

Proposed 2021 Budget

Town Administrator Malcolm Fleming
Presentation
October 20, 2020



2021 Budget

Key Issues to Discuss

- **Revenue Projection Assumptions**
- **Sources and Uses of Funds**
- **Key Operating Expenditure Increases**
- **Capital Expenditures**
- **Position Requests**
- **Enterprise Fund Capital Expenditures**
- **Impact Fee/Capital Fund Expenditures**
- **2nd Supplemental Appropriation for 2020**

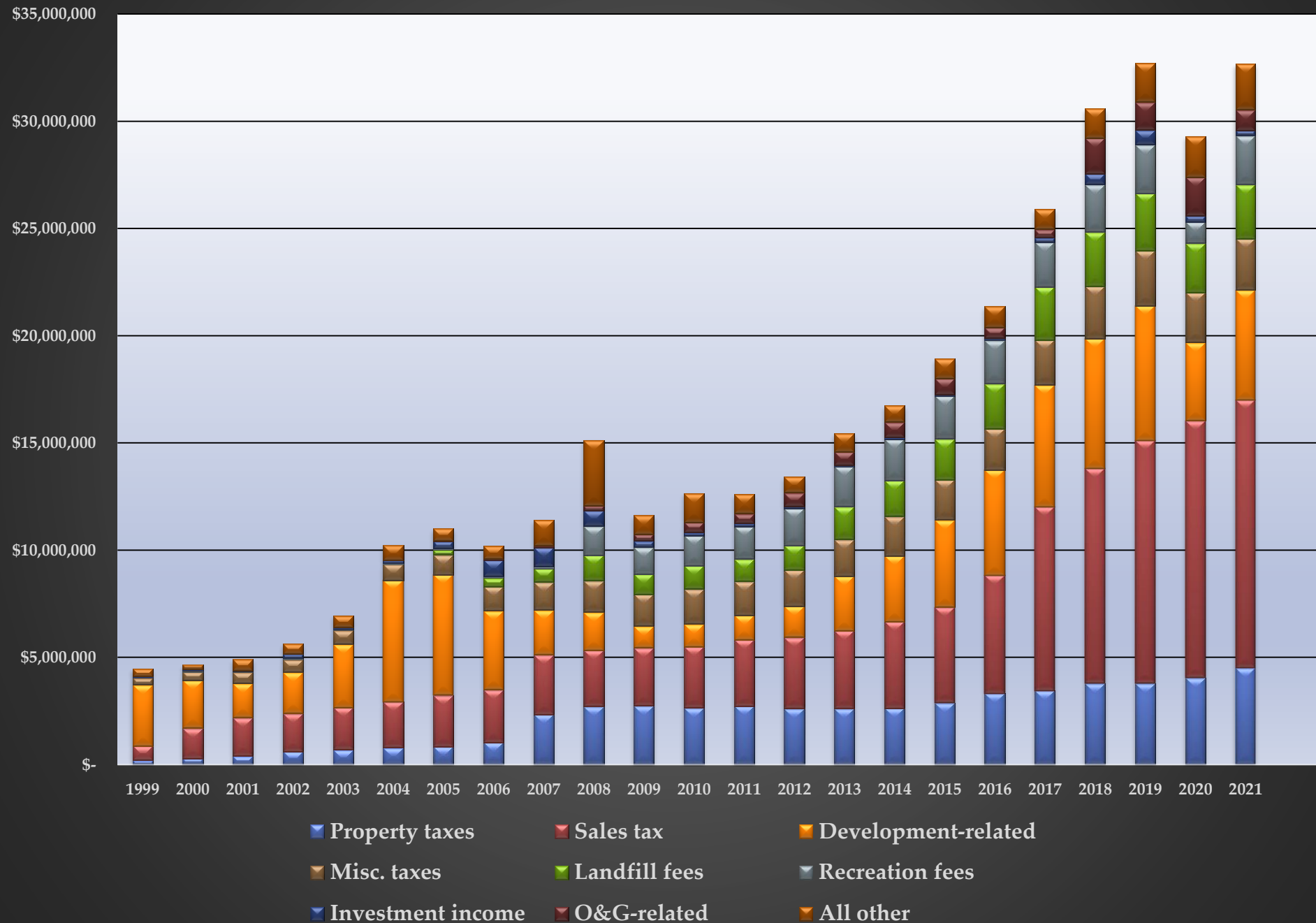


