

Staff Report

Date: February 25, 2025

To: Board of County Commissioners

Through: Todd Weaver, Finance Director

From: Jessica Savko, Budget Manager & Lisa Stairs, Senior Budget Analyst

Subject: 2025 Reappropriation of 2024 Budget

Background

Reappropriation is the process of reauthorizing spending for funds that were appropriated for the prior year and remain unspent, so that the department or elected office may expend the funds during the current fiscal year. The reappropriation process is limited to certain types of appropriations and funds, as well as to specific circumstances. The County's reappropriation policy specifies that reappropriated funds may be spent only for the original purpose. It also limits the total reappropriation amount for any department, elected office, or any one fund to no greater than the amount of the actual unspent appropriation during the prior fiscal year and/or the available unreserved fund balance.

Certain funds have their entire fund balance reappropriated for the following fiscal year, pursuant to Board policies. Since the year-end fund balance is unknown at the time that the annual budget is adopted, the available fund balance is appropriated during the County's reappropriation process, when the Finance Department has more information about the remaining year-end balances for each fund.

The most common types of reappropriations are:

- **Funds Encumbered for Purchase Orders:** Funds that were encumbered by a purchase order during the prior year and remain unspent may be reappropriated for the same purchase order during the following fiscal year for the original purpose.
- **Capital Projects:** The unspent balance of prior year appropriations for ongoing capital projects.
- **Grants:** The unspent balance of prior year appropriations for grants that do not also include deferred revenues. Grants with deferred revenue will be brought forward at the 1st Quarter Budget Review.
- **Fund Balance:** Certain funds are eligible to have a portion, or all, of its available fund balance reappropriated for the following fiscal year, when appropriate.

- **Fixed Assets:** Funds appropriated for the purchase of fixed assets during the prior year, that have not been purchased or received, may be reappropriated for the same fixed asset, depending upon review and discussions with the Finance Department.

The Finance Department recommends reappropriating the available fund balance for the following funds:

- Arapahoe County Fair Fund
- Cash-in-Lieu Fund
- Communication Network System Replacement Fund
- Conservation Trust Fund
- Electronic Filing Technology Fund
- Forfeited Property Fund
- Open Space Sales and Use Tax Fund
- Sheriff's Commissary Fund
- The capital construction portion of the Arapahoe County Recreation District Fund
- The capital construction portion of the Arapahoe County Water and Wastewater PID
- The capital construction portion of the Infrastructure Fund

Discussion

Please refer to the following 2025 Reappropriation Summary for detailed information regarding the recommended amounts to be reappropriated from the 2024 fiscal year. The total requested reappropriation amount for all the County's funds in 2025 is \$119.2 million, which is a decrease of \$22.8 million from the 2024 amount of \$142.0 million.

The Finance Department collaborated with all the County's departments and elected offices to identify purchase orders, remaining funds for ongoing projects, and fund balances that are eligible to be reappropriated in 2025. The 2025 Reappropriation Summary below provides an overview of the recommended General Fund amounts for each department and elected office, as well as the recommended reappropriation amounts for all other County funds. It also includes supplementary information about the recommendations for other items such as capital improvement projects. As referenced earlier, a detailed schedule of the individual requests is attached to this document and indicates which requests were submitted by departments/elected offices and which of those were not recommended by Finance staff to be included in this year's amount.

2025 Reappropriation Summary

General Fund Reappropriations for 2025

The requested 2025 General Fund reappropriation of \$3,296,115 represents a \$10,048 increase from the \$3,286,067 reappropriated in 2024. Eleven departments and elected offices are requesting reappropriations of their unspent budget. Administrative Services Department seeks \$568,106 for the remaining Stadium District Youth funds, Records Management System, and Village Exchange center housing. The Clerk & Recorder's Office requests \$42,379 for the call center remodel purchase orders as well as an asset number for the project. The County Attorney's Office is asking that \$16,846 be reappropriated to continue two open litigation cases. Public Works & Development Department requests \$1,029,643 for the utility location services contract, water study, Iliff Operational

Improvements, Arapahoe Buckly ADA access ramp plan, Traffic Operation Policy, Tempe Roundabout design, and the Fiber Master Plan projects. Also included is \$295,000 of unspent 2024 budget for two specific projects: \$155,000 for the Accela Cloud Migration project (which already has \$180,000 spent or encumbered) and \$140,000 for Lima Plaza offices security enhancements. Open Spaces requests \$137,791 for CSU Program Supplies. The Finance Department seeks \$126,930 for SAP support, grant compliance services and cost allocation plan updates. Information Technology Department requests \$541,657 for outstanding subscription and maintenance agreement invoices, including \$245,500 for the Fiber Connectivity project. The Sheriff's Office requests \$742,795 for capital assets and outstanding 2024 service invoices, including \$361,384 for Booking Fees and \$122,840 for the RISE Program.

