



Town of Lyons,  
Colorado

## Monthly Financial Update

As of February 29, 2020

Presented: March 16, 2020

By: Jill Johnson, CPA, CPFO

## Coronavirus Impact on Town Budget

- It is still too early to tell the total economic impacts of the Coronavirus on the Town budget.
- Because the Town receives significant revenues from tourism activities, the Town should be planning to have a reduction in revenues in 2019 – how much will be determined by how long the social distancing is recommended and if people feel safe to start going places again.
- If the revenues are reduced, thoughts on budget cuts should follow or if reserve spending is necessary, what expenses are priority.
- There are some critical capital items which will need to be prioritized; for example, the Town probably cannot put off the centrifuge installation.

The health of all people is the most important issue during this outbreak and everyone should ensure they are safe. Recommendations of the CDC and our local health department should be followed. Social distancing is a recommended practice at this time to reduce the spread of the disease.

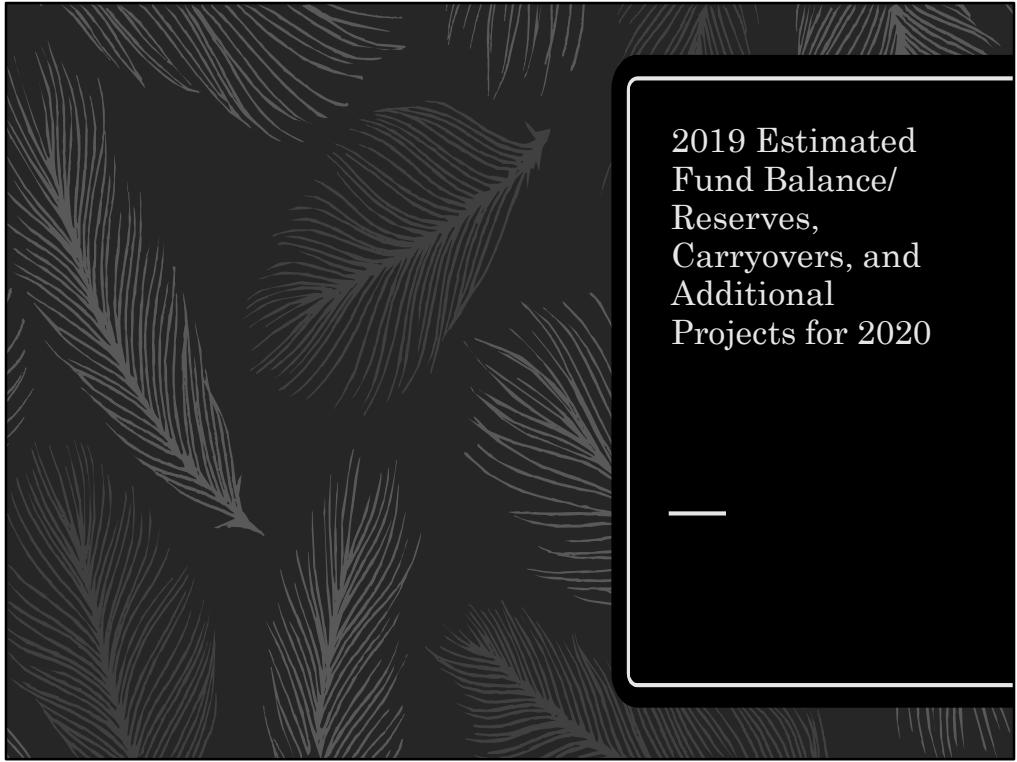
The Coronavirus event will have an impact on the Town Budget. The total impact is not currently quantifiable however it could be significant depending on how long the CDC recommended restrictions remain in place.

The General Fund would be highly impacted by sales tax revenues. The Town has enjoyed increased sales tax receipts over the past 7 months with 2020 January sales taxes coming in over 2019 January sales taxes. This will probably not continue and will give a better idea of what % of sales taxes are generated by the residents versus tourism. A recent estimate provided by an analysis firm was 20% of sales taxes are generated by residents. With the change in how sales taxes are collected by the State, there would be an assumption that the 20% has increased by at least 13% to 33%. This means potentially 67% of the sales tax budget could be impacted for an unknown number of months. Other revenues in the General Fund are at lower risk of impact.

The Parks & Recreation fund will be impacted by sales tax revenues in addition to fees charged for camping, parking, and special events. Sales tax revenues will be impacted the same as the General fund with potentially 67% of the sales tax budget impacted. If the parks close, there would be revenue losses for camping, parking, and shelter rentals. Additionally, revenue from special events will be impacted if the restrictions continue into the summer. If most of the revenues for this fund are reduced, budget cuts and/or use of fund balance/reserves would be required.

Further discussion will be needed as the impacts materialize.





2019 Estimated  
Fund Balance/  
Reserves,  
Carryovers, and  
Additional  
Projects for 2020

Town of Somers Analysis of Fund Activity and Balances As of March 31, 2020													
2019 Actual					2020 Budget					Reserves			
Unassigned Fund		Unassigned Fund		Unassigned Fund	Revenue	Expense	Depreciation	Other Revenue/Expense Items	Restricted fund balance for 2020	Projected Fund balance for 2020	Change in Fund Balance 2020	3 months of available fund balance for spending	
12/31/19	12/31/19	12/31/19	12/31/19	Revenue	Revenue	Expense	Depreciation	Other Revenue/Expense Items	12/31/19	Revenue	Expense	12/31/20	
Governmental Funds													
6 Other Fund	605,567	1,185,573	5,087,209	2,577,004	2,546,429	28,475	(20,000)	915,664	2,677,621	2,615,419	618,555	204,511	
7 Cemetery Trust	14,540	14,540	14,540	14,540	14,540	14,540	14,540	14,540	14,540	14,540	14,540	14,540	
8 Parks/Recreation	614,459	771,139	881,685	931,404	(71,798)	(47,410)	834,279	866,666	899,857	(100,000)	793,684	(59,331)	
2020 Total Grants	4,935,454	5,962,695	13,355,859	15,509,000	15,509,000			5,855,859	5,798,677	5,755,859		249,912	481,312
2019 Actual											2020 Budget		
Unassigned Net Position		Unassigned Net Position		Unassigned Net Position	Projected Unassigned Net Position	Revenue	Expense	Depreciation	Projected Unassigned Net Position	Revenue	Projected Unassigned Net Position	Change in Net Position 2020	
Enterprise Funds	12/31/19	12/31/19	12/31/19	Revenue	Revenue	Expense	Depreciation	Other Revenue/Expense Items	12/31/19	Revenue	Expense	12/31/20	
2 Electric	208,817	484,849	576,059	1,600,055	1,317,000	100,000	251,623	836,342	1,724,350	1,694,264	556,446	55,710	
3 Water/Sewer	2,812,177	2,113,854	5,179,000	1,477,486	890,218	587,622	1,616,000	1,711,481	1,633,000	1,691,218	940,361	1,008,748	
4 Storm Water	-	91,200	118,982	42,982	39,705	55,907	147,110	122,000	117,218	151,979	4,061	29,285	122,893
Total Town Budget	10,203,574	10,445,149	10,664,027	22,451,700	22,841,106	778,297	(71,766)	(251,495)	10,212,522	13,464,609	13,716,712	9,940,580	(372,442)

Notes:

ARC: Other Expense - The Trail Extension project was a flood project which was abandoned. The costs for design will need to be expensed to the town.

