



2021 BUDGET

FINAL

December 15, 2020

2021 BUDGET SCHEDULE

Today, we are presenting the 2021 Budget.

You will consider the following resolutions:

- *Resolution to Adopt Budget*
- *Resolution to Appropriate Sums of Money*
- *Resolution to Set Mill Levies*

On Dec. 22, you will consider a Resolution for Certification of Levies and Revenues, for all of the districts having Revenue generated within the County.

We will also present 2020 Budget Appropriation adjustments for your consideration.

2021 BUDGET SUMMARY

FORCES DRIVING THE PROPOSED NUMBERS

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

2021 BUDGET SUMMARY

EXTERNAL INFLUENCES

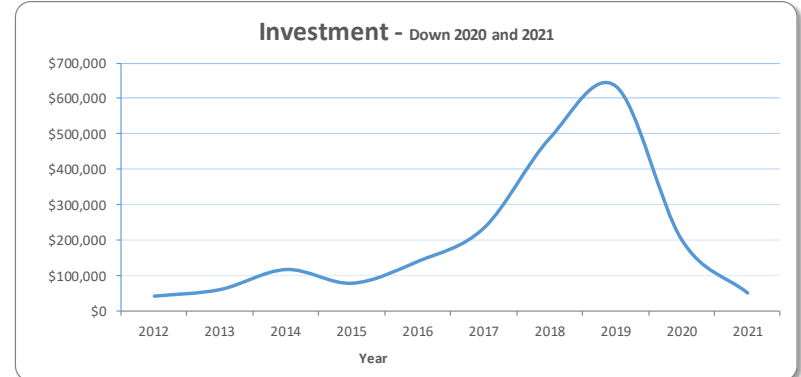
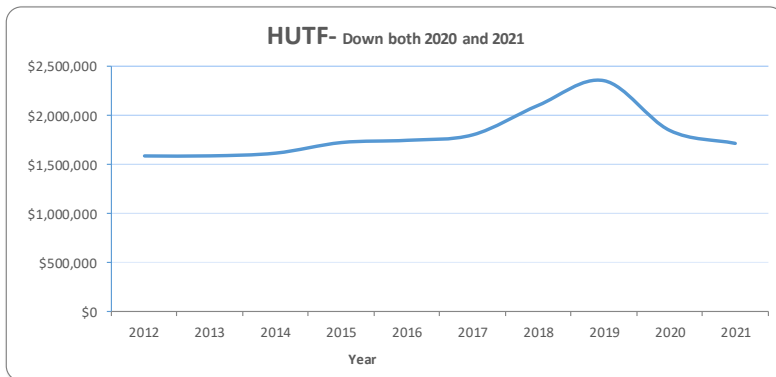
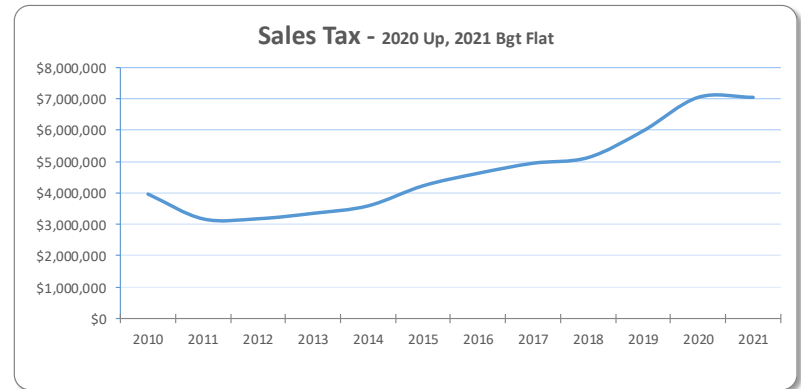
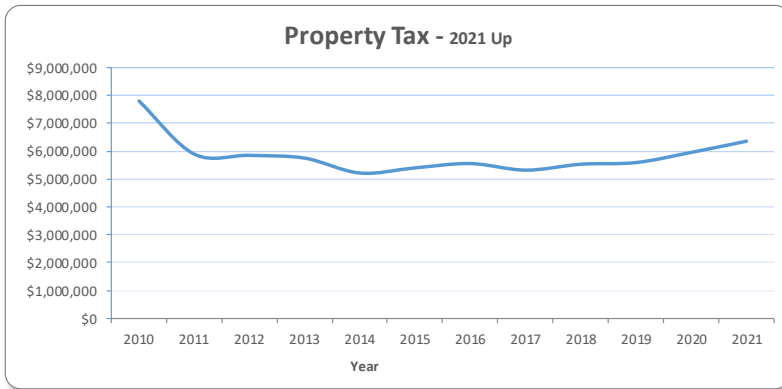
The most relevant to the budget are...

