



2022 BUDGET

**Proposal
Summary**

October 12, 2021

2022 BUDGET SUMMARY

BUDGET SCHEDULE

- *Today, we are presenting the 2022 Proposed Budget, ahead of the Oct. 15th deadline*
- *In early November (3rd-5th and 10th), budget work-sessions (with the BoCC).*
- *Dec. 14th, BoCC will approve and appropriate 2022 budget.*

2022 BUDGET SUMMARY

FORCES DRIVING THE PROPOSED NUMBERS

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

2022 BUDGET SUMMARY

EXTERNAL INFLUENCES

The most relevant to the budget are...

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

2022 BUDGET SUMMARY

EXTERNAL INFLUENCES

Significant Funding Opportunities

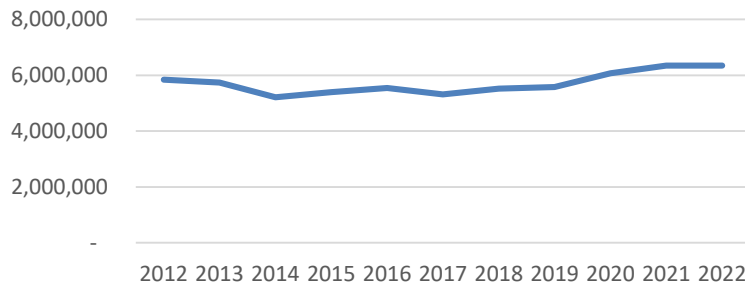
- The County has the opportunity to receive significant amounts of grant funding to construct a bus facility, purchase two buses, as well as complete some other needed bus related projects but in order to utilize this grant funding the County will have a match for almost each of these grants.
- The County is in need of office space for the County Assessor, County Clerk & Recorder, County Treasurer and Human Resources offices. 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.

2022 BUDGET SUMMARY

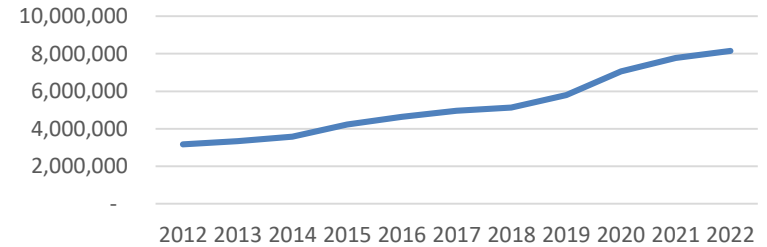
EXTERNAL INFLUENCES

Revenue Trends – Conservative Assumptions

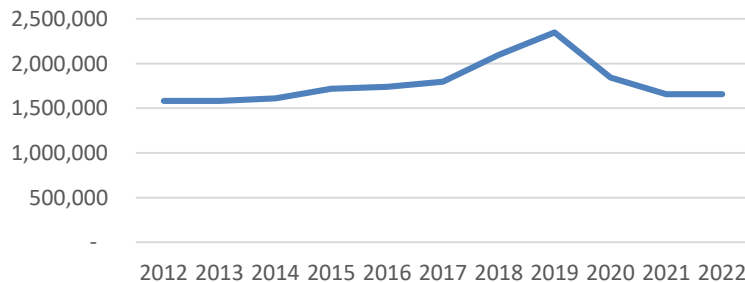
Property Tax - 2021 @ budget, 2022 flat



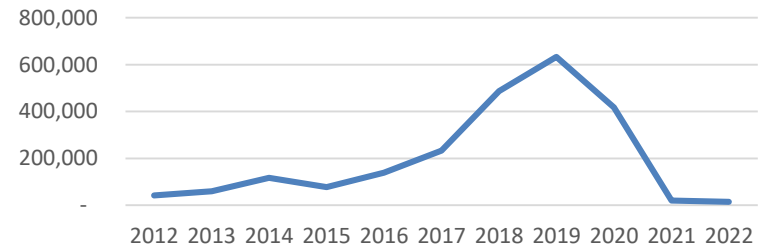
Sales Tax - 2021 10% over budget, 2022 5% over 2021 YE Proj



