



ARAPAHOE COUNTY
COLORADO'S FIRST

Board Summary Report

Date: January 31, 2020
To: Board of County Commissioners
From: Todd Weaver, Budget Manager
Subject: 2019 Fourth Quarter Budget Review

Purpose and Recommendation

The purpose of this study session is to update the Board of County Commissioners (BOCC) on the status of the 2019 budget, to review the fiscal status of Arapahoe County, and identify issues that may arise in the near future. Various supplemental appropriation requests will be reviewed by the Executive Budget Committee and recommended for approval by the Board. These supplemental appropriation requests will be presented and the Board will be asked to review these proposals and decide which should go forward to a public hearing on February 25th, 2020.

Background

Attached to this report is background information on the economy, major fund projections, and the list of requested supplemental appropriations as of the end of the 4th Quarter, 2019. The first section of the supplemental request materials identifies supplemental appropriation requests that would have a net impact on the 2019 budget that require a Board discussion and decision to move forward. The second section shows supplemental appropriation requests that have a neutral impact on the 2019 budget from an expenditure standpoint and generally involve grant funds or additional revenue. The third section shows supplemental appropriation requests that would have an impact on the 2020 budget, while the final section includes supplemental appropriation requests that have a neutral impact on the 2020 budget.

The 2019 budget was balanced and adopted on December 11, 2018. Since that date, supplemental appropriations, transfers and reappropriations have been added to the original adopted 2019 budget. This amended budget is the basis for department and elected office projections and supplemental appropriation requests. During the fourth quarter of 2019, some departments and offices have identified areas or issues requiring modifications to their budgets and have submitted these needs as supplemental appropriation requests. For the 4th Quarter of 2019, there are a number of supplemental requests for both the 2019 and 2020 budgets that require a discussion and decision by the BOCC as well as a number that are budget neutral and have corresponding revenues to offset expenditures. A full list of all supplemental appropriation requests is included in the attached documentation.

The Executive Budget Committee (EBC) will meet to discuss these requests prior to the February 10th study session. The Finance Department will present the Committee's recommendations to the Board for their review and approval at the study session. Before making decisions on these amendments, the Board of County Commissioners may wish to consider the attached background information on the status of the economy and the current financial status of the County.

Departments and elected offices were asked to provide revenue and expenditure projections based on what they have seen through the end of the 4th Quarter of the 2019 budget year. These projections help to provide a look at where the County may be financially by the end of fiscal year 2019, and in future budget years based on certain assumptions. From this information, we have projected the fiscal status and have identified potential revenue and expenditure issues for five major County funds: the General Fund, Social Services Fund, Arapahoe Law Enforcement Authority Fund, Road and Bridge Fund, and the Capital Expenditure Fund.

Link to Align Arapahoe

Fiscal Responsibility related to maximizing the County's financial sustainability and the responsible use of taxpayer funds: The review of the County's fiscal status and financial projections for the future including adopting a structurally balanced General Fund operating budget are in keeping with the County's objective.

Discussion

The sections below detail the economic, financial, and budget amendment information for the 4th Quarter of 2019. There is a full year of financial information with the exception of some accounting adjustments to use for forecasting for year-end, as well as projecting future budget years. As conditions change, the forecasts will change.

Economic Outlook

The economy for the nation and Colorado is still positive in the longest economic expansion recorded. The 2018 annual growth rate for the nation was 2.9 percent, and 3.5 percent for Colorado. Economic growth is expected to slow in 2020 and 2021 due to low unemployment rates and global economic uncertainty. Economic activity continues to be led by consumer activity, but that pace is slowing. While personal income is projected to slow through 2019 and in 2020, Colorado is still expected to outpace the nation with projected growth of 6.1% in 2019 compared to 4.6% for the nation and in 2020 it is projected to grow 5.2% in Colorado and 4.5% for the nation. Along the Front Range, the housing market had started to slow down but began picking back up in the last quarter of 2019. Higher construction costs, shortage of labor and limited lots to build on all contribute to the continued affordability constraint. Nonresidential construction in Colorado is expected to increase 25.2% in 2020 after a decline of 40.9% in 2019. More information on the economic outlook and how it impacts the County budget will be provided during the study session with the BOCC.

Economic Indicator	Area	2017	2018	Forecast		
				2019	2020	2021
Real GDP Growth	National	2.2%	2.9%	2.3%	1.9%	1.7%
Unemployment Rate	National	4.4%	3.9%	3.7%	3.9%	4.4%
	Colorado	2.7%	3.3%	3.1%	3.3%	3.5%
Personal Income Growth	National	4.7%	5.6%	4.6%	4.5%	4.0%
	Colorado	7.3%	7.1%	6.1%	5.2%	4.7%
Wage and Salary Growth	National	4.7%	5.0%	4.9%	4.7%	4.1%
	Colorado	6.4%	5.8%	6.6%	5.6%	4.8%
Inflation	National	2.1%	2.4%	1.8%	2.1%	2.1%
	Colorado	3.4%	2.7%	1.9%	2.1%	2.2%
Housing Permit Growth	Colorado	11.2%	14.5%	-12.4%	-4.2%	2.0%
Nonresidential Building Growth	Colorado	2.5%	31.0%	-40.9%	25.2%	4.5%

Source: Colorado Legislative Council December 2019 Economic & Revenue Forecast

General Fund

The General Fund is the main operating fund of the County and contains the largest concentration of revenues and expenditures for funding all or most of the programs, services, and staff of the elected offices and departments. Significant tax, charges for services, and intergovernmental payments drive the revenue side of the budget while salaries and benefits are the largest driver of costs on the expenditures side. The General Fund provides the home and funding for over 1,300 of the County's approximately 2,200 FTE positions.

Revenue

Property tax collections from the County mill levy is the largest revenue source for the General Fund at about 60%. The amount of property tax received is dependent upon the assessed value of real estate within the County and the local growth calculation under the Taxpayer's Bill of Rights, also known as TABOR. TABOR allows property tax revenue to only grow by the combination of the Denver metro area inflation rate and the percentage of growth in the actual value of new construction. The inflation rate is not known until after the year is complete, so an estimate is used based on the State's projections. Due to the inflation rate for 2018 dropping from the September 2018 economic forecast to when the actual rate was determined in March, the County will refund approximately \$750,000 in over collections from 2019 in 2020. Energy prices dropped and there was a slowdown in the increase in interest rates and home price appreciation that caused the decline in the inflation rate.

The 2019 budget included just under \$113 million for property tax revenue which is a 4.8% increase over 2018. Property tax revenue has been steadily increasing since 2015 during the economic expansion following several years of flat revenue collections during the recession. Changes in the residential assessment rate have caused downward adjustments in the temporary tax credit on the County mill levy but only a minor adjustment to this residential assessment rate occurred for the 2019 assessment cycle for 2020 tax collections. Looking ahead, if the economy remains on its current track, annual increases of around \$4-\$5 million could be expected with property tax collections in the General Fund growing to over \$134 million by 2024.

Other significant sources of revenue include payments from the City of Centennial from the intergovernmental agreement for law enforcement services, fees and charges from the Clerk & Recorder's Office, development and permitting fees from Public Works & Development, and tax collection fees and investment earnings from the Treasurer's Office. The revenue from the Centennial intergovernmental agreement for law enforcement services has been increasing over the years as the cost to provide the services increases due primarily to salary and benefits increases. There was a significant increase during 2019 due to additional positions that the City is funding in patrol, investigation and communications. The Treasurer's Office fee to collect and distribute taxes increases with the increase in property tax revenue. This revenue source is budgeted at \$7.4 million for 2019 and is currently projected to come in around \$7.8 million. Interest earnings are projected to come in around \$5.3 million for 2019.

Construction activity has increased significantly within the County since the recession ended. This impacts development related revenue in the Public Works & Development Department. These revenue sources are currently projected to decline in 2019 from their peak in building permits and plan reviews in 2018. Even with a decline the activity is still much higher than it was during the recession. Increased real estate and motor vehicle activity after the recession had a positive impact on the revenues in the Clerk & Recorder's Office. That activity is beginning to slow from the peak over the last two years and the revenue has plateaued.

