



**FRUITA CITY COUNCIL
REMOTE/VIRTUAL SPECIAL MEETING
APRIL 23, 2020
5:00 P.M.**

Public Link to Meeting

When: April 23, 2020 - 5:00 PM Mountain Time (US and Canada)

Topic: City Council Meeting – 4/21/20

The link to join the join the meeting electronically will be posted prior to the meeting at www.fruita.org/covid19 under City Council and Boards and Commissions Public Meetings. You may also contact the City of Fruita at (970) 858-3663 for information to connect to the meeting.

- 1. INVOCATION AND PLEDGE OF ALLEGIANCE**
- 2. CALL TO ORDER AND ROLL CALL**
- 3. AGENDA - ADOPT/AMEND**
- 4. ADMINISTRATIVE AGENDA**
 - A. FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE FUND**
 - 1) RESOLUTION 2020-23 – Authorizing a short-term interfund loan from the General Fund to the Economic Development Fund and authorizing the establishment of the Fruita Small Business Emergency Assistance Fund
 - 2) RESOLUTION 2020-24 – Amending the 2020 Budget and transferring budgeted and appropriated moneys in the General Fund and appropriating a portion of the General Fund Operating Reserve fund balance for transfer from the General Fund to the Economic Development Fund to establish the Fruita Small Business Emergency Assistance Loan Fund
- 5. ADJOURN**



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR
FROM: MIKE BENNETT, CITY MANAGER
DATE: APRIL 23, 2020
RE: FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE FUND

RESOLUTION 2020-23 – AUTHORIZING A SHORT-TERM INTERFUND LOAN FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND AND AUTHORIZING THE ESTABLISHMENT OF THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE FUND

RESOLUTION 2020-24 – AMENDING THE 2020 BUDGET AND TRANSFERRING BUDGETED AND APPROPRIATED MONEYS IN THE GENERAL FUND AND APPROPRIATING A PORTION OF THE GENERAL FUND OPERATING RESERVE FUND BALANCE FOR TRANSFER FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND TO ESTABLISH THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE LOAN FUND

BACKGROUND

During the April 21, 2020 City Council meeting Finance Director Margaret Sell and I presented an update on the City's COVID-19 response efforts. A summary timeline of those efforts was included in the April 21 packet and is attached. A financial overview was also presented projecting shortfalls in revenues the City relies on to provide core, essential services to residents and businesses. The Financial Outlook memo provided during the April 21 meeting is attached.

During the April 21 meeting I presented City Council with the concept of the City establishing an immediate emergency loan fund to assist qualifying Fruita businesses with mortgage or rent payments. This loan fund would be in partnership with the Business Incubator Center (BIC), which already manages a Fruita loan fund for businesses for many years now. The BIC is capable and ready to administer this. City Council confirmed interest to pursue and discuss details during this special meeting scheduled two days later with the intent to finalize and begin accepting applications as early as the week of April 26.

Attachments:

1. Draft loan structure and eligibility requirements.

2. COVID-19 Financial Considerations and Impacts to the City of Fruita memo presented during the April 21, 2020 City Council meeting.
3. Summary timeline of City COVID-19 response efforts.

The purpose of this special meeting is for the City Council to discuss and establish with the City Manager and Executive Director of the Business Incubator Center the specific uses, amounts, repayment terms, and eligibility criteria for the loans. For ease of discussion, rather than providing multiple proposals, the attached proposal may serve as a baseline template which allows provisions of this proposal to be adjusted during the meeting as the Council sees fit. In addition to creating the loan, an additional measure for Council in this meeting is to officially amend the 2020 Budget to allocate the funds to this loan program and authorize the Business Incubator Center to administer the loan program.

The discussion on April 21 focused on rent or mortgage payment assistance for small businesses as it is one of the main gaps of assistance that businesses seem to be lacking based upon various surveys of the business community. While it is unknown what each business' monthly mortgage payment amount is, we do know that they vary in a wide range based upon location, facility, and size. For example, rents in downtown average \$13/sf based on what sampling the Business Incubator was able to do. This means a monthly rent payment would be approximately \$1,100/month for 1,000 sf, and \$2,200/month for 2,000 sf. Larger warehouse spaces are likely less per sf, but spaces are much larger as well. It is estimated that newer, remodeled properties are likely closer to \$16/sf throughout the City. This does not mean we must limit the use of the loans to this purpose.

