




Council Memorandum

To: City Council
From: Jeff Hansen, Finance Director 
Date: April 3, 2019
Re: Sales Tax Report

Attached are the sales and use tax reports for February sales (collected in March). Sales tax collections were up \$42,121 (+4.0%) for the month. The increase is from several businesses, both inside the City and businesses outside the City limits. Revenues from Duluth Trading Company and Origins Hotel, neither of which were open at this time last year, also contributed to the increase. Overall, revenue is up \$70,669 (+3.3%) year-to-date compared to 2018. However, when adjusted for seasonality, sales tax revenues are down slightly (-2.2%) compared to the 2019 Budget.

Overall, sales tax from businesses within the City limits (including Utilities) is up \$43,889 compared to 2018. In terms of dollars, revenues have increased the most from Heritage/Gateway Village and Corporate Center. Golden Road and Golden Heights have the largest decreases compared to last year. By business type, Utilities and Manufacturing show the largest increases. Grocery and General Merchandise have the largest decreases. Sales tax from businesses outside the City limits, which includes on-line retailers and big ticket items that are delivered into the City, is up \$26,780 (+5.95%) for the year.

Use tax collections were down \$4,435 (-1.5%) for February, but up significantly compared to 2017 and 2016. For the year, use tax is up \$64,679 (+11.9%) compared to 2018. Utilities and Manufacturing have the largest increases so far this year, with Automotive showing the largest decrease. As has been mentioned in prior reports, use tax can be very sporadic in nature, making trend analysis more difficult. Use tax is generally a sign of businesses reinvesting and upgrading their assets, and can also be a result of the opening of new businesses.

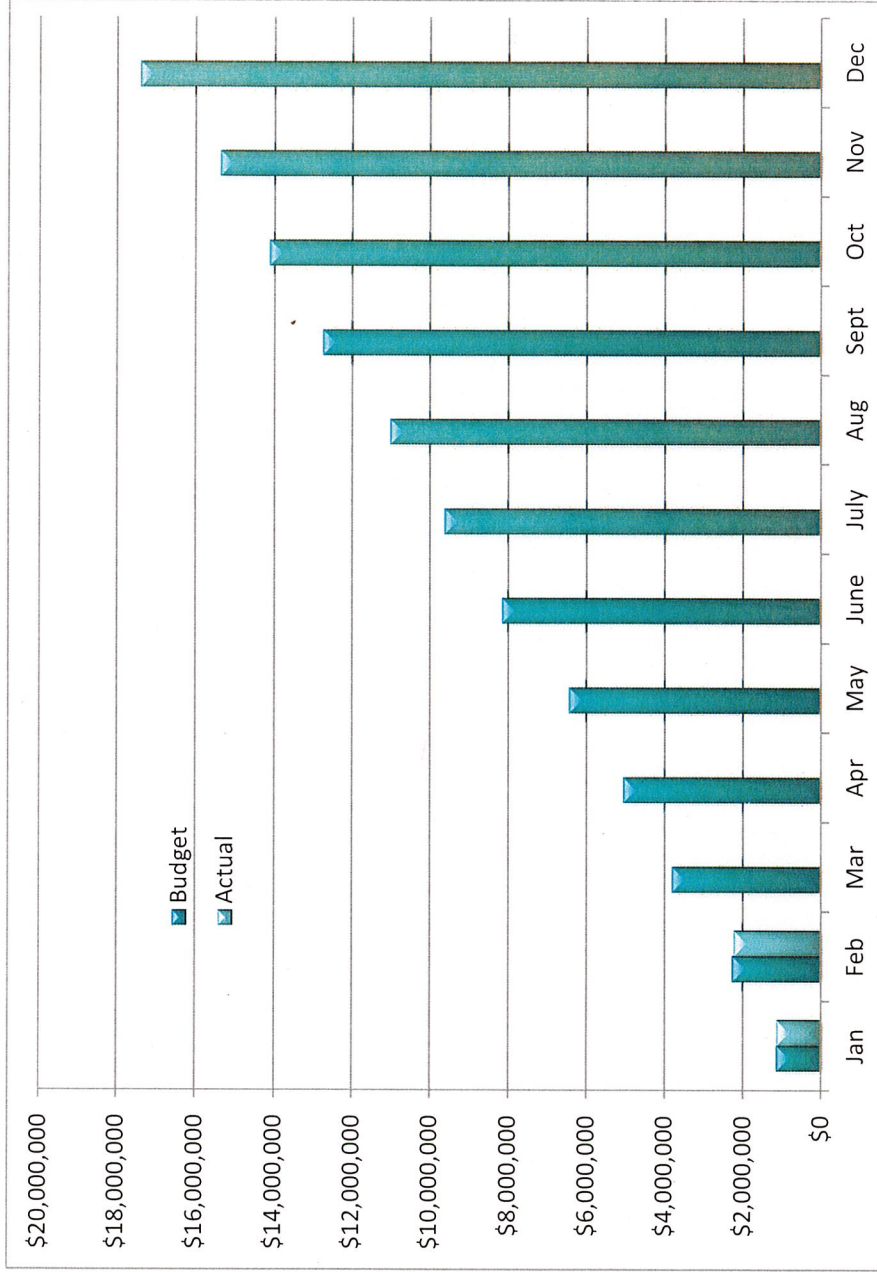
In the area of audit revenue, \$10,726 was collected in March. Including building use tax audits, the total audit revenue collected for 2019 is \$33,378, with an additional \$6,730 collected in building permit and plan check fees. Also, the City continues to have audits in progress and additional audit revenue has been assessed, with collection anticipated over the next few months. \$3,979 have been issued in refunds for the year. These amounts are shown separately on the attached collection reports.

