



CITY COUNCIL WORK SESSION

MEETING DATE: October 5, 2020

AGENDA ITEM: Ehlers Financial Management Plan Presentation

FROM: Aimee Tihonovich, Finance Director

Ehlers will virtually attend the meeting to go over the multi-year Financial Management Plan that they have developed as a decision making aid for timing short and long-term capital needs of the City. Their slide deck and draft report follows. (They will finalize the report after considering any direction from Council)



Salida Financial Management Plan

City Council Presentation



Purpose of the Salida FMP

- To create a multi-year financial plan for the City and its major funds
- Develop a 2020-2031 inventory of capital needs
- Determine existing financial resources
- Plan for funding options to accomplish the short and long-term capital needs of the City.
- Serve as a road map to achieving the City's priority projects and initiatives.



Goals of this Presentation

- “Where” the City is financially
- Assumptions Used in the Model
- Model Outcomes
- Future Challenges



Baseline “Where we are Today”

- Unassigned Fund Balance represented 67% of general fund operating expenditures, and 70% of operating revenues
- Month over month, sales tax revenues have continued to increase an average of 11.2%
- Sales tax revenues represent an increasing percentage of general-purpose revenues – approximately 79%
- General Government expenditures represent 27% of general fund expenditures
- Public Safety expenditures represent 43% of general fund expenditures
- Public Works expenditures represent 4% of general fund expenditures
- Culture, Parks and Recreation represent 18% of general fund expenditures



Assumptions Used

- Revenues
 - ✓ Non-Taxes 1.00%
 - ✓ Specific Ownership/Sales & Use Taxes 4.00%
 - ✓ Franchise Taxes 5.00%
 - ✓ SteamPlant Charges for Services 3.50%
 - ✓ Investments (on prior year balance) 1.50%
- Expenses
 - ✓ General 3.00%



Sales Tax – Who Pays?

- Resident Assumptions:
 - ✓ 90% Essential Retail
 - ✓ 75% All Other Retail
 - ✓ 75% Restaurant
 - ✓ 75% All Others
- Average Resident Impact = \$1,279
 - ✓ Based on 3,246 Residential Units
 - ✓ 90% Minimum monthly collection from 2019 multiplied by 12



Sales Tax Rate Comparison

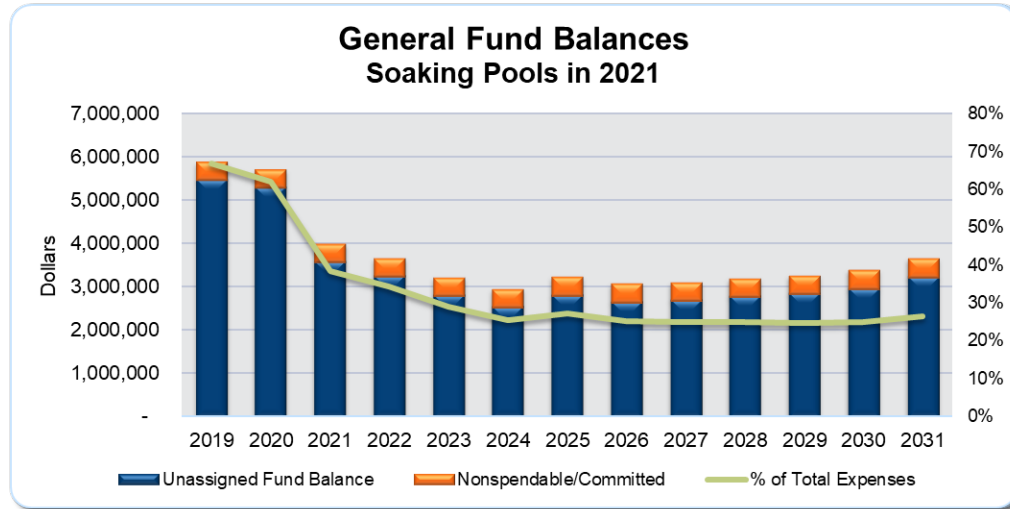
- The following table identifies Sales Tax rates for comparable communities

<u>Municipality</u>	<u>Sales Tax Rate</u>	<u>Est. Population</u>
City of Canon City	3.00%	16,400
City of Alamosa	2.50%	8,780
City of Gunnison	4.00%	6,594
Town of Avon	4.00%	6,447
Town of Estes Park	4.00%	6,352
City of Manitou Springs	3.60%	5,346
* Town of Breckenridge	2.50%	5,020
Town of Basalt	3.00%	3,857
Town of Winter Park	4.00%	1,051

* Temporary sales tax increase of 0.6% that will be collected, retained and spent for construction of affordable housing in Summit County



General Fund



The General Fund is the building block for the plan.
Goals

- Maintain operations
 - Adds new positions to meet growth
- Maintain reasonable unassigned fund balance
- Provide additional resources for capital projects as needed (\$550,000 average)



Capital Projects

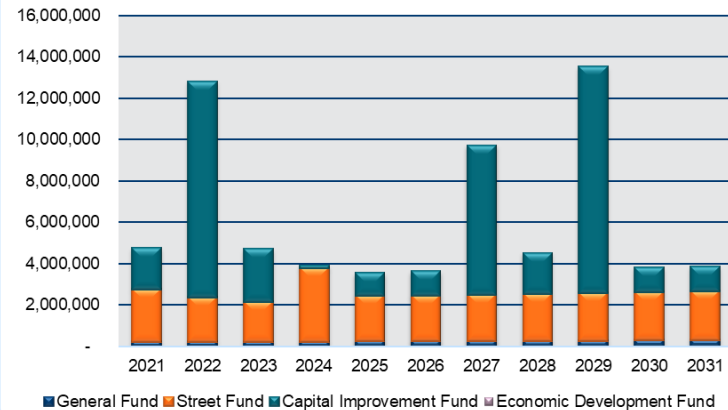
Capital Projects	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
PROJECT COSTS BY FUND											
General Fund	223,950	230,069	236,971	244,081	251,404	258,946	266,714	274,715	282,956	291,444	300,188
Street Fund	2,552,000	2,139,777	1,931,368	3,531,158	2,197,659	2,186,887	2,219,690	2,252,985	2,286,780	2,321,082	2,355,898
Capital Improvement Fund	1,950,500	10,420,726	2,514,856	122,056	1,077,284	1,153,582	7,213,992	1,971,362	10,925,091	1,160,541	1,177,949
Economic Development Fund	-	-	-	-	-	-	-	-	-	-	-
Total Project Costs	4,726,450	12,790,572	4,683,196	3,897,295	3,526,347	3,599,415	9,700,396	4,499,062	13,494,827	3,773,067	3,834,035

Capital Improvements	Estimated Costs
General Fund	2,841,438
Street Fund	25,975,284
Capital Improvement Fund	39,687,940
Economic Development Fund	0
Total Projects	68,504,662

Capital Improvement Fund Initiatives				
Description	Dept.	Year	Amount*	Bonding
Pool Facility - Soaking Pools	Parks	2021	\$ 960,000	Yes
Fire Station Replacement	Facilities	2022	10,000,000	Yes
Hot Water Line Replacement	Parks	2022	1,000,000	Yes
Fire Equipment Replacement	Equipment	2027	2,250,000	Yes
Sports Complex	Parks	2027	4,000,000	Yes
Recreation Center	Parks	2029	8,500,000	Yes
Total Projects			\$ 26,710,000	

