AGENDA

• Review Revenues and Expenses Through April 2024

• Strengths, Weaknesses, Opportunities & Challenges

• 2025 Budget
  • Budget Process
  • Legislative and Ballot Initiative Update
  • Initial 2025 General Fund Support Targets
  • New Property Tax Law
  • General Fund Forecast
  • Next Steps
• **Property Tax** is up 21 percent over 2023.

• **Sales Tax** is forecasted to rise by 2 percent. This is slightly lower than budgeted.

• **Interest Earnings** are down 5 percent. (A 13 percent drop was budgeted so this is a positive.)

• **External Charges** are up 9 percent as a category:
  
  • Recording Fees have stabilized—up 4 percent.
  
  • Extension, Natural Resources Clerk and Recorder, Community Development, Solid Waste external charges are all up.
Expenses

- **Personnel** expenses are up 3 percent. Market increases went into effect January 1st. Many vacancies have been filled.

- **Operating** expenses are up 23 percent overall due to timing of Foothills Gateway passthrough, new Behavioral Health contract, one-time ARPA payments to partners, permitting the new landfill, and the election cycle. With these factors excluded operating is up 5%.

- **Capital** spending is down 46 percent due to timing of spending on facilities, especially at The Ranch.
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – COUNTYWIDE PERSPECTIVE

• Strengths (Internal):
  • Experienced & dedicated leaders & workforce
  • Culture of improvement & creative solutions
  • Focus on customer service
  • Fiscally responsible - AAA bond rating
  • Collaboration between Staff, Depts, Community
  • **Interest & capability in using data for decisions**
  • **Focus on Equity**
  • Elected officials cooperate
  • Facility master plans

New Items
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – COUNTYWIDE PERSPECTIVE

• Opportunities (External):
  • Behavioral health services at Longview
  • Regional cooperation
  • Educated population
  • Long-term capital & master plans
  • Community trust & support
  • Access to technology
  • Strategic Planning
  • Re-thinking work/life balance
SWOC – COUNTYWIDE PERSPECTIVE

• Weaknesses (Internal):
  • Conflict between standardization & customization
  • Knowledge & data sharing between siloes
  • Many experienced staff turning over
  • Increasing overhead costs charged to outside revenues
  • Internal communication
  • Manual processes
• Challenges (External):
  • Cost of living/inflation/supply chains
  • Economic downturn
  • Challenges to revenue stability
  • Growing/aging population
  • Unfunded mandates
  • Natural disasters
  • Childcare availability
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – PUBLIC SAFETY

Strengths (Internal):

• Criminal Justice community has good internal & external relationships
• County is leader in resilience efforts & jail diversion/alternative programming
• Sharing data among County offices & departments, local agencies
• County is a state leader in resilience efforts
• Flexibility in providing services, including remote

Opportunities (External):

• Expanded broadband will assist outreach to and from community
• Relocation of State & Local agencies to regional EOC
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – PUBLIC SAFETY

Weaknesses (Internal):
- Recruitment and retention of personnel
- **Gaps in access control responsibilities**
- **Constraints in data sharing**
- Lack of housing for competency docket clients

Challenges (External):
- Unfunded mandates & funding cuts
- Lawsuits/attitudes towards Law Enforcement
- Population growth & changes
- **Reliability on outside agencies for communication infrastructure**
- **CJA services being under-utilized**
- Continuing number & severity of disasters

New Items
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – COMMUNITY PLANNING, INFRASTRUCTURE & RESOURCES

• Strengths (Internal):
  • Replacing asset management system
  • Understanding customer wants/needs & market
  • Positive employee survey results

• Opportunities (External):
  • Opportunities to connect with federal & state partners, universities & others
  • New Master Plans in process

• Weaknesses (Internal):
  • Strain on transportation infrastructure in rural areas
  • Resources for facility replacement & expansion
  • Inability to find seasonal, temporary workers & staffing off-hours

• Challenges (External):
  • Air regulation compliance
  • Gaps in training/experience for needed workers
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – HUMAN & ECONOMIC HEALTH

• Strengths (Internal):
  • **Departments are nimble at responding to community needs**
  • Experienced & dedicated staff
  • **Effective conveners in the community to advance efforts**
  • Recognized leader among peers
  • **Mission-driven master plans**

