



MEMORANDUM

TO: Mayor Jones and Members of the Board

FROM: Karen Proctor, Town Administrator

DATE: July 16, 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 July-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 July-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 July-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 \$271,075 of sales tax revenue for January through June 2020. This is 86% of budget with only 50% 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.

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	562,328	521,378	480,428	
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	638,540	572,186	505,832	
<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)	(96,813)	(163,167)	(229,521)	
TOTAL ENDING FUND BALANCE	716,635	833,007	766,653	700,299	

*Audited 2019 Ending General Fund Balance: 929,820

Scenario A = 25% reduction in sales tax July-December (leaving all other taxes and fees as budgeted) and reduction of 25% in all other revenue
 Scenario B = 50% reduction in sales tax July-December (leaving all other taxes and fees as budgeted) and reduction of 50% in all other revenue
 Scenario C = 75% reduction in sales tax July-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		25,200	0.08	18,900	12,600	6,300
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	271,075	163,800	1	393,925	352,975	312,025
Est. 1 Yr Total		434,875				
Diff. To Budget				78,925	37,975	(2,975)

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

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

LONG RANGE FINANCIAL FORECAST

<u>Account</u>	<u>Account Title</u>	<u>2018 Actual</u>	<u>2019 Actual</u>	<u>2020 Estimate</u>	<u>2021 Forecast</u>	<u>2022 Forecast</u>	<u>2023 Forecast</u>	<u>2024 Forecast</u>	<u>2025 Forecast</u>	<u>2026 Forecast</u>	<u>2027 Forecast</u>	<u>Description</u>
GENERAL FUND												
BEGINNING FUND BALANCE		572,989	737,240	929,820	764,313	569,780	416,157	230,854	328,862	429,457	528,720	
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
												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.
10-31-121	Specific Ownership Tax	7,420	7,939	7,000	7,070	7,141	7,212	7,284	7,357	7,431	7,505	
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	100	101	102	103	104	105	106	107	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	
												3.75% on purchases made in the town or delivered into the town. ESTIP agreement ended 5/18.
10-31-311	Sales Tax	292,566	338,428	315,000	318,150	321,332	324,545	327,790	331,068	334,379	337,723	
												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)
10-31-312	Use Tax	14,023	45,090	13,607	13,743	13,880	14,019	14,159	14,301	14,444	14,589	
Total Taxes and Franchise Fees		456,611	526,754	483,510	487,219	496,595	500,379	510,112	513,971	524,077	528,014	
Licenses and Permits												
10-32-211	Liquor Licenses	475	398	222	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 LOL
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	25,000	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	38	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	1,303	250	250	250	250	250	250	250	
Total Licenses and Permits		33,508	54,203	28,563	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	360	1,100	1,100	1,100	1,100	1,100	1,100	1,100	State derived
												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.
10-33-352	Highway User Tax	47,492	52,434	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	Shareback from Arapahoe County (.560 x Assessed Value X 50%)
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	
Total Intergovernmental		58,448	63,572	49,689	51,229	51,545	51,545	51,877	51,877	52,226	52,226	
Charges for Services												
10-35-510	Traffic Court Revenues	8,861	6,310	2,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
10-35-540	Chargeback Administration Fee	1,549	684	250	2,500	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	17,500	
Miscellaneous												

10-36-611	Interest Earnings	10,609	17,972	5,450	2,789	2,009	1,068	1,566	4,132	5,134	6,146	Colostrust 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 5,799 3,289 2,509 1,568 2,066 4,632 5,634 6,646

TOTAL REVENUES 624,103 675,967 570,311 589,806 598,719 601,562 612,125 618,551 630,007 634,956

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	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	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	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, Chill 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
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
10-58-801	Capital Exp < \$5,000.00	1,876		0	0	0	0	0	0	0	0
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	735,817	784,340	752,341	786,865	514,117	517,955	530,744	534,774
REVENUES LESS EXPENDITURES		164,251	192,579	(165,506)	(194,534)	(153,623)	(185,303)	98,007	100,596	99,263	100,182
ENDING FUND BALANCE		737,240	929,820	764,313	569,780	416,157	230,854	328,862	429,457	528,720	628,903

Last payment made in May 2018

Roads (\$130K) & Gates (\$150K)
Bulletin boards/dog waste stations/libraries

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
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

Colostrust:moved \$ to higher interest earning account

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
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
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

Colostrust moved funds to higher interest earning account

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	15,430						
Remote	16,404	6,953	6,093	7,135	4,827	4,614						
FVC	19,300	15,748	14,843	18,289	13,248	17,539						
Total	49,384	49,016	38,579	43,081	53,383	37,583						