*Note: Amounts are in 2020 dollars and are not adjusted for inflation

Projects by Fund by Year

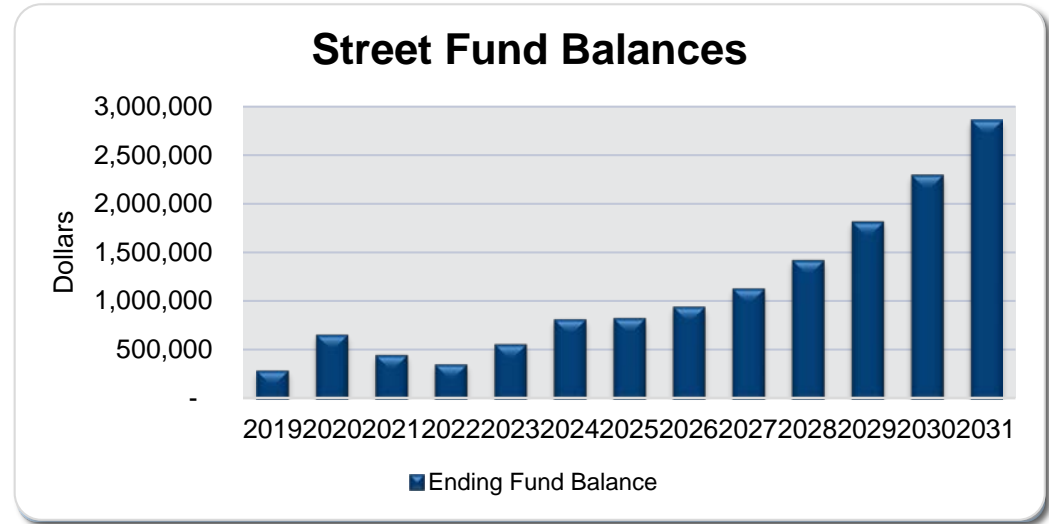




Street Fund

Highlights

- Adequate resources available
- Limited borrowing necessary
 - ✓ 2024 - Bridge Project
 - ✓ Room for additional projects starting in 2027



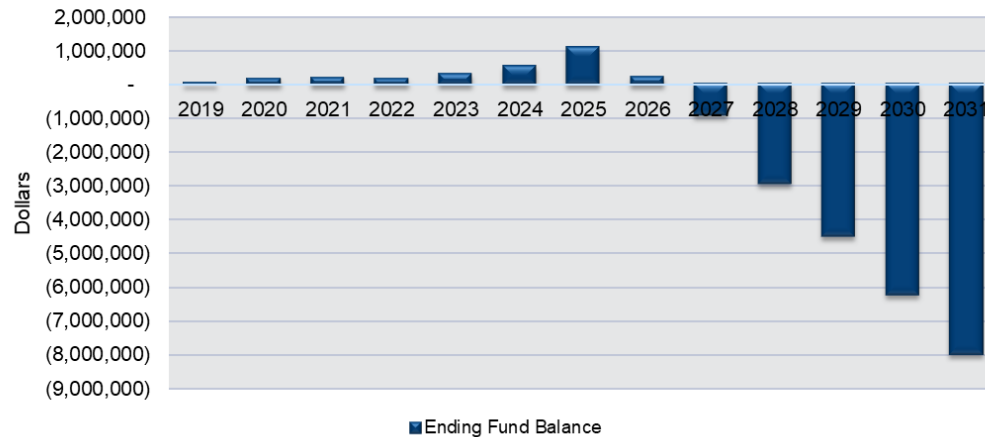


Capital Improvement Fund

Highlights

- Spending outpaces support available from GF
 - ✓ \$550,000 average
- Deficit spending beginning in 2027
- Required Borrowings
 - ✓ 2022, 2023, 2025, 2027 and 2029

Capital Improvement Fund Balances

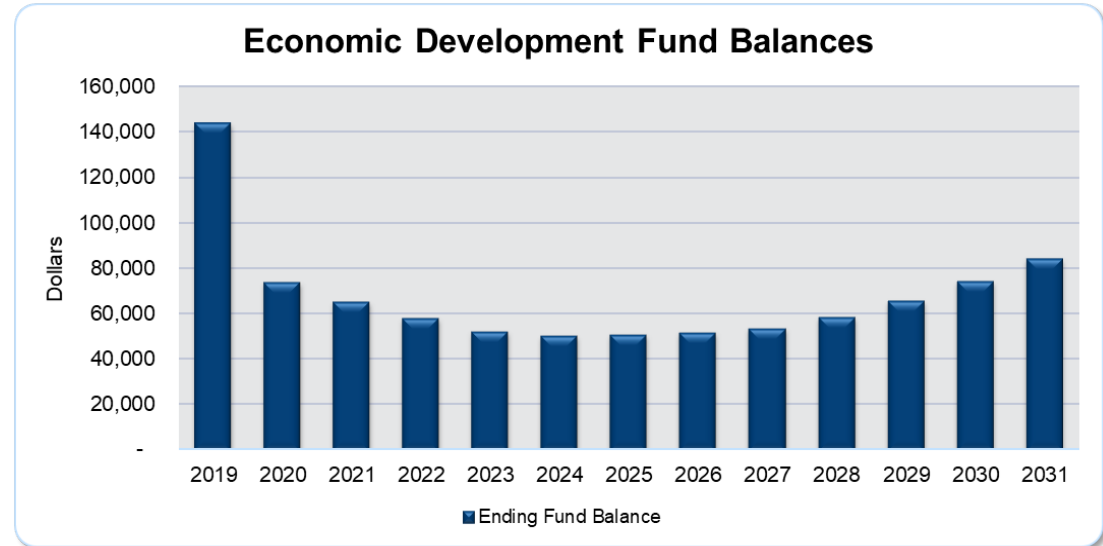




Economic Development Fund

Highlights

- No real activity identified for this fund





Future Considerations

- Generally finances of City are in good shape
- Capital Improvement spending outpacing resources
 - ✓ Grants
 - ✓ Revenue Increases
 - 0.5% increase in taxes (approximately \$215 per Res Unit)
 - Additional support from GF (\$200,000 per year)
 - Dedicated Property Tax (8.75 mills would limit additional GF contribution to \$500,000 - \$62.56 per \$100,000 AV Residential)



Acknowledgements

Appreciative of the time and efforts

Salida staff dedicated to this process



Contact Information

James Mann, Senior Municipal Advisor/Principal

Phone: 303-802-2306

E-Mail: jmann@ehlers-inc.com



Sherry Villafane, Municipal Advisor

Phone: 303-802-2309

E-Mail: svillafane@ehlers-inc.com



Jeanne Vogt, Senior Financial Specialist

Phone: 651-697-8571

E-mail: jvogt@ehlers-inc.com



FINANCIAL MANAGEMENT PLAN FOR THE:

City of Salida Colorado

September 2020



Prepared By:

Ehlers
4700 S Syracuse Street, Suite 860
Denver, CO 80237

BUILDING COMMUNITIES. IT'S WHAT WE DO.

