



# 2023 BUDGET

**Proposal  
Summary**

October 12, 2022

# 2023 BUDGET SUMMARY

## BUDGET SCHEDULE

- *Today, I am presenting the 2023 Proposed Budget, ahead of the Oct. 15th deadline*
- *In late October (25<sup>th</sup> – 27<sup>th</sup> and Nov. 1<sup>st</sup>), budget work-sessions (with the BoCC).*
- *By December 15th BoCC will approve and appropriate 2023 budget.*

# 2023 BUDGET SUMMARY

## FORCES DRIVING THE PROPOSED NUMBERS

- External Influences
- Internal Strategic Considerations

# 2023 BUDGET SUMMARY

## EXTERNAL INFLUENCES

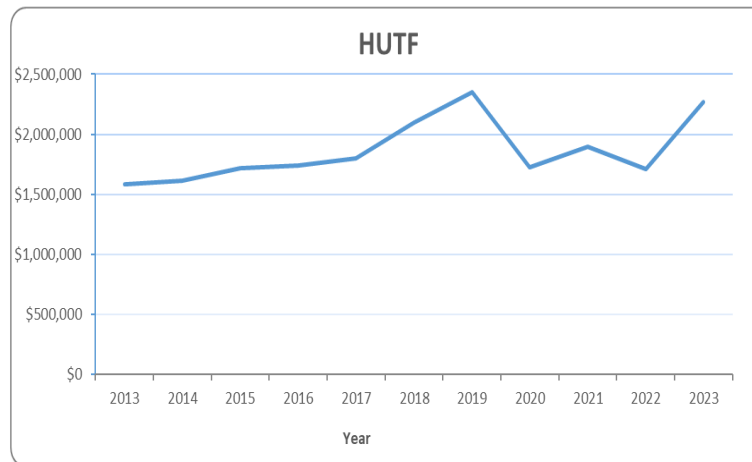
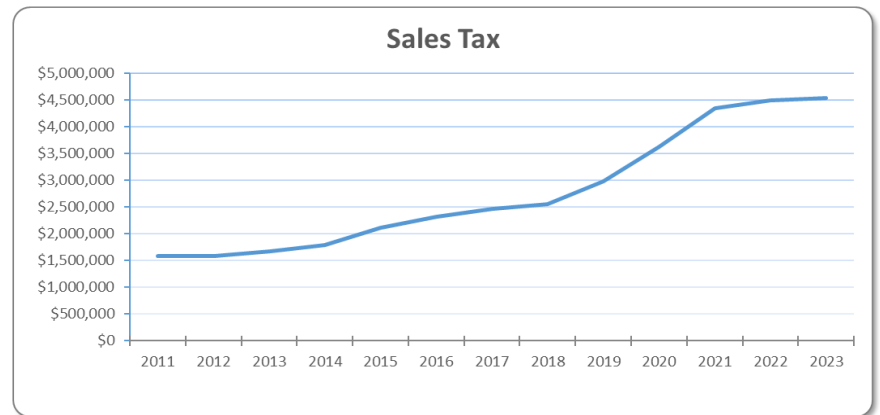
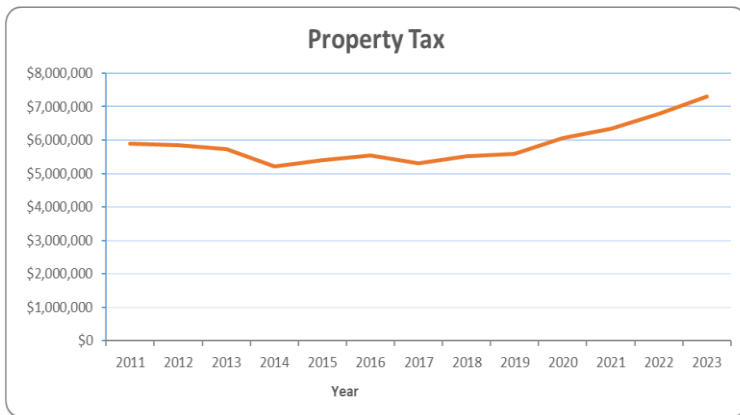
### Significant Funding Opportunities

- The County has the opportunity to receive significant amounts of grant funding to construct a bus facility, purchase two buses, as well as complete some other needed bus related projects but in order to utilize this grant funding the County will have a match for almost each of these grants.
- The County is in need of office space to consolidate the County operations offices that are currently spread between multiple locations. The cost has not yet been determined, and whether or not the County would need to seek financing for all or part of the construction has also therefore not yet been determined.

