



MEMORANDUM

TO: Mayor Jones and Members of the Board

FROM: Karen Proctor, Town Administrator

DATE: September 17, 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.

Attached (Exhibit A) is an updated Summary 2020 General Fund Forecast for your review. The forecast looks at three (3) different possible scenarios:

Scenario A = 25% reduction in sales tax September-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 September-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 September-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

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 \$360,820 of sales tax revenue for January through August 2020. This is already \$45,820 over what was budgeted for sales tax

revenue with only 67% of the year completed. Through August, the Town has received 99% of budgeted property tax revenue.

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 has included only the total amount received through August of \$360,820. 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.

ATTACHMENT:

Exhibit A – Summary 2020 Preliminary General Fund Forecast

Exhibit B – Updated Long Range Financial Forecast

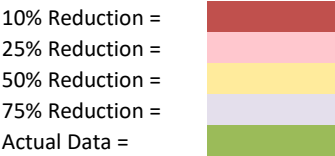
Exhibit C – Sales Tax Revenue

TOWN OF FOXFIELD					
SUMMARY 2020 PRELIMINARY GENERAL FUND FORECAST					
GENERAL FUND					
	2020				
	Adopted	25%	50%	75%	
	Budget	Scenario A	Scenario B	Scenario C	
REVENUE					
Taxes	483,403	614,273	585,923	557,573	
Licenses & Permits	29,135	21,851	14,568	7,284	
Intergovernmental Revenue	51,341	38,506	25,671	12,835	
Charges For Services	11,000	8,250	5,500	2,750	
Miscellaneous Revenue	10,139	7,604	5,070	2,535	
TOTAL REVENUE	585,018	690,485	636,731	582,977	
EXPENSES					
Administration	202,425	202,425	202,425	202,425	
Elections	725	725	725	725	
Judicial	9,000	9,000	9,000	9,000	
Public Safety	122,928	122,928	122,928	122,928	
Public Works	120,275	120,275	120,275	120,275	
Capital	315,000	280,000	280,000	280,000	\$35,000 savings on road maintenance work
TOTAL EXPENSES	770,353	735,353	735,353	735,353	
Beginning Fund Balance*	901,980	929,820	929,820	929,820	
Net Revenue (Expenses)	(185,335)	(44,868)	(98,622)	(152,376)	
TOTAL ENDING FUND BALANCE	716,635	884,952	831,198	777,444	
*Audited 2019 Ending General Fund Balance:	929,820				
Scenario A = 25% reduction in sales tax Septebmer-December (leaving all other taxes and fees as budgeted) and reduction of 25% in all other revenue					
Scenario B = 50% reduction in sales tax September-December (leaving all other taxes and fees as budgeted) and reduction of 50% in all other revenue					
Scenario C = 75% reduction in sales tax September-December (leaving all other taxes and fees as budgeted) and reduction of 75% in all other revenue					

Monthly Sales Tax Extrapolation

2020 Sales Tax Budget: 315,000

	<u>Actual</u>	<u>Projected</u>	<u>AVG Percent</u>	<u>Reduction Scenario A</u>	<u>Reduction Scenario B</u>	<u>Reduction Scenario C</u>
January (Nov19)	49,435	25,200	0.08	49,435	49,435	49,435
February (Dec19)	49,016	25,200	0.08	49,016	49,016	49,016
March (Jan2020)	38,579	25,200	0.08	38,579	38,579	38,579
April (Feb2020)	43,080	25,200	0.08	43,080	43,080	43,080
May (March2020)	53,383	25,200	0.08	53,383	53,383	53,383
June (April 2020)	38,708	25,200	0.08	38,708	38,708	38,708
July (May 2020)	48,770	25,200	0.08	48,770	48,770	48,770
August (June 2020)	39,850	25,200	0.08	39,850	39,850	39,850
September		25,200	0.08	18,900	12,600	6,300
October		25,200	0.08	18,900	12,600	6,300
November		31,500	0.1	23,625	15,750	7,875
December		31,500	0.1	23,625	15,750	7,875
TOTALS	360,820	138,600	1	445,870	417,520	389,170
Est. 1 Yr Total		499,420				
Diff. To Budget				130,870	102,520	74,170



Scenario A = 25% reduction in sales tax September-December
 Scenario B = 50% reduction in sales tax September-December
 Scenario C = 75% reduction in sales tax September-December

