



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 2005 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 13, 2004, the budget for the fiscal year beginning January 1, 2005 was adopted in the amount of \$108,856,923 (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,



Jon Peacock, Acting County Administrator

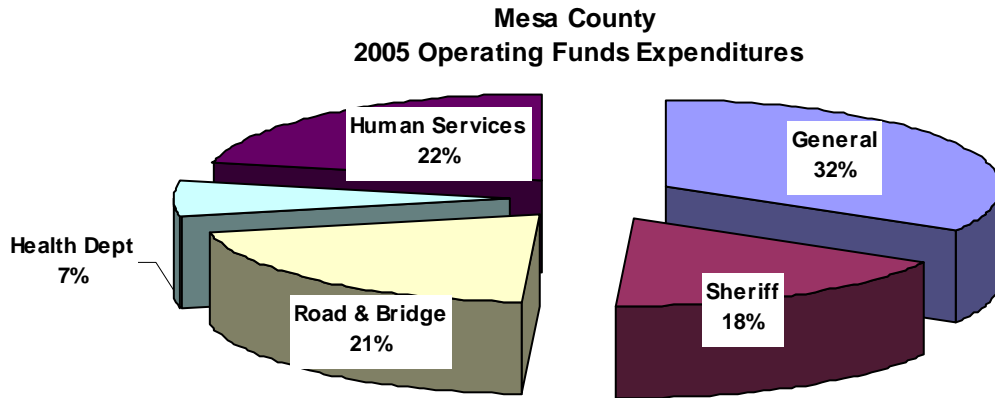
OVERVIEW

Recommended net appropriations for 2005 are \$108,856,923, which is an 8.6% increase from the 2004 adopted budget. The operating funds (General Fund, Human Services, Road & Bridge Operations and Health) increased 6.5% with the largest increases taken place in the Health Department at 15.2% due to the increase funding for Bio-Terrorism and the Sheriff's Office at 10.2% due to the addition of eight new FTEs. The Capital Projects are budgeted to increase 43.8%, mainly due to the construction of the 29 Road Bridge over the Colorado River.

The Recommended 2005 Budget balances the needs of a fast growing county with funding reductions and cost shifting from the State especially in the areas of Human Services, Health and Law Enforcement. Some of the needs resulting from growth are an overcrowded jail population and additional infrastructure. The 2005 budget will allow Mesa County to deliver quality services to citizens, and implement major components of the County's Strategic Plan. Specifically, the attached 2005 budget will address the following:

- Protect public safety through increased funding for law enforcement to address jail overcrowding, public health to address the West Nile Virus and emergency preparedness to implement recommendations from the Fire and Emergency Medical Services Feasibility Study.
- Maintain and increase road capacity, including continuing the construction of a bridge over the Colorado River at 29 Road and completion of improvements around Central High School.
- Encourage Economic Development in Mesa County through increased funding for the Enterprise Zone, Mesa State Business Research and economic incentives, as well as continued support for the Mesa County Workforce Center.
- Begin construction on Long Memorial Park while maintaining existing parks and County facilities.
- Continue to provide support for Mesa County's disadvantaged and needy while gaining efficiencies in support services to Department of Human Services.

Recommended 2005 appropriations are balanced with anticipated revenue collection and use of the accumulated fund balances.



2005 Budget Highlight Discussion

Protect Public Safety

Sheriff. As the County’s population has increased, our law enforcement officers have seen an increase in jail population. The County is looking at ways to develop and implement strategies to manage the jail population and reduce jail overcrowding while determining if they need to increase the number of jail beds. To ensure that the Mesa County Sheriff’s Office will respond to public input for public safety visibility and timely, professional response, the County has budgeted \$16,838,311 and added eight new FTEs for Law Enforcement.

A Mesa County Sheriff’s Office security and safety study found that the Jail Control Room was understaffed during peak traffic periods resulting in inconsistent facility monitoring. Combined with Jail crowding, the 2005 budget maximizes efficiency, cost savings and safety by adding four Civilian Technicians to the Jail staff.

The Mesa County Sheriff’s Office has seen an increased workload in fraud reports and investigations. The 2005 budget recommends efficiently and effectively managing this criminal investigation function by increasing one civilian position. This measure permits sworn peace officers to concentrate on the work requiring their skills and abilities.

