

Gerald Cisneros, Chairman
John Galusha, Commissioner
Arica Andreatta, Commissioner



HUERFANO COUNTY GOVERNMENT BUDGET PREPARATION MEMO

Date: August 7, 2023
To: Huerfano County Elected Officials, Department Heads, and Spending Agencies
From: Huerfano County Board of County Commissioners
Cc: Carl Young, Budget Officer and County Administrator
Re: 2024 Budget Preparation Guidelines
Attachments: 2024 Budget Package

The enclosed materials provide you with specific instructions to assist you with development of your budget requests for 2024. Each year we make some changes, next year's budget not being an exception, so please read all the instructions in the packet before proceeding with the preparation of your budget request. If you need help with the development of your budget, please contact the Budget Officer.

Budget Calendar:

By Statute Huerfano County operates on a fiscal year that begins January 1st and ends on December 31st. The County's Budget Officer is required to submit a balanced preliminary budget to the Board of County Commissioners by October 15th of each year and the Commissioners are required to adopt the budget by December 15th. The calendar below outlines the key dates and deadlines for this year's budget process.

Date	Event/Activity
August 7	Budget Packets Distributed
September 11	<i>Budget Requests Due to Budget Officer</i>
September 12 – 29	Initial Review of Budget Submittals
September 25 – 29	Availability for Optional Request Review Meetings
October 1 – 8	Administrative Review of Budget
October 10	Presentation of Preliminary Budget and Opening of Public Comment Period
October 31 & November 7	Commissioner's Workshops with Individual Departments and Agencies
November 14	Budget Public Hearing
November 21	Final Budget Decisions Workshop
December 12	Budget Adoption and Certification of Mill Levy

The joint workshop with Las Animas County for the budgets of the Las Animas Huerfano Counties District Health Department and the 3rd Judicial District Attorney's Office will be held at a date and time to be determined in coordination with the Las Animas County Board of County Commissioners.

Should Proposition HH receive voter approval in November these dates may shift.

Economic Outlook:

In their June 2024 Economic and Revenue Forecast the Colorado Legislative Council Staff (“LCS”) outlined that both the Colorado and U.S. economies are slowing after a period of strong labor market growth and consumer spending along with record corporate profits. The LCS forecasts further slow growth in 2024 and a return to a more modest pace of expansion in 2024 and 2025. LCS anticipates that this expansion is expected to be supported by slowly dissipating inflation, a resilient labor market, and continued improvement in real wages, bolstering real spending.

The Pueblo Economic Region, which includes Huerfano County as well as Pueblo, Fremont, Las Animas, and Custer Counties, continues to experience higher unemployment than the rest of the State with a housing market that has slowed since peaking in July 2022. Nonresidential construction has also slowed since reaching new highs in 2021, however public sector construction is expected to rise with an influx of funding from the 2021 Infrastructure Investment and Jobs Act.

Despite this economic outlook, we expect revenues to increase in FY2024, mainly because of a spike in Assessed Valuation. However, we do expect that this is a one-time spike and not a long term increase. We note that the County continues to face pressures to increase wages to remain competitive in this constrained and highly competitive labor market. We also have to continue to find ways to take advantage of opportunities arising from the Bipartisan Infrastructure Law and Inflation Reduction Act to address longstanding issues. This budget will be an exercise in balancing these realities and pressure and the guidelines below are an initial attempt to assist with that balancing.

