

2021 TOWN MANAGER BUDGET DRAFT

FINANCE | November 3, 2020

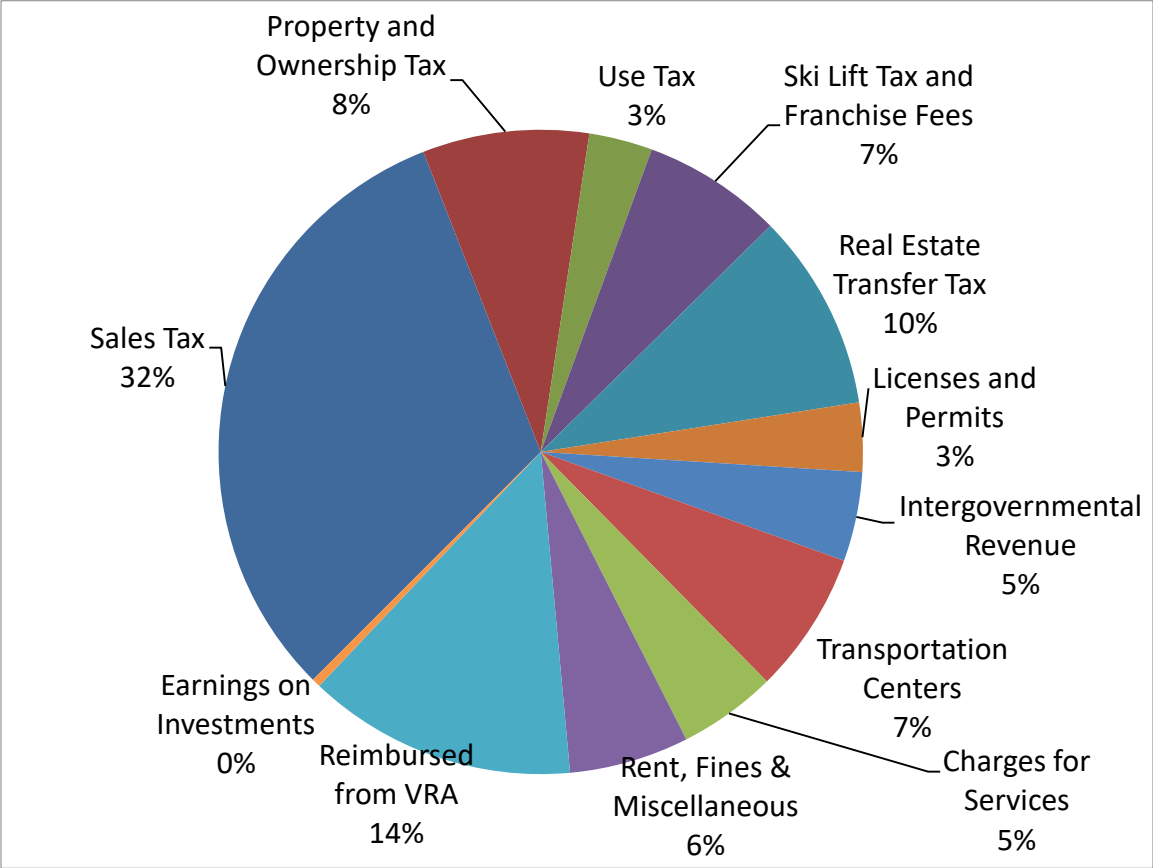


TOWN OF VAIL



- 2020 has been a challenging year
- Public health orders from pandemic mid-March
- Sales tax collections dramatic downturn with comeback over summer months
- Conservative assumption of 40% down for winter
- Year end forecast of \$22.3M in sales tax; down 23% from 2019

Total Revenue – All Funds \$70.7M



2021 Total revenues are proposed at a 20% decrease from 2019, or \$14.8M, and 8% less than 2020 forecast.

Recession Plan: CRISIS



TM BUDGET DRAFT | Revenue

	Fund	2020 Forecast	2021 "Crisis"	Projections
Sales Tax	GF and Capital	\$22.3M	\$22.3M	Down 25% from 2019 Flat with 2020
RETT	RETT	\$ 8.0M	\$ 7.0M	Based on 5-year average; 2020 record year
Property Tax	GF	\$ 5.9M	\$ 5.9M	Flat with 2020 Re-assessment impacts 2022
Parking	GF	\$ 5.1M	\$5.0M	Down 25% from 2019 Down 1% from 2020
Lift Tax	GF	\$ 3.4M	\$3.2M	Down 41% from 2019 Down 8.5% from 2020
Construction Use Tax	Capital	\$ 1.8M	\$ 2.3M	Up 25% from 2020 Down 9% from 2019