Expenditures

The largest expenditures in the General Fund are for salary and benefits which make up nearly 62% of the total expenditure budget of \$202 million. The County extracts budget from each of the departments and elected offices to account for a historical amount of salary and benefit budget amounts that is not spent due to vacancies. These vacancy savings reductions enable the County to use the funds elsewhere in the budget for other funding priorities. In looking at budget to actual data for salary and benefit line items over the past few years, the trend is towards

higher amounts of vacancy savings above the amount reduced from department and elected office budgets. In 2018, \$4.2 million of the nearly \$106 million salary and benefit budget remained unspent. This is due to a very robust job market in Colorado with historically low unemployment that makes finding and retaining staff more difficult. Salary and benefits are currently projected to come in \$2.4 million under budget for 2019.

The Services & Other category is the next largest for the General Fund. It includes professional services, contracted services, utilities, maintenance and repair, training and education and distributions to outside entities such as the Tri-County Health Department and the District Attorney's Office. For 2019 this category is budgeted at \$50.9 million and is currently projected to end the year at \$48.7 million. Some of the remaining \$2.2 million surplus could be requested to be reappropriated to the 2020 budget to complete activities that were budgeted in 2019 but not completed by year end.

The Supplies category is budgeted at \$7.6 million for 2019 and is projected to end the year at \$6.6 million. Central Services Fund charges related to the purchase and future replacement of capital assets such as vehicles, equipment and high value technology hardware and software are budgeted at \$2.7 million and are currently projected to come in slightly under budget for 2019.

The transfer of monies to other County funds from the General Fund are another category of expenditures. These transfers are for administrative expenses in grant and internal service related funds, the Self-Insurance Liability Fund, building maintenance, debt service and the funding of capital improvement projects. The total amount of transfers from the General Fund for 2019 are budgeted at \$15.7 million with \$6.1 million of that being to the Capital Expenditure Fund for capital improvement projects.

Outlook for 2019

The General Fund projections currently show revenue coming in at \$199.3 million, which is \$5.0 million higher than the 2019 amended budget. Revenue projections are showing collections below budget for intergovernmental revenue, and fines and forfeits categories which is offset by expected collections over budget for the charges for services and investment earnings and taxes categories. Expenditures are projected to be \$196.7 million or \$5.6 million below the amended budget. The categories projected to have the most savings are salaries and benefits due to vacancy savings and the supplies and services and other categories.

Including the requested budget supplementals, the projections result in a \$2.6 million addition to fund balance compared to a budgeted \$8.2 million use of fund balance in the General Fund for 2019. The ending fund balance for 2019 would be \$62.7 million compared to the amended budget ending fund balance of \$52.0 million. The Board's policy reserve is 11% of the annual operating budget which is \$20.6 million for 2019. That results in \$42.1 million of the fund balance being available to spend on other needs in the General Fund.

Budget Amendments for 2019

There are thirteen budget supplemental requests in the General Fund for the 4th quarter of 2019. Two supplemental requests impact the 2019 budget, while ten requests impact the 2020 budget. The impact to the General Fund is a \$100,000 increase to revenue and a \$150,000 increase to the 2019 expenditure budget and for 2020 a \$903,246 increase to revenue and a \$497,602 increase to the expenditure budget. For 2019, the Sheriff's Office is requesting to increase the expenditure budget by \$30,000 for the School Resource program to account for funds received from

Table 2: General Fund Year-to-Date

Revenue Category	2019 Budget	2019 YTD Actuals	% of Budget
Taxes	\$ 121.5	\$ 122.7	101.1%
Licenses & Permits	6.8	6.4	0.0%
Intergovernmental	31.9	31.7	99.2%
Charges for Services	22.2	22.9	103.0%
Fines & Forfeits	0.8	0.4	54.6%
Investment Earnings	3.4	6.2	181.7%
Interfund Revenues	4.3	4.3	100.2%
Transfers In	0.3	0.3	0.0%
Miscellaneous	3.1	3.5	112.1%
Total Revenue	\$ 194.3	\$ 198.4	102.1%
Expenditure Category			
Salaries	\$ 96.8	\$ 95.7	98.9%
Employee Benefits	28.0	26.3	94.1%
Supplies	7.6	6.6	86.7%
Services & Other	50.9	47.9	94.1%
Community Programs	0.4	0.4	101.4%
Capital Outlay	0.3	0.3	111.4%
Central Services	2.7	2.7	96.6%
Transfers Out	15.7	15.7	100.0%
Total Expenditures	\$ 202.4	\$ 195.6	96.6%

Cherry Creek Schools during 2019. There is a request to increase the expenditure budget for the County Attorney by \$20,000 to account for legal and deposition costs incurred in 2019. There is also a request to recognize and appropriate \$100,000 in Administrative Services for AD Works! Improvements. For 2020, the Assessor's Office is requesting 1.00 FTE and to use the existing funding from the Chief Deputy position for a Residential Data Collector and a Commercial Appraiser II. The Communications & Administrative Services Department is requesting to recognize and appropriate \$122,667 in funding received for the 2020 Census. The Community Resources Department is requesting to increase the FTE count by 1.00 for a Veteran Services Officer with an expenditure budget of \$89,935 that will be partially offset by \$45,000 in revenue from Adams County. The Public Works & Development Department is requesting to recognize and appropriate \$5,000 to be transferred from the Self-Insurance Liability Fund to pay for membership dues for the Environmental Manager position that was transferred from the County Attorney to Public Works. The Sheriff's Office is requesting to recognize and appropriate a \$64,000 transfer from the Grant Fund for CMATT grant to fund two assets for license plate readers and \$15,000 from the EMPG grant for improvements to the EOC room. The Sheriff's Office is requesting to transfer \$10,516 to the Capital Expenditure Fund to cover additional costs of the bomb vehicle that was approved as part of the 2020 budget. There is a request from the Sheriff's Office to recognize and appropriate a \$175,000 transfer from the Forfeiture Fund to cover the cost of a memorial for deputies killed in the line of duty. There is also a request from the Sheriff's Office to increase the expenditure budget by \$35,000 for DNA testing materials for the Crime Lab that the City of Centennial has agreed to fund. There is a request to increase the revenue budget by \$476,579 to account for additional revenue from the Centennial IGA that was not included in the adopted budget.

Projections

The forecast period for the General Fund shows a range from \$1.0 million addition to fund balance to \$8.9 million deficit annually for 2020 through 2024. The increase in expenditures is not as significant from 2021 to 2022 as it is in other years because the debt service payment for CentrePoint Plaza will end in 2021. The continued growth in property tax revenues is key to offsetting expenditures in the General Fund but a recession or economic downturn during the forecast period could impact these projections significantly. The expenditure projections only assume continued spending at the current level of service and it does not assume any budget packages or ongoing increases to the budget. With that assumption, the fund balance of the General Fund will decline to \$57.0 million by the end of the 5-year forecast.

Another important factor in this projection is the absence of an estimate of the transfer to the Capital Expenditure Fund beyond the 2020 recommended budget to complete the current Capital Improvement Program (CIP) plan. The gap between the revenue allocated to the Capital Expenditure Fund and the amount of projects requires a transfer from the General Fund to fund the projects. It is estimated that between \$7 and \$16 million annually will be required to adequately fund the project plan. If three transfers are required, then the fund balance of the General Fund would be impacted significantly and the deficits for the forecast period would grow. More on the gap between revenues and required project funding is located in the section on the Capital Expenditure Fund below.

Table 3: General Fund Projections

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Total Revenue	189.1	189.7	194.3	199.3	201.1	205.5	211.6	217.2	223.6
Expenditures	185.7	196.2	202.4	196.7	209.9	206.9	209.1	216.2	222.6
Other Adjustments	-	-	0.1	-	-	-	-	-	-
Total Expenditures	185.7	196.2	202.4	196.7	209.9	206.9	209.1	216.2	222.6
Net	3.4	(6.5)	(8.2)	2.6	(8.9)	(1.4)	2.6	1.0	1.0
Beginning Fund Balance	56.7	60.1	60.1	60.1	62.7	53.9	52.5	55.1	56.0
Change in Fund Balance	3.4	(6.5)	(8.2)	2.6	(8.9)	(1.4)	2.6	1.0	1.0
Ending Fund Balance	60.1	53.6	52.0	62.7	53.9	52.5	55.1	56.0	57.0
Board Designated Reserve	18.7	20.6	20.6	20.6	21.9	22.8	23.0	23.8	24.5

Capital Expenditure Fund

The Capital Expenditure Fund accounts for larger projects that are for the construction or improvement of County facilities, significant software purchases or upgrades, and other significant projects that have a useful life of 10 years or more. The projects funded in the Capital Expenditure Fund are included the 5-year Capital Improvement Program (CIP) that are recommended by the CIP Committee and approved by the Board in the annual budget.

