

BUDGET MESSAGE
FY 2009-10

This past fiscal year has shown a significant downturn in the financial wellness of the Nation; which has impacted the State of Wyoming and Sheridan County. Tax revenues from mineral production and development have almost ground to a halt which will decrease the revenues generated for the State and the County. The Governor of Wyoming implemented a 10% reduction in all State agency budgets, and reduced the severance tax distribution to Counties by 5%. Grant funding from the State has all but vanished except for funding allowed through the federal stimulus package, for most of which Sheridan County projects do not qualify. Although property tax values increased for the 2009 tax year, the realization that they will drop dramatically in the 2010 tax year influenced budget preparation for FY 2009-10. The goal for the FY 2009-10 budget was to reduce expenditures by 5% and increase reserves to an amount that would carry the County through two fiscal years. Overall, the general fund budget was reduced by approximately 7% and County reserves were increased by \$3,415,000. In addition, general fund carryover cash of over \$2,250,000 was utilized in the FY 2009-10 budget. The carry-over is attributed to unexpended budget line item expenses, unanticipated collection of tax revenues, and an increase in the permits and fee accounts.

Projects completed in FY 2008-09 include; the Courthouse second floor remodel of the County Commission and Business Offices; boiler and air conditioning upgrades for the new Courthouse addition; roof replacement of the county annex (County Attorney building); a new phone system for the Community Health Office; completion of the Airport fuel facility and phase 1B of the Airport Business Park; purchase of the old KFC property on North Main Street; reconstruction of the Sheriff's Office parking lot; completion of the Sheridan County Comprehensive Plan; completion of the Little Goose waste water study; and large equipment purchased for the Road & Bridge Department.

A partial list of major projects approved for FY 2009-10 include: the new Courthouse third floor remodel of the District Court and Judicial Offices; heating and air conditioning upgrades to the historic Courthouse; remodel and renovation of the Community Health Building; parking lot and drainage improvements for the Sheridan County Fairgrounds; completion of fire alarm renovations and updates; completion of parking lot(s) and sidewalk repairs and updates,

continued work on the County Comprehensive Plan development; road and bridge equipment and numerous road projects.

For five consecutive years, the County has provided prudent raises for employees. In FY 2008-09 Sheridan County contracted with Condrey & Associates, Inc. to conduct a comprehensive classification and compensation study for employee positions and salary levels. As a result of this study, there is now a job description for every County position and a grade system to identify the salary scale for each position. Staffing levels will remain constant in FY 2009-10, with the exception of one part time position in Community Health going to full time.

While coalbed methane mineral development (CBM) remained consistent in 2008, the 2008 pricing for gas and oil increased significantly. Sheridan County's assessed valuation has risen again this year with an overall increase from 2008 to 2009 of approximately 26%. Sheridan County's assessed valuation for 2009 is \$793,523,685 which includes \$377,325,967 in local assessed and \$416,197,718 in state assessed property. Based on the 2009 valuation, each property tax mill will generate \$793,524 in revenues.

In November of 2006, the voters of Sheridan County passed another four-year Optional One-Cent Sales Tax. The tax is projected to generate \$2,100,000 in revenues, some of which are dedicated to operational support of the hospital, airport, library and fairgrounds. In addition, it is used to fund equipment purchases, the Juvenile Justice Program, and many non-profit and social service organizations in the community. A substantial portion of the One-Cent Optional tax revenue will continue to fund emergency services protection. The current Capital Facilities One-Cent sales tax is expected to expire in September of 2009. Sheridan County, the City of Sheridan and the towns of Dayton, Ranchester and Clearmont are actively engaged in an information and education campaign, to prepare voters for a tax renewal election on August 18, 2009. The Capital facilities tax generates funds used for our county road system. These two taxes are critical in enabling Sheridan County to continue to provide the services our residents expect and the financial support our many social organizations have come to rely upon.

We have the potential to receive approximately \$5.4 million in dedicated grant funding during FY 2009-10, provided all projects associated with this grant funding could be completed in this fiscal year. The bulk of grant funding will be going to county roads and bridges for construction, improvements and dust mitigation. Additional grant funding is dedicated for

homeland security, county and social service agencies, facility renovations and Community Health programs.

EXPENSES:

Fixed costs include funding for the library (\$1,374,000), fairgrounds (\$500,000), airport (\$206,000), and hospital (\$125,000). Other fixed costs include property and bond insurance premiums, accounting and auditing services, equipment leases, contract services, postage, grant match funds, computer support and training, parks and beautification and various operational expenses.

In an effort to contain the rising costs of the provided employee insurance benefit package, all employees will contribute 12% of the premium cost in FY 2009-10. The policy will remain the same for the 2009-10 fiscal year and deductible limits, out-of-pocket and office visit co-pay will remain the same. The adult wellness benefit was increased from \$400 to \$600. Other additions to the wellness portion of the plan were also added in an effort to encourage employees to become more proactive with their personal health. The County is focusing on efforts to be healthy and detect serious conditions before they become a critical event. For the second consecutive year, there was no increase in the dental insurance package as this cost saving was realized by not paying an agent to administer the plan. Minimal increases will be seen for the life insurance package. Sheridan County Commissioners believe that employee benefits are critical to employee retention and will strive to offer these benefits to their employees as the budget allows.

In FY 2009-10, elected officials and department heads will be asked to stay within their approved budgeted line item amounts. It is encouraging that no department exceeded its budget in the past fiscal year. Any salary adjustments require Board approval.

Sheridan County will continue to show spending restraint and evaluate expenditures in terms of necessity. All in all, Sheridan County has made decisions regarding the budget in a conservative yet practical manner and will continue to evaluate the economy and the financial well being of the County throughout the year.

Robert L. Rolston, Chairman