



Clay County, Missouri

County Administrator

Administration Building

1 Courthouse Square ~ Liberty, MO 64068

*Alexa Barton
County Administrator*

December 17, 2007

The Honorable Clay County Commission

The 2008 Clay County Adopted Budget is complete with your vote on this document today. This document directs allocations of county funding to each office, department and agency, all of which had the opportunity to meet with the Clay County Commission to discuss programs and projects for which allocated funding will be used in 2008.

The Clay County Commission considered several projects and programs through this process and all of those considerations are included on the budget change sheets in Exhibit 1. In addition, this budget document reflects projected revenue estimates and carry-overs provided by the Clay County Auditor. The 2008 Adopted Budget totals \$73.4 million, including \$8.4 million for the Road and Bridge Fund and \$2.15 million diverted to Tax Increment Financing expenses and Statutory Funds, for a net adopted budget of \$62.85 million. Budgets for the Developmental Disabilities Resource Board, Clay Platte Ray Mental Health Board and Senior Citizens Services Board, while not directly linked to county operations, are included in the budget document as required by Missouri Revised Statutes.

The following information represents changes from the 2008 Proposed Budget

Sales Tax

General Sales Tax for 2008 is projected at \$21.9 million, a 1.25 percent increase from 2007. This very modest increase is reflective of sales tax growth from the past several years. Allocations from this revenue in 2008 are:

General Fund	\$ 17.6 million
Road and Bridge Fund	\$ 0.5 million
Park Fund	\$ 1.66 million
Tax Increment Finance (TIF) Fund	\$ 2.15 million
Law Enforcement Sales Tax Fund	\$ 3.9 million

Sales Tax comprises approximately 40 percent of revenue and remains the single largest revenue source for Clay County.

Due to the reduction in estimated sales tax growth, contingency reserves were reduced to allow Clay County to produce a balanced budget. Even with this reduction, however, Clay County exceeds the statutory requirement of 3 percent of the total estimated General Fund revenue, which is equal to \$828,000. Approximately 36 percent of the 2007 contingency reserve was retained in 2008.



Ad Valorem Tax

Clay County began collecting a \$0.24 Road and Bridge levy in 2007 and expects this levy to generate \$8.4 million. By statute, a portion of these funds must be allocated to Cities and Special Road Districts. Another portion is being held in reserve as a possible obligation from a lawsuit brought against the county by the cities and special road districts. The balance of these funds is allocated to the Clay County Highway Department. A summary of Road and Bridge Fund # 220 allocations are:

Clay County Highway Department Account # 220-701	\$2.3 million	27 percent
Cities and Special Road Districts Account # 220-641	\$3.6 million	43 percent
Road District Possible Obligation Account # 220-699	\$2.5 million	30 percent
TOTAL	\$8.4 million	

Highway Department Programs

Two major projects are funded by the Road and Bridge Levy within the Highway Department. First, a new bridge over a low water crossing is planned at a cost of \$600,000. This is the first bridge in many years that the County has fully funded without assistance from grants or allocations from other entities. Second, the chip-and-seal program for county roads has been expanded to \$800,000 in an effort to bring as many gravel roads as possible to chip-seal while maintaining the current chip-seal roads under the County’s care.

Road District Lawsuit

The County’s outside audit by RubinBrown cites a decrease in net assets attributable in part to an “increase in general government expense primarily due to the \$6.1 million provision for (this) litigation claim.” Therefore, \$2.5 million has been set aside in the Road and Bridge Contingency Reserve account for this purpose with the remaining funds for this possible obligation to be set aside in 2009 and 2010.

Capital Projects and Improvements

Capital projects and improvements are funded from Use Tax revenues as well as other revenue sources. Highlights of *capital projects include:

Parks

- Camping Cabins at Smithville Lake \$100,000
- Cruiser Dock at Paradise Pointe Marina \$200,000
- Golf Course cart path repairs and replacement \$100,000
- In-Car Camera Equipment for Rangers..... \$ 13,500
- Rental Pontoon Boats \$ 40,000
- Trails equipment, maintenance and improvements..... \$232,000
- Golf Course mowing equipment \$ 73,000
- Park System mowing equipment..... \$ 60,000
- Replacement of Golf Course Irrigation System \$ 30,000
- Tornado Shelter Grant match \$ 80,546
- Little Platte Park Trail Grant match \$ 43,510
- Prairie Plan Grant match \$ 10,000
- Riprap for erosion control at Smithville Lake..... \$ 45,000

