

**RESOLUTION OF THE TOWN COUNCIL OF BASALT, COLORADO, RELATED TO
THE RESULTS OF THE 2014 FIVE-YEAR FINANCIAL FORECAST AND PROVIDING
DIRECTION TO THE TOWN MANAGER**

**Town of Basalt, Colorado
Resolution No. 66
Series of 2014**

RECITALS

1. The Town of Basalt completed a Five-Year Financial Forecast for the Town's General Fund in September, 2014.
2. The Financial Forecast noted an imbalance in expenditures vs. revenues requiring a modification in the Town's spending pattern over the next several years to bring the General Fund into balance.
3. The 2014 Forecast (as did the 2013 Forecast) noted that specific spending initiatives including, Affordable Housing and Capital Improvements will likely require funding sources outside of the General Fund in order to maintain these investments over the long-term.
4. The Forecast also took into account Town Council Policy 103 which states,

Section 103.1 It shall be the policy of the Town of Basalt to budget an amount in the General Fund equal to thirty-three percent (33%) of budgeted unrestricted General Fund revenues for that same budget year. Basalt relies heavily on sales tax revenues, which may be directly impacted by economic upturns and downturns. These conditions warrant reserves budgeted at the high end of the Government Finance Officers Association (GFOA) recommended practice range.
5. The Town Council during the review of the forecast noted several important informational pieces that they would like to see going forward relating the forecast back to expenditure requests that are made to the Town Council.

NOW, THEREFORE, BE IT RESOLVED by the Basalt Town Council of Basalt, Colorado, as follows:

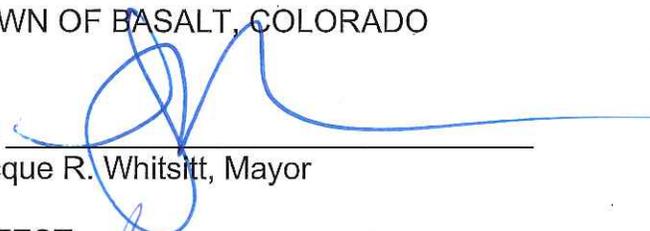
1. That the Town Manager develops an enhanced reporting structure that provides on a monthly basis the Town's progress in balancing the Town's expenditures and

revenues over the long-term.

2. That the Town Manager look at ways to increase the Fund Balance in the General Fund to account for the volatility and dependence on Sales Tax.
3. That in achieving the above the Town Manager work with the Town Council to further diversify Town Revenues, a goal that was stated in the 2013 and 2014 Work Plans of the Town.

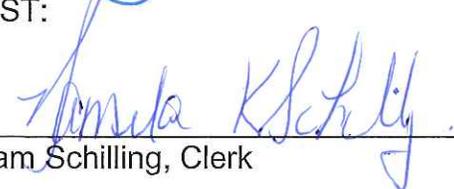
READ AND ADOPTED by a vote of 7 to 0 on December 9, 2014.

TOWN OF BASALT, COLORADO

By: 

Jacques R. Whitsitt, Mayor

ATTEST:

By: 

Pam Schilling, Clerk