

[Subscribe](#)[Past Issues](#)[Translate ▼](#)[RSS](#)[View this email in your browser](#)

County Budgeting in the Post-Pandemic Age

The Board of County Commissioners is in a very challenging budget planning cycle for Fiscal Year 2024, which begins October 1, 2023. In that context, many residents have asked the Commissioners: “Why can’t the county pay our sheriff’s deputies and other employees a lot more? Don’t we understand the cost-of-living situation? Why aren’t the county’s roads in better shape? Where’s all the money really going? With all the growth in the valley, Teton County’s coffers should be overflowing, right?” Well, not really. When faced with a challenging budget, we only have two options: increase revenue or reduce costs.

Let’s look at the revenue side first. Most of Teton County’s general revenue comes from property taxes. However, the State of Idaho limits the property tax portion of the overall budget increases to 3% per year. Property tax assessments have been going up by far more than 3% the past few years, but again the tax amount collected in total cannot exceed the legal limit of 3% above the previous year’s budget. Essentially this means that the actual

[Subscribe](#)[Past Issues](#)[Translate ▼](#)[RSS](#)

New construction tax dollars are then added on top of existing property tax. As new homes are completed and added to the tax rolls, they can bump up the 3% cap on annual property tax increase, but not more than 8% overall when combined with the existing properties. By new legislation houses under construction pay zero taxes until they are fully completed. In the case of Teton County, this results in hundreds of properties being lost as revenue sources. That's great if you're a developer, but not so great for the sheriff, the fire department, or a road and bridge crew providing services to that construction site. Who pays for those essential services for new development instead? You guessed it, we all do.

With all that in mind, Teton County's anticipated budget increase for the property tax portion of the county budget is currently estimated at about \$300,000.

Now let's look at the cost side of the budget equation. Early in each budget planning cycle we ask for elected officials, department heads, and essential service organizations to tell us their needs for the coming fiscal year. This year those initial requests, coupled with mandatory costs, added up to well over a million dollars more than our projected revenue.

We began a painful process of making cuts, but some costs cannot be reduced. For example, Teton County, like every other regional employer providing benefits, is dealing with major increases to insurance premiums every year. Health insurance has risen on the order of 10% annually throughout most of the last decade, with about a \$100,000 increase this year alone. Our general liability insurance coverage has increased \$54,000 over the past three years—from \$172,000 to \$226,000. The county's combined insurance increase this year is \$135,000.

[Subscribe](#)[Past Issues](#)[Translate ▼](#)[RSS](#)

state shifted the funding burden for its portion of the health district obligation to the counties. Thus, in FY2021, the county's Eastern Idaho Public Health District contribution was about \$82,000. But by FY2023, this line item had doubled to \$164,000. In the FY2024 budget it is set to increase again to almost \$182,000—a \$100,000 increase in just three years! The state simply shifted the burden to fund public health districts from state income tax payers to local property taxpayers.

Several county leaders and staff made compelling cases for increases in staff and supplies to meet the needs of our growing county. But with severe budget constraints, the County Commissioners, who are responsible for balancing the county's budget, are unable to meet many of those requests. We also provide limited financial support to non-profit organizations that provide essential community services that the county cannot deliver. Representative groups include Seniors West of the Tetons, the American Legion, the Family Safety Network and the PAWS Animal Shelter. Many of these organizations also face increased service costs, but it is simply impossible for the county to increase non-profit contributions for FY2024 by more than nominal amounts.

Inflation-wise, the national cost of living rate went up 5.0% in 2021, 8.6% in 2022 and 4.0% in 2023. As everyone is aware, our local housing situation makes the numbers even higher for Teton Valley. Teton County has many dedicated and high performing staff that we must retain, and the Board of County Commissioners is absolutely determined to make commensurate wage increases for all county employees. But in light of crushing local housing costs, we know it's close to impossible to fully keep up. The board is prioritizing funds to increase staff salaries. A 3% cost of living adjustment (COLA) to salaries county-wide will run an estimated \$170,000. If we can match inflation at 4%, the COLA bill will be about \$226,000.

[Subscribe](#)[Past Issues](#)[Translate ▼](#)[RSS](#)

sound fiduciary practice. We never spend all our funds down to zero so that we are prepared for emergencies.

All county elected officials are committed to providing the best service we can to all county residents. We do so under the severe budgetary constraints imposed by limited revenue options, increases in mandatory costs, and new unfunded burdens placed upon us by the Idaho legislature. New residents continue to make demands for expanded county services like more winter snow plowing, recreation management on the Teton River, and better enforcement of county codes. The county must weigh and balance these new requests with existing service obligations and our commitment to pay county staff a living wage.

There are no easy answers, but we are determined to be creative and work with our colleagues to find them. We sincerely hope to earn the public's support as we work toward realistic solutions.

Sincerely,

Teton County, Idaho Board of County Commissioners

Cindy Riegel Bob Heneage Michael Whitfield



[Subscribe](#)

[Past Issues](#)

[Translate](#) ▼

[RSS](#)

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#).

