



MONROE CITY COUNCIL

Agenda Bill No. 20-067

SUBJECT:	2020 Budget Impacts due to COVID-19
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
05/12/2020	Finance	Becky Hasart	Becky Hasart	New Business #1

- Discussion:** 05/12/2020
- Attachments:**
1. Summary Page – General Fund COVID-19 Projections
 2. 2020 Sales Tax Projection
 3. 2020 Real Estate Excise Taxes Projection
 4. 2020 Lodging Tax Projection
 5. Excerpts from WA Economic and Revenue Forecast Council
 6. Mayor’s Emergency Executive Order No. 2020-007 Expenditure Limits

REQUESTED ACTION: None. Informational only.

POLICY CONSIDERATIONS

RCW 35A.33 governs the budget process for optional municipal code cities, such as the City of Monroe. A balanced budget which does not exceed its resources must be adopted by each city in order to operate.

Efforts to contain COVID-19 have had a profound effect on the economy. This effect is anticipated to affect the City’s budget in 2020 as well as carry forward into the next few fiscal years. Tonight’s discussion is to understand the assumptions being made as the City’s finances are adjusted due to COVID-19.

DESCRIPTION/BACKGROUND

As with the rest of the nation, the City of Monroe is currently experiencing an unprecedented circumstance due to the COVID-19 pandemic. Efforts to flatten the curve have had a profound impact on our residents, our businesses, and our operations.

While the duration of the current efforts to combat this pandemic are still unclear, it is generally accepted that the effects from these efforts will continue to affect the economy well into 2021 and beyond. Attachment 5 is an excerpt from a presentation provide by Steve Lerch, Chief Economist and Executive Director of the Washington State Economic and Revenue Forecast Council. These slides project that the economy should begin a slow recovery by fourth quarter this year but that the recovery may take up to three years to be fully realized.

Under the Mayor’s direction, staff has been working to evaluate and analyze the financial impacts that COVID-19 can have on the City of Monroe’s budget, specifically with regards to the General Fund, which supports the majority of the City’s services to its businesses and residents. Special emphasis is being given to sales taxes, Real Estate Excise Taxes (REET), construction related permits, and lodging taxes.

For sales taxes, REET, and lodging taxes, revenues are received by the City two months after the date of the related transaction. For example, reports and the related taxes for transactions which occur in March are due to the state’s Department of Revenue (DOR) by the end of April.



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DOR then remits the appropriate taxes to individual jurisdictions at the end of the month after receipts are received. Thus March transactions are received by the City at the end of May and April transactions will be received by the City at the end of June.

Due to the uncertainty regarding the duration of this pandemic and the efforts to combat it, a number of assumptions were made regarding impacts to the General Fund revenues. These assumptions, where appropriate, will also pertain to the other City funds. These assumptions include:

- Non-essential businesses as defined by the State will remain closed through May;
- The Stay Home/Stay Safe order will be lifted as a slow reopening, which may limit the number of people frequenting/served by business well past the summer;
- When businesses reopen, consumer confidence will take some time to begin to recover;
- Sales taxes associated with retail sales are expected to be one half of what had been anticipated prior to COVID-19 for the months of March and April (received in May and June respectively);
- Sales taxes associated with retail after May are expected to begin a gradual recovery, but still be approximately 70% to 80% of pre COVID-19 levels;
- Sales taxes associated with dining and accommodation are anticipated to be 25% of original projections to materially non-existent for the months of March and April (received in May and June respectively);
- Sales taxes associated with dining and accommodation are anticipated to require a longer recovery time than retail sales taxes;
- Sales taxes associated with construction are anticipated to be between 50% to 70% of pre COVID-19 projections for the months of March and April (received in May and June respectively);
- Aggregate sales taxes for 2020 are expected to be between 70% to 75% of originally anticipated budget (Attachment 8 shows 78%, which was rounded down to be conservative);
- Admissions taxes are expected to be materially non-existent during March and April, with a very slow recovery rate once the stay home order has been lifted;
- While housing starts were strong during the first quarter of 2020, housing is expected to slow down for the remainder of 2020;
- Expenditures were projected to be spent to budget and were adjusted for any programs/expenses which were preapproved by Council for the formal budget amendment. This allowed staff to establish a base line from which to discuss meaningful budget adjustments.

These assumptions will be readdressed as we begin to see actual receipts during the summer months and can be readdressed during the second half of the year once an end date is determined for the Governor's stay home order.

Based on the above, General Fund revenues are anticipated to be \$1,496,800 less than budgeted and expenditures are currently projected to be \$108,206 more than anticipated, based on the last bullet point detailed above (Attachment 1). With actual beginning fund balance coming in at \$666,197 more than was projected during the budget process, the general fund is projected to end the year \$938,805 less than was anticipated. This is approximately 6% less than budget (rounded to be conservative).



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General Fund	Budget	Projected	Difference
Revenue	\$15,061,788	\$13,564,988	(\$1,496,800)
Expenditures	\$16,330,897	\$16,439,098	(\$108,201)
Beg Fund Balance	\$3,966,802	\$4,632,998	\$666,197
Projected End Fund Balance	\$2,697,693	\$1,758,888	(\$938,805)

Over the last few years, the Mayor and Council have worked to place the City in a position to better address any economic challenges which may arise. These efforts included, but are not limited to:

- Insuring the Contingency Fund and all targeted reserves are fully funded;
- Implementing a sewer utility tax which bolstered General Fund and Street Operations and Maintenance Fund revenues without creating a new burden to sewer rate payers;
- Identifying and reserving appropriate resources to pay off the North Kelsey Debt in 2020 (eliminating the need to refinance and eliminating future debt service needs);
- Maintaining property tax banked capacity (currently over \$250,000);
- Identifying sales taxes associated with construction as one-time resources to be used on one-time expenditures only.

While these efforts will help the City as it analyzes the impacts from COVID-19 and allow us to consider furloughs and/or layoff of personnel as a last resort, the result of these efforts should be utilized in a strategic and conservative manner within the context of a three year recovery horizon.

To be strategic about our post COVID-19 recovery and to help the City remain stable over a potential three year recovery period, the Mayor has directed staff to begin reviewing their budgets to help identify potential adjustments that can be made this year within the City's overall strategic needs. The Mayor has also directed, through Emergency Order 2020-007 (Attachment 6), that all new contracts and capital purchases be suspended until those contracts and capital purchases can be analyzed with the City Administrator and the Mayor within the context of an overall 2020 Budget Amendment. If full recovery is anticipated to take approximately three years, making adjustments during 2020 will better position the City as we move into budget for 2021 and 2022.

