

## **2014 BUDGET PLAN**

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As Weld County looks to 2014 and beyond, a number of challenges face the Board of County Commissioners, other elected officials, and staff to meet the ever changing and growing demands of county citizens to maintain the quality of service the citizens have grown to expect from their county government. The county is experiencing the biggest oil and gas boom in its history. The additional production of oil and gas is resulting in significant increases in the county's assessed value with the oil and gas production exceeding fifty-percent of the county's total assessed valuation. Because of the volatility of production levels and price fluctuations of the oil and gas production, the county must prudently manage the increased property tax base created by the energy development. In February, 2012, staff developed and the Board of Weld County Commissioners approved the *Strategic Investment Plan for the Future of Weld County*. The purpose of the *Strategic Investment Plan for the Future of Weld County* was to provide the Board of Weld County Commissioners an analysis of the optional uses of the projected property tax revenues from the new oil and gas development in Weld County. The option selected was to develop a long term strategy of investment in the county's infrastructure, technology and innovation, staff training and development, economic development for diversification of the local economy, and to establish a fluctuation reserve to deal with the volatility of the peaks and valleys in energy prices and production. If the projected energy production figures materialize eventually even with the long term investment strategy with the Weld County Home Rule Charter 5 % property tax limitation and TABOR limitation lower property tax rates will result for all taxpayers in Weld County.

A long-term strategy of investment in the county's infrastructure, technology and innovation, staff training and development, and economic development for diversification of the local economy can all have a demonstrable long-term payoff. A good county transportation system facilitates the movement of goods and services. Investment in innovation and technology will lay the foundation for new and more efficient governmental services being provided by Weld County government. Staff development ensures that the county's employees have the skills required to provide the very best service possible to the citizens of Weld County. Investment in economic development for the diversity of the local economy will lay a solid foundation for long-term economic growth in the county and allow Weld County to be competitive in retaining and attracting quality companies and a labor force to support those companies. Weld County has to focus on investing rather than spending in order to ensure long-term economic prosperity, not only while the energy boom is happening, but also when it eventually ends.

The *Strategic Investment Plan for the Future of Weld County* is a continuation of Weld County's historical discipline of fiscal stability. Commitment to the discipline of fiscal stability has enabled Weld County to remain solvent and responsive in an uncertain economic environment and provide the services the public needs and expects. Adherence to conservative and prudent fiscal management practices have enabled the county to maintain balanced budgets and stable reserves, implement proactive strategies to manage county programs, avoid debt entirely through cash financing of capital projects and provide core services to residents. This financial discipline has enabled the County to embrace the changes that are reshaping all aspects of our lives – from how we live and work to how we share information and communicate, and in many ways fundamentally changing the public's expectations of, and relationship with, government.

The County will face budgetary challenges over the next few years that will involve rising costs, particularly if inflation returns as the Federal Reserve discontinues its economic stimulus via low

interest rates, and the reality of decreasing federal revenues in the future. The County's budget must continue to reflect a multi-year strategic approach to managing county resources within the ongoing challenging economic environment. The primary goals of this strategy are to preserve core services, maintain the commitment to the County's capital program, and accommodate the impacts of the energy boom in Weld County. The County has been able to accomplish these objectives while adhering to its fund balance and reserve policy that specifies that a large contingency fluctuation reserve be maintained as a buffer for unexpected fiscal events and the fluctuation of oil and gas assessed values. The county's proactive management of its cost structure using this multi-faceted approach is assurance of its commitment to maintaining fiscal health and stability of the county.

A significant measure of Weld County's commitment to providing residents with quality services will be how well essential infrastructure is maintained and renewed. The county will continue to be a responsible steward of public assets. A five-year Public Works Capital Improvement Plan will continue to be updated annually and will ensure a fair and reasonable determination of project priorities in accordance with the county's overall transportation needs, especially in dealing with the impact of energy development in the county. A similar, annual five-year Capital Improvement Program will be used to assess the condition of all facilities and to plan necessary repair and maintenance, as well as fund new facilities needed, such as an expanded correctional facility. Included in the capital plan will be funding to upgrade and replace the county's critical communication infrastructure and systems. The county will continue to use a proactive approach to maintain the physical environment, modernize and replace aging facilities and equipment, and maximize the public return on investments.

