

# **2021 Annual Financial Report Briefing**

**June 28, 2022**

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# 2021 Annual Financial Report Highlights

City Revenue Highlights	2020 Actual	*2021 Actual	% Change 2020 Actual vs 2021 Actual	
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TAX REVENUE				
Sales Tax	\$ 65,864,543	\$ 76,259,320	\$ 10,394,778	15.8%
Property Tax	15,337,806	17,423,178	2,085,373	13.6%
Use Tax	10,549,716	13,872,556	3,322,840	31.5%
Food Tax	9,695,578	9,696,506	928	0.0%
Lodging Tax	362,859	620,002	257,143	70.9%

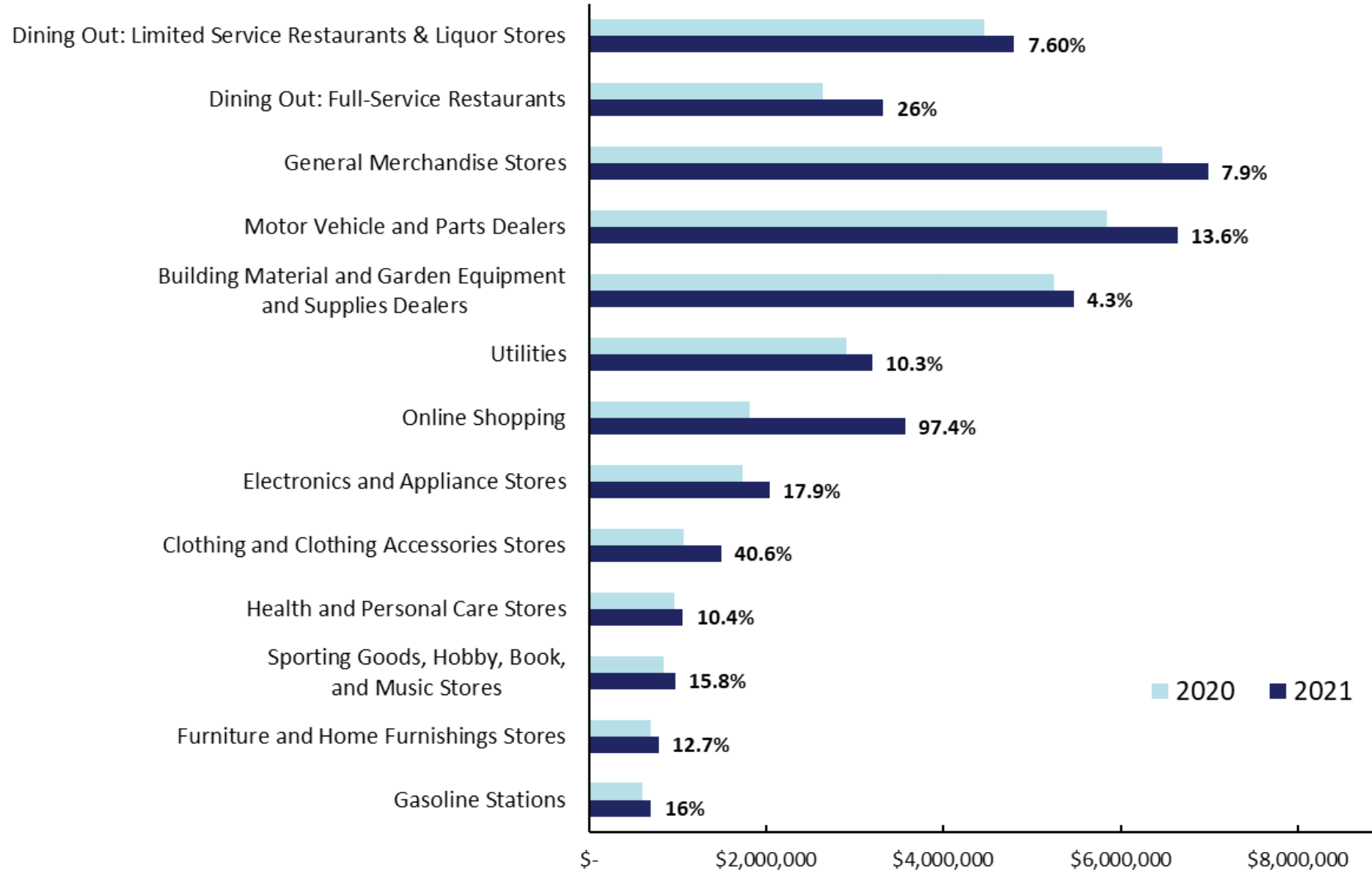
RESIDENTIAL UTILITY RATE REVENUE				
Water Rates: Residential	\$ 26,367,802	\$ 26,106,597	\$ (261,205)	-1.0%
Sewer Rates: Residential	7,820,567	8,735,663	915,095	11.7%
Stormwater Rates: Residential	6,849,518	7,961,738	1,112,221	16.2%