This chart is similar to the chart reported during the 2020 budgeting process. The 2019 projections are replaced with 2019 actuals. There are 2 additional columns for depreciation and other revenue/expenses which are not currently reflected in the actual numbers.

The 2020 budget is reported as approved. There is a 3-month restriction of fund balance for emergency reserves. Potential fund balance available for spending is in the far-right column.

Summit Estimate of Permit Fees As of 03/12/2020					
	General Fund	Parks Fund	Electric	Water/ Sanitation	Stormwater
Construction Value	7,805,000.00				
Buildings	19.00				
Sq Ft	983				
Permit Fee	18,680.00	18,680.00			
Planning Fee 65%	12,141.78	12,141.78			
Use Tax	105,422.00	70,281.34	35,140.66		
<b>Total Permit Fees</b>	<b>136,243.78</b>	<b>101,103.12</b>	<b>35,140.66</b>	<b>-</b>	<b>-</b>
Home Additions Fee	1,248.41				
Community Investment Fee (amount per building)	180,000.00			180,000.00	
Water Tap (amount per building)	791,000.00			791,000.00	
Sewer Tap (amount per building)	295,375.00			295,375.00	
<b>Total Tap Fees</b>	<b>1,267,623.41</b>	<b>-</b>	<b>1,248.41</b>	<b>180,000.00</b>	<b>1,086,375.00</b>
<b>Total Impacts of Summit Construction</b>	<b>1,403,867.19</b>	<b>101,103.12</b>	<b>36,389.07</b>	<b>180,000.00</b>	<b>1,086,375.00</b>
Projected Reserves as of 3/12/2020 (LVP Elec Dist Sys - Budgeted but no longer required Tamburro Sale - Completed Summit Already Allocated in 2020 Budget)	201,511.00	481,212.00	56,750.00	1,084,748.00	122,691.00
(34,650.00) (26,050.00) (16,932.00)	(25,621.00)	(49,500.00)	(160,765.00)	(93,500.00)	
<b>Available projection</b>	<b>224,982.12</b>	<b>491,980.07</b>	<b>377,250.00</b>	<b>2,767,858.00</b>	<b>122,691.00</b>

Notes:  
Figures for Summit Permit Fees from 20191231 Lyons Bond Deal 40 Units App Budget Revised

Summit Housing is expected to start construction this year with permits and tap fees paid in the summer. The permit/tap fee estimate was provided by Summit Housing Group.

To get the total available projection, the Summit Housing Group estimated fees are added to the potential fund balance available for spending from the prior worksheet.

The LVP Distribution System approved in the 2020 budget has been determined to be no longer required so the expense should be unappropriated and be available for reallocation.

The sale of the land around the new public works building was completed and the Town received \$851,000 for the property. This revenue was not included in the 2020 budget due to the unknown timing of the sale. This revenue is now available for allocation.

Finally, there were already some revenues from the Summit Housing Group that were recognized in the 2020 budget. They are removed from this estimate as they are in both the total impacts of summit construction line and the projected reserves as of 3/12/2020 line.

The Available Projection is what balances are currently available for allocation/reallocation.

TOWN OF LYONS 2020 Budget - Capital Outlay Requests As of March 12, 2020											
Fund	Department	Description	Funded in Budget/Source								
			Critical Necessary Spending	Cost	General Revenue	CTF	Grant Funded	Enterprise Funds	Not Funded	Non-Capital Projects	Additional Funding
03	66 Town Hall - AC/Furnace	C	10,000.00	10,000.00							
	Depot Irrigation and landscaping	D	50,000.00						50,000.00		
	Vehicle - replacement	D	18,000.00						16,000.00		
	Public Works Building Phone System (L/E)	N	1,450.00	1,450.00							
	Complete fencing at the Recycle Center	N	24,600.00	24,600.00							
	Dry storage for public works yard	N	7,500.00	7,500.00							
	Safe Routes to School/Ped Bridge	N	15,000.00	15,000.00							
	Pavement Assessment	N	23,000.00						15,000.00		
	Depot ADA Ramp	N	10,279.48						10,279.48		
	Utility plow truck	D		73,000.00						10,279.48	Received funds from Library to do this project
	<b>Total General Fund</b>			<b>1,060,104.48</b>	<b>43,827.00</b>	<b>-</b>	<b>\$00,000.00</b>	<b>-</b>	<b>\$01,279.48</b>	<b>15,000.00</b>	
02	66 Ultimastress on 2nd Avenue	C	20,000.00						20,000.00		
	Public Works Building Phone System (L/E)	N	1,667.00						1,667.00		
	GFS Unit (L/E)	N	1,873.00						1,873.00		
	LVP Electric Distribution system	N	190,000.00						190,000.00		
	Electric Underground through 2nd Ave Bridge	N	10,000.00	10,000.00							
	<b>Total Electric Fund</b>			<b>266,542.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,542.00</b>	<b>53,000.00</b>	<b>-</b>	
03/04	66 SCADA upgrads	C	40,000.00						40,000.00		
	WWTP Centrifuge	C	14,322.00						14,322.00		
	Apple Valley Water Tank	C	13,500.00						13,500.00		
	Steamer/Steamer & 5th & Miley & 3rd	C	1,666.00						1,666.00		
	Card Reader for Pipe Water	D	12,000.00						12,000.00		
	Public Works Building Phone System (L/E)	N	3,334.00						3,334.00		
	GFS Unit (L/E)	N	3,750.00						3,750.00		
	Waterline 5th & MacIntosh	N	10,000.00						10,000.00		
	Waterline Replacement Park & Railroad	N	80,000.00						80,000.00		
	Longs Peak Water Line	N	85,000.00						85,000.00		
	Longs Peak Water Line Design	N	91,000.00						91,000.00		
	WWTP Re-Rating Aeration System Design	N	42,887.00						42,887.00		
	WWTP Re-Rating Aeration System Construction	N	100,000.00						100,000.00		
	CDOT Lin Station Mechanical Parts	N	9,250.00						9,250.00		
	5 Pressure Reducing Valves	N	31,500.00						31,500.00		
	Waterline Townwide Valve Mapping	N	40,000.00						40,000.00		
	<b>Total Water/Wastewater Fund</b>			<b>1,649,394.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,084.00</b>	<b>1,489,342.00</b>	<b>138,120.00</b>	
06	66 Storm Water CIP Projects	N	100,000.00						22,000.00	78,000.00	
	Public Works Building Phone System (L/E)	N	1,664.00						1,664.00		
	GFS Unit (L/E)	N	1,873.00						1,873.00		
	<b>Total Storm Water Fund</b>			<b>100,541.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,541.00</b>	<b>78,000.00</b>	<b>-</b>	
08	66 Black Star Bridge Board Replacement	N	7,500.00						7,500.00		
	Reservoir/Reservoir storage unit	N	25,000.00						25,000.00		
	Public Works Building Phone System (L/E)	N	1,666.00						1,666.00		
	Aerators for Ponds	N	37,000.00						37,000.00		
	Gold Cert 4-16 meter	D	3,500.00						3,500.00		
	Utility golf cart	D	8,200.00						8,200.00		
	<b>Total Parks/Recreation Fund</b>			<b>78,166.00</b>	<b>28,666.00</b>	<b>49,500.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	<b>GRAND TOTAL ALL TOWN FUNDS</b>			<b>3,171,821.48</b>	<b>72,493.00</b>	<b>49,500.00</b>	<b>\$00,000.00</b>	<b>301,167.00</b>	<b>2,095,641.48</b>	<b>153,120.00</b>	

This listing is an updated list of Capital Outlay Requests. The items in yellow are new items since the 2020 Budget list was presented to the Board.

