

IMPACT OF COVID-19 PANDEMIC ON CITY FINANCES

Lake Forest City Council

October 5, 2020

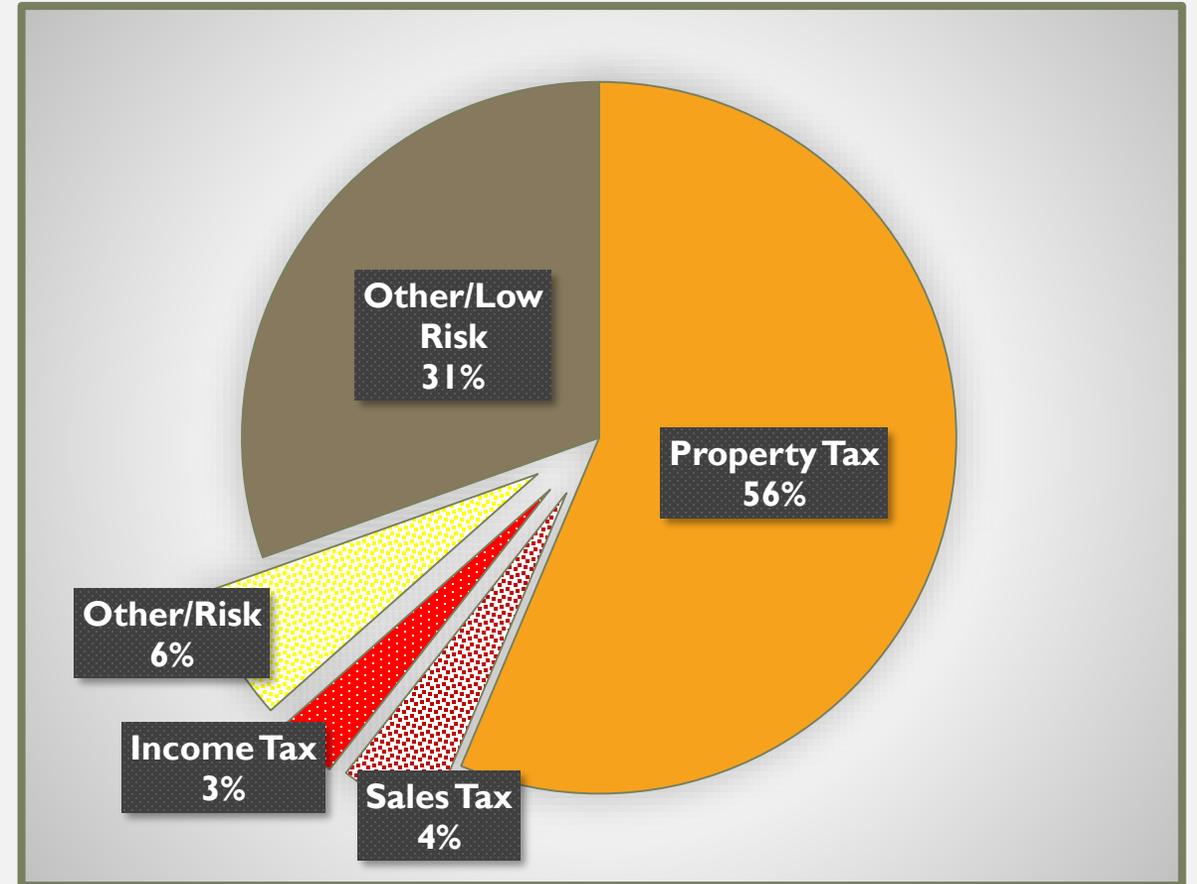
FY21 BUDGET IMPACT ASSESSMENT

Risk	Budgeted City Funds	% of FY21 Revenue Budgeted
	Debt Service Funds (levy supported); Water Utility funds; Cemetery; Fleet; Liability Insurance; Self Insurance; Senior Resources; Park and Public Land; Special Recreation; Foreign Fire; Housing Trust; Police Restricted; Emergency Telephone	30%
	Motor Fuel Tax; Police Pension; Fire Pension; Laurel/Western TIF	14%
	General Fund, Parks and Recreation, Golf Course, Capital Improvements	56%

