



INTRODUCTION

**Mesa County
Finance Department**

544 Rood Avenue

Grand Junction, CO 81502-5014

TO: BOARD OF MESA COUNTY COMMISSIONERS

I am pleased to present the Budget for the fiscal year 2004 for Mesa County, Colorado . This budget supports Mesa County's strategic plan while maintaining our Mission, Vision and Values. The strategic plan serves as a blue print for long-term priorities, provides direction for the County's future leadership role in our community and is a guide for allocating resources and prioritization of services provided.

This document is our primary tool of communication, presenting our financial plan of the County to our citizens and staff. The subsequent sections of this document describe the operations, policies and financial status of the County in a clear and simple format for all readers.

The budget has been prepared in accordance with all applicable State Laws and County Budget and Financial Policies. As in previous years, this document will be presented for review by Government Finance Officers Association (GFOA). Mesa County has received the Distinguished Budget Presentation Award from the GFOA since the mid 1990's and we believe this document will continue to meet all program criteria for another award.

On December 15, 2003, the budget for the fiscal year beginning January 1, 2004 was adopted in the amount of \$100,196,224 (net appropriations). Please see the respective sections of this document for descriptions concerning budget changes, department summaries, sizable capital projects undertaken, revenue streams and fund balance projections which further describe the details of this adopted budget.

My special thanks to the Budget Review Team and all departments for their hard work and conscientious efforts in preparing the budget

Sincerely,



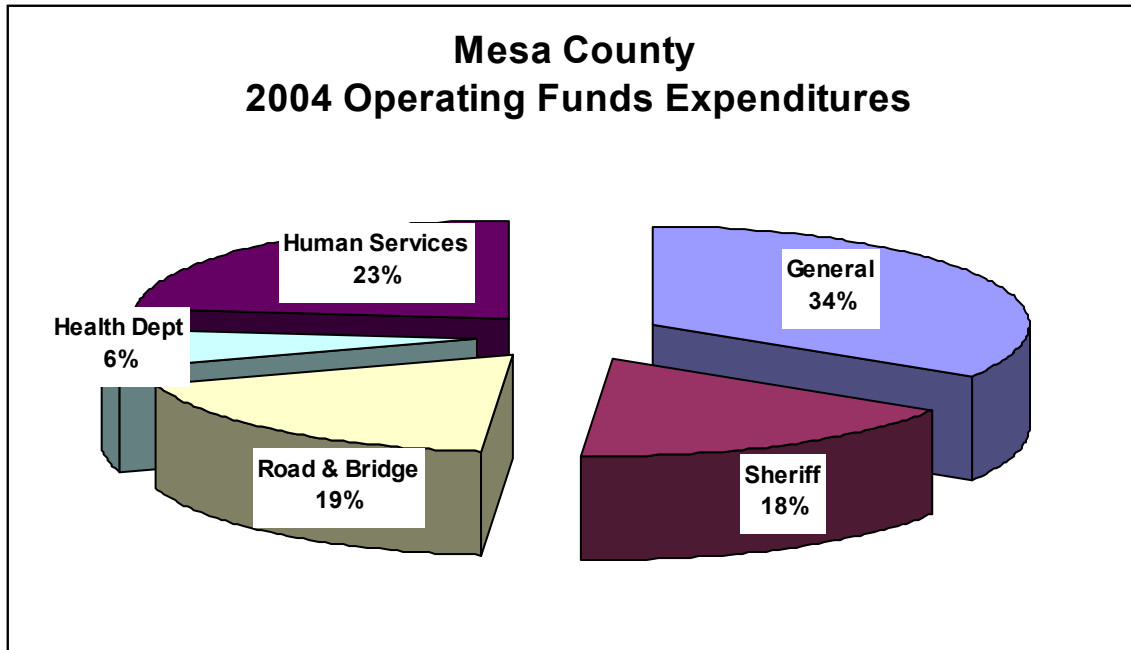
Robert Jasper, County Administrator

Overview

Net appropriations (Total Appropriations - Transfers - Internal Service Fund Expenditures = Net Appropriations) for 2004 are \$100,196,224 which is a 3.9% decrease from the 2003 adopted budget. The decrease is due to the reduction in expenditures for capital projects. Though smaller than the 2003 budget, the 2004 budget will allow Mesa County to deliver quality services to citizens and implement major components of the County's Strategic Plan. Specifically, the attached 2004 budget will:

- Protect public safety through increased funding for public health and emergency preparedness.
- Maintain and increase road capacity, including beginning construction of a bridge over the Colorado River at 29 Road and completion of improvements around Central High School.
- Improve customer service to Mesa County Citizens by increasing customer support in the Planning Department, extending the hours at the Mesa County Landfill, increasing the number of restaurant inspections and increased funding for employee training in several departments.
- Encourage Economic Development in Mesa County through increased funding for the Enterprise Zone, Small Business Development and economic incentives, as well as continued support for the Mesa County Workforce Center and Mesa State's Economic and Business Research Bureau.
- Continue to provide support for Mesa County's disadvantaged and needy.

The 2004 appropriations are balanced with anticipated revenue collection and use of the accumulated fund balances.



2004 Budget Highlight Discussion

Protect Public Safety

Because of the heightened awareness of the potential for terrorist activities, federal, state, and local health departments are on the alert for unusual disease occurrences or increased numbers of illnesses that might be associated with bio-terrorism. In addition, Colorado was impacted dramatically in 2003 with the West Nile Virus and needs to prepare for 2004. To ensure that Mesa County is prepared, the County has budgeted \$5,582,084 for Public Health.

- Federal funding from U.S. Center for Disease Control and Prevention is providing Mesa County Health Department the opportunity to improve essential services of public health in the county. Important services such as disease surveillance and prevention, public health work force training and participation in community-wide and regional interagency all hazards assessment, planning and training has been possible.
- Mesa County has budgeted \$150,000 for West Nile Virus (WNV). In 2003 28% of the WNV Human cases reported in the United States were in Colorado (2,477) and 22% of the deaths from WNV were in Colorado (45). Although very few were in Mesa County, in 2004 the County is anticipated to be hit hard with the disease.

Our Emergency Management Department is responsible for Homeland Security for the County. Mesa County has budgeted \$188,081 for the Emergency Management Department.

- The State of Colorado has organized the state into nine all hazard planning regions. Mesa County is part of the Northwest Colorado Planning and Security Region. This

region consists of ten western and central counties in Colorado and is tasked will all hazard planning for emergencies and disasters. These regions are tasked with development of plans to respond to disasters, coordination with the other counties within the region and establishing priorities for grant funding through the Federal Homeland Security Office.

Over the past two years Mesa County has received \$428,850 in grants to pay for specialized emergency response equipment. This effort is to better prepare for natural or man-made disasters and terrorist events minimizing the impact to the citizens of Mesa County.

Maintain and Increase Safe Road Capacity

Mesa County considers maintaining and increasing road capacity a high priority and has budgeted \$8,500,000 for Road & Bridge capital projects in 2004. The following projects are planned for 2004

- The County plans to continue improvements associated with the North/South Corridor in 2004 and has budgeted \$4,750,000 to begin construction of the Colorado River Bridge. The Bridge is anticipated to be completed as originally planned in 2007.
- Mesa County plans to complete the Central High School area road improvements in 2004 and has budgeted \$500,000 for this project. Phase I was completed in 2003 and included 500 feet of new road between E ½ Road at the Central High School Entrance. Phase II will include a full T-intersection for I-70B, modification of a traffic light at 31.5 and closing 31.5 north of I-70B to E ½.
- The County is committed to having safe rural roads for their citizens and has budgeted \$3,250,000 for road and bridge infrastructure improvements.

Improve Customer Service to Mesa County Citizens

From 1990 to 2000 Mesa County's population grew by 24.8%, putting it in the top 10% of counties nationwide in terms of population change. Mesa County is projected to grow to 141,176 by 2010 and 194,075 by 2025. For the above reasons Mesa County has budgeted the following to ensure excellent Customer Service to Mesa County citizens.

- This growth has increased the workload for the Planning Department. To improve customer services in the Planning Department, the County has budgeted in 2004 to add an additional Planner, to improve the service levels at the Planning counter.
- A significant number of errors exist on the County's Official Zone Map.

These errors are result of transcribing 60 years of map amendments from one medium to another and human error. A project was funded by the Board of County Commissioners four years ago to research the zone map errors and 52 years of zoning history was researched and mapped by legal descriptions. To complete this project the County has budgeted \$49,000 to hire a consultant to follow up on the work that was done in prior years and produce a final Zone Map based on public input and staff recommendation, which will be approved by the Board of County Commissioners.