Guidelines:

1. As a County we must continue to look for and implement the most cost-effective and reliable methods for delivering services. Creative ideas and strategies are encouraged. Your budget submissions, particularly budget justification packages, should incorporate the following strategic priorities:
 - a. **Public Engagement:** Develop a robust public engagement program that informs County residents and invites the public to participate in governance
 - b. **Infrastructure and Facilities:** Maintain, preserve, and improve the quality of County-owned infrastructure and facilities, particularly the County Road System
 - c. **Health and Wellness:** Support the development and improvement of community programs and amenities that enhance public health and wellness through recreation, arts, and culture with a particular focus on youth development
 - d. **Economic Development:** Maintain an active, organized, and cooperative economic development program that encourages sustainable growth, prioritizes retention and expansion of existing businesses and reducing poverty rates along with efforts to grow and attract new businesses
 - e. **Resiliency:** Integrate disaster preparedness, risk reduction, and resilience into County operations, through training, planning, community involvement and land stewardship
2. Budget Requests are due to the County Budget Officer no later than the close of business on the date listed in the budget calendar above. The Budget Officer will set your budget level if your budget request is not received on time.

3. Operating budgets submitted for 2024 should equal no more than the 2023 operating budget. Your operational budget should include supplies and purchased services and charges line-items budgeted at the same level in total as the original 2023 budget. We believe in responsible budgeting and desire to keep expenses in check, continuing ongoing belt tightening measures in order to build credibility with the public and be responsible stewards of taxpayer's money. If this causes service levels to drop to an unacceptable level, use the decision package process to request additional funding to be considered. Operating target amounts do not include operating capital or capital improvements.
4. Your packet includes Actual 2022 information, which is not final as we will be receiving audit adjustments sometime in the next month. It is important to note that operational budgets will be scrutinized. We are in the preliminary planning stage of the budget. Depending on available revenue and expenditure priorities, funding may be decreased, increased, or shifted from one department or program to another.
5. Please identify any new programs included in the operational budget on the 2024 budget notes form included in your packet.
6. We will develop a supplemental budget for 2023 using the information submitted for the Expected 2023 Expenditures. As you review and submit that information, consider if you need to submit a request for your operational budget to be adjusted to reflect on-going expenditure increases approved for this year.
7. Authorized staffing levels have been determined from the 2023 personnel budget and include some changes we have since approved. We are continuing to manage the salary budget using authorized positions. Human Resources will not recruit for positions that are not authorized. New positions will need BOCC approval. If you need to change one type of position for another as vacancies occur, please work with Human Resources and Finance to assess the impact on your department. HR and Finance will update your personnel budgets once we have determined the amount of any increases, if any, and benefit pool adjustments. Any requests for positions not already authorized need to be submitted on the Position Authorization Form.
8. Any grants being requested must follow the Grant Policy Handbook Procedures approved on July 17, 2018 and be approved by the BOCC prior to the application in order to closely monitor the impact grants have on local funding. In order to manage the use of local resources, reductions in grant programs will not automatically be made up with local dollars. Requests for local dollars to match grant funding must be approved in advance by the Board of County Commissioners. Please be sure to include grants that you have applied for or received in your capital requests or Budget Notes.
9. Requests that cannot be accommodated within the base budget guidelines and requests for any new positions, new programs or proposed expansions of existing programs, operating capital and capital projects must be submitted as Decision Package requests. Decision Package requests must also be prioritized by each department with number one as the highest priority.

10. Each department should also prepare revenue estimates in addition to the operational budget. The Finance Department will input an estimate of your department's revenues in addition to putting in your expenditures. Please review the history for each revenue source and prepare a conservative estimate of the amount of revenue you expect to receive for 2024. The County will continue to account for general revenues by fund outside of departments. General revenues include taxes and fees. However, special revenues, such as grants and other contractual revenues will be reallocated to the relevant department for easier tracking.
11. We are also requesting that each department prepare requests for any capital improvement needs for the next five years. This will assist us in planning and saving for future expenses. The first year of that plan will become part of next year's budget once it is approved. Forms for capital requests will be provided to you.
12. Clothing allowances for eligible employees should be budgeted for in the department's budget as an expense with the department monitoring how much was spent for each employee. Departments may be asked to provide a report showing how much was spent for each employee.

Thank you for your service to Huerfano County and continued partnership in making this County an even better place to live.

