

Budget Message FY 2014

The Board of County Commissioners approached the FY14 Budget with the following assumptions: there would be no growth in revenues; there would be increases in employee benefit costs but a reduction in overall expenditures; there would be no reduction in county staffing; and County services would continue to be provided at a high level of quality. These assumptions are addressed in the budget as proposed.

Revenues from the State were increased over the biennial appropriation by about \$300,000. This funding can be used for general county operations, but not for employee salaries and benefits, or additional employees. Federal funds, particularly PILT (payment in lieu of taxes), remained the same at about \$927,000.

Local revenue continued to decline as the overall county valuation dropped by 11% from the previous year and stands at \$436,855,860. State assessed properties, primarily CBM, declined in value by 40% or \$62 million. On the other hand, county assessed properties grew in value by 1.8% or about \$6.1 million. Meanwhile, sales tax collections continue to lag about 4% from the previous year and the assumption is that those collections will remain flat in FY14.

Two major areas of employee benefits will increase in cost. The State increased the retirement contribution of each employee by .5% for FY14. The County has traditionally covered all of this cost. However in FY14, the employee will pay 4.62% of the total 14.62% contribution, with the County paying 10%. A similar contribution split will occur in the law enforcement retirement plan. While other benefit costs will remain steady, health insurance will increase by about 5%. Employees will continue to contribute either 18% or 20% of the premium, depending on whether they choose to participate in the County wellness program. Total budgeted compensation for FY 14 will be \$6.6 million with benefits at \$2.9 million, or about 61% of the general fund budget.

As the Commissioners promised, there will be no changes in staffing levels. However, any positions that become vacant will be reviewed and alternatives will be considered. There are no salary increases, other than for elected officials as determined by law in 2010, and which cannot be changed. The Commission understands the strain this places on employees and their families. However, the commitment to maintain staffing levels was seen as preferable to personnel reductions.

In FY 13 the County was forced to utilize reserves to balance the budget. While this was seen as a possibility, prudence in spending by each department head and elected official provided enough carryover, \$1.7 million, to balance this reduced budget without dipping into reserves. General county reserves will be \$6.8 million.

Using a variety of funding sources, the County was able to complete the restoration of the Historic Courthouse, renovate the Sheriff's evidence room, and complete the District Court hearing room. With the cooperation of Sheridan Memorial Hospital, the County added new space to the Public Health building for the Sheridan Health Center (formerly the Free Clinic). Projects approved for FY14 include a new maintenance and storage building, a new roof for the Historic Courthouse, and a variety of road projects. It is anticipated that the county could receive approximately \$2.2 million in grant funding in FY14.

Other county components have also had to make significant budget reductions, while maintaining quality services. County funding for FY14 includes the library (\$1,115,000), fairgrounds (\$375,000), airport (\$170,000) and hospital (120,000).

Sheridan County has reduced its budget by 38% since 2009. Through it all, County employees have found ways to do more with less, while maintaining a high level of customer service. Working together, each of us who've chosen to serve the citizens of Sheridan County will continue to provide the most effective and efficient service we can.

Steve Maier, Chairman