

FINANCIAL PLAN FY 2020/21

Last meeting on March 13th, the Mayor & Council took action to mitigate an external risk to the Town's strong financial progress and AEL.



Now on March 26th, the Mayor & Council are being called upon to begin mitigating another external risk to the Town's financial health.

March 26th, 2020

I. Foresight

Guided by the long-standing traditions of Paradise Valley's solid fiscal policy and prudent budgeting lead by the Mayor, Town Council and Management, the Town has saved and set-aside sufficient resources for fiscal emergencies to maintain Town services.

Per Town Policy a specified reserve is maintained. *"The reserve is to be used for unforeseen emergencies, such as a significant loss of revenue or catastrophic impacts on the Town."*

FY2020 budget reserve = \$29.4M; which is 118% of the operating budget.

FY2019 escalated paying PSPRS unfunded liability; offset with lower expenditures = increase reserve to \$29.9M (120% or 15 months).

Goal continue by pull back on last 3 months of FY2020 and conserve as much as possible in FY2021 to slow the use of reserves until revenues rebound.



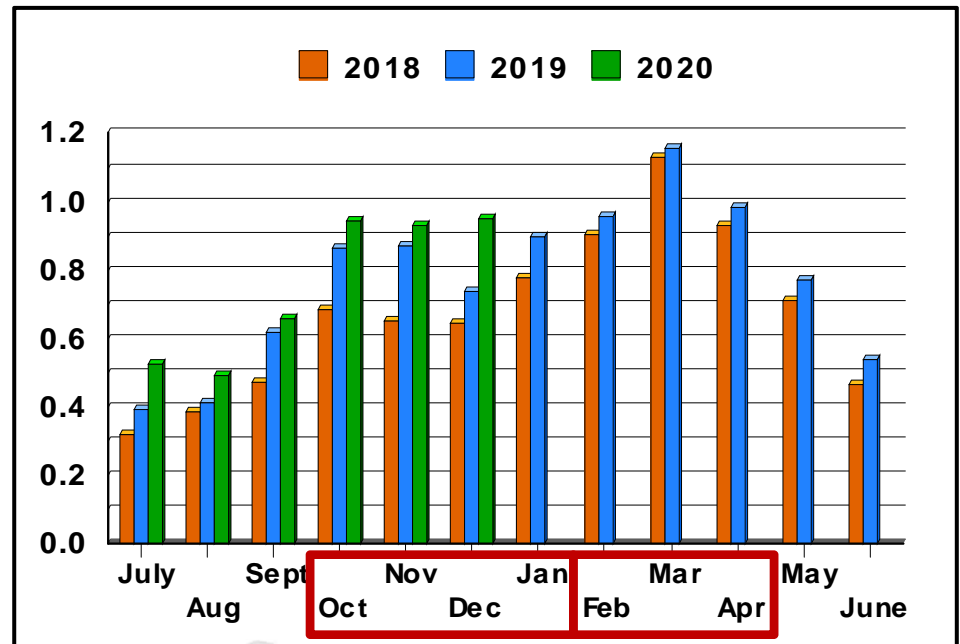
II. Tourism Related Revenue

Local tourism revenues are received by the Town two months in arrears.

The biggest months for Tourism activity revenues are February, March and April are not known by the Town until May and June, respectively.

The bar graph shows Retail and Hospitality Transaction Privilege Tax (“TPT”) collections by month, in millions.

BASED ON DATA AT FEBRUARY 14th, 2020:



Preliminary data shows activity over \$1M for January and similar is anticipated for February.