ADDITIONAL COMPARATIVES				
Development Impact Fees	\$ 6,741,053	\$ 18,075,697	\$ 11,334,644	168.1%
Oil Royalties	2,225,405	2,482,303	256,897	11.5%
Building Permits	1,128,544	2,003,116	874,572	77.5%

- New Construction at the end of 2021 had a significant impact on revenues.
- Recovery from the COVID Pandemic led to overall increases in 2021.

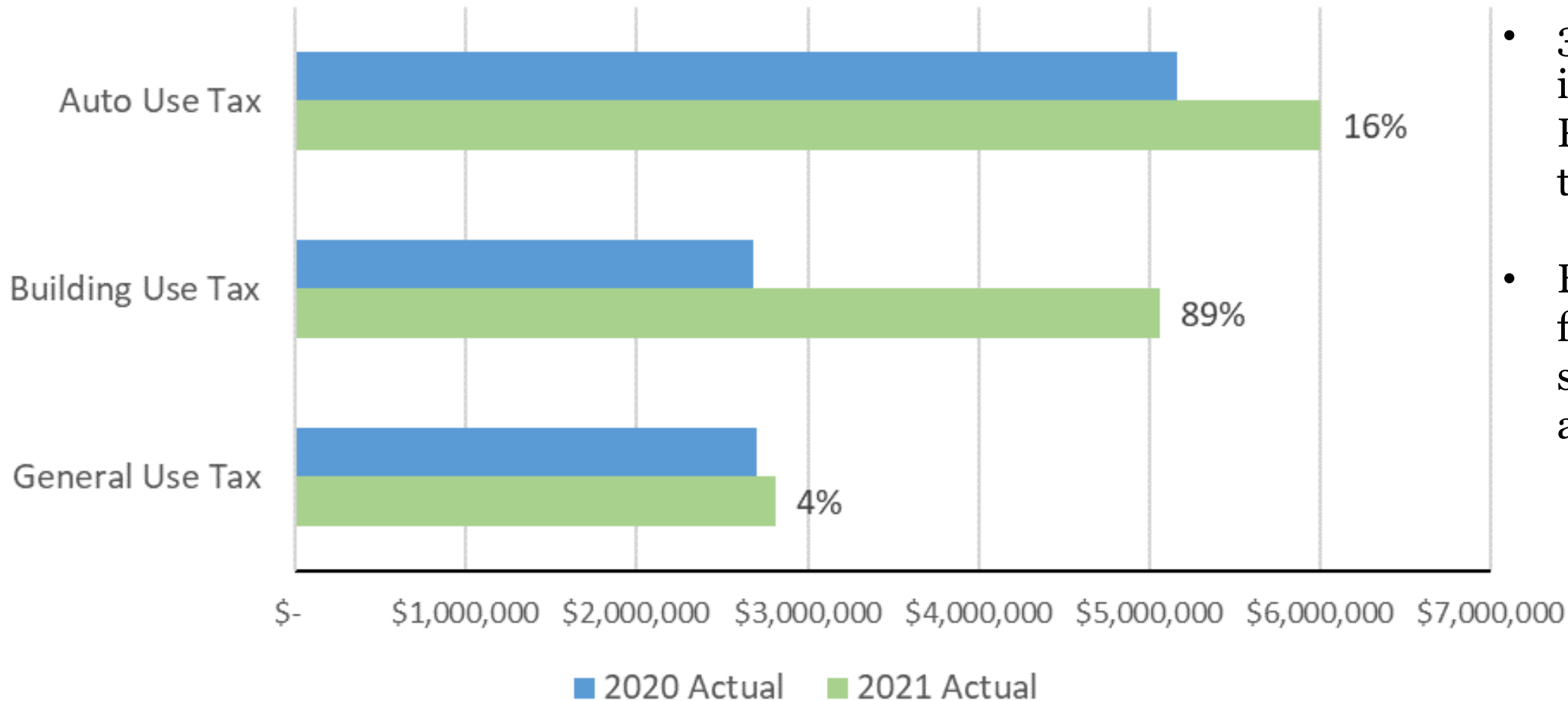


# Sales Tax Revenue by Category: 2020-2021



- 15.8% increase in sales tax revenue from 2020 to 2021 (\$10.4M)
- Category increases were driven by recovery from the pandemic
- Additional growth in Online Shopping from adoption of marketplace language in 2021

# Use Tax Revenue by Category: 2020-2021



- 31% (\$3.3M) increase in Use Tax Revenue from 2020 to 2021
- Building Use follows trends we saw in development activity in Q4

# Building Permits Valuation: 2016-2021



# Planning Fees & Building Permit Revenue: 2016-2021



# Financial Outlook and Path Forward

- City revenues have returned to pre-pandemic levels; unfortunately just as we enter a new time of uncertainty with significant inflationary pressures and early indications of economic slowdown.
  - Maintain 100% funding of ~\$20M required reserve fund (2 months of operating expenses)
  - Forecasting ~\$10M of 2021 carryover funds from 2021.
- Continue to prioritize investments that are critical to Greeley's long-term success (human capital, investments that support efficient City operations, etc.)
  - City allocated \$2.4 in ongoing expenses to improve City operations in the first appropriation of 2022
