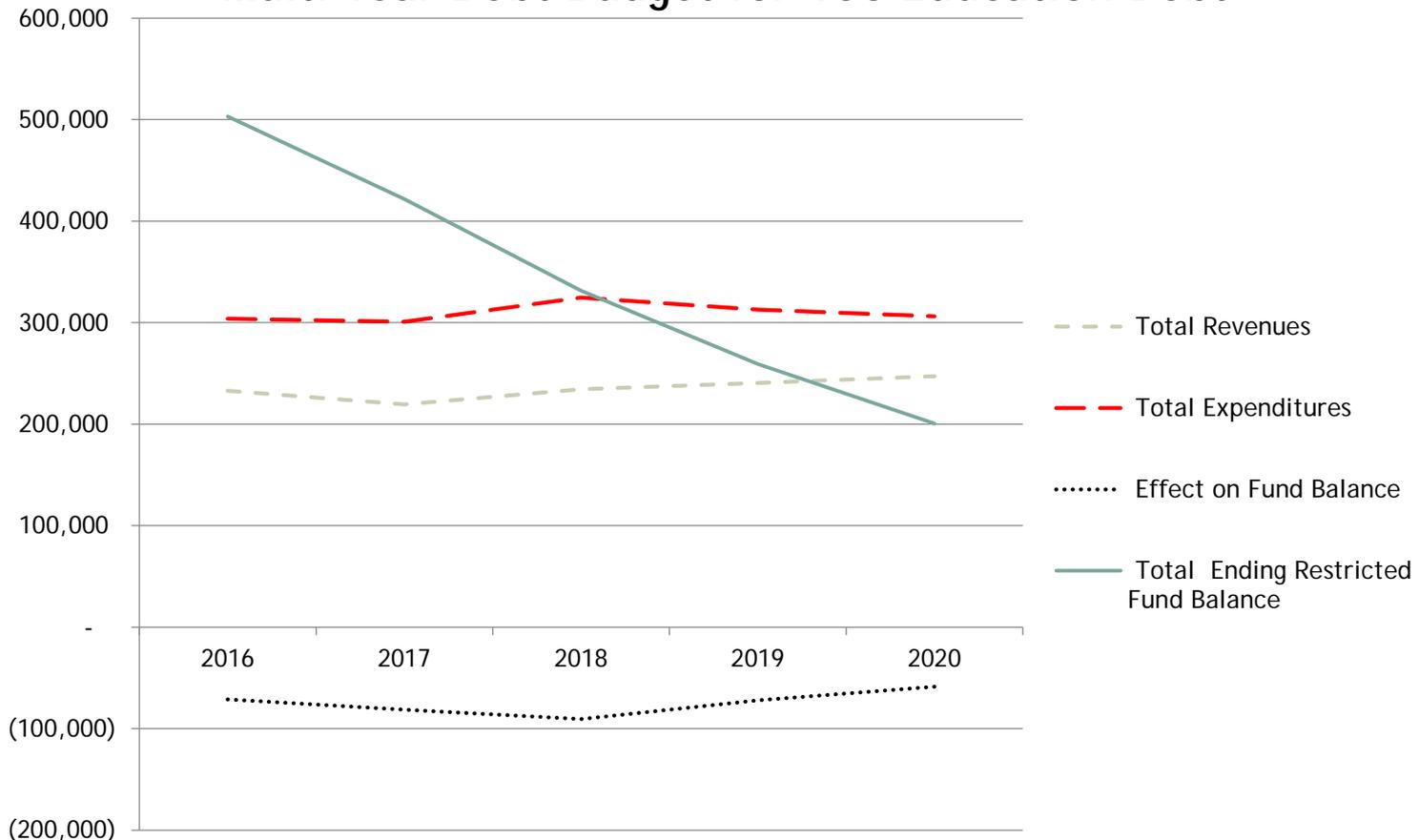
- Used to pay education debt since the inclusion of Harriman Schools
- Revenue: Property Tax (outside of Oak Ridge)
  - Oak Ridge does not benefit from the proceeds of debt issued in this fund
  - Property Tax levied countywide except for Oak Ridge properties
- Expenditures: Principal and Interest on Bonds
  - 2 bonds
  - Will be paid off in 2020

# 156 – Education Debt Fund

			Proposed	
	2016 Tax Rate:	<u>2.0</u>	2017 Tax Rate:	<u>2.0</u>
7/1/2016	Beginning Fund Balance	503,102		
	Estimated Revenues	219,500	Penny Value:	<u>104,000</u>
	Estimated Expenditures	(300,730)	Property Tax:	<u>208,000</u>
6/30/2017	Ending fund balance	<u>421,872</u>	Effect on FB:	<u>(81,230)</u>
	FB % of expenditures	140%	FB Policy 50%-150%:	Compliant