TABLE OF CONTENTS

Table of Contents

Introduction	1
Baseline “Where we are Today”	2
General Fund Projection	4
Capital Planning	4
Street Fund Projection	5
Capital Improvement Fund	6
Economic Development Fund	7
City Goals	7
GOAL #1: Determine Sales Tax Projections.....	8
GOAL #2: Future Fund Forecasts	8
GOAL #3: Develop an inventory of capital needs and program requests &	8
GOAL #4: Maintain and expand infrastructure by funding capital project	8
GOAL #5: Determine Debt Financing Needs and Fiscal Impacts.....	9
Recommendations	10
Appendix A.....	12
Appendix B.....	13
Appendix C.....	14

Introduction

The City of Salida (“City”) has engaged Ehlers to develop a multi-year Financial Management Plan (“FMP”). The purpose of this FMP is to create a multi-year financial plan for the City and its major funds, develop a 2020-2031 inventory of capital needs, determine existing financial resources, plan for funding options to accomplish the short and long-term capital needs of the City. The plan will serve as a road map to achieving the City’s priority projects and initiatives. As priorities and circumstances change, the plan is designed to be adapted to show the financial impacts of those changes and aid in decision-making. The goal of the City in commissioning of the Financial Management Plan is to:

1. Review the City’s current financial position;
2. Develop an inventory of capital needs and program requests;
3. Develop an inventory of financial resources, including special assessments, franchise fees, sales taxes, and possibly the use of URA TIF revenues;
4. Present capital project funding options, and analyze the financial impact of each option;
5. Prepare a comprehensive financial plan to promote transparency with Salida residents and taxpayers;
6. Develop a framework to annually review the FMP to ensure that assumptions and priorities remain congruent with the current direction of the City.
7. The City also identified six key goals that they wanted addressed in the Financial Management Plan
 - a. **Determine Sales Tax projections**
 - b. **Fund Forecasts**
 - c. **Develop an inventory of capital needs and program requests**
 - d. **Maintain and expand infrastructure by funding capital projects**
 - e. **Determine Debt Financing Needs and Fiscal Impacts**

Furthermore, the plan identifies the impact of future capital projects based on sales tax revenues over the next ten years.

We realize that the COVID-19 pandemic and other unplanned events may have some impact of the City’s 2020 budget; however, as of this report, the City’s actual 2020 sales tax projections have increased year-to-date over the prior years’ same period. This plan was developed with the original 2020 and 2021 budget to serve as a “baseline” financial model that shows how the City can accomplish and fund its priorities. As the financial impacts of the pandemic become clearer, they can be modeled into the plan to show the fiscal effects to the City, allowing the City Council to make informed policy choices about raising revenues, changing operations, or adjusting capital expenditures.

This plan was developed in partnership with staff. The Finance Committee reviewed a draft plan at its September 15, 2020 meeting and provided feedback on capital funding projects and possible future revenue sources. The changes to the draft plan based on the Finance Committee's feedback will be presented to the Council on October 5, 2020 and incorporated into the final version of this report.

Baseline “Where we are Today”

The overall current health of the City's finances is positive. Given the City's current operational expenditures, the general-purpose revenues are maintaining and growing in a manner that is keeping pace with current expectations. A couple of key metrics based on the 2019 Audited Year End figures are as follows:

- Unassigned Fund Balance represented 67% of general fund operating expenditures, and 70% of operating revenues
- Month over month, sales tax revenues have continued to increase an average of 11.2%
- Sale tax revenues represent an increasing percentage of general-purpose revenues – approximately 79%
- General Government expenditures represent 27% of general fund expenditures
- Public Safety expenditures represent 43% of general fund expenditures
- Public Works expenditures represent 4% of general fund expenditures
- Culture, Parks and Recreation represent 18% of general fund expenditures

While the City's Unassigned General Fund Balance at the conclusion of 2019 was 67% of expenditures, due to the impact of the COVID-19 Pandemic, it is anticipated that the balance will drop to approximately 62% at the conclusion of 2020.

Key Assumptions & Methodology

The development of the FMP is based on maintaining and growing operations of the City. Based on the revenue mix of the City, projecting future sales tax revenues is key in developing revenue-based budgeting. Ehlers evaluated the sales-tax revenues on a monthly basis, utilizing the projection to guide revenue growth. Currently, the City charges a general sales tax of 3.00% on all goods and services.

Sales-tax revenue projections for 2020 were adjusted downward for the second half of the year, to recognize the impact of the Pandemic. Ehlers utilized an average monthly 1.2% drop in receipts for August through December. This will result in an overall increase in year over year receipts, however the 5.27% increase is below the normal growth the City has been realizing. As the year continues to evolve, if the anticipated drop in receipts does not materialize, then the ending unassigned fund balance will improve.

Future sales tax revenue was adjusted annually by a factor of 4% growth to be conservative. As mentioned above, the baseline starting point for 2020 is lower than what would have been expected if it not for the Pandemic.

Ehlers further included an increase in sales tax receipts based on expected growth in the community from the various developments known to be underway or in the planning stages. It is anticipated that in 2020 dollars each new residential unit generates \$1,279 in sales tax receipts for the City, which is also adjusted at the same 4% inflationary factor. This base per unit sales tax receipts was derived using the assumption that 90% of Essential Retail, 75% of all other retail, 75% of Restaurants and 75% of All Other sales tax receipts are generated by local residents.

There are two FMP models provided; one that includes the Soaking Pools project to begin in 2021 and the other scenario provides that the Soaking Pools project commence in 2029. If the Soaking Pools project begins in 2021, the General Fund Balance will see a steeper decline in the General Fund balance. If the Soaking Pools project is delayed out until 2029, the City will maintain a stronger fund balance in 2021, providing more time for the City to determine which projects will facilitate a stronger General Fund balance versus projects that will require additional sources of revenues in order to maintain a healthy 25% Fund Balance.

The City allocates the City portion of the sales tax in the following manor:

- General Fund 58%
- Street Fund 32%
- Capital Improvement Fund 8%
- Economic Development Fund 2%

Other general-purpose revenues are also annually adjusted by varying factors throughout the plan. Below is a list of general annual increases by non-sales tax revenue source:

- 1% annual increase of non-tax revenues
- 4% increase for Specific Ownership/Sales & Use Tax per year
- 5% for Franchise Tax revenues annually
- 3.50% SteamPlant Charges for Services each year
- Yearly investment revenue increases (based on prior year balances) of 1.50%

Once the baseline revenues projection was established, Ehlers evaluated expenditures in the following funds:

- General Fund
- Street Fund
- Capital Improvement Fund
- Economic Development Fund
- Lodging Tax Fund

- SteamPlant Event Center Fund (closed in 2020; moved to General Fund)