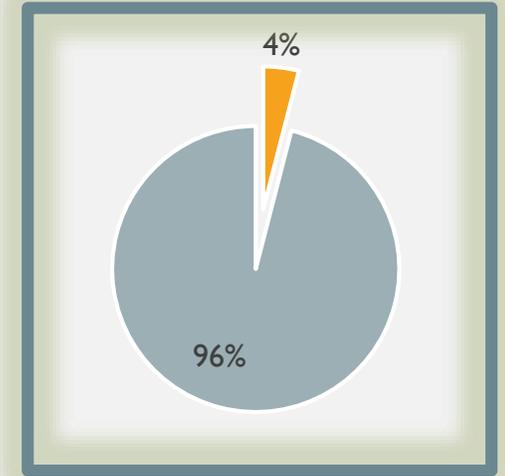
GENERAL FUND

GENERAL FUND REVENUE FY21 BUDGET ASSUMPTIONS

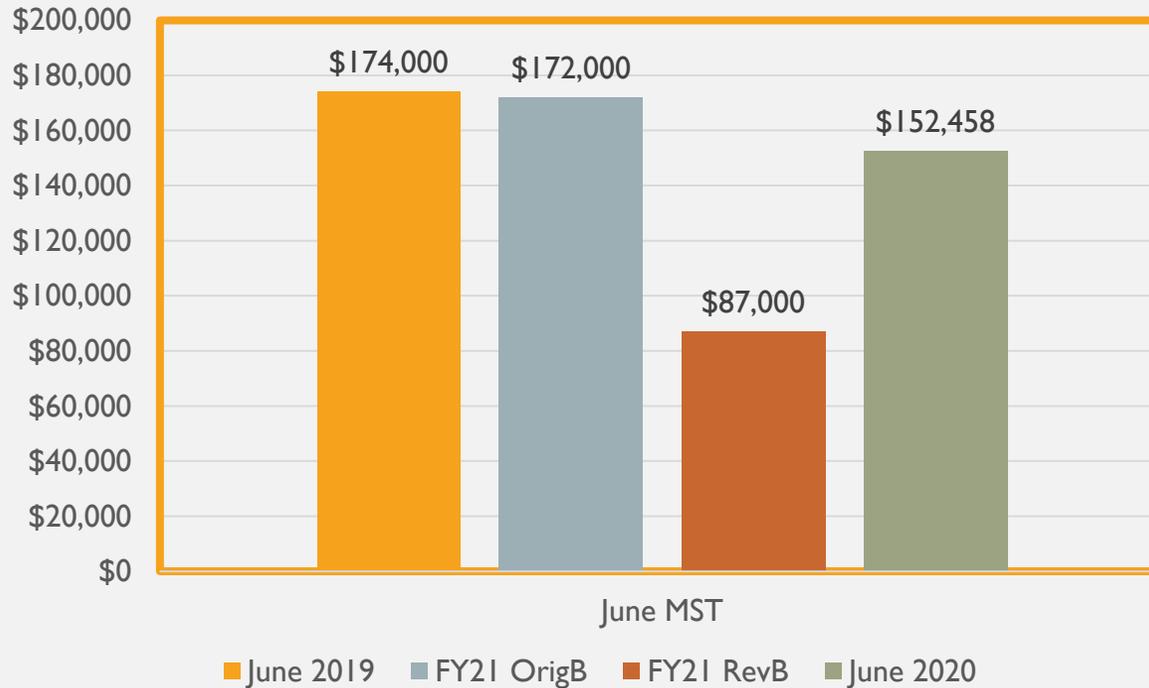
- Property Tax Revenue
 - No impact in FY21 (Deferral risk)
 - Long Term – Pensions
- Sales Tax Declines
- Income Tax Declines
- Other – Fines/Forfeits, Charges for Services, Interest
- No funding from Stimulus (ie. State Stabilization Funds) is budgeted



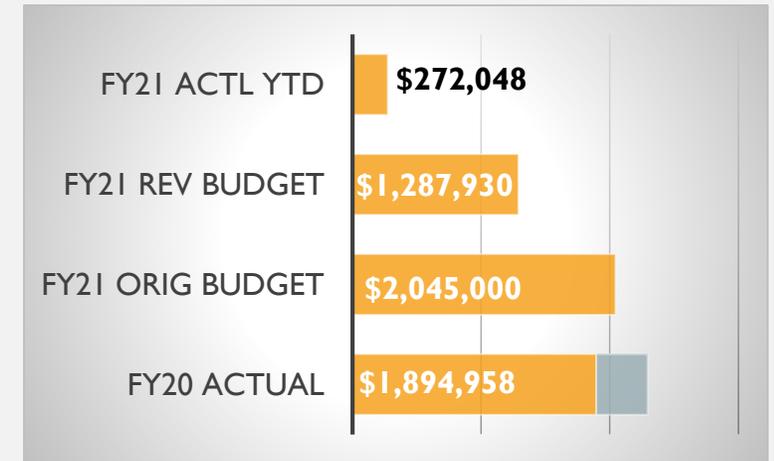
MUNICIPAL SALES TAX (1%)



