



MEMORANDUM

TO: Mayor Jones and Members of the Board

FROM: Karen Proctor, Town Administrator

DATE: June 18, 2020

RE: 2020 Financial Forecast Update

DISCUSSION:

Staff continues to monitor the Town of Foxfield's financial condition and is providing an update to the Financial Forecast. We are beginning to receive revenue from March when this all began.

Attached (Exhibit A) is an updated Summary 2020 General Fund Forecast for your review. The forecast looks at five (5) different possible scenarios:

Scenario A = 25% reduction in sales tax June-December (leaving all other taxes and fees as budgeted) and a reduction of 25% in all other revenue. Expenses remain as budgeted, except for Capital

Scenario B = 50% reduction in sales tax June-December (leaving all other taxes and fees as budgeted) and a reduction of 50% in all other revenue. Expenses remain as budgeted, except for Capital

Scenario C = 75% reduction in sales tax June-December (leaving all other taxes and fees as budgeted) and a reduction of 75% in all other revenue. Expenses remain as budgeted, except for Capital

Scenario D = 75% reduction in sales tax in June and 50% reduction in sales tax July-December, leaving all other revenue as budgeted. Expenses remain as budgeted, except for Capital

Scenario E = 50% reduction in sales tax in June, 25% reduction in sales tax July-December, leaving all other revenue as budgeted. Expenses remain as budgeted, except for Capital

ANALYSIS:

The 2020 budget anticipated a 2019 General Fund ending balance of \$901,980, but the actual ending balance was \$929,820. Therefore, the General Fund began 2020 in a better position than anticipated. In addition, the Town of Foxfield will receive \$233,492 of sales tax revenue for January through May 2020. This is 74% of budget with only 42% of the year completed. Current property tax revenue the Town has received is in line with receipts of previous years and the budget. In addition, a savings of \$35,000 is expected for the 2020 road maintenance expense.

Staff has also included a revised Long-Range Financial Forecast (Exhibit B). Staff updated the 2020 numbers with estimates based on current revenue and expenditures. The estimates are very conservative. As shown in the General Fund forecast (Exhibit A), sales tax is anticipated to be better than budget, but staff left the budget number of \$315,000 in the estimate. A breakout of the sales tax revenue is included as Exhibit C. For 2020, staff entered interest income currently earned to date, used .5% through 2024 and 1% for 2025-2027. In both financial forecast documents, staff has added back \$150,000 to the capital expenditures for the gates.

Based on the financial forecast, would the Board like staff to look at the possibility of moving forward with the gate project in July/August?

ATTACHMENT:

Exhibit A – Summary 2020 Preliminary General Fund Forecast

Exhibit B – Updated Long Range Financial Forecast

Exhibit C – Sales Tax Revenue

**TOWN OF FOXFIELD
SUMMARY 2020 PRELIMINARY GENERAL FUND FORECAST**

GENERAL FUND

	2020 Adopted Budget	25% Scenario A	50% Scenario B	75% Scenario C	75/50 Scenario D	50/25 Scenario E	
REVENUE							
Taxes	483,403	543,645	496,395	449,145	490,095	537,345	
Licenses & Permits	29,135	21,851	14,568	7,284	29,135	29,135	
Intergovernmental Revenue	51,341	38,506	25,671	12,835	51,341	51,341	
Charges For Services	11,000	8,250	5,500	2,750	11,000	11,000	
Miscellaneous Revenue	10,139	7,604	5,070	2,535	10,139	10,139	
TOTAL REVENUE	585,018	619,857	547,203	474,549	591,710	638,960	
EXPENSES							
Administration	202,425	202,425	202,425	202,425	202,425	202,425	
Elections	725	725	725	725	725	725	
Judicial	9,000	9,000	9,000	9,000	9,000	9,000	
Public Safety	122,928	122,928	122,928	122,928	122,928	122,928	
Public Works	120,275	120,275	120,275	120,275	120,275	120,275	
Capital	315,000	280,000	280,000	280,000	280,000	280,000	\$35,000 savings on road maintenance work
TOTAL EXPENSES	770,353	735,353	735,353	735,353	735,353	735,353	
Beginning Fund Balance*	901,980	929,820	929,820	929,820	929,820	929,820	
Net Revenue (Expenses)	(185,335)	(115,496)	(188,150)	(260,804)	(143,643)	(96,393)	
TOTAL ENDING FUND BALANCE	716,635	814,324	741,670	669,016	786,177	833,427	
*Audited 2019 Ending General Fund Balance:	929,820						

