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Title: 1:00 PM *2nd Quarter Budget Review

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Attachments: 1. Board Summary Report, 2. Detailed Q2 Report

Date	Ver.	Action By	Action	Result
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To: Board of County Commissioners

Through: Todd Weaver, Finance Director

Prepared By:

Lisa Stairs, Sr. Budget Analyst, Finance Department

Presenter: Lisa Stairs, Sr. Budget Analyst, Finance Department

Subject:

1:00 PM *2nd Quarter Budget Review

Purpose and Request:

The purpose of this study session is to update the Board of County Commissioners (BOCC) on the status of the 2022 budget, to review the fiscal status of Arapahoe County, and identify issues that may soon arise. The supplemental appropriation requests will be reviewed by the Executive Budget Committee to then be recommended for approval by the Board. The supplemental appropriation requests will then be presented, and the Board will be asked to review these proposals and decide which should go forward to a public hearing on September 13, 2022. The study session will also provide an update on the status of key Capital Improvement Program projects.

Background and Discussion: Attached to this Board Summary Report is the Staff Report containing background information on the economy, major fund projections, and the list of requested supplemental appropriations as of the end of the 2nd Quarter, 2022. The first section of the supplemental request materials identifies supplemental appropriation requests that would have a net impact on the 2022 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 2022 budget from an expenditure standpoint and generally involve grant funds or additional revenue.

The 2022 budget was balanced and adopted on December 14, 2021. Since that date, supplemental appropriations, transfers, and reappropriations have been added to the original adopted 2022 budget. This amended budget is the basis for department and elected office projections and supplemental appropriation requests. Throughout the second quarter of 2022, 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 2nd Quarter of 2022, 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 August 8th 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 2nd Quarter of the 2022 budget year. These projections help to provide a look at where the County may be financially by the end of fiscal year 2022, 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.

The Capital Improvement Program project review for the 2nd Quarter of 2022 will encompass updates on key transportation infrastructure projects.

The attached staff report details the economic, financial, and budget amendment information for the 2nd Quarter of 2022

Fiscal Impact: The fiscal impact of this study session will be the sum of the proposed supplemental appropriation requests included in this Board Summary Report that are adopted by the Board of County Commissioners at the public hearing on September 13th, 2022.

Alternatives: The Board of County Commissioners could choose not to advance any of the supplemental requests to the public hearing on September 13th, 2022 for adoption.

Alignment with Strategic Plan:

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

Staff Recommendation: N/A

Concurrence: N/A