



Finance Committee Briefing

July 2020 YTD Results
And Budget Update

General Fund, Aviation, Water & Sewer

August 19, 2020



July 2020 Overview

- **Revenues** are under YTD budget by 3.9% or \$4.2 million; and down 4.0%, or \$4.3 million compared to July YTD 2019.
- Specifically, for the four-months (Apr-July) since the COVID economic shock began, revenues were down 12.4%, or \$8.0 million compared to 8.3%, or \$3.7 million growth during the first quarter.
- All revenue categories except Income Tax and EMS Fees are under-performing compared to the YTD Revenue Budget.
- **Personnel** costs are under the YTD Budget by \$1.7 million, but up 2.6% or \$1.9 million from last year, due to an extra SA pay. After adjusting for the extra pay, Personnel costs are up just 0.5%. The City Manager instituted a hiring freeze, abolished all vacant positions and implemented other budgetary actions that are responsible for the decreasing rate of growth.
- **Contracts, Materials & Other Uses** are down \$1.3 million or 6.0%. The City Manager also issued a directive limiting expenditures to essential goods and services only. Offsetting the declines are about \$800,000 in PPE and other pandemic-related costs.
- Through July, Uses exceed Sources by \$5.5 million as a result of the COVID-19 economic shock.

July 2020 YTD

(In millions, Does not Include Special Projects)

	2020 Revised Budget	2020 YTD Budget	2020 YTD Actuals	Budget Variance	Budget Variance	July 2019 Actuals	July 2020 Actuals	'19-'20 \$ Chg.	'19-'20 % Chg.
Revenues & Other Sources									
Income Tax	130.9	78.2	79.4	1.2	1.5%	79.3	79.4	0.1	0.1%
Property Taxes & Other Taxes	6.5	5.0	3.8	(1.2)	-23.5%	5.1	3.8	(1.3)	-26.1%
Waste Collection	9.2	5.5	4.9	(0.6)	-11.5%	5.0	4.9	(0.1)	-2.2%
EMS Fees	4.8	2.5	2.7	0.2	7.5%	2.6	2.7	0.1	5.0%
Other Charges for Services	11.5	6.7	5.5	(1.2)	-18.3%	6.6	5.5	(1.1)	-17.2%
Local Government Fund	7.0	4.1	3.8	(0.3)	-7.9%	4.0	3.8	(0.3)	-6.3%
Other Intergovernmental	4.5	3.1	2.0	(1.1)	-35.0%	2.9	2.0	(0.9)	-30.2%
Fines and Forfeits	0.4	0.2	0.1	(0.1)	-36.8%	0.3	0.1	(0.1)	-41.5%
Licenses and Permits	3.0	1.8	1.2	(0.6)	-34.7%	1.9	1.2	(0.7)	-38.6%
Other Revenue	5.2	2.3	1.8	(0.5)	-21.6%	1.7	1.8	0.1	3.1%
Total Sources	183.0	109.4	105.2	(4.2)	-3.9%	109.5	105.2	(4.3)	-4.0%
Use of Cash Reserve	3.3	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
27th Payroll	1.5	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
Total Sources & App. Fund Balance	187.8	109.4	105.2	(4.2)	-3.9%	109.5	105.2	(4.3)	-4.0%
Expenditures & Other Uses									
Personnel	132.5	77.9	76.2	1.7	2.2%	74.3	76.2	1.9	2.6%
Contracts, Materials & Other Uses	39.8	23.4	20.3	3.1	13.1%	21.6	20.3	(1.3)	-6.0%
Capital Equipment	1.7	0.6	0.6	0.0	0.0%	0.5	0.6	0.1	19.8%
Capital Improvements	1.5	1.5	1.5	0.0	0.0%	0.1	1.5	1.4	2400%
Development	3.0	3.0	3.0	0.0	0.0%	3.0	3.0	0.0	0.0%
Demolition	0.8	0.8	0.8	0.0	0.0%	1.0	0.8	(0.3)	-25.0%
Issue 9 - New Services/Investments	8.6	8.2	8.2	0.0	0.0%	8.3	8.2	(0.0)	-0.4%
Total Uses	187.8	115.4	110.6	4.8	4.1%	108.7	110.6	1.9	1.7%
Excess/(Shortfall) of Sources Over Uses	0.0	(6.0)	(5.5)			0.8	(5.5)		

Revenue Trends

Income Tax

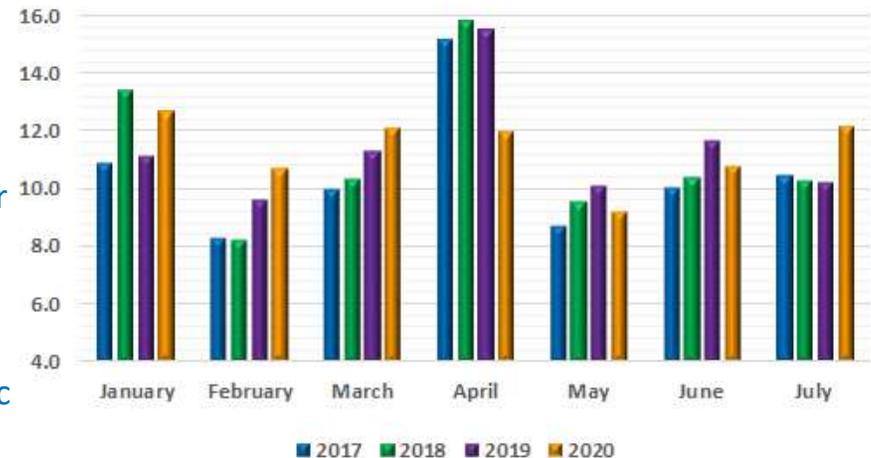
- Net collections through July are flat.
- For the month of July, collections rose 19.5%, or \$1.9 million bolstered by annual filing collections, which were extended from April.
- For the four months (Apr-July) since the pandemic-related economic downturn began, total collections declined 7.0% or \$3.4 million, after climbing a sizable 10.6% during Q1.
- As of July, collections are \$1.2 million over budget. The original 2020 forecast projected a 2% decline in collections. Further declines are expected due to the COVID-19 pandemic and resulting economic shock.
- Withholding taxes increased 0.8%, or \$574,300 through July, down from 7.0% YTD growth at the end of April.
- The tax on business profits dropped 11.3% or \$945,500 while the tax paid by individual filers is down 6.0%.
- Refunds declined 29%, or \$661,700, which is contributing to higher net collections.

Collections by Category

	2017	2018	2019	2020	\$ Chg.	% Chg.
Withholding	64.61	68.44	69.34	69.91	0.57	0.8%
Business Profits	6.67	7.55	8.34	7.39	(0.95)	-11.3%
Individuals	3.61	3.79	3.91	3.67	(0.24)	-6.0%
Gross Collections	\$ 74.89	\$ 79.78	\$ 81.59	\$ 80.98	\$ (0.61)	-0.7%
Refunds	(1.60)	(1.95)	(2.27)	(1.61)	0.66	-29.1%
Net Collections	\$ 73.29	\$ 77.83	\$ 79.31	\$ 79.37	\$ 0.05	0.1%

Income Tax Collections by Month

(in millions)

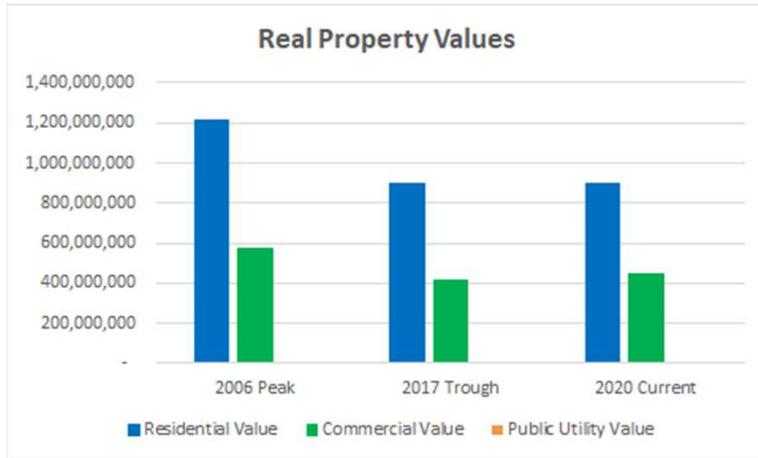


Monthly Net Collections & Budget

Month	2018	2019	'18-'19 % Chg.	2020	'19-'20 \$ Chg.	'19-'20 % Chg.
January	13.36	11.09	-17.0%	12.64	1.56	14.0%
February	8.19	9.62	17.5%	10.65	1.04	10.8%
March	10.33	11.25	8.9%	12.03	0.79	7.0%
Subtotal	31.88	31.95	0.2%	35.33	3.38	10.6%
April	15.82	15.52	-1.9%	11.96	(3.56)	-22.9%
May	9.54	10.05	5.3%	9.18	(0.86)	-8.6%
June	10.35	11.63	12.3%	10.75	(0.88)	-7.6%
July	10.24	10.16	-0.7%	12.14	1.91	19.5%
Subtotal	45.95	47.36	3.1%	44.04	(3.40)	-7.0%
Jan-Jul	\$ 77.83	\$ 79.31	1.9%	\$ 79.37	\$ (0.02)	0.1%
Aug - Dec	52.16	54.27	4.0%	51.53	(2.73)	-5.0%
Year Total	\$ 129.99	\$ 133.58	2.8%	\$ 130.90	\$ (2.75)	-2.0%

Aug-Dec 2020 reflects the original estimate.