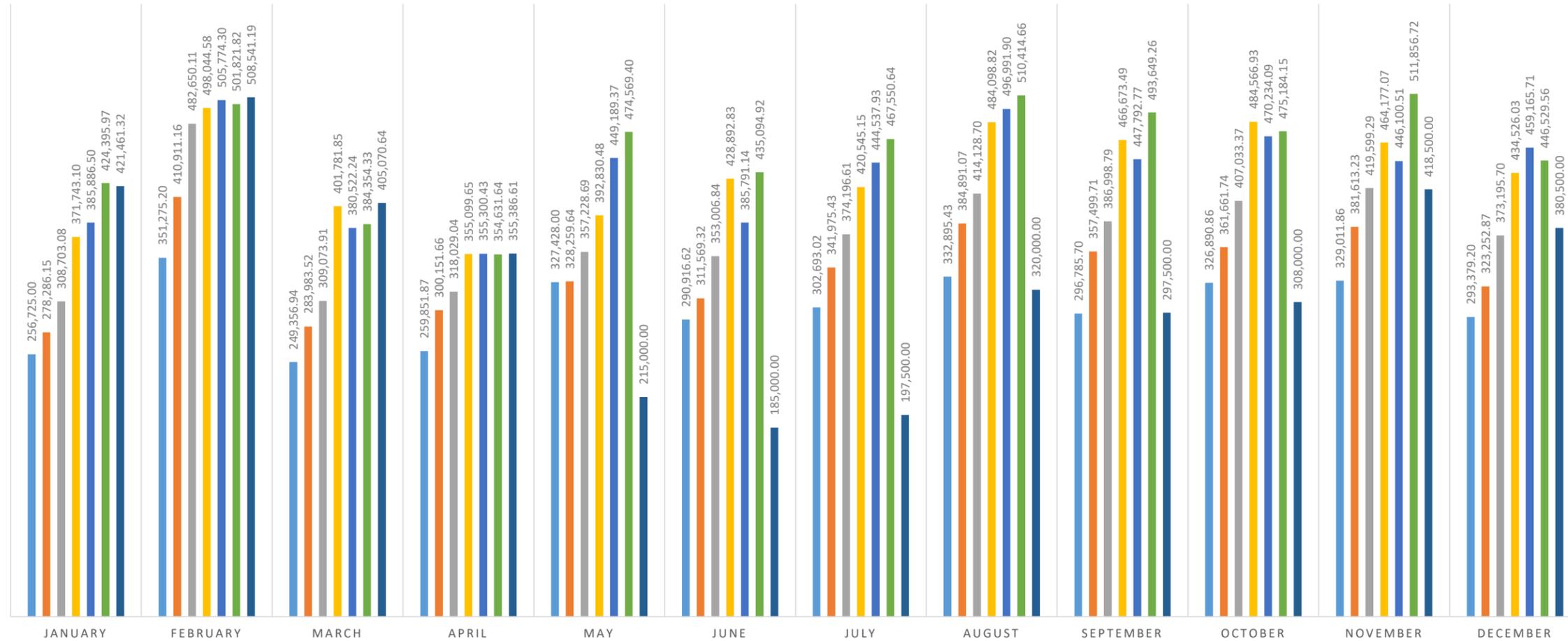
	A	B	C	D	E	F	G	H	I	J	K
1	COVID-19	General Fund Summary									
2	Departments	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 Projections	Remaining	% collected	
3											
4	Taxes (310)	\$8,963,606.69	\$9,374,990.27	\$10,922,889.79	\$11,187,505.44	\$13,018,694.10	\$12,091,630.00	\$10,644,012.96	\$1,447,617.04	88.03%	
5	Licenses & Permits (320)	\$481,275.47	\$837,034.29	\$806,563.24	\$943,595.84	\$788,791.22	\$520,850.00	\$518,850.00	\$2,000.00	99.62%	
6	Intergovernmental (330)	\$554,709.08	\$622,952.95	\$616,417.60	\$584,359.35	\$548,062.63	\$522,856.00	\$570,038.82	(\$47,182.82)	109.02%	
7	Charges for Services (340)	\$938,965.85	\$1,349,767.95	\$1,095,781.31	\$1,439,399.02	\$1,607,207.19	\$1,591,696.00	\$1,562,418.00	\$29,278.00	98.16%	
8	Fines & Forfeitures (350)	\$273,848.52	\$295,620.19	\$283,175.50	\$238,974.21	\$240,705.83	\$213,400.00	\$145,896.73	\$67,503.27	68.37%	
9	Interest & Other Revenues (360)	\$81,459.59	\$57,609.15	\$77,170.47	\$104,560.99	\$146,302.11	\$81,147.00	\$83,562.26	(\$2,415.26)	102.98%	
10	Transfers In (397)	\$295,470.43	\$100,000.00	\$446,952.62	\$122,351.00	\$0.00	\$40,209.00	\$40,209.00	\$0.00		
11	Total Resources	\$11,589,335.63	\$12,637,974.80	\$14,248,950.53	\$14,620,745.85	\$16,349,763.08	\$15,061,788.00	\$13,564,987.77	\$1,496,800.23	90.06%	
12											
13											
14	Departments	2015 Actuals	2016 Actuals	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 YTD	Available	% spent	
15	000 - Non Departmental	\$284,669.00	\$154,956.00	\$259,292.00	\$1,123,739.00	\$1,923,847.50	\$620,450.00	\$620,450.00	\$0.00	100.00%	
16	053 - City Wide	\$73,311.09	\$77,668.82	\$123,022.53	\$119,780.01	\$89,431.36	\$105,352.00	\$121,896.90	(\$16,544.90)	115.70%	
17	001 - Executive	\$365,551.70	\$393,901.59	\$526,420.87	\$571,742.68	\$664,714.05	\$781,261.00	\$819,779.61	(\$38,518.61)	104.93%	
18	002 - Finance	\$481,129.43	\$527,388.86	\$568,025.33	\$524,930.77	\$546,120.72	\$662,262.00	\$641,107.00	\$21,155.00	96.81%	
19	003 - Human Resources	\$136,816.13	\$147,636.94	\$152,413.57	\$194,917.05	\$204,808.47	\$275,245.00	\$274,827.62	\$417.38	99.85%	
20	004 - Police	\$6,291,627.37	\$6,747,023.65	\$7,004,650.24	\$7,276,020.37	\$7,415,495.33	\$8,083,382.00	\$8,062,121.64	\$21,260.36	99.74%	
21	005 - Legislative	\$119,608.61	\$190,552.22	\$187,380.20	\$158,209.24	\$159,268.25	\$276,622.00	\$315,069.79	(\$38,447.79)	113.90%	
22	006 - Legal	\$515,602.01	\$578,592.97	\$528,601.74	\$614,057.49	\$798,910.87	\$738,000.00	\$750,000.00	(\$12,000.00)	101.63%	
23	007 - City Clerk/Public Records	\$162,097.89	\$210,672.81	\$134,672.34	\$149,284.29	\$184,954.69	\$194,469.00	\$180,905.00	\$13,564.00	93.03%	
24	009 - Municipal Court	\$309,342.10	\$326,000.52	\$343,494.08	\$367,499.19	\$399,527.64	\$474,813.00	\$483,899.04	(\$9,086.04)	101.91%	
25	010 - Parks	\$1,023,227.32	\$1,129,368.13	\$1,319,056.97	\$1,368,704.30	\$1,578,757.88	\$1,722,741.00	\$1,722,741.00	\$0.00	100.00%	
26	011 - Jail and Dispatch	\$534,565.38	\$721,123.23	\$734,096.04	\$777,359.61	\$718,652.93	\$698,184.00	\$698,184.00	\$0.00	100.00%	
27	110 - Community Development	\$1,160,937.69	\$981,948.09	\$1,185,932.21	\$1,458,324.30	\$1,468,192.81	\$1,677,732.00	\$1,727,732.00	(\$50,000.00)	102.98%	
28	190 - Emergency Management	\$94,534.93	\$22,400.11	\$15,944.79	\$17,505.16	\$20,127.49	\$20,384.00	\$20,384.00	\$0.00	100.00%	
29	Total Expenditures	\$11,553,020.65	\$12,209,233.94	\$13,083,002.91	\$14,722,073.46	\$16,172,809.99	\$16,330,897.00	\$16,439,097.60	(\$108,200.60)	100.66%	
30											
42											
43											
44	Revenues Over/Under Expenditure with construction			\$1,165,947.62	-\$101,327.61	\$176,953.09	(\$1,269,109.00)	(\$2,874,109.83)			
45											
46	Beginning Fund Balance			\$3,383,932.07	\$4,548,624.84	\$4,422,551.00	\$3,966,802.00	\$4,632,998.68			
47											
48	Subtotal Ending Fund Balance (all)			\$4,549,879.69	\$4,447,297.23	\$4,599,504.09	\$2,697,693.00	\$1,758,888.85	\$938,804.15		difference
49											5.75% percent of current budget
50	Assigned Reserve (Policy)			\$2,280,568.00	\$2,280,568.00	\$2,658,404.00	\$2,620,851.00	\$2,620,851.00			
51	Restricted Reserve			\$375,076.37	\$329,169.00	\$73,863.00	\$45,730.00	\$45,730.00			
52											
53	Unrestricted Ending Fund Balance			\$1,894,235.32	\$1,837,560.23	\$1,867,237.09	\$31,112.00	(\$907,692.15)			\$1,000,000.00 or 6.12%
54											