- With the increase of restaurants in the County and its growing importance in the economic base, the County has budgeted in 2004 for an additional Environmental Health Specialist for Consumer Protection. The employee will also help with the new program established by the Health Department to post the results of the restaurant inspections on the Mesa County Health Department Website.
- Law enforcement is a hazardous and high liability profession. Deputies must have annual training. Training helps promote excellence in public safety through development of professional standards and embracing the community policing philosophy, thereby producing a highly trained and ethical professional, who will respectfully serve the citizens of Mesa County. To ensure that Mesa County has excellence in law enforcement, the County has budgeted an additional \$70,000 in 2004 for law enforcement training.
- The Mesa County Landfill offers many services to the citizens of Mesa County including disposal, recycling and reuse of municipal solid waste. The Landfill is known nationally for its innovative ideas and has won several awards including in 2003 the “Gold Award for Excellence” from the Solid Waste Association of North America. To further improve its services to Mesa County citizens, the County has budgeted to increase its hours of operation on Saturdays during daylight saving time by one hour. It will be open until 5:30 p.m. on Saturdays during daylight saving time. Furthermore, it has added an additional Free Day.

Encourage Economic Development in Mesa County

According to 2000 U.S. Census data, the average per capita income in Mesa County is 82.5% of the national average and 74.7% of Colorado’s average per capita. The County’s capacity to coordinate with other entities to encourage and support economic development is critical to improving this situation. The County is creating partnerships and collaborations with interested parties in Mesa County to encourage economic development in the County. Mesa County has budgeted \$212,184 for economic development.

- \$113,872 has been budgeted for economic incentives.

- The County has also funded Mesa State Research for \$17,500; Mesa State Capital Project for \$50,000, the Enterprise Zone for \$27,212 and the Small Business Development for \$3,600.

C

Continued Support for the Disadvantaged and Needy Citizens of Mesa County

Mesa County has budgeted expenditures of \$20,253,924 for the Human Service Department, which is a decrease of \$98,896 from the 2003 budget. However, Mesa County has increased its contributions from the General Fund by \$117,088 for a total of \$3,787,621. This is due to the decrease in state and federal contributions.

- This Department will help people secure employment and then have quality affordable childcare.
- Child Welfare Services will strengthen the ability of families to protect and care for their children, minimize harm to children and youth and ensure each child served has a safe and permanent living environment.

Mesa County has budgeted \$1,018,752 for contribution to nonprofits who aid the disadvantaged citizens of Mesa County

- Mesa County is contributing \$300,000 for the construction of the new mental health center campus. These funds will include support for the crisis stabilization beds and for the substance abuse and mental illness components of this project. Furthermore, Mesa County is contributing \$330,000 towards the operations of the new Mental Health Center Campus.
- Mesa County has budgeted \$321,250 for Mesa Developmental Services. Mesa Development Services provides early intervention, family support, children's extensive support, comprehensive services, supported living services, transportation and case management to people with developmental disabilities in Mesa County directly and by contract with other agencies.
- Other contributions include: Western Slope for Children - \$27,502; Housing Resources - \$10,000; and Homeward Bound - \$30,000.

2004 Budget Detail

Personnel Appropriations

The County took a conservative approach to personnel increase in 2004. Market increases