Revenue

Revenue in the Capital Expenditure Fund is received from three main sources; property tax, specific ownership tax, and transfers from other funds within the County. This transfer is primarily from the General Fund. Property tax revenue has remained relatively steady for the last several years. Any increase in property tax revenue usually got to fund the operating budgets of the General and Social Services Funds. Therefore, the mill levy is adjusted annually to maintain a consistent revenue of \$4.5 million.

Revenue Category	2019 Budget	2019 YTD Actuals	% of Budget
Taxes	\$ 4.9	\$ 4.9	100.8%
Intergovernmental	-	-	0.0%
Transfers In	6.2	6.2	100.0%
Miscellaneous	-	-	0.0%
Total Revenue	\$ 11.1	\$ 11.1	100.4%
Expenditure Category			
Services & Other	\$ 1.2	\$ 0.7	59.3%
Capital Outlay	13.5	7.4	54.7%
Transfers Out	5.0	5.0	100.0%
Total Expenditures	\$ 19.7	\$ 13.1	66.4%

The Fund also receives a portion of specific ownership tax collections. The allocation is proportionate to the amount of property tax the Fund receives. Because property tax revenue remains rather constant, the amount of specific ownership taxes that are collected are also expected stay about at the 5-year average of \$354,456 collected annually. The third source of revenue is transfers of funding from other county funds. This is primarily from the General Fund to cover the gap in funding between the recommended CIP projects and available funding from property and specific ownership taxes. As shown in Table 4, the transfer for 2019 was \$6.1 million. In the last couple of budgets, the Board has adopted a transfer that was higher than in previous years. This was an effort to try to alleviate some of the pressures being felt by the rising number of projects and costs.

Expenditures

The expenditures within the Capital Expenditure Fund are limited to funding capital projects, or the accounting of the tax collection fee assessed by the Treasurer's Office on property tax collections. The tax collection fee for this fund is a relatively small amount of about \$68,000. The largest expenditures are in the capital outlay and transfer out categories. Over that past 5-years, there has been an average of \$9.3 million spent from the capital outlay category. For 2019, it is projected that \$13.0 million will be expended by year-end. This includes the \$4.97 transfer to the Infrastructure Fund for roadway infrastructure capital projects.

The 2019 adopted Capital Expenditure Fund budget also included \$255,000 for information technology related projects, \$3,634,075 for projects at the Sheriff's Office related to public safety, and \$3,972,000 for facilities related projects. The funding in the amended budget is supplemented by funds from prior year projects that were not complete at the end of the prior fiscal year, and from budget amendments approved earlier in this fiscal year. When

adding these amounts to the adopted budget, the amended budget reflects \$14.5 million in funding for completing capital projects for a total Capital Expenditure Fund budget of \$19.7 million.

Outlook for 2019

Expenditures for the Capital Expenditure Fund are projected at \$13.0 million by year-end based on current expenditures and project timeline information through the end of the 4th Quarter. Year-end revenue, consisting of the relatively constant property and specific ownership taxes, as well as the transfer from the General Fund should total just under \$11 million. The year-end projections would reduce the beginning of the year fund balance from \$9.1 million to \$7.2 million. The \$2.0 million use of fund balance is mostly due to incomplete projects and their unspent funds in prior years that were reappropriated in 2019. There was a budgeted use of fund balance in the adopted budget in order to help fund the 2019 capital projects. The table below depicts the budget of significant projects in the Capital Expenditure Fund and the spending through the end of the 4th Quarter.

Fundcenter	Budget	YTD Actuals	Encumbrance	Avail Funds	Year-end Projection
Transfer to Infrastructure Fund	4,970,000	4,970,000	-	-	4,970,000
Detention Facility Door Control & Intercom	3,254,222	3,058,788	37,355	158,079	3,096,143
Detention Center Infrastructure Improvements	1,211,553	125,804	41,515	1,044,234	167,319
Peoria Salt Dome Replacement	1,271,946	78,382	115,543	1,078,022	78,382
Intake Center Planning	1,044,465	521,201	475,000	48,264	521,201
SAP Enterprise Reporting	800,000	-	-	800,000	-
Precinct 5 Substation	599,103	515,149	17,994	65,960	515,149
Arapahoe Plaza Parking Deck Repairs	555,856	549,652		6,204	549,652
Byers County Facility	550,000	534,456	311	15,233	534,456
Other Capital Expenditure Fund Projects	5,409,731	2,646,330	727,365	2,034,161	2,709,351
Total	\$ 19,666,876	\$ 12,999,761	\$ 1,415,083	\$ 5,250,157	\$ 13,141,653

Budget Amendments for 2019

There is one request for a supplemental for the 4th quarter in the Capital Expenditure Fund that is for the 2020 budget. The Sheriff's Office is requesting that \$10,516 be transferred from the School Resource Section budget in the General Fund to the Capital Improvement Project, Bomb Truck Replacement. This transfer would increase the budget for the purchase of a bomb truck to \$515,516.

Projections

The Capital Expenditure Fund projections reflect the current fiscal situation of flat revenues that are largely exceeded by the capital improvement project financing needs forecast. If the current ongoing tax revenue amount of \$4.9 million continues, the current 5-year Capital Improvement Program outlook would require an average transfer of \$11 million annually from the General Fund. In the projections for the Capital Expenditure Fund, this is referred to as the 'capital funding gap'. The estimates for the Capital Expenditure Fund indicate that the County would not be able to fund its 5-Year Capital Improvement Program without the injection of these funds, be it from contributions from the General Fund or other sources. On the figures below, as well as the comprehensive schedule later in this text, this capital funding gap is shown and can be interpreted to reflect either the amount of additional funding needed to fund the Capital Improvement Program needs for that specific year or the amount of projects that would have to be postponed from the current CIP in order to avoid transferring funds from the General Fund. Nonetheless, whatever programs are to be funded in the Capital Expenditure Program, an equal amount of revenue will have to be given.

Table 6: Capital Expenditure Fund Projections

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Total Revenue	15.3	11.0	11.1	11.1	10.4	4.9	4.9	4.9	4.9
Expenditures	12.7	12.9	19.7	13.1	10.4	20.9	14.6	12.7	19.4
Other Adjustments	-	-	-	-	5.8	(16.0)	(9.7)	(7.9)	(14.5)
Total Expenditures	12.7	12.9	19.7	13.1	16.2	4.9	4.9	4.9	4.9
Net	2.6	(1.9)	(8.6)	(2.0)	(5.8)	-	-	-	-
Beginning Fund Balance	6.5	9.1	9.1	9.1	7.2	1.3	1.3	1.3	1.3
Change in Fund Balance	2.6	(1.9)	(8.6)	(2.0)	(5.8)	-	-	-	-
Ending Fund Balance	9.1	7.2	0.5	7.2	1.3	1.3	1.3	1.3	1.3
Restrict/Commit/Assigned	-	-	-	-	-	-	-	-	-
Funds Avail. for Approp.	9.1	7.2	0.5	7.2	1.3	1.3	1.3	1.3	1.3

Social Services Fund

The Social Services Fund holds the allocations from State and Federal sources for various programs including Child and Adult Protective Services and Community and Child Support Services. It funds a total of 606.00 FTE that provide services to the citizens of Arapahoe County.