HUERFANO COUNTY

FY 2024 BUDGET PREPARATION INSTRUCTIONS

Requirements for budget proposals are discussed in detail in the instructions that follow.

MATERIALS INCLUDED IN YOUR PACKET

1. Board of County Commissioners Guideline Memo
2. 2024 Budget Preparation Instructions (This Document)
3. 2024 Budget Preparation Calendar
4. 2024 Budget Notes
5. 2024 Decision Package Template
6. 2024 Capital Request Form
7. 2024 Position Authorization Form
8. Requested Budget Package Checklist
9. Revenue, Expenditure, and Personnel Worksheets

BUDGET PREPARATION INSTRUCTIONS

GETTING STARTED

1. Read all budget packet materials with special attention to the BOCC Budget Guideline Memo.
2. Identify major activities and functions within your department.
3. Assess your staffing levels and capital expenditure needs.

EXPENDITURES

4. Determine anticipated labor costs.
 - a. Verify individual salary information.
 - b. Submit a Position Authorization Form and contact the Budget Officer if you plan to request a new position. They will calculate the correct salary information for you. This will ensure that benefits are calculated correctly.
 - c. Review budget request worksheet to determine if there is sufficient funding for each activity and/or program.
 - d. **Provide 2023 estimates for each line item reflecting how much of your funding you anticipate using this year. This amount may be different from what was approved. Estimates are essential to making an accurate assessment of fund balances for budget planning. Use actual expenditures, not budgeted expenditures as a benchmark for this review.**

- e. The operational budget does not include any capital items.
5. Assess capital needs for 2024. The Appropriate capital funding request form should be completed and submitted to Finance to support each request.

REVENUE

6. Review and evaluate all currently approved sources of revenue. If you are aware of a fee change that is needed or have information about other revenue sources, such as grant revenue, please provide it.
7. Revenue estimates should be conservative. It is better to receive more revenue than planned rather than incur a shortfall. Revenue shortfalls result in mid-year cuts in expenditure budgets which are often very painful to implement. Your estimates should be realistic and attainable.
8. Make note of any special revenue line items that are currently classified as a non-departmental revenue and flag these for the Budget Officer on the 2024 Budget Notes Form.

BUDGET NOTES/MISCELLANEOUS INFORMATION

9. Prepare answers to each of the questions posed on the Budget Notes Form.
10. In the 2024 Budget Notes Form, include a description of the services you will provide for 2024.
11. Review the Budget Checklist to be certain that you have a complete request.
12. Your packet includes the following materials needed for preparing your 2024 budget request. The following instructions are provided in order to assist you with preparing each form.

SPECIFIC INSTRUCTIONS

BOCC GUIDELINE MEMO

The BOCC Guideline Memo provides you with policy direction to prepare your budget. Please let us know if you have any questions regarding that information.

BUDGET CHECKLIST

Your packet includes a budget checklist which is a listing of all the worksheets and forms so that you can check them off as you complete them to make sure you don't overlook anything.

2024 BUDGET PREPARATION CALENDAR

The calendar in your packet reflects an overview of the budget process timeline. In the near future you will be provided with specific times for your budget review meetings with the Board of County Commissioners.

2024 BUDGET NOTES

The budget notes form includes several questions that you are required to answer. Please keep your answers as brief as possible and still thoroughly answer the questions. You may submit your answers on the form as provided or use the attached form as a guideline to write a memo. We believe the questions are clear; however, if you have any questions regarding them, please feel free to ask for clarification.

DECISION PACKAGE

The decision package process has been revised this year. Decision Packages are to be submitted in letter or memo format and the Decision Package Template, included in your packet includes an outline of the required elements in each Decision Package Request. Decision Packages are required for any requests that cannot be accommodated within the base budget guidelines and requests for any new positions, new programs or proposed expansions of existing programs, operating capital and capital projects. All decision packages submitted by a spending agency must be prioritized. This is a new process and feedback is much appreciated. Please feel free to ask for clarification.

