




Council Memorandum

To: City Council
From: Jeff Hansen, Finance Director 
Date: November 5, 2018
Re: Sales Tax Report

Attached are the sales and use tax reports for September sales (collected in October). Sales tax collections were down \$48,945 (-3.0%) for the month. The decrease is the result of several one-time payments in 2017 from businesses outside the City limits. Revenue from businesses within the City limits was up \$28,590 (+2.5%). Overall, revenue is up \$525,452 (+4.5%) year-to-date compared to 2017. When adjusted for seasonality, sales tax revenues are up slightly (+0.1%) compared to the 2018 Budget.

Overall, sales tax from businesses within the City limits (including Utilities) is up \$245,654 compared to 2017. In terms of dollars, revenues have increased the most from Heritage/Gateway Village, Downtown, and Golden Heights. Corporate Center has the largest decrease compared to last year. By business type, General Merchandise, Manufacturing, Grocery, and Restaurants show the largest increases. Utilities is the only business type with a decrease. 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 \$279,798 (+10.33%) for the year.

Use tax collections were up \$11,063 (+3.9%) for September. For the year, use tax is up \$36,522 (+1.5%) compared to 2017. Manufacturing, General Merchandise, and Utilities 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.

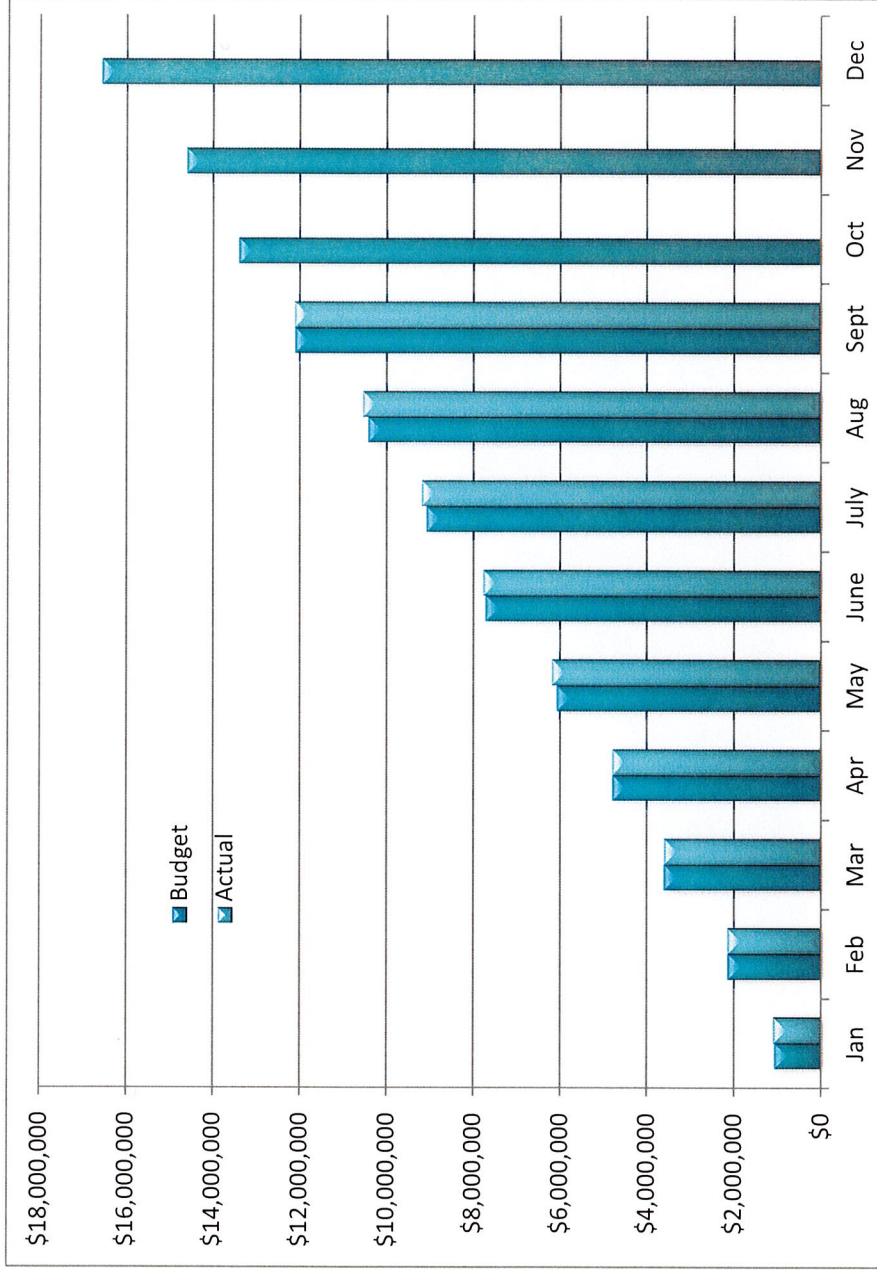
In the area of audit revenue, \$44,310 was collected in October. Including building use tax audits, the total audit revenue collected so far in 2018 is \$188,697, with an additional \$66,213 collected in building permit and plan check fees. Also, the City continues to have audits in progress and additional audit revenue has been assessed, with collection anticipated over the next few months. \$253,325 have been issued in refunds for the year, including a couple of significant refunds (from tax remitted to the City in error) paid in October. These amounts are shown separately on the attached collection reports.