February sales tax revenues provide a bit of guarded optimism. Revenue from businesses outside the City limits appears to be more variable and somewhat volatile. The local economy has definitely slowed, but remains strong. Additional revenues coming in from the Duluth Trading Company, Origin hotel and other businesses at Gateway Village have helped keep the local revenues in good shape. Time will tell if the revenues can catch up to the 2019 Budget.

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

CITY OF GOLDEN
Budget to Actual Comparison
(adjusted for seasonality)
2019 Sales Tax Revenue

<u>Month</u>	<u>YTD Budget</u>	<u>YTD Actual</u>
Jan	\$1,131,848	\$1,121,727
Feb	2,266,376	2,215,811
Mar	3,808,245	
Apr	5,057,875	
May	6,429,488	
June	8,147,499	
July	9,612,157	
Aug	11,020,457	
Sept	12,750,372	
Oct	14,116,695	
Nov	15,376,768	
Dec	17,413,650	

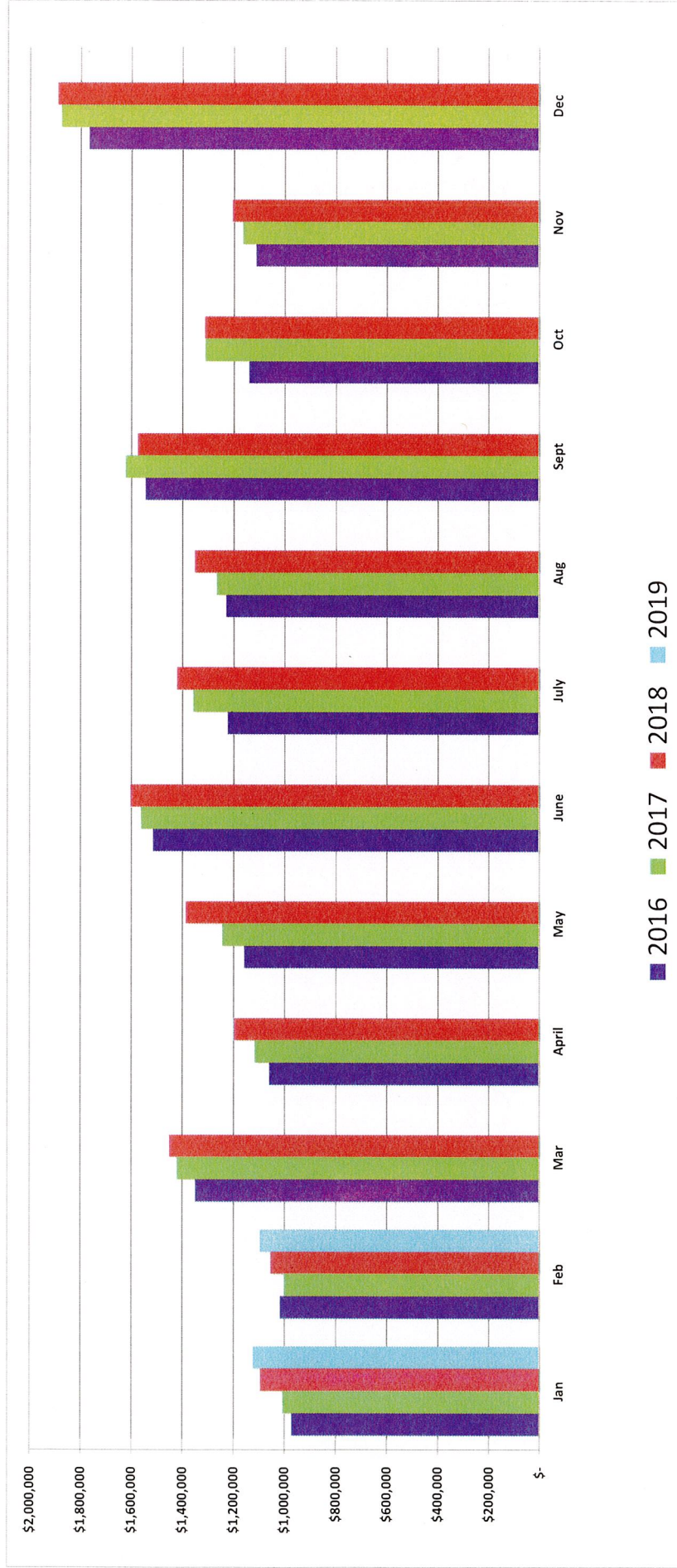


City of Golden
Sales Tax Trends
February (March)
2016-2019

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2019	\$ 1,121,727	\$ 1,094,083											\$ 2,215,811	4.0%
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	5.0%
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	-1.4%
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	6.8%

