



Legislation Text

File #: 20-1983, **Version:** 1

Subject:

REVIEW OF FINANCIAL RESULTS THROUGH 11/30/20

BACKGROUND SUMMARY :

Due to the effects of the pandemic on operations, the Finance Director will provide periodic financial reviews during the year.

OVERVIEW :

Summary of Results through November 30 - attached summary

General Fund

- While in total, the general fund is forecasted to have a slight surplus, it is still early in the year.
- Items of general fund revenue shortfalls are highlighted in red.
- CARES funds need to be expended by December 30. They are forecasted for revenue equal to expenditures for no net budget effect.
- Even after adjusting the general fund budget down \$2.5 million, there are still shortfalls forecasted in Parks and Revenue due to the continuing closures due to the pandemic and use of money and property due to the severe cuts in interest rates. Court fines also remain unfavorable to budget due to lower traffic and court volume due to the pandemic.
- These revenue shortfalls are offset by state support for roads and police coming in at 2020 amounts while the 2021 budget was cut in anticipation of state difficulties, and planning and zoning fees coming in favorable to budget due to strong residential and commercial construction. Sales tax is also favorable to budget through the first several months of the year, due to the inclusion of internet sales.
- Expenses are forecasted at a high level since it is still less than half-way through the year, to be conservative.
- Any plan for salary increases need to wait until April, when the results from the business license taxes will be known due to their March 1 deadline.

Debt Service Fund

- Food establishments have done an excellent job responding to the pandemic, but a slowdown is expected as the weather gets colder.
- Meals taxes are forecast for the full year to be greater than 50% of last year's actual, as the first four months have come in at 84% of last year's actual.
- Meals taxes are forecasted to be down over 50% for December through March and forecasted to increase to the fall levels by April.

Key Trends

- There have been several retroactive business license collections already this year, which accounts for the forecast of business license taxes meeting budget. The budget was cut over \$660,000 from 2020, and the amount is forecast to hit the revised budget.
- While meals taxes have averaged about 84% of taxes from 2020, restaurants in business both years have experienced a 29% decrease in business. Several strong new businesses have added an additional 14% of the total revenue.

SUMMARY/STAFF IMPRESSIONS :

Finance will answer any Council questions.

RECOMMENDATION :

No action required.