The Mesa County Sheriff’s Office calls for service have increased at an average of 10.7% per year over the past four years. Miles driven by patrol deputies have increased steadily over the past four years from 498,741 miles in 2000 to 688,824 in 2003. Furthermore the county’s population has increased from 116,000 in 2000 to a 2005 projection of 130,000. Communities across the nation who have not maintained proportionate visibility and capacity of law enforcement officers have predictably experienced a loss of quality of life. To maintain adequate uniformed deputies in proportion to population growth, the 2005 budget adds three patrol deputy sheriffs.

Health Department. 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, Mesa County was impacted dramatically in 2004 with the West Nile Virus and needs to prepare for 2005. To ensure that Mesa County is prepared, the County has budgeted \$6,431,321 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 training and participation in community-wide and regional interagency all hazards assessment, planning and training has been possible.

The 2005 Budget includes \$194,000 for West Nile Virus (WNV). This amount does not anticipate aerial spraying. In 2004 46% of the WNV Human cases reported in Colorado (125) were in Mesa County and 100% of the deaths from WNV were in Mesa County (3). Mesa County is anticipating the problem will continue in 2005.

Emergency Management. Based on recommendations from the Fire and EMS Feasibility Study, it was recommended that Mesa County should do more to create standards both in regulation and in its oversight of the regulation for emergency medical services. Specifically, the recommendation included adopting a single medical authority for ambulance service in the county, adopting a method of monitoring medical quality and adoption of a single medical protocol as approved by the medical authority. The County began implementation of the study this year when it authorized hiring an EMS Coordinator position.

The 2005 Budget includes \$24,000 for a professional services contract between Mesa County and a Medical Director. This contract will identify the county's expectations of the Medical Director and the services he will provide in overseeing the emergency medical service providers.

Maintain and Increase Safe Road Capacity

Mesa County considers maintaining and increasing road capacity a high priority and has budgeted \$12,752,750 for Road & Bridge capital projects and overlay in 2005. The following projects are recommended for 2005:

- The County plans to continue improvements associated with the North/South Corridor in 2005 and has budgeted \$8,250,000 to continue construction of the Colorado River Bridge. The Bridge is anticipated to be completed as originally planned in 2006.
- In 2005 the County is looking at alternatives for E ¼ Road Intersection reconstruction and bridge widening over the Grand Valley Canal and has budgeted \$700,000 for this project in 2005.
- The County has budgeted \$530,000 for system improvements and includes projects such as culvert and drainage improvements on Reeder Mesa Road, improve pedestrian access and safety in the business area of Mack, maintain and repair concrete, sidewalks, curbs and gutters throughout the county, removal of

trees and obstructions in Mesa County Rights-of-Way, installation of guardrail for increased safety of various roadways, provide for bicycle and pedestrian paths within Mesa County to improve the multi-modal aspect of the transportation network, reconstruction of the roadway on 29 ¼ Road in the Bookcliff Middle School area, traffic channelization at the 32 Road Loop, improving storm drain in the Clifton area and widening of F ¼ Road near the Bear Valley Subdivision.

- Mesa County plans to complete the Central High School area road improvements in 2005 and has budgeted \$525,000 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 has budgeted \$485,000 for bridges; \$310,000 for the 33 at F ½ Road Bridge and \$175,000 for minor structure bridges.
- Mesa County has recently been listed in the Federal Register for compliance with new Storm Water Management practices as determined by EPA and for this reason has budgeted \$221,000 for capital projects relating to the Clean Water Act.
- Mesa County has budgeted \$90,000 for the 32 ½ Road Pathway.
- Mesa County plans to complete the B ½ Road from 30.5 Road to 31 Road and has budgeted \$400,000 for this project.
- The recommended overlay budget is \$1,551,750 for 2005.

Construction of Long Family Memorial Park and Maintain Existing Parks & Facilities

The Parks & Grounds Manager along with one seasonal worker currently maintains seven irrigated parks, which consist of 26 acres of turf. In addition, these two employees maintain the landscape and parking lots for 22 County facilities.

The 2005 Budget recommends adding two Maintenance Technicians, which will allow the Grounds Manager to concentrate on the critical management issues plaguing the Parks and Ground Section including oversight of third-party maintenance contracts, managing the Whitewater Hill Properties and Boat Launch Agreements, completing the Underground Storage Tank removal and remedial action, and overseeing the construction of Long Family Memorial Park.

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 \$352,615 for economic development.

- \$149,248 has been budgeted for economic incentives.
- The County has also the Enterprise Zone for \$28,000, Mesa State Business Research for \$35,000, Private Activity Bond Allocation Offset for \$10,000, Lead Economic Development Organization operations for \$30,000, the Business Visitation Program for \$30,367, \$50,000 to Mesa State for their building program, \$5,000 for the Business Incubator and \$15,000 for the Small Business Development.