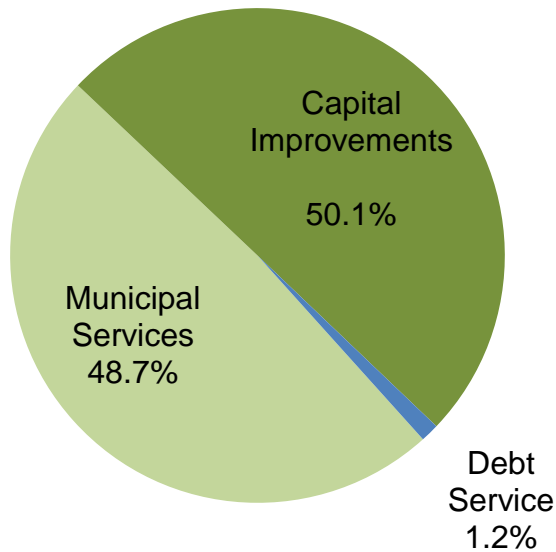
TM BUDGET DRAFT | Expenditures



TM BUDGET DRAFT | Expenditures

2021 Total Expenditures

\$99.8M



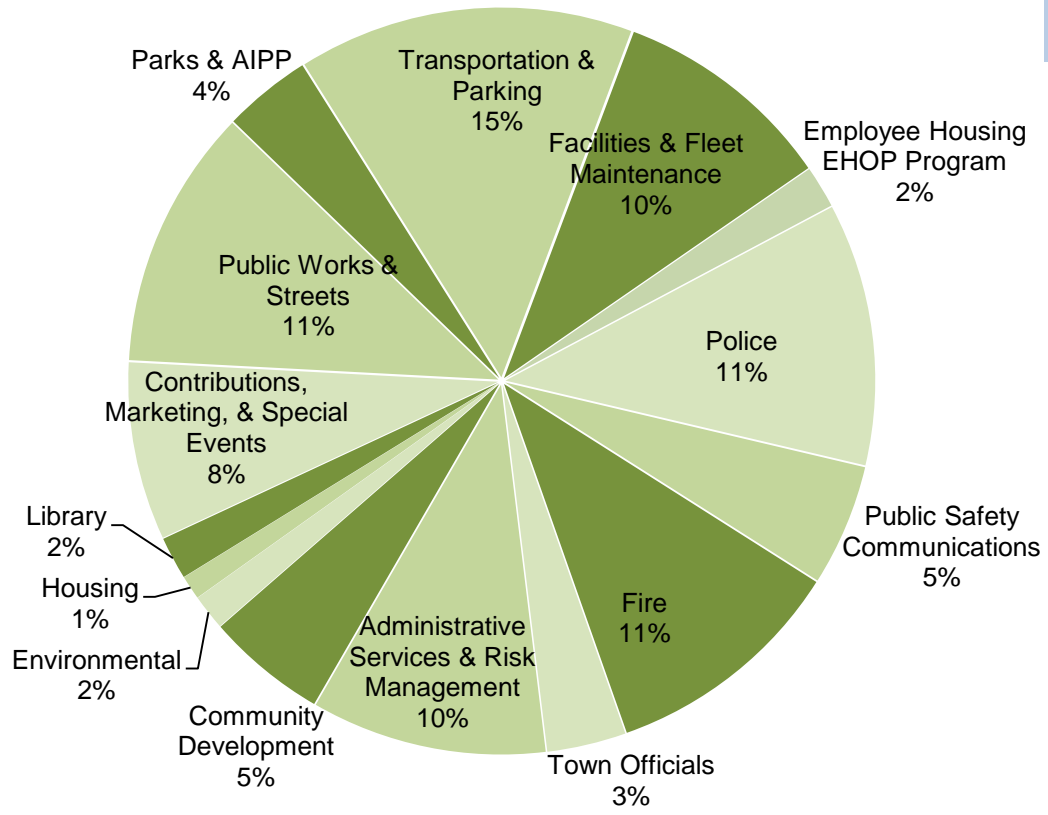
PW Shops project makes up \$17.2M of this total. Without it, total spending of \$82.6M is down 4% from 2020 Original Budget

