

**BUDGET MESSAGE**  
**2013 BUDGET**  
**RIO GRANDE COUNTY**

Attached is the 2013 Rio Grande County Budget. This budget includes the following county funds: County General, Road & Bridge, Social Services, Capital Expenditures, Airport, Conservation Trust, Tourism, and Public Health Agency. Also included in the document is the RIO GRANDE COUNTY WEED CONTROL DISTRICT'S 2013 budget.

The annual budget is the County's most important financial management document. It is a financial road map for the coming year for all of the various departments and offices. The budget process is a joint effort between the Commissioners, the department heads, and the elected officials to maximize services in the most efficient way possible. All requests are considered and discussed as a group, and the final decisions are made by the Board of County Commissioners who determines the most effective use of taxpayer dollars.

The 2013 County Budget is \$20,215,663 and the Weed Control District Budget is \$136,825. This is an increase of \$270,433 (1.4%) for the County budget and a \$22,650 (14.2%) decrease for Weed Control. The Budget, as presented, is balanced in accordance with Colorado Revised Statutes § 29-1-101 through 115. The budgeted revenue amounts for the Weed Control District are under the amount of increase allowed under the TABOR amendment and the 5.5% Statutory Property Tax Revenue Limit. Rio Grande County did successfully pass the removal of the TABOR amendment and the 5.5% Statutory Property Tax Revenue Limit in November 1999. The accounting basis of modified accrual is utilized for Rio Grande County.

In 2013, the County's mill levy will remain the same as previous years at 15.567 mills. This is the maximum number of mills Rio Grande County can levy without going to the vote of the people. The total property tax revenue increase in 2013 is projected to be \$18,840 (0.7%) due to an appraisal year which reflects a slight increase in value.

The major points of interest in the 2013 budget are as follows:

- A two percent increase for merit was given to the employees on their anniversary date. The health insurance premiums increased by nine percent (9%) for the upcoming year and the county will pay for \$51 per month per employee of this increase. It was calculated that for the month of October, 2012, the average take home pay across all county employees was \$1,995.56.
- Completion of the Pavilion at Ski Hi Park which is funded by a GoCo Grant and the rehabilitation of the South Fork Heights Apartments funded through a Community Development Grant.
- An increase for the amount of asphalt purchases to \$275,000 for the coming year to meet the rising cost of asphalt. No new paving projects are scheduled, only maintenance.
- Funding for capital purchases for the Road & Bridge Department was increased by \$25,000 to \$150,000. Closing in a portion of the Del Norte Shop and a tractor are proposed for 2013.
- Implementation of the "Employment First" program through Social Services to assist DSS clients in becoming self-sufficient.

The 2013 budget will be funded from the following sources:

	2013 Budget		2012 Budget
Property Tax	\$2,627,815	13.0%	13.1%
Other Local Sources	\$1,886,650	9.3%	9.6%
Federal and State	\$14,830,191	73.4%	73.6%
Fund Reserves	\$ 871,007	4.3%	3.7%

The accomplishments for 2012 were:

- Completed an energy audit and obtained financing for the necessary upgrades.
- Various grant applications were awarded which will allow for the construction of a multi-purpose pavilion at the Ski Hi Park. Also a CDBG was received to rehabilitate the South Fork Heights Apartments which provide low-cost housing in the South Fork area.
- Received a grant from the Colorado Department of Transportation for installation of runway lights and an AWOS system.
- Received a grant from the Colorado Water conservation Board for a Hydrogeologic Study in the vicinity of the two currently proposed oil/gas wells.

Projects Goals for 2013 are:

- Augment and move an agricultural well from other county property to the airport to provide a water source for a future FBO at the Astronaut Rominger Airport.
- Install taxi-way reflectors and complete the certified weather station (AWOS) at the airport funded by another CDOT grant.
- Work with the municipalities, URG EDC and SLV Development Resource Group to improve the economic base in the County
- Work closely with all county departments in ways to reduce expenditures and increase revenues.

