

City of Shakopee
MEMORANDUM

TO: Mayor and City Council
Bill Reynolds, City Administrator

FROM: Nate Reinhardt, Finance Director

SUBJECT: COVID-19 Financial Impacts (Through July)

DATE: August 18, 2020

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

We have compiled a summary of revenues that we will continue to monitor for impacts. Through July of 2020, we are seeing a year over year increase in the number of building permits (3,138 from 3,114) and a slight decrease in new single-family housing starts (99 from 90). Specifically, we are seeing a lot of residential improvements (fences, basement finishes, etc.). Building permit revenue is currently at 73% of budget for the year.

Parks and recreation revenues are down approximately \$787k from 2019 through July. 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 \$318k, leaving a net financial impact of approximately \$469k.

Other revenues have been impacted or are expected to be impacted including lodging tax, sanitary sewer, and liquor licenses. We did not see any impacts to our total 1st half property tax collections, in August the County provided an additional settlement related to deferred payments that put our 1st half collections in line with expectations. The City passes on the lodging tax revenue (less an administration fee) to the visitor's bureau. July revenues for lodging tax and sanitary sewer will be received in August. Liquor licenses will be prorated for 2020 based on the time period license holder operations were impacted from the stay at home order.

City of Shakopee					
Revenue - YTD Comparison (COVID-19 Potential Impacts)					
As of July 31, 2020					
Planning/Inspection/Engineering					
Description	2018	2019	2020	Rev. Change	Comments
Building Permit Revenue	\$ 1,181,643	\$ 2,646,834	\$ 1,595,109	(1,051,725)	73% of 2020 budget
Planning/Zoning Application Revenue	\$ 60,210	\$ 26,190	\$ 75,680	\$ 49,490	
Engineering Fees	383,711	420,630	315,212	(105,418)	
Building Activity					
Total # of Building Permits (All types)		3,114	3,138		
Single Family Home Permits		99	90		
Permit Value Comparison (All)		\$212,596,397	\$ 67,635,473		
Parks & Recreation					
Description	2018	2019	2020	Rev. Change	Comments
Community Center Membership Revenue	\$ 476,449	\$ 512,717	\$ 212,822	\$ (299,895)	
Community Center Admissions	189,237	216,734	79,770	(136,964)	
Swimming/Skating Lessons	59,683	64,054	6,909	(57,145)	
Ice Rental	321,722	331,068	243,765	(87,303)	
Youth Recreation	127,360	101,834	29,098	(72,736)	
Adult Recreation	39,000	41,077	10,853	(30,224)	
Community Center/Ice Arena Room Rental	58,782	68,264	23,736	(44,528)	
Park Rentals	30,023	34,385	5,652	(28,733)	
CC/Ice Arena/Park Other	58,270	58,007	28,538	(29,469)	
Park & Rec. Subtotal	\$ 1,360,526	\$ 1,428,140	\$ 641,143	\$ (786,997)	
Offsetting Expenditures					
Sandventure				\$ 116,761	PT staffing, operating supplies,
Community Center				186,733	PT staffing, operating supplies,
					utilities, cleaning services
Ice Arena				3,697	PT staffing
Recreation Programs				10,596	Seasonal staffing
Park & Rec. Offsetting Expenditures Subtotal				\$ 317,787	
Park & Rec. Net Financial Impact				\$ (469,210)	
Other					
Description	2018	2019	2020	Rev. Change	Comments
Lodging Tax (Pass thru funding)	\$ 173,403	\$ 183,884	\$ 104,914	\$ (78,970)	June receipts not included
Sewer Revenue	1,525,181	1,659,284	1,670,711	11,427	May receipts not included
Liquor Licenses				(37,000)	Prorated License Adjustment