



County Commission Communications

A Periodic Column Written by Ed Douglas, Presiding Commissioner

Jail Costs Increasing Significantly

New Revenue Needed in the Near Future

JANUARY, 2016

Last January was my first experience with the County Commission in developing and approving the County Budget. This 2015 budget was extremely tight, which means that the County has almost no reserves; and, therefore, very little flexibility to handle needs and changing circumstances. Additionally and unfortunately, "unforeseen circumstances" are developing for 2016 which makes a difficult budget process even more difficult. It should be noted that it is my belief that past commissions did a terrific job of managing limited resources effectively; but, unfortunately, changing circumstances will not allow that going forward.

In analyzing and comparing our budget with surrounding counties this year, we have found some startling data. Surrounding counties have a much larger *sales tax rate* than Livingston County. Livingston County's sales tax rate is .75%. The surrounding counties have much higher sales tax rates: Davies County 2.50%, Caldwell County 2.00%, Linn County 2.00%, Grundy County 1.50% and Carroll County 1.25%. In addition, Livingston County's *real estate tax* is nearly zero at .01% of assessed valuation. These same surrounding counties have a 5 to 15 times higher real estate tax rate than our county. The result is that our county is severely underfunded.

This severe underfunding means that as mentioned above, we have very little reserves. From my discussion with commissioners in Grundy County and Linn County, they have informed me that their counties each have nearly \$2 million in reserves in various funds within their county.

Our position of not having reserves is not a way to run a county properly. Our current sales tax produces the vast majority of our income (other than grants and pass through funds). The .75% sales tax consists of a .50% general sales tax and a .25% law enforcement tax. Together, this amounts to approximately \$1,500,000 to run all the county offices, our Road and Bridge crew, and the Sheriff's office.

In the 2015 budget, the biggest single item was our budgeted jail expense at the Davies-DeKalb jail which was budgeted at \$475,000. This was based on an expected 43 prisoners per day at a cost of \$30 per day, plus another dollar or two more per day for medical services. The Davies-DeKalb Regional Jail has charged us \$30 per day for several years, but just a month ago, they notified us that *our rate would be increased 33% to \$40 per day*, effectively raising our prisoner cost, based on the same number of prisoners, by \$142,500 which we could not possibly afford. Our commission went to Plattsburg and met with the Davies-DeKalb Regional Jail Board and explained our situation. We explained our revenue situation and our preliminary plans to present voters with a request for an increase in our sales tax rate in the spring of 2017 to be able to handle these increasing jail costs and other county needs. Some of those additional needs are the need to build a reserve fund over time, the need to fill a growing 911-Emergency management cost deficit based on declining phone land line revenue, and the need to improve county roads in much of the county. Based on our dire financial situation and our plan to present to voters a sales tax increase in 2017, the Jail Board agreed to raise our rate next year to *\$34 per day instead of \$40*. This will still increase our costs over \$60,000 even if we just maintain the number of prisoners we have now. We appreciate the Davies-DeKalb Regional Jail Board for working with us to manage our jail expenses until we have an opportunity to increase our revenue in 2017.

It should be noted that our prisoner count is also going up and is estimated to be 5 to 7 prisoners higher than last year which will increase costs further. We have surveyed counties around us; and in general, their jail counts are about half of our jail count meaning they have much less cost to house prisoners. Our commission has had several discussions with our prosecutor, our sheriff, and our judges on managing this prison count. One conclusion we draw from those discussions was that our law enforcement personnel do a better job of arresting criminals than do surrounding counties. Arresting and convicting criminals is important to protect citizens of our county. Drugs are by far the major source of crimes and drug use causes additional crimes of theft and violence. Unfortunately, this problem is growing and will most likely continue to increase our jail costs. We will continue to work with our law enforcement personnel and judges to monitor and minimize costs where possible without putting dangerous felons back on the street.

Our jail was closed several years ago because of significant and extensive structural repair needs. This, along with staffing and safety issues and a growing jail population that exceeded our capacity, forced a joint decision by the commission and the sheriff to close the existing jail at that time. We considered a new jail, but it was estimated to cost upwards of \$8 million dollars which was not affordable at that time nor will it be in the near future.

As mentioned, I believe our County Commissioners have done an admirable job of managing expenses in the past, but we have run out of the ability to do that going forward and will need to present to voters a plan to give us the needed resources to run the county efficiently and effectively in the future. In future columns this next year, we will present our needs in more details along with the plans proposed to meet those needs.

The County Commissioners definitely appreciate your interest and welcome your comments about this and other county issues that need to be addressed in 2016.



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