



2021 BUDGET

**Proposal
Summary**

October 6, 2020

2021 BUDGET SUMMARY

BUDGET SCHEDULE

- *Today, we are presenting the 2021 Proposed Budget, ahead of the Oct. 15th deadline*
- *In mid November (11th-13th and 18th), budget work-sessions (with the BoCC).*
- *Dec. 8th, BoCC will approve and appropriate 2021 budget.*

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...

- Capital Project Funding Opportunities
- Significant Revenue Uncertainty
 - COVID-19 Economy (K shape?)
 - Persistent Dry Conditions (inadequate snow, possible wildfires)
 - Election Year...
- Purchasing Power Trends

2021 BUDGET SUMMARY

EXTERNAL INFLUENCES

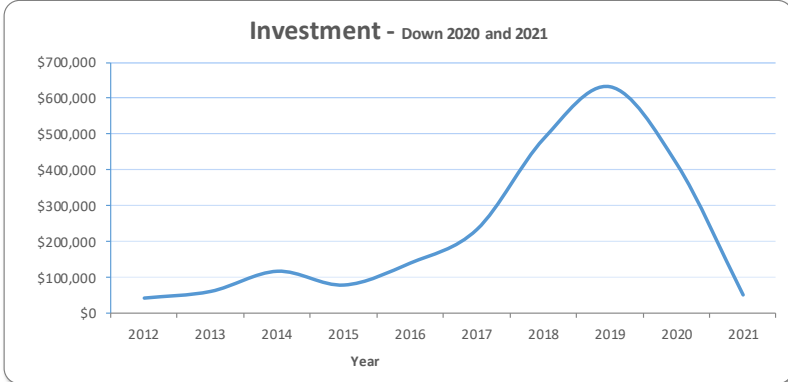
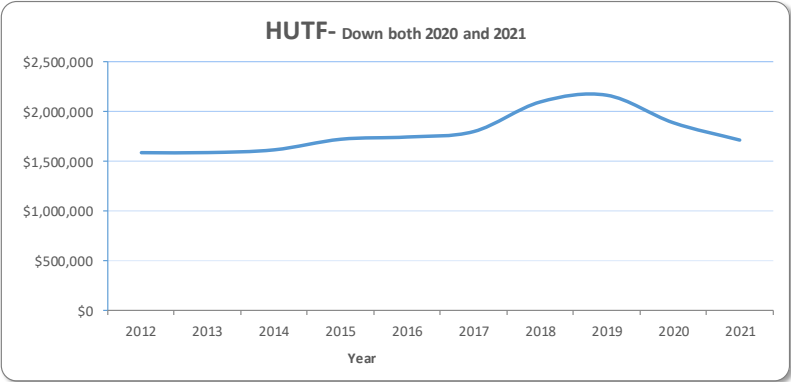
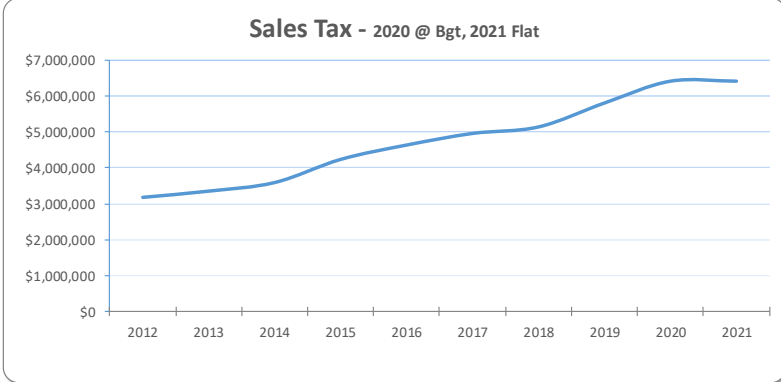
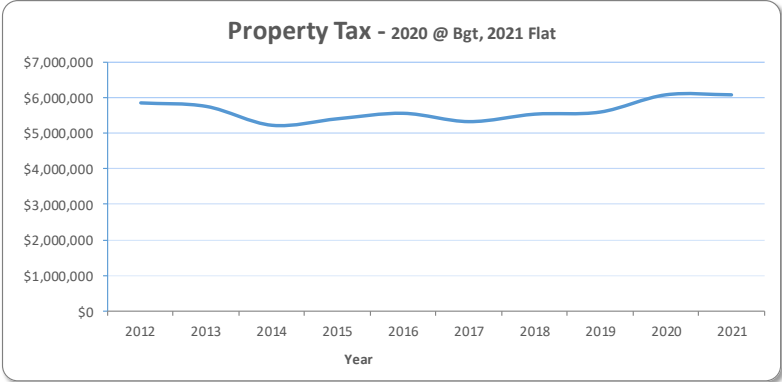
Significant Funding Opportunities

