



City of Grand Island

Tuesday, March 22, 2022

Council Session

Item C-2

Financial Review Presentation

Staff Contact: Patrick Brown

Memorandum to Electeds, Mayor Steele, and Jerry Janulewicz, City Administrator

From: Patrick Brown, Finance Director

Date: March 22, 2022

RE: February 2022 Revenue Report

National - Unemployment rates have been decreasing following high job losses in 2020. The unemployment rate in February 2022 was 3.8%, down from 4% in December 2021. Nebraska's unemployment rate as of January 2022 was 2.2%.

The economy grew 3.3% in the fourth quarter of 2021. This increase follows 6.3% growth in Q1, 6.7% growth in Q2, and a 2.3% increase in Q3 of 2021. This is the measurement of gross domestic product (GDP).

Orders for durable goods like machinery and equipment increased 1.6% in the fourth quarter of 2021, while non-durable goods (pharmaceuticals, food, and lodging) fell by 0.1%.

This month interest rates increased for the first time since 2018 by 0.25%, from a near-zero range to a target range of 0.25% to 0.50%.

The Consumer Price Index for all items over the last 12 months rose 7.9% in February 2022, up from 7.5% in January.

Local - Year to date (YTD) Sales tax receipts for the General Fund for fiscal year 2022 is positive 20.0% or \$1.2m. These receipts reflect the sales tax collections in the month of February. Sales activity for the month of February increased by \$222k when compared to the same period in 2020-2021. February Sales Tax receipts were the highest collection of Sales Tax for the City since collection started. I expect to see collecting \$1.3 to \$1.4m for the rest of the fiscal year.

YTD Property Tax revenue for FY2022 is 1.0% more than the same period last year. This revenue source is collected by Hall County and remitted to the City.

YTD Licenses & Permits receipts are down 11.2% over the same period last year. This revenue source is usually volatile but with the unpredictable costs of construction, it has become even more volatile.

Motor Vehicle Sales Tax and Motor Vehicle Tax revenues are still strong but have leveled off. Receipts are down 6.4% and 2.4% respectively for the fiscal year 2022. The slight decrease as could be contributed to the strong prior sales of motor vehicles.

Food and Beverage Occupation Tax continues to do well. YTD Food & Beverage Tax is up by \$163k or 17.4%.

Rental Car Occupation Tax YTD is up 34.3% over the same period last year. However this revenue source is not back to 2019-20 levels (\$11k behind 2019-20).

Hotel Occupation Taxes showed a sizable increase over the same period last year. Hotel Occupation Tax was up 57.9% and is back to the same level as pre-pandemic.

Below is table showing other revenue sources.

February 2022 Revenue Report								
Revenue Source	Feb 2021-22	Feb 2020-21	% Chg Prior Year	Feb 2019-20	YTD 2021-22	YTD 2020-21	% Chg Prior Year	YTD 2019-20
Property Taxes (General Fund)	\$ 690,611	\$ 609,015	13.4%	\$ -	\$ 2,063,119	\$ 2,042,961	1.0%	\$ 1,283,371
Fees & Services (General Fund)	\$ 615,053	\$ 538,374	14.2%	\$ 562,179	\$ 3,382,623	\$ 3,355,385	0.8%	\$ 3,183,560
Licenses & Permits (General Fund)	\$ 31,829	\$ 8,942	255.9%	\$ 15,693	\$ 341,846	\$ 384,986	-11.2%	\$ 267,992
Sales Tax (General Fund - July Sales)	\$1,577,564	\$1,355,388	16.4%	\$1,382,855	\$ 6,977,406	\$ 5,815,602	20.0%	\$ 5,964,101
Sales Tax (2004 Sales Tax for projects only)	\$ 315,513	\$ 271,078	16.4%	\$ 276,571	\$ 1,395,481	\$ 1,163,120	20.0%	\$ 1,192,820
Sales Tax (2018 Sales Tax for projects only)	\$ 631,025	\$ 542,155	16.4%	\$ 553,142	\$ 2,790,962	\$ 2,326,241	20.0%	\$ 2,385,640
Motor Vehicle Sales Tax (Streets Fund)	\$ 209,060	\$ 174,519	19.8%	\$ 165,056	\$ 1,041,862	\$ 1,113,022	-6.4%	\$ 906,808
Franchise Fees (General Fund)	\$ 247,513	\$ 192,985	28.3%	\$ 209,681	\$ 566,377	\$ 295,503	91.7%	\$ 472,168
Motor Vehicle Tax (General Fund)	\$ 114,174	\$ 113,638	0.5%	\$ -	\$ 512,865	\$ 525,568	-2.4%	\$ 380,031
State Road Use Funds (Streets Fund)	\$ 486,102	\$ 450,867	7.8%	\$ 435,671	\$ 2,546,386	\$ 2,608,189	-2.4%	\$ 2,418,627
Motor Vehicle Fee (Streets Fund)	\$ -	\$ -	#DIV/0!	\$ -	\$ 221,116	\$ 227,353	-2.7%	\$ 205,376
Other Intergovernmental (Streets Fund)	\$ -	\$ 266	-100.0%	\$ -	\$ 468,333	\$ 194,733	140.5%	\$ -
Food & Beverage Revenue (January Sales)	\$ 187,653	\$ 152,302	23.2%	\$ 179,030	\$ 1,099,643	\$ 936,359	17.4%	\$ 1,016,715
Rental Car Occupation Tax (Capital Equip. Fund - Streets)	\$ 10,246	\$ 6,813	50.4%	\$ 11,337	\$ 55,482	\$ 41,306	34.3%	\$ 66,907
Hotel Occupation Tax (goes to Fonner Park)	\$ 13,842	\$ 12,887	7.4%	\$ 18,911	\$ 165,280	\$ 104,660	57.9%	\$ 165,020
KENO	\$ 27,107	\$ 34,477	-21.4%	\$ 33,753	\$ 139,628	\$ 147,216	-5.2%	\$ 144,433

If you have questions regarding the revenues please do not hesitate to contact me.

Best Regards,

Patrick Brown
Finance Director