



Davis
COUNTY

Clerk / Auditor

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Steve S. Rawlings, CGFM
Clerk/Auditor

Budget Message for 2012

December 6, 2011

Thanks to our Elected Officials, Department Heads, Budget Committee and very qualified staff who have diligently helped assemble the balanced budget presented this evening for public comment and Commission approval. You have the budget documents before you that have been made available to the public since November 24. There is also supplemental information which has been handed out this evening for review and comment.

A quick review of the materials available includes:

- Budget Message for 2012
- Who Gets Your Tax Dollars Chart
- Budget Highlight Sheet
- Budget Final Page and Fund Summary Budget Final Report

Davis County has had relatively flat operating budgets for the past four years. The economic downturn has certainly contributed with the slowdown in the economy; however, Davis County continues to strive to provide necessary services at the lowest cost to taxpayers. In presenting the proposed 2012 budget, we are not recommending any tax increases, but a relatively flat operating budget with a small increase in operating revenues. We are also not recommending any reduction to services for our County residents.

Summarizing the comparative 2011 approved operating budget of \$94.3 million against the 2012 proposed operating budget of \$97.8 million yields a 3.7% increase of \$3.5 million. For 2012, County Departments requested an additional \$5.7 million more than revenues available. Requests have been trimmed by \$5.7 million to match available resources and continue to provide uninterrupted services to our residents.

Over 4 years ago Davis County began annual appropriations into a Capital Projects fund while at the same time accumulating all annual departmental budget savings to this same fund. Utilization of this appropriated resource is now allowing us to fund and construct much needed facilities without a tax increase while minimizing future burden on taxpayers. The new Health Building and the Senior Services Center in Clearfield are two of the buildings already built with these funds.

Flood projects have been bonded for utilizing existing property tax revenues to make debt service payments on \$27 million dollars of the most critical flood projects without a tax increase. These projects have been ongoing for the last couple of years and will culminate in 2012. The projects completed thus far, has helped County residents avert major negative consequences during the unusually high 2011 Spring runoff season.

Terry Tremea
Chief Deputy/Administration

Pat Beckstead
Elections Director

Yvonne Christensen
GRAMA Coordinator

Curtis Koch
Purchasing Director

Jonathan Lee
Chief Deputy/Finance

Lesa Page
Administrative Assistant

L. Douglas Stone
Lead Reporting Auditor

Dax J. Teuscher
Internal Auditor

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Economic Recovery Zone Bonds of \$19.6 million are being utilized to construct badly needed Davis County Farmington campus facilities to replace aging and substandard buildings. These bonds have produced an all time low interest rate to the County of 3.01 %. They will be paid back over 28 years utilizing the departmental savings mentioned above and the cost savings to maintenance and utilities. The construction of the CJC is almost complete, and the new Administration Building and Headquarters Library are scheduled for completion mid and late-2012 respectively.

Departments have been very frugal in their utilization of budget appropriations. We have held off hiring a number of approved positions in the 2011 year and have adjusted downward in many areas to compensate for increased operating costs. The 2012 Budget includes a decrease of approximately 4 FTEs from 2011. And once again the County anticipates staying below the approved FTE levels.

Davis County continues to maintain the highest bond rating available minimizing interest costs to our taxpayers. We are rigorously maintaining our vehicles and other equipment to extend useful life.

Health insurance providers nationwide are taking needed increases to maintain a positive business posture and we have built into the 2012 budget the anticipated 5% increase in those benefit costs.

One of the largest challenges, like most Utah counties, has been to get all property values to market values and gain equity in taxation throughout the County. We are seeing very positive results with our increased efforts and appropriations to the Assessing and Collecting and Tax Administration functions. Our appeal process is working very effectively and efficiently. The number of appeals and costs directly related to that process has been cut in half.

As you consider your comments, please note the following areas on the "Where Your Property Tax Goes" summary as the areas that Davis County Government has responsibility and oversight for. As presented in the 2012 budget this evening, the Davis County portion approximates 20% of your total property taxes consisting of the line items for Davis County and Library.

The remaining approximately 80% of the property taxes shown on this graph are collected for the Davis School District, Cities, Sewer and Water Districts, Weber Basin Water, Fire Districts, Recreation District, and Mosquito Abatement and are distributed to those taxing entities and their respective budgets. Those budget hearings are under the management and control of those separate entities and are not included in the Davis County Budget.

