

# 2009 Budget Hearings

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# Presentation Overview

- ***Historical Review***
  - Financial Facts - How Did the County get Here?
- ***2009 Budget #1- “No Change”***
  - 2009 Revenue Estimates / Expenditure Changes
  - 2009 Critical Needs
  - Budget Balancing Options
- ***2009 Budget #2- If Voter Approved Sales and Use Tax is Received***
  - Impacts to Current Budget
  - Critical Needs Addressed



# Historical Review

## 2009 Discretionary Revenue Sources

Sales Tax	\$70,195,937
Property Tax	44,631,453
Specific Ownership Tax	5,797,962
Other Taxes/Payment in Lieu of Taxes	255,000
Interest Earnings	750,000
Elected Office Revenue (Fees)	12,435,723
Parking & Parks & Recreation Fees	632,500
General and Road & Bridge Fees	1,887,455
Sales of Fixed Assets/Properties	135,000
Unrestricted Intergovernmental	1,081,000
Direct Bills for Support Services	1,940,065
Rent Revenue/Other Revenue	157,669
<b>Discretionary Funds</b>	<b>\$139,899,764 *</b>
<b>RESTRICTED FUNDS</b>	<b>\$94,867,612</b>
<b>2009 PRELIMINARY REVENUE BUDGET</b>	<b>\$234,767,376</b>

**\$29.1 Million of Discretionary revenue is legally restricted for Retirement, Benefits, and Certificates of Participation.**



# Historical Review (From 1997 – 2007)

## County Cost Drivers:

Population Increases	21%
Consumer Price Index	25%
Unfunded Mandates*	<u>44%</u>
<b>County Cost Drivers</b>	<b>90%</b>

Discretionary Funds have grown **41%**

**Variance of 49% = \$65 Million Annually**

***El Paso County's revenue has not kept up with cost drivers***

*\*Services legally required to provide*



# Historical Review

*Why have County revenues not kept pace with service demands?*

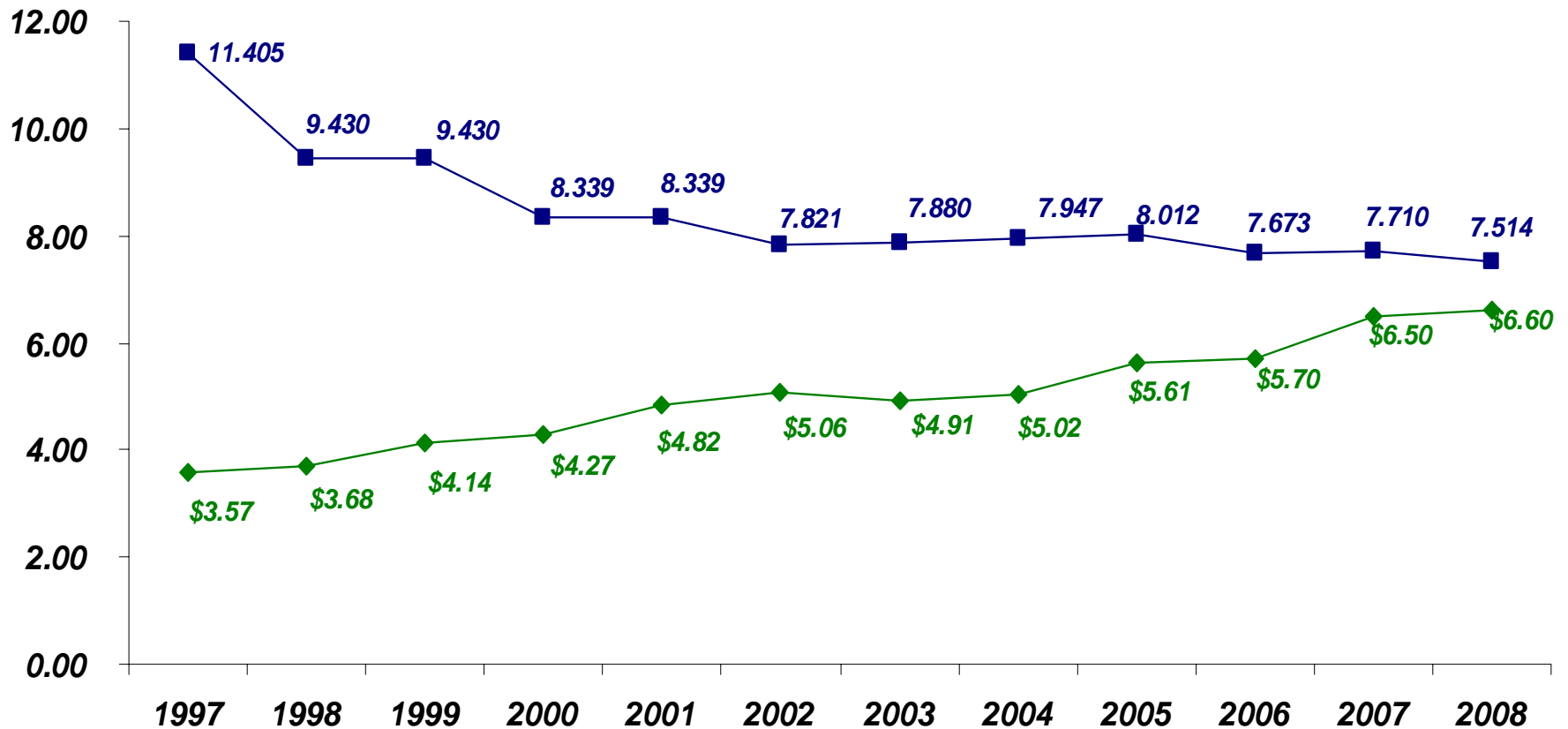
## Property Tax Components from 1997- 2007:

- Reduction of Mill Levy  
(in Years not required)      \$ 57.0 Million
  - Taxpayer's Bill of Rights  
Ratcheting      \$ 21.3 Million
  - Elimination of Business  
Personal Property Tax      \$ 43.7 Million
- TOTAL LOSS      \$122.0 Million**



# Historical Review

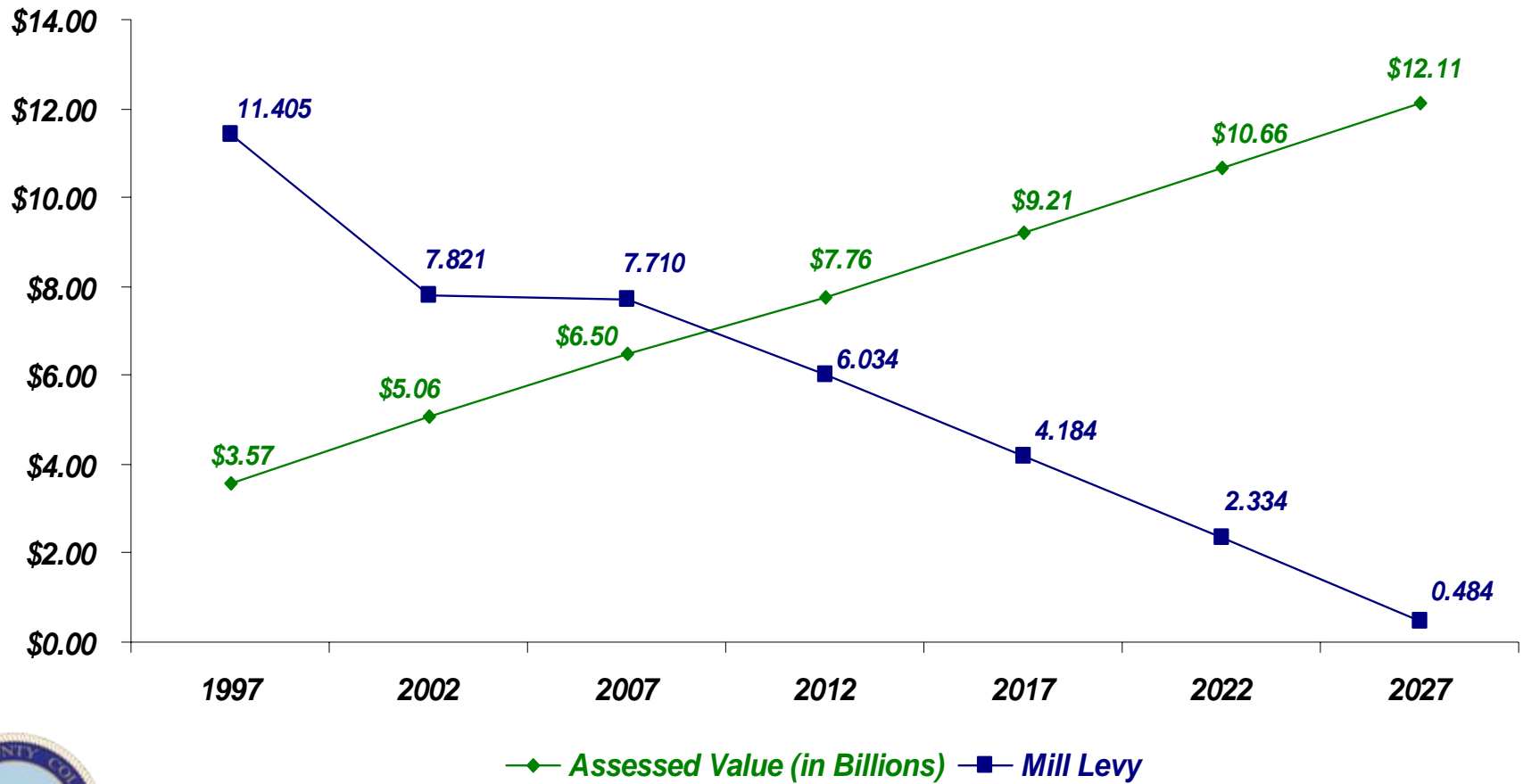
## Historical Assessed Value & Mill Levy



