

**OURAY COUNTY
2017
BUDGET MESSAGE**

The 2017 budget is based upon budget policies adopted by the Board of County Commissioners, Budget Guidelines developed by the County Administrator and annual goals developed by Elected Officials, Appointed Officials and Department Heads. Ouray County Elected Officials, Appointed Officials and Department Heads submit their annual budget requests to the County Administrator as specified in the Budgetary Guidelines. A budget work session is then conducted to introduce the effects of estimated revenues and expenditures on the proposed 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 2017 Budget is balanced. Budgeted revenues meet or exceed budgeted expenditures.

2. Service Levels

Budget years 2009 through 2016 were challenging years for local governments due to the economy and the recession. Ouray County government is still feeling the impact of the economic downturn.

3. 2017 Budget:

The 2017 Budget reflects the following:

- An increase in property tax revenue in the amount of \$16,952 (.83%) for all funds supported by a mill levy.
- An increase in sales tax revenue of approximately 17% over the 2016 budgeted amount.

Ouray County has proactively exercised financial planning due to the nationwide economic condition. The budgets for these economically challenged years were developed using a conservative approach. Necessary adjustments were made to departmental operating budgets to create departmental efficiencies. These efficiencies have allowed the County to maintain high quality service levels, while increasing resiliency to help mitigate impacts to service levels during times where property tax or other revenues are significantly reduced. Ouray County continues to look for ways to create efficiencies within county government while still providing outstanding public services.

County Personnel Work Weeks and Hours of Operation:

Due to the property tax revenue declines experienced over the past few years, Ouray County, commencing in January 2014, implemented a reduced work week with most County departments reducing their work weeks from 40 hours per week to 36 hours per week (Monday through Thursday). The work week reduction was also accompanied by a 10% reduction in employee compensation for full-time employees. County elected officials, appointed officials, managers and staff in most departments have been able to provide quality public services and

efficient operations under a reduced work week strategy (Monday through Thursday).

This same practice was maintained for the 2015 Budget year with the exception of the Department of Social Services and Road and Bridge. However, the County was able to provide a 5.5% Cost of Living Adjustment (COLA) to all employees under the reduced work week structure. Provision of the COLA was important and necessary to ensure that compensation was not falling behind the market as a COLA had not been provided to employees for five years due to the economic downturn.

In 2016, a flexible work week schedule was developed that offered full-time employees (with approval by the Department Head, Appointed Official or Elected Official) to either work 36 or 40 hours per week under a 4-day work week. The Department of Social Services was and is available five days per week (Monday through Friday) to provide human services functions as 80% of the Department's funding is derived from State and Federal sources. Emergency Medical Services and Law Enforcement operated on a flexible 24/7 schedule to ensure emergency medical and protective services provision. In addition, in 2016, a Classification and Compensation Study was implemented, adjusting pay grades for positions; which in turn provided compensation increases for positions identified in the study that were outside of the minimum pay grade.

For the 2017 Budget year, Ouray County personnel work weeks and hours of operation will be as follows:

- The Social Services Department personnel will continue to work a forty (40) hour work week, Monday through Friday, from 8:00 to 5:00, except for holidays that may occur within a work week. These hours did not change during the recession.
- The Road and Bridge Department personnel will continue to work a forty (40) hour work week, Monday through Thursday, from 6:30 to 4:30, except for holidays that may occur within a work week. These hours are identical to the pre-recession schedule. Road and Bridge crew members are on-call for plowing and emergencies on a 24/7 basis.
- The Emergency Medical Services (EMS) Department personnel will continue to work a forty (40) hour work week. These hours are identical to pre-recession. Emergency Medical Services is provided on a 24/7 basis.
- The Public Health Department personnel will continue to be open 4-days per week, Monday through Thursday, from 8:00 to 4:30, except for holidays that may occur within a work week. These hours are identical to pre-recession hours.
- The General Fund Department personnel will be working weekly schedules varying between thirty six (36) and forty (40) hours per week, Monday through Thursday, except for holidays that may occur within a work week. Operating hours for the County Courthouse and Land Use Facility are 8:00 to 4:30. Public hours for the offices of the Assessor, Clerk and Recorder, and Treasurer/Public Trustee; all located within the County Courthouse, are 9:00 to 4:00.
- County offices are open and available to the public during lunch hours.
- While some offices have had reduced hours where they are open to the public, county services have become more accessible to the public in other ways.
 - The county web site provides increased access to county records and data, which intentionally came online or was enhanced during the recession.