HUTF - 2021 10% under budget, 2022 flat



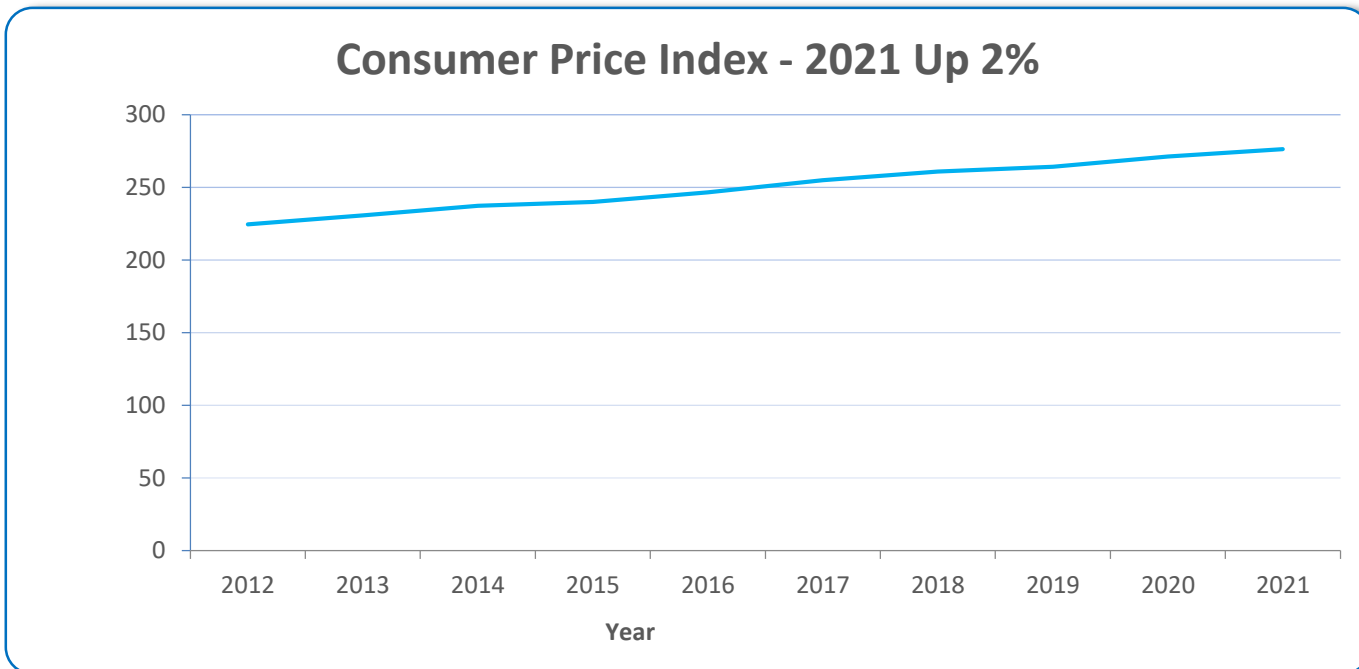
Investments - 2021 under budget (\$30k), 2022 decrease



