

Budget Message



January 30, 2015

County Administration
108 8th Street
Glenwood Springs, Colorado 81601

Dear Commissioners and Citizens of Garfield County,

We are pleased to present the 2015 Adopted Budget for Garfield County. This budget is the result of a six-month process that included internal review meetings, workshops, and public hearings, all involving our Elected Officials, Department Heads, and you, the Board. Adopted on December 1, 2014, in conformity with the Local Government Budget Law of Colorado, the budget complies with generally accepted accounting principles and all relevant statutes.

The budget is a financial plan allocating resources strategically to reflect your policy directives and those of the Elected Officials of Garfield County, within the constraints of available resources. The plan provides adequate funding to continue current levels of operations with a focus on effective and efficient management, enhancement of services, and maintenance and replacement of capital assets, as needed.

Background

Garfield County's economy continued to show signs of improvement in 2014. This trend is expected to continue in 2015 at a stronger pace than has been experienced in recent years. With upturns in the housing and job markets, incomes are expected to rise, and retail, tourism, and related sales tax revenues will continue to increase. Property tax revenues will also increase in 2015 due to a rise in the price of natural gas in 2013, the year in which assessments are made for 2015 revenues. Recent industry reports suggest, however, that production in the Piceance Basin is contracting, which could have a major impact on revenues in future budget years. We counsel prudence and restraint regarding multiyear capital projects because a sustained reduction in natural gas production could put a significant strain on the county's reserves.

Area foreclosure filings peaked in 2011 at 701 and dropped in 2012 for the first time since 2007 with a decrease of 23 percent. In 2014 foreclosures continued their rapid decline to 150. A similar number of foreclosures is estimated in 2015.

The County continues to experience high demand for many of its services, especially Human Services and Road and Bridge projects. With careful and prudent management and efficient use of funds, the County will continue to provide quality services and maintain operating expenditures in 2015. Excess operating revenues will be invested in key capital projects. The Board's policy called for the adoption of a balanced budget for all operations and total fund balances remain at or around \$100 million. This budget meets both goals.

Priorities for 2015 include maintaining operating costs while providing a high level of service, an increase in investment in many County facilities, development and implementation of a number of operational plans, and Road and Bridge maintenance and new construction.

Budget Summary

The 2015 budget estimates \$106,916,119 in revenues and appropriates \$127,900,300 in expenditures. The difference is taken from fund balances and will be used for Road and Bridge projects and infrastructure improvements, many of which are carried forward from 2014. The operating budget has excess revenues of more than \$7 million and is, therefore, balanced.

The County’s operating expenditures are budgeted at \$89,608,296, similar to 2014, though a decrease of approximately 2% from the 2013 amended budget and 9% from the 2012 amended budget. Operating efficiencies and prudent cost reductions produced this result.

Capital expenditures are budgeted at \$26,516,687 and include capital in support of operations and replacement capital. Significant capital expenditures include facilities improvements in the Garfield County Courthouse in Glenwood Springs, multiple upgrades at the County fairgrounds, airport taxiway design and construction and, trail construction in South Canyon. More than 47% of capital expenditures are budgeted for road and bridge projects such as CR306/Spring Creek, CR300/Una Bridge, CR137/Canyon Creek Bridge, Cattle Creek/SH82 road intersection improvements and CR300 and CR311 bridges over the Colorado River.

Discretionary expenditures total \$4,643,902 and include the funding of an air monitoring study in collaboration with Colorado State University, grants to municipalities for specific infrastructure improvements and to CDOT for the Grand Avenue Bridge in Glenwood Springs.

The total personnel budget increases 5% from 2014 and includes an increase of six positions, a 9% increase in health insurance costs, and a performance based pay increase of 3 percent which will be reviewed and approved separately by the BOCC in March of 2015. The total budgeted headcount for 2015 is 496, the increase of six full-time employees occurring in the Human Services Department. These positions will be federally funded.

Conclusion

Overall the 2015 budget and the policy-driven strategic plan enable Garfield County to continue to provide high levels of service to its citizens, invest in prudent capital improvements, and support municipalities with key infrastructure projects, while maintaining a strong financial position.

We thank the Board of County Commissioners, the Elected Officials, and all employees of Garfield County for their efforts and cooperation in adoption of this budget

Sincerely,



Andrew Gorgey
County Manager



Ann Driggers
Finance Director