

BUDGET MESSAGE FISCAL YEAR 2017-2018

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 2017/2018 budget, beginning July 1st, the highest priority is to appropriately fund the operational budgets of county offices, departments, and boards in order to provide the public with those services identified and 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 11.189. 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 2016/2017:

- Fire Station #3 relocated to Enzi Drive was completed, utilizing consensus revenue funding appropriated by the State;
- Gillette College Pronghorn Center (Education and Activity Center) was completed, with County, State, Foundation and private donor funds;
- Gillette College Agricultural Education and Rodeo Complex was completed, with County, District and Foundation funds;
- North Landfill, Rawhide Facility, was acquired to provide for long term landfill efficiencies and is under construction;
- Garner Lake Road Extension is in the design and environmental phase, leveraging local mine industry contributions and County funds with a State appropriation of \$22.4 million;
- Fire Station #9 (Wright) Phase I remediation underway, Phase II scheduled for completion in FY 2017/18;
- Architect, Exhibit Design Firm and CMAR were selected for the expansion of the Rockpile Museum, however due to the current economic conditions the project was put on hold;

- Airport expansion of the secure passenger area, including design, is underway and will be ready for construction in the next fiscal year, using Federal, State and local funds;
- Asphalt overlay of the Hilight, Edwards, Breene and Reno Roads was completed, and;
- Pine Tree Junction Fire Station design is complete and awaiting approval of State Funding for construction.

For fiscal year 2017/18, the emphasis will be on completing and/or making continued significant construction progress on the projects listed above with a focus on projects that include matching funds and/or those which will increase efficiencies within the County, and:

- further development of the north Landfill, Rawhide Facility adjacent to Highway 59, including relocation of Landfill commercial operations;
- completion of the Airport Master Plan;
- continued efficiency and security upgrades to County Buildings.

In fiscal year 2016-2017 the Board of Commissioners budgeted \$500,000.00 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, 2017, this fund will be approximately \$87.5 million, with accrued interest. In the next year, due to the current economic conditions, no funding is budgeted to be invested in the Capital Replacement Reserve. No additional investments are budgeted for the balance of infrastructure accounts held by the County.

The Optional 1% Sales Tax budget is \$5,587,489 in FY 2017-2018, including the Joint Powers Fire Board allocation; this is a decrease of over \$7.66 million or over forty two percent (42%). 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, Library collection and Museum activities, and additional youth programs. The Optional One Percent Sales Tax was most recently renewed by the voters in the November 2014 general election.

The FY 2017-18 County Budget separated by expenditure category:

Total Operating		80.72%
(Wages & Benefits	49.01%)	
Total Capital		2.32%
Total Capital Construction		5.13%
Optional 1% Sales Tax		5.67%
Grants		<u>6.16%</u>
		100.00%

Reasons for Changes in Appropriations

The assessed valuation for Campbell County will decrease significantly over the previous fiscal year, by over one billion dollars or twenty one percent (21.05%). The

budget for Fiscal Year 2017/18 will fall from \$134.645 million to \$98.709 million, a change of over twenty six percent (26.69%). This is the first time the County budget has fallen below \$100 million since FY 2005/06. The Board of Commissioners has prepared and budgeted judiciously acknowledging the appreciable decline in assessed valuation for the upcoming fiscal year. It is anticipated the assessed valuation should begin to stabilize in subsequent years. The 2017/2018 fiscal year budget is focused on maintaining a steady level of services for the citizens of Campbell County, within available resources and investing wisely in infrastructure and capital 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 2017/18, along with continued premium sharing for Employees opting out of the high deductible health program. An early retirement incentive was offered to qualifying personnel in the last year, and it is projected that any further staffing level reductions will first be considered through attrition.

Reasons for Changes in Revenue

The assessed valuation for Campbell County in 2017/2018 will decrease by an estimated twenty one percent (21.05%), from \$5,288,502,849 to a projected \$4,175,382,832. This significant decline in assessed valuation is attributed to the current economic conditions with our local energy industry, and an overall decline in private investment and purchasing. A rebound in revenue is not 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 to decrease, indicative of substantial state budget constraints and federal budget funding reallocation.

Major Changes in Financial Policy

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

APPROVED this 20th day of June, 2017.

BOARD OF COUNTY COMMISSIONERS
CAMPBELL COUNTY, WYOMING



Rusty Bell, Chairman

ATTEST:



Susan F. Saunders, County Clerk