There are 2 items which have additional revenues:

- LVP contributed \$70,000 in lieu of a water share. The Board has already directed Administrator Simonsen to purchase up to \$70,000 of MacIntosh Water Shares. This expense needs to be appropriated in the budget.
- The Lyons Library District granted \$10,279.48 to the Town from their permit escrow for an ADA Ramp at the Depot.

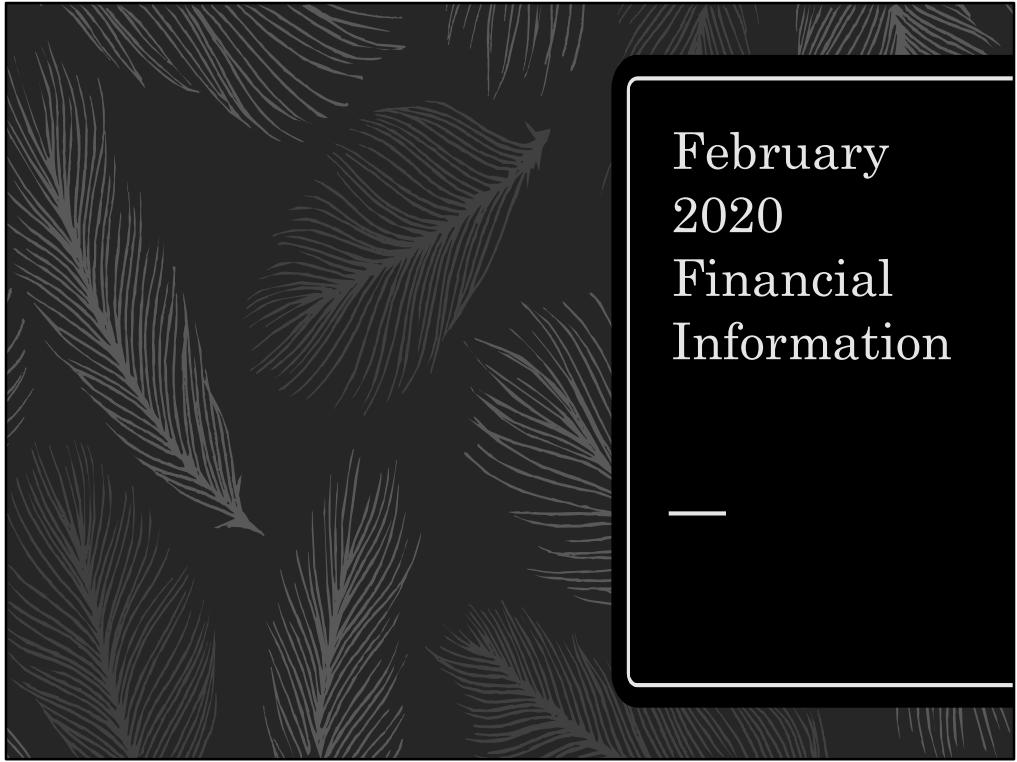
There are several projects which were started before 2020 but were not completed and the funding needs to be reappropriated:

- Pavement Assessment – Original project \$26,000 (savings from audit), remaining project carry over to 2020 \$15,000.
- Longs Peak Water Line Design – Budgeted \$75,000 in 2019, spent \$2,804. Estimate to complete \$91,000.
- WWTP Re-Rating Aeration System Design for \$42,887 – Project started in 2018 and was ongoing through 2019.

There are several critical need projects which were not in the 2020 budget:

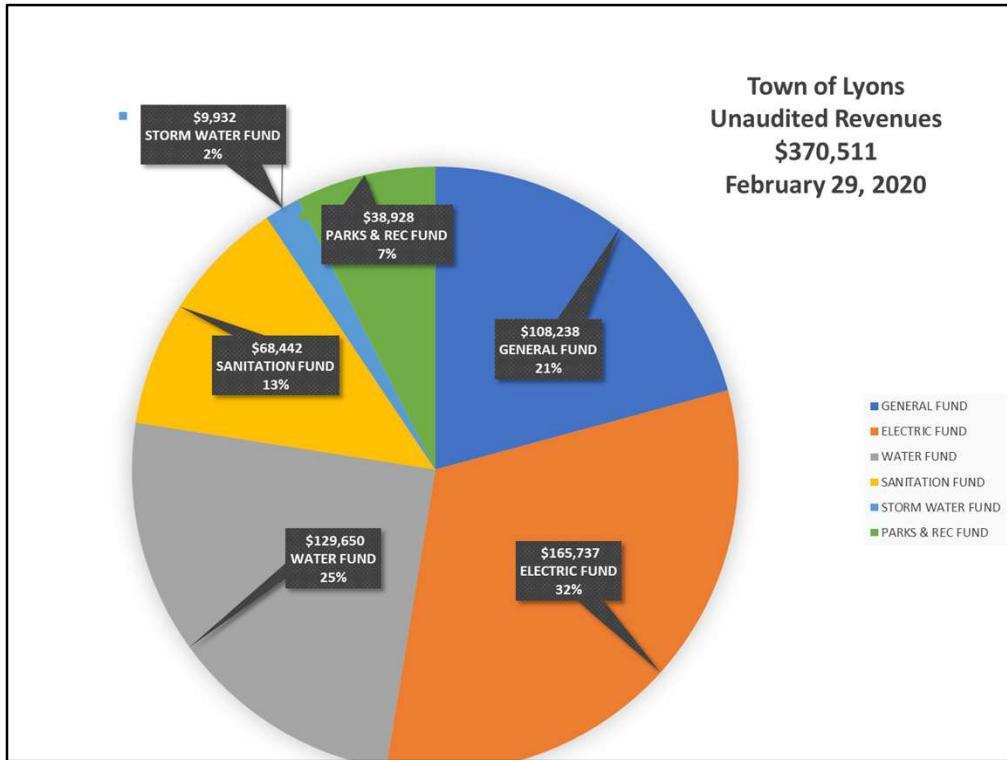
- Centrifuge replacement for \$14,225.
- Apple Valley Water Tank for \$13,500.
- Sewer Line Repairs Steamboat and 5<sup>th</sup> and Miley and 5<sup>th</sup> for \$138,120 (estimated).