Sales Tax Analysis

Month	2014	% of total	2015	% of total	2016	% of total	2017	% of total	2018	% of total	2019	% of total	average %	2020 Budget	2020 Projected	Difference
Jan	256,725.00	7.10%	278,286.15	6.85%	308,703.08	6.85%	371,743.10	7.14%	385,886.50	7.38%	424,395.97	7.74%	7.18%	366,855.82	421,461.32	54,605.50
Feb	351,275.20	9.71%	410,911.16	10.11%	482,650.11	10.72%	498,044.58	9.57%	505,774.30	9.68%	501,821.82	9.16%	9.82%	502,058.13	508,541.19	6,483.06
March	249,356.94	6.89%	283,983.52	6.99%	309,073.91	6.86%	401,781.85	7.72%	380,522.24	7.28%	384,354.33	7.01%	7.13%	364,204.86	405,070.64	40,865.78
April	259,851.87	7.18%	300,151.66	7.39%	318,029.04	7.06%	355,099.65	6.82%	355,300.43	6.80%	354,631.64	6.47%	6.95%	355,386.61	355,386.61	0.00
May	327,428.00	9.05%	328,259.64	8.08%	357,228.69	7.93%	392,830.48	7.55%	449,189.37	8.59%	474,569.40	8.66%	8.31%	424,720.65	215,000.00	(209,720.65)
June	290,916.62	8.04%	311,569.32	7.67%	353,006.84	7.84%	428,892.83	8.24%	385,791.14	7.38%	435,094.92	7.94%	7.85%	401,264.46	185,000.00	(216,264.46)
July	302,693.02	8.37%	341,975.43	8.41%	374,196.61	8.31%	420,545.15	8.08%	444,537.93	8.50%	467,550.64	8.53%	8.37%	427,667.96	197,500.00	(230,167.96)
Aug	332,895.43	9.20%	384,891.07	9.47%	414,128.70	9.20%	484,098.82	9.30%	496,991.90	9.51%	510,414.66	9.31%	9.33%	476,939.66	320,000.00	(156,939.66)
Sept	296,785.70	8.20%	357,499.71	8.80%	386,998.79	8.59%	466,673.49	8.97%	447,792.77	8.57%	493,649.26	9.01%	8.69%	444,090.02	297,500.00	(146,590.02)
Oct	326,890.86	9.04%	361,661.74	8.90%	407,033.37	9.04%	484,566.93	9.31%	470,234.09	9.00%	475,184.15	8.67%	8.99%	459,556.15	308,000.00	(151,556.15)
Nov	329,011.86	9.10%	381,613.23	9.39%	419,599.29	9.32%	464,177.07	8.92%	446,100.51	8.53%	511,856.72	9.34%	9.10%	465,043.13	418,500.00	(46,543.13)
Dec	293,379.20	8.11%	323,252.87	7.95%	373,195.70	8.29%	434,526.03	8.35%	459,165.71	8.78%	446,529.56	8.15%	8.27%	422,766.55	380,500.00	(42,266.55)
Total	3,617,209.70	100.00%	4,064,055.50	100.00%	4,503,844.13	100.00%	5,202,979.98	100.00%	5,227,286.89	100.00%	5,480,053.07	100.00%	100.00%	5,110,554.00	4,012,459.76	(1,098,094.24)
															78.51%	% of budget
														Total	% inc	
														2,963,020.00		
														2,999,246.00	1.22%	
	January	February	March	April	May	June	July	August	September	October	November	December		3,444,040.01	14.83%	
2014	256,725.00	351,275.20	249,356.94	259,851.87	327,428.00	290,916.62	302,693.02	332,895.43	296,785.70	326,890.86	329,011.86	293,379.20		3,617,209.70	5.03%	
2015	278,286.15	410,911.16	283,983.52	300,151.66	328,259.64	311,569.32	341,975.43	384,891.07	357,499.71	361,661.74	381,613.23	323,252.87		4,064,055.50	12.35%	
2016	308,703.08	482,650.11	309,073.91	318,029.04	357,228.69	353,006.84	374,196.61	414,128.70	386,998.79	407,033.37	419,599.29	373,195.70		4,503,844.13	10.82%	
2017	371,743.10	498,044.58	401,781.85	355,099.65	392,830.48	428,892.83	420,545.15	484,098.82	466,673.49	484,566.93	464,177.07	434,526.03		5,202,979.98	15.52%	
2018	385,886.50	505,774.30	380,522.24	355,300.43	449,189.37	385,791.14	444,537.93	496,991.90	447,792.77	470,234.09	446,100.51	459,165.71		5,227,286.89	0.47%	
2019	424,395.97	501,821.82	384,354.33	354,631.64	474,569.40	435,094.92	467,550.64	510,414.66	493,649.26	475,184.15	511,856.72	446,529.56		5,480,053.07	4.84%	
2020	421,461.32	508,541.19	405,070.64	355,386.61	215,000.00	185,000.00	197,500.00	320,000.00	297,500.00	308,000.00	418,500.00	380,500.00		4,012,459.76	-23.24%	