This includes the County Clerk and Recorder's recorded documents, database and e-recording services; County Assessor parcel and valuation data; County Administrator financial data and Treasurer's data and services.

- The 2017 Meeting Calendar includes a number of evening meetings for the Board of County Commissioners, which incorporates the presence and participation of county staff.
- The Board of County Commissioner meetings are held in various locations within Ouray County in order to provide convenient accessibility to the public.

3. Capital Expenditures

- The 2017 Lease Purchase Schedule consists of annual lease purchase payments for Sheriff's department vehicles, Fairgrounds Tractor, Courthouse Boiler, Road and Bridge department heavy equipment, and software upgrades for the County Treasurer.

Other grant-funded capital projects and purchases include:

- General Fund:
 1. Completion of the Conceptual Plan of County-owned, 37-acre property adjacent to Ridgway and EMS Facility Plans and Construction Costs. This project is funded by a DOLA Planning Grant and County cash match.
 2. FEMA Pre-Disaster Mitigation Project. This project is funded by the Department of Natural Resources, Wildfire Risk Reduction Grant with Ouray County providing the fiscal grant management and the West Region Wildfire Council maintaining the reporting documentation.
- Road and Bridge Fund:
 1. Purchase of a Sand/Salt Storage structure to house winter road treatment material.
 2. Purchase of two 4-wheel-drive pickups to be purchased from the escrow dollars derived through a 2016 Governmental Lease Purchase.
 3. Possible improvement of the Fuel Storage and Pump system located on the County-owned, 37-acre property adjacent to Ridgway.
- Emergency Medical Services Fund:
 1. Two Quick Response Vehicles. This capital purchase is funded by an Emergency Medical Service Provider grant at 50% of the cost.

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 each year from 2005 to 2016 as a result of performance evaluations. This practice is being continued for the 2017 budget year. This is a one-time bonus merit award that does not increase an employee's hourly pay or salary in the future.

Through adoption of Resolution 2010-048, the Board will be continuing its practice of evaluating vacated positions for 2017 that may arise as a result of resignation or termination in order to determine 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 a good fiscal and organizational policy to evaluate positions as they are vacated to examine such factors as funding, departmental work levels, mandated responsibilities, and health, safety and welfare impacts to determine if a position is an essential position to the organization and to consider opportunities for organizational efficiencies and effectiveness. This practice has resulted in creative partnerships and sharing of resources between county departments and between Ouray County and other counties and public or private entities to allow Ouray County to provide high quality public services with limited resources, and remain flexible and nimble.

In an effort to ensure that wages are within a market range comparable to other County Government positions and other professional positions within the region, Ouray County appropriated funding in 2015 for participation in a Classification and Compensation Study with San Miguel County. The study was completed and compensation adjustments were made to positions identified in the study and included in the 2016 budget. Completion of the study and adjustment to wages allows Ouray County to be competitive in its recruitment practices and enhances employee retention.

Employee Health Insurance Overview:

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 has solicited requests for proposals several times over the past fifteen years. In 2009, Ouray County solicited a request for proposal (RFP) for employee health insurance benefits for the 2010 budget year. After analysis and meeting with a Personnel/Employee Benefits Committee, the Board of County Commissioners authorized award to County Technical Services, Inc. (CTSI) for the provision of employee health insurance under the County Health Pool (CHP). Historical premium rates for Ouray County are as follows:

- The premium rates for 2010 were maintained at the same rate as 2009.
- Premium rates reflected a 8% increase in 2011,
- Premium rates reflected a 4% increase in 2012,
- Premium rates reflected a 1% decrease in 2013,
- Premium rates reflected a 9% increase for 2014,
- Premium rates reflected a 8.77% increase for 2015,
- Premium rates reflected a 6.73% decrease for 2016,
- Premium rates reflected a 0% increase for 2017.

Note: The 2014 and 2015 premium increases were due in part to the changes created by the Health Care Reform Act and claims history of the overall County Health Pool. The plans provided to the County by and through the County Health Pool (CHP) offers employees the opportunity to select a plan whereby the cost is covered by the County or to buy upwards to two other plan options both with a lesser out-of-pocket and deductible amount as an employee payroll deduction. 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.