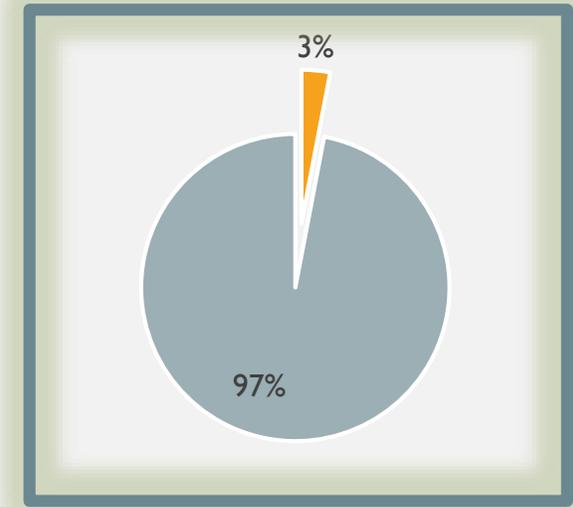
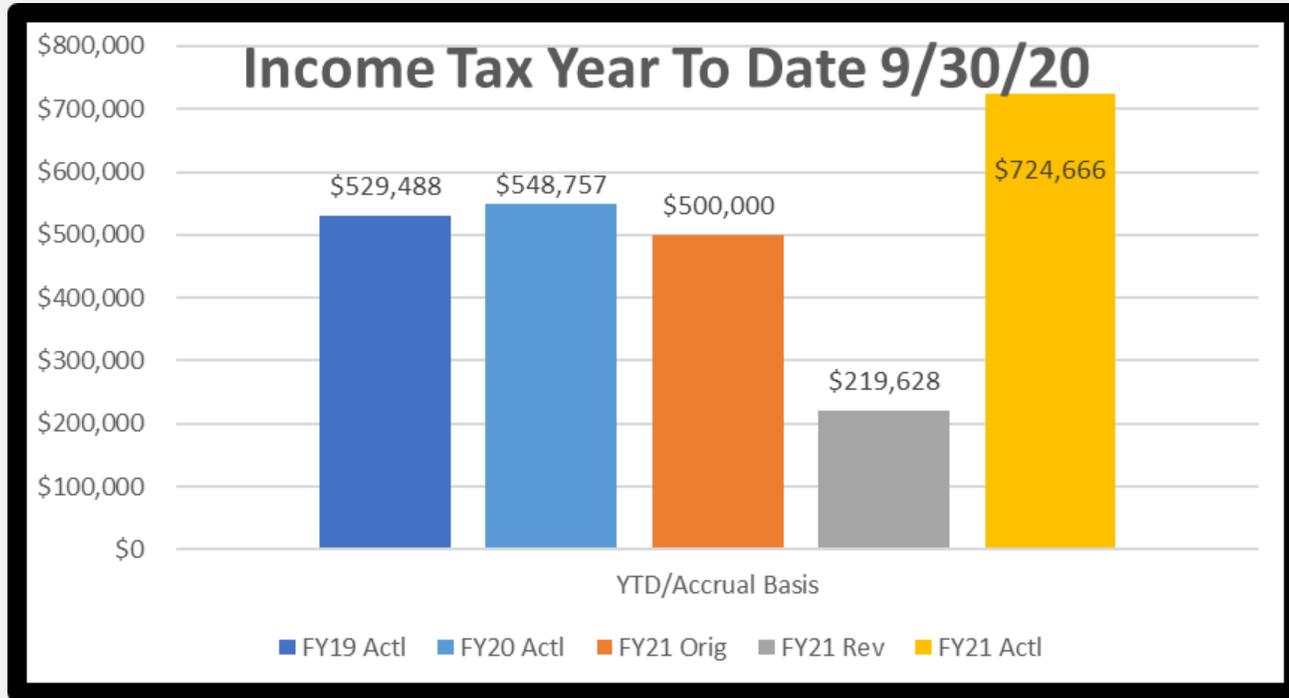
90-day delay in receipts will impact ability to track progress on a timely basis, as will deferral of payments allowed by the State.



