

City of Lee's Summit
Fiscal Year 2021 Proposed Budget
(July 01, 2020 – June 30, 2021)



**SERVICE
EXCELLENCE**

aim high & deliver.

We are committed to
quality in all we do.

INTEGRITY

do the right thing.

We are
transparent, ethical
and accountable in
our actions.

be responsible.

We are innovative
and use our resources
wisely.

STEWARDSHIP



FY21 Expense Cuts: Travel, Training, Studies, and Other Expenses

| General Fund Department | \$ Cut |
|----------------------------------|------------------|
| Administration/ Human Resources* | \$251,826 |
| Development Services | \$44,378 |
| Finance | \$18,940 |
| Fire | \$35,196 |
| Law | \$16,235 |
| Municipal Court | \$17,325 |
| Police | \$40,740 |
| Public Works-Engineering | \$19,555 |
| Public Works-Operations | \$12,207 |
| General Fund Total | \$456,402 |

*Includes not filling vacant Workforce Development Analyst



Explanation of Funds

- **General Fund** – Provides funds for departments that don't have a dedicated revenue stream
- **Special Revenue Funds** – Used to account for revenues and expenses that have special legal or regulatory provisions (ex: TIF & CID funds)
- **Debt Service Funds** – Records financial transactions specifically tied to the issuing and repayment of debt (2 funds: GO Debt & Parks Debt)
- **CIP Funds** – Source of funding for capital projects that have revenues from additional sales and property tax levies
- **Enterprise Funds** – Expenses are funded from service and consumption charges instead of taxes (ex: Water Utilities, Airport)
- **Internal Service Funds** – Funding is received from all departments for services (ex: ITS, Fleet, CBS)



General Fund



FY21 General Fund Revenues

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|---------------|-----------------------|---------------|
| | Actuals | Budget | Proj | Budget | \$ | % | \$ | % |
| Property Taxes* | 22,166,626 | 23,065,850 | 22,944,613 | 21,076,390 | -1,989,460 | -8.63% | -1,868,223 | -8.14% |
| Sales Tax | 17,328,879 | 18,130,832 | 17,447,338 | 15,475,569 | -2,655,263 | -14.65% | -1,971,769 | -11.30% |
| Franchise Tax | 12,525,332 | 12,625,326 | 12,320,635 | 11,770,257 | -855,069 | -6.77% | -550,378 | -4.47% |
| Motor Vehicle Taxes | 3,653,245 | 3,694,164 | 3,797,020 | 3,408,925 | -285,239 | -7.72% | -388,095 | -10.22% |
| Other Taxes | 291,208 | 295,174 | 346,314 | 269,410 | -25,764 | -8.73% | -76,904 | -22.21% |
| Fines and Forfeitures | 1,171,956 | 1,159,690 | 1,068,736 | 1,043,397 | -116,293 | -10.03% | -25,339 | -2.37% |
| Licenses and Permits | 2,605,210 | 2,685,440 | 3,166,940 | 2,825,126 | 139,686 | 5.20% | -341,814 | -10.79% |
| Intergovernmental | 1,157,233 | 1,310,965 | 1,310,965 | 1,457,795 | 146,830 | 11.20% | 146,830 | 11.20% |
| Charges for Services | 9,093,423 | 9,374,305 | 9,550,382 | 9,528,761 | 154,456 | 1.65% | -21,621 | -0.23% |
| Materials and Fuel Sales | 2,842 | 2,000 | 3,652 | 3,945 | 1,945 | 97.25% | 293 | 8.02% |
| Investment Earnings | 727,475 | 330,000 | 330,000 | 111,304 | -218,696 | -66.27% | -218,696 | -66.27% |
| Other | 1,635,911 | 2,139,500 | 2,479,174 | 2,481,942 | 342,442 | 16.01% | 2,768 | 0.11% |
| Sale of Property | 2,970,703 | 0 | 0 | 0 | 0 | 0.00% | 0 | 0.00% |
| Transfers In | 742,110 | 906,097 | 906,097 | 870,113 | -35,984 | -3.97% | -35,984 | -3.97% |
| Total | 76,072,153 | 75,719,343 | 75,671,866 | 70,322,934 | -5,396,409 | -7.13% | -5,348,932 | -7.07% |

*Beginning in FY21, we will change how Property Tax-PILOT revenue is reported. Prior to FY21, we reported the total revenue, which included the portion that is passed-through to other entities (approximately 85% of revenue). However, beginning in FY21, we will only report the net revenue to the City.