5. Contributions to Outside Agencies and Programs

Funding contribution requests in the General Fund have increased slightly for the 2017 budget year as listed below. Funding has been allocated for continued support of the backcountry ranger patrol for the high mountain roads and for waste management in the

Canyon Creek area. 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."

	2016 Budget	2017 Budget
Ouray Historical Society	\$ 200.00	\$ 200.00
Ridgway Railroad Museum	\$ 100.00	\$ 100.00
Public Lands Partnership	\$ 1,000.00	\$ 1,000.00
Top of the Pines	\$ -0-	\$ 9,000.00
Fair Board	\$ 3,000.00	\$ 3,000.00
High Country Rec. Support	\$ 3,300.00	\$ 3,300.00
Second Chance Humane Society	\$ -0-	\$ -0-
Total	\$ 7,600.00	\$ 16,600.00

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 pursuant to Resolution 2007-076, 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. Estimated 2017 revenue for the entire Ouray County Budget, inclusive of all funds, reflects a 5.36% decrease over 2016 budgeted revenues.
2. Property tax revenue estimates are based on the current assessed valuation provided by the County Assessor and multiplied by the current mill levies to arrive at the property tax revenue for 2017. Property tax revenue for 2017 will be increased by .83% for a total \$16,952 for all funds supported by a mill levy.
3. Other budgeted revenues for 2017 are based in part on projected 2016 revenues.
4. Estimated 2017 revenue from sales tax reflects an estimated 17% increase over the 2016 budgeted amount.
5. Estimated severance tax revenue budgeted for 2017 remains at the same level as budgeted in 2016. Severance tax revenue is anticipated to increase for the 2017 Budget year over the amount received in 2016, based upon the resurgence of mining activity within Ouray County.
6. The 2017 Road and Bridge Fund revenue budget includes grant revenue carried over from the 2016 Budget for the County Road 361 Repairs and Improvements project in the amount of \$108,704.
7. A close watch will be kept on State and Federal revenue sources with regard to future funding availability, most especially Payments-in-Lieu-of-Taxes (PILT) and Secure Rural Schools (SRS) funding.

Expenditure Estimates:

Department Heads and Elected Officials submit their budget requests to the County Administrator in accordance with budget guidelines provided to them in July. All requests are

compiled and prepared by the County Administrator for submittal and review by the Board of County Commissioners.

A budget work session was held with Elected Officials and Department Heads to introduce the effects of estimated revenues and expenditures for the 2017 budget and to discuss capital and human resources requests.

Expenditure estimates are conservative and are based on the following:

1. Estimated 2017 expenditures for the entire Ouray County Budget, inclusive of all funds, is 4.28% lower than 2016 budgeted expenditures due to completion of several grant projects.
2. The 2017 Road and Bridge Fund expenditure budget reflects a 9% decrease over the 2016 Budget due to the completion of the County Road 361 Repairs and Improvements project.

Property Valuation:

The 2016 valuation for assessment for the County of Ouray, Colorado, as certified by the County Assessor is \$157,493,940.

Ouray County Mill Levy:

For the purpose of meeting all general operating expenses of the County of Ouray, Colorado, during the 2017 budget year a total mill levy of 13.154 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 2016 Mill Levy</u>
County General Fund:	9.074	0.020	9.094
Road and Bridge Fund:	1.500	0.003	1.503
Social Services Fund:	0.552	0.001	0.553
EMS Fund	<u>2.000</u>	<u>0.004</u>	<u>2.004</u>
Subtotal:	13.126	0.028	13.154
Recovery of Taxes Abated:	<u>0.028</u>		
Total Mill Levy:	13.154		

Capital Budget Purchases and Improvements:

General Fund Capital: (020 - 195, 295, 395, 495, 595 and departments 121)

The General Fund Capital Purchases and Improvements consist of capital purchases, lease purchases and capital projects totaling \$91,475.