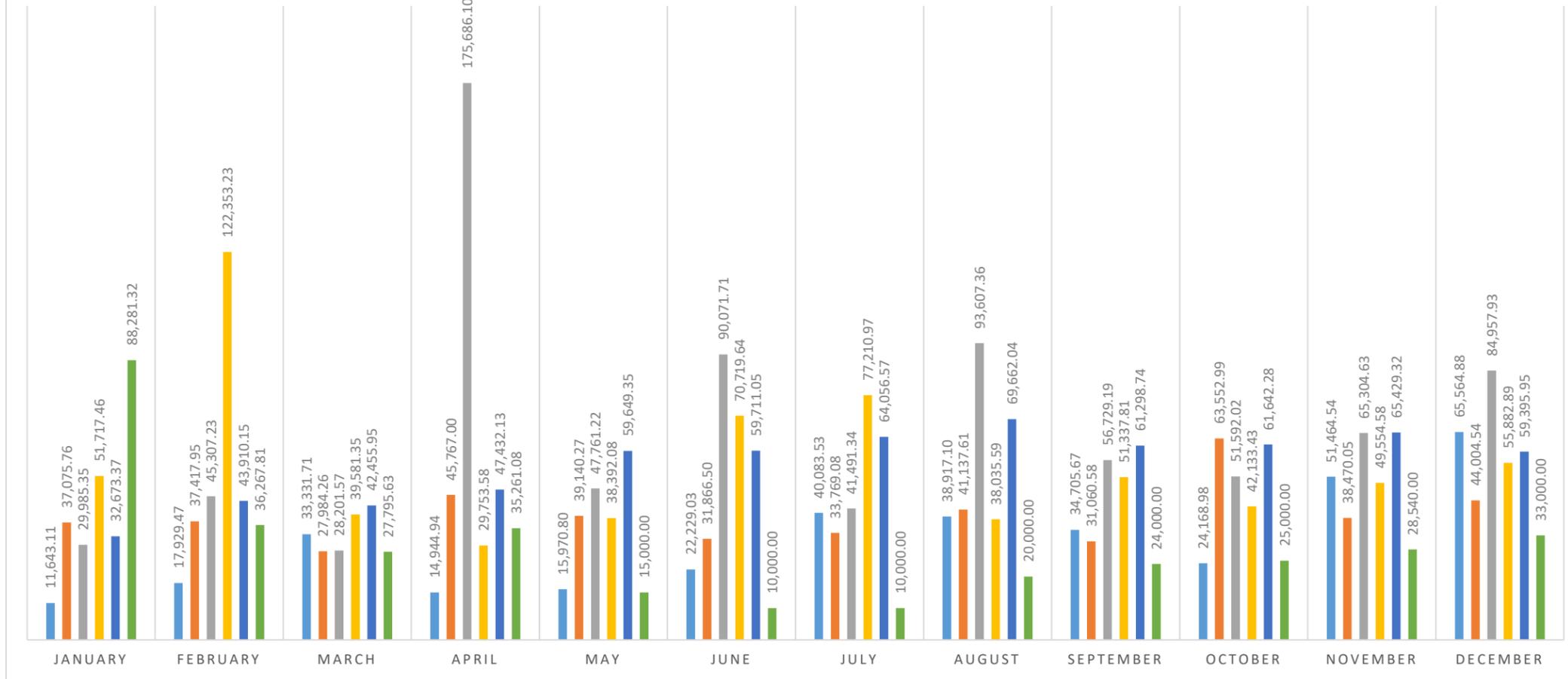
SALES TAX COLLECTION HISTORY

■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020



1ST QTR REET COLLECTION

2015 2016 2017 2018 2019 2020

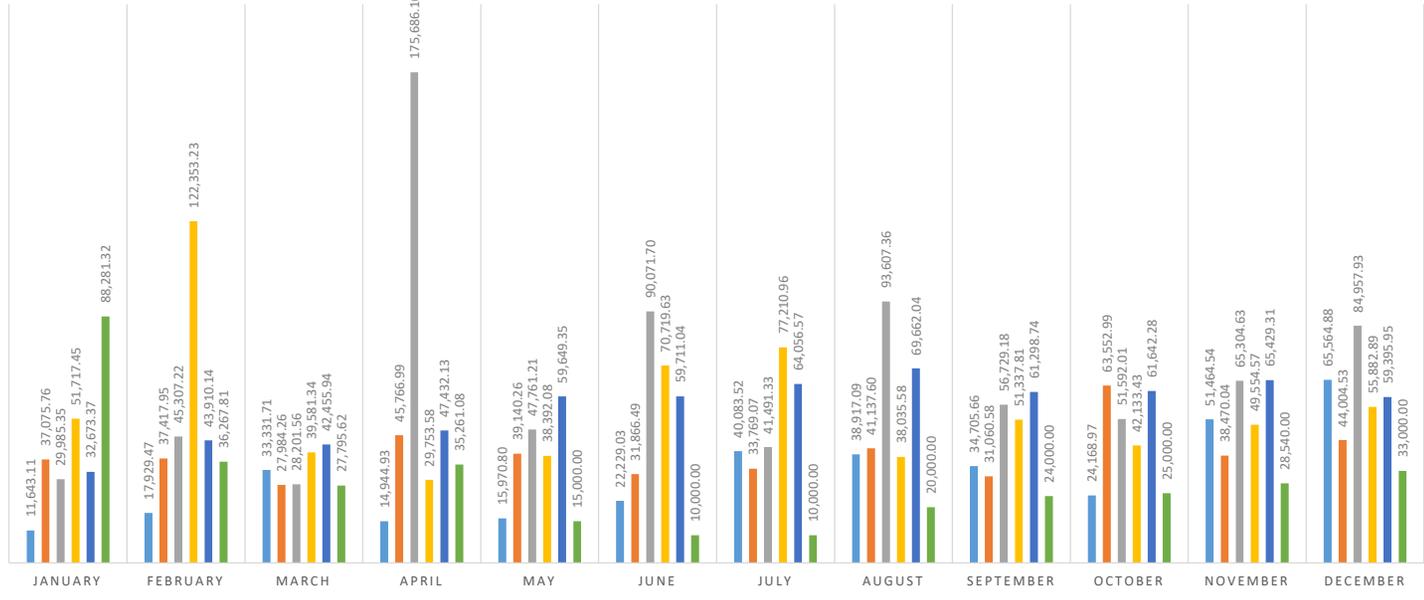


REET Analysis
2nd Quarter %

Month	2015	% of total	2016	% of total	2017	% of total	2018	% of total	2019	% of total	average %	2020 Budget	2020 Actual	Difference
Jan	11,643.11	3.14%	37,075.76	7.87%	29,985.35	3.70%	51,717.45	7.76%	32,673.37	4.90%	5.47%	24,622.91	88,281.32	63,658.41
Feb	17,929.47	4.83%	37,417.95	7.94%	45,307.22	5.59%	122,353.23	18.35%	43,910.14	6.58%	8.66%	38,965.65	36,267.81	(2,697.84)
March	33,331.71	8.99%	27,984.26	5.94%	28,201.56	3.48%	39,581.34	5.94%	42,455.94	6.36%	6.14%	27,631.60	27,795.62	164.02
April	14,944.93	4.03%	45,766.99	9.71%	175,686.10	21.67%	29,753.58	4.46%	47,432.13	7.11%	9.40%	42,284.34	35,261.08	(7,023.26)
May	15,970.80	4.31%	39,140.26	8.31%	47,761.21	5.89%	38,392.08	5.76%	59,649.35	8.94%	6.64%	29,879.87	15,000.00	(14,879.87)
June	22,229.03	5.99%	31,866.49	6.76%	90,071.70	11.11%	70,719.63	10.61%	59,711.04	8.95%	8.68%	39,078.69	10,000.00	(29,078.69)
July	40,083.52	10.81%	33,769.07	7.17%	41,491.33	5.12%	77,210.96	11.58%	64,056.57	9.60%	8.85%	39,843.08	10,000.00	(29,843.08)
Aug	38,917.09	10.49%	41,137.60	8.73%	93,607.36	11.55%	38,035.58	5.71%	69,662.04	10.44%	9.38%	42,220.42	20,000.00	(22,220.42)
Sept	34,705.66	9.36%	31,060.58	6.59%	56,729.18	7.00%	51,337.81	7.70%	61,298.74	9.19%	7.97%	35,847.90	24,000.00	(11,847.90)
Oct	24,168.97	6.52%	63,552.99	13.49%	51,592.01	6.36%	42,133.43	6.32%	61,642.28	9.24%	8.38%	37,730.44	25,000.00	(12,730.44)
Nov	51,464.54	13.87%	38,470.04	8.16%	65,304.63	8.06%	49,554.57	7.43%	65,429.31	9.80%	9.47%	42,597.34	28,540.00	(14,057.34)
Dec	65,564.88	17.67%	44,004.53	9.34%	84,957.93	10.48%	55,882.89	8.38%	59,395.95	8.90%	10.96%	49,297.76	33,000.00	(16,297.76)
Total	370,953.71	100.00%	471,246.52	100.00%	810,695.58	100.00%	666,672.55	100.00%	667,316.86	100.00%	100.00%	450,000.00	353,145.83	(96,854.17)
% increase from prior year			27.04%		72.03%		-17.77%		0.10%			-32.57%		
														Total
	January	February	March	April	May	June	July	August	September	October	November	December		
2015	11,643.11	17,929.47	33,331.71	14,944.93	15,970.80	22,229.03	40,083.52	38,917.09	34,705.66	24,168.97	51,464.54	65,564.88	370,953.71	
2016	37,075.76	37,417.95	27,984.26	45,766.99	39,140.26	31,866.49	33,769.07	41,137.60	31,060.58	63,552.99	38,470.04	44,004.53	471,246.52	
2017	29,985.35	45,307.22	28,201.56	175,686.10	47,761.21	90,071.70	41,491.33	93,607.36	56,729.18	51,592.01	65,304.63	84,957.93	810,695.58	
2018	51,717.45	122,353.23	39,581.34	29,753.58	38,392.08	70,719.63	77,210.96	38,035.58	51,337.81	42,133.43	49,554.57	55,882.89	666,672.55	
2019	32,673.37	43,910.14	42,455.94	47,432.13	59,649.35	59,711.04	64,056.57	69,662.04	61,298.74	61,642.28	65,429.31	59,395.95	667,316.86	
2020	88,281.32	36,267.81	27,795.62	35,261.08	15,000.00	10,000.00	10,000.00	20,000.00	24,000.00	25,000.00	28,540.00	33,000.00	353,145.83	

