



MEMORANDUM

TO: Mayor Jones and Members of the Board

FROM: Karen Proctor, Town Administrator

DATE: May 21, 2020

RE: 2020 Financial Forecast Update

DISCUSSION:

Staff is continuing to monitor the Town of Foxfield's financial condition and is providing an update to the Financial Forecast presented to the Board in April. We are just 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 May-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 May-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 May-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 May-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 May-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 has already received \$180,060 of sales tax revenue for January through April 2020. This is 57% of budget with only 33% of the year completed. Current property tax revenue the Town has received is in line with receipts of previous years and the budget. In each scenario, the gate project has been postponed reducing expenditures by \$150,000. In addition, a savings of \$35,000 is expected for the 2020 road maintenance expense. The ending General Fund balance, in each scenario, is projected to be higher than was budgeted.

Staff has also included a revised Long Range Financial Forecast (Exhibit B). The 2019 actual numbers have been updated. The revenue and expenses forecasted for 2021-2027 have not been revised at this time. Staff will make revisions to the long range forecast as we learn more about how revenues and expenses may be impacted both in the short as long term as this pandemic continues.

ATTACHMENT:

Exhibit A – Summary 2020 Preliminary General Fund Forecast

Exhibit B - Updated Long Range Financial Forecast

TOWN OF FOXFIELD						
SUMMARY 2020 PRELIMINARY GENERAL FUND FORECAST						
GENERAL FUND	2020	25%	50%	75%	75/50	50/25
	Adopted	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E
	Budget					
REVENUE						
Taxes	483,403	509,111	455,561	402,011	442,961	496,511
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	585,323	506,369	427,415	544,576	598,126
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	130,000	130,000	130,000	130,000	130,000
						Postpone \$150,000 for gates, \$35,000 savings on road maintenance work
TOTAL EXPENSES	770,353	585,353	585,353	585,353	585,353	585,353
Beginning Fund Balance*	901,980	929,820	929,820	929,820	929,820	929,820
Net Revenue (Expenses)	(185,335)	(30)	(78,984)	(157,938)	(40,777)	12,773
TOTAL ENDING FUND BALANCE	716,635	929,790	850,836	771,882	889,043	942,593
*Audited 2019 Ending General Fund Balance:	929,820					
Scenario A = 25% reduction in sales tax May-December (leaving all other taxes and fees as budgeted) and reduction of 25% in all other revenue						
Scenario B = 50% reduction in sales tax May-December (leaving all other taxes and fees as budgeted) and reduction of 50% in all other revenue						
Scenario C = 75% reduction in sales tax May-December (leaving all other taxes and fees as budgeted) and reduction of 75% in all other revenue						
Scenario D = 75% reduction in sales tax May-June and 50% reduction in sales tax July-December, leaving all other revenue as budgeted						
Scenario E = 50% reduction in sales tax May-June, 25% reduction in sales tax July-December, leaving all other revenue as budgeted						

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>	<u>Reduction Scenario D</u>	<u>Reduction Scenario E</u>
January (Nov19)	49,384	25,200	0.08	49,384	49,384	49,384	49,384	49,384
February (Dec19)	49,016	25,200	0.08	49,016	49,016	49,016	49,016	49,016
March (Jan2020)	38,579	25,200	0.08	38,579	38,579	38,579	38,579	38,579
April (Feb2020)	43,080	25,200	0.08	43,080	43,080	43,080	43,080	43,080
May		25,200	0.08	18,900	12,600	6,300	6,300	12,600
June		25,200	0.08	18,900	12,600	6,300	6,300	12,600
July		25,200	0.08	18,900	12,600	6,300	12,600	18,900
August		25,200	0.08	18,900	12,600	6,300	12,600	18,900
September		25,200	0.08	18,900	12,600	6,300	12,600	18,900
October		25,200	0.08	18,900	12,600	6,300	12,600	18,900
November		31,500	0.1	23,625	15,750	7,875	15,750	23,625
December		31,500	0.1	23,625	15,750	7,875	15,750	23,625
TOTALS	180,058	239,400	1	340,708	287,158	233,608	274,558	328,108
Est. 1 Yr Total		394,258						
Diff. To Budget				25,708	(27,842)	(81,392)	(40,442)	13,108

