City of Golden

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Council Memorandum

To: City Council

From: Jeff Hansen, Finance Director

Through: Jason Slowinski, City Manager

Date: February 5, 2019

Re: 2018 Year End Sales Tax Report

Attached are the final 2018 sales and use tax reports, including December sales (collected in January). Sales tax collections were up 0.8% (+$14,624) for the month compared to 2017. For the year, sales tax revenues were up 3.7% over 2017, but down 0.3% compared to the 2018 budget. In dollars, 2018 revenues exceeded 2017 by $581,966 and was under the 2018 Budget by $49,875.

Overall, sales tax from businesses within the City limits (including Utilities) was up $297,838 compared to 2017. In terms of dollars, the largest revenue increases for the year were from Heritage/Gateway Village, Downtown, Corporate Center, and Golden Road. The Coors Tech Center and North Golden had slight decreases. General Merchandise, Manufacturing, Grocery, and Restaurants showed the largest increases in 2018. Utilities was the only business type with a decrease for the year. Sales from businesses outside the City limits ended the year up $284,128 (+7.35%).

Use tax collections were down $20,330 (-5.0%) for December, and finished the year down $65,441 (-1.9%). Compared to the 2018 Budget, use tax revenues were up $104,678 (+3.2%). For 2018, Manufacturing had the biggest increase. Automotive and Business Services had the largest decreases.

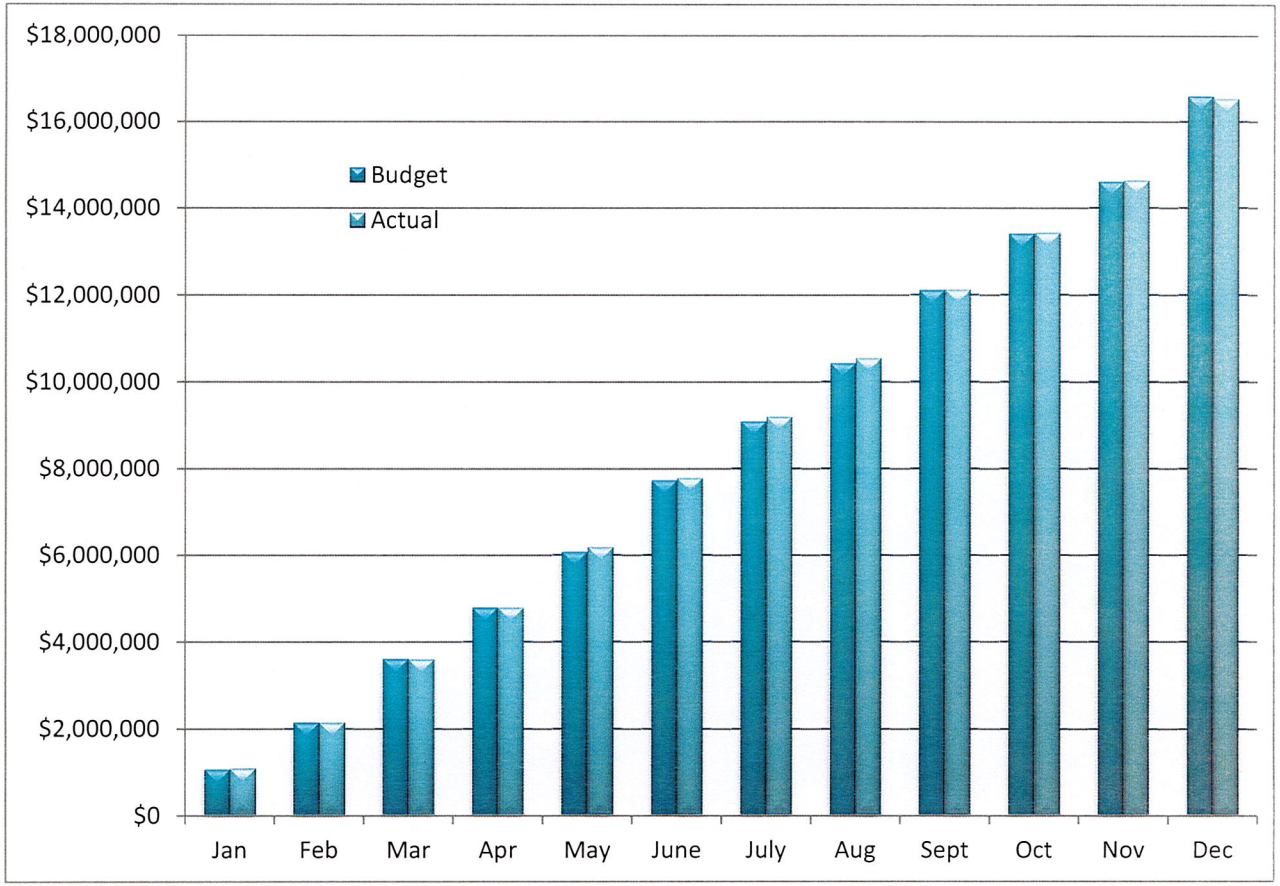
Total audit revenue collected in 2018 was $431,860, down $193,193 compared to 2017. An additional $100,905 was collected in building permit and plan check fees from the audits of construction projects. The City is currently in litigation regarding the audits of two major taxpayers, and has several other audits in progress. $312,934 was issued in refunds for the year. These amounts are shown separately on the attached collection reports.