Scenario A = 25% reduction in sales tax June-December (leaving all other taxes and fees as budgeted) and reduction of 25% in all other revenue

Scenario B = 50% reduction in sales tax June-December (leaving all other taxes and fees as budgeted) and reduction of 50% in all other revenue

Scenario C = 75% reduction in sales tax June-December (leaving all other taxes and fees as budgeted) and reduction of 75% in all other revenue

Scenario D = 75% reduction in sales tax June and 50% reduction in sales tax July-December, leaving all other revenue as budgeted

Scenario E = 50% reduction in sales tax June, 25% reduction in sales tax July-December, leaving all other revenue as budgeted

10-35-540	Chargeback Administration Fee	1,549	684	250	2,500	2,500	2,500	2,500	2,500	2,500	SafeBuilt & SEH
Total Charges for Services		10,410	6,994	2,750	17,500	17,500	17,500	17,500	17,500	17,500	
Miscellaneous											
10-36-611	Interest Earnings	10,609	17,972	5,020	2,789	2,009	1,068	1,566	4,132	5,134	Colostrust funds moved to higher interest earning account
10-36-680	Miscellaneous/Other Income	54,447	2,223	289	500	500	500	500	500	500	Mineral & Serverance Tax from State of CO
10-36-682	SIPA Grant	0	4,250	0	0	0	0	0	0	0	
10-36-690	Transfer In	70	0	0	0	0	0	0	0	0	
Total Miscellaneous		65,126	24,444	5,309	3,289	2,509	1,568	2,066	4,632	5,634	6,646
TOTAL REVENUES		624,103	675,967	568,907	589,806	598,719	601,562	612,125	618,551	630,007	634,956

Administration											
10-41-110	Personnel Expenses	115,284	127,008	131,614	134,246	136,931	139,670	142,463	145,312	148,219	151,183
10-41-116	Payroll Taxes (7.65%)	8,819	9,716	10,068	10,270	10,475	10,685	10,898	11,116	11,339	11,566
10-41-118	Workers Compensation Ins.	826	715	850	950	950	1,000	1,000	1,000	1,000	1,000
10-41-120	Supplies/Materials	1,445	461	500	500	500	500	500	500	500	500
10-41-130	Postage/Bulk Mail Charges	537	330	400	400	400	400	400	400	400	400
10-41-140	Printing	1,044	0	50	100	100	100	100	100	100	100
10-41-141	Newsletter	195	35	50	250	250	250	250	250	250	250
10-41-143	Municipal Code Supplements	2,056	211	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
10-41-145	Legal Notices	312	266	250	250	250	250	250	250	250	250
10-41-148	Recording Fees	26	26	50	50	50	50	50	50	50	50
10-41-151	Audit	7,500	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
10-41-152	Legal	11,397	16,345	35,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
10-41-160	County Treasurer Fees	1,072	1,042	1,126	1,126	1,182	1,182	1,241	1,241	1,304	1,304
10-41-170	Communications/IT	2,155	11,861	3,400	3,500	3,500	3,500	3,500	3,500	3,500	3,500
10-41-171	Telephone/Internet	2,298	1,518	1,600	1,500	1,500	1,500	1,500	1,500	1,500	1,500
10-41-172	E-mail Server	521	498	500	540	540	540	540	540	540	540
10-41-173	Web Site Dev/Mgmt	240	4,412	25	250	250	250	250	250	250	250
10-41-180	Insurance	4,759	4,500	5,015	4,800	4,800	5,000	5,000	5,000	5,000	5,000
10-41-182	Membership/Dues/Training	2,342	2,832	3,250	3,500	4,000	4,000	4,000	4,000	4,000	4,000
10-41-190	Miscellaneous Expense	38	99	585	150	150	150	150	150	150	150
10-41-192	Bank Service Charges	36	24	24	30	30	30	30	30	30	30
Total Administration		162,902	188,900	202,857	180,912	184,359	187,557	190,623	193,690	196,881	200,072