- Significant Revenue Uncertainty
 - COVID-19 Economy
 - Persistent Dry Conditions (inadequate snow, possible wildfires)
- Purchasing Power Trends

2021 BUDGET SUMMARY

EXTERNAL INFLUENCES

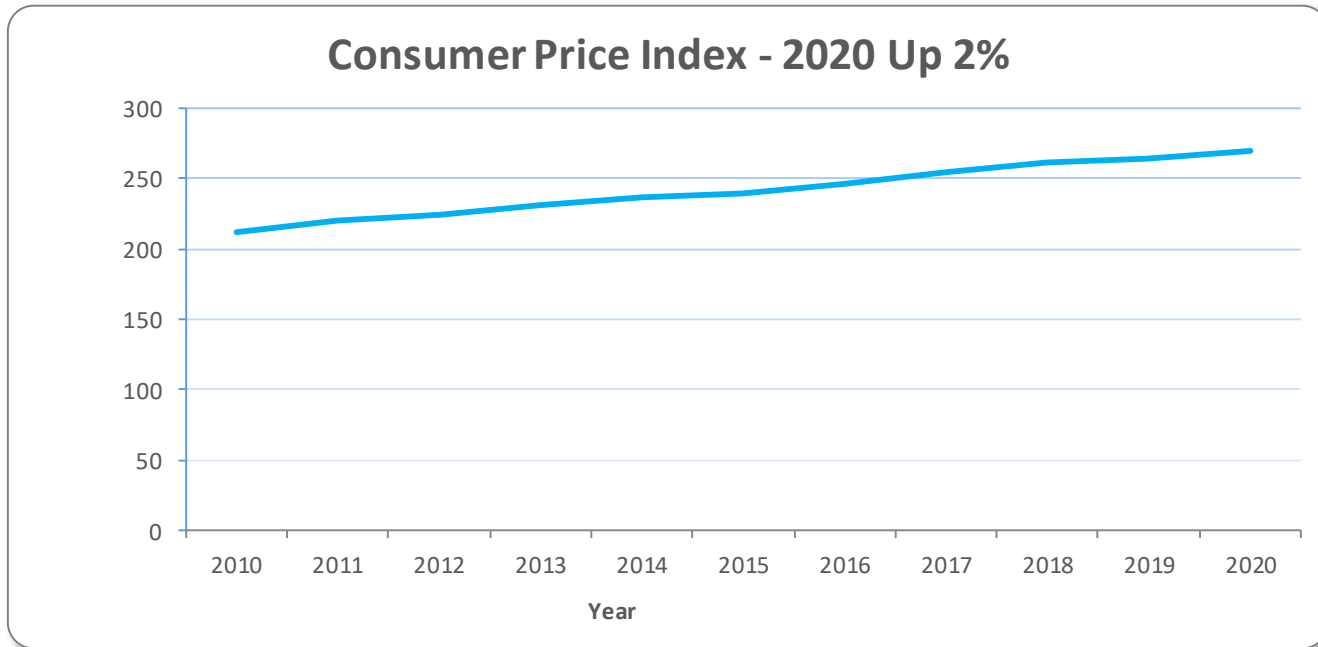
Revenue Trends – Conservative Assumptions