Revenue Trends



	2006 Peak	2017 Trough	2020 Current	Peak to Trough	Trough to Current
Residential Value	1,216,504,820	897,241,600	896,507,670	-26.2%	-0.1%
Commercial Value	571,808,370	418,370,920	445,965,620	-26.8%	6.6%
Public Utility Value	949,400	1,940,100	1,877,880	104.4%	-3.2%
Total Values	\$1,789,262,590	\$1,317,552,620	\$1,344,351,170	-26.4%	2.0%

Property & Other Taxes

- Property & Other Taxes plummeted 26% or \$1.3 million through July of 2020.
- The huge decline is the result of the timing of advances. The second half payment deadline has been extended until August.
- Property values have climbed a modest 2% after slipping more than 26% from their peak.
- In the face of the COVID-19 pandemic, the County Auditor requested the state to delay the six-year revaluation by one year, but the request was declined.
- Collection rates are expected to fall in the second half due to the massive job loss associated with the crisis.
- The Hotel Lodging tax showed strong performance through April, but has since tanked. Through July, Hotel Taxes are less than half of 2019 collections as the pandemic kept people at home.

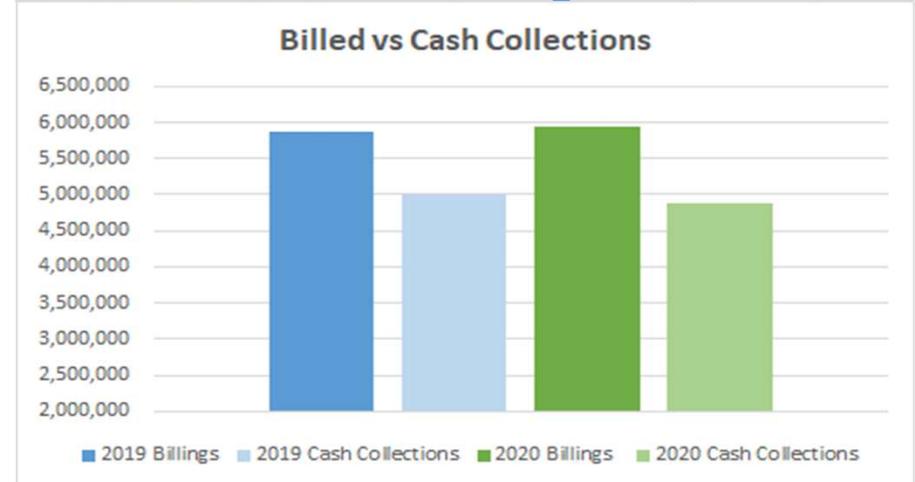
	Jul-18	Jul-19	Jul-20	\$ Chg.	% Chg.
Property Tax-Real Estate	4,265,157	4,388,133	3,283,775	(1,104,357)	-25.2%
Property Tax-Public Utility	245,347	261,622	282,003	20,381	7.8%
Subtotal	\$ 4,510,503	\$ 4,649,755	\$ 3,565,778	\$(1,083,977)	-23.3%
20301 Hotel Lodging Tax	384,931	488,813	232,831	(255,982)	-52.4%
Total Prop. & Other Taxes	\$ 4,895,434	\$ 5,138,568	\$ 3,798,610	\$(1,339,958)	-26.1%

Revenue Trends

Waste Collection

- Effective July 2020, Waste Collection will be reported on a cash basis in the financial statements.
- Revenue YTD, on a billed account basis, is up 1.5%, or \$88,900 compared to the same period in 2019.
- This includes revenue for services provided to Jefferson Township and Moraine, with Jefferson declining 2.9% and Moraine advancing 1.9%, during the period.
- Revenue on a cash basis paints a different picture. Cash collections are down 2.2% over 2019, this is \$636,200 under budget.
- As a result of the pandemic and temporary cessation of shut offs, cash collections are just 82.0% of billed collections, down from 85.1% during 2019.
- The margin between billed and cash collections is \$1.1 million.

Month	2019			2020		
	Billings	Cash Payments	Cash as % of Billed	Billings	Cash Collections	Cash as a % of Billings
Jan	1,189,840	687,338	57.8%	1,195,451	647,764	54.2%
Feb	838,878	787,211	93.8%	889,254	846,606	95.2%
Mar	558,062	614,495	110.1%	773,836	648,859	83.8%
Apr	907,687	672,135	74.0%	671,819	664,358	98.9%
May	740,533	800,943	108.2%	860,589	740,088	86.0%
Jun	552,972	576,060	104.2%	729,856	646,187	88.5%
Jul	942,856	721,282	76.5%	690,229	548,964	79.5%
Subtotal	5,730,828	4,859,464	84.8%	5,811,035	4,742,825	81.6%
Jefferson payment	128,318	128,318	100.0%	137,133	137,133	100.0%
YTD	\$ 5,859,146	\$ 4,987,782	85.1%	\$5,948,168	\$ 4,879,958	82.0%
Increase/(Decrease) over Prior Year				1.5%	-2.2%	



	Jul-18	Jul-19	Jul-20	\$ Chg.	% Chg.
Jefferson Township	497,870	650,500	631,495	(19,005)	-2.9%
Moraine	0	183,801	187,226	3,425	1.9%
Dayton	4,921,649	5,025,543	5,129,973	104,430	2.1%
July YTD Total Billings	\$ 5,419,519	\$ 5,859,844	\$ 5,948,694	\$ 88,850	1.5%
July YTD Total Cash Collections	\$ 4,732,682	\$ 4,987,782	\$ 4,879,958	\$ (107,824)	-2.2%

Revenue Trends

EMS

- As of July 2020, EMS Calls for Service are down 4.1% compared to 2019, attributed by a drop during the months of March, April, May, and June caused by a fear of COVID-19.
- July 2020 compared to July 2019 has similar number of Calls for Service.
- As of July 2020, DFD saw 654 potential COVID-19 calls and 132 confirmed COVID-19 calls.
- EMS revenues have climbed 5.0%, or \$130,200, despite a drop in EMS Calls for Service. This is due to an increased billing recovery per run.