A future workshop will be scheduled for the Board and staff to discuss.

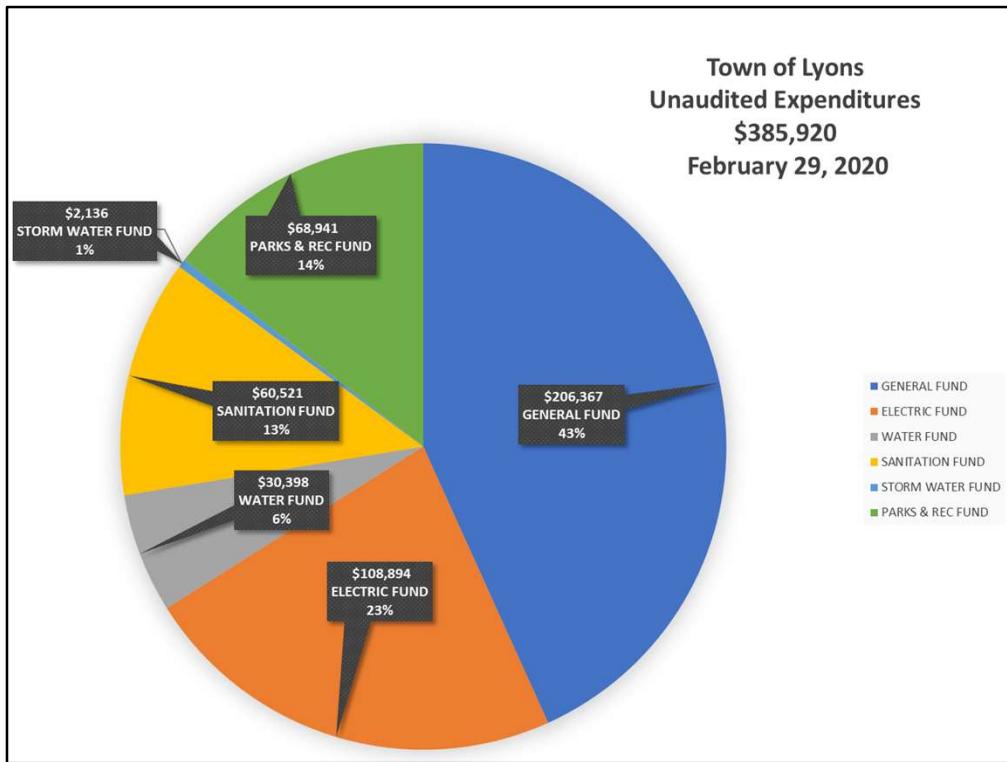


February  
2020  
Financial  
Information

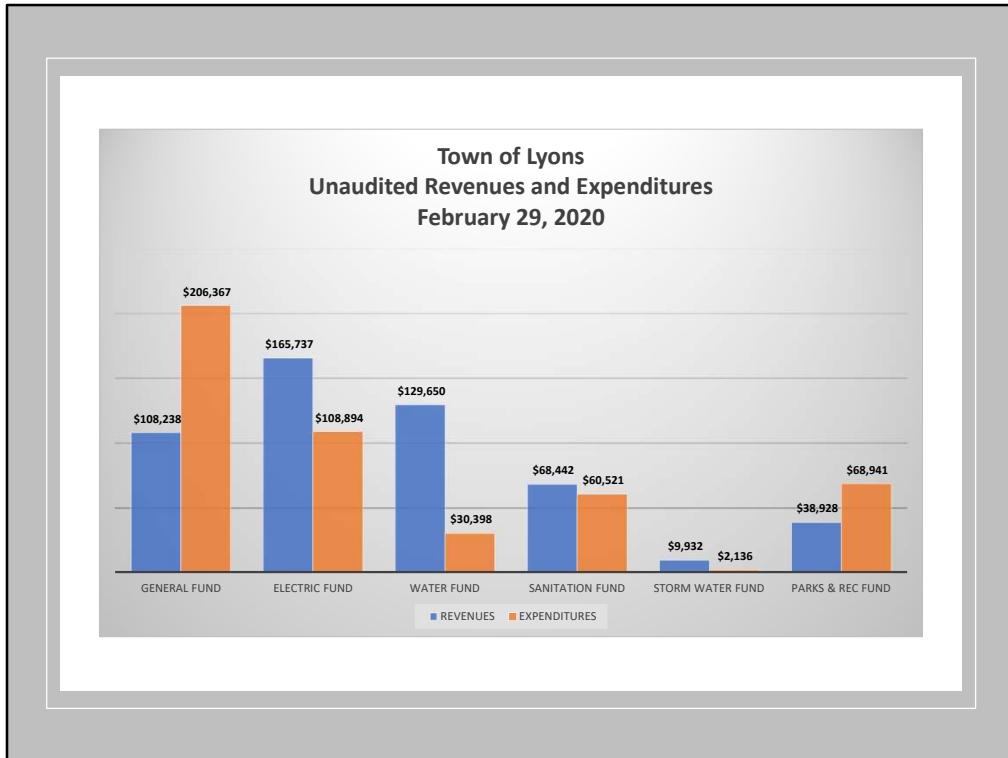
---



In February, the Town's revenues were \$370,511 with the majority (32%) going into the Electric Fund, followed by the Water Fund (25%).



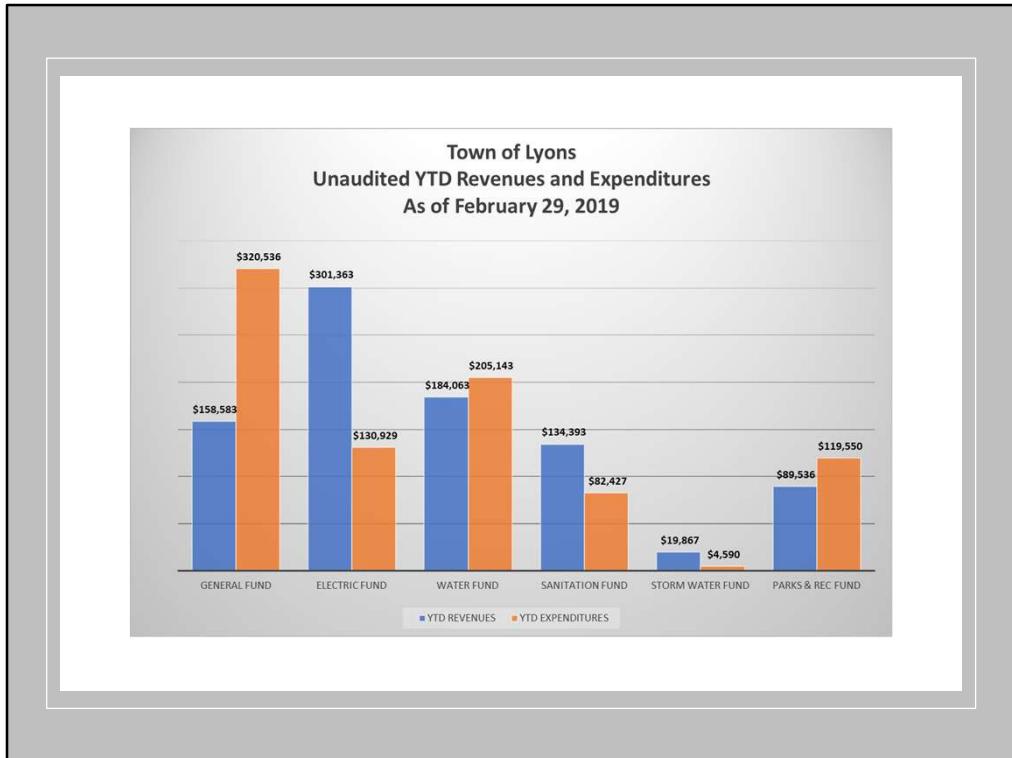
In February , the Town's expenditures were \$385,920 with the majority (43%) coming out of the General Fund, followed by the Electric Fund at 23%.



