



ARAPAHOE COUNTY  
COLORADO'S FIRST

## Board Summary Report

**Date:** November 3, 2020  
**To:** Board of County Commissioners  
**From:** Todd Weaver, Finance Director  
**Subject:** 2020 Third Quarter Budget Review

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### Purpose and Recommendation

The purpose of this study session is to update the Board of County Commissioners (BOCC) on the status of the 2020 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 December 8<sup>th</sup>, 2020.

### Background

#### Review of the 2021 Budget

The 2020 recommended budget was presented to the BOCC on October 13<sup>th</sup> along with the recommendations of the Executive Budget Committee (EBC) on October 20<sup>th</sup>. At that time, the General Fund operating budget was balanced with about a \$655,000 surplus in the General Fund operating budget. Several additional budgetary items have been brought forward to the Board of County Commissioners in the meantime that the Executive Budget Committee was asked to review and consider for inclusion in the 2021 budget. These requests include the request to increase the building permit fee schedule in Public Works & Development and increase Building Division staff by 2.0 FTE to address current workload issues as well as the use of Community Development revenue for funding two additional positions in Community Resources for grant administration and a housing and homelessness supervisor.

In addition to the above items, there are always a number of items that need to be recalculated and finalized prior to the adoption of the budget in early December. Among the items to be revised is a complete recalculation of the County's payroll costs in order to capture changes that have occurred since August, recalculation of the property tax revenue based on revised assessed values from the Assessor, intergovernmental rental charges for County fixed assets, and several other administrative budgetary items. A number of these items have already been updated and the proposed budget for 2021 has been updated.

The study session will review these updates and their impact on the 2021 budget, especially the General Fund operating budget and other significant operating funds and authorities. The final budget to be brought before the Board of County Commissioners on December 8<sup>th</sup> may require a few revisions to follow this study session including a recalculation of property tax revenue once the final certified values are received from the Assessor's Office.

### **3<sup>rd</sup> Quarter Budget Review**

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 3<sup>rd</sup> Quarter, 2020. The first section of the supplemental request materials identifies supplemental appropriation requests that would have a net impact on the 2020 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 2020 budget from an expenditure standpoint and generally involve grant funds or additional revenue.

The 2020 budget was balanced and adopted on December 10, 2019. Since that date, supplemental appropriations, transfers, and reappropriations have been added to the original adopted 2020 budget. This amended budget is the basis for department and elected office projections and supplemental appropriation requests. During the third quarter of 2020, 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 3<sup>rd</sup> Quarter of 2020, there are a number of supplemental requests 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 November 16<sup>th</sup> 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 3<sup>rd</sup> Quarter of the 2020 budget year. These projections help to provide a look at where the County may be financially by the end of fiscal year 2020, and in future budget years based on certain assumptions and consideration of the impacts of the COVID-19 pandemic and its economic impacts. 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.

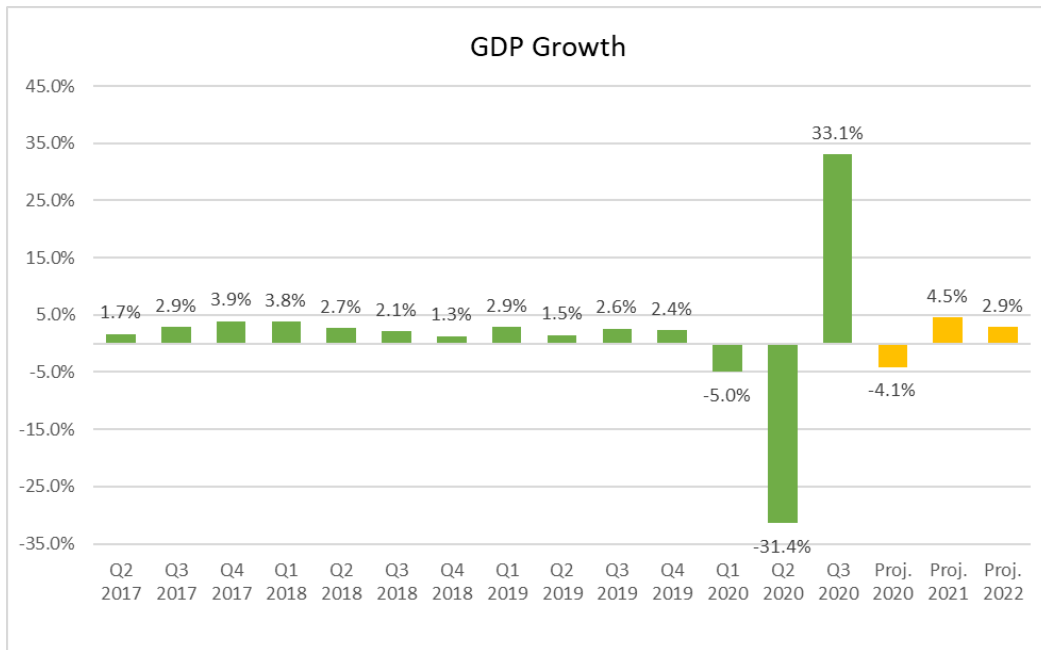
#### **Discussion**

The sections below detail the economic, financial, and budget amendment information for the 3<sup>rd</sup> Quarter of 2020.

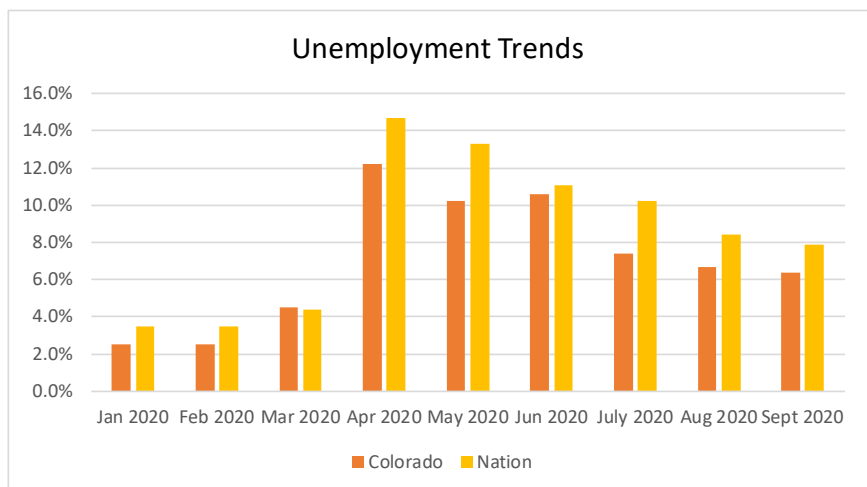
Economic Outlook

The U.S. and Colorado economies are showing their capacity to recover quickly by outpacing expectations from the spring. The nation officially ended the longest expansion in U.S. history, breaking the 128-month expansion in February 2020 when it entered a recession due to the impacts of the pandemic. Current projections assume the continuation of social distancing restrictions to continue through mid-2021. While widespread closures are not expected it could slow the economic recovery much slower, or a double-dip recession could occur.

During the 2<sup>nd</sup> quarter of 2020, the national economy, as measured by gross domestic product (GDP) decreased by 31.4 percent. It is expected to rebound back in the 3<sup>rd</sup> quarter with a 33.1 percent increase as of preliminary estimates. Government stimulus helped to boost spending and employment. The annual GDP is projected to decrease 4.1 percent for 2020 with modest expansion for 2021 and 2022.



The national unemployment rate declined from 11.1 percent in June to 7.9 percent in September. Between the months of February and April, there were 22 million jobs lost. Just under half of those jobs, 10.6 million, were regained from May to August nationally. In Colorado, there were 342,300 jobs lost with 134,200 regained. The Colorado unemployment rate for September is down to 6.4 percent from 10.6 percent in June. Unemployment insurance claims, both nationally and in Colorado, are



Source: U.S. Bureau of Labor Statistics

significantly higher than the same timeframe in 2019 but, unemployment rates for Colorado and the nation are expected to decrease but still above rates seen in recent years.

Consumer spending makes up about two-thirds of the total economic growth and the second quarter had the steepest pullback with a decrease in the annualized rate of 34.1 percent. Spending on services was affected the most while there was increased spending on recreational vehicles, recreational goods, and motor vehicles. During the stay-at-home orders, spending on gasoline and clothing were down. Consumer spending is expected to rebound for the third quarter but will remain restrained with concerns about unemployment and continued health concerns. Federal stimulus payments and increased unemployment benefits has helped to bolster the growth rate in personal income. As shown in Table I, the year-end growth rates of 4.9 and 4.5 percent of both Colorado and the nation will decrease in 2021 and 2022 without the influx of the federal stimulus.

<b>Table I: Economic Indicators - September 2020</b>						
<b>Economic Indicator</b>	<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>Forecast</b>		
				<b>2020</b>	<b>2021</b>	<b>2022</b>
Real GDP Growth	National	2.9%	2.3%	-4.1%	4.5%	2.9%
Unemployment Rate	National	3.9%	3.7%	8.2%	6.3%	5.6%
	Colorado	3.2%	2.8%	6.9%	5.6%	4.6%
Personal Income Growth	National	5.6%	4.4%	4.5%	1.2%	2.1%
	Colorado	7.1%	6.1%	4.9%	2.6%	4.5%
Wage and Salary Growth	National	5.0%	4.7%	-0.9%	2.6%	4.4%
	Colorado	5.8%	7.2%	-0.1%	3.0%	4.9%
Inflation	National	2.4%	1.8%	1.3%	1.9%	2.2%
	Colorado	2.7%	1.9%	1.7%	2.2%	2.4%
Housing Permit Growth	Colorado	4.8%	-9.4%	0.9%	4.3%	0.8%
Nonresidential Building Growth	Colorado	31.5%	-39.5%	-3.2%	-4.6%	2.1%

Source: Colorado Legislative Council September 2020 Economic & Revenue Forecast

Wage and salary growth is projected to decline 0.1% for Colorado and 0.9% nationally in 2020 with increases projected in 2021 and 2022. A weak labor market will reduce the competition for workers and wage pressures requiring a longer recovery time. Inflation for the Denver metropolitan area is projected at 1.7 percent for 2020 and 2.2 percent for 2021, which is a bit higher than the nation for both years. More information on the economic outlook and how it impacts the County budget will be provided during the study session with the BOCC.

The most significant source of revenue for the County is property tax. Real estate prices in Colorado were beginning to moderate before the pandemic but, projections for residential and non-residential construction are uncertain due to the current economic situation. Before the pandemic, the Colorado real estate and construction market had been experiencing steady growth. Nonresidential construction was projected to have a modest decline during 2020 and 2021 but, now a more significant contraction is expected. Construction was exempt from stay-at-home orders in Colorado, so work on existing projects continued in April and May. An impact is expected in the second quarter and there is less leased space being demanded by companies. Many plans for future development are being put on hold due to the downturn. Economic uncertainty combined with job losses will have an impact on mobility, home sales and new home construction. Residential construction permits are expected to drop 3.6% in 2020.

The County's property tax growth is dependent upon the combination of new construction and inflation. The rate of inflation is expected to be lower than in 2019 and an estimate of 1.7% is currently being used for the County's calculations. The Assessor's Office has tabulated the new construction figures for the 2020 assessment for 2021 collections and the preliminary estimate is only slightly lower than last year's total at \$1.2 billion. The most significant measure of the impact of COVID-19 on property values will be seen during the 2021 reappraisal process

for 2022 collections. The valuation date for the 2021 reappraisal is June 30, 2020. The process to certify the taxable value of property has been delayed by the COVID pandemic and the tax projections have been estimated based on very preliminary value data. There may not be enough sales during the 2<sup>nd</sup> quarter of this year to make accurate time trending calculations but it is safe to assume that there will be a drop in residential and nonresidential values as a result of the economic downturn. There is also the specter of downward adjustments in the residential assessment rate also because of the economic downturn. While the County’s mill levy is heavily discounted by a 4.1 mill temporary tax credit, the data feeding into the 2021 reappraisal will be important to watch to gauge future

**Key Issues:**

- The extent of the recession that the pandemic will cause is unknown at this point, but the economy is recovering since June.
- Property tax revenue will be impacted by a recession as well as an expected decrease to the residential assessment rate, but the temporary tax credit will serve to soften the blow.
- Some revenue sources such as fees and charges that were not collected during the building closure do not have as negative of an impact as were initially anticipated.
- Salary and benefits continue to be the largest expenditures and will be the largest area of growth.
- Some expenditures are expected to decline this year due to the pandemic especially in areas related to working remotely such as travel and transportation, office supplies, and training.

property tax projections.