2ND QTR REET COLLECTION

■ 2015
 ■ 2016
 ■ 2017
 ■ 2018
 ■ 2019
 ■ 2020

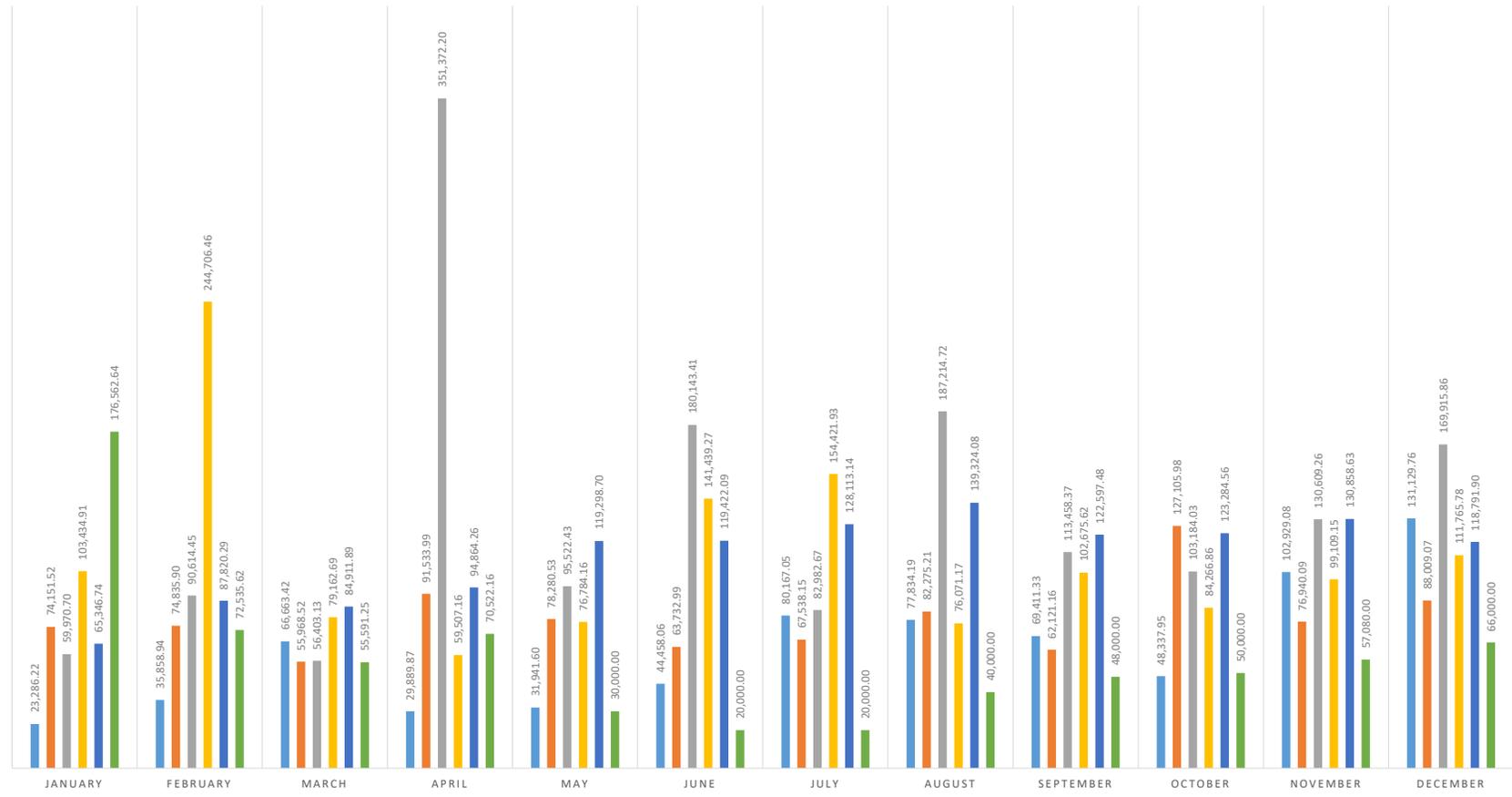


REET Analysis
Both quarter %

Month	2015	% of total	2016	% of total	2017	% of total	2018	% of total	2019	% of total	average %	2020 Budget	2020 Actual	Difference
Jan	23,286.22	3.14%	74,151.52	7.87%	59,970.70	3.70%	103,434.91	7.76%	65,346.74	4.90%	5.47%	49,245.82	176,562.64	127,316.82
Feb	35,858.94	4.83%	74,835.90	7.94%	90,614.45	5.59%	244,706.46	18.35%	87,820.29	6.58%	8.66%	77,931.29	72,535.62	(5,395.67)
March	66,663.42	8.99%	55,968.52	5.94%	56,403.13	3.48%	79,162.69	5.94%	84,911.89	6.36%	6.14%	55,263.20	55,591.25	328.05
April	29,889.87	4.03%	91,533.99	9.71%	351,372.20	21.67%	59,507.16	4.46%	94,864.26	7.11%	9.40%	84,568.68	70,522.16	(14,046.52)
May	31,941.60	4.31%	78,280.53	8.31%	95,522.43	5.89%	76,784.16	5.76%	119,298.70	8.94%	6.64%	59,759.74	30,000.00	(29,759.74)
June	44,458.06	5.99%	63,732.99	6.76%	180,143.41	11.11%	141,439.27	10.61%	119,422.09	8.95%	8.68%	78,157.39	20,000.00	(58,157.39)
July	80,167.05	10.81%	67,538.15	7.17%	82,982.67	5.12%	154,421.93	11.58%	128,113.14	9.60%	8.85%	79,686.17	20,000.00	(59,686.17)
Aug	77,834.19	10.49%	82,275.21	8.73%	187,214.72	11.55%	76,071.17	5.71%	139,324.08	10.44%	9.38%	84,440.84	40,000.00	(44,440.84)
Sept	69,411.33	9.36%	62,121.16	6.59%	113,458.37	7.00%	102,675.62	7.70%	122,597.48	9.19%	7.97%	71,695.79	48,000.00	(23,695.79)
Oct	48,337.95	6.52%	127,105.98	13.49%	103,184.03	6.36%	84,266.86	6.32%	123,284.56	9.24%	8.38%	75,460.89	50,000.00	(25,460.89)
Nov	102,929.08	13.87%	76,940.09	8.16%	130,609.26	8.06%	99,109.15	7.43%	130,858.63	9.80%	9.47%	85,194.68	57,080.00	(28,114.68)
Dec	131,129.76	17.67%	88,009.07	9.34%	169,915.86	10.48%	111,765.78	8.38%	118,791.90	8.90%	10.96%	98,595.51	66,000.00	(32,595.51)
Total	741,907.47	100.00%	942,493.11	100.00%	1,621,391.23	100.00%	1,333,345.16	100.00%	1,334,633.76	100.00%	100.00%	900,000.00	706,291.67	(193,708.33)
													78.48%	% of budget
														Total
	January	February	March	April	May	June	July	August	September	October	November	December		
2015	23,286.22	35,858.94	66,663.42	29,889.87	31,941.60	44,458.06	80,167.05	77,834.19	69,411.33	48,337.95	102,929.08	131,129.76		741,907.47
2016	74,151.52	74,835.90	55,968.52	91,533.99	78,280.53	63,732.99	67,538.15	82,275.21	62,121.16	127,105.98	76,940.09	88,009.07		942,493.11
2017	59,970.70	90,614.45	56,403.13	351,372.20	95,522.43	180,143.41	82,982.67	187,214.72	113,458.37	103,184.03	130,609.26	169,915.86		1,621,391.23
2018	103,434.91	244,706.46	79,162.69	59,507.16	76,784.16	141,439.27	154,421.93	76,071.17	102,675.62	84,266.86	99,109.15	111,765.78		1,333,345.16
2019	65,346.74	87,820.29	84,911.89	94,864.26	119,298.70	119,422.09	128,113.14	139,324.08	122,597.48	123,284.56	130,858.63	118,791.90		1,334,633.76
2020	176,562.64	72,535.62	55,591.25	70,522.16	30,000.00	20,000.00	20,000.00	40,000.00	48,000.00	50,000.00	57,080.00	66,000.00		706,291.67