MTD Sales Tax Audit Revenue	\$ 7,221	MTD Audit Permit Fees	\$ 1,488
Less: MTD Sales Tax Refunds	\$ (5)	MTD Audit Plan Check Fees	\$ 642
Net Sales Tax Revenue	\$ 7,217	Net Fees Collected	\$ 2,130

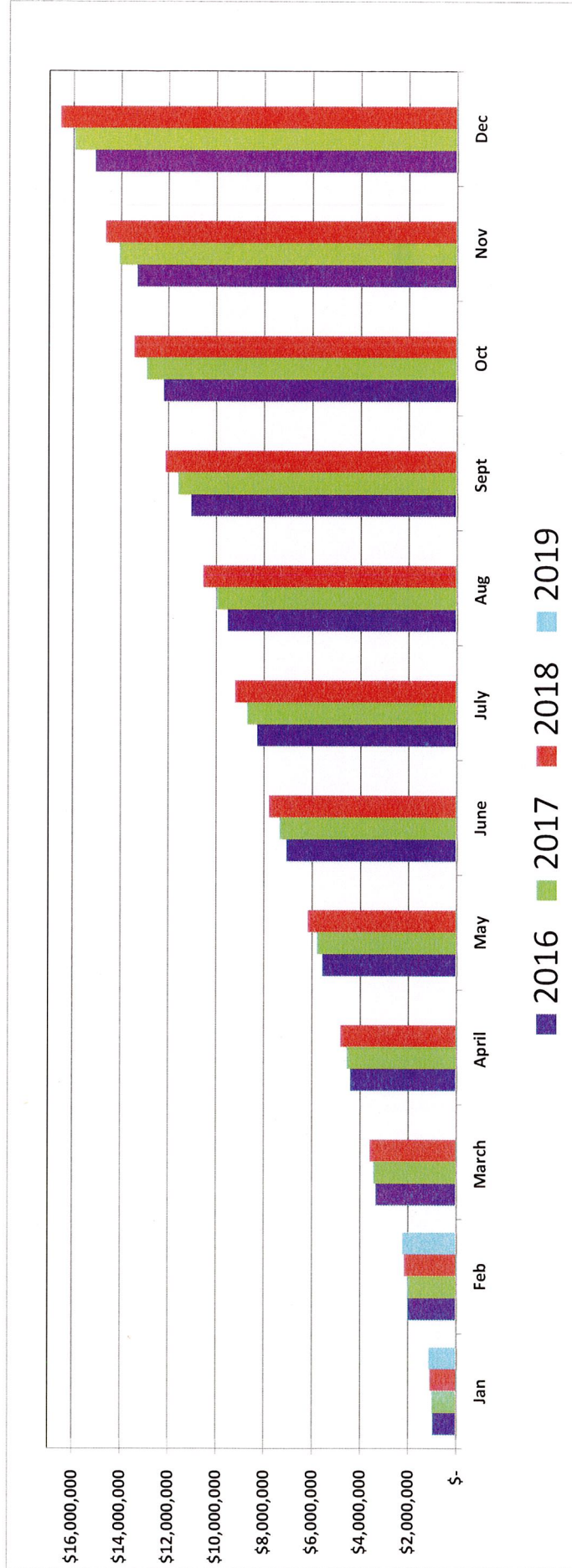
* Percentage Change is for current month only (highlighted)



