



AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR
FROM: MARGARET SELL, FINANCE DIRECTOR/CITY CLERK
DATE: SEPTEMBER 21, 2021
RE: FINANCIAL REPORTS FOR AUGUST 2021

BACKGROUND

Sales, Use Tax and Lodging Tax Revenues – July 2021 Sales.

The following chart provides a comparison of sales, use and lodging tax revenues between 2020 and 2021. Overall tax revenues are up \$758,328 from the prior year and ahead of budgeted amounts by \$936,139.

Summary of Sales and Use Tax Revenues - July 2021					
		Percent (%) Change		Dollar (\$) Change	
Type	Month	Month	Y-T-D	From prior year - YTD	Between actual and budget - YTD
City Sales Tax (2%)	Jul-21	-4%	16%	\$ 246,225	\$ 339,702
Use tax on Motor Vehicles (2%)	Jul-21	-11%	15%	\$ 59,947	\$ 88,250
Use tax on Building Materials (2%)	Jul-21	-36%	5%	\$ 8,273	\$ 64,841
Lodging Tax - (3%)	Jul-21	79%	146%	\$ 57,909	\$ 61,879
County Sales Tax	Jul-21	16%	23%	\$ 332,727	\$ 345,491
Public Safety Tax	Jul-21	15%	25%	\$ 53,247	\$ 55,977
				\$ 758,328	\$ 956,139

The following table shows a comparison between July 2020 and 2021 city sales tax collections by NAICS category. Sales tax collections from the “remote” retailers represent approximately 10% of the July 2021 city sales tax collections and increased 27% over the prior year. Retail trade continues to be the largest dollar contributor to the monthly increase in city sales tax.

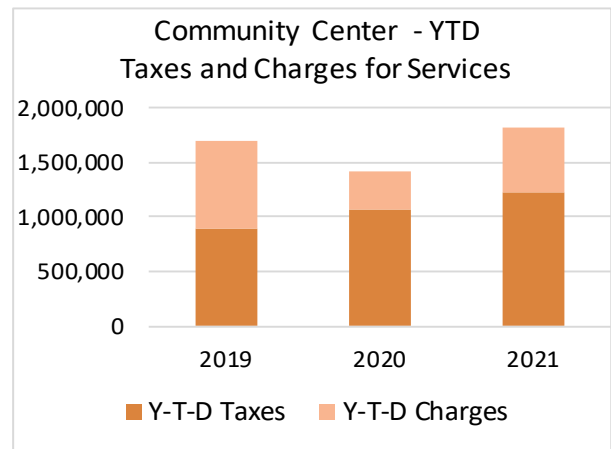
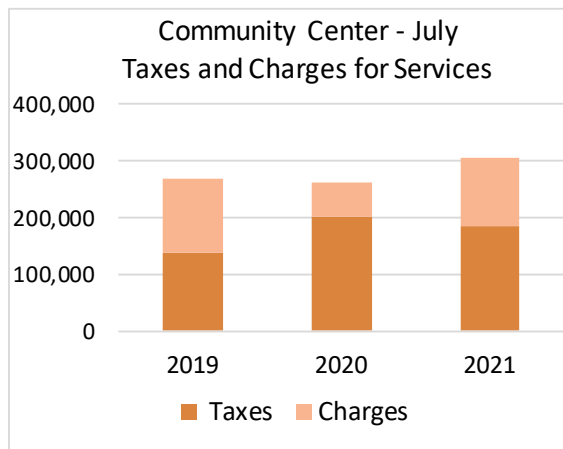
Sales tax revenues are down 4% for the month over the same period last year. This decrease is attributable to reductions in sales taxes collected from oil and gas industry which was exceptionally robust in the prior year (July 2020). A comparison of sales tax revenues, excluding the oil and gas sector, shows an overall increase of 15% in other sales tax revenues categories.

Sales Tax Revenues by Category (3%)					
Jul-21					
Description	2019	2020	2021	1 yr % Chg	1 yr \$ Chg
Retail Trade	129,270	182,024	192,337	6%	10,313
Food	61,049	66,132	88,919	34%	22,787
Other Miscellaneous	5,522	10,193	12,548	23%	2,355
Utilities	23,867	22,444	28,877	29%	6,433
Manufacturing	4,325	9,089	10,896	20%	1,807
Rental and Leasing	11,312	13,613	7,733	-43%	(5,880)
Other Services	5,613	5,228	6,150	18%	922
Lodging	15,937	13,397	24,905	86%	11,508
Wholesale Trade	8,602	12,033	16,130	34%	4,097
Communications	13,745	13,448	12,269	-9%	(1,179)
Oil and Gas	7,220	72,941	1,269	-98%	(71,672)
Total	286,462	420,542	402,033	-4%	(18,509)
Remote retailers	12,322	31,246	39,704	27%	8,458