- September receipts are related to June sales
- This is second month of FY21 revenue
- FY20 MST included \$400k one-time receipt



INCOME TAX REVENUE



LOCAL GOVERNMENT DISTRIBUTIVE FUND (LGDF)									
MFY	2013	2014	2015	2016	2017	2018	2019	2020	2021
May	\$15.60	\$5.32	\$5.57	\$5.30	\$6.25	\$5.21	\$13.72	\$20.08	\$10.08
June	\$5.57	\$9.24	\$9.74	\$10.84	\$9.68	\$10.04	\$6.34	\$6.27	
July	\$8.65	\$17.06	\$15.11	\$17.93	\$13.64	\$20.33	\$8.57	\$9.38	
August	\$12.57	\$5.80	\$5.63	\$7.44	\$6.52	\$9.17	\$6.29	\$6.72	
September	\$6.61	\$8.88	\$9.32	\$16.60	\$9.31	\$9.55	\$6.14	\$5.95	
October	\$8.48	\$5.52	\$10.75	\$0.00	\$5.42	\$7.87	\$9.54	\$10.62	
November	\$5.32	\$5.38	\$0.00	\$5.81	\$5.92	\$5.92	\$6.87	\$6.93	
December	\$5.28	\$9.39	\$9.48	\$10.20	\$8.75	\$5.21	\$5.69	\$6.55	
January	\$8.31	\$11.18	\$11.20	\$6.73	\$5.87	\$7.60	\$8.30	\$9.15	
February	\$6.28	\$0.00	\$0.00	\$5.26	\$5.32	\$11.00	\$9.98	\$9.43	
March	\$5.18	\$9.19	\$8.15	\$9.87	\$8.60	\$5.53	\$6.01	\$7.01	
April	\$17.52	\$9.75	\$12.15	\$10.80	\$9.94	\$8.49	\$9.65	\$10.30	
Total	\$105.37	\$96.71	\$97.10	\$106.78	\$95.22	*\$90.7/\$105.9	\$97.10	\$108.39	\$97.30

*Per capita was \$90.7 for municipalities using accrual accounting and \$105.9 for those with cash basis.

- September receipts relate to July. Chart depicts four (4) FY months.
- Extended payment due dates will impact ability to monitor.
- FY21 Budget assumed State remits 90% of collections.

Source: Illinois Municipal League (IML)
 “Because Illinois fully taxes unemployment benefits, the current high unemployment rate will not significantly affect LGDF until the supplement expires in July 2020.”

**COMMISSION ON GOVERNMENT
FORECASTING AND ACCOUNTABILITY
SEPTEMBER 2020 BRIEFING
STATE BUDGET JULY 1 – JUNE 30**

SEPTEMBER

FY 2021 vs. FY 2020

(\$ million)

<u>Revenue Sources</u>	<u>Sept. FY 2021</u>	<u>Sept. FY 2020</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
<i>State Taxes</i>				
Personal Income Tax	\$1,961	\$2,020	(\$59)	-2.9%
Corporate Income Tax (regular)	595	562	\$33	5.9%
Sales Taxes	764	731	\$33	4.5%

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2021 vs. FY 2020

(\$ million)

<u>Revenue Sources</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
<i>State Taxes</i>				
Personal Income Tax	\$6,397	\$4,997	\$1,400	28.0%
Corporate Income Tax (regular)	1,086	708	\$378	53.4%
Sales Taxes	2,295	2,291	\$4	0.2%