Table 7: Social Services Fund Year-to-Date

	2019 Budget	2019 YTD Actuals	% of Budget
Revenue Category			
Taxes	\$ 14.7	\$ 15.0	101.6%
Licenses & Permits	-	0.0	0.0%
Intergovernmental	50.0	47.3	94.6%
Charges for Services	0.0	0.0	190.7%
Miscellaneous	1.0	0.8	78.4%
Total Revenue	\$ 65.8	\$ 63.1	95.9%
Expenditure Category			
Salaries	\$ 34.3	\$ 33.9	98.9%
Employee Benefits	10.4	9.8	95.0%
Supplies	0.4	0.4	93.5%
Services & Other	3.7	3.2	88.5%
Community Programs	13.3	13.6	102.0%
Capital Outlay	3.6	0.3	8.9%
Central Services	1.5	1.5	101.7%
Transfers Out	0.1	0.1	73.5%
Total Expenditures	\$ 67.2	\$ 62.9	93.6%

Revenue

The main source of revenue for the Social Services Fund comes from the State and Federal allocations. The State fiscal year goes from July 1 to June 30 each year while the County fiscal year is January 1 to December 31. This creates a challenge for accurately projecting what the State allocations will be for the next year while merging the two. The funding for these programs is between 80%-100% depending on the specific program. For several years the County has also received Managed Care Savings from the State but this has ended and the final amounts will be used throughout 2019 and early 2020.

The other source of revenue is the property tax that the Social Services Fund receives. The property tax trend follows that of the General Fund. This will result in a total of \$15.0 million for projected property tax and specific ownership tax revenues.

Expenditures

The Social Services Fund expenditure budget provides funding for Human Services Department staff across five divisions: Finance, Operations, Legal, Child and Adult

Protective Services, and Community and Child Support Services. Roughly 66% of the expenditures goes towards the salaries and benefits for the department.

Outlook for 2019

Current projections show that the Social Services Fund will roughly break even by year end. This is mainly due to the Arapahoe Plaza Human Services remodel project just getting started and only expending \$300,000 compared to the \$3.6 million budgeted. This is also why the expenditures are expected to come in below budget as well. The construction on this project will be completed in 2020. The projected revenue for 2019 is \$63.1 million offset by \$63.1 million in expenditures.

Budget Amendments for 2019

The Human Services Department has no budget amendments for the 4th Quarter budget review.

Projections

The long-term projections for the Social Services Fund are very difficult to develop as a majority of the revenues and the corresponding expenditures are dependent upon decisions at the State and Federal level regarding social service programs. That said, the projections that are displayed take into consideration the prior trends in spending, property tax collections, and reimbursements from the State. There will be a use of fund balance of \$1.4 million that is currently in the 2020 adopted budget and roughly \$1.5 million each year over the remaining 4 years of the 5-year projection period. This will result in a drawdown of fund balance that will cause the fund to fall below the policy reserve at the end of 2024. This could change at any time depending on what allocations are received from the State and the need for corresponding changes in the County match and maintenance of effort funds.

Table 8: Social Services Fund Projection

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Total Revenue	63.9	61.4	65.8	63.1	71.2	70.0	72.7	75.5	78.5
Expenditures	64.0	61.8	67.2	63.1	72.7	71.6	74.3	77.0	79.9
Other Adjustments	-	-	-	-	-	-	-	-	-
Total Expenditures	64.0	61.8	67.2	63.1	72.7	71.6	74.3	77.0	79.9
Net	(0.1)	(0.3)	(1.4)	0.0	(1.4)	(1.7)	(1.6)	(1.5)	(1.5)
Beginning Fund Balance	9.9	9.9	9.9	9.9	9.9	8.4	6.8	5.2	3.7
Change in Fund Balance	(0.1)	(0.3)	(1.4)	0.0	(1.4)	(1.7)	(1.6)	(1.5)	(1.5)
Ending Fund Balance	9.9	9.5	8.5	9.9	8.4	6.8	5.2	3.7	2.3
Restrict/Commit/Assigned	(2.1)	(2.2)	(2.2)	(2.2)	(2.1)	(2.4)	(2.5)	(2.6)	(2.7)
Funds Avail. for Approp.	7.7	7.3	6.2	7.6	6.4	4.4	2.7	1.2	(0.4)

Arapahoe Law Enforcement Authority Fund

The Arapahoe Law Enforcement Authority Fund (ALEA) provides law enforcement services to the unincorporated portions of the County and is funded by a mill levy of 4.982 that was approved specifically for this purpose. The majority of the funds that are generated by the mill levy, specific ownership tax and other miscellaneous fees and traffic fines go to fund personnel and operations of the Sheriff's Office.

Revenue

Property tax revenue has grown in 2019 due to the increased taxable value in the unincorporated areas of the county. The 2019 projected property tax is \$6.86 million which is an increase of about \$150,000 over the 2018 collections. Property tax collections are heavily dependent on growth in property values as well as adjustments in the residential assessment rate. The property tax revenue collected in 2018 decreased from the year before due to the drop in the residential assessment rate from 7.96% to 7.2% in the 2017 assessment cycle. The residential assessment rate dropped slightly to 7.15% during the 2019 assessment cycle but is expected to be mitigated by continuing growth in property values.

Other significant revenues in the ALEA Fund include specific ownership tax, traffic fines, and revenue received for contract patrol services for specific areas. Specific ownership tax has steadily increased along with the growth in the economy following the recession. The growth trend in this revenue is expected to continue through the forecast period based on the current economic situation and its distribution relative to property tax collections. Traffic fines were once a significant source of revenue but have declined steadily over the past few years. The reason for the decline is due to increased Sheriff's Office calls for service in the unincorporated areas that reduce the amount of time dedicated to traffic enforcement. The fine revenue fell short of budget in 2018 with collections of \$322,000 and projections indicate revenues of \$180,000 in 2019. Contracted law enforcement services revenue is projected to come in above budget due to annual increases in the cost of providing the service included in the 2019 contracts. The contract cost is tied to an amount equivalent to the amount that would be funded by the ALEA mill levy.

Expenditures

Salary and benefit costs for the 64 FTE that provide law enforcement services to the unincorporated area of the county are the largest expenditures for the ALEA Fund. Those expenses make up about 84% of the total expenditure budget of \$8.7 million. There have been additional FTE added over the past few years. The additional staffing combined with the increases due to the law enforcement step program and market increases have all contributed to the growth in salary and benefits. There were two crime lab positions that were moved out of the ALEA Fund and into the General Fund and replaced with two additional deputy positions beginning in 2019.

Approximately \$770,000 is budgeted for supplies and services. Gasoline and wireless air charges are the largest expenses in those categories. These categories are currently projected to come in under budget at year end which is consistent with prior years. Another large expense of approximately \$438,000 in this fund is for the purchase and replacement of vehicles and equipment. The budget for this area is based on the number of vehicles and equipment that need to be replaced in that given year.

Outlook for 2019

Current revenue projections indicate that revenue will be approximately \$100,000 below budget for 2019. This is primarily due to the decline in traffic fine revenue. Expenditures are projected to be approximately \$300,000 below budget due to expected savings in the Supplies and Services categories. Current projections indicate a \$450,000 use of fund balance for 2019, which is lower than in the amended budget.

The ending fund balance for the ALEA Fund for 2019 is projected to be \$7.1 million. The amount available for appropriation after the \$1.4 million policy reserve is \$5.7 million.

Budget Amendments for 2019

There are no budget amendment requests for the ALEA Fund for the 4th Quarter of 2019.

Projections

The ALEA Fund has been adopted the past few years with a deficit where the expenditures are budgeted higher than the revenue. Typically, a deficit does not materialize by year end. It did occur in 2018 with the decline in the residential assessment rate offsetting some of the growth in property tax and the addition of staffing expenditures as well as costs related to the Precinct 5 Substation.

The fund balance for the ALEA Fund is projected to decline from \$7.5 million at the beginning of 2019 to \$4.9 million by the end of 2024. This outlook is much different than it was a year ago due to the residential assessment rate not decreasing as much as it was initially expected to for the 2019 assessment and assessed values that are higher than were anticipated. The forecast period does include 3.0 FTE that were included in the 2020 budget as well as associated one-time and ongoing costs. Changes in the taxable value and residential assessment rate have a significant impact on this fund with the property tax being the primary revenue source.