- Playground equipment at Camp Branch..... \$ 75,000
- James Farm Restoration, per Conservation Assessment Program \$ 90,000
- Golf Course Parking Lot Asphalt Overlay \$100,000

Airport

- Office space attached to the new large hangar \$ 80,000
- Ground Power Unit \$ 30,000
- Aircraft Tug..... \$ 30,000

Highway

- Replacement Dump Trucks \$ 200,000
- Expanded Chip-and-Seal Road Surfacing Program \$ 800,000
- Asphalt road surfacing \$ 700,000
- Bridges (low-water crossing and Summersette Road Bridge) \$ 665,000

Capital

- Sheriff’s Vehicles and associated equipment (7) \$179,500
- Commercial Trash Compactor for the Detention Center \$ 25,000
- Replacement flooring and other improvements \$ 32,600
at the Boys and Girls group homes
- Engineering and replacement of end-of-life security system..... \$640,000
in the Detention Center
- Replacement of the cooling tower at Administration \$ 85,000
- Demolition and re-grading of the parking lot..... \$ 47,000
at Children’s Justice Center
- Security camera upgrades and replacements..... \$ 22,000
- Upgrade generator alarms at Shrader, Justice Center..... \$ 21,000
and Children’s Justice utilizing the building automation system
- Building for Firearms Unit instruction and storage \$ 85,585
and associated costs
- Expansion of County Communications to Broadband..... \$175,400
- Cash Management Software for the Treasurer’s Office..... \$ 53,000
- Law Enforcement Shooting Range..... \$104,085

**NOTE: Not all listed projects are funded by Use Tax revenues.*

External Program

Clay County provides funding to several external programs. The County Commission was able to fund six of these agencies at higher levels than 2007. The total increase to outside agencies was \$183,521, an increase of 21 percent. In 2007 the total funding for these agencies was \$871,955, and for 2008 the total is \$1,055,184.

Tourism

The Clay County Tourism Board has been partnering with the Kansas City Convention and Visitors Association for the past few years. To further this partnership, Clay County designated the KCCVA as its official Destination Marketing Organization in the fall of 2007. This partnership and DMO designation

provides greater access to cooperative marketing programs designed to bring more visitors to Kansas City and Clay County. The allocation for this expanded partnership level is \$35,000. This partnership gains the County access to a \$1.2 million regional marketing program aimed at bringing visitors to the area.

Parks

Reductions in Park Fund were needed to balance the fund. These reductions included decreased funding for several projects including cabins, marketing and general maintenance. Remaining in the 2008 budget, however, are funds that will allow preparation to begin for marketing and promotions in future years by enabling Clay County to create its own high definition digital video productions for park marketing and tourism.

Compensation and Benefits

As stated in the proposed budget and in following the pattern of recent years, Clay County will provide its employees a cost of living adjustment (COLA) based on the Social Security Administration's approved increase of 2.3 percent for 2008. Further, a job classification study approved in 2004 showed many salaries were out of plan alignment as compared to mid-point and market value. Adjustments are included for 2008 to increase salaries up to the 25th percentile of the pay range for positions currently not meeting that mark. It is important to note that market value is at the 50th percentile. The effective date for salary increases is the first full pay period in February, which begins February 10; pay increases will be received on pay checks on February 29, 2008. Furthermore, classification studies are performed every four to five years. Since we are within that timeframe, included in the 2008 budget are funds for another study to keep Clay County current with pay trends.

Conclusion

In closing, the 2008 Adopted Budget is balanced as required by Missouri Revised Statutes. Changes in budget allocations from the proposed level reflect thought and consideration on the part of the Clay County Commission. Unfortunately, though an Ad Valorem Tax for Road and Bridge was set, necessary expenditures remain greater than revenue growth. Further, sales tax revenues continue to subsidize other areas: Road and Bridge, \$500,000; Parks, \$1,660,000; Midwest National Air Center, \$121,615; and Emergency Communications (9-1-1), \$91,480.

A Public Hearing, as required by Missouri Revised Statutes, was held December 3, 2007, and budget hearings with the Clay County Commission were from November 27 through December 5, 2007.

The 2008 Budget Team, as noted in the proposed budget letter, spent many long hours and dedicated time during the course of this project. Their commitment to this project ensured a balanced budget and its timely completion. Their efforts to Clay County's success are sincerely appreciated.

Respectfully submitted,

Alexa Barton, MPA
Clay County Administrator and Chief Budget Officer