General Fund Reappropriation Requests

Elected Office or Department	2024	2025	Variance
Administrative Services	\$ 908,177	\$ 568,106	\$ (340,071)
Clerk & Recorder's Office	27,640	42,379	14,739
Commissioners' Office	21,875	-	(21,875)
Coroner's Office	6,828	4,739	(2,089)
County Attorney	66,648	16,846	(49,802)
District Attorney	24,095	-	(24,095)
Facilities & Fleet Management	954	1,211	257
Finance	55,680	126,930	71,250
Human Resources	55,891	84,018	28,127
Information Technology	822,389	541,657	(280,732)
Open Spaces	110,057	137,791	27,734
Public Works & Development	929,118	1,029,643	100,525
Sheriff's Office	256,715	742,795	486,080
General Fund Total	\$ 3,286,067	\$ 3,296,115	\$ 10,048

A complete list of the reappropriations requested by department and elected office are attached to this report.

Non-General Fund Reappropriations for 2025

The 2025 requested reappropriations for all funds, other than the General Fund, is \$115,856,949, which is a decrease of \$22,814,980 from the 2024 amount. The bulk of that difference is attributable to the Capital Expenditure Fund, the net decrease over 2024 of \$19.7 million is mostly due to the draw down from the Detention Medical Expansion budget.

Significant changes in the 2025 Reappropriation compared to 2024:

- The Social Services Fund has requests totaling \$1.3 million to be reappropriated from 2024 to 2025 primarily for the Parenting Time Space Expansion and the H.S. Connects projects. This is a reduction of \$1.1 million from the prior year as the expansion project is nearing completion.
- The Cash in Lieu Fund has a remaining fund balance of \$848,358 to be reappropriated. This is a reduction of \$1.1 million from 2024 with the use of funds for the demolition work at Sand Lily Park.

- The Capital Expenditure Fund has requests totaling \$24.5 million to be reappropriated to 2025 for the continuation and completion of adopted projects. The Detention Medical Expansion project has a remaining balance of \$13.3 million, \$2.5 million for the Computer Assisted Mass Appraisal & Tax System, the CentrePoint Roof Replacement project has \$1.2 million, and the cooling tower replacement project for the Admin I Building with \$1.5 million make up the majority of the reappropriation amount.
- The Infrastructure Fund has requests totaling \$25.6 million to be reappropriated to 2025, a decrease of \$804,376 from the prior year, and includes items such as \$4.8 million for unallocated project funds, \$4.2 million for the Yale & Holly Intersection, and \$1.3 million for the Iliff Avenue project.
- The Central Services Fund has requests totaling \$5.1 million to be reappropriated for 2025, a decrease of \$1.1 million when compared to 2024. Included in this total are \$2.1 million for the Sheriff's Office assets, \$1.8 million for Public Works & Development assets, and \$640,530 in assets for the Information Technology Department.

Reappropriation Requests for Other Funds

Fund	2024	2025	Variance
Social Services	2,442,759	1,333,933	(1,108,826)
Electronic Filing Technology Fund*	7,188	-	(7,188)
Cash in Lieu Fund*	1,944,400	848,358	(1,096,042)
Arap Law Enforcement Authority Dist Fund	-	3,659	3,659
Road and Bridge Fund	89,535	551,996	462,461
Conservation Trust Fund*	2,796,443	3,227,878	431,435
Communication Network Replacement Fund*	294,105	96,833	(197,272)
Sheriff's Commissary Fund*	2,064,193	2,754,684	690,491
Forfeited Property Fund*	75,345	183,674	108,329
Open Space Sales and Use Tax Fund*	51,784,576	51,105,708	(678,868)
Building Maintenance Fund	230,546	526,899	296,353
Arapahoe County Fair Fund*	75,256	23,114	(52,142)
Capital Expenditure Fund	44,180,281	24,452,717	(19,727,564)
Infrastructure Fund	26,442,963	25,638,586	(804,377)
Central Services Fund	6,244,339	5,108,910	(1,135,429)
Other Funds Total	\$ 138,671,929	\$ 115,856,949	\$ (22,814,980)

* Entire fund balance to be reappropriated

Capital Expenditure Fund

Capital projects have the unspent balance of the budget reappropriated to allow for completion of the project. For 2025, there is a combined total of \$24,452,717, a decrease of \$19.7 million from 2024 due mostly to the progress made during the year on the Detention Medical Expansion project. This project has a remaining balance of \$13.3 million to be reappropriated. There is \$2.5 million for the computer assisted mass appraisal & tax system, \$1.5 million for the cooling tower at the Administration building, \$1.2 million for replacing the roof at CentrePoint, and \$1.1 million for an additional courtroom. These are just a few of the larger projects. The table below shows the entire list of projects to be reappropriated.