FISCAL IMPACT

As proposed, the fiscal impact would be allocating \$60,000 of designated economic development funds for this purpose, with the intent to recoup the funds in one year at no interest. Administrative costs to the Business Incubator Center for lendable \$60,000 would be \$9,600 (16%). This would mean the City would utilize the existing \$35,700 of designated economic development funds included in the 2020 Budget and an additional \$33,900 from future (2021) lodger's tax revenue designated for economic development. While the City anticipates significant revenue shortages as a result of the COVID pandemic, as businesses suffer, the City suffers economically as the largest form of revenue used for core services is sales tax collected by local businesses.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

This step is directly related to the City's goals to provide exceptional core services, while also positively impacting the quality of place, economic health and lifestyle of the City. In addition, it meets the goals of allocating resources in a community first approach and economic development goals to first and foremost focus on the health of existing businesses.

OPTIONS AVAILABLE TO THE COUNCIL:

1. Establish and approve the terms and criteria for the loan fund.
2. Decide to not move forward with the loan fund and hold funds for other possible uses.

RECOMMENDATION:

APPROVE RESOLUTION 2020-23 AUTHORIZING A SHORT-TERM INTERFUND LOAN FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND AND AUTHORIZING THE ESTABLISHMENT OF THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE LOAN FUND

APPROVE RESOLUTION 2020-24 – AMENDING THE 2020 BUDGET AND TRANSFERRING BUDGETED AND APPROPRIATED MONEYS IN THE GENERAL FUND AND APPROPRIATING A PORTION OF THE GENERAL FUND OPERATING RESERVE FUND BALANCE FOR TRANSFER FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND TO ESTABLISH THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE LOAN FUND

RESOLUTION 2020-23

A RESOLUTION AUTHORIZING A SHORT-TERM INTERFUND LOAN FROM THE GENERAL FUND TO THE ECONOMIC DEVELOPMENT FUND AND AUTHORIZING THE ESTABLISHMENT OF THE FRUITA SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM

WHEREAS, the Fruita City Council declared a local disaster emergency in the City of Fruita on March 26, 2020 resulting from the COVID-19 pandemic which is having major impacts on both the health and economic/financial condition of residents and businesses in the City of Fruita, and

WHEREAS, the eligible voters of the City of Fruita approved a 3% increase in the Lodger's Tax to be used for the purpose of Economic Development and a Parks, Trails, Open Space and Public Places at the April 7, 2020 election with said tax increase to be effective on January 1, 2021, and

WHEREAS, the Fruita City Council desires to authorize the issuance of a short interfund loan from the General Fund to the Economic Development Fund to provide additional funding for the Fruita Small Business Emergency Assistance Loan Fund with the General Fund to be repaid upon receipt of Lodger's Tax Revenue in 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE FRUITA CITY COUNCIL AS FOLLOWS:

Section 1: The General Fund will issue a short-term interfund loan to the Economic Development Fund in the amount of \$33,900 for the purpose of establishing the Fruita Small Business Emergency Assistance Loan Fund. The interfund loan shall be repaid to the General Fund in full in fiscal year 2021 from the 3% increase in Lodger's Tax that goes into effect on January 1, 2021.

Section 2: There is hereby established the Fruita Small Business Emergency Assistance Loan program to be administered by the Business Incubator Center subject to the terms and conditions set forth in Exhibit A attached hereto.

PASSED AND ADOPTED BY THE FRUITA CITY COUNCIL THIS 23rd DAY OF APRIL, 2020

ATTEST:

CITY OF FRUITA

Margaret Sell, City Clerk

Joel Kincaid, Mayor

RESOLUTION 2020-23

**A RESOLUTION TRANSFERRING BUDGETED AND APPROPRIATED MONEYS IN THE
GENERAL FUND AND APPROPRIATING A PORTION OF THE GENERAL FUND
OPERATING RESERVE FUND BALANCE FOR TRANSFER FROM THE GENERAL FUND
TO THE ECONOMIC DEVELOPMENT FUND TO ESTABLISH THE FRUITA SMALL
BUSINESS EMERGENCY ASSISTANCE LOAN FUND**

WHEREAS, the Fruita City Council declared a local disaster emergency in the City of Fruita on March 26, 2020 resulting from the COVID-19 pandemic which is having major impacts on both the health and economic/financial condition of residents and businesses in the City of Fruita, and

WHEREAS, the Fruita City Council finds it necessary to transfer budgeted funds designated for Economic Development purposes from the General Fund to the newly established Economic Development Fund for the purpose of creating the Fruita Small Business Emergency Assistance Loan Fund, and

WHEREAS, the eligible voters of the City of Fruita approved a 3% increase in the Lodger’s Tax to be used for the purpose of Economic Development and a Parks, Trails, Open Space and Public Places at the April 7, 2020 election with said tax increase to be effective on January 1, 2021, and

WHEREAS, the Fruita City Council approved Resolution 2020-24 authorizing the issuance of a short term interfund loan from the General Fund to the Economic Development Fund to provide additional funding for the Fruita Small Business Emergency Assistance Loan Fund with the General Fund to be repaid upon receipt of Lodger’s Tax Revenue in 2021.

