



Town of Dolores, 420 Central Avenue, PO Box 630 Dolores, CO 81323 (970) 882-7720

## **BUDGET MESSAGE 2024**

Consistent with CRS 29-1-103, the 2024 Budget includes all proposed expenditures for administration, operations, maintenance, debt service, and capital projects to be undertaken or executed by any department during the 2024 budget year. The 2024 Budget includes anticipated revenues for the budget year, estimated beginning and ending fund balances, the corresponding actual figures for the prior fiscal year and estimated figures projected through the end of the year, consistent with the modified accrual method of accounting.

The budget is a tool used by the Town for financial planning and control. Adopted by the Town Board, the budget has the force of law and must be balanced. A balanced budget is one where disbursements do not exceed budgeted revenues and unappropriated fund balance surplus. The adopted budget is completed annually and at the fund level for each individual fund.

The Town follows the following procedures in establishing the annual budget:

- On or before October 15<sup>th</sup> every year, the Town Manager shall submit to the Town Board a proposed budget for the next ensuing budget year with an explanatory message. The proposed budget provides a complete financial plan for the Town.
- A public hearing is conducted to obtain taxpayer comments.
- No later than the last day of December, the budget is legally adopted, and appropriations are enacted by resolution. Since the deadline for the certification of the mill levy is due to the County Commissioners by December 15<sup>th</sup>, the Town typically adopts the budget at the regular board meeting in December prior to this deadline.
- Per DOLA- On November 20, 2023, Governor Polis signed Senate Bill 23B-001, which made several changes to the property tax process for the 2024 budget year (which is the 2023 property tax year). Deadlines to the property tax and budget process have also been postponed and may impact your local government. 2024 Budget Dates have changed because of SB23B-001 as follows:

January 3: Final assessed values released

January 10: Certification of mill levy to county commissioners

January 10: Deadline to adopt budget

January 31: Budgets due to DOLA via eFiling

- The Town Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total disbursements of any fund must be approved by the Town Board. The level on which disbursements may not legally exceed appropriations is the legally adopted annual operating budget for the fund in total.
- The Town Board may legally amend the budget by resolution once it has been approved.
- All appropriations lapse at year-end.

Following the state deadlines and requirements set forth by the Department of Local Affairs, the Town staff met with the Town Board five times prior to the adoption of the budget in December 2023 to discuss major revenue and expenses decisions, determine the 2024 work plan, incorporate the public in the budget planning process, and prioritize capital improvement projects.

The 2024 Budget includes five separate accounting funds, including the General, Street, Water, Sewer, and Conservation Trust Fund.

A summary of each fund’s budgeted expenditures follows:

General Fund	\$1,190,235
Streets	\$564,117
Water	\$401,137
Sewer	\$251,835
Conservation Trust	\$5,000
Total	\$2,412,324

**2023 Review**

2023 was a busy year for the Town of Dolores. We had unexpected expenses due to heavy snowfall this winter, and subsequent flooding in the Spring. These unexpected expenses in addition to unexpected grant revenue led to the decision to amend our 2023 budget. In 2023 our Sheriff contract costs were also increased from \$200,000 to \$220,000. The Town of Dolores contributed \$30,500 in donations to local entities this year including the Dolores Library, the Galloping Goose Historical Society, the Montezuma County Senior Meal program, along with several others. We have seen an increase in the cost of supplies and shipping across all our funds. The cost of postage also increased this year. There was also some turnover with staff this year which affected salaries and benefits. However, with all these increases in expenses also came unexpected revenues through our mineral lease and severance tax revenues. These revenues are budgeted for in our Streets fund. In 2023 we budgeted \$0 for Severance Tax and \$10,000 for Mineral Lease Revenue due to decreased revenues in years prior. The Town ended up receiving \$70,362.31 in Mineral Lease Revenue and \$12,267.48 in Severance Tax, which made a dramatic impact on our Streets fund. In 2023, we budgeted \$73,500 in franchise fee revenue from Atmos Energy, CommNet, Empire Electric, etc. but we are projecting to receive around \$82,000 by the end of the year. In 2023 the Town budgeted \$700,000 in sales tax and is on target to exceed that goal by at least \$100,000. Overall, we expect to see a significant increase in our projected net income across all funds than originally budgeted for 2023.

## **2023 Projects**

- In 2023 the Town received unexpected grant money for several projects such as our Skate/Bike Park project that is a part of our Joe Rowell Park Master Plan project.
- We also put off some of our 2023 projects until the 2024 calendar year, such as Fishing is Fun and the maintenance of our Water Treatment Plant building.
- We received a grant from DOLA in the amount of \$375,881 for the demolition/remodel of our town hall building. We plan to spend \$201,349.00 of those funds by the end 2023.
- We received a grant from FEMA for the installation of our water treatment plant generator in the amount of \$60,679.80. The costs of this project ended up much higher than expected at \$92,465. We rolled over some of our ARPA FUNDS to cover the difference.
- We also received FEMA funds for our new emergency sirens which have been installed and we plan to close out this grant by the end of 2023.
- We spent around \$6,500 in street painting in 2023 which was \$4,500 more than we budgeted.
- We budgeted \$30,000 for patching, gravel and chipseal in 2023 and we plan to spend \$42,000 by the end of the year.
- We budgeted \$10,000 for Mag Chloride in 2023 but only spent around \$8,000.

## **2024 Budget Highlights**

- We are planning for a \$100,000 increase in sales tax in 2024.
- The Town plans to utilize the projected remaining ARPA funds in the amount of \$101,389.40 by the end of 2024. All those funds have already been committed and are outlined in our 2024 budget.
- There will be some standard cost increases this year, such as a 5% increase in our health insurance from CEBT and an increase in our liability insurance through CIRSA. Additionally, fuel and electricity costs have increased, as well as the costs of parts and supplies. We are also going to see an increase in our internet costs when we move into our New Town Hall Building and have budgeted some cushion for additional IT needs as well as building maintenance. Our copier lease is around \$4,000 annually and we also plan to end that in 2024. We would also like to purchase the MuniCode agenda management and CivicPlus government website development software.