2022 BUDGET SUMMARY

EXTERNAL INFLUENCES

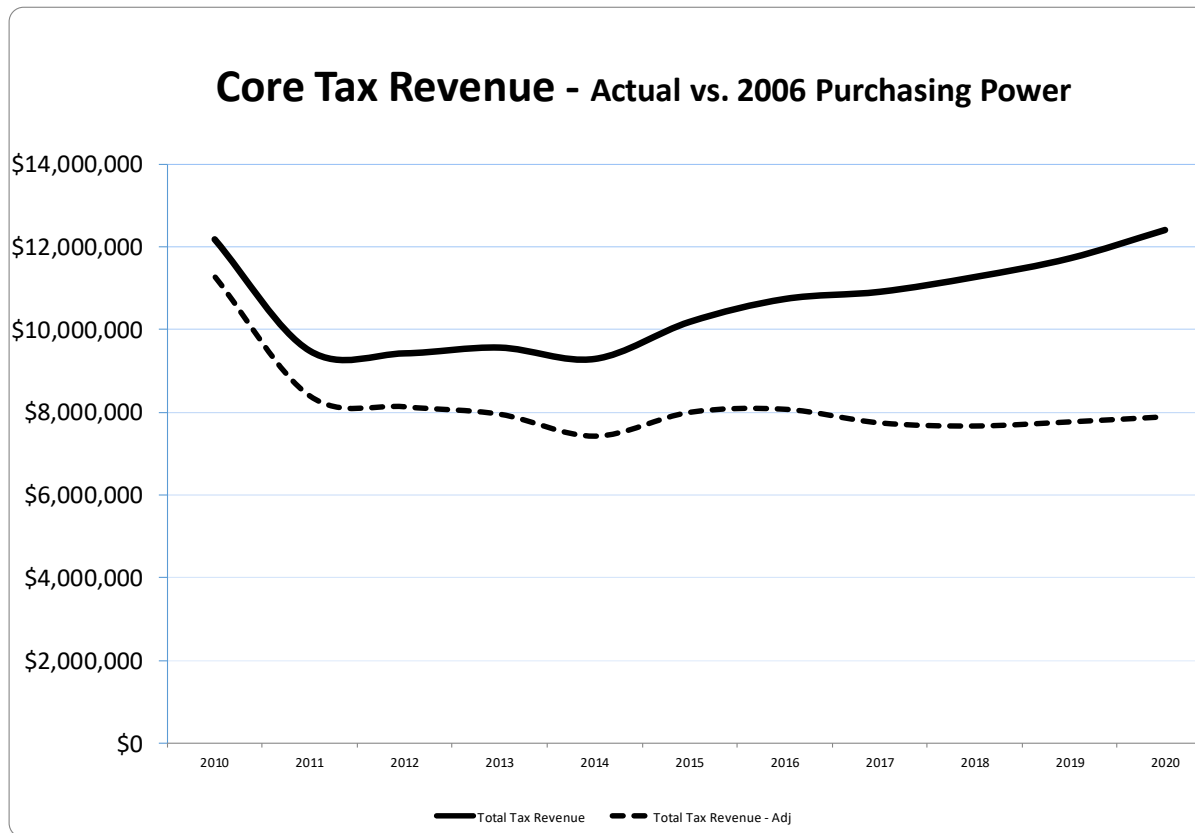
Cost of Goods and Services - Trends



2022 BUDGET SUMMARY

EXTERNAL INFLUENCES

Purchasing Power Trends



2022 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

- Move County Assessor, Clerk & Recorder, Treasurer and Human Resources to new facility (cost not yet known)
- “No Growth” in core operating budgets
- No Layoffs
- Attempt to maintain COLA for staff

2022 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.

2022 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 2021 levels (other than positions changes and additions approved during 2021).
- There are some important *exceptions*...

2022 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Exceptions to the limit on growth of budgets:

- **Sheriff's Offices**

- **Admin & Detention:** 2021 has been the first “full” year operating the new Sheriff Admin & Detention Facilities which has provided a clearer picture of the expense necessary to operate these facilities.
- **Courts:** The new Courts facility is expected to be completed by late 2021. Since this is a new facility, the expenses for operating are rough estimates.

2022 BUDGET SUMMARY

INTERNAL STRATEGIC CONSIDERATIONS

Exceptions to the limit on growth of budgets:

■ 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.

■ Dispatch

This draft budget is \$56,000 lower in expense, than 2022. However, around \$50,000 in additional cost has been proposed to address staffing needs.

2022 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.
 - Final may include wage increases to offset affect of inflation.

2022 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:
 - \$1,100,000+ General Fund
 - \$50,000 Dispatch Fund
 - \$617,000 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.