**NOW, THEREFORE, BE IT RESOLVED BY THE FRUITA CITY COUNCIL TO
TRANSFER AND APPROPRIATE FUNDS AS FOLLOWS:**

Section 1: The sum of \$35,700 is hereby transferred from the General Fund Economic Development Contingency line item (\$25,700) and the City Manager’s Economic Development Line Item (\$7,000) to the Economic Development Fund for the establishment of the COVID19 Response Loan Fund.

Section 2: The sum of \$33,900 is hereby transferred from the General Fund – Operating Reserve portion of the Fund Balance to the Economic Development Fund.

Section 3: The 2020 appropriation for the Economic Development Fund is hereby increased by \$69,600 from \$0 to \$69,600 from the following sources and for the following uses:

Source of Funds

Transfer from the General Fund\$ 69,600

Use of Funds

COVID19 Response Loan Fund \$ 60,000

Loan Fund Administrative Fees.....9,600

\$69,600

**PASSED AND ADOPTED BY THE FRUITA CITY COUNCIL THIS 23rd DAY OF
APRIL, 2020**

ATTEST:

CITY OF FRUITA

Margaret Sell, City Clerk

Joel Kincaid, Mayor

RESOLUTION 2020-23 – EXHIBIT A

Fruita Small Business Emergency Assistance Fund

Purpose

To assist qualifying Fruita small businesses struggling due to forced shutdowns or significant reductions in operations during the COVID-19 pandemic. The City of Fruita recognizes that while most businesses are facing some form of financial hardship and economic losses due to local, state, and federal orders, many businesses that were not considered “Critical Businesses” were forced to temporarily close or dramatically limit operations. This Fund is designed to help these businesses bridge the gap while other loans or funding sources are obtained.

The Fruita Small Business Emergency Assistance Fund is established at \$60,000 in designated funds for economic development efforts to create a loan fund in line with City goals of a “community first” approach, supporting existing businesses, and improving the economic health of the community.

For Discussion: Provisions could be changed (i.e. changing the amount of loan, combining the \$60,000 with \$15,000 in existing BIC-Fruita loan fund, zero interest for 6 months, forgivable options, amounts could be \$1,500, and/or use could be for more than rent/mortgage such as “funds to pay their fixed debt and provide for employees, rent, and other monthly expenses to make sure they can stay viable and reopen after the crisis is over.”

Loan Provisions

- **Interest.** Loans will be 0% interest for 12 months and no closing costs.
- **Payments.** No payments required for first 12 months. If not paid back by end of month 12, monthly payments begin months 13-24 at principal + prime +1% interest.
- **Loan Amounts.** Loans will be equal to the lesser of (i) 50% two-month’s commercial rent/mortgage or (ii) \$3,000.
- **Use of Loans.** Loan funds may be used to pay applicant’s business rent or mortgage payments.
- **Collateral.** Loan is unsecured but require guarantee of any business owner with 20% or more ownership in business.
- **Draw Period.** Borrower may fully-draw this loan within 24 hours of closing. Funds will be direct deposit if possible due to COVID isolation.

Eligibility for Loan

Qualifying Fruita businesses must meet the following criteria to be considered for a loan:

- Applicant has been forced to temporarily close or forced to dramatically limit operations due to the COVID19 pandemic.
- Applicant must have been open as of March 1, 2020, with a physical address in the City limits of Fruita.
- Applicant applying for the funding must be a small business with less than 20 full-time employees and have local ownership.
- Applicant must be in good standing with the City of Fruita and Colorado Secretary of State.

- Applicant must submit a basic survivability plan prior to approval (outline attached below). *Borrowers are strongly encouraged to work with the Grand Junction SBDC over the course of the loan on their business plan and model in order to have a higher likelihood of success.*
- Applicants are strongly encouraged to use their loan funds to negotiate with their landlord or mortgagor for payment reductions and/or surety against eviction for at least 90 days.