◆ Assessed Value (in Billions) ■ Mill Levy

# Historical Review

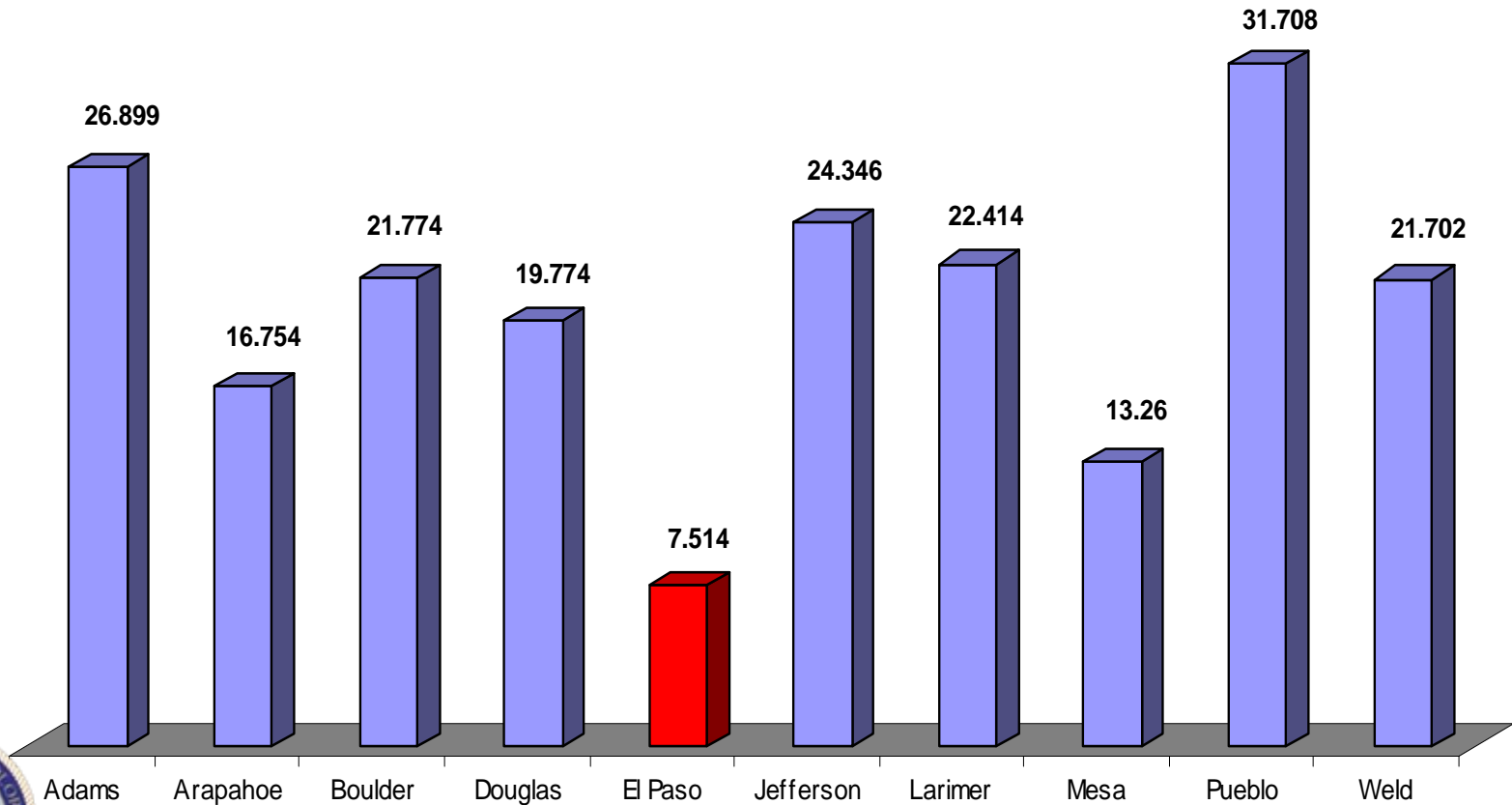
## 20 Year Projection - Assessed Value & Mill Levy



