



Administration Building  
West Hearing Room  
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303-795-4630  
Relay Colorado 711

Kathleen Conti, District 1  
Nancy Sharpe, Chair, District 2  
Jeff Baker, District 3  
Nancy Jackson, District 4  
Bill Holen, Chair Pro Tem, District 5

## **Study Session**

**June 16, 2020**

**The Board of County Commissioners will be attending this meeting telephonically. The public is invited to listen to the study sessions by calling 1-855-436-3656. The Board of County Commissioners may go into executive session as necessary to receive legal advice or discuss other confidential matters during the updates.**

The Arapahoe County Board of County Commissioners typically holds weekly Study Sessions on Monday and Tuesday. Study Sessions (except for Executive Sessions) are open to the public and items for discussion are included on this agenda. Agendas (except for Executive Sessions agendas) are available through the Commissioners' Office or through the County's web site at [www.arapahoegov.com](http://www.arapahoegov.com). Please note that the Board may discuss any topic relevant to County business, whether or not the topic has been specifically noticed on this agenda. In particular, the Board typically schedules time each Monday under "Committee Updates" to discuss a wide range of topics. In addition, the Board may alter the times of the meetings throughout the day, or cancel or reschedule noticed meetings. Questions about this agenda? Contact the Commissioners' Office at 303-795-4630 or by e-mail at [commissioners@arapahoegov.com](mailto:commissioners@arapahoegov.com)

### **Study Session Topics**

**10:00 A.M. Administrative Meeting - Compensation Issue And Benefit Request**

*Dusty Sash, Total Compensation Manager, Human Resources*  
*Patrick Hernandez, Director, Human Resources*

**10:30 A.M. \*Executive Session**

Executive Study Session and County Attorney Administrative Meeting [Section 24-6-402 (4)(b)C.R.S.](As required by law, specific agenda topics will be announced in open meeting prior to the commencement of the closed and confidential portion of this session) (WHR)

*Ron Carl, County Attorney*

**11:30 A.M. \*2021 Budget Guidance Discussion**

Discuss the general concepts and tenets of the annual budget development guidance with the Board of County Commissioners

*Todd Weaver, Director, Finance*  
*John Christofferson, Deputy County Attorney*

Documents:

[BSR\\_2021\\_BUDGET\\_GUIDANCE\\_STUDY\\_SESSION\\_20200616.PDF](#)  
[PPT\\_2021\\_BUDGET\\_GUIDANCE\\_STUDY\\_SESSION\\_20200616.PDF](#)  
[2020 BUDGET GUIDANCE MEMO\\_FINAL.PDF](#)

**Break**

**1:00 P.M. Intergovernmental Updates With Shannon Carter**  
*Board of County Commissioners*

**\* To Be Recorded As Required By Law**  
WHR - West Hearing Room

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Please contact our office at least 3 days in advance to make arrangements.*



**ARAPAHOE COUNTY**  
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## Board Summary Report

**Date:** June 10, 2020  
**To:** Board of County Commissioners  
**From:** Todd Weaver, Finance Director  
**Subject:** Guidance for 2021 Budget Development Process

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### Request and Recommendation

The purpose of this drop-in session is to discuss the general concepts and tenets of the annual budget development guidance with the Board of County Commissioners (BOCC). The Executive Budget Committee met to discuss this same topic and the guidance from the BOCC will be incorporated into the final budget guidance for this coming year's budget.

### Background

Each year, the Executive Budget Committee in collaboration with the Board of County Commissioners distributes a memorandum to elected offices and departments that sets the environment and expectations for the upcoming budget development process. The budget guidance memorandum contains basic information about the current revenue projections, basic process for how the County will develop and review its annual budget, and areas of focus, consideration, or concern from the BOCC or the EBC.

### Links to Align Arapahoe

The budget guidance memorandum is an opportunity for the BOCC to tie the budget development process with the overall goals and objectives of the County and to provide information to departments and elected offices on what kinds of priorities should be reflected in budget submissions.

### Discussion

The discussion with the BOCC will follow the PowerPoint slides accompanying this Board Summary Report with special emphasis on the EBC recommendations (in orange text on the slides) will help the EBC and staff complete the content of the budget guidance memo. Once the BOCC provides direction on the items included in the presentation, Budget Division staff will finalize the budget guidance to be distributed to departments and elected offices in preparation for the 2021 budget development process following a final review by the EBC and BOCC. Last year's budget guidance is attached for your reference.