September sales tax revenues require a bit of guarded optimism looking forward. Revenue from businesses outside the City limits appears to be more variable and somewhat volatile. The local economy remains strong, with additional revenues coming in from the Duluth Trading Company, Origin hotel and other businesses at Gateway Village. The overall outlook leading up to the holiday shopping season continues to look good.

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

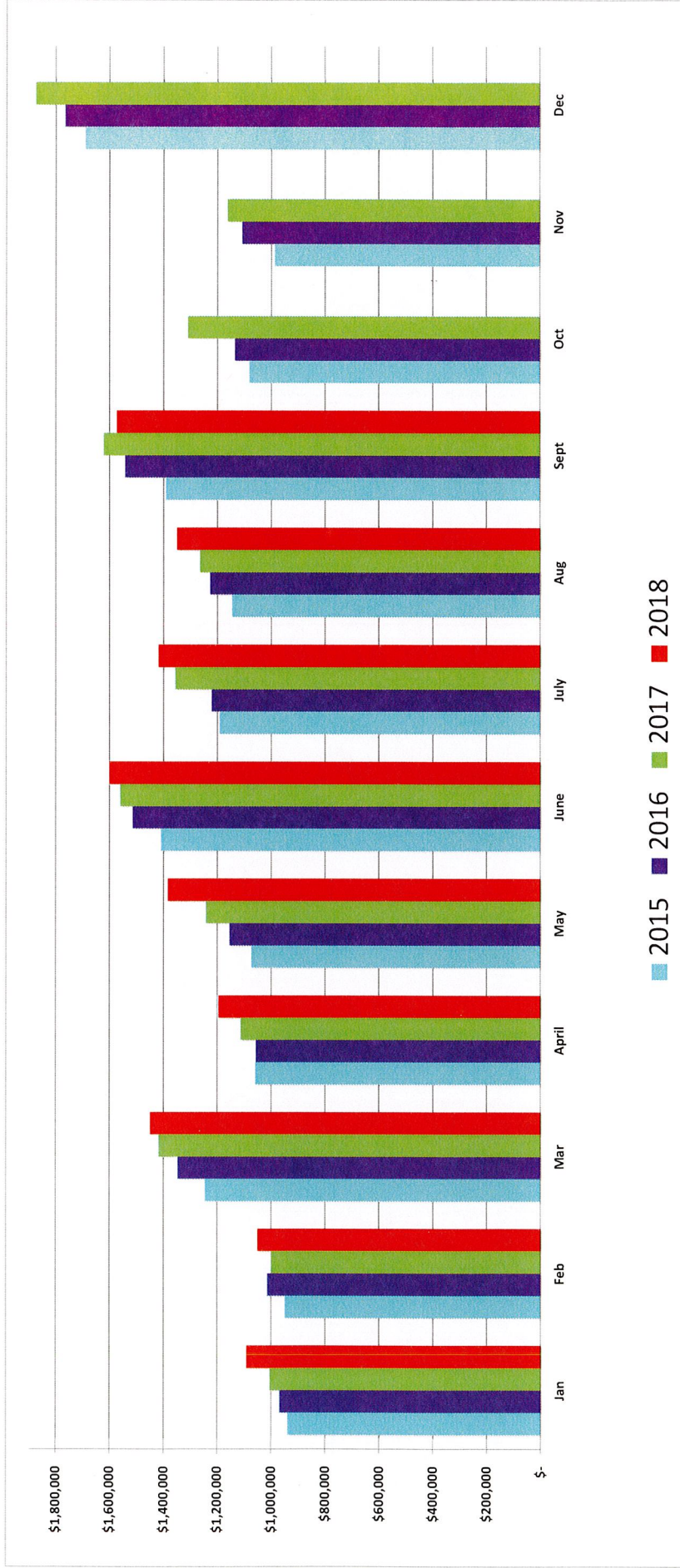
<u>Month</u>	<u>YTD Budget</u>	<u>YTD Actual</u>
Jan	\$1,065,950	\$1,093,179
Feb	2,140,082	2,145,142
Mar	3,604,295	3,595,117
Apr	4,792,688	4,790,732
May	6,065,173	6,176,170
June	7,717,220	7,777,155
July	9,084,882	9,196,719
Aug	10,432,118	10,546,807
Sept	12,109,657	12,120,029
Oct	13,402,638	
Nov	14,604,245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