Expenditures	Cost	% from 2020 Orig
Capital Spending	\$32.9M	-6%
Debt Service	\$ 1.2M	n/a
Municipal Services	\$48.5M	-5%
Total	\$82.6M	-4%

TM BUDGET DRAFT | Expenditures

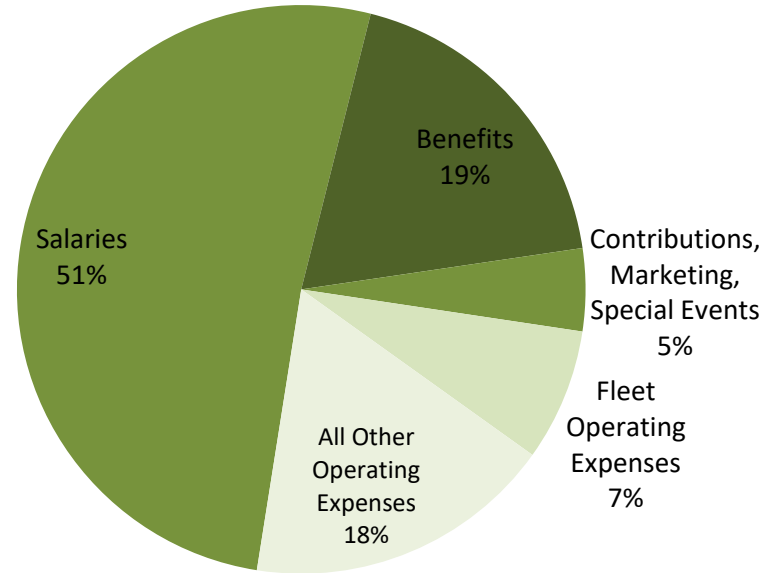
2021 Municipal Spending \$48.5M Department View

Municipal spending of \$48.5M is down 5% from 2020 Original Budget



TM BUDGET DRAFT | Expenditures

Municipal Spending \$48.5M By Category



	2021 Cost	% from 2020 Orig.
Salaries & Benefits	\$ 34.1M	+ 2%
Other Operating	\$ 8.6M	-16%
Contributions & Events	\$ 2.3M	-38%
Fleet Expense	\$ 3.5M	+ 3%
Total Municipal Spending:	\$48.5M	- 5%

