



# 2020 BUDGET

**Proposal  
Summary**

October 8, 2019

# 2020 BUDGET SUMMARY

## BUDGET SCHEDULE

- *Today*, we are presenting the 2020 Proposed Budget, ahead of the Oct. 15th deadline
- *First half of November*, budget work-sessions (with the BoCC) will be scheduled
- *Dec. 12th*, BoCC will approve and appropriate 2020 budget
- *Dec. 19th*, Certification of Mill Levies

# 2020 BUDGET SUMMARY

## FORCES DRIVING THE PROPOSED NUMBERS

- External Influences
- Internal Strategic Considerations
- Statutes & County Policy

# 2020 BUDGET SUMMARY

## EXTERNAL INFLUENCES

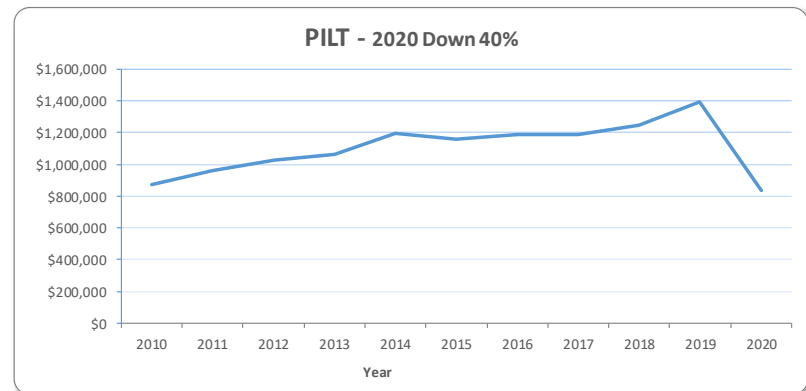
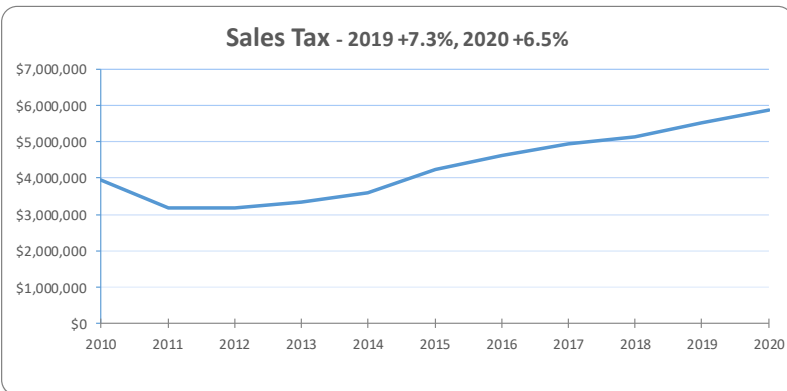
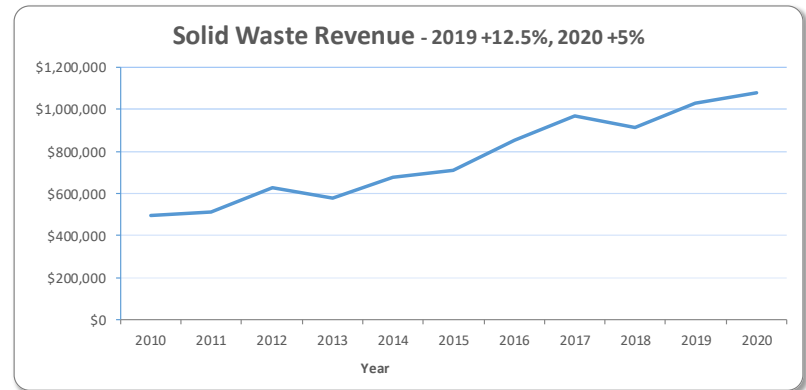
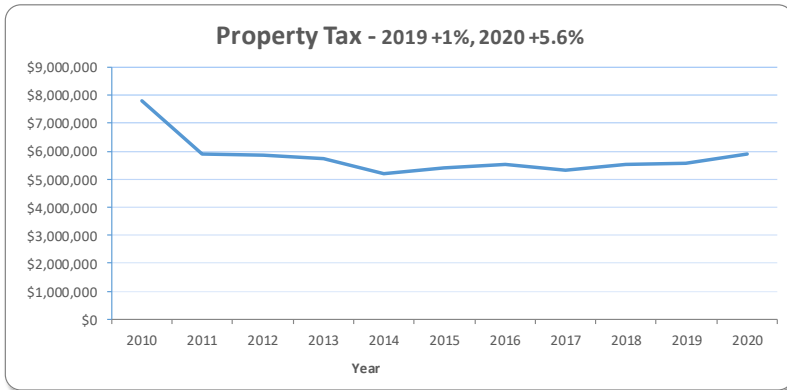
The most relevant to the budget are:

- Revenue Trends
- Consumer Price Index
- “Purchasing Power” Trends

# 2020 BUDGET SUMMARY

## EXTERNAL INFLUENCES

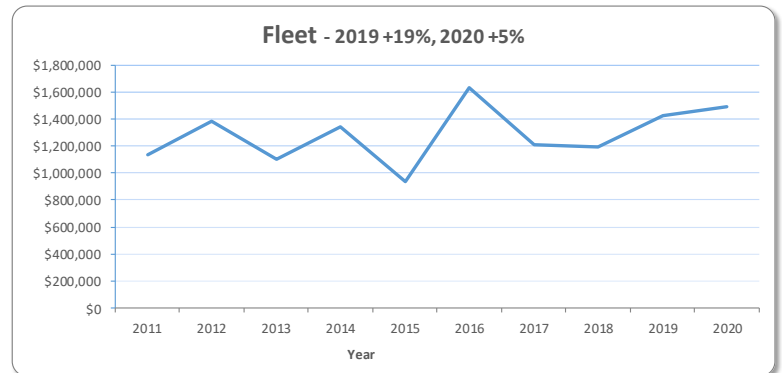
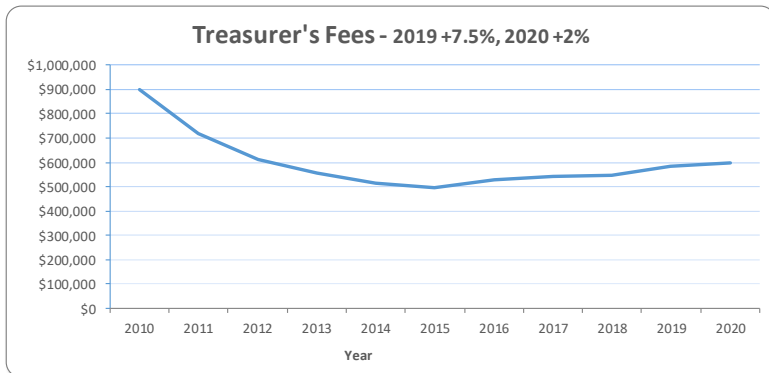
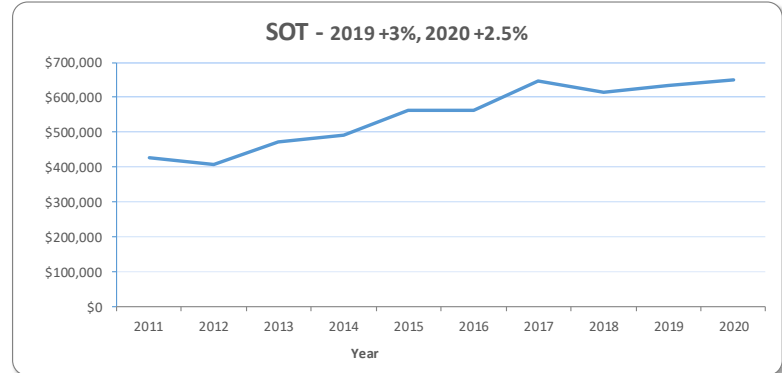
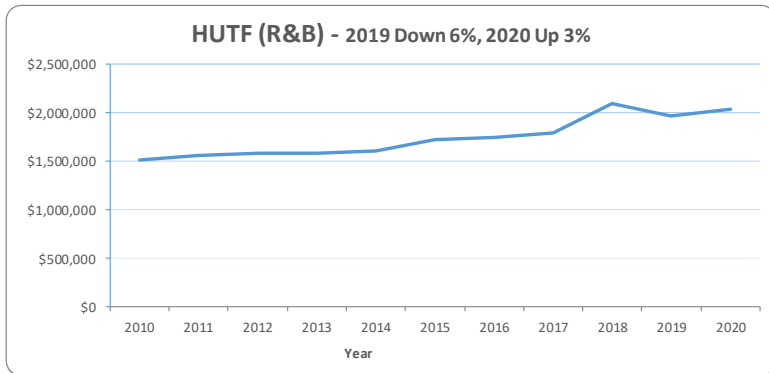
### Revenue Trends



