

Information Item

Date: November 9, 2020

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager
Patrice Y. Toney, Budget and Evaluation Director

Subject: Revenue Update

Strategic Focus Area: Service Excellence

Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness

Strategic Plan Action Item: No

Key Work Item: Yes



As part of the FY 2020-21 budget planning process, staff was directed to provide regular updates on major revenues. Attached is the Revenue Report for November. It includes an update on General Fund revenues and charts showing trends for Sales Taxes, Occupancy Tax Fund, Utilities Franchise Taxes, Fairgrounds Fund, and Parking Fund.

Since last month's update, staff has updated year-end projections for sales tax and ABC revenue. Countywide sales for Forsyth County were projected to decline 20% for July. Those distributions increased slightly over 10%. This has improved the year-end outlook. Staff projected a 20% reduction for countywide sales for August, and September and are monitoring the potential impact of the expiration of federal unemployment dollars at the end of July 2020.

The first quarter distribution of ABC revenue was received in October. Staff projected an 8.75% decrease compared to the first quarter of last year, consistent with declines seen during the Great Recession. The actual distribution was over 31% higher compared to the same time period last year. In speaking with the local ABC Administrator, a combination of increased purchases due to the closing of bars/restaurants during the COVID-19 pandemic and a closely monitored budget and flatter spending have increased profits and the amount available for distribution to municipalities.

Lastly, the cash flow projection charts for the Parking Fund and the Fairgrounds Fund have been updated to reflect final FY 2019-20 actuals. The Fairgrounds Fund also has updated revenue projections for non-Fair events, assuming revenues equivalent to 25% of a normal event year.