- The County has a \$1.9M grant for Justice System Court Facility construction... but must begin work in 2020 and finish in 2021, in order to use it.
- In order to take advantage of that grant, it will be necessary to budget the consumption of the Strategic Fund Reserve on the project.
- That, in turn, would leave the County facing a “possible” recession without that safety net.

2021 BUDGET SUMMARY

EXTERNAL INFLUENCES

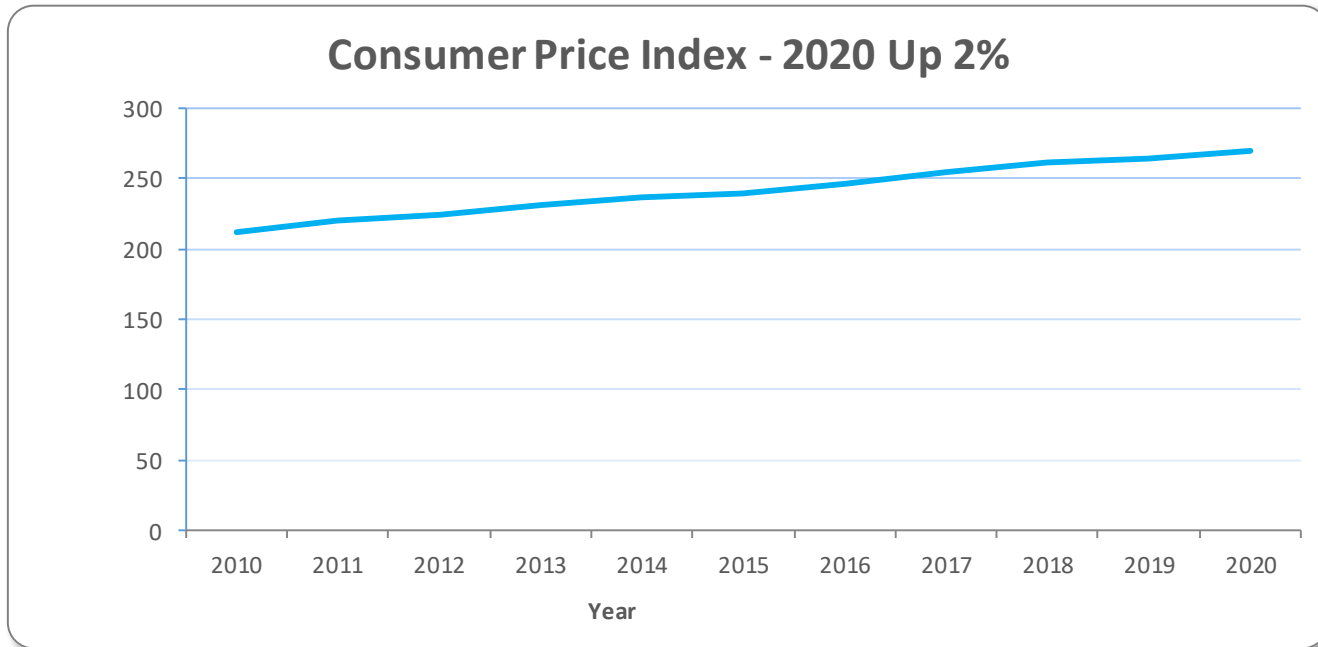
Revenue Trends – Conservative Assumptions



