

Information Item

Date: October 12, 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 October. 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 utility franchise taxes. Countywide sales for Forsyth County were projected to decline 20% for April, May, and June. Those distributions declined 1.6%. This has improved the year-end outlook. Staff projected a 20% reduction for countywide sales for July, August, and September and are monitoring the potential impact of the expiration of federal unemployment dollars at the end of July 2020.

Utility franchise taxes for the quarter ending June 30, 2020 were received and were \$379,000 less than anticipated. Electricity franchise taxes were \$178,000 less than projected for the quarter. Telecommunications franchise taxes, driven by landline telephones, were \$158,000 less than projected. The projected decrease was 9%, but the actual decrease was 45%. Current year-end projections will be under budget by \$879,000. The next quarterly distribution will be received in December.

Lastly, the North Carolina Department of Transportation (NCDOT) reduced the overall Powell Bill disbursement to all municipalities by \$4.4 million in order to adjust their budget for maintenance and emergencies. This reduces the projected allocation for Powell Bill revenues to Winston-Salem by slightly over \$208,000.