SALARIES AND BENEFITS

The personnel budget worksheets include information based on current salaries and a continuation of the benefit pool. The worksheet includes salaries for each employee as of the end of June 2023. The approved 2023 budget included salaries for the number of positions that have approved for your department. You will be asked to justify any positions that were not included in the 2023 budget and submit a position authorization change form.

We have provided you with a copy of your personnel budget worksheet(s). The benefit calculations will be inserted by HR and Finance based on current employee selections. Those calculations be reviewed later this fall when final benefit rates become available and updated again after open enrollment.

We will continue to account for salaries of regular full-time, regular part-time and temporary/seasonal employees and salaries of elected officials in different line items.

Decision Package justification is required for each new permanent position you want to add. Decision Package identification of each potential new position also helps us to accurately calculate fringe benefits. For each new position associated with a Decision Package, indicate the job title and market rate used to calculate the salary.

DEPARTMENT REQUESTS

Departments are to prepare their request using a spreadsheet distributed by Finance. As with previous years Elected Officials and Department Heads will estimate and enter their 2023 expenses and enter their 2024 request amounts. The base budget includes 2023 budgeted salary totals for authorized employees and an amount equal to the 2023 original budget for the remaining operating line items (not including capital). Salary totals do not include adjustments for cost of living increases.

Increases over 2023 funding levels require justification through the Decision Package.

CAPITAL FUNDING REQUESTS

Capital funding need to be categorized into low value vs. capital improvements. You must complete the Capital Funding Request Form to support all requests for capital items that cost more than \$1000 with an estimated useful life of more than one year. If the funding is for a multi-year project such as a construction project, please include the funding anticipated for the entire project indicating which year you anticipate spending the funds. Please submit capital request forms for requests you anticipate, want, or need to occur over the next 5 years. This will assist us in planning and saving for future expenses.

EXTERNAL SPENDING AGENCIES

The Health Department and District Attorney's Office are expected to submit their top line request number with the following supporting information:

1. 2022 Statement of Financial Position (Balance Sheet) and Statement of Activity (Profit and Loss).
If your 2022 Audit is completed that document will suffice.
2. An Estimate of your 2023 Year End Statement of Financial Position and Statement of Activity
3. A detailed version of your 2024 request.

Any increases over the previous year's appropriation will require the submission of a Decision Package. If you budget for each County separately then we would request that your Statement of Financial Position and Statement of Activity be provided for just Huerfano County or each County Separately.

We also request that you submit personnel information by position with the benefits for that position calculated based on the packages you offer. Employee names are neither requested nor required as we do not need to tie your requests to our personnel records.

Please do not submit Employee Evaluations with the Budget Packet, they must be submitted to Human Resources.

Please do not change or edit forms and only remit requested information.

FY 2024 Budget Preparation Calendar

When	Who	What
August 7 th	Finance and County Administrator	Budget Packets Handed Out
September 11 th	<i>Elected Officials and Departments Heads</i>	<i>Submit Budget Requests</i>
September 12 th through 29 th	County Administrator	Review budget submittals. Prepare materials for Commissioner meetings, review and revise revenue estimates as needed, balance budget
October 1 st through 8 th	County Administrator	County Administrator conducts administrative review of budget
October 10 th	County Administrator	County Administrator presents Preliminary Proposed Budget to Commissioners
October 10 th	Board of County Commissioners	Make Preliminary Proposed Budget available to the public
<i>October 31st and November 7th</i>	<i>Board of County Commissioners</i>	<i>Commissioner meetings with individual departments and agencies</i>
November 14 th	Board of County Commissioners	Conduct public hearing regarding 2024 budget in Huerfano County
November 21 st	Board of County Commissioners	Budget workshop with County Administrator and Finance to make final budget decisions
December 12 th	Board of County Commissioners	Adopt the 2024 budget and certify mill levy for Huerfano County.