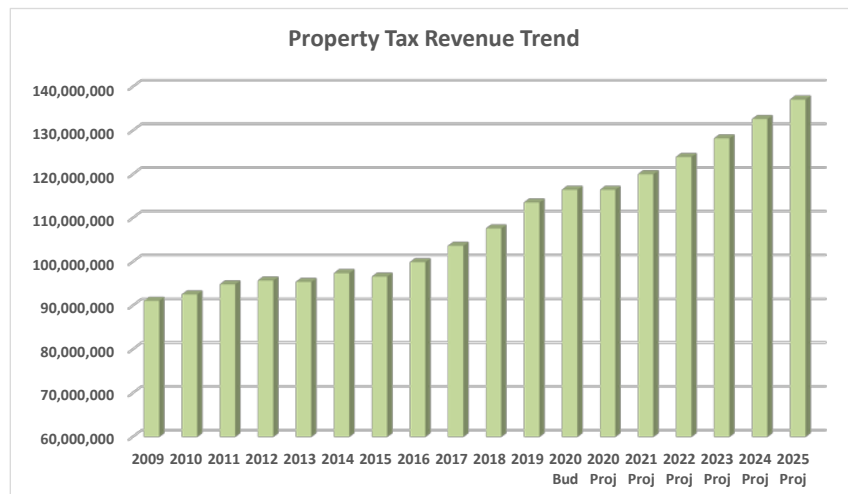
**General Fund**

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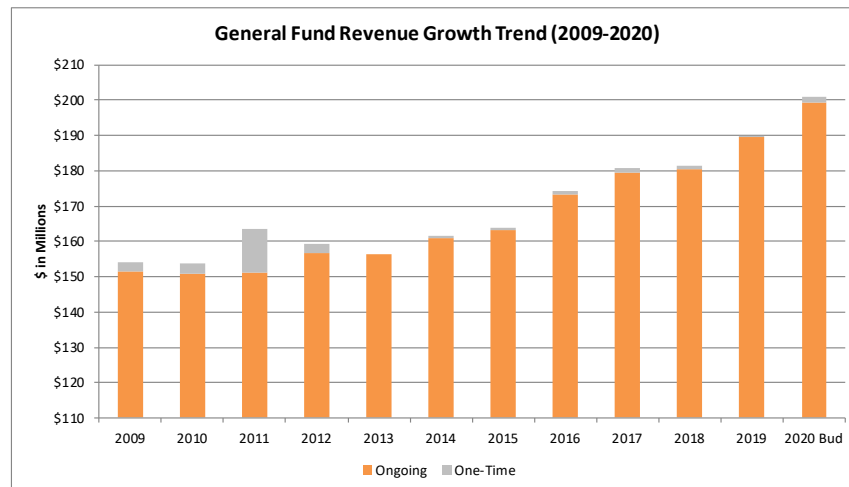
The General Fund is the main operating fund of the County and contains the largest concentration of revenues and expenditures for funding all or most of the programs, services, and staff of the elected offices and departments. Significant tax, charges for services, and intergovernmental payments drive 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 2019 dropping slightly from the September 2019 economic forecast to when the actual rate was determined in March, the County will refund approximately \$109,460 in over collections from 2020 in 2021.



The 2020 budget included more than \$116 million for property tax revenue which is a 2.5% increase over 2019. 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. Current economic conditions due to the COVID-19 pandemic are indicating that there will be another reduction in the residential assessment rate in the 2021 assessment cycle impacting the 2022 tax collections as well as the potential decline in values and new



construction. There is a 2020 ballot measure to repeal the Gallagher Amendment that could limit the impact on property tax from the residential assessment rate change in 2021 but long-term impacts are uncertain.

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 benefit increases. There was a significant increase during 2019 due to additional positions that the City is funding in patrol, investigations and dispatch. The Treasurer’s Office fee to collect and distribute taxes increases with the increase in property tax revenue. This revenue source is budgeted at \$8.5 million for 2020 and interest earnings are budgeted at \$4.0 million for 2020 but could face declines in 2021 due to reductions in interest rates.

Construction activity has increased significantly within the County since the last recession ended. This impacts development related revenue in Public Works & Development. These revenues for building permits and plan reviews are currently projected to decline in 2020 from their peak in in 2018. Even with a decline, the activity is still much higher than it was during the last recession. At this point, the development related revenue has not seen a decline as a result of the pandemic and is expected to exceed the budget. Increased real estate and motor vehicle activity after the last 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. The Motor Vehicle Division has been negatively impacted by the current economic conditions and COVID-19, but motor vehicles sales are rising again and the increase in land recording fees is offsetting the decline from earlier in the year.

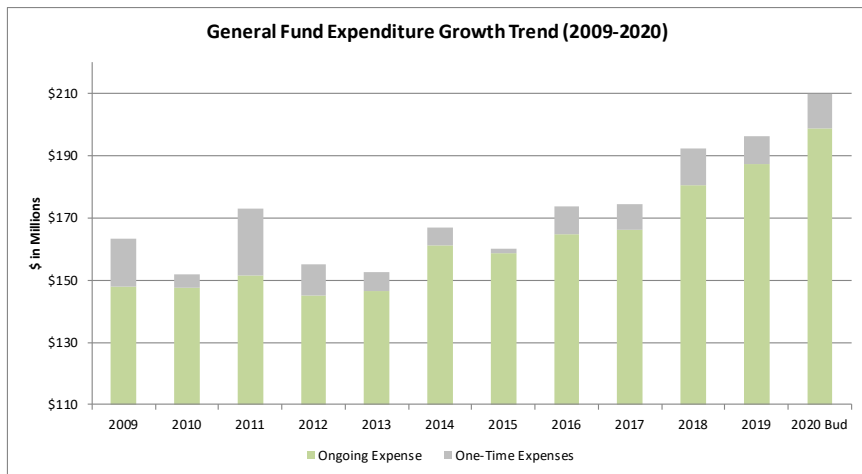
**Expenditures**

**Table 2: General Fund Year-to-Date**

Revenue Category	2020 Budget	2020 YTD Actuals	% of Budget
Taxes	\$ 125.2	\$ 119.1	95.1%
Licenses & Permits	6.3	4.6	0.0%
Intergovernmental	32.9	22.5	68.2%
Charges for Services	24.7	21.4	86.7%
Fines & Forfeits	0.7	0.2	33.2%
Investment Earnings	4.0	2.2	54.0%
Interfund Revenues	4.5	2.9	65.3%
Transfers In	0.3	0.1	0.0%
Miscellaneous	3.6	2.2	60.8%
<b>Total Revenue</b>	<b>\$ 202.2</b>	<b>\$ 175.3</b>	<b>86.7%</b>
Expenditure Category			
Salaries	\$ 100.8	\$ 73.4	72.8%
Employee Benefits	30.0	20.9	69.7%
Supplies	7.9	4.4	55.4%
Services & Other	55.7	36.5	65.5%
Community Programs	0.4	0.3	75.2%
Capital Outlay	0.4	0.4	101.0%
Central Services	3.5	2.5	73.0%
Transfers Out	14.7	14.7	100.0%
<b>Total Expenditures</b>	<b>\$ 213.4</b>	<b>\$ 153.1</b>	<b>71.7%</b>

The largest expenditures in the General Fund are for salary and benefits which make up more than 61% of the total expenditure budget of \$213 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. This has been due to a very robust job market in Colorado with historically low



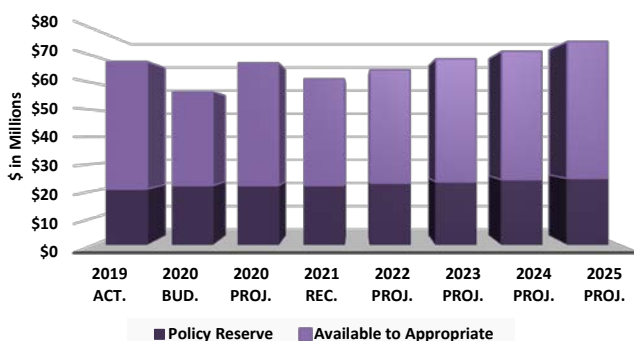
unemployment that has made finding and retaining staff more difficult. In 2019, \$1.5 million of the nearly \$125 million salary and benefit budget remained unspent. This was not as significant as the prior few years due to a few factors including more overtime expenses in 2019. Salaries and benefits are projected to come in about \$2.0 million under budget as there are fewer vacancies now compared to earlier in the year.

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 2020, this category is budgeted at \$55.7 million and is currently projected to end the year at \$50.9 million. Some of the remaining \$4.8 million surplus could be requested to be reappropriated to the 2021 budget to complete activities that were budgeted in 2020 but not completed by year end while other amounts will not be spent due to the pandemic.

The Supplies category is budgeted at \$7.9 million for 2020 and is projected to end the year at \$6.0 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 \$3.4 million and are currently projected to come in slightly under budget for 2020.

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 2020 are budgeted at \$14.7 million with \$5.5 million of that being to the Capital Expenditure Fund for capital improvement projects.

Fund Balance Trend and Forecast



**Outlook for 2020**

The General Fund projections currently show revenue coming in at \$204.5 million, which is \$2.3 million higher than the 2020 amended budget. Revenue projections are showing collections below budget for some revenue categories due to the current economic conditions due to COVID-19 but are more than offset by increases in other categories such as charges for services and investment earnings.

Some sources of the County's revenue were not able to be collected during the stay-at-home order and building closures, but impacts do not appear to be as significant as they were projected at the beginning of the pandemic. These revenues are being closely monitored to determine which ones may pick back up in activity and what revenue is expected to be non-recoverable. As there is a lag in the recording of many of the revenues, the extent of the impact and the duration it will continue is still unknown.

Expenditures are projected to be \$205.1 million or \$8.3 million below the amended budget. The categories projected to have the most savings are the services and other category, supplies category as well as benefits. A portion of the \$4.8 million savings in the services and other category is due to activities that cannot transpire due to the current travel and gathering restrictions. There are many trainings and conferences that employees throughout the County participate in that have been canceled. In addition, there are County vehicles with decreased usage saving on fuel and maintenance costs. There are also anticipated savings within the supplies and services and other categories as a result of a lower population in the jail. The supplies category is currently projected to be \$1.9 million under budget with savings in some areas on supplies that are not needed with so few employees being in County facilities and some functions temporarily being suspended. Departments and offices are experiencing expenses related to the pandemic and requirements for essential employees as well as preparation for facilities reopening to the public. Much of the additional expenditures are for personal protective equipment, cleaning and sanitizing supplies and modifications to public areas and workspaces within the buildings to comply with social distancing requirements and to increase the safety of employees and the public. Federal fiscal support received from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) will assist with costs related to the County's response to the COVID-19 pandemic.

Including the requested budget supplementals, the projections result in a \$540,000 use of fund balance compared to a budgeted \$11.2 million use of fund balance in the General Fund for 2020. The ending fund balance for 2020 would be \$67.4 million compared to the amended budget ending fund balance of \$56.8 million. The Board's policy reserve is 11% of the annual operating budget which is \$21.9 million for 2020. That results in \$45.6 million of the fund balance being available to spend on other needs in the General Fund.

### **Budget Amendments for 2020**

There are seven budget supplemental requests in the General Fund for the 3<sup>rd</sup> quarter of 2020. The impact on to the General Fund is an increase of \$323,499 to revenue and an increase of \$294,658 to the expenditure budget. There are no changes to the FTE count. The Information Technology Department is requesting that \$42,000 that was transferred from the General Fund to the Central Services Fund, as part an adopted 2020 budget package to purchase software, be reversed. This request is also to appropriate \$13,644 in the General Fund, Information Technology Department operating budget to help cover the first year of the subscription-based solution for device licenses. The Information Technology Department has one more supplemental request to transfer \$9,000 to the Central Services Fund for the purchase of a new cellular router for the Sheriff's Office command vehicle. The other five request are for the Sheriff's Office. The first of their General Fund supplemental requests is to transfer \$3,990 from their operating budget to the Information Technology Department's General Fund operating budget. This is for the operating costs of the field operating software for Investigations on the Computer Aided Dispatch (CAD) system. The next request it to transfer \$9,500 to the Central Services Fund for the estimated auction value of a Dodge Caravan and Dodge Journey that they would like to retain instead of sending to auction. Their third request is to recognize and appropriate \$9,515 from the Grant Fund for the 2020 JAG Grant to be used for the AMVision Streaming Interface. The Sheriff's Office is requesting to have \$310,000 recognized and appropriated for funds received from Cherry Creek Schools for school resource officer services. The final request is to recognize and appropriate a \$3,499 donation for the Back the Blue K9 program.