• Opportunities (External):
  • **Community, non-profits & service providers are well connected**
  • Better coordinated & aligned communication & outreach
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – HUMAN & ECONOMIC HEALTH

• Weaknesses (Internal):
  • Transition planning & knowledge transfer
  • Insufficient resources for bilingual staff
  • Multiple short-term funding sources are ending
  • Reliance on unpredictable grants & outside funding

• Challenges (External):
  • Childcare & housing
  • Transportation infrastructure for workers & clients
  • Economic uncertainty
  • Changing needs of population & growth
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – PUBLIC RECORDS & INFORMATION SERVICES

• Strengths (Internal):
  • Experienced, collaborative & accessible leaders & elected officials
  • Emphasis on customer service
  • **Increased cross-training is occurring**

• Opportunities (External):
  • **Public is interested in what we do & becoming more aware & engaged**

• Weaknesses (Internal):
  • **Management training happening after promotion**
  • **Uncertainty of future of in-person services**
  • Employee retention & recruitment

• Challenges (External):
  • **Lack of strong local media sources**
  • One-size fits all State mandates
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

SWOC – SUPPORT SERVICES

• Strengths (Internal):
  • Forward-thinking staff and leadership
  • Innovative and adaptive
  • Collaboration within Service Category
  • Master Plans & dedication to implementation
  • Countywide project & change management
  • Cybersecurity for remote work

• Opportunities (External):
  • Collaboration with peers & community for inclusivity
  • Municipal broadband projects
SWOC – SUPPORT SERVICES

• Weaknesses (Internal):
  • **Increasing complexity of customer departments**
  • Workforce planning in support services to keep up with growing service levels & needs in customer departments, connectedness
  • **Grant identification and management**
  • **Fiscal constraints to implement master plans**
  • Decentralized structure & geography of some facilities

• Challenges (External):
  • **Accessibility law compliance**
  • Cybersecurity
  • Rising insurance costs
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

2025 BUDGET PROCESS

Today
- SWOC Analysis
- Initial General Fund Projection & Targets

May
- Budget Office Prepares Instructions & Budget Software
- Budget Retreat on May 22

June-August
- Departments Prepare Budget Requests
- Requests Due in August
2025 BUDGET PROCESS

- **Summer**
  - Public Outreach
  - Community Conversations

- **June 26th**
  - HR Recommendations & BOCC Direction on 2025 Compensation Changes

- **August & September**
  - County Manager & Budget Office Meetings with Offices & Departments
2025 BUDGET PROCESS

September

- Commissioner / Staff Budget Retreats

Late September

- Assessor Initial Certification of Values

By October 15th

- County Manager Submits Proposed 2025 Budget & 2024 Revised Budget
2025 BUDGET PROCESS

October 21st
• BOCC Work Session on Proposed Budget

November 4th and 5th
• Public Hearing on Proposed Budget
• Election Day

Late November
• Assessor Final Certification of Values
SWOC ANALYSIS & INITIAL 2025 BUDGET TARGETS

BUDGET PROCESS

December 11th & 15th
• Adopt 2025 County Mill Levies & Budget
• Taxing authorities’ deadline to submit levies

December 22nd
• Deadline to Certify Mill Levies, Submit to Assessor & State

January 1st
• New Fiscal Year Begins
2025 Budget Targets: REVENUES

• Property tax revenues forecasted to rise **4.8 percent**. With new construction only (no reappraisal). Remaining increase is due to the expiring temporary mill levy.

• Sales tax for jail operations is projected to be **flat** in 2025.

• Interest earnings are expected to **fall** in 2025.

• Charges for services, licenses and permits and other smaller miscellaneous revenues are projected to **rise by 2-3 percent**.
2025 Budget Targets: EXPENSES