TOTAL REET COLLECTION

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020



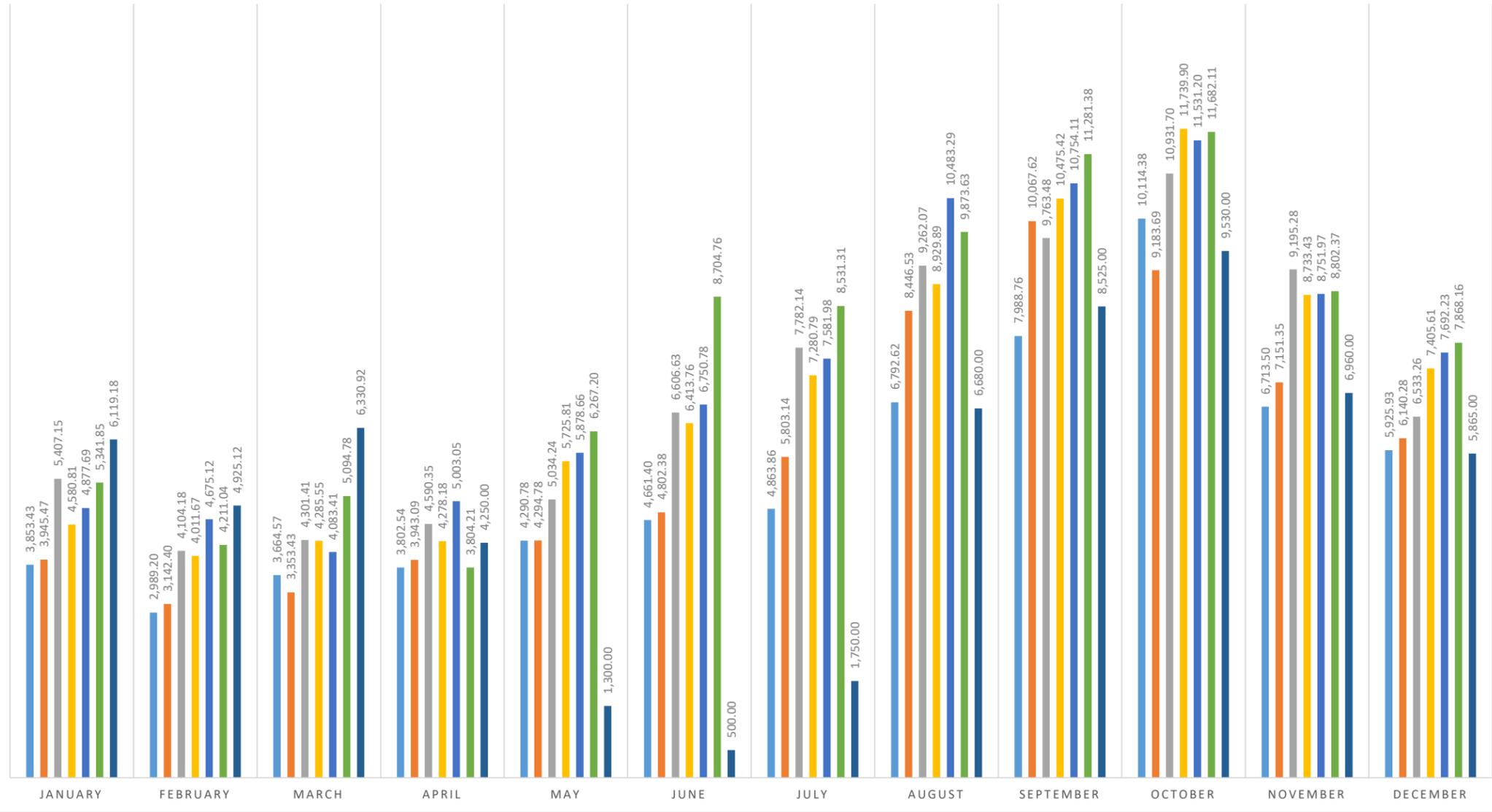
Lodging Tax Analysis

Month	2014	% of total	2015	% of total	2016	% of total	2017	% of total	2018	% of total	2019	% of total	average %	2020 Budget	2020 Actual	Difference
Jan	3,853.43	5.87%	3,945.47	5.61%	5,407.15	6.47%	4,580.81	5.46%	4,877.69	5.54%	5,341.85	5.84%	5.80%	4,639.93	6,119.18	1,479.25
Feb	2,989.20	4.55%	3,142.40	4.47%	4,104.18	4.91%	4,011.67	4.78%	4,675.12	5.31%	4,211.04	4.60%	4.77%	3,818.03	4,925.12	1,107.09
March	3,664.57	5.58%	3,353.43	4.77%	4,301.41	5.15%	4,285.55	5.11%	4,083.41	4.64%	5,094.78	5.57%	5.14%	4,109.49	6,330.92	2,221.43
April	3,802.54	5.79%	3,943.09	5.61%	4,590.35	5.50%	4,278.18	5.10%	5,003.05	5.68%	3,804.21	4.16%	5.31%	4,245.44	4,250.00	4.56 n/a
May	4,290.78	6.53%	4,294.78	6.11%	5,034.24	6.03%	5,725.81	6.83%	5,878.66	6.68%	6,267.20	6.85%	6.50%	5,203.97	1,300.00	(3,903.97) est
June	4,661.40	7.10%	4,802.38	6.83%	6,606.63	7.91%	6,413.76	7.65%	6,750.78	7.67%	8,704.76	9.52%	7.78%	6,223.35	500.00	(5,723.35) est
July	4,863.86	7.41%	5,803.14	8.26%	7,782.14	9.32%	7,280.79	8.68%	7,581.98	8.61%	8,531.31	9.33%	8.60%	6,880.44	1,750.00	(5,130.44) 25%
Aug	6,792.62	10.34%	8,446.53	12.02%	9,262.07	11.09%	8,929.89	10.65%	10,483.29	11.90%	9,873.63	10.80%	11.13%	8,907.07	6,680.00	(2,227.07) 75%
Sept	7,988.76	12.17%	10,067.62	14.33%	9,763.48	11.69%	10,475.42	12.49%	10,754.11	12.21%	11,281.38	12.33%	12.54%	10,029.55	8,525.00	(1,504.55) 85%
Oct	10,114.38	15.40%	9,183.69	13.07%	10,931.70	13.09%	11,739.90	14.00%	11,531.20	13.09%	11,682.11	12.77%	13.57%	10,857.11	9,530.00	(1,327.11) 85%
Nov	6,713.50	10.22%	7,151.35	10.18%	9,195.28	11.01%	8,733.43	10.41%	8,751.97	9.94%	8,802.37	9.62%	10.23%	8,185.07	6,960.00	(1,225.07) 85%
Dec	5,925.93	9.03%	6,140.28	8.74%	6,533.26	7.82%	7,405.61	8.83%	7,692.23	8.73%	7,868.16	8.60%	8.63%	6,900.54	5,865.00	(1,035.54) 85%
Total	65,660.97	100.00%	70,274.16	100.00%	83,511.89	100.00%	83,860.82	100.00%	88,063.49	100.00%	91,462.80	100.00%	100.00%	80,000.00	62,735.22	(17,264.78) 78.42% % of budget