### **Projections**

The forecast period for the General Fund shows a range from a \$4.0 million addition to fund balance to \$5.9 million deficit annually for 2021 through 2025. 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. How the planned budget for the debt on CentrePoint Plaza is used going forward will have a considerable impact on the General Fund. If it is reallocated to other needs, the surpluses seen in the projections will become deficits. The continued growth in property tax revenues is key to offsetting expenditures in the General Fund but the extent of the current recession and economic downturn during the forecast period could impact these projections significantly, which is extremely likely with the current pandemic. 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 would be \$75.4 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 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 the projects requires a transfer from the General Fund to fund the projects. It is estimated that between \$8 and \$15 million annually will be required to adequately fund the project plan. If these 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.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Total Revenue</b>	<b>204.9</b>	<b>201.1</b>	<b>202.2</b>	<b>204.5</b>	<b>204.4</b>	<b>210.5</b>	<b>215.4</b>	<b>222.0</b>	<b>226.7</b>
Expenditures	197.1	209.9	213.4	205.1	210.3	207.1	211.4	219.2	223.1
Other Adjustments	-	-	-	(0.0)	-	-	-	-	-
<b>Total Expenditures</b>	<b>197.1</b>	<b>209.9</b>	<b>213.4</b>	<b>205.1</b>	<b>210.3</b>	<b>207.1</b>	<b>211.4</b>	<b>219.2</b>	<b>223.1</b>
<b>Net</b>	<b>7.8</b>	<b>(8.9)</b>	<b>(11.2)</b>	<b>(0.5)</b>	<b>(5.9)</b>	<b>3.4</b>	<b>4.0</b>	<b>2.8</b>	<b>3.6</b>
<b>Beginning Fund Balance</b>	<b>60.1</b>	<b>68.0</b>	<b>68.0</b>	<b>68.0</b>	<b>67.4</b>	<b>61.5</b>	<b>64.9</b>	<b>68.9</b>	<b>71.7</b>
Change in Fund Balance	7.8	(8.9)	(11.2)	(0.5)	(5.9)	3.4	4.0	2.8	3.6
<b>Ending Fund Balance</b>	<b>68.0</b>	<b>59.1</b>	<b>56.8</b>	<b>67.4</b>	<b>61.5</b>	<b>64.9</b>	<b>68.9</b>	<b>71.7</b>	<b>75.4</b>
<b>Board Designated Reserve</b>	<b>20.6</b>	<b>21.9</b>	<b>21.9</b>	<b>21.9</b>	<b>21.9</b>	<b>22.8</b>	<b>23.3</b>	<b>24.1</b>	<b>24.5</b>

Capital Expenditure Fund

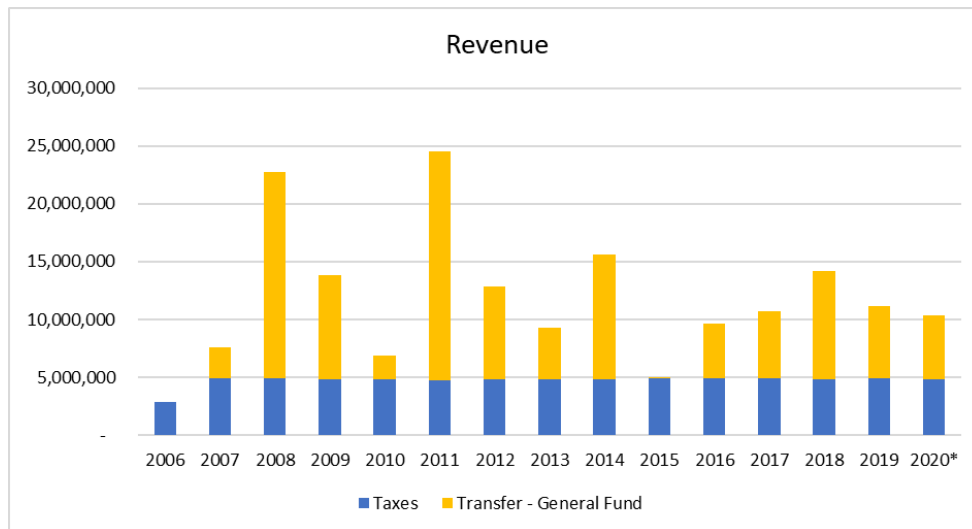
The Capital Expenditure Fund accounts for larger projects that are for the construction or improvement of County facilities, significant software purchases or upgrades, and other significant projects that have a useful life of 10 years or more. The projects funded in the Capital Expenditure Fund are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

**Key Issues**

- Capital Expenditure Fund is reliant on transfers, primarily from the General Fund, for a significant portion of its revenues.
- Project funding is limited to the amount of revenue available.
- If the General Fund budget is unable to continue transfers, project funding is impacted.
  - Average funding gap of \$10.3 million in forecasted upcoming years.

**Revenue**

The Capital Expenditure Fund has but a few sources of revenue. The fund receives revenue from property tax and specific ownership tax, which collectively averages about \$4,9000,000 annually. The other source of revenue is from transfers from another fund, with the General Fund being the primary. The mill levy is adjusted annually to maintain a consistent revenue of \$4.5 million from property tax. The allocation for specific ownership tax collections is proportionate to the amount of property tax the Fund receives. In the 2020 budget, there the \$4.5 million from property tax, \$350,000 from specific ownership tax, and \$5.5 million being transferred from the General Fund. Due to shutdowns from the pandemic, collections for specific ownership taxes are not projected to meet the 2020 budget. It is anticipated to return to normal levels for 2021 though. Below is a chart that shows the history of these revenue sources. As shown, the amount from taxes has remained relatively the same. Significant variances over the years is in transfers from the General Fund. The transfer from the General Fund is primarily the funding gap between adopted projects and the revenue received from taxes. The average transfer amount from the General Fund over the past five years has been \$6.3 million. As you can see, 2018 had higher than normal transfers that included \$1.6 million that was approved at quarterly budget reviews during the year.



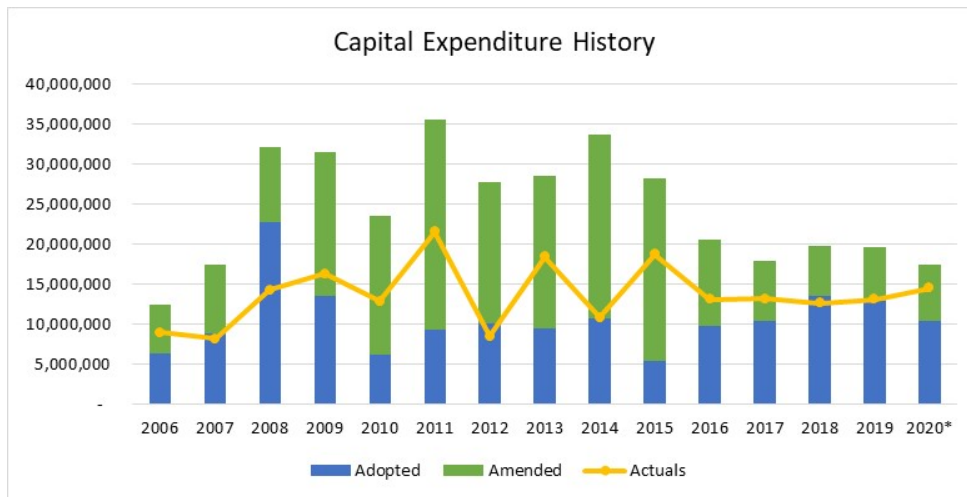
As shown in Table 4, the transfer from the General Fund for 2020 was \$5.5 million. This is less than what has been transferred in recent years. In prior years, the Board adopted higher transfers to help alleviate some of the pressure of having an increasing number of necessary projects each year. Year-to-date actuals total \$9.1 million, but this is projected to be closer to \$17.0 million by year-end.

Revenue Category	2020 Budget	2020 YTD Actuals	% of Budget
Taxes	\$ 4.9	\$ 4.7	95.6%
Intergovernmental	-	-	0.0%
Transfers In	5.5	5.5	100.0%
Miscellaneous	-	-	0.0%
<b>Total Revenue</b>	<b>\$ 10.4</b>	<b>\$ 10.2</b>	<b>97.9%</b>
Expenditure Category	2020 Budget	2020 YTD Actuals	% of Budget
Supplies	\$ 0.9	\$ 0.1	11.9%
Services & Other	0.6	0.5	75.5%
Capital Outlay	10.4	3.0	29.2%
Transfers Out	5.5	5.5	100.0%
<b>Total Expenditures</b>	<b>\$ 17.4</b>	<b>\$ 9.1</b>	<b>52.4%</b>

**Expenditures**

The Capital Expenditure Fund expenditures are adopted on a project level. Each project has been reviewed by the Capital Improvement Program Committee and scored based on their criteria matrix. The CIP Committee recommendations are presented to the Executive Budget Committee and then to the Board of County Commissioners for their approval and adoption. The expenditure budget must be offset with a correlating revenue. Any change to the necessary funding of a project needs to be approved by the Board and adopted at a public hearing. The adopted 2020 budget includes numerous projects for roadway infrastructure projects that the County is in partnerships with, equipment associated to public safety, and improvements to County owned facilities.

Most capital projects take several years to complete, and funding needs to be reappropriated to the following year(s) to complete the projects, as shown in the chart below. The Amended Budget reflects the funding reappropriated from prior years and any supplementals that were approved. As you can see the adopted budgets have been higher in recent years trying to get more projects completed. Reappropriation and supplementals remained roughly the same since 2017. The yellow line indicates what has been spent in each year in comparison to the budget. If there are large drops in the actuals, it will be included in the green bar for the following year.



**Outlook for 2020**

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 adopted 2020 budget included \$10.4 million in revenue and expenditures. After reappropriation of unspent funds from the prior year and supplementals from the 1<sup>st</sup> and 2<sup>nd</sup> quarters, the amended expenditure budget is \$17.4 million. The pandemic has delayed many of the projects that were anticipated to start earlier in the year. It is projected that, by year-end,

there will have been \$13.7 million expended and \$1.9 million reappropriated to the following year for completion of the outstanding projects. Projections for year-end have \$5.6 million for roadway related projects, \$889,238 for information technology related projects, \$1.7 million in public safety related projects, and \$6.5 million in projects related to County facilities. The Treasurer’s Collection fee of \$67,995 is also included in that total. There is \$5.6 million for roadway related projects, \$785,806 for information technology related projects, \$1.6 million in public safety related projects, and \$5.5 million in projects related to County facilities.

Year-end revenue, consisting of the relatively constant property and specific ownership taxes, as well as the transfer from the General Fund is projected to total \$10.3 million. The year-end projections would reduce the fund balance from \$7.2 million to \$3.9 million.

Table 5 below depicts the budget of significant projects in the Capital Expenditure Fund and the spending through the end of the 3<sup>rd</sup> Quarter.