EMS Revenue Trend



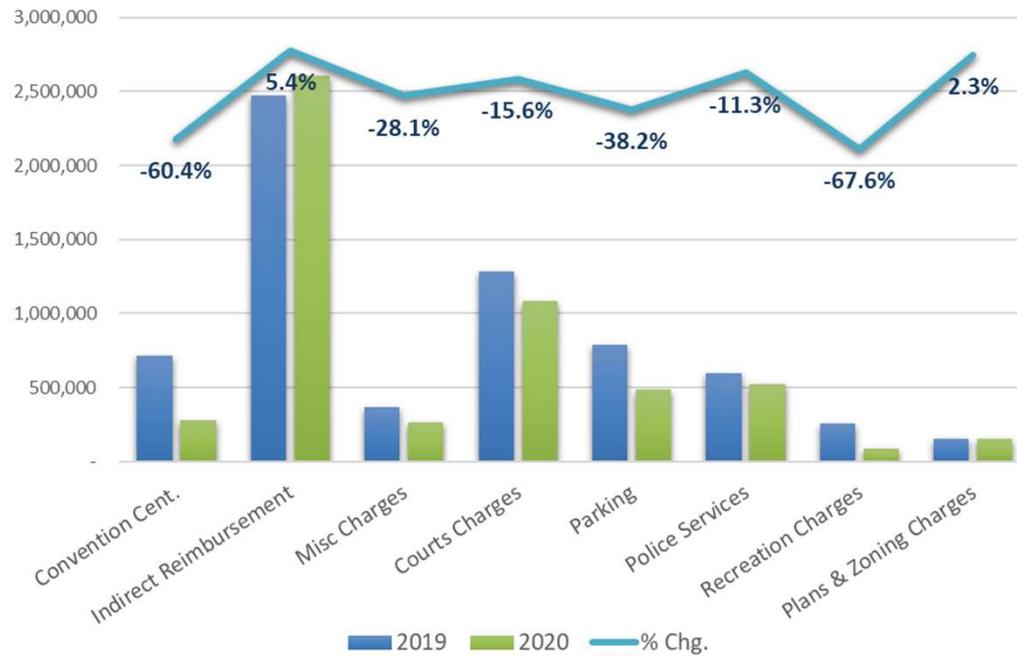
EMS Calls for Service



DAYTON

Revenue Trends

Other Charges for Services 2019 vs. 2020

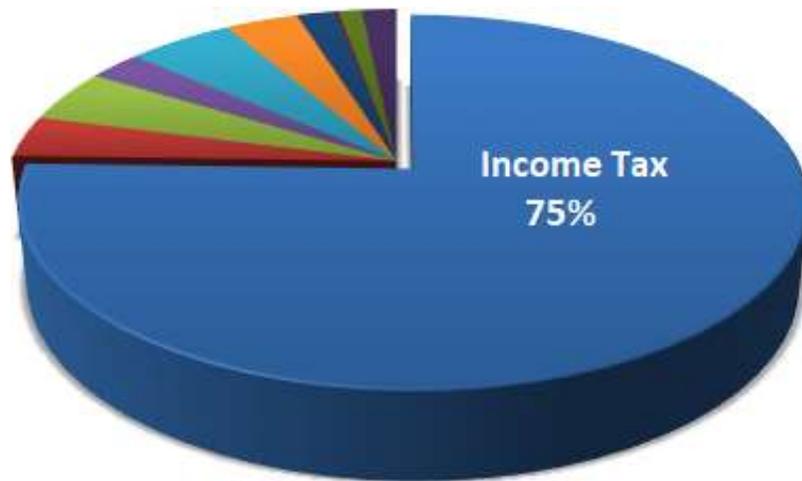


Other Charges for Services

- Other Charges for Services decreased \$1.1 million or 17.2%, compared to July 2019.
- Convention Center revenues are down 60.4% or \$430,000, compared to July 2019. The facility remains closed due to COVID-19.
- Courts Revenues declined 15.6% or \$199,600, due to closures.
- Parking revenues are down 38.2% or \$302,000. Revenues for parking at the Municipal and Oregon Garages are down 14.7% while Parking Meter revenues have declined 50% or \$263,600.
- Recreation Center revenues are down 67.6% or \$174,600, due to COVID-19 closures and cancellations.
- Losses are offset by an increase in the Indirect Cost Reimbursements and Plans Examinations/Zoning Charges revenues.

Revenue Category	2019 YTD	2020 YTD	\$ Chg.	% Chg.
Convention Cent.	711,850	281,849	(430,001)	-60.4%
Indirect Reimbursement	2,474,980	2,608,527	133,547	5.4%
Misc Charges	369,192	265,550	(103,642)	-28.1%
Courts Charges	1,282,021	1,082,402	(199,619)	-15.6%
Parking	789,638	487,726	(301,912)	-38.2%
Police Services	592,858	526,025	(66,833)	-11.3%
Recreation Charges	258,399	83,817	(174,582)	-67.6%
Plans & Zoning Charges	152,130	155,642	3,512	2.3%
Total Other Charges for Services	\$6,631,067	\$5,491,536	(1,139,531)	-17.2%

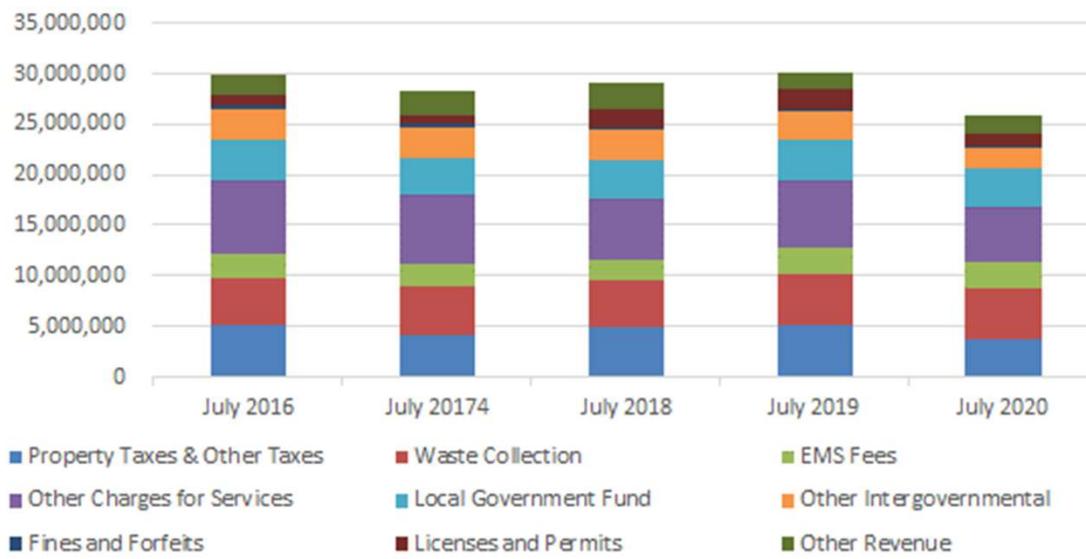
Revenue Trends



Big Picture

- Income Tax represents 75% of General Fund revenues as of July 2020.
- After Income Tax, Charges for Services represents 5.2%, and Waste Collection (cash basis) 4.6%.
- Income Tax has climbed over 21% since 2016, as a result of the improving economy and passage of the 0.25% increase for Issue 9.
- When Income Tax is omitted, other General Fund sources are down 13% since 2016.
- Over the same period, License & Permits are up 17%, due to increased activity and rate adjustments, followed by a 9% increase in EMS Fees, and 7% higher Waste Collection revenues.
- During the five-year period, all remaining revenue categories experienced declines.
- However, when compared to 2019 all revenue categories are down in 2020, save Income Tax and EMS Fees, due to the global pandemic and economic shock.

General Fund Revenue Omitting Income Tax



Expenditure Trends

Personnel Costs

- Personnel costs increased \$1.9 million or 2.6% through July 2020. There is one extra SA pay in 2020. After adjusting for the extra pay, Personnel Costs have increased just 0.5%, or \$404,100.
- This is under budget by 2.2% or \$1.7 million, due to the hiring freeze, Voluntary Separation Program (VSP) and other budgetary actions.
- Sworn Wages increased by \$548,700, or 2.2% compared to the same period in 2019, due to wage and step increases.
- Civilian wages increased 5.3%, or \$1.1 million, as a result of the extra pay.
- Both Sworn and Civilian Overtime are down during the first seven months of 2020. Specifically, Civilian Overtime has retreated by 21.8%, due to high levels of overtime in 2019 from Memorial Day Tornado debris removal.
- Health Insurance transfers are up \$223,600 or 1.8%; the planned 3.5% funding rate increase is offset by staff vacancies.

July YTD Personnel Costs



Note: Civilian overtime in the Street Maintenance Fund totaled \$84,800 at the end of July 2020, compared to \$231,500 in 2019, reflecting a milder winter and the stay-at-home order.

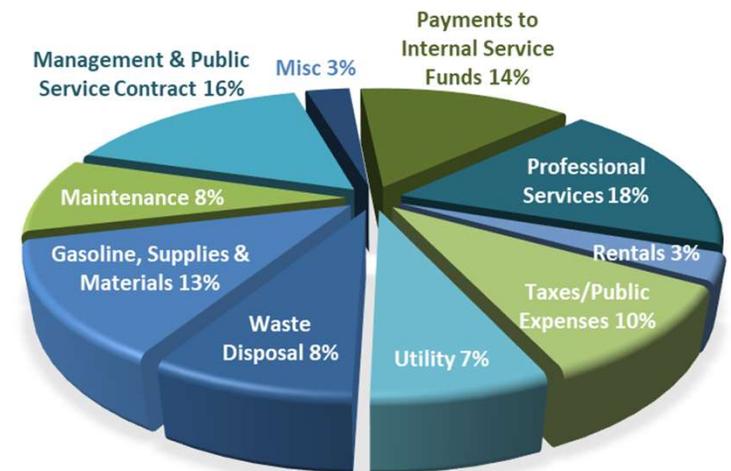
	Jul-16	Jul-17	Jul-18	Jul-19	Jul-20	'16-'20 % Chg.	'19-'20 \$ Chg.	'19-'20 \$ Chg.
Sworn Wages	22,554,006	23,260,949	24,028,897	24,725,175	25,273,841	12.1%	548,666	2.2%
Civilian Wages	18,315,699	19,022,661	19,167,381	20,462,122	21,551,444	17.7%	1,089,322	5.3%
Sworn Overtime	1,531,328	1,658,919	1,467,705	2,100,565	2,049,092	33.8%	(51,473)	-2.5%
Civilian Overtime	571,093	494,572	475,522	643,093	502,833	-12.0%	(140,260)	-21.8%
Fringes	13,584,027	13,390,905	13,804,096	14,259,786	14,521,190	6.9%	261,404	1.8%
Insurance	9,671,195	10,368,455	10,305,130	12,092,708	12,316,356	27.4%	223,648	1.8%
Total Personnel	\$66,227,348	\$68,196,461	\$69,248,732	\$74,283,448	\$76,214,755	15.1%	\$1,931,308	2.6%

Expenditure Trends

Contracts, Materials & Other Uses

- Contracts & Materials are down 3.3% or \$658,500, compared to July 2019. This includes expenses associated with COVID-19.
- General Fund COVID-19 C&M expenses total about \$800,000 through July.
- Professional Services have decreased \$448,400 or 11.5%, largely attributed to reduction in temp services and delayed or paused services due to COVID-19.
- Payments to Internal Service Funds are down \$36,300 or 1.3%, driven by reductions in Fleet Charges, offset by increases in postage, printing and plumbing charges.
- Management and Public Service Contracts are up \$81,600 or 2.7%, due to increased cost year-over-year.
- Gasoline, Supplies and Materials are down due to limiting expenditures to essential purchases only.
- Taxes/Public Expenses are down \$79,800 or 4.0%, due to timing of payments.
- Other miscellaneous charges are down 27.1% or \$205,200, largely due to decreased employee travel during the pandemic.
- Waste Disposal fees have increased dramatically, up 31.0% or \$360,800, compared to July 2019. This is a result of the stay-at-home order and higher recycling fees.
- Utilities are up 5.8%. Telephone charges are up \$269,000 compared to July 2019, offset by reduction in electric, gas and water due to lower usage.
- Rentals have decreased \$168,800 or 22.6%, largely attributed to the closure of recreation center facilities and the convention center.

