

# CHELSEA COUNTY, USA

## Governmental Structure and Budgetary Control Overview

### Elected and Appointed Officials

Chelsea County is organized under a Board of County Commissioner. The five Commissioners are elected at large by the voters. Although the Commissioners are elected at-large, they represent separate districts in Chelsea County. The Chelsea County Sheriff is also elected at-large as is the County Assessor. The Board of County Commissioners appoints the Fire Chief, Treasurer, Coroner and County Clerk.

Chelsea County government is managed by a County Manager hired by the Board of County Commissioners. The County Manager is responsible for County staff adherence to all Chelsea County budget policy and personnel rules. The County Attorney is also hired by the Commissioners. The District Attorney is elected and provides services to three other counties in the region. The Public Health Department is also regional serving two additional counties,

### Budgetary Approach and Funds

The Commissioners set and approve the budget and all budgetary policies in Chelsea County. State law prohibits deficit spending and all debt obligations and taxes must be approved by the voters. Chelsea County has no debt at present. All expenditures must be formally appropriated by the Board at a public hearing. The County has three primary budget funds:

**General Fund:** All property tax revenue flow into the General Fund. Major expenditures include County Administration, Public Works and Engineering, Treasurer (Finance Department), Assessor, Public Safety (Chelsea County Sheriff and Fire Services), and Community Development Services. The use of General Fund monies are somewhat flexible and may be changed by the Commissioners with a public hearing on the proposal. It is important to note that 65% to 80% of General Fund expenditures are typically utilized for personnel costs. The largest expenditure categories are for the Human Services (public assistance), the Chelsea County Sheriff's Office and Fire Services Department.

**Road & Bridge Fund:** Chelsea County voters approved a countywide sales tax for roadway construction and repair. One half of the sales tax revenue generated within the municipalities is shared back to support roadways in those communities. The Commissioners also contribute a portion of local property tax revenue to the fund. These funds may not be used for operations. Sales tax revenues cannot be used for any purpose other than road and bridge projects without a vote of the people.

**Capital Fund:** The Commissioners sets aside a portion of property tax revenues each year for capital projects including equipment replacement and building construction. The amount is variable depending upon economic conditions. These funds may not be used for operating expenses unless re-appropriated by the Commissioners at a public hearing.

The Board of County Commissioners approves a budget each year and appropriates revenues to meet budgeted expenditures. State law requires that the budget and appropriations only be approved at a properly noticed public hearing. Public notice must be posted at least 72 hours prior to the hearing.

The Board does not have the ability to increase any tax (property or sales) without a vote of the electorate. Fees may be charged provided they are directly related to the service provided and have a supporting nexus. It generally requires a year or longer to approve a new fee because of the studies and public hearing required to support the fee nexus.

## Budgetary Policy

The Board of County Commissioners has established the following expenditure authorities. All Chelsea County officials must operate within these budgetary and spending authority limits. Spending is not allowed unless included in the annual budget. Contingency funds may only be expended upon approval by the Board of County Commissioners and inclusion in a budget amendment. All expenditures are subject to the procurement policies of the Board (see notes below table).

Key financial policies of Chelsea County include:

- Department managers and Elected/Appointed Officials are responsible for managing their approved budget.
- Proposed budget amendments are typically reviewed on a quarterly basis. All budget hearings require 72 hours public notice.
- County policy requires that not less than 1.5% of the total annual General Fund Expenditures be available in cash at all times to meet the cash flow needs of the County.
- State law requires that expenditures from the Emergency-Disaster Reserve Fund be repaid to the General Fund within one year of expenditure. State law also requires that the Reserve Fund balance not be less than 1.5% of annual budgeted expenditures prior to the funds being utilized. Chelsea County policy requires that a declared emergency or disaster condition be in effect for before the Emergency-Disaster Reserve Fund is utilized. The Board has the ability to declare a natural, man-caused or "financial" disaster for a period of up to six months.
- Budget amendments must be approved or ratified by the Board of County Commissioners within seven days of any adjustment made by the County Manager.
- The County Manager is empowered during a declared Emergency or Disaster to spend up to \$1,000,000 to meet the costs associated with the incident.

The following are the approved spending authorities by personnel position:

Personnel Position	Expenditure Authority	Description
Board of Chelsea County Commissioners	All Budgeted Expenditures greater than \$100,000	The BoCC approves all budgeted expenditures greater than \$100,000 at a weekly Business Meeting
County Manager	\$100,000	The County Manager is authorized to approve contracts and purchase orders up to \$100,000 for expenditures included in the Annual Budget.
Elected & Appointed Officials	\$50,000	Provided the expenditure is budgeted and all other Budget Policies are followed. All expenditures must be approved by the County Finance Department.
Department Head	\$25,000	
Approved Line Employees	\$5,000	

Expenditure Notes: Any expenditure greater than \$2,500 requires a public bid process. The County Manager, Elected Officials, and Department Heads may utilize an informal bidding process for expenditures up to \$10,000 upon consultation with the County Finance Department. A formal public bidding process is required for all expenditures greater than \$10,000. Chelsea County utilized the intergovernmental procurement system used by all governmental entities in the County. All contacts are to be approved by the County Attorney’s Office. Purchase orders need only be approved by the Finance Department

## Chelsea County Emergency Management

The County’s Emergency Management Division is located within and managed by the Chelsea County Sheriff’s Department. While the Board of County Commissioners is directly responsible for Emergency Management services under State law, they have delegated management responsibility for the program to the Sheriff. The Budget for both the Sheriff’s Office and Emergency Management is included in the General Fund. The Sheriff is responsible for the management of the EM staff and their budget.

Chelsea County maintains an Emergency-Disaster Fund that is part of the General Fund. The amount of funding available in the Emergency-Disaster Fund varies from year-to-year.<sup>1</sup> The Board of County Commissioners also budgets and appropriates \$50,000 each year in an Emergency Response Account. These funds are available pursuant to Chelsea County Budget Policy. The Emergency Manager of Chelsea County is considered to be a Department Head.

Chelsea Country is a party to the Chelsea County Mutual Aid and Assistance Agreement. The agreement sets forth the terms for Mutual Aid Assistance and cost reimbursement between participating entities.

<sup>1</sup> Please see the Chelsea County Budget for the amount available in the Emergency-Disaster Fund.

