

**November 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 November, 92% of the year has elapsed.

**COVID-19 pandemic** - Except for April (down 4.6%), monthly sales tax revenue continues to exceed the prior year’s months. Through November, sales tax revenue was 16% ahead of 2019. Sales tax revenue was only significantly impacted by COVID-19 in April.

Locally, 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 17% decrease in November 2020 over November 2019. This decrease is reflective of Douglas County moving to Level Red on the state’s COVID-19 Dial on Nov. 20.

January through November, the comparison of 2020 to 2019 is still in positive territory at 5%.

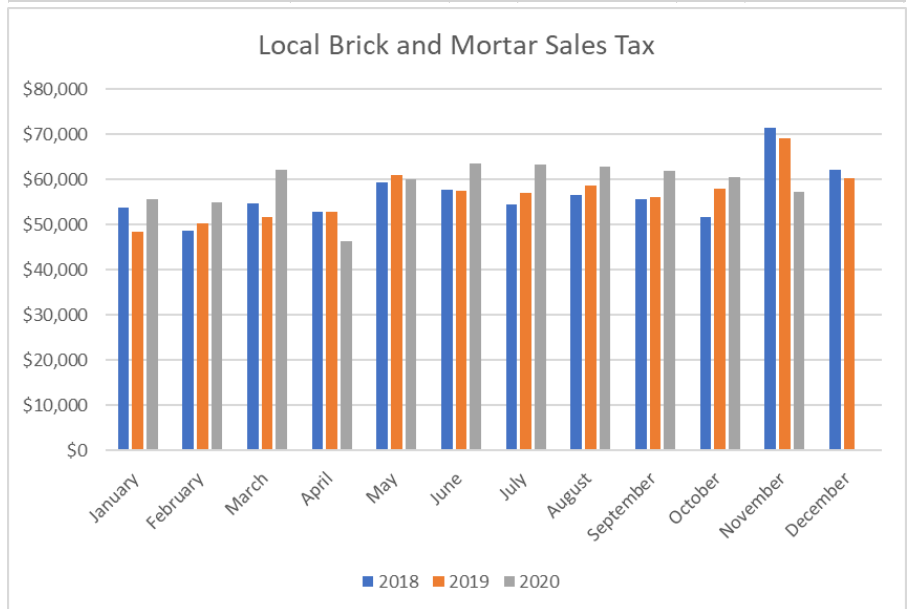
Other revenues impacted by the pandemic are related to vehicle sales and fuel. Through November, auto use tax is 18% less than 2019, which is a one percentage point better than what was reported in October. Highway user tax is down 11% and motor vehicle registration fees are down 0.5%. These decreases can be attributed to fewer car sales and fewer miles traveled due to COVID-19.

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.

Construction-related revenues remain on the plus side with building permit fees and use tax up a combined 56% through November ( up from 44% in October’s report).

Despite the COVID-19 impact to City revenues, the City remains on strong financial footing due to our retail

| Local Brick and Mortar Sales Tax - 3 year historical collection |            |      |            |      |            |
|---|------------|------|------------|------|------------|
|   | 2018       |      | 2019       |      | 2020       |
| January   | 53,837.28  | -10% | 48,526.31  | 15%  | 55,751.30  |
| February  | 48,583.95  | 3%   | 50,196.53  | 10%  | 55,070.80  |
| March   | 54,766.55  | -6%  | 51,693.47  | 20%  | 62,229.41  |
| April   | 52,797.16  | 0%   | 52,779.04  | -12% | 46,393.02  |
| May   | 59,361.85  | 3%   | 61,027.07  | -1%  | 60,121.13  |
| June  | 57,752.78  | 0%   | 57,615.97  | 10%  | 63,506.99  |
| July  | 54,486.15  | 5%   | 57,123.44  | 11%  | 63,280.36  |
| August  | 56,526.04  | 4%   | 58,637.26  | 7%   | 62,899.00  |
| September   | 55,655.52  | 1%   | 56,099.93  | 10%  | 61,834.26  |
| October   | 51,731.13  | 12%  | 58,090.74  | 4%   | 60,561.79  |
| November  | 71,469.67  | -3%  | 69,120.90  | -17% | 57,375.00  |
| December  | 62,072.92  | -3%  | 60,258.03  |      |            |
| total   | 679,041.00 | 0%   | 681,168.69 |      | 649,023.06 |