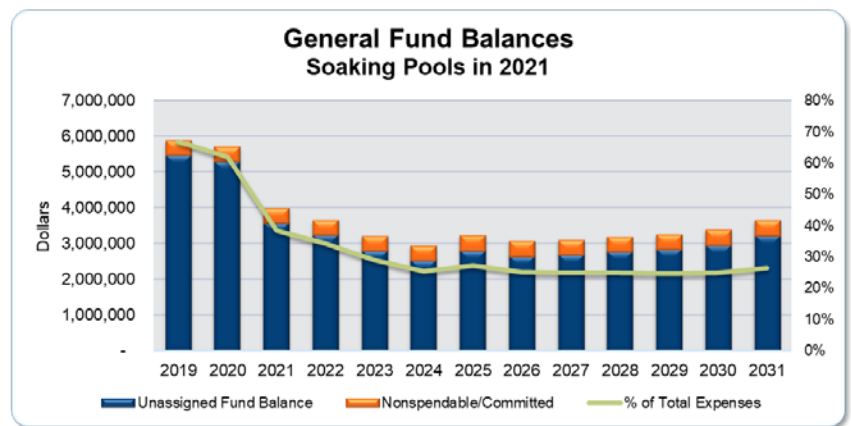
General Fund expenditures were inflated on a flat 3% per annum basis. Due to anticipated community growth, additional staffing was included in the plan based on the following schedule:

- Public Safety 1 staff in 2021
- General Government 1 staff in 2023
- Public Works 1 staff in 2025
- Public Safety 1 staff in 2027
- General Government 1 staff in 2029

General Fund Projection

In establishing a base line financial projection, first and foremost is the establishment of a reasonable projection of the City's General Fund and ensuring that the City is financially in a position to continue its operations.

The revenue projections enumerated above, put the City in a position to continue maintaining operations, continue funding street maintenance and maintain a reasonable unassigned fund balance.



As you will read throughout this report, if the additional resources are not made available to the Capital Improvement Fund (CIF), to accomplish the CIF goals will require additional resources from the General Fund which would erode the City's fund balance.

Capital Planning

The 2021-2031 CIP includes \$70.24 million of capital related expenditures over the next 10 years. While the General Fund Capital Improvements are included in the General Fund projection, the Street Fund and Capital Improvement Fund are accounted for separately. Projected capital expenditures for the years 2020 through 2031 as listed in Appendix A & B are summarized as follows:

Capital Improvements	Estimated Costs
General Fund	2,841,438
Street Fund	25,975,284
Capital Improvement Fund	39,687,940
Economic Development Fund	0
Total Projects	68,504,662

The capital costs are enumerated in 2020 dollars, but for the purpose of the projection, Ehlers assumed a 1.50% inflationary factor for construction costs.

The City has identified several key initiatives that represent 67.3% of the Capital Improvement fund planned expenditures:

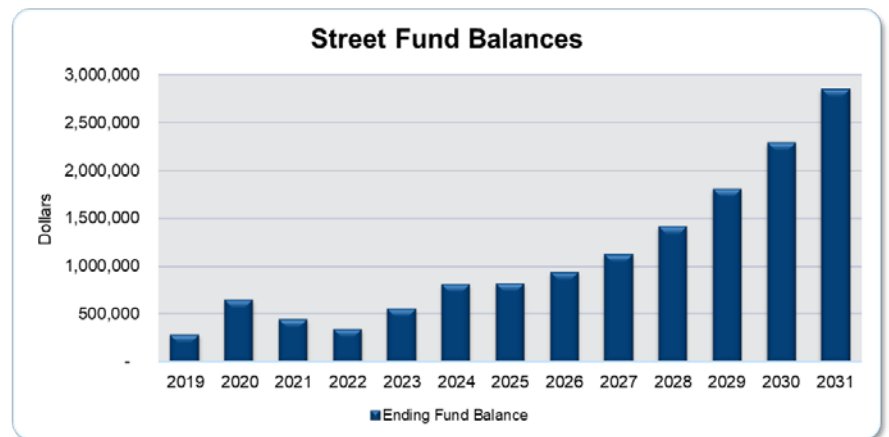
Capital Improvement Fund Initiatives				
Description	Dept.	Year	Amount*	Bonding
Pool Facility - Soaking Pools	Parks	2021	\$ 960,000	Yes
Fire Station Replacement	Facilities	2022	10,000,000	Yes
Hot Water Line Replacement	Parks	2022	1,000,000	Yes
Fire Equipment Replacement	Equipment	2027	2,250,000	Yes
Sports Complex	Parks	2027	4,000,000	Yes
Recreation Center	Parks	2029	8,500,000	Yes
Total Projects			\$ 26,710,000	

**Note: Amounts are in 2020 dollars and are not adjusted for inflation*

Street Fund Projection

The Street Fund capital expenditures over the next 10 years will be approximately \$27.4 M.

Projects are identified through 202, with estimated annual expenditures thereafter. Utilizing the committed 32% of the City generated sales tax the fund predominantly can support the anticipated expenditures. A single bridge repair project in 2024 may need to be funded through the issuance of debt.



The purpose of the debt issuance would be to manage the ebb/flow of projects versus the dollars that are anticipated to be generated through the committed sales tax. Without the anticipated borrowing, the fund would move into a negative cash position and would need to be supported from another source of revenue.

Projects are planned out through 2024, which generate an average of just over \$2.0 M controlling for the large bridge repair project. If the bridge repair project is added into the annual average, you would need to account for approximately \$2.3 M of annual projects. As you will not in the Fund Balance chart above, fund balance increases starting in 2028 when we use a \$2.0 M average annual street projects. The same is generally true if the \$2.3 M is included, however the fund balance is reduced rather significantly.

Capital Improvement Fund

The Capital Improvement Fund (CIF) is the City’s fund that presents the greatest amount of volatility to the overall health of the City and represents almost \$40 M of projects that can be classified into two main categories: Needs and Wants. Unfortunately, one person’s needs are another person’s wants.

Another way to look at projects are from a discretionary and non-discretionary spending basis. Does the lack of or presence of a project impact overall operations of the City? The overall list of projects contained in Appendix B can be generally broken down into these categories, however the breakout is subjective to the person doing the breakout.

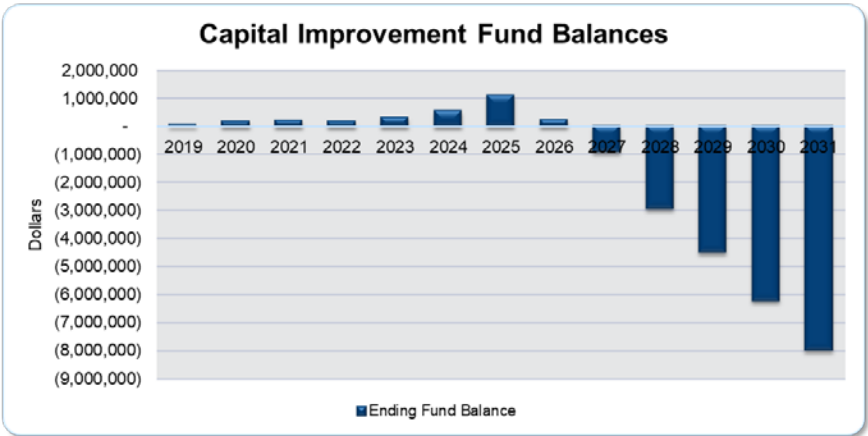
As noted earlier, there are six significant initiatives that represent approximately 67.3% of the overall CIF spending. Of the six projects, the replacement of fire equipment (\$2.5 M) is likely non-discretionary and therefore is a necessity. Stripping out the remaining five projects puts the City on a sound financial footing, however, does not accomplish City goals. Keeping the projects in turn, puts the City on a path of financial difficulty.

