

Memorandum



To: Mayor and Town Council
From: Ryan Spitzer
Date: 5/6/2021
Re: **Potential Allocation of Excess Funds**

Overview:

Covid-19 was beginning when Town Council was considering and voting on the current Fiscal Year Budget. This inserted uncertainty in to the discussions with respect to anticipated revenues and expenses due to the shutdown. Due to this, Council rightfully determined to put off some capital purchases until later in the fiscal year to determine if revenues would outperform the town's conservative projections.

Projections for revenues were conservative and have been outperforming projections set in May 2020. It not appears that sales tax and other revenue sources will outpace what was projected. The new projections are revenues will be about \$1 million more than projected with a conservative estimate of \$500,000.

Likewise, Covid-19 has caused expenses to run under projections. The shutdown of the economy and work environment early on as well as social distancing guidelines have caused the Town to spend less money. The Town had also received CARES Act funds from the County to offset some of the expenses. Projections for anticipated expenses are projected to be about 90% of budgeted amounts. Conservatively, this equates to about \$1.5 million under budget.

Town staff believes there will be about \$1 million that Council would appropriate. The overage in revenues and the savings in expenses will allow Council to invest in the capital projects that were put off if desired. Those capital projects are:

Expenses

Property for FD:	\$500,000
Property Investigation:	\$60,000
Vac Truck:	\$300,000
FD Side-by-side:	\$30,000
Outdoor Fitness Equipment:	\$35,000
Lake Park Heater/AC:	\$10,000