2021 BUDGET SUMMARY

EXTERNAL INFLUENCES

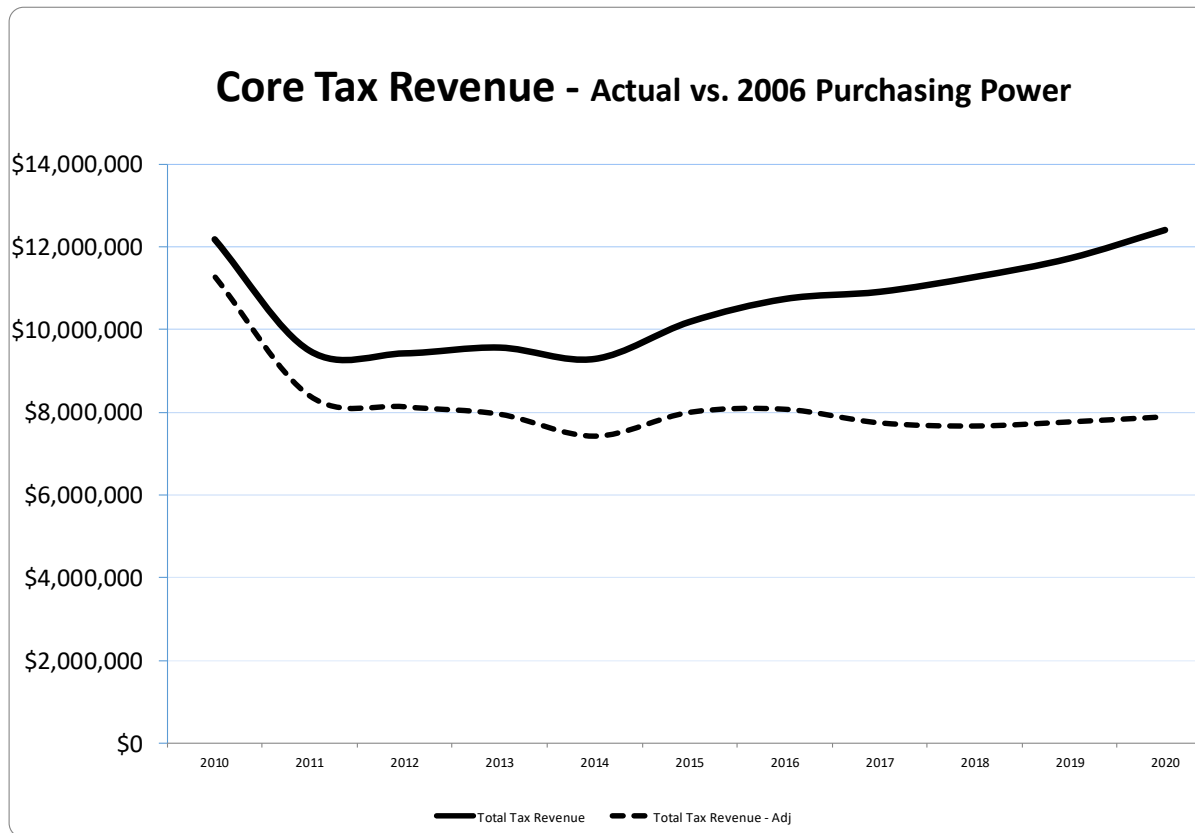
Cost of Goods and Services - Trends



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
- “No Growth” in growth of core operating budgets
- No Layoffs
- Attempt to maintain COLA for staff

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Complete construction of new Justice System Court Facility (\$5.8M+ Expense):

- Construction Contractor (\$4.9M)
- Design/Other Professional Fees (\$340,000)
- Project Management (\$100,000)
- Contingency (\$523,000)

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Complete construction of new Justice System Court Facility (\$5.8M+ Revenue):

- DOLA – Design Grant (\$321,000?)
- DOLA – Construction Grant (\$0 to \$1M)
- Underfunded Courts Grant (\$1.9M)
 - But to use this, County must identify 100% of the funding, therefore...
- *Strategic Reserve (\$3.9M budgeted)*

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Reserve balances to insure stable service delivery

- **Tabor Reserve** **\$325,000 (approximate)**

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

- **Operating Reserve** **\$3,000,000 (approximate)**

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.

This draft budget releases the entire Strategic Reserve (estimated at \$3,900,000) to the Justice System Capital Fund to cover costs to complete the Justice System Court Facility.

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

No growth of core operations budgets

- No growth allowed in materials and service budgets (not even an inflation factor)
- Staffing levels maintained at 2020 levels, (but with a COLA to match inflation).
- There are some important *exceptions*...

