

ARCHULETA COUNTY
2017 BUDGET
PREVIEW

October 11, 2016

Taking the Long View

Previous budgets have been developed with a strong focus on addressing existing deferrals in: Capital purchases, Capital investments, and staff compensation packages.

The 2017 budget while continuing to address current needs, is being developed mindful of the long term effects of current decisions.

Long Term Organization Viability

Fund Management & Forecasting:

- The decisions that we make during the annual budget process impact the financial viability of the County in future years.
- We use of Long Range Financial modeling software to evaluate the long term impact of various budget options, in each major fund.

EXTERNAL Influences on Budget

- Revenue Fluctuation.
- Consumption/Deterioration of Capital Assets.
- Changing Cost (and Availability) of Appropriate Personnel.
- Changing Cost of Goods & Services.
- Changes in Technology (Obsolescence).

INTERNAL Strategic Considerations

- **Address deferred capital and deferred maintenance**
 - \$429,000 Fleet: for vehicles and equipment.
 - \$332,000 Solid Waste: for landfill compactor.
 - \$80,000 Building and facilities deferred maintenance

- **Seek sustainable ways to fund ongoing and future road maintenance.**
 - Maintained revised mill levy distribution initiated in 2015 to ensure robust capital and maintenance efforts.
 - Added new Crack Sealing program, in order to significantly reduce long term Paving and Patching costs. Additionally, the BoCC will be considering a significant investment in an enhanced gravel road maintenance program.

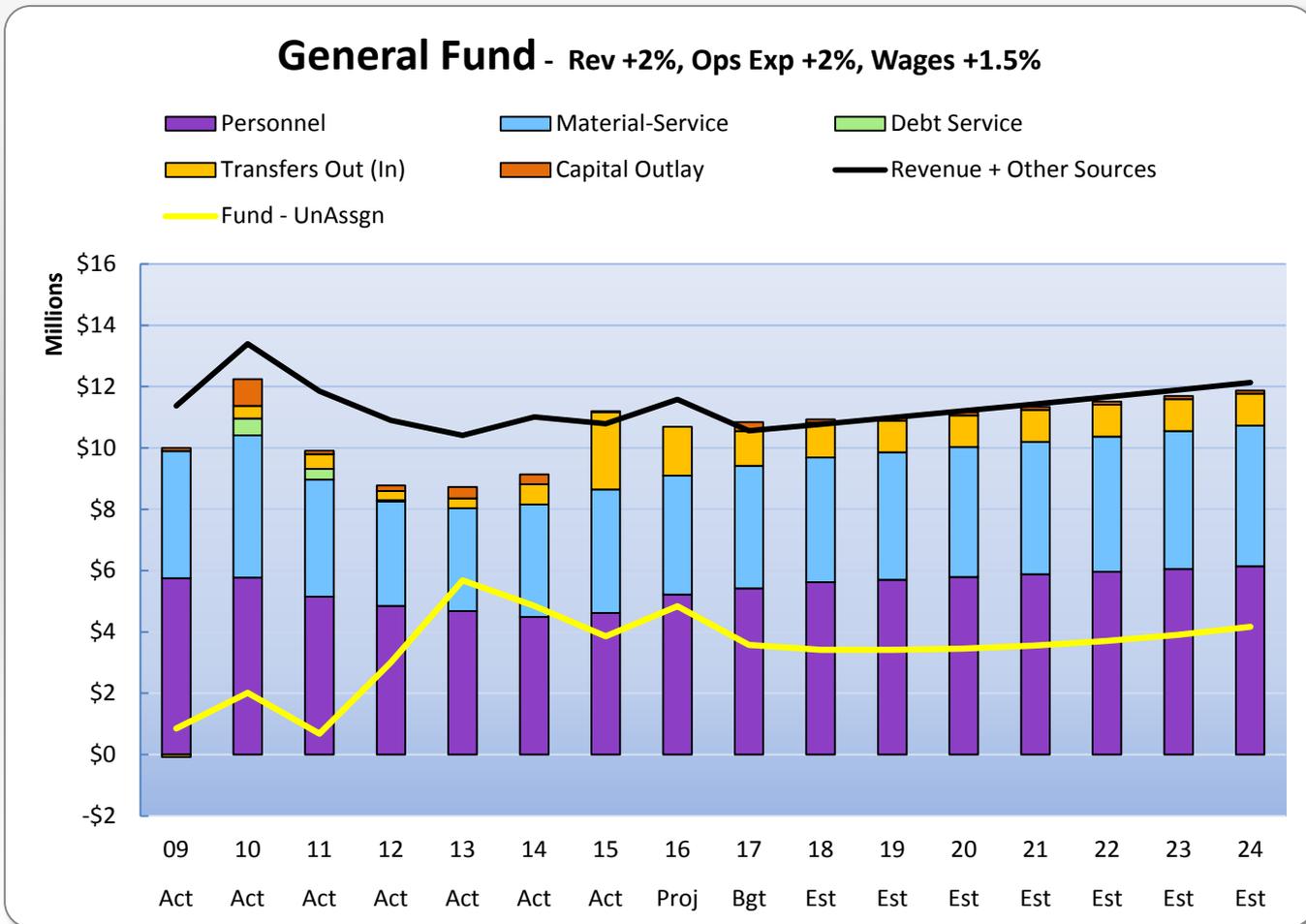
- **Continue limited growth of core operations budgets.**
 - Limited operational budget growth to no more than 2%. Maintained staffing at currently approved 2016 levels.

