

**OURAY COUNTY
2013
BUDGET MESSAGE**

The 2013 budget is based upon budget policies and annual goals established by the Board of County Commissioners, Elected Officials and Department Heads. Ouray County Elected Officials, Appointed Officials and Department Heads submit their budget requests to the County Administrator based upon budgetary guidelines. Budget work sessions were conducted with Elected Officials and Department Heads to introduce the effects of estimated revenues and expenditures on the 2013 budget.

The budget was prepared in accordance with Colorado Budget Law. It was developed in compliance with the TABOR provisions of Colorado, Amendment One. All Ouray County funds are accounted for utilizing the modified accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Budget Process:

The budget was prepared according to the following:

1. Balanced Budget

The Ouray County 2013 Budget is balanced. Budgeted revenues meet or exceed budgeted expenditures.

2. Service Levels

Budget years 2009, 2010, 2011 and 2012 were challenging years for local governments due to the economy and the recession. The 2013 General Fund budget reflects a .68% increase in property tax revenue. This is a revenue increase of \$16,426 over prior year's property tax revenue and affects all funds supported by a County mill levy. County building permit revenue is projected to increase slightly as is County sales tax revenue. Ouray County has been proactively exercising financial planning for future years due to the economic condition. The 2009, 2010, 2011 and 2012 budgets were developed using a conservative approach. Necessary adjustments were made to departmental operating budgets to create departmental efficiencies that have allowed the County to maintain service levels without impacting public service provision. This same practice was followed for the 2013 budget year.

3. Capital Expenditures

- The 2013 General Fund (Fund 020) capital expenditures consist of lease purchase payments for Sheriff's Department vehicles, a Weed Department vehicle, and the Courthouse boiler. Other grant-funded capital expenditures include Emergency Operations Center equipment through an Emergency Management Grant, Live-scan equipment via a SORNA Grant for the Sheriff's Department, and Fairgrounds Capital Improvements / Maintenance partially funded by Energy Impact Assistance Grant dollars and by Conservation Trust Fund dollars.
- The 2013 Road and Bridge Fund (Fund 040) capital expenditures consist of lease purchase payments for heavy equipment and vehicles, and for a capital road repair to County Road 361.

- The 2013 EMS Fund (Fund 800) capital expenditures consist of the final lease purchase payment for the 2007 ambulance purchased in 2009, and for the purchase of a quick response vehicle that is 50% grant funded.

4. Human Resources

Employee development is an ongoing, important element, as is attracting and retaining quality staff. A major accomplishment that commenced in 2004 was the development and implementation of Employee Performance Evaluations.

A bonus merit award, not to exceed 1%, was provided to employees in 2005, 2006, 2007, 2008, 2009, 2010, 2011 and 2012 as a result of performance evaluations. This practice is being continued for the 2013 budget year.

Through adoption of Resolution 2010-048, the Board will be continuing its practice of evaluating vacated positions for 2013 and annually thereafter that may arise as a result of resignation or termination in order to decide if the position is an essential position to the organization that should be replaced. The Board began this practice in 2008 by and through Resolution 2008-055. The Board believes that it is good fiscal and organizational policy to evaluate positions as they are vacated to examine such factors as funding; to determine if the position is an essential position to the organization for various reasons such as health, safety and welfare; and to consider organizational efficiencies and effectiveness.

It is an organizational goal to minimize budgetary increases to the County for health insurance costs, while at the same time avoiding exorbitant employee contributions. Ouray County solicited a request for proposal (RFP) for employee health insurance benefits in 2009 for the 2010 budget year. After analysis and meeting with the Personnel/Employee Benefits Committee, the Board of County Commissioners authorized award to County Technical Services, Inc. (CTSI) for the provision of employee health insurance. Premium rates were maintained at the same level for 2010 as they were in 2009; however, premium rates reflected an 8% increase in 2011 and a 4% increase in 2012. For the 2013 budget year, the County will experience a 1% decrease in premium rates saving the County approximately \$4,800. It is a standing goal to offer preventative medical options and education to all employees in order to decrease risk and premium costs in the future.

After fully examining the County's budget status and being aware of the economic condition for 2013 and future years, it is clear that the County will be unable to offer a cost of living adjustment (COLA) to its employees in 2013. This is the fourth year of no COLAs as this same practice was followed in 2010, 2011 and 2012.

5. Contributions to Outside Agencies and Programs

Funding contribution requests were reduced slightly for the 2013 budget year as listed below. The Fair Board requested \$2,000 less for 2013 over prior year. Funding has been allocated for continued support of the backcountry ranger patrol for the high mountain roads. The ranger position is instrumental in the summer months for educating the recreating public, and for promoting safety on the high mountain roads. Ouray County has appropriated funding to support the ranger position in a line item entitled "High Country Rec. Support."