Description	2019 YTD	2020 YTD	\$ Chg	% Chg
Professional Services	3,904,512	3,456,112	(448,400)	-11.5%
Payment to Internal Service Funds	2,715,219	2,678,903	(36,315)	-1.3%
Mgmt/Public Service Contracts	2,986,190	3,067,799	81,609	2.7%
Gasoline, Supplies & Materials	2,677,478	2,454,590	(222,888)	-8.3%
Taxes/Public Expenses	1,988,879	1,909,126	(79,753)	-4.0%
Maintenance Costs	1,689,519	1,676,849	(12,669)	-0.7%
Other	756,123	550,919	(205,204)	-27.1%
Waste Disposal Charges	1,162,837	1,523,602	360,765	31.0%
Utilities	1,257,141	1,330,341	73,200	5.8%
Rental Costs	746,648	577,806	(168,841)	-22.6%
Sub-Total C&M	\$ 19,884,544	\$ 19,226,046	\$ (658,498)	-3.3%
Other Uses	1,722,350	1,079,100	(643,250)	-37.3%
Grand Total	\$ 21,606,894	\$ 20,305,146	\$(1,301,748)	-6.0%



Budget Correction Plan

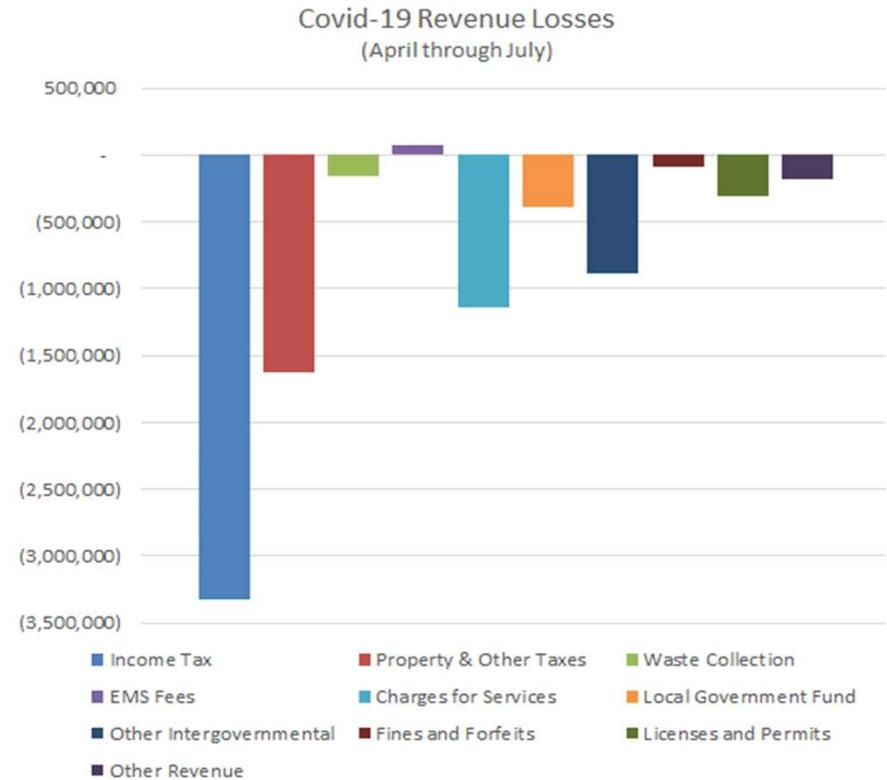
General Fund

COVID-19 Response

- The City Manager acted quickly, instituting several directives in the face of the COVID-19 global pandemic and resulting economic shock.
 - Instituted a hiring freeze, abolished all vacant positions across the organization, and offered a voluntary separation program
 - Suspended non-essential, non-critical procurement of goods and services
 - Scaled back, delayed, and shuttered equipment and capital investments
- Current CARES Act funding is not eligible to cover revenue shortfalls.
- Despite best efforts, assistance is needed from the Federal Government to avert impacting critical City Services.

April through July Revenue Losses

Revenue	Apr-Jul 2019	Apr-Jul 2020	\$ Chg.	% Chg.
Income Tax	47.4	44.0	(3.3)	-7.0%
Prop. Taxes & Other Taxes	2.5	0.8	(1.6)	-65.6%
Waste Collection	2.9	2.7	(0.2)	-5.6%
EMS Fees	1.6	1.7	0.1	4.3%
Charges for Services	3.9	2.7	(1.1)	-29.4%
Local Government Fund	2.4	2.0	(0.4)	-16.1%
Other Intergovernmental	2.1	1.2	(0.9)	-42.3%
Fines and Forfeits	0.2	0.1	(0.1)	-57.4%
Licenses and Permits	1.0	0.7	(0.3)	-30.7%
Other Revenue	1.0	0.8	(0.2)	-18.1%
Total	\$ 64.8	\$ 56.8	\$ (8.0)	-12.4%



- Revenue declines are broad-based across every category except EMS Fees.
- Property Tax losses are overstated due to the timing of advances.
- Income Tax has experienced the greatest dollar loss while Fines & Forfeits, Other Intergovernmental (Casino Taxes) and Licenses & Permits have experienced the greatest percent declines.
- When Income Tax is omitted, the remaining revenues fell \$4.7 million or 27%.
- In addition, Gas Taxes in the Street Maintenance Fund have fallen, requiring \$1.5 million in General Fund support.

Note: Waste Collection is reflected in the above on a cash basis.



2020 General Fund Revised Projections

Sources	2017 Actuals	2018 Actuals	2019 Actuals	2020 Original Budget	2020 Preliminary Revised	'19-'20 Revised \$ Chg	'19-'20 Revised % Chg	Original- Revised \$ Chg	Original- Revised % Chg
Income Tax	122.37	129.99	133.58	130.90	129.90	(3.67)	-2.8%	(1.00)	-0.8%
Property Taxes & Other Taxes	6.06	6.24	6.48	6.54	6.05	(0.42)	-6.5%	(0.49)	-7.5%
Waste Collection	8.14	8.21	8.55	9.20	8.42	(0.13)	-1.5%	(0.78)	-8.5%
EMS Fees	3.51	4.10	4.66	4.75	4.66	(0.00)	0.0%	(0.09)	-1.8%
Other Charges for Services	12.26	10.29	11.16	11.55	9.08	(2.09)	-18.7%	(2.47)	-21.4%
Local Government Fund	6.33	6.49	6.92	6.97	6.57	(0.36)	-5.2%	(0.40)	-5.7%
Other Intergovernmental	4.32	4.15	4.27	4.46	2.70	(1.58)	-36.9%	(1.77)	-39.6%
Fines and Forfeits	0.65	0.49	0.41	0.43	0.29	(0.13)	-30.5%	(0.14)	-33.5%
Licenses and Permits	1.72	2.90	3.02	3.02	1.85	(1.17)	-38.8%	(1.17)	-38.7%
Other Revenue	4.89	5.72	6.29	5.20	3.77	(2.53)	-40.1%	(1.44)	-27.6%
Subtotal	170.25	178.59	185.35	183.02	173.28	(12.07)	-6.5%	(9.75)	-5.3%
Use of Cash Reserve	0.00	0.00	0.00	2.00	2.00	2.00	NA	0.00	0.0%
27th Payroll	0.00	0.00	0.00	1.50	1.50	1.50	NA	0.00	0.0%
Total Sources	170.25	178.59	185.35	186.52	176.78	(8.57)	-4.6%	(9.75)	-5.2%
Uses									
Personnel	117.20	120.10	127.48	132.48	132.48	5.00	3.9%	0.00	0.0%
Contracts, Materials & Other Uses	32.58	34.82	37.63	38.37	38.37	0.74	2.0%	0.00	0.0%
Investments:									
Capital Equipment	1.85	1.87	1.63	1.62	1.62	(0.01)	-0.6%	0.00	0.0%
Capital Improvements	4.74	6.24	4.01	1.50	1.50	(2.51)	-62.6%	0.00	0.0%
Development	2.75	2.75	3.00	3.00	3.00	0.00	0.0%	0.00	0.0%
Demolition	1.00	1.50	1.00	1.00	1.00	0.00	0.0%	0.00	0.0%
Issue 9	8.49	8.52	8.55	8.55	8.55	0.00	0.0%	0.00	0.0%
Total Uses	168.61	175.79	183.30	186.52	186.52	3.23	1.8%	0.00	0.0%
COVID, Unwind and Street Maintenance					3.15				
Sources over Uses	1.63	2.80	2.06	0.00	(12.90)	N.A.	N.A.	N.A.	N.A.