2021 BUDGET SUMMARY

EXTERNAL INFLUENCES

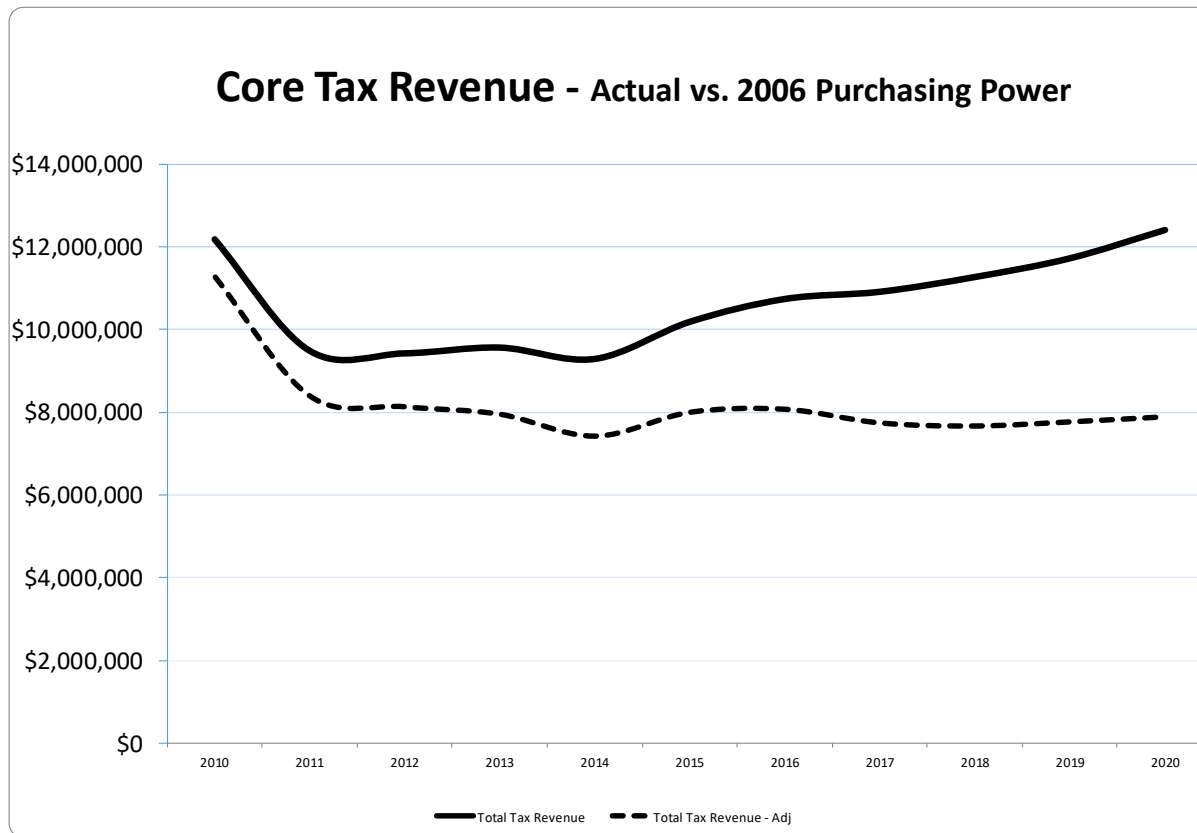
Cost of Goods and Services - Trends



2021 BUDGET SUMMARY

EXTERNAL INFLUENCES

Purchasing Power Trends



2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

- Complete Justice System Complex (New Court Facility)
- Use Strategic Reserve to complete financing
- “Limited Growth” in growth of core operating budgets
- Maintain COLA for staff

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Complete construction of new Justice System Court Facility: \$5.8M Total (\$5.1M in 2021)

- Construction Contractor (\$4.88M)
- Design/Other Professional Fees (\$340,000)
- Project Management (\$100,000)
- Reviews/Testing/Inspection/Utilities/Other (\$200,000)
- Contingency (\$322,000)

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Reserve balances to insure stable service delivery

- **Tabor Reserve** **\$325,000**

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

- **Operating Reserve** **\$3,177,000**

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** **\$0**

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.

By the formula, the 2021 balance would be \$4,236,000. But the fund was released by Resolution 2020-219, in order to facilitate a transfer to cover the Justice System Court Facility construction project.

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Very “selective” growth of core operations budgets

- Only very selective growth allowed in materials and service budgets. No inflation factor.
- Only very selective growth allowed in staffing levels. But did include a 2% COLA to offset inflation.