The size and magnitude of some of the six projects is such that there will be several required borrowings for undertaking the plan. We anticipate that a total of \$27.8 M of borrowing over the 10-year planning period. Each borrowing is assumed to be amortized over a 20-year period at a 4% borrowing rate.

We were asked to look at two options regarding the capital plan having to do with completing the soaking pools project in 2021 and delaying the project to 2029. Regardless of which option, the overall ability of the City to undertake the breadth of the capital plan without additional resources is limited. Factors that would impact that ability are additional revenues available from the General Fund, offsetting grants or other aids for projects, or additional revenue sources.

In the first scenario, where the Soaking Pools project is undertaken in 2021, the fund moves into negative territory in 2027. The debt burden simply becomes untenable for the fund to be able to maintain funding annual projects and to make debt service payments.

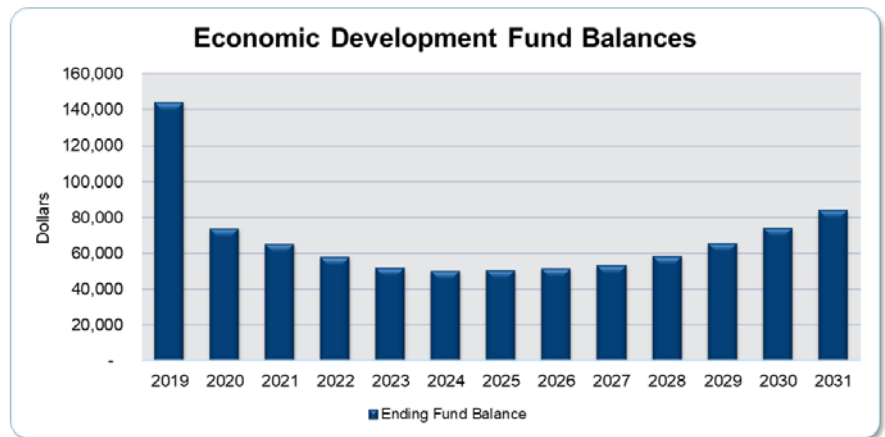
The second scenario where the Soaking Pools project is moved to 2029, the interim fund balance is improved through 2027, however the fund still moves into the negative beginning in 2027. Again, the debt burden becomes untenable for the funds current designated resources.



Given the \$40 M of projects, the current resources of the City, maintenance of healthy general fund operations and a healthy fund balance, the Capital Improvement Fund will need new revenue sources or significant grants to accomplish the project list.

Economic Development Fund

The Economic Development Fund balance sharply grew in 2019 due to increasing sales tax revenues from the prior year. The fund balance precipitously decreased in 2020 due to a one-time expenditure occurring in 2020, resulting in subsequent years of projected level expenses, and slight growth in revenues, based on a 4% sales tax increase projection year-over-year. There are no large projected capital expenditures expected in the Economic Development Fund through 2031 at this time.



This may be an area where additional projects requiring a new source of revenue may reside. Ehlers understands that attainable housing may be an issue that the City desires to address either through a stand-alone project or through a multi-jurisdictional partnership. While there are no specific resources identified in the plan currently, it is reasonable to envision a specific revenue source to fund such projects.

As an example, given the current sales tax revenue generation, every quarter percent sales tax would generate approximately \$600,000 of additional annual revenue. This revenue could be used to leverage annual projects or could be future valued to undertake a larger single project.

City Goals

City Staff identified the following overall goals it would like to accomplish:

1. Determine Sales Tax projections
2. Fund Forecasts
3. Develop an inventory of capital needs and program requests
4. Maintain and expand infrastructure by funding capital projects
5. Determine Debt Financing Needs and Fiscal Impacts

GOAL #1: Determine Sales Tax Projections

While the events of 2020, in particular the COVID Pandemic, made projecting sales taxes significantly difficult. Originally, projections provided for significant drops in sales tax receipts due to the shut-down mandated by the governor. Those dire projections have been replaced with minor reductions as actual data proved those predictions wrong.

The FMP includes a sales tax projection that results in a slightly greater than 5% increase in sales tax receipts for the City. Through the first seven months of the year, sales tax receipts have averaged an 11.2% increase month of month from 2019. For the remainder of the year, the month over month from 2019 is projected to decline approximately 1.2%, which brings the gross year over year number down to the 5%.

As the year continues to play out, the projection will easily be modifiable to address reality versus the speculation we have had to use.

The sales tax projection is the building block for all future decision making for the City.

GOAL #2: Future Fund Forecasts

Fund forecasts were developed for all the City's major funds: General, Street, Capital Improvement and Economic Development. The detail of each fund can be found in Appendix C.

GOAL #3: Develop an inventory of capital needs and program requests &

GOAL #4: Maintain and expand infrastructure by funding capital project

Throughout the course of the development of the FMP, the City has developed a comprehensive list of projects that are either needed or wanted over the next decade.

The 2021-2031 CIP includes \$68.5 million of capital related expenditures over the next 11 years. City capital projects are categorized as either general fund, street related or capital projects. A summary of the projects contained in the plan are as follows:

Capital Improvements	Estimated Costs
General Fund	2,841,438
Street Fund	25,975,284
Capital Improvement Fund	39,687,940
Economic Development Fund	0
Total Projects	68,504,662

The annual funding of General Fund capital items and the continued maintenance of the City's roadway infrastructure is managed with the current resources of the City.

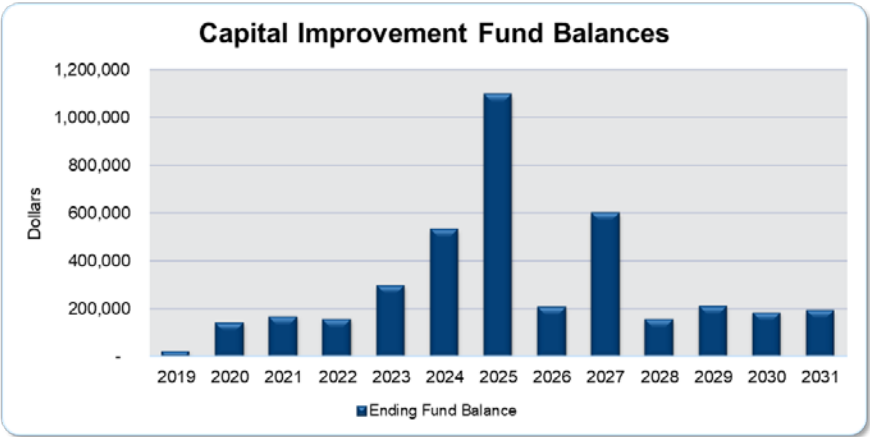
However, due to several significant projects within the Capital Improvement Fund that are significant undertakings, the Capital Improvement Fund will not be able to accomplish all the goals without significant additional resources. that are identified that make up approximately 39.0% of future City capital expenditures.