- **Maintain healthy reserve balances through conservative spending and revenue forecasting .**
 - In 2016 we anticipate there will be over \$700k dollars returned to the general fund through conservative budgeting practices and tight control of expenditures.

2017 Budget Preview

Scenario 1 - Financial Model

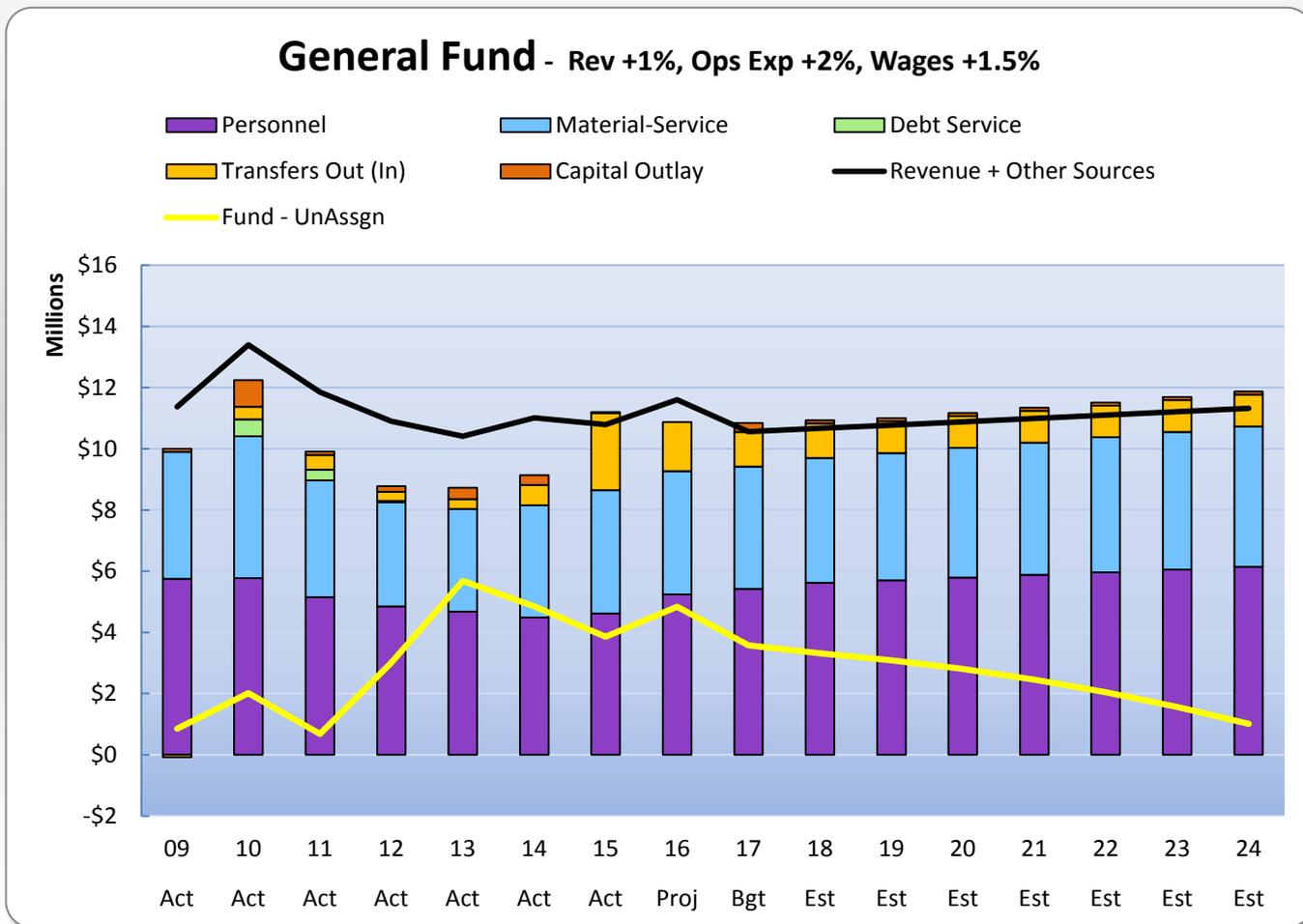
General Fund Model – Proposed Budget



2017 Budget Preview

Scenario 2 - Financial Model

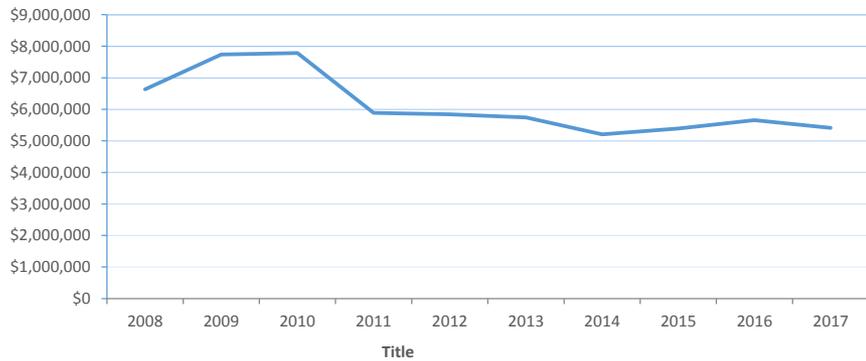
General Fund Model – Proposed Budget



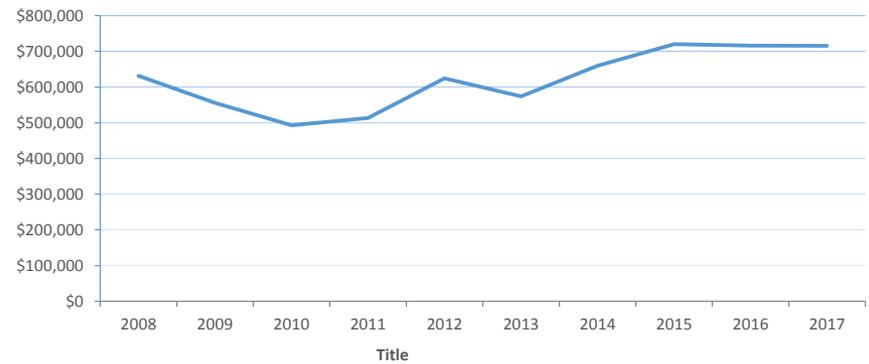
2017 Budget Preview

Revenue Trends

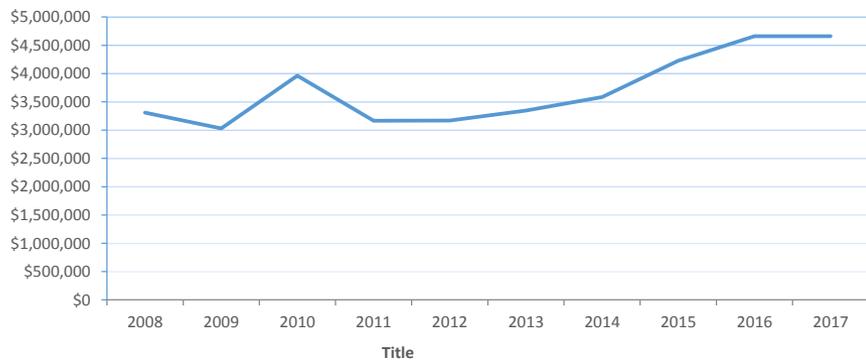
Property Tax



