

**September 2020 Financial Report**  
(unaudited)

This monthly financial report highlights the City’s revenue and expenditures by fund, which compares year-to-date actual figures to the budgeted amount and prior year. For context, through September, 75% of the year has elapsed.

New to this report: **if text is in green**, the revenue has improved over the prior month status (shown in parenthesis). For example, if sales tax improved from 19% in August’s report to 23% in September’s report it will be shown below as **23% ahead of 2019 (19%)**. Also new to this report are Sneek Peeks - if known, revenue in the following month will be compared to 2019.

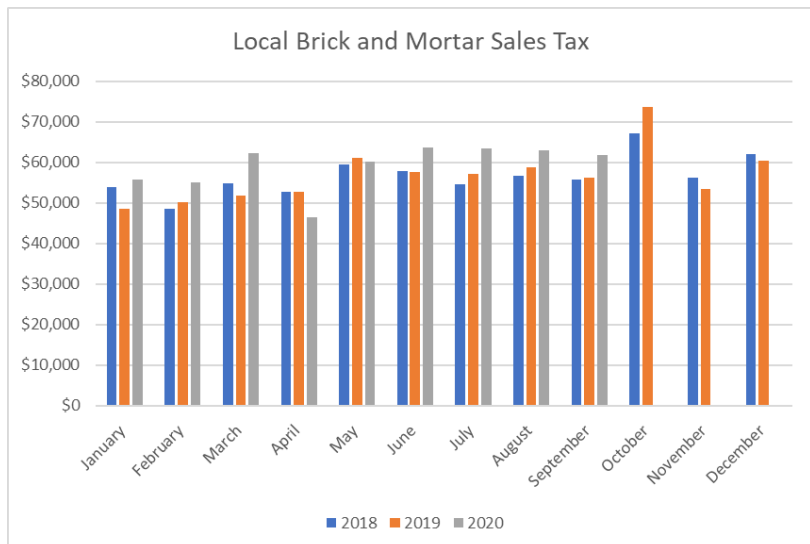
**COVID-19 pandemic** - Except for April (down 4.6%), monthly sales tax revenue continues to exceed the prior year’s months. Through September, sales tax revenue was 23% ahead of 2019 and it appears that sales tax revenue was only significantly impacted by COVID-19 in April. September was 52% ahead of 2019!

As shown in the chart and table to the right, the City’s top sales tax-generating local retailers (grocery, restaurant, and beverage) experienced a 10% increase in September 2020 over September 2019. For these same stores, January through September 2020 revenue is 8% ahead of 2019.

Other revenues impacted by the pandemic are related to vehicle sales and fuel. Through September, auto use tax is 19% less than 2019. Nationally, Caranddriver.com reported that U.S. new-car sales fell for the second consecutive quarter (1<sup>st</sup> two quarters of 2020) after facing the full impact of the coronavirus shutdowns. Highway user tax is down 13% and motor vehicle registration fees are down 1%.

Construction-related revenues remain on the plus side with building permit fees and use tax up a combined 43% through September.

Local Brick and Mortar Sales Tax - 3 year historical collection								
	2018			2019		2020		
Jan-Mar	\$	157,188	-4%	\$	150,416	15%	\$	173,052
April	\$	52,797	0%	\$	52,779	-12%	\$	46,393
May	\$	59,362	3%	\$	61,027	-1%	\$	60,121
June	\$	57,753	0%	\$	57,616	10%	\$	63,507
July	\$	54,486	5%	\$	57,123	11%	\$	63,280
August	\$	56,526	4%	\$	58,637	7%	\$	62,899
September	\$	55,656	1%	\$	56,100	10%	\$	61,834
Jan-Sep	\$	493,767	0%	\$	493,699	8%	\$	531,086



Despite the COVID-19 impact to City revenues, the City remains on strong financial footing due to our retail business base being less subject to closures, shifting to self-collection, new revenue from internet sales, and concluding 2019 in good financial shape. We’ve continued to see improvement and stability since May. On the expenditure side, the cost of the pandemic to the City has been relatively low compared to other jurisdictions and we have received funding to reimburse those costs.

