

City of Shakopee
MEMORANDUM

TO: Mayor and City Council
Bill Reynolds, City Administrator

FROM: Nate Reinhardt, Finance Director

SUBJECT: COVID-19 Financial Impacts (Through November)

DATE: December 15, 2020

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

We have compiled a summary of revenues that we will continue to monitor for impacts. Through November of 2020, we are seeing a year over year increase in the number of building permits (4,968 from 4,133) and the number of new single-family housing starts 151 from 116). Specifically, we are seeing a lot of residential improvements (fences, basement finishes, etc.). Building permit revenue is currently at 120% of budget for the year.

Parks and recreation revenues are down approximately \$896k from 2019 through November. 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 \$441k, leaving a net financial impact of approximately \$455k. This compares to \$411k at the end of October, so after a couple of months of little change, we are now seeing a greater financial impact to park and recreational revenues. However, ice arena revenues are up in comparison to last year.

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. November revenues for lodging tax and sanitary sewer will be received in December. 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 November 30, 2020					
Planning/Inspection/Engineering					
Description	2018	2019	2020	Rev. Change	Comments
Building Permit Revenue	\$ 1,932,157	\$ 3,731,959	\$ 2,632,394	(1,099,565)	120% of 2020 budget
Planning/Zoning Application Revenue	\$ 74,210	\$ 56,640	\$ 106,040	\$ 49,400	
Engineering Fees	711,797	501,667	534,866	33,199	
Building Activity					
Total # of Building Permits (All types)		4,133	4,968		
Single Family Home Permits		116	151		
Permit Value Comparison (All)		\$ 322,583,251	\$ 136,175,773		
Parks & Recreation					
Description	2018	2019	2020	Rev. Change	Comments
Community Center Membership Revenue	\$ 750,419	\$ 810,259	\$ 446,290	\$ (363,969)	
Community Center Admissions	278,697	305,774	108,456	(197,318)	
Swimming/Skating Lessons	92,871	105,542	19,369	(86,173)	
Ice Rental	445,826	440,888	551,441	110,553	
Youth Recreation	183,450	198,794	57,304	(141,490)	
Adult Recreation	62,427	67,739	27,233	(40,506)	
Community Center/Ice Arena Room Rentals	95,833	112,179	33,588	(78,591)	
Park Rentals	45,175	49,352	18,634	(30,718)	
CC/Ice Arena/Park Other	88,516	116,279	48,243	(68,036)	
Park & Rec. Subtotal	\$ 2,043,214	\$ 2,206,806	\$ 1,310,558	\$ (896,248)	
Offsetting Expenditures					
Sandventure				\$ 196,097	PT staffing, operating supplies,
Community Center				225,133	PT staffing, operating supplies,
					utilities, cleaning services
Recreation Programs				19,887	Seasonal staffing
Park & Rec. Offsetting Expenditures Subtotal				\$ 441,117	
Park & Rec. Net Financial Impact				\$ (455,131)	
Other					
Description	2018	2019	2020	Rev. Change	Comments
Lodging Tax (Pass thru funding)	\$ 334,250	\$ 349,690	\$ 191,455	\$ (158,235)	November receipts not included
Sewer Revenue	2,826,494	2,973,608	3,025,844	52,236	November receipts not included
Liquor Licenses				(37,000)	Prorated License Adjustment