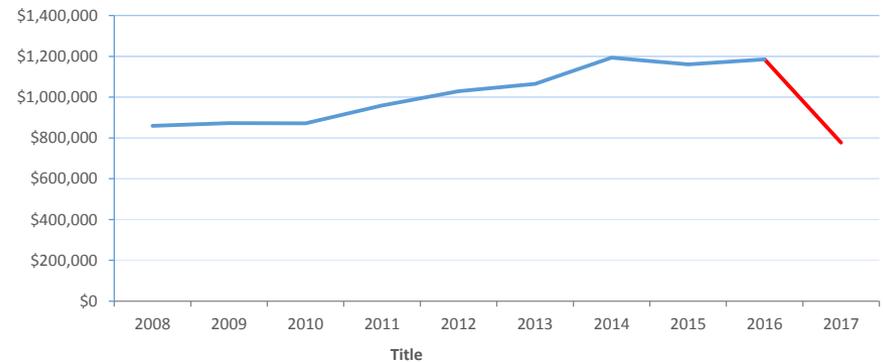
Solid Waste Fees and Recycle Revenue



Sales Tax



PILT (General Fund)



2017 Budget Preview

Anticipated Revenue

Total Across All Funds	\$ 24,507,525
General Fund	\$ 10,563,657
R&B Fund	\$ 5,766,903
DHS Fund	\$ 3,976,693
1A Fund	\$ -
Dispatch Fund	\$ 851,085
Conservation Trust Fund	\$ 111,000
Capital Improvement Fund	\$ 400,000
Fairfield Settlement Fund	\$ 1,000
Solid Waste Fund	\$ 1,030,553
Airport Fund	\$ 232,754
Fleet Fund	\$ 1,573,880

Reserve Targets and Amounts

Tabor Reserve **\$261,500**

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

Operating Reserve **\$2,432,994**

- 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.