# 2020 BUDGET SUMMARY

## EXTERNAL INFLUENCES

### Revenue Trends (continued)



# 2020 BUDGET SUMMARY

## EXTERNAL INFLUENCES

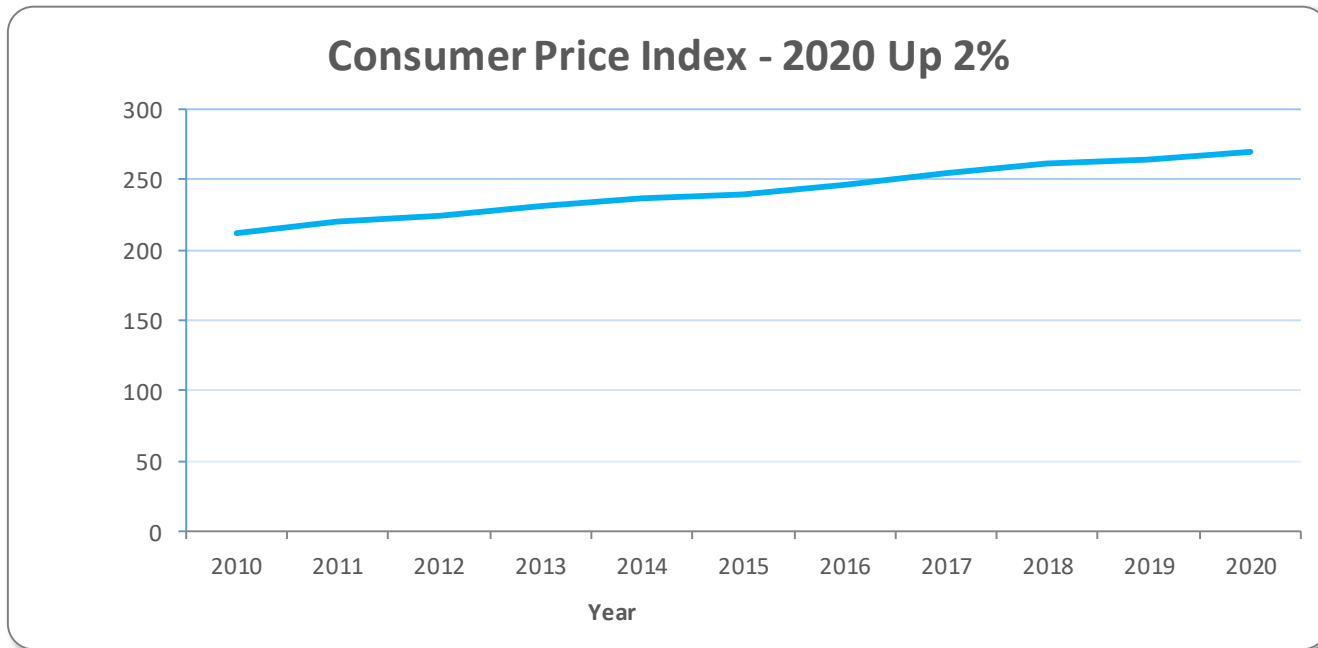
### Changing Costs – Goods & Services

- The County uses “Consumer Price Index” data to determine reasonable overall changes in many different costs
- 2020 will be based on a projection of 2019 data, and that data suggests an increase of 2%

# 2020 BUDGET SUMMARY

## EXTERNAL INFLUENCES

### Changing Costs – Goods & Services (Trends)

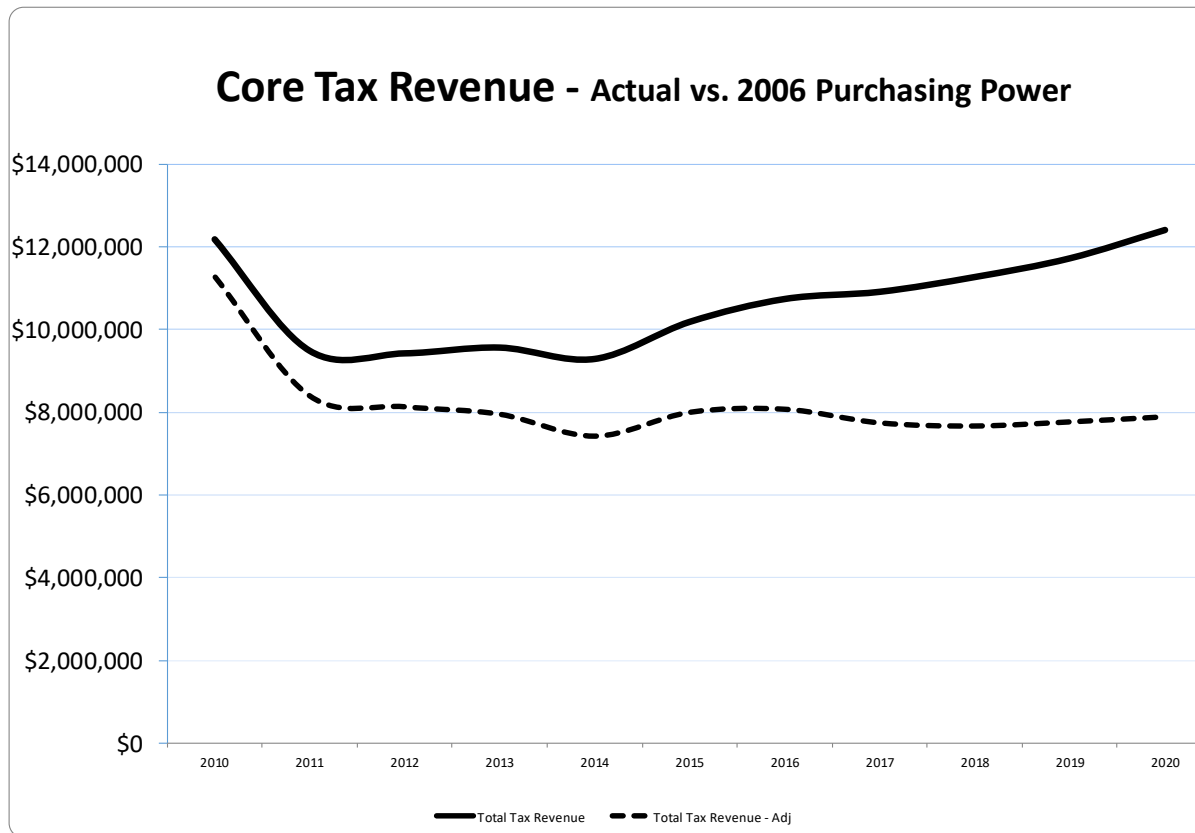




# 2020 BUDGET SUMMARY

## EXTERNAL INFLUENCES

### Purchasing Power Trends



# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

- Address deferred capital replacement to extent possible
- Seek sustainable ways to fund improved road conditions
- Maintain healthy reserve balances to insure stable service delivery
- Continue limited growth of core operations budgets (to make the above possible)

# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

Address deferred capital and deferred maintenance, to extent possible, including:

- \$3,836,184 for Justice System Capital Fund expenditures:
  - \$2,731,309 Detention Facility Construction Payments
  - \$817,200 Detention Facility Lease Payments
  - \$287,675 Sheriff Office Building Renovation (include Dispatch Office?)
- \$1,200,000 for DHS Office Space
- \$3,475,000 for R&B Capital Projects
  - \$1,500,000 N. Pagosa Blvd.
  - \$750,000 Various (Lithified Tech/Chip Seal) Projects
  - \$1,225,000 Other Paving Projects
- \$780,000 for Fleet (Vehicles & Equipment)

# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

The 2020 draft budget does **NOT** include the following capital projects:

- **New Courthouse Project**

(except for approximately \$650,000 in projected unspent Justice System Balance, which could be used to match grants)

- **Cell 4B – Landfill**

(Won't be constructed until 2021 or 2022)

- **New Dispatch Office**

(Unless they move in with Sheriff's Office at Harman Property)

# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

### Seek sustainable ways to fund improved road conditions

- The 2020 mill levy distribution to R&B was reduced significantly (\$1.1M), to shift resources to the DHS fund for facilities and to make Detention lease payments.
- This change reduces funding allocated towards road capital improvements *over the long term, but not in 2020*. R&B fund balances are accumulated in advance of large projects... (like N. Pagosa), and the 2020 project funds are already accumulated.
- R&B has introduced the use of “Lithified” technology, in order to reduce paving projects from about \$1M/mile to approximately \$300,000/mile. This may allow R&B to make improvements in roads, *even with reduced funding in the long term*.

# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

Maintain healthy reserve balances to insure stable service delivery

■ **Tabor Reserve**            **\$346,041**

Statutorily required; can fluctuate as it is calculated as 3% of total (adjusted) revenue.

■ **Operating Reserve**    **\$2,907,458**

This was established by Resolution #20-2011 and reaffirmed by Resolution #55-2014 and is calculated as a function of general fund expenditures, essentially equal to 3 months of general fund expenditures. This reserve is intended to insure the availability of cash to cover expenses in excess of revenue, as may occur seasonally within a year.

■ **Strategic Reserve**     **\$3,876,610**

This was established by Resolution #55-2014 and is calculated as a function of general fund expenditures, essentially equal to 4 months of those expenditures. This reserve is intended to insure the availability of resources to cover expenditures in excess of revenue during periods of financial exigency.

# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

Continue limited growth of core operations budgets

- Limited materials and service budget growth (to match the rate of inflation)
- Staffing levels maintained at 2018 levels, (but with a COLA to match inflation).
- There are some important *exceptions*...

# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

### Exceptions to the limit on growth of budgets:

#### ■ Detention:

- 2020 will be a transition year, (and into a new set of circumstances). Both the Sheriff's Office and the Finance Office created new Detention budget proposals from the ground up.
- The current 2020 Detention draft is about \$290,000 (21%) higher than 2019. And there is another \$200,000 in contingency (under Commissioner control).
- The Sheriff Office proposal is another \$113,000 higher. Discussions about the reasonableness of the detail are continuing.



# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

### Exceptions to the limit on growth of budgets:

- Dispatch - Significant changes are on the table:
  - Cost to move in with Sheriff's Office at Harman property.
  - Replacement of expensive equipment (over the next 10 years).
  - Proposed addition of 1 FTE and promotions to "lead dispatcher" of 3 staff.
  - This draft includes the added cost of new equipment and the move, but **not** personnel.
  - *We do not yet know what additional costs may be agreed by the other supporting entities.*

# 2020 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

### Exceptions to the limit on growth of budgets:

- All proposals that were not included in this draft budget are being accumulated on separate “proposal” lists (one for each fund).
- Later in the budget process, (and after revenue projections have been updated) the “proposal” lists will be presented to the Commissioners for consideration and discussion.
- While each County fund is unique, we currently believe that excess funding to cover these proposals will be limited (possibly... non-existent).