# Historical Review

## 2008 Mill Levy

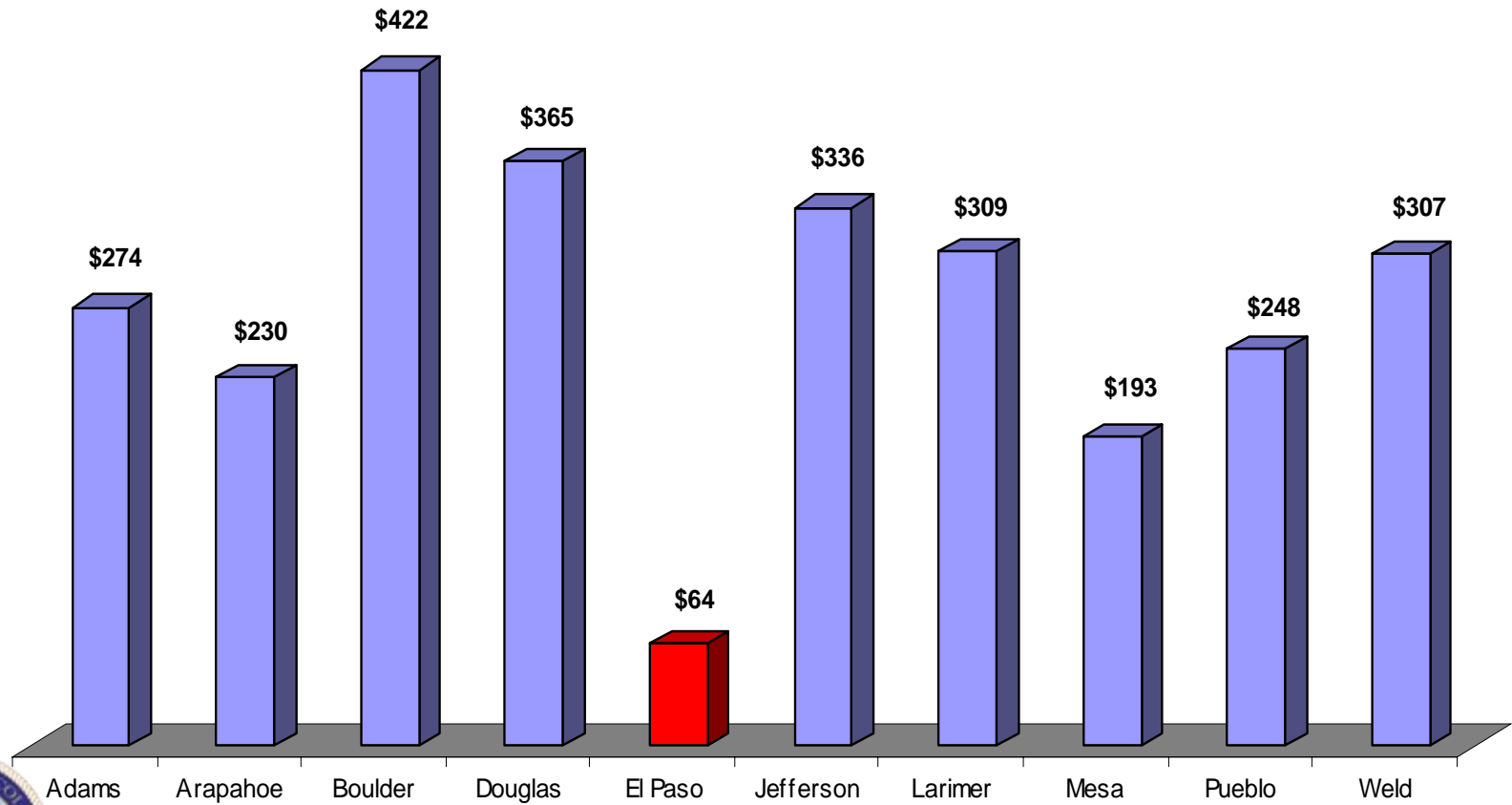
### 2008 10 County Comparison



# Historical Review

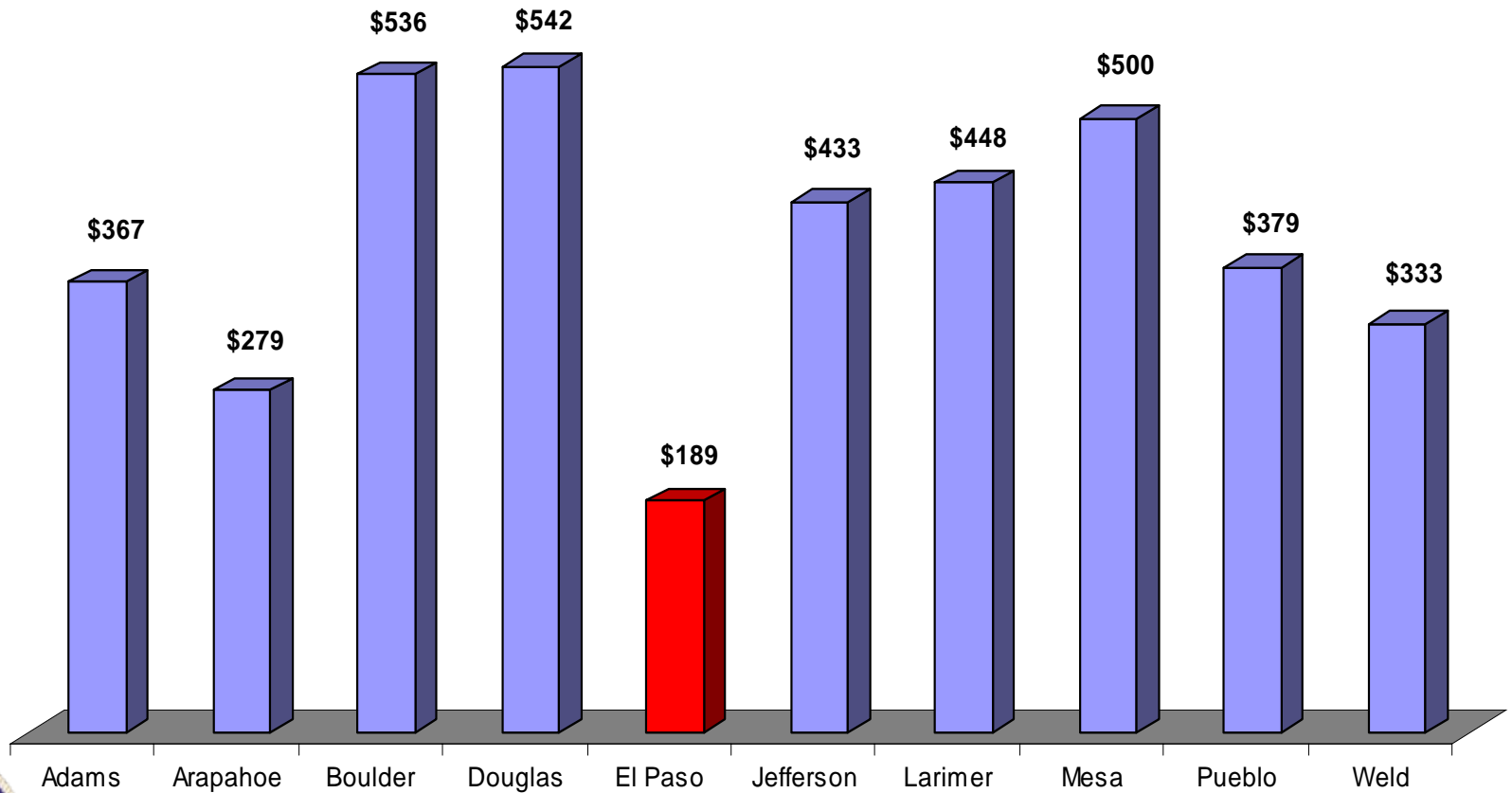
## Property Tax Per Person

### 2008 10 County Comparison



# Historical Review

## Local Tax Per Person 2008 10 County Comparison



# Historical Review- Base Budget Reductions

## *Historical Reductions from 2005 - 2008*

2005-2008 On-Going Reductions	\$22,472,046
2007 Mid-Year Reduction	\$ 4,100,402
2008 Mid-Year Reduction	<u>\$ 9,115,196</u>
<b>TOTAL Reductions</b>	<b>\$35,687,644</b>