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>	
020-121	Treasurer - Eagle Software Upgrade	\$ 19,960
020-195	Courthouse ESCO – Boiler	\$ 23,833
020-295	Sheriff's Department Vehicle Payments	\$ 29,359
020-595	Fairgrounds Tractor	\$ 10,223
	<u>New Lease Purchase</u>	
020-295	Sheriff's Department Vehicle (5-yr Lease Purchase)	<u>\$ 8,100</u>
Total General Fund Capital:		<u>\$ 91,475</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 \$126,702.93.

Capital Purchase and Lease Purchase items include:

<u>Fund & Department</u>	<u>Description</u>	<u>Amount</u>
	<u>Existing Lease Purchases</u>	
040-895	Caterpillar Motor Grader	\$ 39,708
	<u>New Lease Purchase</u>	
040-895	Heavy Equipment (5-yr Lease Purchase)	\$ 85,995
	▪ Front-end Loader	
	▪ Semi-tractor	
	▪ (2) Belly-dump trailers	
040-895	<u>Capital Improvements / Purchases</u>	
	Sand / Salt Storage, and	<u>\$100,000</u>
	Fuel Storage / Pumps	
Total Road and Bridge Fund Capital:		<u>\$225,703</u>

Other Revenue Sources for the Road and Bridge Department:

Road and Bridge Impact Fees Fund:

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 2017, \$80,000 will be transferred from this fund to the Road and Bridge Fund to be used for County Road capital equipment lease purchase payments.

Road and Bridge Sales Tax Fund:

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, apply more magnesium chloride and assist with capital purchases and leases. However, the reduction in property tax revenue experienced commencing in 2012 through the present, has been counterintuitive to the gain in sales tax, as the sales tax dollars have simply backfilled the loss of revenue from property tax during this economic downturn period. This coupled by increases in operating costs (i.e. materials, repairs, parts, etc.) has impeded the progression of departmental and road improvements.

The amounts of Road and Bridge Sales Tax appropriated in 2009 through 2017 to the Road and Bridge Fund is listed below:

2009	2010	2011	2012	2013	2014	2015	2016	2017
\$299,397	\$435,000	\$475,000	\$475,000	\$475,000	\$505,470	\$643,000	\$688,000	\$735,000

Pursuant to Resolution 2009-053, the Board of County Commissioners has committed to providing the equivalent of 1 mill to the Road and Bridge Fund from monies received by Ouray County from the federal government known as Payments-in-Lieu-of-Taxes ("PILT") as follows:

2010	2011	2012	2013	2014	2015	2016	2017
\$210,537	\$210,537	\$182,654	\$195,002	\$154,032	\$155,553	\$156,505	\$157,494

Road and Bridge Audit – 2015:

In November of 2014, Ouray County solicited a Request for Proposal inviting consultants to submit sealed proposals for the development of a comprehensive Road and Bridge audit. The purpose of the audit was to evaluate the effectiveness of current road and bridge activities, identify current and future road and bridge needs and to propose recommended improvements and solution-based planning for the County Road and Bridge Department. A Scope of Work was developed for the audit and broken out into seven elements as follows: organizational and management structure, departmental administration, department inventory of roads, equipment and facilities, community relations and customer service, best management practices, other audit discoveries, and recommendations. Ouray County engaged the services of an engineering firm (SGM) and a complete audit was undertaken along with a citizen survey with a final report delivered and presented to the County in August of 2015.

The results of the audit identified three Core Strategies as follows: 1) to optimize the current road and bridge systems, 2) to be proactive rather than reactive, and 3) to re-build the Road and Bridge Foundation. Referencing these three core strategies, Ouray County contracted with a consultant to begin implementation of the audit recommendations and to work with the Road Superintendent two full days per week commencing in December 2015, to create and formalize several plans including: 1) a communication plan; 2) capital improvement plans for equipment, facilities and roads; 3) a recommendation for departmental staffing; and 4) to address road and bridge operations with regard to winter and non-winter maintenance plans, to ensure that adequate and necessary mechanic operational tools are purchased, and to optimize the utilization of the existing PubWorks software program. Deliverables from the consultant were due to the County by April 15, 2016. However, due to unforeseen circumstances, the final deliverable report was completed in late November, 2016. Staff will be reviewing the report again and compiling the report and its appendices for provision to the Board of County Commissioners and Road Advisory Committee.