- Projecting a **3.4 percent increase** in personnel costs as a placeholder until compensation work session.
- A **2.5 percent** increase for operating costs
- Budget targets include approved costs for service proposals, carryover requests, and capital plans.
- Removes funding for one-time projects ending in 2024.
- Adjusted for off-cycle elections in 2025.
- Does not include additional funding for jail expansion staffing due to current number of vacancies.
<table>
<thead>
<tr>
<th>Office/Dept.</th>
<th>2025 Target</th>
<th>$ Change</th>
<th>% Change</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessor</td>
<td>6,201,000</td>
<td>763,810</td>
<td>14.0%</td>
<td>New appraisers approved at carryover</td>
</tr>
<tr>
<td>Clerk &amp; Recorder</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>2,673,000</td>
<td>141,350</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>Election Year Costs</td>
<td>2,081,000</td>
<td>(1,359,620)</td>
<td>(40%)</td>
<td>Off-year elections in 2025</td>
</tr>
<tr>
<td>Board of Equalization</td>
<td>100,000</td>
<td>97,430</td>
<td>3791%</td>
<td>Assessment Cycle</td>
</tr>
<tr>
<td>Coroner</td>
<td>2,325,000</td>
<td>90,666</td>
<td>4.1%</td>
<td>Facility revenue reduction</td>
</tr>
<tr>
<td>County Attorney</td>
<td>1,658,000</td>
<td>64,604</td>
<td>4.1%</td>
<td></td>
</tr>
<tr>
<td>County Manager/BOCC</td>
<td>2,428,000</td>
<td>160,740</td>
<td>7.1%</td>
<td>FEMA Climate Smart Grant Revenue Ends in 2024</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>1,090,000</td>
<td>34,666</td>
<td>3.3%</td>
<td>Revenue Ends in 2024</td>
</tr>
<tr>
<td>Human Resources</td>
<td>4,912,000</td>
<td>150,987</td>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>Strategic Plan</td>
<td>339,000</td>
<td>8,000</td>
<td>2.4%</td>
<td></td>
</tr>
<tr>
<td>Performance, Budget and Strategy</td>
<td>2,202,000</td>
<td>191,440</td>
<td>9.5%</td>
<td>Budget Analyst position shifting to from ARPA Fund to General Fund</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>763,000</td>
<td>23,844</td>
<td>3.2%</td>
<td></td>
</tr>
</tbody>
</table>
## SWOC Analysis & Initial 2025 Budget Targets

### 2025 Initial Budget Targets

<table>
<thead>
<tr>
<th>Office/Dept.</th>
<th>2025 Target</th>
<th>$ Change</th>
<th>% Change</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development</td>
<td>3,605,000</td>
<td>61,134</td>
<td>1.7%</td>
<td>Removal of one-time small area plan funded in 2024</td>
</tr>
<tr>
<td>Engineering</td>
<td>5,482,000</td>
<td>(234,709)</td>
<td>(4.1%)</td>
<td>Adjustment for transportation master plan, B-dam agreement, GIS license reallocation</td>
</tr>
<tr>
<td>Community Justice Alternatives</td>
<td>13,009,000</td>
<td>1,212,863</td>
<td>10.3%</td>
<td>Adjustment for pay grade changes approved at 2024 carryover</td>
</tr>
<tr>
<td>District Attorney</td>
<td>12,054,000</td>
<td>768,556</td>
<td>6.8%</td>
<td>Adjustments for ending grants and full cost of phased-in FTEs</td>
</tr>
<tr>
<td>Financial Admin and Accounting</td>
<td>2,075,000</td>
<td>64,997</td>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>Purchasing</td>
<td>753,000</td>
<td>25,013</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>ADA Operating</td>
<td>105,000</td>
<td>3,410</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>ADA Capital</td>
<td>150,000</td>
<td>-</td>
<td>0.0%</td>
<td>We will ask for an updated plan.</td>
</tr>
</tbody>
</table>
## SWOC Analysis & Initial 2025 Budget Targets

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<tbody>
<tr>
<td>Human and Economic Health / Housing</td>
<td>1,232,000</td>
<td>36,044</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Extension</td>
<td>1,213,000</td>
<td>36,416</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>Information Technology</td>
<td>11,525,000</td>
<td>405,353</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Sheriff</td>
<td>69,723,000</td>
<td>2,546,632</td>
<td>3.8%</td>
<td></td>
</tr>
<tr>
<td>Surveyor</td>
<td>33,000</td>
<td>(44,172)</td>
<td>(57.2%)</td>
<td>Reducing budget for 2024 error.</td>
</tr>
<tr>
<td>Treasurer</td>
<td>(12,539,000)</td>
<td>1,405,030</td>
<td>10.1%</td>
<td>Revenues are greater than expenses in the Treasurer's Office. (Reduction of forecasted interest earnings leads to increase in target.)</td>
</tr>
</tbody>
</table>