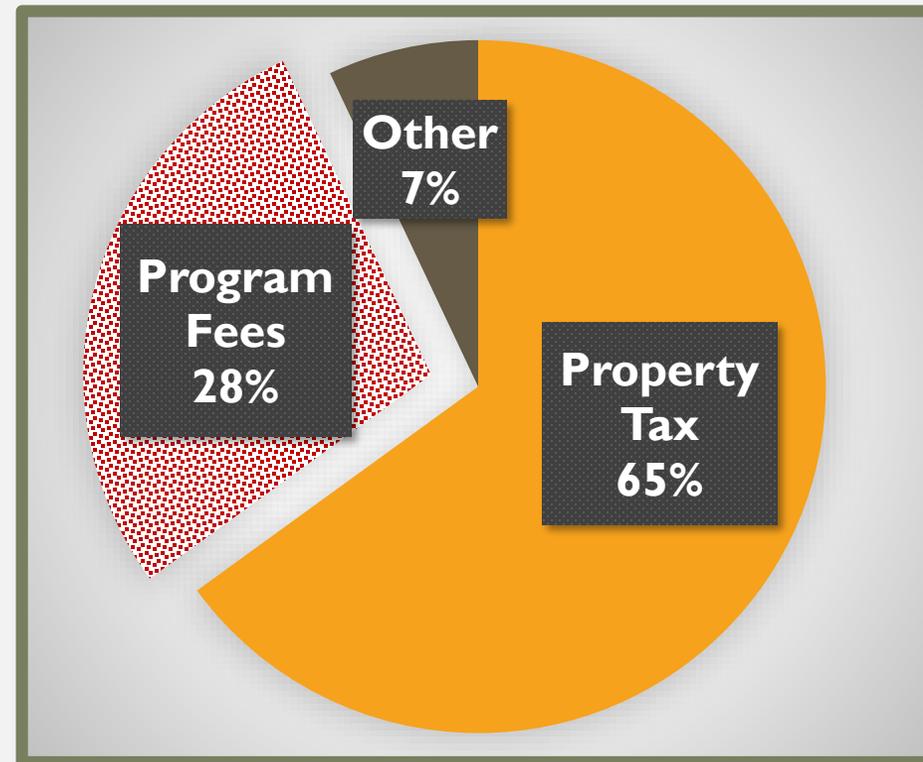
Year To Date

Despite the pandemic and related economic uncertainty it has caused, through the first quarter of FY 2021, base receipts are up \$839 million. The growth reflects the surge in July income tax receipts related to the filing deadline extension. Through September, combined net income tax receipts are up by \$1.509 billion. While net sales taxes are up only \$10 million, that scant gain serves to demonstrate the consumer's recovery efforts from COVID driven economic disruptions.

PARKS AND RECREATION FUND

PARKS AND RECREATION FUND FY21 BUDGET ASSUMPTIONS

- Property Tax Revenue
 - No impact in FY21
- Recreation Programs – Spring and Summer
 - Spring Programs Cancelled (FY20)
 - Summer Programs Limited (FY21)



PARKS AND RECREATION FUND ACTIVITY THROUGH 9/30/20



PARKS AND RECREATION FUND FINANCIALS AS OF SEPTEMBER 30, 2020

	PARKS AND FORESTRY			RECREATION PROGRAMS			FUND TOTAL		
	PY YTD ACTL	BUDGET	YTD ACTUAL	PY YTD ACTL	BUDGET	YTD ACTUAL	PY YTD ACTL	BUDGET	YTD ACTUAL
REVENUE	5,275,220	5,938,450	4,201,954	1,462,510	2,393,476	784,271	6,737,730	8,331,926	4,986,225
EXPENSE	(1,611,187)	(4,065,931)	(1,578,885)	(2,125,363)	(5,341,480)	(1,783,194)	(3,736,550)	(9,407,411)	(3,362,079)
NET	3,664,033	1,872,519	2,623,069	(662,853)	(2,948,004)	(998,923)	3,001,180	(1,075,485)	1,624,146