TM BUDGET DRAFT | Personnel



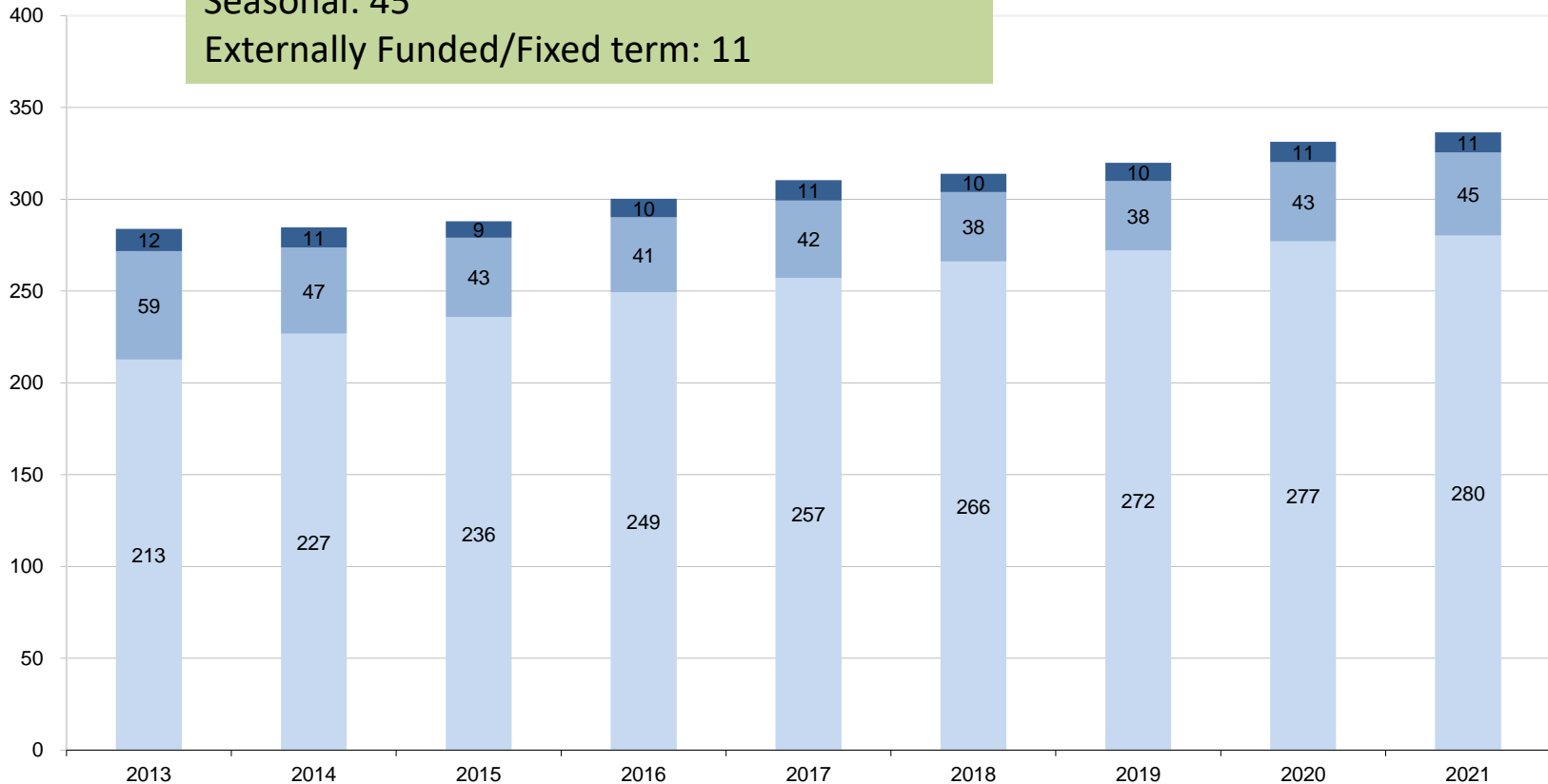
- **Compensation** **\$24.8M**
 - 1 – 3% merit-based performance
 - First Quarter review
 - All employees will go through 1 full year without merit
- **Benefits** **\$ 9.0M**
 - Total Benefit cost:
 - Down 3.4% from 2020 Original
 - Up 6.6% from 2019 Actual
 - No price increase to employees
- Employee Experience
 - Vacation Reinvestment program continued
 - Wellness benefit same as prior year

TM BUDGET DRAFT | Personnel Changes

Position	FTE Count	Status	Included in 2021
Fire Inspector	1.0	Approved 2020; Frozen	√
Construction Manager	1.0	Approved 2020; Frozen	√
Environmental Coordinator	1.0	Approved 2020; Frozen	Funded 2 nd Qtr
Sr. Planner – Comm Dev	1.0	Approved 2020; Frozen	Funded 2 nd Qtr
Seasonal Maintenance Wkr	2.0	Approved 2020 (4 Seas)	√ Fixed term
Financial Analyst	1.0	Approved 2020	√
Police Admin	.25	Approved 2020	√
Risk Management	0.20	Approved 2020	√
Housing – Planner 1	1.0	New	√
Econ Dev – Admin	0.5	New	√
Environment – Admin	0.25	New	√

TM BUDGET DRAFT | Personnel

2021 headcount totals 336.5
Full time: 280
Seasonal: 45
Externally Funded/Fixed term: 11