City of Golden
Sales Tax Trends
YTD February (March)
2016-2019

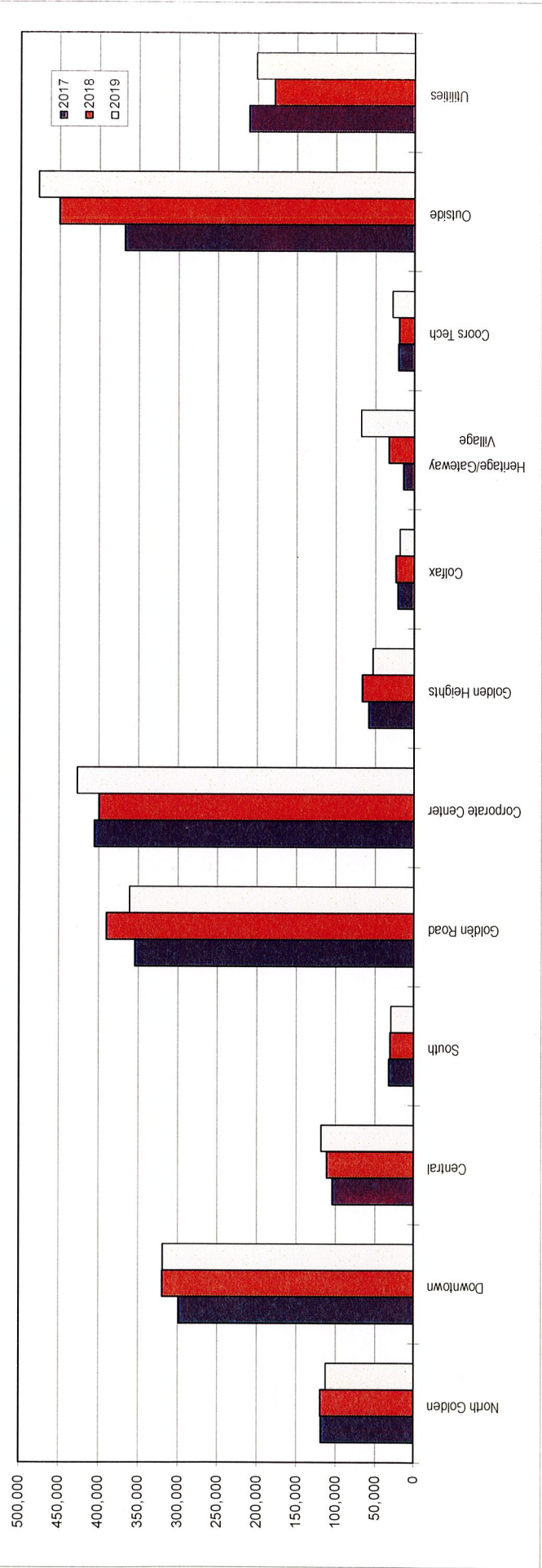
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2019	\$ 1,121,727	\$ 2,215,811	\$ 3,595,117	\$ 4,790,732	\$ 6,176,170	\$ 7,777,155	\$ 9,196,719	\$ 10,546,807	\$ 12,120,029	\$ 13,431,332	\$ 14,635,926	\$ 16,525,125	\$ 2,215,811	3.3%
2018	\$ 1,093,179	\$ 2,145,142	\$ 3,427,875	\$ 4,543,508	\$ 5,787,588	\$ 7,349,666	\$ 8,706,714	\$ 9,972,409	\$ 11,594,577	\$ 12,905,279	\$ 14,068,587	\$ 15,943,159	\$ 16,525,125	6.8%
2017	\$ 1,006,334	\$ 2,008,044	\$ 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	\$ 15,943,159	1.1%
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	5.0%
YTD Sales Tax Audit Revenue			\$24,081			YTD Audit Permit Fees	\$ 4,328							
Less: YTD Sales Tax Refunds			(5)			YTD Audit Plan Check Fees	\$ 2,402							
Other Sales Tax Revenue			\$24,076			Net Fees Collected	\$ 6,730							

* Percentage Change - YTD percentage change



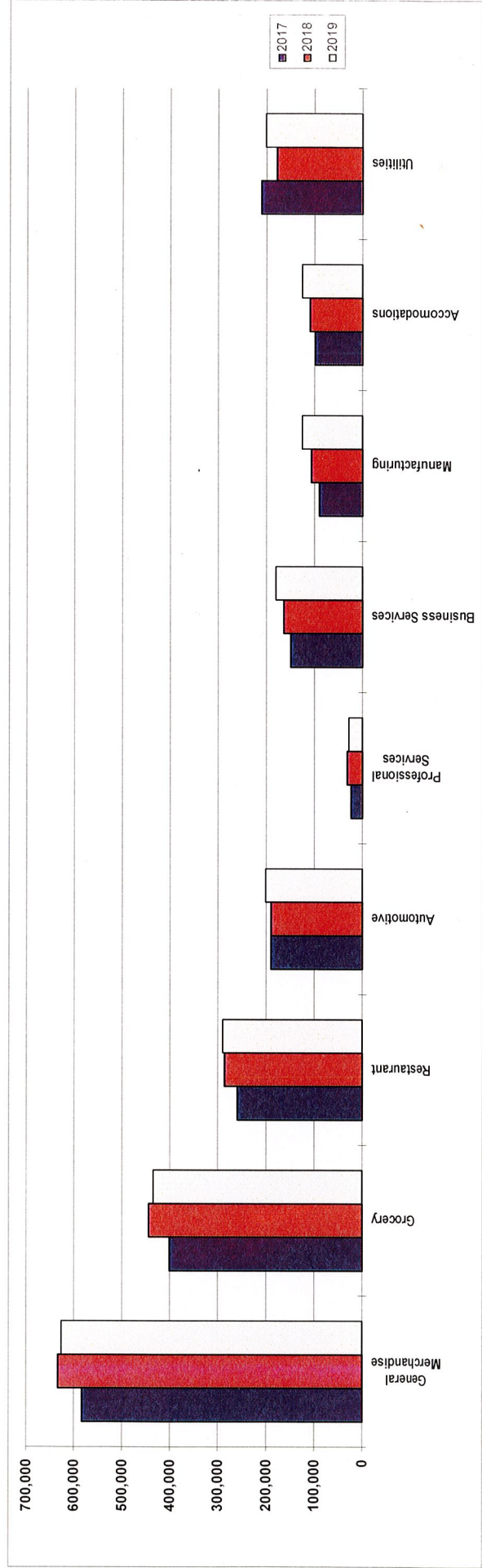
City of Golden
Sales Tax Revenue By Location
YTD February (March)
2017/2018/2019