# 2020 BUDGET SUMMARY

## STATUTES & COUNTY POLICY

- *The Budget is Balanced:* expenses are not higher than fiscal year revenue, plus appropriated fund balances
- *Revenue Forecasting* is conservative, with no reliance on speculation
- *Operational Expense* budgets are fully supported by reliable, sustainable revenue streams
- *Capital Outlay Expenses* emphasize replacement or maintenance of *pre-existing* assets, not procurement of entirely new assets

# 2020 BUDGET SUMMARY

## REVENUE & EXPENDITURES

<u>2020 BUDGET</u>		
FUND NAME	REVENUES	EXPENDITURES
General	\$ 12,806,308	\$ 14,464,176
Road & Bridge	5,541,215	7,963,064
DHS	5,270,465	5,763,220
1A Fund	-	73,877
Archuleta Combined Dispatch	1,067,545	1,082,935
Conservation Trust	136,000	640,402
Justice System Cap Improvements	1,790,750	3,836,184
Fairfield Settlement	12,500	540,866
Solid Waste	1,081,073	1,015,768
Airport	424,956	467,610
Fleet Management	1,844,000	1,948,877
	\$ 29,974,812	\$ 37,796,979

# 2020 BUDGET SUMMARY

## EXPENSE — BY MAJOR TYPE

2020 Budget				
FUND	OPERATING EXPENDITURES	CAPITAL OUTLAY	DEBT SERVICE	TOTAL APPROPRIATIONS
General	\$ 14,168,829	\$ 222,619	\$ 72,728	\$ 14,464,176
Road & Bridge	4,060,420	3,475,000	427,644	7,963,064
DHS	5,763,220	-	-	5,763,220
1A Fund	73,877	-	-	73,877
Archuleta Combined Dispatch	997,271	28,000	57,664	1,082,935
Conservation Trust	75,000	565,402	-	640,402
Justice System Cap Improvements	-	3,018,984	817,200	3,836,184
Fairfield Settlement	540,866	-	-	540,866
Solid Waste	818,179	165,000	32,589	1,015,768
Airport	287,610	180,000	-	467,610
Fleet Management	1,168,877	780,000	-	1,948,877
<b>Totals</b>	<b>\$ 27,954,149</b>	<b>\$ 8,435,005</b>	<b>\$ 1,407,825</b>	<b>\$ 37,796,979</b>

# 2020 BUDGET SUMMARY

## CHANGES IN REVENUE AND OTHER SOURCES

Archuleta County REVENUE and OTHER SOURCES				
Fund	2019 Budget	2020 Budget	\$ Change	% Change
General	11,707,497	12,806,308	1,098,811	9.4%
Road & Bridge	6,075,249	5,541,215	(534,034)	-8.8%
Human Services	4,286,713	5,270,465	983,752	22.9%
1A Fund	0	0	0	N/A
Combined Dispatch	923,179	1,067,545	144,366	15.6%
Conservation Trust	121,000	136,000	15,000	12.4%
Justice System Capital	1,500,000	1,790,750	290,750	19.4%
Fairfield Settlement	10,301	12,500	2,199	21.3%
Solid Waste	995,659	1,081,073	85,414	8.6%
Airport	658,266	424,956	(233,310)	-35.4%
Fleet Management	1,387,982	1,844,000	456,018	32.9%
<b>Total Across All Funds</b>	<b>27,665,846</b>	<b>29,974,812</b>	<b>2,308,966</b>	<b>8.3%</b>

# 2020 BUDGET SUMMARY

## CHANGES IN REVENUE AND OTHER SOURCES

### Increased “Revenue” from:

- \$785,000 - Sales Tax (General & R&B)
- \$206,000 - Fleet Charges (Fleet)
- \$198,000 - Property Tax (General, R&B, DHS)
- \$160,000 - SO Traffic Code Enforcement (General)
- \$74,000 - Intergovernmental Revenue (Dispatch)
- \$54,000 - Planning Dept Fees (General)

### Increased “Other Sources” due to increased transfers from the General Fund:

- \$237,000 - Justice System Capital
- \$250,000 - Fleet
- \$70,000 - Dispatch

# 2020 BUDGET SUMMARY

## CHANGES IN REVENUE AND OTHER SOURCES

Proposed Modification of Property Tax Allocation (via Mill Levy Certification):

Year	General	R&B	DHS
2013	80%	15%	5%
2014	80%	15%	5%
2015	70%	25%	5%
2016	70%	25%	5%
2017	70%	25%	5%
2018	70%	25%	5%
2019	70%	25%	5%
<b>2020 – Bgt</b>	<b>75%</b>	<b>5%</b>	<b>20%</b>
2021 - ???	85%?	10%?	5%?