For 2019, sales tax revenue is budgeted at $17,413,650, which is an increase of $888,525 (+5.38%) over the 2018 actual revenue. (The 2019 Budget was an increase of 3.0% over the 2018 Projection at that time.) Use Tax is budgeted at $3,399,000, an increase of $49,822 (+1.49%) from 2018 collections. The 2019 sales tax budget probably unrealistic compared to 2018 final revenues, while the use tax budget looks to be achievable. Based on the business activity in 2018, with the slowing of increases during the last half of the year, and considering a full year of revenues from the Origins Hotel and Duluth Trading Company, realistic expectations are that sales tax could increase 2-2.5% in 2019.

As always, if you have any questions, please call me at 303-384-8020.

CITY OF GOLDEN
Budget to Actual Comparison
(adjusted for seasonality)
2018 Sales Tax Revenue

Month	YTD Budget	YTD Actual
Jan	$1,065,950	$1,093,179
Feb	2,140,082	2,145,142
Mar	3,604,295	3,595,117
Apr	4,792,688	4,790,732
May	6,065,173	6,176,170
June	7,717,220	7,777,155
July	9,084,882	9,196,719
Aug	10,432,118	10,546,807
Sept	12,109,657	12,120,029
Oct	13,402,638	13,431,332
Nov	14,604,245	14,635,926
Dec	16,575,000	16,525,125



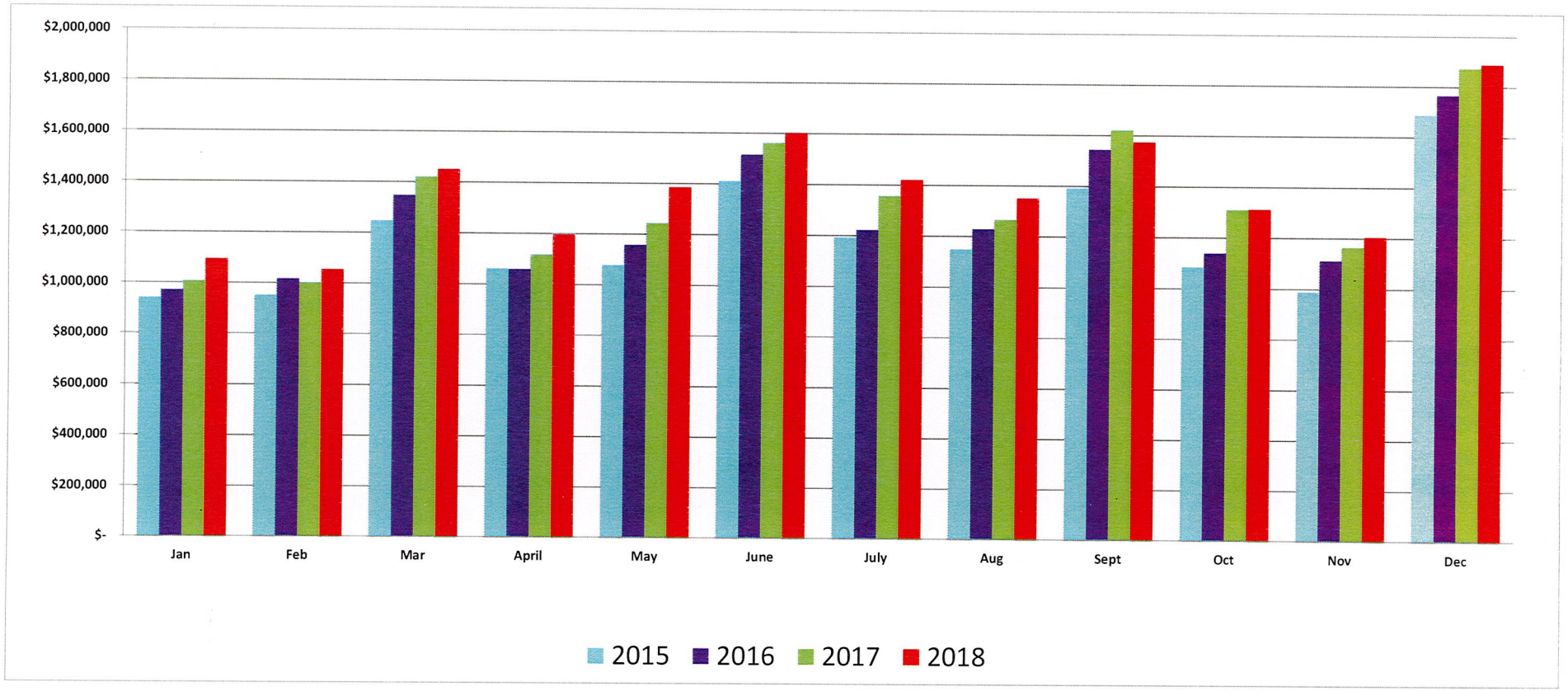
City of Golden
Sales Tax Trends
YTD December (January)
2015-2018

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2018	$ 1,093,179	$ 1,051,962	$ 1,449,975	$ 1,195,615	$ 1,385,438	$ 1,600,985	$ 1,419,564	$ 1,350,087	$ 1,573,223	$ 1,311,303	$ 1,204,594	$ 1,889,199	$ 16,525,125	0.8%
2017	$ 1,006,334	$ 1,001,710	$ 1,419,831	$ 1,115,633	$ 1,244,080	$ 1,562,078	$ 1,357,048	$ 1,265,695	$ 1,622,168	$ 1,310,702	$ 1,163,305	$ 1,874,575	$ 15,943,159	6.2%
2016	$ 970,666	$ 1,015,827	$ 1,347,205	$ 1,057,664	$ 1,156,045	$ 1,514,344	$ 1,221,645	$ 1,227,728	$ 1,543,227	$ 1,137,294	$ 1,109,698	$ 1,765,585	$ 15,066,928	4.5%
2015	$ 940,868	$ 951,043	$ 1,247,072	$ 1,059,530	$ 1,075,165	$ 1,410,884	$ 1,192,205	$ 1,147,227	$ 1,391,863	$ 1,082,678	$ 987,857	$ 1,688,949	$ 14,175,341	4.5%