In order to accomplish the overall Capital Improvement Fund goals, the City will need to significantly increase the resources available to the Capital Improvement Fund. In addition to the current 8% of sales tax revenue dedicated to the Fund, the City will need to on average contribute an additional \$550,000.

The contribution from general purpose revenues will not be adequate to accomplish all the goals. As noted earlier, the fund moves into a negative cash position in 2026 due to the magnitude of managing project funding and future debt service payments. A one-quarter percent sales tax will generate approximately \$585,000 additional revenues in 2020 dollars. We estimate that it would require a one-half percent increase in the City’s sales tax to generate adequate dollars to fund all the projects identified.

If the City were to increase the sales tax by one-half percent and dedicate directly to the Capital Improvement Fund, the City would accomplish all the stated goals in the plan.

Alternatively, the City could impose a property tax mill levy of approximately 8.75 to accomplish the same funding scenario.



Both scenarios would require the City to continue utilizing general purpose revenues to transfer on average \$550,000 to the capital fund annually.

GOAL #5: Determine Debt Financing Needs and Fiscal Impacts

The Street Fund and Capital Improvement Fund both include borrowing for projects as a means to allow all the projects to be accomplished. Debt financing is an effective means of “paying as you use” versus “paying as you go”. The taxpayer residents on the “pay as you use” scenario pay for the asset over time as they can use the asset. Whereas the taxpayer residents on the “pay as you go” scenario must save and pay for the project prior to its use – which may result in a taxpayer resident paying for something they never use.

The plan includes borrowing \$30.3 M over the course of the eleven-year planning period. The borrowings are planned for the following years.

Planned Borrowings	Amount
2021	-
2022	9,500,000
2023	1,250,000
2024	1,500,000
2025	2,000,000
2026	-
2027	6,300,000
2028	-
2029	9,750,000
2030	-
2031	-
Total Projects	30,300,000

As noted in the summary of Goals 3-4, additional resources would be necessary to accomplish all the goals contained within the CIF. An additional \$1.16 M of annual resources, 2020 dollars, will be necessary beginning in 2027 to provide adequate resources for the project list.

If the City were to increase the sales tax by one-half of one percent to address the resource needs, the impact to the average City resident is estimated to be approximately \$215 on an annual basis. As indicated, alternatively, the City could impose a mill levy of approximately 8.75 mills that would impact the average residential unit \$62.56 per \$100,000 of assessed value.

Recommendations

The Financial Management Plan is a dynamic tool intended to support City staff and Council in determining capital project priorities and corresponding revenue needs on an annual basis. Nothing in this plan is set in stone and the plan is designed to be flexible to adjust to annual fluctuations in revenues, spending and overall City priorities. As new opportunities and challenges arise, the City can actively navigate through this plan in order to identify costs of implementing new initiatives and constructing new projects.

The City has an effective lead time to determine the best course of action associated with accomplishing all the goals contained within the plan prior to the financial difficulties that begin in 2026. A key recommendation is that the City start to determine the best course of action to generate the additional revenue resources necessary to accomplish the CIF projects.

Acknowledgement

On behalf of the project team, we would like to acknowledge the commitment and contributions provided by several members of City staff in completing this project. In particular we would like to

recognize Mr. Drew Nelson, City Manager and Ms. Aimee Tihonovich, Finance Director for their input and guidance throughout the course of this study.

Appendix A

CITY OF SALIDA, COLORADO
Financial Management Plan
Street Fund
Fund 31

Inflation Assumptions
1 Sales and Use Taxes
2 Interest Earnings
3 Expenses
4 CIP Inflation Factor

Notes:
1) 2020 Sales Tax Revenue decreased for COVID-19. See "Sales Tax Calculation" tab
2) May need to consider bonding for bridge repairs and street reconstruction

Capital Project Name	Department	Multiple Year?	Project		2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
			First Year	Last Year	Costs	Estimate	Budget										
26 Alley Reconstruction	No	No	2022		100,000	-	-	103,023	-	-	-	-	-	-	-	-	-
27 Alley Reconstruction	No	No	2023		100,000	-	-	-	104,568	-	-	-	-	-	-	-	-
28 Bridge Repairs	No	No	2024		1,500,000	-	-	-	-	1,592,045	-	-	-	-	-	-	-
29 Crosswalks	Yes	No	2021	2025	40,000	-	40,000	41,209	41,827	42,455	43,081	-	-	-	-	-	-
30 Crosswalks	No	No	2022		160,000	-	-	164,836	-	-	-	-	-	-	-	-	-
31 Highway 50 Enhancement - PH4 Construction Mgmt	No	No	2021		1,062,000	-	1,062,000	-	-	-	-	-	-	-	-	-	-
32 Highway 50 Enhancement - PH4 PM/CM	No	No	2020		50,000	50,000	-	-	-	-	-	-	-	-	-	-	-
33 Machinery & Equipment	No	No	2020		20,000	20,000	-	-	-	-	-	-	-	-	-	-	-
34 Machinery & Equipment	No	No	2021		-	-	-	-	-	-	-	-	-	-	-	-	-
35 Machinery & Equipment	Yes	No	2022	2024	27,000	50,000	50,000	27,816	28,233	28,657	-	-	-	-	-	-	-
36 Other vehicles and rolling stock	Yes	No	2022	2022	50,000	50,000	-	51,511	-	90,216	-	-	-	-	-	-	-
37 Other vehicles and rolling stock	No	No	2023		85,000	-	-	-	-	-	-	-	-	-	-	-	-
38 Other vehicles and rolling stock	No	No	2024		230,000	-	-	-	240,506	-	-	-	-	-	-	-	-
39 Sidewalk Improvements	No	No	2020		200,000	200,000	-	-	-	-	-	-	-	-	-	-	-
40 Sidewalk Improvements	Yes	No	2021	2022	250,000	-	250,000	257,556	-	-	-	-	-	-	-	-	-
41 Stormwater Improvements	Yes	No	2023	2024	150,000	-	-	154,534	156,852	159,205	-	-	-	-	-	-	-
42 Stormwater Improvements	No	No	2022		150,000	-	-	-	-	159,205	-	-	-	-	-	-	-
43 Streets - Asphalt Maintenance	No	No	2020		350,000	350,000	-	-	-	-	-	-	-	-	-	-	-
44 Streets - Asphalt Maintenance	No	No	2021		300,000	-	300,000	-	-	-	-	-	-	-	-	-	-
45 Streets - Asphalt Maintenance	No	No	2022		400,000	-	-	412,090	-	-	-	-	-	-	-	-	-
46 Streets - Asphalt Maintenance	No	No	2023		400,000	-	-	-	418,271	-	-	-	-	-	-	-	-
47 Streets - Asphalt Maintenance	No	No	2024		425,000	-	-	-	-	451,080	-	-	-	-	-	-	-
48 Street Reconstruction	Yes	No	2020	2021	800,000	800,000	-	927,203	941,111	1,008,295	-	-	-	-	-	-	-
49 Street Reconstruction	Yes	No	2022	2023	900,000	-	-	-	-	-	-	-	-	-	-	-	-
50 Street Reconstruction	No	No	2024		950,000	-	-	-	-	-	-	-	-	-	-	-	-
51 Streets - Curb, Gutter, Drainage	No	No	2021		50,000	-	50,000	-	-	-	-	-	-	-	-	-	-
52					-	-	-	-	-	-	-	-	-	-	-	-	-
53 Placeholder	Yes	No	2025	2031	2,000,000	-	-	-	-	-	2,154,568	2,186,887	2,219,690	2,252,985	2,286,780	2,321,062	2,355,898
54 Total Capital Projects					10,899,000	1,470,000	2,552,000	2,138,777	1,931,368	3,531,158	2,197,659	2,186,887	2,219,690	2,252,985	2,286,780	2,321,062	2,355,898
PROJECTED NEW DEBT TERMS																	
56 Par Amount (Line 18)					-	15	15	15	-	1,500,000	-	-	-	-	-	-	-
57 Number of Years					0.00%	0.00%	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
58 Interest Rate																	
59 New Debt Service (See Line 15)					0	0	0	0	0	0	184,638	184,638	184,638	184,638	184,638	184,638	184,638

