

October 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 October, 83% of the year has elapsed.

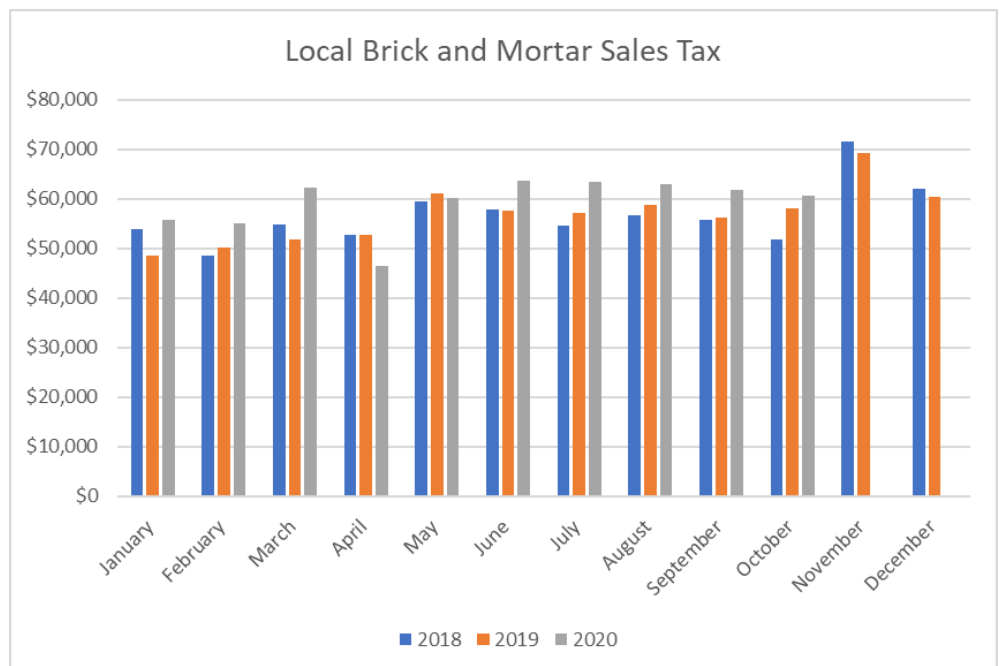
If text is in green, the revenue has improved over the prior month status (shown in parenthesis). For example, if sales tax improved from 19% in August’s report to 23% in September’s report it will be shown below as **23% ahead of 2019 (19%)**. Also new to this report are Sneek Peeks - if known, revenue 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 October, sales tax revenue was 18% ahead of 2019 and it appears that sales tax revenue was only significantly impacted by COVID-19 in April.

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 4% increase in October 2020 over October 2019. For these same stores, January through October 2020 revenue is 7% ahead of 2019.

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
October	\$ 51,731	12%	\$ 58,091	4%	\$ 60,562
Jan-Oct	\$ 545,498	1%	\$ 551,790	7%	\$ 591,648

Other revenues impacted by the pandemic are related to vehicle sales and fuel. Through October, auto use tax is 19% less than 2019. Nationally, Caranddriver.com reported that U.S. new-car sales fell for the second consecutive quarter (1st two quarters of 2020) after facing the full impact of the coronavirus shutdowns. Highway user tax is down 12% 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 October.

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, revenues are meeting expectations with 88% of the budget received. This is a very good sign, considering the COVID-19 pandemic. Most of the major revenues improved or continued the trend seen in the prior month, **as shown in green below**. The one exception is sales tax which was up 23% as of September to up 18% as of October.

General Fund	Budget	YTD Actual (unaudited)	Balance Remaining	% of budget received
<i>Revenue</i>				
Taxes	\$ 6,316,200	\$ 5,676,180	\$ 640,020	90%
Licenses/Permits	67,400	141,620	(74,220)	210%
Intergovernmental	1,327,100	1,111,447	215,653	84%
Charges for Services	1,685,800	1,487,139	198,661	88%
Fines and Forfeitures	260,700	81,724	178,976	31%
Other	55,000	87,397	(32,397)	159%
Total Revenue	\$ 9,712,200	\$ 8,585,506	\$ 1,126,694	88%

- Taxes - 90% of the budget has been received and **17% ahead of 2019 (17%)**.
 - Property tax - 99.7% received and **18% ahead of 2019 (18%)**. The majority of property tax is received through first half of the year. New construction contributed to the increase over 2019.
 - Sales tax - 96% received and **18% ahead of 2019 (23%)**. 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. October 2020 was 12% lower than October 2019; however, this follows September, which was 52% greater than September 2019. The City started to see large increases in revenue from internet business-based sales in June 2019 (see sales tax graph below).
 - Building use tax - 101% received and **43% ahead of 2019 (41%)**. The increase over 2019 is due to an increase in new residential construction within the City. SNEEK PEEK - through November, revenues are **55% ahead of 2019**.
 - Auto use tax - 63% received and **19% lower than 2019 (19%)**. Auto use tax continues to be impacted by the pandemic through October. October 2020 was 19% lower than 2019. May was the best month at 3% more than 2019. April had the largest deficit at 52%. SNEEK PEEK -