MTD Sales Tax Audit Revenue	$0
Less: MTD Sales Tax Refunds	$0
Net Sales Tax Revenue	$0

MTD Audit Permit Fees	$0
MTD Audit Plan Check Fees	$0
Net Fees Collected	$0

* Percentage Change is for current month only (highlighted)



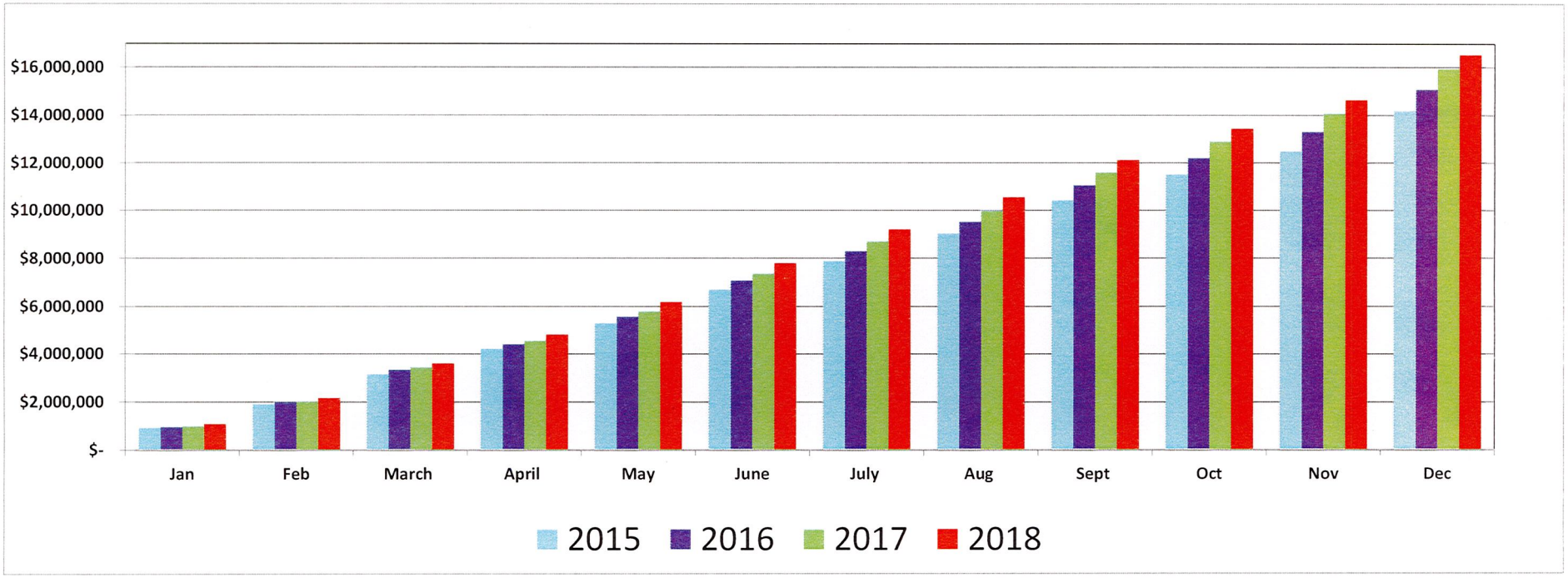
Amounts reported are net of revenues earmarked for community marketing.

City of Golden
Sales Tax Trends
YTD December (January)
2015-2018

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2018	$ 1,093,179	$ 2,145,142	$ 3,595,117	$ 4,790,732	$ 6,176,170	$ 7,777,155	$ 9,196,719	$ 10,546,807	$ 12,120,029	$ 13,431,332	$ 14,635,926	$ 16,525,125	$ 16,525,125	3.7%
2017	$ 1,006,334	$ 2,008,044	$ 3,427,875	$ 4,543,508	$ 5,787,588	$ 7,349,666	$ 8,706,714	$ 9,972,409	$ 11,594,577	$ 12,905,279	$ 14,068,587	$ 15,943,159	$ 15,943,159	5.8%
2016	$ 970,666	$ 1,986,493	$ 3,333,698	$ 4,391,362	$ 5,547,407	$ 7,061,751	$ 8,283,396	$ 9,511,124	$ 11,054,351	$ 12,191,645	$ 13,301,343	$ 15,066,928	$ 15,066,928	6.3%
2015	$ 940,868	$ 1,891,911	$ 3,138,983	$ 4,198,513	$ 5,273,678	$ 6,684,562	$ 7,876,767	$ 9,023,994	$ 10,415,857	$ 11,498,535	$ 12,486,392	$ 14,175,341	$ 14,175,341	7.2%

YTD Sales Tax Audit Revenue	$168,342	YTD Audit Permit Fees	$ 61,471
Less: YTD Sales Tax Refunds	($208,310)	YTD Audit Plan Check Fees	$ 39,434
Other Sales Tax Revenue	($39,968)	Net Fees Collected	$ 100,905