The County has six lease agreements: Four agreements with Business Solutions Leasing for four copiers, a lease purchase with San Luis Valley Federal Bank for the addition and remodeling of the jail, and a lease purchase for financing of the energy upgrades with All American Investment Group, LLC.

The 2013 County Budget shows an ending fund balance of \$7,428,196 which is down by \$871,007. By utilizing \$871,007 of unappropriated funds to balance the 2013 budget the county continues to utilize its savings; this policy is un-sustainable and in the future either revenue will have to increase or the county will be forced to further reduce expenditures. If revenues do not increase, County General Fund will need to be reduced by 10.4% and the Social Services Fund by 3%. This reduction will have to be accomplished by reducing or eliminating various services and staff.

The following is a brief synopsis of the various funds that have a significant impact on the 2013 budget that were not discussed above:

**General Fund:** A new roof will be installed on the Courthouse along with the purchasing of a sheriff's vehicle and an Assessor's van. Radio re-banding will be completed for the Sheriff's Office. A part time Museum Coordinator has been approved. A grant has been approved for the rehabilitation of the South Fork Heights. The Homeland Security and Citizen Corps grants for the San Luis Valley of which Rio Grande County is the financial agency have been decreasing over the past several years.

**Road & Bridge Fund:** In 2010, 94% of the Road & Bridge Department was funded by HUTF. HUTF is gas tax placed on both gasoline and diesel and is distributed by the State to operate Colorado Department of Transportation, municipal streets and county roads. In 2013, HUTF to Rio Grande County is projected to fund only 81%. With continued decline in revenues, no new paving projects will be done during 2013. Major equipment purchases will be for a tractor and closing in the east side of the Del Norte County Shop.

**Social Services Fund:** The funding for the Social Services' budget is based upon the allocations issued by the Operations Office, Colorado Department of Human Services. All allocations from the State must be matched by local funds. Programs such as Child Day Care, Child Welfare and County Administration have been underfunded by the State in past years which has required transfer of funds from Temporary Assistance for Needy Families (TANF) or County tax dollars. A new program "Employment First" is going to be implemented to assist in getting more people employed and off the assistance payrolls. The State has not proposed any changes to the program benefits guidelines.

The upcoming year is full of uncertainty. The County has seen a slight increase in property values; however, with the mortgage sub-lending problems across the country and the resultant foreclosures, there is no surety that the County's assessed values will remain at the current level. During the 2012, several businesses in South Fork and Monte Vista have closed which will reduce sales tax which is currently running 7.43% less than last year. The taxpayers have again indicated that they want smaller government and are not willing to pass additional taxes. However, County government is operated by State Statutes and most of the services provided are mandated by these Statutes. Programs like the Museum, animal control, riding arenas, etc. are great amenities for a community. When the citizens of the County vote for a smaller government, then smaller government means less services and programs.

Always of concern are the water issues in the county and how the sub-districts will affect current farming and life in general within our County. If more land has to be taken out of production, this will affect the value of the agriculture land and also have direct impact upon sales tax.

All costs of doing business continue to rise for government just as it does for other businesses and private individuals. Just like any business, the County has to purchase supplies, insurance, utilities, food, and equipment. These costs have perpetually increased without corresponding revenue increases. Businesses may pass along these increases to their consumers, but the County does not have this option.

The County was cautious when projecting revenues reflected in the 2013 budget. Most of the Federal and State revenues are for Social Services programs, (\$9,762,056), HUTF

(\$2,000,000) and Payment In Lieu of Taxes (\$600,000). With the revenue uncertainties that exist, the officials of Rio Grande County will need to work closely with the State to assure our current level of funding is maintained and also work with the various offices to reduce spending throughout 2013 so the expenditures balance more closely with the incoming revenues. Our current unappropriated fund balance is equivalent to just over a three month's cash flow. This is dangerously low and constant monitoring will be necessary during the year to respond quickly to any changes. If revenues fail to be generated, the budget will be amended downward quarterly to prevent future eroding of the stability of the county's finances.

Budget prepared by:

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Date: December 5, 2012