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**Alternatives**

The BOCC could decide to not issue budget guidance or allow the EBC to determine the budget guidance for the 2021 budget process.

**Fiscal Impact**

None at this time.

**Attached:**

2021 Budget Guidance PowerPoint slides  
Budget Development Guidance Memorandum from the 2020 Budget Process

**Reviewed By:**

John Christofferson, Deputy County Attorney



# 2021 Budget Guidance Discussion

Board of County Commissioners Study Session

June 16, 2020

# 2021 Budget Calendar Overview

- July 1<sup>st</sup> – Budget submission process begins
- August 5<sup>th</sup> – Budget submission deadline
- September 9-11<sup>th</sup> – Executive Budget Committee mtgs.
- October 13<sup>th</sup> – Recommended budget to BOCC
- October 20<sup>th</sup> – EBC 2021 Budget presentation to BOCC
- December 8<sup>th</sup> – Adoption of 2021 budget

## Revenue Outlook

- Property tax revenue growth expected to continue but at a slower rate than for 2020 or 2019
- 2020 is not a reappraisal year nor will there be any change in the residential assessment rate
  - Impacts of downturn are likely for 2021 reappraisal and setting of RAR (unless passage of repeal)
- Projecting new construction of about 1.0-1.2% and inflation of about 1.5-2.0% for a total growth of between 2.5% and 3.2%
  - Inflation rate has dropped since earlier projections as a result of COVID economic impact
- Revenue for 2021 projected at \$144.5 million, up \$4.0-\$4.5 million from 2020.

## Revenue Outlook

- Impact of COVID-19 and related downturn on other revenues is not yet certain (delay in data, economic recovery timeframe not known yet)
- Expecting some revenues to be impacted negatively – those related to new vehicle sales, sales and use tax
  - Est. 15% decline in sales/use tax for '20, rebound in '21?
- Some revenues are doing well despite downturn – building permits, land recording fees
- Interest earnings holding firm based on timing of investments rather than recent changes in rates
- Uncertainty in State and Federal funding going forward – some have remained the same but have also seen/heard of declines (HUTF, AD Works!)
- Will there be additional Federal stimulus for local gov't?



## Expenditure Outlook

- **Growth in salaries and benefits are generally the largest additions to the annual budget**
  - Economic downturn will likely impact both merit increases as well as the overall market salaries
  - Expecting increase in medical insurance premiums but capped
  - Application of vacancy savings is a large factor in being able to fit salary and benefit costs into the budget
- **Prior year budgets have seen an increase in FTE requests to keep pace with growing workloads**
  - Yet to be seen if COVID aftermath will result in more online/remote services and drive down need for staffing
- **Economic downturn may slow the inflation in the cost of supplies, materials, equipment, and labor that has been reducing the County budget's buying power**
- **Continue to see increases in the cost of insurance premiums for liability and worker's compensation**

# Expenditure Outlook

General Fund Projections										
(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Forecast					
	2019	2020	2020	2020	2021	2022	2023	2024	2025	
<b>Total Revenue</b>	203.7	201.1	202.0	199.6	205.2	209.7	215.6	220.8	227.1	
Expenditures	197.1	209.9	213.1	207.5	206.4	208.9	214.2	222.5	227.6	
Other Adjustments					0.1					
<b>Total Expenditures</b>										
<b>Net</b>										

  

Social Services Fund Projection										
(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Forecast					
	2019	2020	2020	2020	2021	2022	2023	2024	2025	
<b>Total Revenue</b>	63.9	71.2	71.2	69.0	68.8	71.5	74.2	77.0	80.0	
Expenditures	64.0	72.7	72.9	69.1	70.8	72.6	75.2	78.0	80.8	
Other Adjustments	-	-	-	-	-	-	-	-	-	
<b>Board Designated Reserve</b>										78.0 80.8

  