Outline for Required Survivability Plan

Our intent is to help the businesses who are most prepared to survive the current health and economic crisis. While we understand the future is largely unknown, applicants are required to submit the following information in order to be considered for loans from this fund (the Grand Junction SBDC can help as needed with the plan and ongoing support; this assistance will be free of charge):

- Applicants must submit an application and attest to the COVID impact and use of funds.
- Applicants will need to submit current personal and business financials.
- Applicants will be required to submit a 3-month and 7-month projection (through 12/31/2020). These do not need to be comprehensive, just a forecast of what you think your business will look like financially with what you know right now.
- Applicants will need to disclose outside sources of funding, cash reserves, etc. that they have available to survive the crisis. You will have a higher likelihood of survival and approval if you have other funding.
- Applicants need to submit a brief statement of their plan to re-open or further-open their business regarding marketing and business model as the old way of doing things may be less relevant than before COVID.

CITY OF FRUITA COVID-19 RESPONSE TIMELINE SUMMARY

- **January 30, 2020** - World Health Organization declared worldwide outbreak of COVID-19 a “public health emergency of international concern.”
- **January 31, 2020** - United States Department of Health and Human Services declared COVID-19 a public health emergency.
- **March 5, 2020** - State of Colorado identifies first positive case of COVID-19.
- **March 6, 2020** – City of Fruita made first public announcement on COVID-19, asked public to limit all non-essential visits to City facilities and follow CDC guidelines to limit the spread of diseases.
- **March 9, 2020** - Mesa County launches Emergency Operations Plan response to emerging threat.
- **March 10, 2020** - Governor Polis declared a state of emergency in response to the spread of COVID-19.
- **March 10, 2020** - City of Fruita activated its COVID-19 Emergency Operations Response Plan. Already able, the City continues ability to work with utility customers for payment arrangements without penalties to assist with cash flow issues.
- **March 11, 2020** – World Health Organization declared COVID-19 a pandemic.
- **March 12, 2020** – City launches Coronavirus Update web page and begins updating multiple times per day.
- **March 12, 2020** – Began participating in weekly Mesa County Public Health Department virtual meeting updates.
- **March 13, 2020** - President Donald J. Trump declared a National Emergency in response to the COVID-19 events.
- **March 14, 2020** - Mesa County Public Health Department announced first positive case of COVID-19 case in Mesa County.
- **March 14, 2020** – Fruita Community Center closed to the public indefinitely, all recreational programming postponed. Billing for memberships at the Community Center are suspended.
- **March 12, 2020** – City Manager begins conducting daily virtual coordination meetings with Leadership Team.
- **March 16, 2020** – Fruita Mayor, City Council and City Manager provided an update to the public on COVID-19.
- **March 16, 2020** - Colorado Department of Public Health and Environment issued Public Health Order 20-22, closing all bars, restaurants, theaters, gyms, and casinos statewide.
- **March 16, 2020** – Mesa County Valley School District announced all district facilities will be closed until April 10, 2020.
- **March 17, 2020** – City begins participating in weekly coordination calls with all public lands managers.

- **March 18, 2020** – City of Fruita closes Police Department and City Shops facilities to the public.
- **March 18, 2020** – President Donald J. Trump signs Families First Coronavirus Response Act (“FFCRA”), providing paid leave for those affected by the pandemic.
- **March 18, 2020** - City begins participating in weekly White House COVID-19 Briefings with State, Local and Tribal leaders.
- **March 18, 2020** – Fruita Parks & Recreation begin sharing tips, online fitness classes and other activities via Facebook.
- **March 19, 2020** – Fruita Parks & Recreation begin partnering with Food Bank of the Rockies to provide easy drive thru food bank at the Community Center. This evolves into regular Kids Aid distributions and Grey Gourmet Deliveries.
- **March 20, 2020** – Fruita Parks & Recreation begin the daily “Sharing Shelves’ program outside the Community Center where people donate and take needed items.
- **March 20, 2020** – City of Fruita began changing marketing to tourists, asked visitors to stay home and postpone any trips to Fruita.
- **March 20, 2020** – City Manager begins participating in twice a week Local Government Coordination calls with the Governor’s Office and State Agencies.
- **March 20, 2020** – Governor Polis issues Executive Order D 2020-12 limiting evictions, foreclosures, and public utility disconnections, expediting unemployment insurance claim processing, and extending deadlines for property tax (including Mesa County/Fruita based on Mesa County decision too) without penalty.
- **March 22, 2020** - Governor Polis issued Executive Order D 2020-013 ordering Colorado Employers to reduce in person workforce by fifty percent due to COVID-19.
- **March 23, 2020** - City of Fruita closed Civic Center to the public, all facilities closed.
- **March 25, 2020** – City coordinates with the Agape Food Bank, located at the Fruita Civic Center, to continue weekly distributions outside Civic Center.
- **March 23, 2020** – City of Fruita reduces in person staff at all facilities, encourages telecommuting when possible and implemented staggered shifts.
- **March 23, 2020** – City Manager begins participating in weekly calls with the County Emergency Manager and other City/County Managers.
- **March 24, 2020** - City Manager declares Local Disaster Emergency in City of Fruita in response to COVID-19.
- **March 25, 2020** – City of Fruita began short video messaging from Mayor, City Council, City Manager and staff to provide updates on COVID-19 and operations.
- **March 25, 2020** – Governor Polis issued Executive Order D 2020-017 ordering all Colorado to Stay at Home due to COVID-1.
- **March 25, 2020** – City Manager begins participating in weekly Economic Development First Responders virtual meetings.
- **March 26, 2020** -Fruita City Council ratified and extended Local Disaster Emergency Declaration.

