

BUDGET MESSAGE FISCAL YEAR 2016-2017

Introduction

W.S. 16-4-104(d) requires that each proposed and adopted budget be accompanied by a budget message in explanation of the budget, containing an outline of the proposed financial policies for the budget year, and a description of the important features of the budgetary plan. It must also include the reasons for changes from the previous year in appropriation and revenue items and explain any major changes in financial policy.

Financial Policies

Campbell County Government shall continue to be governed by the Fiscal Policies and Procedures Manual adopted by the Board of Commissioners on March 5, 1991, and as subsequently amended by the Board.

Important Features of the Budgetary Plan

For the fiscal year 2016/2017 budget, beginning July 1st, the highest priority remains to appropriately fund the operating budgets of county offices, departments, and boards in order to provide the public with those services required under Wyoming Statute. Annually, the Board of Commissioners reviews and determines the total mill to be levied, based upon budgetary needs. Historically, the Board has set the mill levy at slightly above eleven (11) mills, and this year that direction continues with a mill levy of 11.151. Under the Constitution of the State of Wyoming, Article 15 § 5, County levies are limited: For county revenue, there shall be levied annually a tax not to exceed twelve mills on the dollar for all purposes including general school tax, exclusive of state revenue, except for payment of public debt and the interest thereon.

Providing the necessary infrastructure to effectively deliver county services continued to be a priority in the current fiscal year ending 2015/2016:

- the new Weed & Pest building adjacent to Northern Drive was completed;
- the new Southern Campbell County Agriculture Complex in Wright was completed;
- the Gillette College Pronghorn Center (Education and Activity Center) is slated to be open in the middle of next fiscal year;
- the Gillette College Agricultural Education and Rodeo Complex is scheduled to be completed in the next fiscal year;
- Fire Station #3 along Enzi Drive is under construction;
- the Town of Wright Community Center was completed;
- the Architect, Exhibit Design Firm and CMAR were selected for the expansion of the Rockpile Museum, and due to current economic conditions this project is on hold, and;
- planned asphalt overlay of the Hilight, Edwards, Breene and Reno Roads.

For fiscal year 2016/17, the emphasis will be on completing and/or making significant construction progress on the projects listed above, and:

- further development of the north Landfill, adjacent to Highway 59;
- completion of the rural Fire Station in the area of Highways 50 and 387;

Additionally, in the next year Landfill operations are planned to be re-located from Westover Road to north of Gillette.

In fiscal year 2015-2016 the Board of Commissioners budgeted \$2.5 million to deposit in the Capital Replacement Reserve from the General Fund account. The Capital Replacement Reserve was established in 1991 to address the long term maintenance and depreciation of Campbell County facilities and equipment. By June 30, 2016, this fund will be over \$85 million, with accrued interest. In the next year, only \$500,000 is planned to be invested in the Capital Replacement Reserve. In addition in FY 2016-17, the Board of Commissioners is only budgeting \$1.0 million dollars in the long term Building Maintenance account for the buildings scheduled to be completed in the new fiscal year. No additional investments are budgeted for the balance of infrastructure accounts held by the County.

The Optional 1% Sales Tax budget is \$13,253,809 in FY 2016-2017, including the Joint Powers Fire Board allocation; this is a decrease of over \$5 million or almost thirty percent. This budget is reflective of declining sales tax revenues and aligned with projected expenditures for the new fiscal year. Optional 1% funds continue to be used for projects and activities approved by the citizens of Campbell County every four years, which include County roads and equipment, operating funding for the Senior Center and local Human Services Providers, public safety equipment, landfill improvements and equipment, Gillette College, expansion of the Children's Developmental Services building, and additional youth programs. The Optional One Percent Sales Tax was most recently renewed by the voters in for four (4) years in the November 2014 general election.

The FY 2016-17 County Budget separated by expenditure category:

Total Operating		66.34%
(Wages & Benefits	44.29%)	
Total Capital		4.85%
Total Capital Construction		12.18%
Optional 1% Sales Tax		9.84%
Grants		<u>6.79%</u>
		100.00%

Reasons for Changes in Appropriations

The assessed valuation for Campbell County will decrease significantly over the previous fiscal year, by almost one billion dollars or nearly fifteen percent. The budget for Fiscal Year 2016-17 fell from \$170.237 million to \$134.645 million, a change of over twenty percent (20.9%) As communicated last year, the Board of Commissioners acknowledges the appreciable decline in assessed valuation for the upcoming fiscal year and understands the assessed valuation will continue to decrease in subsequent

years. Therefore, the current fiscal year budget was focused on maintaining a steady level of services for the citizens of Campbell County, within available resources and investing wisely to successfully address future needs. This includes preserving an efficient operating budget, supporting employees with the services they provide, and maintaining the age of physical plant for County facilities with modern, durable buildings.

A moderate increase in health insurance premiums is reflected in fiscal year 2016/17, along with start of premium sharing for Employees. Any required staffing level reductions will first be considered through attrition and potential voluntary retirement.

Reasons for Changes in Revenue

The assessed valuation for Campbell County in 2016/2017 will decrease by an estimated 14.90%, from \$6,208,239,272 to \$5,283,183,026. This significant decline in assessed valuation is attributed to the current economic conditions with our local energy industry and decreasing private investment in infrastructure. A similar decrease is projected for the next fiscal year.

Federal and state grants in the areas of drug courts, juvenile justice, law enforcement, health and welfare, and public infrastructure continue an overall decline, indicative substantial state and federal budget constraints and funding reallocation.

Major Changes in Financial Policy

There are no major changes in financial policy at this time.

APPROVED this 21st day of **June, 2016**.

**BOARD OF COUNTY COMMISSIONERS
CAMPBELL COUNTY, WYOMING**


Garry G. Becker, M.D., Chairman

ATTEST:


Susan F. Saunders, County Clerk