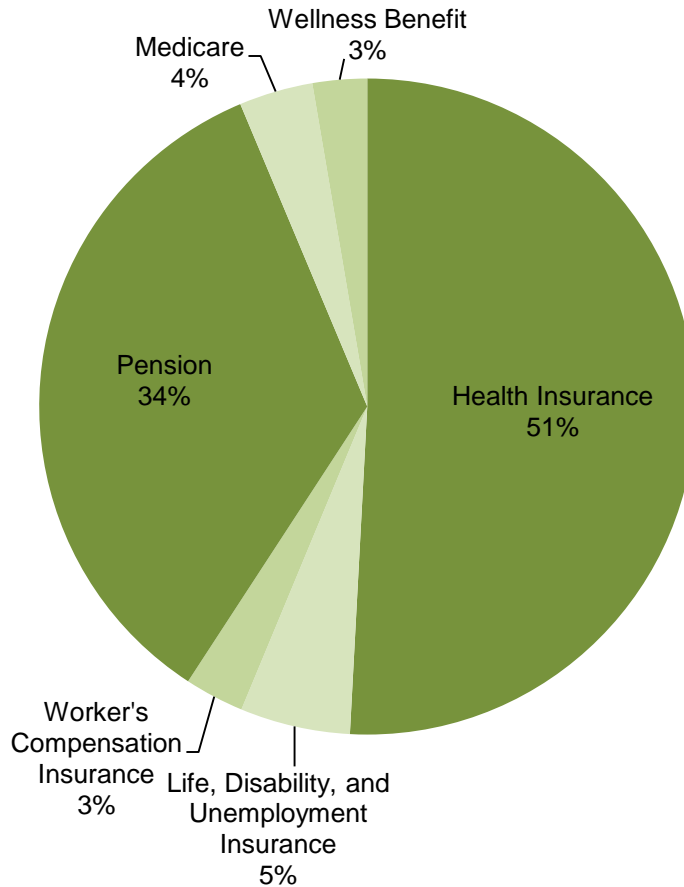


■ Full-Time Regular Base Force

■ Seasonal and Part-Time Positions

■ Fixed-Term and Externally Funded Positions

Total Benefit Cost \$9.0M



Total cost of \$9.0M for 2021 is down 3.4% from 2020 Budget and up 6.6% from 2019 Actual

TM DRAFT BUDGET | General Fund



Three levels of budget planning according to town's Recession Plan

	“Major”	“Crisis”	“Critical”
Sales Tax Assumption	-17%	-25%	-40%
Revenue	\$43.4M	\$40.5M	\$35.3M
Expenditures	\$(42.4)M	\$(42.2)M	\$(37.8)M
Net	\$1.0M	\$(1.7)M	\$(2.5M)
Ending GF Fund Balance	\$35.8M	\$33.1M	\$32.3M
Min. Reserve 35% of Annual Revenues	82%	75%	73%

TM BUDGET DRAFT | Operating Expenditures

COMMUNITY	Ongoing	New	Fund	Budget
- Housing Site Feasibility: CDOT parcel		X	GF	\$ 25K
- Housing Demand trends & needs analysis		X	GF	35K
- Housing Site Feasibility Studies	X		GF	30K
- 2027 Housing Strategic Plan update		X	GF	20K
- Housing Communications Plan & Engagement	X		GF	6K
- Housing Long-term funding source	X		GF	10K
Education & Enrichment Events	X		GF	\$ 154.5K
Vail Social	X		GF	\$ 25K

TM BUDGET DRAFT | Operating Expenditures

EXPERIENCE	Ongoing	New	Fund	Budget
Guest Experience Initiative – Customer Service	X		GF	\$ 50K
Excellent municipal services	X		GF	
New Ambient Events and Music Entertainment		X	GF	\$300K
Free bus service	X		GF	
Public Art programming	X		RETT	\$101K

ECONOMY	Ongoing	New	Fund	Budget
Civic Area Master Plan Outcomes	X		GF	\$ 250K
Special Events Funding	X		GF	\$1.8M
Year-round guest survey	X		GF	\$ 30K
Event activation: Mountain Travel Symposium		X	GF	\$163K

TM BUDGET DRAFT | Operating Expenditures

SUSTAINABILITY	Ongoing	New	Fund	Budget
Update Vail Vision Plan		X	GF	\$ 300K
Actively Green programming	X		RETT	\$ 40K
Open Lands Plan: Biodiversity Study	X		RETT	\$ 50K
USFS Front Ranger Program	X		RETT	\$ 50K
Wildlife Habitat Improvements	X		RETT	\$100K
E-bike program (Yr 2 Pilot)	X		RETT	\$ 25K
Sustainable Destination monitoring/reporting	X		RETT	\$ 30K