# 2023 BUDGET SUMMARY

## EXTERNAL INFLUENCES

### Revenue Trends – Conservative Assumptions

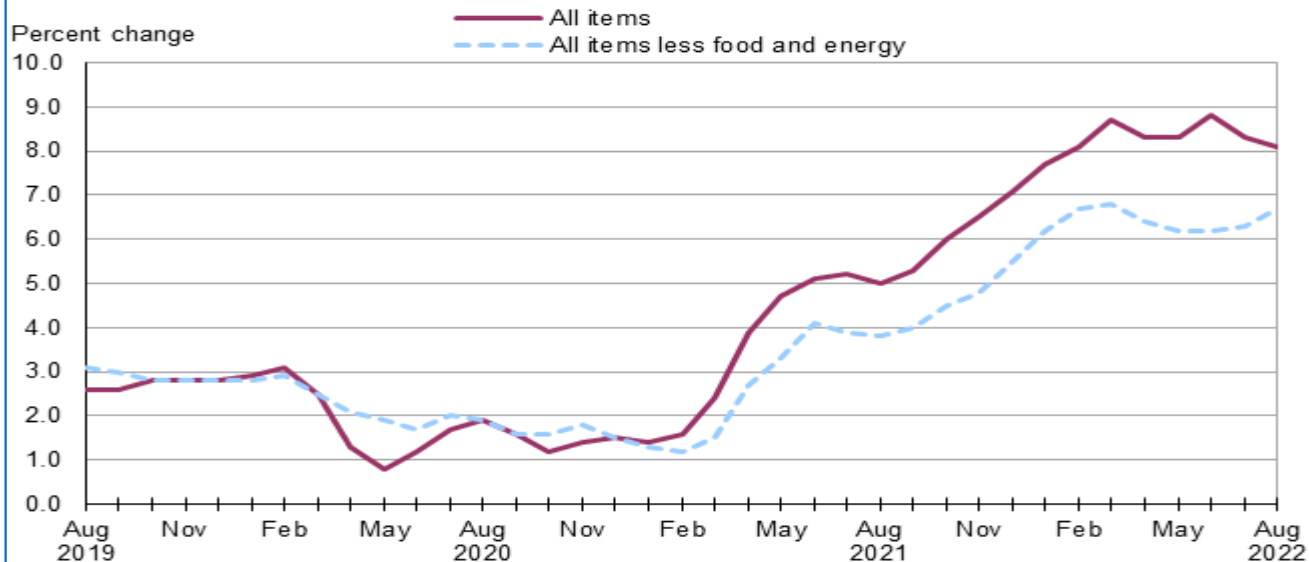


# 2023 BUDGET SUMMARY

## EXTERNAL INFLUENCES

**Cost of Goods and Services – All costs up 8.1% from 1 year ago –  
Energy prices (gasoline, natural gas, electricity) are up 10.2%**

**Chart 1. Over-the-year percent change in CPI-U, West region, August 2019–August 2022**



Source: U.S. Bureau of Labor Statistics.

# 2023 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

- Consolidate multiple County administrative offices into one building
- Inflation impacts on costs of materials and personnel costs
- No Layoffs

# 2023 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

### Reserve balances to insure stable service delivery

- **Tabor Reserve           \$460,000 (approximate)**

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

- **Operating Reserve   \$4,000,000 (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 ensure the availability of cash to cover expenses in excess of revenue, as may occur seasonally within a year.



# 2023 BUDGET SUMMARY

## INTERNAL STRATEGIC CONSIDERATIONS

- **Personnel costs** This draft budget includes a 2% COLA adjustment for all employees as well as a 5% Merit pool for a total of \$726,500

- **Transportation**

This draft budget includes \$2.6 million in Capital Outlay in order to fully utilize the various grants for the bus facility, buses, shelters, etc. for the Transportation department. Approximate total cost of the facility is \$4.8 million.

- **Road and Bridge**

This draft budget reflects the increased costs of materials used to maintain the roads as well as an additional \$900,000 for paving projects.

# 2023 BUDGET SUMMARY

## REVENUE & EXPENDITURES

<b>2023 Budget</b>		
<b>Fund</b>	<b>REVENUES</b>	<b>EXPENSES</b>
General	21,978,666	24,972,560
Road & Bridge	7,316,701	10,642,470
Human Services	9,554,051	10,194,583
1A Fund	0	1,500
Combined Dispatch	1,308,546	1,282,061
Conservation Trust	120,200	190,229
Justice System Capital	800,000	815,700
Fairfield Settlement	400	500,649
Solid Waste	2,218,398	2,527,489
Airport	335,200	313,516
Fleet Management	1,945,000	2,004,653
<b>Total Across All Funds</b>	<b>45,577,162</b>	<b>53,445,411</b>

# 2023 BUDGET SUMMARY

## EXPENSE — BY MAJOR TYPE

2023 BUDGET BY MAJOR EXPENSE TYPE				
Fund	Operating Expenditures	Capital Outlay	Debt Service	Total Appropriations
General	19,857,371	5,042,462	72,727	24,972,560
Road & Bridge	5,014,826	5,200,000	427,644	10,642,470
Human Services	10,194,583	-	-	10,194,583
1A Fund	1,500	-	-	1,500
Combined Dispatch	1,282,061	-	-	1,282,061
Conservation Trust	130,000	60,229	-	190,229
Justice System Capital	-	-	815,700	815,700
Fairfield Settlement	500,649	-	-	500,649
Solid Waste	1,515,574	850,000	161,915	2,527,489
Airport	313,516	-	-	313,516
Fleet Management	1,410,653	594,000	-	2,004,653
<b>Total Across All Funds</b>	<b>40,220,734</b>	<b>11,746,691</b>	<b>1,477,986</b>	<b>53,445,411</b>