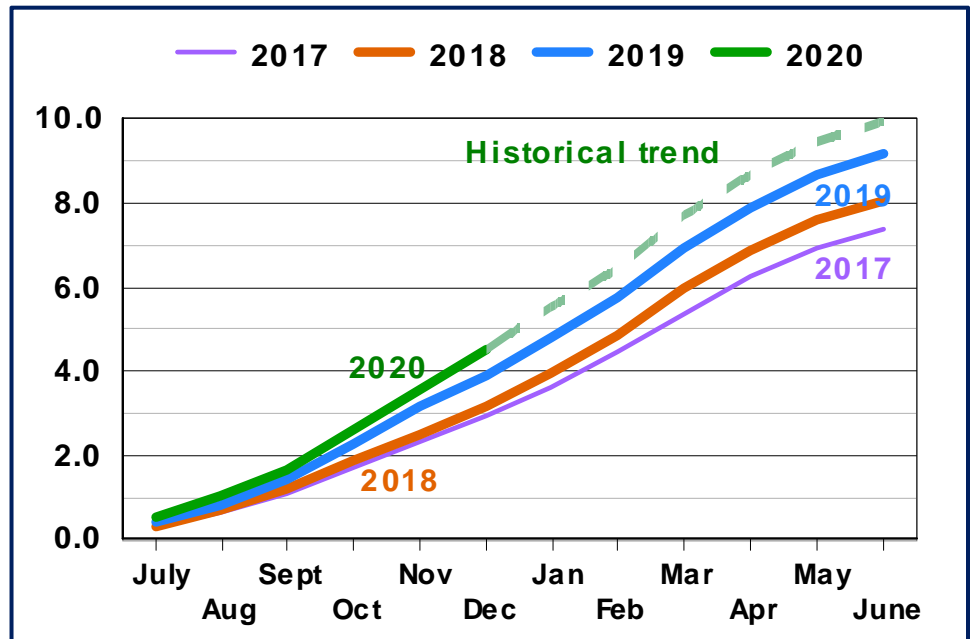
II. Tourism Related Revenue

From July 2019 through February 2020, the Town's had experienced elevated tourism and was on-track to exceed its minimum revenue goal for the current fiscal year ending June 30, 2020.

To meet the minimum revenue goal ("Budget"), the Town could sustain a 25% drop in tourism the rest of the fiscal year. The graph shows the accumulated Retail and Hospitality TPT collected by fiscal year, in millions.



BASED ON DATA AT FEBRUARY 14th, 2020:



However, the recent drop in tourism is much deeper. As a result, the Town will fall short of its minimum revenue goal.

II. Tourism Related Revenue

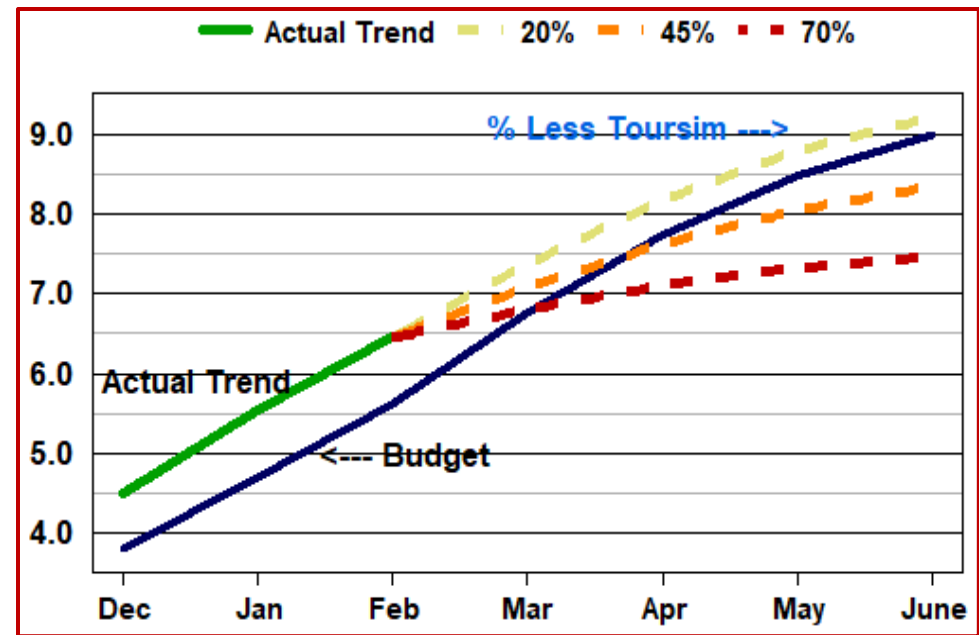
In March 2020, the Town experienced sharp revenue drops that were abrupt, extremely deep and with the duration for rebound & recovery still uncertain.

Last fiscal year, the Town collected \$5,363,315 in all revenues directly tied to local tourism from the months of March 2019 to June 2019.

This accounts for approximately 17% of the Town's General Fund ("Operating") Revenue.



BASED ON DATA AT MARCH 10th, 2020:



Collections for these critical months are expected to be minimal this fiscal year 2020.

