



# Arapahoe County

5334 South Prince Street  
Littleton, CO 80120  
303-795-4630  
Relay Colorado 711

## Board Summary Report

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**File #:** 23-666

**Agenda Date:** 11/20/2023

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**To:** Board of County Commissioners

**Through:** Todd Weaver, Director, Finance

**Prepared By:**

Jessica Savko, Budget Division Manager, Finance

**Presenter:** Jessica Savko, Budget Division Manager & Leanna Quint, Senior Budget Analyst, Finance

**Subject:**

1:15 PM \*2023 Third Quarter Budget Review & 2024 Recommended Budget Review

**Purpose and Request:**

The purpose of this study session is two-fold. First, this study session is to update the Board of County Commissioners (BOCC) on the status of the 2023 budget as of the third quarter, 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 12, 2023. This study session is also to update the Board of County Commissioners on the current status of the 2024 budget and any changes that have been made to the budget since it was recommended and submitted to the Board on October 10, 2023, prior to consideration for adoption also on December 12, 2023.

**Background and Discussion:**

**Review of the 2024 Budget**

The 2024 recommended budget was presented to the BOCC on October 10, 2023, followed by the recommendations of the Executive Budget Committee (EBC) on October 17, 2023. At that time, the General Fund operating budget was balanced with about a \$285,000 remainder in the General Fund operating budget and included a number of recommendations for the BOCC to consider. In preparing the budget for adoption, 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 2024 has been updated.

The study session will review these updates and their impact on the 2024 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 12, 2023, 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.

### 3rd Quarter Budget Review

The information below contains 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, 2023. The first section of the supplemental request materials identifies supplemental appropriation requests that require a Board discussion and decision to move forward to amend the 2023 budget. The second section shows supplemental appropriation requests that have a neutral impact on the 2023 budget from an expenditure standpoint and generally involve grant funds or additional revenue.

The 2023 budget was balanced and adopted on December 6, 2022. Since that date, supplemental appropriations, transfers, and reappropriations have been added to the original adopted 2023 budget. This amended budget is the basis for department and elected office projections and supplemental appropriation requests. During the second quarter of 2023, some departments and offices have identified areas or issues requiring modifications to their budgets and have submitted these needs as supplemental requests. For the 3<sup>rd</sup> Quarter of 2023, 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 EBC will meet to discuss these requests prior to the study session on November 20, 2023. 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 2023 budget year. These projections help to provide a look at where the County may be financially by the end of fiscal year 2023, and in future budget years based on certain assumptions and consideration. 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.

**Fiscal Impact:** The fiscal impact of this study session will be the sum of the proposed supplemental appropriation requests included in the staff report and the current budget recommendations that the Board agrees or disagrees with when the budgets are adopted by the Board of County Commissioners at the public hearing on December 12, 2023.

**Alternatives:** The BOCC may choose to approve or not approve any number of the supplemental requests to move forward for consideration at the public hearing. In addition, the BOCC may make any requests for changes to the 2024 budget.

### Alignment with Strategic Plan:

- ☒ Be fiscally sustainable
- ☐ Provide essential and mandated service
- ☐ Be community focused

**Staff Recommendation:** N/A

**Concurrence:** The Executive Budget Committee will meet to make recommendations for BOCC consideration.