# Town Council

## ONLINE MEETING

## Tuesday, December 1, 2020

## Public Meeting Room / Eagle Town Hall

## 200 Broadway Eagle, CO

*This agenda and the meetings can be viewed at www.Townofeagle.org.*
*Times listed are approximate and are subject to change.*

### MEETING ACCESS INFORMATION AND PUBLIC PARTICIPATION

1. This will be an online meeting.

   ACCESS THE ONLINE MEETING HERE

   Please note: All participants are automatically muted. In order to be called upon and unmuted, you will need to use the "raise hand."

   When it's your turn to speak, the moderator will unmute your line and you will have three (3) minutes for public comment.

   PUBLIC COMMENTS: If you are unable to attend, public comments regarding any items on this agenda can be submitted to Jenny Rakow, Town Clerk, and will be included as part of the record.

   For technical difficulties please email bill.shrum@townofeagle.org and we will do our best to assist you.

### CALL TO ORDER - 4:00 PM

### PRESENTATIONS

1. Broadband Project Presentation
2. COVID-19 Economic Relief Proposals

### ADJOURN - 6:00 PM

I hereby certify that the above Notice of Meeting was posted by me in the designated location at least 24 hours prior to said meeting.

Jenny Rakow, CMC
Town Clerk

**PUBLIC WIFI - TOEG – townofeagle2019**

| | |
|---|---|
| To: | Mayor and Town Council |
| From: | Brandy Reitter, Town Manager |
| Date: | December 1, 2020 |
| Agenda Item: | Broadband Project Update |

REQUEST:

Staff requests that Town Council review a presentation on the status of the broadband project and provide feedback.

INTRODUCTION:

The Town has been working on broadband projects since 2018. The last update the Town Council received on the municipal broadband project was in a work session on September 1. The feedback from the Town Council was for staff to proceed with the bidding process for construction and financing to update the proforma. After completing the bid process and revising the proforma, staff was to schedule a follow up work session for the Town Council to review the results before making a decision. Over the last 2 months staff completed the task and the presentation and supporting documents are attached to this memo.

ANALYSIS:

Bid Process Summary

Uptown received 6 bids for the construction of the network. The outcome resulted in 2 vendors with pricing that aligns with the proposed budget. Northland Securities secured 1 bid for financing and needs an extra week to give 2 other banks time to bid on the project. The financing portion of this project includes broadband and refinancing of prior wastewater debt from 2007.

Questions from Council

Prior to the completion of the packet, staff received the following requests to assist with the review of the presentation:

- Include a 20-year income and cash-flow statement to support the Summary Financial Metric slide.
- Label the December column scenarios so they can easily be referenced during the discussion.
- Provide definitions of terms listed on the Summary Financial Metric slide.
- Include a bullet point slide describing each term and any key assumptions/estimates

that make up the $9.1M long-term bond.

- Include a slide on how the working capital loan is being handled.
- Include a slide describing how/who took the unit costs to estimate total construction costs. Key assumptions and any contingency?

Staff's Response to Feedback
Included with this memo is an email that was sent to a council member answering questions after the review of the presentation. Staff thought it might be helpful for the entire council to see the email because it answers important questions related to the proforma.

Presentation Materials
Eagle Town Broadband Work Session Dec 1, 2020 FINAL – This is the revised PowerPoint that includes feedback from David Gaboury as well as an updated financial summary with current construction and financing bids.

20 Year Summary Proforma Metrics – Dec 1 Work Session – Per requested, this is a spreadsheet that shows the 20-year cash-flow for the project. This report includes income, expenses, cumulative cash, and net cash statements.

COMMUNITY INPUT:

Community input on the Town's broadband initiatives can be found in the Downtown Colorado, Inc. Assessment, the newly adopted Comprehensive Plan, Town Council's Strategic Plan, and the Broadband Feasibility and Assessment plan.

BUDGET / STAFF IMPACT:

There is no budget or staff impact currently.

STRATEGIC PLAN ALIGNMENT/STANDARDS ACHIEVED:

The update of the financial summary is a carryover from previous conversations about broadband. The policy alignment of broadband is reflected in the plans mentioned above.

RECOMMENDED ACTION OR PROPOSED MOTION:

Since the information is presented in a work session, no official actions can be taken, only feedback. Staff would like the following feedback:

1. Does the Town Council require anymore information from staff related to the presentation?
2. Would the Town Council like for staff to vet the bids and bring back a recommendation or notice to award a contract in January for construction/financing?

ATTACHMENTS:

- Eagle Town Broadband Work Session Dec 1, 2020 Final Presentation
- 20 Year Summary Proforma Metrics – Dec 1 Work Session
- Staff's Response to Feedback Emails

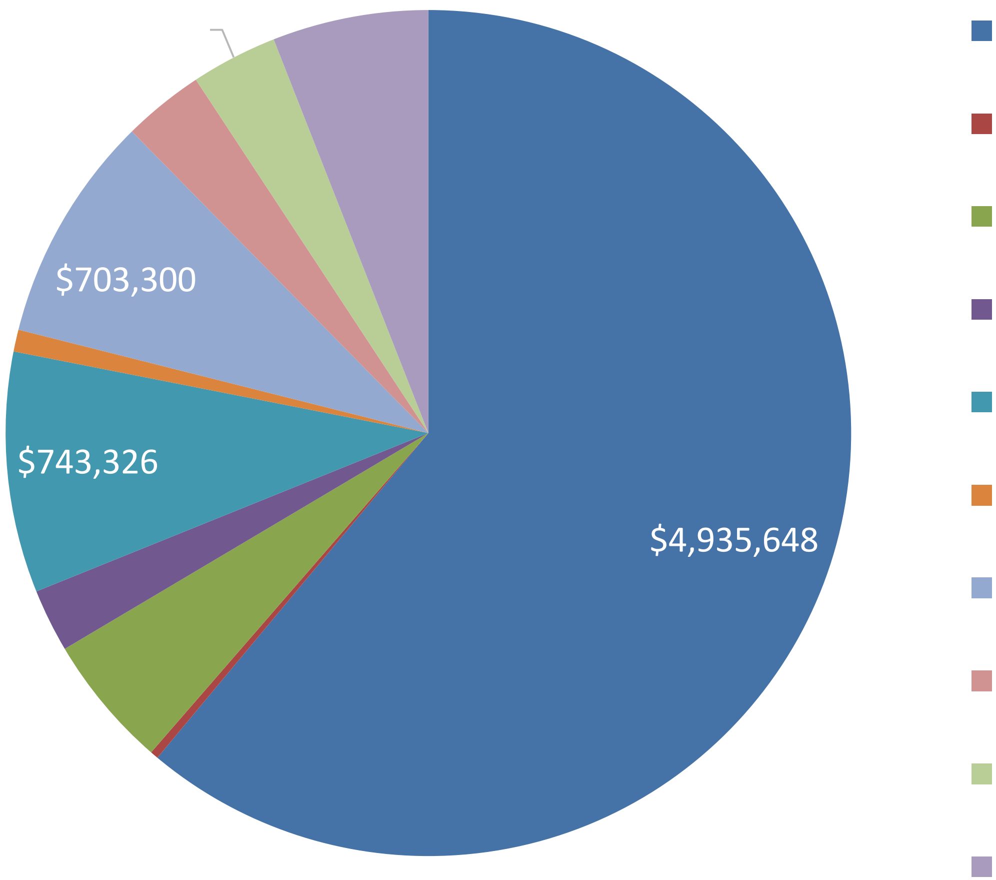
# PRO FORMA VALIDATION

| Line Item | Source of Verification | Before / After |
|---|---|---|
| Bond Interest Rate | Proposal received by Northland Securities | 2.875% → 3.0% |
| OSP Construction Cost | Construction bid received by TOE | $1,389* → $1,320/passing |
| Make Ready Cost | Sample aerial walkout completed by HCE | $750 → $1,000/pole |
| Cost of Bandwidth | Sourcing change provided by Glenwood Springs | $.50 → $.25/Mbps |
| Fiber Drop Install Cost | Firm quote received by Glenwood Springs | $250 → $350 |
| Ops Support System Cost | Firm quote received by Glenwood Springs | $250k → $145k |

# CONSTRUCTION RFP RESULTS – WORK IN PROGRESS

| | | Bidder | Hardscape Boring / Foot | Greenspace Boring / Foot | Cobble Adder / Foot | Total Labor Cost | Labor Cost per Passing | Delta to Estimate |
|---|---|---|---|---|---|---|---|---|
| **Pro Forma** | | Uptown Estimate | $16.00 | $13.00 | $15.00 | $3.3M | $1,212* | - |
| **Lowest 2 Bids** | **At Bid Specs** | Bidder 1A | $12.00 | $12.00 | $7.00 | $3.0M | $1,092 | **$327K Under** |
| | | Bidder 1B | $17.50 | $11.50 | $7.00 | $3.1M | $1,127 | **$232K Under** |
| | | Bidder 2 | $16.00 | $13.00 | $15.00 | $3.4M | $1,225 | **$36K Over** |
| | **Plus Contingency** | Bidder 1A 10% Cobble | $12.00 | $12.00 | $7.00 | $3.1M | $1,112 | **$274K Under** |
| | | Bidder 1B 20% Cobble | $12.00 | $12.00 | $7.00 | $3.2M | $1,151 | **$167K Under** |
| **All Other Bids** | | Bidder 3 | $26.40 | $18.90 | $12.40 / $15.60 | $4.5M | $1,640 | $1.2M Over |
| | | Bidder 4 | $16.07 | $16.07 | $25.00 | $4.7M | $1,692 | $1.3M Over |
| | | Bidder 5 | $29.78 | $29.78 | $27.83 / $21.70 | $6.9M | $2,522 | $3.6M Over |
| | | Bidder 6 | $30.00 | $21.60 | $24.00 | $7.3M | $2,653 | $4.0M Over |

# BASELINE CAPEX – YEARS 1-5



# FUNDING SOURCES & KEY METRICS

1.

2.

3.

4.