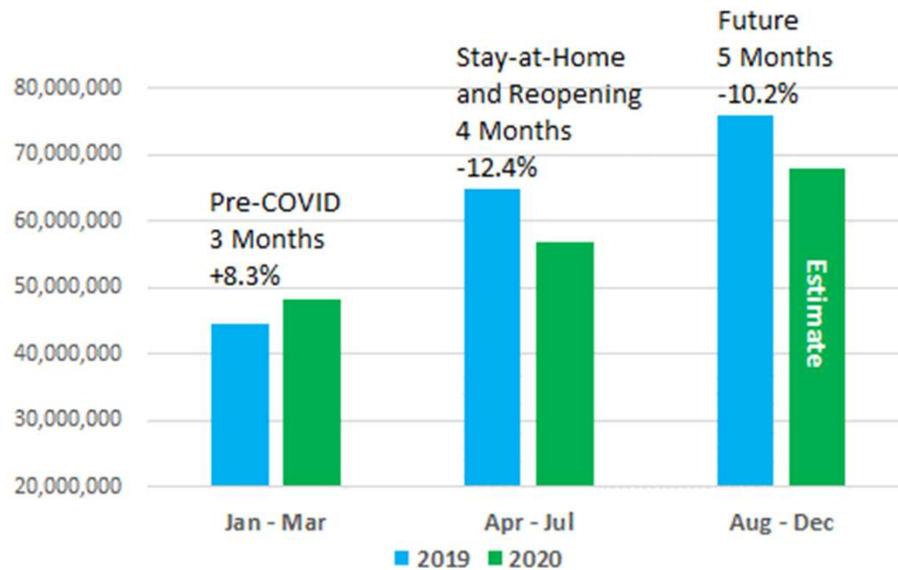


2020 General Fund Budget Shortfall & Solutions

2020 Budget Shortfalls		Notes:
Revenue	(9,746,100)	Projected revenue declines in all categories.
Golf Unwind	(650,000)	Estimated transfers from General Fund to Golf.
Convention Center Unwind	(150,000)	Refund of deposits and other miscellaneous expenses.
COVID-19 Expenses	(800,000)	Additional COVID costs are expected, will be covered by CARES.
Street Maintenance Revenue Loss	(1,552,000)	Gas tax decline.
Total 2020 Budget Shortfall	\$ (12,898,100)	
2020 Budget Solutions		
New Revenue - BWC Rebate	1,200,000	Received in May of 2020.
New Revenue - CARES/FEMA Funds	2,000,000	Offsets COVID-19 PPE costs plus direct public safety expenses.
Personnel Actions	2,500,000	Hiring freeze, voluntary separation plan, furloughs.
Expenditure Restrictions	1,500,000	Estimated reduction in Contracts & Materials.
Investment Reductions	3,500,000	Cuts to Capital Improvements and Capital Equipment.
Total 2020 Budget Solutions	\$ 10,700,000	
Remaining Solutions Needed	\$ (2,198,100)	

- City Manager directives limiting expenditures, instituting a hiring freeze, offering a voluntary separation plan, shuttering investments, along with one time revenues, will help address \$10.7 million of the projected shortfall.
- More than \$6.7 million of the solutions are one-time.
- An additional \$2.2 million in budget solutions are necessary.
- Maintaining critical City services in 2021 without Federal assistance will not be possible.

2019 vs 2020 Revenue Comparison



Month	2019	2020	\$ Chg.	% Chg.
Jan	15,094,104	16,354,587	1,260,483	8.4%
Feb	14,211,916	15,862,793	1,650,878	11.6%
Mar	15,353,591	16,133,326	779,736	5.1%
Jan - Mar	44,659,610	48,350,706	3,691,096	8.3%
Apr	20,068,047	15,658,929	(4,409,119)	-22.0%
May	13,792,927	11,514,993	(2,277,934)	-16.5%
June	15,296,021	14,484,288	(811,733)	-5.3%
July	15,687,407	15,161,395	(526,012)	-3.4%
Apr - Jul	64,844,403	56,819,605	(8,024,798)	-12.4%
Jul YTD	109,504,013	105,170,312	(4,333,701)	-4.0%
Aug - Dec	75,846,522	68,105,888	(7,740,634)	-10.2%
Total	\$ 185,350,535	\$ 173,276,200	\$(12,074,335)	-6.5%

Note: Waste Collection is reflected in the above on a cash basis.

2020 Revised Revenue

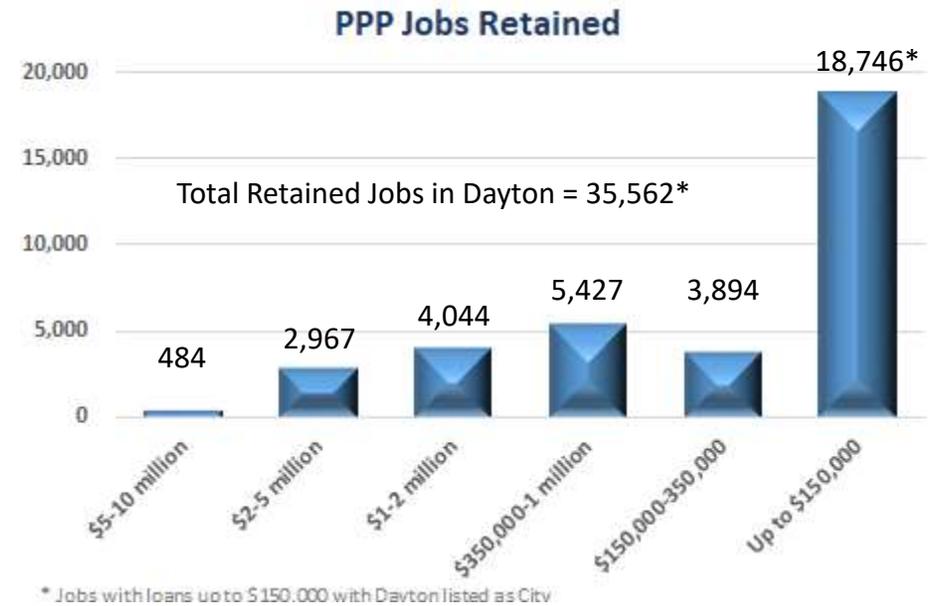
- 2020 Preliminary Revised Revenue Forecast is \$173.3 million.
- Including the \$1.2 million from an unplanned BWC rebate and \$2.0 million in reimbursable CARES funding, revenues are projected at \$176.5 million.
- First quarter, pre-pandemic revenue growth was strong at 8.3%.
- The four-months since, which includes the March through May stay-at-home period as well as June and July, saw revenues fall over \$8.0 million, or 12.4%.
- The forecast for the balance of 2020 projects some small improvement in the rate of decline, but is highly dependent on continued support for individuals (unemployment) and businesses (Payroll Protection Program).

Note: The City receipt of \$8.2 million in CARES Act funding is not eligible for covering revenue shortfalls.



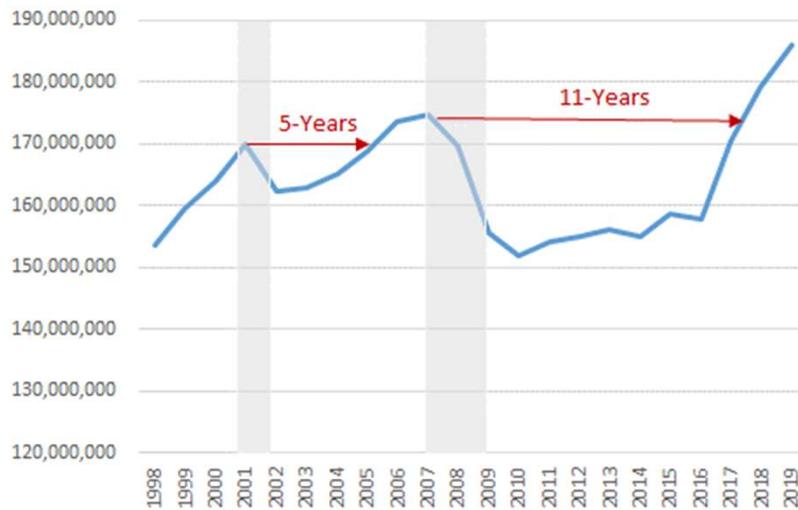
Budget Vulnerabilities

- COVID Curve
- Another Shutdown
- Paycheck Protection Program
- Supplemental Unemployment
- Commuter Income Tax Changes
- Weather



- ✓ The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.
- ✓ SBA will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses.
- ✓ The time period to use the loan for eligible expenses has been increased to either 24 weeks after loan origination or Dec. 31, 2020, whichever occurs first.