DEERPATH GOLF COURSE FUND

DEERPATH GOLF COURSE FUND FY21 BUDGET ASSUMPTIONS

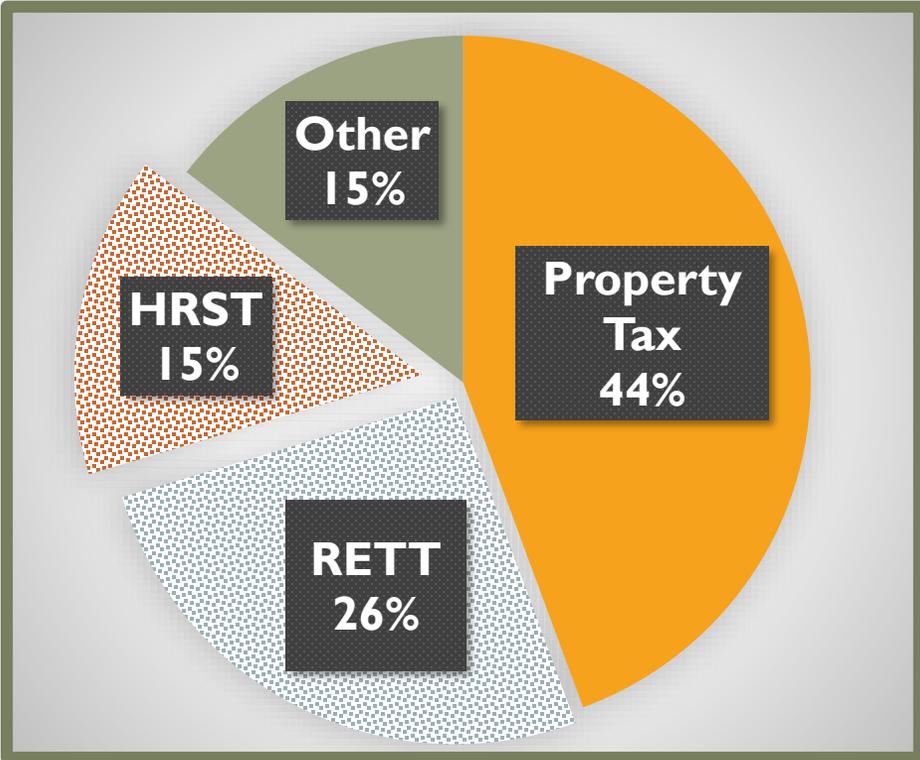


- FY21 Budget
 - Course opens June 1
- FY21 Actual
 - Course opened 5/1 under restrictions

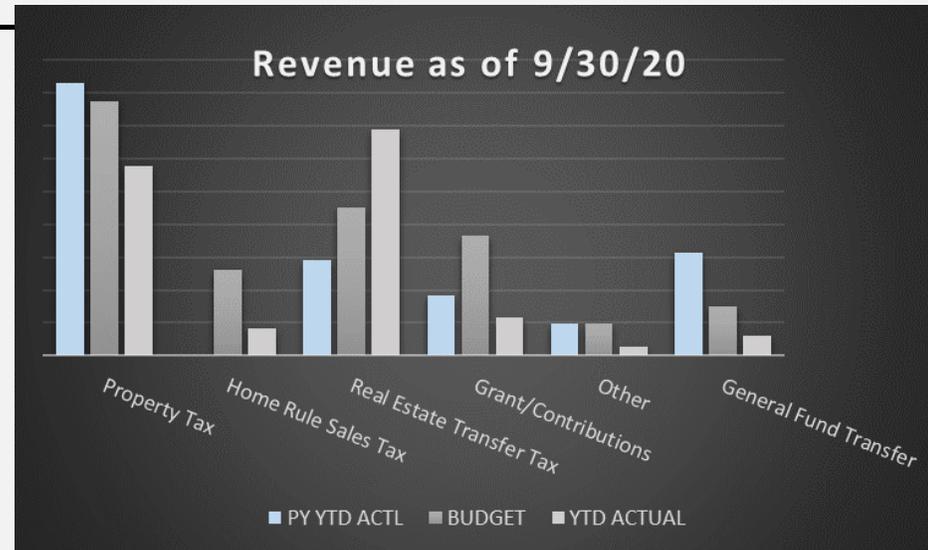
DEERPATH GOLF COURSE FUND FINANCIALS AS OF AUGUST 31, 2020			
Will be on one month lag			
	PY YTD ACTL	BUDGET	YTD ACTUAL
REVENUE	1,055,602	1,521,690	1,131,111
EXPENSE	(832,639)	(2,100,668)	(938,087)
NET	222,963	(578,978)	193,024