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

Scenario A = 25% reduction in sales tax May-December
 Scenario B = 50% reduction in sales tax May-December
 Scenario C = 75% reduction in sales tax May-December
 Scenario D = 75% reduction in May-June and 50% reduction in July-December
 Scenario E = 50% reduction in May-June, 25% reduction July-December

LONG RANGE FINANCIAL FORECAST

<u>Account</u>	<u>Account Title</u>	<u>2018 Actual</u>	<u>2019 Actual</u>	<u>2020 Budget</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	744,475	557,757	402,629	213,043	308,247	405,492	502,417	
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	0	0	0	0	0	0	
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	
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	3.75% on purchases made in the town or delivered into the town. ESTIP agreement ended 5/18.
												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	13,500	13,635	13,771	13,909	14,048	14,189	14,331	14,474	
Total Taxes and Franchise Fees		456,611	526,754	483,403	487,111	489,345	493,056	502,716	506,502	516,533	520,394	
Licenses and Permits												
10-32-211	Liquor Licenses	475	398	450	400	400	400	400	400	400	400	3 licenses + special events
10-32-215	Business Licenses	420	385	385	420	420	420	420	420	420	420	\$35 annual fee
10-32-218	Sign Permits	650	0	200	200	200	200	200	200	200	200	FVC and OLOL
10-32-219	Communique Ads	450	500	400	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	300	500	500	500	500	500	500	500	
10-32-223	Grading Permits	150	150	150	300	300	300	300	300	300	300	
10-32-224	Zoning Review	2,848	1,914	1,500	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	500	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	250	250	250	250	250	250	250	250	
Total Licenses and Permits		33,508	54,203	29,135	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	4,000	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	1,000	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 Intergovernmental		58,448	63,572	51,329	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	10,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
10-35-540	Chargeback Administration Fee	1,549	684	1,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	SafeBuilt & SEH
Total Charges for Services		10,410	6,994	11,000	17,500	17,500	17,500	17,500	17,500	17,500	17,500	
Miscellaneous												

10-36-611	Interest Earnings	10,609	17,972	8,639	10,713	7,753	4,108	6,158	8,251	10,340	12,474	Colostrust funds moved to higher interest earning account
10-36-680	Miscellaneous/Other Income	54,447	2,223	1,500	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	10,139	11,213	8,253	4,608	6,658	8,751	10,840	12,974	

TOTAL REVENUES	624,103	675,967	585,006	597,622	597,213	597,279	609,321	615,200	627,669	633,664
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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	150	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	202,422	180,912	184,359	187,557	190,623	193,690	196,881	200,072	

Elections

10-42-121	Elections - Judges	325	0	325	0	350	0	350	0	350	0	No election in 2019
10-42-131	Election Expenses	128	0	400	0	400	0	425	0	450	0	No election in 2019
Total Elections		453	0	725	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	112,603	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	122,928	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	675	700	700	700	700	700	700	700
Total Public Works		111,491	146,410	120,275	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	315,000	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	315,000	345,750	302,925	335,000	51,500	53,045	54,636	56,275
TOTAL EXPENDITURES		459,852	483,387	770,350	784,340	752,341	786,865	514,117	517,955	530,744	534,774
REVENUES LESS EXPENDITURES		164,251	192,579	(185,345)	(186,718)	(155,128)	(189,585)	95,204	97,245	96,925	98,891
ENDING FUND BALANCE		737,240	929,820	744,475	557,757	402,629	213,043	308,247	405,492	502,417	601,308

Last payment made in May 2018

Roads (\$165K) & 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

Colotrust: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

Colotrust moved funds to higher interest earning account

20% of Terracare contract, ACWWA, IREA