# 156 – Multi Year Debt Budget Graph

Multi Year Debt Budget for 156 Education Debt



# 171 General Capital Projects Fund

- To purchase capital items related to the operation of county government
- Revenues: Property Tax, Transfers In, Litigation Tax
- Expenditures: Capital Items
- Broken into sub funds by project and/or revenue stream

			Proposed	
	2016 Tax Rate:	<u>5.0</u>	2017 Tax Rate:	<u>5.0</u>
7/1/2016	Beginning Fund Balance	1,324,372		
	Estimated Revenues	1,045,095	Penny Value:	<u>118,000</u>
	Estimated Expenditures	(1,889,295)	Property Tax:	<u>590,000</u>
6/30/2017	Ending fund balance	<u>480,172</u>	Effect on Fund Balance:	<u>(844,200)</u>
	FB % of expenditures	25%	FB Policy to cover expenses	Compliant

# 171 – General Capital Projects

- Sub funds:
  - AMB - Ambulance
  - BAL - Balance
  - CCC - Capital for Convenience Centers
  - CHJ - Courthouse and Jail Capital Projects
  - HSG - Homeland Security Grant
  - IND - Industrial Development
  - OES - Capital for Office of Emergency Services
  - OFI - Other Facility Improvements
  - RCY - Recycling Center Capital
  - REC - Recreation (supported partially by rev. from Caney Creek RV & Marina)
  - SPC - Swan Pond Complex
  - VEH - Vehicles
  - VOT - Voting Machines

# 176 – Highway Capital Projects

- To purchase large capital items for the Highway Department
- Revenue is a transfer from operations (131) and a grant for bridge repair
- Expenditures include highway equipment, vehicles and specific road projects

	Tax Rate:	<u>0.0</u>		
7/1/2016	Beginning Fund Balance	511,477		
	Estimated Revenues	500,000		
	Estimated Expenditures	(700,000)		
6/30/2017	Ending fund balance	<u>311,477</u>	Effect on Fund Balance:	<u>(200,000)</u>
	FB % of expenditures	44%	FB Policy to cover expenses	Compliant

# 204 Wastewater Fund\*

- Operates the County owned sewer plant
- Revenues: Fees earned from users, sewer taps,
- Expenditures: Salaries, Capital Expenditure, Maintenance

	Cash basis			
7/1/2016	Beginning Fund Balance	1,547,243		
	Estimated Revenues	1,100,000		
	Estimated Expenditures	<u>(1,081,976)</u>		
6/30/2017	Ending fund balance	<u>1,565,267</u>	Effect on Fund Balance	<u>18,024</u>
	FB % of expenditures	145%	FB Policy 10%-100%:	Compliant when depr added

# 264 Employee Insurance Fund\*

- To administer the county's self insured dental insurance
- Revenue: Transfers in from other funds (county and employee portions of insurance payments)
- Expenditure: Payments for dental services

7/1/2016	Beginning Fund Balance	186,457		
	Estimated Revenues	557,200		
	Estimated Expenditures	<u>(569,000)</u>		
6/30/2017	Ending fund balance	<u>174,657</u>	Effect on Fund Balance	<u>(11,800)</u>
	FB % of expenditures	31%	FB Policy cash flow need	Compliant

# 266 Worker's Compensation Fund\*

- Self Insured Worker's Compensation program
- Revenues: transfers in from operating funds
- Expenditure: Workman's Comp Claims, Medical Payments and Settlements

7/1/2016	Beginning Fund Balance	1,257,690		
	Estimated Revenues	552,240		
	Estimated Expenditures	(694,704)		
6/30/2017	Ending fund balance	<u>1,115,226</u>	Effect on Fund Balance	<u>(142,464)</u>
	FB % of expenditures	161%	FB Policy cash flow need	Compliant

# 357 D.A. Judicial Drug Fund (DTF) Fund\*

- Roane County is the bookkeepers for the 9<sup>th</sup> Judicial District's Drug Fund
- Revenues: Grants and Seizures
- Expenditures: Salaries and Supplies

7/1/2016	Beginning Fund Balance	173,570		
	Estimated Revenues	265,000		
	Estimated Expenditures	<u>(215,646)</u>		
6/30/2017	Ending fund balance	<u>222,924</u>	Effect on Fund Balance	<u>49,354</u>
	FB % of expenditures	103%	FB Policy cash flow need	Compliant

# 359 Economic & Community Development Fund\*

- Fund is used to loan money to local businesses. There is a separate board that approves the loans.
- Revenue: Principal and Interest repayments
- Expenditures: Loans and Administrative Expenses

7/1/2016	Beginning Fund Balance	287,984		
	Estimated Revenues	59,860		
	Estimated Expenditures	<u>(167,024)</u>		
6/30/2017	Ending fund balance	<u>180,820</u>	Effect on Fund Balance	<u>(107,164)</u>
	FB % of expenditures	108%	FB Policy cash flow need	Compliant

# 364 District Attorney General Fund\*

- Since the D.A. is located in Roane County, we act as their bookkeepers.
- Revenues: D.A. fees earned from Courts within the 9<sup>th</sup> Judicial District
- Expenditures: Salary Supplements and Office Supplies