III. Operating Costs, Capital and Other Priorities

Town Management and all Departments are identifying various mitigating options to address this and other subsequent shortfalls over the long-term and will discuss specifics with the Mayor and Council next few Council meetings.

The goal: To slow the use of the Town's emergency reserve over the next 15 months, or more, until the Town's revenue stream rebounds that is flexible, adaptable and customer focused.

Not uncommon pre-budget process, below are some considerations to prioritize (in millions):

\$	13.5	Payroll (status quo)
	9.1	Other operating costs (status quo)
	6.6	Capital Improvement Plan - Town costs
	1.52	Debt service (Series 2016)
	0.7	Debt service (Series 2020)
	5.3	PSPRS unfunded liability
	3.9	Streets pavement preservation FY2021
	0.5	Annual assignments (set-aside)
	11.0	Private capital reimburse to CIP
	n/a	Upgrades and repairs (fleet, facilities, IT)
	n/a	Other service demand driven initiatives

This list is not all inclusive of all priorities, but can not all be done with only the reserves. Some will need to be deferred.



IV. Service Levels and Operational Contingencies

In February, Department's diligently compiled their budget requests. These were based on the anticipated service levels and frugal as usual.

Management does anticipate some drops in service levels and others to remain the same or increase.

It is recommended to budget Town Departments at full force, but with a layered approach with strategic stop gaps and contingencies.

To have a more fluid transition as specific service levels return, various workload indicators are being identified.

The request for specific contingency budget authority to be released is triggered when a distinctive work load indicator is met and its supporting funding stream is available.

Further information will be provided with the Department's budgets.

Revenues from FY2018/19 are considered the benchmark year.



V. General and Other Revenues

FY2019 are actual and audited revenues as reported for the full-year on the modified accrual basis (when revenue is earned)

FY2020 is actual collected to-date on the cash basis (as received). As some revenues are received 2-months after the reporting date accruals are made at year end.

Like previous budget processes, projections and analysis for FY2020 will be provided with the Recommended Budget for FY2021.

The follow charts are directly downloaded from the Town's general ledger system and are unedited.

Amounts are "actual received", not the budgeted amount. As of the end of February 2020, there were no concerns of any major revenue sources not meeting their budgeted amounts by year end.

For example, interest earnings had an exceptional year in FY2019. That was not budgeted to continue for FY2020. Though lower, FY2020 was on-target to meet budget through February 2020.



V. General and Other Revenues from FY2018/19

REVENUE SOURCE	ACTUAL FY2018/19	YEAR-TO-DATE 02/15/20	REVENUE SOURCE	ACTUAL FY2018/19	YEAR-TO-DATE 02/15/20
POST OFFICE SALES	\$ 406,865	\$ 256,956	DEMOLITION PERMITS	\$ 31,070	\$ 20,462
TOWN SALES TAX	16,933,885	11,450,477	THIRD PARTY REVIEW BLDG INSP	169,880	107,150
TOWN SALES TAX AUDIT	30,498	40,028	ENGINEERING PLAN CHECK	7,693	5,136
TOWN BED TAX	4,847,777	2,668,486	SPECIAL EVENT PERMIT	3,000	1,575
BUSINESS LICENSE	4,700	3,175	IN-HOUSE PLAN REVIEW	667,894	520,815
BUILDING PERMIT	919,388	756,545	GRADING PERMITS	116,483	153,957
RIGHT OF WAY PERMIT	87,117	89,686	HAUL/EXCAVATION PERMIT	124,642	104,850
ELECTRICAL PERMIT	5,460	2,730	CHANGE OF ADDRESS FEE	195	780
BANNER PERMIT	1,120	595	GG - Credit Card Service Fee	10,339	16,058
MECHANICAL PERMIT	22	-	TOWN MANAGEMENT FEE	65,886	8,096
PLUMBING PERMIT	12,906	7,280	MONTELUCCIA DEV AGREEMENT	108,000	-
SPECIAL USE PERMIT	73,751	34,270	MOUNTAIN SHADOWS AGREEMENT	146,127	263,370
SUBDIVISION PERMIT	49,785	33,120	URBAN REVENUE SHARING	1,730,881	1,250,212
HILLSIDE APPLICATION FEE	94,090	84,145	STATE SALES TAX	1,439,438	968,028
VARIANCE APPLICATION FEE	14,120	3,530	AUTO LIEU TAX	616,863	401,404
REINSPECTION FEE	200	150	FIRE SERVICE LICENSE FEE	20,000	15,000
FIRE MARSHALL SERVICES	109,162	96,244	BULLETPROOF VEST GRANT	2,847	-
SOLICITATION PERMIT	25	225	GOHS-DUI GRANT	9,063	4,166