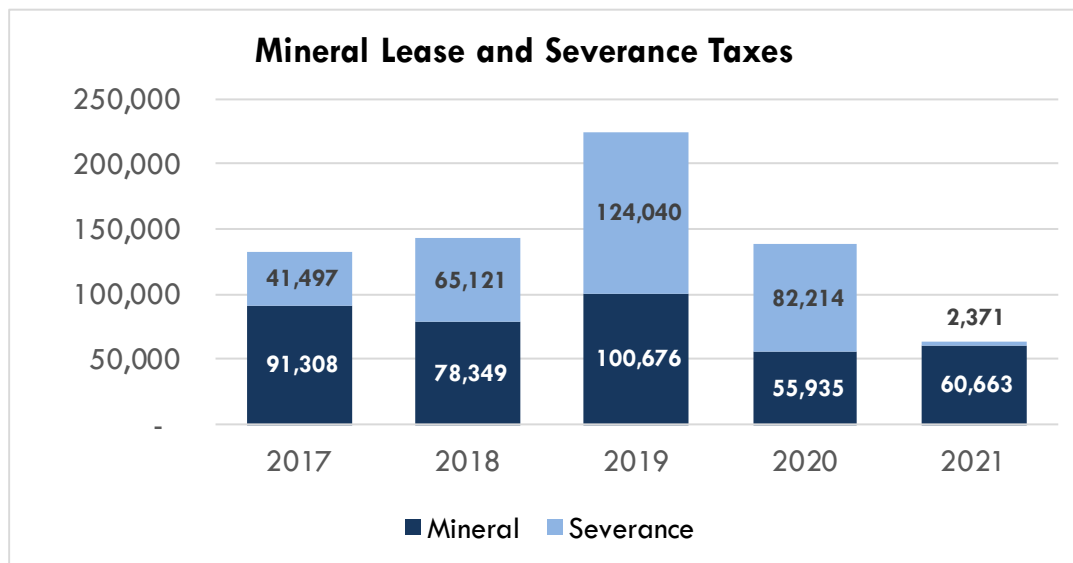
Sales and Use Tax Revenues - Year to Date

Attached is 5 year history of the year-to-date sales and use tax revenues by Category (NAICS).

Community Center Fund – July 2021. City sales and use tax revenues for July reflect a 9% decrease from 2020 revenues and charges for services are up 104% from the prior year. Year-to-date combined revenues from taxes and charges for services are up 17% over the prior year and up 13% compared to 2019 pre-COVID revenues.



Mineral Lease and Severance Tax Revenues The City received the annual allocation of mineral lease and severance tax revenues in early September. These revenues are down 54% from 2020 revenues. Severance taxes are imposed on extraction of oil, gas and other minerals and are down 97% from the prior year. Mineral lease revenues are derived from leasing of federal lands for these purposes and are up 8% from the prior year. The following chart depicts a 5 year history and demonstrates the volatility of this revenue source.



Revenue vs Expense by Account Type – August 2021. This report presents summary information on revenues and expenses and budget comparisons for all funds. The report includes revenues and expenses by type and also by department. The following is a summary of the report by fund showing actual revenues and expenses as a percentage of budget.

Revenues and Expenses as Percentage of Budget August 2021		
Column1	Revenues as a % Budget	Expenses as a % of Budget
General Fund	80%	50%
Conservation Trust Fund	64%	100%
Economic Development Fund	114%	55%
Marketing	89%	44%
Public Places Fund	122%	58%
Community Center	83%	57%
Capital Projects	19%	32%
Debt Service	51%	26%
Devils Canyon Center	0%	100%
Irrigation Water	75%	68%
Sewer	66%	67%
Trash	60%	51%
Fleet Maintenance Fund	96%	68%
Total	65%	50%

FISCAL IMPACT

None.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

These reports provide financial information to the Council to monitor the City's financial position and may be used as a tool to hold staff accountable for accomplishing goals and objectives set forth in the Budget.

OPTIONS AVAILABLE TO COUNCIL

Approval of Financial Reports

Approval of Financial Reports with clarification on specific items

RECOMMENDATION

It is the recommendation of staff that the Council by motion:

ACCEPT THE AUGUST 2021 FINANCIAL REPORTS AS PRESENTED