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

- All proposals that exceeded the 2020 budgeted levels were considered by the Commissioners in public Budget Work-Sessions in November.
- Proposals (excluding R&B projects) were:
 - Request adding to 14.5 FTE's (New Employees), at a cost of \$945,200/year.
 - Request adding to \$468,015 for new Operating costs.
 - Request adding to \$982,784 for Capital Expenditures.

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Selective growth was allowed in...

■ Detention

- 2021 will be the first “full” year operating the new Detention Facility.
- The 2021 budget will reflect increases in medical and food costs, the addition of 4 Detention Officers and 1 part time Kitchen Assistant, offset by reductions in inmate housing fees and other adjustments, for a net additional cost of \$341,648, about 21% higher than the 2020 budget.

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Selective growth was allowed in...

■ Dispatch

The Dispatch Department will move into a new facility during 2021, and at the same time will be replacing failing equipment, and making upgrades needed to meet new technical standards.

Items approved include:

- \$50,590 (ESInet Migration)
- \$61,250 (Radio Consoles, PBS Software)
- \$54,780 (ESInet 911 Costs)
- \$66,439 (1 new Dispatcher)

More than \$240,000 in excess revenue is reflected in the budget, sufficient to cover these additions (if approved).

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Selective growth was allowed in staffing...

- Added \$425,726/year to add 6.5 FTE's (Full Time Equivalents):
 - Detention Facility
 - \$275,152/year to add 4 Detention Officers
 - \$21,610/year to add 1/2 Time Kitchen Assistant
 - Dispatch Facility
 - \$66,439/year to add \$ 1 Dispatcher
 - Solid Waste (Landfill)
 - \$62,525/year to add 1 Landfill Operator

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Other selective growth included:

- \$5,488 - County Assessor/Pictometry Re-Fly
- \$9,000 – County Fair/Increase in Contractor Amount
- \$1,400 – Sheriff Admin/Quickbooks POS & Related
- \$3,700 – Sheriff Admin/Office Furnishing
- \$84,000 – R&B/Heavy Equip. Trailer
- \$105,000 – R&B/Increase in Gravel for roads
- \$20,000 – R&B/Increase in Maintenance (Hatcher Circle Culvert)
- \$12,000 – Solid Waste/50 Cubic Yard Roll-Off
- \$9,500 – Solid Waste/Footings for Pole Barn

2021 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. (Note: the new court facility is a “replacement” of an existing asset)

2021 BUDGET SUMMARY

REVENUE & EXPENDITURES

<u>2021 BUDGET</u>		
FUND NAME	REVENUES	EXPENDITURES
General	\$ 15,019,873	\$ 18,120,318
Road & Bridge	5,569,920	8,735,308
DHS	5,648,900	6,906,599
1A Fund	-	72,099
Archuleta Combined Dispatch	1,340,666	1,241,196
Conservation Trust	113,000	529,650
Justice System Cap Improvements	5,919,388	6,218,892
Fairfield Settlement	-	531,714
Solid Waste	1,055,323	1,467,326
Airport	219,341	342,286
Fleet Management	2,014,930	1,520,486
	\$ 36,901,341	\$ 45,685,874

2021 BUDGET SUMMARY

EXPENSE — BY MAJOR TYPE

2021 Budget					
FUND	OPERATING EXPENDITURES	CAPITAL OUTLAY	DEBT SERVICE	TOTAL APPROPRIATIONS	
General	\$ 17,683,931	\$ 363,660	\$ 72,727	\$ 18,120,318	
Road & Bridge	4,330,664	3,977,000	427,644	8,735,308	
DHS	6,906,599	-	-	6,906,599	
1A Fund	72,099	-	-	72,099	
Archuleta Combined Dispatch	1,187,780	39,000	14,416	1,241,196	
Conservation Trust	60,000	469,650	-	529,650	
Justice System Cap Improvements	-	5,404,692	814,200	6,218,892	
Fairfield Settlement	531,714	-	-	531,714	
Solid Waste	1,248,237	186,500	32,589	1,467,326	
Airport	292,286	50,000	-	342,286	
Fleet Management	1,192,486	328,000	-	1,520,486	
Totals	\$ 33,505,796	\$ 10,818,502	\$ 1,361,576	\$ 45,685,874	