2022 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

2022 BUDGET SUMMARY

REVENUE & EXPENDITURES

<u>2022 BUDGET</u>		
FUND NAME	REVENUES	EXPENDITURES
General	\$ 19,368,782	\$ 17,331,771
Road & Bridge	5,911,640	8,570,293
DHS	9,501,965	10,203,814
1A Fund	-	63,309
Archuleta Combined Dispatch	1,284,866	1,255,254
Conservation Trust	110,200	471,295
Justice System Cap Improvements	700,000	910,450
Fairfield Settlement	200	532,380
Solid Waste	2,063,823	2,571,749
Airport	787,400	1,219,136
Fleet Management	1,514,930	2,056,142
	\$ 41,243,806	\$ 45,185,593

2022 BUDGET SUMMARY

EXPENSE — BY MAJOR TYPE

2022 Budget					
FUND	OPERATING EXPENDITURES	CAPITAL OUTLAY	DEBT SERVICE	TOTAL APPROPRIATIONS	
General	\$ 14,381,432	\$ 2,877,611	\$ 72,728	\$ 17,331,771	
Road & Bridge	4,142,649	4,000,000	427,644	8,570,293	
DHS	10,203,814	-	-	10,203,814	
1A Fund	63,309	-	-	63,309	
Archuleta Combined Dispatch	1,255,254	-	-	1,255,254	
Conservation Trust	60,000	411,295	-	471,295	
Justice System Cap Improvements	-	95,000	815,450	910,450	
Fairfield Settlement	532,380	-	-	532,380	
Solid Waste	1,511,159	1,028,000	32,590	2,571,749	
Airport	1,193,636	25,500	-	1,219,136	
Fleet Management	1,726,142	330,000	-	2,056,142	
Totals	\$ 35,069,775	\$ 8,767,406	\$ 1,348,412	\$ 45,185,593	

2022 BUDGET SUMMARY

CHANGES IN REVENUE AND OTHER SOURCES

Archuleta County REVENUE and OTHER SOURCES					
Fund	2021 Budget	2022 Budget	\$ Change	% Change	
General	15,019,873	19,368,782	4,348,909	29.0%	
Road & Bridge	5,569,920	5,911,640	341,720	6.1%	
Human Services	5,648,900	9,501,965	3,853,065	68.2%	
Combined Dispatch	1,340,666	1,284,866	(55,800)	-4.2%	
Conservation Trust	113,000	110,200	(2,800)	-2.5%	
Justice System Capital	5,919,388	700,000	(5,219,388)	-88.2%	
Solid Waste	1,055,323	2,063,823	1,008,500	95.6%	
Airport	219,341	787,400	568,059	259.0%	
Fleet Management	2,014,930	1,514,930	(500,000)	-24.8%	
Total Across All Funds	36,901,341	41,243,806	4,342,465	11.8%	

2022 BUDGET SUMMARY

CHANGES IN REVENUE AND OTHER SOURCES

Increased “Revenue” from:

- \$4,300,000 – General Fund – ARP 2022 funding, sales tax increases, lodging tax, Transportation grant funding
- \$3,800,000 – DHS Fund – Driven by significant increases in assistance, primarily food assistance

Decreased “Revenue” from:

- <\$55,000> – Dispatch Fund - 2021 budget included one-time grant for ESINet migration
- <\$5,200,000> – Justice System Capital Fund – Transfers significantly decreased and grant funding ending in 2021

2022 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	95%	0%	5%
2022 Budget	95%	0%	5%

2022 BUDGET SUMMARY

CHANGES IN EXPENSE

Archuleta County EXPENSES and OTHER USES				
Fund	2021 Budget	2022 Budget	\$ Change	% Change
General	18,120,318	17,331,771	(788,547)	-4.4%
Road & Bridge	8,735,308	8,570,293	(165,015)	-1.9%
Human Services	6,906,599	10,203,814	3,297,215	47.7%
1A Fund	72,099	63,309	(8,790)	-12.2%
Combined Dispatch	1,241,196	1,255,254	14,058	1.1%
Conservation Trust	529,650	471,295	(58,355)	-11.0%
Justice System Capital	6,218,892	910,450	(5,308,442)	-85.4%
Fairfield Settlement	531,714	532,380	666	0.1%
Solid Waste	1,467,326	2,571,749	1,104,423	75.3%
Airport	342,286	1,219,136	876,850	256.2%
Fleet Management	1,520,486	2,056,142	535,656	35.2%
Total Across All Funds	45,685,874	45,185,593	(500,281)	-1.1%