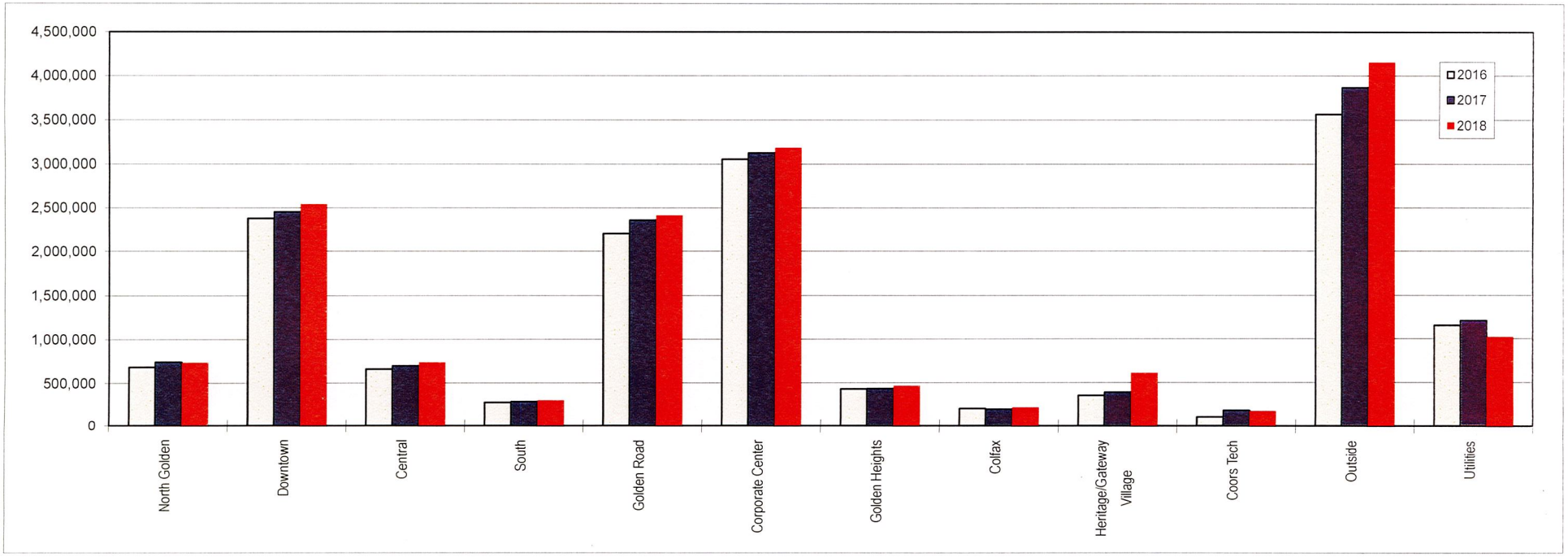
* Percentage Change - YTD percentage change



Amounts reported are net of revenues earmarked for community marketing.

City of Golden
Sales Tax Revenue By Location
YTD December (January)
2016/2017/2018

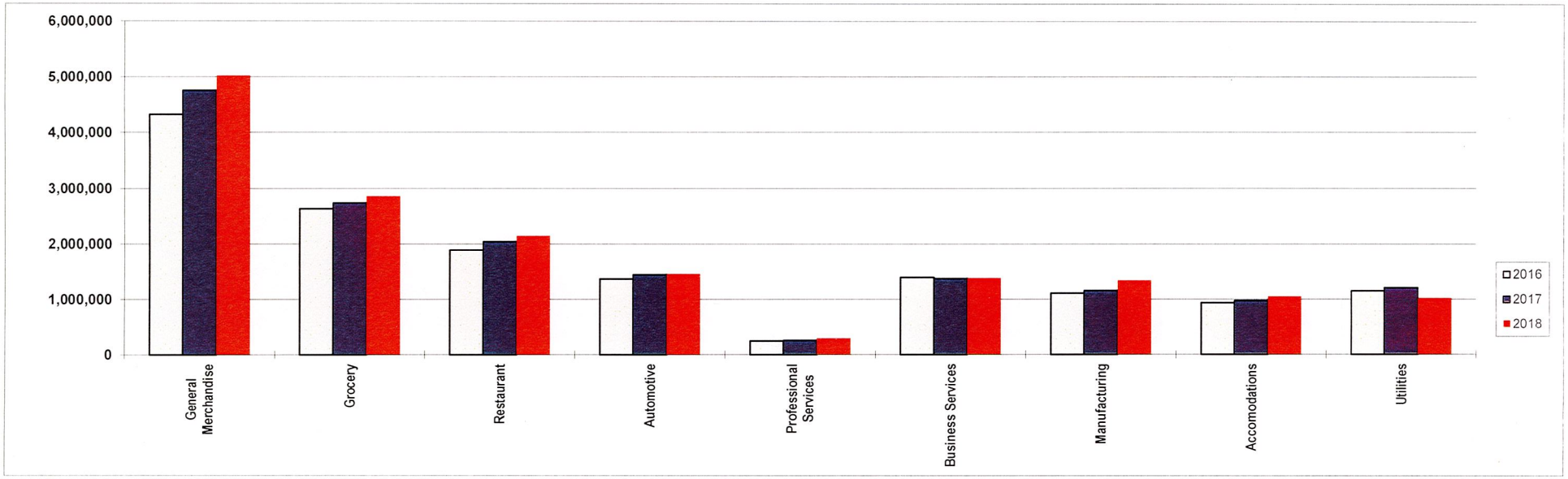
Area	2016 Sales Tax	% of total Sales Tax	2016-2015 % Change	2017 Sales Tax	% of total Sales Tax	2017-2016 % Change	2018 Sales Tax	% of total Sales Tax	2018-2017 % Change
North Golden	$ 683,132	4.53%	5.20%	$ 740,899	4.65%	8.46%	$ 731,480	4.43%	-1.27%
Downtown	$ 2,377,570	15.78%	2.56%	$ 2,455,504	15.40%	3.28%	$ 2,540,353	15.37%	3.46%
Central	$ 659,168	4.37%	14.62%	$ 694,309	4.35%	5.33%	$ 733,574	4.44%	5.66%
South	$ 280,154	1.86%	16.59%	$ 288,307	1.81%	2.91%	$ 300,292	1.82%	4.16%
Golden Road	$ 2,205,456	14.64%	4.74%	$ 2,358,767	14.79%	6.95%	$ 2,413,068	14.60%	2.30%
Corporate Center	$ 3,050,826	20.25%	3.19%	$ 3,123,029	19.59%	2.37%	$ 3,178,845	19.24%	1.79%
Golden Heights	$ 430,784	2.86%	2.04%	$ 435,750	2.73%	1.15%	$ 461,610	2.79%	5.93%
Colfax	$ 204,648	1.36%	3.17%	$ 197,565	1.24%	-3.46%	$ 216,182	1.31%	9.42%
Heritage /Gateway Village	$ 356,634	2.37%	15.43%	$ 391,213	2.45%	9.70%	$ 609,946	3.69%	55.91%
Coors Technology	$ 101,590	0.67%	89.46%	$ 181,938	1.14%	79.09%	$ 170,347	1.03%	-6.37%
Outside	$ 3,563,372	23.65%	12.23%	$ 3,866,928	24.25%	8.52%	$ 4,151,056	25.12%	7.35%
Utilities	$ 1,153,595	7.66%	-1.59%	$ 1,208,948	7.58%	4.80%	$ 1,018,371	6.16%	-15.76%
Totals	**$ 15,066,928**	**100%**	**6.29%**	**$ 15,943,159**	**100.00%**	**5.82%**	**$ 16,525,125**	**100%**	**3.65%**