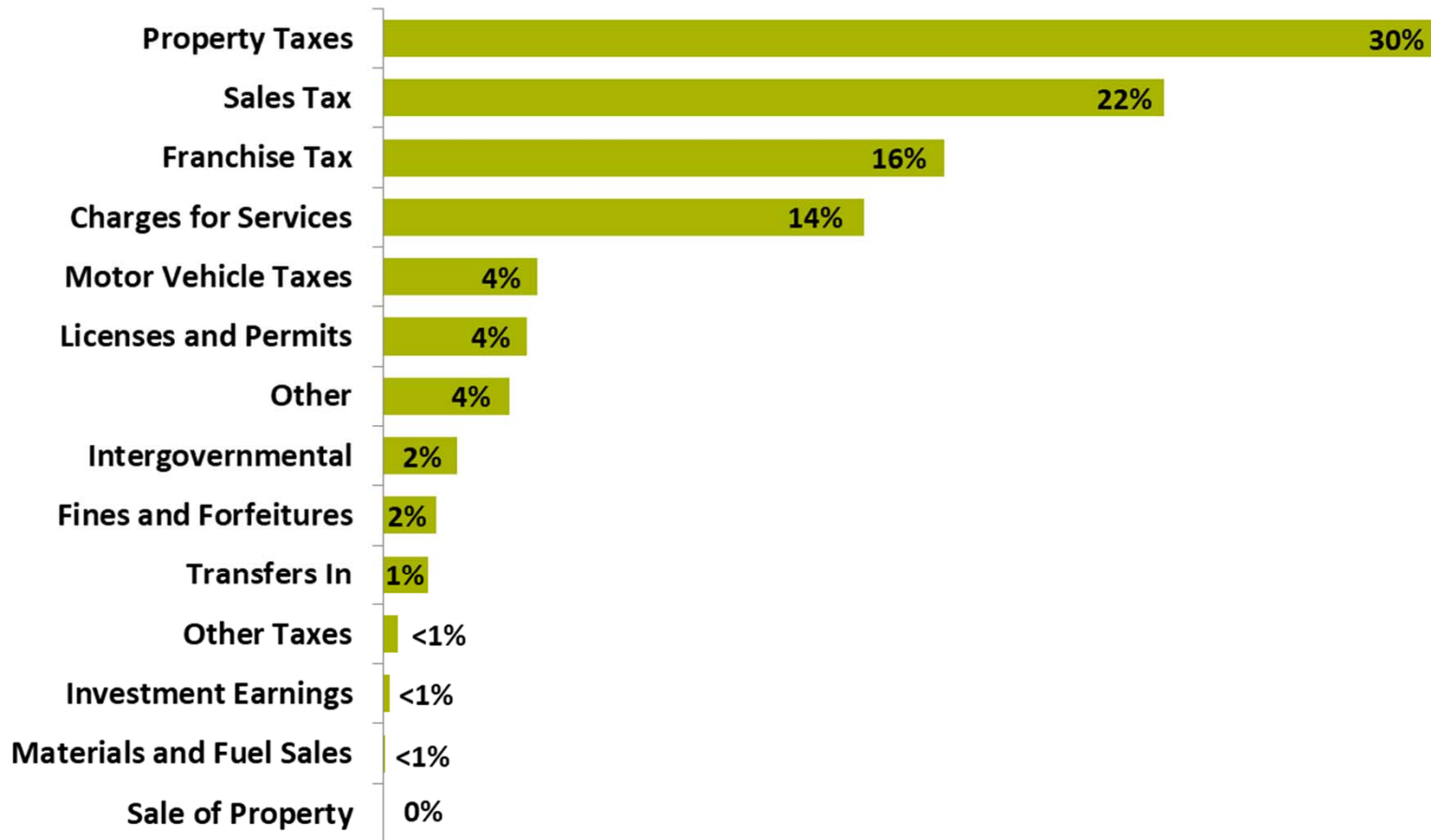
FY21 General Fund Revenues

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|---------------|-----------------------|---------------|
| | Actuals | Budget | Proj | Budget | \$ | % | \$ | % |
| Property Taxes* | 20,552,989 | 20,563,385 | 20,693,189 | 21,076,390 | 513,005 | 2.49% | 383,201 | 1.85% |
| Sales Tax | 17,328,879 | 18,130,832 | 17,447,338 | 15,475,569 | -2,655,263 | -14.65% | -1,971,769 | -11.30% |
| Franchise Tax | 12,525,332 | 12,625,326 | 12,320,635 | 11,770,257 | -855,069 | -6.77% | -550,378 | -4.47% |
| Motor Vehicle Taxes | 3,653,245 | 3,694,164 | 3,797,020 | 3,408,925 | -285,239 | -7.72% | -388,095 | -10.22% |
| Other Taxes | 291,208 | 295,174 | 346,314 | 269,410 | -25,764 | -8.73% | -76,904 | -22.21% |
| Fines and Forfeitures | 1,171,956 | 1,159,690 | 1,068,736 | 1,043,397 | -116,293 | -10.03% | -25,339 | -2.37% |
| Licenses and Permits | 2,605,210 | 2,685,440 | 3,166,940 | 2,825,126 | 139,686 | 5.20% | -341,814 | -10.79% |
| Intergovernmental | 1,157,233 | 1,310,965 | 1,310,965 | 1,457,795 | 146,830 | 11.20% | 146,830 | 11.20% |
| Charges for Services | 9,093,423 | 9,374,305 | 9,550,382 | 9,528,761 | 154,456 | 1.65% | -21,621 | -0.23% |
| Materials and Fuel Sales | 2,842 | 2,000 | 3,652 | 3,945 | 1,945 | 97.25% | 293 | 8.02% |
| Investment Earnings | 727,475 | 330,000 | 330,000 | 111,304 | -218,696 | -66.27% | -218,696 | -66.27% |
| Other | 1,635,911 | 2,139,500 | 2,479,174 | 2,481,942 | 342,442 | 16.01% | 2,768 | 0.11% |
| Sale of Property | 2,970,703 | 0 | 0 | 0 | 0 | 0.00% | 0 | 0.00% |
| Transfers In | 742,110 | 906,097 | 906,097 | 870,113 | -35,984 | -3.97% | -35,984 | -3.97% |
| Total | 74,458,516 | 73,216,878 | 73,420,442 | 70,322,934 | -2,893,944 | -3.95% | -3,097,508 | -4.22% |

| | 2019 | 2020 | 2020 | 2021 |
|----------------------|-----------|-----------|-----------|---------|
| Property Tax* | Actuals | Budget | Proj | Budget |
| PILOT Revenue | 1,931,033 | 2,989,531 | 2,679,496 | 532,473 |
| PILOT Expense | 1,613,637 | 2,502,465 | 2,251,424 | 0 |
| PILOT Net | 317,396 | 487,066 | 428,072 | 532,473 |



FY21 General Fund Revenues Overview



Property Tax

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|--------------|-----------------------|--------------|
| | Actuals | Budget | Proj | Budget | \$ | % | \$ | % |
| Property Taxes- Jackson | 17,284,775 | 17,261,085 | 17,468,039 | 17,730,059 | 468,974 | 2.72% | 262,020 | 1.50% |
| Property Taxes Cass | 516,191 | 518,682 | 500,526 | 508,034 | -10,648 | -2.05% | 7,508 | 1.50% |
| RR Tax - Jackson | 409,841 | 382,344 | 382,344 | 382,344 | 0 | 0.00% | 0 | 0.00% |
| RR Tax - Cass | 9,188 | 9,187 | 9,187 | 7,365 | -1,822 | -19.83% | -1,822 | -19.83% |
| Replacement Tax | 2,015,598 | 1,905,021 | 1,905,021 | 1,916,115 | 11,094 | 0.58% | 11,094 | 0.58% |
| Payment in Lieu of Taxes | 317,396 | 487,066 | 428,072 | 532,473 | 45,407 | 9.32% | 104,401 | 24.39% |
| Total | 20,552,989 | 20,563,385 | 20,693,189 | 21,076,390 | 513,005 | 2.49% | 383,201 | 1.85% |

Considerations:

- Property Taxes–Jackson: Estimated 1.5% increase from projections
- Property Taxes–Cass: Estimated 1.5% increase from projections
- PILOT: Represents only the portion retained by the City.

| | 2019 | 2020 | 2020 | 2021 |
|--------------------------|----------------|----------------|----------------|----------------|
| Payment in Lieu of Taxes | Actuals | Budget | Proj | Budget |
| PILOT Revenue | 1,931,033 | 2,989,531 | 2,679,496 | 532,473 |
| PILOT Expense | 1,613,637 | 2,502,465 | 2,251,424 | 0 |
| PILOT Net | 317,396 | 487,066 | 428,072 | 532,473 |



Sales Tax

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|--------------------------------|----------------|----------------|----------------|----------------|-------------------------|------------|-----------------------|----------------|
| | Actuals | Budget | Proj | Budget | \$ | % | \$ | % |
| Sales Tax-Cass Co prior period | 198,410 | 214,824 | 214,824 | 107,412 | -107,412 | N/A | -107,412 | -50.00% |
| Total | 198,410 | 214,824 | 214,824 | 107,412 | -107,412 | N/A | -107,412 | -50.00% |

Considerations:

- The Sales Tax-Cass County prior period remittance is a fixed amount of revenue that is received by the City on a monthly basis for a correction/adjustment with electricity sales.
- The City is scheduled to receive the revenue over a 36 month period. The City began receiving this in January 2018 and will receive the last payment in December 2020 (FY21).
- This revenue source is included in the overall revenue forecast, but it is not included in the data used to forecast gross sales tax amounts or growth rates.



Sales Tax

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|----------------|-----------------------|----------------|
| | Actuals | Budget | Proj | Budget | \$ | % | \$ | % |
| Local Sales Tax | 17,786,028 | 18,596,208 | 17,835,380 | 15,932,362 | -2,663,846 | -14.32% | -1,903,018 | -10.67% |
| Local Sales Tax-EATs | -704,507 | -680,200 | -632,672 | -564,205 | 115,995 | -17.05% | 68,467 | -10.82% |
| Total | 17,081,521 | 17,916,008 | 17,202,708 | 15,368,157 | -2,547,851 | -14.22% | -1,834,551 | -10.66% |

Considerations:

- Assumption of 10% decrease from prior year:
 - FY20 Actuals (July – March)
 - FY20 Projections (April – June)



Sales Tax-Historical Trends

| Month | Actual 2015 | Actual 2016 | Actual 2017 | Actual 2018 | Actual 2019 | Actual 2020 |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| July | 1,556,400 | 1,422,492 | 1,429,806 | 1,686,459 | 1,822,515 | 1,675,255 |
| Aug | 923,487 | 827,837 | 1,004,066 | 1,062,223 | 1,114,791 | 1,242,137 |
| Sept | 1,482,871 | 1,823,728 | 1,837,143 | 1,791,492 | 1,979,547 | 1,894,383 |
| Oct | 1,234,035 | 1,296,309 | 1,392,064 | 1,328,051 | 1,252,757 | 1,320,300 |
| Nov | 972,072 | 958,809 | 910,986 | 1,031,529 | 1,410,362 | 1,176,689 |
| Dec | 1,536,902 | 1,621,081 | 1,502,452 | 2,006,596 | 1,787,110 | 1,768,236 |
| Jan | 1,242,162 | 1,310,326 | 1,645,953 | 1,186,780 | 1,501,716 | 1,619,238 |
| Feb | 1,040,202 | 921,512 | 1,029,391 | 1,092,056 | 1,135,813 | 1,159,656 |
| Mar | 1,433,658 | 1,804,401 | 1,582,604 | 2,006,232 | 1,742,457 | 1,701,401 |
| Apr | 1,191,898 | 1,224,551 | 1,261,288 | 970,442 | 1,349,581 | 1,363,170 |
| May | 904,118 | 830,132 | 930,199 | 1,024,585 | 953,034 | 1,052,848 |
| June | 1,322,189 | 1,921,866 | 1,850,866 | 1,759,831 | 1,736,345 | |
| Total | 14,839,994 | 15,963,045 | 16,376,819 | 16,946,276 | 17,786,028 | 15,973,313 |