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 exceeding expectations with 96% of the budget received. This is a very good sign, considering the COVID-19 pandemic.

| General Fund          | Budget              | YTD Actual<br>(unaudited) | Balance<br>Remaining | % of<br>budget<br>received |
|-----------------------|---------------------|---------------------------|----------------------|----------------------------|
| <b>Revenue</b>        |                     |                           |                      |                            |
| Taxes                 | \$ 6,316,200        | \$ 6,314,647              | \$ 1,553             | 100%                       |
| Licenses/Permits      | 67,400              | 157,458                   | (90,058)             | 234%                       |
| Intergovernmental     | 1,327,100           | 1,190,712                 | 136,388              | 90%                        |
| Charges for Services  | 1,685,800           | 1,490,124                 | 195,676              | 88%                        |
| Fines and Forfeitures | 260,700             | 88,959                    | 171,741              | 34%                        |
| Other                 | 55,000              | 92,466                    | (37,466)             | 168%                       |
| <b>Total Revenue</b>  | <b>\$ 9,712,200</b> | <b>\$ 9,334,366</b>       | <b>\$ 377,834</b>    | <b>96%</b>                 |

- Taxes - 100% of the budget has been received and 19% ahead of 2019 (up from 17% in October report). This is great news given that we still have December, the City's biggest month, to report on.
  - Property tax (see graph below) - 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 (see graph below) - 107% received and 16% ahead of 2019 (18% in October's report). Increase due to the City's shift to self-collection and sales tax received from on online sales stemming from the United States Supreme Court's Wayfair decision. November 2020 was 1% lower than November 2019. This is likely due to increased Governor-ordered pandemic restrictions, which were effective Nov. 20. The City started to see large increases in revenue from internet business-based sales in June 2019.
  - Building use tax (see graph below) - 118% received and 57% ahead of 2019 (45% in October's report). The increase over 2019 is due to an increase in new residential construction within the City. SNEEK PEEK - through December, revenues are 55% ahead of 2019.
  - Auto use tax (see graph below) - 71% received and 18% lower than 2019 (19% in October's report). November 2020 was 10% lower than 2019. May was the best month at 3% more than 2019. April had the largest deficit at 52%. SNEEK PEEK - through December, revenues are an improved 12% lower than 2019.
  - Franchise fees - 77% received and 6% ahead of 2019.
- Licenses and Permits - 234% of budget received, which is \$90,058 greater than the budget.
  - Business licenses - 403% received, which is \$15,140 greater than the budget. The 2020 budget is \$5,000 and \$20,140 has been received year-to-date. Following the adoption of the 2020 budget,