  - Will allocate available one-time funds and ongoing funds to support City Council Priorities.
  - Review and consider allocation of 2021 funds during the 2023 Budget Process
- Keep eye on economic indicators and revenue streams; adjust forecast as appropriate
  - New Housing Construction
  - Oil & Gas Impacts
  - Inflation – Economic Slowdown
  - Fuel, Electric & Heating Costs
  - Capital Improvement Project Cost Increases



# Next Steps and 2023 Budget Development

- Recap 2022 Budget
  - [https://youtu.be/zv3TUVw9L48?list=PLFRnJOQx2AJJkJqe2FJXctZGEwQKY4fm\\_](https://youtu.be/zv3TUVw9L48?list=PLFRnJOQx2AJJkJqe2FJXctZGEwQKY4fm_)
- 2023 Budget Calendar

Item	Date	Status
Budget Manual Sent to Departments	March 30 <sup>th</sup> , 2022	Completed
Department Budget Increase Request Due to Finance	June 3 <sup>rd</sup> , 2022	Completed
Meet with Department to Review Request and Historical Budget	June 7 <sup>th</sup> –July 1 <sup>st</sup> , 2022	In Progress
Review with CMO	August 2 <sup>nd</sup> – August 12 <sup>th</sup> , 2022	Not Completed
Proposed 2023 Budget Sent to Council	Sept 9 <sup>th</sup> , 2022	Not Completed
Council Budget Work Session I	Sept 13 <sup>th</sup> , 2022	Not Completed
Council Budget Work Session II	Sept 27 <sup>th</sup> , 2022	Not Completed
First Budget Public Hearing	Oct 4 <sup>th</sup> , 2022	Not Completed
Second Budget Public Hearing and Final Reading	Oct 18 <sup>th</sup> , 2022	Not Completed



# Questions and Discussion