Total GF Revenue Less Prisoner Fees



GF Revenue less Prisoner Fees, Prop Tax, LGF, and Casino



Recession Impact on Revenues

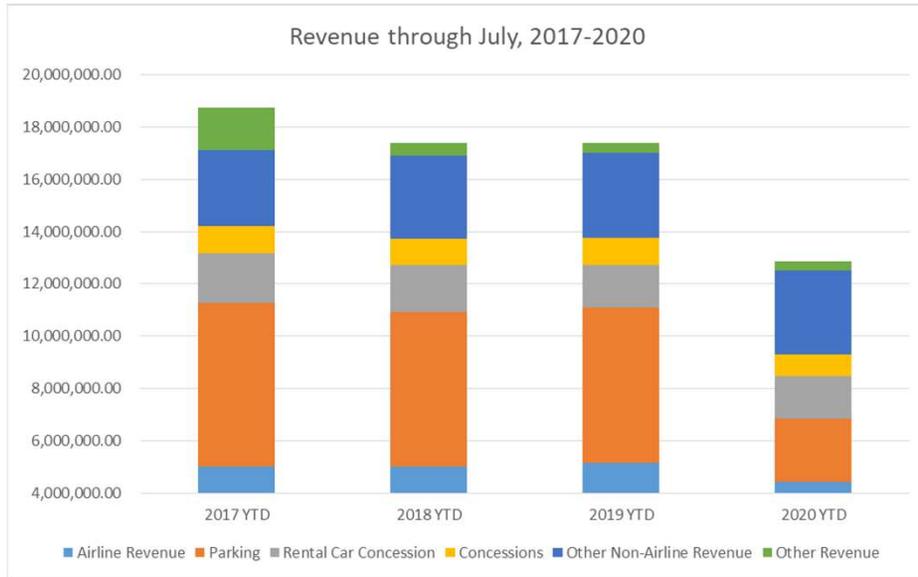
Year	Total GF Revenue Less Prisoner Fees	% Chg. from Peak	# of Yrs to Return to Prev. Peak	GF Revenue less Prisoner, Prop, LGF, Casino	% Chg. from Peak	# of Yrs to Return to Prev. Peak	Inc Tax	% Chg. from Peak	# of Yrs to Return to Prev. Peak
1998	153,716,650			130,894,871			106,711,779		
1999	159,611,389			134,999,175			108,451,646		
2000	164,049,432			138,879,164			110,766,389		
2001	170,003,851			144,768,008			111,936,710		
2002	162,474,049	-4.4%	1	137,811,776	-4.8%	1	106,887,906	-4.5%	1
2003	162,796,288	-4.2%	2	137,691,277	-4.9%	2	107,616,439	-3.9%	2
2004	165,252,753	-2.8%	3	140,093,249	-3.2%	3	108,794,694	-2.8%	3
2005	168,818,895	-0.7%	4	143,618,647	-0.8%	4	113,236,307	1.2%	4
2006	173,518,504	2.1%	5	146,977,931	1.5%	5	113,767,698		
2007	174,760,568			148,583,094			112,764,901	-0.9%	1
2008	169,725,578	-2.9%	1	144,033,105	-3.1%	1	110,449,891	-2.9%	2
2009	155,722,514	-10.9%	2	133,704,495	-10.0%	2	100,430,248	-11.7%	3
2010	151,934,140	-13.1%	3	129,920,764	-12.6%	3	98,116,940	-13.8%	4
2011	154,213,976	-11.8%	4	133,873,296	-9.9%	4	99,668,943	-12.4%	5
2012	155,073,082	-11.3%	5	139,426,495	-6.2%	5	101,533,962	-10.8%	6
2013	156,036,265	-10.7%	6	140,470,067	-5.5%	6	101,934,268	-10.4%	7
2014	155,099,040	-11.3%	7	139,466,212	-6.1%	7	102,649,505	-9.8%	8
2015	158,767,261	-9.2%	8	143,259,913	-3.6%	8	107,411,832	-5.6%	9
2016	157,908,295	-9.6%	9	142,896,028	-3.8%	9	108,752,852	-4.4%	10
2017	170,607,055	-2.4%	10	155,768,602	4.8%	10	122,370,400	7.6%	11
2018	179,227,971	2.6%	11	164,041,133			129,988,859		
2019	186,092,507			170,332,743			133,578,155		

- The number of years to return to the previous peak for the last two recessions were 5 and 10-11 years, respectively.
- To remove fluctuations, the following revenues sources have been eliminated:
 - Prisoner Boarding Fees are omitted as the City Human Rehabilitation Center was closed in 2002.
 - A policy decision was made to shift 0.5 mills of property tax from the General Fund to Bond Retirement.
 - LGF is omitted as the state reduced this source by 52% over the period.
 - Casino taxes were a new source that began in 2012 and added \$3.2 million to the General Fund in 2019.



Budget Correction Plan
Aviation
Water/Sewer

Aviation



(In Millions)										
Revenue & Other Sources	2020 Original Budget	2020 YTD Budget	2020 YTD Actuals	Budget Variance (\$)	Budget Variance (%)	2020 Budget Correction Plan	2019 Actuals	2020 Actuals	19-20 \$ Chg.	19-20 % Chg.
Airline Revenue	8.8	5.1	4.4	(0.7)	-13.2%	7.5	5.2	4.4	(0.7)	-14.2%
Parking	9.8	6.0	2.4	(3.6)	-59.7%	4.7	6.0	2.4	(3.5)	-59.1%
Rental Car Concession	3.0	1.6	1.6	0.0	3.2%	1.2	1.6	1.6	(0.0)	-1.7%
Concessions	1.6	1.0	0.8	(0.1)	-14.8%	1.0	1.0	0.8	(0.2)	-19.6%
Other Non-Airline Revenue	4.8	3.0	3.2	0.2	6.3%	4.7	3.3	3.2	(0.0)	-1.1%
Misc. Revenue	1.2	0.6	0.3	(0.3)	-45.0%	0.4	0.4	0.3	(0.0)	-12.5%
Total Non-Airline Revenue	20.3	12.2	8.4	(3.8)	-31.0%	11.9	12.3	8.4	(3.8)	-31.2%
PFC/CFC Transfer	5.0	3.0	3.0	-	0.0%	4.3	3.3	3.0	(0.3)	100.0%
CARES Act Funding	-	-	-	-	0.0%	8.2	-	-	-	0.0%
Total Sources	34.1	20.4	15.9	(4.5)	-22.0%	31.9	20.8	15.9	(4.9)	-23.4%
Use of Cash Reserve	-	-	-	-	-	-	-	-	-	-
Total Sources & App. Fund Balance	34.1	20.4	15.9	(4.5)	-22.0%	31.9	20.8	15.9	(4.9)	-23.4%
Expenditures & Other Uses										
Personnel	14.9	8.9	7.5	1.3	15.2%	13.3	8.1	7.5	(0.6)	-7.0%
Contracts, Materials & Other Uses	13.0	8.2	6.0	2.3	27.6%	11.4	7.6	6.0	(1.7)	-22.1%
Capital Equipment	0.2	0.1	0.1	-	0.0%	0.2	0.0	0.1	0.0	176.3%
Capital Projects	1.7	1.7	1.7	-	0.0%	2.0	0.9	1.7	0.8	100.0%
Debt Service - Interest	3.5	1.9	1.9	-	0.0%	3.5	1.9	1.9	(0.1)	-3.6%
Debt Service - Principal	3.7	1.9	1.9	-	0.0%	3.7	1.8	1.9	0.1	3.7%
Total Uses	36.9	22.5	18.9	3.6	16.1%	33.9	20.4	18.9	(1.4)	-7.0%
Excess/ (Shortfall) of Sources over Uses	(2.82)	(2.2)	(3.0)			(2.1)	0.4	(3.0)		

Notes:

1. Assumes receipt of \$8.2 million in CARES funds to offset costs in 2020 and \$6.4 million in 2021
2. Assumes minimum 90% staffing retention through the end of 2020 in compliance with CARES requirements.
3. Assumes the elimination of the \$770,000 2020 CFC subsidy for parking garage operations for 2020.

Budget Correction Plan

- Through July, Airline Revenues are down \$700,000 from 2019, and are 13.9% below budget. The 2020 Budget Correction Plan reduces this revenue source by \$1.3 million to \$7.5 million as a result of the forecasted 51.3% reduction in annual enplanements.
- Non-Airline Revenues are down \$3.8 million since 2019 and are 31% below budget. Parking revenues are forecasted to be off by more than 50% based on enplanement assumptions. The Budget Correction Plan includes a total of \$8.4 million in reductions for 2020.
- Personnel costs are significantly under budget due to the reduction in positions, the voluntary separation plan and the City hiring freeze. Adjusted for timing, Personnel Costs are \$700,000 less than the same period in 2019. As a result, in our Budget Correction Plan we have reduced the Personnel budget by \$1.7 million to \$13.3 million.
- Through July 2020, Contracts and Materials were \$2.3 million under budget and \$1.7 million below 2019. The budget correction plan reduces the C&M budget by \$1.6 million.
- \$1.1 million in corrections are needed to rectify historical PFC allocations to debt service. These are accomplished in the Budget Correction Plan by repurposing \$770,000 in capital and a \$289,500 increase in the Capital transfer.
- The cumulative effect of the 2020 Budget Correction Plan is a decrease in appropriation by \$3.0 million.