**Charts and line item details follow and accompany this narrative analysis**

**GENERAL FUND**

**Revenues**

- Overall, through the first nine months, revenues are meeting expectations with 78% of the budget received. This is a very good sign, considering the COVID-19 pandemic. All major revenues have shown improvement from the prior month, **as shown in green below.**

General Fund	Budget	YTD Actual (unaudited)	Balance Remaining	% of budget received
<b>Revenue</b>				
Taxes	\$ 6,316,200	\$ 5,033,196	\$ 1,283,004	80%
Licenses/Permits	67,400	136,451	(69,051)	202%
Intergovernmental	1,327,100	1,015,841	311,259	77%
Charges for Services	1,685,800	1,218,566	467,234	72%
Fines and Forfeitures	260,700	75,251	185,449	29%
Other	55,000	72,578	(17,578)	132%
<b>Total Revenue</b>	<b>\$ 9,712,200</b>	<b>\$ 7,551,883</b>	<b>\$ 2,160,317</b>	<b>78%</b>

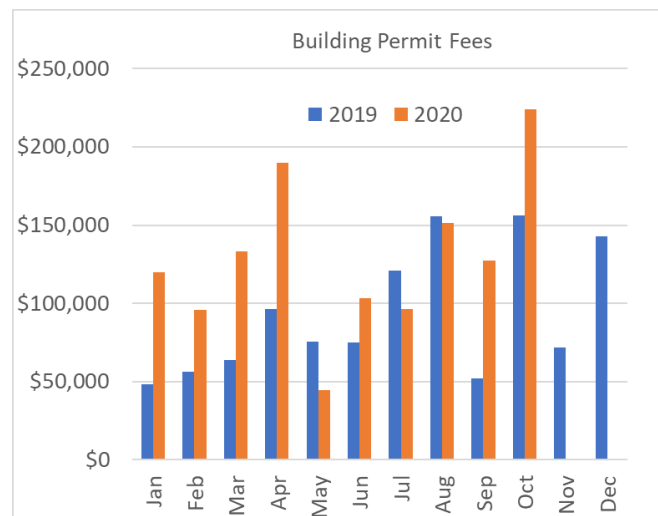
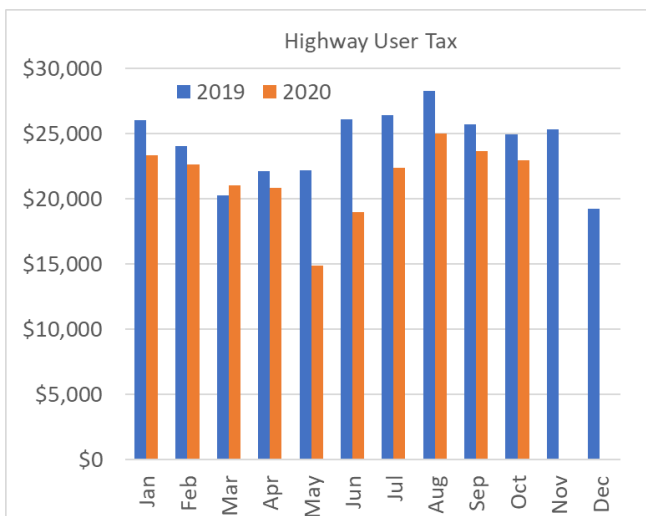
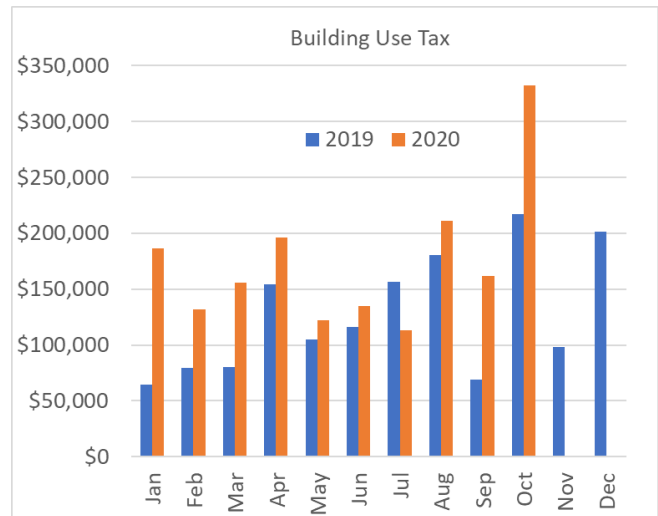
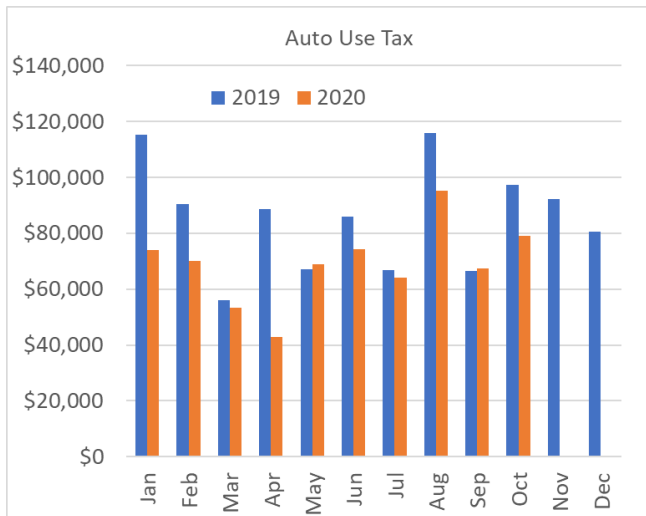
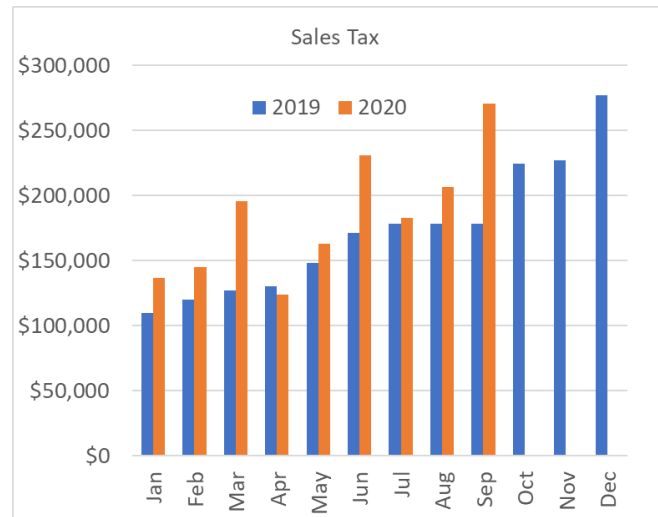
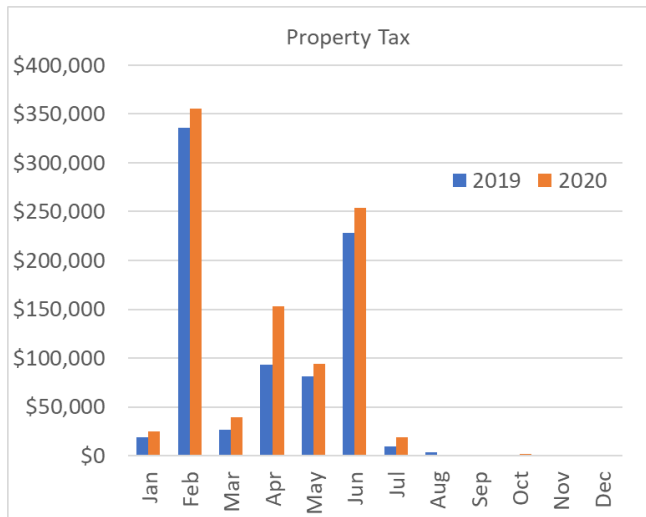
- Taxes - 80% of the budget has been received and **17% ahead of 2019 (15%)**.
  - Property tax - 99% received and 18% ahead of 2019. The majority of property tax is received through first half of the year. New construction contributed to the increase over 2019.
  - Sales tax - 85% received and **23% ahead of 2019 (19%)**. Increase due to the City's shift to self-collection and sales tax now collected from on online sales stemming from the United States Supreme Court's Wayfair decision. September 2020 was 52% greater than September 2019. The City started to see large increases in revenue from internet business-based sales in June 2019 (see graph below).