													Total	Projected on 04/07/2020		
	January	February	March	April	May	June	July	August	September	October	November	December				
2014	3,853.43	2,989.20	3,664.57	3,802.54	4,290.78	4,661.40	4,863.86	6,792.62	7,988.76	10,114.38	6,713.50	5,925.93	65,660.97	Cash balance @ 3/31/2020	\$84,851.49	A
2015	3,945.47	3,142.40	3,353.43	3,943.09	4,294.78	4,802.38	5,803.14	8,446.53	10,067.62	9,183.69	7,151.35	6,140.28	70,274.16	add est remaining 2020 rev	\$45,360.00	B
2016	5,407.15	4,104.18	4,301.41	4,590.35	5,034.24	6,606.63	7,782.14	9,262.07	9,763.48	10,931.70	9,195.28	6,533.26	83,511.89	Award obligations	\$112,548.00	
2017	4,580.81	4,011.67	4,285.55	4,278.18	5,725.81	6,413.76	7,280.79	8,929.89	10,475.42	11,739.90	8,733.43	7,405.61	83,860.82	less Awards already paid	<u>(\$4,950.70)</u>	
2018	4,877.69	4,675.12	4,083.41	5,003.05	5,878.66	6,750.78	7,581.98	10,483.29	10,754.11	11,531.20	8,751.97	7,692.23	88,063.49	subtotal remaining awards	<u>\$107,597.30</u>	C
2019	5,341.85	4,211.04	5,094.78	3,804.21	6,267.20	8,704.76	8,531.31	9,873.63	11,281.38	11,682.11	8,802.37	7,868.16	91,462.80			
2020	6,119.18	4,925.12	6,330.92	4,250.00	1,300.00	500.00	1,750.00	6,680.00	8,525.00	9,530.00	6,960.00	5,865.00	62,735.22	est. ending fund balance	<u>\$22,614.19</u>	=A+B-C

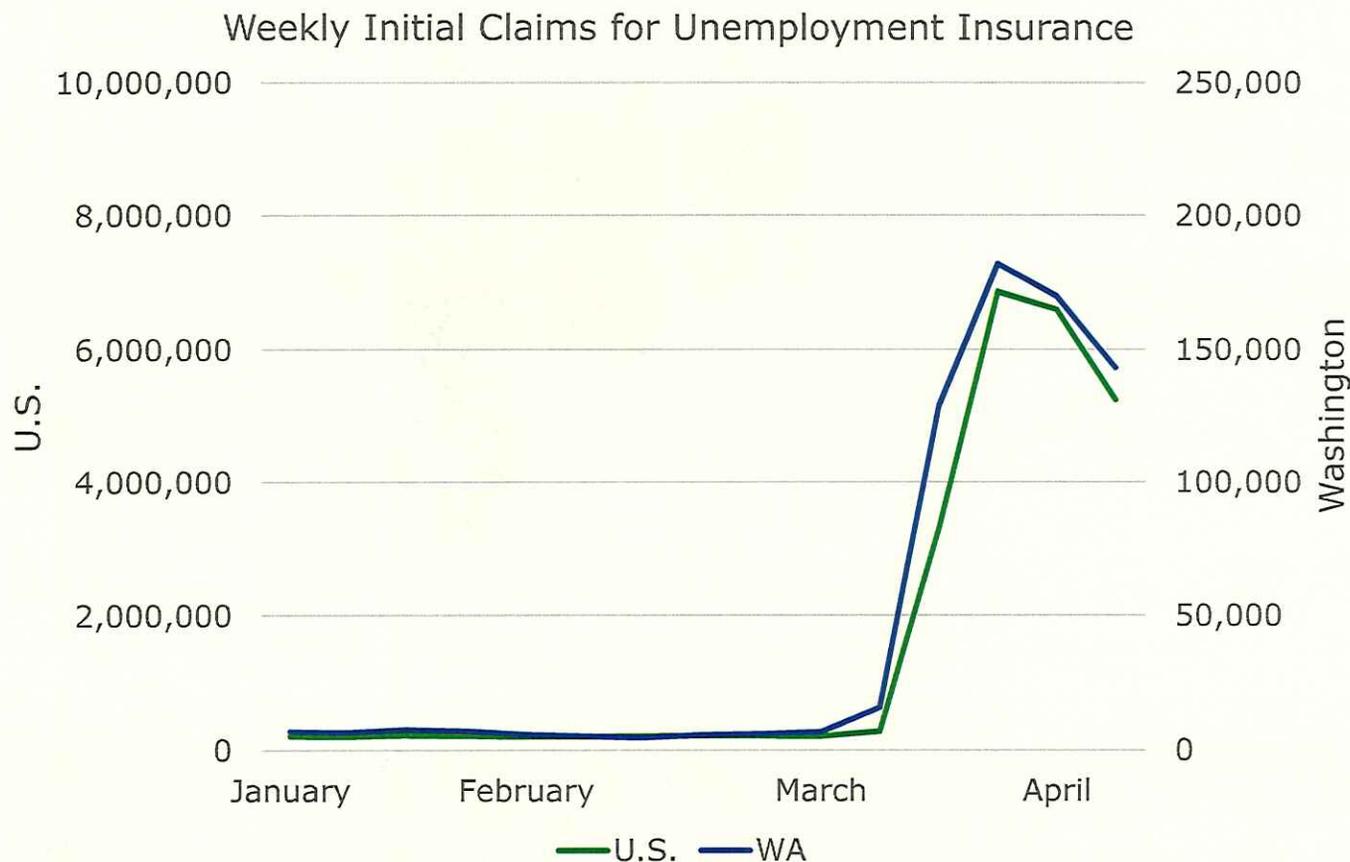
LODGING TAX COLLECTION HISTORY

■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020





Initial claims for unemployment insurance have surged



April 23, 2020

Slide 9

Source: U.S. Bureau of Labor Statistics, WA Employment Security Dept., data through week ending April 11 2020

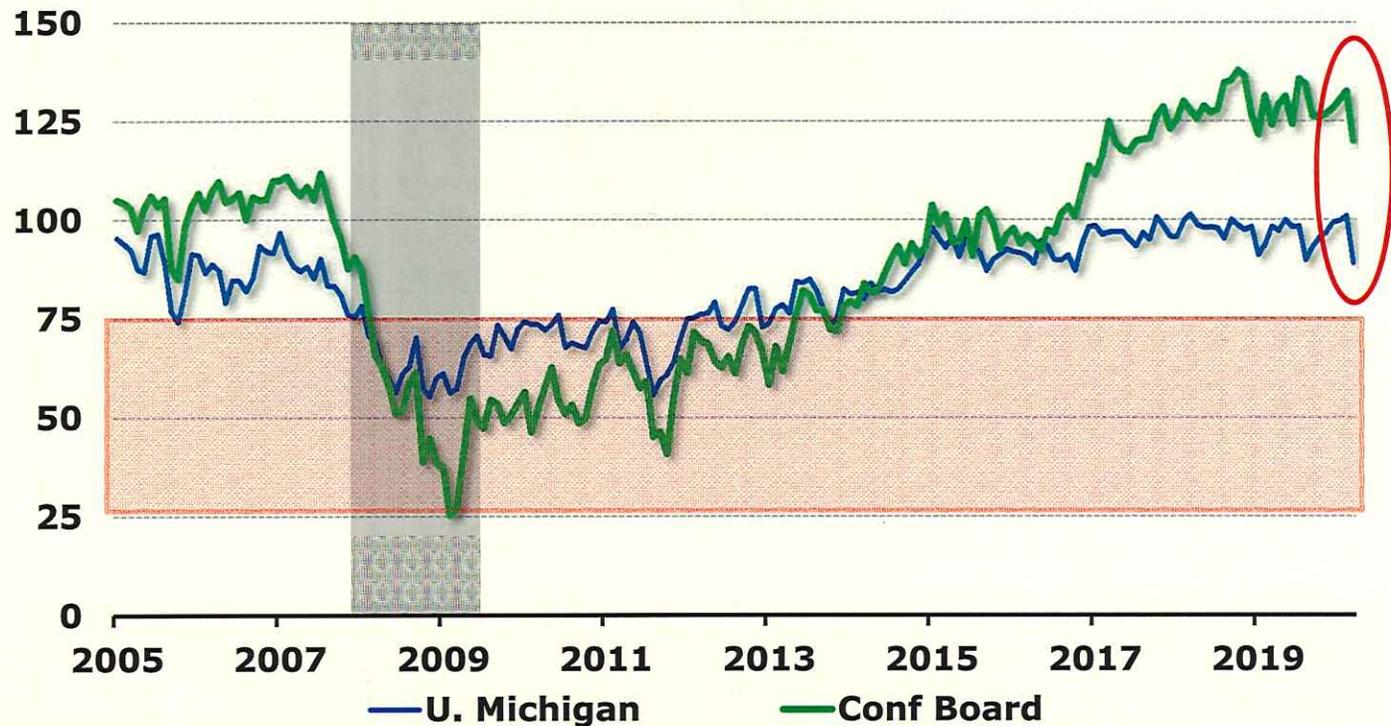
WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Consumer confidence declined in March

