

STAFF REPORT

TO: Summit County Council
FROM: Matt Leavitt – Summit County Financial Officer
DATE: September 23,
SUBJECT: Third Quarter budget and actuals discussion



BACKGROUND:

The following information is being provided to the County Council as a third quarter update on revenues and expenditures.

COUNCIL REQUIRED ACTION:

No formal action is required.

SUMMARY INFORMATION:

Revenues: the monthly sales tax revenue report is attached on p. 4. The sales tax report has been updated to include County revenues for September (estimated sales occurring in July). Interesting information to note from the sales tax report is:

- 1) For the third straight month in a row the local sales and use tax was higher than the previous year with September 2020 revenues 10.1% above September 2019.
- 2) Transient room tax revenues for the previous four months averaged 54.9% lower than the same period for 2019. September revenues were 19.7% lower possibly signaling a change in the economy.
- 3) 2020 restaurant tax revenues continue to trail 2019 revenues.

With regards to bullet points 2 and 3 it is important to note that Accommodation and Food Services made up 14.9% of the County’s gross regional product in 2019 (source: EMSI economic modeling). While being a significant industry in the local economy sales continue to lag.

The following table shows the local sales and use tax revenues for the incorporated and unincorporated areas of the County. September 2020 local sales revenues for the County as a whole were 3.6% higher than for the same period for 2019. This also potentially indicates a favorable change in the County’s economy. The **Summit County** column represents the unincorporated areas of the County.

PERCENT CHANGE FROM PRIOR YEAR:

	<u>Coalville</u>	<u>Francis</u>	<u>Henefer</u>	<u>Kamas</u>	<u>Oakley</u>	<u>Park City</u>	<u>Summit County</u>	<u>County Totals</u>
June	4.9%	31.1%	5.5%	18.7%	15.6%	-20.2%	-1.8%	-5.7%
July	0.7%	34.7%	10.2%	26.7%	-2.8%	-26.7%	0.8%	-6.3%
August	7.6%	8.8%	10.1%	13.7%	19.5%	-12.4%	1.3%	-1.9%
September	17.7%	49.6%	22.8%	22.4%	9.2%	-10.5%	10.1%	3.6%

Year to date revenues for select revenue sources continue to show a decline in revenues compared to prior years. The following table shows specific revenues for 2020 compared to a year to date average from the prior three years. Only Recorder Fees show an increase compared to the three-year average and that is partially due to the change in rates for those fees. Building permit and subdivision fees through August are about half compared to the 3-year average.

	August 2020	August 3-Year Avg	2020 as % of avg
Recorder Fees	653,395	358,091	182.5%
Subdivision Fees	102,849	200,336	51.3%
Development Code	3,406	16,568	20.6%
Plan Check Fees	404,310	863,219	46.8%
Building Permits	709,385	1,336,119	53.1%
Total of sample:	1,873,346	2,774,333	67.5%

There are encouraging signs about the local economy with anecdotal evidence of activity at retail outlets and high-volume traffic throughout the County during the summer months. However, **it is prudent that the County remain fiscally restrained.**

Expenditures: The following table shows year-to-date actuals with comparisons to the amended budget and the original budget. Departments and elected offices have been vigilant with regards to their appropriated budgets and **overall County operating budgets are 63.6% of the amended budget with 66.6% of the year elapsed.** Continued budgetary vigilance is necessary in preparation for unknowns in the current. Any unspent budgets in the current year may will roll into fund balances which may be necessary for the 2021 budget year.

SUMMIT COUNTY BUDGET TO ACTUAL REPORT				
By Government Function				
Exported 08/31/2020				
	YTD	ORIGINAL	AMENDED	% OF
	ACTUAL	BUDGET	BUDGET	BUGDET
General Government	8,118,160	11,860,852	11,305,332	71.8%
Public Safety	11,328,012	19,519,684	18,443,757	61.4%
Public Works	6,125,871	9,912,176	8,760,596	69.9%
Government Services	4,509,764	8,148,452	7,596,565	59.4%
Public Health	3,888,139	9,618,851	6,861,921	56.7%
Other Departments	675,489	2,577,966	1,478,600	45.7%
	<u>34,645,435</u>	<u>61,637,981</u>	<u>54,446,771</u>	<u>63.6%</u>

QUESTIONS:

Questions regarding this report or the quarterly finance reports may be directed to me at by phone at (435) 336-3017 or by email to mleavitt@summitcounty.org. Due to our current frenetic schedules it is recommended to send questions or comments to my email.