Huerfano County 2024 Budget Notes

Department/Agency Name:		
Person completing form:		
1	Describe the mission/purpose and major functions of your department/agency	
2	Provide a detailed explanation of the 2024 performance goals and objectives for your department/agency	
3	Describe any anticipated trends, conditions, or events affecting your department/agency. Include any new State or Federal mandates, anticipated future expenditures, new revenue opportunities, or anticipated changes to existing revenues.	
4	Discuss changes in the operating budget from 2023 to 2024. For example, does the department plan to have increases or decreases demands for services, and so forth?	
5	Have there been any changes during the last half of 2022 or the first half of 2023 which resulted in reductions in personnel, expenditures or services. Itemize, quantify and describe each change.	

6	List any items that were included in or will be spent from the 2023 budget as a onetime expenditure, such as grants, consultant contracts, or other non-on-going items.	
7	Does your 2024 budget request include any decreases in services? If so, what are those decreases and who will be affected and to what extent?	
8	Please provide a detailed listing and description of professional and consulting expenditure line items.	
9	Describe your agency' the education and training program included in the budget request. Who is scheduled to receive this training?	
10	Has the department received complaints about services and service levels? What were the complaints and what has been done to address the concerns?	
11	Are there other facts pertinent to your budget that you would like consider? If so what?	

Huerfano County 2024 Decision Package Template

The memo or letter should be on your department/agency letterhead and addressed to the Board of County Commissioners with the Budget Officer cc'd. Each of the six elements below are required. The first element of the Decision Package is a quick reference table containing key information needed to identify your request, this can be provided as a cover sheet or in the body of your memo/letter. While there is no specific page limit, concise descriptions are encouraged, provided that the completed package provides all of the information the Board of County Commissioners need to evaluate the request and make a determination.

Request Detail

Department/Agency:		
Title of Decision Package:		
Priority:	X of Y	
Summary of Funding Change		
	FY2023 Appropriation	FY2024 Request
Total Funds		
Positions (FTE)		

Summary of Request

This section is a very concise (3-4 sentences) summary of the request, including the cost (or reduction) and fund source, the number of FTE, the purpose, and the percentage change to the budget. Identify if the request is one-time or ongoing; as well as any future year impacts. Summary should reference strategic priorities outlined in the Budget Guidelines.

Problem or Opportunity

This section is a narrative description of the problem or opportunity that the request addresses. Strong problem statements often address impact to customers or impact on outcomes. Detail the circumstances that created the problem, any associated problems with workload, inputs, and outputs, while doing your best to address the root cause. Describe the efforts the agency has taken to solve the problem already, including non-budgetary approaches to problem solving.

Proposed Solution

This section describes the proposed solution, including the cost, FTE, impact to any other departments, needed statute changes, and whether or not the request is for one-time or ongoing resources. Detail how the solution will affect service delivery, workload, inputs, outputs, outcomes, and customers. Summarize and cite any research or evidence supporting the solution, including the experience of other Counties who have attempted it. Discuss alternatives considered as well as outside funding sources that may be available to subsidize increased costs. Detail your plans for implementation, include information on staff training, technical assistance, capacity building activities throughout the Department, and fidelity monitoring. Discuss if the proposal is scalable and any meaningful funding increments along with the pros and cons of funding at those increments rather than the full request.

Anticipated Outcomes

This section describes the anticipated outcomes if the proposal is approved. This includes the operational

details of the proposed solution, along with a justification for why the proposed solution represents the best possible alternative. Discuss how we will know if the program succeeded or failed. Discuss how this proposal will impact County residents and if there are winners or losers.

Urgency

This section describes the urgency of the request and the consequences if the proposal is not approved. Discuss if this request can be deferred to a future fiscal year, and if so, when. Discuss any problems, issues, or concerns might arise if the request is not able to be funded.