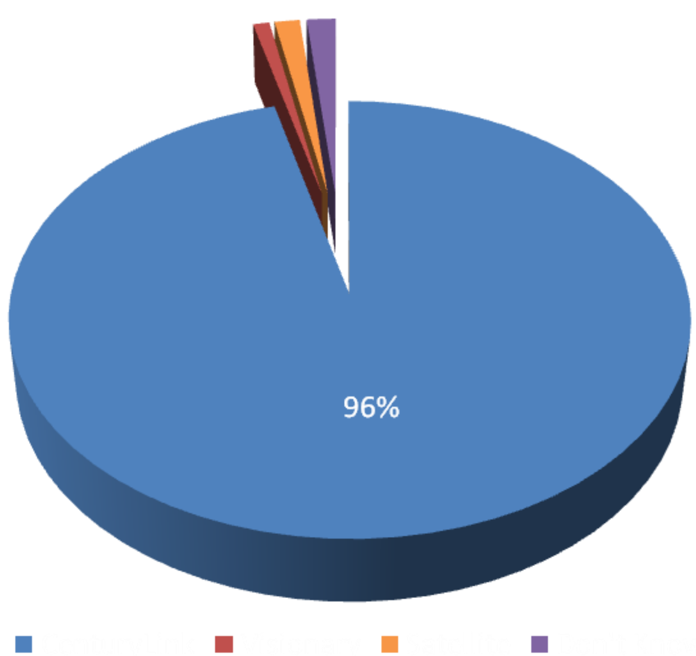
# SUMMARY FINANCIAL METRICS

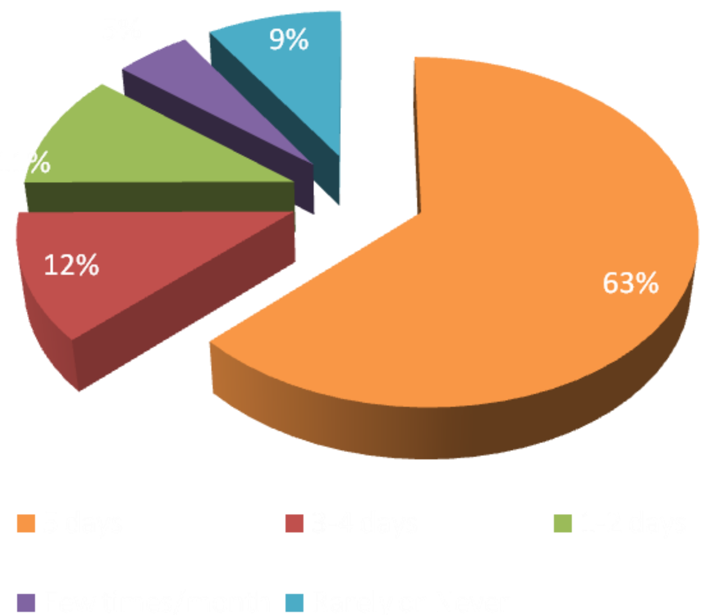
| Input/Outcome | Sept. 2020 Update | Dec. 2020 Update 46% Take Rate Study Finding | Dec. 2020 Update 46% Take Rate w/ 20% Cobble | Dec. 2020 Update 42% Take Rate No Addl. Funds | Dec. 2020 Update 35% Take Rate 'Worst Case' |
|---|---|---|---|---|---|
| **Scenario** | | **#1 (Baseline)** | **#2** | **#3** | **#4** |
| Annual GF Contribution | $50k (Years 1-10) | | | | |
| HCE Franchise Fee of 1% | $44k (Year 1) | | | | |
| Long Term Bond Amount | $9.1M | $9.4M | $9.6M | $9.3M | $9.1M |
| Long Term Bond Interest Rate | 2.9% | 3.0% | | | |
| Working Capital Loan | $1.0M | $1.0M | $1.0M | $1.0M | $2.6M |
| Town Equity | $0.5M | | | | |
| **Total Funding** | **$10.6M** | **$10.9M** | **$11.1M** | **$10.8M** | **$14.6M** |
| Net Cash – Year 20 | $2.7M | $2.4M | $2.1M | $500k | ($4.1M) |
| **Project Break Even** | **17 Years** | **17 Years** | **17 Years** | **18 Years** | **> 20 Years** |
| **Minimum Cumulative Cash** | **$1.15M** | **$850k** | **$750k** | **$130k** | **Requires additional $2.4M in Years 7-20** |