LONG RANGE FINANCIAL FORECAST												
Account	Account Title	2018 Actual	2019 Actual	2020 Estimate	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	Description
GENERAL FUND												
BEGINNING FUND BALANCE		572,989	737,240	929,820	814,448	667,657	562,254	425,653	572,850	723,127	872,568	
Taxes and Franchise Fees												
	Assessed Value	20,495,097	20,309,298	22,601,884	22,601,884	23,731,978	23,731,978	24,918,577	24,918,577	26,164,506	26,164,506	
	Mill Levy	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	
10-31-111	Current Property Tax	101,683	100,682	112,603	112,603	118,233	118,233	124,144	124,144	130,352	130,352	Provided by the county
10-31-121	Specific Ownership Tax	7,420	7,939	7,000	7,070	7,141	7,212	7,284	7,357	7,431	7,505	County collected. Basically property tax on the type of vehicle. The year and taxable value determine these fees. Taxable value is determined by taking 85% of the suggested retail price.
10-31-161	Xcel Franchise Fee	6,955	8,441	8,000	8,080	8,161	8,242	8,325	8,408	8,492	8,577	
10-31-162	IREA Franchise Fee	23,159	22,321	22,000	22,220	22,442	22,667	22,893	23,122	23,353	23,587	
10-31-163	Cable Television Fees	5,242	5,114	5,200	5,252	5,305	5,358	5,411	5,465	5,520	5,575	Comcast
10-31-191	Current Property Tax Interest	137	73	170	172	173	175	177	179	180	182	Interest on property tax
10-31-192	Delinquent Property Tax	4,164	(1,170)	0	0	0	0	0	0	0	0	
10-31-193	Delinquent Property Tax Intrst	1,262	(165)	0	0	0	0	0	0	0	0	
10-31-311	Sales Tax	292,566	338,428	360,820	364,428	368,072	371,753	375,471	379,225	383,018	386,848	3.75% on purchases made in the town or delivered into the town. ESTIP agreement ended 5/18.
10-31-312	Use Tax	14,023	45,090	14,987	15,137	15,288	15,441	15,596	15,751	15,909	16,068	Three percent (3%) imposed only for the privilege of storing, using or consuming within the Town any construction and building materials greater than twenty thousand dollars (\$20,000.00)
Total Taxes and Franchise Fees		456,611	526,754	530,780	534,961	544,815	549,081	559,301	563,653	574,255	578,694	
Licenses and Permits												
10-32-211	Liquor Licenses	475	398	298	400	400	400	400	400	400	400	3 licenses + special events
10-32-215	Business Licenses	420	385	245	420	420	420	420	420	420	420	\$35 annual fee
10-32-218	Sign Permits	650	0	50	200	200	200	200	200	200	200	FVC and OLOL
10-32-219	Communique Ads	450	500	240	500	500	500	500	500	500	500	Increase in the number of newsletters
10-32-221	Building Permits	24,611	49,499	26,779	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
10-32-222	Street Cut Permits/ROW	1,054	300	554	500	500	500	500	500	500	500	
10-32-223	Grading Permits	150	150	0	300	300	300	300	300	300	300	
10-32-224	Zoning Review	2,848	1,914	375	1,500	1,500	1,500	1,500	1,500	1,500	1,500	Costs billed through building permit
10-32-225	Engineering Review	2,600	807	536	1,500	1,500	1,500	1,500	1,500	1,500	1,500	Costs billed through building permit
10-32-226	Driveway Permits	250	250	1,554	250	250	250	250	250	250	250	
Total Licenses and Permits		33,508	54,203	30,630	30,570	30,570	30,570	30,570	30,570	30,570	30,570	
Intergovernmental												
10-33-321	Motor Vehicle Registration Fees	4,021	4,224	3,000	3,800	3,800	3,800	3,800	3,800	3,800	3,800	County collected
10-33-342	Cigarette Tax	1,125	1,222	547	1,100	1,100	1,100	1,100	1,100	1,100	1,100	State derived
10-33-352	Highway User Tax	47,492	52,434	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	Based on the # of vehicles and street miles in each community relative to the same statistics in other municipalities and the CO Dept of Transportation revenue estimates.
10-33-371	County Road/Bridge Levy	5,810	5,691	6,329	6,329	6,645	6,645	6,977	6,977	7,326	7,326	Shareback from Arapahoe County (.560 x Assessed Value X 50%)