Revenue Projection Assumptions

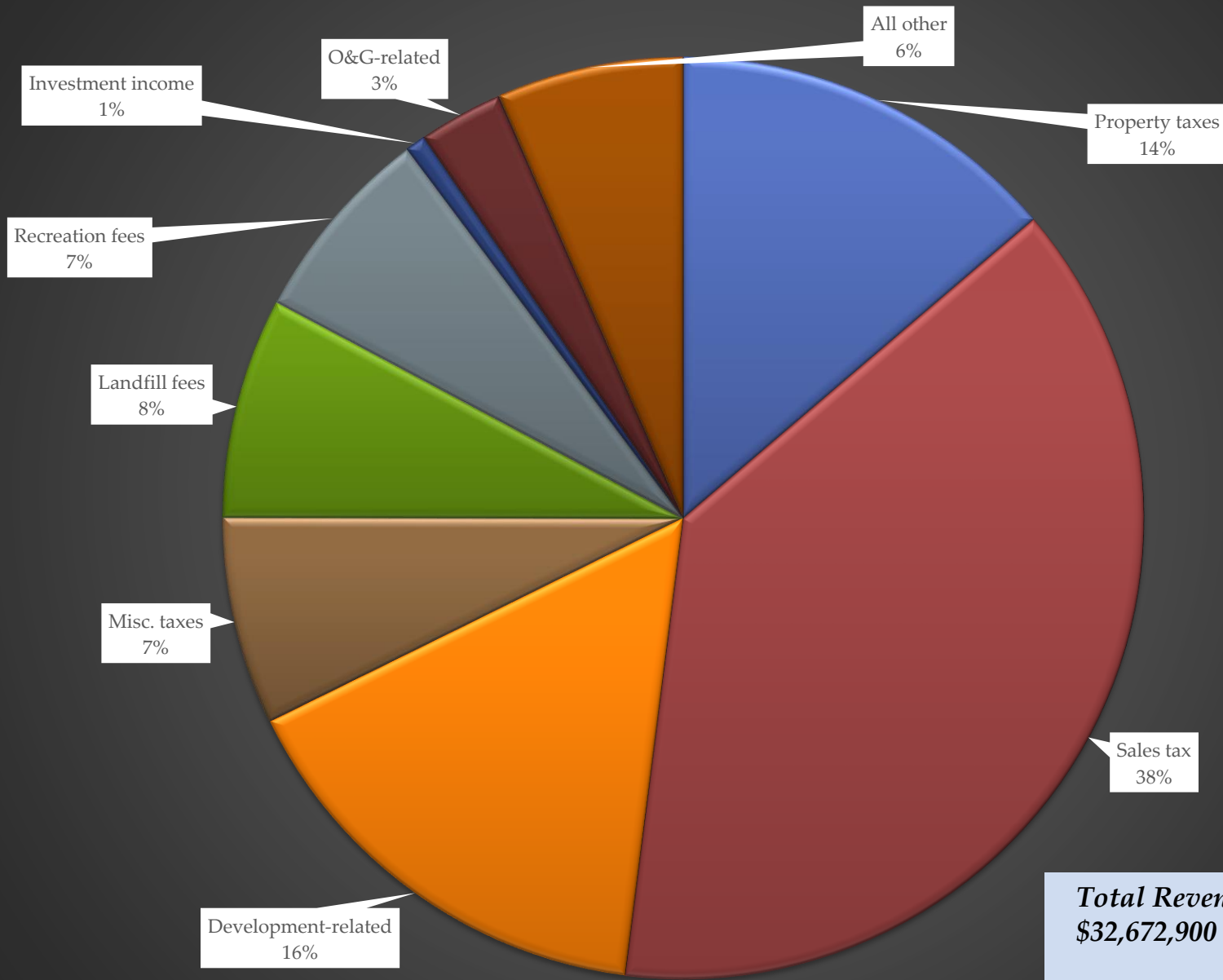
- **Modest Recovery:** GF Revenue of \$32.7M, up \$3.4M, or 12%
- **Sales Tax:** Continued strong internet sales (up 3% from 2020 to \$10M in 2021) & Rebound Vehicle sales
- **Development:** 350 SF permits in 2020, and 450 SF + 150 MF in 2021. Development related revenue +40% from \$3.7M in 2020 to \$5.1M in 2021(still \$1.2M/19% below 2019)
- End 2020 w Deficit of \$655,000, end 2021 w Surplus of \$15,000



