

City of Shakopee
MEMORANDUM

TO: Mayor and City Council
Bill Reynolds, City Administrator

FROM: Nate Reinhardt, Finance Director

SUBJECT: COVID-19 Financial Impacts (Through May)

DATE: June 16, 2020

COVID-19 Identified Costs (As of May 31, 2020)

The City has set-up separate tracking codes for invoices and timesheets to assist with identifying costs related to COVID-19, which will better inform our financial decisions and potentially reimburse these identified expenditures if state/federal funding becomes available.

The city has implemented a number of steps to help mitigate the financial impacts from COVID-19. This includes the City Administrator approval of the hiring of open positions, reductions in part-time hours, and maintenance/energy savings in un-used building spaces. We continue to be in a strong financial position to handle the COVID-19 crisis.

The next two charts provide summarized information from those tracking codes. Please note the following:

- 1) Refunds will be duplicated in the revenue comparison charts.
- 2) Most personnel costs would have incurred in the absence of COVID-19, however the figures represent time spent outside of typical responsibilities such as directly on COVID-19 related activities or paid leave.

Summary - By Type				
	March	April	May	Total
Personnel	14,393.53	48,590.89	45,802.86	108,787.28
Attorney	-	-	352.50	352.50
Operating Supplies	303.57	2,152.04	4,376.77	6,832.38
Software	-	2,030.50	-	2,030.50
Refunds	47,786.48	6,366.84	11,473.00	65,626.32
Personnel - Leave	27,923.96	118,350.22	18,584.76	164,858.94
	\$ 90,407.54	\$ 177,490.49	\$ 80,589.89	\$ 348,487.92

Summary - By Department					
		March	April	May	Total
0121	Administration	-	-	670.35	670.35
0131	City Clerk	-	11,016.34	1,453.90	12,470.24
0134	Records	-	1,856.31	-	1,856.31
0151	Finance	2,294.40	7,383.72	5,208.50	14,886.62
0181	Facilities		2,165.93	131.25	2,297.18
0182	Library	-	-	43.75	43.75
0311	Police Admin	2,610.86	7,988.14	5,972.57	16,571.57
0319	Code Enforcement	1,615.33	-	-	1,615.33
0321	Fire	11,153.81	51,594.05	45,584.07	108,331.93
0333	Building Inspection		6,513.99	-	6,513.99
0411	Engineering	1,234.80	1,000.06	1,408.85	3,643.71
0421	Street	-	14,319.78	207.73	14,527.51
0441	Fleet	-	3,921.40	1,691.10	5,612.50
0621	Park Services	4,558.69	3,075.00	1,895.00	9,528.69
0671	Recreation	1,530.00	5,143.51	2,441.37	9,114.88
0672	Sand Venture	80.00	-	6,798.00	6,878.00
0673	Ice Arena	5,320.03	5,155.45	-	10,475.48
0674	Community Center	50,447.07	22,273.22	6,307.57	79,027.86
0675	Park	-	17,619.02	94.66	17,713.68
0679	Recreation Programs	9,562.55	-	491.90	10,054.45
7711	Sewer	-	9,004.12	94.66	9,098.78
7731	Surface Water	-	7,460.45	94.66	7,555.11
		\$ 90,407.54	\$ 177,490.49	\$ 80,589.89	\$ 348,487.92

COVID-19 Revenue Analysis -YTD Comparison (As of May 31, 2020)

We have compiled a summary of revenues that we will continue to monitor for impacts. Through May of 2020, we are seeing a year over year increase in the number of building permits (1,881 from 1,766) and equal number of new single-family housing starts (56). Specifically, we are seeing a lot of residential improvements (fences, basement finishes, etc.). In 2019, we have two significantly larger building permits at the beginning of the year, if we adjust for those two permits, our building permit revenue is inline with the previous two years. Building permit revenue is currently at 42% of budget for the year.

Parks and recreation revenues are down approximately \$467k from 2019 through May, the revenues include the \$66k of refunds that were processed in the identified costs section. In May, we started to realize offsetting savings including a reduction in part-time and seasonal hours, operating supplies, utility and cleaning services. The amount of cost savings added up to \$138k, leaving a net financial impact of approximately \$387k.

Other revenues have been impacted or are expected to be impacted including lodging tax, sanitary sewer, liquor license, tribal contributions, and property tax collections. The City passes on the lodging tax revenue (less an administration fee) to the visitor's bureau. May revenues for lodging tax and sanitary sewer will be received in June. Liquor licenses will be prorated for 2020 based on the period of time license holder operations were impacted from the stay at home order. Impacts from delinquent property taxes will be added to the following table when the 1st half settlement is received in June.

City of Shakopee					
Revenue - YTD Comparison (COVID-19 Potential Impacts)					
As of May 31, 2020					
Planning/Inspection/Engineering					
Description	2018	2019	2020	Rev. Change	Comments
Building Permit Revenue		\$ 1,911,799			
		(246,358)	BHS Permit Revenue		Adjustments for large permits
		(318,185)	Doran Permit revenue		Adjustments for large permits
	792,704	1,347,256	925,814	(421,442)	42% of 2020 budget
Planning/Zoning Application Revenue	\$ 43,100	\$ 15,250	\$ 55,810	\$ 40,560	
Engineering Fees	307,625	180,180	178,607	(1,573)	
Building Activity					
Total # of Building Permits (All types)		1,766	1,881		
Single Family Home Permits		56	56		
Permit Value Comparison (All)		\$166,992,177	\$ 46,828,484		
Parks & Recreation					
Description	2018	2019	2020	Rev. Change	Comments
Community Center Membership Revenue	\$ 329,137	\$ 355,831	\$ 216,905	\$ (138,926)	
Community Center Admissions	82,377	99,340	65,353	(33,987)	
Swimming/Skating Lessons	50,602	57,759	(3,181)	(60,940)	
Ice Rental	252,455	301,190	203,942	(97,248)	
Youth Recreation	86,915	86,216	24,477	(61,739)	
Adult Recreation	32,805	34,104	17,183	(16,921)	
Community Center/Ice Arena Room Renta	44,391	50,935	22,634	(28,301)	
Park Rentals	27,047	30,663	5,150	(25,513)	
CC/Ice Arena/Park Other	29,030	23,036	19,423	(3,613)	
Park & Rec. Subtotal	\$ 934,759	\$ 1,039,074	\$ 571,886	\$ (467,188)	
Offsetting Expenditures					
Sandventure				\$ 3,563	PT staffing, operating supplies,
Community Center				119,050	PT staffing, operating supplies,
					utilities, cleaning services
Ice Arena				7,205	PT staffing
Recreation Programs				7,827	Seasonal staffing
Park & Rec. Offsetting Expenditures Subtotal				\$ 137,645	
Park & Rec. Net Financial Impact				\$ (386,970)	
Other					
Description	2018	2019	2020	Rev. Change	Comments
Lodging Tax (Pass thru funding)	\$ 106,066	\$ 106,216	\$ 70,907	\$ (35,309)	May receipts not included
Sewer Revenue	996,472	1,091,495	1,060,962	(30,533)	May receipts not included
Liquor Licenses	565	158,787	2,500	(156,287)	Will be prorated
Tribal Contributions	105,000	110,000	50,000	(60,000)	