



Davis
COUNTY

Clerk / Auditor

Davis County Administration Building - P.O. Box 618 - Farmington Utah 84025
Telephone: (801) 451-3420 – Fax: (801) 451-3421 – TDD (801) 451-3228

Steve S. Rawlings, CGFM
Clerk/Auditor

Budget Message for 2013

December 4, 2012

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 21. 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 2013
- 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 2013 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 2012 approved operating budget of \$97.8 million against the 2013 proposed operating budget of \$101.6 million yields a 3.9% increase or \$3.8 million. Included in this increase is a 1% cost-of-living adjustment and performance pay increase for eligible employees. Elected officials will not receive any increases. For 2013, County Departments requested an additional \$4.0 million more than revenues available. Requests have been trimmed by \$4.0 million to match available resources and continue to provide uninterrupted services to our residents.

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 few years and will complete in 2013. The projects completed thus far, have helped County residents avert major negative consequences during the unusually high 2011 Spring runoff season.

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 extremely 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

Pat Beckstead Elections Director **Yvonne Christensen** GRAMA Coordinator **Curtis Koch** Chief Deputy/Audit & Finance **Jonathan Lee** Finance Director **Lesa Page** Administrative Assistant **L. Douglas Stone** Lead Reporting Auditor **Dax J. Teuscher** Internal Auditor **Terry Tremea** Chief Deputy/Administration

construction of the Children's Justice Center was completed in January 2012, and the new Administration Building and Headquarters Library are scheduled for completion in Spring, 2013.

Departments have been very frugal in their utilization of budget appropriations. We have held off hiring a number of approved positions in the 2012 year and have adjusted downward in many areas to compensate for increased operating costs. The 2013 Budget includes a decrease of approximately 15 FTEs from 2012. 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. In 2012, the County has accelerated bond principal and interest payments and paid off the Bountiful/South Davis Recreation District debt and the Zion's Bank Lease-Purchase agreement. The County has also refinanced the 2004 General Obligation Jail Bond to an extremely low rate of 2.13% and will use the interest savings to accelerate debt payments for the DMV bond and pay that off in 2014.

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 2013 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 significantly reduced from previous years.

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 2013 budget this evening, the Davis County portion approximates 20% of your total property taxes consisting of the line items for Davis County Government and the Davis County Library system.

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.

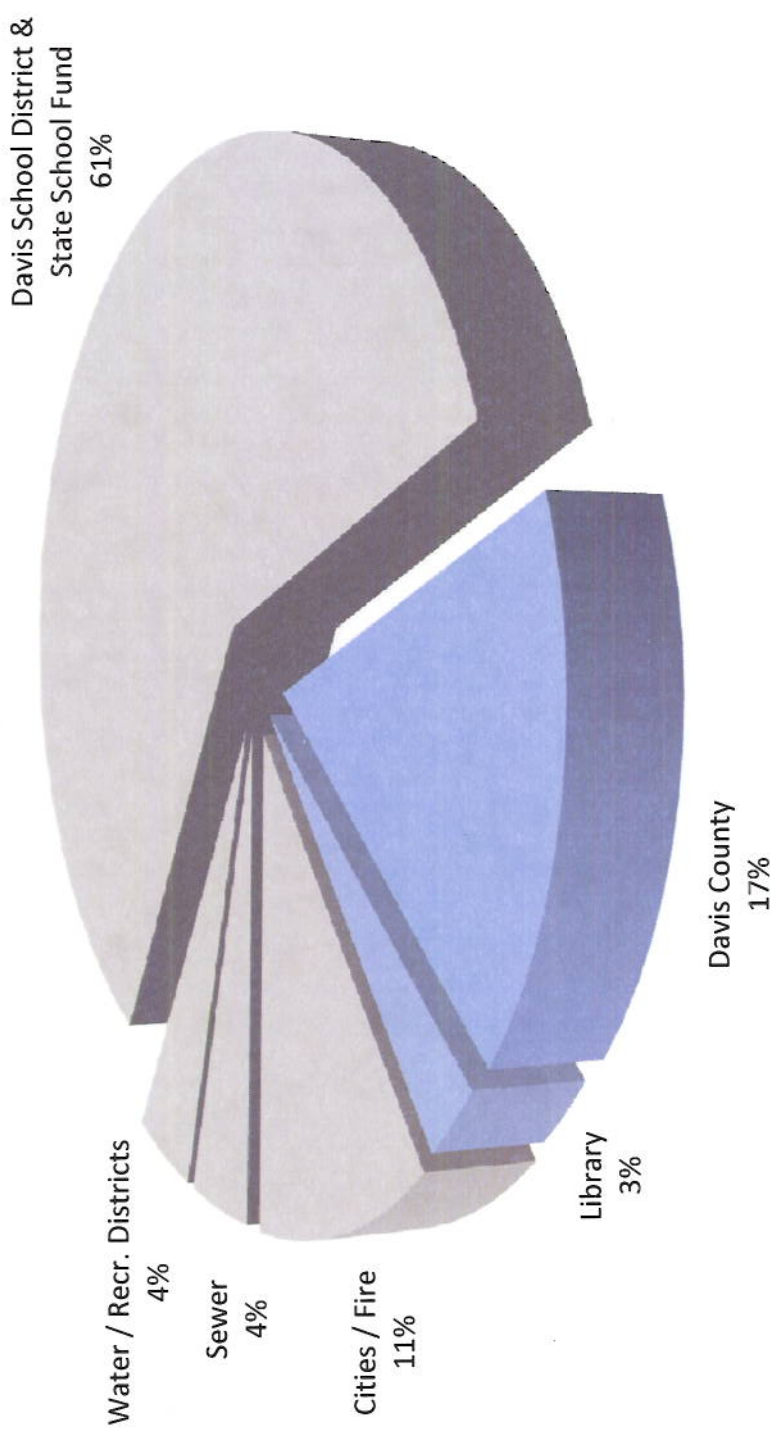
As we progress through the 2013 year and continue to monitor the economic climate we will be ready to react to any additional material downward or upward changes in revenue with offsetting changes in expenditures.

Commissioners and others attending, this concludes our budget message for the 2013 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, Bret. Millburn; Commissioner, Louenda Downs; Commissioner, John Petroff; Treasurer, Mark Altom; Personnel Director, Mel Miles; IT Director, Mark Langston; Chief Deputy Administration, Terry Tremea; Chief Deputy Audit/Finance, Curtis Koch, and Finance Director; Jonathan Lee

Where the "2012 Average" property tax dollar will go (estimated)....



DAVIS COUNTY, UTAH - PROPOSED BUDGET HIGHLIGHTS
Proposed 2013 Budget

	<u>2012 Budget</u>	<u>2013 Budget</u>	<u>Funding Source</u>
Balanced budget	Yes	Yes	All
Operating budget revenues	\$97.8 Million	\$101.6 Million	All
Reductions to department requests	\$5.7 Million	\$4.0 Million	All
Property tax increase	None	None	All
November actual FTE'S	885	870	All
Cost of living adjustment	0%	1% (eligible employees)	All
Performance pay	Yes Avg. 2.0%	Yes Avg. 2.0%	All
Health care premium increases	5%	5%	All
Vehicles rigorously maintained to extend use	Yes	Yes	All
Flood projects funded from bond reserve / projects fund	\$7.1 Million	\$2.9 Million	\$27 Million Flood Bonds
Construction of Library, Admin, CJC	\$11.2 Million	\$2.3 Million	\$19.6 Million Recovery Zone Bonds
Other capital projects and carryover expenditures	\$1.3 Million	\$2.2 Million	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.

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