

**Jefferson County Budget Advisory Committee
Minutes of October 28, 2021**

Convened: 3:34pm (virtually)

Members Present: Jim Dale, Emily Ellet, Leanne Emm, Ed Valenzuela, T.O. Owens, Brittney Warga

Members Absent: Amy Case

Staff Present: Stephanie Corbo, Dan Conway, Micah Badana, Jenna Pratt, Zoe Jenkins, Sheri Haxton

Guests Present: Commissioner Tracy Kraft-Tharp, County Attorney Kim Sorrells

Public Comment: None

Approval of Minutes: Following a general discussion, the Committee upon a motion, second, and by a unanimous vote, approved the minutes of July 22, 2021.

Agenda Items:

1. Welcome and Introductions:

- Committee, County Attorney, and staff introduced themselves.

2. Staff Updates

- Dan informed the Committee of the staffing changes in the Strategy, Innovation & Finance (SIF) Department.

3. 2022 Budget Update

- Dan informed the Committee that they are invited to attend (remotely or in person) public hearing on November 16th for the adoption of the 2022 Budget.
- Dan showed the Committee how to get to the Meetings & Agendas page on the county website to view all public meetings and hearings. Dan noted the link has also been provided through email. He also showed how to view recordings of past public meetings (on the Meetings & Agendas page).
- Dan showed the Committee where committee meetings are located on the county website – Boards & Commissions – Budget Advisory Committee

4. Budget Realities

- Dan discussed the ongoing revenue challenges and reviewed the 2020-2021 TABOR revenue limits. Dan clarified the county may ask voters to “De-Bruce” to keep excess revenues or exempt future revenues from the revenue growth limits.

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- Leanne asked if mid-year 2021 spending cuts have been made to account for estimated revenue variances.
- Dan informed the Committee that there is no way of knowing what the actual TABOR revenue limits will be until after the year has concluded.
- Stephanie informed the Committee that cuts have not been made this year but the county continues to look for ways to better manage the operating budget and brainstorm long-term solutions.
- Dan reviewed the 2020 TABOR property tax limit and refund checks that will be sent out to property taxpayers, with an average of \$7 per check. Dan discussed the informational flyer that accompanied the refund checks.
- Leanne asked if there has been discussion about the flyer including an option for individuals to give their refunds back to other areas of the county, and Jim asked why the county is giving one cent checks.
- Stephanie explained how the county is obligated to refund the excess revenue and how it presents an opportunity to educate the public.
- Ed asked if the county has considered sending out payment vouchers instead of checks – Dan informed the Committee that that idea was explored but needed additional systems set up to accommodate.
- Dan informed the Committee about Senate Bill 21-293 and statewide Proposition 120 and discussed the impact of potential additional loss of revenue.
- Stephanie discussed the County's inability to grow revenue (approx. 1%) at the rate needed to keep pace with the cost of doing business, as unsustainable.
- Dan reviewed the General Fund five-year outlook based on the 2022 Proposed Budget.
- Leanne asked if the chart includes TABOR reserves and Dan confirmed it does.
- Leanne asked what the assumptions are for the basis of estimated expenditure growth. Dan informed the Committee that it includes a 2.6% annual salary increase and relatively flat operational costs. Dan also shared the assumptions used for the revenue calculations.
- Ed asked if all counties in Colorado are facing the same situation. Dan informed the committee that most are not as restrictive as Jefferson County, but Senate Bill 21-293 and statewide Proposition 120 will play a role in the revenue base for all counties and taxing authorities.
- Dan reviewed the current project backlog for the county, and discussed revenue diversification options currently being considered.
- Stephanie discussed two challenges facing the county: current operational deficit draws down the General Fund reserves by about \$13-14M; the county continues to fall behind other counties and cities in competitive wages, which causes recruitment and retention difficulties. No funds are available to address growing infrastructure needs.
- Stephanie further discussed revenue options like addressing TABOR limits, passing a mill levy, and a sales tax.

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- Jim commented that infrastructure will continue to deteriorate and that the Committee should begin brainstorming solutions.
- Emily suggested launching a media-relations tour to better inform the public.
- Stephanie informed the Committee of the budget strategy retreat scheduled with the BCC to explore these options, and recommended the Committee should work with the Public Affairs Department to help develop the narrative.

Open Discussion:

- T.O. expressed that it will be a tough sell to ask voters to approve a sales tax or to raise property taxes.
- The Committee discussed how identifying specific uses could help with potential ballot initiatives.
- Kym discussed the guidelines and restrictions on how the county staff can work on ballot initiatives.
- Jim suggested a timeline could be set up for everyone who can help with the discussions, depending on the direction the Board of County Commissioners pursues.
- Stephanie indicated that it is important to get feedback from the community on what is, and what is not important to them, as well as provide education on TABOR and revenue growth limitations.
- Stephanie asked the Committee for revenue ideas.
- Leanne requested additional information on TABOR and property taxes, and asked about the pros/cons of recalculating the TABOR base – staff informed the Committee the principal con is that it may be too complicated for the average taxpayer to understand.
- The Committee expressed that the community could be better educated about what TABOR does/does not do, how it affects property taxes, and how it directly impacts the county.
- Leanne suggested working with business chambers and the speaker's bureau. She also emphasized that now would be a good time to start educating the community.
- The Committee agreed the next meeting will be held on December 16th.

Adjourned: 5:06pm