# 2020 BUDGET SUMMARY

## CHANGES IN EXPENSE

Archuleta County EXPENSES and OTHER USES					
Fund	2019 Budget	2020 Budget	\$ Change	% Change	
General	13,364,447	14,464,176	1,099,729	8.2%	
Road & Bridge	6,328,020	7,963,064	1,635,044	25.8%	
Human Services	4,570,769	5,763,220	1,192,451	26.1%	
1A Fund	95,541	73,877	(21,664)	-22.7%	
Combined Dispatch	1,021,318	1,082,935	61,617	6.0%	
Conservation Trust	542,372	640,402	98,030	18.1%	
Justice System Capital	3,668,542	3,836,184	167,642	4.6%	
Fairfield Settlement	526,427	540,866	14,439	2.7%	
Solid Waste	892,576	1,015,768	123,192	13.8%	
Airport	644,692	467,610	(177,082)	-27.5%	
Fleet Management	1,984,243	1,948,877	(35,366)	-1.8%	
<b>Total Across All Funds</b>	<b>33,638,947</b>	<b>37,796,979</b>	<b>4,158,032</b>	<b>12.4%</b>	

# 2020 BUDGET SUMMARY

## CHANGES IN EXPENSE

### Increased Expenses:

- General Fund:
  - \$458,000 – Net Increase in Transfers to Other Funds (Justice System, Fleet, Dispatch)
  - \$290,000 – Increase in Detention
  - \$200,000 – Increase in “Contingency”
- Road & Bridge Fund:
  - 1,557,000 – Increase in Paving (included “N. Pagosa Blvd” project)
- DHS Fund:
  - \$1,200,000 Increase for Contribution to Building Project

# 2020 BUDGET SUMMARY

## CHANGES IN EXPENSE BY OBJECT (TYPE)

Archuleta County EXPENSE BY OBJECT (TYPE)				
Fund	2019 Budget	2020 Budget	\$ Change	% Change
Personnel Costs	10,695,057	10,967,870	272,813	2.6%
Materials & Services	12,715,442	14,320,802	1,605,360	12.6%
Capital Outlay	7,483,870	8,435,005	951,135	12.7%
Debt Service	590,626	1,407,825	817,199	138.4%
Transfers	2,153,952	2,665,477	511,525	23.7%
<b>Total Across All Funds</b>	<b>33,638,947</b>	<b>37,796,979</b>	<b>4,158,032</b>	<b>12.4%</b>

# 2020 BUDGET SUMMARY

## CHANGES IN EXPENSE BY OBJECT (TYPE)

### Increases in:

- \$276,000 - Personnel Costs
  - 2% COLA
  - Changes in Detention Staffing
  - <Less> other changes
- \$1,600,000 - Materials & Service
  - Contribution to DHS building project (\$1.2M)
  - Increase in Contingency (\$200,000)
- \$1,768,000- Capital Outlay
  - N. Pagosa Blvd. Project
  - Sheriff's Office (Harman Remodel)

# 2020 BUDGET SUMMARY

## CHANGES IN EXPENSE BY OBJECT (TYPE)

### Increases in:

- \$511,000 - Transfers
  - Justice System Capital (increase \$290,000 total)
  - Fleet (increase \$250,000)
  - Dispatch (increase \$70,000)
  - Airport (**reduction** \$99,000)
- \$817,000 – Debt
  - Detention Facility – COP Lease Payment
  - See detail on Debt, next two slides

# 2020 BUDGET SUMMARY

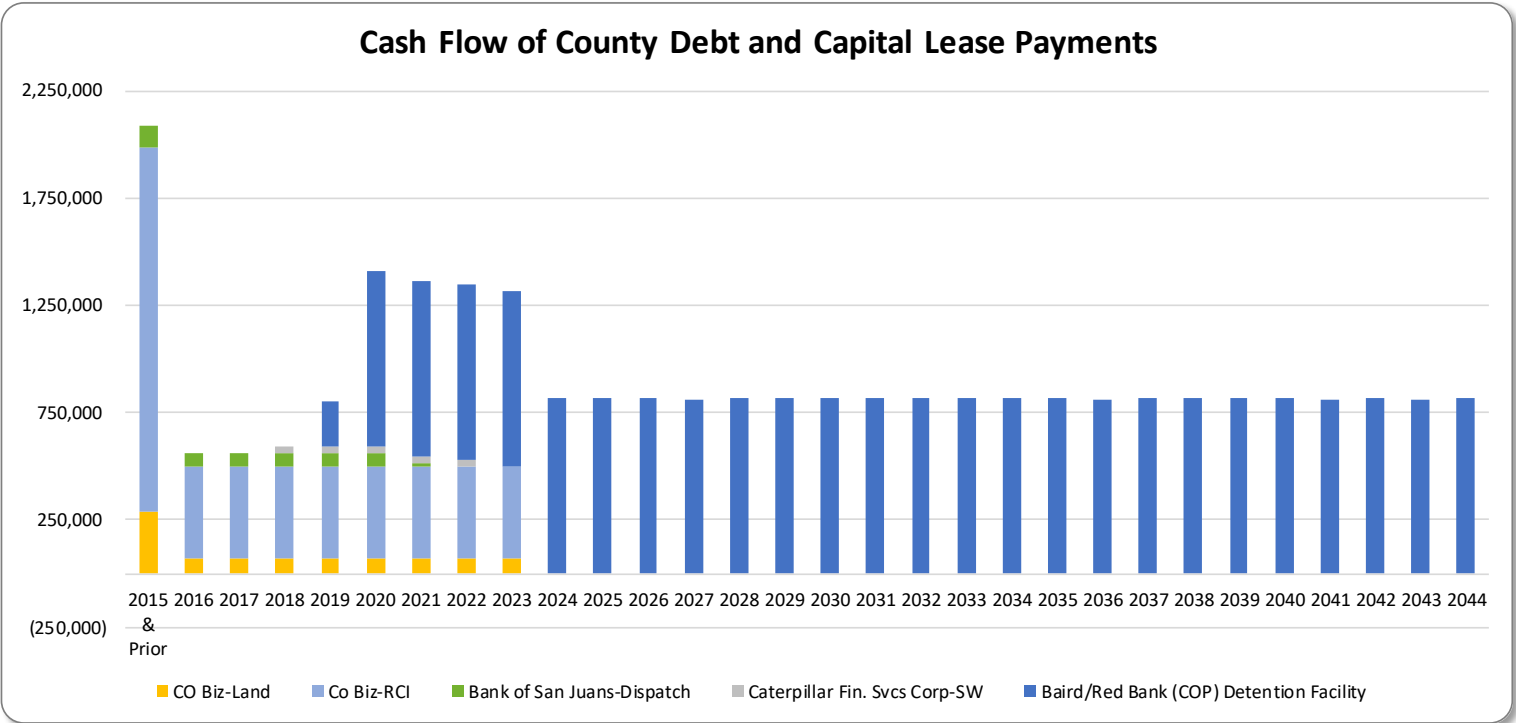
## CHANGES IN EXPENSE BY OBJECT (TYPE)