  - Building use tax - 81% received and **41% ahead of 2019 (34%)**. The increase over 2019 is due to an increase in new residential construction within the City. SNEEK PEEK - through October, revenues are **43% ahead of 2019**.
  - Auto use tax - 56% received and **19% lower than 2019 (21%)**. Auto use tax continues to be impacted by the pandemic through September. September 2020 was 1% better than 2019. May was the best month at 3% more than 2019. April had the largest deficit at 52% and SNEEK PEEK - through October, revenues are still 19% lower than 2019.
- Licenses and Permits - 202% of budget received, which is \$69,051 greater than the budget.
  - Business licenses - 374% received, which is \$13,675 greater than the budget. The 2020 budget is \$5,000 and \$18,675 has been received year-to-date. Following the adoption of the 2020 budget, the City changed the business license fee from a \$10 annual fee to a \$25 biennial fee. The increase can also be attributed to more business licensing due to the Supreme Court Wayfair decision.
  - Right-of-Way/Grading, Erosion and Sediment Control (GESC) permits - 326% received, which is \$67,689 greater than its budget.
- Intergovernmental - 77% of budget received and **9% ahead of 2019 (8%)**.
  - Highway Users Trust Fund - 69% of budget received and 13% lower than 2019. This decrease is likely due to impacts from the COVID-19 pandemic to fuel sales and new vehicle registrations. SNEEK PEEK - through October, revenues are **12% lower than 2019**.

