

City of Shakopee
MEMORANDUM

TO: Mayor and City Council
Bill Reynolds, City Administrator

FROM: Nate Reinhardt, Finance Director

SUBJECT: COVID-19 Financial Impacts (Through October)

DATE: November 17, 2020

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

We have compiled a summary of revenues that we will continue to monitor for impacts. Through October of 2020, we are seeing a year over year increase in the number of building permits (4,576 from 3,840) and the number of new single-family housing starts 142 from 106). Specifically, we are seeing a lot of residential improvements (fences, basement finishes, etc.). Building permit revenue is currently at 112% of budget for the year.

Parks and recreation revenues are down approximately \$848k from 2019 through October. 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 \$437k, leaving a net financial impact of approximately \$411k. This is slightly down from where we were at the end of September (\$448k), so we have seen the net financial impact level off for park and recreational revenues. There has been a positive trend in ice arena revenues the past three months offsetting impacts of community center admissions.

Other revenues have been impacted or are expected to be impacted including lodging tax, sanitary sewer, and liquor licenses. The City passes on the lodging tax revenue (less an administration fee) to the visitor's bureau. October revenues for lodging tax and sanitary sewer will be received in November. 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 October 31, 2020					
Planning/Inspection/Engineering					
Description	2018	2019	2020	Rev. Change	Comments
Building Permit Revenue	\$ 1,783,557	\$ 3,526,920	\$ 2,453,455	(1,073,465)	112% of 2020 budget
Planning/Zoning Application Revenue	\$ 68,810	\$ 55,460	\$ 104,130	\$ 48,670	
Engineering Fees	701,623	487,215	501,705	14,490	
Building Activity					
Total # of Building Permits (All types)		3,840	4,576		
Single Family Home Permits		106	142		
Permit Value Comparison (All)		\$302,598,602	\$129,800,536		
Parks & Recreation					
Description	2018	2019	2020	Rev. Change	Comments
Community Center Membership Revenue	\$ 680,147	\$ 732,710	\$ 396,285	\$ (336,425)	
Community Center Admissions	261,944	289,299	100,255	(189,044)	
Swimming/Skating Lessons	80,508	87,792	19,869	(67,923)	
Ice Rental	393,965	433,547	490,177	56,630	
Youth Recreation	161,744	182,863	57,540	(125,323)	
Adult Recreation	58,997	62,612	26,128	(36,484)	
Community Center/Ice Arena Room Rental	87,596	101,417	31,491	(69,926)	
Park Rentals	47,257	47,138	19,841	(27,297)	
CC/Ice Arena/Park Other	86,655	99,474	47,136	(52,338)	
Park & Rec. Subtotal	\$ 1,858,813	\$ 2,036,852	\$ 1,188,722	\$ (848,130)	
Offsetting Expenditures					
Sandventure				\$ 193,498	PT staffing, operating supplies,
Community Center				219,993	PT staffing, operating supplies,
					utilities, cleaning services
Recreation Programs				23,689	Seasonal staffing
Park & Rec. Offsetting Expenditures Subtotal				\$ 437,180	
Park & Rec. Net Financial Impact				\$ (410,950)	
Other					
Description	2018	2019	2020	Rev. Change	Comments
Lodging Tax (Pass thru funding)	\$ 301,483	\$ 313,300	\$ 171,121	\$ (142,179)	October receipts not included
Sewer Revenue	2,515,352	2,680,519	2,700,187	19,668	October receipts not included
Liquor Licenses				(37,000)	Prorated License Adjustment