Thank you,

Matt Leavitt, Summit County Chief Financial Officer

TAX SUMMARY AND COMPARISON

	Local Sales Tax					Option Sales Tax					Transient Room Tax				
	2018	2019	% Chg	2020	% Chg	2018	2019	% Chg	2020	% Chg	2018	2019	% Chg	2020	% Chg
Jan	556,891	573,257	2.9%	600,595	4.8%	242,385	269,163	11.0%	284,158	5.6%	309,796	608,497	96.4%	579,676	-4.7%
Feb	764,443	735,588	-3.8%	874,069	18.8%	411,551	410,408	-0.3%	478,406	16.6%	1,437,267	1,188,865	-17.3%	1,582,205	33.1%
Mar	633,075	655,273	3.5%	790,742	20.7%	372,096	406,906	9.4%	476,459	17.1%	1,653,421	1,830,450	10.7%	2,105,214	15.0%
Apr	617,101	666,123	7.9%	638,746	-4.1%	397,521	397,181	-0.1%	406,009	2.2%	1,951,760	1,777,833	-8.9%	2,096,588	17.9%
May	665,110	721,401	8.5%	676,714	-6.2%	386,919	455,862	17.8%	360,012	-21.0%	1,464,090	2,028,116	38.5%	1,038,452	-48.8%
Jun	460,607	479,877	4.2%	471,119	-1.8%	209,340	211,008	0.8%	199,758	-5.3%	347,499	251,034	-27.8%	135,970	-45.8%
Jul	582,667	521,447	-10.5%	525,781	0.8%	251,551	238,081	-5.4%	224,584	-5.7%	283,959	290,998	2.5%	55,935	-80.8%
Aug	617,102	672,346	9.0%	681,000	1.3%	270,188	302,250	11.9%	298,594	-1.2%	397,130	420,113	5.8%	234,678	-44.1%
Sep	609,219	627,493	3.0%	690,645	10.1%	282,524	295,955	4.8%	307,506	3.9%	657,962	649,889	-1.2%	521,626	-19.7%
Oct	602,958	614,165	1.9%	460,624	-25.0%	269,569	287,593	6.7%	215,695	-25.0%	459,204	563,767	22.8%		
Nov	630,947	621,431	-1.5%	466,073	-25.0%	285,995	302,375	5.7%	229,805	-24.0%	586,935	870,752	48.4%		
Dec	512,949	569,885	11.1%	444,510	-22.0%	223,248	261,819	17.3%	201,600	-23.0%	329,543	529,957	60.8%		
Total	7,253,070	7,458,286	2.8%	7,320,617	-1.8%	3,602,886	3,838,602	6.5%	3,682,586	-4.1%	9,878,566	11,010,272	11.5%	7,828,718	-6.8%
	2020 Budget			7,400,000		2020 Budget			3,800,000		2020 Budget			10,750,000	
	% of Budget Received --->				98.9%	% of Budget Received --->				96.9%	% of Budget Received --->				72.8%
	% of Months Collected --->>				100.0%	% of Months Collected --->>				100.0%	% of Months Collected --->>				75.0%
	Restaurant Tax					Recreation, Arts & Parks Tax					Mass Transit Sales Tax (1st Qtr)				
	2018	2019	% Chg	2020	% Chg	2018	2019	% Chg	2020	% Chg	2018	2019	% Chg	2020	% Chg
Jan	139,631	172,588	23.6%	168,164	-2.6%	119,170	137,335	15.2%	143,095	4.2%	163,903	169,712	3.5%	172,361	1.6%
Feb	346,065	320,385	-7.4%	368,952	15.2%	230,179	226,806	-1.5%	272,459	20.1%	243,414	221,075	-9.2%	178,731	26.1%
Mar	376,028	432,831	15.1%	464,206	7.2%	222,653	246,652	10.8%	284,558	15.4%	213,000	224,659	5.5%	264,831	17.9%
Apr	453,315	453,523	0.0%	358,348	-21.0%	241,207	238,399	-1.2%	247,729	3.9%	201,920	232,705	15.2%	220,096	-5.4%
May	354,731	432,944	22.0%	247,838	-42.8%	224,946	272,949	21.3%	186,317	-31.7%	214,503	240,647	12.2%	187,770	-22.0%