Area	2017		2017-2016		2018		2018-2017		2019		2019-2018	
	Sales Tax	% of total	Sales Tax	% Change	Sales Tax	% of total	Sales Tax	% Change	Sales Tax	% of total	Sales Tax	% Change
North Golden	\$ 118,810	5.92%	\$ 119,746	0.79%	\$ 112,653	5.08%	\$ 112,653	0.79%	\$ 112,653	5.08%	\$ 112,653	-5.92%
Downtown	\$ 298,765	14.88%	\$ 319,467	-2.97%	\$ 318,945	14.89%	\$ 318,945	6.93%	\$ 318,945	14.39%	\$ 318,945	-0.16%
Central	\$ 103,726	5.17%	\$ 111,137	4.38%	\$ 118,599	5.35%	\$ 118,599	7.14%	\$ 118,599	5.35%	\$ 118,599	6.71%
South	\$ 32,758	1.63%	\$ 31,360	-19.67%	\$ 30,010	1.46%	\$ 30,010	-4.27%	\$ 30,010	1.35%	\$ 30,010	-4.30%
Golden Road	\$ 354,550	17.66%	\$ 390,429	8.58%	\$ 361,217	18.20%	\$ 361,217	10.12%	\$ 361,217	16.30%	\$ 361,217	-7.48%
Corporate Center	\$ 405,546	20.20%	\$ 399,862	4.51%	\$ 427,055	18.64%	\$ 427,055	-1.40%	\$ 427,055	19.27%	\$ 427,055	6.80%
Golden Heights	\$ 58,334	2.91%	\$ 66,600	2.10%	\$ 53,272	2.40%	\$ 53,272	14.17%	\$ 53,272	2.40%	\$ 53,272	-20.01%
Colfax	\$ 21,428	1.07%	\$ 24,382	-9.28%	\$ 18,907	0.85%	\$ 18,907	13.78%	\$ 18,907	0.85%	\$ 18,907	-22.45%
Heritage /Gateway Village	\$ 14,229	0.71%	\$ 33,274	-51.36%	\$ 67,913	3.06%	\$ 67,913	133.84%	\$ 67,913	3.06%	\$ 67,913	104.10%
Coors Technology	\$ 20,880	1.04%	\$ 19,714	113.17%	\$ 28,477	1.29%	\$ 28,477	-5.59%	\$ 28,477	1.29%	\$ 28,477	44.45%
Outside	\$ 368,129	18.33%	\$ 450,425	-9.98%	\$ 477,205	21.54%	\$ 477,205	22.36%	\$ 477,205	21.54%	\$ 477,205	5.95%
Utilities	\$ 210,888	10.50%	\$ 178,745	6.44%	\$ 201,557	9.10%	\$ 201,557	-15.24%	\$ 201,557	9.10%	\$ 201,557	12.76%
Totals	\$ 2,008,044	100.00%	\$ 2,145,142	1.08%	\$ 2,215,811	100.00%	\$ 2,215,811	6.83%	\$ 2,215,811	100.00%	\$ 2,215,811	3.29%



