

BUDGET MESSAGE
FY 2013

This past fiscal year showed no improvement in the financial wellness for the State of Wyoming and Sheridan County. Significant reductions to the State General Fund were realized mainly due to the decreasing price of natural gas. During the legislative budget session in 2012, Governor Mead asked for significant reductions from all state departmental budgets. While the Governor continues to support local governments, the allocation to Sheridan County through direct funding distribution was reduced \$200,000 from the prior year biennium. Furthermore, the use of direct funding was restricted to one-time expenditure for equipment, including capital purchases and other purchases of limited duration. In addition, the State provided County Wide Consensus funding for local governments. This resulted in \$2,850,025 to the Sheridan Community as a whole and, of this amount \$921,698 is Sheridan County's portion and will be utilized for capital projects. At the local level, property values and the resulting tax revenue continue to decline. For 2012, State assessed property decreased by 18.20% or 34.4 million in total valuation and local assessed valuation decreased 5.32%, or 19 million in total. State assessed valuation for 2012 is \$154,850,134 and local assessed valuation is \$338,402,331. Total Sheridan County valuation for 2012 is \$493,252,465 resulting in each property tax mill generating \$493,252 in revenue. This is a decline of nearly 10% from 2011 valuation. Sales tax collections remain flat and are projected to continue at current levels.

The goal for the FY 2012-13 general fund budget was to reduce expenditures to close the gap resulting from the decrease in revenues. Overall, the general fund operating budget is reduced by 2.11%. Since FY 09 the general fund operating budget has been reduced 29.5%. General fund carryover cash of \$1,580,000 and \$545,000 of reserves will be utilized to balance the FY 2012-13 budget. The carry-over is attributed to conservative budget management and unexpended budget expenses, made possible by the elected officials and departments carefully managing their budgets and showing fiscal restraint in FY 2011-12.

Projects completed in FY 2011-12 include the Historic Courthouse renovations, Sheriff Office renovations and the District Court hearing room addition; continued implementation of the Sheridan County Comprehensive Plan with the Riparian study completed and completion of a Pedestrian and Traffic study for the area around the Courthouse campus. Fairground projects

include completion of the final drainage improvements, upgrades to the RV area and two vehicle upgrades.

Major projects approved for FY 2012-13 includes: woodwork refinish and repair to the main floor mosaic tile in the Historic Courthouse; construct a new maintenance and storage facility; Airport sewer line extensions to new hanger area, restoration to the Sheriff's Office evidence building, renovations to parking lots and the office building at the Sheridan County Fairgrounds; construct the new Free Clinic addition to the Public Health building; and numerous County road projects. All projects for FY 13 will be paid by grant fund and Capital Facilities Tax funds.

In November of 2010, the voters of Sheridan County passed another four-year Optional One-Cent Sales Tax. The tax was projected to generate \$1,920,000 in revenue to the County, 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. While sales tax revenues continue to decrease the County has every intention to honor the resolution as it was presented to the voters and subsequently passed in the November 2010 election. Non-profits will continue to receive the allocations as presented to the voters in 2010, and shortfalls of revenue collections will be taken from contingencies before any reductions are passed on to the approved non-profit entities.

On August 18, 2009, voters of Sheridan County approved a Specific Purpose (Capital Facilities) One-Cent sales tax of \$25 million. 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 that benefits many of our social organizations. As of June 30, 2012 approximately 57% of the tax has been collected.

The County has the potential to receive approximately \$2.6 million in dedicated grant funding during FY 2012-13. Use of grant funding is for county road improvements, homeland security, county and social service agencies, facility renovations and Community Health programs.

Fixed costs include funding for the library (\$1,190,000), fairgrounds (\$375,000), airport (\$185,000), and hospital (\$56,250). Other fixed costs include property and bond insurance

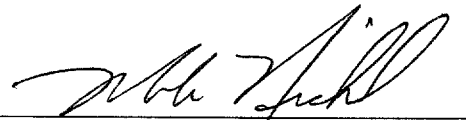
premiums, accounting and auditing services, equipment leases, contract services, postage, grant match funds, computer support and training, parks and beautification and various operational expenses.

Staffing levels will remain consistent with the prior fiscal year.

The cost of health insurance continues to rise as premiums increased 8% this fiscal year. In an effort to contain the rising costs of the provided employee health insurance benefit package employees were encouraged to exercise healthy behavior and consider participating in the wellness program as it offered cash incentives for participation. Many studies confirm that over time, institutions that have wellness programs have seen reductions in the cost of providing health care to their employees. Last fiscal year the county developed an in-house employee wellness program with the assistance of Public Health nursing staff. This fiscal year the County entered into an agreement with SimplyWell, a health wellness based company from Omaha, Nebraska. This program is offered to all employees, and spouses that are on the health insurance plan. 84 employees and 33 spouses enrolled in the wellness program this year compared to 57 last year. As an added incentive to participate in the wellness program, employees that participated are contributing 18% of the premiums amount opposed to 20% for those not participating. Deductible limits, annual out-of-pocket limits and office visit co-payment will remain the same. Dental insurance premiums decreased 3%, and life insurance increased approximately 6.5%. The County will continue to pay the entire contribution of 14.12% for Wyoming Retirement. The total County contribution for all employee benefit packages is \$3 million for this fiscal year. Total wage and salary compensation for the fiscal year is \$6.7 million. Total combined employee salary and benefit package for this fiscal year is \$9.8 million, 61% of the total general fund operations budget. Sheridan County Commissioners believe that employee benefits and competitive wages and salaries are critical to employee retention. Employee's raises were the highest priority for the Commissioner this fiscal year as no increases were given in the prior two years. Due to carry over cash being in excess of what was predicted earlier in the year, the decision was made to give all employees a \$1,000 increase to their annual salary and the same amount prorated for part-time employees depending on the number of hours worked. One exception to this increase is the County Attorney's Office. The City of Sheridan's changes in municipal court have significantly impacted the County Attorney's Office. Statistics showing increases in multiple categories of crime have created a 63% increase in criminal initial

appearances in circuit court. 12 Shoplifting cases so far this year that otherwise would have been directed to municipal court are now written as County offenses. DUI cases have increased 62%, and Juvenile prosecutions (MIP') have increased 300%. Matt Redle, County Attorney approached the Commissioners with two options to handle the increased work load; hire an additional attorney or consider increasing the salary of the professional attorneys on staff to bring them closer to comparable market standards. The option of increasing the professional salaries was determined to be the best option; the increase is less to the budget than hiring an additional attorney, and by compensating the current attorneys at comparable market standards it may decrease the possibility of losing talented professionals that would otherwise seek employment in other areas. Retention of trained, talented professionals was a key factor in making this decision. As for all of the county employees, the Commissioners will strive to offer these benefits and salary increases to their employees as future budgets allow.

In FY 2012-13, elected officials and department heads will be asked to stay within their approved budget line item amounts. Sheridan County will continue to show spending restraint and evaluate expenditures in terms of necessity. All in all, Sheridan County has made sound decisions regarding the budget in a conservative, yet practical manner and will continue to evaluate the economy and the financial wellbeing of the County throughout the year.



Mike Nickel, Chairman
Board of County Commissioners
Sheridan County, Wyoming