Road & Bridge Fund Projections										
(Dollars in Millions)	Actual	Adopted	Amend.	Proj.	Forecast					
	2019	2020	2020	2020	2021	2022	2023	2024	2025	
<b>Total Revenue</b>	17.6	15.7	15.7	15.5	15.7	15.6	15.9	15.9	15.9	5.5 4.5
Expenditures	16.4	17.3	17.8	17.1	16.8	16.7	16.9	17.1	17.3	(1.0) (0.9)
Other Adjustments	-	-	-	-	-	-	-	-	-	4.5 3.6
<b>Total Expenditures</b>	16.4	17.3	17.8	17.1	16.8	16.7	16.9	17.1	17.3	(2.6) (2.7)
<b>Net</b>	1.1	(1.5)	(2.1)	(1.6)	(1.2)	(1.0)	(1.0)	(1.2)	(1.3)	1.9 0.9
<b>Beginning Fund Balance</b>	4.2	5.3	5.3	5.3	3.7	2.5	1.5	0.5	(0.7)	
Change in Fund Balance	1.1	(1.5)	(2.1)	(1.6)	(1.2)	(1.0)	(1.0)	(1.2)	(1.3)	
<b>Ending Fund Balance</b>	5.3	3.8	3.2	3.7	2.5	1.5	0.5	(0.7)	(2.0)	
Restrict/Commit/Assigned	(2.7)	(2.9)	(3.0)	(2.9)	(2.8)	(2.8)	(2.8)	(2.8)	(2.9)	
<b>Funds Avail. for Approp.</b>	2.5	0.9	0.2	0.8	(0.3)	(1.3)	(2.3)	(3.5)	(4.9)	

# Expenditure Outlook

- **Quick budget facts:**
  - 1% increase in local growth = \$1.4M in prop. tax revenue
  - 1% increase in salaries = \$1.1 million
  - 1% increase in health insurance = \$115,000
- **Key areas for 2021 budget focus:**
  - Availability of funds in the General Fund to provide for Total Compensation as well as some budget packages
  - Road & Bridge Fund budget will probably need to be reduced to allow fund to remain above the policy reserve
  - County match requirements in the Social Services Fund after expiration of Managed Care savings and other reserves – how much fund balance use in 2021?
  - Preserving \$50 million General Fund balance and the relationship to the transfer of fund balance to the Capital Expenditure Fund

## Overall Outlook

- Forecast going forward is uncertain at this point.
- 2021 budget process and result will not look like 2020 with many packages approved with additional expenses and staffing.
- At same time, downturn for the County does not appear to be significant enough to warrant significant budget reductions either.
- Result is likely in between with minimal and/or modest budget packages focused on needs

## Overall Budget Guidance/ Philosophy

- **Guidance from the past few years:**
  - Achieve a structurally balanced budget.
  - Budgets that are well planned, streamlined, efficient, focus on needs not wants, and provide justifications for changes in the current level of services and/or funding.
  - Request departments and elected offices to look for new ways to maximize efficiencies and evaluate opportunities to reduce operating expenses to facilitate balancing the operating budget.
  - Stress County employees are valued and will continue to evaluate how total compensation recommendations for employee salaries and benefits can be accommodated in the 2021 budget.
- **Continue these for 2021 or modify?**

## Overall Budget Guidance/ Philosophy

- Options for 2021 Guidance:
- Are there areas/concepts that you want budget submissions to focus on?
  - Required or mandated increases
  - Mandated services
  - Services that address key goals or objectives
  - Maintaining the current level of service
  - Recovering from the pandemic and/or preparing for future incidents
  - Concepts from the Leadership Workshop or Strategic Planning efforts
- *EBC Recommendation: Include a focus on the service delivery model due to the pandemic – lessons learned, business process changes, new ways of doing things and the savings that was captured.*

## Overall Budget Guidance/ Philosophy

- Options for 2021 Guidance (cont.):
- Voluntary Reductions
  - Requested from 2011-2015 and again 2018-2020
  - Request that departments and elected offices take a close look at and evaluate their programs and services and find areas where reductions can be made to limit the growth in operating expenses and submit reductions as part of their 2021 budget.
- Mandatory Reductions
  - Done on an ad hoc basis in some prior years
  - Request that departments and elected offices reduce their budget by a predetermined amount ~ across the board cuts.
- *EBC Recommendation: Include provisions for voluntary reductions as in prior budget years to help balance budget.*

