

City of Bloomington Financial Updates

FY2020 Year End Prelim Update
and
FY2021 COVID Impact Projection Update

July 27, 2020

City of Bloomington

FY2020 Year End Prelim Update

FY 2020 - Major Tax Revenue Summary

** All numbers are Preliminary pending final Audit **

Revenues Earned	Annual Budget	FY2020 YTD	FY2020 Budget Variance	FY2019 YTD	Prior Year YTD Variance	Prior Year % Variance	# of Months Collected
Property Tax	\$ 25,559,774	\$ 25,497,063	\$ (62,711)	\$ 25,278,466	\$ 218,598	0.86%	12
Home Rule Sales Tax	\$ 23,215,500	\$ 22,053,823	\$ (1,161,677)	\$ 22,354,337	\$ (300,514)	-1.34%	12
State Sales Tax	\$ 14,272,000	\$ 14,330,059	\$ 58,059	\$ 14,271,349	\$ 58,710	0.41%	12
Income Tax	\$ 7,411,707	\$ 7,537,273	\$ 125,566	\$ 7,925,709	\$ (388,436)	-4.90%	12
Utility Tax	\$ 6,465,000	\$ 5,989,104	\$ (475,896)	\$ 6,579,767	\$ (590,664)	-8.98%	12
Local Motor Fuel	\$ 4,630,000	\$ 4,555,036	\$ (74,964)	\$ 2,388,790	\$ 2,166,246	90.68%	12
Food & Beverage Tax	\$ 4,300,000	\$ 4,283,176	\$ (16,824)	\$ 4,398,757	\$ (115,582)	-2.63%	12
Local Use Tax	\$ 2,350,000	\$ 2,648,899	\$ 298,899	\$ 2,300,080	\$ 348,819	15.17%	12
Franchise Tax	\$ 2,008,130	\$ 1,988,552	\$ (19,578)	\$ 2,011,733	\$ (23,181)	-1.15%	12
Replacement Tax	\$ 1,600,000	\$ 2,271,334	\$ 671,334	\$ 1,725,222	\$ 546,112	31.65%	12
Hotel & Motel Tax	\$ 1,600,000	\$ 1,566,818	\$ (33,182)	\$ 1,561,065	\$ 5,752	0.37%	12
Packaged Liquor	\$ 1,200,000	\$ 1,374,012	\$ 174,012	\$ 1,251,474	\$ 122,538	9.79%	12
Vehicle Use Tax	\$ 1,100,000	\$ 1,145,829	\$ 45,829	\$ 1,092,319	\$ 53,510	4.90%	12

FY 2020 - General Fund Revenue & Expenditures

Revenues	Revised Budget	Year to Date Actual	Variance to Budget
Use of Fund Balance	\$ 1,535,907	\$ -	\$ 1,535,907
Taxes	\$ 88,451,390	\$ 87,988,030	\$ 463,360
Licenses	\$ 617,691	\$ 601,277	\$ 16,414
Permits	\$ 910,525	\$ 789,583	\$ 120,942
Intergovernmental Revenue	\$ 233,965	\$ 240,863	\$ (6,898)
Charges for Services	\$ 12,979,991	\$ 12,464,100	\$ 515,891
Fines & Forfeitures	\$ 743,400	\$ 831,179	\$ (87,779)
Investment Income	\$ 379,585	\$ 584,529	\$ (204,944)
Misc Revenue	\$ 856,840	\$ 755,444	\$ 101,396
Sale of Capital Assets	\$ 31,500	\$ 44,453	\$ (12,953)
Transfer In	\$ 2,792,983	\$ 2,749,375	\$ 43,609
TOTAL REVENUE	\$ 109,533,777	\$ 107,048,832	\$ 2,484,945