Variiances

| | From Prior | From Prior | From Prior | From Prior | From Prior | From Prior |
|-----------|------------|------------|------------|------------|------------|------------|
| \$ Change | 691,098 | 1,123,050 | 413,774 | 569,457 | 839,752 | (76,370) |
| % Change | 4.88% | 7.57% | 2.59% | 3.48% | 4.96% | -0.48% |

| Month | Actual 2015 | Actual 2016 | Actual 2017 | Actual 2018 | Actual 2019 | Actual 2020 |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| July | 1,556,400 | 1,422,492 | 1,429,806 | 1,686,459 | 1,822,515 | 1,675,255 |
| Aug | 923,487 | 827,837 | 1,004,066 | 1,062,223 | 1,114,791 | 1,242,137 |
| Sept | 1,482,871 | 1,823,728 | 1,837,143 | 1,791,492 | 1,979,547 | 1,894,383 |
| Oct | 1,234,035 | 1,296,309 | 1,392,064 | 1,328,051 | 1,252,757 | 1,320,300 |
| Nov | 972,072 | 958,809 | 910,986 | 1,031,529 | 1,110,362 | 1,176,689 |
| Dec | 1,536,902 | 1,621,081 | 1,502,452 | 2,006,596 | 1,787,110 | 1,768,236 |
| Jan | 1,242,162 | 1,310,326 | 1,645,953 | 1,186,780 | 1,501,716 | 1,619,238 |
| Feb | 1,040,202 | 921,512 | 1,029,391 | 1,092,056 | 1,135,813 | 1,159,656 |
| Mar | 1,433,658 | 1,804,401 | 1,582,604 | 2,006,232 | 1,742,457 | 1,701,401 |
| Apr | 1,191,898 | 1,224,551 | 1,261,288 | 970,442 | 1,349,581 | 1,363,170 |
| May | 904,118 | 830,132 | 930,199 | 1,024,585 | 953,034 | 1,052,848 |
| June | 1,322,189 | 1,921,866 | 1,850,866 | 1,759,831 | 1,736,345 | |
| Total | 14,839,994 | 15,963,045 | 16,376,819 | 16,946,276 | 17,486,028 | 15,973,313 |

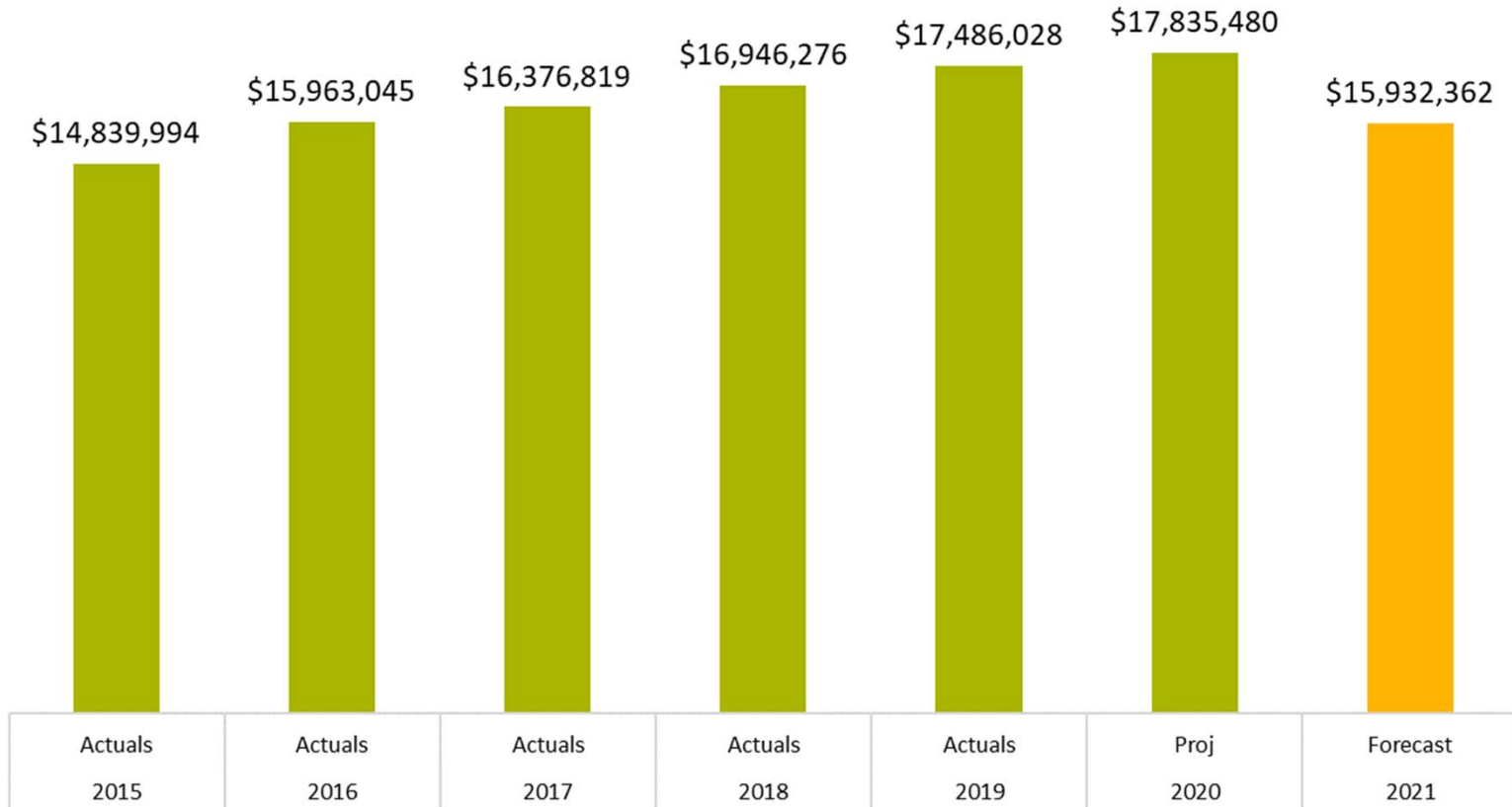
Variiances

| | From Prior | From Prior | From Prior | From Prior | From Prior | From Prior |
|-----------|------------|------------|------------|------------|------------|------------|
| \$ Change | 691,098 | 1,123,050 | 413,774 | 569,457 | 539,752 | 223,630 |
| % Change | 4.88% | 7.57% | 2.59% | 3.48% | 3.19% | 1.42% |

In FY19, the General Fund received a one-time prior-period remittance payment of \$300,000 in the month of November (highlighted above). Because this is a one-time payment and was not collected as part of the normal sales tax revenue from that fiscal year, the one-time payment amount will be removed for purposes of analyzing historical trends and forecasting future revenues.



