

Fourth Quarter 2020 Financial Report



Finance Department

March 2, 2021



Fourth Quarter Report



- Reports unaudited activity through December 31, 2020
- Allows comparisons to Revised Budget amounts
- Provides a preliminary look at expectations and identifies trends that may impact 2021-2022



Key Points



- Activity in 2020 was unprecedented and dynamic; The General Fund revenue budget was reduced by \$13.1 million.
- CARES Act funding and strategic adjustments stabilized the General Fund.
- Sales tax, interest earnings and Court revenues were favorable.



2020 Expectations



- Continued Public Safety prioritization
- Lower expenditures due to strategic adjustments and hiring slow down
- Reduced revenues and expenditures due to decreased activity levels
- Revenue reductions due to economic activity
- Unknown level of CARES Act funding



General Fund – Expenditures



	2020 Rev.	2020 Act.	Variance
Public Safety	\$139.2	\$138.6	(\$0.6)
Other Expenditures	\$103.3	\$98.3	(\$5.0)
Total Expenditures	\$242.5	\$236.9	(\$5.6)

Expenditures were lower in 2020 due to: lower activity levels (which also impacted revenues); strategic adjustments; and CARES Act funding

Note: Amounts in millions



General Fund – Revenues



	2020 Rev	2020 Act	Variance
Property Tax	\$88.1	\$89.4	\$1.3
Sales Tax	\$28.6	\$30.8	\$2.2
Fines and Penalties	\$7.2	\$8.3	\$1.1
Interest Earnings	\$4.5	\$5.4	\$0.9
Activity Based Revenue	\$25.6	\$23.9	(\$1.7)
Other Revenues	\$87.5	\$83.5	(\$4.0)
Total Revenues	\$241.5	\$241.3	(\$0.2)

Sales Tax, Court Revenues and Interest Earnings were better than expected

6 Note: Amounts in millions



General Fund Summary



	2020 Rev	2020 Act	Variance
Total Revenues	\$241.5	\$241.3	(\$0.2)
Total Expenditures	\$242.5	\$236.9	(\$5.6)
Net Margin	(\$1.0)	\$4.4	\$5.4