CAPITAL IMPROVEMENTS FUND

CAPITAL IMPROVEMENTS FUND FY21 REVENUES

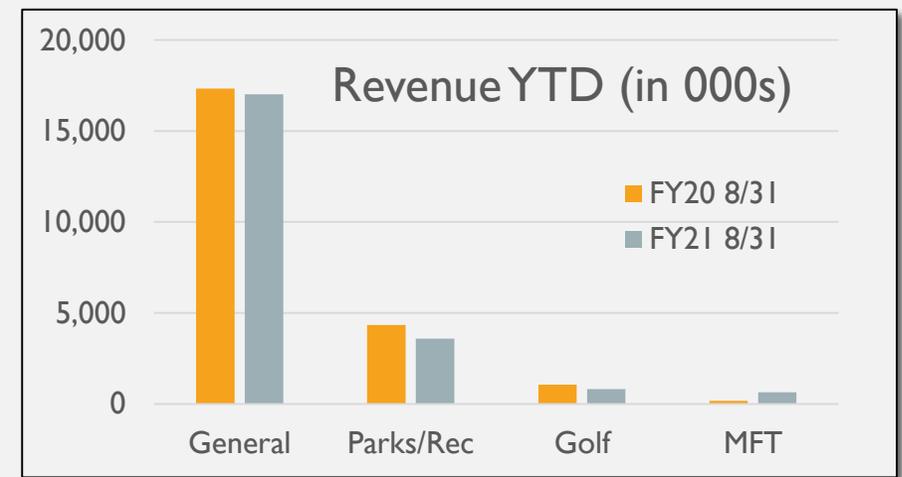


	PY BUDGET	PY YTD ACTL	BUDGET	YTD ACTUAL	
Property Tax	1,739,989	1,662,427	1,547,764	1,151,392	<i>Deferral</i>
Home Rule Sales Tax	500,000	0	520,000	166,701	<i>Effective 7/1/19</i>
Real Estate Transfer Tax	1,471,331	582,665	900,000	1,376,210	<i>One Time - \$215k</i>
Grant/Contributions	92,336	369,086	733,577	235,138	
Other	263,346	193,915	197,210	52,411	
General Fund Transfer	1,500,000	625,000	300,000	125,000	
TOTAL	5,567,002	3,433,093	4,198,551	3,106,852	



CITY-WIDE SUMMARY

CITY-WIDE SUMMARY KEY REVENUE INDICATORS



	Prior Year Actual	FY21 Budget	FY21 Actual	FY21 Variance YTD
Municipal Sales Tax as of 9/30	\$351,139	175,569	272,048	96,479
Income Tax as of 9/30	529,488	219,628	724,666	505,038
Home Rule Sales Tax as of 9/30*	113,844	141,370	145,277	3,907
Recreation Program Fees at 9/30	1,462,510	1,243,134	766,332	(476,802)
Deerpath Golf Course at 8/31	1,055,602	702,577	1,131,111	428,534
Real Estate Transfer Tax at 9/30	582,665	447,020	1,376,210	929,190
Lake County CRF estimate			568,778	568,778
Motor Fuel Tax Allocation**	227,231	279,704	273,904	(5,800)

* Prior year data is not comparable, due to increase in HRST rate effective 7-1-19

** Excludes Rebuild Illinois Grant funds received to date \$425,630

LOCAL BUSINESS GRANT PROGRAM

LOCAL BUSINESS GRANT PROGRAM



**CITY OF LAKE FOREST
2020 LOCAL BUSINESS GRANT PROGRAM
APPLICATION FORM**

Please review the Program Overview to ensure eligibility prior to submitting an application. Submit application to:
City of Lake Forest Finance Department
800 N. Field Drive, Lake Forest, Illinois 60045