V. General and Other Revenues from FY2018/19

REVENUE SOURCE	ACTUAL FY2018/19	YEAR-TO-DATE 02/15/20
GOHS-STEP GRANT	\$ 5,769	\$ 1,582
\$4 CITING AGENCY-SB1398	49,540	14,088
RENTAL INC - WIRELESS FACILITY	76,924	51,664
COURTS LAND LEASE	25,000	-
COURT FINES - COUNTER	1,810,443	745,989
COURT PD TECHNOLOGY FEE	859,445	223,906
FALSE ALARM FINES	19,212	45,970
PUBLIC SAFETY FEE	124,626	34,819
JAIL FEE REIMBURSEMENTS	4,929	9,009
INDIGENT LEGAL FEE REIMBURSEME	3,848	1,674
PROCESS SERVICE FEES-COURT	123,680	35,291
POLICE IMPOUND VEHICLE	36,230	7,800
APS FRANCHISE FEES	618,800	331,719
INTERNET FRANCHISE FEES	132	2
COX COMM. LICENSE FEE	288,155	144,229
SOUTHWEST GAS FRANCHISE FEE	212,351	43,123

REVENUE SOURCE	ACTUAL FY2018/19	YEAR-TO-DATE 02/15/20
NEW PATH LICENSE AGREEMENT	\$ 154,535	\$ 157,331
LGIP INTEREST	384,428	118,091
TREASURIES - INTEREST	928,204	381,638
WF INVESTMENT INTEREST	2,088	133,698
INTEREST - MISCELLANEOUS	43,403	24,949
LGIP RECOVERY/WRITE OFF INT	1,608	-
PHOTOCOPY INCOME	330	1,248
POST OFFICE-COMMISSION ON SALE	55,402	28,560
CASH OVER/SHORT	32	(2)
POLICE EVIDENCE INCOME	4,620	2,240
UNCLAIMED PROPERTY	7,583	3,537
MISCELLANEOUS INCOME	5,639	13,073
POLICY PREMIUM REBATE	116,180	207,860
TOTAL GENERAL REVENUES	\$ 34,824,309	\$ 22,139,129
HIGHWAY USER REVENUES	\$ 976,327	\$ 767,103



VI. Six Point Plan

This plan is being designed to provide flexibility and adaptability to mitigating risk, validating priorities and maintaining fiscal resiliency in the spirit and values of the Town of Paradise Valley, Arizona.

A series of layered priorities can provide fluid transitions to adjusting service levels with shifting demands for the residents and customers of Paradise Valley.

Specific details are in development and will be feasibility tested before presented for Council action.

- 1) Policies and priorities: assess and modify or temporarily suspend as appropriate.
- 2) Resetting assigned (set-asides)
- 3) Department, Program and Capital budgets using a Tier approach for prioritizing
- 4) Recalibrate costs and sources
- 5) Align staffing: duties, workload, service level and demands
- 6) General cash reserves



VI(1) Policies and Priorities

Examples

Assess policies and priorities and modify or temporarily suspend as appropriate



VI(1) Policies and Priorities

Examples

Assess policies and priorities and modify or temporarily suspend as appropriate

Resolution 2019-21: Intent to reimburse CIP with Bond Proceeds retro Sept. 21st

RESOLUTION NUMBER 2019-21

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, DECLARING, FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, ITS OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES IN AND FOR THE TOWN.