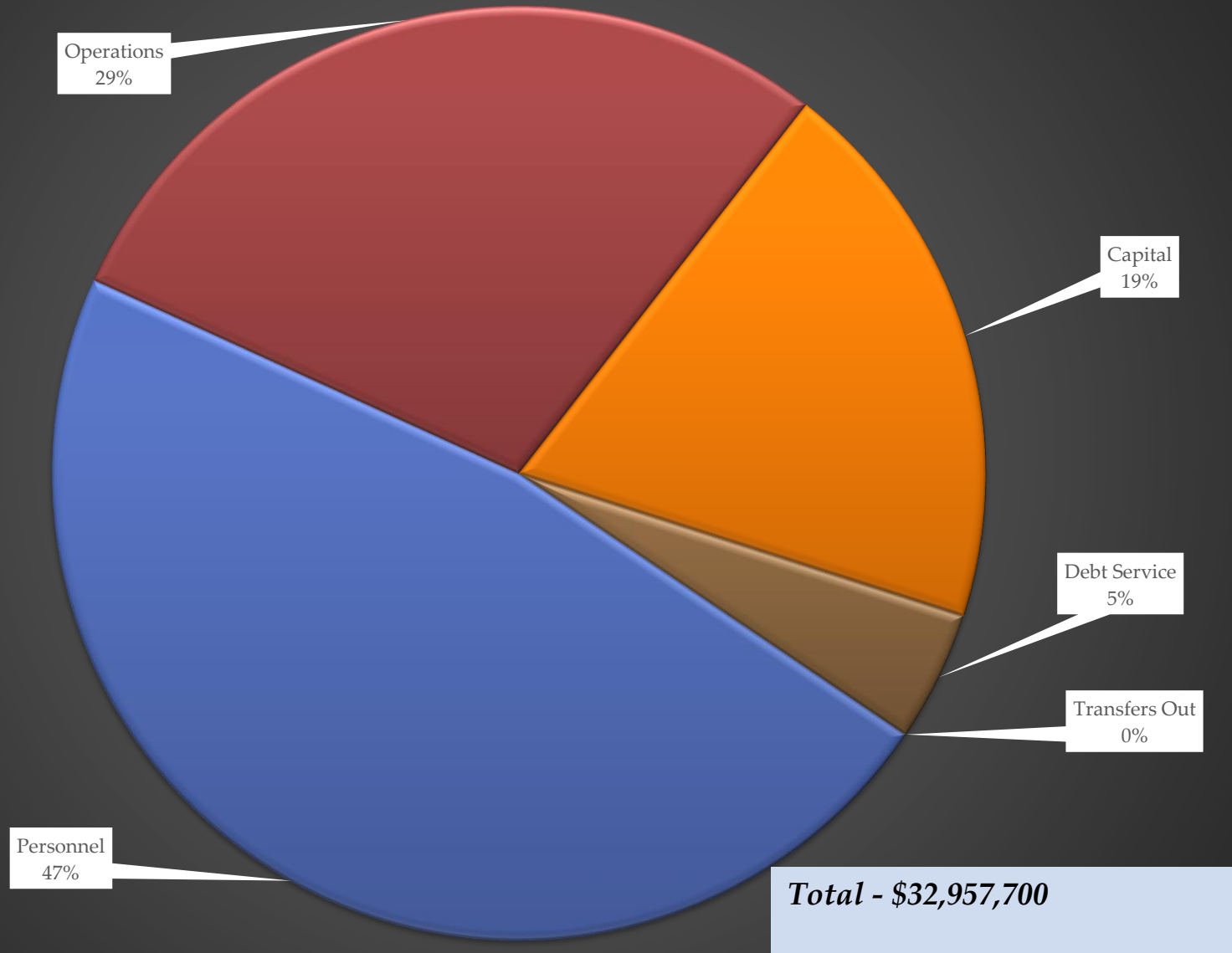
General Fund Revenues



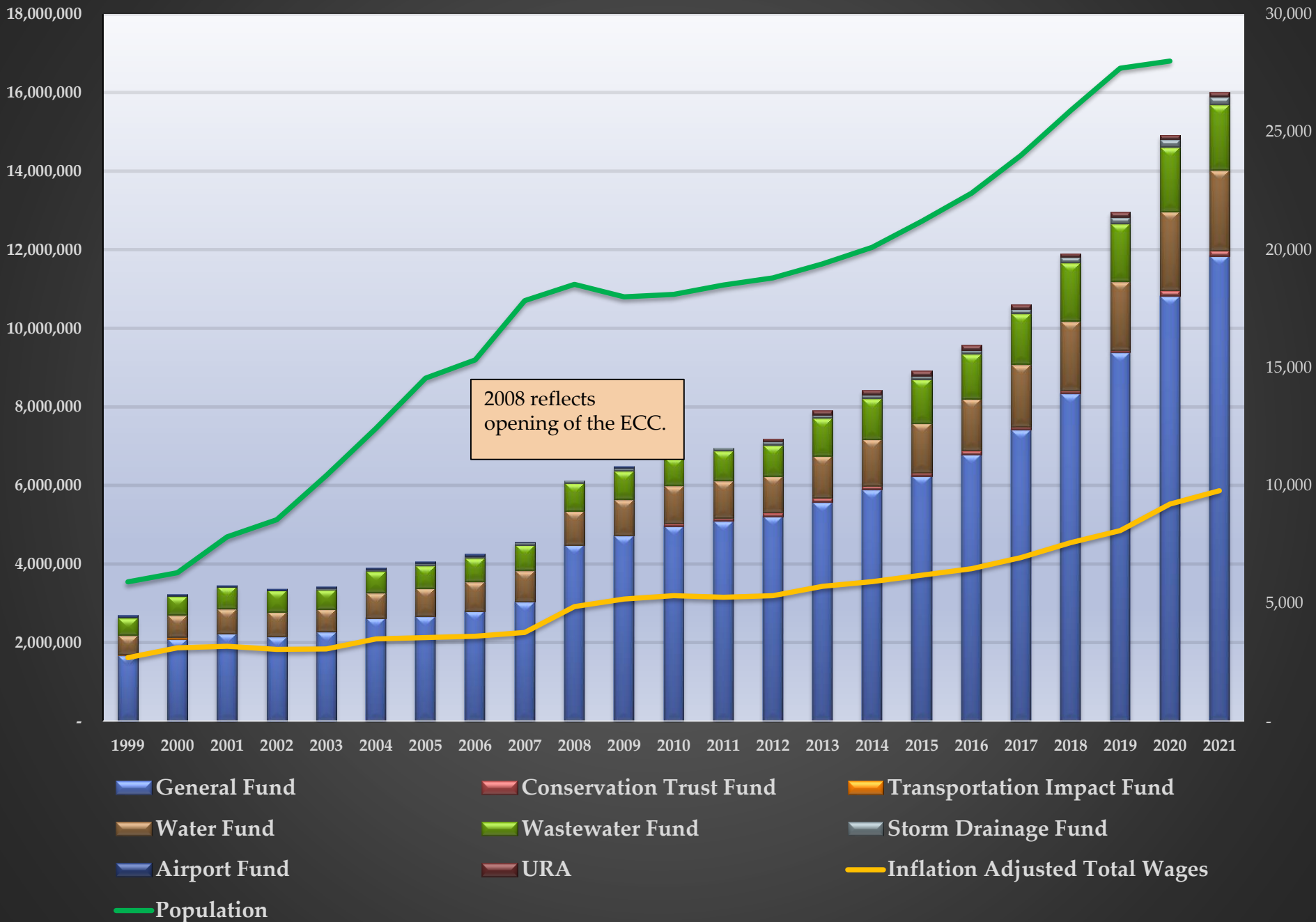
General Fund Revenues - 2021



General Fund Expenditures & Transfers - 2021



All Funds - Wages



Key Operating Expenditure Increases

- **Total Increase \$296,000, or 3.0%, compared to 2020**
- **Comprehensive Plan Update** - \$400,000
- **Public Works** - \$323,000, with the largest increases related to **street maintenance**.
- **Police Dispatching Services** - \$191,000 increase due to population and calls for service
- **Recreation Program Operations Expenses** - \$122,000 increase as activities return to normal levels in 2021
- Increases offset by reduced COVID related expenses and Planning/ED Consulting Fees (Town Center)