EMS Fund Capital: (800-295)

The EMS Fund Capital Purchases and Improvements consist of the purchase of two (2) Quick Response Vehicles (QRV's) for a total cost of \$60,000. The QRV's are funded through a 50/50 Emergency Medical Service Provider grant in the amount of \$30,000. This grant revenue is reflected in the EMS Fund budget under Capital 295 revenue.

Capital Lease Purchase items include:

<u>Department & Fund</u>	<u>Description</u>	<u>Amount</u>
	<u>New Purchase</u>	
800-295	Two (2) Quick Response Vehicles (Grant funded – 50%)	<u>\$ 60,000</u>
Total EMS Fund Capital:		<u>\$ 60,000</u>

The EMS Fund was created in 2005 as a result of a voter-approved mill levy to fund emergency medical services. Ouray County has been good stewards of the property tax revenue collected for the EMS Fund and has been able to save funding to meet the three-month reserve requirements set forth in Resolution 2007-076. In addition, additional money has been saved to offset the cost of a future EMS facility, of which plans are currently underway by and through a contract with a consultant to for the preparation of facility drawings and construction costs.

Social Services Fund (050):

Budgeted revenues and expenditures for the Social Services Fund have both decreased for 2017 by 24%. This reduction is primarily due to the removal of Regional Pass-through program dollars that were administered by Ouray County Social Services for many years in the past. 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, Social Services 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 American Recovery and Reinvestment Act (ARRA) dollars in the amount of \$166,666. In 2010 through 2013, the fund was utilized for grants benefitting the Voyager Youth Program. The Special Grant Fund was not utilized in 2014 or 2015, for the Voyager Youth program, as Voyager sought grants from alternative sources that did not require a government sponsor. The Special Grant Fund was utilized for budget year 2016 to house special project grants such as the: 1) Courthouse Restoration and new Construction Planning project; 2) Conceptual Plan of County-owned, 37-acre property located in Ridgway / EMS Facility Plans and Construction Costs; 3) FEMA Pre-disaster Mitigation project; and 4) Water Study Grant project.

In 2017, the Special Grant Fund will be utilized to: 1) Host the revenue and expense for Housing needs within the County; 2) Completion of the Conceptual Plan of county-owned, 37-acre property located in Ridgway / EMS Facility Plans and Construction Costs; and 3) FEMA Pre-disaster Mitigation project.

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 \$88,448 currently in the Highway 361 Fund. There are no expenditures planned out of the Highway 361 Fund for the 2017 budget year.

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. There are no expenditures planned for the 2017 budget year.

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 a 1% sales tax passed exclusively for Road and Bridge by the electorate in the 2008 General Election. Dollars derived from the collections of Road and Bridge Sales Tax is placed in the Road and Bridge Sales Tax Fund for efficiency of use, tracking and accountability. An estimated \$754,000 has been appropriated in the 2017 Road and Bridge Sales Tax Fund to be collected. Funding has and will be transferred from the Road and Bridge Sales Tax Fund into the Road and Bridge Fund (Fund 040) annually, as appropriated by the Board of County Commissioners. In the 2017 budget, \$735,000 has been appropriated by the Board of County Commissioners as a "transfer-out" to the Road and Bridge Fund to help offset the cost of providing services including personnel, funding capital purchases and leases, crushing aggregate, and improving road surfaces. This transfer amount may include the use of some Road and Bridge Sales Tax fund balance.

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 25% of the revenue supporting the Public Health Fund is transferred from the General Fund to the Public Health Fund. The Public Health department has been very creative in finding grant revenue to support service provision for the community of Ouray County. The Public Health Department is serving as the administrative sponsor for a substance abuse grant being utilized by the Voyager Youth Program. The Department has also written grants with successful award for mental health services and tobacco cessation. The Public Health Department is continuing to find ways to enhance and deliver essential services to the community and citizens of Ouray County.

Emergency Management Fund (930):

A new fund was created in 2014, to house donated dollars received associated with the Ridgway Reservoir airplane accident. In 2016, the Emergency Management Fund was brought into the overall County Budget for the purpose of depositing monies for Declared Emergency Disaster Response and Pre-disaster Mitigation efforts. The Board may appropriate revenue on an annual basis to the Emergency Management Fund into a line-item within the Fund, entitled "MJ Excise Tax" in an effort to achieve a fund balance accumulation over time in an amount adequate to cover several days of complex declared emergency/disaster response responsibilities, post-disaster recovery activities and pre-disaster mitigation activities. There is \$1,925 appropriated in the Emergency Management Fund, MJ Excise Tax line-item, for the 2017 budget year.