TM BUDGET DRAFT | Contributions



TM BUDGET DRAFT | Council Contributions

	2021 Proposed	Comments
Services		
Colorado Snowsports Museum	\$ 41K	Plus waived rent (\$137K)/parking
Betty Ford Alpine Gardens	\$ 64K	Plus parking passes/water bills
Children’s Garden of Learning	\$ 20K	Plus snow plowing
High Five (Channel 5)	\$112K	Franchise fee requirement (30%)
Eagle Air Alliance	\$ 68K	Included in Econ. Dev. Budget
Bright Future Foundation	\$ 50K	Capital request for new facility
Eagle Valley Childcare	\$ 60K	Annual support
Eagle River Watershed	\$ 40K	Annual water testing
In-Kind		
For non-profit sports groups (SOS, Skating Club, Ski and Snowboard Club, etc.)		
Days at Dobson	\$ 57K	In-kind value of Dobson days
Day parking coupons	\$ 6.3K	In-kind value of parking coupons
Mind Springs	\$ 46.8K	In-kind value of rent, utilities & parking

TM BUDGET DRAFT | Council Contributions

	2021 Proposed	Comments
Commission on Special Events	\$625,554	Flat with 2020 amended 30% decrease from 2019
Education & Enrichment Events	\$154,530	2% increase with budget
Fireworks	\$ 36,000	30% decrease from 2019
Signature Events	\$421,600	6% decrease from 2019 plus
New Signature Event(s): Enhanced programming at GRFA	\$ 52,500	New request
Destination Events	\$ 0	Previously Snow Days and Spring Back to Vail events
Ambient and Music Entertainment	\$300,000	New request
Town-produced Events (Revelry, Vail Holidays, Magic of Lights)	\$220,000	Increase from 2019 for Magic of Lights (\$250K in 2020 & \$50K in 2021)
Total Events Spending:	\$1,810,184	43% less than 2020 Original budget with loss of large events like Burton US Open, Spring Back and Snow Days

TM BUDGET DRAFT | Capital Plan



TM BUDGET DRAFT | Capital Plan

Project Name	Cost	Fund
PW Shops (Assumes Financing)*	\$17.2M	CPF
East Vail Drainage Improvements	\$1.5M	CPF
Police Body Cameras and evidence software update*	\$170.8K	CPF
Vail Village Snowmelt replacement*	\$1.25M	CPF
Snowmelt boilers	\$500K	CPF
Donovan Pavilion (2020 start)*	\$ 850K	CPF
Fiber Optic Expansion	\$500K	CPF
Buffehr Creek Turn Lane (2021/2022)	\$1.1M	CPF
Fire engine replacement	\$880K	CPF
Parking equipment/system replacement	\$1.0M	CPF

* Council packet includes backup information (narrative or memo)

TM BUDGET DRAFT | Capital Plan

Project Name	Cost	Fund
Water Quality Infrastructure	\$1.75M	RETT
PW Solar project	\$1.1M	RETT
Ford Park parking lot entry reconfiguration*	\$400K	RETT
Park Maintenance	\$1.7M	RETT
Art in Public Places	\$729K	RETT
Forest Health	\$292K	RETT
Environmental Sustainability	\$4.6M	RETT

Project Name	Cost	Fund
InDEED Deed Restriction Purchase Program	\$2.5M	HSG
Booth Heights land	\$TBD	TBD

TM BUDGET DRAFT | Capital Plan

Project Name	Cost	Fund
Frontage Rd. improvements (Vail Health to LH parking)	\$ 9.0M	VRA
Children's Garden of Learning	\$ 2.0M	VRA