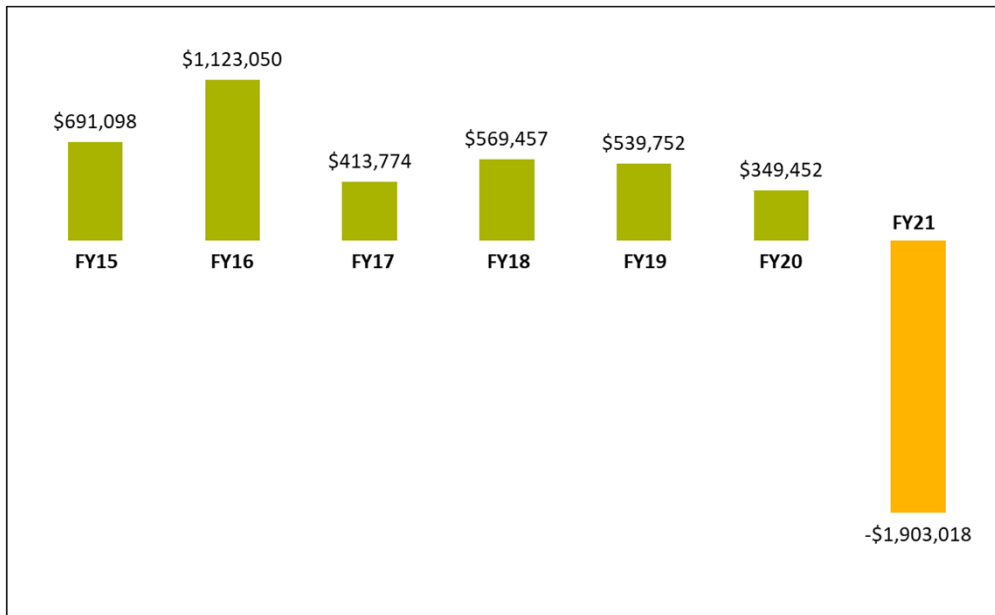
Sales Tax-Historical Trends Annual Revenue



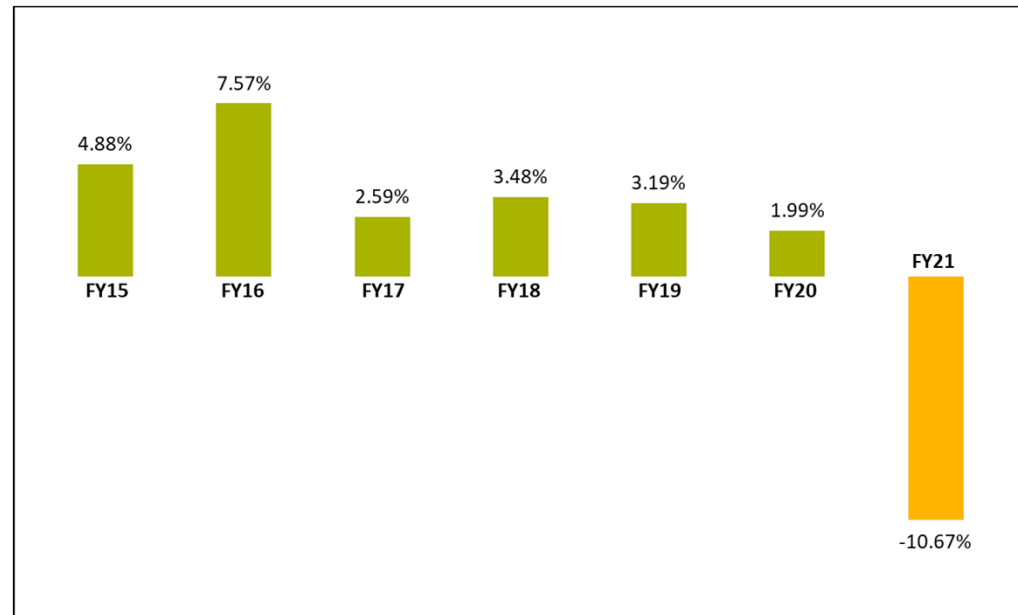
Sales Tax-Historical Trends

Change From Prior Year

Change From Prior Year - \$ Amount



Change From Prior Year - Percentage



Franchise Taxes

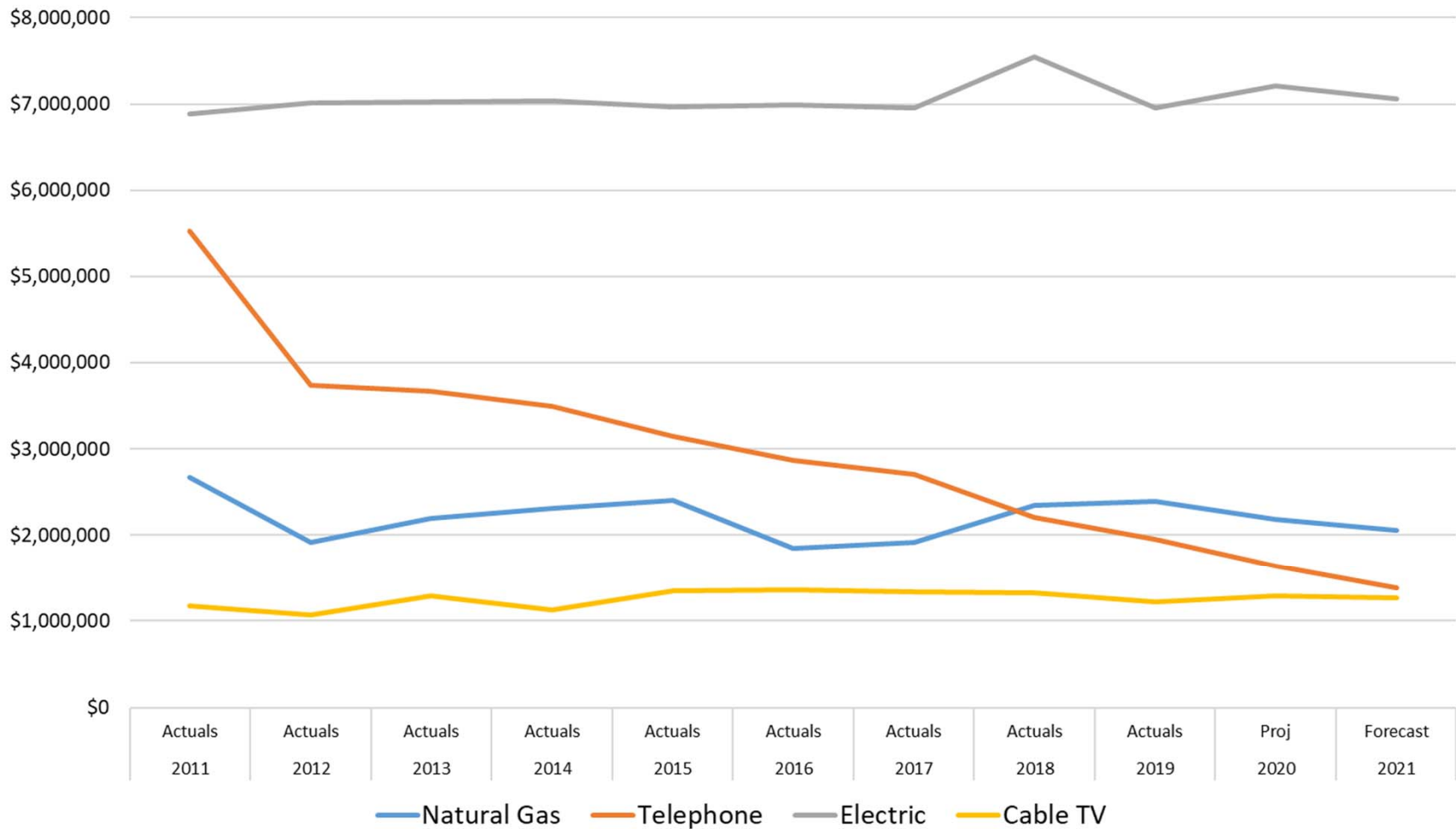
| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|---------------|-----------------------|---------------|
| | Actuals | Budget | Proj | Budget | \$ | % | \$ | % |
| Natural Gas | 2,394,693 | 2,101,323 | 2,180,203 | 2,059,083 | -42,240 | -2.01% | -121,120 | -5.56% |
| Telephone | 1,950,523 | 1,937,147 | 1,635,754 | 1,387,119 | -550,028 | -28.39% | -248,635 | -15.20% |
| Electric | 6,957,592 | 7,290,412 | 7,212,579 | 7,062,347 | -228,065 | -3.13% | -150,232 | -2.08% |
| Cable TV | 1,222,524 | 1,296,444 | 1,292,099 | 1,261,708 | -34,736 | -2.68% | -30,391 | -2.35% |
| Total | 12,525,332 | 12,625,326 | 12,320,635 | 11,770,257 | -855,069 | -6.77% | -550,378 | -4.47% |

