



MEMORANDUM

TO: Mayor Jones and Members of the Board
FROM: Karen Proctor, Town Administrator
DATE: August 20, 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 August-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 August-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 August-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 \$319,350 of sales tax revenue for January through July 2020. This is already \$4,350 over what was budgeted for sales tax revenue

with only 58% of the year completed. Through July, the Town has received 98% of budgeted property tax revenue. 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 has included only the total amount received through July of \$319,350. 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.

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	
<u>REVENUE</u>					
Taxes	483,403	591,703	557,053	522,403	
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	667,915	607,861	547,807	
<u>EXPENSES</u>					
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)	(67,438)	(127,492)	(187,546)	
TOTAL ENDING FUND BALANCE	716,635	862,382	802,328	742,274	

*Audited 2019 Ending General Fund Balance: 929,820

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






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

Scenario C = 75% reduction in sales tax August-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)	37,583	25,200	0.08	37,583	37,583	37,583
July (May 2020)	48,275	25,200	0.08	48,275	48,275	48,275
August		25,200	0.08	18,900	12,600	6,300
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	319,350	138,600	1	423,300	388,650	354,000
Est. 1 Yr Total		457,950				
Diff. To Budget				108,300	73,650	39,000

10% Reduction =	
25% Reduction =	
50% Reduction =	
75% Reduction =	
Actual Data =	

Scenario A = 25% reduction in sales tax August-December

Scenario B = 50% reduction in sales tax August-December

Scenario C = 75% reduction in sales tax August-December

Miscellaneous

10-36-611	Interest Earnings	10,609	17,972	5,807	2,789	2,009	1,068	1,566	4,132	5,134	6,146	Colotrust funds moved to higher interest earning account
10-36-680	Miscellaneous/Other Income	54,447	2,223	349	500	500	500	500	500	500	500	Mineral and Severance Tax from the State of CO
10-36-682	SIPA Grant	0	4,250	0	0	0	0	0	0	0	0	
10-36-690	Transfer In	70	0	0	0	0	0	0	0	0	0	
Total Miscellaneous		65,126	24,444	6,156	3,289	2,509	1,568	2,066	4,632	5,634	6,646	

TOTAL REVENUES

624,103	675,967	576,587	595,640	604,611	607,513	618,135	624,621	636,138	641,149
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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	Pinnacle
10-41-120	Supplies/Materials	1,445	461	500	500	500	500	500	500	500	500	Server and equipment upgrades
10-41-130	Postage/Bulk Mail Charges	537	330	400	400	400	400	400	400	400	400	PO Box Rental
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	Hard copies of newsletter
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	John Cutler and Associates
10-41-152	Legal	11,397	16,345	35,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	HPWC
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	1% of current property tax revenue
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	Caselle (AP & Payroll added), Carbonite, Laserfiche, LogMeIn
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	Clerk's office
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	CIRSA Property/Casualty and volunteer medical
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	DRCOG, CGFOA, CMCA, CML, IIMC, Conferences and training
10-41-190	Miscellaneous Expense	38	99	746	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	203,018	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	No election in 2019
10-42-131	Election Expenses	128	0	376	0	400	0	425	0	450	0	No election in 2019
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	\$250/month
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	Approximately \$1250/qrt
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	IGA with Arapahoe County Sherriff
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	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	735,978	784,340	752,341	786,865	514,117	517,955	530,744	534,774	
REVENUES LESS EXPENDITURES		164,251	192,579	(159,390)	(188,700)	(147,731)	(179,352)	104,018	106,666	105,394	106,375	
ENDING FUND BALANCE		737,240	929,820	770,429	581,729	433,999	254,647	358,665	465,331	570,725	677,100	

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					
Remote	16,404	6,953	6,093	7,135	4,827	4,614	3,551					
FVC	19,300	15,748	14,843	18,289	13,248	17,539	18,327					
Total	49,384	49,016	38,579	43,081	53,383	37,583	48,275					