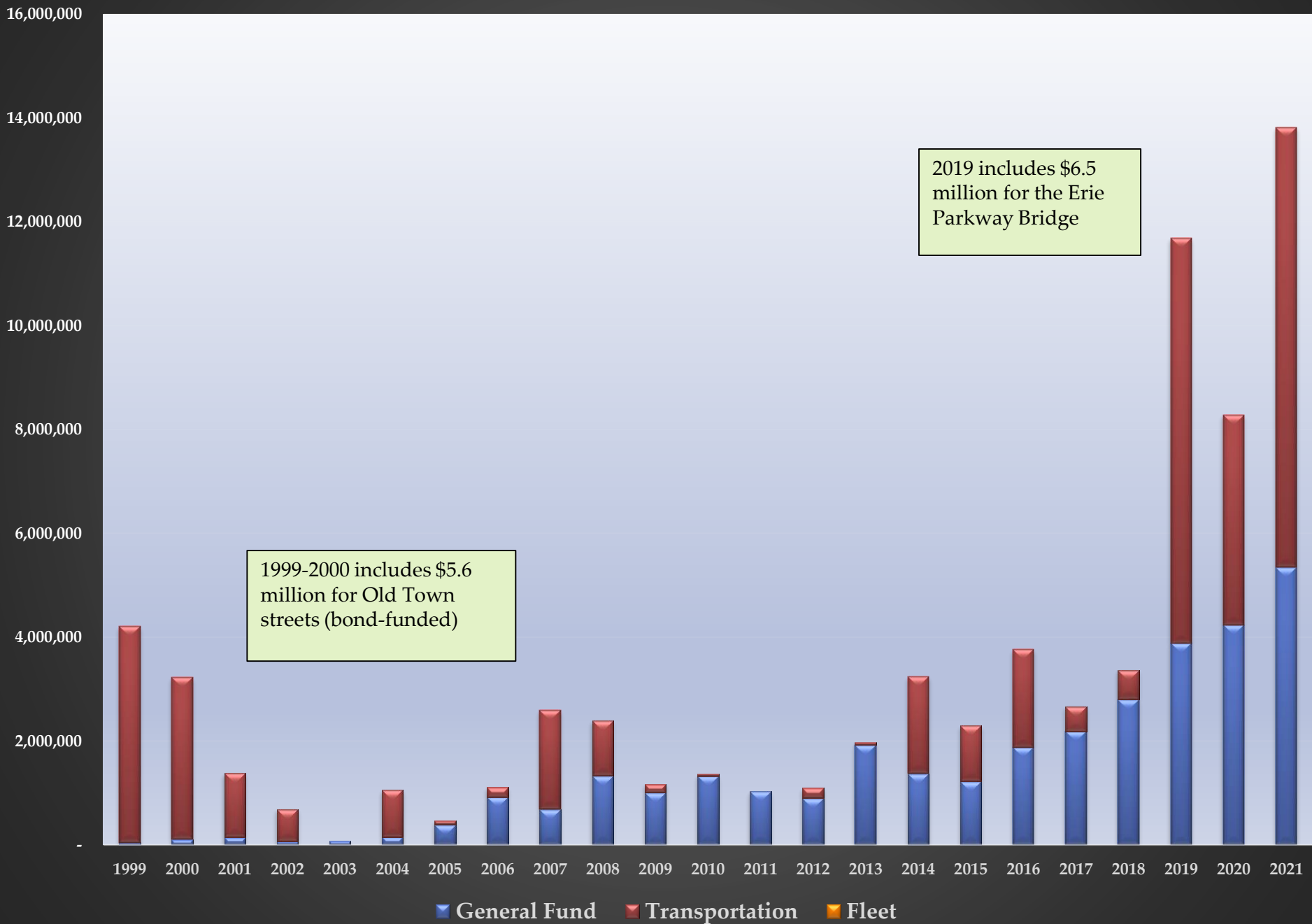


Capital Expenditures

- **Total: Increase of \$395,000, or 7%, to \$6.4 million.**
- **Street-related capital projects** - \$4.4 million, an increase of \$945,000 compared to 2020, representing 69% of total General Fund capital expenditures.
- **Parks & Recreation requests** - \$903,000, reflecting \$40,000 increase from 2020.
- **See detailed list for other capital requests**



Street Expenditures - By Fund



Position Requests

- **Communications and Community Engagement Director**
- **Administrative Specialist** (records management, advisory board support)
- **Civil Engineer** (traffic and transportation engineering)
- **Horticultural Technician** (backfill previous position)
- **DEI Facilitator & Support Resources** will come as supplemental request once DEI Advisory Board has developed clear scope of work and resource needs



Projected Reserve = \$29.5 million or 93% of operating expenditures

General Fund Ratio Calculation

		12/31/2019	Change	12/31/2020	Change	12/31/2021	
Total Fund Balance	A	30,136,806	(655,100)	29,481,706	15,200	29,496,906	
Less: Nonspendable Components							
URA Advance		3,729,450	(1,066,251)	2,663,199	197,400	2,860,599	
In-lieu Transportation		1,648,000	-	1,648,000	-	1,648,000	(1)
TABOR Emergency Reserve		1,270,601	29,399	1,300,000	50,000	1,350,000	
Open Purchase Orders		1,428,579	(1,174,666)	253,913	(3,913)	250,000	
Prepaid Expenses		218,000	(202,951)	15,049	(49)	15,000	
Total Nonspendable Components	B	8,294,630	(2,414,469)	5,880,161	243,438	6,123,599	