## Baseline Budgeting Process

- Budget line items are set at the same level as the prior year plus, or minus, and ongoing changes approved as part of adopted budget packages.
- Continue with baseline budgeting philosophy?
  - Last reset (“zero-base”) of baseline was 2006 and did not have significant impact on reducing base budget amounts
  - Conducting a zero-base budget for 2021 would take a significant amount of work to set up and administer properly
  - Reductions in historically over-budgeted/underspent baseline items (requested 2010-2012)
    - Form of mandatory reduction
    - Reduces ability of departments/offices to manage changes in their budgets – “budget to the bottom line”
- *EBC Recommendation: Think about new business processes from pandemic in evaluating baseline.*



## Payroll/Benefit Costs

- **Total Compensation recommendations forthcoming from Human Resources**
  - **Merit Increase History:**
    - 2020: 3.3% merit increase
    - 2019: 3.3% merit increase
    - Merit increase in 2020 budget totaled \$4.2 million
  - **Market Increases:**
    - Adjustments each year for targeted positions – both general classifications and for ACSO step program
    - Large movements every few years – last one in 2019
  - **Step Increases:**
    - Traditionally funded as part of annual budget

## Payroll/Benefit Costs

- **Total Compensation recommendations forthcoming from Human Resources (cont.)**
  - **Medical Insurance Rate Increase History:**
    - 2020: 5.5% merit increase
    - 2019: 0.5% increase
  - Rate cap at about 6.0% for 2021 as well
- **Vacancy Savings**
  - 2020: 2.0% for small depts./3.5% for large depts.
  - 2019: 2.0% for small depts./3.25% for large depts.
  - Provides budget reductions of \$5.2 million (\$3.3 in GF)
  - Continue for 2021?
- *EBC Recommendation: Continue with vacancy savings at last year's rates. Consider fiscal situation before deciding to fill vacant positions.*

## Budget Package Requests

- **Prior-year Guidance for Budget Packages**
  - Preference that budget packages proposed for new or increased staffing, programs, or services should be accompanied by additional revenue or reductions to the existing operating budget to fund the request.
  - Detailed justifications for budget packages to articulate need and link to County goals and objectives
  - Requested inclusion of a direct linkage between budget package requests and the department's goals, objectives, and those of the core programs and functions will be required for the budget process.
  - No budget packages under \$7,500

## Budget Package Requests

- Options for Budget Package Guidance
  - Change preference that departments/offices submit reductions or new revenue in order to fund new budget package requests to a requirement.
  - Request that there are no budget package requests for anything other than requirements or mandates.
  - Focus budget package requests on key priority areas or aligned with BOCC goals
  - Increase the minimum amount for budget package requests to \$25,000 or \$50,000 to limit 2021 requests
- *EBC Recommendation:*
  - *Change preference to requirement that budget packages for new operating expenses be accompanied by reductions in other areas or an increase in revenue.*
  - *No budget packages under \$25,000.*

# Capital Improvement Program

- Follow process set up by CIP Committee
  - Projects ranked and prioritized based on criteria
- 2021 budget year is only for updates of 2020-2024 plan – not soliciting new projects
- Will evaluate, prioritize, and recommend a 2021 project plan as well as revise the 5-year program plan
- Additional Guidance for CIP Committee?
  - Prioritize based on existing plan?
  - Emphasis on necessary and urgent capital needs?
  - Target for funding amount for 2021 to reduce amount of the transfer from the General Fund?
- *EBC Recommendation: Refocus CIP on priorities to reduce 2021 project list. Evaluate impact of economy on projects, including partnerships with other gov'ts that may have greatly reduced revenues (e.g. road projects).*

## Areas for Special Attention/ Consideration

- Any areas for special consideration?
- For 2020, the budget guidance requested:
  - Elected offices and departments were asked to:
    - Please provide examples of operational efficiencies or business process improvements fully implemented by your department or elected office over the past 2 years and provide an estimate of costs that were reduced or avoided as a result.
    - Please describe current or planned business process improvement or operational efficiency efforts to include an estimate of cost savings or avoidance.
- Thoughts for 2021?
- *EBC Recommendation: Similar to budget guidance, ask depts/offices to evaluate lessons learned from pandemic response especially toward new or improved business processes and any anticipated or actual savings from such changes.*