# UPSIDE OPPORTUNITIES

# IMPLEMENTING A FTTP PLAN

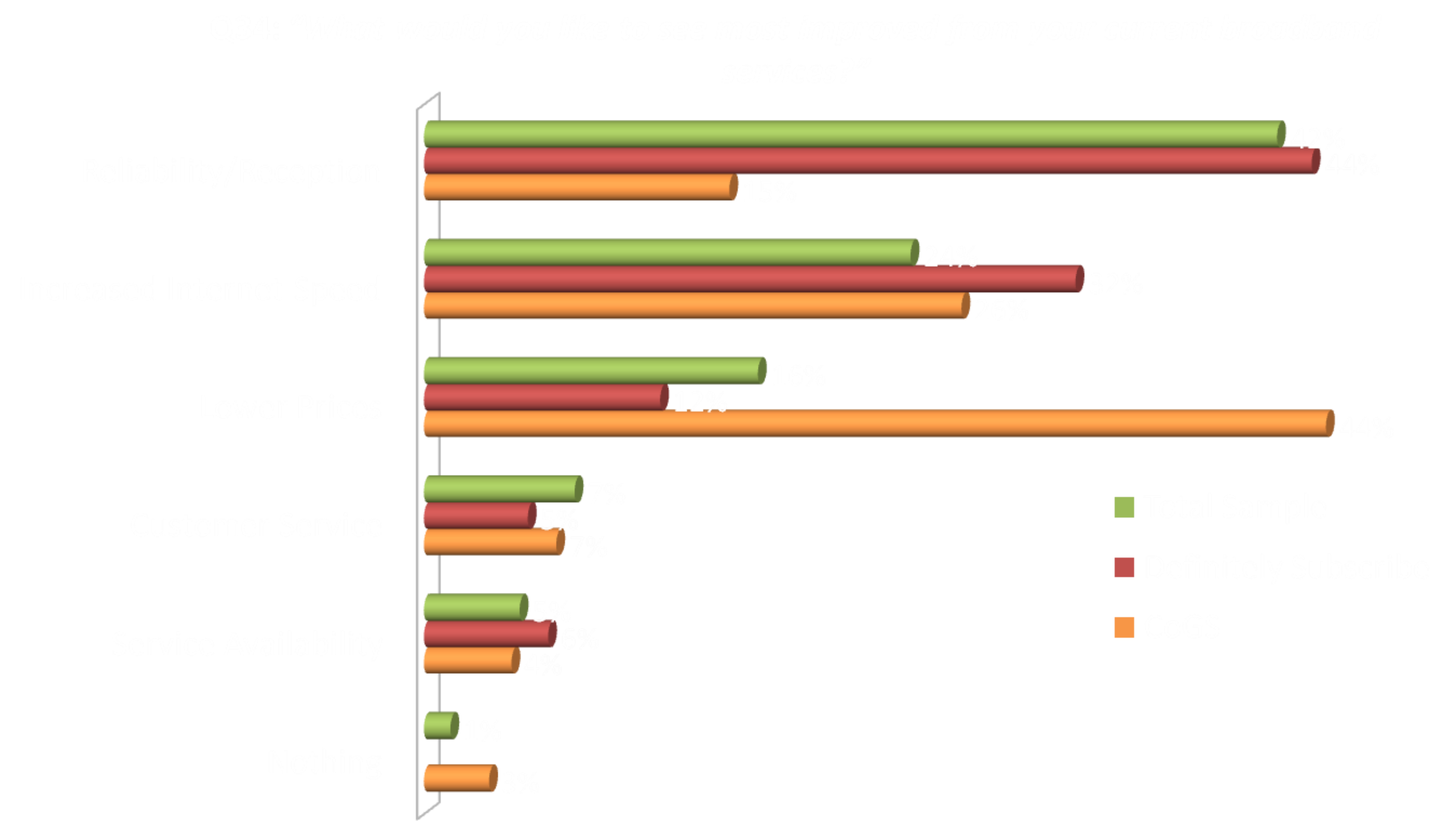
# PRE-COVID INTERNET SERVICE USAGE



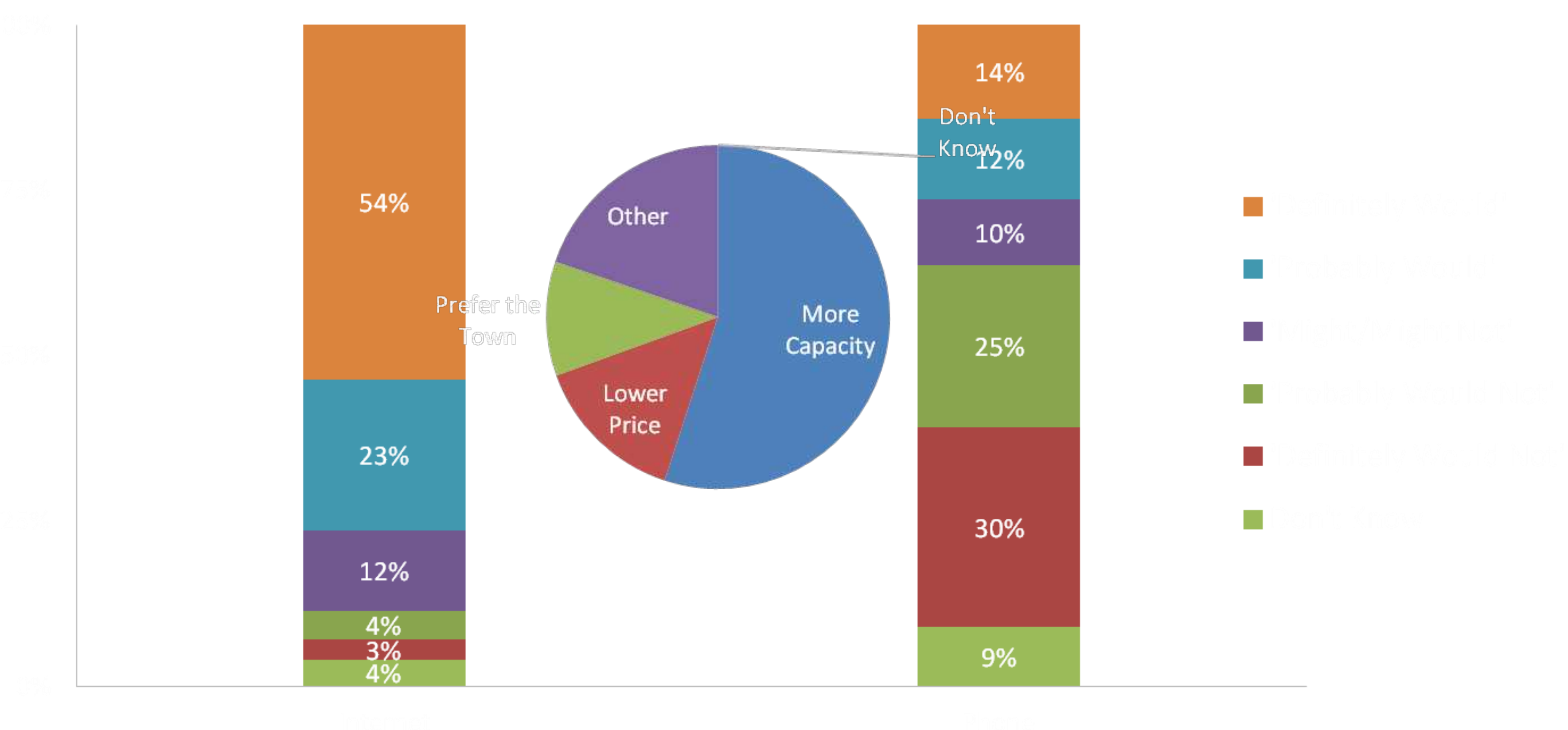
# SATISFACTION RATING BENCHMARKS

# CUSTOMER NEEDS

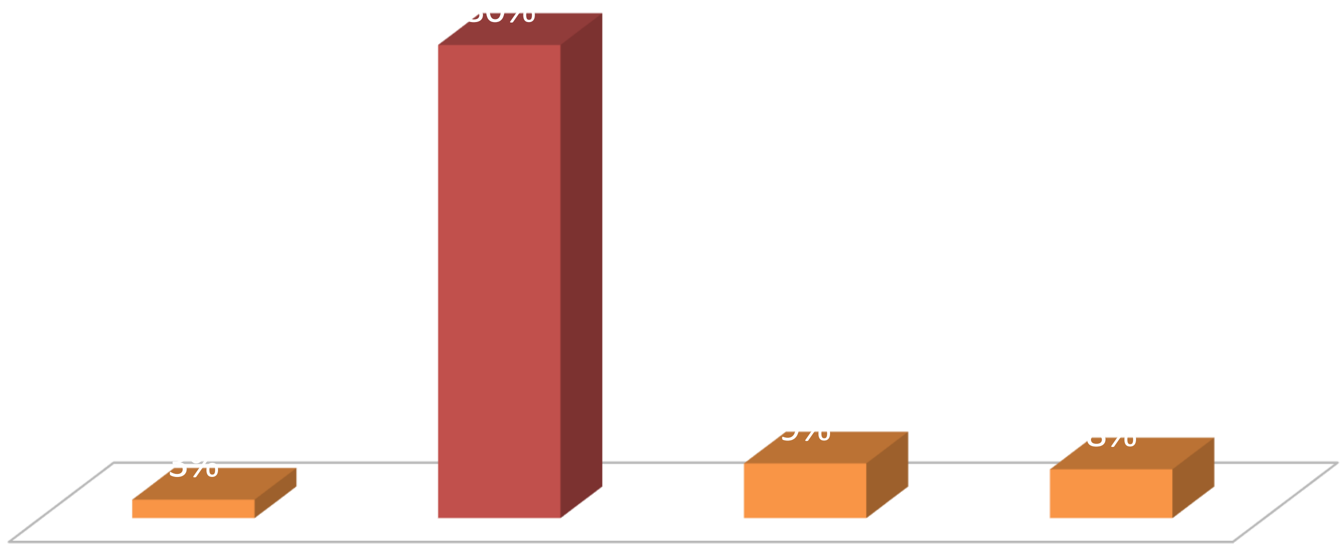


# PURCHASE INTENT

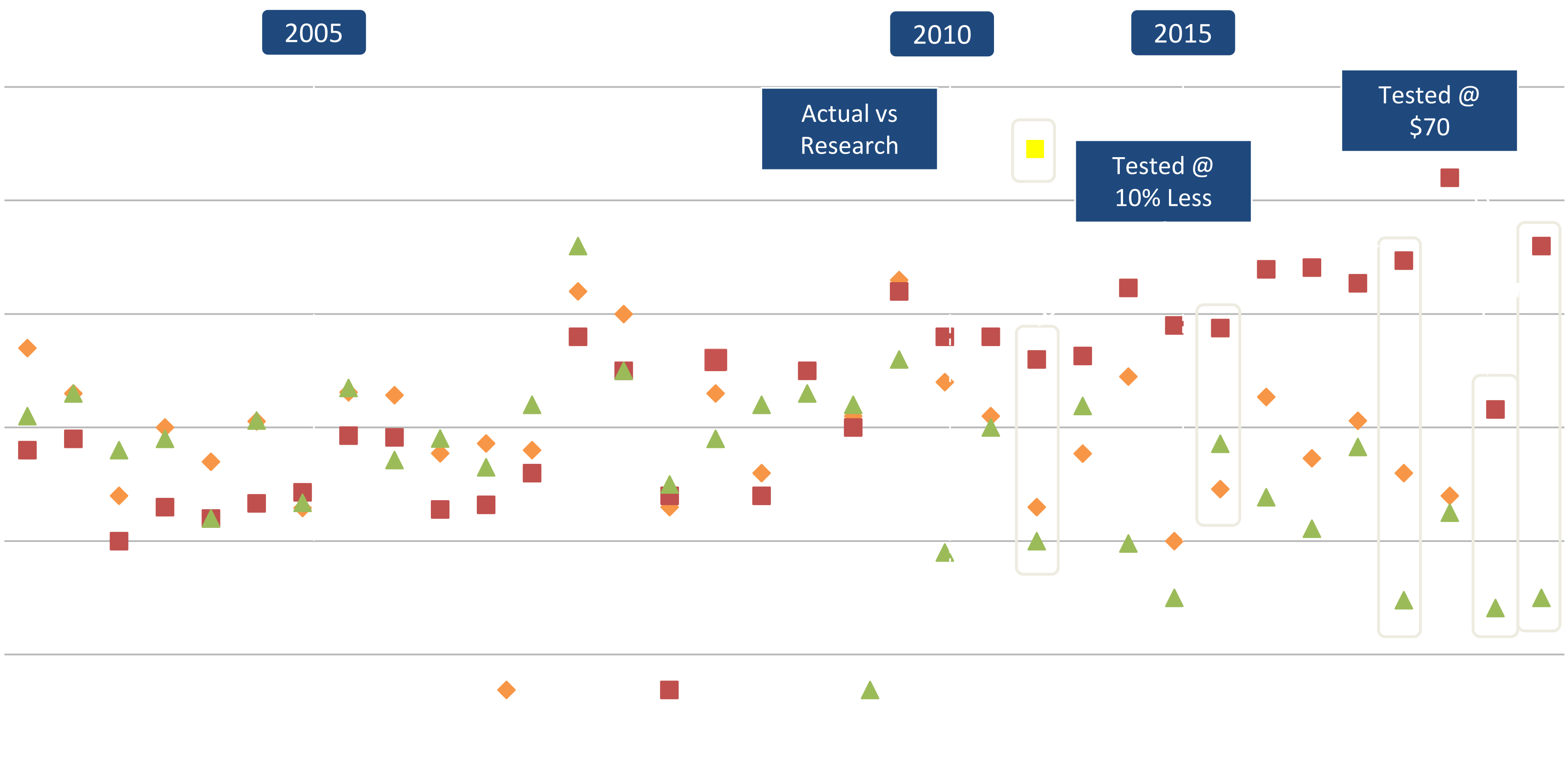
*- Internet at $70/mo. for 1Gbps*
*- Voice at 10% Less than CenturyLink*