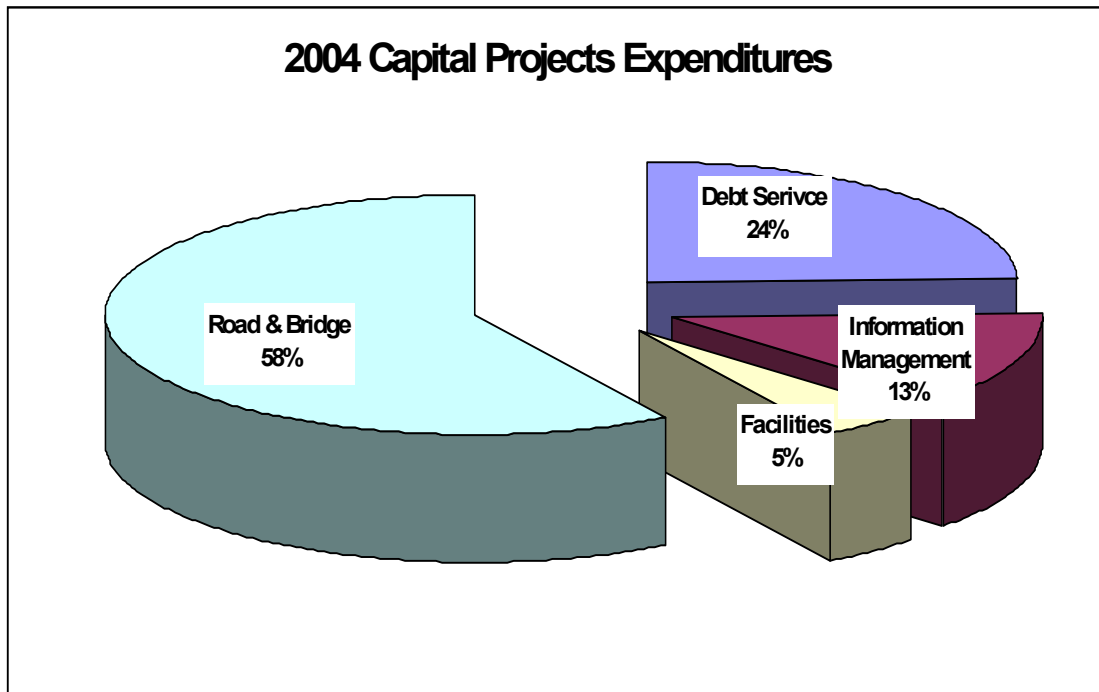
are budgeted at 2%, which will bring all County Employees within 2.9% of Market as determined by the County's market survey. There were also thirteen requests for new FTE's in the 2004 budget. While there is merit to many of the requests, only four new FTEs were recommended for 2004 for a total cost of \$219,844. Furthermore, the County eliminated a position that was not filled in 2003 with a decrease of \$52,632 for a net FTE increase of three, which is a net increase of \$167,212. Three of the recommended FTE's are supported by additional revenue or a reduction of expenditures and all improve customer services.

- **Public Works Construction Inspector:** This is supported by cost savings in capital projects. This position will assume duties currently contracted at \$30 to \$35 per hour. The hourly cost for the new position starts at \$20 per hour and supports projects with strong strategic plan alignment
- **Health Department Administrative Assistant II:** This will be self-supporting with revenues generated through Medicaid billings.
- **Health Department Health Specialist (Food Inspector and Public Health Specialist):** This is supported through fees generated by restaurant inspections and federal grants and has a strong alignment with the strategic plan.
- **Planner:** A Current Planner position will be added to help streamline plan review processes and improve customer response time at the front counter.

Capital Projects

Capital Project expenditures are budgeted to decrease by \$1.9 million in 2004 or an 11.7% decrease. This is due to a reduction in sales tax collections and depletion of available funds for capital projects. The following are the areas that the money will be spent in 2004.

- \$8.50 million for Road & Bridge Projects
- \$1.84 million for the Information Management Projects
- \$0.65 million for Facilities Projects
- \$3.54 million for Debt Service Payment



Transfers

The following transfers are budgeted for 2004:

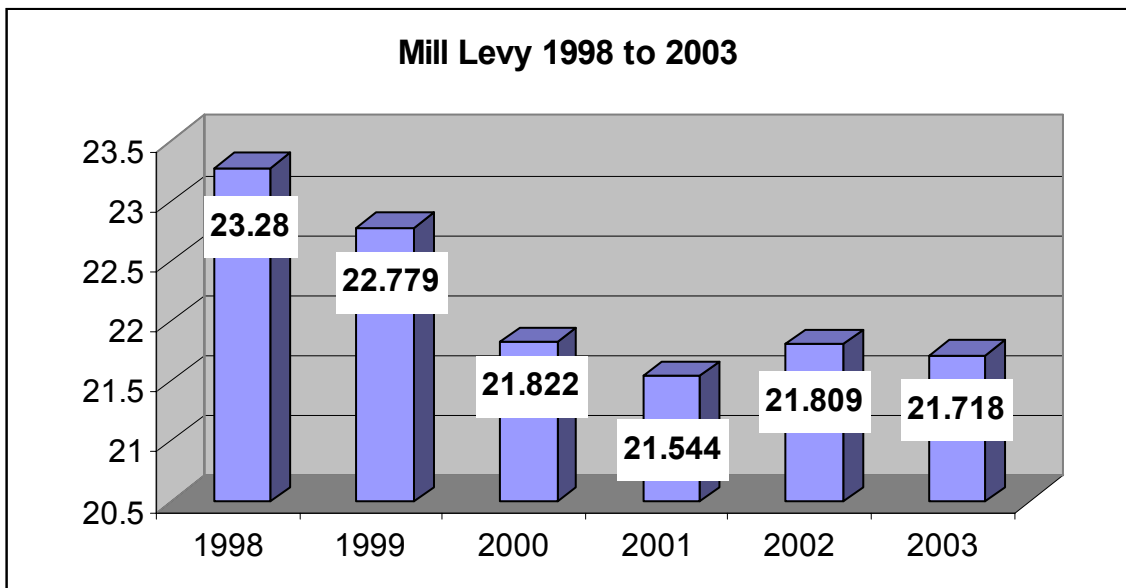
- \$1,698,385 from the General Fund to the Health Fund. This money is to supplement the operating expenditures by \$1,548,385, and \$150,000 is for the West Nile Virus.
- \$602,712 as a one-time transfer from the General Fund to the Human Services Fund to supplement State and Federal cuts.
- \$1,000,000 from the Insurance Fund to the General Fund to repay a 2003 advance to the Insurance Fund in anticipation of becoming self-insured.
- \$8,500,000 from the Capital Project Fund to the Road & Bridge Fund for Road & Bridge Capital Projects.
- \$3,537,000 from the Capital Project Fund to the Sales Tax Bond Fund to make the bond payment.
- \$100,000 from the General Fund to the Capital Fund for Information Management capital projects.

- \$79,000 from the Landfill with \$55,000 to the Capital Projects to pay for fiber for their network connection and \$24,000 to the Insurance Fund.
- \$93,335 from the General Fund to the Fair Board for operations.

Revenues & Resources

Overall revenue growth continues to be positive for most County funds. Revenues are anticipated to increase by 3.4%.

- **Property tax and specific ownership tax** are anticipated to increase from \$23.2 million to \$25.2 million for an 8.6% increase over the 2003 budget.
- The County's **mill levy** has decreased from 2003 by .091mills.
- **Sales Tax** collections are anticipated to increase 3.5% over the 2003 budget. However, on a budget to budget basis, the growth appears to decline since increases in 2003 were projected at 5.5% and are only anticipated to increase by 2.5%.
- **Interest revenue** is anticipated to decrease from \$1.724 million to \$485 thousand, a reduction of \$1.239 million or a 72% decrease. The reduction in interest revenue is due to low interest rates and a decline in cash available for investments.
- The **other revenues** increased by 6.0% from \$45.9 million in 2003 to \$48.6 million in 2004.



BASIS OF ACCOUNTING

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means that the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Recognition of revenues represented by non-current receivables is deferred until they become current receivables. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include:

1. Principal and interest on general long-term debt which is recognized when due, and
2. Accumulated unpaid vacation that is not expected to be paid within the next year.

Expenditures for insurance, membership and other services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

Those revenues susceptible to accrual are property taxes, franchise fees, special assessments, interest revenue and charges for services. Sales taxes collected and held by the State of Colorado at year-end on behalf of the County also are recognized as revenue. Fines, permits, fees, entitlements and shared revenues are not susceptible to accrual because generally they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The proprietary funds include a statement of cash flows showing cash and cash equivalents provided by and used in operating, financing and investing activities. The County considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

BASIS OF BUDGET

State law requires budgets for the County’s governmental and proprietary fund types. Budgets for governmental types (General, Special Revenue, Debt Services and Capital Projects) are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP—uniform, minimum standards and guidelines for financial accounting and reporting which encompasses the conventions, rules and procedures necessary to define accepted accounting practice at a particular time) with the following exceptions:

Special Revenue Funds - Food stamps and commodities are not appropriations of the County and are not included as revenues and expenditures.

Debt Service Funds - Payments on advances from the General Fund are budgeted as transfers out or expenditures to the Local Improvement District Funds. These transactions do not affect fund balance in GAAP basis accounting.

Budgets for proprietary fund types (Enterprise and Internal Services) are adopted on a Non-GAAP basis, using the same measurement focus of governmental funds.