- **March 27, 2020** – President Donald J. Trump signs Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), a \$2 trillion relief package.
- **March 31, 2020** – City of Fruita strengthened tourism messaging, strongly asked visitors to stay home and not travel to Mesa County.
- **April 1, 2020** – Mesa County Valley School District announced distance learning until April 30, 2020.
- **April 2, 2020** – City Manager and City Attorney provide virtual Q&A focused on CARES Act impacts to employers and employees.
- **April 3, 2020** – Governor Polis recommended that all Coloradans wear non-medical face masks when in public and participating in essential activities.
- **April 3, 2020** – Over 100 part-time employees from the Community Center and Recreation programs are placed on a job-attached furlough and provided assistance to obtain unemployment and a full pay period ahead of time.
- **April 3, 2020** – State extends sales tax deadline which includes Fruita because Fruita sales taxes are collected by the State and not directly. Deadline for April 20 extended to May 20 with no penalties.
- **April 8, 2020** – City conducts a drive-thru Easter Egg hunt at Community Center giving out over 8,000 eggs filled with candy by employees in masks and gloves.
- **April 6, 2020** – Governor Polis extended Stay at Home order until April 26, 2020.
- **April 7, 2020** – Mesa County COVID-19 Incident Team expanded to include all city managers, hospital CEOs, and City Manager begins meeting weekly with this team. Public Health Department begins hosting M, W, F press briefings with this team.
- **April 8, 2020** – Mesa County Public Health Department announced 32 positive cases of COVID-19, 8 with unknown sources – confirmed community spread of virus.
- **April 8, 2020** – Grrretta begins wearing cloth mask 😊.
- **April 11, 2020** – Mesa County Public Health issued Public Health Order 2020-01 requiring all critical retail establishments to implement social distancing measures, wear face coverings.
- **April 16, 2020** – Mesa county Public Health Department confirms that 30 of 34 confirmed positive cases of COVID-19 in Mesa County are fully recovered.
- **April 16, 2020** – City of Fruita decided to postpone Mike the Headless Chicken Festival, many other Fruita events also postponed.
- **April 17, 2020** – City emails all short-term rental owners (1) urging they honor the Governor’s Stay at Home order and (2) refrain from renting to non-essential travel during this pandemic and (3) thanking those who were already doing this.
- **April 17, 2020** – City launches web page that displays a listing and GIS map of local businesses that are open. Map displays the hours, address and link to website are displayed.



FRUITA COLORADO

MEMORANDUM

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

DATE: APRIL 21, 2020

RE: FINANCIAL CONSIDERATIONS AND IMPACTS – COVID 19 PANDEMIC

Emergency declarations concerning the COVID-19 pandemic from the City, County, State and Federal government took place in the latter part of March and has impacted all facets of the economy. The ongoing COVID-19 Pandemic has a number of impacts on the City of Fruita's financial condition. The quantification of these impacts are difficult to estimate at this time and vary by fund. City staff will continue to work on estimates as more information is obtained and keep the Council updated on impacts to the City's overall financial health and measures being taken to reduce the impacts. The following is an estimate of some of the most significant impacts on the City's 3 major funds for the months of March, April and May. Estimates for June onward are yet to be determined.