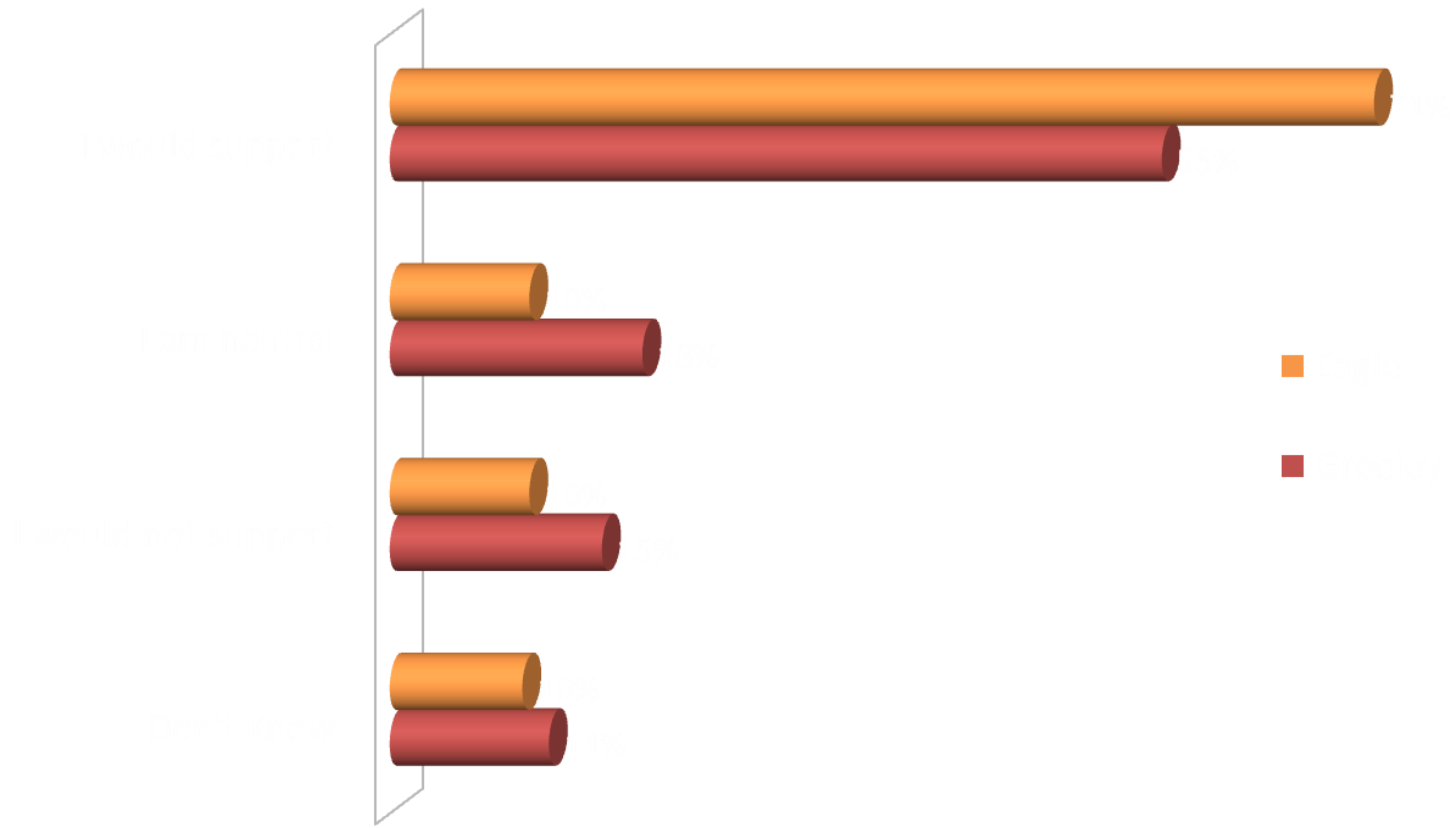
# COMCAST AND THE TOWN 1G INTERNET



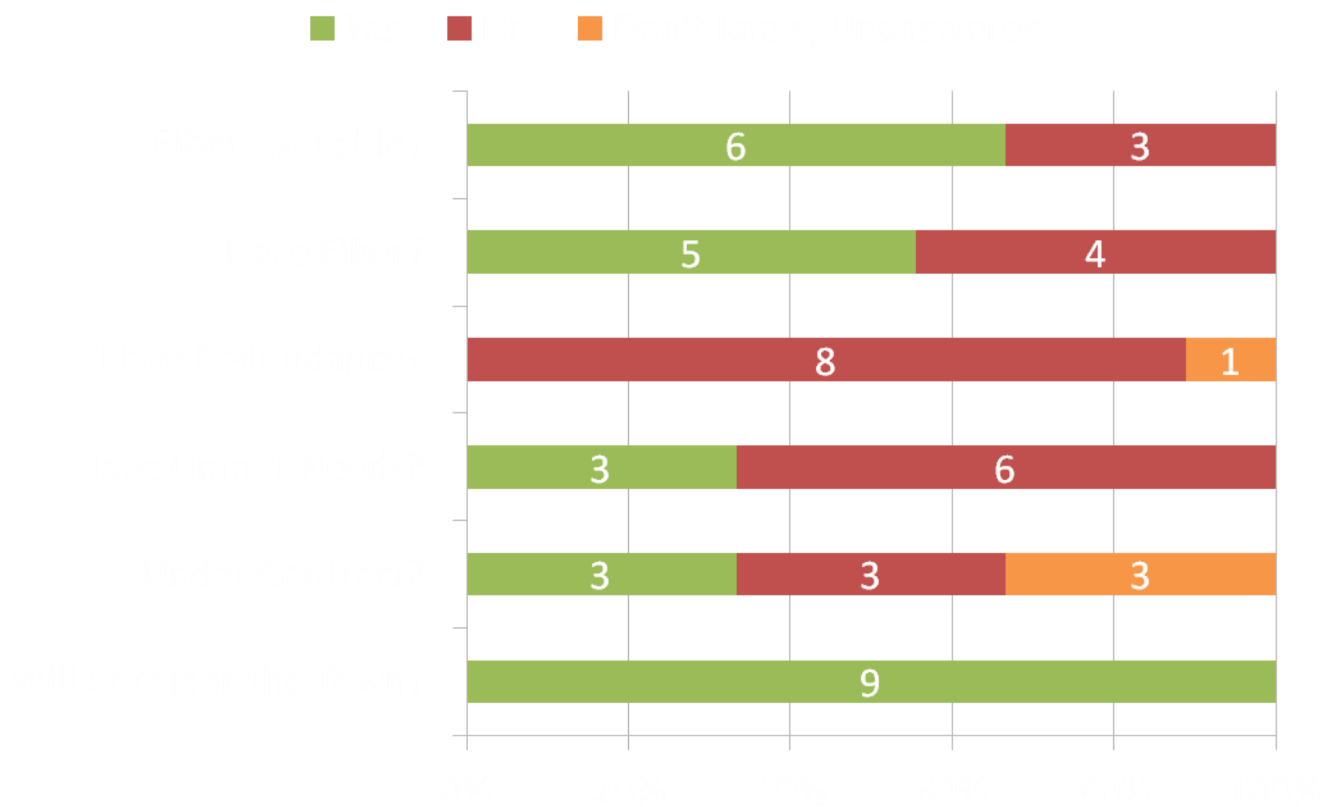
# PURCHASE INTENT BENCHMARKING



# REVENUE BOND SUPPORT

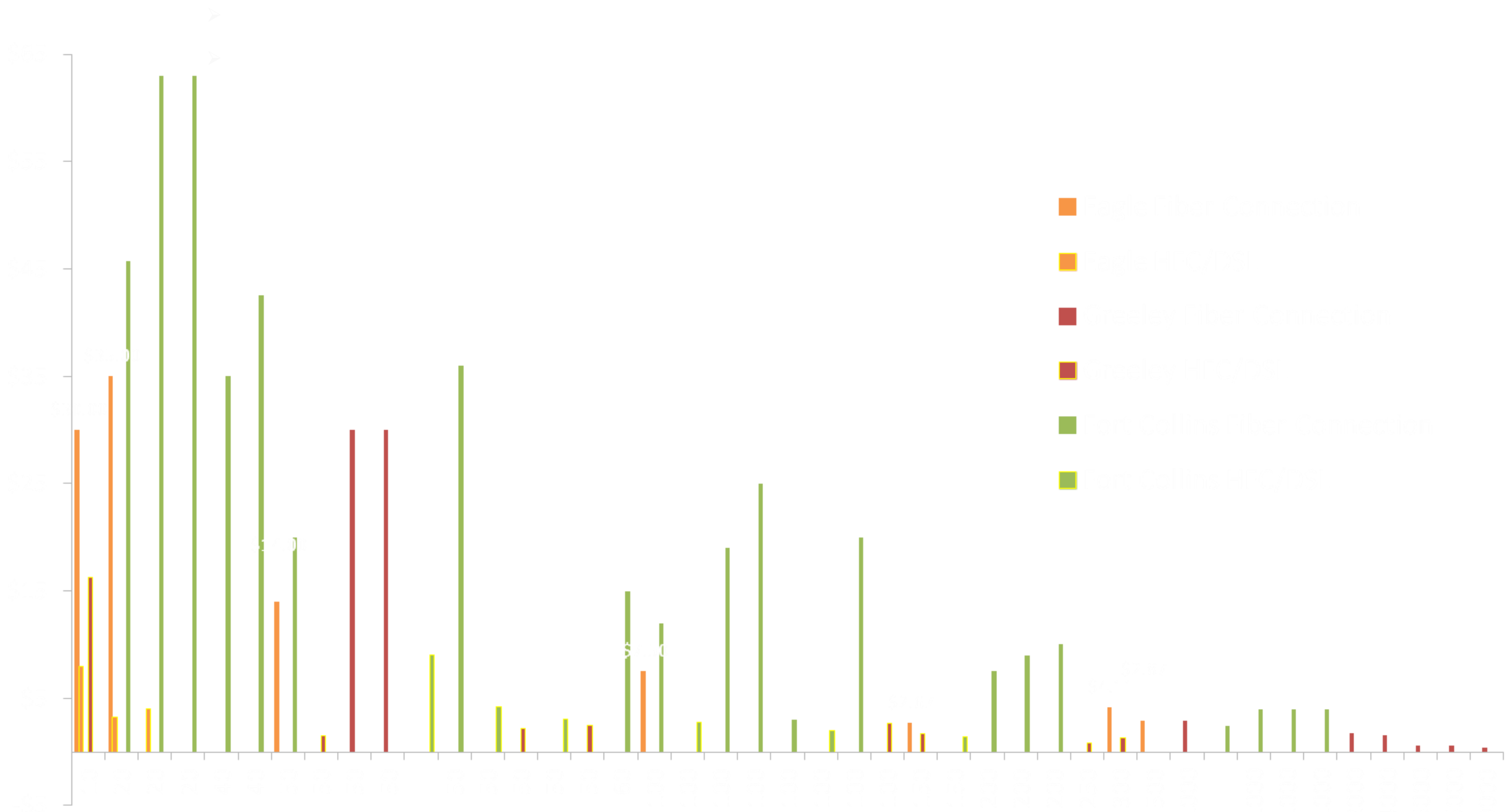


# FIBER IS AVAILABLE BUT WILLING TO SWITCH




1. Redundancy
2. Reliability
3. Better Value

# HIGH CAPACITY PRICING



# PRICING FRAMEWORK: TRANSPORT TO DENVER

**Transport Only**

| | | | |
|---|---|---|---|
| 500M [3] | Private: $550 ($1.10/Mbps)<br>Public: $525 ($1.05/Mbps) | Private: $500 ($1.00/Mbps)<br>Public: $475 ($.95/Mbps) | Subject to capacity availability as determined by the Town |
| 5G [3] | Private: $4,500 ($.90/Mbps)<br>Public: $4,250 ($.85/Mbps) | Private: $4,000 ($.80/Mbps)<br>Public: $3,750 ($.75/Mbps) | |
| **Additional Port MRC after 2** | $500 ea. | $500 ea. | |