City of Golden
Sales Tax Trends
YTD September (October)
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	\$ 1,310,702	\$ 1,163,305	\$ 1,874,575	\$ 12,120,029	-3.0%
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	\$ 1,137,294	\$ 1,109,698	\$ 1,765,585	\$ 15,943,159	5.1%
2016	\$ 970,866	\$ 1,015,827	\$ 1,347,205	\$ 1,057,864	\$ 1,155,045	\$ 1,514,344	\$ 1,221,645	\$ 1,227,728	\$ 1,543,227	\$ 1,082,678	\$ 987,857	\$ 1,688,949	\$ 15,066,928	10.9%
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	2.7%
MTD Sales Tax Audit Revenue \$717 Less: MTD Sales Tax Refunds (\$135,802) Net Sales Tax Revenue (\$135,085)														
MTD Audit Permit Fees \$ 4,140 MTD Audit Plan Check Fees \$ 1,659 Net Fees Collected \$ 5,799														

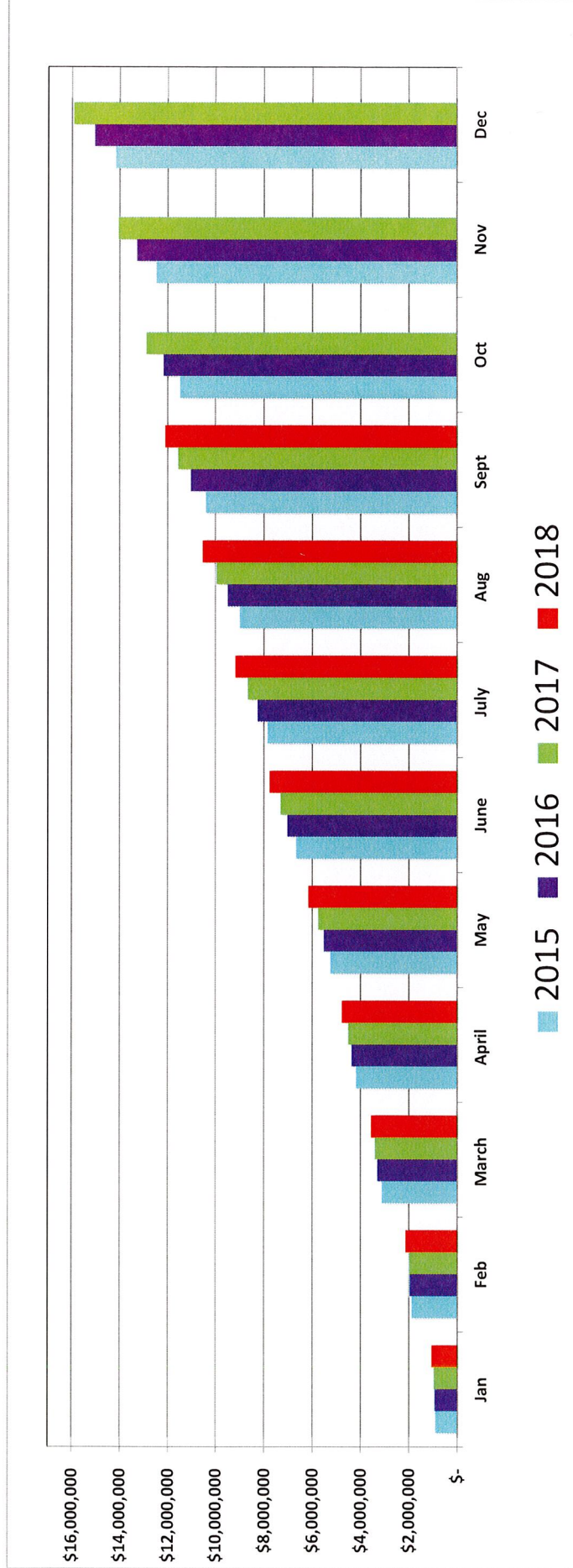
* Percentage Change is for current month only (highlighted)