# 2023 BUDGET SUMMARY

## CHANGES IN REVENUE AND OTHER SOURCES

Fund	2022 Budget	2023 Budget	\$ Change	% Change
General	18,139,303	21,978,666	3,839,363	21.2%
Road & Bridge	6,262,401	7,316,701	1,054,300	16.8%
Human Services	9,535,695	9,554,051	18,356	0.2%
1A Fund	0	0	0	N/A
Combined Dispatch	1,284,866	1,308,546	23,680	1.8%
Conservation Trust	110,200	120,200	10,000	9.1%
Justice System Capital	800,000	800,000	0	0.0%
Fairfield Settlement	200	400	200	100.0%
Solid Waste	2,063,823	2,218,398	154,575	7.5%
Airport	812,400	335,200	(477,200)	-58.7%
Fleet Management	1,514,930	1,945,000	430,070	28.4%
<b>Total Across All Funds</b>	<b>40,523,818</b>	<b>45,577,162</b>	<b>5,053,344</b>	<b>12.5%</b>

# 2023 BUDGET SUMMARY

## CHANGES IN REVENUE AND OTHER SOURCES

Increased “Revenue” from:

- \$3,800,000 – General Fund – Primarily all Transportation grant funding and projected sales taxes
- \$1,054,000 – Road and Bridge – HUTF taxes increase per state projections and projected sales tax increase (without proposed increase before the voters)

Decreased “Revenue” from:

- <\$477,000> – Airport is not expecting any grant funding in 2023

# 2023 BUDGET SUMMARY

## CHANGES IN EXPENSE

Fund	2022 Budget	2023 Budget	\$ Change	% Change
General	20,509,766	24,972,560	4,462,794	21.8%
Road & Bridge	8,989,706	10,642,470	1,652,764	18.4%
Human Services	10,308,436	10,194,583	(113,853)	-1.1%
1A Fund	63,310	1,500	(61,810)	-97.6%
Combined Dispatch	1,280,537	1,282,061	1,524	0.1%
Conservation Trust	471,043	190,229	(280,814)	-59.6%
Justice System Capital	937,450	815,700	(121,750)	-13.0%
Fairfield Settlement	532,380	500,649	(31,731)	-6.0%
Solid Waste	2,402,682	2,527,489	124,807	5.2%
Airport	810,241	313,516	(496,725)	-61.3%
Fleet Management	1,542,660	2,004,653	461,993	29.9%
<b>Total Across All Funds</b>	<b>47,848,211</b>	<b>53,445,411</b>	<b>5,597,200</b>	<b>11.7%</b>

# 2023 BUDGET SUMMARY

## CHANGES IN EXPENSE

### Changes in Expenses:

- General Fund:
  - \$2,200,000 – Increase in Capital Outlay purchases for Transportation (facility, buses, shelters)
  - \$1,500,000– Committed funds for community development
  - \$727,000 COLA increase (2%) and accrual for a 5% merit pool
- Road & Bridge Fund:
  - \$1,600,000 – Increase in Road Projects
- Airport Fund:
  - <\$500,000> – Decrease in Capital projects

# 2023 BUDGET SUMMARY

## CHANGES IN EXPENSE BY OBJECT (TYPE)

Fund	2022 Budget	2023 Budget	\$ Change	% Change
Personnel Costs	12,820,704	14,701,273	1,880,569	14.7%
Materials & Services	21,624,503	23,165,612	1,541,109	7.1%
Capital Outlay	9,730,154	11,746,691	2,016,537	20.7%
Debt Service	1,348,412	1,477,986	129,574	9.6%
Transfers	2,324,438	2,353,849	29,411	1.3%
<b>Total Across All Funds</b>	<b>47,848,211</b>	<b>53,445,411</b>	<b>5,597,200</b>	<b>11.7%</b>



# 2023 BUDGET SUMMARY

## CHANGES IN EXPENSE BY OBJECT (TYPE)

### Changes in:

- **\$1,880,000 - Personnel Costs**
  - Wage rate adjustment in 2022 and related benefit costs
  - Requested personnel increases for 2023
  - COLA and Merit pool costs
- **\$1,500,000 – Materials and Services**
  - Reflect increasing costs from inflation in 2022. Departments were requested to keep expense increases at a minimum
- **\$2,000,000 – Capital Outlay**
  - Road projects
  - Transportation Center

# 2023 BUDGET SUMMARY

## EXAMINATION OF BUDGET

- The following budget information is available for examination:
  - This 2023 Budget Summary (this PowerPoint Presentation), and
  - 2023 Budget Detail (including 2022 Year End Projections and Actuals for 2020 & 2021)
- 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)

# 2023 BUDGET PREVIEW QUESTIONS?

Thanks to everybody involved.

Questions?