"Available Fund Balance"	A - B = C	21,842,176	1,759,369	23,601,545	(228,238)	23,373,307	
Personnel Expenditures		12,366,350	1,522,250	13,888,600	1,717,600	15,606,200	
Operations Expenditures		8,921,432	254,168	9,175,600	296,000	9,471,600	
Total Non-Capital/Non-Debt Exp.'s	D	21,287,782	1,776,418	23,064,200	2,013,600	25,077,800	
Available Fund Balance	C	21,842,176		23,601,545		23,373,307	
Total Non-Capital/Non-Debt Exp.'s	D	21,287,782		23,064,200		25,077,800	
Fund Balance Ratio	C/D	103%		102%		93%	

(1) Funds received in prior years restricted to specific transportation projects

Enterprise Funds

Enterprise Funds - 2021 Budget

	Water	Wastewater	Storm Drainage	Airport	Total
Revenues - tap fees & related	\$ 14,476,900	\$ 4,232,000	\$ -	\$ -	\$ 18,708,900
Revenues - user fees	10,918,000	6,053,000	1,668,000	5,500	18,644,500
Revenues - other <i>(inc.'s debt proceeds & transfers in)</i>	640,500	247,800	82,000	229,000	1,199,300
Revenues - total	26,035,400	10,532,800	1,750,000	234,500	38,552,700
Expenditures - personnel	2,681,300	2,179,100	250,600	8,900	5,119,900
Expenditures - operations	3,715,800	1,417,900	222,500	38,000	5,394,200
Expenditures - capital	23,105,600	5,522,000	815,900	193,700	29,637,200
Expenditures - debt service	5,283,300	1,333,500	42,000	-	6,658,800
Expenditures - total	34,786,000	10,452,500	1,331,000	240,600	46,810,100
Revenues over/(under) expenditures	(8,750,600)	80,300	419,000	(6,100)	(8,257,400)
Working capital - beginning (projected)	36,961,531	3,590,395	2,020,261	124,981	42,697,168
Working capital - ending	\$ 28,210,931	\$ 3,670,695	\$ 2,439,261	\$ 118,881	\$ 34,439,768