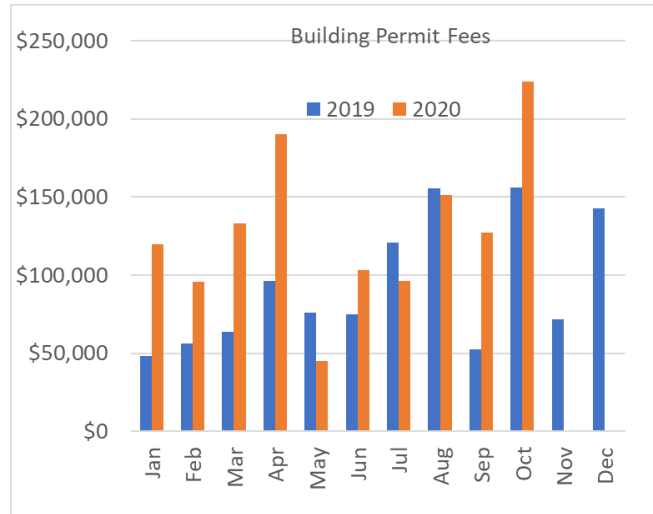
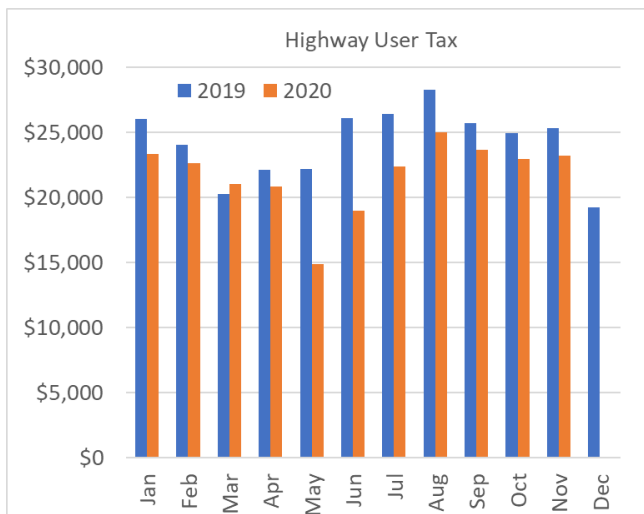
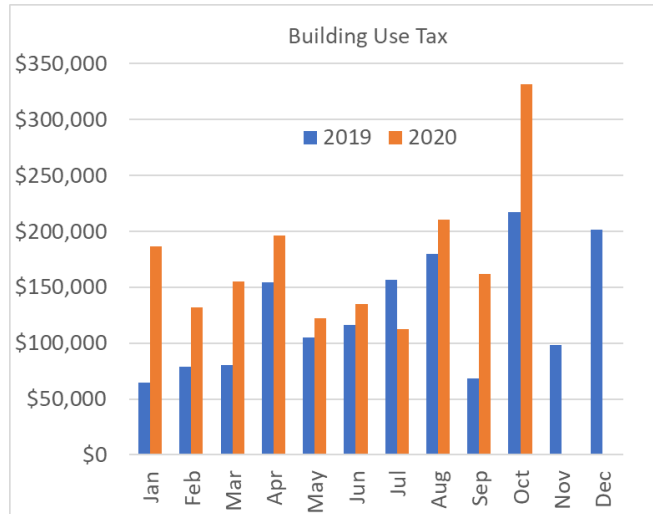
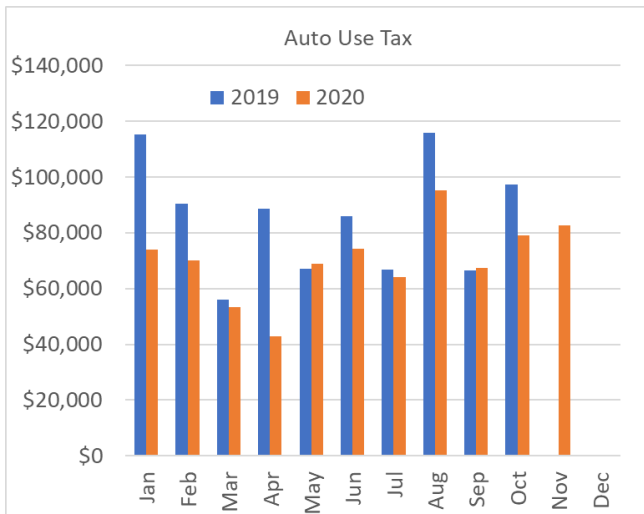
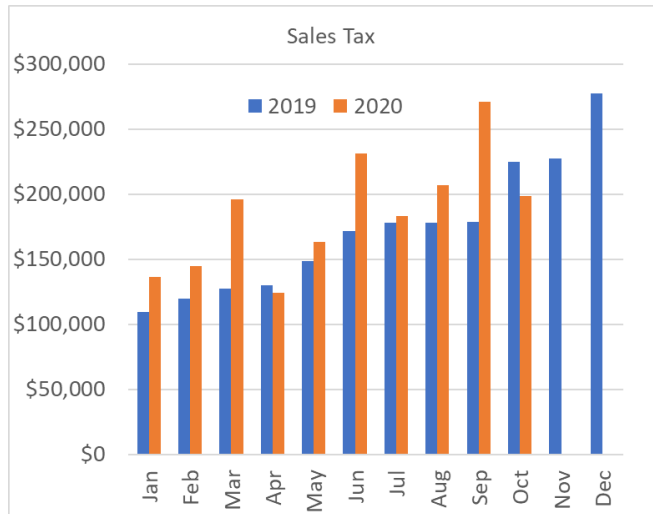
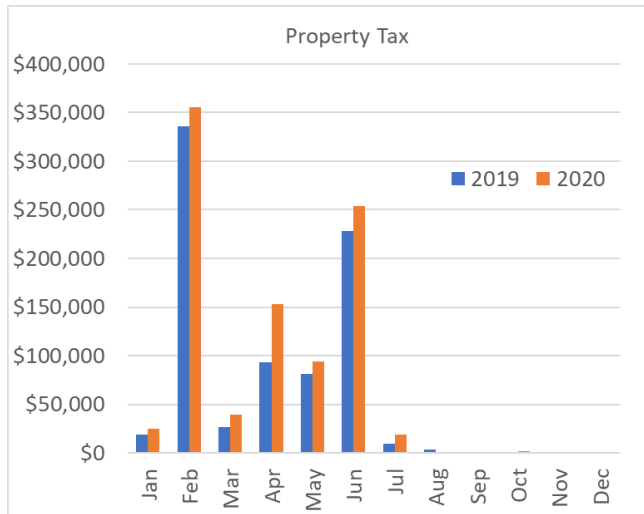
through November, revenues are 18% lower than 2019.