# PROPOSED RESIDENTIAL INTERNET PRICING

| | | | |
|---|---|---|---|
| 1G / 1G | $70 | Standard: 803G ($112)<br>Wireless: 844G ($199) | N/A |
| 4G / 4G | $150 | | |
| Wireless Extender | No fee | 804 ($74)<br>*End user one-time purchase* | |

# OPERATING PARTNER: GLENWOOD SPRINGS

# INCREMENTAL BROADBAND FTE REQUIRED

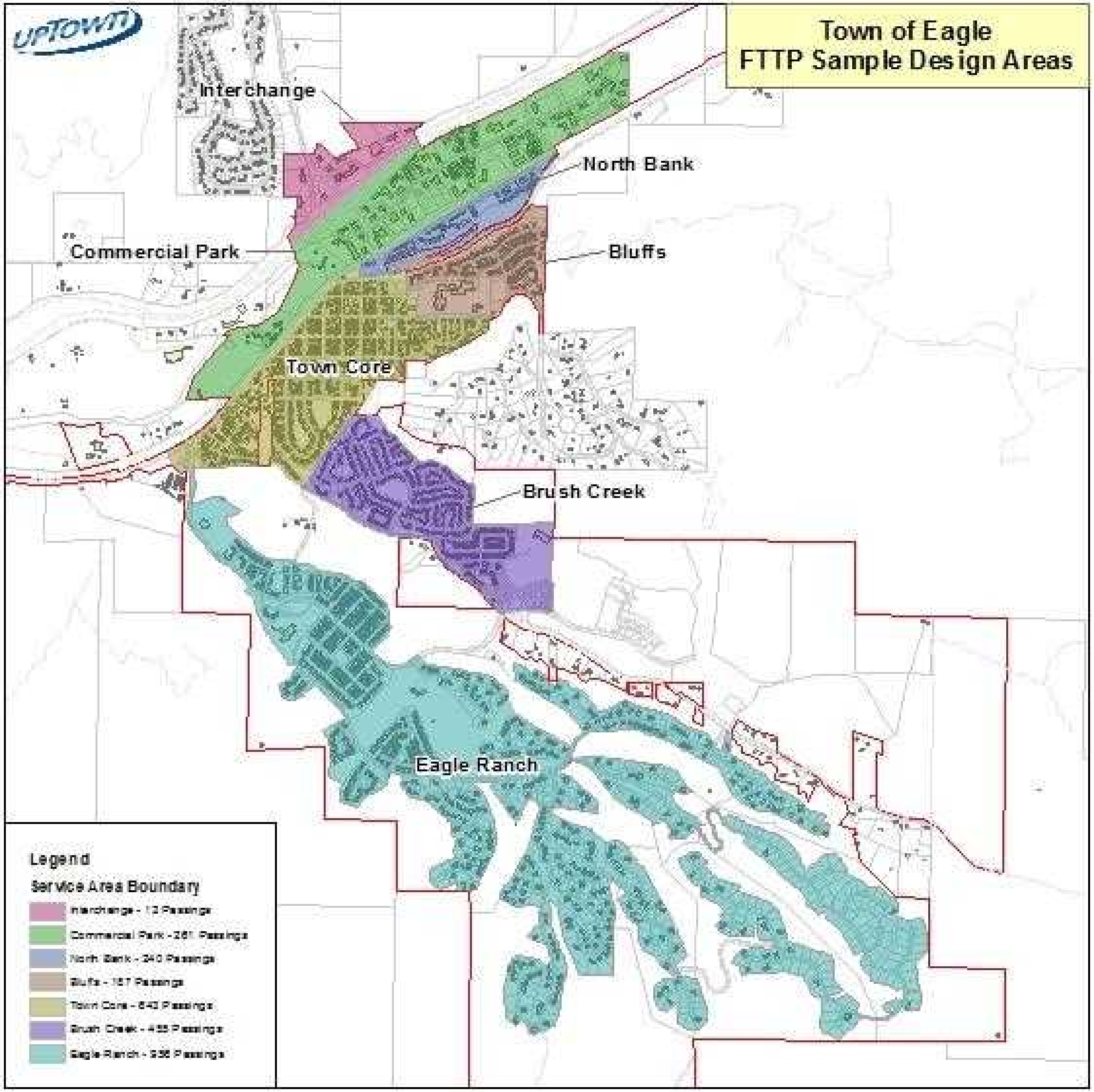
| Position Title | Salary* (unloaded) | Year1 | Year2 | Year3 | Year4 | Year5 |
|---|---|---|---|---|---|---|
| System GM** *(Grade 8 Max)* | $115,000 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Comm./MDU Account Manager *(Grade 5 Mid)* | $67,000 | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 |
| Data Technician *(Grade 6 Mid)* | $75,000 | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 |
| Customer Service Liaison *(Grade 5 Min)* | $54,000 | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 |
| CSRs *(Grade 5 Min)* | $54,000 | - | 1.0 | 1.0 | 1.0 | 1.0 |
| TSRs *(Grade 4 Mid)* | $65,000 | - | 1.0 | 1.0 | 1.0 | 1.0 |
| Install Techs *(Grade 5 Min)* | $54,000 | - | - | - | 1.0 | 1.0 |
| Maintenance Techs *(Grade 4 Mid)* | $64,000 | - | 1.0 | 1.0 | 1.0 | 1.0 |
| Service Techs *(Grade 5 Min)* | $54,000 | - | 1.0 | 1.0 | 1.0 | 1.0 |
| **Total Headcount w/ & w/o CoGS as Partner** | | **2.0** | **3.5 / 7.5** | **3.5 / 7.5** | **4.5 / 8.5** | **4.5 / 8.5** |

# CURRENT FIBER-BASED PROJECTS

(Dennis)

# HOLY CROSS ELECTRIC PARTNERSHIP

# PROPOSED BUILD AREAS



# SCHEDULE PARAMETERS

# 2021 MILESTONES

| Project Area | 2021 Milestone |
|---|---|
| Vendor Selection | • Construction Firm<br>• Voice Provider<br>• Install Contractor |
| Staffing | • General Manager<br>• Commercial/MDU Account Rep<br>• Customer Service Liaison |
| Construction | Starts 2Q21 |
| Operations | Integration with Glenwood Springs<br>• Systems<br>• Processes |
| MDU Properties | Start procuring access agreements |
| Service Launch | Fall 2021 |
| Community Outreach | • Direct Marketing<br>• Informational Campaign |

| | |
|---|---|
| **From:** | David Gaboury |
| **To:** | Brandy Reitter |
| **Subject:** | Re: Broadband Follow Up |
| **Date:** | Wednesday, November 25, 2020 4:25:21 PM |
| **Attachments:** | image001.png<br>image002.png<br>image003.png<br>image004.png |

Very good. Have a nice Thanksgiving.

**David Gaboury**
Council Member
**TOWN OF EAGLE**
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-6354, Fax: 970-328-5203



On Nov 25, 2020, at 4:10 PM, Brandy Reitter <brandy.reitter@townofeagle.org> wrote:

Thanks David. I will forward this to my team and send you a revision. They are happy to make edits.

**Brandy Reitter**
Town Manager
**TOWN OF EAGLE**
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-9628, Fax: 970-328-5203
***CLICK BELOW FOR TOWN WEBSITE, NEWS, EVENTS OR TO PROVIDE FEEDBACK:***
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**From:** David Gaboury <david.g@townofeagle.org>
**Sent:** Wednesday, November 25, 2020 4:04 PM

**To:** Brandy Reitter <brandy.reitter@townofeagle.org>
**Subject:** Re: Broadband Follow Up

Thanks. To be timely, my comments are below.
Page 4 is a good summary format (see further comments below). In your backup slides, I think a 20 year income and cash flow statement will be important to also include. It will help support page 4.
I suggest you label the four December columns Scenarios 1 to 4 so they can be easily referred to in our discussion.
The meaning and basis of some of the terms on page 4 are not clear. e.g., Working Capital Loan— is that the cumulative negative cash flow of the enterprise until it reaches break even? if so, why does it not change for three of the 4 scenarios? The meaning/ basis of a number of other terms in slide 4 are likewise not clear.
I recommend a bullet point slide ahead of page 4 briefly describing each term on page 4 and any key assumptions/ estimates behind it. e.g., What makes up the $9.1m Long Term Bond.
I recommend a slide following page 4 describing the source of/ how we would handle the Working Capital Loan. The information on this in your email to me is important for the Council to understand.
I suggest a slide following the Construction RFP slide describing how/ who took the unit costs to estimate total construction costs. Key assumptions? Any contingency?
I hope this is helpful towards have a clear and complete package for the Council.
David

David Gaboury
Council Member
TOWN OF EAGLE
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-6354, Fax: 970-328-5203
CLICK BELOW FOR TOWN WEBSITE, NEWS, EVENTS OR TO PROVIDE FEEDBACK:
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Records Act, § 24-72-200.1, et seq.

On Nov 25, 2020, at 2:57 PM, Brandy Reitter <brandy.reitter@townofeagle.org> wrote:

Hi David,

Thanks for reaching out. I think we are on the same page and I have included a rough draft PP with a high-level representation of the proforma updated to include our current bid outcomes. The financials are on slide 4. Based on your email its more of a rollup of the detail. We did include a worst-case scenario if we don't breakeven which is helpful for everyone to see. A take rate of 42% is break even. Based on our public outreach, polling and best practices the study did recommend a 46% take rate for Eagle. Worst case is a take rate of 35% which is the bottom floor for what the industry sees when munis don't breakeven.

Under the worst-case scenario a few things happen:

- The total funding for outcomes increases from around $10.8M at a 42% take rate to $14.6M at 35% worst case. This is mainly due to the decrease in revenues. The bond amounts are roughly the same for all scenarios but you will see that working capital jumps up because there are less revenues to offset the costs.
- Our net cash over 20 years is -$4.1M at a 35% take rate, at 42% we are still in the black at $500,000.
- The breakeven date is extended by 3 – 2 years under this scenario to include 20 years which requires an additional subsidy.
- As a result of decreases in revenues at the 35% take rate it would require a $2.4M subsidy starting in year 7 and continuing to year 20, or 13 years. Without raising rates for broadband and wastewater, it would require approximately $185,000 per year for 13 years starting at year 7 to offset the decrease in revenues as a result of the 35% take rate. Ideally the decrease would be covered by fund balances in either wastewater or broadband.
- The only fund balance town can legally use to offset negative revenues are monies that are accumulated after closing on the revenue bonds. So, any fund balance we have prior to the closing date has to stay with wastewater and cannot be used to offset decreases from broadband.