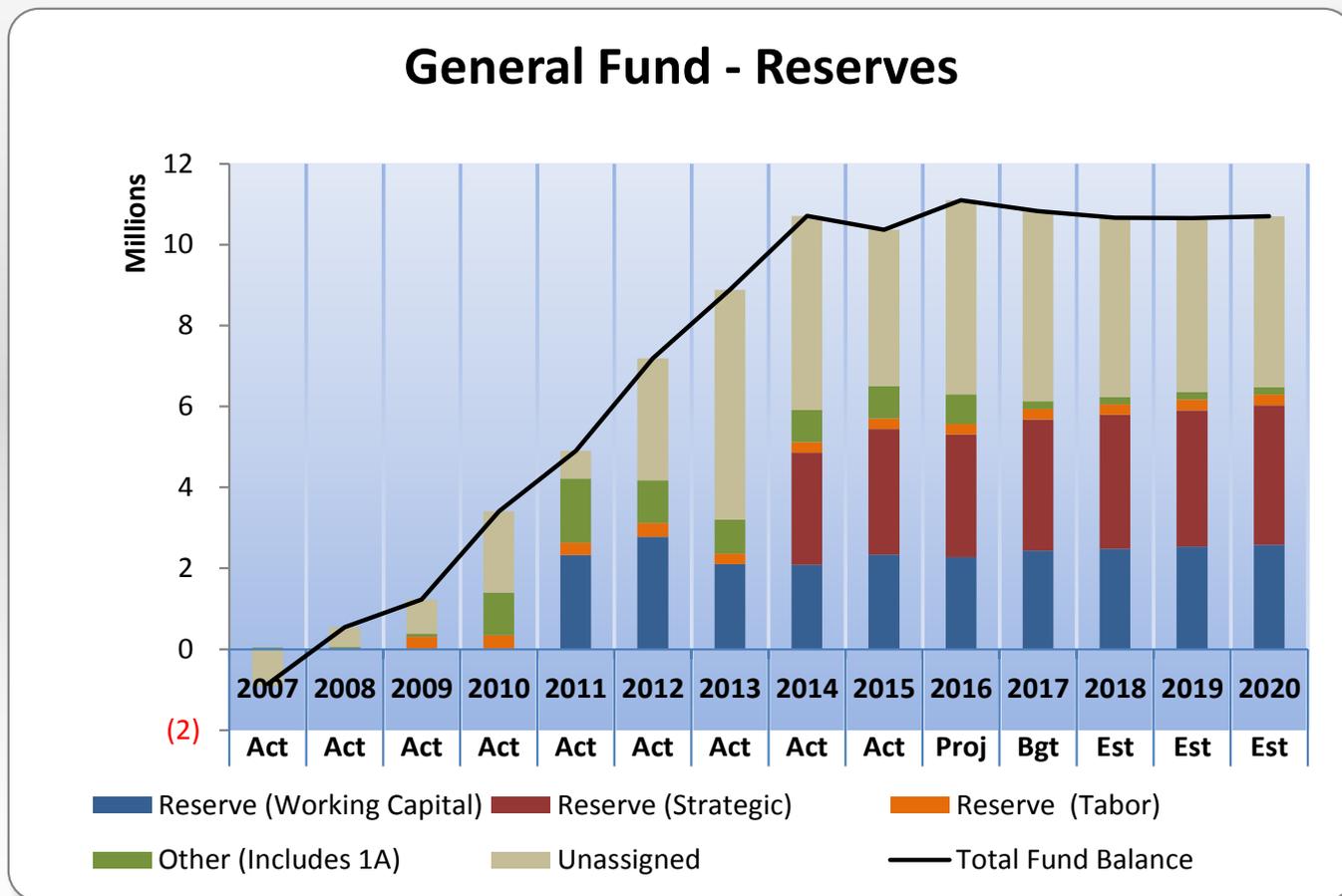
Strategic Reserve **\$3,308,872**

- 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.

2017 Budget Preview

Status of Reserves

Established reserve objectives have not changed and are being maintained in the General fund.



2017 Budget Preview

Proposed Expenditures

Total Across All Funds	\$ 28,563,319
General Fund	\$ 10,840,457
R&B Fund	\$ 7,468,802
DHS Fund	\$ 4,264,814
1A Fund	\$ 552,538
Dispatch Fund	\$ 869,988
Conservation Trust Fund	\$ 352,728
Capital Improvement Fund	\$ 400,000
Fairfield Settlement Fund	\$ 500,000
Solid Waste Fund	\$ 1,100,284
Airport Fund	\$ 609,184
Fleet Fund	\$ 1,604,524

2017 Budget Preview

Expenditures by Object (Type)

Total Across All Funds	\$ 28,563,319
Personnel Costs	\$ 9,250,961
Materials & Services	\$ 16,140,337
Capital Outlay	\$ 1,479,440
Debt Service	\$ 558,636
Transfers	\$ 1,133,945

2017 Budget Preview

Ending Fund Balances (2017)

Governmental Funds ONLY	\$ 13,839,425
General Fund	\$ 10,214,151
R&B Fund	\$ 3,203,119
DHS Fund	\$ 286,743
Dispatch Fund	\$ 111,668
Conservation Trust Fund	\$ 22,461
Fairfield Settlement Fund	\$ 1,283

2017 Budget Preview
Questions?

Thanks to everybody that has been involved.

Questions?