Different intentions; but kept flexible



ADOPTED AND AMENDMENTS TO CIP PROJECTS BUDGETS				
TOWN FUNDED PROJECTS (General fund & Wastewater)		Total 2020 Budget	BUDGET	
			Adopted	Amendment
Roadway & Utility Improvements: Lincoln Dr, Mockingbird Ln, Indian Bend Rd	2016-14	\$ 2,651,936	\$ 2,500,000	\$ 151,936
Lincoln Dr Sidewalks	2017-05	380,000	80,000	300,000
Town Hall Optimization-Office Spaces & Entry	2018-12	710,000	600,000	110,000
SRP Denton Ln Underground Conversion	2020-02	170,000	170,000	-
Drainage Improvements (various locations)	2020-10	300,000	300,000	-
Lincoln Dr & Tatum Blvd Improvement - VSC	2020-15	10,000	10,000	-
Intersection Improvement: 56th St & Doubletree Ranch Rd	2020-11	20,000	20,000	-
License Plate Readers Update	2020-12	350,000	350,000	-
Lincoln Dr Median Improvements: 32nd St to Tatum Blvd	2020-13	650,000	650,000	-
Lincoln Dr Median Improvements: Tatum Blvd to Mockingbird Ln	2020-14	650,000	650,000	-
Intersection Realignment: Lincoln Dr & Invergordon Rd	2019-01	230,000	230,000	-
Telecommunications System Update	2019-04	200,000	200,000	-
Public Works Remodel	2018-01	90,000	90,000	-
CIP Contingencies (general)	2099-99	-	200,000	(200,000)
Mockingbird improvements: 56th st to Invergordon		105,000	-	105,000
CIP Scope & Cost Estimating	2099-98	50,000	50,000	-
Town of Paradise Valley Operating Funds		6,566,936	6,100,000	466,936
Sewer system assessment	2017-06	234,200	234,200	-
Sewer system improvements	2019-05	500,000	500,000	-
Total Wastewater Enterprise Funds		734,200	734,200	-
TOTAL TOWN FUNDED PROJECTS		\$ 7,301,136	\$ 6,834,200	\$ 466,936

PRIVATE ORGANIZATION FUNDED PROJECTS		Total Budget	BUDGET	
			Adopted	Amendment
Mockingbird Ln, Indian Bend Rd	2016-14	\$ 11,002,746	\$ 10,395,000	\$ 607,746
SRP Denton Ln Underground - Aesthetics	2020-02	200,000	200,000	-
SRP Denton Ln Underground - Residents	2020-02	180,067	180,067	-
Deferred capital contributions		(1,350,000)	(1,350,000)	-
TOTAL PRIVATE ORGANIZATION PROJECTS		\$ 10,032,813	\$ 9,425,067	\$ 607,746
TOTAL CAPITAL IMPROVEMENT PLAN		\$ 17,333,949	\$ 16,259,267	\$ 1,074,682

VI(1) Policies and Priorities

Examples

Assess policies and priorities and modify or temporarily suspend as appropriate

Resolution 2019-21: Intent to reimburse CIP with Bond Proceeds retro Sept. 21st

Resolution 2020-06: Authorized Private Placement with defining “the Project” to allow flexibility

RESOLUTION NO. 2020-06

RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA (1) PROVIDING FOR THE SALE AND EXECUTION AND DELIVERY PURSUANT TO A FIRST EXCISE TAX TRUST AGREEMENT OF AN EXCISE TAX REVENUE OBLIGATION, SERIES 2020, EVIDENCING ALL OF THE INTERESTS OF THE HOLDER THEREOF IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO

Intent: Mitigate Annual Expenditure Limitation risk for FY2020 and FY2021

Flexible: Town could augment General fund improvements that meet the “Project” criteria

WHEREAS, the Mayor and Common Council of the Town of Paradise Valley, Arizona (the “Town”) have determined to finance roadway and utility construction and improvements, drainage improvements, municipal facilities improvements, and equipment and technology purchases (collectively, the “Project”), by entering into a First Excise Tax Purchase Agreement,



VI(1) Policies and Priorities

Examples

Assess policies and priorities and modify or temporarily suspend as appropriate

Resolution 2019-21: Intent to reimburse CIP with Bond Proceeds retro Sept. 21st

Resolution 2020-06: Authorized Private Placement with defining “the Project” to allow flexibility

Financial Management Policies

Modify and Adopt Policies or Suspend via Budget Resolution through 06/30/2021



Operating Budget:

1) Ongoing operating expenditures supported by on going, stable revenues

12) Electronic funds transfer may be used for payroll...previously authorized by Council.

Consider “Electronic funds transfer” for accounts payable as “Check” in Town code.

Capital Budget:

4) Designate revenue for recurring capital improvement projects...finance on an ongoing basis.

Consider balances of “set-asides”

7) Construction sales tax in excess of \$0.5 million dedicated to CIP

“CIP” includes related debt and suspend policy to temporary support the Town’s operations.