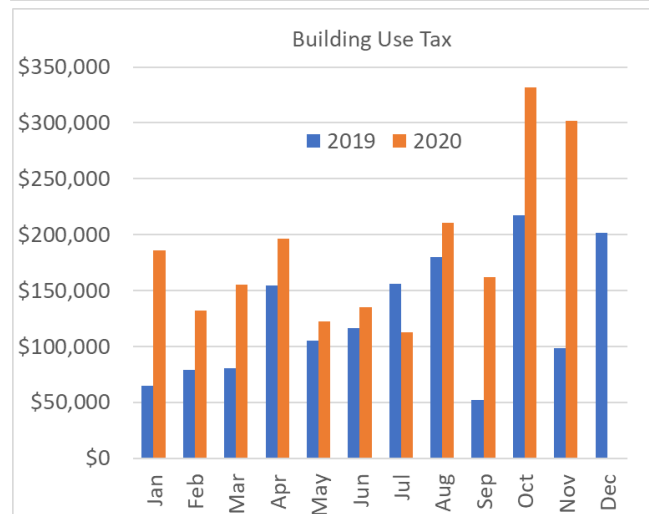
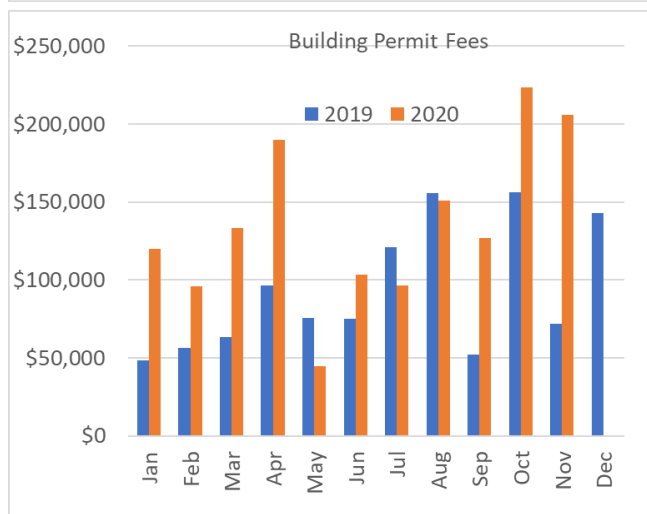
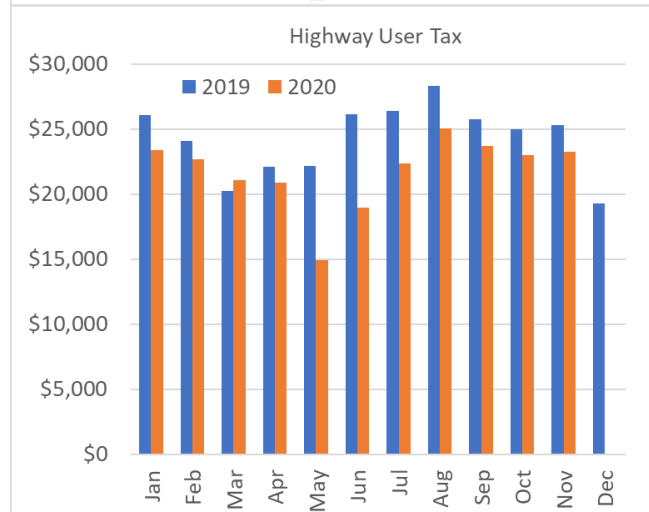
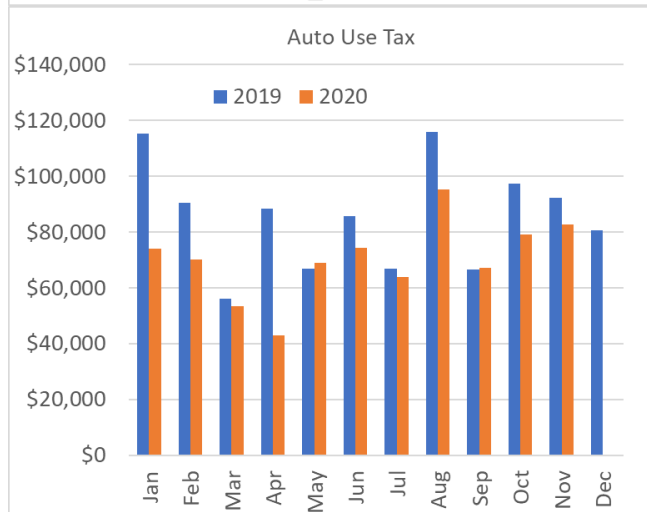
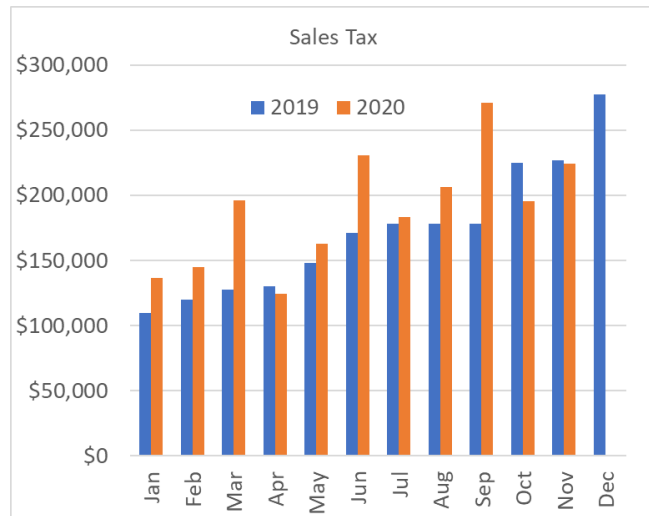