Jun	144,437	141,586	-2.0%	81,964	-42.1%	96,964	95,171	-1.8%	79,427	-16.5%	121,691	129,681	6.6%	111,531	-14.0%
Jul	152,908	147,667	-3.4%	64,236	-56.5%	117,552	105,935	-9.9%	91,290	-13.8%	165,710	128,288	-22.6%	126,823	-1.1%
Aug	221,487	234,722	6.0%	161,475	-31.2%	128,249	147,541	15.0%	134,090	-9.1%	173,180	192,131	10.9%	175,009	-8.9%
Sep	256,022	298,885	16.7%	195,850	-34.5%	143,608	147,984	3.0%	147,200	-0.5%	177,028	183,239	3.5%	193,565	5.6%
Oct	226,485	248,514	9.7%			130,133	142,549	9.5%			165,731	169,761	2.4%	139,204	-18.0%
Nov	234,832	260,683	11.0%			141,546	150,934	6.6%			178,922	165,893	-7.3%	136,032	-18.0%
Dec	167,181	152,038	-9.1%			104,703	127,097	21.4%			139,693	160,748	15.1%	131,814	-18.0%
Total	3,073,121	3,296,367	7.3%	1,915,183	-18.0%	1,900,910	2,039,352	7.3%	1,438,964	-2.2%	2,158,693	2,218,539	2.8%	1,537,153	-0.1%
	2020 Budget			3,450,000		2020 Budget			2,100,000		2020 Budget			2,275,000	
	% of Budget Received --->				55.5%	% of Budget Received --->				68.5%	% of Budget Received --->				67.6%
	% of Months Collected --->>				75.0%	% of Months Collected --->>				75.0%	% of Months Collected --->>				100.0%
	Additional Mass Transit (2nd Qtr)					County Transportation					County Public Transit (5th Qtr)				
	2018	2019	% Chg	2020	% Chg	2018	2019	% Chg	2020	% Chg	2018	2019	% Chg	2020	% Chg
Jan	294,509	344,479	17.0%	357,328	3.7%	294,513	344,343	16.9%	357,300	3.8%	-	-		284,195	#DIV/0!
Feb	574,196	565,817	-1.5%	680,189	20.2%	574,203	566,061	-1.4%	680,204	20.2%	-	-		541,075	
Mar	555,394	616,598	11.0%	710,303	15.2%	555,551	616,629	11.0%	710,329	15.2%	-	-		564,696	
Apr	600,470	593,661	-1.1%	619,753	4.4%	600,415	593,540	-1.1%	620,132	4.5%	-	-		496,337	
May	567,619	680,370	19.9%	465,735	-31.5%	567,604	680,340	19.9%	465,802	-31.5%	-	-		372,056	
Jun	243,295	234,489	-3.6%	198,336	-15.4%	243,283	234,506	-3.6%	198,361	-15.4%	-	-		158,654	
Jul	289,494	261,728	-9.6%	227,946	-12.9%	289,501	261,651	-9.6%	228,063	-12.8%	-	-		181,393	
Aug	319,365	368,617	15.4%	335,816	-8.9%	319,344	368,747	15.5%	336,168	-8.8%	-	-		181,393	
Sep	357,346	369,786	3.5%	367,509	-0.6%	357,361	369,766	3.5%	367,514	-0.6%	-	279,793		292,781	4.6%
Oct	323,336	349,496	8.1%	286,587	-18.0%	323,242	349,495	8.1%			-	275,024			
Nov	351,871	377,230	7.2%	309,329	-18.0%	351,860	377,227	7.2%			-	279,874			
Dec	258,650	319,126	23.4%	261,683	-18.0%	258,666	319,198	23.4%			-	248,492			
Total	4,735,546	5,081,396	7.3%	3,595,405	-1.9%	4,735,543	5,081,503	7.3%	3,596,358	-1.9%	-	1,083,184		2,779,799	#DIV/0!
	2020 Budget			4,850,000		2020 Budget			4,850,000		2020 Budget			3,250,000	
	% of Budget Received --->				74.1%	% of Budget Received --->				74.2%	% of Budget Received --->				85.5%
	% of Months Collected --->>				100.0%	% of Months Collected --->>				75.0%	% of Months Collected --->>				#DIV/0!