VI(1) Policies and Priorities

Examples

Assess policies and priorities and modify or temporarily suspend as appropriate

Resolution 2019-21: Intent to reimburse CIP with Bond Proceeds retro Sept. 21st

Resolution 2020-06: Authorized Private Placement with defining “the Project” to allow flexibility

Financial Management Policies

Court Enhancement Ordinance



Section 12-4-3 Court Enhancement Fee ²⁰¹⁸⁻¹²

A. There is created a Court Enhancement Fund, which shall be used exclusively to enhance the staffing, technology, security or facilities of the Municipal Court.

D. The Municipal Court shall administer, through the annual budget process of the Town of Paradise Valley, and may make expenditures from the Court Enhancement Fund for the purposes provided in this section. Monies from the fund shall supplement monies already provided for the Municipal Court for the general purposes stated in this section.

NOTE: Fund expenditures require Presiding Judge approval. Court has independent discretion to expend monies on state and local funds dedicated for “court use only”

Propose modify funding strategies after FY2020
Set FY2016 as base year; no code change

VI(1) Policies and Priorities

Examples

Assess policies and priorities and modify or temporarily suspend as appropriate

Resolution 2019-21: Intent to reimburse CIP with Bond Proceeds retro Sept. 21st

Resolution 2020-06: Authorized Private Placement with defining “the Project” to allow flexibility

Financial Management Policies

Court Enhancement



PSPRS UAAL

Paying the PSPRS unfunded liability has been a PV Council priority w/ lump sum payments:

\$ 5,000,000 FY2017;
1,000,000 FY2018;
9,000,000 FY2019; and
3,000,000 first week of FY2020
\$18,000,000 total

Based on actuarial report and payments in FY2019 & FY2020 and expected increases as PSPRS realigns pension expectations, the balance is at least **\$5,800,000**. Wait and see with cash on-hand should be weighed.

VI(2) Reset Assigned (Set-Asides)

Examples

Examining the Assigned (set-asides) was planned for the FY2021 budget process.

While preparing for the FY2019 audit, the accounting staff identified and reconciled various balances in the accounting records.

This was communicated to Council as part of the FY2020 budget process and further noted with issuing the FY2019 audited financial statements.

Recommend to bring all balances back to the General fund as unassigned cash and prioritize how it is saved and used.

Assigned balances from General fund sources:

\$ 1,161,000	Fleet
1,518,000	Facilities
90,000	IT Life Cycle
<u>5,000,000</u>	Undesignated CIP balance
\$ 7,769,000	Total



VI(3) Dept., Prog., and CIP

Examples

NEW BUDGET DOCUMENT FORMAT

Department budgets will communicate the level of service demands if maintained all year or pauses and later resumes.

Included will be implications if the priority is not funded over the next 1-15 months.

The intent is to set up contingencies that can be triggered throughout the year when revenues rebound.

Activities that drive Town revenues are not active; when they resume is not known.

Budgets to contain categorizing program costs that is similar to:

Priority 1: Vital, Mandated, Primary Service that has direct impact on residents

Priority 2: Impacts on Operations and delivery of services, but limited direct impact on residents

Priority 3: Need to do, but can delay for a later day

Priority 4: Can hold off indefinitely until revenue rebounds



VI(4) Recalibrate Costs and Sources

Examples

Under the concept of using the most stringent resource first to provide General fund reserves relief.

The Court Enhancement fee's purpose is exclusively to supplement the Municipal Court by enhancing the staffing, technology, security or facilities.

The proposed approach is to find new funding strategies for FY2021.

This is being looked at for all funding sources.

Possible reliefs include:

- Convert general fund contract security to Court employees paid with Court enhancement.
- Technology costs including contractual support, application subscriptions and equipment life cycles.
- Other options will also be examined for FY2021.



VI(4) Recalibrate Costs and Sources

Examples

Private Placement Proceeds: This source is a loan (or like a line of credit) that has a repayment schedule. At a great rate.

Using the proceeds allows for:

- Projects to go forward while
- Preserving general fund cash and
- Repaying the loan as revenues rebound through 8/21/26.

If the proceeds are not used on “the Projects” the unused proceeds revert to repay the loan.

Pending 5-Star reimbursement of CMAR costs, possible priorities include:

- Reimburse Town CIP expenditures since September 21, 2019
- Fund the Town’s CIP up to three years.
- Potentially can use for the Pavement Plan.