City of Golden
Sales Tax Revenue By Type
YTD February (March)
2017/2018/2019

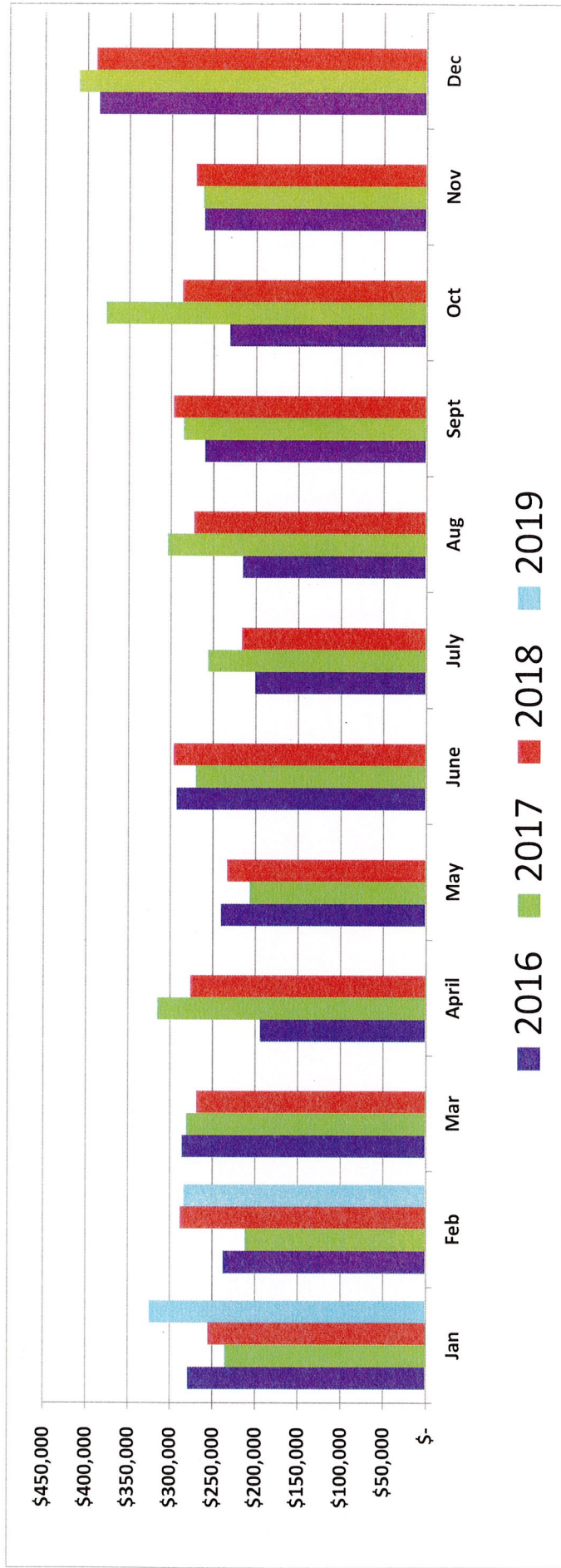
Type	2017		2017-2016		2018		2018-2017		2019		2019-2018	
	Sales Tax	% of total	Sales Tax	% Change	Sales Tax	% of total	Sales Tax	% Change	Sales Tax	% of total	Sales Tax	% Change
General Merchandise	\$ 583,529	29.06%	\$ 634,064	9.13%	\$ 626,873	29.56%	\$ 626,873	8.66%	\$ 626,873	28.29%	\$ 626,873	-1.13%
Grocery	\$ 401,024	19.97%	\$ 444,304	2.47%	\$ 435,126	20.71%	\$ 435,126	10.79%	\$ 435,126	19.64%	\$ 435,126	-2.07%
Restaurants	\$ 259,963	12.95%	\$ 285,892	3.50%	\$ 289,726	13.33%	\$ 289,726	9.97%	\$ 289,726	13.08%	\$ 289,726	1.34%
Automotive	\$ 190,197	9.47%	\$ 189,876	6.21%	\$ 201,444	8.85%	\$ 201,444	-0.17%	\$ 201,444	9.09%	\$ 201,444	6.09%
Prof Services/Entertainment	\$ 23,984	1.19%	\$ 32,002	-40.75%	\$ 28,446	1.49%	\$ 28,446	33.43%	\$ 28,446	1.28%	\$ 28,446	-11.11%
Bus Services/Supp.	\$ 149,269	7.43%	\$ 163,927	-5.18%	\$ 180,688	7.64%	\$ 180,688	9.82%	\$ 180,688	8.15%	\$ 180,688	10.22%
Manufacturing - Production	\$ 90,253	4.49%	\$ 106,696	-29.47%	\$ 125,914	4.97%	\$ 125,914	18.22%	\$ 125,914	5.68%	\$ 125,914	18.01%
Accommodations	\$ 98,938	4.93%	\$ 109,636	-6.82%	\$ 126,036	5.11%	\$ 126,036	10.81%	\$ 126,036	5.69%	\$ 126,036	14.96%
Utilities	\$ 210,888	10.50%	\$ 178,745	6.44%	\$ 201,557	8.33%	\$ 201,557	-15.24%	\$ 201,557	9.10%	\$ 201,557	12.76%
Totals	\$ 2,008,044	100.00%	\$ 2,145,142	1.08%	\$ 2,215,811	100.00%	\$ 2,215,811	6.83%	\$ 2,215,811	100.00%	\$ 2,215,811	3.29%