Table 10: Arapahoe Law Enforcement Authority Fund Projections

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Total Sources	8.0	8.0	8.0	7.9	9.3	9.4	9.6	9.8	9.9
Uses	9.7	8.7	8.7	8.4	9.5	9.6	10.0	10.4	10.8
Other Adjustments to Uses	-	-	-	-	-	-	-	-	-
Total Uses	9.7	8.7	8.7	8.4	9.5	9.6	10.0	10.4	10.8
Net	(1.8)	(0.7)	(0.7)	(0.5)	(0.2)	(0.2)	(0.4)	(0.6)	(0.8)
Beginning Fund Balance	9.3	7.5	7.5	7.5	7.1	6.9	6.7	6.3	5.7
Change in Fund Balance	(1.8)	(0.7)	(0.7)	(0.5)	(0.2)	(0.2)	(0.4)	(0.6)	(0.8)
Ending Fund Balance	7.5	6.9	6.9	7.1	6.9	6.7	6.3	5.7	4.9
Restrict/Commit/Assigned	(1.2)	(1.4)	(1.4)	(1.4)	(1.6)	(1.6)	(1.7)	(1.7)	(1.8)
Funds Avail. for Approp.	6.4	5.4	5.4	5.6	5.3	5.1	4.7	4.0	3.1

Road & Bridge Fund

The Road & Bridge Fund provides funding for transportation infrastructure maintenance and snow removal to the unincorporated portion of Arapahoe County. The Road & Bridge Fund makes up roughly 22% of the total Public Works & Development budget and shares back 50% of the property tax received to the cities per statute.

Table 11: Road & Bridge Fund Year-to-Date

Revenue Category	2019 Budget	2019 YTD Actuals	% of Budget
Taxes	\$ 6.2	\$ 6.3	101.5%
Licenses & Permits	0.3	0.3	0.0%
Intergovernmental	9.9	10.8	109.2%
Charges for Services	-	-	0.0%
Miscellaneous	0.1	0.0	0.0%
Total Revenue	\$ 16.4	\$ 17.3	105.4%
Expenditure Category			
Salaries	\$ 3.3	\$ 3.0	89.9%
Employee Benefits	1.1	1.0	87.1%
Supplies	3.3	2.4	72.2%
Services & Other	6.8	6.9	101.6%
Central Services	2.7	2.7	100.0%
Transfers Out	0.5	0.5	100.0%
Total Expenditures	\$ 17.7	\$ 16.4	92.8%

Revenue

The main sources of revenue for the Road & Bridge Fund are the Highway User's Tax Fund (HUTF) that comes from the State and the property tax. The property tax for the Road & Bridge fund is held at roughly \$5.8 million of which 50% is shared back to the cities. This year the budget amount of revenue is \$16.4 million. This year there will be an additional almost \$1.2 million in HUTF revenue due to SB 18-001 and 19-262.

Expenditures

Roughly 25% of the Road & Bridge Fund budget is for salary and benefit costs. This supports the 58.00 FTE that reside in this fund. Another significant cost is for the materials and contracted services needed for road repairs and maintenance. These costs have continued to increase over the years and is anticipated to continue into the future. When looking at Table 12 below you will see that there is a slight decrease in the expenditures in 2020 and 2021. The

budgeted amount for materials is higher in 2019 due to the additional \$650,000 that was received in 2018 from SB 18-001. As these are one-time funding sources the budget has been decreased accordingly.

Outlook for 2019

Total revenue collections are currently projected to be \$17.4 million and expenditures of \$16.7 million for 2019. This will result in a \$700,000 addition to the fund balance. This is due to vacancy savings and the decrease in materials that were encumbered but not spent due to weather preventing the purchase of some materials. There was also additional revenue received for both HUTF, Mineral Severance Tax and Specific Ownership Tax. This results in an additional almost \$940,000 above budget. The additional HUTF is due to the fund calculation and the distributions of SB 18-001 and SB 19-262 funds being in Tier II of the calculation which Arapahoe County receives 12.65% of Tier II funds. Current projections show that there will be an ending fund balance of \$4.87 million at the end of 2019.

Budget Amendments for 2019

There are no supplemental requests for the Road & Bridge Fund for the 4th quarter budget review.

Projections

With the additional revenue received in 2019 and the lower expenditures the 5-year projection period shows that there will be a structural deficit. This deficit is projected to be \$1.5 million in 2021 and on average be around \$700,000 for the remainder of time. This deficit results in the fund falling below the policy reserve amount in 2021 by \$34,000 and continuing to stay below that amount through the projection period. In recent years, reappropriation and requests to replace expensive construction equipment during the annual budget process can grow this projected deficit. If these projections do not improve adjustments will need to be made to keep the fund above the policy reserve amount in the future years and may include reducing road maintenance work or equipment replacement funding in the budget process for 2021 and beyond.

Table 12: Road & Bridge Fund Projections

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Total Revenue	16.8	16.0	16.4	17.4	15.7	15.9	16.1	16.2	16.4
Expenditures	16.3	16.9	17.7	16.7	17.3	16.5	16.7	17.0	17.2
Other Adjustments	-	-	-	-	-	-	-	-	-
Total Expenditures	16.3	16.9	17.7	16.7	17.3	16.5	16.7	17.0	17.2
Net	0.5	(0.9)	(1.3)	0.7	(1.5)	(0.6)	(0.7)	(0.7)	(0.8)
Beginning Fund Balance	3.7	4.2	4.2	4.2	4.9	3.4	2.7	2.1	1.4
Change in Fund Balance	0.5	(0.9)	(1.3)	0.7	(1.5)	(0.6)	(0.7)	(0.7)	(0.8)
Ending Fund Balance	4.2	3.3	2.9	4.9	3.4	2.7	2.1	1.4	0.6
Restrict/Commit/Assigned	(2.7)	(2.8)	(2.8)	(2.8)	(2.9)	(2.8)	(2.8)	(2.8)	(2.9)
Funds Avail. for Approp.	1.4	0.4	0.1	2.0	0.5	(0.0)	(0.7)	(1.5)	(2.3)

Summary of Budget Amendments

The following section contains a detailed list of the budget amendments submitted for the 4th Quarter Budget Review. There are two main budget amendment request sections. One section details the budget amendment requests that have a net impact on the financial condition of the fund in which they are requested and likely require a BOCC discussion to move forward to adoption. The second section details budget amendment requests that do not have a net impact and often reflect the receipt of new revenue to offset expenditures or are budget clean-up

items. The letter preceding each budget amendment request corresponds to the financial information in the detailed schedule later in the BSR.

4th Quarter Budget Review			
Summary of Proposed Budget Adjustments			
Department	Revenue Amount	Expense Amount	FTEs
2019			
DISCUSSION NEEDED			
General Fund	\$ 100,000	\$ 150,000	-
Building Maintenance Fund	-	175,000	-
Worker's Compensation Fund	-	85,000	-
TOTAL Discussion Needed	\$ 100,000	\$ 410,000	-
NEW REVENUE/BUDGET CLEANUP			
Employee Flex Fund	\$ 122,391	\$ 122,391	-
Infrastructure Fund	3,150,464	3,150,464	-
TOTAL New Revenue/Budget Cleanup	\$ 3,272,855	\$ 3,272,855	-
2020			
DISCUSSION NEEDED			
General Fund	\$ 426,667	\$ 497,602	2.00
Capital Expenditure Fund	10,516	10,516	-
Grant Fund	64,000	64,000	-
Central Services Fund	9,999	65,999	-
TOTAL Discussion Needed	\$ 511,182	\$ 638,117	2.00
NEW REVENUE/BUDGET CLEANUP			
General Fund	\$ 476,579	\$ -	-
Grant Fund	143,668	143,668	-
TOTAL New Revenue/Budget Cleanup	\$ 620,247	\$ 143,668	-

2019 Budget Amendments: Discussion Needed

- A. Appropriate \$30,000 in the General Fund, Sheriff's Office from the fund balance to account for money received from Cherry Creek Schools for School Resource Officers and public safety during 2019.
- B. Appropriate \$20,000 in the General Fund, County Attorney's Office from the fund balance for additional expenditures due to higher legal and deposition fees during 2019.
- C. Recognize and appropriate \$100,000 in the General Fund, Administrative Services Department for a transfer from the AD Works! Fund for building improvements and the corresponding rent charges.
- D. Appropriate \$175,000 in the Building Maintenance Fund, Facilities & Fleet Maintenance from the fund balance for the emergency repair and replacement of the fire service line at the Administration I Building.
- E. Appropriate \$85,000 in the Worker's Compensation Fund, County Attorney's Office from fund balance for the cost of insurance claims paid from prior years.