- Franchise fees - 72% received and 6% ahead of 2019 (6%).
- Licenses and Permits - 210% of budget received, which is \$74,220 greater than the budget.
 - Business licenses - 390% received, which is \$14,490 greater than the budget. The 2020 budget is \$5,000 and \$19,490 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 (GESCC) permits - 338% received, which is \$71,318 greater than its budget.
- Intergovernmental - 84% of budget received and 9% ahead of 2019 (9%).
 - Highway Users Trust Fund - 77% of budget received and 12% lower than 2019 (13%). This decrease is likely due to impacts from the COVID-19 pandemic to fuel sales and new vehicle registrations. SNEEK PEEK - through November, revenues are 12% lower than 2019.
 - Road and Bridge Property Tax County shareback - 99% received and 18% ahead of 2019 (18%). The majority of property tax is received through the first half of year.
 - Sales/auto use tax County shareback - 58% received and 3% lower than 2019 (2%).
 - Building use tax County shareback - 86% received and 45% ahead of 2019 (43%).
- Charges for Services - 88% of budget received.
 - Building permit fees - 86% received and 43% ahead of 2019 (43%).
 - Planning and zoning fees - 102% received and 24% lower than 2019 (34%).
- Fines and Forfeitures - 31% of budget received. This is lower than expectations and is likely due to the COVID-19 pandemic, less travelers and fewer tickets issued.

Expenditures

- Overall, 72% 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 83% of the year complete.
- Legal services is 123% expended due to negotiations, land rezoning, pandemic-related work and construction documents.
- Community Events expenditures are only 31% expended due to the cancellation of events because of COVID-19.