## **February Revenues and Expenditures**

In February, expenditures exceed revenues in the General Fund and the Parks & Recreation fund.

2019 revenues received in February for the General Fund were \$84,144.04 in Sales Tax. Additionally, 2019 revenues received in February for the Parks & Recreation fund were \$32,298.80 in Sales and Use Tax.

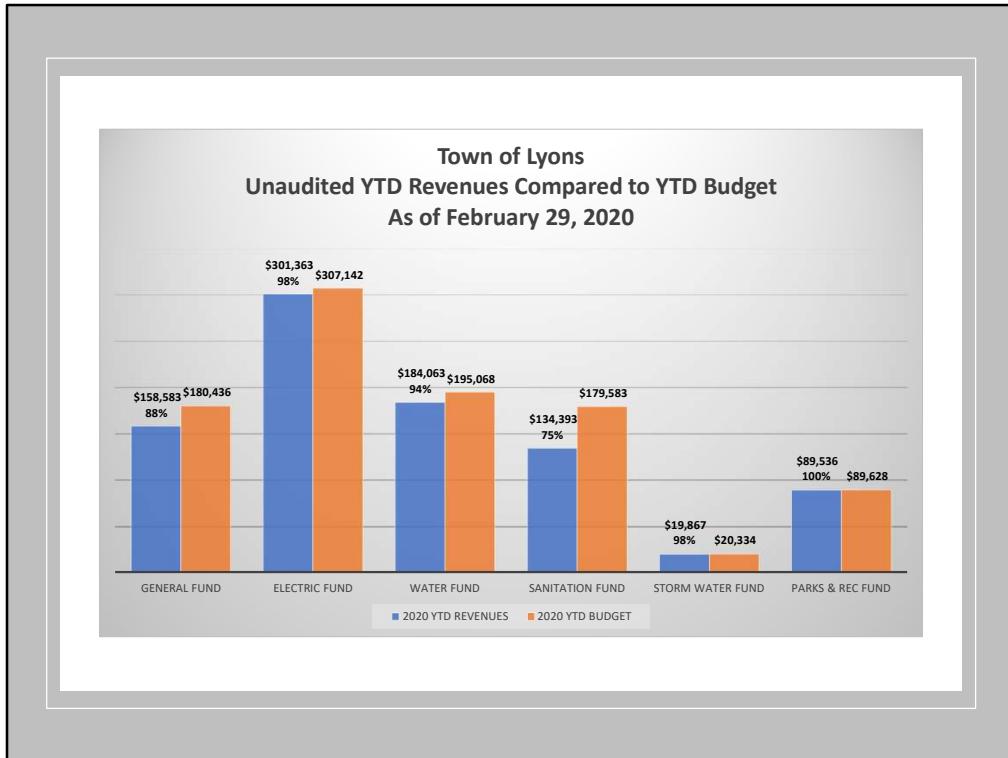


### **Year to Date Revenues and Expenditures**

Expenditures exceeded revenues in the General Fund, Water Fund and Parks and Recreation Fund

Our tax revenues received in January are actually from November of 2019 for both the General fund and the Parks fund. Additionally, sales taxes received in February are actually from December 2019. Both of these are booked back into 2019.

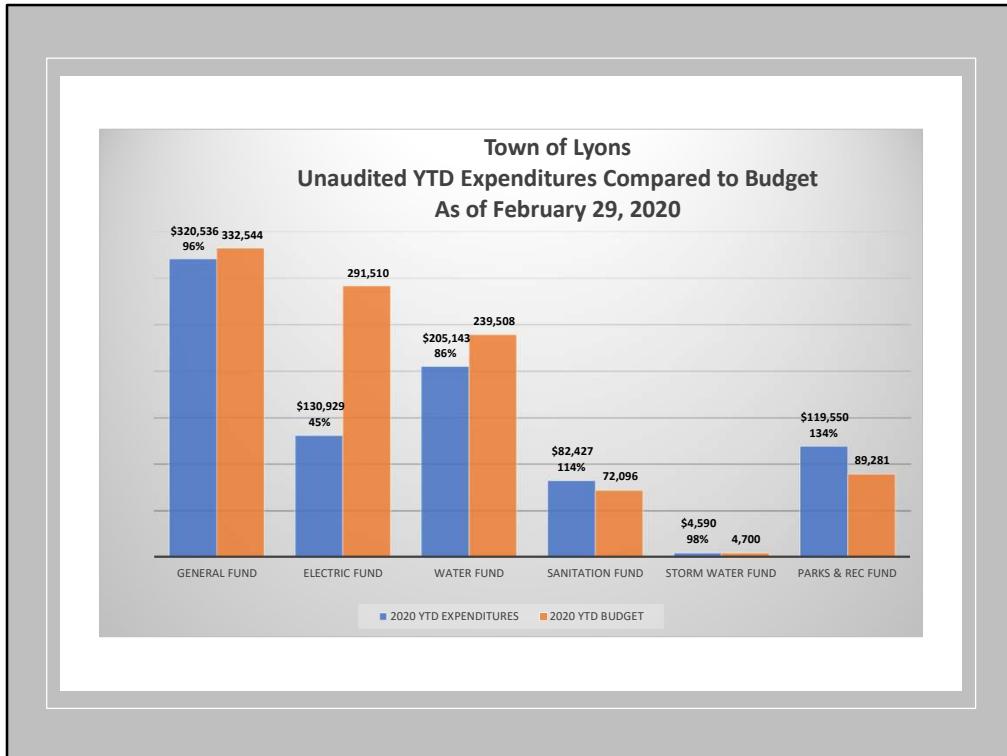
There is excess revenues in the electric fund however, this is in preparation for the debt service payment which comes due in June.



### **Revenues compared to Budget**

With our seasonally adjusted budget, we can see the revenues for February are lower than the 3-year average for this same time of year for all funds.

Utility funds typically have some investment/tap fees however there are none for any of the utilities through February. There was a payment in lieu of water for the Water Fund of \$70,000; without that revenue, the water fund would be at 58% of budget. Metered water sales are at 93.7% of the 3-year average. The Sanitation fund's User fees are at 104.5% of the 3-year average.