Using Private Placement proceeds for the CIP could allow using Construction TPT for:

- debt service payments and
- supporting the General fund reserve
- \$4,500,000 collected through Jan 2020



VI(e) Align Staffing

Examples

In a crisis, service demands and workloads can dramatically shift. Management will continually assess the Town's service levels and demands and shift existing staff accordingly. This may included among departments if warranted.

All staff have unique skill set that are outside of their typical Town duties. The opportunity is to leverage these talents and call upon staff to rise to the challenge with new tasks.

Examples of Staff Changes

1. Delay current recruitments for vacant positions
2. Delay requests for new positions in 20/21
3. Look at other opportunities to delay personnel costs until the Town has more certainty.



VI(f) General Cash Reserves

Examples

Per Town Policy a specified reserve is maintained. *“The reserve is to be used for unforeseen emergencies, such as a significant loss of revenue or catastrophic impacts on the Town.”*

The same Town Policy further states: *“At the time the Town Council approves the use of the reserve..., it will also identify the time period over which the reserve will be replenished.”*

This plan uses the reserve as the source of last resort. Exhausting all other options first, remove Town imposed restrictions where feasible and bring all unencumbered cash back to base for reprioritization.

Historically, tourism simmers over the summer and ramps back up in **October**.

Since it is uncertain when tourism will return, by minimizing the use of “emergency reserves” the Town is prepared should a longer-term situation materialize.

This is done by “turning the spicket sparingly until the Town’s revenues rebound”.



VII. Illustrative Charts

Priorities Funded

All figures are hypothetical examples for illustrative purposes only

Department, Program, or Capital Improvement	State Forms Total Budget	FY2021 General Funding Priority Level		
		Funded	Contingency / Deferred	
		One	Two	Three
TPV DPCIP #1	\$ 14,440,000	\$ 10,200,000	\$1,740,000	\$ 2,500,000
TPV DPCIP #2	10,000,000	5,500,000	3,000,000	1,500,000
TPV DPCIP #3	9,525,000	3,000,000	525,000	6,000,000
TPV DPCIP #4	4,500,000	2,500,000	1,000,000	1,000,000
TPV DPCIP #5	4,485,000	1,500,000	2,500,000	485,000
TPV DPCIP #6	3,250,000	1,000,000	750,000	1,500,000
TPV DPCIP #7	2,000,000	750,000	50,000	1,200,000
TPV DPCIP #8	1,800,000	550,000	50,000	1,200,000
Total	\$ 50,000,000	\$ 25,000,000	\$9,615,000	\$ 15,385,000



Note: There is no concern that the Town's contractual obligations and covenants are at risk of not being honored through this transition.

VII. Illustrative Charts

Cash

All figures are subject to change; based on hypothetical examples for illustrative purposes only

	General Fund Cash Balance	Private Placement Proceeds	Capital Projects	Court Enhancement	General Fund Set-asides
Estimated balance, June 30 (budget)	\$ 29,459,015	\$ 8,140,000	\$ 11,566,936	\$ 1,068,325	\$ 2,769,000
Estimated tourism minimum loss FY2020	(5,363,315)				
Revenue & expenditures (next 15 months)	TBD	-	TBD	TBD	-
Point 2 - Reset assigned set-asides (examples):					
Fleet	1,161,000	-	-	-	(1,161,000)
Facilities	1,518,000	-	-	-	(1,518,000)
IT Life cycle	90,000	-	-	-	(90,000)
Undesignated CIP	5,000,000	-	(5,000,000)	-	-
Point 4 - Recalibrate costs and sources (examples):					
Court security, Technology and other costs	TBD	-	-	TBD	-
Construction TPT to GF	4,500,000	-	(4,500,000)	-	-
Pull back GF Transfer CIP	1,500,000	-	(1,500,000)	-	-
Reimburse with proceeds	750,000	(750,000)	-	-	-
Proceeds for CIP	-	(6,000,000)	6,000,000	-	-
Pull back PSPRS UAAL (remaining FY2020 budget)	3,000,000				
Available cash balance (example)	\$ 41,614,700	\$ 1,390,000	\$ 6,566,936	\$ 1,068,325	\$ -



VIII. State Budget Forms

Summary

AZ Budget Law requires a Town budget that sets the maximum spending authority for the year. Even if the Town receives more revenue, it can not spend it without budget authority.

Though presented by department, budgets may be amended but can not exceed the total adopted amount.