Water Fund

2020 July YTD Budget Review

(000,000's)

Revenue and Other Sources	2020	2020 YTD	2020 YTD	Budget	Budget	2020 Budget	2019 YTD	2020 YTD	'19-'20 \$	'19-'20 %
	Original Budget	Budget	Actuals	Variance Fav/(Unfav)	Variance Fav/(Unfav)	Mid-year Forecast*		Actuals	Actuals	Chg.
City of Dayton Water Fees(Metered Water)	27.4	14.7	13.7	(0.9)	(6.4%)	26.5	13.4	13.7	0.3	2.0%
Other Jurisdictions Water Fees (Metered Water)	22.7	12.5	12.3	(0.2)	(1.3%)	22.6	12.1	12.3	0.2	2.0%
Subtotal Metered Water	50.1	27.2	26.1	(1.1)	(4.1%)	49.1	25.5	26.1	0.5	2.0%
Other Charges for Services	2.9	1.7	1.9	0.2	11.4%	2.9	2.3	1.9	(0.4)	(18.0%)
Subtotal Customer Revenue	53.0	28.8	27.9	(0.9)	(3.2%)	52.0	27.8	27.9	0.1	0.4%
Other Revenue	4.6	2.7	2.5	(0.2)	(6.0%)	4.6	2.6	2.5	(0.1)	(3.9%)
Interest Revenue	0.1	0.0	0.0	0.0	N/A	0.1	0.0	0.0	0.0	N/A
Operating Transfers In	0.0	0.0	0.0	0.0	N/A	0.0	0.0	0.0	0.0	N/A
Other Non-Operating Revenue(Expense)	(0.0)	(0.0)	(0.0)	0.0	(56.4%)	(0.0)	(0.0)	(0.0)	(0.0)	34.9%
Bad Debt Expense	(0.4)	(0.2)	(0.0)	0.2	88.5%	(0.4)	(0.1)	(0.0)	0.1	73.6%
Payment Discounts	(0.9)	(0.5)	(0.4)	0.1	19.2%	(0.9)	(0.5)	(0.4)	0.1	12.6%
Discounts/Bad Debt/Adjustments	(1.3)	(0.7)	(0.4)	0.3	40.1%	(1.3)	(0.6)	(0.4)	0.1	22.9%
Total Sources	56.3	30.8	30.0	(0.8)	(2.5%)	55.3	29.9	30.0	0.1	0.4%
Use of Cash Reserve	6.2	6.4	3.7	(2.7)	N/A	6.2	0.4	3.7	3.3	N/A
Total Sources and Applied Cash Reserve	62.5	37.1	33.7	(3.5)	(9.3%)	61.6	30.2	33.7	3.4	11.4%
Expenditures and Other Uses										
Personnel	25.9	15.1	13.9	1.3	8.5%	25.4	13.9	13.9	(0.0)	(0.2%)
Contracts and Materials	20.9	12.2	10.0	2.2	17.9%	20.5	10.3	10.0	(0.3)	(3.3%)
Capital Equipment	2.3	0.7	0.7	0.0	0.0%	2.3	0.6	0.7	0.1	11.1%
Capital Improvements	9.3	7.2	7.2	0.0	0.0%	9.3	3.3	7.2	3.8	115.5%
Debt Service - Interest	1.6	1.0	1.0	0.0	0.0%	1.6	1.2	1.0	(0.1)	(11.6%)
Total Uses	60.1	36.2	32.8	3.5	9.6%	59.3	29.4	32.8	3.4	11.6%
Debt Payment - Principal Bonds	2.3	0.9	0.9	0.0	0.0%	2.3	0.9	0.9	0.0	5.6%
Excess/(Shortfall) of Sources over Uses	0.1	0.0	0.0			0.0	(0.0)	0.0	0.0	

Notes:

1. Assumes Other Charges for Services revenue will not be fully recovered from stopping shutoffs and general business slowdown.
2. Experienced lower wage and benefits expense in the first half of the year.
3. Cost of electricity below estimates due to efficiency and block pricing.

* 4. "2020 Budget Correction Plan" column title replaced with "2020 Budget Mid-year Forecast" since a budget correction is not recommended for this fund at this time.

Budget Correction Plan

- Metered Water charges annual budget estimate down \$1 million. Weather and economy affected.
- Personnel Expense annual estimate down \$500,000 due to lower wage and benefits expense related to unfilled positions and filling positions at lower wage rates.
- Contracts and Materials Expense annual estimate down \$350,000 due to lower electric and gas utility expense, other miscellaneous expenses experienced through July 2020.

Recommendation: Annual Revenue estimate down \$1 million, annual Expense estimate down \$850,000. Should a correction become necessary, a budget adjustment will be made and Capital Transfers adjusted later in the year.

Sanitary Sewer Fund

2020 July YTD Budget Review

(000,000's)

Revenue and Other Sources	2020			Budget Variance Fav/(Unfav)	Budget Variance Fav/(Unfav)	2020 Budget Mid-year Forecast*	2019 YTD Actuals	2020 YTD Actuals	'19-'20 \$ Chg.	'19-'20 % Chg.
	Original Budget	2020 YTD Budget	2020 YTD Actuals							
City of Dayton Sewer Fees	18.6	9.6	9.4	(0.1)	(1.2%)	18.6	9.3	9.4	0.1	1.2%
Other Jurisdictions Sewer Fees	15.3	8.0	7.0	(1.0)	(13.0%)	14.5	7.3	7.0	(0.4)	(4.9%)
Subtotal Sewer Fees	33.9	17.6	16.4	(1.2)	(6.6%)	33.1	16.7	16.4	(0.3)	(1.5%)
Other Charges for Services	5.8	3.4	2.5	(0.8)	(24.9%)	5.1	3.2	2.5	(0.7)	(20.9%)
Subtotal Customer Revenue	39.7	21.0	19.0	(2.0)	(9.5%)	38.2	19.9	19.0	(0.9)	(4.7%)
Other Revenue	0.6	0.3	0.4	0.1	26.7%	0.6	0.3	0.4	0.1	45.2%
Interest Revenue	0.1	0.0	0.0	0.0	N/A	0.1	0.0	0.0	0.0	N/A
Operating Transfers In	0.0	0.0	0.0	0.0	N/A	0.0	0.0	0.0	0.0	N/A
Other Non-Operating Revenue	(0.0)	(0.0)	(0.0)	0.0	(87.5%)	(0.0)	(0.0)	(0.0)	0.0	(86.4%)
Bad Debt Expense	(0.3)	(0.2)	(0.0)	0.2	94.6%	(0.3)	(0.0)	(0.0)	0.0	16.0%
Payment Discounts	(1.0)	(0.6)	(0.4)	0.2	35.2%	(1.0)	(0.3)	(0.4)	(0.1)	(21.5%)
Discounts/Bad Debt/Adjustments	(1.3)	(0.8)	(0.4)	0.4	49.6%	(1.3)	(0.3)	(0.4)	(0.0)	(14.9%)
Current Year Sources	39.0	20.5	19.0	(1.5)	(7.5%)	37.5	19.8	19.0	(0.8)	(4.2%)
Use of Cash Reserve	1.2	2.6	1.3	(1.4)	52.3%	1.5	1.1	1.3	0.1	N/A
Total Sources and Applied Cash Reser	40.2	23.2	20.3	(2.9)	(12.6%)	39.1	21.0	20.3	(0.7)	(3.4%)
Expenditures and Other Uses										
Personnel	12.4	7.2	6.8	0.4	5.8%	12.0	6.7	6.8	0.1	1.2%
Contracts and Materials	15.3	8.9	6.4	2.5	28.1%	14.6	7.5	6.4	(1.1)	(15.1%)
Capital Equipment	2.1	1.2	1.2	0.0	0.0%	2.1	0.5	1.2	0.7	129.8%
Capital Improvements	7.0	3.8	3.8	0.0	0.0%	7.0	4.1	3.8	(0.3)	N/A
Debt Service - Interest	0.9	0.6	0.6	0.0	0.0%	0.9	0.7	0.6	(0.1)	(10.8%)
Total Uses	37.7	21.7	18.8	2.9	13.5%	36.6	19.5	18.8	(0.7)	(3.8%)
Debt Payment - Principal Bonds	2.5	1.5	1.5	0.0	0.0%	2.5	1.5	1.5	0.0	2.1%
Excess/(Shortfall) of Sources over Use	0.1	0.0	(0.0)			0.0	(0.0)	(0.0)	0.0	

Notes:

- Assumes BOD and Suspended Solids revenue will be lower for the remainder of the year 2020 due to improvements made by two large customers.
- "2020 Budget Correction Plan" column title replaced with "2020 Budget Mid-year Forecast" since a budget correction is not recommended for this fund at this time.

Recommendation: Annual Revenue estimate down \$1.5 million, annual Expenses estimate down \$1.1 million. Should a correction become necessary, a budget adjustment will be made and Capital Transfers adjusted later in the year.