Continued Support for the Disadvantaged and Needy Citizens of Mesa County Recommended appropriations for DHS are \$20,527,858 which is an increase of 1.4% over 2004. However, total budgeted expenditures for the department are recommended to increase by 4.1% because the recommended budget moves \$537,502 of DHS expenditures to the General Fund, including: utilities - \$125,000; non-profit contributions - \$67,502; and Substance/Mental Health Agreement - \$345,000. The recommended budget also includes a reduction in General Fund support from \$3,787,622 in 2004 to \$3,467,516 in 2005.

The 2005 recommended budget recognizes that General Fund support for DHS in 2003 and 2004 was temporarily increased beyond the County's required maintenance of effort to give the department an opportunity to adjust to reduced funding levels and cost shifts from the state following the 2001 economic downturn. In 2003 and 2004 the County exceeded its required match by \$485,685 and \$428,180 respectively, and absorbed additional department costs (\$62,000 for a personnel analyst \$468,470 for document imaging in 2003 and 2004). The 2005 recommended budget sets the General Fund contribution at the County's required maintenance of effort for 2005, and requires DHS to use just over \$2.2 million of other revenue sources to meet appropriations.

Administration and the BRT continue to be concerned about the growth of DHS funding needs in excess of state and federal grants and the County's required maintenance of effort. We do not believe these spending patterns are sustainable without significant increases in General Fund support and recommend the department gain internal overhead and administrative operating efficiencies in order to avoid reducing services to the needy.

2005 Budget Detail

Personnel Appropriations

Market increases are budgeted at 3.25%. There were also thirty-five requests for new FTE's in the 2005 budget. While there is merit to many of the requests, only 14.5 new FTEs were recommended for 2005 for a total cost of \$660,839.

- **Two-Ground Maintenance Technicians for Facilities:** This will provide full coverage of Mesa County's expanding land areas by creating two ground maintenance crews.
- **One-Substance Abuse Counselor for Criminal Justice Services:** This position will expand CJS

client treatment and education programs, especially in the area of methamphetamine intervention that has impacted the local community. CJS substance abuse programming will provide client treatment that is specific to methamphetamine addiction, including the community wide “matrix model” that treats the addict as well as their family.

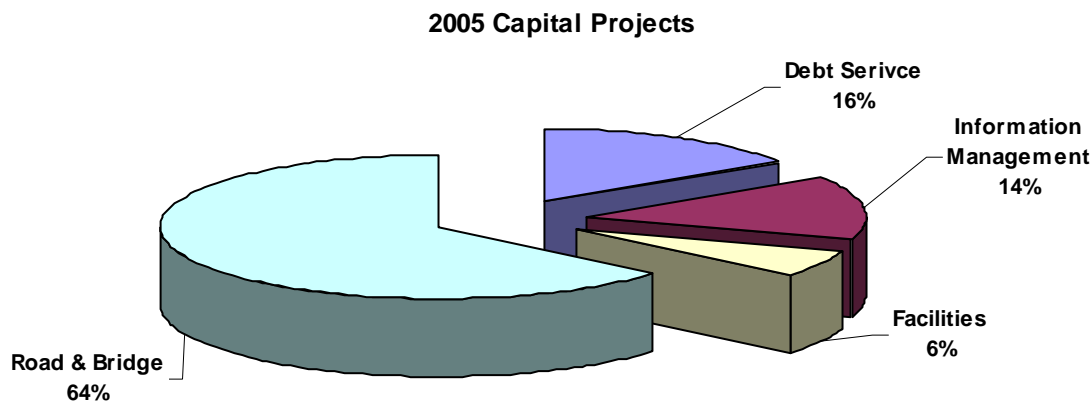
- **One-Administrative Specialist I for Solid Waste Management Program:** Growth in Solid Waste Management programs over the course of the last ten years has resulted in an ever increasing demand from the public for information. This position will improve internal and external communications, improve public understanding of the services that the Solid Waste Management provides and improve the efficiency and effectiveness of service delivery.
- **One Half Time-Administrative Specialist II for the Health Department – 0.5 FTE:** This added position will ensure that calls from the public are immediately addressed because the professional staff is out of the office 90% of the time conducting inspections and doing field work. The workload has increased due to an increase in restaurants opening in Mesa County and increased zoonotic surveillance to include plague, hanta virus, West Nile and other environmental health issues. Currently a temporary employee is handling these responsibilities, so this will not require any further appropriations, just approval of the position.
- **Four-Jail Civilian Control Room Technicians:** The master control area has become a specialized position with the increased inmate population, advanced video monitoring equipment and amount of inmate visits. Hiring and training specialized personnel in this area would provide a more efficient and safe operation of the detention facility. These positions free four jail deputies to deal with the jail overcrowding population. Most agencies statewide utilize civilian staff in their control stations.
- **One-Patrol Service Technician:** This position represents a growing trend nationally in policing best practices: to create trained civilian human resources to take telephone or walk-in-reports of nonviolent, low value property crimes, check frauds or civil complaints. This position allows the public to quickly report a loss or problem and protects a more highly trained and paid law enforcement officer from being tied up on matters that a civilian can handle. This measure permits sworn peace officers to concentrate on the work requiring their specialized skills and abilities.
- **Three Patrol Deputies:** These positions support the strategic goal of identifying County areas using a disproportionate amount of County services, identifying core problems from a community policing perspective and working with the Assistant County Administrator to develop action plans for remediation. The additional deputies allow Mesa County to maintain or increase their time in directed neighborhood problem oriented policing.
- **One-Development Review Engineer:** Mesa County continues to grow and the increase in Land Use applications has grown past the available resource ability. Currently one staff engineer provides support to the Planning Department. The new FTE will provide additional resource for engineering review of construction plans for vertical and horizontal alignment, pavement and drainage design for development applications.
- **One-Utility Billing Accountant:** Mesa County plans to assist smaller communities with establishing