2019 Budget Amendments: New Revenue/Budget Cleanup

- F. Recognize and appropriate \$122,391 in the Employee Flex Benefit Fund, Human Resources Department for additional contributions received and claims to be paid.
- G. Recognize and appropriate \$3,150,464 in the Infrastructure Fund, Public Works & Development Department for various infrastructure projects with \$2.1 million of the total being for the Iliff Corridor Improvements project.

2020 Budget Amendments: Discussion Needed

- H. Increase the FTE count in the General Fund, Assessor’s Office by 1.00. The office is requesting to use the existing funding from the vacant Chief Deputy Assessor position to fund a Residential Data Collector and Commercial Appraiser II. These two positions are more suited to current business needs than the Chief Deputy position and does not require additional funding.
- I. Recognize and appropriate \$122,667 in the General Fund, Communication & Administrative Services Department for funding for the 2020 census. This is funding received from the state as well as jurisdictions within Arapahoe County.
- J. Recognize \$45,000 and appropriate \$80,935 in the General Fund, Community Resources Department and increase the FTE count by 1.00 for a Veteran Services Officer. The estimated revenue is for funding that will be provided by Adams County to share the cost of the position.
- K. Transfer \$5,000 from the Self Insurance Liability Fund, County Attorney and recognize and appropriate the same in the General Fund, Public Works & Development Department for expenses related to the Environmental Manager position that was transferred between the two departments last year. This will be a one-time transfer of funds for 2020 expenses.
- L. Transfer \$64,000 from the Grant Fund, Sheriff’s Office and recognize and appropriate the same in the General Fund, Sheriff’s Office. This is from a CATPA Metropolitan Auto Theft Team (C-MATT) grant to fund license plate readers. This will require two asset numbers for \$32,000 each.
- M. Transfer \$15,000 from the Grant Fund, Sheriff’s Office and recognize and appropriate the same in the General Fund, Sheriff’s Office. This is to transfer \$15,000 of the \$85,000 for the Emergency Management Performance Grant (EMPG) funds for improvements to the Emergency Operations Center.
- N. Transfer \$10,516 from the General Fund, Sheriff’s Office to the Capital Expenditure Fund, Sheriff’s Office to cover the additional cost of a bomb vehicle that was approved as part of the 2020 budget. This request was discussed at a drop-in on January 21st.
- O. Transfer \$175,000 from the Forfeiture Fund, Sheriff’s Office and recognize and appropriate the same in the General Fund, Sheriff’s Office to cover the cost of a memorial for deputies killed in the line of duty. The actual amount to be transferred depend on the amount of donations that the Sheriff’s Office receives for the project and may need to be modified at a future quarterly review. This request was discussed at a drop-in on January 13th.
- P. Appropriate \$35,000 in the General Fund, Sheriff’s Office from fund balance for DNA testing material for the Crime Lab. The City of Centennial has agreed to pay for these costs through the IGA, but the request was not included in the 2020 budget for the Sheriff’s Office.
- Q. Appropriate \$15,500 in the Central Services Fund, Open Spaces & Intergovernmental Relations Department to replace a 2009 mower. This will require an asset number.
- R. Transfer \$9,999 from the Open Space Sales Tax Fund, Open Spaces & Intergovernmental Relations Department and recognize the same in the Central Services Fund, Open Spaces & Intergovernmental Relations Department to purchase a standup blower. A standup blower will increase efficiencies in maintenance of trails, parking lots and assist with leaf collection and cleanup after snow removal. This requires an asset number.
- S. Appropriate \$40,500 in the Central Services Fund, Sheriff’s Office to replace a totaled vehicle. The vehicle will be upgraded to a K9 vehicle and the Sheriff’s Office will absorb the additional \$11,000 of cost.

2020 Budget Amendments: New Revenue/Budget Cleanup

- T. Recognize \$476,579 in the General Fund, Sheriff’s Office for revenue from the City of Centennial IGA. This is to true-up the difference in the revenue included in the adopted budget to the final IGA with the City.
- U. Recognize and appropriate \$143,668 in the Grant Fund, Sheriff’s Office for funding for the Jail Based Behavioral Health Services Program (JBBS) grant.

Schedule 1				
Summary of Budget Amendment Requests				
Department	Revenue Amount	Expense Amount	FTEs	Description
2019				
DISCUSSION NEEDED				
General Fund				
A Sheriff's Office	\$ -	\$ 30,000	-	Request to increase expenditure budget to account for \$30,000 received from Cherry Creek Schools during 2019.
B County Attorney's Office	-	20,000	-	Request to increase expenditure budget due to higher legal and deposition fees.
C Administrative Services	100,000	100,000	-	Recognize and appropriate funding for AD Works! improvements.
<i>SUBTOTAL General Fund</i>	\$ 100,000	\$ 150,000	-	
Building Maintenance Fund				
D Facilities & Fleet Maintenance	-	175,000	-	Add'l funds necessary to replace the main fire water line into the Admn I building.
<i>SUBTOTAL Building Maintenance Fund</i>	\$ -	\$ 175,000	-	
Worker's Compensation Fund				
E County Attorney's Office	-	85,000	-	Appropriate \$85,000 from fund balance to cover the cost of insurance claims from prior years.
<i>SUBTOTAL Worker's Compensation Fund</i>	\$ -	\$ 85,000	-	
TOTAL Discussion Needed	\$ 100,000	\$ 410,000	-	
NEW REVENUE/BUDGET CLEANUP				
Employee Flex Benefit Fund				
F Human Resources	122,391	122,391	-	Recognize and appropriate additional revenue received.
<i>SUBTOTAL Employee Flex Benefit Fund</i>	\$ 122,391	\$ 122,391	-	
Infrastructure Fund				
G Public Works & Development	3,150,464	3,150,464	-	Recognize and appropriate funds received for various infrastructure projects.
<i>SUBTOTAL Infrastructure Fund</i>	\$ 3,150,464	\$ 3,150,464	-	
TOTAL New Revenue/Budget Cleanup	\$ 3,272,855	\$ 3,272,855	-	