City of Golden
Sales Tax Trends
YTD September (October)
2015-2018

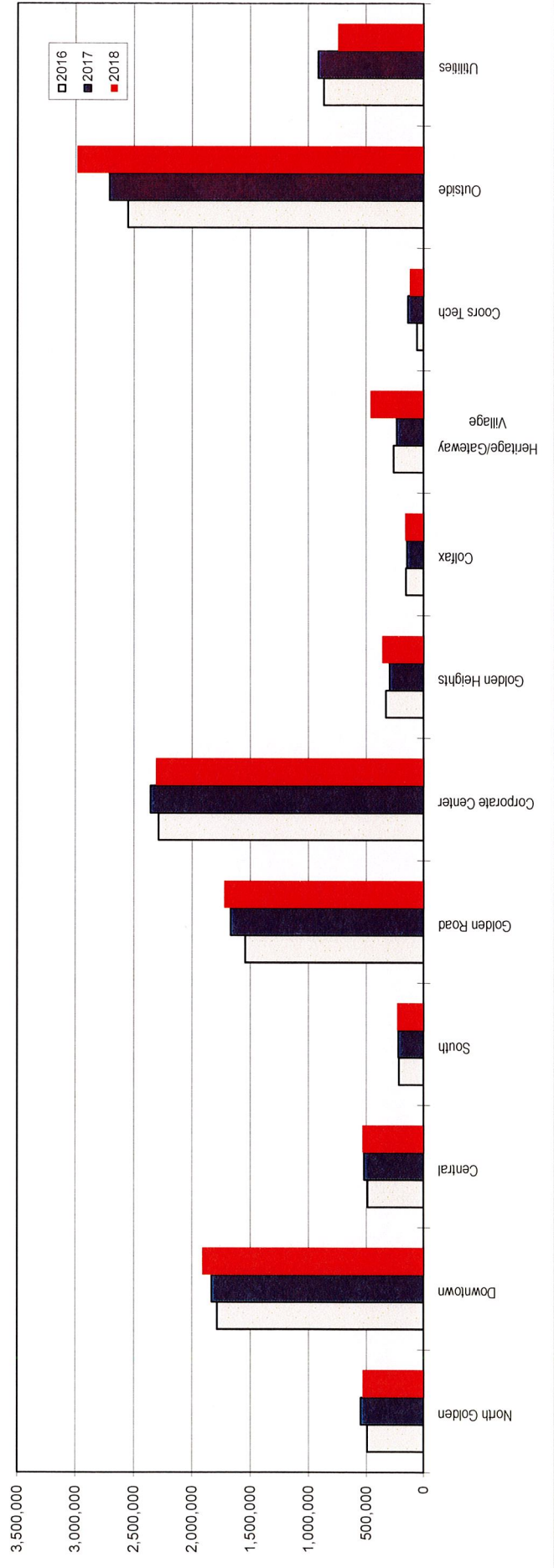
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2018	\$ 1,093,179	\$ 2,145,142	\$ 3,595,117	\$ 4,790,732	\$ 6,176,170	\$ 7,777,155	\$ 9,196,719	\$ 10,546,807	\$ 12,120,029	\$ 12,905,279	\$ 14,068,587	\$ 15,943,159	\$ 12,120,029	4.5%
2017	\$ 1,006,334	\$ 2,008,044	\$ 3,427,875	\$ 4,543,508	\$ 5,787,588	\$ 7,349,666	\$ 8,706,714	\$ 9,972,409	\$ 11,594,577	\$ 12,191,645	\$ 13,301,343	\$ 15,066,928	\$ 15,943,159	4.9%
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	\$ 11,498,535	\$ 12,486,392	\$ 14,175,341	\$ 15,066,928	6.1%
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	8.4%
YTD Sales Tax Audit Revenue			\$34,806			YTD Audit Permit Fees	\$ 40,249							
Less: YTD Sales Tax Refunds			(\$205,384)			YTD Audit Plan Check Fees	\$ 25,963							
Other Sales Tax Revenue			(\$170,577)			Net Fees Collected	\$ 66,213							

* Percentage Change - YTD percentage change



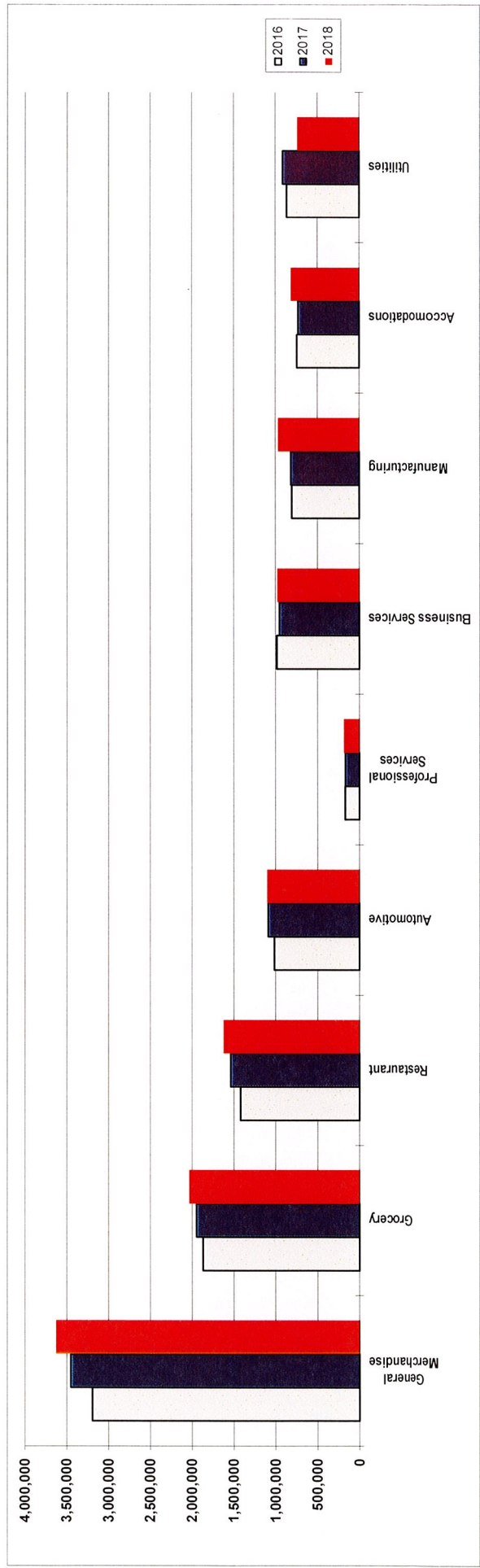
City of Golden
Sales Tax Revenue By Location
YTD September (October)
2016/2017/2018