Amounts reported are net of revenues earmarked for community marketing

City of Golden
Sales Tax Revenue By Type
YTD December (January)
2016/2017/2018

Type	2016 Sales Tax	% of total Sales Tax	2016-2015 % Change	2017 Sales Tax	% of total Sales Tax	2017-2016 % Change	2018 Sales Tax	% of total Sales Tax	2018-2017 % Change
General Merchandise	$ 4,330,779	28.74%	4.43%	$ 4,751,995	29.81%	9.73%	$ 5,018,875	30.37%	5.62%
Grocery	$ 2,632,834	17.47%	3.92%	$ 2,738,975	17.18%	4.03%	$ 2,857,098	17.29%	4.31%
Restaurants	$ 1,891,948	12.56%	11.51%	$ 2,038,843	12.79%	7.76%	$ 2,136,086	12.93%	4.77%
Automotive	$ 1,368,795	9.08%	0.42%	$ 1,441,822	9.04%	5.34%	$ 1,452,751	8.79%	0.76%
Prof Services\Entertainment	$ 244,314	1.62%	16.75%	$ 257,774	1.62%	5.51%	$ 288,752	1.75%	12.02%
Bus ServicesSupp.	$ 1,396,706	9.27%	11.04%	$ 1,372,446	8.61%	-1.74%	$ 1,374,704	8.32%	0.16%
Manufacturing - Production	$ 1,108,942	7.36%	14.26%	$ 1,157,438	7.26%	4.37%	$ 1,333,256	8.07%	15.19%
Accommodations	$ 939,014	6.23%	13.83%	$ 974,916	6.11%	3.82%	$ 1,045,231	6.33%	7.21%
Utilities	$ 1,153,595	7.66%	-1.59%	$ 1,208,948	7.58%	4.80%	$ 1,018,371	6.16%	-15.76%
Totals	**$ 15,066,928**	**100.00%**	**6.29%**	**$ 15,943,159**	**100.00%**	**5.82%**	**$ 16,525,125**	**100.00%**	**3.65%**



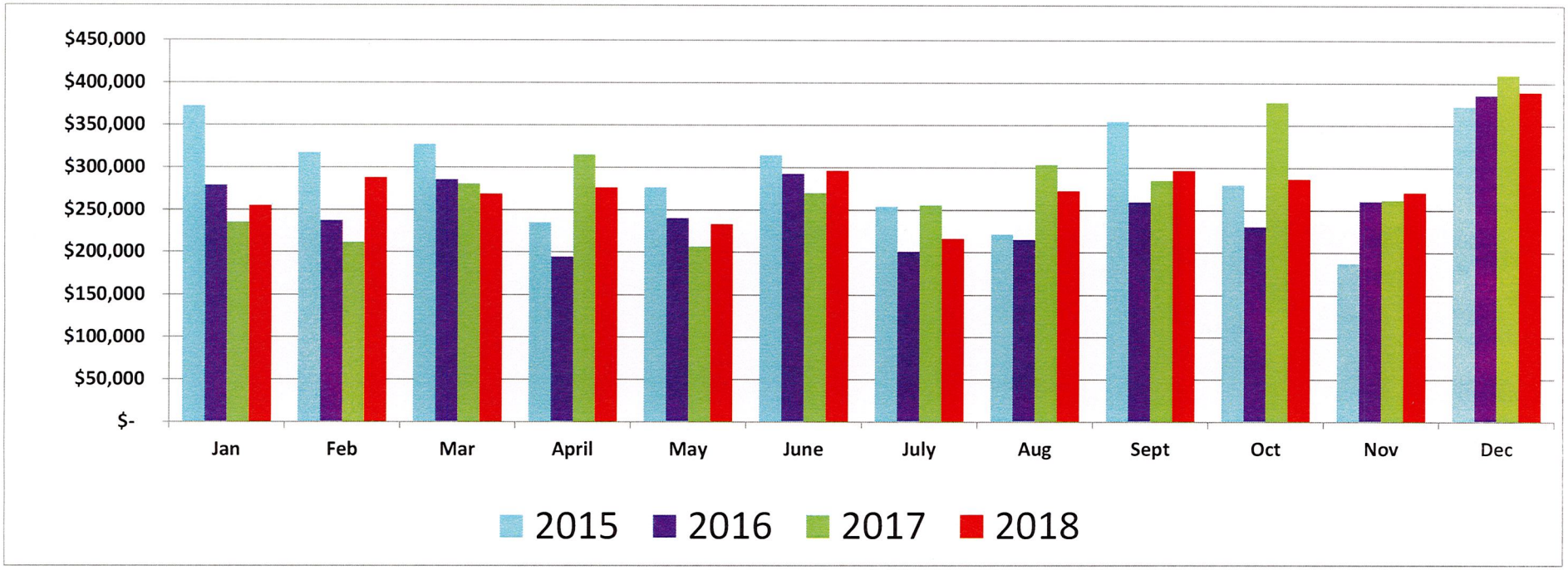
Amounts reported are net of revenues earmarked for community marketing.

