

Budget Message



January 28, 2016

County Administration
108 8th Street
Glenwood Springs, Colorado 81601

Dear Commissioners and Citizens of Garfield County,

We are pleased to present the 2016 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 November 16, 2015, 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 2015 in all sectors except the energy industry. This trend is expected to continue in 2016 with growth in the housing and job markets, rising incomes, and increasing retail, tourism, and related sales tax revenues. Property tax revenues will also increase in 2016 due to a rise in the price of natural gas in 2014, the year in which assessments are made for 2016 revenues. However, during 2015 natural gas production in the Piceance Basin contracted significantly, which is expected to 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.

The County continues to experience strong 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 2016. Excess operating revenues will be invested in key capital projects. The Board's policy called for the adoption of a balanced operating budget and total fund balances above \$100 million. This budget meets both goals.

Priorities for 2016 include maintaining operating costs while providing a high level of service, completion of the Rifle Administration Building, improvements in County facilities, expansion of senior programs, the development of the fairgrounds as a year round event center and, Road and Bridge maintenance and new construction.

Budget Summary

The 2016 budget estimates \$105,146,036 in revenues and appropriates \$107,032,829 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 2015. The operating budget has excess revenues of more than \$9 million and is, therefore, balanced. Total expenditures have decreased 17% from 2015, the difference due to a reduction in capital projects.

The County's operating expenditures are budgeted at \$90,602,151, a 1% increase from 2015, though following decreases of approximately 2% in 2014 and 9% in 2013. Operating efficiencies and prudent cost reductions produced this result.

Capital expenditures are budgeted at \$9,012,753 and include capital in support of operations and replacement capital. Significant capital expenditures include the purchase of the old Glenwood Springs library for use as a senior center, remodel of the motor pool shop, completion of upgrades at the County fairgrounds, and countywide facilities improvements. Road and bridge projects include construction of acceleration and deceleration lanes at the CR113/SH82 intersection, bridge protection on CR's 108, 300 and 311 and replacement of the CR137/Canyon Creek Bridge.

Discretionary expenditures total \$4,029,925 and include the completion of an air monitoring study in collaboration with Colorado State University, grants to various non-profit organizations and municipalities and to CDOT for the Grand Avenue Bridge in Glenwood Springs.

The total personnel budget increases 7% from 2015 and includes an additional five positions, a 5% increase in health insurance costs, and a performance based pay increase of 2.95% and an equity adjustment for certain positions. The total budgeted headcount for 2016 is 512, the increase of five full-time employees occurring in the Human Services Department. These positions will be partially federally funded.

Conclusion

Overall the 2016 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,



Kevin Batchelder
County Manager



Ann Driggers
Finance Director