Area	2016		2016-2015		2017		2017-2016		2018		2018-2017	
	Sales Tax	% of total Sales Tax	Sales Tax	% Change	Sales Tax	% of total Sales Tax	Sales Tax	% Change	Sales Tax	% of total Sales Tax	Sales Tax	% Change
North Golden	\$ 495,147	4.48%	\$ 550,305	6.52%	\$ 538,331	4.44%	\$ 538,331	11.14%	\$ 538,331	4.44%	\$ 538,331	-2.18%
Downtown	\$ 1,787,683	16.17%	\$ 1,831,588	2.57%	\$ 1,915,943	15.81%	\$ 1,915,943	2.46%	\$ 1,915,943	15.81%	\$ 1,915,943	4.61%
Central	\$ 489,708	4.43%	\$ 518,379	13.23%	\$ 536,849	4.43%	\$ 536,849	5.85%	\$ 536,849	4.43%	\$ 536,849	3.56%
South	\$ 221,203	2.00%	\$ 225,423	13.22%	\$ 238,034	1.96%	\$ 238,034	1.91%	\$ 238,034	1.96%	\$ 238,034	5.59%
Golden Road	\$ 1,544,248	13.97%	\$ 1,667,459	4.47%	\$ 1,727,590	14.25%	\$ 1,727,590	7.98%	\$ 1,727,590	14.25%	\$ 1,727,590	3.61%
Corporate Center	\$ 2,289,016	20.71%	\$ 2,357,195	2.87%	\$ 2,311,857	19.07%	\$ 2,311,857	2.98%	\$ 2,311,857	19.07%	\$ 2,311,857	-1.92%
Golden Heights	\$ 330,135	2.99%	\$ 298,657	1.37%	\$ 363,481	3.00%	\$ 363,481	-9.53%	\$ 363,481	3.00%	\$ 363,481	21.71%
Colfax	\$ 158,451	1.43%	\$ 148,740	5.33%	\$ 166,716	1.38%	\$ 166,716	-6.13%	\$ 166,716	1.38%	\$ 166,716	12.09%
Heritage /Gateway Village	\$ 263,089	2.38%	\$ 237,179	9.92%	\$ 463,931	3.83%	\$ 463,931	-9.85%	\$ 463,931	3.83%	\$ 463,931	95.60%
Coors Technology	\$ 58,426	0.53%	\$ 138,729	57.10%	\$ 125,646	1.04%	\$ 125,646	137.44%	\$ 125,646	1.04%	\$ 125,646	-9.43%
Outside	\$ 2,552,782	23.09%	\$ 2,709,796	14.07%	\$ 2,989,594	24.67%	\$ 2,989,594	6.15%	\$ 2,989,594	24.67%	\$ 2,989,594	10.33%
Utilities	\$ 864,462	7.82%	\$ 911,126	-2.47%	\$ 742,058	6.12%	\$ 742,058	5.40%	\$ 742,058	6.12%	\$ 742,058	-18.56%
Totals	\$ 11,054,351	100%	\$ 11,594,577	6.13%	\$ 12,120,029	100.00%	\$ 12,120,029	4.89%	\$ 12,120,029	100%	\$ 12,120,029	4.53%



City of Golden
Sales Tax Revenue By Type
YTD September (October)
2016/2017/2018

Type	2016		2016-2015		2017		2017-2016		2018		2018-2017	
	Sales Tax	% of total Sales Tax	% Change	Sales Tax	% Change	Sales Tax	% of total Sales Tax	% Change	Sales Tax	% of total Sales Tax	% Change	
General Merchandise	\$ 3,189,497	28.85%	5.27%	\$ 3,450,854	29.76%	8.19%	\$ 3,636,771	30.01%	5.39%			
Grocery	\$ 1,866,696	16.89%	3.46%	\$ 1,943,547	16.76%	4.12%	\$ 2,041,164	16.84%	5.02%			
Restaurants	\$ 1,420,740	12.85%	11.86%	\$ 1,538,198	13.27%	8.27%	\$ 1,629,250	13.44%	5.92%			
Automotive	\$ 1,013,839	9.17%	-2.26%	\$ 1,089,296	9.39%	7.44%	\$ 1,107,747	9.14%	1.69%			
Prof Services\Entertainment	\$ 170,542	1.54%	21.67%	\$ 166,456	1.44%	-2.40%	\$ 189,622	1.56%	13.92%			
Bus ServicesSupp.	\$ 981,676	8.88%	10.57%	\$ 951,745	8.21%	-3.05%	\$ 982,187	8.10%	3.20%			
Manufacturing - Production	\$ 804,355	7.28%	12.98%	\$ 815,412	7.03%	1.37%	\$ 972,202	8.02%	19.23%			
Accommodations	\$ 742,545	6.72%	14.58%	\$ 727,945	6.28%	-1.97%	\$ 819,030	6.76%	12.51%			
Utilities	\$ 864,462	7.82%	-2.47%	\$ 911,126	7.86%	5.40%	\$ 742,058	6.12%	-18.56%			
Totals	\$ 11,054,351	100.00%	6.13%	\$ 11,594,577	100.00%	4.89%	\$ 12,120,029	100.00%	4.53%			