<b>Fundcenter</b>	<b>Budget</b>	<b>YTD Actuals</b>	<b>Encumbrance</b>	<b>Avail Funds</b>	<b>Year-end Projection</b>
Transfer to Infrastructure Fund	5,570,995	5,503,000	-	67,995	5,570,995
Justice Center Courthouse II Courtroom Buildout	238,548	81,291	23,059	134,198	104,350
Peoria Salt Dome Replacement	1,188,851	538,140	572,022	78,689	1,110,162
Detention Center Infrastructure Improvements	1,067,189	306,248	331,073	429,869	637,320
Justice Center Elevator Upgrades	960,014	233,403	665,575	61,036	898,978
SAP S/4	800,000	153,880	646,121	-	800,000
Detention Pods 2&5 Rooftop Units Replacement	550,000	-	551,610	(1,610.00)	-
Intake Center Planning	523,264	475,000	-	48,264	475,000
Bomb Vehicle Replacement	510,516	-	510,516	-	510,516
Body Scanner	450,000	-	-	450,000	450,000
COVID Building Projects	900,000	178,564	3,365,230	(2,643,794)	5,100,000
Other Capital Expenditure Fund Projects	4,660,656	1,238,806	-	3,421,850	3,116,772
	<b>\$ 17,420,033</b>	<b>\$ 8,708,330</b>	<b>\$ 6,665,205</b>	<b>\$ 2,046,497</b>	<b>\$ 18,774,094</b>

### **Budget Amendments for 2020**

There are three supplemental requests for the third quarter. The first is a request from the Finance Department to transfer \$175,000 from their operating budget to the Capital Expenditure Fund SAP Enterprise Reporting project. It was originally budgeted that these funds would be the professional services associated with the project. It has been determined that it all needs to be expended out of the Capital Expenditure Fund to capitalize the full amount of the project. The other two supplemental requests are to recognize and appropriate CARES Act Funding transferred from the Grant Fund. There is \$1.4 million for County facility upgrades that were necessary due to COVID-19. Then there is \$3.1 million for the Alternate Care Facility.

### **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 approved 5-year Capital Improvement Program outlook would require an average annual transfer of \$10.3 million 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. Table 6 shows the capital funding gap for the forecast years. It 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. Either way, whatever projects are to be funded in the Capital Expenditure Program, an equal amount of revenue will have to be available.

**Table 6: Capital Expenditure Fund Projections**

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Total Revenue</b>	<b>11.2</b>	<b>10.4</b>	<b>10.4</b>	<b>15.1</b>	<b>10.0</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>
Expenditures	13.1	10.4	17.4	13.7	10.0	17.8	17.2	18.5	12.2
Other Adjustments	-	-	-	4.7	-	(12.9)	(12.4)	(13.6)	(7.3)
<b>Total Expenditures</b>	<b>13.1</b>	<b>10.4</b>	<b>17.4</b>	<b>18.3</b>	<b>10.0</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>
<b>Net</b>	<b>(1.9)</b>	<b>0.0</b>	<b>(7.0)</b>	<b>(3.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beginning Fund Balance</b>	<b>9.1</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>
Change in Fund Balance	(1.9)	0.0	(7.0)	(3.3)	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>7.2</b>	<b>7.2</b>	<b>0.2</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>
Restrict/Commit/Assigned	-	-	-	-	-	-	-	-	-
<b>Funds Avail. for Approp.</b>	<b>7.2</b>	<b>7.2</b>	<b>0.2</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>

## 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 617.50 FTE that provide services to the citizens of Arapahoe County.

### Key Issues

- Property tax follows the same growth trend as the General Fund so it will also be impacted by a recession and a potential decrease in the residential assessment rate.
- Recession could potentially change amount of revenue provided by the State and Federal government.
- The fund is operating with an average deficit of \$2.0 million through 2025.
- Adjustments to expenditures or revenues for County match may be necessary going forward to remain above the policy reserve

**Table 7: Social Services Fund Year-to-Date**

	2020 Budget	2020 YTD Actuals	% of Budget
<b>Revenue Category</b>			
Taxes	\$ 15.1	\$ 14.7	97.8%
Licenses & Permits	-	-	0.0%
Intergovernmental	55.2	38.9	70.5%
Charges for Services	0.1	0.0	16.7%
Miscellaneous	0.9	1.2	133.8%
<b>Total Revenue</b>	<b>\$ 71.2</b>	<b>\$ 54.8</b>	<b>77.0%</b>
<b>Expenditure Category</b>			
Salaries	\$ 35.8	\$ 28.0	78.2%
Employee Benefits	11.2	8.4	74.3%
Supplies	0.3	0.1	43.5%
Services & Other	4.0	2.6	65.2%
Community Programs	16.5	10.0	60.9%
Capital Outlay	3.6	2.7	73.7%
Central Services	1.4	1.1	77.8%
Transfers Out	0.1	-	0.0%
<b>Total Expenditures</b>	<b>\$ 72.9</b>	<b>\$ 52.9</b>	<b>72.5%</b>

### 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 intergovernmental funding for these programs is between 80%-100% of the cost, depending on the specific program. For the past several years, the County has also received Managed Care Savings from the State and these funds have been used to offset the County share costs. Unfortunately, this program has ended, and the final amounts will be used throughout 2020. The department saw a total increase of 5.13% for the SFY2021 block allocations. The largest increase to the allocations was for Child Welfare Block Grant of \$3.1 million. Colorado Child Care Assistance Program and Colorado Works also received increases of \$806,134 and \$638,568 while the County Administration, Child Welfare Core Services, and Adult Protective Services all saw small decreases for SFY2021.

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 \$14.8 million for projected property tax and specific ownership tax revenues. The specific ownership tax is projected to come in slightly above budget at \$961,000.

### Expenditures

The Social Services Fund expenditure budget provides funding for Human Services Department staff across the department's five divisions and roughly 68% of the expenditure budget goes towards the corresponding salaries and benefits for the 617.50 FTE. This has increased by 2% when compared to 2019 due to the additional staff that was added during the budget process and throughout the second half of 2019. The additional staff consisted of Community and Child Support Services staff, Legal staff, and Child and Adult Protection Services staff.

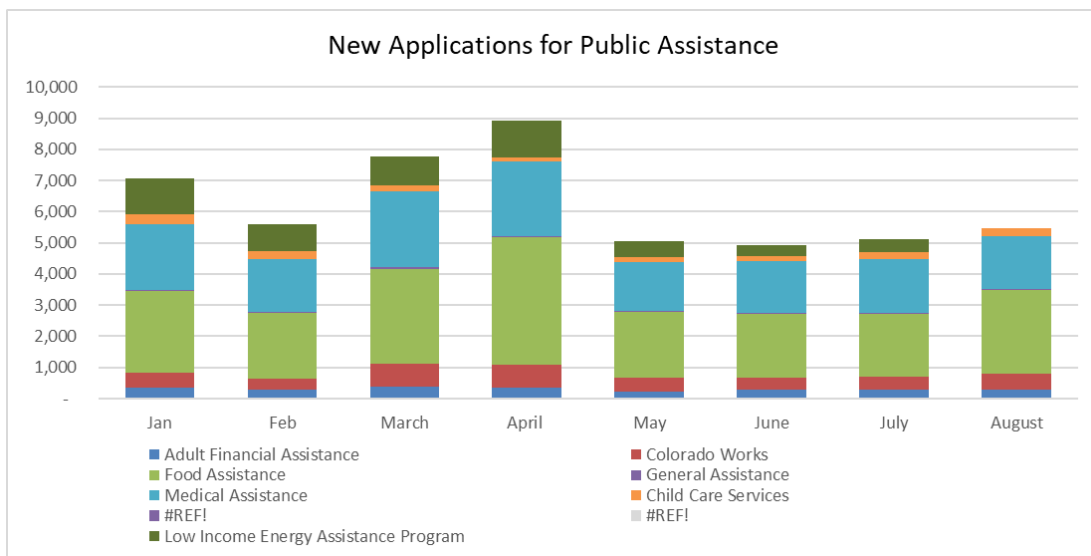
The next largest expense for the fund is the Community Programs category. This category includes the TANF Payments, County Local Share, and Other Supportive Services. These expenses are expected to come in roughly \$2.9 million below budget for 2020. This is due to program contracts that are currently trending lower than budgeted. These contracts are the Arapahoe/Douglas Works! TANF Contract and the Center for Work Education and Employment TANF Contract. There has also been a decrease in use of services cost for programs such as Child Welfare Foster Care due to COVID-19. Due to school closures related to COVID-19, child protection referrals have decreased drastically which has in turn decreased the number of families involved with the department and subsequently placed in foster care. Although the hope is that we can maintain low levels of children placed in foster care, it is unknown what the future will hold for the child welfare caseload given the uncertainty surrounding schools reopening throughout the fall and winter.

The Human Services department is also seeing savings in the Supplies & Services and Other categories due to the shift to working remotely. This has resulted in a decrease in office supplies, mileage reimbursement, and training. With the continued remote working there has also been a decrease in Xerox billing. The annual Resource Fair event was also cancelled for 2020 due to COVID-19 restrictions.

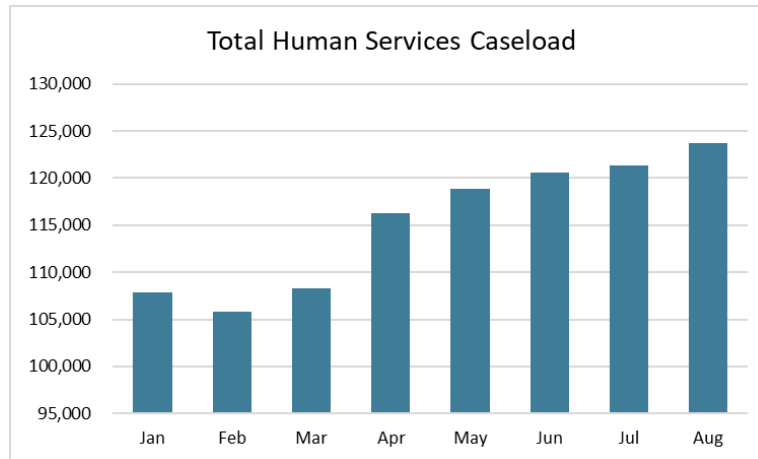
**Outlook for 2020**

Current projections show that the Social Services Fund will use roughly \$1.2 million of fund balance by year end. This is lower than the budgeted use of fund balance of \$1.7 million due to expenses trending lower. This trend is a result of program contracts projected to be below budget and a reduction in costs due to COVID-19 as mentioned above. The projected revenue for 2020 is \$67.0 million offset by \$68.1 million in expenditures. The revenue is projected to come in below budget as well due to expenses being lower than budgeted resulting in a lower reimbursement.

As Human Services predicted during the first quarter budget review, there was a continued increase in new applications for public assistance through the month of April. Below is a chart that shows the growth of applications throughout 2020 so far. Overall applications increased by roughly 65% from February through April. May shows a return to the levels in new applications seen before the Stay-At-Home orders and lockdowns and has continued at these levels since.



Along with the increase in new applications for public assistance earlier in the year the overall caseload for the Human Services department has continued to increase. From March to April, there was an increase of 7.4% in total cases and the caseload has continued to increase since. The total caseload for the department at the end of August was 123,704.



**Budget Amendments for 2020**

The Human Services Department has no budget amendments for the 3<sup>rd</sup> 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 \$2.0 million in 2021 and \$2.2 million in 2022. Continued use of fund balance will cause the fund to fall below policy reserve in 2025. This could change at any time depending on what allocations are received from the State.