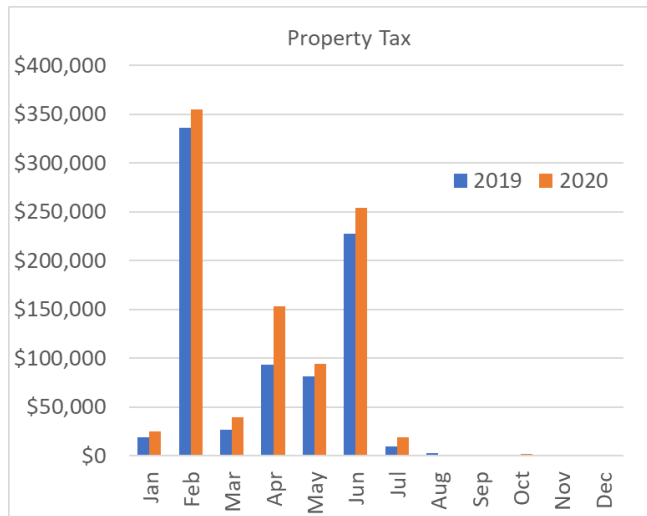
the City changed the business license fee from a \$10 annual fee to a \$25 biennial fee. The increase can also be attributed to more business licensing due to the Supreme Court Wayfair decision.

