

City of Indianola COVID-19 Financial Planning*

CITY COUNCIL MEETING
15 JUNE 2020

*NOTE ACTIVE VERB USE



“If you are confident you have done everything possible to prepare yourself, then there is nothing to fear.”

- Michael Jordan



List of Revenues Impacted

- Hotel/Motel Tax
- Local Option Sales and Service Tax (LOSST)
- Road Use Tax Fund (RUTF)
- Property Tax Revenue
- Park and Recreation Fees
- Other Areas



Hotel/Motel Tax Fund

- Original Budget Revenue: \$150,000
 - \$125,000 to BRAVO, CVB, and Non-Profits
 - ~~\$25,000 to Parks and Recreation~~
- Assume 33 Percent Cut to Total (Adjusted from \$150,000 to \$100,000)
- CVB and BRAVO: 2/7 of Revenue Collected (\$28,571 each-\$57,142 total)
 - Leaves \$42,858 for Non-Profits
- Assume Keep Non-Profits Contributions: \$49,250
 - (Excluding BRAVO/CVB)*



*Council Decision

FY2021 Non-Profit Contributions

<u>Organizations</u>	FY21 Approved
DSM Metro Opera	10,000
Concert Association	500
Keep Indianola Beautiful	6,000
National Ballon Classic	8,000
CHAMBER	7,000
GDSM	7,500
ICYF (Helping Hand)	7,500
Warren County Fair	2,250
Dollars for Scholars	250
Sustainability Committee	250
Total:	49,250



Local Option Sales and Service Tax (LOSST)

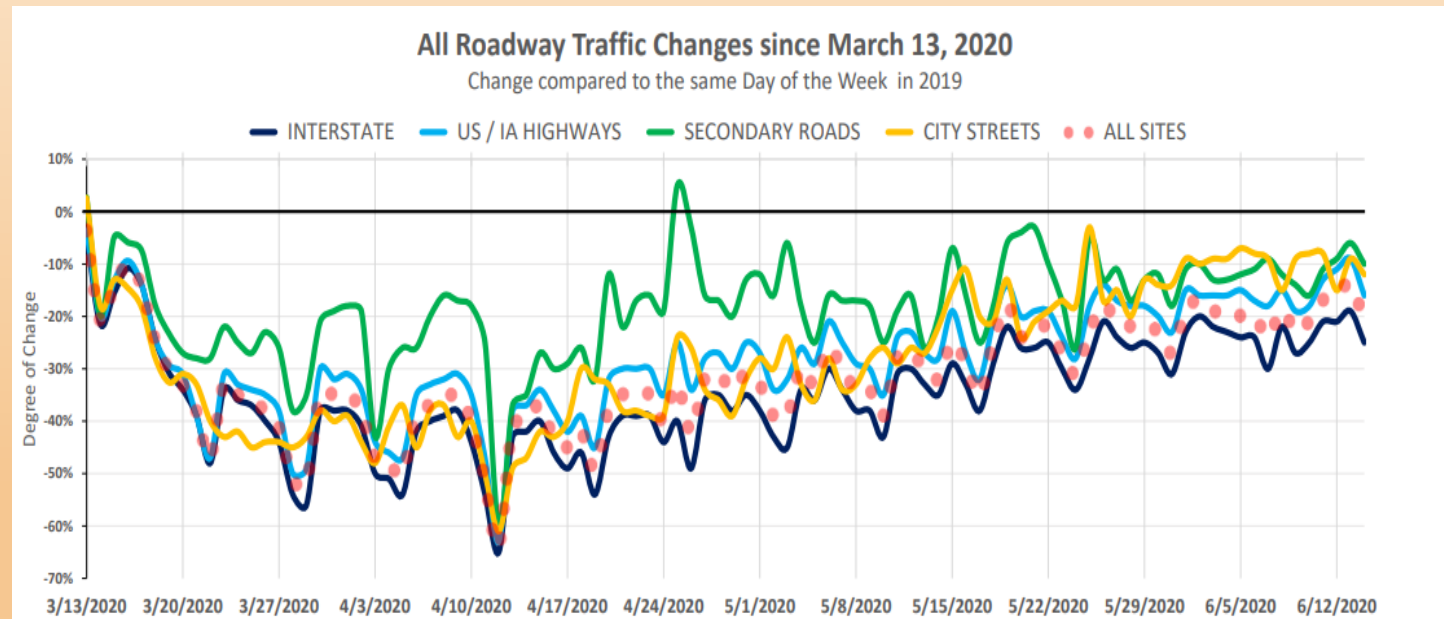
- Proceeds Directed Towards WRRF Construction/Debt Service
- State Estimate: \$1.2 Million: Budgeted at \$1 Million
- Assume a 20 Percent Loss
- Internet Sales Tax
- Two Key Milestones
 - August 2020: State Issues FY21 Numbers
 - May determine future sewer rates
 - November 2020: State Issues Reconciliation Statement



Road Use Tax Fund (RUTF)

- May 2020 Allocation “Normal”-Met FY20 Budget Target
- Assume 20 Percent Cut (\$360,000 for normal year)
- 2020 Census Boost to Population Count
- Traffic Volume Increasing
- CIP Small Project Transfer of \$250,000

From IDOT Website:



Property Tax Revenue

- Most Stable Revenue Stream
- Most Concern Is Delay in Receipts
- April 2020 Receipts Okay/September 2020 Unknown
- Temporary Freeze on Hiring New Positions



Park/Rec and Pool Revenue

- Most Likely Heaviest Impacted
- Most Expenses Are Tied To Fees
 - Seasonal Mowers
 - Concessions
- Some Delay In Vehicle Or CIP Projects
 - Dodge Caravan
 - Next Segment of Jerry Kelley Trail



Other Areas

- Community Development
 - Services Tied to Fees
 - Less Code Enforcement*
- Public Library
 - Programs Tied to Fees
 - County and State Contributions
- Public Safety
 - Utility PILOT Payments
 - Ambulance Fees May Drop
 - Fines/Ticket Revenue Down



*Council Decision

Conclusion

- **Most Impacts Manageable**
 - Key Targets: One Time Capital Expenses
- **Already Seeing Some Return to “Normalcy”**
 - Some Businesses Reopening/Larger Number of Vehicles
 - Second Half of Year Unknown
- **Key Budget Principals**
 - Reserve Policies
 - Conservative Budgeting
 - Tying Programs to Fees



Q&A