

Mayor Kinskey's 2006 City of Sheridan Budget Address

Council, I'm pleased to present to you the 2006-2007 City of Sheridan Budget. We will review this budget, in detail, in the many hours of work sessions ahead. We will start today in looking at Building and Grounds, Planning, Code Enforcement, Building Department and Parks. We will in subsequent sessions go through every aspect of City operations.

After you've had a chance to study the budgets carefully, we'll consider amendments, if any, you may wish to make. I welcome your input. At the same time, I believe you will be pleased with this budget as it is presented.

This budget addresses the priorities that are important to the people of the City of Sheridan:

- Building the Community
- Improving Operations at City Hall
- Implementing Plans for the Future

This budget adheres to the principles outlined by this Council. This is a working Council. In work session about work session, this Council has been consistent in the principles it wants in a budget – balance, building for the future and fiscal prudence.

Provision is made for...

- Rebuilding our infrastructure
- Affordable housing
- Economic development
- Historic preservation
- Promotion of the Arts
- Support of our senior citizens
- Protection of those vulnerable to abuse
- Implementing real long plans so that we can leave to our children this magnificent city which we have inherited.

Last year, we tripled the streets maintenance budget to nearly \$600,000 per year. This budget continues that level of investment. We need to catch up on years of neglect.

Last year, for the first time in over a quarter century, we increased the staff in our police department. This budget continues that. We must keep our streets safe.

Last year, we stopped the practice of the past where some ordinary general operating expenses were taken from one cent monies. This budget continues to keep the one cent fund safe for the purposes voted by the citizens.

Last year, we discovered the general fund had slashed all capital spending. We reversed that, and funded – for the first time in many years – general fund equipment acquisition needed for ordinary city operations. This budget continues that responsible practice.

Last year we funded the creation of additional community service positions dedicated to town clean up. This budget continues that – we must assure that the condition of the community matches the natural beauty with which God has blessed us.

Last year, for the first time in many years, we fully staffed our emergency services department. This budget continues that. We must assure the health and safety of our citizens.

Last year, we provided the resources to our staff to make real long term plans for the City. This budget continues that.

Last year, this Council provided real resources needed to boost programs for economic development and affordable housing. This budget continues support for these fledgling programs.

This budget continues support for other programs essential for a fine community, such as support for the Senior Citizens Center.

The budget also makes provision for the needs for our City workforce by funding the merit pay plan as indicated by this Council; as well as an adjustment to the pay scale. This is done notwithstanding tremendous budgetary pressures including a doubling of our Workers' Compensation rates and a 54% increase in our health insurance rates. In light of the huge increase in health insurance, I did not feel it appropriate to shift that entire cost to our employees. I am proposing that there be a modest increase in the employee share of the health insurance and that the City absorb or make provision for a reserve for the balance. The City will continue to be a strong and competitive employer and we will do right by our workforce.

Not everything that folks wanted was I able to put into the Budget. I had to deny over \$1.6 million in requests for everything from fire trucks to pickup trucks. Various other decisions in cuts had to be made in order to achieve balance.

The important thing is: the Budget is balanced. It is in the black. This is our second balanced budget in two years. This comes on the heels of three prior years of deficit spending. This, together with our policy of setting a little aside for future infrastructure needs, is critical to our community's future.

Because of this Council's fiscal goals, we do have funds that can be used to meet many of the requests for the larger capital purchases. These include the one time State Rainy Day money; the Equipment Purchase Budget in the general fund; as well as Optional One-Cent monies. I will leave it to us as a Council in the days ahead to make those tough

determinations as to what equipment to purchase – if any - or whether to defer those decisions to a later date, but allocate the funds.

There are some issues that were not addressed in this budget and they loom large on the horizon. They are questions that I seek policy direction from Council – as this Council has emphasized many times they are a policy making body.

First, this budget presumes that we receive only the currently contracted amount of \$350,000 from the County for ambulance and fire protection. As we have discussed on prior occasions, the County should be giving us somewhere between \$850,000 and \$1 million per year to appropriately cover their share of our costs. Our costs continue to rise, while the county's contribution remains flat where it was years ago.

It was with this in mind that we gave the County notice last year of termination of the fire and ambulance contract on County areas not covered by volunteer fire departments effective December 31 of this year. I have received no word from the County that they have taken any action, either in scheduling an election for a 3 mill levee in the “donut” areas; nor that they have taken any action to put increased funding for this from their Optional One-Cent monies.

Currently there is a huge subsidy by the citizens of the City of Sheridan for fire and ambulance protection in areas outside our borders. I have heard loud and clear from the City Council that this subsidy must stop. I trust that Council shall join me in urging that County Commissioners to take some action or make alternative provisions for fire and ambulance service in the areas outside the City of Sheridan.

Second, there are some uncertainties of the impact of the exemption for groceries on our sales tax collections. The Legislature did appropriate \$47 million to compensate cities and towns for reduced sales tax collections. How that's going to be distributed remains unclear. We must proceed on the faith that the government will follow the Legislature's intent to make us whole. And, our Treasurer's office will monitor the situation closely.

Council, I look forward to our deliberations in the days ahead. And, thank you, in advance, for your many hours of work away from your jobs and your families. In the end, the community we help build will be worth the sacrifice.