**Table 8: Social Services Fund Projection**

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Total Revenue</b>	<b>63.9</b>	<b>71.2</b>	<b>71.2</b>	<b>67.0</b>	<b>67.2</b>	<b>68.2</b>	<b>70.9</b>	<b>73.0</b>	<b>75.3</b>
Expenditures	64.0	72.7	72.9	68.1	69.2	70.4	72.5	74.9	77.3
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>64.0</b>	<b>72.7</b>	<b>72.9</b>	<b>68.1</b>	<b>69.2</b>	<b>70.4</b>	<b>72.5</b>	<b>74.9</b>	<b>77.3</b>
<b>Net</b>	<b>(0.1)</b>	<b>(1.4)</b>	<b>(1.7)</b>	<b>(1.2)</b>	<b>(2.0)</b>	<b>(2.2)</b>	<b>(1.7)</b>	<b>(1.9)</b>	<b>(2.0)</b>
<b>Beginning Fund Balance</b>	<b>9.9</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>10.6</b>	<b>8.6</b>	<b>6.4</b>	<b>4.7</b>	<b>2.8</b>
Change in Fund Balance	1.9	(1.4)	(1.7)	(1.2)	(2.0)	(2.2)	(1.7)	(1.9)	(2.0)
<b>Ending Fund Balance</b>	<b>11.7</b>	<b>10.3</b>	<b>10.1</b>	<b>10.6</b>	<b>8.6</b>	<b>6.4</b>	<b>4.7</b>	<b>2.8</b>	<b>0.8</b>
Restrict/Commit/Assigned	(2.1)	(2.4)	(2.4)	(2.4)	(2.1)	(2.3)	(2.4)	(2.5)	(2.6)
<b>Funds Avail. for Approp.</b>	<b>9.6</b>	<b>7.9</b>	<b>7.6</b>	<b>8.1</b>	<b>6.5</b>	<b>4.0</b>	<b>2.3</b>	<b>0.3</b>	<b>(1.8)</b>



Arapahoe Law Enforcement Fund

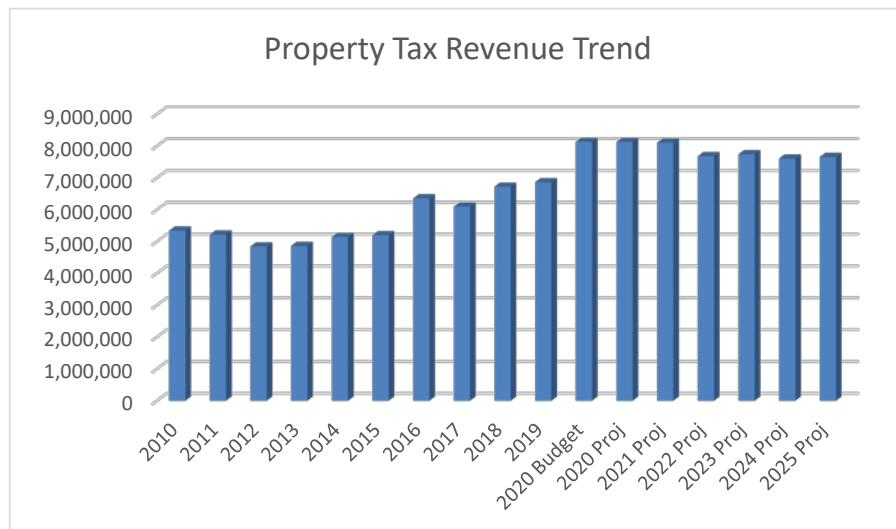
The Arapahoe Law Enforcement Authority Fund (ALEA) provides law enforcement services to the unincorporated portions of the County and is funded by a mill levy of 4.982 that was approved specifically for this purpose. The majority of the funds that are generated by the mill levy, specific ownership tax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

**Key Issues:**

- Property tax revenue will likely be impacted by the current economic decline resulting from the pandemic.
- There is a larger risk to ALEA property tax since it has a dedicated mill levy and a reduction in the residential assessment rate has an immediate impact for this fund.
- The ability to fund future growth is limited due to prior year additions.
- Salary and benefits are the largest expenditures in the fund and continue to grow.
- With expenditures projected to outpace revenue growth the fund balance is projected to decline from over \$7 million in 2020 to \$2.8 million in 2025.

**Revenue**

Property tax revenue has grown in 2020 due to the increased taxable value in the unincorporated areas of the county. The 2020 projected property tax is \$8.13 million which is an increase of nearly \$1.3 million over the 2019 collections. Property tax collections are heavily dependent on growth in property values as well as adjustments in the residential assessment rate. The



residential assessment rate dropped from 7.96% to 7.15% over the past two assessment cycles but was mitigated by continuing growth in property values for the 2020 collections. If the economic downturn as a result of novel coronavirus impacts property values, which is very likely, a reduction in assessed values will compound any further reduction in the residential rate and result in a reduction in property tax revenue. The current projections show a decline in the forecast period from a peak of \$8.6 million in 2020 to \$8.2 million in 2025.

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 last recession. This revenue is expected to decrease from the level it was at in 2019, but still be higher than the amount budgeted for 2020. The growth trend in this revenue for the forecast period will be impacted by 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 several 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 2019 with collections of \$183,000 and projections indicate lower revenue in 2020. 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 2020 contracts. The contract cost is tied to an amount equivalent to the amount that would be funded by the ALEA mill levy.

**Table 9: ALEA Fund Year-to-Date****Expenditures**

Salary and benefit costs for the 67 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 80% of the total expenditure budget of \$9.5 million. There have been additional FTE added over the past few years including three patrol deputy positions that were added in the 2020 budget. 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.

Approximately \$1.0 million is budgeted for supplies and services. Gasoline and operating supplies are among the largest expenses in those categories. There are additional funds budgeted in 2020 for the replacement of the ruggedized patrol laptops that are on a four-year replacement schedule. These categories are currently projected to come in under budget at year end which is consistent with prior years. More than \$140,000 is being transferred from this fund to purchase new vehicles for the new patrol deputies. There is also \$526,000 budgeted to pay for the future 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.

Revenue Category	2020 YTD		% of Budget
	2020	Actuals	
Taxes	\$ 8.6	\$ 8.4	97.6%
Intergovernmental	0.0	0.0	0.0%
Charges for Services	0.2	0.2	106.4%
Fines & Forfeits	0.4	0.2	40.7%
Investment Earnings	0.1	0.0	7.5%
Miscellaneous	-	0.0	0.0%
<b>Total Revenue</b>	<b>\$ 9.3</b>	<b>\$ 8.8</b>	<b>94.2%</b>
Expenditure Category			
Salaries	\$ 5.8	\$ 4.2	71.5%
Employee Benefits	1.8	1.3	70.7%
Supplies	0.4	0.3	64.5%
Services & Other	0.6	0.3	44.1%
Central Services	0.7	0.6	80.6%
Transfers Out	0.1	0.1	100.0%
<b>Total Expenditures</b>	<b>\$ 9.5</b>	<b>\$ 6.7</b>	<b>70.4%</b>

**Outlook for 2020**

Current revenue projections indicate that revenue will be approximately \$100,000 below budget for 2020. This is primarily due to the decline in traffic fine revenue. Expenditures are projected to be approximately \$400,000 below budget due to expected savings in the Supplies and Services categories, as well as in Salaries & Benefits. Current projections indicate a \$100,000 addition to fund balance for 2020, compared to a \$200,000 use of fund balance in the amended budget.

The ending fund balance for the ALEA Fund for 2020 is projected to be \$7.3 million. The amount available for appropriation after the \$1.5 million policy reserve is \$5.8 million.

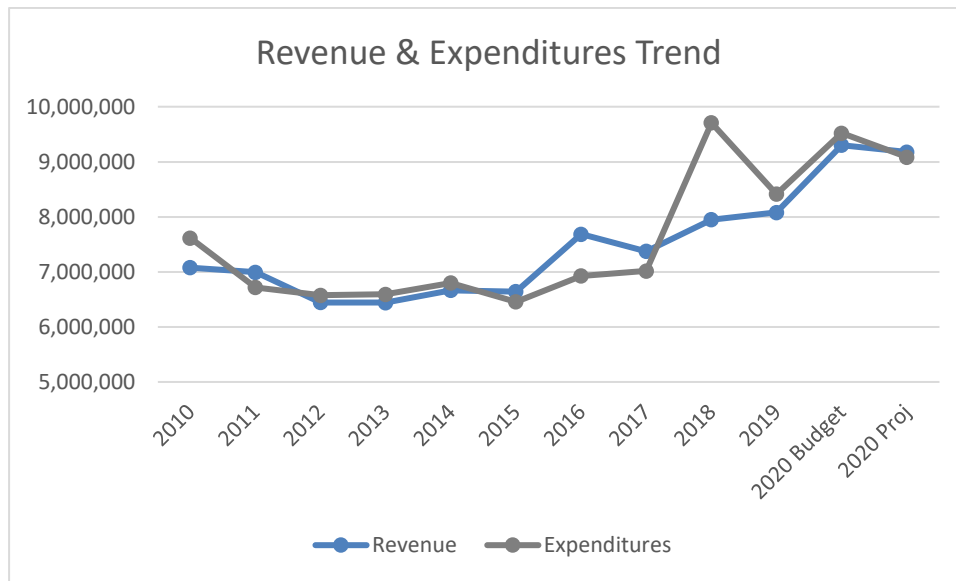
**Budget Amendments for 2020**

There are no supplemental budget requests in the ALEA Fund for the 3<sup>rd</sup> quarter of 2020.

**Projections**

The ALEA Fund budget has been adopted the past few years with a small deficit where the expenditures exceeded 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. It also occurred in 2019. As the number of positions in this fund has increased in recent years, the increased salary and benefits expenses have contributed to the expenses growing at a faster rate than the revenue. The associated one-time and ongoing costs related to the additional personnel contributed to this deficit as well.

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. Given the present uncertainty around the direction of the economy, the projections for property tax have been reduced from prior quarterly reviews and still incorporate declines in the residential assessment rate. The result is the greater expenditure growth discussed above is not offset by the revenue as it was in prior projections with the revenue now showing a decline. The fund balance for the ALEA Fund is projected to decline from \$7.2 million at the beginning of 2020 to \$2.2 million by the end of 2025.



**Table 10: Arapahoe Law Enforcement Authority Fund Projections**

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Total Sources</b>	<b>8.0</b>	<b>9.3</b>	<b>9.3</b>	<b>9.2</b>	<b>9.2</b>	<b>8.8</b>	<b>8.8</b>	<b>8.7</b>	<b>8.8</b>
Uses	9.7	9.5	9.5	9.1	9.5	9.4	9.8	10.2	10.4
Other Adjustments to Uses	-	-	-	-	-	-	-	-	-
<b>Total Uses</b>	<b>9.7</b>	<b>9.5</b>	<b>9.5</b>	<b>9.1</b>	<b>9.5</b>	<b>9.4</b>	<b>9.8</b>	<b>10.2</b>	<b>10.4</b>
<b>Net</b>	<b>(1.8)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>0.1</b>	<b>(0.3)</b>	<b>(0.7)</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>(1.7)</b>
<b>Beginning Fund Balance</b>	<b>7.5</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.3</b>	<b>7.0</b>	<b>6.3</b>	<b>5.4</b>	<b>3.8</b>
Change in Fund Balance	(0.3)	(0.2)	(0.2)	0.1	(0.3)	(0.7)	(0.9)	(1.5)	(1.7)
<b>Ending Fund Balance</b>	<b>7.2</b>	<b>7.0</b>	<b>7.0</b>	<b>7.3</b>	<b>7.0</b>	<b>6.3</b>	<b>5.4</b>	<b>3.8</b>	<b>2.2</b>
Restrict/Commit/Assigned	(1.4)	(1.6)	(1.6)	(1.5)	(1.6)	(1.6)	(1.6)	(1.7)	(1.7)
<b>Funds Avail. for Approp.</b>	<b>5.8</b>	<b>5.4</b>	<b>5.4</b>	<b>5.8</b>	<b>5.4</b>	<b>4.7</b>	<b>3.7</b>	<b>2.1</b>	<b>0.4</b>

## 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.

### Key Issues:

- Property tax revenue is held constant resulting in relatively flat revenues throughout forecast period.
- There is an anticipated downturn in Highway User's Tax Fund (HUTF) revenue due to declines in motor vehicle registrations and fuel excise taxes due to the economic downturn.
- There continues to be a concern that the fund will fall below policy reserve and difficult choices need to be made between service level and staffing and equipment costs.

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

	2020 Budget	2020 YTD Actuals	% of Budget
<b>Revenue Category</b>			
Taxes	\$ 6.2	\$ 5.9	96.2%
Licenses & Permits	0.3	0.3	0.0%
Intergovernmental	9.2	4.5	49.4%
Charges for Services	-	-	0.0%
Miscellaneous	0.1	0.0	0.0%
<b>Total Revenue</b>	<b>\$ 15.7</b>	<b>\$ 10.8</b>	<b>68.6%</b>
<b>Expenditure Category</b>			
Salaries	\$ 3.4	\$ 2.1	63.6%
Employee Benefits	1.2	0.7	60.3%
Supplies	3.3	1.2	35.4%
Services & Other	6.4	2.4	37.6%
Central Services	2.9	2.0	70.1%
Transfers Out	0.7	0.7	100.0%
<b>Total Expenditures</b>	<b>\$ 17.8</b>	<b>\$ 9.1</b>	<b>51.3%</b>

### Revenue

The main sources of revenue for the Road & Bridge Fund are the Highway User's Tax Fund (HUTF) monies that come 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 budgeted amount of revenue is \$15.7 million. This is a decrease of roughly \$1.8 million compared to 2019 actuals that were higher due to the HB 19-262 HUTF revenue, mineral severance tax, and an intergovernmental agreement with Aurora.