Appendix B

CITY OF SALIDA, COLORADO
Financial Management Plan
Capital Improvement Fund
Fund 32

Notes:
 1) 2020 Sales Tax Revenue decreased for COVID-19. See "Sales Tax Calculation" tab
 2) Capital projects in the 2020 budget don't match the CIP. Need to discuss.

Includes new 0.5 Sales Tax Dedicated to CIP

Initiation Assumptions
 Sales and Use Taxes
 Interest Earnings
 Expenses
 CIP Initiation Factor

Line	Department	Capital Project Name	Multiple Year?	Project		2020 Estimate	2021 Budget	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
				First Year	Last Year												
23	Facilities	23 Facilities	No	0		25,000											
24	Facilities	24 Leased Facilities	No	0													
25	Facilities	25 Gateway Monument Visitor Kiosk	No	0		200,000											
26	Facilities	26 Other Projects	No	0		140,000											
27	Facilities	27 Other Projects	No	2024		50,000				53,068							
28	Facilities	28 Golf Course Pumping/Diversion Pro	No	0		80,000											
29	Facilities	29 Golf Course Pumping/Diversion Pro	No	0		350,000											
30	Parks	30 Trail Upgrades/River Park Maintena	No	0		80,000											
31	Parks	31 Trail Upgrades/River Park Maintena	Yes	2022	2024	15,000		15,453	15,685	15,920							
32	Parks	32 Vehicle Replacement	No	2023		35,000			36,599								
33	Parks	33 Machinery & Equipment	No	0		45,000											
34	Parks	34 Park Facility Improvements	No	0		120,000											
35	Parks	35 Centennial Park Improvements	No	2023		300,000			313,704								
36	Parks	36 Marvin Park Improvements	No	2021		12,000											
37	Parks	37 Marvin Park Improvements	No	2022		600,000											
38	Facilities	38 Fire Station Replacement	No	2022		8,500,000		8,756,913									
39	Equipment	39 Fire Equipment Replacement	No	2023		55,000											
40	Equipment	40 Fire Equipment Replacement	No	2026		1,500,000						60,139	1,664,767				
41	Equipment	41 Fire Equipment Replacement	No	2027		750,000											
42	Equipment	42 Fire Equipment Replacement	No	2028		750,000											
43	Equipment	43 Fire Equipment Replacement	No	2029		55,000											
44	Facilities	44 Existing Fire Station Remodel	No	2023		1,500,000			1,568,518								
45	Facilities	45 City Hall Improvements	No	0		50,000											
46	Parks	46 Recreation Center	No	2029		8,500,000											
47	Parks	47 Sports Complex	No	2027		4,000,000							4,439,380				
48	Parks	48 Confluent Park	No	2023		500,000			522,839								
49	Parks	49 Golf Course Parking	No	2024		50,000				53,068							
50	Parks	50 Hot Water Line Replacement	No	2022		1,000,000		1,030,225									
51			No														
52		Per 2020 Budget	No			300,000											
53		53 Building Improvements	No			75,000											
54		54 Building Improvements	No	2020		158,000											
55		55 Pool Facility - Major Improvements	No	2020		960,000											
56		56 Pool Facility - Soaking Pools	No	2021		3,000											
57		57 Natural Ice Rink	No	2020		700,000											
58		58 Other Park Projects	No	2020		250,000											
59		59 Caboose Restoration	No	2021													
60			No														
61		Per 2021 Budget	No			50,000											
62		62 Liens - Upgrades & Replacement	No	2021		65,000											
63		63 Building Improvements	No	2021		100,000											
64		64 Other Vehicles & Rolling Stock	No	2021		25,000											
65		65 New Trails Project	No	2021		20,000											
66		66 Natural Ice Rink	No	2021		8,500											
67		67 Riverside Park Improvements	No	2021		60,000											
68		68 Centennial Park Improvements	No	2021		400,000											
69		69 Other Park Projects	No	2021													
70			Yes	2025	2031	1,000,000					1,077,284	1,093,443	1,109,845	1,126,493	1,143,390	1,160,541	1,177,949
71		71 Placeholder															
72																	
73		Total Capital Projects				32,791,500	1,950,500	10,420,726	2,514,856	122,056	1,077,284	1,153,582	7,213,992	1,971,362	10,925,091	1,160,541	1,177,949
74		PROJECTED NEW DEBT TERMS															
75		74 Per Amount (Line 16)				15	15	9,500,000	1,250,000	20	2,000,000	20	6,300,000	20	9,750,000	20	-
76		76 Number of Years				0.00%	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
77		New Debt Service (See Line 13)				0	0	0	733,978	830,554	830,554	985,076	985,076	1,471,819	2,225,112	2,225,112	2,225,112