- Road and Bridge Property Tax County shareback - 99% received and 18% ahead of 2019 (17%). The majority of property tax is received through the first half of year.
- Sales/auto use tax County shareback - 41% received and 4% lower than 2019 (6%).
- Building use tax County shareback - 62% received and 43% ahead of 2019 (33%).
- Charges for Services - 63% of budget received.
  - Building permit fees - 71% received and 43% ahead of 2019 (35%).
  - Planning and zoning fees - 79% received and 34% lower than 2019 (36%).
- Fines and Forfeitures - 29% of budget received. This is lower than expectations and is likely due to the COVID-19 pandemic, less travelers and fewer tickets issued.
- Other - 99% of budget received.

### Expenditures

- Overall, 65% of the General Fund budget is expended. Most departments are within budget expectations.
- Interdepartmental is 97% expended. COVID19-related expenditures and one-time professional services contribute to being at 97% vs 75% of the year complete.
- Legal services is 112% expended due to negotiations, land rezoning, pandemic-related work and construction documents.
- Community Events expenditures are only 25% expended due to the cancellation of events in the Spring because of COVID-19.

The charts below compare City major revenues for 2020 to 2019.



<b>GENERAL FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget received</b>
<b>REVENUE</b>				
<i>Taxes</i>				
Property Tax	\$ 947,600	\$ 942,106	\$ 5,494	99%
Specific Ownership Tax	79,400	59,757	19,643	75%
Sales Tax	1,939,600	1,655,257	284,343	85%
Building Use Tax	1,733,700	1,412,793	320,907	81%
Auto Use Tax	1,093,300	610,179	483,121	56%
Franchise - Electric	210,100	164,284	45,816	78%
Franchise - Gas	132,200	68,707	63,493	52%
Franchise - Cable	175,700	119,416	56,284	68%
Franchise - Telecom	4,600	697	3,903	15%
<b>TOTAL TAXES</b>	<b>6,316,200</b>	<b>5,033,196</b>	<b>1,283,004</b>	<b>80%</b>
<i>Licenses and Permits</i>				
Business Licenses	5,000	18,675	(13,675)	374%
Liquor/Tobacco Licenses	2,400	2,162	238	90%
Contractor Licenses	30,000	15,637	14,363	52%
Sign Permits	-	2,288	(2,288)	n/a
ROW/GESC Permits	30,000	97,689	(67,689)	326%
<b>TOTAL LICENSES AND PERMITS</b>	<b>67,400</b>	<b>136,451</b>	<b>(69,051)</b>	<b>202%</b>
<i>Intergovernmental</i>				
Highway Users Trust Fund - State	279,500	192,858	86,642	69%
Motor Vehicle Registration Fee	38,800	27,709	11,091	71%
Road & Bridge Property Tax - County	466,800	461,574	5,226	99%
Sales/Auto Use Tax - County	309,200	147,663	161,537	48%
Building Use Tax - County	221,800	154,654	67,146	70%
Other	11,000	31,384	(20,384)	285%
<b>TOTAL INTERGOVERNMENTAL</b>	<b>1,327,100</b>	<b>1,015,841</b>	<b>311,259</b>	<b>77%</b>
<i>Charges for Services</i>				
Planning and Zoning Fees	175,000	139,046	35,954	79%
Finance Fees	-	5,088	(5,088)	n/a
Building Permit Fees	1,493,200	1,061,832	431,368	71%
Park Land Mitigation Fee	17,600	12,600	5,000	72%
<b>TOTAL CHARGES FOR SERVICES</b>	<b>1,685,800</b>	<b>1,218,566</b>	<b>467,234</b>	<b>72%</b>
<b>TOTAL FINES AND FORFEITURES</b>	<b>260,700</b>	<b>75,251</b>	<b>185,449</b>	<b>29%</b>
<i>Other</i>				
Interest Earnings	55,000	54,754	246	100%
Stormwater Management Pass-through	2,000,000	1,970,272	29,728	99%
Other	-	17,824	(17,824)	n/a
<b>TOTAL OTHER</b>	<b>2,055,000</b>	<b>2,042,850</b>	<b>12,150</b>	<b>99%</b>
<b>TOTAL REVENUE</b>	<b>\$ 11,712,200</b>	<b>\$ 9,522,155</b>	<b>\$ 2,190,045</b>	<b>81%</b>