infrastructure by providing financial, professional management and grant procurement assistance. In order to facilitate financial recordkeeping of such endeavors, a separate and distinct internal service fund has been set up, Rural Community Service Fund. This fund will allocate the cost of providing centralized services to the various Public Improvement Districts that are being established. An example of the services provided could be the cost of engineering, accounting, data processing, risk management, etc. Loans from the other funds may be transferred to the Rural Community Service Fund to cover the initial cost of capital projects (i.e. sewer facilities) with the individual PID's reimbursing the fund over time. This fund will account for the services provided to the individual PID's on a **cost** reimbursement basis. The new FTE will be responsible for the accounting function of the Rural Community Service Fund along with the accounting of the individual PID's.

Capital Projects

Capital Project expenditures are budgeted to increase by \$3.80 million in 2005 or 25%. This is due to the construction of the 29 Road Bridge over the Colorado River. The following are the areas that the money will be spent in 2005.

- \$12.75 million for Road & Bridge Projects of which \$10.21 million will be funded from the Capital Fund, \$.70 million from the Transportation Impact Fund and \$1.84 million from the Road & Bridge Fund.
- \$2.84 million for the Information Management Projects
- \$1.23 million for Facilities Projects
- \$3.17 million for Debt Service Payment



Other Issues

The General Fund Contingency account is budgeted at \$643,000; \$300,000 is for unanticipated expenditures; \$200,000 is for zoning enforcement and requests from new elected officials; \$103,000 was moved from the County's Attorney Zoning Budget to the Contingency Account and \$40,000 for personnel contingencies.

Transfers

The following transfers are budgeted for 2005:

- \$1,860,098 from the General Fund to the Health Fund. This money is to supplement the operating expenditures by \$1,666,098 and \$194,000 is for West Nile Virus.
- \$10,215,000 from the Capital Project Fund to the Road & Bridge Fund for Road & Bridge Capital Projects.
- \$700,000 from the Transportation Impact Fund to the Road & Bridge Fund for Road & Bridge Capital Projects.
- \$200,000 from the Insurance Fund to the General Fund for partial repayment of \$2,000,000 that was advanced to the Insurance Fund in 2003 when the County decided to be self-insurance. \$1,000,000 was repaid in 2004 leaving a balance of \$800,000.
- \$45,000 from the Development Impact Fund to the Capital Fund for Long Family Memorial Park.
- \$300,000 from the Internal Service Fund to the Capital Fund for Information Management Capital Projects. The \$300,000 was to be used for copiers, which are now purchased in the Capital Fund instead of the Internal Service Fund.
- \$3,170,000 from the Capital Project Fund to the Sales Tax Bond Fund to make the bond payment. This has been reduced due to bond refunding.
- \$70,000 from the General Fund to the Fair Board for operations.
- \$8,000 from the Human Services Fund to the Fleet Management Fund to upgrade to a four-wheel drive vehicle.