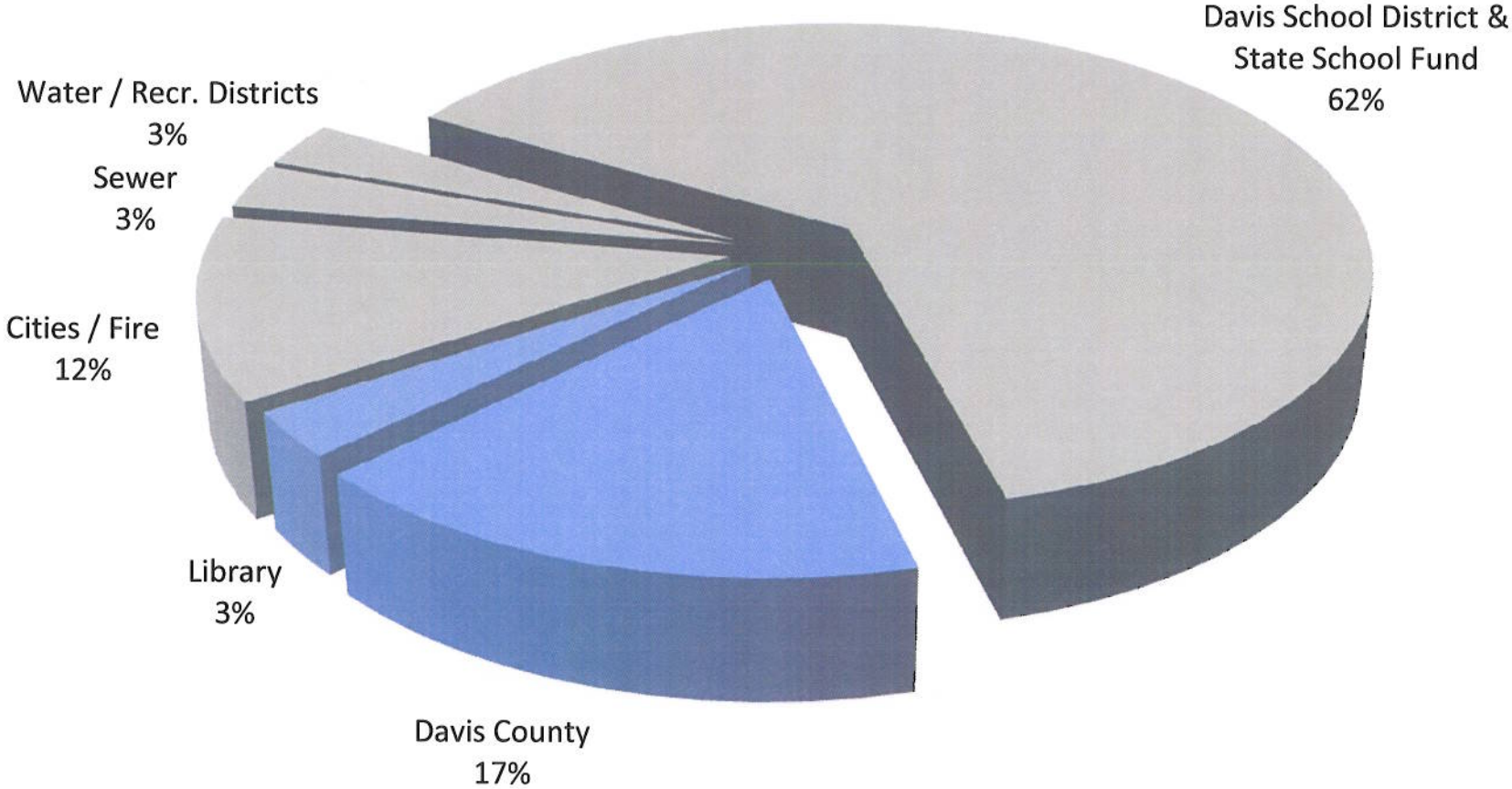
As we progress through the 2012 year and continue to monitor the economic climate we will be ready to react to any additional material downward or upward changes in revenue with offsetting changes in expenditures.

Commissioners and others attending, this concludes our budget message for the 2012 Budget. It is our recommendation that you now consider this budget for approval.

Davis County Budget Committee:

Steve S. Rawlings, Clerk/Auditor and Budget Officer; Commission Chair, Louenda Downs Commissioner, Bret. Millburn; Commissioner, John Petroff; Treasurer, Mark Altom; Personnel Director, Mel Miles; IT Director, Mark Langston; Director of Tax Administration; Ross Bartholomew; Chief Deputy Administration, Terry Tremea; Chief Deputy Finance; Jonathan Lee; Director of Procurement and Contracts; Curtis Koch.

Where the "2011 Average" property tax dollar will go (estimated)....



DAVIS COUNTY, UTAH - PROPOSED BUDGET HIGHLIGHTS
Proposed 2012 Budget

	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>Funding Source</u>
Balanced budget	Yes	Yes	All
Operating budget revenues	\$94.3 Million	<i>\$97.8 Million</i>	All
Reductions to department requests	\$5.4 Million	<i>\$5.7 Million</i>	All
Property tax increase	None	<i>None</i>	All
Budgeted full time equivalents	937	<i>933</i>	All
November actual FTE'S	919	<i>900</i>	All
Cost of living adjustment	0%	<i>0%</i>	All
Performance pay	Yes Avg. 2.0%	<i>Yes Avg. 2.0%</i>	All
Health care premium increases	9%	<i>5%</i>	All
Vehicles rigorously maintained to extend use	Yes	<i>Yes</i>	All
Three year critical flood projects funded from bond reserve	\$17.7 Million	<i>\$7.1 Million</i>	\$27 Million Flood Bonds
Begin construction of Library, Admin, CJC	\$11.3 Million	<i>\$11.2 Million</i>	\$19.6 Million Recovery Zone Bonds
Other capital projects and carryover expenditures	\$3.6 Million	<i>\$1.3 Million</i>	Capital Projects Reserve/Expenditures

Budget Committee Members: Bret Millburn, John Petroff, Louenda Downs, Mel Miles, Mark Langston, Mark Altom, Steve Rawlings, Curtis Koch, Terry Tremea, Jonathan Lee, Ross Bartholomew

Support Staff: Linda May, Janet Buckley, Lesa Page, Jana Bake