- Right-of-Way/Grading, Erosion and Sediment Control (GESC) permits - 383% received, which is \$84,855 greater than the budget.
- Intergovernmental - 90% of budget received and 11% ahead of 2019 (9% in October's report).
  - Highway Users Trust Fund (see graph below) - 86% of budget received and 12% lower than 2019 (12% in October's report). This decrease is likely due to impacts from the COVID-19 pandemic to fuel sales and new vehicle registrations. SNEEK PEEK - through December, revenues are 11% lower than 2019.
  - Road and Bridge Property Tax County shareback - 99% received and 18% ahead of 2019 (18% in October's report). The majority of property tax is received through the first half of year.
  - Sales/auto use tax County shareback - 64% received and 3% lower than 2019 (3% in October's report).
  - Building Use Tax County shareback - 101% received and 57% ahead of 2019 (45% in October's report).
- Charges for Services - 102% of budget received.
  - Building Permit Fees (see graph below) - 100% received and 53% ahead of 2019 (43% in October's report).
  - Planning and Zoning Fees - 113% received and 16% lower than 2019 (24% in October's report).
- Fines and Forfeitures - 34% of budget received. This is lower than expectations and is likely due to the COVID-19 pandemic, fewer travelers and reduced enforcement.

### Expenditures

- Overall, 86% of the General Fund budget is expended. Most departments are within or near budget expectations.
- Interdepartmental is 112% expended. COVID19-related expenditures and one-time professional services contribute to being at 112% vs 92% of the year complete.
- Legal services is 135% expended due to negotiations, land rezoning, pandemic-related work and review of construction documents.
- Community Events expenditures are only 32% expended due to the cancellation of events 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<br/>(unaudited)</b> | <b>Balance<br/>Remaining</b> | <b>% of budget<br/>received</b> |
|-------------------------------------|----------------------|-----------------------------------|------------------------------|---------------------------------|
| <b>REVENUE</b>                      |                      |                                   |                              |                                 |
| <i>Taxes</i>                        |                      |                                   |                              |                                 |
| Property Tax                        | \$ 947,600           | \$ 941,843                        | \$ (5,757)                   | 99%                             |
| Specific Ownership Tax              | 79,400               | 74,372                            | (5,028)                      | 94%                             |
| Sales Tax                           | 1,939,600            | 2,074,995                         | 135,395                      | 107%                            |
| Building Use Tax                    | 1,733,700            | 2,046,721                         | 313,021                      | 118%                            |
| Auto Use Tax                        | 1,093,300            | 771,914                           | (321,386)                    | 71%                             |
| Franchise - Electric                | 210,100              | 198,831                           | (11,269)                     | 95%                             |
| Franchise - Gas                     | 132,200              | 85,858                            | (46,342)                     | 65%                             |
| 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>6,314,647</b>                  | <b>(1,553)</b>               | <b>100%</b>                     |
|                                     |                      |                                   |                              |                                 |
| <i>Licenses and Permits</i>         |                      |                                   |                              |                                 |
| Business Licenses                   | 5,000                | 20,140                            | 15,140                       | 403%                            |
| Liquor/Tobacco Licenses             | 2,400                | 2,687                             | 287                          | 112%                            |
| Contractor Licenses                 | 30,000               | 17,488                            | (12,512)                     | 58%                             |
| Sign Permits                        | -                    | 2,288                             | 2,288                        | n/a                             |
| ROW/GESC Permits                    | 30,000               | 114,855                           | 84,855                       | 383%                            |
| <b>TOTAL LICENSES AND PERMITS</b>   | <b>67,400</b>        | <b>157,458</b>                    | <b>90,058</b>                | <b>234%</b>                     |
|                                     |                      |                                   |                              |                                 |
| <i>Intergovernmental</i>            |                      |                                   |                              |                                 |
| Federal Grants - CARES Act          | -                    | 24,003                            | 24,003                       | n/a                             |
| Highway Users Trust Fund - State    | 279,500              | 239,021                           | (40,479)                     | 86%                             |
| Motor Vehicle Registration Fee      | 38,800               | 34,514                            | (4,286)                      | 89%                             |
| Road & Bridge Property Tax - County | 466,800              | 461,574                           | (5,226)                      | 99%                             |
| Sales/Auto Use Tax - County         | 309,200              | 198,591                           | (110,609)                    | 64%                             |
| Building Use Tax - County           | 221,800              | 223,764                           | 1,964                        | 101%                            |
| Other                               | 11,000               | 9,246                             | (1,754)                      | 84%                             |
| <b>TOTAL INTERGOVERNMENTAL</b>      | <b>1,327,100</b>     | <b>1,190,712</b>                  | <b>(136,388)</b>             | <b>90%</b>                      |
|                                     |                      |                                   |                              |                                 |
| <i>Charges for Services</i>         |                      |                                   |                              |                                 |
| Planning and Zoning Fees            | 175,000              | 198,101                           | 23,101                       | 113%                            |
| Finance Fees                        | -                    | 6,557                             | 6,557                        | n/a                             |
| Building Permit Fees                | 1,493,200            | 1,491,419                         | (1,781)                      | 100%                            |
| Park Land Mitigation Fee            | 17,600               | 19,200                            | 1,600                        | 109%                            |
| <b>TOTAL CHARGES FOR SERVICES</b>   | <b>1,685,800</b>     | <b>1,715,277</b>                  | <b>29,477</b>                | <b>102%</b>                     |
|                                     |                      |                                   |                              |                                 |
| <b>TOTAL FINES AND FORFEITURES</b>  | <b>260,700</b>       | <b>88,959</b>                     | <b>(171,741)</b>             | <b>34%</b>                      |
|                                     |                      |                                   |                              |                                 |
| <i>Other</i>                        |                      |                                   |                              |                                 |
| Interest Earnings                   | 55,000               | 74,642                            | 19,642                       | 136%                            |
| 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>2,062,738</b>                  | <b>7,738</b>                 | <b>100%</b>                     |
|                                     |                      |                                   |                              |                                 |
| <b>TOTAL REVENUE</b>                | <b>\$ 11,712,200</b> | <b>\$ 11,529,791</b>              | <b>\$ (182,409)</b>          | <b>98%</b>                      |