The HUTF revenue saw large increases in 2018 and 2019 due to SB 18-001 and SB 19-262 that directed additional funding to local governments. There will be no additional funds available for 2020 and there is an anticipated decrease in this source due to the current economic conditions created from the pandemic impacting motor vehicle registrations and fuel excise taxes that flow into the HUTF.

Another source of revenue seeing a significant decline this year is the Mineral Severance Tax. For the SFY20 the Federal Mineral Lease revenue is projected to decrease by 45.4%. This is a decrease of roughly \$62,700. This is due to a royalty rate reduction that was approved during prior years and due to the decrease in oil prices and production cuts.

### 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. Expenses may be less than budget due to vacancies. There have been roughly 7 vacant positions during throughout the year. 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. There may be some relief to inflationary increases if there is an economic downturn but, nothing is certain at this point. The department reappropriated \$575,000 this year for materials and contract labor. This amount was slightly higher than it was last year.

An expense that has continued to have an impact on the use of fund balance has been the cost of replacing equipment. Due to the cost increasing faster than the intergovernmental rent charges for replacement, the Road & Bridge Fund is required to provide a portion of the additional funds to replace this equipment. For the 2020 budget, the transfer was total of \$664,885 to cover the gap between what the old equipment cost compared to what it will cost to purchase this year. This price continues to increase, and the average of the last 5 years has been \$473,358. This creates a significant burden on the budget and has been adjusted in the 2021 budget process as the fund balance struggles to remain above the policy reserve.

### Outlook for 2020

Total revenue collections are currently projected to be \$14.9 million and expenditures of \$16.3 million for 2020. This will result in a \$1.4 million use of fund balance. This is due to vacancy savings on the expenditure side and the anticipation of less revenue. Current estimates from the State anticipate that the County will receive approximately \$945,000 below budget in HUTF revenue, mainly in the second half of the year. The below chart shows the historical trends for the HUTF revenue. This is down roughly 10% matching the State’s most recent estimates for the decline in HUTF revenues.

### Budget Amendments for 2020

There is one supplemental request for the 3<sup>rd</sup> Quarter budget review. This request is to recognize and appropriate \$14,530 in reimbursement from the Sheriff’s Office for Ice Slice provided by the Road & Bridge Division of Public Works.

### Projections

The 5-year projection period shows that there will continue to be a structural deficit. This deficit is projected to be \$1.4 million in 2020 and \$600,000 on average through the forecast period. This deficit results in the fund falling below the policy reserve amount in 2023 by \$400,000 and continuing to stay below that amount through the projection period. 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, beginning in 2021. These projections do not include any additional funds for pavement maintenance through the forecast period.

**Table 12: Road & Bridge Fund Projections**

(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Total Revenue</b>	<b>17.6</b>	<b>15.7</b>	<b>15.7</b>	<b>14.9</b>	<b>15.2</b>	<b>15.5</b>	<b>15.7</b>	<b>15.8</b>	<b>15.8</b>
Expenditures	16.4	17.3	17.8	16.3	15.9	16.0	16.2	16.4	16.6
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>16.4</b>	<b>17.3</b>	<b>17.8</b>	<b>16.3</b>	<b>15.9</b>	<b>16.0</b>	<b>16.2</b>	<b>16.4</b>	<b>16.6</b>
<b>Net</b>	<b>1.1</b>	<b>(1.5)</b>	<b>(2.1)</b>	<b>(1.4)</b>	<b>(0.6)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.6)</b>	<b>(0.8)</b>
<b>Beginning Fund Balance</b>	<b>4.2</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>3.9</b>	<b>3.3</b>	<b>2.7</b>	<b>2.3</b>	<b>1.6</b>
Change in Fund Balance	1.1	(1.5)	(2.1)	(1.4)	(0.6)	(0.5)	(0.5)	(0.6)	(0.8)
<b>Ending Fund Balance</b>	<b>5.3</b>	<b>3.8</b>	<b>3.2</b>	<b>3.9</b>	<b>3.3</b>	<b>2.7</b>	<b>2.3</b>	<b>1.6</b>	<b>0.9</b>
Restrict/Commit/Assigned	(2.7)	(2.9)	(3.0)	(2.7)	(2.6)	(2.7)	(2.7)	(2.7)	(2.8)
<b>Funds Avail. for Approp.</b>	<b>2.5</b>	<b>0.9</b>	<b>0.2</b>	<b>1.2</b>	<b>0.6</b>	<b>0.1</b>	<b>(0.4)</b>	<b>(1.1)</b>	<b>(1.9)</b>

## Summary of Budget Amendments

The following section contains a detailed list of the budget amendments submitted for the 3<sup>rd</sup> 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.

3rd Quarter Budget Review				
Summary of Proposed Budget Adjustments				
Fund	Revenue Amount	Expense Amount	FTEs	
<b>2020</b>				
<b>DISCUSSION NEEDED</b>				
General Fund	\$ 159,515	\$ 131,159	-	
Building Maintenance Fund	\$ 500,000	\$ 500,000	-	
Capital Expenditure Fund	\$ 4,375,000	\$ 4,375,000	-	
Central Services Fund	32,698	111,022	-	
Grant Fund	-	-	-	
Open Spaces Sales Tax Fund	-	-	-	
Self-Insurance Liability Fund	-	42,376	-	
Road & Bridge Fund	-	-	-	
<b>TOTAL Discussion Needed</b>	<b>\$ 5,067,213</b>	<b>\$ 5,159,557</b>	<b>-</b>	
<b>NEW REVENUE/BUDGET CLEANUP</b>				
General Fund	313,499	313,499	-	
Road & Bridge Fund	32,113	32,113	-	
Infrastructure Fund	2,762,925	2,762,925	-	
<b>TOTAL New Revenue/Budget Cleanup</b>	<b>\$ 3,108,537</b>	<b>\$ 3,108,537</b>	<b>-</b>	

### 2020 Budget Amendments: Discussion Needed

- A. Transfer \$3,990 from the General Fund, Sheriff's Office, and appropriate to the General Fund, Information Technology, for the ongoing operating expense for the field operating software for Investigations as part of the Computer Aided Dispatch (CAD) System.
- B. Reduce the transfer from an adopted 2020 budget package from the General Fund, Information Technology to the Central Services Fund, Information Technology, by \$42,000. Appropriate \$13,644 in the General Fund, Information Technology, for the subscription fee for the device licenses.
  - Reduce the revenue by \$42,000 in Central Services Fund, Information Technology, and reduce the appropriation in the same fund by \$36,000 to reflect the change of moving to a subscription-based solution to help track and monitor devices throughout the County.
- C. Transfer \$9,500 from General Fund, Sheriff's Office and recognize the same amount in the Central Services Fund, Sheriff's Office for estimated auction proceeds to retain two vehicles that are due to go to auction.
- D. Transfer \$9,000 from the General Fund, Information Technology, and recognize the same amount in the Central Services Fund, Information Technology for the purchase of a cellular router for the Sheriff's Office command vehicle.
- E. Recognize and appropriate \$9,515 in the General Fund, Sheriff's Office as a transfer from the Grant Fund, Sheriff's Office for the 2020 JAG Grant to be used for the AMVision Streaming Interface.
- F. Transfer \$175,000 from General Fund, Finance to the Capital Expenditure Fund, Information Technology for the SAP Enterprise Reporting Project. These funds were reappropriated from 2019 for the project. This transfer will ensure that the entire capital project is capitalized.
- G. Recognize and appropriate \$150,000 of the CARES Act Funding from the Grant Fund, Administrative Services to the General Fund, Sheriff's Office for the purchase of the shower trailers

- H. Recognize and appropriate \$500,000 of the CARES Act Funding from the Grant Fund, Administrative Services to the Building Maintenance Fund, Facilities and Fleet Management for COVID related building improvement projects.
- I. Transfer \$1,400,000 from the Grant Fund, Administrative Services to the Capital Expenditure Fund, Facilities and Fleet Management for COVID related County facility upgrade projects.
- J. Transfer \$3,100,000 from the Grant Fund, Administrative Services to the Capital Expenditure Fund, Facilities and Fleet Management for the Alternate Care Facility
- K. Transfer \$4,822 from the Road & Bridge Fund, Public Works & Development to be recognized and appropriated in the Central Services Fund, Public Works & Development to cover the additional cost of a water trailer.
- L. Transfers \$42,376 from the Self Insurance Liability Fund, to be recognized in the Central Services Fund, Administration Services for three totaled vehicles. One for the Sheriff's Office, one for Road & Bridge, and one for Facilities and Fleet Management.
- M. Appropriate \$39,201 from the unallocated fund balance in Central Services Fund, Facilities and Fleet Management balance to replace the truck and plow attachment that were totaled due to an accident.
- N. Recognize \$3,000 in the Central Services Fund, Administrative Services from the Open Spaces Sales Tax Fund for the estimated auction proceeds for an air compressor that Facilities and Fleet Management was sending to auction.
- O. Appropriate \$33,000 from unallocated Central Services Fund, Open Space balance to replace an Explorer with a Ford Ranger.
- P. Recognize and appropriate \$6,000 from Open Spaces Sales Tax Fund for the purchase of a plow for the Ford Ranger.
- Q. Appropriate \$45,000 from unallocated Central Services Fund, Open Space balance to replace a truck and plow that are due to be replaced.
- R. Appropriate \$9,999 from unallocated Central Services Fund, Open Space balance to replace a golf cart that has is due to be replaced.

**2020 Budget Amendments: New Revenue/Budget Cleanup**

- S. Recognize and appropriate \$310,000 in the General Fund, Sheriff's Office for school resource officer services received from Cherry Creek Schools.
- T. Recognize and appropriate \$3,499 in the General Fund, Sheriff's Office from a donation for the Back the Blue K9 program.
- U. Recognize and appropriate \$14,530 in the Road & Bridge Fund, Public Works & Development from a reimbursement from the Sheriff's Office for their portion of the winter ice slice material.
- V. Recognize and appropriate \$17,583 in Road & Bridge Fund, Public Works & Development as a reimbursement received for the setup of the barricades at CentrePointe.
- W. Recognize and appropriate \$851,800 in Infrastructure Fund, Public Works & Development for funding for various projects.
  - Dry Creek Ramp \$24,000
  - Iliff Project \$300,000
  - I-70 – Watkins Prosper Contribution \$500,000
  - East Cherry Creek Valley Water & Sanitation \$237,000
- X. Recognize and appropriate \$1,911,125 in the Infrastructure Fund, Public Works & Development for funding for various projects.
  - Quincy/Gun Club \$871,000
  - Potomac Chambers Utility \$7,700
  - Rural Transportation Impact Fees \$296,000
  - Storm Sewer tap fee \$26,500
  - Picadilly Median Project \$49,000
  - I-70/Watkins Airpark \$500,000
  - Quincy E of Picadilly \$160,000