City of Golden
Use Tax Trends
YTD December (January)
2015-2018

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2018	$ 255,325	$ 287,767	$ 268,990	$ 276,136	$ 232,993	$ 295,892	$ 216,051	$ 272,718	$ 296,358	$ 286,486	$ 271,303	$ 389,160	$ 3,349,178	-5.0%
2017	$ 235,196	$ 211,570	$ 280,802	$ 315,407	$ 206,861	$ 270,677	$ 256,138	$ 303,761	$ 285,295	$ 377,169	$ 262,253	$ 409,490	$ 3,414,619	6.1%
2016	$ 278,990	$ 237,225	$ 285,559	$ 194,318	$ 240,102	$ 292,505	$ 200,678	$ 215,156	$ 259,981	$ 230,883	$ 260,773	$ 385,860	$ 3,082,030	3.7%
2015	$ 372,306	$ 317,519	$ 327,607	$ 235,186	$ 276,860	$ 314,794	$ 254,336	$ 221,729	$ 354,706	$ 280,238	$ 187,729	$ 372,140	$ 3,470,150	-21.7%

MTD Use Tax Audit Revenue	$0	<<<< includes building use tax audit revenue
Less: MTD Use Tax Refunds	$0	
Other Use Tax Revenue	$0	

* Percentage Change is for current month only (highlighted)