### CAPITAL LEASE PAYMENT SCHEDULE

Year	Real Property				Other			Grand Totals
	Colorado Business Bank (CoBiz Financial) - Land	Colorado Business Bank (CoBiz Financial) - RCI	Baird/Red Bank (COP) Detention Facility	Total Real Property	Bank of San Juans - Dispatch	Caterpillar Financial Services Corporation - Solid Waste	Total Other	Real Property and Other
2015 & Prior	\$ 288,444	\$ 1,696,075	\$ -	\$ 1,984,519	\$ 100,912	\$ -	\$ 100,912	\$ 2,085,431
2016	72,728	427,644	-	500,372	57,664	-	57,664	558,036
2017	72,728	427,644	-	500,372	57,664	-	57,664	558,036
2018	72,728	427,644	-	500,372	57,664	32,589	90,253	590,625
2019	72,728	427,644	214,630	715,002	57,664	32,589	90,253	805,255
<b>2020 Bgt</b>	<b>72,728</b>	<b>427,644</b>	<b>817,200</b>	<b>1,317,572</b>	<b>57,664</b>	<b>32,589</b>	<b>90,253</b>	<b>1,407,825</b>
2021	72,728	427,644	814,200	1,314,572	14,416	32,589	47,005	1,361,577
2022	72,728	427,644	815,450	1,315,822	-	32,590	32,590	1,348,412
2023	72,728	427,644	815,700	1,316,072	-	-	-	1,316,072
2024	-	-	814,950	814,950	-	-	-	814,950
2025	-	-	816,900	816,900	-	-	-	816,900
2026	-	-	818,400	818,400	-	-	-	818,400
2027	-	-	814,450	814,450	-	-	-	814,450
2028	-	-	815,200	815,200	-	-	-	815,200
2029	-	-	815,500	815,500	-	-	-	815,500
2030	-	-	815,350	815,350	-	-	-	815,350
2031	-	-	814,750	814,750	-	-	-	814,750
2032	-	-	818,700	818,700	-	-	-	818,700
2033	-	-	817,050	817,050	-	-	-	817,050
2034	-	-	814,950	814,950	-	-	-	814,950
2035	-	-	817,400	817,400	-	-	-	817,400
2036	-	-	814,250	814,250	-	-	-	814,250
2037	-	-	815,650	815,650	-	-	-	815,650
2038	-	-	816,450	816,450	-	-	-	816,450
2039	-	-	816,650	816,650	-	-	-	816,650
2040	-	-	816,250	816,250	-	-	-	816,250
2041	-	-	814,375	814,375	-	-	-	814,375
2042	-	-	816,875	816,875	-	-	-	816,875
2043	-	-	813,594	813,594	-	-	-	813,594
2044	-	-	814,687	814,687	-	-	-	814,687
	<b>\$ 870,265</b>	<b>\$ 5,117,230</b>	<b>\$ 20,609,561</b>	<b>\$ 26,597,056</b>	<b>\$ 403,647</b>	<b>\$ 162,946</b>	<b>\$ 566,593</b>	<b>\$ 27,163,649</b>

# 2020 BUDGET SUMMARY

## CHANGES IN EXPENSE BY OBJECT (TYPE)



# 2020 BUDGET SUMMARY

## CHANGES IN ENDING FUND BALANCE

Archuleta County ENDING FUND BALANCES [Government Only]				
Fund	2019 Projected	2020 Budget	\$ Change	% Change
General	11,209,592	9,551,724	(1,657,868)	-14.8%
Road & Bridge	6,065,721	3,643,872	(2,421,849)	-39.9%
Human Services	837,526	344,771	(492,755)	-58.8%
1A Fund	73,877	0	(73,877)	-100.0%
Combined Dispatch	130,746	115,356	(15,390)	-11.8%
Conservation Trust	504,403	0	(504,403)	-100.0%
Justice System Capital	2,798,937	753,503	(2,045,434)	-73.1%
Fairfield Settlement	528,366	0	(528,366)	-100.0%
<b>Total Across All Funds</b>	<b>22,149,168</b>	<b>14,409,226</b>	<b>(7,739,942)</b>	<b>-34.9%</b>