	2012 Budget	2013 Budget
Ouray Historical Society	\$ 200.00	\$ 200.00
Ridgway Railroad Museum	\$ 100.00	\$ 100.00
Public Lands Partnership	\$ 1,000.00	\$ 1,000.00
Tri-County Water Cons. Dist.	\$ 100.00	\$ 100.00
Fair Board	\$ 5,000.00	\$ 3,000.00
Yankee Boy Cons. Assc., (YBCA)	\$ -0-	\$ -0-
High Country Rec. Support	\$ 4,000.00	\$ 4,000.00
Second Chance Humane Society	\$ 100.00	\$ 100.00
Voyager Program	\$ 500.00	\$ 500.00
Total	\$ 11,000.00	\$ 9,000.00

6. Capital and Operating Reserves

Allocated reserves have been established by the Board of County Commissioners to provide for three months of emergency operating reserves for the General Fund, Road and Bridge Fund, and EMS Fund. Additional reserves have been established as well for these funds reflecting dedicated reserves and dollars allocated towards future capital projects and purchases.

Revenue Estimates:

Revenue estimates are conservative and are based on the following.

1. Property tax revenue estimates are based on current assessed valuations provided by the County Assessor multiplied by the current mill levies to arrive at the property tax revenue for all funds in 2013.
2. Budgeted revenues for 2013 are based in part on projected 2012 revenues, taking into consideration potential reductions in revenue generated from other sources such as licenses, grants and other service-based fees.
3. Estimated revenues for the entire Ouray County Budget are approximately .42% lower than 2012. This is a decrease in revenues of \$36,297 over prior year's revenues and is relatively small due to the inclusion of grant revenues into the budget for capital improvement projects, purchases and services.
4. A close watch will be kept on State and Federal revenue sources with regard to future funding availability.

Expenditure Estimates:

Department Heads and Elected Officials submit their budget requests to the County Administrator in accordance with budget guidelines provided to them. All requests are compiled and prepared by the County Administrator for submittal and review by the Board of County Commissioners. Budget work sessions are held with Elected Officials and Department Heads to introduce the effects of estimated revenues and expenditures for the 2013 budget and to discuss capital and human resources requests.

Estimated expenditures for the entire Ouray County 2013 Budget are approximately .35% lower than 2012. This is a decrease in expenditures of \$30,077 over prior year's expenditures and is relatively small due to the inclusion of grant expenditures into the budget for capital improvement projects, purchases and services.

Property Valuation:

The 2012 valuation for assessment for the County of Ouray, Colorado, as certified by the County Assessor is \$183,823,010.

Ouray County Mill Levy:

For the purpose of meeting all general operating expenses of the County of Ouray, Colorado, during the 2013 budget year a total mill levy of 13.320 was levied upon each dollar of the total valuation for assessment of all taxable property within the County of Ouray as follows:

	<u>Mill Levies</u>	<u>Recovery of Taxes Abated</u>	<u>Total 2013 Mill Levy</u>
County General Fund:	9.074	0.135	9.209
Road and Bridge Fund:	1.500	0.022	1.522
Social Services Fund:	0.552	0.008	0.560
EMS Fund	<u>2.000</u>	<u>0.029</u>	<u>2.029</u>
Subtotal:	13.126	0.194	13.320
Recovery of Taxes Abated:	<u>0.194</u>		
Total Mill Levy:	13.320		

Capital Budget Purchases and Improvements:

General Fund Capital: (020 - 195, 295, 395, 495, 595)

The General Fund Capital Purchases and Improvements consist of capital purchases, lease purchases, capital projects and purchase of service items totaling \$264,703.

Capital Purchase, Lease Purchase, Capital Projects and Purchase of Service items include:

<u>Fund & Department</u>	<u>Description</u>	<u>Amount</u>
	<u>Existing Lease Purchases</u>	
020-195	Weed Department Vehicle	\$ 5,654
020-195	Courthouse ESCO – Boiler (\$23,832.95 + \$2,383.05)	\$ 26,216
020-295	Sheriff's Department Vehicle Payments	\$ 23,656
	<u>New Lease Purchase and Purchase</u>	
020-295	Sheriff's Office New Vehicle	
	Payment plus equipment (estimated)	<u>\$ 8,000</u>
Subtotal:		\$ 63,526

Capital Project and Services items include:

<u>Fund & Department</u>	<u>Description</u>	<u>Amount</u>
020-295	Emergency Operation Center Improvements: <i>(Grant funding to offset majority of expense)</i>	\$ 12,807
020-295	SORNA Grant – Fingerprinting Equipment	\$ 23,646