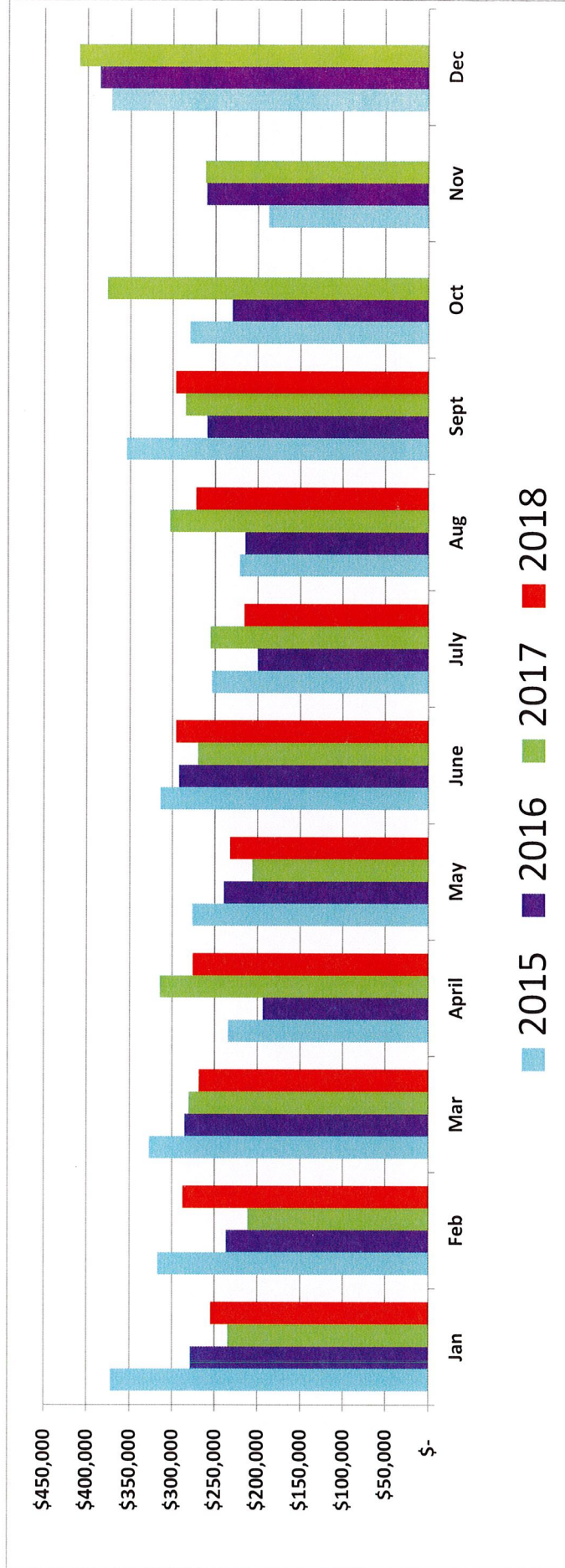
City of Golden
Use Tax Trends
YTD September (October)
2015-2018

	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	\$ 377,169	\$ 262,253	\$ 409,490	\$ 2,402,229	3.9%
2017	\$ 235,196	\$ 211,570	\$ 280,802	\$ 315,407	\$ 206,861	\$ 270,677	\$ 256,138	\$ 303,761	\$ 285,295	\$ 230,883	\$ 260,773	\$ 385,860	\$ 3,414,619	9.7%
2016	\$ 278,990	\$ 237,225	\$ 285,559	\$ 194,318	\$ 240,102	\$ 292,505	\$ 200,678	\$ 215,156	\$ 259,981	\$ 280,238	\$ 187,729	\$ 372,140	\$ 3,082,030	-26.7%
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	-1.4%

* Percentage Change is for current month only (highlighted)