An early March survey by Boston Consulting Group found that 56% of consumers expect a recession due to the coronavirus

Index
Mich: 1966Q1 = 100, SA
Conf Board: 1985 = 100, SA



April 23, 2020

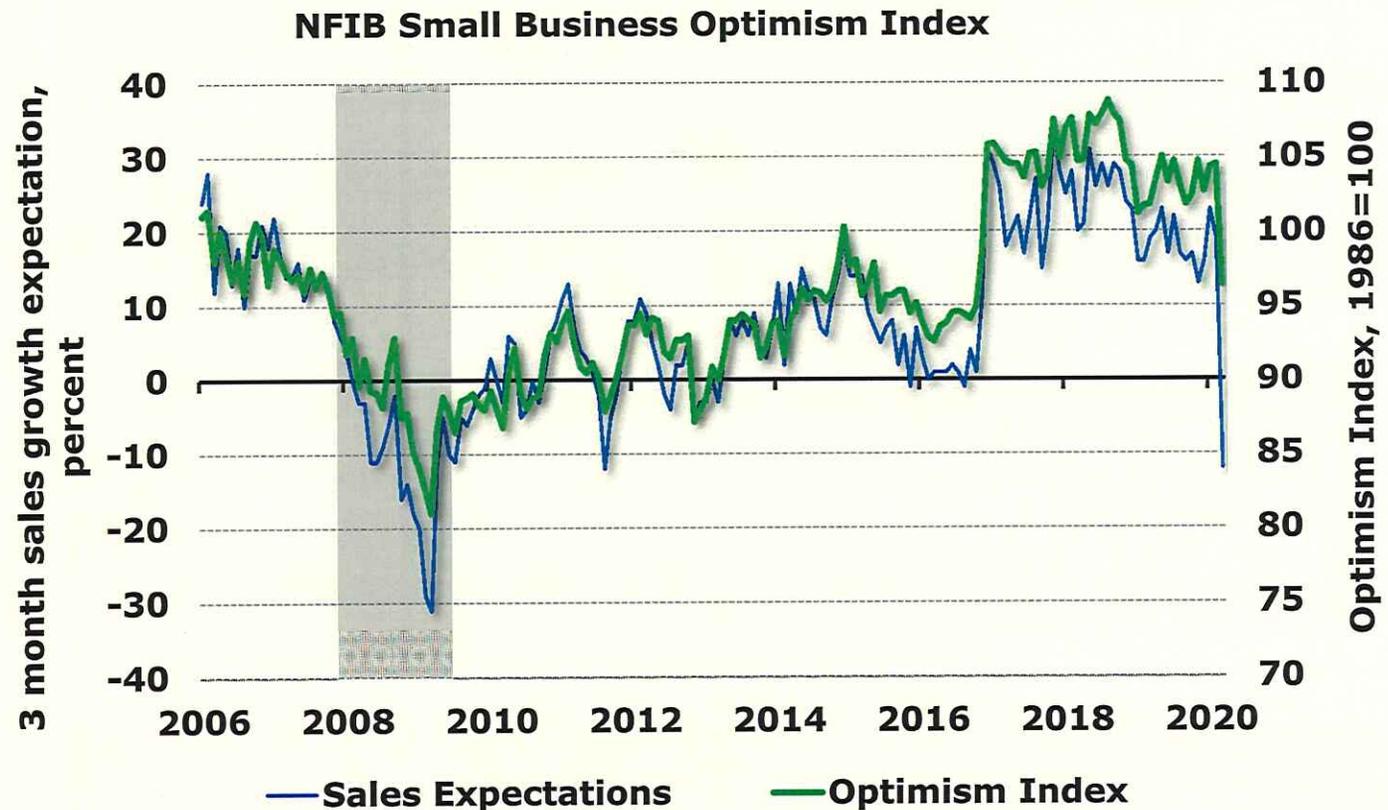
Slide 11

Sources: University of Michigan, Conference Board data through Mar. 2020

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Small business optimism declines as sales expectations go negative



April 23, 2020

Slide 12

Source: National Federation of Independent Business; data through March 2020

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



The outlook for the single family housing market collapsed in April

NAHB Housing Market Index



Source: National Association of Home Builders; data through April 2020

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

April 23, 2020

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U.S. retail sales in March fell 8.7% compared to February



April 23, 2020

Slide 14

Source: U.S. Census Bureau; advanced data through March 2020

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Emergency Executive Order No. 2020-007

Expenditure Limits

Purpose:

To limit certain expenditures without approval of the City Administrator.

Discussion:

- I. On February 29, 2020, Washington Governor Jay Inslee proclaimed a State of Emergency due to the public health emergency posed by the spread of the SARS-CoV-2 virus that causes the coronavirus disease COVID-19.
- II. On March 2, 2020, Mayor Thomas proclaimed a State of Emergency in the City of Monroe due to the SARS-CoV-2 virus that causes the coronavirus disease COVID-19.
- III. Pursuant to chapter 38.52 Revised Code of Washington and chapter 2.60 Monroe Municipal Code, Mayor Thomas has broad authority to issue, amend, and rescind orders, rules, and regulation on matters reasonably related to the protection of life and property related to a proclaimed emergency.
- IV. On March 18, 2020, Washington Governor Jay Inslee issue Proclamation 20-20 waived and suspended Department of Revenue interest, fees, penalties, and due dates.
- V. On March 23, 2020, Washington Governor Jay Inslee issue Proclamation 20-25 prohibiting all non-essential businesses in Washington from conducting business.
- VI. Due to the stay at home order, business closures, social distancing requirements, reduced building activity, delayed tax payments, and reduced spending in general:
 - a. The City of Monroe's general fund revenues are currently forecasted to be reduced by 6 – 10% in 2020.
 - b. It is uncertain as to the impact to other fund's revenues including REET, sewer, water, and stormwater.
- VII. It is uncertain how long the current stay at home order and related measures will last and, once lifted, it is uncertain as to the rate of general economic recovery or the resultant fiscal impacts to the City of Monroe.
- VIII. The Mayor finds it is necessary to limit expenditures immediately to ensure that there are more options for the Mayor and the Council to address changes in revenue as they will be realized in the upcoming weeks and months.

Action:

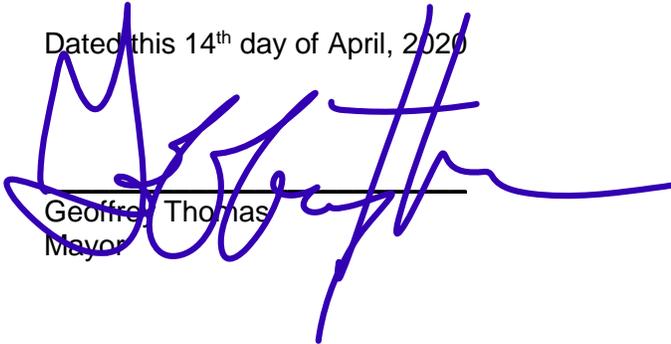
- I. Effective immediately, expenditures shall not be made on the following items without the written approval of the City Administrator:
 - Travel, training, conferences, accommodations, and similar activities.
 - Certifications, subscriptions, association and membership dues, and similar items.
 - Tuition reimbursement.
 - Capital equipment expenditures exceeding \$5,000, including but not necessarily limited to replacement of equipment and furniture.
 - Contracts that have not been executed.

- II. Effective immediately, vacant positions (including seasonal, part-time, full-time, and temporary) shall not be advertised and shall not be filled without written approval of the City Administrator.

Effective:

This Emergency Executive Order shall remain in effect until cancelled, suspended, or upon the issuance of a proclamation ending the emergency, whichever shall occur first.

Dated this 14th day of April, 2020



Geoffrey Thomas
Mayor