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Exceptions to the limit on growth of budgets:

■ 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 two Detention Officers and other adjustments, at a net additional cost of \$44,886, about 3% higher than 2020.
- The Sheriffs Office has also proposed the addition of 10 additional staff (6 Detention Officers, 3 Officers for “Transport” and 1 Kitchen Assistant) which are not included in this draft. (Adding all would cost about \$679,000/year)

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Exceptions to the limit on growth of budgets:

■ Dispatch

This draft budget is \$55,000 lower in expense, than 2020. However, around \$270,000 in additional cost has been proposed to address the need to facilitate the move to a new location, to replace failing equipment and to meet new technical standards. Items requested include:

- \$24,160 (ESInet Migration)
- \$171,000 (Computer Equipment)
- \$23,650 (WestTel PBX System)
- \$51,600 (1 new Dispatcher)

More than \$250,000 in excess revenue is reflected in the budget, sufficient to cover these additions (if approved).

2021 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Exceptions to the limit on growth of budgets:

- Related to Employees
 - No new positions added to this draft budget.
 - No layoffs.
 - But, 2% increase wages (largely offset by insurance cost savings), to offset affect of inflation.

2021 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).
- These include:
 - \$800,000+ General Fund
 - \$270,000 Dispatch Fund
 - \$700,000 Fleet
 - And other, lesser amounts in other funds
- 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.

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

2021 BUDGET SUMMARY

REVENUE & EXPENDITURES

<u>2021 BUDGET</u>			
FUND NAME	REVENUES		EXPENDITURES
General	\$	14,345,757	\$ 16,096,376
Road & Bridge		5,243,618	8,525,708
DHS		5,633,905	5,706,599
1A Fund		-	72,088
Archuleta Combined Dispatch		1,268,466	980,217
Conservation Trust		113,000	554,236
Justice System Cap Improvements		5,534,400	5,431,400
Fairfield Settlement		-	531,436
Solid Waste		1,055,323	1,381,781
Airport		215,602	292,286
Fleet Management		1,514,930	1,222,486
	\$	34,925,001	\$ 40,794,613

2021 BUDGET SUMMARY

EXPENSE — BY MAJOR TYPE

2021 Budget				
FUND	OPERATING EXPENDITURES	CAPITAL OUTLAY	DEBT SERVICE	TOTAL APPROPRIATIONS
General	\$ 15,888,989	\$ 134,660	\$ 72,727	\$ 16,096,376
Road & Bridge	4,195,064	3,903,000	427,644	8,525,708
DHS	5,706,599	-	-	5,706,599
1A Fund	72,088	-	-	72,088
Archuleta Combined Dispatch	965,801	-	14,416	980,217
Conservation Trust	60,000	494,236	-	554,236
Justice System Cap Improvements	-	4,617,200	814,200	5,431,400
Fairfield Settlement	531,436	-	-	531,436
Solid Waste	1,184,192	165,000	32,589	1,381,781
Airport	292,286	-	-	292,286
Fleet Management	1,192,486	30,000	-	1,222,486
Totals	\$ 30,088,941	\$ 9,344,096	\$ 1,361,576	\$ 40,794,613

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	14,345,757	1,059,980	8.0%	
Road & Bridge	6,228,779	5,243,618	(985,161)	-15.8%	
Human Services	5,470,201	5,633,905	163,704	3.0%	
1A Fund	0	0	0	N/A	
Combined Dispatch	1,013,796	1,268,466	254,670	25.1%	
Conservation Trust	141,295	113,000	(28,295)	-20.0%	
Justice System Capital	1,790,750	5,534,400	3,743,650	209.1%	
Fairfield Settlement	12,500	0	(12,500)	-100.0%	
Solid Waste	1,064,049	1,055,323	(8,726)	-0.8%	
Airport	423,072	215,602	(207,470)	-49.0%	
Fleet Management	1,844,000	1,514,930	(329,070)	-17.8%	
Total Across All Funds	31,274,219	34,925,001	3,650,782	11.7%	

2021 BUDGET SUMMARY

CHANGES IN REVENUE AND OTHER SOURCES

Increased “Revenue” from:

- \$255,000 – Dispatch (Mostly 911 Fees)
- \$40,000 – Lodging Tax
- \$200,000 – PLPOA Grant (Walkway)

Decreased “Revenue” from:

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

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

- \$2.1M - Justice System Capital

2021 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%
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	16,096,376	2,340,507	17.0%
Road & Bridge	7,634,172	8,525,708	891,536	11.7%
Human Services	5,800,128	5,706,599	(93,529)	-1.6%
1A Fund	73,897	72,088	(1,809)	-2.4%
Combined Dispatch	1,103,981	980,217	(123,764)	-11.2%
Conservation Trust	650,992	554,236	(96,756)	-14.9%
Justice System Capital	5,386,184	5,431,400	45,216	0.8%
Fairfield Settlement	540,866	531,436	(9,430)	-1.7%
Solid Waste	1,058,474	1,381,781	323,307	30.5%
Airport	470,335	292,286	(178,049)	-37.9%
Fleet Management	1,934,206	1,222,486	(711,720)	-36.8%
Total Across All Funds	38,409,104	40,794,613	2,385,509	6.2%

2021 BUDGET SUMMARY

CHANGES IN EXPENSE

Changes in Expenses:

- General Fund:
 - \$2,166,000 – Increase in Transfers to Justice System
 - \$45,000 – Increase in Detention
 - \$37,000 – Increase in General Liab. Insurance
- Road & Bridge Fund:
 - \$868,000 – Increase in Road Projects (mostly N. Pagosa Blvd bridge/related work)
- DHS Fund:
 - <\$1,200,000> Decrease for Contribution to Building Project (one time, assumed to occur 2020)
 - \$1,070,000 – Increase in Food Assistance Program

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	11,071,028	(41,737)	-0.4%
Materials & Services	14,740,361	14,690,413	(49,948)	-0.3%
Capital Outlay	8,932,676	9,344,096	411,420	4.6%
Debt Service	1,407,825	1,361,576	(46,249)	-3.3%
Transfers	2,215,477	4,327,500	2,112,023	95.3%
Total Across All Funds	38,409,104	40,794,613	2,385,509	6.2%

2021 BUDGET SUMMARY

CHANGES IN EXPENSE BY OBJECT (TYPE)

Changes in:

- <\$41,000> - Personnel Costs
 - UP by 2% COLA
 - DOWN by savings in Insurance
- \$411,000 - Capital Outlay
 - UP R&B Road Capital Improvements
 - DOWN by lower Fleet and Other
 - EVEN in Justice System (Court Facility UP, SO/Jail DOWN)
- \$2,112,000 – Transfers
 - NET UP for Justice System Capital Fund

2021 BUDGET SUMMARY

CHANGES IN ENDING FUND BALANCE

Archuleta County ENDING FUND BALANCES [Government Only]					
Fund	2020 Projected	2021 Budget	\$ Change	% Change	
General	11,067,275	9,316,656	(1,750,619)	-15.8%	
Road & Bridge	8,598,864	5,316,774	(3,282,090)	-38.2%	
Human Services	589,608	516,914	(72,694)	-12.3%	
1A Fund	72,088	0	(72,088)	-100.0%	
Combined Dispatch	338,494	626,743	288,249	85.2%	
Conservation Trust	441,236	0	(441,236)	-100.0%	
Justice System Capital	156,205	259,205	103,000	65.9%	
Fairfield Settlement	531,436	0	(531,436)	-100.0%	
Total Across All Funds	21,795,206	16,036,292	(5,758,914)	-26.4%	

2021 BUDGET SUMMARY

CHANGES IN ENDING FUND BALANCE

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

- \$441,000 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 capital expenses*:

- \$3,282,000 Road & Bridge Fund (various road projects)

Changes in the General Fund (*various, including*):

- \$1,286,000 shift of Mill Levy to General Fund
- <\$368,000> decrease in Interest Revenue
- <\$140,000> decrease in SO Traffic Code Enforcement Revenue
- <\$2,112,000> increase in Transfers OUT of General Fund

2021 BUDGET SUMMARY

EXAMINATION OF BUDGET

- The following budget information is available for examination:
 - This 2021 Budget Summary (this PowerPoint Presentation), and
 - 2021 Budget Detail (including 2020 Projections and Actuals for 2018 & 2019)
- This information can be found at:
 - County Clerks Office (449 San Juan Street) in book form
 - County Website at: www.archuletacounty.org

2021 BUDGET PREVIEW QUESTIONS?

Thanks to everybody involved.

Questions?