Enterprise Fund Capital Expenditures

- **Zone 3 Storage Tank** - \$8.5 million (Water – includes site acquisition and preparation)
- **Zone 2 Transmission Main (Summerfield, I-25 area)** - \$5.3 million (Water)
- **North Water Reclamation Facility expansion (completion)** - \$5.0 million (Wastewater)
- **Water Supply Well Project and related Treatment Plant** - \$4.0 million (Water)
- **Northern Integrated Supply Project (NISP)** - \$2.4 million (Water)



Capital (Impact Fee) Funds

Capital Funds - 2021 Budget														
	Transportation		Public Facilities		Parks		Tree		Storm Drainage		Fleet & Equip. Acquisition		Total	
Revenues	\$	6,498,200	\$	1,387,700	\$	3,506,400	\$	187,000	\$	990,400	\$	717,400	\$	13,287,100
Expenditures <i>(including transfers out)</i>		8,480,000		-		7,234,500		264,300		-		1,048,300		17,027,100
Revenues over/(under) expenditures		(1,981,800)		1,387,700		(3,728,100)		(77,300)		990,400		(330,900)		(3,740,000)
Fund balance - beginning (projected)		8,675,061		4,606,455		9,196,139		697,688		4,105,333		383,300		27,663,976
Fund balance - ending	\$	6,693,261	\$	5,994,155	\$	5,468,039	\$	620,388	\$	5,095,733	\$	52,400	\$	23,923,976

Impact Fee/Capital Fund Expenditures

- **Erie Community Park Phase II** - \$7.2 million (Parks Fund)
- **Intersection, Signals and Related Costs at State Highway 7 and 119th** - \$2.6 million (Transportation)
- **North Roundabout on County Line Road – Town Center** - \$2.6 million (Transportation)
- **Widening of County Line Road between Telleen and Cheesman** - \$2.6 million (Transportation)
- **Widening of East Side of County Road 5 adjacent to Colliers Hill** - \$500,000 (Transportation)



2nd Supplemental Appropriation

Revenue up \$4.0 million across all funds, primarily due to:

- **Increasing retail sales tax** \$2.0 million to \$9.7 million, better than expected revenue during pandemic
- \$635,000 increase in **vehicle sales tax**
- \$540,000 increase in **landfill fees**
- \$500,000 increase in **CARES Act funding** (fully offset with related expenditures)
- \$236,000 increase in **highway use taxes**
- Except CARES funding, these increases reverse June reductions made in response to the pandemic. These revenue sources have been stronger than anticipated at that time.



2nd Supplemental Appropriation (Continued)

Total expenditures reflect \$4.4 million net reduction, including:

- **Parks Improvement Impact Fund** – Shifting \$5.4 million previously approved appropriation for the Erie Community Park Phase II from 2020 to 2021, when construction is anticipated.
- **General Fund** – COVID-related increase of \$493,000 (CARES Act reimbursable)
- **Water Fund** – Legal Fees - \$96,000 increase for work related to the water supply project
- **Conservation Trust Fund** – \$80,000 additional costs for the Allan Farm Hay Barn project



In Summary: Top Priorities...

- **Street maintenance and new construction**
- **Parks and Water/Wastewater Capital Projects**
- **New Comprehensive Plan**
- **Better Communications & Community Engagement**
- **Keeping up with maintenance responsibilities in expanding Parks, Open Space, and Streetscapes**
- **Support Services/Customer Service/Records management**
- **Maintaining robust reserves**



TA Questions for BoT

- **Are Revenue assumptions reasonable?**
- **Does budget reflect your top priorities?**
- **What additional information do you need?**