	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	SafeBuilt	
10-48-452	Engineering	15,739	16,934	13,000	10,500	11,000	11,000	11,500	11,500	12,000	12,000	SEH	
10-48-453	Code Enforcement	7,939	9,308	8,500	8,000	8,000	8,000	8,000	8,000	8,000	8,000	SafeBuilt	
10-48-454	Snow Removal	8,036	26,244	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	Terracare	
10-48-455	Roads Maintenance Contract	37,827	37,421	35,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	Terracare	
10-48-456	Traffic Control/Signage	2,759	2,468	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	Sign placement and repair, gates maintenance	
10-48-457	Building Permit Expenses	18,444	35,788	25,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	SafeBuilt	
10-48-458	St. Cut/ROW Permit Expenses	0	175	300	750	750	750	750	750	750	750		
10-48-459	Street Lights	1,272	1,279	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	Lewiston Way and Parker Road	
10-48-460	Roads & ROW Maintenance	9,022	6,800	4,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	20% of Terracare's monthly charges	
10-48-500	Comm Events (Parade,Directory)	4,706	5,614	6,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	25th Anniversary, Parade, Chili Fest, Trunk or Treat	
10-48-600	Storage Unit	637	529	529	700	700	700	700	700	700	700		
	Total Public Works	111,491	146,410	120,129	123,750	124,750	124,750	125,750	125,750	126,750	126,750		
ESTIP													
10-52-620	ESTIP	25,250	0	0	0	0	0	0	0	0	0	Last payment made in May 2018	
	Total ESTIP	25,250	0	0	0	0	0	0	0	0	0		
Capital													
10-58-800	Capital Exp > \$5,000.00	32,165	32,634	280,000	345,750	302,925	335,000	51,500	53,045	54,636	56,275	Roads (\$130K) & Gates (\$150K)	
10-58-801	Capital Exp < \$5,000.00	1,876		0	0	0	0	0	0	0	0	Bulletin boards/dog waste stations/libraries	
10-58-804	Improvements - Ring Road	0	0	0	0	0	0	0	0	0	0		
	Total Capital	34,041	32,634	280,000	345,750	302,925	335,000	51,500	53,045	54,636	56,275		
	TOTAL EXPENDITURES	459,852	483,387	735,906	784,340	752,341	786,865	514,117	517,955	530,744	534,774		
	REVENUES LESS EXPENDITURES	164,251	192,579	(115,372)	(146,791)	(105,402)	(136,601)	147,197	150,277	149,441	150,862		
	ENDING FUND BALANCE	737,240	929,820	814,448	667,657	562,254	425,653	572,850	723,127	872,568	1,023,431		
OPEN SPACE FUND													
	BEGINNING FUND BALANCE	77,495	99,317	122,267	143,367	164,167	184,967	205,767	226,567	247,367	268,167		
22-30-130	Arapahoe CO Open Space Distrib	19,845	20,282	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000		
22-30-611	Interest Earnings	1,977	3,026	2,500	1,800	1,800	1,800	1,800	1,800	1,800	1,800	Colotrust:moved \$ to higher interest earning account	
22-30-680	Miscellaneous/Other Income	0	0	0	0	0	0	0	0	0	0		
	TOTAL REVENUES	21,822	23,308	21,500	20,800	20,800	20,800	20,800	20,800	20,800	20,800		
22-40-511	Maintenance	0	0	0	0	0	0	0	0	0	0		
22-40-530	Planning	0	0	0	0	0	0	0	0	0	0		
22-40-620	Improvements	0	358	400	0	0	0	0	0	0	0		
22-40-630	Engineering and Design	0	0	0	0	0	0	0	0	0	0		
	TOTAL EXPENDITURES	0	358	400	0	0	0	0	0	0	0		
	REVENUES LESS EXPENDITURES	21,822	22,950	21,100	20,800	20,800	20,800	20,800	20,800	20,800	20,800		
	ENDING FUND BALANCE	99,317	122,267	143,367	164,167	184,967	205,767	226,567	247,367	268,167	288,967		
CONSERVATION TRUST FUND													
	BEGINNING FUND BALANCE	37,094	32,271	27,831	23,631	21,331	19,031	16,731	14,431	12,131	9,831		

31-30-611	Interest Earnings	757	809	800	700	700	700	700	700	700	700	Colotrust moved funds to higher interest earning account
31-30-634	CTF Distribution	7,898	5,982	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	
31-30-680	Miscellaneous/Other Income	0	0	0	0	0	0	0	0	0	0	
	TOTAL REVENUES	8,655	6,791	8,800	8,700	8,700	8,700	8,700	8,700	8,700	8,700	
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	20% of Terracare contract, ACWWA, IREA
	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	

<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	5,897	10,526	7,372	7,879	8,254	11,013	7,407	10,918	9,401	11,911
Remote	968	836	1,244	2,200	1,882	1,765	3,189	4,244	3,473	2,648	2,278	2,767
FVC	22,209	17,051	16,329	18,710	17,322	18,193	19,342	18,254	22,615	18,505	17,813	16,463
Total	33,477	24,250	23,470	31,436	26,576	27,837	30,785	33,511	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	15,430	26,397	16,737				
Remote	16,404	6,953	6,093	7,135	4,827	4,614	3,551	3,996				
FVC	19,300	15,748	14,843	18,289	13,248	17,539	18,327	19,117				
Total	49,384	49,016	38,579	43,081	53,383	37,583	48,275	39,850				