

City of Shakopee
MEMORANDUM

TO: Mayor and City Council
Bill Reynolds, City Administrator

FROM: Nate Reinhardt, Finance Director

SUBJECT: COVID-19 Financial Impacts (Through June)

DATE: July 21, 2020

COVID-19 Identified Costs (As of June 30, 2020)

The City has set-up separate tracking codes for invoices and timesheets to assist with identifying costs related to COVID-19. On July 3rd, the City received \$3,127,073 in Coronavirus Relief Funds, which were Federal Cares Acts funds passed through the State of Minnesota. The funding was provided based on population. The funds must be used to reimburse COVID related expenditures and cannot be used towards offsetting revenue losses.

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	June	Total
Personnel	14,393.53	48,590.89	45,802.86	43,492.09	152,279.37
Attorney	-	-	352.50	-	352.50
Operating Supplies	303.57	2,152.04	4,376.77	9,793.01	16,625.39
Software	-	2,030.50	-	-	2,030.50
Refunds	47,786.48	6,366.84	11,473.00	7,952.01	73,578.33
Personnel - Leave	27,923.96	118,350.22	18,584.76	5,752.63	170,611.57
	\$ 90,407.54	\$ 177,490.49	\$ 80,589.89	\$ 66,989.74	\$ 415,477.66

Summary - By Department						
		March	April	May	June	Total
0121	Administration	-	-	670.35	5,506.09	6,176.44
0131	City Clerk	-	11,016.34	1,453.90	-	12,470.24
0132	Elections	-	-	-	998.94	998.94
0134	Records	-	1,856.31	-	-	1,856.31
0151	Finance	2,294.40	7,383.72	5,208.50	315.70	15,202.32
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	1,046.33	17,617.90
0319	Code Enforcement	1,615.33	-	-	502.46	2,117.79
0321	Fire	11,153.81	51,594.05	45,584.07	43,176.39	151,508.32
0333	Building Inspection		6,513.99	-	-	6,513.99
0411	Engineering	1,234.80	1,000.06	1,408.85	166.18	3,809.89
0421	Street	-	14,319.78	207.73	34.38	14,561.89
0441	Fleet	-	3,921.40	1,691.10	155.70	5,768.20
0621	Park Services	4,558.69	3,075.00	1,895.00	1,932.38	11,461.07
0671	Recreation	1,530.00	5,143.51	2,441.37	1,943.73	11,058.61
0672	Sand Venture	80.00	-	6,798.00	170.00	7,048.00
0673	Ice Arena	5,320.03	5,155.45	-	671.50	11,146.98
0674	Community Center	50,447.07	22,273.22	6,307.57	10,299.96	89,327.82
0675	Park	-	17,619.02	94.66	-	17,713.68
0679	Recreation Programs	9,562.55	-	491.90	70.00	10,124.45
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	\$ 66,989.74	\$ 415,477.66

COVID-19 Revenue Analysis -YTD Comparison (As of June 30, 2020)

We have compiled a summary of revenues that we will continue to monitor for impacts. Through June of 2020, we are seeing a year over year increase in the number of building permits (2,593 from 2,231) and a similar number of new single-family housing starts (71 from 72). 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 55% of budget for the year.

Parks and recreation revenues are down approximately \$590k from 2019 through June, the revenues include the \$74k of refunds that were processed in the identified costs section. We have realized offsetting savings including reductions in part-time and seasonal hours, operating supplies, utility and cleaning services. The amount of cost savings added up to \$232k, leaving a net financial impact of approximately \$358k.

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. June revenues for lodging tax and sanitary sewer will be received in July. Liquor licenses will be prorated for 2020 based on the period of time license holder operations were impacted from the stay at home order. The City received the 1st half property tax settlement in June, and the collection rate was 2% lower than 2019.

City of Shakopee					
Revenue - YTD Comparison (COVID-19 Potential Impacts)					
As of June 30, 2020					
Planning/Inspection/Engineering					
Description	2018	2019	2020	Rev. Change	Comments
Building Permit Revenue		\$ 2,127,842			
		(246,358)	BHS Permit Revenue		Adjustments for large permits
		(318,185)	Doran Permit revenue		Adjustments for large permits
	1,018,054	1,563,299	1,213,516	(349,783)	55% of 2020 budget
Planning/Zoning Application Revenue	\$ 55,700	\$ 25,920	\$ 64,490	\$ 38,570	
Engineering Fees	339,515	398,622	279,048	(119,574)	
Building Activity					
Total # of Building Permits (All types)		2,231	2,593		
Single Family Home Permits		72	71		
Permit Value Comparison (All)		\$177,809,577	\$ 59,584,643		
Parks & Recreation					
Description	2018	2019	2020	Rev. Change	Comments
Community Center Membership Revenue	\$ 404,574	\$ 436,777	\$ 213,344	\$ (223,433)	
Community Center Admissions	121,052	129,038	73,730	(55,308)	
Swimming/Skating Lessons	57,832	61,824	3,029	(58,795)	
Ice Rental	297,630	329,113	237,353	(91,760)	
Youth Recreation	99,581	95,780	27,256	(68,524)	
Adult Recreation	35,800	36,595	17,378	(19,217)	
Community Center/Ice Arena Room Rental	50,763	59,143	23,975	(35,168)	
Park Rentals	26,548	33,367	5,560	(27,807)	
CC/Ice Arena/Park Other	38,174	35,131	25,223	(9,908)	
Park & Rec. Subtotal	\$ 1,131,954	\$ 1,216,768	\$ 626,848	\$ (589,920)	
Offsetting Expenditures					
Sandventure				\$ 42,582	PT staffing, operating supplies,
Community Center				167,908	PT staffing, operating supplies,
					utilities, cleaning services
Ice Arena				4,903	PT staffing
Recreation Programs				16,495	Seasonal staffing
Park & Rec. Offsetting Expenditures Subtotal				\$ 231,888	
Park & Rec. Net Financial Impact				\$ (358,032)	
Other					
Description	2018	2019	2020	Rev. Change	Comments
Lodging Tax (Pass thru funding)	\$ 136,364	\$ 139,189	\$ 85,876	\$ (53,313)	June receipts not included
Sewer Revenue	1,253,829	1,373,881	1,334,536	(39,345)	May receipts not included
Tribal Contributions	105,000	110,000	50,000	(60,000)	
Liquor Licenses				(37,000)	Prorated License Adjustment
1st Half Property Tax Settlement				(203,000)	2% decrease in collection rate