020-595	Capital Improvement Projects – Fairgrounds and Ouray County 4-H Event Center (OC4HEC): <i>(These projects and services will be funded, in part, with Conservation Trust Fund dollars and Energy Impact Assistance Grant dollars, if awarded)</i>	
	<ul style="list-style-type: none"> • Roof Replacement and Energy Improvement Upgrades Project – OC4HEC: \$157,224 • Fairgrounds Grandstands Inspection and Engineering: <u>\$ 7,500</u> 	
Subtotal:		\$201,177
Total General Fund Capital:		<u>\$264,703</u>

Road and Bridge Fund Capital: (040 - 895)

The Road and Bridge Fund Capital Purchases and Improvements consist of lease purchase payments for equipment and vehicles, and for a capital project totaling \$168,984.

Capital Purchase and Lease Purchase items include:

<u>Fund & Department</u>	<u>Description</u>	<u>Amount</u>
	<u>Existing Lease Purchases</u>	
040-895	2011 Chevy Crew Cab, Used Pneumatic Roller, Water Truck and 2012 Kenworth T800 Tractor	<u>\$ 53,318</u>
Subtotal:		\$ 53,318

Capital project items include:

<u>Fund and Department</u>	<u>Description</u>	<u>Amount</u>
040-895	County Road 361 Crib Wall Repair <i>(This project, if awarded, will be funded by a State of Colorado, OHV Grant)</i>	<u>\$115,666</u>
Subtotal:		\$115,666
Total Road and Bridge Fund Capital:		<u>\$168,984</u>

Beginning in 2003, a Road and Bridge Impact Fees Fund was established for the deposit of impact fees collected at the building permit stage. The creation of this fund enabled the segregation of these dollars to be used specifically for capital facilities to serve new development. Such capital facilities expenditures include capital equipment lease purchase payments and capital road improvements. In 2013, \$27,594 will be transferred from this fund to the Road and Bridge Fund to be used for County Road capital equipment lease purchase payments.

It is important to note that the demands of road improvements and maintenance continue to far exceed the resources of the County with the current available funds. Passage of the 1% sales tax for Road and Bridge has allowed the Road and Bridge Department to alleviate some of its resource shortfalls in order to crush more aggregate, assist with capital purchases and leases, improve road surfaces, and hire an additional 1.5 FTE. The amounts utilized for 2009, 2010, 2011, 2012, and the amount to be utilized for 2013 from the Road and Bridge Sales Tax Fund are as follows:

2009: \$299,397 **2010:** \$435,000 **2011:** \$475,000 **2012:** \$475,000 **2013:** \$475,000

EMS Fund Capital: (800-295)

The EMS Fund Capital Purchases and Improvements consist of a final lease purchase payment for an ambulance and the purchase of a quick response vehicle funded by a grant at 50% for a total of \$54,807

Capital Lease Purchase items include:

<u>Department & Fund</u>	<u>Description</u>	<u>Amount</u>
	<u>Existing Lease Purchase</u>	
800-295	2007 Ambulance purchased in 2009 (Final payment)	\$ 27,607
	<u>New Purchase</u>	
800-295	Quick Response Vehicle (Grant funded – 50%)	<u>\$ 27,200</u>
Subtotal:		\$ 54,807
Total EMS Fund Capital:		<u>\$ 54,807</u>

The EMS Fund was created in 2005 as a result of a voter-approved mill levy to fund emergency medical services. Commencing in 2007, the fund was able to accumulate and establish three months of emergency reserves as per policy adopted by the Board of County Commissioners.

Social Services Fund (050):

The Social Services Budget has increased slightly for 2013. Due to economic conditions, the department has seen increased human services needs over the past couple of years. The department continues to provide much-needed services to the community and citizens of Ouray County and has been served well by its Director and staff.

Special Grant Fund (690):

The Special Grant Fund is being utilized for grants that are not General Fund, Road and Bridge Fund, EMS Fund, or Public Health Fund related. In 2010, the fund was used to manage the CDOT Enhancement Grant (wildlife ramps and fencing), which later was fully funded by the Federal Government with ARRA dollars in the amount of \$166,666. In 2010, 2011, and 2012 the fund was utilized for grants benefitting the Voyager Youth Program. For the 2013 budget year, the Special Grant Fund will be utilized for the administration of the Voyager Youth Program grant in the amount of \$31,239.