| <b>GENERAL FUND</b>                   | <b>Budget</b>        | <b>YTD Actual<br/>(unaudited)</b> | <b>Balance<br/>Remaining</b> | <b>% of budget<br/>expended</b> |
|---------------------------------------|----------------------|-----------------------------------|------------------------------|---------------------------------|
| <b>EXPENDITURES</b>                   |                      |                                   |                              |                                 |
| City Council                          | \$ 80,300            | \$ 63,041                         | \$ 17,259                    | 79%                             |
| City Manager                          | 179,800              | 163,139                           | 16,661                       | 91%                             |
| Inter-/Non-Departmental               | 401,900              | 448,151                           | (46,251)                     | 112%                            |
| Legal Services                        | 120,000              | 162,010                           | (42,010)                     | 135%                            |
| Finance                               | 268,400              | 237,474                           | 30,926                       | 88%                             |
| City Clerk                            | 143,300              | 112,127                           | 31,173                       | 78%                             |
| Municipal Court                       | 41,300               | 33,162                            | 8,138                        | 80%                             |
| Public Safety                         | 1,053,000            | 944,960                           | 108,040                      | 90%                             |
| Public Works                          | 1,738,700            | 2,545,570                         | (806,870)                    | 146%                            |
| Community Development                 | 1,712,200            | 1,626,179                         | 86,021                       | 95%                             |
| Economic Development                  | 95,900               | 82,910                            | 12,990                       | 86%                             |
| Community Events                      | 201,800              | 64,310                            | 137,490                      | 32%                             |
| Stormwater Management Pass-through    | 2,000,000            | 1,970,272                         | 29,728                       | 99%                             |
| Transfer to Parks/Recreation Fund     | 196,600              | 196,600                           | -                            | 100%                            |
| Transfer to Capital Improvements Fund | 6,560,100            | 4,049,017                         | 2,511,083                    | 62%                             |
| <b>TOTAL EXPENDITURES</b>             | <b>\$ 14,793,300</b> | <b>\$ 12,698,922</b>              | <b>\$ 2,094,378</b>          | <b>86%</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<br/>(unaudited)</b> | <b>Balance<br/>Remaining</b> | <b>% of budget<br/>received/<br/>expended</b> |
|----------------------------------|-------------------|-----------------------------------|------------------------------|---|
| <b>REVENUE</b>                   |                   |                                   |                              |   |
| Park Use Fees                    | \$ 20,500         | \$ 13,510                         | \$ 6,990                     | 66%   |
| Insurance Recovery               | -                 | 13,540                            | (13,540)                     | n/a   |
| Transfers In                     | 196,600           | 196,600                           | -                            | 100%  |
| <b>TOTAL REVENUE</b>             | <b>\$ 217,100</b> | <b>\$ 223,650</b>                 | <b>\$ (6,550)</b>            | <b>103%</b>                                   |
| <b>TOTAL EXPENDITURES</b>        | <b>\$ 326,600</b> | <b>\$ 237,528</b>                 | <b>\$ 89,072</b>             | <b>73%</b>                                    |

#### **CONSERVATION TRUST FUND**

- Revenue is received quarterly. The year-to-date (YTD) actual reflects revenue through the 3<sup>rd</sup> quarter.
- 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<br/>(unaudited)</b> | <b>Balance<br/>Remaining</b> | <b>% of budget<br/>received/<br/>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 via a transfer.
- 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<br/>(unaudited)</b> | <b>Balance<br/>Remaining</b> | <b>% of budget<br/>received/<br/>expended</b> |
|----------------------------------|---------------------|-----------------------------------|------------------------------|---|
| Revenue                          | \$ 94,000           | \$ 3,422,223                      | \$ (3,328,223)               | 3641%   |
| Transfers In                     | 6,560,100           | 4,049,017                         | 2,511,083                    | 62%   |
| <b>TOTAL REVENUE</b>             | <b>\$ 6,654,100</b> | <b>\$ 7,471,240</b>               | <b>\$ (7,471,240)</b>        | <b>112%</b>                                   |
| <b>EXPENDITURES</b>              |                     |                                   |                              |   |
| Major Roads/Streets Construction | \$ 5,825,000        | \$ 3,878,856                      | \$ 1,946,144                 | 67%   |
| 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             | 231,178                           | 206,922                      | 53%   |
| Machinery and Equipment          | 188,000             | 44,386                            | 143,614                      | 24%   |
| <b>TOTAL EXPENDITURES</b>        | <b>\$ 7,611,700</b> | <b>\$ 4,280,195</b>               | <b>\$ 3,331,505</b>          | <b>56%</b>                                    |