City of Golden
Use Tax Trends
February (March)
2016-2019

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2019	\$ 324,439	\$ 283,332	\$ 268,990	\$ 276,136	\$ 232,993	\$ 295,892	\$ 216,051	\$ 272,718	\$ 296,358	\$ 286,486	\$ 271,303	\$ 389,160	\$ 607,771	-1.5%
2018	\$ 255,325	\$ 287,767	\$ 280,802	\$ 315,407	\$ 206,861	\$ 270,677	\$ 256,138	\$ 303,761	\$ 285,295	\$ 377,169	\$ 262,253	\$ 409,490	\$ 3,349,178	36.0%
2017	\$ 235,196	\$ 211,570	\$ 285,559	\$ 194,318	\$ 240,102	\$ 292,505	\$ 200,678	\$ 215,156	\$ 259,981	\$ 230,883	\$ 260,773	\$ 385,860	\$ 3,414,619	-10.8%
2016	\$ 278,990	\$ 237,225	\$ 3,505	<<<<	<<<<	<<<<	<<<<	<<<<	<<<<	<<<<	<<<<	<<<<	\$ 3,082,030	-25.3%
MTD Use Tax Audit Revenue	\$	\$	\$ 3,505	<<<<	<<<<	<<<<	<<<<	<<<<	<<<<	<<<<	<<<<	<<<<		
Less: MTD Use Tax Refunds	\$	\$	\$											
Other Use Tax Revenue	\$	\$	\$ 3,505											

* Percentage Change is for current month only (highlighted)



*Amounts reported on the cash basis

City of Golden
Use Tax Trends
YTD February (March)
2016-2019

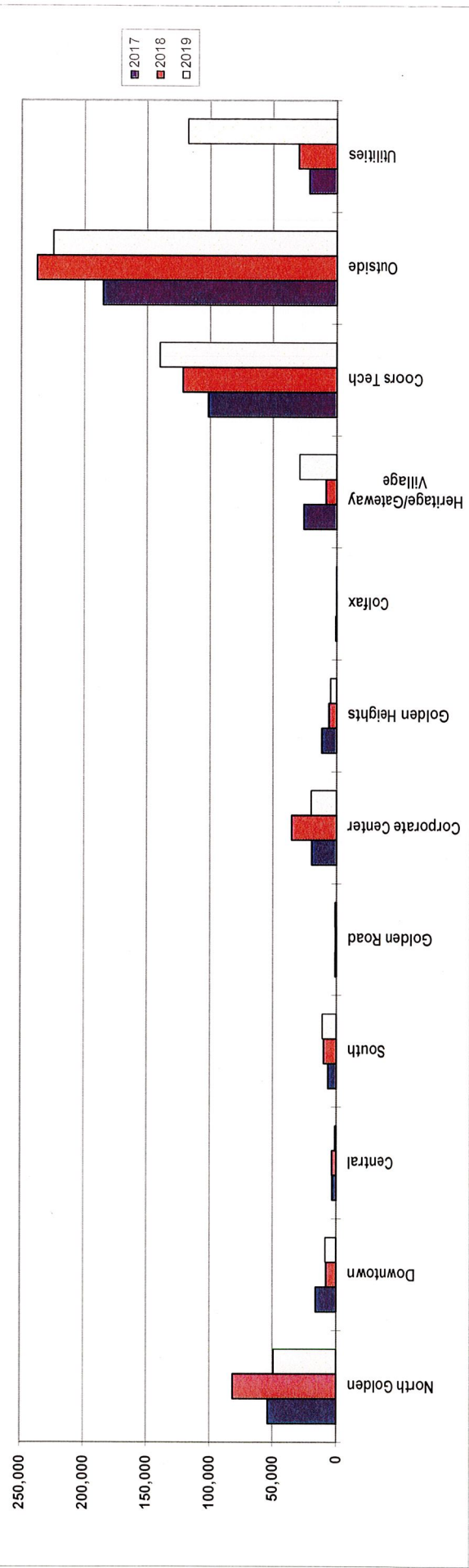
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	YTD % Chng
2019	\$ 324,439	\$ 607,771											\$ 607,771	11.9%
2018	\$ 255,325	\$ 543,092	\$ 812,082	\$ 1,088,218	\$ 1,321,210	\$ 1,617,103	\$ 1,833,153	\$ 2,105,871	\$ 2,402,229	\$ 2,688,715	\$ 2,960,018	\$ 3,349,178	\$ 3,349,178	21.6%
2017	\$ 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	-13.5%
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	-19.9%
YTD Use Tax Audit Revenue				\$ 9,297	<<<< includes building use tax audit revenue									
Less: YTD Use Tax Refunds				\$ (3,974)										
Other Use Tax Revenue				\$ 5,323										