Revenues are greater than expenses in the Treasurer’s Office. (Reduction of forecasted interest earnings leads to increase in target.)
### 2025 Initial Budget Targets

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<th>2025 Target</th>
<th>$ Change</th>
<th>% Change</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to CJA</td>
<td>1,773,000</td>
<td>740,050</td>
<td>71.6%</td>
<td>Position Grade Changes</td>
</tr>
<tr>
<td>Transfer to EWD</td>
<td>2,159,000</td>
<td>62,601</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Transfer to Ranch</td>
<td>264,000</td>
<td>6,640</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>Transfer to Parks</td>
<td>67,000</td>
<td>(67,081)</td>
<td>(50.0%)</td>
<td></td>
</tr>
<tr>
<td>Transfer to Pest Control</td>
<td>108,000</td>
<td>2,851</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>Transfer to Jail COPs</td>
<td>5,931,000</td>
<td>(8,500)</td>
<td>(0.1%)</td>
<td></td>
</tr>
<tr>
<td>Transfer to Facilities Capital</td>
<td>1,000,000</td>
<td>-</td>
<td>0.0%</td>
<td>Final transfer for new fleet campus</td>
</tr>
<tr>
<td>Transfer to Replacement Capital</td>
<td>1,230,000</td>
<td>30,000</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Transfer to IT Capital</td>
<td>3,250,000</td>
<td>346,180</td>
<td>11.9%</td>
<td>Cameras and radios reallocated from Replacement Fund to IT Capital Fund</td>
</tr>
<tr>
<td>Transfer to Facilities</td>
<td>10,961,000</td>
<td>268,580</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Transfer to Benefits</td>
<td>1,138,000</td>
<td>38,000</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>Transfer to Drainage</td>
<td>35,000</td>
<td>35,000</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Health &amp; Environment Mill Levy</td>
<td>5,098,000</td>
<td>173,370</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>Human Services Mill Levy</td>
<td>12,570,000</td>
<td>390,370</td>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>Road &amp; Bridge Mill Levy</td>
<td>3,675,000</td>
<td>101,090</td>
<td>2.8%</td>
<td></td>
</tr>
</tbody>
</table>
Internal Services: 2025 budget targets will be increased to include costs projected to rise above the baseline 2.5 percent operating target increase.

Example: 2025 IT user and equipment estimate: $80,000

Likely 2025 Issue: Impact of indirect cost rate increases on departments/elected offices.
### New Property Tax Law

SB24-233 caps annual property tax revenue growth at 5.5%. Exceptions for new construction and expiring TIF district revenue.

Can be exceeded with local voter approval.

Splits assessment rates into school districts and non-school categories.

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>6.7% after $55k value reduction</td>
<td>6.7%</td>
<td>6.95% after 10% reduction up to $70k</td>
</tr>
<tr>
<td>Commercial</td>
<td>27.9% after $30k value reduction</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Agricultural</td>
<td>27.9%</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Industrial, Vacant, State-Assessed</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
</tr>
</tbody>
</table>
Initiative 50 Still Heading to the Ballot

“Shall there be an amendment to the Colorado constitution concerning mandatory statewide voter approval to allow local governments to retain property tax revenue that exceeds 4% growth from the total statewide property tax revenue collected in the preceding year?”

No exceptions for:
- high inflation of expenses
- high growth / new construction,
- expiring TIF district revenue,

Ratcheting effect possible during a recession.

School districts would be subject to this cap.

Unclear about the applicability of the cap with uneven statewide revenue growth. (Clarifying legislation and/or courts would decide.)
Fund Balance Forecast Assumptions:

- Includes $4M as a placeholder for new annual service proposal costs
- Includes $13.5M in broadband projects.
- Includes $2M in one-time costs for Clark Lake dredging
- Includes $1M to staff jail improvement project
- Does **not** include funding for a new justice center or emergency services building.
- Does **not** include new funding for county road capacity.
NEXT STEPS

• Budget Retreat With Commissioners: **May 22nd**
• Budget Kickoff With Staff: **May 31st**
• Compensation Work Session: **June 26th**
• Capital Requests Due: **August 2nd**
• Operating Requests Due: **August 9th**
Thank you!