## Next Steps

- Draft budget guidance and circulate to BOCC and EBC for final comments/approval
- Distribute the budget guidance memorandum for 2021 budget process to departments/elected offices
- Prepare 2021 budget training materials for training of staff later in June



**ARAPAHOE COUNTY**  
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## Department of Finance

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**JANET J. KENNEDY, CPA**  
Director

**DATE:** June 17, 2019

**TO:** Elected Officials and Department Directors

**FROM:** Executive Budget Committee

**SUBJECT: 2020 BUDGET DEVELOPMENT PROCESS**

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The Board of County Commissioners (BOCC) and Executive Budget Committee (EBC) have met and discussed the upcoming 2020 budget development process and have developed the following guidance for your elected office/department's budget submissions. The following guidance is issued in order to facilitate the adoption of an operating budget that is structurally balanced, works to preserve the long-term financial sustainability of the County, and that is in keeping with the County's goals and objectives as set forth in Align Arapahoe. Prior to drafting this memorandum, the EBC and BOCC received briefings on the forecast for revenues and expenditures for the upcoming budget year. In response, the following has been drafted containing guidance on the submission of elected office and department budget requests for fiscal year 2020 that will occur between July 1<sup>st</sup> and August 2<sup>nd</sup>.

### **2020 Budget Outlook**

The overall budget outlook for the upcoming budget development process is continuing the trend that we have seen over the past few budget cycles. The County is experiencing growth in the property tax base as well as in specific revenue areas such as development related fees and charges as well as in some other areas such as an increase interest earnings and tax collection fees. On the expenditure side, a healthy job market has pushed unemployment lower and therefore upward pressure on salary and benefits costs will continue along with increased costs for supplies, materials, and equipment.

Property tax is, by far, the largest single source of revenue for county operations and growth in this revenue is guided by the provisions of the Taxpayer's Bill of Rights (TABOR), which allows growth at the rate of new construction plus metro-area inflation. For 2020, this local growth rate is projected at 3.8%, resulting in about \$4.0 million in additional property tax revenue. This is about 1.0% less than the local growth rate used in the 2019 budget. A slowdown in economic growth and a drop-in energy prices reduced the inflation rate by the end of the year. The drop in estimated inflation combined with the need to refund a small amount of 2019 collections, due to using a higher estimate of inflation, results in lower revenue growth than in 2019's budget process. Each 1.0% change in the local growth rate results in a \$1.3 million change in property tax growth. On a more optimistic note, the change in the residential

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assessment rate is considerably less than what was being projected a year ago, only decreasing from 7.20% to 7.15% for 2019 values used for 2020 collections.

Projections from the 1<sup>st</sup> Quarter Budget Review this past May indicate General Fund revenues of \$197 million for 2020, which is about \$6 million greater than the total revenue adopted in the 2020 budget of \$190 million. This projection incorporates the current trends in revenue collections as well as the estimated property tax revenue growth. Projected expenditures for 2020, which include estimates of increases for salaries and benefits based on prior-year trends but not any potential budget packages or other increases, totaled \$197 million, up from an operating budget total of \$189 million in 2019. This 2019 figure is lower than the adopted budget of over \$196 million due to one-time uses of fund balance which also will likely occur in 2020 to fund items like capital improvement projects. The projections show a General Fund budget that is roughly balanced before considering any proposed budget packages or one-time uses such as equipment purchases or capital projects.

Projections for other major operating funds such as the Road & Bridge Fund and Law Enforcement Authority Fund also show that there will be some challenges in balancing budgets for 2019 without continuing to draw down fund balance. It is important to note that the 2020 budget projections also do not include any funding for any of the items identified and discussed at the Leadership Workshop in February.

### **BOCC and EBC Guidance for 2020**

The overall guidance from the BOCC and EBC requests that departments and elected offices continue to:

- Submit budgets that are well planned, streamlined, efficient, focus on needs not wants, and reflect the County's Align Arapahoe goals and objectives.
- Departments and elected offices should be mindful of the current fiscal situation of the County and the need to address some of the long-term needs when preparing you budget submissions.
- Look for new ways to maximize efficiencies and evaluate opportunities to reduce operating expenses through methods such as business process improvement to facilitate balancing the operating budget.
- Provide justifications for changes in the current level of services and/or funding that tie to Align Arapahoe goals and objectives or statutory responsibilities.
- Take a close look and evaluate their programs and services and find areas where reductions can be made and include those reductions as part of their budget submission.
- Emphasize careful budget planning and forecasting in order to reduce the amount of budget supplemental requests that are submitted during the fiscal year and limiting such mid-year requests to those cases where the circumstances cannot reasonably be foreseen.