Huerfano County 2024 Request for Capital Funding

Department:	
Project/Item Requested:	

Capital Category (check one)	
Airfield	<input type="checkbox"/>
Building	<input type="checkbox"/>
Building improvements	<input type="checkbox"/>
Computer hardware	<input type="checkbox"/>
Computer software	<input type="checkbox"/>
Heavy equipment	<input type="checkbox"/>
Infrastructure	<input type="checkbox"/>
Land	<input type="checkbox"/>
Land improvement	<input type="checkbox"/>
Machinery & equipment	<input type="checkbox"/>
Vehicles	<input type="checkbox"/>

Type of request (check one)	
Replace current asset	<input type="checkbox"/>
Upgrade current asset	<input type="checkbox"/>
New purchase	<input type="checkbox"/>
Construction	<input type="checkbox"/>

Project Priority (check one)	
Mandated	<input type="checkbox"/>
Critical	<input type="checkbox"/>
Essential	<input type="checkbox"/>
Could be deferred	<input type="checkbox"/>

Condition of asset being replaced or upgraded	
Excellent	<input type="checkbox"/>
Average	<input type="checkbox"/>
Fair	<input type="checkbox"/>
Poor	<input type="checkbox"/>

Project Life (If replacement)	
what year was asset purchased	<input type="text"/>
Original asset life in years	<input type="text"/>
New asset life in years	<input type="text"/>

Schedule for construction projects	
Estimated start date	<input type="text"/>
Estimated completion date	<input type="text"/>

CAPITAL FUNDING REQUESTED						
Object code	2023 and Prior	2024	2025	2026	2027	Beyond 2027

Description of capital item requested:

Justification for request:

Is outside funding anticipated for the project or item being requested? If so how much, from whom, when is the funding anticipated, and is the funding committed or pending?

Will there be impacts to the operating budget if funding for this project/item are granted? If so, describe any impacts to operating costs and/or impacts on personnel.

Elected Official/Department Director

Date of request

Position Authorization and Requested Changes (Full Time Equivalents) 2024 Budget

Department Name: _____ Cost Center Name: _____

Department #: _____ Cost Center #: _____

Position type	2023 Original Authorization (1)	2023 Approved Changes to Date (2)	2024 Base Request (3)	2024 Decision Package Request (4)	2024 Total Request (5)
Regular full-time					
Regular part-time					
Total regular positions					

1. Based on the 2023 Adopted Budget (refer to budget document.)
2. 2023 approved changes to date should include only those changes approved by the BOCC. If the department has not yet received approval for the positions, they must be submitted as a decision package.
3. The 2024 budget request should be the total of the 2023 original authorization plus approved changes to date, or less. Sometimes authorizations are temporary. If any positions were approved on a temporary basis for 2023, the 2024 base request could be less than the total of the two columns. If the total is less, please explain why in the space provided.

4. Decision package requests should be supported using the form provided in your packet. Be sure to include all costs related to hiring a new employee, such as salary, fringe benefits, space, furniture and equipment.
5. The 2024 total request should be the total of the department base request plus decision packages.

Budget Request Package Checklist

Department Name:

Each proposed budget submitted should contain the following documents in the order listed below.

#	Item	p
1	<i>Budget Checklist</i>	
2	<i>Answers to 2024 Budget Notes</i>	
3	<i>Decision Package Memos as Necessary</i>	
4	<i>Revenue Budget</i>	
4a	Revenue Budget: Estimated 2023 and Requested 2024 columns filled out. (if applicable)	
4b	Decision Package Detail (If applicable)	
4c	Notes of Special Revenue Line Items, such as grants and contracts (If applicable)	
4d	Revenue Analysis (If applicable)	
5	<i>Expenditure Budget</i>	
5a	Expenditure Budget: Estimated 2023 and Requested 2024 columns filled out.	
5b	Decision Package Detail (If applicable)	
5c	Position authorization form (If applicable)	
5d	Five Year Capital Improvement Forms (If applicable)	
5e	Personnel Budget: Requested 2024 columns filled out. (if applicable)	