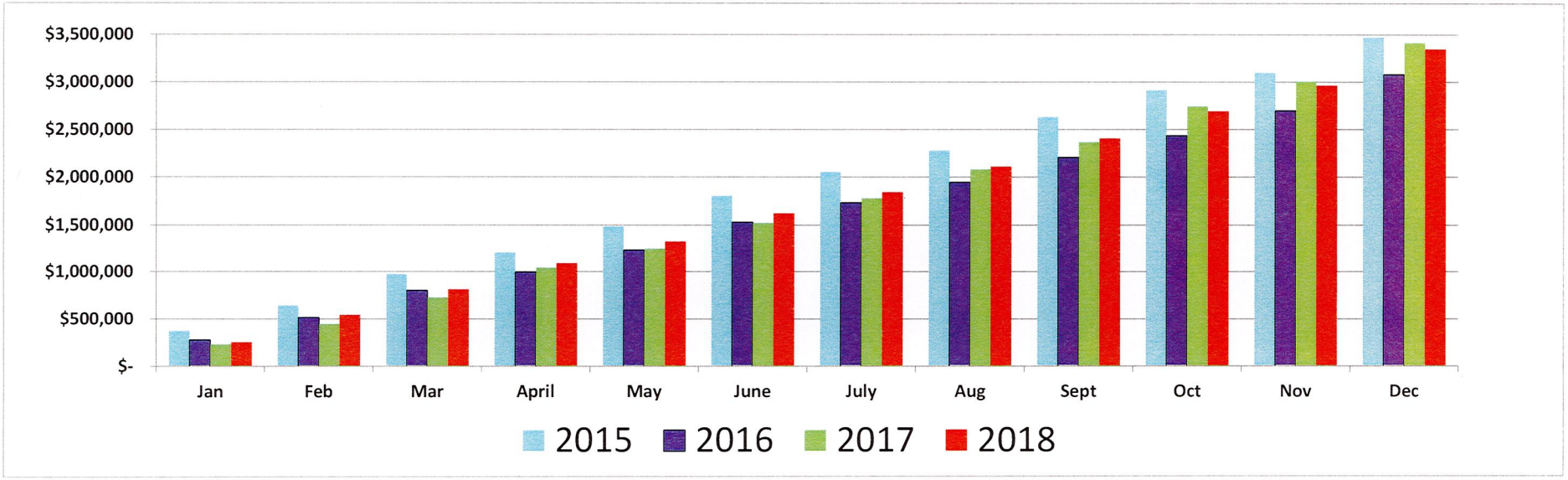
*Amounts reported on the cash basis

City of Golden
Use Tax Trends
YTD December (January)
2015-2018

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	YTD % Chng
2018	$ 255,325	$ 543,092	$ 812,082	$ 1,088,218	$ 1,321,210	$ 1,617,103	$ 1,833,153	$ 2,105,871	$ 2,402,229	$ 2,688,715	$ 2,960,018	$ 3,349,178	$ 3,349,178	-1.9%
2017	$ 235,196	$ 446,766	$ 727,568	$ 1,042,975	$ 1,249,836	$ 1,520,513	$ 1,776,651	$ 2,080,412	$ 2,365,707	$ 2,742,876	$ 3,005,129	$ 3,414,619	$ 3,414,619	10.8%
2016	$ 278,990	$ 516,215	$ 801,774	$ 996,092	$ 1,236,194	$ 1,528,699	$ 1,729,377	$ 1,944,533	$ 2,204,514	$ 2,435,397	$ 2,696,170	$ 3,082,030	$ 3,082,030	-11.2%
2015	$ 372,306	$ 644,825	$ 972,432	$ 1,207,618	$ 1,484,478	$ 1,799,272	$ 2,053,608	$ 2,275,337	$ 2,630,043	$ 2,910,281	$ 3,098,010	$ 3,470,150	$ 3,470,150	-10.8%

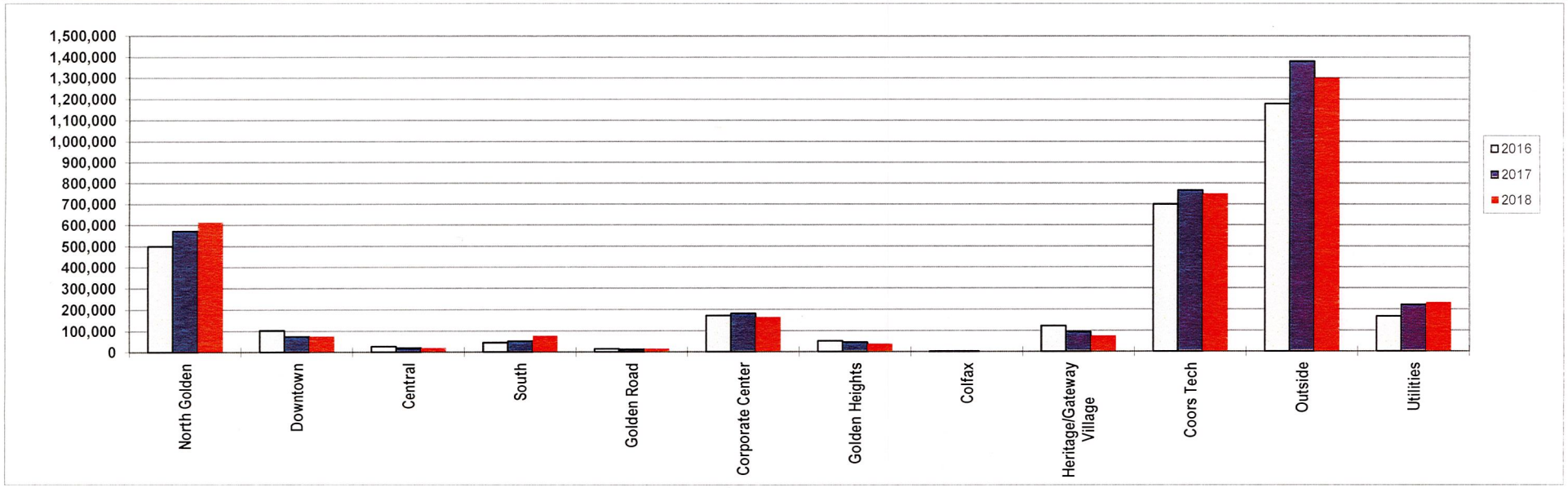
YTD Use Tax Audit Revenue	$ 263,518	<<<< includes building use tax audit revenue
Less: YTD Use Tax Refunds	($104,624)	
Other Use Tax Revenue	$ 158,894	

** Percentage Change is YTD %



City of Golden
Use Tax Revenue By Location
YTD December (January)
2016/2017/2018

Area	2016 Use Tax	% of total Use Tax	2016-2015 % Change	2017 Use Tax	% of total Use Tax	2017-2016 % Change	2018 Use Tax	% of total Use Tax	2018-2017 % Change
North Golden	$ 500,144	16.23%	-7.51%	$ 571,770	16.74%	14.32%	$ 613,575	17.97%	7.31%
Downtown	$ 102,679	3.33%	6.81%	$ 73,679	2.16%	-28.24%	$ 75,214	2.20%	2.08%
Central	$ 26,721	0.87%	42.44%	$ 18,582	0.54%	-30.46%	$ 19,336	0.57%	4.06%
South	$ 45,124	1.46%	-35.30%	$ 51,210	1.50%	13.49%	$ 76,049	2.23%	48.51%
Golden Road	$ 14,284	0.46%	-27.06%	$ 11,044	0.32%	-22.69%	$ 14,089	0.41%	27.57%
Corporate Center	$ 172,221	5.59%	8.91%	$ 181,775	5.32%	5.55%	$ 162,193	4.75%	-10.77%
Golden Heights	$ 51,351	1.67%	-6.96%	$ 44,687	1.31%	-12.98%	$ 36,027	1.06%	-19.38%
Colfax	$ 2,144	0.07%	-36.48%	$ 1,817	0.05%	-15.28%	$ 1,763	0.05%	-2.93%
Heritage/Gateway Village	$ 122,652	3.98%	30.75%	$ 93,574	2.74%	-23.71%	$ 74,013	2.17%	-20.90%
Coors Technology	$ 699,504	22.70%	-37.98%	$ 765,476	22.42%	9.43%	$ 747,911	21.90%	-2.29%
Outside	$ 1,178,743	38.25%	-3.61%	$ 1,379,730	40.41%	17.05%	$ 1,298,852	38.04%	-5.86%
Utilities	$ 166,462	5.40%	160.23%	$ 221,276	6.48%	32.93%	$ 230,156	6.74%	4.01%
Totals	**$ 3,082,030**	**100%**	**-11.18%**	**$ 3,414,619**	**100%**	**10.79%**	**$ 3,349,178**	**98%**	**-1.92%**