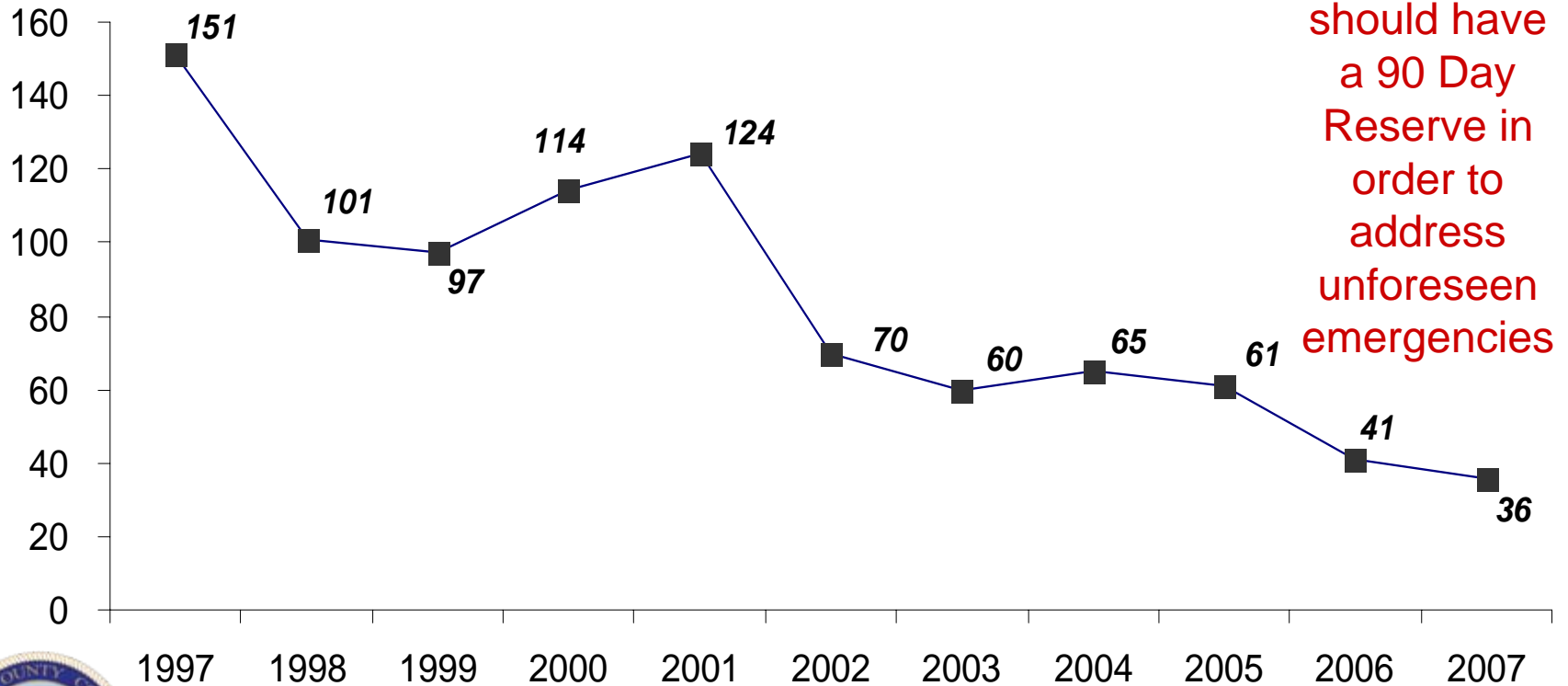
***Represents 26% Budget Reduction***



# Historical Review

## Reserves Depleted

### Historical Days of Available Cash Flow for General Fund



# Historical Review

## Results of Revenues Not Keeping Up With Needs

**CRITICAL NEEDS NOT BEING ADDRESSED**

	<u>Operating</u>	<u>Capital</u>	<u>TOTAL</u>
Minimal Services Levels- "Keep the Doors Open"	\$11.6 M	\$2.5 M	\$14.1 M
Critical Resources to Perform Core Services	\$26.6 M	\$2.5 M	\$29.0 M
Critical Operations & Capital	\$34.5 M	\$337.0 M	\$371.5 M
	\$72.7 M	\$341.9 M	\$414.6 M



# 2009 Budget

## County Strategic Plan

*Goals Noted by Citizen Budget Oversight Committee*

### Goal 1:

*Maintain Financial Sustainable, Fiscally Responsible County Government*

### Goal 4:

*Assure Safe and Secure Community*



# 2009 Budget

## Citizen Budget Oversight Committee

### Recommendations:

#### Short-Term:

- *Retain 0% Vendor Discount*
- *Direct Bill Pikes Peak Rural Transportation Authority*



# 2009 Budget

## Citizen Budget Oversight Committee

### Recommendations:

#### Long-Term - Revenue Strategies/Sustainability

- *Public Health and Safety Ballot Initiative*
- *Reinstate Business Personal Property Tax*
- *TABOR Override*
- *Evaluate Mill Levy Increase Needed*
- *Retain Mill Levy Base*
- *Create Regional Parks District*
- *Create Regional Health Department*



# 2009 Budget #1- STEP 1

## 2009 SHORTFALL - START WITH 2008 BASE

<b><u>2008 Revised Revenue (June 2008):</u></b>	<b>93,024,937</b>
2008 OAB*-Sales and Use Tax	(1,700,000)
2008 OAB*-Sale of Fixed Assets	(880,581)
2008 OAB*-Rancho Road LID	(150,000)
2008 OAB*-Internal Direct Bills	(1,703,893)
2008 OAB*-Election Revenue	(500,000)
2008 OAB*-Re-Appropriations Revenue	(89,556)
2008 One-Time Supplemental Appropriations	(208,863)
2008 MID YR*-Internal Direct Bills	(500,000)
2008 MID YR**- Refinance of DHS Facility	(2,500,000)
<b>2008 Base Revenues</b>	<b>84,792,044</b>
<b><u>2008 Revised Expenditures (June 2008):</u></b>	<b>96,082,858</b>
2008 Re-Appropriations	(961,263)
2008 One-Time Mandates Election	(1,440,000)
2008 One-Time Mandates Dental System	(22,398)
2008 One-Time Supplemental Appropriations	(208,863)
Emergency Appropriations from Reserve	(153,151)
<b>2008 Base Expenditures</b>	<b>93,297,183</b>
<b>Revenues less Expenditures</b>	<b>(8,505,139)</b>



