

City of Shakopee
MEMORANDUM

TO: Mayor and City Council
Bill Reynolds, City Administrator

FROM: Nate Reinhardt, Finance Director

SUBJECT: COVID-19 Financial Impacts (Through August)

DATE: September 15, 2020

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

We have compiled a summary of revenues that we will continue to monitor for impacts. Through August of 2020, we are seeing a year over year increase in the number of building permits (3,628 from 3,536) and a similar amount of new single-family housing starts (104 from 106). Specifically, we are seeing a lot of residential improvements (fences, basement finishes, etc.). Building permit revenue is currently at 84% of budget for the year.

Parks and recreation revenues are down approximately \$800k from 2019 through August. 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 \$337k, leaving a net financial impact of approximately \$462k. This is similar to where we were at the end of July (\$469k), so we have seen the financial impact level off for park and recreational revenues.

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. August revenues for lodging tax and sanitary sewer will be received in September. 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 August 31, 2020					
Planning/Inspection/Engineering					
Description	2018	2019	2020	Rev. Change	Comments
Building Permit Revenue	\$ 1,364,418	\$ 2,867,634	\$ 1,843,641	(1,023,993)	84% of 2020 budget
Planning/Zoning Application Revenue	\$ 63,110	\$ 32,870	\$ 82,150	\$ 49,280	
Engineering Fees	433,178	446,077	427,236	(18,841)	
Building Activity					
Total # of Building Permits (All types)		3,536	3,628		
Single Family Home Permits		106	104		
Permit Value Comparison (All)		\$223,005,558	\$ 80,164,706		
Parks & Recreation					
Description	2018	2019	2020	Rev. Change	Comments
Community Center Membership Revenue	\$ 544,410	\$ 586,400	\$ 286,548	\$ (299,852)	
Community Center Admissions	238,059	263,293	84,915	(178,378)	
Swimming/Skating Lessons	71,773	77,264	6,589	(70,675)	
Ice Rental	332,431	334,043	317,228	(16,815)	
Youth Recreation	138,336	108,620	29,680	(78,940)	
Adult Recreation	41,867	44,829	11,733	(33,096)	
Community Center/Ice Arena Room Rental	66,698	76,315	24,640	(51,675)	
Park Rentals	37,065	44,126	12,161	(31,965)	
CC/Ice Arena/Park Other	71,385	70,155	31,445	(38,710)	
Park & Rec. Subtotal	\$ 1,542,024	\$ 1,605,045	\$ 804,939	\$ (800,106)	
Offsetting Expenditures					
Sandventure				\$ 160,251	PT staffing, operating supplies,
Community Center				167,440	PT staffing, operating supplies,
					utilities, cleaning services
Ice Arena				7,906	PT staffing
Recreation Programs				1,869	Seasonal staffing
Park & Rec. Offsetting Expenditures Subtotal				\$ 337,466	
Park & Rec. Net Financial Impact				\$ (462,640)	
Other					
Description	2018	2019	2020	Rev. Change	Comments
Lodging Tax (Pass thru funding)	\$ 218,900	\$ 228,632	\$ 125,470	\$ (103,162)	August receipts not included
Sewer Revenue	1,633,878	2,024,009	2,009,689	(14,320)	August receipts not included
Liquor Licenses				(37,000)	Prorated License Adjustment