# 2020 BUDGET SUMMARY

## CHANGES IN ENDING FUND BALANCE

Expenses in excess of current year revenue (or other sources), representing *full appropriation of special funds*:

- \$504,000 Conservation Trust Fund
- \$528,000 Fairfield Settlement
- \$74,000 1A Fund

Expenses in excess of current year revenues, representing *net use of fund balances for capital expenses*:

- \$2,045,000 Justice Systems Capital Fund (Detention, SO Offices)
- \$493,000 DHS Fund (new building project)
- \$2,421,000 Road & Bridge Fund (various road projects)

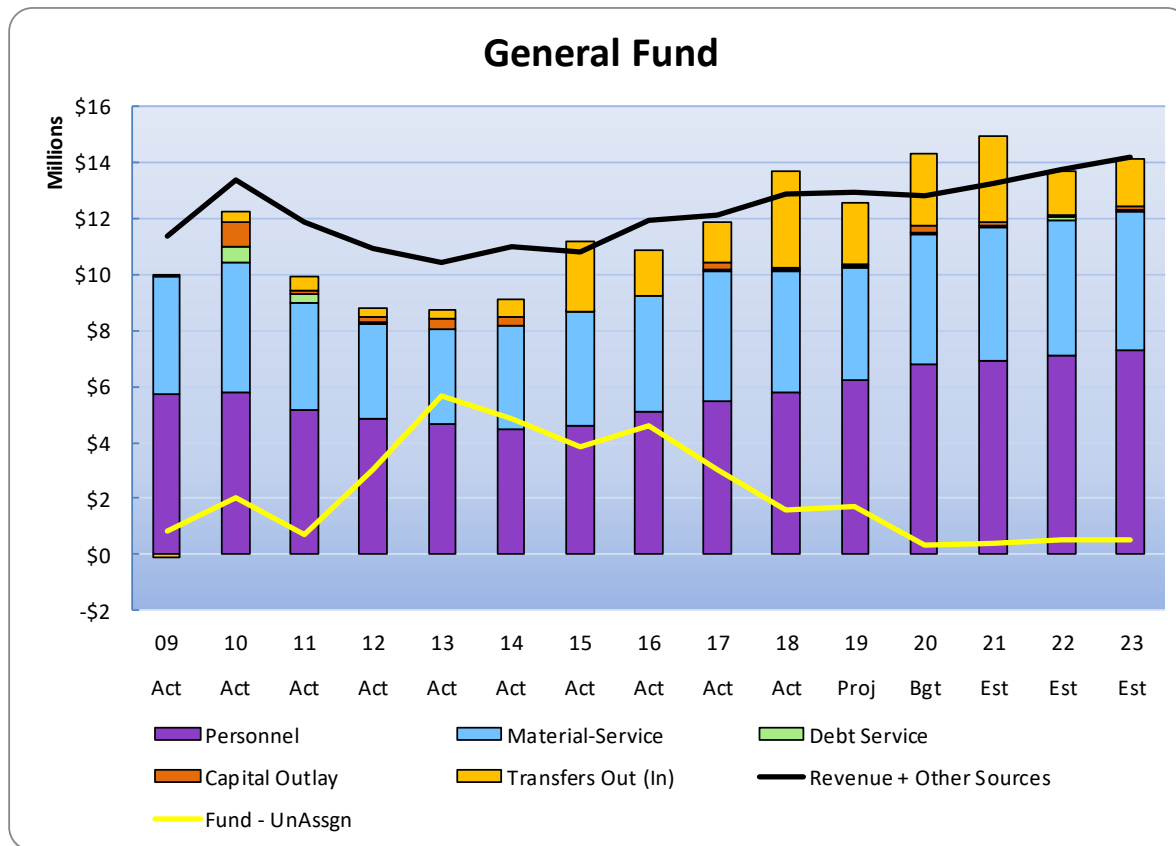
Other Uses, *representing transfers out of the general fund*:

- \$1,737,000 to the Justice Systems Capital Fund

# 2020 BUDGET SUMMARY

## CHANGES IN ENDING FUND BALANCE

The General Fund balance looks high, but the “Unassigned” portion that can be used in any way is only \$346,676 at the end of 2020.



# 2020 BUDGET SUMMARY

## EXAMINATION OF BUDGET

- The following budget information is available for examination:
  - This 2020 Budget Summary (36 page PowerPoint Presentation), and
  - 2020 Budget Detail (193 pages including 2019 Projections and Actuals for 2017 & 2018)
- This information can be found at:
  - County Clerks Office (449 San Juan Street) in book form
  - County Website at: [www.archuletacounty.org](http://www.archuletacounty.org)

# 2020 BUDGET PREVIEW QUESTIONS?

Thanks to everybody involved.

Questions?