If you would like a year over year for 20 years, I can set up a time for you to go over that with Uptown. We aggregated everything over 20 years in the summary.

I am working on Friday because I need to send the Town Council a small packet for Tuesday so don't feel bad about reaching out with your feedback.

Thanks,

**Brandy Reitter**
Town Manager
**TOWN OF EAGLE**
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-9628, Fax: 970-328-5203
***CLICK BELOW FOR TOWN WEBSITE, NEWS, EVENTS OR TO PROVIDE FEEDBACK:***
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**From:** David Gaboury <david.g@townofeagle.org>
**Sent:** Wednesday, November 25, 2020 1:02 PM
**To:** Bill Shrum <bill.shrum@townofeagle.org>
**Cc:** Brandy Reitter <brandy.reitter@townofeagle.org>
**Subject:** Broadband Follow Up

Bill,
Again, thanks for the opportunity to meet with you and Brandy about Broadband.
I wanted to follow up on our discussion of the Pro-forms Income Statement being developed. I think we are on the same page on the content of the income statement. I don't recall how much we discussed the of cash flow of the Broadband Enterprise, which is also important for the Council to understand. My specific recommendation is that we add two rows to the Pro-forma spreadsheet. One row for the annual cash flow of the Enterprise (i.e., net income plus capital expenditures) for each year, and a second row for the cumulative cash flow of the Enterprise.
Please feel free to connect if you would like to discuss or if I can be of any assistance in your preparing the financial package for the Council.
Appreciate,
David

David Gaboury
Council Member
TOWN OF EAGLE

200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-6354, Fax: 970-328-5203
CLICK BELOW FOR TOWN WEBSITE, NEWS, EVENTS OR TO PROVIDE FEEDBACK:
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<Eagle Town Work Session Dec 1 2020 (002).pptx>

**From:** Bill Shrum
**To:** Dave Stockton; nshaw@uptownservices.com; Brandy Reitter
**Subject:** Re: Broadband Follow Up
**Date:** Friday, November 27, 2020 9:21:29 AM
**Attachments:** image001.png
image002.png
image003.png
image004.png

Thanks Dave!


**Bill Shrum**
Assistant to the Town Manager
**TOWN OF EAGLE**
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-9652, Fax: 970-328-5203


***CLICK BELOW FOR TOWN WEBSITE, NEWS, EVENTS OR TO PROVIDE FEEDBACK:***

EAGLE TODAY FEEDBACK



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**From:** Dave Stockton <dstockton@uptownservices.com>
**Sent:** Wednesday, November 25, 2020 7:35 PM
**To:** nshaw@uptownservices.com <nshaw@uptownservices.com>; Brandy Reitter <brandy.reitter@townofeagle.org>
**Cc:** Bill Shrum <bill.shrum@townofeagle.org>
**Subject:** RE: Broadband Follow Up

Answering the last piece on the working capital loan and why it does not change…

For scenarios 1 and 2, the difference in scenario 2 only involves more capex for the cobble adder. That additional capital is funded solely by the bond and does not have any effect on operating income, so the working capital remains constant.

In scenario 3, the lower take rate reduces operating income, and there is a slight increase in the working capital funding requirement. Because there are fewer installs, there is also a reduction in the capex component of an install (e.g. fiber modem, and the capitalized install labor).

| | Baseline | 20% Cobble | 42% Take Rate | 35% Take Rate |
|---|---|---|---|---|
| **Indicator Summary** | Scenario 1 | Scenario 2 | Scenario 3 | Scenario 4 |
| Total Long Term Debt | $9,365,538 | $9,581,277 | $9,261,062 | $9,077,722 |
| Total Short Term Debt | $954,825 | $954,825 | $967,346 | $2,635,549 |
| Years to Positive Net Cash | 18 | 18 | 20 | >20 |
| Years to Positive Net Cash Excluding Equity | 17 | 17 | 18 | >20 |
| Cumulative Cash Year5 | 1,353,919 | 1,339,099 | 1,130,986 | 740,883 |
| Cumulative Cash Year10 | $845,194 | $745,034 | $132,214 | $75,000 |
| Cumulative Cash Year15 | $2,412,508 | $2,225,135 | $1,117,096 | $24,999 |
| Net Cash Year5 | ($9,147,922) | ($9,367,778) | ($9,285,647) | ($9,526,153) |
| Net Cash Year10 | ($6,552,433) | ($6,799,101) | ($7,194,464) | ($8,395,438) |
| Net Cash Year15 | ($2,358,840) | ($2,624,871) | ($3,616,160) | ($6,352,056) |
| Net Cash Year20 | $2,440,517 | $2,164,056 | $528,424 | ($4,061,164) |
| Net Cash Year20 Excluding Equity | $4,149,669 | $3,873,208 | $2,237,576 | ($2,352,012) |
| Short Term Loan Term | 5 | 5 | 5 | 5 |
| Total Line of Credit | $0 | $0 | $0 | $2,377,010 |
| Minimum Cumulative Cash | $845,194 | $745,034 | $132,214 | $18,491 |
| Total Cost Allocation | $0 | $0 | $0 | $0 |
| Total Funding Required (exclusive of internal interest payments) | $10,320,363 | $11,036,102 | $10,728,408 | $14,590,281 |

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**From:** Neil Shaw [mailto:utneil@uptownservices.com]
**Sent:** Wednesday, November 25, 2020 5:51 PM
**To:** 'Dave Stockton'; 'Brandy Reitter'
**Cc:** 'Bill Shrum'
**Subject:** RE: Broadband Follow Up

I just added a slide for the construction budgeting. Happy Thanksgiving!

---

**From:** Dave Stockton <dstockton@uptownservices.com>
**Sent:** Wednesday, November 25, 2020 5:13 PM
**To:** 'Brandy Reitter' <brandy.reitter@townofeagle.org>; 'Neil Shaw' <nshaw@uptownservices.com>
**Cc:** 'Bill Shrum' <bill.shrum@townofeagle.org>
**Subject:** RE: Broadband Follow Up

Brandy, Bill,

Wanted to get a 80% complete update to his questions and a revised deck out asap so we can confirm we are on track with what he needs prior to Friday morning .

See below for answers in red. New slides added and Neil will add details on his construction cost estimation method soon.

Also attaching the summary financials by year. I think that will be of value to David.

Miller Time! dave

**From:** Brandy Reitter [mailto:brandy.reitter@townofeagle.org]
**Sent:** Wednesday, November 25, 2020 4:14 PM
**To:** Dave Stockton; Neil Shaw
**Cc:** Bill Shrum
**Subject:** FW: Broadband Follow Up

Hi Dave and Neil,

This is David's feedback. Can you make his revisions?

Thanks,

**Brandy Reitter**
Town Manager
**TOWN OF EAGLE**
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-9628, Fax: 970-328-5203
***CLICK BELOW FOR TOWN WEBSITE, NEWS, EVENTS OR TO PROVIDE FEEDBACK:***



**From:** David Gaboury <david.g@townofeagle.org>
**Sent:** Wednesday, November 25, 2020 4:04 PM
**To:** Brandy Reitter <brandy.reitter@townofeagle.org>
**Subject:** Re: Broadband Follow Up

Thanks. To be timely, my comments are below.
Page 4 is a good summary format (see further comments below). In your backup slides, I think a 20 year income and cash flow statement will be important to also include. It will help support page 4. Attached as Excel image. Can provide the model if needed but might be too much detail.
I suggest you label the four December columns Scenarios 1 to 4 so they can be easily referred to in our discussion. Done
The meaning and basis of some of the terms on page 4 are not clear. e.g., Working Capital Loan— is that the cumulative negative cash flow of the enterprise until it reaches break even? if so, why does it not change for three of the 4 scenarios? The meaning/ basis of a number of other terms in slide 4 are likewise not clear. Slide added to explain funding sources and key metrics
I recommend a bullet point slide ahead of page 4 briefly describing each term on page 4 and any key assumptions/ estimates behind it. e.g., What makes up the $9.1m Long Term Bond. Slide added to explain the uses of the long term bond
I recommend a slide following page 4 describing the source of/ how we would handle the Working Capital Loan. The information on this in your email to me is important for the Council to understand. I added detail but not sure it covers what he is looking for
I suggest a slide following the Construction RFP slide describing how/ who took the unit costs to estimate total construction costs. Key assumptions? Any contingency? In progress
I hope this is helpful towards have a clear and complete package for the Council.
David

David Gaboury
Council Member
TOWN OF EAGLE
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-6354, Fax: 970-328-5203
CLICK BELOW FOR TOWN WEBSITE, NEWS, EVENTS OR TO PROVIDE FEEDBACK:

On Nov 25, 2020, at 2:57 PM, Brandy Reitter <brandy.reitter@townofeagle.org> wrote:

Hi David,

Thanks for reaching out. I think we are on the same page and I have included a rough draft PP with a high-level representation of the proforma updated to include our current bid outcomes. The financials are on slide 4. Based on your email its more of a rollup of the detail. We did include a worst-case scenario if we don't breakeven which is helpful for everyone to see. A take rate of 42% is break even. Based on our public outreach, polling and best practices the study did recommend a 46% take rate for Eagle. Worst case is a take rate of 35% which is the bottom floor for what the industry sees when munis don't breakeven.