## Expenditures compared to Budget

With our seasonally adjusted budget, we can see the expenditures for February are lower than the 3-year average for this same time of year for all funds except the Sanitation and Parks & Rec Fund.

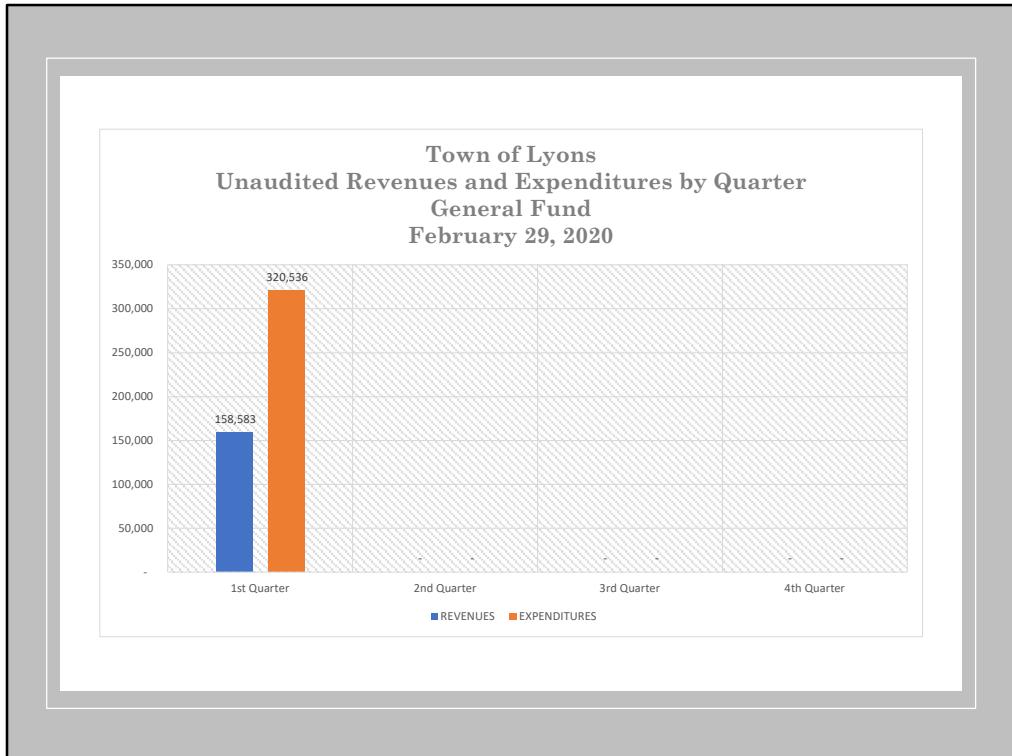
Salaries and benefits in all funds were higher than the average because 2020 had 3 pay periods in January where prior years only had 2. This will continue to show over budget until March where we have 3 pay periods again.

The electric fund is missing the MEAN February billing of approximately \$85,000. Additionally, the meters which are currently out to bid are allocated each month instead of a one-month charge (project total budget \$300,000). Once a timeline is determined, we can adjust the monthly budget to be in the correct month.

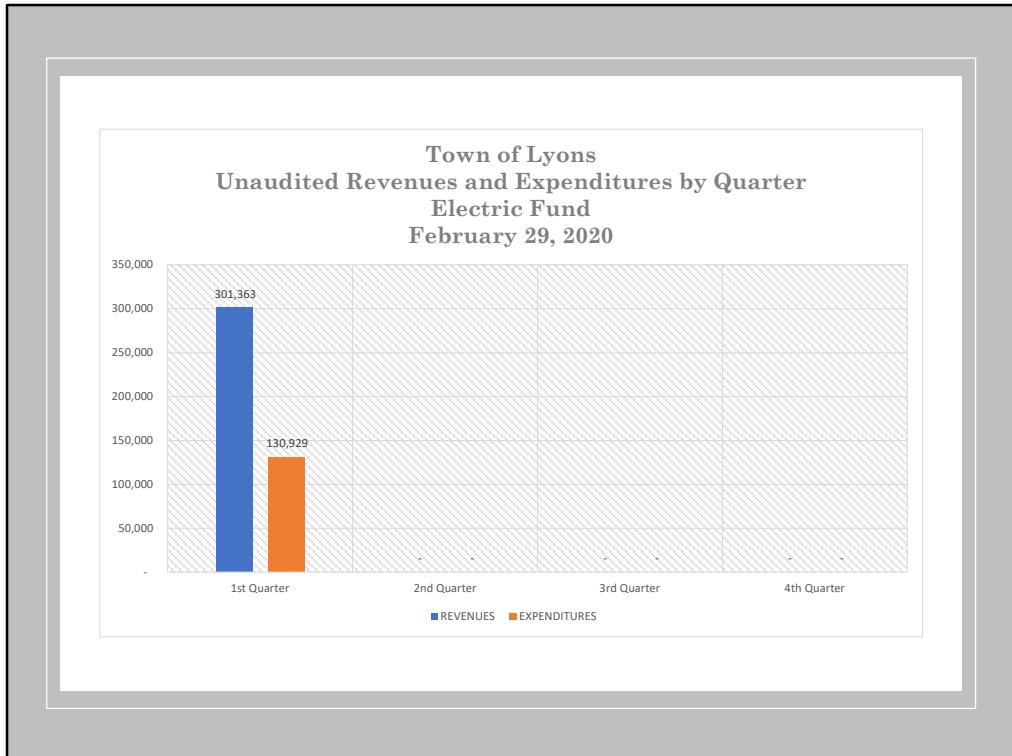
We have not received the Longmont Water Service billing yet for February which accounts for approximately \$11,000.

The treatment division of the Sanitation Fund is over budget by 135.3%. The increased costs related to the centrifuge are showing in the maintenance and supplies and sludge disposal line items (351.7% and 1181.8% of budget respectively).