Methodology:

- Natural Gas: 5-year average (baseline) and subtract 3%
- Telephone: subtract 3-year average annual percentage decrease (15.2%) from baseline (FY20 Projection)
- Electric: 3-year average (baseline) and subtract out 3%
- Cable TV: subtract 3-year average annual percentage decrease (2.3%) from baseline (FY20 Projection)



Franchise Taxes



Use Tax

- The Use Tax is on the June 2, 2020 ballot.
- If approved by voters, the Use Tax would go into effect October 1, 2020.
- The estimated Use Tax revenue is NOT included in the FY21 General Fund Revenue Forecast.
- The following is the estimated amount of revenue that the City would have received for the last four quarters where data is available:

| | CY18 Q4 | CY19 Q1 | CY19 Q2 | CY19 Q3 | Total |
|--------------------------------|----------------|----------------|----------------|----------------|--------------------|
| General Fund (1 cent) | \$238,822 | \$189,596 | \$194,898 | \$194,201 | \$817,517 |
| Transportation (1/2 cent) | \$119,411 | \$94,798 | \$97,449 | \$97,101 | \$408,759 |
| Capital Improvement (1/2 cent) | \$119,411 | \$94,798 | \$97,449 | \$97,101 | \$408,759 |
| Parks (1/4 cent) | \$59,706 | \$47,399 | \$48,725 | \$48,550 | \$204,379 |
| | | | | | \$1,839,413 |

General Fund Expenses

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------------|---------------|-----------------------|---------------|
| | Actuals | Budget | Projection | Request | \$ | % | \$ | % |
| Personnel Services | 48,318,173 | 51,151,869 | 50,808,937 | 53,165,944 | 2,014,075 | 3.94% | 2,357,007 | 4.64% |
| Supplies for resale | 200,894 | 255,500 | 255,500 | 255,500 | 0 | 0.00% | 0 | 0.00% |
| Other supplies, services and charges | 7,903,829 | 10,784,194 | 10,434,011 | 6,895,310 | -3,888,884 | -36.06% | -3,538,701 | -33.92% |
| Repairs and maintenance | 1,477,288 | 1,592,535 | 1,594,670 | 1,735,030 | 142,495 | 8.95% | 140,360 | 8.80% |
| Utilities | 1,730,369 | 1,843,618 | 1,847,145 | 1,905,430 | 61,812 | 3.35% | 58,285 | 3.16% |
| Fuel and lubricants | 486,956 | 479,059 | 477,006 | 493,262 | 14,203 | 2.96% | 16,256 | 3.41% |
| Miscellaneous | 26,034 | 258,800 | 229,797 | 405,430 | 146,630 | 56.66% | 175,633 | 76.43% |
| Capital outlay | 182,372 | 22,500 | 17,500 | 0 | -22,500 | -100.00% | -17,500 | -100.00% |
| Construction | -78,589 | 0 | 0 | 0 | 0 | 0.00% | 0 | 0.00% |
| Interdepartment charges | 6,259,265 | 7,043,254 | 7,043,254 | 7,045,434 | 2,180 | 0.03% | 2,180 | 0.03% |
| Transfers out | 1,517,278 | 1,143,569 | 1,143,569 | 380,210 | -763,359 | -66.75% | -763,359 | -66.75% |
| Receivables Adjustment | 3,746,443 | 3,940,000 | 4,101,060 | 3,940,000 | 0 | 0.00% | -161,060 | -3.93% |
| Total | 71,770,311 | 78,514,897 | 77,952,449 | 76,221,549 | -2,293,348 | -2.92% | -1,730,900 | -2.22% |



