

SUMMIT COUNTY 2017 RECOMMENDED BUDGET



OCTOBER 11, 2016

**SCOTT VARGO, COUNTY MANAGER
MARTY FERRIS, FINANCE DIRECTOR**

Kudos



- Thanks to Marty Ferris
- Finance staff
- Thad and Sarah
- Department Directors
- Elected Officials

Summit County Mission Statement



- To support a strong, safe, healthy and vibrant community by providing high-quality public services to the residents and visitors of Summit County, and to provide such services in a progressive, professional and efficient manner.

BUDGET GUIDELINES

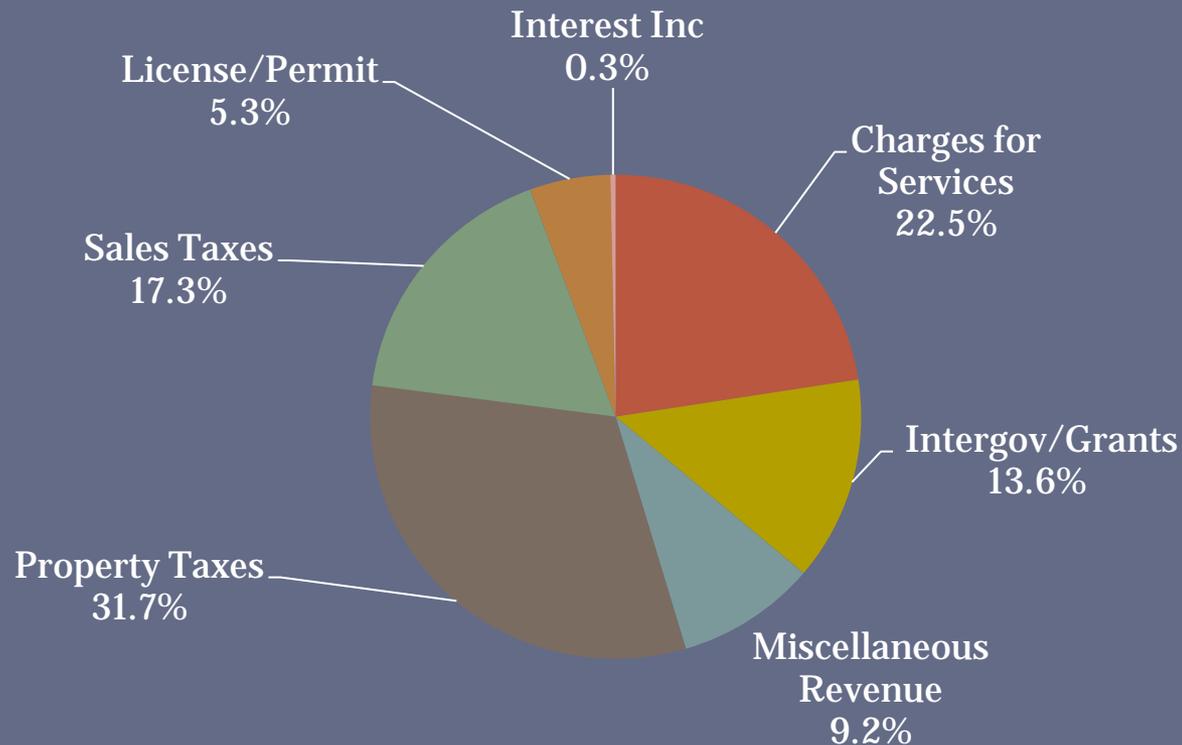


- Use 2016 original budget as base for 2017
- Conservative revenue estimates
 - 2% increase in sales tax
 - 1% increase in fees
 - 1.4% increase in property tax
- Departments were directed to keep expenses at 2016 levels
- Staff increases and program expansions should bring offsetting revenue
- Review line item spending

General Fund Revenues:



GENERAL FUND 2017 REVENUE \$28.6 MILLION



Budget Assumptions – Revenues:



- Property Tax – 1.4% increase in valuation from last year from new construction
- Total annual property tax increase across all funds is approx. \$218,000 for 2017
- Property tax revenue remains \$2.3 million below 2010 collections
- Property taxes account for 31.7% of the 2017 General Fund revenue budget – \$9M

Budget Assumptions – Revenues:



- Sales Tax – we are estimating 2% growth in sales tax over the 2016 estimated sales tax revenue
- 2016 sales taxes are projected to be up 4% from 2015 actual taxes
- Sales tax accounts for 17.3% of the General Fund revenue – \$4.9M

Budget Assumptions – Revenues:



- **Licenses & Permits:**
 - Building Inspection permits for 2016 are projected to be 40% higher than the 2015 actual - \$500k
 - We are projecting 2017 to be 14% lower than 2016 projections
 - Animal Control licenses unchanged 2016 to 2017
 - Licenses & Permits are 5.3% of the General Fund revenue budget - \$1.5M

Budget Assumptions – Revenues:



- **Intergovernmental revenue**
 - This category encompasses all our operating grants. They are budgeted to be approximately 8% more than 2016 projected - \$3.64M
 - There are increases in Public Health, Nurse Home Visitor and Youth & Family grants
 - Childcare licensing, marijuana prevention, communities that care, mental health
 - We have only budgeted grants we have been funded for, not any potential grants.
 - Grants are 13.6% of the General Fund revenue budget - \$3.9M

Budget Assumptions – Revenues:



- **Charges for Service**

- Includes fees for planning, engineering, clerk & recorder, treasurer, animal control, public health, sheriff, jail, community center, assessor, elections along with several internal fees (i.e. finance and building & grounds)
- Fees are budgeted to increase 1% in the 2017 budget - \$64k
- Charges for Service are 22.5% of the General Fund revenues - \$6.4M

Budget Assumptions – Revenues:



- **Miscellaneous revenue –**
 - This includes administrative fees to enterprise funds, rental income, sales of assets and donations
 - There is an increase budgeted for new rental income at the MOB and admin fee increases
 - Miscellaneous revenue accounts for 9.2% of the General Fund budgeted revenues - \$2.6M
- **Interest income – flat - \$100,000**

Operating Expenses



- **Direction was for flat budget – few exceptions:**
 - Jail - medical professional assistance and mental health expenses
 - Assessor's office – reappraisal year increase
 - Public Health – additional grant expense and revenue
 - Youth & Family – additional grant expense and revenue
 - Community and Senior Center – increased catering expenses.

Salary/Employee Benefits:



- **Salary**

- Merit increases of 0-3% are proposed
- 8 new PT/FT positions are being recommended in the General Fund with an annual cost of \$544,000
 - ✦ Grant revenue/contributions cover approximately \$235,000 of this amount
- 4 new positions are being recommended in other funds for a total cost of \$226,000

- **Health Insurance**

- Health plan performance remains strong
 - ✦ 4% increase 2011 – 2016 projected
 - 0.8% annual increase
 - ✦ 3% claims cost decrease 2015 – 2016
 - ✦ 2016 projected fund balance \$3.2 M

Transfers to Other Funds



- **Communications Operations = \$299,577**
 - 911 dispatching services
- **Housing= \$160,000**
 - Employee down payment assistance loans
- **Capital Expenditures=\$825,000**
 - Commons road work and sand/salt storage building

Bottom Line – General Fund



- **Revenues**

- \$27,228,795 budgeted for 2016
- \$28,573,139 budgeted for 2017
- \$1,344,000 increase
 - ✦ \$411,000 sales tax
 - ✦ \$250,000 building permits
 - ✦ \$505,000 intergovernmental/grants

- **Expenses**

- \$26,962,452 budgeted for 2016
- \$28,560,817 budgeted for 2017
- \$1,598,000 increase
 - ✦ 8 new positions, addl transfer to capital expenditures, addl non-profit funding
 - ✦ Org restructure 2016, 5 FT & 2 PT positions added during 2016

Fund Balance – General Fund



- The ending fund balance for 2016 is projected to be \$17,318,858 (+1.052M)
- The ending fund balance for 2017 is projected to be \$17,331,180 (+12,000)
- Fund balance may improve due to conservative revenue estimates and moderate expenditure estimates

Special Revenue Funds



- Includes Road & Bridge, Library, Social Services, Transit, Open Space, Communications, Early Childhood and several other smaller funds
- Road & Bridge Fund increase is \$1.3 million for capital road projects
 - Summit Cove and Baldy Road
- Open Space acquisition funding increased by \$475K

Special Revenue Funds



- Affordable Housing Fund increases due to new County housing position approved in 2016 as well as capital projects

Enterprise Funds



- **Ambulance Fund - \$1,085,000 in capital outlay**
 - 1 replacement 4WD ambulance
 - MDC/RMS system upgrades
 - Design and construction – shared admin building/station renovation
 - ✦ Partnering with Lake Dillon Fire Rescue
 - Grant funding may offset some capital expense
- **Snake River Sewer Fund – \$172,000**
 - Capital improvements to their facility
 - New vehicle
 - Debt paid off 5 years early in 2016 – \$1.3M annual savings
 - ✦ \$750,000 in interest expense saved by paying off early

Enterprise Funds Continued



- **Solid Waste Fund**

- Revenues declining by 33% or \$1.2 million
 - ✦ Due to hauler decision not to take waste to SCRAP – June 2016
 - ✦ Vacancies not filled and capital delayed in 2016
 - ✦ No capital budgeted in 2017
 - ✦ Layoffs in recycling
 - ✦ Closure of two recycling sites – Frisco and Breckenridge
 - ✦ Elimination of contribution to HC3
- Staff discussing alternatives
 - ✦ Meeting with haulers
 - ✦ Meeting with Towns
 - ✦ Considering flow control implementation

Capital Expenditures



- IT hardware and software - \$396,000
- ERP system/SAP replacement - \$500,000
- Vehicle replacements - \$375,000
- Sheriff/Jail equipment - \$46,000
- Coroner equipment - \$13,000
- Facilities projects - \$290,000
 - Fire systems in Justice Center, Emergency Services and Courthouse
 - Duct work maintenance in Justice Center, N Branch Library
 - Novar/BAS control system upgrade in Animal Control
 - Animal Control flooring
 - Sheriff evidence vault upgrade
 - Community and Senior Center kitchen upgrade

Capital Continued



- **Capital contributions to non-profits - \$350,000**
 - Lake Dillon Theater, Summit Historical Society and Care Clinic
- **Road and Bridge capital - \$535,000**
 - Snow blower
 - Street sweeper
 - Pickup and dump bed refurbish
- **R&B road construction work - \$2,500,000**
 - Summit Cove and Baldy Road

Overall County Budget



- ▶ 2017 total County budget = \$88,850,919 vs. 2016 total County budget = \$87,576,637

Fund Type	2017	2016
General	\$27.2M	\$26.3M
Special Revenue	\$37.3M	\$34.7M
Enterprise	\$10.8M	\$13.5M
Capital	\$3.3M	\$3.0M
Internal Service	\$10.0M	\$9.8M