Weld County must continue to achieve operational efficiency through continuous efforts to improve, and innovate, thereby maximizing value for taxpayers. By continuously working to improve the quality, efficiency and cost effectiveness of its services, county staff will maximize value for taxpayers and increase the ability to meet emerging public needs while living within our financial resources. The pace of technological change and innovation in the world around us is accelerating and Weld County must continue to draw on the expertise of its workforce to take advantage of new ideas and tools to improve service delivery and operational efficiency. The county must continue to use the business process analysis effort started in 2013, as an effective tool to meet the enormous challenges of revenue constraints, increasing operational costs and growing public demands. The business process analysis is the fundamental rethinking and redesign of the processes, tools and structures used to operate a program or service to bring about dramatic improvements in performance. When new tools or methods are discovered, business process analysis can help capitalize on them to improve operations and achieve the best results for Weld County residents.

Managers at the county are expected to create and maintain a workplace that supports a culture of continuous improvement and innovation. This can be achieved through employee suggestions, open communication, training, and innovation and technology projects, among other opportunities. In an era of rapid change, the need for knowledgeable, active, and engaged employees will be greater than ever. The county must continue to attract and sustain a highly qualified workforce that is responsive to the needs of the community now and in the future. Building a skilled, and adaptable workforce requires that the county continue to recruit qualified employees and provide competitive salary and benefit packages. Sustaining such a workforce includes ongoing training, professional development, and engagement in succession planning. Employees must be encouraged to become adaptable, take initiative, and keep skills current through organization-wide initiatives and ongoing departmental efforts.

The County must be the center of information services innovation for advancing the delivery of county services, anytime and anywhere. The County must be continually focused on providing superior information services to support the multitude of county services and programs offered. To keep up with advances in information technology (IT), the County effective January 1, 2014, will no longer outsource its IT function through ACS/Xerox, but rather perform all IT functions with county staff under the leadership of a new Chief Information Officer (CIO), who will maintain strategic oversight of the technological direction. The County's goal is to provide a reliable, integrated information services environment that meets not only today's needs for communication and business efficiency, but positions the County to leverage new technology innovations and best practices for business transformation and improved service delivery in the future.

What is occurring in the world around us is that the pace of change in our world is accelerating exponentially. This dynamic is challenging all of us as individuals and as organizations, and shows no sign of abating. In fact, the pace of change underway now in our world continues to intensify. Fueled by technological advances, we are quickly changing and reshaping all aspects of our lives from how we live and work to how we share information and communicate. These technological advances in many ways are fundamentally changing the public's expectations of and relationship to their government.

Beside technological changes, we can anticipate that as the federal government deals with deficit spending issues there will be significant programmatic and spending changes as a result of decisions made in Washington. These could require counties to profoundly change not just how to provide services, but what services can or, in some cases, must be provided. In addition to adjusting to new roles and responsibilities, we must also take advantage of opportunities to improve how and where to serve the public. Departments throughout Weld County government need to find ways to deploy new technology tools to expand employees' flexibility, allowing them to become more productive and better serve our customers in the community. This means changing the way we design county services by continually looking for more opportunities to streamline operations and addressing public needs in innovative, comprehensive ways. It may mean we have to change how we communicate with the public we serve by expanding the services and information the public can find online and through the social media.

Therefore, if one is to sum up the 2014 Budget Plan in only two words, those words would be "**Embrace Change**". Weld County must plan on rising to the challenges that change presents, embracing opportunities it offers and continuously examining how we can change as an organization to better provide the services the public needs and expects.

Change will be the constant as we face 2014 and the future. However, one aspect that will not change is our commitment to fiscal discipline. Even with the added property tax resources from oil and gas, we must continue to be good stewards of the taxpayers' money. We must continue to deliver cost effective and efficient county services, maintain prudent reserves, and invest in the future of our infrastructure. We will do this by working to ensure that Weld County government remains fiscally sound, operationally strong, and able to meet the core needs of Weld County residents within available resources. We must continue to monitor changing economic conditions and the uncertainties surrounding key state and federal revenue sources.

For Weld County government our greatest asset is our ability to combine the expertise and dedication of our employees, the pragmatic approach to solving problems, the strong leadership of our elected officials and department managers, and our commitment to a culture that **embraces change**. With these organizational strengths, we can all be confident that Weld County government as an organization will meet the challenges of the future.