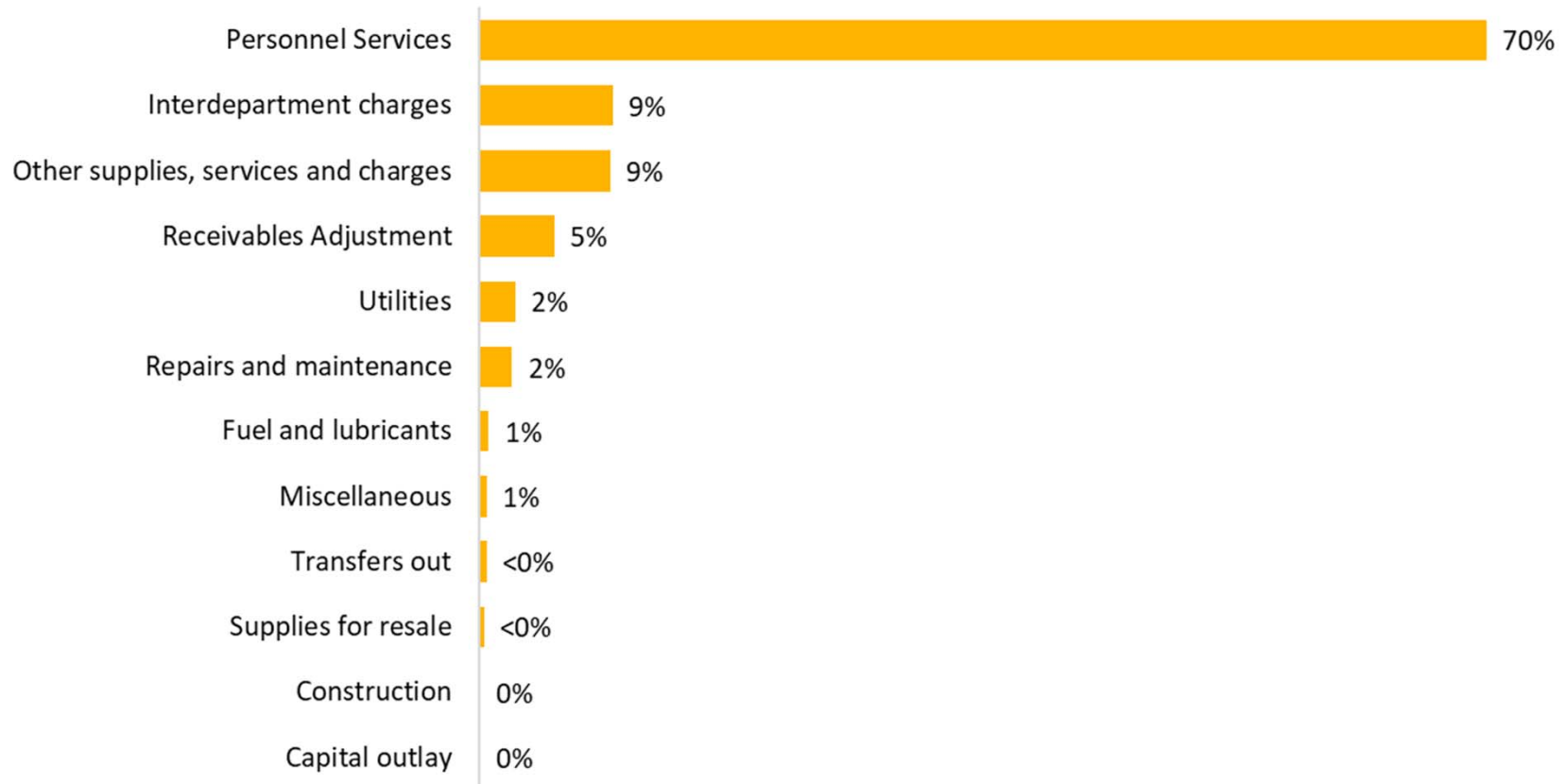
General Fund Expenses

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|--------------|-----------------------|--------------|
| | Actuals | Budget | Projection | Request | \$ | % | \$ | % |
| Personnel Services | 48,318,173 | 51,151,869 | 50,808,937 | 53,165,944 | 2,014,075 | 3.94% | 2,357,007 | 4.64% |
| Supplies for resale | 200,894 | 255,500 | 255,500 | 255,500 | 0 | 0.00% | 0 | 0.00% |
| Other supplies, services and charges | 6,290,192 | 8,281,729 | 8,182,587 | 6,895,310 | -1,386,419 | -16.74% | -1,287,277 | -15.73% |
| Repairs and maintenance | 1,477,288 | 1,592,535 | 1,594,670 | 1,735,030 | 142,495 | 8.95% | 140,360 | 8.80% |
| Utilities | 1,730,369 | 1,843,618 | 1,847,145 | 1,905,430 | 61,812 | 3.35% | 58,285 | 3.16% |
| Fuel and lubricants | 486,956 | 479,059 | 477,006 | 493,262 | 14,203 | 2.96% | 16,256 | 3.41% |
| Miscellaneous | 26,034 | 258,800 | 229,797 | 405,430 | 146,630 | 56.66% | 175,633 | 76.43% |
| Capital outlay | 182,372 | 22,500 | 17,500 | 0 | -22,500 | -100.00% | -17,500 | -100.00% |
| Construction | -78,589 | 0 | 0 | 0 | 0 | 0.00% | 0 | 0.00% |
| Interdepartment charges | 6,259,265 | 7,043,254 | 7,043,254 | 7,045,434 | 2,180 | 0.03% | 2,180 | 0.03% |
| Transfers out | 1,517,278 | 1,143,569 | 1,143,569 | 380,210 | -763,359 | -66.75% | -763,359 | -66.75% |
| Receivables Adjustment | 3,746,443 | 3,940,000 | 4,101,060 | 3,940,000 | 0 | 0.00% | -161,060 | -3.93% |
| Total | 70,156,674 | 76,012,432 | 75,701,025 | 76,221,549 | 209,117 | 0.28% | 520,524 | 0.69% |

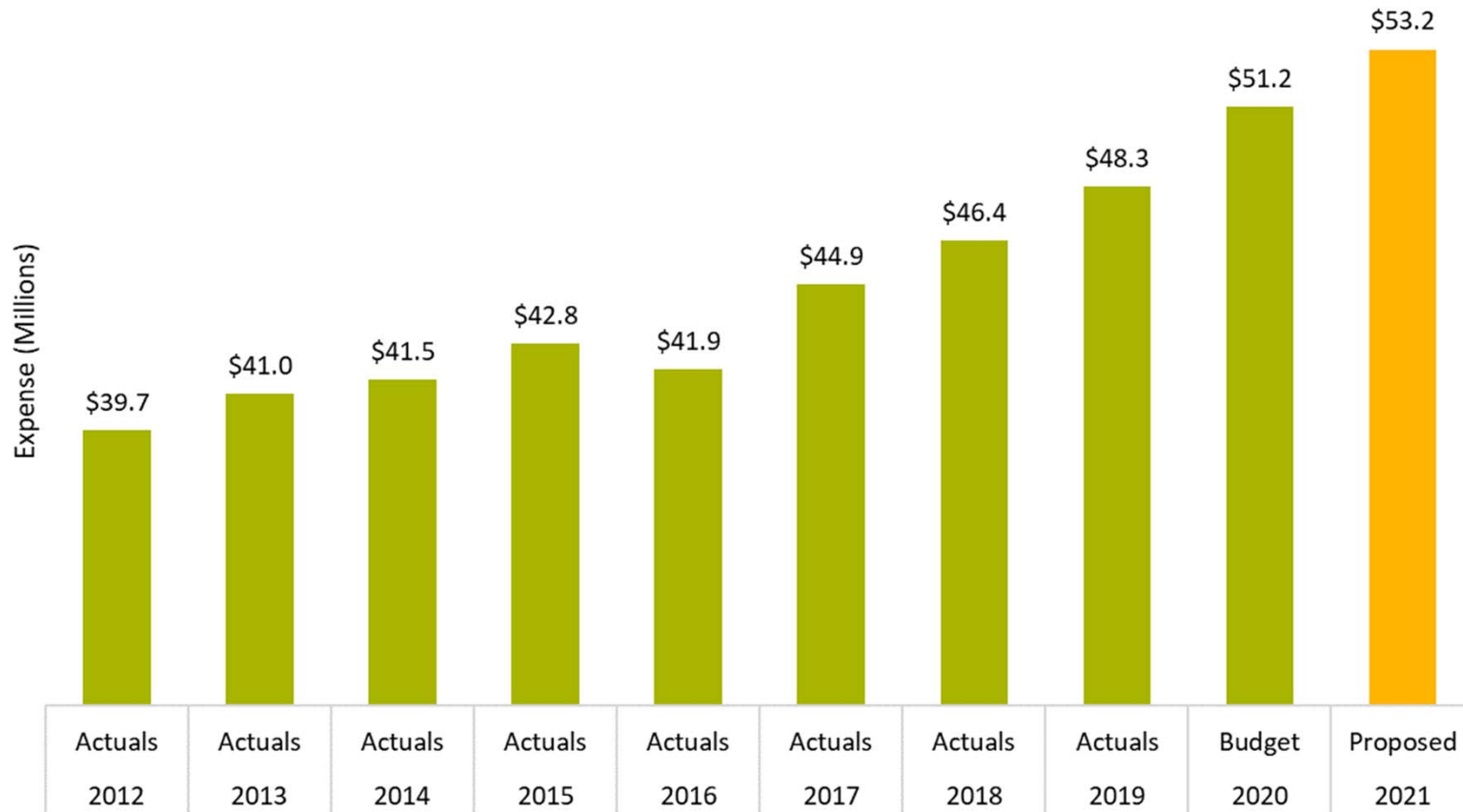
| | 2019 | 2020 | 2020 | 2021 |
|---------------|-----------|-----------|------------|---------|
| | Actuals | Budget | Projection | Request |
| Pilot Expense | 1,613,637 | 2,502,465 | 2,251,424 | 0 |



FY21 General Fund Expenses Overview



Personnel Services



Personnel Services: Workforce

| | 2019 Budget | 2020 Budget [^] | 2021 Budget | Difference FY20 |
|---------------------------|----------------|-----------------------------|----------------|--------------------|
| Administration | 30.29 | 30.43 | 29.75 | -0.68 |
| PW Engineering | 42.25 | 42.00 | 42.00 | 0.00 |
| Law Enforcement | 206.50 | 207.50 | 207.50 | 0.00 |
| Fire/Ems Services | 154.00 | 155.00 | 155.00 | 0.00 |
| Finance | 22.00 | 22.00 | 22.00 | 0.00 |
| Legal Services | 10.50 | 10.88 | 10.88 | 0.00 |
| Municipal Court | 11.96 | 10.90 | 10.90 | 0.00 |
| PW Operations Division | 33.80 | 33.80 | 33.75 | -0.05 |
| Development Services* | 40.67 | 41.42 | 40.40 | -1.02 |
| General Fund Total | 551.97 | 553.93 | 552.18 | -1.75 |

*FY19 Development Services includes employee totals for both Development Services and Planning and Special Projects.

[^]FY20 Budget amounts includes position changes resulting from Budget Amendments.



Personnel Services: Wage Increases, Step Advancement, and Promotions

- General/ Non-Represented:
 - 2% Merit Increase at Beginning of Fiscal Year
 - Estimated Impact to General Fund: \$364,497.78
- IAFF:
 - Annual Step Advancement on Job Anniversary Date
 - Estimated Impact to General Fund: \$105,181.37
- FOP:
 - Biennial Step Advancement on Job Anniversary Date
 - Estimated Impact to General Fund: \$120,482.00
- IAM
 - Annual Step Advancement at Beginning of Fiscal Year
 - Estimated Impact on General Fund: \$14,367.02

There are certain FOP, IAFF, and IAM positions that shall be eligible for automatic promotion once specific requirements of the position are met (i.e. experience, certifications, training, etc.). The expenses associated with those promotions are not factored into the above estimated impacts.