2021 BUDGET SUMMARY

CHANGES IN REVENUE AND OTHER SOURCES

Archuleta County REVENUE and OTHER SOURCES					
Fund	2020 Budget	2021 Budget	\$ Change	% Change	
General	13,285,777	15,019,873	1,734,096	13.1%	
Road & Bridge	6,228,779	5,569,920	(658,859)	-10.6%	
Human Services	5,470,201	5,648,900	178,699	3.3%	
1A Fund	0	0	0	0.0%	
Combined Dispatch	1,013,796	1,340,666	326,870	32.2%	
Conservation Trust	141,295	113,000	(28,295)	-20.0%	
Justice System Capital	1,790,750	5,919,388	4,128,638	230.6%	
Fairfield Settlement	12,500	0	(12,500)	-100.0%	
Solid Waste	1,064,049	1,055,323	(8,726)	-0.8%	
Airport	423,072	219,341	(203,731)	-48.2%	
Fleet Management	1,844,000	2,014,930	170,930	9.3%	
Total Across All Funds	31,274,219	36,901,341	5,627,122	18.0%	

2021 BUDGET SUMMARY

CHANGES IN REVENUE AND OTHER SOURCES

Increased “Revenue” from:

- \$168,000 – Dispatch (911 Fee Revenue)
- \$766,000 – Sales Tax
- \$1.07M – SNAP (Food Benefits)
- \$1.5M – Underfunded Courts-Construction Grant

Decreased “Revenue” from:

- <\$140,000> – SO Traffic Code Enforcement
- <\$368,000> – Interest Income

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

- \$2.6M - Justice System Capital

2021 BUDGET SUMMARY

CHANGES IN REVENUE AND OTHER SOURCES

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%
2020	75%	5%	20%
2021 - Budget	95%	0%	5%

2021 BUDGET SUMMARY

CHANGES IN EXPENSE

Archuleta County EXPENSES and OTHER USES					
Fund	2020 Budget	2021 Budget	\$ Change	% Change	
General	13,755,869	18,120,318	4,364,449	31.7%	
Road & Bridge	7,634,172	8,735,308	1,101,136	14.4%	
Human Services	5,800,128	6,906,599	1,106,471	19.1%	
1A Fund	73,897	72,099	(1,798)	-2.4%	
Combined Dispatch	1,103,981	1,241,196	137,215	12.4%	
Conservation Trust	650,992	529,650	(121,342)	-18.6%	
Justice System Capital	5,386,184	6,218,892	832,708	15.5%	
Fairfield Settlement	540,866	531,714	(9,152)	-1.7%	
Solid Waste	1,058,474	1,467,326	408,852	38.6%	
Airport	470,335	342,286	(128,049)	-27.2%	
Fleet Management	1,934,206	1,520,486	(413,720)	-21.4%	
Total Across All Funds	38,409,104	45,685,874	7,276,770	18.9%	

2021 BUDGET SUMMARY

CHANGES IN EXPENSE

Changes in Expenses:

- General Fund:
 - \$2.6M – Increase in Transfers to Justice System
 - \$341,000 – Increase in Detention
 - \$500,000 – Increase in Transfer to Fleet
 - \$259,000 – Increase to Mtn Express (match grants)
 - \$147,000 – Increase to SJBHD (COVID related)
 - \$131,000 – Increase in Lodging Tax (pass through)
- Road & Bridge Fund:
 - \$868,000 – Increase in Road Projects
 - \$125,000 – Increase in Street Maint. Materials
- DHS Fund:
 - \$1,070,000 – Increase in Food Assistance Program
- Solid Waste Fund:
 - \$341,000 – Increase for Engineering Cell 4B

2021 BUDGET SUMMARY

CHANGES IN EXPENSE BY OBJECT (TYPE)

Archuleta County EXPENSE BY OBJECT (TYPE)				
Fund	2020 Budget	2021 Budget	\$ Change	% Change
Personnel Costs	11,112,765	11,616,152	503,387	4.5%
Materials & Services	14,740,361	16,562,144	1,821,783	12.4%
Capital Outlay	8,932,676	10,818,502	1,885,826	21.1%
Debt Service	1,407,825	1,361,576	(46,249)	-3.3%
Transfers	2,215,477	5,327,500	3,112,023	140.5%
Total Across All Funds	38,409,104	45,685,874	7,276,770	18.9%