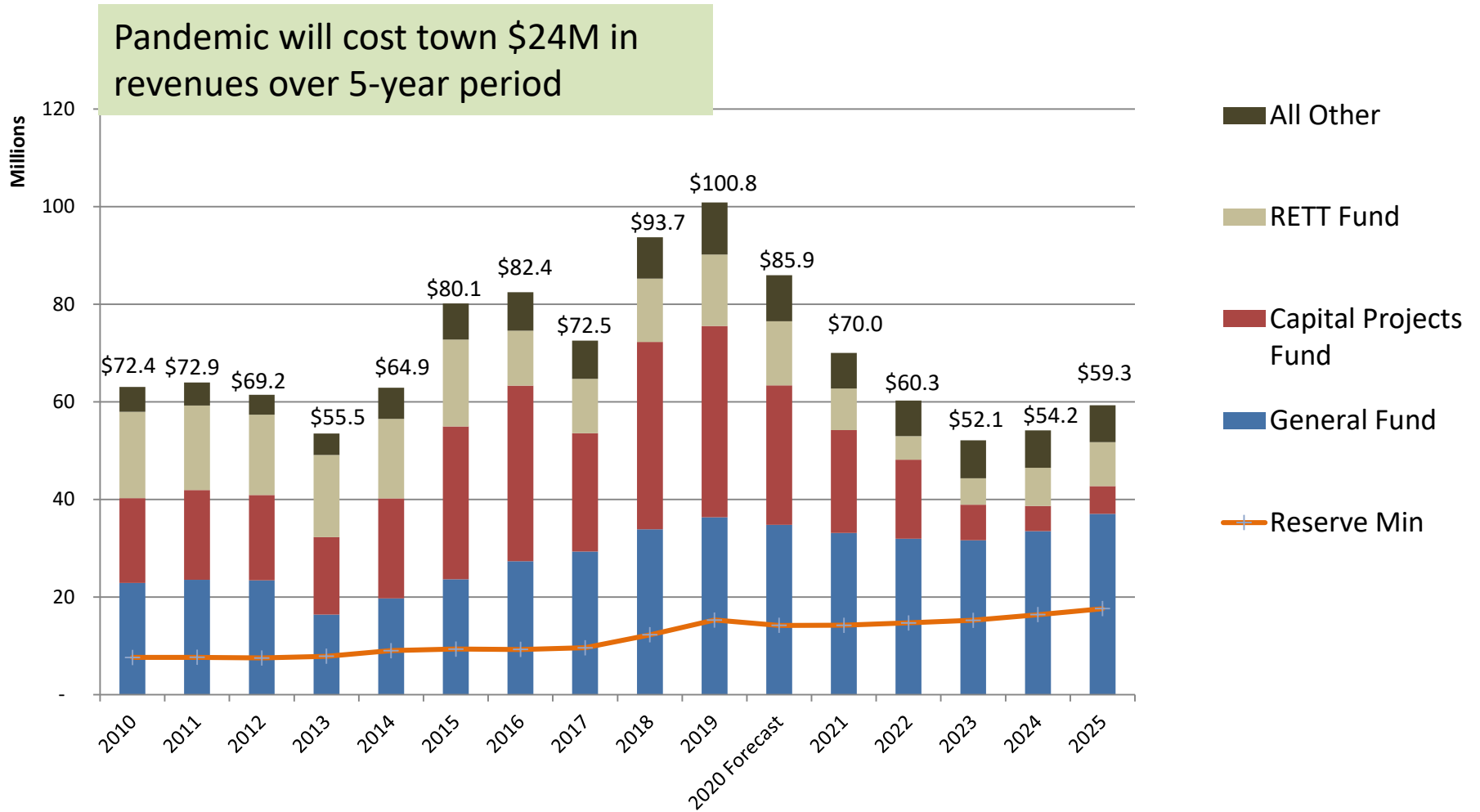
- VRA ends June 30, 2030
- Bonding capacity and timing tight for financing; Option to “pay as you go” with cash funding
- Estimated cash balance at end of June 2030 is \$40.0 million. The only major projects funded by VRA include:
 - ✓ Frontage Rd improvements (Vail Health to LH parking)
 - ✓ Children's Garden of Learning relocation (temporary and permanent)

The largest unfunded projects over the next five years include:

- Civic Area Plan Improvements / Municipal Complex
- West Vail Master Plan Outcomes
- Timber Ridge Redevelopment

- Marketing Fund
 - New Ambient Event category
 - Savings from 2019 due to cancellation of large events
- Heavy Equipment Fund
 - \$1M in replacement vehicles in 2021
- Health Insurance Fund
 - Use of reserves to stabilize expenditures to departments and employees
- Dispatch Services Fund
 - No set-aside for capital reserve
- Timber Ridge Enterprise Fund
 - Payback of \$1.9M Note to TOV

TM BUDGET DRAFT | Reserves



- Are there changes Council would like us to consider as we bring the Town Manager's budget forward?

First reading of budget ordinance November 17th