<<<< includes building use tax audit revenue

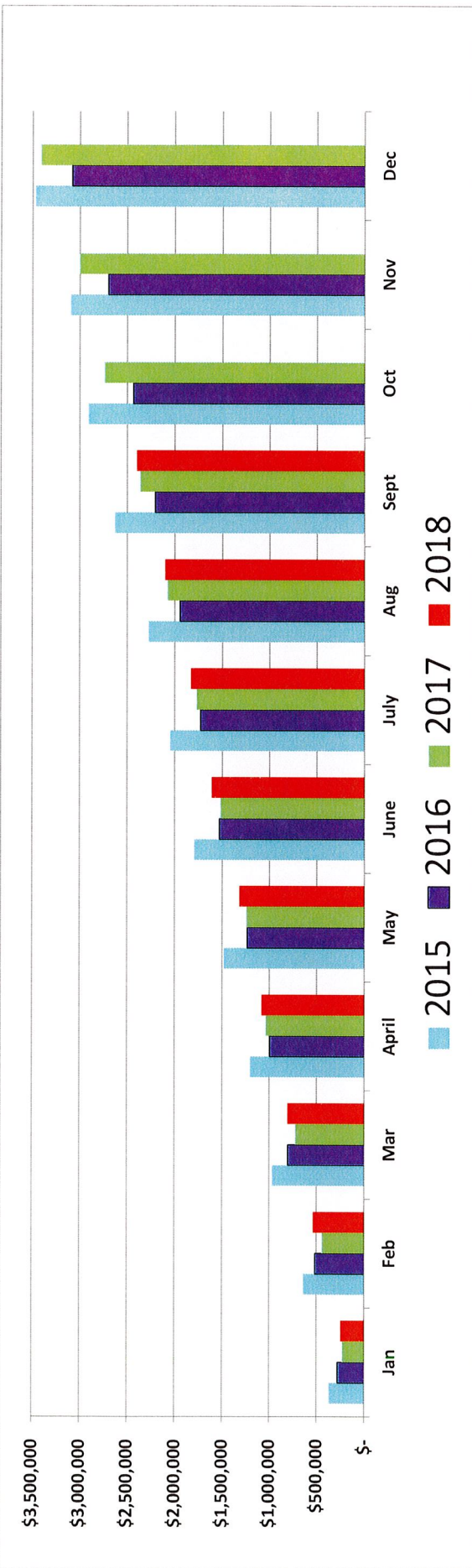
MTD Use Tax Audit Revenue	\$43,593
Less: MTD Use Tax Refunds	\$0
Other Use Tax Revenue	\$43,593



*Amounts reported on the cash basis

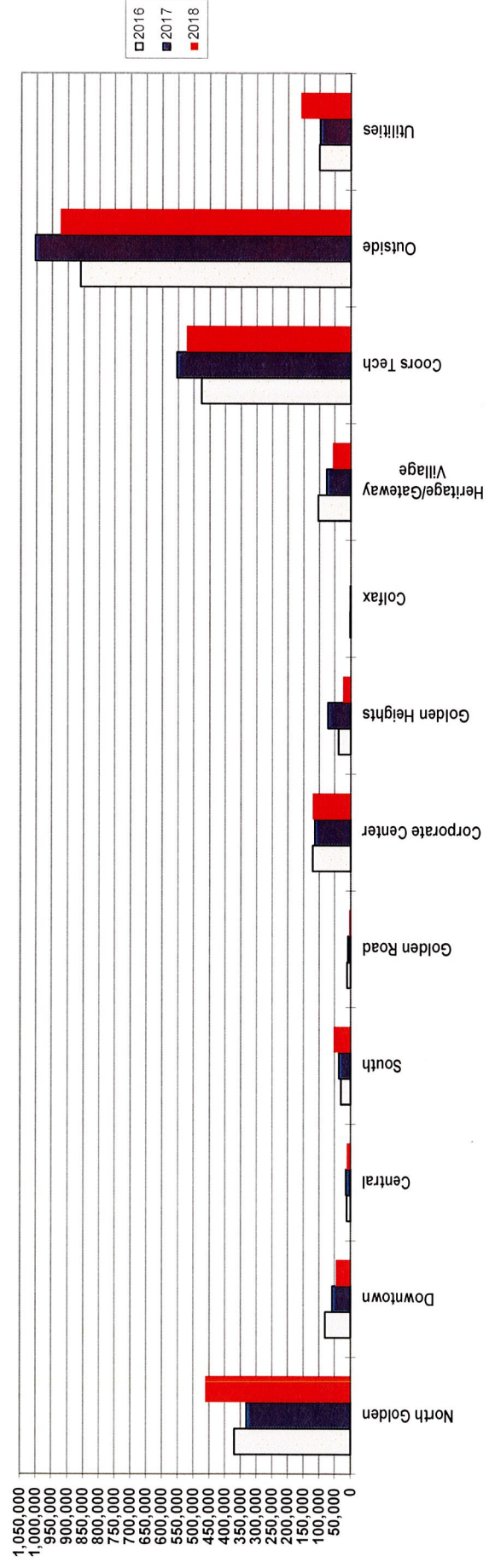
City of Golden
Use Tax Trends
YTD September (October)
2015-2018

	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	\$ 2,742,876	\$ 3,005,129	\$ 3,414,619	\$ 2,402,229	1.5%	
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	\$ 2,435,397	\$ 2,696,170	\$ 3,082,030	\$ 3,414,619	7.3%	
2016	\$ 278,990	\$ 516,215	\$ 801,774	\$ 996,092	\$ 1,236,194	\$ 1,528,699	\$ 1,729,377	\$ 1,944,533	\$ 2,204,514	\$ 2,495,397	\$ 2,910,281	\$ 3,082,030	\$ 3,082,030	-16.2%	
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	-7.7%	
YTD Use Tax Audit Revenue			\$ 153,891		<<<<	includes building use tax audit revenue									** Percentage Change is YTD %
Less: YTD Use Tax Refunds															
Other Use Tax Revenue															