The BOCC and EBC also want to stress that they value County employees and will continue to evaluate how total compensation recommendations for employee salaries and benefits can be accommodated in the 2020 budget.

### **Specific Budget Guidance Items for the 2020 Budget Development Process**

For 2020, the Board of County Commissioners and Executive Budget Committee have several items of specific guidance for elected offices and departments. These topics were discussed during the meetings on the 2020 budget development process and are as follows:

Voluntary Reductions: The BOCC and Executive Budget Committee are continuing to request and expect that departments and elected offices take a close look at and evaluate their programs and services and find areas where reductions can be made and submit reductions as part of their 2020 budget. While no specific targets for reductions have been provided for departments and elected offices, any reductions submitted will assist in developing a structurally balanced budget and effectively maximizing the financial sustainability of the County.

Additional Budget Information: The BOCC and Executive Budget Committee would like to build off of the information provided on efficiencies and related cost savings or cost avoidance provided with last year's budget submissions. For 2020, elected offices and departments should provide updates to the information provided last year to include similar items completed in the current year as well anticipated future efforts. The questions to be answered are listed below and should be addressed and submitted with their budget requests in the provided format to the Budget Division by August 2<sup>nd</sup>.

1. Please provide examples of operational efficiencies or business process improvements fully implemented by your elected office or department over the past year and provide an estimate of costs that were reduced or avoided as a result.
2. Please describe any current or planned business process improvement or operational efficiency efforts to include an estimate of costs savings or avoidance.

The Budget Division will provide the necessary forms and format for these responses once the budget development process begins.

### **Baseline Budget**

The 2020 baseline budget will be set at the approved baseline budget for 2019 plus any items that are ongoing from adopted 2019 budget packages or supplemental requests that have been adopted by the BOCC since the last budget development process began. The baseline budget is to budget for the current level of services or programs provided by the County. As in prior years, departments and elected offices will be able to move funds within the baseline limit for controllable accounts that best maintains the current level of service provided. For any change (increase or decrease) to the current level of service, elected offices and departments should submit budget package requests. Please review the baseline budget for your department or elected office and contact the Budget Division in Finance if you have any questions about the information.

### **Payroll and Administrative Budget Items**

The budgets for employee salaries and benefits, internal charges, and inter-fund operating transfers will continue to be budgeted within an elected office or department baseline budget by the Budget Division where applicable. It is important for departments and elected offices to review this information during the budget submission period and verify the data to ensure there have been no errors or omissions in the baseline staffing for the 2020 budget process as staffing data is prone to changes throughout the year.

The Human Resources Department will review compensation and benefit data and will provide the BOCC and EBC with options and recommendations regarding these areas of the budget in the coming weeks. For 2020, any recommended adjustments to salaries, both merit and market, will be made following the budget submission period has ended once refined revenue estimates and compensation and benefit data are available to the BOCC. For health insurance premiums, the Budget Development System allows us to project potential increases in health insurance rates as budget packages as they become available during the budget development process. During budget development, generic estimates for both salary and benefit increases will be provided for purposes of budget entry.

For the 2020 budget process, reductions for vacancy savings have been modified slightly from last year's budget process due to the tight job market and increased unspent budget in salaries and benefits. For the upcoming budget year, vacancy savings reductions will be 2.0% for all departments and elected offices and an additional 1.50% for elected offices and departments over 50 FTE. These are the same rates that were in effect prior to 2018 and will be input by the Budget Division prior to the close of the budget submission period.

### **Budget Package Requests**

Budget packages are required for any addition, expansion, or reduction of the current level of services provided by the County and for the input of capital projects or fixed assets. The Executive Budget Committee has been tasked with the responsibility of reviewing all departmental and elected office budget package requests in the preparation of the recommended budget. The EBC will review these requests similar to the process over the past few budget years in examining the detailed justifications provided by the department and elected office regarding the need for the budget package and how the request fits in with the overall goals and objectives of the County.