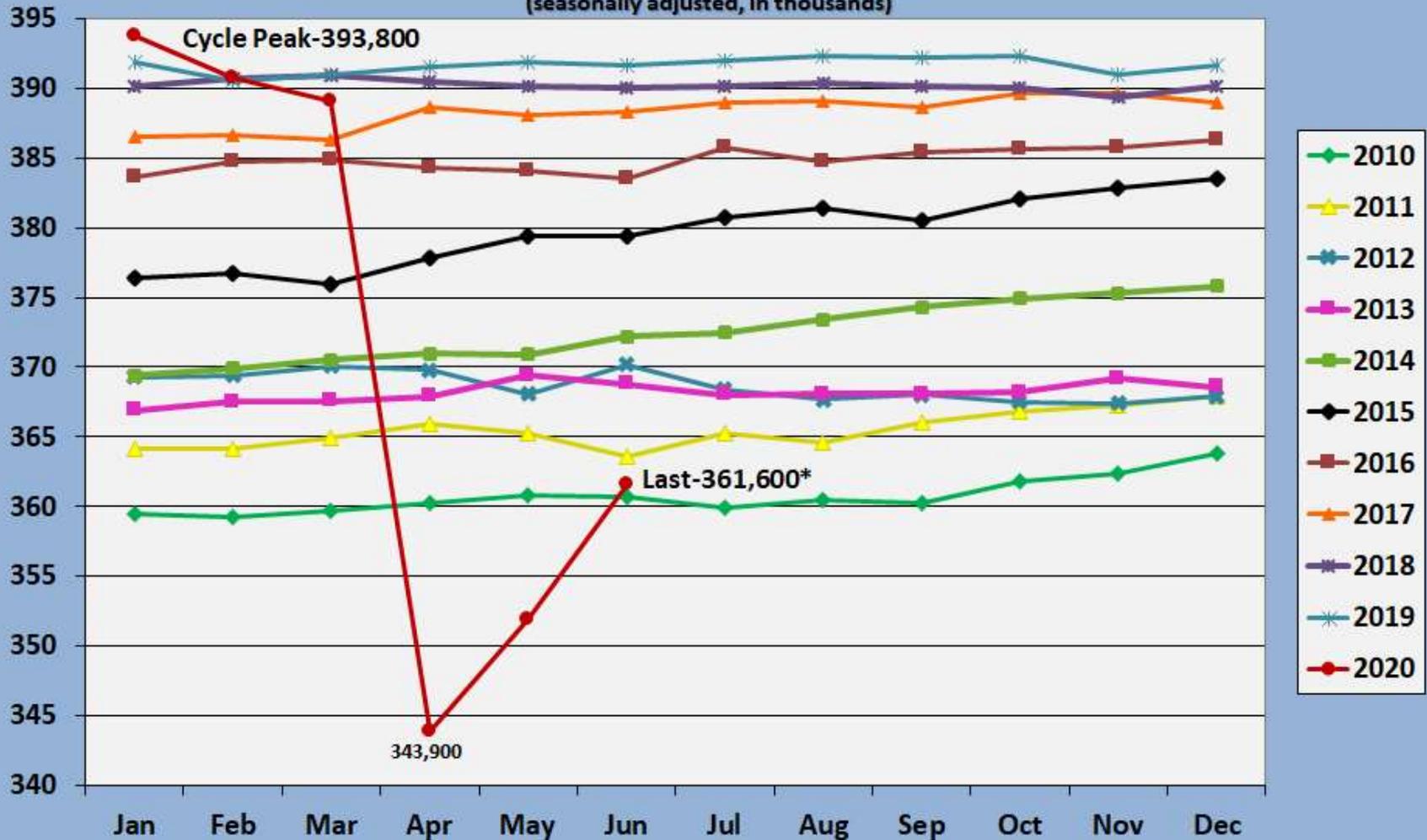
Budget Correction Plan

- Annual estimate for Other Jurisdictions down \$800,000 due to lower volumes/billing.
- Other Charges for Services revenue annual estimate down by \$700,000, due pollution control improvements implemented by two large customers.
- Personnel Cost annual estimate down by \$400,000 due to lower wage and benefits expense related to unfilled positions.
- Contracts and Materials Expense annual estimate down \$700,000 due to lower electric utility, chemicals, professional services and other miscellaneous expenses experienced through July 2020.



Dayton MSA Total Non-Farm Employment

From Cycle Peak in January to April, the Region Lost 49,900 or 12.7% of the Job Base
Gains Since April Registered 17,700
(seasonally adjusted, in thousands)

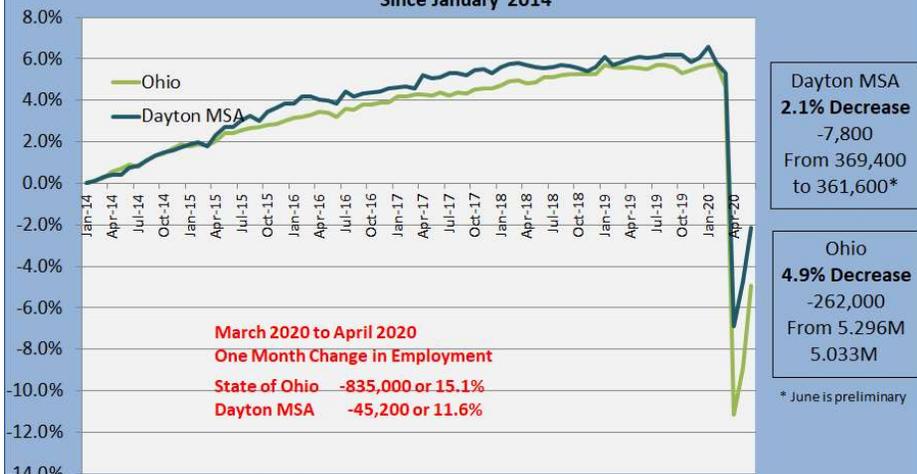


* Preliminary

Seasonally Adjusted, In Thousands

Dayton MSA vs Ohio Employment Growth

Since January 2014



Montgomery County Unemployment Claims

Week Ending	Initial Claims	Continued Claims
7-Mar	221	2,320
21-Mar	9,382	2,274
25-Apr	4,344	36,000
30-May	1,766	27,651
27-Jun	1,841	21,928
11-Jul	1,659	21,048
Montgomery Co Labor Force (Mar 2020)		251,900
Cont. Claims as a % of County Labor Force		8.4%

Current Unemployment Rate

June 2020 - Seasonally Adjusted



Over the Month Change
10.9% ↓ -3%
11.1% ↓ -2.2%

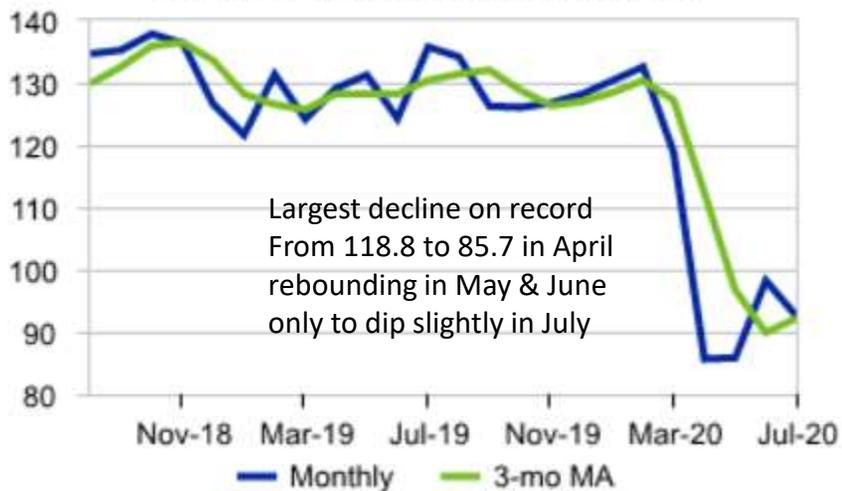
Ohio MSA Unemployment

June 2020 - Not-Seasonally Adjusted

AKRON	11.1%	↓ -1.3%
CANTON	10.8%	↓ -1.8%
CINCINNATI	9.0%	↓ -2.2%
CLEVELAND	14.0%	↓ -3.2%
COLUMBUS	9.9%	↓ -1.1%
DAYTON	10.7%	↓ -2.0%
TOLEDO	12.3%	↓ -5.0%

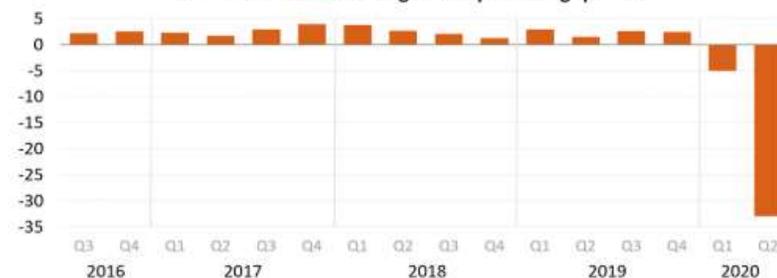
Source: Local Area Unemployment Statistics (LAUS) Program

Consumer Confidence Index 1985=100



Source: Moody's Economy.com

Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

Economic Indicators

July 2020 Highlights

- Revenues sank by 4.0% or \$4.3 million through July 2020.
- After stellar growth during the first quarter, revenue from April through July declined over 12.4% or \$8.0 million. Excepting income tax, revenues have collapsed by almost 27%.
- All but two revenue categories are realizing negative budget variances and, overall, revenues are 3.9%, or \$4.2 million under budget through July. Our original forecast projected a \$3.4 million decline in 2020 revenues, but clearly current conditions are worse than anticipated.
- Personnel Costs have been contained at 0.5% growth when adjusted for the extra SA pay, and are \$1.7 million under budget. The hiring freeze, voluntary separation plan, and other budget actions are responsible.
- Contracts, Materials & Other Uses fell 6.0% as Departments reign in spending during the pandemic, despite over \$800,000 in COVID-19 related expenses.
- At the end of July, Uses exceed Sources by \$5.5 million, despite the various actions taken to address this unprecedented crisis.