

TITLE 3 REVENUE AND FINANCE

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CHAPTER 3.04 BUDGETING AND PURCHASING PROCEDURES

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3.04.010 BUDGETING POLICY—ESTABLISHING THE PLAN

This section outlines in calendar form the annual budget cycle for creating a formal multiyear plan for Pitkin County.

Responsibility	Date	Task
Staff and BOCC	Ongoing	1. Assess existing conditions and needs for major programs.
BOCC and FAB	April	2. Review prior year final financial position report.
BOCC and FAB	May	3. Identify major budgetary issues facing the county such as: <ul style="list-style-type: none"> a. financial condition; b. economic trends; c. unfunded projects; d. changing community needs or conditions; e. intergovernmental relationships; f. natural disasters.
BOCC	May	4. Adopt policies addressing these issues and directing staff in the preparation of their plans and budgets: <ul style="list-style-type: none"> a. budget policies; b. economic assumptions; c. program goals and objectives; d. priorities.
Staff	June	5. Update program goals, objectives, and performance indicators.
		6. Analyze alternative service levels and implementation methods and select the best alternatives.
		7. Prepare multiyear implementation plan and budget requests for the coming year including the following: <ul style="list-style-type: none"> a. program goals, objectives, and performance indicators; b. operating budgets for all departments including cost centers; c. alternative levels of operation; d. ten (10) year capital replacement schedule;

Responsibility	Date	Task
		<ul style="list-style-type: none"> e. capital improvement and developmental projects for five years; f. general revenue assumptions and projections for five years; g. capital debt service for five years.
Staff	July 1	8. Submit budget requests and plan to budget director.
County manager Section heads Budget director	July	9. Review budget requests and plan.
Budget director	August	10. Update the multiyear plan for: <ul style="list-style-type: none"> a. prior year actual results from subsection 2; b. budget requests and plans from subsections 7 through 9; c. economic assumptions from subsection 4; d. budget policies from subsection 4; e. unfunded projects.
Manager and budget director	September	11. Present the coming-year budget as part of the multiyear plan (CRS 29-1-107).
BOCC FAB as advisory	September	12. Review the multiyear plan and change goals, objectives, assumptions, policies, or priorities as necessary to balance all years of the plan.
Budget director	September	13. Revise the multiyear plan for changes arising from BOCC-FAB review.
Budget director and FAB	October	14. Issue a user-friendly budget summary document to the public.
Budget director	Late October	15. Public notice that the coming-year budget is available for inspection in detail by the public and that any comments may be submitted to the BOCC regarding its content. (CRS 29-1-108).

Responsibility	Date	Task
BOCC	4th Monday in October	16. Budget public hearing and first reading of resolutions to adopt and appropriate the coming-year budget (by fund).
BOCC	2nd Monday in November	17. Second reading of the resolutions to adopt and appropriate the coming year budget (CRS 29-1-110).
BOCC	2nd Monday in November	18. Resolution to set the mill levy for county funds and districts.
BOCC	November 15	19. Certification of all mill levies (CRS 39-1-111).
Budget staff	November December	20. Finalize the multiyear plan and present it for public distribution.
Budget staff	December	21. Enter the coming-year budget into finance department records and issue approved budgets to all county departments.

The annual process begins again in April with the review of prior year financial position.
(Res. 87-21 (part))

3.04.020 BUDGET TRANSFER AND PURCHASING AUTHORIZATION POLICY—CHANGING AND IMPLEMENTING THE PLAN

The following table summarizes the level of authorization required for changes to the annual budget and purchases there under:

Authorization Level	New Project Budget	Budget Changes and Contract Change Orders to Approved Projects	Contracts and Purchase Orders
Department heads	-	≤ \$10,000 offset within dept./program	≤ \$10,000
Section heads	-	≤ \$25,000 and 10% offset within section	\$10,000 to 25,000
County manager	≤ \$10,000 + zero cost; advise BOCC	≤ \$25,000 and 10% offset between sections	-
	> \$10,000	> \$25,000 and 10%	> \$25,000 chair

Board of county
commissioners

or not offset

approval; advise
BOCC

Notes:

- A. General:
 - 1. Successive signatures are required for approval at each level for all categories of this table.
 - 2. Offsetting budget changes and new project budgets may not involve more than one fund except for the general fund and those funds subsidized by the general fund (e.g., road and bridge fund and housing authority fund).
 - 3. BOCC budget approval, when required, will be via a formal supplemental appropriation resolution.
 - 4. Any changes in total fund revenues, expenditures, or other sources and uses authorized at a level below the BOCC will be summarized and approved by the BOCC at year-end to comply with state law.
- B. New project budget:
 - 1. "Zero cost" means the new project's cost can be offset by additional revenue or a reduction in another project's cost.
- C. Budget changes and contract change orders:
 - 1. "\$25,000 + 10%" means each change must be at least twenty-five thousand dollars (\$25,000.00) and it must also be at least ten (10) percent of the original budget.
 - 2. If any series of change orders increase a contract amount from less than twenty-five thousand dollars (\$25,000.00) to greater than twenty-five thousand dollars (\$25,000.00), that contract must be authorized by the BOCC.
 - 3. BOCC approval will also be required for any budget changes that alter future year budgets by more than twenty-five thousand dollars (\$25,000.00).
 - 4. Budget changes may be increases or decreases.
- D. Contracts and purchase orders:
 - 1. All purchase orders and contracts issued by Pitkin County must be consistent with the annual budget. The finance department will review purchase orders in excess of ten thousand dollars (\$10,000.00), for adequate budget.
 - 2. If a departmental purchase order for ten thousand dollars (\$10,000.00) or less increases to more than ten thousand dollars (\$10,000.00), section head approval is required and budget will be verified. *(Res. 87-21 (part))*

3.04.030 REPORTING POLICY—MONITORING THE PLAN

- A. By March 1st of each year the BOCC shall review a report prepared by the finance director of sole source and emergency purchases of the prior year as required by the Pitkin County Procurement Code set out in the Appendix at the end of this code.
- B. By July 1st of each year the BOCC shall review the comprehensive annual financial report in a public meeting.

- C. Each month the BOCC, county manager, section heads, and department heads will be provided with financial reports of the prior month and year-to-date activity as contrasted to budget, in sufficient detail to be useful to them.
- D. Each month the BOCC will be advised in writing of the status of major revenue sources and any other items of major significance.
- E. By the end of January, April, July and October the BOCC shall review financial reports of the prior quarter's activity of the county, including but not limited to the following:
 - 1. The exception report of project revenue and expenditure variances from budgeted amounts in excess of ten thousand dollars (\$10,000.00) for the prior quarter and twenty-five thousand dollars (\$25,000.00) for the year-to-date (or other limits at the BOCC's discretion). These exception reports will be used to draft a supplemental appropriation in the following month to resolve the problems that appear on the report;
 - 2. A report of estimated year end fund balances, showing both specific restrictions and available amounts from the last supplemental appropriation;
 - 3. A quarterly report of assets and liabilities, as required by the BOCC, compared to prior periods. Only the quarterly investment report is being used currently, while the airport receivable report has been integrated into the quarterly exception report. *(Res. 87-21 (part))*

3.04.040 FINANCIAL ADVISORY BOARD ROLE.

- A. The county financial advisory board, the "FAB," shall review the multiyear plan and the annual county budget with their supporting documents during the annual budget preparation period and make such advisory comments as their analysis warrants.
- B. The FAB shall review all budget changes that are submitted to the BOCC for approval.
- C. The FAB shall review the quarterly reports presented to the BOCC. A quarterly joint meeting of the FAB and BOCC will be held for constructive comment and discussion of significant issues arising during the quarter.
- D. The FAB shall have access to such existing monthly reports as desired in order to improve the financial reporting of the county.

- E. The FAB shall review the sole source and emergency purchases of the prior year and make such constructive comments as are warranted.
- F. The FAB shall review the comprehensive annual financial report and make such constructive comments as are warranted. *(Res. 87-21 (part))*

3.04.050 ORGANIZATIONAL STRUCTURE

- A. As used within this chapter, the terms “section head,” “section budget” and “department head” shall refer to the current organizational structure as may be revised from time to time by the BOCC and included in the policy manual.
- B. Sections shall be the significant spending agencies referenced in the budget, for the purpose of specifically complying with the Local Government Budget Law, CRS 29-1-106 and 29-1-111.5. *(Res. 87-21 (part))*