Appendix C

CITY OF SALIDA, COLORADO
Financial Management Plan
Dashboard

General Fund Summary												
	Actual	Estimated	Budget	Projected								
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenues												
Taxes	4,176,127	4,319,451	4,499,000	4,682,500	4,873,475	5,072,269	5,279,127	5,494,598	5,718,833	5,952,285	6,195,209	6,448,264
New tax revenue due to development	-	-	48,428	112,490	158,151	305,101	367,350	400,768	443,376	545,941	636,371	695,151
Intergovernmental	2,582,760	2,705,829	2,664,500	2,707,722	2,805,471	2,907,129	3,012,853	3,122,805	3,237,154	3,356,076	3,479,754	3,608,378
Other revenues	1,030,137	1,056,652	1,020,500	1,333,331	1,340,918	1,347,257	1,356,255	1,373,484	1,384,426	1,398,364	1,413,109	1,420,026
Total Revenues	7,789,044	8,081,932	8,232,428	8,836,043	9,178,015	9,631,756	10,015,585	10,391,555	10,783,789	11,252,666	11,724,443	12,171,819
Expenses												
Current Expenses	7,479,117	8,054,693	8,818,026	8,897,167	9,164,082	9,439,004	9,722,174	10,013,840	10,314,255	10,623,682	10,942,393	11,270,665
Debt Service	253,566	241,300	253,635	253,635	161,900	161,900	161,900	161,900	-	-	-	-
Capital Expenses	456,824	240,500	223,950	230,069	236,971	244,081	251,404	258,946	266,714	274,715	282,956	291,444
Total Expenses	8,189,507	8,536,493	9,295,611	9,380,871	9,562,953	9,844,985	10,135,478	10,434,686	10,580,969	10,898,397	11,225,349	11,562,109
Revenues Over/(Under) Expenses	(400,463)	(454,561)	(1,063,183)	(544,828)	(384,937)	(213,229)	(119,893)	(43,031)	202,820	354,269	499,094	609,710
Other Sources/(Uses)												
Transfers In/(Out)	524,726	250,180	(597,200)	253,115	53,115	53,115	553,115	53,115	53,115	(46,885)	(146,885)	(196,885)
Lease Proceeds	255,835	-	-	-	-	-	-	-	-	-	-	-
TABOR Refund / Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Sources/(Uses)	780,561	250,180	(597,200)	253,115	53,115	53,115	553,115	53,115	53,115	(46,885)	(146,885)	(196,885)
Ending General Fund Balance	5,862,437	5,699,656	3,989,273	3,646,060	3,211,193	2,944,943	3,218,844	3,064,828	3,101,741	3,183,531	3,253,378	3,375,371
Ending Unassigned Fund Balance	5,477,983	5,290,118	3,579,735	3,236,523	2,801,655	2,535,405	2,809,306	2,655,291	2,692,203	2,773,993	2,843,841	2,965,833
% of Total Expenses	67%	62%	36%	34%	29%	25%	27%	25%	25%	25%	25%	26%

CITY OF SALIDA, COLORADO
Financial Management Plan
Dashboard

Street Fund	Actual	Estimated 2020	Budget	Projected										
	2019		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Revenues														
Taxes	2,128,256	2,244,220	2,315,819	2,442,763	2,563,156	2,743,232	2,880,576	3,006,113	3,141,021	3,313,509	3,483,901	3,641,632	3,797,886	
Intergovernmental	285,420	230,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
Other revenues	3,253	-	401,000	-	-	-	-	-	-	-	-	-	-	
Total Revenues	2,416,929	2,474,220	3,016,819	2,742,763	2,863,156	3,043,232	3,180,576	3,306,113	3,441,021	3,613,509	3,783,901	3,941,632	4,097,886	
Expenses														
Current Expenses	579,929	636,367	672,125	699,010	726,970	756,049	786,291	817,743	850,453	884,471	919,850	956,644	994,910	
Projected Future Debt Service	-	-	-	-	-	-	184,638	184,638	184,638	184,638	184,638	184,638	184,638	
Capital Expenses	1,298,304	1,470,000	2,552,000	2,139,777	1,931,368	3,531,158	2,197,659	2,186,887	2,219,690	2,252,985	2,286,780	2,321,082	2,355,898	
Total Expenses	1,878,233	2,106,367	3,224,125	2,838,787	2,658,338	4,287,207	3,168,588	3,189,268	3,254,781	3,322,094	3,391,268	3,462,364	3,535,446	
Revenues Over/(Under) Expenses	538,696	367,853	(207,306)	(96,024)	204,818	(1,243,975)	11,988	116,845	186,240	291,415	392,633	479,268	562,440	
Other Sources/(Uses)														
Transfers In/(Out)	635,280	-	-	-	-	-	-	-	-	-	-	-	-	
Bond Proceeds	-	-	-	-	-	1,500,000	-	-	-	-	-	-	-	
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Sources/(Uses)	635,280	-	-	-	-	1,500,000	-	-	-	-	-	-	-	
Ending Fund Balance	280,558	648,411	441,105	345,081	549,899	805,924	817,912	934,757	1,120,997	1,412,412	1,805,045	2,284,313	2,846,753	

CITY OF SALIDA, COLORADO
Financial Management Plan
Dashboard

Capital Improvement Fund													
Actual	Estimated	Budget	Projected										
2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Revenues													
Taxes	532,064	561,055	610,716	640,814	685,783	720,169	751,578	2,293,821	2,397,311	2,502,640	2,607,315	2,714,281	
Intergovernmental	354,335	420,000	-	750,000	-	-	-	-	-	-	-	-	
Other revenues	-	180,000	-	-	-	-	-	-	-	-	-	-	
Total Revenues	886,399	981,055	958,980	610,716	685,783	720,169	751,578	2,293,821	2,397,311	2,502,640	2,607,315	2,714,281	
Expenses													
Current Expenses	-	-	-	-	-	-	-	-	-	-	-	-	
Projected Future Debt Service	-	-	-	-	733,978	830,554	985,076	985,076	1,471,819	1,471,819	2,225,112	2,225,112	
Capital Expenses	1,084,629	861,000	1,950,500	10,420,726	2,514,856	1,077,284	1,153,582	7,213,992	1,971,362	10,925,091	1,160,541	1,177,949	
Total Expenses	1,084,629	861,000	1,950,500	10,420,726	3,248,834	952,610	2,138,658	8,199,068	3,443,181	12,396,910	3,385,653	3,403,061	
Revenues Over/(Under) Expenses	(198,230)	120,055	(991,520)	(9,810,010)	(1,858,020)	(266,827)	(1,187,669)	(1,387,080)	(5,905,247)	(9,894,270)	(778,338)	(688,780)	
Other Sources/(Uses)													
Transfers In/(Out)	180,000	-	1,017,200	300,000	500,000	-	500,000	500,000	600,000	700,000	750,000	700,000	
Bond Proceeds	-	-	-	9,500,000	1,500,000	-	-	5,800,000	-	9,250,000	-	-	
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Sources/(Uses)	180,000	-	1,017,200	9,800,000	2,000,000	500,000	500,000	6,300,000	600,000	9,950,000	750,000	700,000	
Ending Fund Balance	20,894	140,949	166,629	156,620	298,599	531,772	1,094,103	207,022	601,775	155,905	211,634	183,296	194,516

CITY OF SALIDA, COLORADO
Financial Management Plan
Dashboard

Economic Development Fund														
Actual	Estimated	Budget	Projected											
2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Revenues														
Taxes	133,016	140,263	144,770	152,679	160,153	171,421	180,067	187,920	196,289	207,126	217,744	227,571	237,393	
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	133,016	140,263	144,770	152,679	160,153	171,421	180,067	187,920	196,289	207,126	217,744	227,571	237,393	
Expenses														
Current Expenses	121,235	210,200	153,700	159,848	166,242	172,892	179,808	187,000	194,480	202,259	210,349	218,763	227,514	
Projected Future Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses	121,235	210,200	153,700	159,848	166,242	172,892	179,808	187,000	194,480	202,259	210,349	218,763	227,514	
Revenues Over/(Under) Expenses	11,781	(69,937)	(8,930)	(7,169)	(6,089)	(1,471)	259	920	1,809	4,867	7,395	8,808	9,879	
Other Sources/(Uses)														
Transfers In/(Out)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	
Donations for Capital Improvements	5,000	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Sources/(Uses)	5,000	-	-	-	-	-	-	-	-	-	-	-	-	
Ending Fund Balance	143,734	73,797	64,867	57,698	51,609	50,138	50,397	51,317	53,126	57,993	65,388	74,196	84,075	