<b>GENERAL FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget expended</b>
<b>EXPENDITURES</b>				
City Council	\$ 80,300	\$ 40,533	\$ 39,767	50%
City Manager	179,800	137,225	42,575	76%
Inter-/Non-Departmental	401,900	389,105	12,795	97%
Legal Services	120,000	134,591	(14,591)	112%
Finance	268,400	200,968	67,432	75%
City Clerk	143,300	96,439	46,861	67%
Municipal Court	41,300	26,808	14,492	65%
Public Safety	1,053,000	773,407	279,593	73%
Public Works	1,738,700	1,187,496	551,204	68%
Community Development	1,712,200	1,252,968	459,232	73%
Economic Development	95,900	71,996	23,904	75%
Community Events	201,800	50,542	151,258	25%
Stormwater Management Pass-through	2,000,000	1,970,272	29,728	99%
Transfer to Parks/Recreation Fund	196,600	179,375	17,225	91%
Transfer to Capital Improvements Fund	6,560,100	3,159,627	3,400,473	48%
<b>TOTAL EXPENDITURES</b>	<b>\$ 14,793,300</b>	<b>\$ 9,671,352</b>	<b>\$ 5,121,948</b>	<b>65%</b>

#### **PARKS AND RECREATION FUND**

- Parks and Recreation Fund revenues are lower than expectations as park usage has been impacted by COVID-19.

<b>PARKS AND RECREATION FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget received/ expended</b>
<b>REVENUE</b>				
Park Use Fees	\$ 20,500	\$ 13,220	\$ 7,280	64%
Insurance Recovery	-	13,540	(13,540)	n/a
Transfers In	196,600	179,375	17,225	91%
<b>TOTAL REVENUE</b>	<b>\$ 217,100</b>	<b>\$ 206,135</b>	<b>\$ 10,965</b>	<b>95%</b>
<b>EXPENDITURES</b>				
Salary/Benefits	\$ 109,100	\$ 89,953	\$ 19,147	82%
Park O&M	217,500	116,182	101,318	53%
<b>TOTAL EXPENDITURES</b>	<b>\$ 326,600</b>	<b>\$ 206,135</b>	<b>\$ 120,465</b>	<b>63%</b>

**CONSERVATION TRUST FUND**

- Revenue is received quarterly. The \$100,000 expenditure is the City’s contribution to the Rueter-Hess Recreation Authority for recreation improvements.

<b>CONSERVATION TRUST FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget received/ expended</b>
<b>TOTAL REVENUE</b>	<b>\$ 69,400</b>	<b>\$ 42,810</b>	<b>\$ 26,590</b>	<b>62%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 115,000</b>	<b>\$ 100,000</b>	<b>\$ 15,000</b>	<b>87%</b>

**CAPITAL IMPROVEMENTS FUND**

- Most capital improvements are funded by the General Fund.
- The \$94,000 revenue budget is IREA’s contribution (50%) to new light poles (Machinery and Equipment \$188,000).
- The City received \$3,422,223 from the sale of land by a developer pursuant to a public-private partnership agreement.

<b>CAPITAL IMPROVEMENTS FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget received/ expended</b>
Revenue	\$ 94,000	\$ 3,422,223	\$ (3,328,223)	3641%
Transfers In	6,560,100	3,159,627	3,400,473	48%
<b>TOTAL REVENUE</b>	<b>\$ 6,654,100</b>	<b>\$ 6,581,850</b>	<b>\$ (6,581,850)</b>	<b>99%</b>
<b>EXPENDITURES</b>				
Major Roads/Streets Construction	\$ 5,825,000	\$ 2,888,921	\$ 2,936,079	50%
Lagae Road Improvements	596,600	-	596,600	0%
Pedestrian Safety Improvements	75,000	3,614	71,386	5%
Happy Canyon Bridge	-	4,802	(4,802)	n/a
Traffic Signal Upgrades	125,000	82,677	42,323	66%
Gateway/Wayfinding	364,000	24,037	339,963	7%
City Hall	438,100	126,427	311,673	29%
Machinery and Equipment	188,000	29,149	158,851	16%
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,611,700</b>	<b>\$ 3,159,627</b>	<b>\$ 4,452,073</b>	<b>42%</b>