Schedule 1					
Summary of Budget Amendment Requests					
Code	Department	Revenue Amount	Expense Amount	FTEs	Description
<b>2020</b>					
<b>DISCUSSION NEEDED</b>					
<b>General Fund</b>					
A	Sheriff's Office	-	-	-	Transfer \$3,990 from the Sheriff's Office to IT for the operating costs of the field operating software for Investigations on the CAD.
B	Information Technology	-	(28,356)	-	Reduce the transfer from the General Fund to the Central Services by \$42,000 and appropriate \$13,644 in the General Fund, Information Technology to change to a subscription based solution for device licenses. This is net reduction to their operating budget
C	Sheriff's Office	-	-	-	Transfer \$9,500 from the Sheriff's Office to the Central Services Fund. This is the estimated auction value for a Dodge Caravan and a Dodge Journey that they would like to keep
D	Information Technology	-	-	-	Transfer \$9,000 from Information Technology to Central Services for the purchase of a cellular router for the Sheriff's Office command vehicle
E	Sheriff's Office	9,515	9,515	-	Recognize and appropriate \$9,515 in the General Fund, Sheriff's Office as a transfer from Grant Fund, Sheriff's Office for the 2020 JAG Grant to be used for the AMVision Streaming Interface
F	Finance	-	-	-	Transfer \$175,000 from General Fund, Finance to the Capital Expenditure Fund, Information Technology for the SAP Enterprise Reporting Project. These funds were reappropriated from 2019 for the project. This transfer will ensure that the entire capital project is capitalized.
G	Administrative Services	150,000	150,000	-	CARES Act Funding for the shower trailers
	<i>SUBTOTAL General Fund</i>	<i>\$ 159,515</i>	<i>\$ 131,159</i>	<i>-</i>	
<b>Road &amp; Bridge Fund</b>					
J	Public Works & Development	-	-	-	Transfer \$4,822 to Central Services for the additional cost of a water trailer
	<i>SUBTOTAL Road &amp; Bridge Fund</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-</i>	
<b>Building Maintenance Fund</b>					
H	Administrative Services	500,000	500,000	-	CARES Act Funding for the COVID building improvement projects
	<i>SUBTOTAL Building Maintenance Fund</i>	<i>\$ 500,000</i>	<i>\$ 500,000</i>	<i>-</i>	
<b>Capital Expenditure Fund</b>					
F	Finance	175,000	175,000	-	Recognize and appropriate \$175,000 in the Capital Expenditure Fund, Information Technology for the SAP Enterprise Reporting project. This transfer will ensure the full capitalization of the project.
I	Administrative Services	1,400,000	1,400,000	-	Recognize and appropriate CARES Act Funding from the Grant Fund for County facility Upgrades
J	Administrative Services	3,100,000	3,100,000	-	Recognize and appropriate CARES Act Funding from the Grant Fund for the Alternate Care Facility
	<i>SUBTOTAL Capital Improvement Fund</i>	<i>\$ 4,675,000</i>	<i>\$ 4,675,000</i>	<i>-</i>	
<b>Central Services Fund</b>					
B	Information Technology	(42,000)	(36,000)	-	Reduce the transfer from the General Fund to the Central Services by \$36,000 & \$6K for IG Rents in revenue and reduce the appropriation by \$36k as the fixed asset is no longer needed. Changing to a subscription based solution for device licenses.
L	Administration Services	42,376	-	-	Transfer from Self-Insurance Liability Fund for three totaled vehicles; \$7.7k S.O.; \$18.0k R&B; and \$17.8k FFM
M	Facilities & Fleet Management	-	39,201	-	Appropriate from unallocated fund balance to replace truck and plow for FFM that was totaled in an accident
C	Sheriff's Office	9,500	-	-	Transfer \$9,500 from the Sheriff's Office to the Central Services Fund. This is the
D	Information Technology	9,000	9,000	-	Transfer from Information Technology to Central Services for the purchase of a cellular router for the Sheriff's Office command vehicle
K	Public Works & Development	4,822	4,822	-	Transfer from PWD's R&B Fund budget for the additional cost of a water trailer
N	Open Spaces	3,000	-	-	Recognize transfer from the Open Spaces Sales Tax Fund for the estimated auction proceeds for an air compressor that Facilities and Fleet Management was sending to auction.
O	Open Spaces	-	33,000	-	Appropriate from unallocated fund balance to replace a 2013 Ford Explorer with a 2021 Ford Ranger pickup for Open Spaces
P	Open Spaces	6,000	6,000	-	Recognize and appropriate funds from the Open Spaces Sales Tax Fund to replace a 2013 Ford Explorer with a 2021 Ford Ranger pickup for Open Spaces
Q	Open Spaces	-	45,000	-	Appropriate from unallocated fund balance to replace a truck and plow for Open Spaces
R	Open Spaces	-	9,999	-	Appropriate from unallocated fund balance to replace a golf cart for Open Spaces
	<i>SUBTOTAL Central Services Fund</i>	<i>\$ 32,698</i>	<i>\$ 111,022</i>	<i>-</i>	
<b>Open Spaces Sales Tax Fund</b>					
N	Open Spaces	-	-	-	Transfer \$3,000 to Central Services to purchase an FFM air compressor that was going to auction
P	Open Spaces	-	-	-	Transfer \$6,000 to Central Services to purchase a new plow for the Ford Ranger they are requesting.
	<i>SUBTOTAL Open Spaces Sales Tax Fund</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-</i>	



Schedule 1 - continued					
Summary of Budget Amendment Requests					
Code	Department	Revenue Amount	Expense Amount	FTEs	Description
<b>2020</b>					
<b>DISCUSSION NEEDED</b>					
<b>Grant Fund</b>					
E	Sheriff's Office	-	-	-	Transfer \$9,515 to the General Fund for the 2020 JAG Grant for AMVision Streaming Interface
I	Administrative Services	-	-	-	Transfer \$1,400,000 of CARES Act funding to the Capital Expenditure Fund for County facility Upgrades
J	Administrative Services	-	-	-	Transfer \$3,100,000 of CARES Act funding to the Capital Expenditure Fund for the Alternate Care Facility
H	Administrative Services	-	-	-	Transfer \$500,000 of CARES Act funding to the Building Maintenance Fund
G	Administrative Services	-	-	-	Transfer \$150,000 of CARES Act funding to the General Fund for shower trailers
	<i>SUBTOTAL Grant Fund</i>	\$ -	\$ -	-	
<b>Self Insurance Liability Fund</b>					
L	Administration Services	-	42,376	-	Transfer to Central Services Fund for three totaled vehicles; \$7.7k S.O.; \$18.0k R&B; and \$17.8k FFM
	<i>SUBTOTAL Self Insurance Liability Fund</i>	\$ -	\$ 42,376	-	
	<b>TOTAL Discussion Needed</b>	<b>\$ 192,213</b>	<b>\$ 284,557</b>	<b>-</b>	
<b>NEW REVENUE/BUDGET CLEANUP</b>					
<b>General Fund</b>					
S	Sheriff's Office	310,000	310,000	-	Recognize and appropriate school resource officer services received from Cherry Creek Schools.
T	Sheriff's Office	3,499	3,499	-	Recognize and appropriate donation for Back the Blue K9
	<i>SUBTOTAL General Fund</i>	\$ 313,499	\$ 313,499	-	
<b>Road &amp; Bridge Fund</b>					
U	Public Works & Development	14,530	14,530	-	Recognize and appropriate the reimbursement received from the Sheriff's Office for their portion of the winter ice slice material
V	Public Works & Development	17,583	17,583	-	Recognize and appropriate funding received as a reimbursement for the setup of the barricades at CentrePointe.
	<i>SUBTOTAL Road &amp; Bridge Fund</i>	\$ 32,113	\$ 32,113	-	
<b>Infrastructure Fund</b>					
W	Public Works & Development	851,800	851,800	-	Recognize and appropriate funding for Dry Creek Ramp (\$24k), Iliff (\$300k), I-70 - Watkins (\$500k), ECCV Water & Sanitation (\$27.8k)
X	Public Works & Development	1,911,125	1,911,125	-	Recognize and appropriate funding for Quincy Gun Club (\$871k), Potomac Chambers Utility (\$7.7k), Rural Trans. Impact Fees (\$296k), Storm Sewer tap fee (\$26.5k), Picadilly Median (\$49k), I-70/Watkins Airpark (\$500k), Quincy E of Picadilly (\$160k)
	<i>SUBTOTAL Infrastructure Fund</i>	\$ 2,762,925	\$ 2,762,925	\$ -	
	<b>TOTAL New Revenue/Budget Cleanup</b>	<b>\$ 3,108,537</b>	<b>\$ 3,108,537</b>	<b>-</b>	

## Schedule 2

(Dollars in Millions)	General Fund Projection								
	Actual	Adopted	Amend.	Project.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Revenue</b>									
Taxes	123.4	125.2	125.2	125.0	128.2	133.0	137.2	141.9	146.4
Licenses & Permits	7.0	6.3	6.3	6.3	6.5	6.6	6.7	6.8	7.0
Intergovernmental	32.0	32.5	32.9	33.7	33.0	33.6	34.2	34.8	35.4
Charges for Services	24.5	24.3	24.7	26.4	24.8	26.0	25.9	27.0	26.5
Fines & Forfeits	0.4	0.6	0.7	0.3	0.4	0.4	0.4	0.4	0.4
Investment Earnings & Contrib.	9.0	4.0	4.0	5.1	4.0	4.0	4.0	4.0	4.0
Interfund Revenues & Rent	4.3	4.5	4.5	3.8	3.4	2.8	2.8	2.8	2.8
Transfers In	0.3	-	0.3	0.3	-	-	-	-	-
Other Financing Sources	4.0	3.6	3.6	3.5	4.1	4.1	4.1	4.1	4.1
<b>Total Revenue</b>	<b>204.9</b>	<b>201.1</b>	<b>202.2</b>	<b>204.5</b>	<b>204.4</b>	<b>210.5</b>	<b>215.4</b>	<b>222.0</b>	<b>226.7</b>
<b>Expenditures</b>									
Salaries	96.7	100.5	100.8	100.5	103.0	106.5	110.2	114.0	118.0
Employee Benefits	26.5	29.9	30.0	28.4	30.4	31.7	33.2	34.9	36.7
Supplies	6.7	7.1	7.9	6.0	6.3	6.5	6.3	6.9	6.4
Services & Other	47.8	54.0	55.7	50.9	52.1	53.5	52.5	54.2	52.8
Community Programs	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Capital Outlay	0.5	0.0	0.4	0.6	0.0	0.0	0.0	0.0	0.0
Central Services	2.7	3.5	3.5	3.4	4.1	4.1	4.2	4.3	4.3
Transfers Out	15.7	14.5	14.7	14.7	14.0	4.5	4.5	4.5	4.5
Other Uses/Miscellaneous	-	-	-	0.2	-	-	-	-	-
<b>Total Expenditures</b>	<b>197.1</b>	<b>209.9</b>	<b>213.4</b>	<b>205.1</b>	<b>210.3</b>	<b>207.1</b>	<b>211.4</b>	<b>219.2</b>	<b>223.1</b>
<b>Net of Revenue/Expenditures</b>	<b>7.8</b>	<b>(8.9)</b>	<b>(11.2)</b>	<b>(0.6)</b>	<b>(5.9)</b>	<b>3.4</b>	<b>4.0</b>	<b>2.8</b>	<b>3.6</b>
<b>Adjustments to Revenue</b>	-	-	-	-	-	-	-	-	-
<b>Adjustments to Expenditures</b>									
Budget Packages/Supplementals	-	-	-	(0.0)	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
TABOR Refund	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total Adjustments to Expenditures</b>	-	-	-	<b>(0.0)</b>	-	-	-	-	-
<b>Total Net Revenue/Expenditures</b>	<b>7.8</b>	<b>(8.9)</b>	<b>(11.2)</b>	<b>(0.5)</b>	<b>(5.9)</b>	<b>3.4</b>	<b>4.0</b>	<b>2.8</b>	<b>3.6</b>
<b>Cumulative Balance</b>									
<b>Beginning Funds Available</b>	<b>60.1</b>	<b>68.0</b>	<b>68.0</b>	<b>68.0</b>	<b>67.4</b>	<b>61.5</b>	<b>64.9</b>	<b>68.9</b>	<b>71.7</b>
Change in Fund Balance	7.8	(8.9)	(11.2)	(0.5)	(5.9)	3.4	4.0	2.8	3.6
<b>Ending Funds Available</b>	<b>68.0</b>	<b>59.1</b>	<b>56.8</b>	<b>67.4</b>	<b>61.5</b>	<b>64.9</b>	<b>68.9</b>	<b>71.7</b>	<b>75.4</b>
<b>Board Designated Reserve</b>	<b>20.6</b>	<b>21.9</b>	<b>21.9</b>	<b>21.9</b>	<b>21.9</b>	<b>22.8</b>	<b>23.3</b>	<b>24.1</b>	<b>24.5</b>