# 2009 Budget #1 – STEP 2

## 2009 SHORTFALL - INCORPORATE 2009 NEEDS

Revenues less Expenditures	(8,505,139)
Full Year- Mandate- Coroner	(109,816)
Full Year- Mandate- District Attorney	(397,560)
Full Year- Mandate- Sheriff	(73,376)
Re-establish Emergency Reserve	(2,000,000)
IT -Infrastructure Failure	(2,485,000)
2009 Election (Mail-In)	(532,230)
<b>2009 Critical Needs</b>	<b>(14,103,121)</b>

*\*Does not include an increase for benefits for 2009-  
Proposed between \$500,000 and \$3,000,000*



# 2009 Budget #1 –STEP 3

## 2009 SHORTFALL - REVENUE / EXPENDITURES VARIANCE

2009 Critical Needs	(14,103,121)
Sales & Use Tax - Vendor Discount	1,700,000
Sales & Use Tax - Re-Allocation/Economic Impacts	1,692,056
Property Tax Revenue	1,525,747
Internal Direct Bills-SWM/DSD/CTF	(25,872)
Internal Direct Bills-Department of Human Services	238,441
Assessor Fee Revenue	(4,422)
Clerk & Recorder Fee Revenue / Operations	(267,240)
Coroner Fee Revenue	34,750
Sheriff Fee Revenue / Operation	(119,287)
Treasurer Fee Revenue	2,826
Public Trustee Fee Revenue / Operation	(441,254)
Parking/Parks Fee Revenue	(247,451)
Interest on Investments	(1,065,000)
Rancho Road- ONE-TIME	90,000
Other Revenue/Expenditure Items	742,795
<b>2009 Budget Deficit</b>	<b>(10,247,032)</b>



# 2009 Budget #1 –Balancing Option 1

DEPARTMENT / OFFICE	2006-2008 CUTS	% CUT OF OPERATIONS	2008 Base Budget Revised	10.13% Reduction
ADMINISTRATIVE SERVICES	1,317,433	60%	950,275	96,263
ADMINISTRATIVE SUPPORT			689,045	69,800
BOARD OF EQUALIZATION	48,261	91%	42,589	4,314
SECURITY	427,582	24%	1,307,602	132,460
ENVIRONMENTAL SERVICES	625,719	49%	662,062	67,067
FACILITIES MANAGEMENT SUM.	3,716,742	42.0%	6,786,327	687,455
PARKS & RECREATION	2,028,964	69.2%	1,013,727	102,691
CSU EXTENSION OFFICE	212,593	65.9%	108,254	10,966
JUSTICE SERVICES	319,334	50.9%	362,295	36,700
PROCUREMENT AND CONTRACTS	40,760	9.9%	409,119	41,444
EMPLOYMENT SERVICES (EBMS)	414,473	36.0%	662,611	67,122
FINANCE AND BUDGET	193,146	17.5%	1,040,503	105,403
INFORMATION TECHNOLOGIES	2,250,808	28.0%	6,389,002	647,206
VETERAN SERVICES	10,819	3.8%	261,415	26,481
COUNTY ATTORNEY	109,304	12.8%	658,709	66,727
HEALTH DEPARTMENT SUPPORT	1,707,000	44.6%	3,303,948	334,690
CLERK AND RECORDER	1,211,008	15.3%	7,202,500	729,613
TREASURER	111,625	9.7%	1,072,538	108,648
ASSESSOR	238,621	7.0%	3,197,772	323,934
CORONER	35,745	2.9%	1,454,672	147,358
DISTRICT ATTORNEY	396,350	4.6%	9,842,841	997,080
SHERIFF'S OFFICE	2,412,660	5.5%	43,986,059	4,455,788
DEPARTMENT OF HUMAN SERVICES	1,263,220	14.5%	9,828,276	995,604
				<b>10,254,816</b>



# 2009 Budget #1 –Balancing Option 2

<b>DEPARTMENT / OFFICE</b>	<b>2008 Base Budget Revised</b>	<b>100% Reduction</b>
<b>PARKS &amp; RECREATION</b>	1,013,727	1,013,727
<b>CSU EXTENSION OFFICE</b>	108,254	108,254
<b>VETERAN SERVICES</b>	261,415	261,415
		<b>1,383,396</b>
		<b>8.9% Reduction</b>
<b>ADMINISTRATIVE SERVICES</b>	950,275	84,574
<b>ADMINISTRATIVE SUPPORT</b>	689,045	61,325
<b>BOARD OF EQUALIZATION</b>	42,589	3,790
<b>SECURITY</b>	1,307,602	116,377
<b>ENVIRONMENTAL SERVICES</b>	662,062	58,924
<b>FACILITIES MANAGEMENT SUM.</b>	6,786,327	603,983
<b>JUSTICE SERVICES</b>	362,295	32,244
<b>PROCUREMENT AND CONTRACTS</b>	409,119	36,412
<b>EMPLOYMENT SERVICES (EBMS)</b>	662,611	58,972
<b>FINANCE AND BUDGET</b>	1,040,503	92,605
<b>INFORMATION TECHNOLOGIES</b>	6,389,002	568,621
<b>COUNTY ATTORNEY</b>	658,709	58,625
<b>HEALTH DEPARTMENT SUPPORT</b>	3,303,948	294,051
<b>CLERK AND RECORDER</b>	7,202,500	641,023
<b>TREASURER</b>	1,072,538	95,456
<b>ASSESSOR</b>	3,197,772	284,602
<b>CORONER</b>	1,454,672	129,466
<b>DISTRICT ATTORNEY</b>	9,842,841	876,013
<b>SHERIFF'S OFFICE</b>	43,986,059	3,914,759
<b>DEPARTMENT OF HUMAN SERVICES</b>	9,828,276	874,717
		<b>8,886,538</b>
		<b>10,269,934</b>