Capital Expenditure Fund Reappropriation Requests

Project	Amount
Accela Zoning Workflow	52,975
ACJC CH 1 Inmate Elevators Mech. Upgrade	338,000
Additional Court Room	1,078,122
Admin I Cooling Tower	1,519,992
Admin I Elevators Mechanical Upgrades	84,487
Altura Plaza Elevator Mechanical Upgrade	230,667
Altura Plaza Makeup Air Unit Replacement	150,750
CentrePoint Fire Alarm Control Panel (FACP) & Devices Replacement	279,468
CentrePoint Roof Replacement	1,247,107
CentrePoint Rooftop Unit Replacement	664,877
Computer Assisted Mass Appraisal & Tax System	2,500,000
Content Management System/Digital	62,500
Countywide Space Study Consolidation	519,214
Courthouse 2 - Additional Court Room	30,531
Courthouse Misc Maint, Bthrm & Safety Upg	247,196
Detention Center Infrastructure Improvements	686,043
Detention Medical Expansion	13,340,394
Federal Warehouse Standby Generator	205,924
Human Capital Management Enterprise	150,000
Pod 2 Build Out and Exercise Room	11,500
Restrictive Housing - HB21-1211	471,512
Sheriff's Headquarters Large Rooftop Unit Replacement	220,663
Sheriff's Office/Coroner Small HVAC Rooftop Units Replacement	360,795
Ongoing Capital Projects Total	<u>\$ 24,452,717</u>

The Infrastructure Fund is another fund that contains several large roadway capital improvement projects. Due to the large amount of funding coming in from the federal government and other government partners for projects such as the Iliff Avenue Corridor and Quincy/Gun Club Intersection Improvements, there is a need to recognize this anticipated revenue along with the appropriations to complete the work. This additional supplemental is for Public Works & Development's expected revenue for project reimbursements in the Infrastructure Fund to have \$10,388,112 in revenue and \$7,542,906 for expenditures added to the 2025 adopted budget.

Additional Considerations

It is important to note that the numbers within this Board Summary Report are subject to change as final adjustments to 2024 are ongoing. Any adjustment to revenues or expenditures for the balances of projects or fund balances could impact the final amount available to reappropriate. If the changes occur after the Public Hearing, the reappropriation amount(s) for a department or fund may be adjusted during the next quarterly review.

Additionally, the unspent fund balances of certain County grant funds, such as the Community Development Fund, the Grant Fund, the Arapahoe/Douglas Works Fund, and the Homeland Security Fund, will be addressed during the 1st Quarter Budget Review. The County adopted this policy because the supplemental requests for these funds must address both the unspent expenditures and the deferred revenue. These amounts are not always clear until later in the year pending final prior-year adjustments.

There is a supplemental to increase the 2024 budget in the Self-Insurance Liability Fund for \$50,000 to account for additional 2024 expenses that were paid in 2025 and booked back to 2024 after the fourth quarter budget review.

Policy Reserve Amounts

The resolution to reappropriate funds from 2024 to 2025 includes commitment to the Board of County Commissioners' policy reserve amounts for several of the County's funds. Per policy, the County designates a fund balance reserve amount for the General Fund that is equivalent to 11.0 percent of the annual operating budget. This 11.0 percent reserve includes the County's 3.0 percent Taxpayer's Bill of Rights (TABOR) reserve amount as required by the State Constitution. For 2025, the 11.0 percent General Fund reserve is \$27,859,494. This amount is based on a \$280.0 million budget but only a \$253.3 million operating budget in the General Fund. The 11.0 percent policy reserve is held in the General Fund and it will be considered committed through the approval of the Board resolution.

The Social Services Fund, Road & Bridge Fund, and the Law Enforcement Authority Fund also have fund balance reserve requirements pursuant to Board policy. The policy reserve for the Road & Bridge Fund and the Law Enforcement Authority Fund is 1/6th of the current annual operating budget. For 2025, the Road & Bridge Fund's reserve is \$3.2 million. The Law Enforcement Authority Fund's reserve is \$2.2 million which includes the mandatory 3.0 percent TABOR reserve for the ALEA Fund. The Social Services Fund's policy reserve is 1/6th of the County's portion of the Fund's annual operating budget, which is equivalent to approximately 1/6th of 20.0 percent of the annual operating budget. For 2025, this amount is \$3.1 million based on a \$92.8 million operating budget. The required TABOR reserve for the Arapahoe County Recreation District is \$49,596 for 2025. The Recreation District's TABOR reserve is required by law, so it does not require a Board resolution.