MJ Excise Tax Fund (955):

A new Fund has been created entitled "MJ Excise Tax Fund" to deposit marijuana excise tax revenues collected as a result of a voter-approved ballot question on November 3, 2015. Beginning January 1, 2016, a 5% Marijuana Excise Tax was imposed based upon the average market rate, as determined by the Colorado Department of Revenue, on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility located within Ouray County. Such revenue will be used as determined by the Board of County Commissioners to fund Public Health and Safety, County Facilities and other General Purposes of the County including not less than 20% of the revenues generated and collected annually from the excise tax be utilized for Ouray County Road and Bridge. There is \$125,000 estimated to be collected and appropriated in the MJ Excise Tax fund for the 2017 budget year. If collections are met, of the amount appropriated, \$121,250 would be transferred to the funds listed below as follows:

General Fund:	\$ 91,437.50
Road and Bridge Fund:	\$ 25,000.00
EMS Fund:	\$ 2,887.50
Emergency Mgt. Fund:	\$ 1,925.00
	<u>\$121,250.00</u>

Note: Should the marijuana excise tax revenue collected exceed the appropriated budget amount, 20% of the additional dollars collected would be transferred to the Road and Bridge Fund as stipulated in the ballot question.

Contingency Fund (030):

This fund contains a balance of \$174,882 and was established years ago to meet the TABOR contingency requirement. TABOR requires that the County retain 3% of its fiscal year spending excluding bonded debt service. Ouray County Budgetary Funds associated with a dedicated mill levy (i.e. General Fund, Road and Bridge Fund, Social Services Fund and EMS Fund) all contain adequate fund balances to meet the TABOR contingency requirement.

2017 Budget Summary Conclusion:

The Board of County Commissioners and the County Administrator will continue to administer the County Budget using a conservative approach. Adequate operational reserves are in place for emergency purposes for the General Fund, Road and Bridge Fund, Social Services 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 Ouray County. This so-called "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 to County government in order to maintain mandated and essential county services. As always, the Board of County Commissioners continues to seek input from Elected Officials, Appointed Officials, Department Heads, Staff and the general public concerning County operations and services. Some examples of improved operations, services and efficiencies are listed below:

- Reorganization of Information Technology Department based upon and I.T. audit;
- Implementation of solicitations from Requests for Proposals for internet and telephone services that cut the expenditures in half and created efficiencies and budget reductions;

- Worked with an Energy Service Company (ESCO) to develop and implement a replacement heating system for the 1888 Courthouse. A new energy efficient boiler was installed that operates using natural gas. This boiler was also installed to operate using geothermal energy when it may become available. The new boiler provides even heat throughout the courthouse and operates more efficiently generating annual cost savings;
- Inserted storm windows in offices located on the north side of the courthouse facility to improve insulation and reduce heat loss, thus producing cost savings;
- Successfully completed \$1.6 million dollars of grant funded projects in 2014 for: 1) Fairgrounds Grandstands, 2) Ouray County 4-H Event Center Roofing, HVAC and Energy Efficiency improvements, and 3) Waste Tire Mitigation project; *(In addition, awards were received for improvements and repairs to County Road 361, which commenced in 2015.)*
- Improved the comfort level of occupants, provided energy efficiencies and protected facility infrastructure at the Ouray County 4-H Event Center due to HVAC unit improvements, HVAC zoning improvements and insulation and roof upgrades;
- Prepared a Request for Proposal and entered into a contract with Management of America to prepare annual cost allocation plans to reflect the actual cost of doing business;
- Applied for four (4) TIGER grants with the last grant TIGER VII grant totaling \$13,011,920 million dollars for improvements to County Road 1; *(Award was unsuccessful, but the data gathered will be valuable for future solutions.)*
- Solicited an RFP for a Road and Bridge Audit in 2014 and entered into a contract for the services for its undertaking. The Road and Bridge Audit Report was provided and presented by the consultants to the Board of County Commissioners, Road Advisory Committee and County Staff; *(Implementation of the audit findings are underway by and through engagement of a consultant to work with the Road Superintendent two full days per week commencing in December 2015, with deliverables due by April 15, 2016. Due to unforeseen circumstances, the final deliverable report was completed in late November, 2016. Staff will be reviewing the report again and compiling the report and its appendices for provision to the Board of County Commissioners and Road Advisory Committee.)*
- Participated in a Classification and Compensation Study in partnership with San Miguel County. The study was completed and implementation was included in the 2016 Budget;
- Solicited Requests for Proposals for the Courthouse Restoration with the project commencing in January, 2016 and completed in November, 2016; *(This project is funded by an Underfunded Courthouse Commission Grant.)*
- Solicited Requests for Proposals for the purpose of developing a Conceptual Plan of County-owned property located adjacent to Ridgway and for the development of EMS facility drawings and construction costs; *(This project is funded by a Department of Local Affairs Administrative Planning Grant, has begun and has been extended to June 31, 2017.)*
- Implemented a Single-Point-of-Entry at the Ouray County Courthouse funded by Courthouse Security funding; and
- Completed a grant-funded Water Study for all of Ouray County.
- Ouray County has made it a priority to seek and implement operational efficiencies and to improve and plan for its County facilities. The County has been engaged in proactive planning for its facilities and infrastructure to address deferred maintenance and to plan