Under the worst-case scenario a few things happen:

- The total funding for outcomes increases from around $10.8M at a 42% take rate to $14.6M at 35% worst case. This is mainly due to the decrease in revenues. The bond amounts are roughly the same for all scenarios but you will see that working capital jumps up because there are less revenues to offset the costs.
- Our net cash over 20 years is -$4.1M at a 35% take rate, at 42% we are still in the black at $500,000.
- The breakeven date is extended by 3 – 2 years under this scenario to include 20 years which requires an additional subsidy.
- As a result of decreases in revenues at the 35% take rate it would require a $2.4M subsidy starting in year 7 and continuing to year 20, or 13 years. Without raising rates for broadband and wastewater, it would require approximately $185,000 per year for 13 years starting at year 7 to offset the decrease in revenues as a result of the 35% take rate. Ideally the decrease would be covered by fund balances in either wastewater or broadband.
- The only fund balance town can legally use to offset negative revenues are monies that are accumulated after closing on the revenue bonds. So, any fund balance we have prior to the closing date has to stay with wastewater and cannot be used to offset decreases from broadband.

If you would like a year over year for 20 years, I can set up a time for you to go over that with Uptown. We aggregated everything over 20 years in the summary.

I am working on Friday because I need to send the Town Council a small packet for Tuesday so don't feel bad about reaching out with your feedback.

Thanks,


**Brandy Reitter**
Town Manager
**TOWN OF EAGLE**
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-9628, Fax: 970-328-5203


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**From:** David Gaboury <david.g@townofeagle.org>
**Sent:** Wednesday, November 25, 2020 1:02 PM
**To:** Bill Shrum <bill.shrum@townofeagle.org>
**Cc:** Brandy Reitter <brandy.reitter@townofeagle.org>
**Subject:** Broadband Follow Up

Bill,
Again, thanks for the opportunity to meet with you and Brandy about Broadband.
I wanted to follow up on our discussion of the Pro-forms Income Statement being developed. I think we are on the same page on the content of the income statement. I don't recall how much we discussed the of cash flow of the Broadband Enterprise, which is also important for the Council to understand. My specific recommendation is that we add two rows to the Pro-forma spreadsheet. One row for the annual cash flow of the Enterprise (i.e., net income plus capital expenditures) for each year, and a second row for the cumulative cash flow of the Enterprise.
Please feel free to connect if you would like to discuss or if I can be of any assistance in your preparing the financial package for the Council.
Appreciate,
David


David Gaboury
Council Member
TOWN OF EAGLE
200 Broadway, PO Box 609, Eagle Co 81631
Phone: 970-328-6354, Fax: 970-328-5203

CLICK BELOW FOR TOWN WEBSITE, NEWS, EVENTS OR TO PROVIDE FEEDBACK:
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Sender and receiver should be mindful that all my incoming and outgoing emails may be subject to the Colorado Open Records Act, § 24-72-200.1, et seq.

<Eagle Town Work Session Dec 1 2020 (002).pptx>

| Bonding Summary | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1001 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 | FY 2030/31 | FY 2031/32 | FY 2032/33 | FY 2033/34 | FY 2034/35 | FY 2035/36 | FY 2036/37 | FY 2037/38 | FY 2038/39 | FY 2039/40 | FY 2040/41 |
| **Bond Financing** | | | | | | | | | | | | | | | | | | | | |
| Bond Series 1 Balance | $9,365,538 | $9,365,538 | $9,365,538 | $9,365,538 | $8,900,906 | $8,422,334 | $7,929,406 | $7,421,690 | $6,898,742 | $6,360,106 | $5,805,311 | $5,233,871 | $4,645,289 | $4,039,049 | $3,414,623 | $2,771,463 | $2,109,008 | $1,426,680 | $723,882 | $0 |
| Bond Series 2 Balance | $0 | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Bond Reserve Funding (Not Used) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Net Proceeds** | **$9,365,538** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| **Bond Reserve** | | | | | | | | | | | | | | | | | | | | |
| Reserve Balance (start of year) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Reserve increment | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Reserve Balance (end of year)** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| **Short Term Financing** | | | | | | | | | | | | | | | | | | | | |
| Short Term Loan Balance | $632,920 | $980,142 | $1,019,348 | $1,060,122 | $1,102,527 | $898,970 | $687,272 | $467,105 | $238,132 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Line of Credit | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Short Term Debt** | **$632,920** | **$980,142** | **$1,019,348** | **$1,060,122** | **$1,102,527** | **$898,970** | **$687,272** | **$467,105** | **$238,132** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| **Operating Income** | | | | | | | | | | | | | | | | | | | | |
| Total Revenue | $0 | $222,667 | $947,256 | $1,484,655 | $1,760,033 | $1,905,188 | $1,972,323 | $2,042,064 | $2,107,664 | $2,168,691 | $2,225,734 | $2,278,442 | $2,332,588 | $2,388,218 | $2,445,378 | $2,505,049 | $2,567,711 | $2,632,130 | $2,698,359 | $2,766,456 |
| Total Expense | ($682,920) | ($594,573) | ($685,813) | ($848,777) | ($886,425) | ($945,206) | ($968,414) | ($998,723) | ($1,054,107) | ($1,077,609) | ($1,111,098) | ($1,166,785) | ($1,190,778) | ($1,246,131) | ($1,284,898) | ($1,343,716) | ($1,404,142) | ($1,466,231) | ($1,512,055) | ($1,577,689) |
| **Total Operating Income** | **($682,920)** | **($371,905)** | **$261,442** | **$635,878** | **$873,608** | **$959,982** | **$1,003,909** | **$1,043,341** | **$1,053,557** | **$1,091,082** | **$1,114,636** | **$1,111,657** | **$1,141,810** | **$1,142,088** | **$1,160,480** | **$1,161,333** | **$1,163,570** | **$1,165,899** | **$1,186,304** | **$1,188,767** |
| **Earnings Before Taxes and Depreciation** | | | | | | | | | | | | | | | | | | | | |
| Bond Issuance Cost | ($187,311) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Bond Series 1 Interest | ($280,966) | ($280,966) | ($280,966) | ($280,966) | ($267,027) | ($252,670) | ($237,882) | ($222,651) | ($206,962) | ($190,803) | ($174,159) | ($157,016) | ($139,359) | ($121,171) | ($102,439) | ($83,144) | ($63,270) | ($42,800) | ($21,716) | ($0) |
| Bond Series 2 Interest | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Short Term Accrued Interest Balloon Payment | | | | | | ($147,701) | | | | | | | | | | | | | | |
| Short Term Interest | $0 | $0 | $0 | $0 | $0 | ($44,101) | ($35,959) | ($27,491) | ($18,684) | ($9,525) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Interest Income - Cash Reserves | $0 | $39,312 | $23,778 | $6,066 | $6,537 | $6,770 | $5,743 | $5,333 | $5,445 | $5,604 | $4,226 | $5,687 | $7,138 | $8,743 | $10,355 | $12,063 | $13,478 | $15,212 | $16,963 | $18,823 |
| Interest Income - Bond Reserve | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Bad Debt | $0 | ($6,680) | ($28,418) | ($44,540) | ($52,801) | ($57,156) | ($59,170) | ($61,262) | ($63,230) | ($65,061) | ($66,772) | ($68,353) | ($69,978) | ($71,647) | ($73,361) | ($75,151) | ($77,031) | ($78,964) | ($80,951) | ($82,994) |
| **Total Earnings Before Taxes & Depreciation** | **($1,151,197)** | **($620,240)** | **($24,163)** | **$316,438** | **$560,318** | **$465,124** | **$676,642** | **$737,271** | **$770,126** | **$831,297** | **$877,930** | **$891,975** | **$939,612** | **$958,013** | **$995,035** | **$1,015,100** | **$1,036,746** | **$1,059,346** | **$1,100,599** | **$1,124,596** |
| **Annual Cash Flow with Debt Service** | | | | | | | | | | | | | | | | | | | | |
| Total Capital Expenditures | ($1,078,922) | ($2,905,030) | ($3,618,198) | ($325,532) | ($153,695) | ($93,796) | ($160,666) | ($94,830) | ($95,330) | ($440,348) | ($92,168) | ($92,981) | ($93,795) | ($94,608) | ($95,421) | ($156,587) | ($96,615) | ($97,196) | ($97,767) | ($88,866) |
| HCE Franchise Fee (1% of revenue) | $44,000 | $46,640 | $49,905 | $53,398 | $54,466 | $55,555 | $56,667 | $57,800 | $58,956 | $60,135 | $61,338 | $62,564 | $63,816 | $65,092 | $66,394 | $67,722 | $69,076 | $70,458 | $71,867 | $73,304 |
| Bond Proceeds | $9,365,538 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Short Term Loan Principal Payment | $0 | $0 | $0 | $0 | $0 | ($203,556) | ($211,699) | ($220,167) | ($228,973) | ($238,132) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Bond Principal Payment - Series 1 | | | | $0 | ($464,632) | ($478,571) | ($492,928) | ($507,716) | ($522,948) | ($538,636) | ($554,795) | ($571,439) | ($588,582) | ($606,240) | ($624,427) | ($643,160) | ($662,455) | ($682,328) | ($702,798) | ($723,882) |
| Bond Principal Payment - Series 2 | | | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cash Flow with Debt Service** | **$7,179,419** | **($3,478,630)** | **($3,592,456)** | **$44,305** | **($3,544)** | **($255,245)** | **($131,985)** | **($27,642)** | **($18,169)** | **($325,685)** | **$292,305** | **$290,119** | **$321,051** | **$322,257** | **$341,581** | **$283,076** | **$346,753** | **$350,279** | **$371,901** | **$385,152** |
| **Working Capital Requirement** | | | | | | | | | | | | | | | | | | | | |
| Equity Investment - Working Capital | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Short Term Loan Proceeds | $632,920 | $321,905 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Utility Line of Credit Draws | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Cash Flow w/ Short Term Loan** | **$7,862,339** | **($3,106,724)** | **($3,542,456)** | **$94,305** | **$46,456** | **($205,245)** | **($81,985)** | **$22,358** | **$31,831** | **($275,685)** | **$292,305** | **$290,119** | **$321,051** | **$322,257** | **$341,581** | **$283,076** | **$346,753** | **$350,279** | **$371,901** | **$385,152** |
| **Net Cash** | | | | | | | | | | | | | | | | | | | | |
| Starting Cash | $0 | | | | | | | | | | | | | | | | | | | |
| Cumulative Cash | $7,862,339 | $4,755,615 | $1,213,159 | $1,307,463 | $1,353,919 | $1,148,675 | $1,066,690 | $1,089,048 | $1,120,879 | $845,194 | $1,137,499 | $1,427,618 | $1,748,669 | $2,070,926 | $2,412,508 | $2,695,583 | $3,042,336 | $3,392,616 | $3,764,517 | $4,149,669 |
| Total Equity | ($94,000) | ($190,640) | ($290,545) | ($393,943) | ($498,409) | ($603,964) | ($710,631) | ($818,431) | ($927,387) | ($1,037,522) | ($1,098,859) | ($1,161,424) | ($1,225,239) | ($1,290,332) | ($1,356,725) | ($1,424,447) | ($1,493,523) | ($1,563,981) | ($1,635,848) | ($1,709,152) |
| Bond Series 1 Balance | ($9,365,538) | ($9,365,538) | ($9,365,538) | ($9,365,538) | ($8,900,906) | ($8,422,334) | ($7,929,406) | ($7,421,690) | ($6,898,742) | ($6,360,106) | ($5,805,311) | ($5,233,871) | ($4,645,289) | ($4,039,049) | ($3,414,623) | ($2,771,463) | ($2,109,008) | ($1,426,680) | ($723,882) | ($0) |
| Bond Series 2 Balance | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Short Term Financing | ($632,920) | ($980,142) | ($1,019,348) | ($1,060,122) | ($1,102,527) | ($898,970) | ($687,272) | ($467,105) | ($238,132) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Net Cash** | **($2,230,119)** | **($5,780,705)** | **($9,462,272)** | **($9,512,139)** | **($9,147,922)** | **($8,776,594)** | **($8,260,619)** | **($7,618,178)** | **($6,943,382)** | **($6,552,433)** | **($5,766,671)** | **($4,967,677)** | **($4,121,860)** | **($3,258,455)** | **($2,358,840)** | **($1,500,327)** | **($560,195)** | **$401,954** | **$1,404,787** | **$2,440,517** |
| **Total Net Cash Excluding Equity** | **($2,136,119)** | **($5,590,065)** | **($9,171,727)** | **($9,118,196)** | **($8,649,513)** | **($8,172,630)** | **($7,549,988)** | **($6,799,747)** | **($6,015,995)** | **($5,514,912)** | **($4,667,812)** | **($3,806,253)** | **($2,896,620)** | **($1,968,123)** | **($1,002,115)** | **($75,880)** | **$933,328** | **$1,965,936** | **$3,040,635** | **$4,149,669** |
| **Average Revenue per User (Residential)** | | | | | | | | | | | | | | | | | | | | |
| Residential Phone | N/A | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 | $30.00 |
| Residential Internet | N/A | $82.94 | $83.63 | $84.39 | $85.31 | $86.13 | $86.88 | $87.63 | $88.38 | $89.13 | $89.50 | $89.50 | $89.50 | $89.50 | $89.50 | $89.50 | $89.50 | $89.50 | $89.50 | $89.50 |
| Residential Video | N/A | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Total Residential ARPU** | **N/A** | **$112.94** | **$113.63** | **$114.39** | **$115.31** | **$116.13** | **$116.88** | **$117.63** | **$118.38** | **$119.13** | **$119.50** | **$119.50** | **$119.50** | **$119.50** | **$119.50** | **$119.50** | **$119.50** | **$119.50** | **$119.50** | **$119.50** |
| **Average Revenue per User (Commercial)** | | | | | | | | | | | | | | | | | | | | |
| Commercial Phone | N/A | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 | $47.50 |
| Commercial Internet | N/A | $85.38 | $85.40 | $85.42 | $85.70 | $85.92 | $86.17 | $86.42 | $86.67 | $86.92 | $87.12 | $87.22 | $87.33 | $87.43 | $87.53 | $87.53 | $87.53 | $87.53 | $87.53 | $87.53 |
| **Total Commercial ARPU** | **N/A** | **$132.88** | **$132.90** | **$132.92** | **$133.20** | **$133.42** | **$133.67** | **$133.92** | **$134.17** | **$134.42** | **$134.62** | **$134.72** | **$134.83** | **$134.93** | **$135.03** | **$135.03** | **$135.03** | **$135.03** | **$135.03** | **$135.03** |