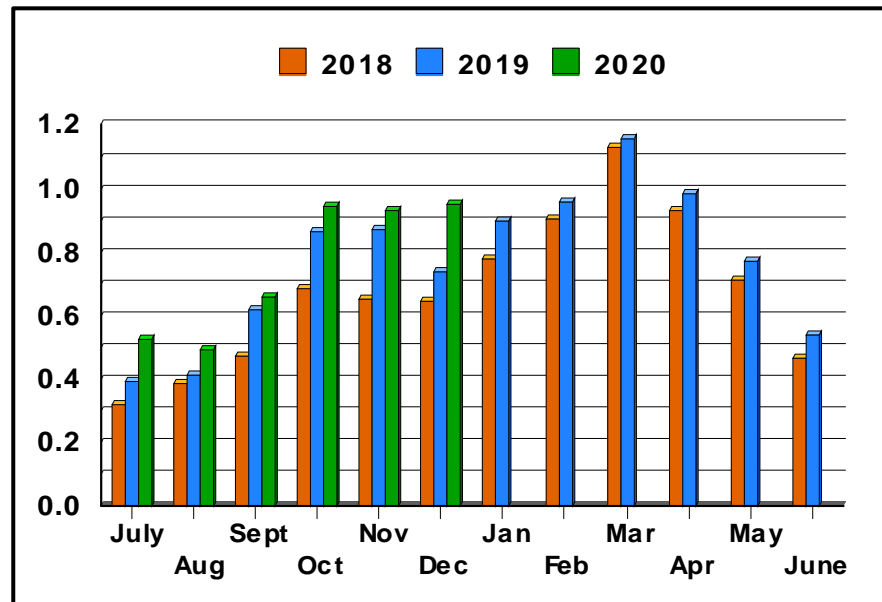
This gives the Town flexibility to budget full services, use various contingencies with priority-based focus as revenue rebounds.

- ❖ The Town has diligently saved sufficient cash reserves for a significant revenue decline for the short-term (15 months)
- ❖ There are many opportunities to extend this cash reserve until revenues rebound
- ❖ Prioritize uses for cash reserves and defer major spending and projects until the Town's revenue rebounds. Wait and see.
- ❖ Not a rush, there is time to have a well thought out plan to navigate the next fiscal years' challenges. Multi-year vision.



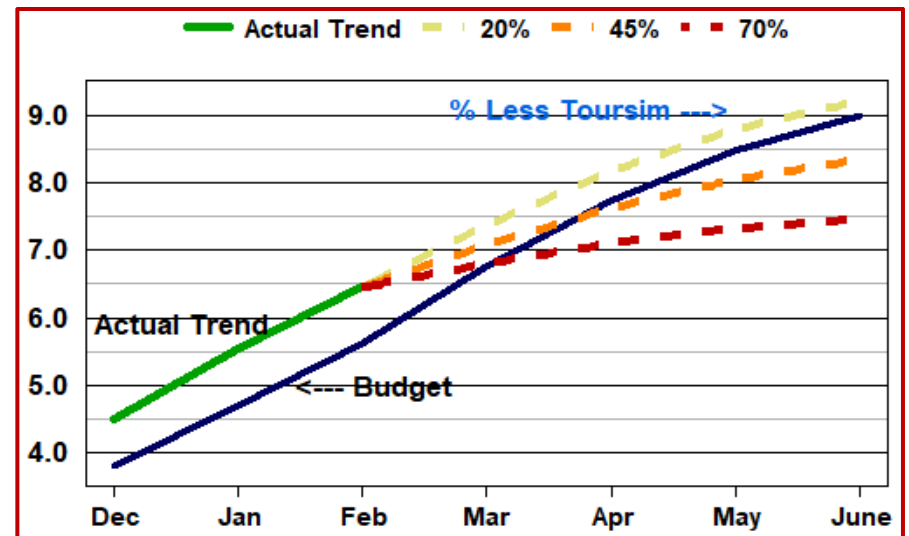
Note: There is no concern that the Town's contractual obligations and covenants are at risk of not being honored through this transition.

IX. Retail and Hospitality Graphs Revisited



- ❖ Historically, revenues simmer in the summer and pick up in October.

- ❖ Considered pessimistic two weeks ago; 70% could be optimistic
- ❖ Duration is uncertain



X. General Discussion & Direction



Note: There is no concern that the Town's contractual obligations and covenants are at risk of not being honored through this transition.



March 26th, 2020