City of Golden
Use Tax Revenue By Location
YTD September (October)
2016/2017/2018

Area	2016		2016-2015		2017		2017-2016		2018		2018-2017	
	Use Tax	% of total	Use Tax	% Change	Use Tax	% of total	Use Tax	% Change	Use Tax	% of total	Use Tax	% Change
North Golden	\$ 369,706	16.77%	\$ 331,450	-1.61%	\$ 465,181	19.66%	\$ 465,181	19.66%	\$ 465,181	19.66%	\$ 465,181	40.35%
Downtown	\$ 80,372	3.65%	\$ 56,735	13.19%	\$ 47,322	2.00%	\$ 47,322	-29.41%	\$ 47,322	2.00%	\$ 47,322	-16.59%
Central	\$ 11,865	0.54%	\$ 14,402	1.23%	\$ 12,952	0.55%	\$ 12,952	21.38%	\$ 12,952	0.55%	\$ 12,952	-10.07%
South	\$ 29,866	1.35%	\$ 35,901	-48.63%	\$ 54,431	2.30%	\$ 54,431	20.21%	\$ 54,431	2.30%	\$ 54,431	51.61%
Golden Road	\$ 10,777	0.49%	\$ 8,299	-34.69%	\$ 6,267	0.26%	\$ 6,267	-22.99%	\$ 6,267	0.26%	\$ 6,267	-24.48%
Corporate Center	\$ 121,533	5.51%	\$ 114,780	22.44%	\$ 122,843	5.19%	\$ 122,843	-5.56%	\$ 122,843	5.19%	\$ 122,843	7.02%
Golden Heights	\$ 37,859	1.72%	\$ 71,434	-4.35%	\$ 25,086	1.06%	\$ 25,086	88.68%	\$ 25,086	1.06%	\$ 25,086	-64.88%
Collfax	\$ 1,602	0.07%	\$ 1,593	-35.93%	\$ 1,374	0.06%	\$ 1,374	-0.55%	\$ 1,374	0.06%	\$ 1,374	-13.76%
Heritage/Gateway Village	\$ 103,632	4.70%	\$ 75,907	129.10%	\$ 56,734	2.40%	\$ 56,734	-26.75%	\$ 56,734	2.40%	\$ 56,734	-25.26%
Coors Technology	\$ 476,430	21.61%	\$ 553,590	-51.05%	\$ 524,511	22.17%	\$ 524,511	16.20%	\$ 524,511	22.17%	\$ 524,511	-5.25%
Outside	\$ 860,791	39.05%	\$ 1,004,462	-3.90%	\$ 925,356	39.12%	\$ 925,356	16.69%	\$ 925,356	39.12%	\$ 925,356	-7.88%
Utilities	\$ 100,080	4.54%	\$ 97,152	142.39%	\$ 160,174	6.77%	\$ 160,174	-2.93%	\$ 160,174	6.77%	\$ 160,174	64.87%
Totals	\$ 2,204,514	100%	\$ 2,365,707	-16.18%	\$ 2,402,229	102%	\$ 2,402,229	7.31%	\$ 2,402,229	102%	\$ 2,402,229	1.54%



Amounts reported are net of revenues earmarked for community marketing.

City of Golden
Use Tax Revenue By Type
YTD September (October)
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	\$ 157,409	7.14%	-25.51%	\$ 131,469	5.56%	-16.48%	\$ 197,033	8.20%	49.87%
Grocery	\$ 58,939	2.67%	2.99%	\$ 56,870	2.40%	-3.51%	\$ 62,311	2.59%	9.57%
Restaurants	\$ 23,014	1.04%	3.72%	\$ 12,253	0.52%	-46.76%	\$ 20,909	0.87%	70.65%
Automotive	\$ 791,851	35.92%	4.53%	\$ 923,179	39.02%	16.58%	\$ 848,872	35.34%	-8.05%
Prof Services\Entertainment	\$ 96,746	4.39%	11.89%	\$ 110,267	4.66%	13.98%	\$ 105,250	4.38%	-4.55%
Bus Services	\$ 87,403	3.96%	-13.18%	\$ 155,185	6.56%	77.55%	\$ 87,117	3.63%	-43.86%
Manufacturing - Production	\$ 872,829	39.59%	-34.68%	\$ 824,355	34.85%	-5.55%	\$ 901,541	37.53%	9.36%
Accommodations	\$ 16,242	0.74%	-4.99%	\$ 54,978	2.32%	238.49%	\$ 19,023	0.79%	-65.40%
Utilities	\$ 100,080	4.54%	142.39%	\$ 97,152	4.11%	-2.93%	\$ 160,174	6.67%	64.87%
Totals	\$ 2,204,514	100%	-16.18%	\$ 2,365,707	100%	7.31%	\$ 2,402,229	100%	1.54%