Highway 361 Fund (760) (aka CR 361):

On May 24, 1984, the County entered into a contract with the State of Colorado for the use and benefit of the State Highway Commission and the State Department of Highways concerning State Highway 361 (SH 361). The State Highway Commission approved the abandonment of SH 361 and the transfer of all future financial and maintenance responsibilities associated with SH 361, and Ouray County agreed to accept SH 361 onto their County road system for the consideration of \$250,000. Of this amount, \$50,000 was paid to the County R & B Fund to be used for immediate repairs to SH 361. A second \$50,000 was paid to the County R & B Fund for the purchase of road maintenance equipment to be used on SH 361 and other roads and bridges in the county. The remaining \$150,000 was paid to the Ouray County R & B Trust for a period of 21 years. The Trust was dissolved in June of 2005 and the remaining dollars were placed in a newly designated County fund entitled the Highway 361 Fund (fund number 760).

There is approximately \$140,195 currently in the Highway 361 Fund. A portion of this amount (\$30,000) has been appropriated in the 2013 budget to be used to repair a portion of County Road 361.

Public Access Group (PAG) Fund (860):

A separate fund was established in 2008 to begin the segregation and accounting of grant and donation dollars received and expended on behalf of the Public Access Group (PAG). The PAG consists of multi-agency partners inclusive of Ouray County, United States Forest Service, Bureau of Land Management, Ouray Trail Group, Thunder Mountain Wheelers, Uncompahgre Valley Trail Riders, Western Slope Four Wheelers, and Ouray County Historical Society. *The purpose of PAG is "to preserve public access on existing and historical public trails and roads for the future use and enjoyment of all citizens, users and visitors."* The PAG successfully completed a project funded by a State of Colorado Trails Grant. A project coordinator, contracted by the County, worked diligently with PAG members, the Board of County Commissioners, Staff and the public to complete the scope of work by June, 30, 2012. Approximately \$4,500 remains in the PAG Fund.

Road and Bridge Sales Tax Fund (870):

A new fund was created in 2009 entitled the "Road and Bridge Sales Tax Fund" (Fund 870). This fund was created to segregate the collection of the 1% sales tax passed exclusively for Road and Bridge by the electorate in the 2008 General Election. Monies derived from the collections of Road and Bridge Sales Tax are placed in the Road and Bridge Sales Tax Fund for efficiency of use, tracking and accountability. Funding has and will be transferred from this fund to the Road and Bridge Fund (Fund 040) annually, as appropriated by the Board of County Commissioners. In the 2013 budget, \$475,000 has been appropriated by the Board for transfer to the Road and Bridge Fund to help offset the cost of providing services, funding capital purchases and leases, crushing aggregate, and improving road surfaces.

Public Health Fund (890):

A new fund was created in 2010 for the Public Health Department to segregate public health dollars and its associated programs pursuant to SB 08-194 and C.R.S. 25-1-511 (2). Monies may be appropriated from the County General Fund, State and Federal governmental agencies, grants, gifts, donations, and fees for public health purposes. Approximately 58% of the revenue supporting the Public Health Fund is transferred from the General Fund to the Public Health Fund. The Public Health Department provides an essential service to the community and citizens of Ouray County.

Contingency Fund (030):

This fund contains a balance of \$174,882 to meet the TABOR contingency requirement. TABOR requires that the County retain 3% of its fiscal year spending excluding bonded debt service. These dollars are designated in a fund entitled "Contingency Fund." Additional funding from emergency reserves from all funds should be transferred to the Contingency Fund in 2013 to increase the TABOR contingency reserves.

2013 Budget Summary Conclusion:

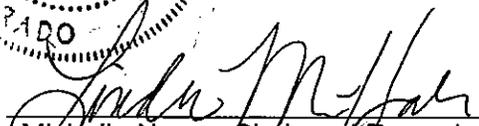
The Board of County Commissioners and the County Administrator will continue to administer the County Budget using a conservative approach. Adequate reserves are in place for emergency operations for the General Fund, Road and Bridge Fund, and EMS Fund. Lifting of the TABOR and 5.5% limitation restrictions (aka "De-Brucing") as approved by the electorate of

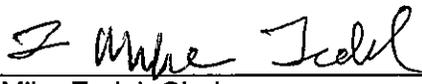
Ouray County has preserved the mill levy for the County. This "De-Brucing" action has been crucial to the County's continued provision of essential public services. The Board of County Commissioners and County Staff have made it a practice in the past and will continue to do so into the future to seek efficiencies and improvements in order to maintain mandated and essential county services. In addition, the Board of County Commissioners continues to seek input from Elected Officials, Department Heads, Staff and the general public concerning the improvement of County operations and services.

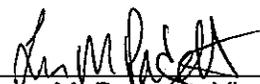
Approved this 11th day of December, 2012

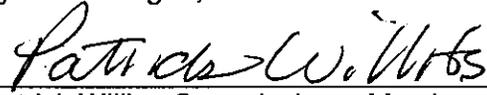
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