Inclusion of a direct linkage between budget package requests and the department's goals, objectives, and those of the core programs and functions will continue to be required for the 2019 budget process. The Board of County Commissioners and the Executive Budget Committee will be looking for this link within the detailed justifications for any changes in the levels of service or budget package requests as they begin to integrate the progress made through the Align Arapahoe process and department budgets. For elected offices, a link between budget package requests and the performance of their statutory responsibilities will be a suitable comparison to the information departments are required to submit.

It is the preference of the Executive Budget Committee that budget packages proposed for new or increased staffing, programs, or services should be accompanied by additional revenue or reductions to the existing operating budget to fund the request. As stated earlier, there should be a continued focus on finding efficiencies and innovative ways to maintain the current level of services within current revenues.

As in prior years, there will be special considerations made for package requests for special revenue funds or programs that are entirely funded by non-County revenues such as by State or Federal grants. Routine packages for administrative items such as debt service or scheduled equipment or asset replacements will also be considered differently than packages for changes in service levels or other ongoing operating expenses.

For 2020, the Executive Budget Committee has maintained the minimum amount of a budget package for consideration at \$7,500. Budget packages for less than this amount should not be entered unless there

is a compelling reason to do so. More specific guidance on how these items should be entered will be presented to key departmental/elected office budget staff during budget entry training later in June. Please contact the Budget Division with any questions regarding what items should be considered as a budget package and how they should be submitted and they will be happy to assist.

### **Capital Improvement Program Requests**

Requests for capital improvement projects will continue to follow the process implemented by the Capital Improvement Program (CIP) Committee. The capital improvement program biennial budget approach where the 5-Year master plan will only be updated every other year, in lieu of the previous process that updated the CIP master plan annually. During the off year of the new CIP process, capital budget requests will be limited to the projects identified for consideration as part of the second year of the approved 5-Year Master Plan or those that meet specific criteria and were not foreseen during the development of the 5-Year Master Plan.

As part of the 2020 budget process, a new Capital Improvement Program Master Plan and 5-Year forecast will be developed for the period 2020 – 2024. Departments and Elected Offices received information in May that provided preliminary information to help prepare and submit project requests for the master plan update that will be part of the 2020 budget development process. Requests for capital improvement projects for 2020-2024 were to be submitted to the Budget Division by June 3<sup>rd</sup>. If for any reason, you have a capital improvement project that was not submitted by June 3<sup>rd</sup>, please contact the Budget Division as soon as possible and we will work to get that included.

### **Deadline for the Submission of 2020 Budget Requests**

The submission of 2020 budget requests by departments and elected offices will be through the Budget Development System (BDS) and will be **due by close of business Friday, August 2<sup>nd</sup>**. The technical aspects regarding the entry of budgetary requests and information will be similar to what has been done in prior budget development processes. That said, the Budget Division is providing training throughout this month and in July for representatives from elected offices and departments on the use of the system.

Department and elected office meetings to review the 2020 budget requests will be held September 4<sup>th</sup> – 6<sup>th</sup> and information on specific scheduling will be available later in the budget process.

### **Important Dates for 2020 Budget Process**

June 13-27	Budget training for departmental/office budget contacts
July 1	Budget system open for budget entry
August 2	Budget system closes for budget entry/submissions due
Mid-August	Preliminary Executive Budget Committee review of budget requests begin
Sept. 4-6	Executive Budget Committee meetings with elected offices/departments
Late Sept.	Executive Budget Committee review of budget requests end
Oct. 8	2020 Recommended Budget presented to Board of County Commissioners
Oct. 15	Executive Budget Committee presents 2020 recommendations to BOCC
Oct. 22	Public hearing on 2020 Recommended Budget
Nov. 19	Final review of 2020 Budget and 3 <sup>rd</sup> Quarter Budget Review
Dec. 10	Adoption of 2020 Budget at public hearing

The Executive Budget Committee would like to thank elected offices and departments in advance for their cooperation in helping to improve the County's budget process and financial condition over the last few years and look forward to working together on the 2020 budget.

Thank you.

Cc: Board of County Commissioners  
Key Elected Office/Department Budget Contacts