Elections											
10-42-121	Elections - Judges	325	0	300	0	350	0	350	0	350	0
10-42-131	Election Expenses	128	0	376	0	400	0	425	0	450	0
Total Elections		453	0	676	0	750	0	775	0	800	0

Judicial											
10-44-211	Judge	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
10-44-220	Court Related Expenses	6,117	5,864	6,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Judicial		9,117	8,864	9,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Public Safety											
10-46-311	Law Enforcement	102,056	101,181	112,830	112,603	118,233	118,233	124,144	124,144	130,352	130,352
10-46-314	Off Duty Officer Patrols	14,152	5,138	10,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
10-46-400	Animal Control	390	260	325	325	325	325	325	325	325	325
Total Public Safety		116,598	106,579	123,155	125,928	131,558	131,558	137,469	137,469	143,677	143,677

Public Works											
10-48-451	Planning	5,110	3,850	5,000	5,500	6,000	6,000	6,500	6,500	7,000	7,000
10-48-452	Engineering	15,739	16,934	13,000	10,500	11,000	11,000	11,500	11,500	12,000	12,000

31-40-520	Improvements	0	0	0	0	0	0	0	0	0	0
31-40-525	Legal	0	0	0	0	0	0	0	0	0	0
31-40-530	Planning & Engineering	0	0	0	0	0	0	0	0	0	0
31-40-550	Maintenance	13,478	11,231	13,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
TOTAL EXPENDITURES		13,478	11,231	13,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
REVENUES LESS EXPENDITURES		(4,823)	(4,440)	(4,200)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)
ENDING FUND BALANCE		32,271	27,831	23,631	21,331	19,031	16,731	14,431	12,131	9,831	7,531

20% of Terracare contract, ACWWA, IREA

<u>TOWN OF FOXFIELD SALES TAX REVENUE</u>												
<u>2019</u>	Nov Tax (Jan)	Dec Tax (Feb)	Jan Tax (Mar)	Feb Tax (Apr)	Mar Tax (May)	Apr Tax (Jun)	May Tax (Jul)	Jun Tax (Aug)	Jul Tax (Sep)	Aug Tax (Oct)	Sep Tax (Nov)	Oct Tax (Dec)
Colorado	10,299	6,364	5897	10,526	7,372	7,879	8,254	7,408	7,408	10,918	9,401	11,911
Remote	968	836	1,244	2,200	1,882	1,765	3,189	3,473	3,473	2,648	2,278	2,767
FVC	22,209	17,051	16,329	18,710	17,322	18,193	19,342	22,615	22,615	18,505	17,813	16,463
Total	33,477	24,250	23,470	31,436	26,576	27,837	30,785	33,495	33,495	32,071	29,491	31,141
<u>2020</u>	Nov Tax (Jan)	Dec Tax (Feb)	Jan Tax (Mar)	Feb Tax (Apr)	Mar Tax (May)	Apr Tax (Jun)	May Tax (Jul)	Jun Tax (Aug)	Jul Tax (Sep)	Aug Tax (Oct)	Sep Tax (Nov)	Oct Tax (Dec)
Colorado	13,681	26,315	17,643	17,656	35,308							
Remote	16,404	6,953	6,093	7,135	4,827							
FVC	19,300	15,748	14,843	18,289	13,248							
Total	49,384	49,016	38,579	43,081	53,383							