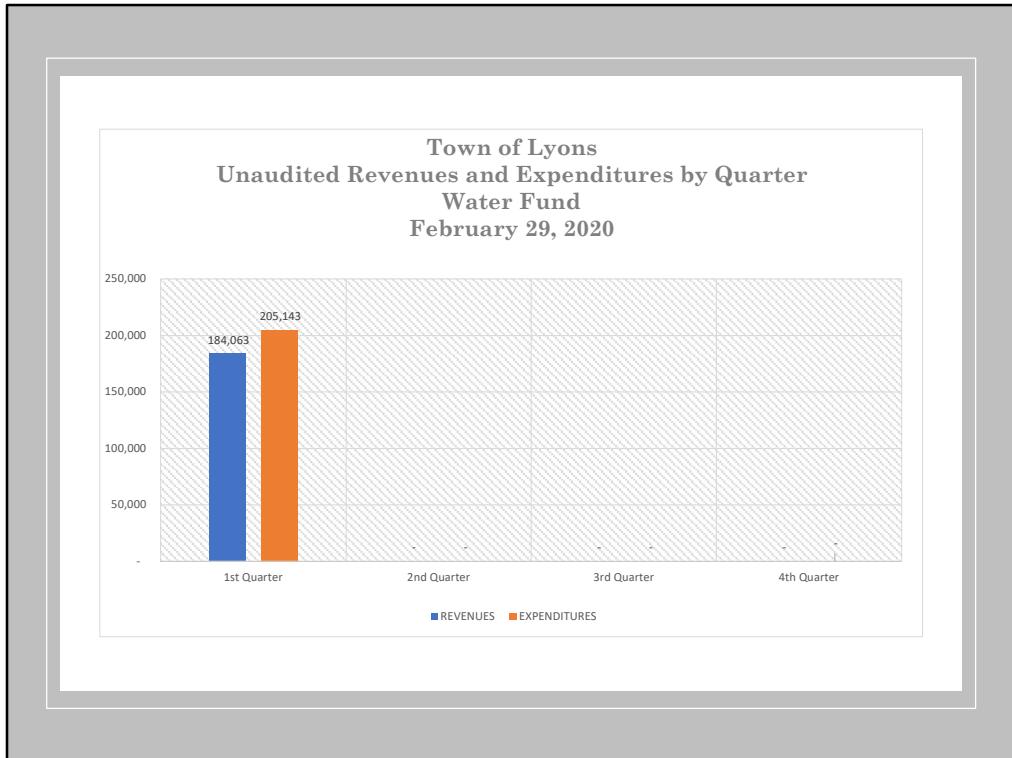
The Recdesk software for the shelter rentals went online and the cost is showing in the Administration PC, Software and Printers line item. This is a new software program so the 3-year average is not reflecting the timing on this expense. Lyons Outdoor Games has contractually required payments; the 3-year average appears to not reflect the correct timing of the payments. The rest of the overage is due to salaries.



**February 2020:**  
\$84,144 in revenues are booked back into 2019.

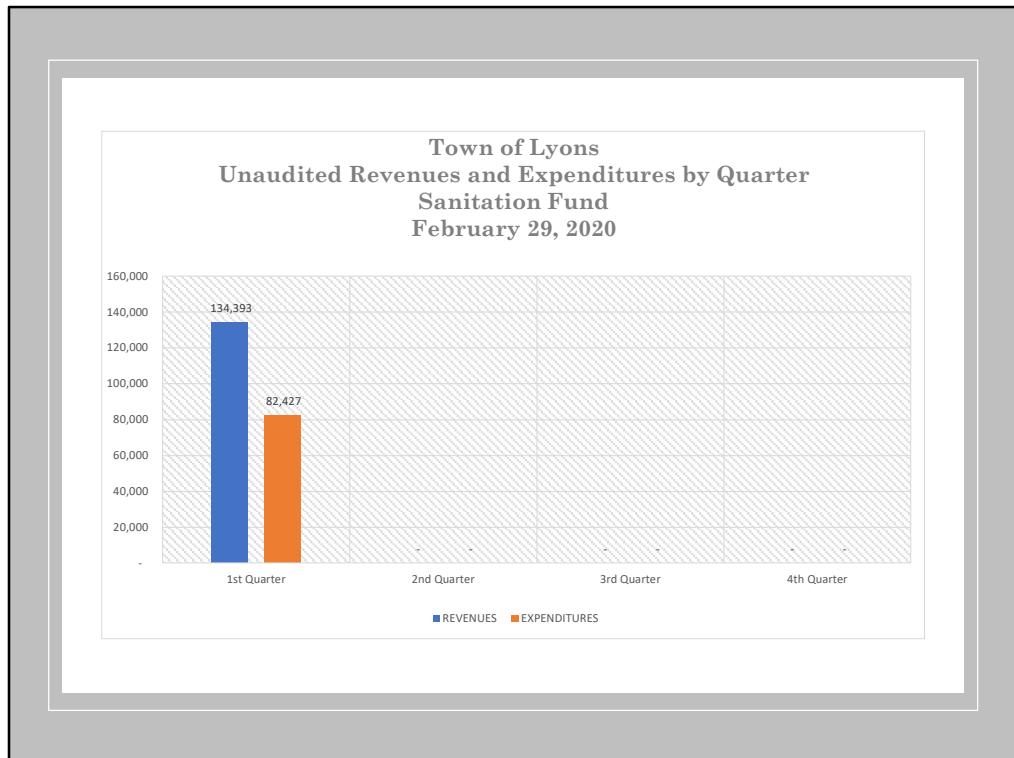


**February 2020:**  
Revenues exceed expenses.



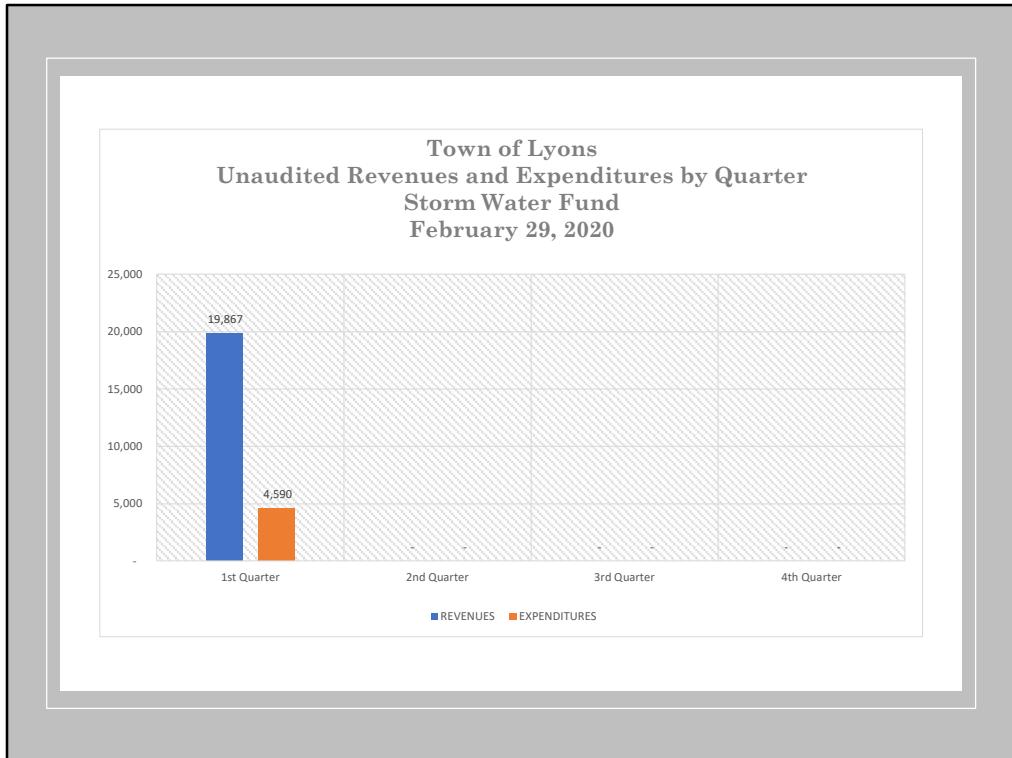
## February 2020:

Revenues are slightly lower and personnel costs are slightly higher.