2021 BUDGET SUMMARY

CHANGES IN EXPENSE BY OBJECT (TYPE)

Changes in:

■ Personnel Costs

- UP \$426,000 – Increase in 6.5 FTE's
- Up by 2% COLA
- DOWN by savings in Insurance

■ Materials & Services

- UP \$1.07M – SNAP (Food Assistance)
- UP \$259,000 – Matching for Transportation Grants
- UP \$147,000 – SJBHD
- UP \$131,000 – Lodging

■ Capital Outlay

- UP \$868,000 – Increase in R&B Road Capital Improvements
- UP \$832,000 – Net Increase in Justice System Capital Improvements

■ Transfers

- UP \$2.6 M – Increase for Justice System Capital Fund
- Up \$500,000 – Increase for Fleet Fund

2021 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
2020	72,728	427,644	817,200	1,317,572	57,664	32,589	90,253	1,407,825
2021 Bgt	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
	\$ 870,265	\$5,117,230	\$ 20,609,561	\$ 26,597,056	\$ 403,647	\$ 162,946	\$566,593	\$ 27,163,649

2021 BUDGET SUMMARY

CHANGES IN ENDING FUND BALANCE

Archuleta County ENDING FUND BALANCES [Government Only]

Fund	2020 Projected	2021 Budget	\$ Change	% Change
General	11,667,119	8,566,674	(3,100,445)	-26.6%
Road & Bridge	9,210,175	6,044,787	(3,165,388)	-34.4%
Human Services	1,736,520	478,821	(1,257,699)	-72.4%
1A Fund	72,099	0	(72,099)	-100.0%
Combined Dispatch	208,597	308,067	99,470	47.7%
Conservation Trust	416,650	0	(416,650)	-100.0%
Justice System Capital	755,207	455,703	(299,504)	-39.7%
Fairfield Settlement	531,714	0	(531,714)	-100.0%
Total Across All Funds	24,598,081	15,854,052	(8,744,029)	-35.5%

2021 BUDGET SUMMARY

CHANGES IN ENDING FUND BALANCE

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

- \$416,000 Conservation Trust Fund
- \$531,000 Fairfield Settlement
- \$72,000 1A Fund

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

- \$3,165,000 Road & Bridge Fund (various road projects)
- \$1,200,000 DHS Fund (contribution toward office construction)

Changes in the General Fund

- \$3,166,000 Increase in Transfers OUT of General Fund

2021 BUDGET SUMMARY TRENDS – GOVERNMENT FUNDS

Archuleta County Trends - GOVERNMENT FUNDS										
Description	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Projected	2021 Budget
Beginning Fund Balance	10,020,914	11,400,371	13,745,003	16,104,785	17,064,998	18,250,794	19,629,343	21,203,215	31,225,365	24,598,081
Revenues	21,520,156	21,395,497	22,000,457	22,136,285	23,755,460	23,602,818	26,509,747	41,622,838	31,514,649	33,611,747
Expenditures	18,774,514	18,147,508	17,731,727	18,355,630	20,105,092	20,227,289	21,490,765	29,446,736	35,080,206	37,028,276
Other Sources/⟨Uses⟩	(1,366,185)	(903,357)	(1,908,948)	(2,820,442)	(2,464,572)	(1,996,980)	(3,445,110)	(2,153,952)	(3,061,727)	(5,327,500)
Net Change in Fund Balance	1,379,457	2,370,346	2,359,782	960,213	1,185,796	1,378,549	1,573,872	10,022,150	(6,627,284)	(8,744,029)
Ending Fund Balance	11,400,371	13,745,003	16,104,785	17,064,998	18,250,794	19,629,343	21,203,215	31,225,365	24,598,081	15,854,052
Unassigned Balance (Projected)	3,010,653	5,682,427	4,853,044	3,859,811	4,611,042	3,024,253	1,580,785	2,417,225	5,156,256	2,631,652
Operating Days "Cushion"	58.5	114.3	99.9	76.8	83.7	54.6	26.8	29.9	53.6	25.9

2021 BUDGET PREVIEW QUESTIONS?

Thanks to everybody involved.

Questions?