Note: Amounts in millions



Golf Fund



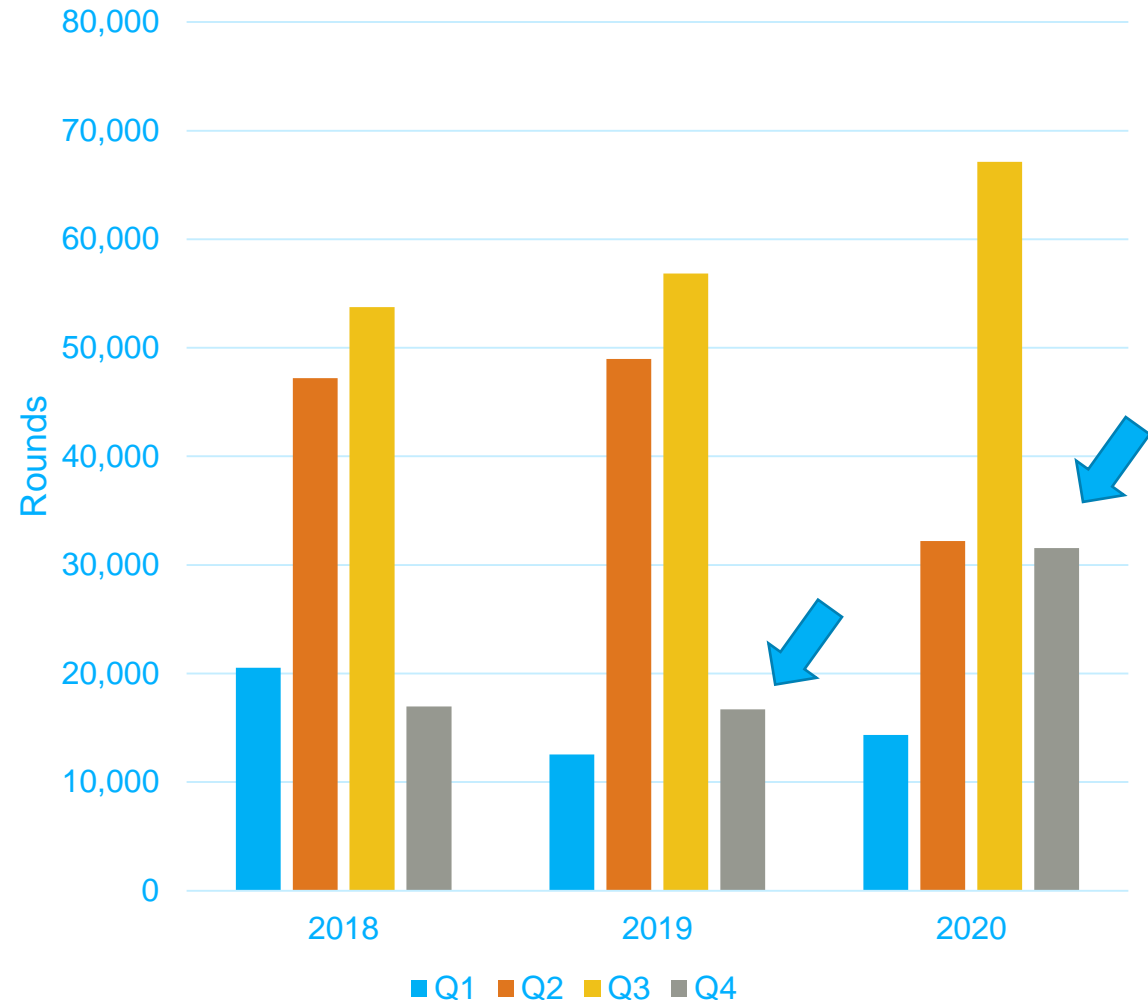
- Golf rounds were up 7.6%; revenues were up 3.6%. Golf expenditures were down 13%.
- The Golf Fund margin in 2020 was \$523,828; compared to \$53,857 in 2019.
- Are pandemic induced rounds and spending reductions sustainable?



Golf Fund



- Golf Fund position was dire at the end of Q2
- Performance rebound was due to much higher Q3 and Q4 play