## Schedule 3

Capital Expenditure Fund Projection									
(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Revenue</b>									
Taxes	5.0	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings & Contrib.	-	-	-	-	-	-	-	-	-
Interfund Revenues & Rent	-	-	-	-	-	-	-	-	-
Transfers In	6.2	5.5	5.5	5.5	5.2	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>11.2</b>	<b>10.4</b>	<b>10.4</b>	<b>10.4</b>	<b>10.0</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>
<b>Expenditures</b>									
Salaries	-	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-	-
Supplies	-	-	0.9	0.1	-	-	-	-	-
Services & Other	0.7	0.1	0.6	0.6	0.1	0.1	0.1	0.1	0.1
Community Programs	-	-	-	-	-	-	-	-	-
Capital Outlay	7.4	4.8	10.4	7.4	3.5	9.8	8.6	2.3	5.1
Central Services	-	-	-	-	-	-	-	-	-
Transfers Out	5.0	5.5	5.5	5.5	6.5	7.9	8.6	16.1	7.0
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>13.1</b>	<b>10.4</b>	<b>17.4</b>	<b>13.7</b>	<b>10.0</b>	<b>17.8</b>	<b>17.2</b>	<b>18.5</b>	<b>12.2</b>
<b>Net of Revenue/Expenditures</b>	<b>(1.9)</b>	<b>0.0</b>	<b>(7.0)</b>	<b>(3.3)</b>	<b>-</b>	<b>(12.9)</b>	<b>(12.4)</b>	<b>(13.6)</b>	<b>(7.3)</b>
<b>Adjustments to Revenue</b>	-	-	-	4.7	-	-	-	-	-
<b>Adjustments to Expenditures</b>	-	-	-	4.7	-	-	-	-	-
Budget Packages/Supplementals	-	-	-	4.7	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
Capital Funding Gap	-	-	-	-	-	(12.9)	(12.4)	(13.6)	(7.3)
<b>Total Adjustments to Expenditures</b>	-	-	-	<b>4.7</b>	-	<b>(12.9)</b>	<b>(12.4)</b>	<b>(13.6)</b>	<b>(7.3)</b>
<b>Total Net Revenue/Expenditures</b>	<b>(1.9)</b>	<b>0.0</b>	<b>(7.0)</b>	<b>(3.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative Balance</b>									
<b>Beginning Funds Available</b>	<b>9.1</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>
Change in Fund Balance	(1.9)	0.0	(7.0)	(3.3)	-	-	-	-	-
<b>Ending Funds Available</b>	<b>7.2</b>	<b>7.2</b>	<b>0.2</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>
Restrict/Commit/Assigned	-	-	-	-	-	-	-	-	-
<b>Funds Available for Appropriation</b>	<b>7.2</b>	<b>7.2</b>	<b>0.2</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>

Schedule 4									
Social Services Fund Projection									
(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Revenue</b>									
Taxes	14.1	15.1	15.1	15.1	15.5	16.2	16.8	17.4	18.0
Licenses & Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	49.0	55.2	55.2	50.4	51.0	51.3	53.4	55.0	56.6
Charges for Services	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings & Contrib.	-	-	-	-	-	-	-	-	-
Interfund Revenues & Rent	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Other Financing Sources	0.8	0.9	0.9	1.4	0.6	0.6	0.6	0.6	0.6
<b>Total Revenue</b>	<b>63.9</b>	<b>71.2</b>	<b>71.2</b>	<b>67.0</b>	<b>67.2</b>	<b>68.2</b>	<b>70.9</b>	<b>73.0</b>	<b>75.3</b>
<b>Expenditures</b>									
Salaries	31.7	35.8	35.8	35.4	36.2	37.5	38.8	40.1	41.6
Employee Benefits	9.2	11.2	11.2	10.5	11.2	11.7	12.3	12.9	13.6
Supplies	0.4	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3
Services & Other	3.7	3.9	4.0	3.4	4.0	4.0	4.0	4.0	4.0
Community Programs	13.4	16.5	16.5	13.5	16.6	16.7	17.0	17.3	17.6
Capital Outlay	2.6	3.4	3.6	3.6	-	-	-	-	-
Central Services	1.5	1.4	1.4	1.4	0.8	0.2	0.2	0.2	0.2
Transfers Out	1.5	0.1	0.1	0.0	0.1	-	-	-	-
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>64.0</b>	<b>72.7</b>	<b>72.9</b>	<b>68.1</b>	<b>69.2</b>	<b>70.4</b>	<b>72.5</b>	<b>74.9</b>	<b>77.3</b>
<b>Net of Revenue/Expenditures</b>	<b>(0.1)</b>	<b>(1.4)</b>	<b>(1.7)</b>	<b>(1.2)</b>	<b>(2.0)</b>	<b>(2.2)</b>	<b>(1.7)</b>	<b>(1.9)</b>	<b>(2.0)</b>
<b>Adjustments to Revenue</b>	-	-	-	-	-	-	-	-	-
<b>Adjustments to Expenditures</b>									
Budget Packages/Supplementals	-	-	-	-	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total Adjustments to Expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Total Net Revenue/Expenditures</b>	<b>1.9</b>	<b>(1.4)</b>	<b>(1.7)</b>	<b>(1.2)</b>	<b>(2.0)</b>	<b>(2.2)</b>	<b>(1.7)</b>	<b>(1.9)</b>	<b>(2.0)</b>
<b>Cumulative Balance</b>									
<b>Beginning Funds Available</b>	<b>9.9</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>10.6</b>	<b>8.6</b>	<b>6.4</b>	<b>4.7</b>	<b>2.8</b>
Change in Fund Balance	1.9	(1.4)	(1.7)	(1.2)	(2.0)	(2.2)	(1.7)	(1.9)	(2.0)
<b>Ending Funds Available</b>	<b>11.7</b>	<b>10.3</b>	<b>10.1</b>	<b>10.6</b>	<b>8.6</b>	<b>6.4</b>	<b>4.7</b>	<b>2.8</b>	<b>0.8</b>
Restrict/Commit/Assigned	(2.1)	(2.4)	(2.4)	(2.4)	(2.1)	(2.3)	(2.4)	(2.5)	(2.6)
<b>Funds Available for Appropriation</b>	<b>9.6</b>	<b>7.9</b>	<b>7.6</b>	<b>8.1</b>	<b>6.5</b>	<b>4.0</b>	<b>2.3</b>	<b>0.3</b>	<b>(1.8)</b>

## Schedule 5

Arapahoe Law Enforcement Authority Fund									
(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Revenue</b>									
Taxes	7.2	8.6	8.6	8.7	8.6	8.2	8.2	8.1	8.2
Licenses & Permits	-	-	-	(0.0)	-	-	-	-	-
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	0.1	0.2
Fines & Forfeits	0.4	0.4	0.4	0.2	0.3	0.3	0.3	0.3	0.3
Investment Earnings & Contrib.	0.1	0.1	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	-	-	-	-	-
<b>Total Revenue</b>	<b>8.0</b>	<b>9.3</b>	<b>9.3</b>	<b>9.2</b>	<b>9.2</b>	<b>8.8</b>	<b>8.8</b>	<b>8.7</b>	<b>8.8</b>
<b>Expenditures</b>									
Salaries	5.3	5.8	5.8	5.7	6.0	6.2	6.4	6.6	6.8
Employee Benefits	1.7	1.8	1.8	1.7	1.9	1.9	2.0	2.1	2.2
Supplies	0.2	0.4	0.4	0.3	0.4	0.3	0.3	0.3	0.4
Services & Other	0.7	0.6	0.6	0.5	0.5	0.3	0.3	0.5	0.3
Community Programs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Central Services	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7
Transfers Out	1.1	0.1	0.1	0.1	0.0	-	-	-	-
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>9.7</b>	<b>9.5</b>	<b>9.5</b>	<b>9.1</b>	<b>9.5</b>	<b>9.4</b>	<b>9.8</b>	<b>10.2</b>	<b>10.4</b>
<b>Net of Revenue/Expenditures</b>	<b>(1.8)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>0.1</b>	<b>(0.3)</b>	<b>(0.7)</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>(1.7)</b>
<b>Adjustments to Revenues</b>	-	-	-	-	-	-	-	-	-
<b>Adjustments to Expenditures</b>									
Budget Packages/Supplementals	-	-	-	-	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total Adjustments to Expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Total Net Revenue/Expenditures</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>0.1</b>	<b>(0.3)</b>	<b>(0.7)</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>(1.7)</b>
<b>Cumulative Balance</b>									
<b>Beginning Funds Available</b>	<b>7.5</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.3</b>	<b>7.0</b>	<b>6.3</b>	<b>5.4</b>	<b>3.8</b>
Change in Fund Balance	(0.3)	(0.2)	(0.2)	0.1	(0.3)	(0.7)	(0.9)	(1.5)	(1.7)
<b>Ending Funds Available</b>	<b>7.2</b>	<b>7.0</b>	<b>7.0</b>	<b>7.3</b>	<b>7.0</b>	<b>6.3</b>	<b>5.4</b>	<b>3.8</b>	<b>2.2</b>
Policy Reserve	(1.4)	(1.6)	(1.6)	(1.5)	(1.6)	(1.6)	(1.6)	(1.7)	(1.7)
<b>Funds Available for Appropriation</b>	<b>5.8</b>	<b>5.4</b>	<b>5.4</b>	<b>5.8</b>	<b>5.4</b>	<b>4.7</b>	<b>3.7</b>	<b>2.1</b>	<b>0.4</b>

## Schedule 6

## Road &amp; Bridge Fund

(Dollars in Millions)	Actual	Adopted	Amend.	Project.	Recomm.	Forecast			
	2019	2020	2020	2020	2021	2022	2023	2024	2025
<b>Revenue</b>									
Taxes	6.3	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.3
Licenses & Permits	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.4	0.4
Intergovernmental	10.9	9.2	9.2	8.3	8.7	8.9	9.1	9.1	9.1
Charges for Services	-	-	-	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-	-	-	-
Investment Earnings & Contrib.	-	-	-	-	-	-	-	-	-
Interfund Revenues & Rent	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Other Financing Sources	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1
<b>Total Revenue</b>	<b>17.6</b>	<b>15.7</b>	<b>15.7</b>	<b>14.9</b>	<b>15.2</b>	<b>15.5</b>	<b>15.7</b>	<b>15.8</b>	<b>15.8</b>
<b>Expenditures</b>									
Salaries	3.0	3.4	3.4	2.9	3.4	3.5	3.7	3.8	3.9
Employee Benefits	1.0	1.2	1.2	1.0	1.2	1.2	1.2	1.3	1.4
Supplies	2.4	3.2	3.3	3.1	3.2	3.2	3.2	3.2	3.2
Services & Other	6.9	5.9	6.4	5.7	5.2	5.2	5.2	5.2	5.2
Community Programs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Central Services	2.7	2.9	2.9	2.7	2.9	2.9	2.9	2.9	2.9
Transfers Out	0.5	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0
Other Uses/Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>16.4</b>	<b>17.3</b>	<b>17.8</b>	<b>16.3</b>	<b>15.9</b>	<b>16.0</b>	<b>16.2</b>	<b>16.4</b>	<b>16.6</b>
<b>Net of Revenue/Expenditures</b>	<b>1.1</b>	<b>(1.5)</b>	<b>(2.1)</b>	<b>(1.4)</b>	<b>(0.6)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.6)</b>	<b>(0.8)</b>
<b>Adjustments to Revenue</b>	-	-	-	-	-	-	-	-	-
<b>Adjustments to Expenditures</b>									
Budget Packages/Supplementals	-	-	-	-	-	-	-	-	-
Reappropriations	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total Adjustments to Expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Total Net Revenue/Expenditures</b>	<b>1.1</b>	<b>(1.5)</b>	<b>(2.1)</b>	<b>(1.4)</b>	<b>(0.6)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.6)</b>	<b>(0.8)</b>
<b>Cumulative Balance</b>									
<b>Beginning Funds Available</b>	<b>4.2</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>3.9</b>	<b>3.3</b>	<b>2.7</b>	<b>2.3</b>	<b>1.6</b>
Change in Fund Balance	1.1	(1.5)	(2.1)	(1.4)	(0.6)	(0.5)	(0.5)	(0.6)	(0.8)
<b>Ending Funds Available</b>	<b>5.3</b>	<b>3.8</b>	<b>3.2</b>	<b>3.9</b>	<b>3.3</b>	<b>2.7</b>	<b>2.3</b>	<b>1.6</b>	<b>0.9</b>
Restrict/Commit/Assigned	(2.7)	(2.9)	(3.0)	(2.7)	(2.6)	(2.7)	(2.7)	(2.7)	(2.8)
<b>Funds Available for Appropriation</b>	<b>2.5</b>	<b>0.9</b>	<b>0.2</b>	<b>1.2</b>	<b>0.6</b>	<b>0.1</b>	<b>(0.4)</b>	<b>(1.1)</b>	<b>(1.9)</b>