Expenditures	Revised Budget	Year to Date Actual	Variance to Budget
Salaries	\$ 41,573,124	\$ 40,077,009	\$ 1,496,115
Benefits	\$ 10,612,417	\$ 12,331,759	\$ (1,719,342)
Contractuals	\$ 14,755,091	\$ 12,549,932	\$ 2,205,159
Commodities	\$ 8,372,094	\$ 7,093,361	\$ 1,278,733
Capital Expenditures	\$ 1,496,877	\$ 1,706,853	\$ (209,976)
Principal Expense	\$ 2,302,267	\$ 2,144,215	\$ 158,051
Interest Expense	\$ 304,837	\$ 239,044	\$ 65,793
Other Intergov Exp	\$ 15,391,752	\$ 15,241,505	\$ 150,247
Other Expenditures	\$ 3,977,585	\$ 3,703,391	\$ 274,194
Transfer Out	\$ 10,747,733	\$ 11,330,476	\$ (582,742)
TOTAL EXPENDITURES	\$ 109,533,777	\$ 106,417,545	\$ 3,116,233

Current Activity - favorable/(unfavorable)	\$ 631,287	
Beginning Fund Balance	\$ 22,089,606	FY19 Audit
Ending Fund Balance	\$ 22,720,894	
Expenses paid from Restricted Fund Balance	\$ 1,065,957	
Audit Final Adjustment Estimate	\$ 250,000	
Unrestricted Fund Balance Projection	\$ 24,036,851	

** All numbers are Preliminary pending final Audit **

Variance Notes

Positive considering COVID

BCPA, Fleet, COVID effect on Parks

1M net of Use of Fund Balance

Variance Notes

1M Police, 1M Fire

SLBB/IMRF payouts - related to Retirements

Legal Reorg, Econ Dev Studies, BCPA Advertising

Fuel, Electricity, Supplies reduced by COVID

Econ Dev Rebates

Golf Subsidy offset by LMFT and HRST COVID redux

City of Bloomington

FY2021 COVID Impact Projection Update

FY 2021 Budget

COVID-19

General Fund Budget Projections - From April 2020

▶ Considerations:

- ▶ Shelter In Place Order: Material reduction to Sales Taxes, Food Beverage, Video Gaming etc.
 - ▶ Assumed Monthly Reductions range from 50% (sales taxes) to 100% (video gaming)
- ▶ Ongoing Recessionary Effect: Residual reductions in economic activity
 - ▶ Assumed reduction of 8.5% based on 2008 recession economic effects, effects on City revenues during that time and various current forecasts.

▶ Scenario Review - Effects on General Fund - Net:

- ▶ Shelter lifted May 1st: \$5.0M (Recession effects only)
- ▶ Shelter lifted June 1st: \$7.3M (1 mo. Shelter, remainder of year affected by Recession)
- ▶ Shelter lifted July 1st: \$9.5M (2 mos. Shelter, remainder of year affected by Recession)

FY 2021 Budget

COVID-19

Economic Reopening Timeline

Key Dates - Effects:

- ▶ May 1 (Phase 2): Addition of non-essential retail with curbside pickup and bars/restaurants pickup and delivery
- ▶ May 26 (Phase3): Further expansion of retail to 50% of store capacity
Restaurants allowed outdoor dining as of May 29
- ▶ June 26 (Phase 4): Further expansion of restaurants and bars for internal seating, amusements; both with capacity restrictions
- ▶ July 1: Video Gaming

For projection purposes, and related to revenue recognition timing, 2 months of quarantine is being assumed.

