

City of Shakopee
MEMORANDUM

TO: Mayor and City Council
Bill Reynolds, City Administrator

FROM: Nate Reinhardt, Finance Director

SUBJECT: COVID-19 Financial Impacts (Through September)

DATE: October 20, 2020

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

We have compiled a summary of revenues that we will continue to monitor for impacts. Through September of 2020, we are seeing a year over year increase in the number of building permits (4,117 from 3,869) and the number of new single-family housing starts 123 from 111). Specifically, we are seeing a lot of residential improvements (fences, basement finishes, etc.). Building permit revenue is currently at 99% of budget for the year.

Parks and recreation revenues are down approximately \$857k from 2019 through September. 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 \$409k, leaving a net financial impact of approximately \$448k. This is slightly down from where we were at the end of August (\$463k), so we have seen the net 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. September revenues for lodging tax and sanitary sewer will be received in October. Liquor licenses were 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 September 30, 2020					
Planning/Inspection/Engineering					
Description	2018	2019	2020	Rev. Change	Comments
Building Permit Revenue	\$ 1,517,804	\$ 2,988,590	\$ 2,167,857	(820,733)	99% of 2020 budget
Planning/Zoning Application Revenue	\$ 67,210	\$ 37,480	\$ 94,550	\$ 57,070	
Engineering Fees	514,149	474,529	469,718	(4,811)	
Building Activity					
Total # of Building Permits (All types)		3,869	4,117		
Single Family Home Permits		111	123		
Permit Value Comparison (All)		\$228,563,920	\$ 98,759,042		
Parks & Recreation					
Description	2018	2019	2020	Rev. Change	Comments
Community Center Membership Revenue	\$ 610,831	\$ 658,527	\$ 328,504	\$ (330,023)	
Community Center Admissions	248,495	275,203	89,091	(186,113)	
Swimming/Skating Lessons	79,878	85,357	19,749	(65,608)	
Ice Rental	339,659	349,432	353,941	4,509	
Youth Recreation	145,484	152,422	36,041	(116,380)	
Adult Recreation	46,447	52,300	15,283	(37,017)	
Community Center/Ice Arena Room Rental	74,817	89,299	27,347	(61,952)	
Park Rentals	41,778	45,504	17,131	(28,373)	
CC/Ice Arena/Park Other	78,474	73,140	37,261	(35,879)	
Park & Rec. Subtotal	\$ 1,665,863	\$ 1,781,184	\$ 924,349	\$ (856,836)	
Offsetting Expenditures					
Sandventure				\$ 190,233	PT staffing, operating supplies,
Community Center				199,558	PT staffing, operating supplies,
					utilities, cleaning services
Recreation Programs				19,071	Seasonal staffing
Park & Rec. Offsetting Expenditures Subtotal				\$ 408,862	
Park & Rec. Net Financial Impact				\$ (447,974)	
Other					
Description	2018	2019	2020	Rev. Change	Comments
Lodging Tax (Pass thru funding)	\$ 263,897	\$ 274,309	\$ 147,799	\$ (126,510)	August receipts not included
Sewer Revenue	2,211,378	2,370,845	2,352,709	(18,136)	August receipts not included
Liquor Licenses				(37,000)	Prorated License Adjustment