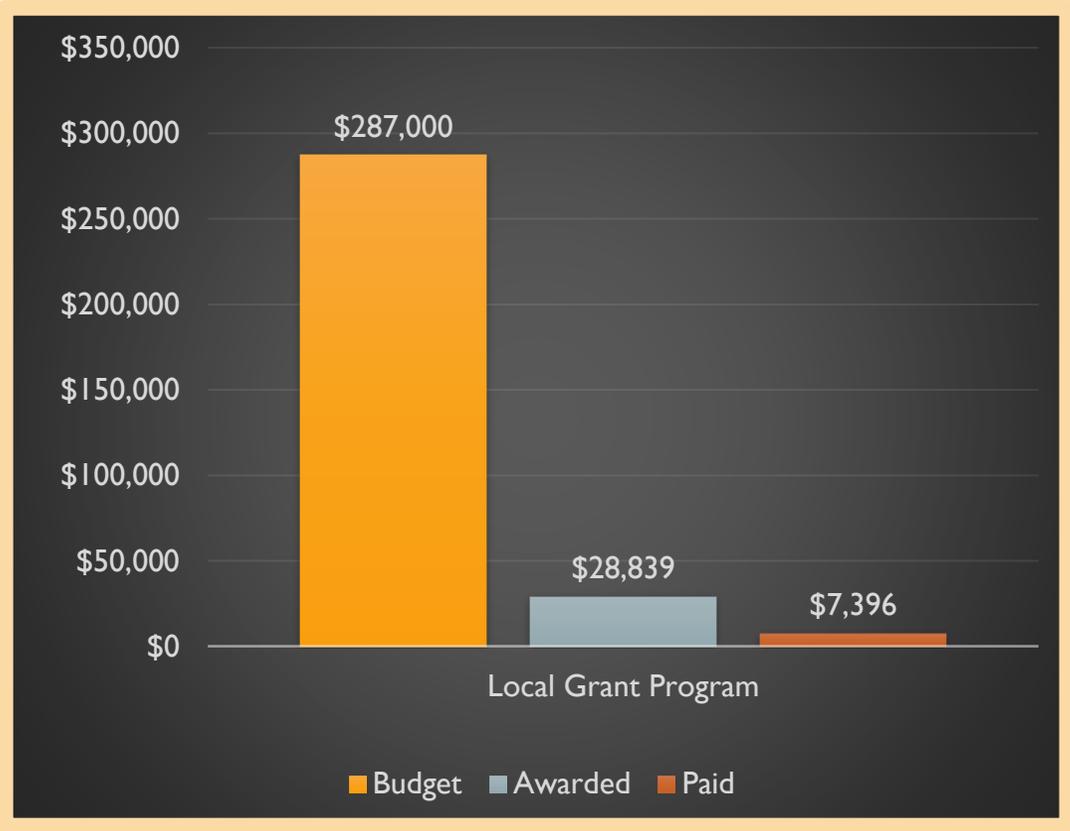
BUSINESS INFORMATION:	
Legal Name of Business:	
Doing Business As (DBA):	
Lake Forest Location Address:	
Business Address:	
Contact Information:	Name: _____
	Phone: _____
	Email: _____
Date Lake Forest Location Opened:	Was location operating on 3/21/20? Y/N
Total Number of Business Locations:	<small>If business operates five (5) or more locations, it is not eligible for the Grant Program. See below if franchisee.</small>
Is business part of a franchise?	Y/N
If yes, total number of locations the Lake Forest franchisee operates:	<small>If Lake Forest franchisee operates five (5) or more locations, it is not eligible for the Grant Program.</small>

APPLICATION SUBMITTAL: Applicants for the Grant Program must submit the following	
<input checked="" type="checkbox"/>	City of Lake Forest 2020 Local Business Grant Program Application Form
<input checked="" type="checkbox"/>	W-9 Federal Tax Form (grants are subject to 1099-G reporting)
<input checked="" type="checkbox"/>	Copies of ST-1 or ST-2 Forms filed with the Illinois Department of Revenue for all months the business operated in Lake Forest for the Calendar Year 2019. ST-1 or ST-2 forms must designate taxable sales as reported to the Lake Forest Location Code to be eligible for grant funding.

ACKNOWLEDGEMENT AND SIGNATURE:
As the owner of this business, I hereby affirm that I have reviewed and understand the City of Lake Forest 2020 Local Business Grant Program rules. I affirm that I have the authority to file this application and that to the best of my knowledge and belief, the information stated in this application and in all supporting documentation is true and accurate. I authorize City representatives to make all reasonable investigation of the business' financial and proprietary information in review of this application and in making subsequent grant payments, if approved.

Printed Name:	Date:
Signature:	

City of Lake Forest 2020 Local Business Grant Program Application



- 17 applications received to date
- Grants range from \$30-\$6,610

COVID 19 COSTS AND RECOVERY

COVID 19 COSTS AND RECOVERY

EXPENSE RECOVERY AND REVENUE REPLACEMENT

SOURCE	+/-	TYPE	STATUS
COVID 19 Expenses	-	PPE, Cleaning, Mitigation required	Accumulating data from departments
FEMA/IEMA	+	Expense Recovery	Application filed; tracking eligible expenses
FFCRA/EPSL	-	Mandated Employee Benefits	Private sector tax credits, but not government
CARES – HHS (EMS)	n/a	Expense Recovery	City declined due to restrictions
CARES – DOJ	+	Expense Recovery	Review for eligibility
CARES – CRF	+	CARES FAQ; Lake County Guidelines	Lake County received \$121.5m – \$20m to local govts \$631,260 CLF – RECEIVED 10/5/20 Library IGA approved 9/8 – submittal in progress
IRMA Grant	+	Up to \$2,500/IRMA Member for PPE	Received 7/10/20
Rebuild Illinois	+	Fast Track Grant Program	City submitted application (Rosemary Ravine) but was not awarded funding.
Additional Stimulus?	+	HEROES (H); HEALS (S)	NOT APPROVED

QUESTIONS