**Indicator Summary**

| | |
|---|---|
| Total Long Term Debt | $9,365,538 |
| Total Short Term Debt | $954,825 |
| Years to Positive Net Cash | 18 |
| Years to Positive Net Cash Excluding Equity | 17 |
| Cumulative Cash Year5 | 1,353,919 |
| Cumulative Cash Year10 | $845,194 |
| Cumulative Cash Year15 | $2,412,508 |
| Net Cash Year5 | ($9,147,922) |
| Net Cash Year10 | ($6,552,433) |
| Net Cash Year15 | ($2,358,840) |
| Net Cash Year20 | $2,440,517 |
| Net Cash Year20 Excluding Equity | $4,149,669 |
| Short Term Loan Term | 5 |
| Total Line of Credit | $0 |
| Minimum Cumulative Cash | $845,194 |
| Total Cost Allocation | $0 |
| Total Funding Required (exclusive of internal interest payment | $10,820,363 |

| | |
|---|---|
| To: | Mayor and Town Council |
| From: | Brandy Reitter, Town Manager |
| Date: | December 1, 2020 |
| Agenda Item: | COVID-19 Economic Relief Proposals |

REQUEST:

Staff requests that the Town Council review a proposal to support businesses as a result of the negative impacts of the Coronavirus pandemic.

INTRODUCTION:

As a result of increased public health restrictions and the possibility of going from orange to red on the COVID-19-meter, Eagle County could implement more limitations on gatherings and businesses. The restrictions are harming the region's economy. Some businesses have reached out to ask for support from the Town. Earlier this year, the Town donated most of the CARES Act funding allocation to non-profits. Additionally, the Town created the Be our Guest program to assist businesses with outdoor encroachments and waived some fees. As a result of the most recent feedback, staff explored options for the Town Council to support businesses. Those options are below as well as a pros and cons list. While the vaccines are promising, COVID-19's impacts on the economy are far from over. Therefore, whatever proposal is being considered, it should be sensitive to Town's ability to remain financially stable during these uncertain times.

ANALYSIS:

<u>Proposal 1 – Eagle Bucks:</u> This proposal is a shop local campaign modeled after Basalt's program.

- Funds are set aside for people to use $30 vouchers to shop at local businesses that participate in the program.
- Customers must spend at least $30 to receive a full reimbursement from the Town.
- Business can conduct targeted marketing to promote services or products so that customers will come into their stores to use the voucher.
- Town would administer and promote the program.
- Businesses that are excluded are lodging, liquor, City Market, and marijuana shops.

<u>Proposal 2 – Mini Grants:</u> This program is a traditional grant program for businesses impacted by COVID-19 and is modeled after Basalt's initiative.

- Provide grants up to $2,500 for small businesses licensed in the Town of Eagle.

- A small business is defined by the federal government.
- The grants can cover some expenses related to COVID-19, i.e. inventory, payroll, marketing, and PPE.
- A business would have to show proof of utilizing government programs related to COVID-19.
- Businesses must show COVID-19 impacts to be eligible.

Proposal 3 – Gap Fund: This program is a grant/loan program modeled after the Energize Colorado program https://energizecolorado.com/gap-fund/.

- The program is a competitive process.
- Businesses must show a hard ship resulting from COVID-19.
- The program targets small businesses and non-profits.
- The program also includes loans and the allocation of funds occurs over a few years.
- Preference is given to disadvantaged, tourism, and rural businesses.

| Proposals | Pros | Cons |
|---|---|---|
| **1 – Eagle Bucks** | | |
| | Encourages local spending at businesses. | Businesses that are less popular won't benefit. |
| | Town doesn't have to pick winners and losers. | Some will feel less supported. |
| | Businesses feel support by the Town. | The benefits might not have an immediate impact. |
| | Businesses who participate have skin in the game. | The return rate might not meet expectations. |
| | Easier to administrate and most flexible criteria. | Excludes bigger business who still struggle. |
| **2 - Mini Grants** | | |
| | Provides more immediate relief. | The maximum grant award is smaller having less of an overall impact. |
| | Funds cover unexpected COVID-19 expenses. | Criteria is stricter and will exclude some businesses. |
| | Businesses feel support by the Town. | Harder to administrate. |
| | Extra criteria ensures that Town targets businesses who need funding. | Town will have to pick the winners and losers. |
| **3 - Gap Fund** | | |
| | Funds target the most vulnerable businesses. | Most restrictive criteria would leave many businesses out. |
| | Program includes businesses and non-profits | Duplicate state program that would run concurrently. |
| | Funds cover those impacted by COVID-19. | Hardest to administrate. |
| | Businesses feel support by the Town. | Creates a sense of multi-year obligations for those who apply. |
| | Program could include loans and multi-year allocations. | Loans would be costly to service and add extra costs. |
| | Provides more immediate relief. | Town picks the winners and losers. |

COMMUNITY INPUT:

Community input was given to the Town Council by businesses on November 10.

BUDGET / STAFF IMPACT:

Depending on the proposal there will be an impact to the budget. Based on research from Basalt and Energize Colorado Gap Fund program, below is the unbudgeted proposed impact:

- Eagle Bucks – Total program costs are approximately $25,000 - $50,000 with 20 hours of staff time.
- Mini Grants – Total program costs are approximately $10,000 with 40 hours of staff time.
- Gap Fund – Total program costs are approximately $50,000 - $80,000 with 40 hours of staff time.

STRATEGIC PLAN ALIGNMENT/STANDARDS ACHIEVED:

This proposal doesn't support a specific major objective since this is a response to a public health crisis. However, a shop local campaign does support economic vitality. A shop local campaign is a recommendation included in the Downtown Colorado, Inc. Assessment.

RECOMMENDED ACTION OR PROPOSED MOTION:

Since the information is presented in a work session, no official actions can be taken, only feedback. Staff would like the following feedback:

1. Does the Town Council want to establish a program to provide funding support to local businesses?
2. If so, which proposal does the Town Council prefer and how much?
3. If the Town Council wants to provide financial support, there are few options on where funds could come from:
    a. General Fund balance
    b. Reprioritize the 2021 budget

ATTACHMENTS:

- None.