



Lakewood
Full of Possibilities

Financial and Economic Outlook

City of Lakewood Study Session

May 4, 2020



Overview



Economic Outlook



Revenue & Expense



Fund balance



Questions to consider



Next Steps



Economic Outlook

US Economy

- Q2 GDP 11% decline from 2019
- Q3/Q4 starting recovery
- End of 2021 full recovery

- Unemployment Q2 estimate 15%

- Trillions of stimulus

State of Colorado

- Reduction of revenue by \$7B in general fund through 2023

- 2020/2021 \$3.2B, 2022 \$2.5B, 2023 \$1B

- Current financial aid \$2.5B







Economic Outlook

Denver

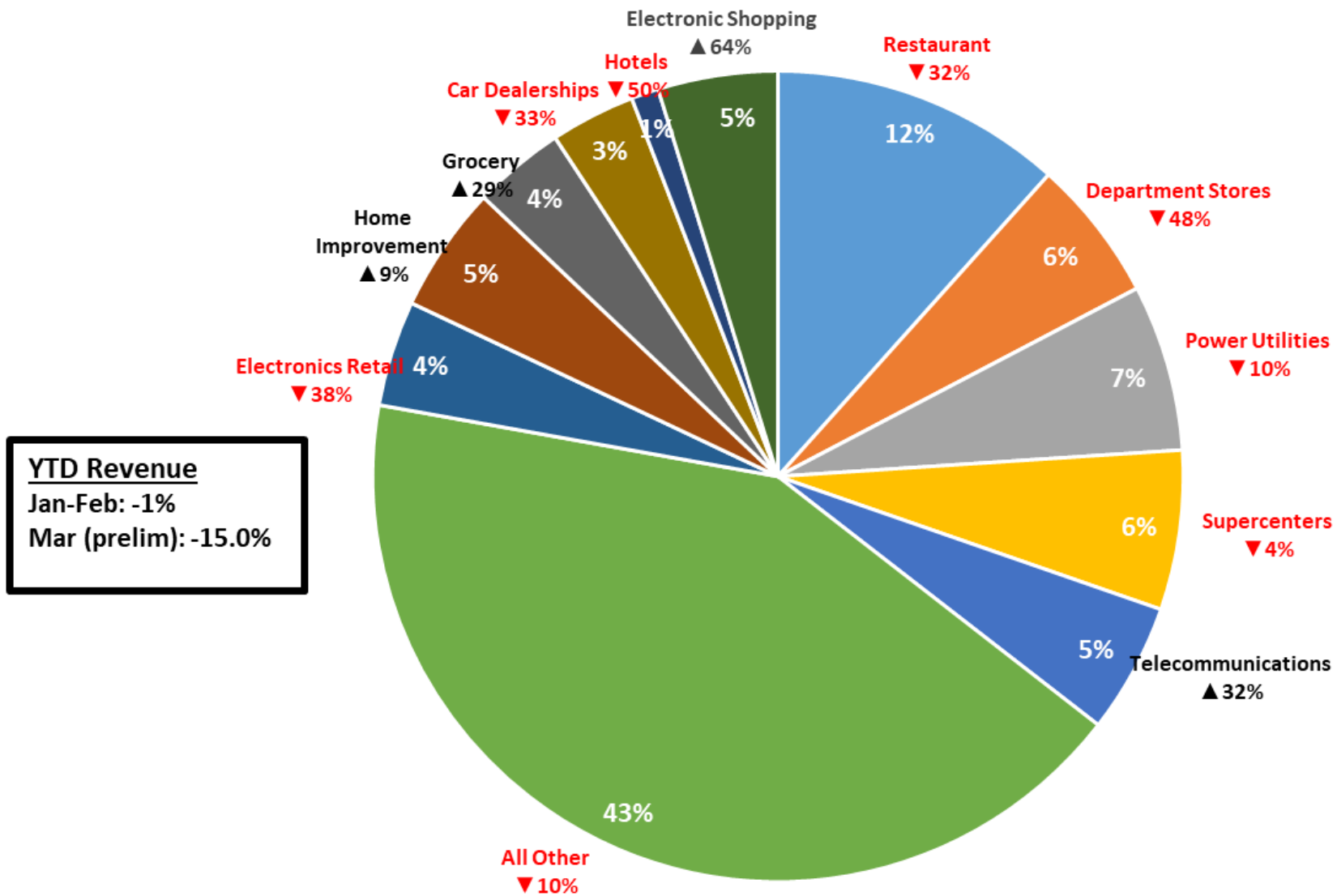
- Expecting 12% revenue loss for 2020
- Mostly between March and June 2020
- Revenue loss in sales, use and lodger tax from retail, restaurants and hotels

Lakewood

- March sales tax 15-20% vs March 2019 
- Retail/restaurants/hotels 40-50% 
- New/used cars 33% 
- Electronic Shopping up 64% 



Sales Tax Revenue for March 2020





Revenues

Evaluating current revenue

Funding from Federal and State sources
CDBG, CARES, FEMA, Stimulus, JAG

Evaluating current revenue structure



Expenditures

Personnel

Programs

Capital Projects

Other Expenses



Personnel

Current hiring freeze – year to date saving approximately \$950k

Personnel costs account for 74% of the City's total budget

Evaluating all options



Fund Balance

General Fund, CIF, Grants, Other

Evaluate reserves level

Cash Flow



Questions to Consider



Reaffirmed City priorities?



Evaluate reserve levels?



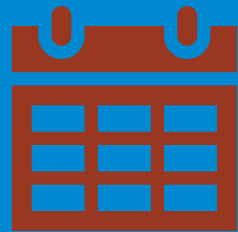
Delay additional spending beyond current budget?



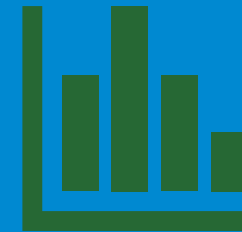
Revenue sources?



Update Plan



**Updates will take place every two
to three weeks**



Revenue
Expenditures
Economic Analysis



Lakewood
Full of Possibilities

Questions