



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: LESLIE EDWARDS, FINANCE DIRECTOR
RE: AN ORDINANCE ADOPTING THE 2023 BUDGET AND APPROPRIATING SUMS OF MONEY TO VARIOUS FUNDS AND SPENDING AGENCIES, AND APPROVING THE 2023-2027 CAPITAL PROGRAM, IN THE AMOUNT AND FOR THE PURPOSES SET FORTH BELOW FOR THE TOWN OF FRISCO, COLORADO FOR THE 2023 BUDGET YEAR
DATE: OCTOBER 11, 2022

Summary and Background: It is with pleasure that we present Ordinance 22-14 to adopt the 2023 budget and 5 year Capital Program for the Town of Frisco, in accordance with Local Government Budget Law.

Analysis: This ordinance adopts expenditures totaling \$65,039,510; revenues and reserves of \$90,521,082 are adequate to meet those expenditures, leaving an total ending fund balance of \$25,481,571 at the end of 2023. Detail of this by fund is available in the attached proposed ordinance, as well as a department level detail in the attached full proposed budget.

Note that a portion of this projected balance is unavailable for spending due to reasons including investment in capital assets, inventory, emergency TABOR reserves (as required by the State of Colorado), and required debt reserves. These unavailable portions of reserves are projected at \$11,475,251. This results in a projected Ending Available Fund Balances for all funds, as of 12/31/2023, at \$14,006,320 (see table below under Financial Impact).

Changes since Budget Worksession:

- Sustainability Grants for the Pay as You Throw and Universal Recycling programs has been increased from \$40,000 to \$98,000
- Based upon August sales tax received in September, sales tax revenue has been adjusted with a conservative approach in mind. This resulted in a decrease of \$385,000 to 2023 proposed revenue. This impact is also reflected in a reduced transfer to the Capital Improvement Fund.
- Capital Projects for 2023 have been reviewed by staff and spread across future years, reducing some 2023 expenditures. However, this reduction has been offset by the addition of \$750,000 in site work for the Marina Park. This can be viewed in more detail in the 5-year Capital Improvement Fund Plan.

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- In the Marina Fund 5-year plan, expenses related to the park aspects of the area have been transferred to the 5-year plan for the Capital Improvement Fund. In addition to the 2023 project for Marina Park site improvements, future projects include: sand for the beach, mobility improvements, pavilion, and 1/3 of the new lockers/restrooms. More detail on these projects can be found in the 5-year Capital Improvement Plan included in the proposed budget, as well as the 2023-2027 Capital Program document this packet.
- It is noted that the additional police officer position for the purpose of providing service to Frisco Elementary (\$78,150) and the Lenko Bearcat reimbursement to the Town of Dillon (\$28,333) are included in the budget as placeholders, pending future approval by Town Council.

Financial Impact: Overall, the Town's fund reserves demonstrate the Town is prepared to weather an economic downturn with a 7 month reserve in the General Fund and conservative and strategic budget approach. Additionally, the Town maintains a contingency plan, identifying core and less essential spending that can be trimmed from the budget, as needed.

In summary, total ending fund balances for all funds equals \$25.5M. The table below provides a snapshot financial summary at the end of 2023 for all of the Town's funds, including detail of the portions of fund balances that unavailable for spending.

ALL FUNDS SUMMARY

| Funds | 2023 Proposed | Estimated | 2023 Projected | Reason unavailable |
|----------------------------|----------------------|--------------------------|------------------------|--|
| | Ending Balance | Unavailable Fund Balance | Available Fund Balance | |
| General Fund | \$ 9,354,981 | \$ 789,480 | \$ 8,565,501 | TABOR reserve, inventory |
| Capital Improvement Fund | 456,637 | - | 456,637 | |
| Historic Preservation Fund | 1,030 | - | 1,030 | |
| Conservation Trust Fund | 13,350 | - | 13,350 | |
| Water Fund | 9,986,100 | 6,291,073 | 3,695,027 | Net Investment in Capital Assets |
| Open Space Fund | 12,556 | - | 12,556 | |
| Housing Fund | 18,662 | - | 18,662 | |
| Insurance Reserve Fund | 687,833 | - | 687,833 | |
| Nicotine Tax Fund | 692,378 | - | 692,378 | |
| Lodging Tax Fund | 524,605 | 10,181 | 514,424 | Inventory |
| Marina Fund | 3,733,439 | 4,384,517 | (651,078) | Net Investment in Capital Assets, Debt reserve |
| Total All Funds | \$ 25,481,571 | \$ 11,475,251 | \$ 14,006,320 | |

Alignment with Strategic Plan: This budget has been prepared with Council's Strategic Plan and Goals at the forefront of decision-making.

Staff Recommendation: Staff recommends Council approve Ordinance 22-14, an ordinance adopting the 2023 budget for the Town of Frisco.

Reviews and Approvals: This report has been reviewed and approved by:
Tom Fisher, Town Manager
Diane McBride, Assistant Town Manager