Schedule 1				
Summary of Budget Amendment Requests				
Department	Revenue Amount	Expense Amount	FTEs	Description
2020				
DISCUSSION NEEDED				
General Fund				
H Assessor's Office	-	-	1.00	Requesting to increase FTE count by 1.00 and use existing funding from vacant Chief Deputy position to fund a Residential Data Collector and Commercial Appraiser II. These two positions are more suited to current business needs.
I Communication & Administrative Services	122,667	122,667	-	Recognize and appropriate funding for 2020 Census.
J Community Resources	45,000	80,935	1.00	Request for 1.00 FTE for a Veteran Services Officer with part of the expense being offset with revenue from Adams County.
K Public Works & Development	5,000	5,000	-	Request to transfer \$5,000 from Self-Insurance Liability Fund to General Fund, Public Works Development for membership dues for Environmental Manager. This is a one-time request.
L Sheriff's Office	64,000	64,000	-	Recognize and appropriate transfer from Grant Fund for CMATT grant to fund two assets for license plate readers.
M Sheriff's Office	15,000	15,000	-	Recognize and appropriate transfer from Grant Fund from EMPG grant funds for improvements to EOC room.
N Sheriff's Office	-	-	-	Transfer \$10,516 to Capital Expenditure Fund to cover additional cost of Bomb Vehicle that was approved as part of 2020 budget.
O Sheriff's Office	175,000	175,000	-	Recognize and appropriate transfer from Forfeiture Fund to cover cost of memorial for deputies killed in the line of duty.
P Sheriff's Office	-	35,000	-	Requesting to increase budget for DNA testing materials for the Crime Lab that the City of Centennial has agreed to fund.
<i>SUBTOTAL General Fund</i>	<i>\$ 426,667</i>	<i>\$ 497,602</i>	<i>2.00</i>	
Forfeited Property Fund				
O Sheriff's Office	-	-	-	Transfer \$175,000 to General Fund for memorial at Sheriff's Office Admin building.
<i>SUBTOTAL Forfeited Property Fund</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-</i>	
Capital Expenditure Fund				
N Sheriff's Office	10,516	10,516	-	Recognize and appropriate transfer from General Fund to cover additional cost of Bomb Vehicle that was approved as part of 2020 budget.
<i>SUBTOTAL Capital Expenditure Fund</i>	<i>\$ 10,516</i>	<i>\$ 10,516</i>	<i>-</i>	
Grant Fund				
L Sheriff's Office	64,000	64,000	-	Recognize and transfer \$64,000 from CMATT grant to General Fund for two assets for license plate readers.
M Sheriff's Office	-	-	-	Transfer \$15,000 from EMPG grant funds to General Fund for EOC improvements.
<i>SUBTOTAL Grant Fund</i>	<i>\$ 64,000</i>	<i>\$ 64,000</i>	<i>-</i>	
Central Services Fund				
Q Open Spaces & Intergovernmental Relations	-	15,500	-	Appropriate funds to replace a 2009 mower.
R Open Spaces & Intergovernmental Relations	9,999	9,999	-	Recognize and appropriate transfer from Open Spaces Fund to purchase a standup blower.
S Sheriff's Office	-	40,500	-	Appropriate \$40,500 for a totaled vehicle and replacing with an upgraded K9 vehicle that will cost \$51,500.
<i>SUBTOTAL Central Services Fund</i>	<i>\$ 9,999</i>	<i>\$ 65,999</i>	<i>-</i>	
Open Space Sales Tax Fund				
Q Open Spaces & Intergovernmental Relations	-	-	-	Transfer \$9,999 to Central Services Fund to purchase a standup blower.
<i>SUBTOTAL Recreation District Fund</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-</i>	
Self-Insurance Liability Fund				
K County Attorney	-	-	-	Request to transfer \$5,000 from Self-Insurance Liability Fund to General Fund, Public Works Development for membership dues for Environmental Manager.
<i>SUBTOTAL Self-Insurance Liability Fund</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-</i>	
TOTAL Discussion Needed	\$ 511,182	\$ 638,117	2.00	
NEW REVENUE/BUDGET CLEANUP				
General Fund				
T Sheriff's Office	476,579	-	-	Recognize additional revenue from Centennial IGA not included in adopted budget.
<i>SUBTOTAL General Fund</i>	<i>\$ 476,579</i>	<i>\$ -</i>	<i>-</i>	
Grant Fund				
U Sheriff's Office	143,668	143,668	-	Recognize and appropriate additional funding for JBBS grant.
<i>SUBTOTAL Grant Fund</i>	<i>\$ 143,668</i>	<i>\$ 143,668</i>	<i>-</i>	
TOTAL New Revenue/Budget Cleanup	\$ 620,247	\$ 143,668	-	

Schedule 2

General Fund Projection

(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Revenue									
Taxes	115.2	121.5	121.5	122.7	125.2	129.5	133.9	138.7	143.4
Licenses & Permits	7.3	6.8	6.8	7.0	6.3	6.4	6.5	6.7	6.8
Intergovernmental	29.7	27.7	31.9	31.7	32.5	32.6	33.2	33.8	34.4
Charges for Services	24.1	22.2	22.2	24.0	24.4	24.3	25.3	25.2	26.3
Fines & Forfeits	0.4	0.8	0.8	0.4	0.5	0.5	0.5	0.5	0.5
Investment Earnings & Contrib.	3.5	3.4	3.4	5.3	4.0	4.0	4.0	4.0	4.0
Interfund Revenues & Rent	4.1	4.3	4.3	4.2	4.5	4.5	4.5	4.6	4.6
Transfers In	1.5	0.0	0.3	0.3	-	-	-	-	-
Other Financing Sources	3.3	3.1	3.1	3.6	3.6	3.6	3.6	3.6	3.6
Total Revenue	189.1	189.7	194.3	199.3	201.1	205.5	211.6	217.2	223.6
Expenditures									
Salaries	87.4	95.6	96.8	95.9	100.5	103.7	107.8	112.1	116.5
Employee Benefits	24.3	27.6	28.0	26.4	29.9	31.7	33.7	35.9	38.2
Supplies	6.1	6.4	7.6	6.6	7.1	6.5	6.5	6.6	6.5
Services & Other	46.6	48.7	50.9	48.7	54.0	52.1	52.5	53.1	52.8
Community Programs	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Capital Outlay	0.2	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Central Services	2.3	2.7	2.7	2.6	3.5	3.5	3.6	3.6	3.7
Transfers Out	18.4	14.9	15.7	15.7	14.5	8.9	4.5	4.5	4.5
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
Total Expenditures	185.7	196.2	202.4	196.7	209.9	206.9	209.1	216.2	222.6
Net of Revenue/Expenditures	3.4	(6.5)	(8.1)	2.6	(8.9)	(1.4)	2.6	1.0	1.0
Adjustments to Revenue	-	-	-	-	-	-	-	-	-
Adjustments to Expenditures									
Budget Packages/Supplementals	-	-	0.1	-	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
TABOR Refund	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
Total Adjustments to Expenditures	-	-	0.1	-	-	-	-	-	-
Total Net Revenue/Expenditures	3.4	(6.5)	(8.2)	2.6	(8.9)	(1.4)	2.6	1.0	1.0
Cumulative Balance									
Beginning Funds Available	56.7	60.1	60.1	60.1	62.7	53.9	52.5	55.1	56.0
Change in Fund Balance	3.4	(6.5)	(8.2)	2.6	(8.9)	(1.4)	2.6	1.0	1.0
Ending Funds Available	60.1	53.6	52.0	62.7	53.9	52.5	55.1	56.0	57.0
Board Designated Reserve	18.7	20.6	20.6	20.6	21.9	22.8	23.0	23.8	24.5

Schedule 3

Capital Expenditure Fund Projection									
(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Revenue									
Taxes	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	0.0	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings & Contrib.	-	-	-	-	-	-	-	-	-
Interfund Revenues & Rent	-	-	-	-	-	-	-	-	-
Transfers In	10.4	6.1	6.2	6.2	5.5	-	-	-	-
Other Financing Sources	0.0	-	-	-	-	-	-	-	-
Total Revenue	15.3	11.0	11.1	11.1	10.4	4.9	4.9	4.9	4.9
Expenditures									
Salaries	-	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Services & Other	0.4	0.1	1.2	0.7	0.1	0.1	0.1	0.1	0.1
Community Programs	-	-	-	-	-	-	-	-	-
Capital Outlay	6.6	7.9	13.5	7.4	4.8	14.3	7.4	4.1	3.2
Central Services	-	-	-	-	-	-	-	-	-
Transfers Out	5.7	5.0	5.0	5.0	5.5	6.5	7.1	8.6	16.1
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
Total Expenditures	12.7	12.9	19.7	13.1	10.4	20.9	14.6	12.7	19.4
Net of Revenue/Expenditures	2.6	(1.9)	(8.6)	(2.0)	0.0	(16.0)	(9.7)	(7.9)	(14.5)
Adjustments to Revenue	-	-	-	-	-	-	-	-	-
Adjustments to Expenditures									
Budget Packages/Supplementals	-	-	-	-	-	-	-	-	-
Reappropriations	-	-	-	-	5.8	-	-	-	-
Capital Funding Gap	-	-	-	-	-	(16.0)	(9.7)	(7.9)	(14.5)
Total Adjustments to Expenditures	-	-	-	-	5.8	(16.0)	(9.7)	(7.9)	(14.5)
Total Net Revenue/Expenditures	2.6	(1.9)	(8.6)	(2.0)	(5.8)	-	-	-	-
Cumulative Balance									
Beginning Funds Available	6.5	9.1	9.1	9.1	7.2	1.3	1.3	1.3	1.3
Change in Fund Balance	2.6	(1.9)	(8.6)	(2.0)	(5.8)	-	-	-	-
Ending Funds Available	9.1	7.2	0.5	7.2	1.3	1.3	1.3	1.3	1.3
Restrict/Commit/Assigned	-	-	-	-	-	-	-	-	-
Funds Available for Appropriation	9.1	7.2	0.5	7.2	1.3	1.3	1.3	1.3	1.3