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



GENERAL FUND	Budget	YTD Actual (unaudited)	Balance Remaining	% of budget received
REVENUE				
<i>Taxes</i>				
Property Tax	\$ 947,600	\$ 944,303	\$ 3,297	100%
Specific Ownership Tax	79,400	66,939	12,461	84%
Sales Tax	1,939,600	1,853,836	85,764	96%
Building Use Tax	1,733,700	1,744,662	(10,962)	101%
Auto Use Tax	1,093,300	689,188	404,112	63%
Franchise - Electric	210,100	182,636	27,464	87%
Franchise - Gas	132,200	74,503	57,697	56%
Franchise - Cable	175,700	119,416	56,284	68%
Franchise - Telecom	4,600	697	3,903	15%
TOTAL TAXES	6,316,200	5,676,180	640,020	90%
<i>Licenses and Permits</i>				
Business Licenses	5,000	19,490	(14,490)	390%
Liquor/Tobacco Licenses	2,400	2,162	238	90%
Contractor Licenses	30,000	16,362	13,638	55%
Sign Permits	-	2,288	(2,288)	n/a
ROW/GESC Permits	30,000	101,318	(71,318)	338%
TOTAL LICENSES AND PERMITS	67,400	141,620	(74,220)	210%
<i>Intergovernmental</i>				
Highway Users Trust Fund - State	279,500	215,811	63,689	77%
Motor Vehicle Registration Fee	38,800	31,056	7,744	80%
Road & Bridge Property Tax - County	466,800	461,574	5,226	99%
Sales/Auto Use Tax - County	309,200	179,800	129,400	58%
Building Use Tax - County	221,800	190,856	30,944	86%
Other	11,000	32,350	(21,350)	294%
TOTAL INTERGOVERNMENTAL	1,327,100	1,111,447	215,653	84%
<i>Charges for Services</i>				
Planning and Zoning Fees	175,000	178,761	(3,761)	102%
Finance Fees	-	5,972	(5,972)	n/a
Building Permit Fees	1,493,200	1,285,606	207,594	86%
Park Land Mitigation Fee	17,600	16,800	800	95%
TOTAL CHARGES FOR SERVICES	1,685,800	1,487,139	198,661	88%
TOTAL FINES AND FORFEITURES	260,700	81,724	178,976	31%
<i>Other</i>				
Interest Earnings	55,000	69,573	(14,573)	126%
Stormwater Management Pass-through	2,000,000	1,970,272	29,728	99%
Other	-	17,824	(17,824)	n/a
TOTAL OTHER	2,055,000	2,057,669	(2,669)	100%
TOTAL REVENUE	\$ 11,712,200	\$ 10,555,778	\$ 1,156,422	90%

GENERAL FUND	Budget	YTD Actual (unaudited)	Balance Remaining	% of budget expended
EXPENDITURES				
City Council	\$ 80,300	\$ 62,295	\$ 18,005	78%
City Manager	179,800	149,774	30,026	83%
Inter-/Non-Departmental	401,900	389,105	12,795	97%
Legal Services	120,000	147,191	(27,191)	123%
Finance	268,400	219,641	48,759	82%
City Clerk	143,300	104,324	38,976	73%
Municipal Court	41,300	30,591	10,709	74%
Public Safety	1,053,000	777,695	275,305	74%
Public Works	1,738,700	1,279,922	458,778	74%
Community Development	1,712,200	1,474,382	237,818	86%
Economic Development	95,900	77,453	18,447	81%
Community Events	201,800	63,236	138,564	31%
Stormwater Management Pass-through	2,000,000	1,970,272	29,728	99%
Transfer to Parks/Recreation Fund	196,600	210,111	(13,511)	107%
Transfer to Capital Improvements Fund	6,560,100	3,749,881	2,810,219	57%
TOTAL EXPENDITURES	\$ 14,793,300	\$ 10,705,873	\$ 4,087,427	72%

PARKS AND RECREATION FUND

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

PARKS AND RECREATION FUND	Budget	YTD Actual (unaudited)	Balance Remaining	% of budget received/ expended
REVENUE				
Park Use Fees	\$ 20,500	\$ 13,500	\$ 7,000	66%
Insurance Recovery	-	13,540	(13,540)	n/a
Transfers In	196,600	210,111	(13,511)	107%
TOTAL REVENUE	\$ 217,100	\$ 237,151	\$ (20,051)	109%
TOTAL EXPENDITURES	\$ 326,600	\$ 237,151	\$ 89,449	73%

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.

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

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.

CAPITAL IMPROVEMENTS FUND	Budget	YTD Actual (unaudited)	Balance Remaining	% of budget received/ expended
Revenue	\$ 94,000	\$ 3,422,223	\$ (3,328,223)	3641%
Transfers In	6,560,100	3,749,881	2,810,219	57%
TOTAL REVENUE	\$ 6,654,100	\$ 7,172,104	\$ (7,172,104)	108%
EXPENDITURES				
Major Roads/Streets Construction	\$ 5,825,000	\$ 3,437,593	\$ 2,387,407	59%
Lagae Road Improvements	596,600	-	596,600	0%
Pedestrian Safety Improvements	75,000	4,455	70,545	6%
Happy Canyon Bridge	-	6,306	(6,306)	n/a
Traffic Signal Upgrades	125,000	82,677	42,323	66%
Gateway/Wayfinding	364,000	32,337	331,663	9%
City Hall	438,100	142,127	295,973	32%
Machinery and Equipment	188,000	44,386	143,614	24%
TOTAL EXPENDITURES	\$ 7,611,700	\$ 3,749,881	\$ 3,861,819	49%