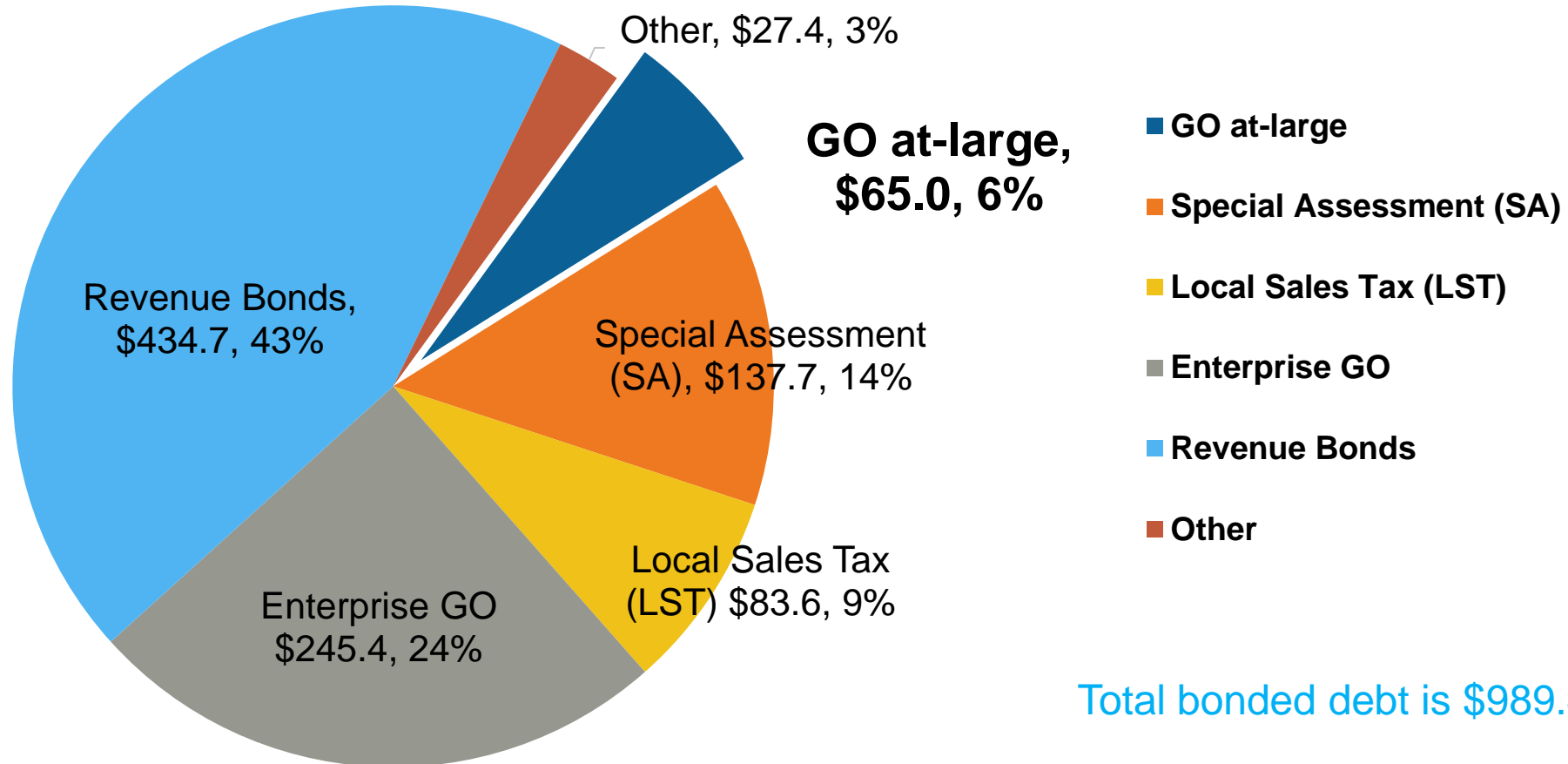
Transient Guest Tax Fund



- Revenues were down 24%; TBID revenues are down 47%.
- The Transient Guest Tax Fund balance increased, due to lower than budgeted transfers out.



Total Bonded Debt



Total bonded debt is \$989.4 million



Looking Forward 1 – 4 Years



General Fund Outlook (2021 Adopted Budget)

	2020	2021	2022	2023	2024
Revenues	\$241.1	\$247.7	\$252.5	\$255.3	\$259.4
Expenditures	\$236.9	\$247.7	\$255.3	\$259.2	\$263.3
Margin	\$4.4	--	(\$2.8)	(\$3.9)	(\$3.9)

Note: Amounts in millions



General Fund – Tailwinds



- Sales Tax Base is higher
- Property Tax valuation growth may be higher
- Health Insurance growth expected to be lower



General Fund – Headwinds



- Interest Earnings are declining
- Activity based revenue recovery is uncertain
- Bargaining unit costs are unknown
- Group Health costs (even with lower growth assumptions) are still significant



Forecasting Takeaways



- Actions in 2020 enhanced reserves and provide some flexibility going forward
- Base model assumptions remain conservative, but do not assume an economic pull-back
- Future group health expenditures and salary costs will have the largest impact on the forecast



Summary



- General Fund performed well in 2020: helped by CARES Act; strategic adjustments; and sales tax, Court revenues.
- Outlook is mixed; initial estimates are consistent with previous guidance.
- Golf Fund performed well, but future sustainability is still unknown.



Recommendation



- Receive and file the Quarterly Financial Report for the period ending December 31, 2020



Fourth Quarter 2020 Financial Report



Finance Department