# Updated Base Budget Reductions

## Updated with 2009 Reduction:

2005-2008 On-Going Reductions	\$22,472,046
2007 Mid-Year Reduction	\$ 4,100,402
2008 Mid-Year Reduction	\$ 9,115,196
<u>2009 On-Going Reduction</u>	<u>\$10,247,032</u>
<b>TOTAL Reductions</b>	<b>\$45,934,676</b>

***Represents 35% Budget Reduction***



# 2009 Budget #1

## CURRENT NEEDS NOT BEING ADDRESSED

	<u>Operating</u>	<u>Capital</u>	<u>TOTAL</u>
Minimal Services Levels- "Keep the Doors Open"	\$0	\$0	0
Critical Resources to Perform Core Services	\$26,559,772	\$2,450,000	29,009,772
Critical Operations & Capital	\$34,498,637	\$336,999,706	371,498,343
	<b>\$61,058,409</b>	<b>\$339,449,706</b>	<b>\$400,508,115</b>



# 2009 Budget #2

If Voter Approved Sales & Use Tax is Received

- 2009 Base Budget Reduction  
goes from \$10.2M to \$2.7M
- Critical Operational Needs of \$37.1M are addressed
- Critical Capital Needs of \$153.0 M are addressed



# 2009 Budget #2

## If Voter Approved Sales & Use Tax is Received

DEPARTMENT / OFFICE	2006-2008 CUTS	% CUT OF OPERATIONS	2008 Base Budget Revised	5.18% Reduction
ADMINISTRATIVE SERVICES	1,317,433	60%	950,275	49,224
ADMINISTRATIVE SUPPORT			689,045	35,693
BOARD OF EQUALIZATION	48,261	91%	42,589	2,206
SECURITY	427,582	24%	1,307,602	67,734
ENVIRONMENTAL SERVICES	625,719	49%	662,062	34,295
FACILITIES MANAGEMENT SUM.	3,716,742	42.0%	6,786,327	351,532
PARKS & RECREATION	2,028,964	69.2%	1,013,727	52,511
CSU EXTENSION OFFICE	212,593	65.9%	108,254	5,608
JUSTICE SERVICES	319,334	50.9%	362,295	18,767
PROCUREMENT AND CONTRACTS	40,760	9.9%	409,119	21,192
EMPLOYMENT SERVICES (EBMS)	414,473	36.0%	662,611	34,323
FINANCE AND BUDGET	193,146	17.5%	1,040,503	53,898
INFORMATION TECHNOLOGIES	2,250,808	28.0%	6,389,002	330,950
VETERAN SERVICES	10,819	3.8%	261,415	13,541
COUNTY ATTORNEY	109,304	12.8%	658,709	34,121
CLERK AND RECORDER	1,211,008	15.3%	7,202,500	373,090
TREASURER	111,625	9.7%	1,072,538	55,557
ASSESSOR	238,621	7.0%	3,197,772	165,645
CORONER	35,745	2.9%	1,454,672	75,352
DISTRICT ATTORNEY	396,350	4.6%	9,842,841	509,859
DEPARTMENT OF HUMAN SERVICES	1,263,220	14.5%	9,828,276	509,105
				<b>2,794,203</b>



# In Summary

## COUNTY NEEDS ADDRESSED:

	<u>Budget #1</u>	<u>Budget #2</u>
Minimal Services Levels - "Keep the Doors Open"	\$14,103,121	\$14,103,121
Critical Resources to Perform Core Services	\$0	\$19,785,371
Critical Operations	\$0	\$17,288,507
Critical Capital	\$0	\$153,000,000
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	<b>\$14,103,121</b>	<b>\$204,176,999</b>

## COUNTY NEEDS STILL NOT BEING ADDRESSED:

	<u>Budget #1</u>	<u>Budget #2</u>
Minimal Services Levels - "Keep the Doors Open"	\$0	\$0
Critical Resources to Perform Core Services	\$29,009,772	\$9,224,401
Critical Operations	\$34,498,637	\$17,210,130
Critical Capital	\$336,999,706	\$183,999,706
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	<b>\$400,508,115</b>	<b>\$210,434,237</b>



# 2009 Budget

Questions?