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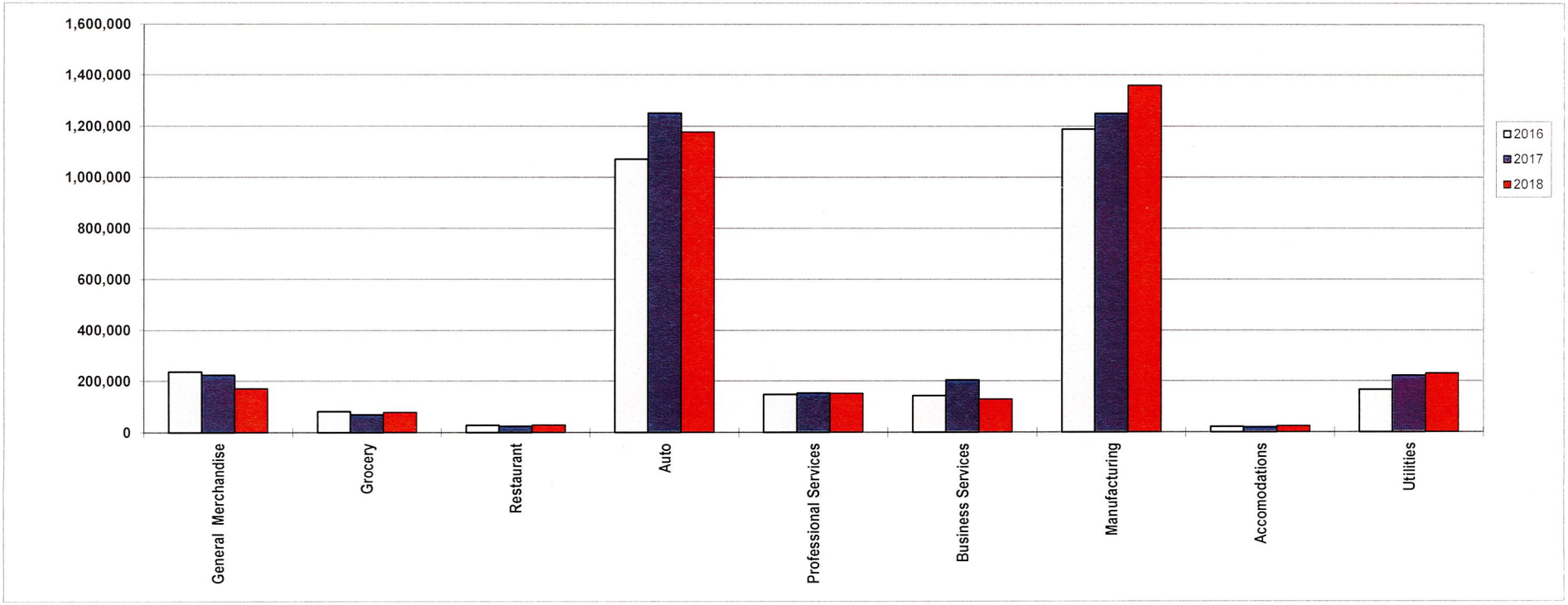
City of Golden
Use Tax Revenue By Type
YTD December (January)
2016/2017/2018

Type	2016 Use Tax	% of total Use Tax	2016-2015 % Change	2017 Use Tax	% of total Use Tax	2017-2016 % Change	2018 Use Tax	% of total Use Tax	2018-2017 % Change
General Merchandise	$ 236,383	7.67%	-23.03%	$ 222,970	6.53%	-5.67%	$ 170,139	5.08%	-23.69%
Grocery	$ 81,789	2.65%	7.96%	$ 69,006	2.02%	-15.63%	$ 78,763	2.35%	14.14%
Restaurants	$ 28,231	0.92%	7.37%	$ 24,940	0.73%	-11.66%	$ 29,607	0.88%	18.71%
Automotive	$ 1,070,071	34.72%	4.56%	$ 1,251,710	36.66%	16.97%	$ 1,177,247	35.15%	-5.95%
Prof Services\Entertainment	$ 146,858	4.76%	23.43%	$ 152,572	4.47%	3.89%	$ 151,445	4.52%	-0.74%
Bus Services	$ 141,946	4.61%	1.13%	$ 202,693	5.94%	42.80%	$ 128,343	3.83%	-36.68%
Manufacturing - Production	$ 1,188,720	38.57%	-29.74%	$ 1,250,068	36.61%	5.16%	$ 1,359,192	40.58%	8.73%
Accommodations	$ 21,570	0.70%	-3.44%	$ 19,384	0.57%	-10.13%	$ 24,287	0.73%	25.29%
Utilities	$ 166,462	5.40%	160.23%	$ 221,276	6.48%	32.93%	$ 230,156	6.87%	4.01%
Totals	**$ 3,082,030**	**100%**	**-11.18%**	**$ 3,414,619**	**100%**	**10.79%**	**$ 3,349,178**	**100%**	**-1.92%**



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