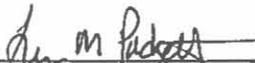
for the future. The following planning projects and purchases have been completed or are currently underway:

- Ouray County Fairgrounds and Ouray County 4-H Event Center:
 - Fairgrounds Master Plan development and implementation;
 - Ouray County 4-H Event Center energy and safety improvements;
 - Fairgrounds tractor purchase;
 - Fairgrounds Grandstands construction and sound system; and
 - Fairgrounds landscaping.
- Thirty seven (37) acre Ouray County Property located adjacent to the Town of Ridgway:
 - Development of Conceptual Plan for the 37-acre property to include a future County satellite office to house public offices such as public health, social services, land use, attorney, administrative offices, and meeting space for public services accessibility;
 - Conceptual Design Plan for location of Road and Bridge facilities (fuel pumps, wash bay, sand/salt shed, equipment bays) for practical, functional and safe Road and Bridge services and use; and
 - Architectural drawings and design for a future Emergency Medical Services facility located in the heart of Ouray County. This facility will provide functional office space, meeting space, bunk accommodations, secure storage and emergency vehicle housing.
- Ouray County Courthouse, Courthouse Annex:
 - Development of revised architectural drawings and cost estimates for restoration of 1888 County Courthouse (interior and exterior), including landscaping;
 - Development of architectural drawings to modify the Courthouse Annex (current Assessor's office) to become a Sheriff's facility and new connecting addition for archival storage, which is greatly needed for historical records; and
 - Development of architectural drawings to construct an administration building to house County Administration services (County Administrator, Human Resources, Payroll, Commissioner Records, Grants and Special Projects).
- Road and Bridge Audit Implementation:
 - Development of Capital Improvement Plans for:
 - Heavy Equipment and Vehicles;
 - County Roads; and
 - Road and Bridge Facility Planning (part of 37-acre conceptual plan).
 - Staffing recommendations implementation; and
 - Improved Communications.
- Land Use Code Revisions, New Sections and Development of Administrative Processes.

All of the above capital planning projects, capital improvements, capital purchases and operational efficiencies have been the focus of an end goal to: 1) proactively plan for the future, 2) understand capital needs, 3) to develop capital improvement plans and costs, and 4) to strategize and develop a mechanism to support these capital improvements for the benefit of Ouray County citizens, employees and visiting public now and for the future.

Date: December 6, 2016

BOARD OF COUNTY COMMISSIONERS
OF OURAY COUNTY, COLORADO



Lynn M. Padgett, Chair

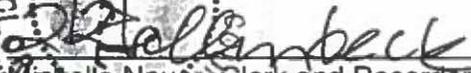


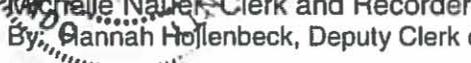
Ben Tisdell, Vice-Chair



Don Batchelder, Commissioner





Michelle Nauer, Clerk and Recorder
By:  Hannah Hollenbeck, Deputy Clerk of the Board



Connie I. Hunt, County Administrator
And Budget Officer