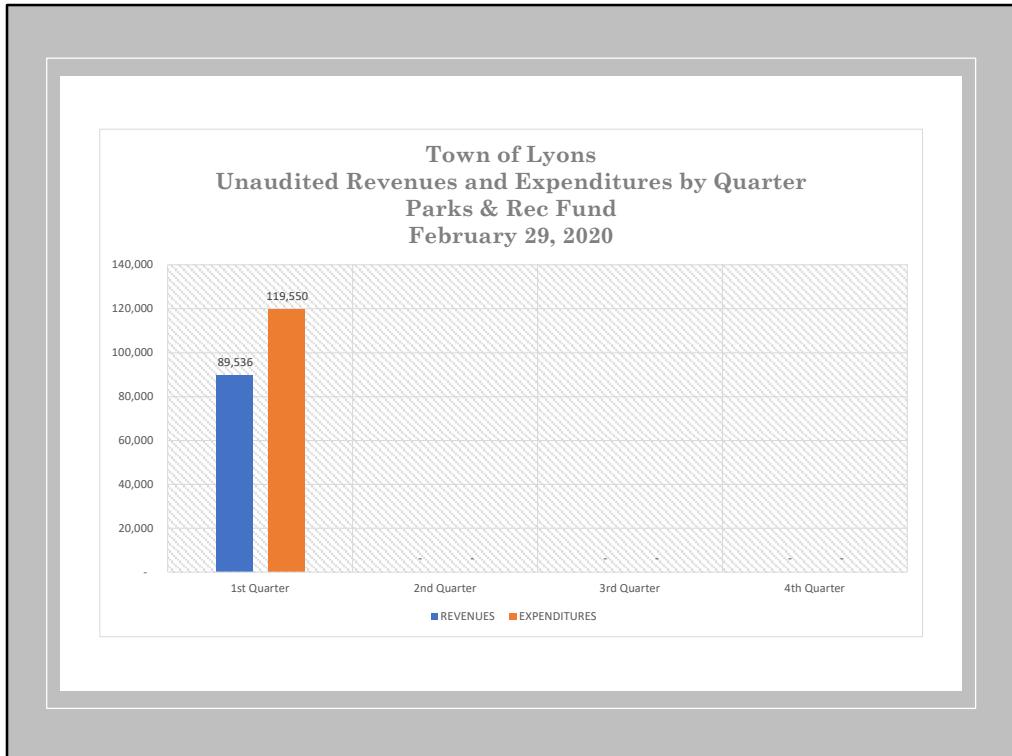
## February 2020:

Revenues are exceeding expenses.

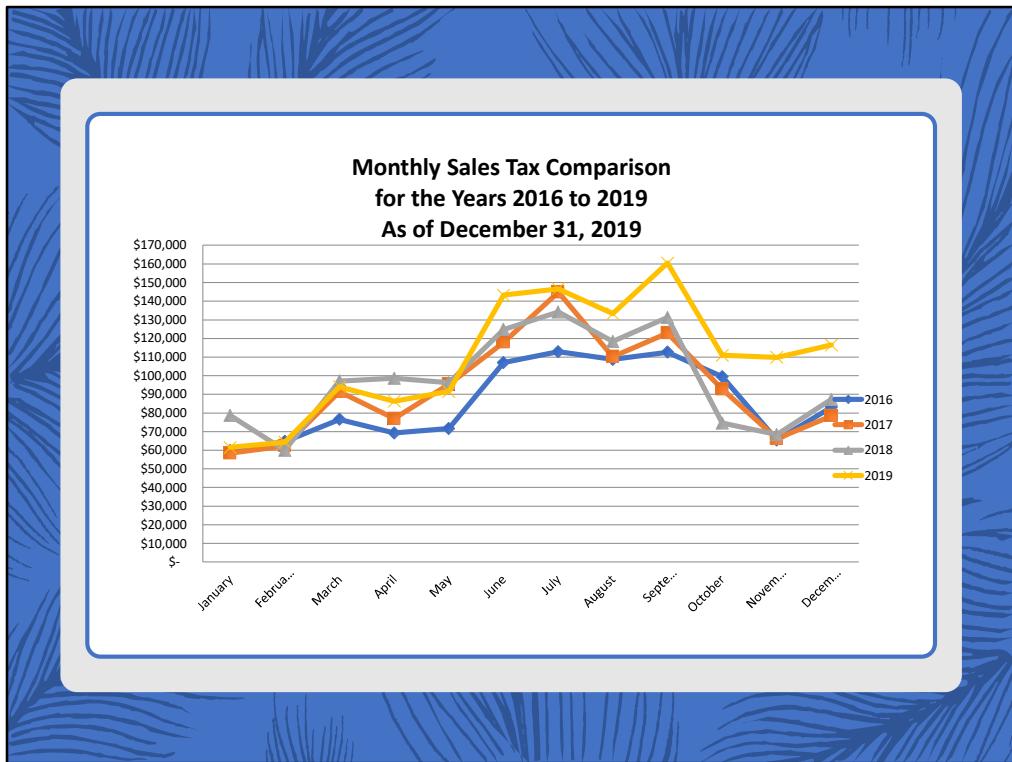


## February 2020:

Revenues are exceeding expenses.



**February 2020:**  
\$32,298.80 booked back into 2019.



Total sales tax for 2019 was \$1,318,764. This is a 13% increase over 2018.

Sales Month	Month Paid to Town	2016	2017	2018	2019	
January	March	\$ 59,815	\$ 58,424	\$ 78,669	\$ 61,482	-22%
February	April	\$ 64,727	\$ 62,320	\$ 59,998	\$ 64,355	7%
March	May	\$ 76,549	\$ 91,416	\$ 97,144	\$ 94,095	-3%
April	June	\$ 69,197	\$ 77,020	\$ 98,662	\$ 86,307	-13%
May	July	\$ 71,677	\$ 95,347	\$ 96,198	\$ 91,584	-5%
June	August	\$ 106,986	\$ 117,909	\$ 124,805	\$ 143,286	15%
July	September	\$ 112,886	\$ 144,858	\$ 134,157	\$ 146,652	9%
August	October	\$ 108,753	\$ 110,197	\$ 118,385	\$ 133,288	13%
September	November	\$ 112,630	\$ 122,954	\$ 131,263	\$ 160,464	22%
October	December	\$ 99,450	\$ 92,825	\$ 74,550	\$ 110,947	49%
November	January	\$ 65,503	\$ 66,169	\$ 68,431	\$ 109,861	61%
December	February	\$ 83,055	\$ 78,430	\$ 87,324	\$ 116,443	33%
		\$ 1,031,228	\$ 1,117,868	\$ 1,169,587	\$ 1,318,764	13%
adj for anomaly						\$ 1,160,000 Budget
\$ 1,218,000						5% Increase for 2020



Thank you for  
your time

---

Do you have any questions?