

JAIL FACILITY SPECIAL REVENUE FUND

On August 5, 1986, the citizens of Cass County approved the adoption of a property tax levy in an amount not to exceed one mill (\$1.00 per \$1,000 of State Equalized Valuation on such property) to provide funds for the purpose of acquiring and developing the site for, constructing, equipping, and operating a new county jail facility. The jail facility millage is for a period not to exceed sixteen (16) years, beginning with the levy on December 1, 1986, and including the levy on December 1, 2001. The proceeds from the millage are accounted for in the Jail Facility Special Revenue Fund.

On December 12, 1996, the Board of Commissioners approved a Financial Policy governing the Jail Facility Special Revenue Fund. Conditions have changed in the fund and property tax collections have exceeded original projections. As a result, we propose the following changes to the Financial Policy:

- (1) The first priority of the fund is to accumulate sufficient monies to meet the scheduled debt service requirements (principal and interest) of the jail facility bonds. The final bond payment is due April 1, 2002.
- (2) The second priority of the fund is to provide funds for future jail operating, maintenance and equipment costs to be available after the jail millage expires December 1, 2001. In 1999, the fund will set aside \$175,000.00 per year in a Budget Stabilization Fund to be used exclusively for these purposes. This amount will be increased by approximately \$65,000.00 per year for the years 2000 through 2002. (These amounts will be transferred first to the General Fund and then from the General Fund to the Budget Stabilization Fund). The total accumulated in the Budget Stabilization Fund will be approximately \$1,300,000.00 (excluding interest) by the year 2002.
- (3) The third priority of the fund is to provide monies for current jail operating, maintenance and equipment costs. These costs are paid for primarily out of the General Fund and have been increasing each year. In 1999, the County will transfer \$285,000.00 from the Jail Facility Fund to the General Fund. This amount will be increased by approximately \$70,000.00 per year for the years 2000 through 2002.
- (4) The Jail Facility Special Revenue Fund will be closed out after all the taxes from the December 1, 2001 levy have been collected. Any residual money in the fund will be transferred to the General Fund and will be used for current year jail operating, maintenance and equipment costs.

ADOPTED: 12/12/96

AMENDED: 11/05/98