Personnel Services: Blended Insurance Rate

FY20 Blended Insurance Rate: \$11,784

FY21 Blended Insurance Rate: \$13,800

Reasons for Blended Insurance Rate Increase used for Budget:

- Updated Methodology
- 10% increase for CY 2021

General Fund Budget Impact: \$1,118,880

FY21 Blended Rate Benefit

| Month | Blended Rate |
|------------------|-----------------|
| July (2020) | \$1,098 |
| August (2020) | \$1,098 |
| September (2020) | \$1,098 |
| October (2020) | \$1,098 |
| November (2020) | \$1,098 |
| December (2020) | \$1,098 |
| January (2021) | \$1,202 |
| February (2021) | \$1,202 |
| March (2021) | \$1,202 |
| April (2021) | \$1,202 |
| May (2021) | \$1,202 |
| June (2021) | \$1,202 |
| Total | \$13,800 |

City Insurance Costs

| | Medical | Vision | Dental | Total |
|-------------------------------------|-------------|----------|-----------|----------------|
| Total Costs - Current | \$8,001,540 | \$78,996 | \$456,364 | \$8,536,900 |
| Employee enrollment - Current | 647 | 655 | 658 | |
| Annual Blended Cost/ employee | \$12,367 | \$121 | \$694 | \$13,181 |
| CY20 Monthly Blended Cost/ employee | \$1,031 | \$10 | \$58 | \$1,098 |
| estimated rate increase for CY21 | 10% | 0% | 0% | |
| CY21 Monthly Blended Cost/ employee | \$1,134 | \$10 | \$58 | \$1,202 |

Medical Insurance Increase – Impact to Employee

Employee Contribution (Monthly): Current

| | Individual | Individual + Spouse or Child | Family |
|---|------------|------------------------------|----------|
| Preferred Care Blue Choice (\$0 Deductible) | \$159.66 | \$581.93 | \$675.46 |
| Preferred Care Blue (\$500 Deductible) | \$73.37 | \$403.74 | \$468.69 |
| BlueSaver HDHP | \$18.46 | \$282.31 | \$327.68 |

Average Monthly Contribution: \$332.37

Employee Contribution (Monthly): + 10% Increase

| | Individual | Individual + Spouse or Child | Family |
|---|------------|------------------------------|----------|
| Preferred Care Blue Choice (\$0 Deductible) | \$175.63 | \$640.12 | \$743.01 |
| Preferred Care Blue (\$500 Deductible) | \$80.71 | \$444.11 | \$515.56 |
| BlueSaver HDHP | \$20.31 | \$310.54 | \$360.45 |

Average Monthly Contribution: \$365.60

The average monthly contribution for medical insurance will increase by \$33.23.

Full-time employees (2080 hours per year) making a wage of at least \$10 per hour would have the average monthly contribution increase for medical insurance (\$33.23) covered by the 2% increase.

$\$10 \times 2\% \text{ increase} = \$0.20 \text{ increase per hour} \times 2080 \text{ hours} = \$416 \text{ annual wage increase} \div 12 \text{ months} = \underline{\$34.67}$



All benefits eligible, full-time employees have an hourly wage of greater than \$10.

Personnel Services: LAGERS Rates

| LAGERS Type | FY20 Budget | FY21 Budget | % Change Increase |
|--------------------|--------------------|--------------------|--------------------------|
| General | 9.60% | 10.60% | 1.00% |
| Police | 13.50% | 13.80% | 0.30% |
| Fire | 11.90% | 12.30% | 0.40% |

FY20 General Fund Budget–LAGERS: \$3,899,477

FY21 General Fund Budget–LAGERS: \$4,127,331

Difference/ Increase to General Fund: \$237,854



Net Income

| Revenues | 2021 Forecast |
|--------------------------|-------------------|
| Property Taxes | 21,076,390 |
| Sales Tax | 15,475,569 |
| Franchise Tax | 11,770,257 |
| Motor Vehicle Taxes | 3,408,925 |
| Other Taxes | 269,410 |
| Fines and Forfeitures | 1,043,397 |
| Licenses and Permits | 2,825,126 |
| Intergovernmental | 1,457,795 |
| Charges for Services | 9,528,761 |
| Materials and Fuel Sales | 3,945 |
| Investment Earnings | 111,304 |
| Other | 2,481,942 |
| Sale of Property | 0 |
| Transfers In | 870,113 |
| Total | 70,322,934 |

| Expenses | 2021 Request |
|--------------------------------------|-------------------|
| Personnel Services | 53,165,944 |
| Supplies for resale | 255,500 |
| Other supplies, services and charges | 6,895,310 |
| Repairs and maintenance | 1,735,030 |
| Utilities | 1,905,430 |
| Fuel and lubricants | 493,262 |
| Miscellaneous | 405,430 |
| Capital outlay | 0 |
| Construction | 0 |
| Interdepartment charges | 7,045,434 |
| Transfers out | 380,210 |
| Receivables Adjustment | 3,940,000 |
| Total | 76,221,549 |

Revenues less than Expenses by \$5,898,615



Why are Revenues less than Expenses by \$5.9 mil?

REVENUES

- Forecasted revenue decrease of \$3.1 million from FY20 to FY21.

EXPENSES

- Personnel services: \$2 million.
- Comprehensive Plan Update: \$350,000.
- GEMT expense increase: \$155,000
- Repairs & Maintenance increase: \$123,000.
- Utilities increase: \$60,000
- PSERP increase: \$125,000



General Fund Balance Analysis

| | |
|--|----------------------|
| Anticipated End of Year General Fund Balance for FY2020 | \$27,729,680 |
| Less anticipated reduced revenues and increased expenditures during FY2021 | <u>(\$5,898,615)</u> |
| Anticipated End of Year General Fund Balance for FY 2021 | \$21,831,065 |

| | |
|--|--------------|
| FY2021 Budget Expenses | \$76,221,549 |
| Fund Balance / Expenditure Budget FY2021 | 28.6% |

Note:

| | |
|--|---------------------|
| <i>Estimated General Fund Reserve Policy Amount (2 months or 16.67%)</i> | <i>\$12,703,592</i> |
| <i>Potential funds identified for future Market / Pavilion Development</i> | <i>\$3,360,000</i> |



General Fund Expenses by Department

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|---------------|-----------------------|---------------|
| | Actuals | Budget | Projection | Request | \$ | % | \$ | % |
| Administration | 4,456,991 | 3,919,481 | 3,919,481 | 3,522,887 | -396,594 | -10.12% | -396,594 | -10.12% |
| Public Works Engineering | 5,527,222 | 5,954,642 | 5,954,642 | 6,275,757 | 321,115 | 5.39% | 321,115 | 5.39% |
| Law Enforcement | 21,167,624 | 22,191,703 | 22,168,847 | 22,793,832 | 602,129 | 2.71% | 624,985 | 2.82% |
| Fire/ EMS Services | 18,865,120 | 21,509,218 | 21,378,141 | 21,104,378 | -404,840 | -1.88% | -273,763 | -1.28% |
| Finance | 10,669,525 | 12,238,365 | 12,228,821 | 10,261,893 | -1,976,472 | -16.15% | -1,966,928 | -16.08% |
| Legal Services | 1,404,623 | 1,615,661 | 1,615,661 | 1,665,081 | 49,420 | 3.06% | 49,420 | 3.06% |
| Municipal Court | 905,018 | 1,011,265 | 1,011,265 | 971,756 | -39,509 | -3.91% | -39,509 | -3.91% |
| Public Works Operations | 4,906,874 | 5,471,516 | 5,462,513 | 5,158,485 | -313,031 | -5.72% | -304,028 | -5.57% |
| Development Services | 3,833,363 | 4,603,046 | 4,213,078 | 4,467,480 | -135,566 | 0.00% | 254,402 | 0.00% |
| Total | 71,736,360 | 78,514,897 | 77,952,449 | 76,221,549 | -2,293,348 | -2.92% | -1,730,900 | -2.22% |