Revenues & Resources

Overall revenue growth continues to be positive for most County funds. Net revenues are anticipated to increase by 7.6% to \$102,510,150

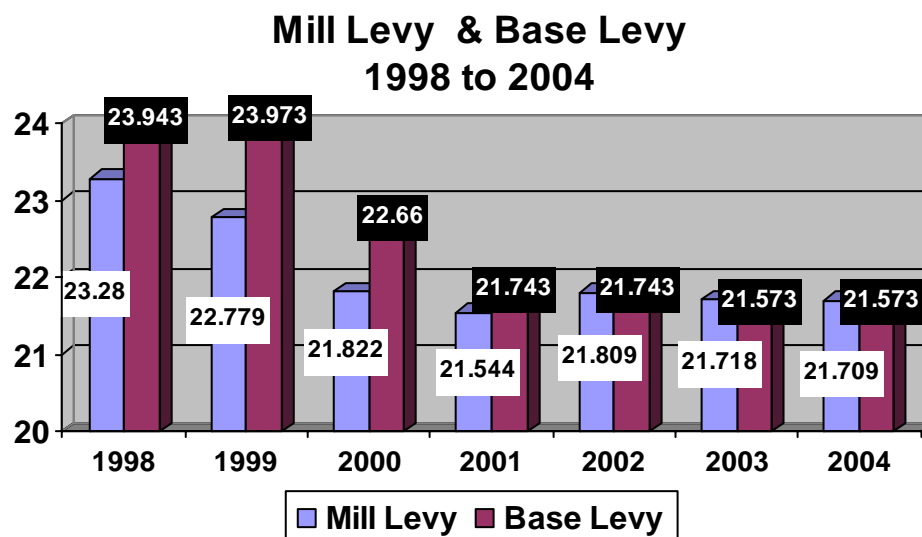


- **Property tax and specific ownership tax** are anticipated to increase from \$25.3 million to \$26.4 million for a 4.3% increase over the 2004 budget.
- The County's **mill levy** has decreased from 2004 by .009 mills.
- **Sales Tax and Use Tax** collections are anticipated to increase 10.4% over the 2004 budget. Sales Tax is budgeted to increase 6% over 2004 projected and use tax is budgeted to increase 4% over 2004 projected. Currently the sales tax collection is at 7.6% over 2003 collection.
- **Intergovernmental revenue** is anticipated to increase from \$27.0 million to \$30.0 million for a 10.8% increase over the 2004 budget. Some of the major factors for the increase are an increase in Bio-Terrorism funding and an increase in the Revolving Loan Fund.
- The **other revenues** increased by 8.2% from \$26.4 million in 2004 to \$28.6 million in 2005.

Mill Levy

The County's mill levy history for the last eight years is as follows:

<u>Levy</u> <u>Year</u>	<u>Base</u> <u>Levy</u>	<u>Abatement</u> <u>Levy</u>	<u>Temporary</u> <u>Credit</u>	<u>Temporary</u> <u>Mill Levy Rate</u> <u>Reduction</u>	<u>Net</u> <u>Levy</u>
1996	25.248	.491	-	-	25.739
1997	23.943	.510	(1.012)	-	23.441
1998	23.943	.268	(0.931)	-	23.280
1999	23.943	.119	-	(1.283)	22.779
2000	22.660	.078	(0.916)	-	21.822
2001	21.743	.147	(0.346)	-	21.544
2002	21.743	.066	-	-	21.809
2003	21.573	.145	-	-	21.718
2004	21.573	.136	-	-	21.709



COMPARISON OF 2004 PRIORITIES TO 2005 PRIORITIES

2004 Priorities	2005 Priorities
Protect public through increased funding for public health for bio-terrorism and West Nile Virus and emergency preparedness for Homeland Security issues.	Protect public safety through increased funding for law enforcement to address jail overcrowding, public health to address the West Nile Virus and emergency preparedness to implement recommendations from the Fire and Emergency Medical Services Feasibility Study.
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.	Maintain and increase road capacity, including continuing construction of a bridge over the Colorado River at 29 Road and completion of improvements around Central High School. <i>Central High School improvements were scheduled for completion in 2004; however, it was delayed until 2005 because grant money become available in 2005 otherwise the County would have had to use sales tax dollars for the project.</i>
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.	Encourage Economic Development in Mesa County through increased funding for the Enterprise Zone, Mesa State Business Research and economic incentives, as well as continued support for the Mesa County Workforce Center.
Continue to provide support for Mesa County's disadvantaged and needy.	Continue to provide support for Mesa County's disadvantaged and needy while gaining efficiencies in support services to Department of Human Services.
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.	Begin construction on Long Memorial Park while maintaining existing parks and County facilities.

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.



MESA COUNTY



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