GENERAL FUND

The financial impact of the COVID-19 pandemic on tax revenues is the most significant area of concern in the General Fund. Tax revenues account for 86% of the total General Fund revenues.

Revenues. Estimates of reductions in revenues for March, April and May range from **\$507,000 to \$618,000**. The following outlines the different impact on various revenue sources.

- Property tax – **Stable outlook** - 15% of General Fund Revenue (\$1.4 million)
 - Waiver by County of 1% interest charges until April 30
 - Potential increase in foreclosures resulting in delayed payments
 -
- County sales tax – **Unstable/Negative outlook** - 31% of General Fund Revenue (\$2.4 million)
 - Time lag on numbers - March sales tax numbers are typically available in May and distributed to the City in June. The state has granted a 30 day extension for payment of March taxes from April 20 to May 20 which means we will not know the full impact of COVID for March until June.
 - Rough estimates range from \$182,000 to \$212,000.
- City sales tax – **Unstable/Negative outlook** – 24% of General Fund Revenue (\$2.1 million)
 - Rough estimates of reductions in revenue -\$160,000 to \$186,000
 - Time lag on numbers – Same as county sales tax.

- Use tax on building materials and vehicles – **Unstable/Neutral outlook** - 10% of General Fund Revenue (\$860,000)
 - Rough estimates of reductions -\$80,000 to \$110,000
 - Anticipate use tax on motor vehicles to be more heavily impacted than use tax on building materials.
- Other Revenues – **Unstable/Negative outlook** – 14% of General Fund Revenues (\$1.2 million)
 - Rough estimates of reductions -\$85,000 to \$110,000
- Year-to-date Sales and Use Tax Revenues – **Positive outlook**
 - Sales and Use Tax Revenues through February are \$142,000 ahead of budget which will offset some of the anticipated decreases.

Expenses: The following measures have been taken to reduce or offset reductions in revenues:

- Hiring freeze on non-essential positions
- Line item reductions where possible including evaluation of capital equipment purchases
- Reductions in professional development and tuition reimbursements– elimination of out-of-town travel except where necessary to maintain certifications
- Use of Contingency funds to offset revenue losses - \$225,000
- Use of a portion of the \$2.0 million in operating reserves – (\$200,000 to \$300,000)

SEWER FUND

Revenues. Sewer revenues are primarily from monthly user charges consisting of both residential (86%) and commercial (14%) accounts and plant investment fees. Estimates of reductions in revenues are approximately \$60,000 (2% of total revenue).

- Residential accounts are billed at a flat rate and no significant impact is projected on these revenues – **Stable outlook**
- Commercial accounts are billed based on actual water consumption. The April billing (for March sewer use) should be available within the next several days. However, for use in the above revenue reduction projections we are currently estimating a 50% reduction for March, April and May – **Unstable/negative outlook**
- There may be additional impacts on revenue from plant investment/tap fees. We are currently \$30,000 ahead of last year during the same period. Plant investment fees were budgeted conservatively (2019 actual \$467,000, 2020 budget \$360,000) so we could see a reduction from last year of 23% without impacting the budgeted sewer revenues. **Neutral outlook**

Expenses: The following measures have been taken to reduce expenses or offset reductions in revenue:

- Delay on filling vacant positions: Sewer Maintenance Work and WW operator
- Line item reductions where possible

- Reductions in professional development and tuition reimbursements– elimination of out-of-town travel except where necessary to maintain certifications
- Use of a portion of the \$368,000 in operating reserves. This amount is net of the operating reserve attributed to loan payments of \$550,000.

COMMUNITY CENTER FUND

Revenues. Estimates of reductions in revenues range from **\$404,000 to \$417,000**. The following outlines the different impact on various revenue sources.

- City sales and Use Tax revenues: - **Unstable/Negative Outlook** - 51% of Community Center Fund Revenue (\$1.5 million)
 - Rough estimates of reductions in revenue -\$80,000 to \$93,000
- Charges for services - **Unstable/Negative Outlook** - 43% of Community Center Fund Revenue (\$1.275 million)
 - Rough estimates of reductions in revenue -\$324,000.

Expenses: The following measures have been taken to reduce expenses or offset reductions in revenue:

- Part time employees have been furloughed until facility re-opens.
- Evaluation and potential postponement of capital equipment purchases
- Hiring freeze/Delay on filling vacant positions.
- Line item reductions where possible
- Reductions in professional development and tuition reimbursements– elimination of out-of-town travel except where necessary to maintain certifications
- Use of a significant portion of the \$458,000 in operating reserves.