7/1/2016	Beginning Fund Balance	26,333		
	Estimated Revenues	25,500		
	Estimated Expenditures	<u>(16,700)</u>		
6/30/2017	Ending fund balance	<u>35,333</u>	Effect on Fund Balance	<u>8,800</u>
	FB % of expenditures	210%	FB Policy cash flow need	Compliant

# 141 General Purpose School Fund

- Operation of 17 schools in the County System K-12
- Revenues: BEP (State), Property Tax, Sales Tax, TVA
  - Property Tax is countywide
  - Property Tax is shared with Oak Ridge Schools (5% to OR)
- Expenditures: Salaries, Operational Expenditures

# 141 – General Purpose School Fund

			Proposed	
	2016 Tax Rate:	<u>124.5</u>	2017 Tax Rate:	<u>122.5</u>
7/1/2016	Beginning Fund Balance	3,798,711		
	Estimated Revenues	53,647,304	Penny Value:	<u>112,000</u>
	Estimated Expenditures	<u>(53,954,391)</u>	Property Tax:	<u>13,720,000</u>
			Sales Tax	<u>5,450,000</u>
6/30/2017	Budget Ending FB	<u>3,491,624</u>	Budget effect on FB	<u>(307,087)</u>
	Est. ending unassigned	<u>2,502,163</u>		
	FB % of expenditures	4.6%	FB Policy 7%-10%:	Not Compliant

# 141 General Purpose School Revenue

Estimated Revenues			
Local Taxes		20,267,000	37.8%
State of Tennessee		31,534,609	58.8%
Federal Government		130,000	0.2%
Other Sources		<u>1,715,695</u>	3.2%
TOTAL		53,647,304	

# 141 General Purpose School Expenditures

Estimated Expenditures		
Salaries	32,715,544	60.6%
Other Expenses	<u>21,238,847</u>	39.4%
TOTAL	53,954,391	

# 142 School Federal Projects\*

- Operation of Programs funded by the Federal Government
- Revenues: Grants
- Expenditures: Salaries and Operational Expenditures

7/1/2016	Beginning Fund Balance	500,000		
	Estimated Revenues	4,523,576		
	Estimated Expenditures	<u>(4,523,576)</u>		
6/30/2017	Ending fund balance	<u>500,000</u>	Effect on FB	<u>0</u>
	FB % of expenditures	11%	FB Policy	N/A

# 143 Cafeteria Fund\*

- Operation of all school cafeterias
- Revenues: Fees for breakfast and lunch, USDA Lunch Program,
- Expenditures: Salaries, Food Supplies and Food Service Equipment

7/1/2016	Beginning Fund Balance	1,045,000		
	Estimated Revenues	3,830,000		
	Estimated Expenditures	<u>(3,880,000)</u>		
6/30/2017	Ending fund balance	<u>995,000</u>	Effect on FB	<u>(50,000)</u>
	FB % of expenditures	25.6%	FB Policy 15%-30%	Compliant

# 144 Transportation Fund

- Provide transportation to and from school for county students
- Revenue: BEP (state), Sales Tax, Transfer In from (177-BUS)
- Expenditure: Salaries, Bus Maintenance, Fuel

7/1/2016	Beginning Fund Balance	700,000		
	Estimated Revenues	2,143,000	Sales Tax	<u>1,800,000</u>
	Estimated Expenditures	<u>(2,243,000)</u>		
6/30/2017	Ending fund balance	<u>600,000</u>	Effect on FB	<u>(100,000)</u>
	FB % of expenditures	26.7%	FB Policy 10%-20%:	Not Compliant

# 146 Before & After School Program Fund\*

- Provide activities and care for before and after school as well as summer programs
- Revenues: Fees generated from users
- Expenditure: Salaries and Operating Expenses

7/1/2016	Beginning Fund Balance	30,000		
	Estimated Revenues	235,000		
	Estimated Expenditures	<u>(235,000)</u>		
6/30/2017	Ending fund balance	<u>30,000</u>	Effect on FB	<u>0</u>
	FB % of expenditures	12.8%	FB Policy 15%-40%:	Compliant

# 177 Education Capital Projects Fund

- Capital purchases pertaining to the Roane County School System
- Revenue: Property Tax, transfer from operations (141)
- Expenditures: Capital Purchases

			Proposed	
	2016 Tax Rate:	<u>4.0</u>	2017 Tax Rate:	<u>6.0</u>
7/1/2016	Beginning Fund Balance	213,167		
	Estimated Revenues	1,399,600	Penny Value:	<u>112,000</u>
	Estimated Expenditures	(1,580,018)	Property Tax:	<u>672,000</u>
6/30/2017	Ending fund balance	<u>32,749</u>	Effect on Fund Balance:	<u>(180,418)</u>
	FB % of expenditures	2%	FB Policy to cover expenses	Compliant