General Fund Expenses by Department

| | 2019 | 2020 | 2020 | 2021 | Change from FY20 Budget | | Change from FY20 Proj | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|--------------|-----------------------|--------------|
| | Actuals | Budget | Projection | Request | \$ | % | \$ | % |
| Administration | 4,456,991 | 3,919,481 | 3,919,481 | 3,522,887 | -396,594 | -10.12% | -396,594 | -10.12% |
| Public Works Engineering | 5,527,222 | 5,954,642 | 5,954,642 | 6,275,757 | 321,115 | 5.39% | 321,115 | 5.39% |
| Law Enforcement | 21,167,624 | 22,191,703 | 22,168,847 | 22,793,832 | 602,129 | 2.71% | 624,985 | 2.82% |
| Fire/ EMS Services | 18,865,120 | 21,509,218 | 21,378,141 | 21,104,378 | -404,840 | -1.88% | -273,763 | -1.28% |
| Finance^ | 9,055,888 | 9,735,900 | 9,977,397 | 10,261,893 | 525,993 | 5.40% | 284,496 | 2.85% |
| Legal Services | 1,404,623 | 1,615,661 | 1,615,661 | 1,665,081 | 49,420 | 3.06% | 49,420 | 3.06% |
| Municipal Court | 905,018 | 1,011,265 | 1,011,265 | 971,756 | -39,509 | -3.91% | -39,509 | -3.91% |
| Public Works Operations | 4,906,874 | 5,471,516 | 5,462,513 | 5,158,485 | -313,031 | -5.72% | -304,028 | -5.57% |
| Development Services | 3,833,363 | 4,603,046 | 4,213,078 | 4,467,480 | -135,566 | 0.00% | 254,402 | 0.00% |
| Total | 70,122,723 | 76,012,432 | 75,701,025 | 76,221,549 | 209,117 | 0.28% | 520,524 | 0.69% |

| | 2019 | 2020 | 2020 | 2021 |
|-----------------------|-----------|-----------|------------|---------|
| | Actuals | Budget | Projection | Request |
| Pilot Expense^ | 1,613,637 | 2,502,465 | 2,251,424 | 0 |



Remainder of FY21 Budget



Special Revenue Funds

| Special Revenue Funds | FY20 Budget | FY21 Proposed |
|------------------------------|------------------------|--------------------------|
| Parks and Recreation Fund | \$3,615,724 | \$3,406,344 |
| Gamber Center | \$425,730 | \$399,100 |
| Lovell CC at Legacy Park | \$2,085,352 | \$1,860,716 |
| Summit Waves | \$689,414 | \$764,531 |
| Cemetery Trust Fund | \$204,873 | \$191,522 |
| Longview Community Center | \$1,362,821 | \$1,257,015 |
| Business and Industry Fund | \$631,544 | \$323,583 |
| Entitlement Fund | \$406,232 | \$393,451 |
| VAWA Grant Fund | \$150,000 | \$150,000 |
| Postclosure Trust Fund | \$303,120 | \$508,681 |
| PSERP | \$782,850 | \$187,628 |
| Total | \$10,657,660 | \$9,442,571 |



TIF and TDD Funds

| TIF and TDD Funds | FY20 Budget | FY21 Proposed |
|--------------------------|------------------------|--------------------------|
| SummitWoods East TIF | \$3,825,399 | \$3,224,445 |
| I470 Business Center TIF | \$946,360 | \$809,353 |
| Longview Farm TIF | \$1,602,310 | \$587,227 |
| Longview TDD | \$33,000 | \$0 |
| Ritter Plaza TIF | \$196,347 | \$279,815 |
| Todd George/50 Hwy TIF | \$1,392,239 | \$1,873,138 |
| LS Sports Complex TIF | \$26 | \$38,057 |
| Longview Farm 2016 TIF | \$0 | \$768,371 |
| Total | \$7,995,681 | \$7,580,406 |



Capital Project Funds

| Capital Project Funds | FY20 Budget | FY21 Proposed |
|---------------------------------|------------------------|--------------------------|
| Water Tap Fund | \$2,534,147 | \$1,609,318 |
| Sewer Tap Fund | \$700,000 | \$0 |
| Water Construction | \$5,074,000 | \$7,852,000 |
| Sewer Construction Fund | \$5,345,000 | \$7,522,000 |
| WU Equipment Replacement | \$874,000 | \$1,757,000 |
| Airport Construction | \$4,901,000 | \$2,983,000 |
| Capital Imprvmt Sales Tax | \$15,578,000 | \$12,673,000 |
| R&B Excise Tax | \$1,200,000 | \$1,477,000 |
| Road & Bridge Improvement | \$8,140,616 | \$9,825,000 |
| Park Development Fund | \$5,530,000 | \$378,500 |
| TIF Application Fund | \$96,429 | \$250,000 |
| Road Improvements 2013 | \$216,820 | \$0 |
| Public Safety Improvements 2020 | \$0 | \$9,055,000 |
| Public Safety Bonds 2020 B | \$0 | \$7,000,000 |
| Total | \$50,190,012 | \$62,381,818 |



Debt Service Funds

| Debt Service Funds | FY20 Budget | FY21 Proposed |
|---------------------------|------------------------|--------------------------|
| General Obligation Debt | \$8,305,275 | \$10,266,598 |
| Park COP Debt | \$4,495,000 | \$3,657,500 |
| Total | \$12,800,275 | \$13,924,098 |



Enterprise Funds

| Enterprise Funds | FY20 Budget | FY21 Proposed |
|---------------------------|------------------------|--------------------------|
| Water/Sewer Fund | \$50,080,335 | \$47,773,890 |
| Airport Fund | \$2,892,256 | \$2,956,827 |
| Solid Waste Management | \$4,040,332 | \$180,362 |
| Harris Park Community Ctr | \$1,638,875 | \$1,253,453 |
| Total | \$58,651,798 | \$52,164,532 |



Internal Service Funds

| Internal Service Funds | FY20 Budget | FY21 Proposed |
|--------------------------------|------------------------|--------------------------|
| Central Building Services | \$2,110,750 | \$1,391,007 |
| Fleet Operations | \$7,988,676 | \$4,561,712 |
| ITS Services | \$5,190,953 | \$4,940,872 |
| Short Term Disability Fnd | \$31,074 | \$20,393 |
| Unemployment Trust Fund | \$30,792 | \$32,630 |
| Claims & Damages Reserve Fund | \$982,000 | \$1,005,874 |
| Work Comp Self Insurance | \$1,480,564 | \$1,008,423 |
| Health Insurance Reserve Funds | \$0 | \$18,159 |
| Total | \$17,814,809 | \$12,979,070 |



Total Request All Funds

| | FY20 | FY21 |
|------------------------------------|----------------------|----------------------|
| | Budget | Proposed |
| General Fund | \$78,514,897 | \$76,221,549 |
| Special Revenue Funds | \$10,657,660 | \$9,442,571 |
| TIF & TDD Funds | \$7,995,681 | \$7,580,406 |
| Capital Project Funds | \$50,190,012 | \$62,381,818 |
| Debt Service Funds | \$12,800,275 | \$13,924,098 |
| Enterprise Funds | \$58,651,798 | \$52,164,532 |
| Internal Service Funds | \$17,814,809 | \$12,979,070 |
| Total Proposed Expenditures | \$236,625,132 | \$234,694,044 |



Committee Discussion of the City Manager's FY21 Budget



FY21 Budget: Next Steps

- City Council meeting on June 9, 2020:
 - Public Hearing
 - Presentation of the FY21 Budget for the full City Council
 - First Reading of the Budget Ordinance
- City Council meeting on June 16, 2020:
 - Second Reading of the Budget Ordinance