2022 BUDGET SUMMARY

CHANGES IN EXPENSE

Changes in Expenses:

- General Fund:
 - \$3,469,000 – Decrease in transfers to other funds
 - \$2,500,000 – Increase in Capital Outlay purchases for Transportation (facility, buses, shelters)
 - \$53,000 – Increase in Lodger’s Tax expense (offset by additional revenue)
- Road & Bridge Fund:
 - \$868,000 – Increase in Road Projects (mostly N. Pagosa Blvd bridge/related work)
- DHS Fund:
 - <\$800,000> Decrease for Contribution to Building Project (one time, assumed to occur partially in 2021 and completed in 2022)
 - \$3,886,000 – Increase in Food Assistance Program

2022 BUDGET SUMMARY

CHANGES IN EXPENSE BY OBJECT (TYPE)

Archuleta County EXPENSE BY OBJECT (TYPE)				
Fund	2021 Budget	2022 Budget	\$ Change	% Change
Personnel Costs	11,616,152	12,136,245	520,093	4.5%
Materials & Services	16,562,144	19,767,092	3,204,948	19.4%
Capital Outlay	10,818,502	8,767,406	(2,051,096)	-19.0%
Debt Service	1,361,576	1,348,412	(13,164)	-1.0%
Transfers	5,327,500	1,549,438	(3,778,062)	-70.9%
Total Across All Funds	45,685,874	43,568,593	(2,117,281)	-4.6%

2022 BUDGET SUMMARY

CHANGES IN EXPENSE BY OBJECT (TYPE)

Changes in:

- \$520,100 - Personnel Costs
 - Various positions changed or added in 2021
- <\$2,051,000> - Capital Outlay
 - Courts Facility (construction on track for completion by late 2021)
 - Transportation facility, buses, etc.
 - Various R&B projects anticipated to not be completed in 2021 and possibly carried over to 2022
- <\$3,778,000> – Transfers
 - \$4.4 million transfer to Justice System Capital Fund in 2021 will be drastically reduced in 2022 due to project completion in late 2021

2022 BUDGET SUMMARY

CHANGES IN ENDING FUND BALANCE

Archuleta County ENDING FUND BALANCES [Government Only]					
				\$	%
Fund	2021 Projected	2022 Budget		Change	Change
General	12,940,149	14,977,160		2,037,011	15.7%
Road & Bridge	7,965,006	5,306,352		(2,658,653)	-33.4%
Human Services	3,367,288	2,665,439		(701,849)	-20.8%
1A Fund	63,309	0		(63,309)	-100.0%
Combined Dispatch	241,906	271,518		29,612	12.2%
Conservation Trust	361,095	0		(361,095)	-100.0%
Justice System Capital	254,664	44,214		(210,450)	-82.6%
Fairfield Settlement	532,180	0		(532,180)	-100.0%
Total Across All Funds	25,725,597	23,264,683		(2,460,913)	-9.6%

2022 BUDGET SUMMARY

CHANGES IN ENDING FUND BALANCE

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

- \$110,200 Conservation Trust Fund
- \$532,100 Fairfield Settlement
- \$63,309 1A Fund

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

- \$2,659,000 Road & Bridge Fund (various road projects)

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

- \$3,778,000 decrease in Transfers OUT of General Fund
- <\$520,100> increase related to position changes during 2021
- <\$324,022> increase in Transportation expenses to utilize grant funding for bus facility, buses, shelters, etc.
- <\$35,000> decrease in Interest Revenue

2022 BUDGET SUMMARY

EXAMINATION OF BUDGET

- The following budget information is available for examination:
 - This 2022 Budget Summary (this PowerPoint Presentation), and
 - 2022 Budget Detail (including 2022 Projections and Actuals for 2019 & 2020)
- This information can be found at:
 - County Clerks Office (449 San Juan Street) in book form
 - County Website at: www.archuletacounty.org

2022 BUDGET PREVIEW QUESTIONS?

Thanks to everybody involved.

Questions?