Schedule 4									
Social Services Fund Projection									
(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Revenue									
Taxes	14.1	14.7	14.7	15.0	15.1	15.7	16.3	16.9	17.5
Licenses & Permits	-	-	-	0.0	-	-	-	-	-
Intergovernmental	49.0	46.0	50.0	47.3	55.2	53.3	55.4	57.7	60.0
Charges for Services	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings & Contrib.	-	-	-	-	-	-	-	-	-
Interfund Revenues & Rent	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Other Financing Sources	0.8	0.7	1.0	0.8	0.9	0.9	0.9	0.9	0.9
Total Revenue	63.9	61.4	65.8	63.1	71.2	70.0	72.7	75.5	78.5
Expenditures									
Salaries	31.7	33.8	34.3	34.1	35.8	37.3	38.7	40.3	41.9
Employee Benefits	9.2	10.2	10.4	9.9	11.2	12.0	12.8	13.6	14.6
Supplies	0.4	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Services & Other	3.7	3.4	3.7	3.3	3.9	3.9	3.9	3.9	3.9
Community Programs	13.4	12.5	13.3	13.6	16.5	16.8	17.1	17.5	17.8
Capital Outlay	2.6	-	3.6	0.3	3.4	-	-	-	-
Central Services	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4
Transfers Out	1.5	0.0	0.1	0.1	0.1	-	-	-	-
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
Total Expenditures	64.0	61.8	67.2	63.1	72.7	71.6	74.3	77.0	79.9
Net of Revenue/Expenditures	(0.1)	(0.3)	(1.4)	0.0	(1.4)	(1.7)	(1.6)	(1.5)	(1.5)
Adjustments to Revenue	-	-	-	-	-	-	-	-	-
Adjustments to Expenditures									
Budget Packages/Supplementals	-	-	-	-	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
Total Adjustments to Expenditures	-	-	-	-	-	-	-	-	-
Total Net Revenue/Expenditures	(0.1)	(0.3)	(1.4)	0.0	(1.4)	(1.7)	(1.6)	(1.5)	(1.5)
Cumulative Balance									
Beginning Funds Available	9.9	9.9	9.9	9.9	9.9	8.4	6.8	5.2	3.7
Change in Fund Balance	(0.1)	(0.3)	(1.4)	0.0	(1.4)	(1.7)	(1.6)	(1.5)	(1.5)
Ending Funds Available	9.9	9.5	8.5	9.9	8.4	6.8	5.2	3.7	2.3
Restrict/Commit/Assigned	(2.1)	(2.2)	(2.2)	(2.2)	(2.1)	(2.4)	(2.5)	(2.6)	(2.7)
Funds Available for Appropriation	7.7	7.3	6.2	7.6	6.4	4.4	2.7	1.2	(0.4)

Schedule 5

Arapahoe Law Enforcement Authority Fund									
(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Revenue									
Taxes	7.2	7.3	7.3	7.4	8.6	8.7	8.9	9.1	9.2
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Charges for Services	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Fines & Forfeits	0.4	0.5	0.5	0.2	0.4	0.4	0.4	0.4	0.4
Investment Earnings & Contrib.	0.1	-	-	0.1	0.1	0.1	0.1	0.1	0.1
Interfund Revenues & Rent	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Other Financing Sources	0.0	-	-	0.0	-	-	-	-	-
Total Revenue	8.0	8.0	8.0	7.9	9.3	9.4	9.6	9.8	9.9
Expenditures									
Salaries	5.3	5.5	5.5	5.4	5.8	6.0	6.3	6.5	6.8
Employee Benefits	1.7	1.7	1.7	1.6	1.8	1.8	2.0	2.1	2.2
Supplies	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Services & Other	0.7	0.5	0.5	0.3	0.6	0.5	0.5	0.5	0.5
Community Programs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Central Services	0.7	0.6	0.6	0.8	0.7	0.7	0.7	0.7	0.7
Transfers Out	1.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
Total Expenditures	9.7	8.7	8.7	8.4	9.5	9.6	10.0	10.4	10.8
Net of Revenue/Expenditures	(1.8)	(0.7)	(0.7)	(0.5)	(0.2)	(0.2)	(0.4)	(0.6)	(0.8)
Adjustments to Revenues	-	-	-	-	-	-	-	-	-
Adjustments to Expenditures									
Budget Packages/Supplementals	-	-	-	-	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
Total Adjustments to Expenditures	-	-	-	-	-	-	-	-	-
Total Net Revenue/Expenditures	(1.8)	(0.7)	(0.7)	(0.5)	(0.2)	(0.2)	(0.4)	(0.6)	(0.8)
Cumulative Balance									
Beginning Funds Available	9.3	7.5	7.5	7.5	7.1	6.9	6.7	6.3	5.7
Change in Fund Balance	(1.8)	(0.7)	(0.7)	(0.5)	(0.2)	(0.2)	(0.4)	(0.6)	(0.8)
Ending Funds Available	7.5	6.9	6.9	7.1	6.9	6.7	6.3	5.7	4.9
Policy Reserve	(1.2)	(1.4)	(1.4)	(1.4)	(1.6)	(1.6)	(1.7)	(1.7)	(1.8)
Funds Available for Appropriation	6.4	5.4	5.4	5.6	5.3	5.1	4.7	4.0	3.1

Schedule 6

Road & Bridge Fund									
(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Adopted	Forecast			
	2018	2019	2019	2019	2020	2021	2022	2023	2024
Revenue									
Taxes	6.7	6.2	6.2	6.3	6.2	6.2	6.2	6.2	6.3
Licenses & Permits	0.4	0.3	0.3	0.4	0.3	0.3	0.4	0.4	0.4
Intergovernmental	9.7	9.5	9.9	10.8	9.2	9.3	9.5	9.6	9.7
Charges for Services	0.0	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings & Contrib.	-	-	-	-	-	-	-	-	-
Interfund Revenues & Rent	0.0	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Other Financing Sources	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1
Total Revenue	16.8	16.0	16.4	17.4	15.7	15.9	16.1	16.2	16.4
Expenditures									
Salaries	2.9	3.3	3.3	3.0	3.4	3.5	3.6	3.7	3.9
Employee Benefits	1.0	1.1	1.1	1.0	1.2	1.3	1.4	1.5	1.6
Supplies	2.9	4.1	3.3	2.5	3.2	3.2	3.2	3.2	3.2
Services & Other	6.8	5.2	6.8	7.0	5.9	5.2	5.2	5.2	5.2
Community Programs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Central Services	2.6	2.7	2.7	2.7	2.9	2.9	2.9	2.9	2.9
Transfers Out	0.2	0.5	0.5	0.5	0.7	0.4	0.4	0.4	0.4
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
Total Expenditures	16.3	16.9	17.7	16.7	17.3	16.5	16.7	17.0	17.2
Net of Revenue/Expenditures	0.5	(0.9)	(1.3)	0.7	(1.5)	(0.6)	(0.7)	(0.7)	(0.8)
Adjustments to Revenue	-	-	-	-	-	-	-	-	-
Adjustments to Expenditures									
Budget Packages/Supplementals	-	-	-	-	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
Total Adjustments to Expenditures	-	-	-	-	-	-	-	-	-
Total Net Revenue/Expenditures	0.5	(0.9)	(1.3)	0.7	(1.5)	(0.6)	(0.7)	(0.7)	(0.8)
Cumulative Balance									
Beginning Funds Available	3.7	4.2	4.2	4.2	4.9	3.4	2.7	2.1	1.4
Change in Fund Balance	0.5	(0.9)	(1.3)	0.7	(1.5)	(0.6)	(0.7)	(0.7)	(0.8)
Ending Funds Available	4.2	3.3	2.9	4.9	3.4	2.7	2.1	1.4	0.6
Restrict/Commit/Assigned	(2.7)	(2.8)	(2.8)	(2.8)	(2.9)	(2.8)	(2.8)	(2.8)	(2.9)
Funds Available for Appropriation	1.4	0.4	0.1	2.0	0.5	(0.0)	(0.7)	(1.5)	(2.3)

Alternatives

The Board of County Commissioners can give staff direction to advance the supplemental appropriation requests for formal adoption during a public hearing on February 25th or decide to not supplement the budget at this time.

Fiscal Impact

The fiscal impact will be the net amount of supplemental requests approved during this study session to be formally adopted by resolution at a public hearing on February 25, 2020.

Approved By:

John Christofferson, Deputy County Attorney