** Percentage Change is YTD %



City of Golden
Use Tax Revenue By Location
YTD February (March)
2017/2018/2019

Area	2017		2017-2016		2018		2018-2017		2019		2019-2018	
	Use Tax	% of total Use Tax	Use Tax	% Change	Use Tax	% of total Use Tax	Use Tax	% Change	Use Tax	% of total Use Tax	Use Tax	% Change
North Golden	\$ 53,595	12.00%	\$ 53,595	-45.61%	\$ 81,333	14.98%	\$ 81,333	51.75%	\$ 49,198	8.09%	\$ 49,198	-39.51%
Downtown	\$ 16,379	3.67%	\$ 16,379	-20.67%	\$ 8,002	1.47%	\$ 8,002	-51.14%	\$ 8,594	1.41%	\$ 8,594	7.40%
Central	\$ 3,120	0.70%	\$ 3,120	167.08%	\$ 3,498	0.64%	\$ 3,498	12.13%	\$ 1,231	0.20%	\$ 1,231	-64.81%
South	\$ 6,626	1.48%	\$ 6,626	9.46%	\$ 9,965	1.83%	\$ 9,965	50.39%	\$ 11,081	1.82%	\$ 11,081	11.20%
Golden Road	\$ 933	0.21%	\$ 933	-4.19%	\$ 799	0.15%	\$ 799	-14.35%	\$ 1,261	0.21%	\$ 1,261	57.77%
Corporate Center	\$ 19,471	4.36%	\$ 19,471	93.69%	\$ 35,595	6.55%	\$ 35,595	82.80%	\$ 20,047	3.30%	\$ 20,047	-43.68%
Golden Heights	\$ 11,550	2.59%	\$ 11,550	187.89%	\$ 5,982	1.10%	\$ 5,982	-48.21%	\$ 4,797	0.79%	\$ 4,797	-19.80%
Colfax	\$ 584	0.13%	\$ 584	2682.24%	\$ 174	0.03%	\$ 174	-70.14%	\$ 365	0.06%	\$ 365	108.95%
Heritage/Gateway Village	\$ 26,087	5.84%	\$ 26,087	248.70%	\$ 8,455	1.56%	\$ 8,455	-67.59%	\$ 29,177	4.80%	\$ 29,177	245.08%
Coors Technology	\$ 101,556	22.73%	\$ 101,556	-33.40%	\$ 121,652	22.40%	\$ 121,652	19.79%	\$ 139,982	23.03%	\$ 139,982	15.07%
Outside	\$ 185,232	41.46%	\$ 185,232	-3.50%	\$ 237,491	43.73%	\$ 237,491	28.21%	\$ 224,406	36.92%	\$ 224,406	-5.51%
Utilities	\$ 21,633	4.84%	\$ 21,633	69.59%	\$ 30,146	5.55%	\$ 30,146	39.35%	\$ 117,632	19.35%	\$ 117,632	290.21%
Totals	\$ 446,766	100.00%	\$ 446,766	-13.45%	\$ 543,092	100.00%	\$ 543,092	21.56%	\$ 607,771	100.00%	\$ 607,771	11.91%



City of Golden
 Use Tax Revenue By Type
 YTD February (March)
 2017/2018/2019

Type	2017		2017-2016		2018		2018-2017		2019		2019-2018	
	Use Tax	% of total Use Tax	Use Tax	% Change	Use Tax	% of total Use Tax	Use Tax	% Change	Use Tax	% of total Use Tax	Use Tax	% Change
General Merchandise	\$ 21,961	4.92%	\$ 21,961	-19.75%	\$ 48,221	8.88%	\$ 48,221	119.58%	\$ 19,128	3.15%	\$ 19,128	-60.33%
Grocery	\$ 9,978	2.23%	\$ 9,978	-35.53%	\$ 13,353	2.46%	\$ 13,353	33.82%	\$ 9,100	1.50%	\$ 9,100	-31.85%
Restaurants	\$ 1,503	0.34%	\$ 1,503	-20.90%	\$ 2,477	0.46%	\$ 2,477	64.81%	\$ 2,448	0.40%	\$ 2,448	-1.15%
Automotive	\$ 165,308	37.00%	\$ 165,308	-10.50%	\$ 244,834	45.08%	\$ 244,834	48.11%	\$ 214,226	35.25%	\$ 214,226	-12.50%
Prof Services\Entertainment	\$ 28,989	6.49%	\$ 28,989	35.47%	\$ 23,790	4.38%	\$ 23,790	-17.93%	\$ 21,939	3.61%	\$ 21,939	-7.78%
Bus Services	\$ 46,053	10.31%	\$ 46,053	423.99%	\$ 17,955	3.31%	\$ 17,955	-61.01%	\$ 25,291	4.16%	\$ 25,291	40.86%
Manufacturing - Production	\$ 149,583	33.48%	\$ 149,583	-37.13%	\$ 160,065	29.47%	\$ 160,065	7.01%	\$ 195,677	32.20%	\$ 195,677	22.25%
Accommodations	\$ 1,759	0.39%	\$ 1,759	-70.25%	\$ 2,252	0.41%	\$ 2,252	28.04%	\$ 2,330	0.38%	\$ 2,330	3.47%
Utilities	\$ 21,633	4.84%	\$ 21,633	69.59%	\$ 30,146	5.55%	\$ 30,146	39.35%	\$ 117,632	19.35%	\$ 117,632	290.21%
Totals	\$ 446,766	100.00%	\$ 446,766	-13.45%	\$ 543,092	100.00%	\$ 543,092	21.56%	\$ 607,771	100.00%	\$ 607,771	11.91%