FY 2021 - Major Tax Revenue Summary

** All numbers are Preliminary pending final Audit **

Revenues Earned	Annual Budget	FY2021 YTD Budget	FY2021 YTD	FY2021 Budget Variance	FY2020 YTD	Prior Year YTD Variance	Prior Year % Variance	# of Months Collected	FY2021 YTD % Variance
Property Tax	\$ 25,852,373	\$ 1,585,828	\$ 1,585,828	\$ -	\$ 5,418,553	\$ (3,832,725)	-70.73%	1	NA
Home Rule Sales Tax	\$ 23,448,442	\$ 1,886,989	\$ 1,270,863	\$ (616,127)	\$ 1,859,380	\$ (588,517)	-31.65%	1	-32.65%
State Sales Tax	\$ 14,500,000	\$ 1,217,589	\$ 924,903	\$ (292,685)	\$ 1,208,888	\$ (283,984)	-23.49%	1	-24.04%
Income Tax	\$ 8,000,000	\$ 586,725	\$ 478,424	\$ (108,302)	\$ 480,447	\$ (2,023)	-0.42%	1	-18.46%
Utility Tax	\$ 5,980,777	\$ 442,021	\$ 456,506	\$ 14,485	\$ 441,316	\$ 15,190	3.44%	1	3.28%
Local Motor Fuel	\$ 4,700,000	\$ 397,726	\$ 289,207	\$ (108,518)	\$ 410,645	\$ (121,438)	-29.57%	1	-27.28%
Food & Beverage Tax	\$ 4,300,000	\$ 348,201	\$ 233,210	\$ (114,991)	\$ 395,515	\$ (162,304)	-41.04%	1	-33.02%
Local Use Tax	\$ 2,400,000	\$ 173,044	\$ 242,247	\$ 69,203	\$ 210,335	\$ 31,912	15.17%	1	39.99%
Franchise Tax	\$ 2,000,000	\$ 84,011	\$ 85,780	\$ 1,769	\$ 84,886	\$ 893	1.05%	1	2.11%
Replacement Tax	\$ 1,795,400	\$ 310,047	\$ 278,655	\$ (31,391)	\$ 508,637	\$ (229,982)	-45.22%	1	-10.12%
Hotel & Motel Tax	\$ 1,650,000	\$ 143,580	\$ 42,485	\$ (101,095)	\$ 146,525	\$ (104,040)	-71.00%	1	-70.41%

FY 2021 - Major Tax Revenues COVID Revenue Projection Revisions

Revenues	Months of Quarantine		FY2021 Trailing	
	April 2020 COVID Reduction	July 2020 COVID Revised	April 2020 COVID Reduction	July 2020 COVID Revised
Home Rule Sales Tax	50%	31%	8.5%	8.5%
State Sales Tax	50%	23%	8.5%	8.5%
Local Motor Fuel	75%	25%	8.5%	8.5%
Food and Beverage	75%	33%	8.5%	8.5%
Hotel Motel	90%	70%	8.5%	50%
Amusement	0%	40%	8.5%	30%

Other Material Revisions made to: Parking, BCPA and the Miller Park Zoo

FY 2021 - Major Tax Revenue COVID Reduction Revisions

Revenues Earned	Annual Budget	COVID Reduction April 2020	COVID Revision July 2020
Property Tax	\$ 25,852,373	\$ -	\$ -
Home Rule Sales Tax	\$ 23,448,442	\$ 3,581,036	\$ 2,875,000
State Sales Tax	\$ 14,500,000	\$ 2,235,000	\$ 1,600,000
Income Tax	\$ 8,000,000	\$ 180,000	\$ 180,000
Utility Tax	\$ 5,980,777	\$ -	\$ -
Local Motor Fuel	\$ 4,700,000	\$ 920,000	\$ 530,000
Food & Beverage Tax	\$ 4,300,000	\$ 895,000	\$ 575,000
Local Use Tax	\$ 2,400,000	\$ 204,000	\$ -
Franchise Tax	\$ 2,000,000	\$ -	\$ -
Replacement Tax	\$ 1,795,400	\$ 136,000	\$ 136,000
Hotel & Motel Tax	\$ 1,650,000	\$ 364,000	\$ 880,000
Amusement Tax	\$ 1,000,000	\$ 85,000	\$ 315,000

FY 2021 Budget
COVID-19
General Fund COVID Projection Summary
(In Millions)

COVID Projected Impacts

Total Revenue Reduction	\$ 9.8	
Total Expense Reduction	\$ 1.3	
Total Impact	\$ 8.5	(vs. 9.5M in April)

Reserve Use Review

Projected Total Impact	\$ 8.5
Non-Reserve Identified Savings	\$ 3.8
Use of Reserves	\$ 4.7

Reserve Balance Review

Projected FY2020 Ending	\$ 24.0
FY2021 COVID Use	\$ 4.7
Projected FY2021 Ending	\$ 19.3

GFOA Recommended (2 mos.) \$ 18.0

FY 2021 Budget

COVID-19

Other notes

- ▶ The COVID-19 financial situation is still fluid - potential for Phase backtracking
 - ▶ Continuous Revenue charting
 - ▶ Monthly Department budget reviews and discussions
- ▶ Strong Reserves - provides the flexibility to continue to assess as we go
- ▶ Enterprise Fund revenues are on track
- ▶ FY2021 Monthly Finance Director Report to begin August 2020