

# Fiscal Sustainability Concept #1: Establish Target Amount

3 Month Review of FY21 General Fund Revenues –  
Comparison of Budget to Actuals

Finance and Budget Committee: October 12, 2020

City Council: October 27, 2020

# Fiscal Sustainability

For the City of Lee’s Summit, “fiscal sustainability” means that basic City services can be provided in a resilient manner, while maintaining a level of revenues that consistently meets or exceeds projected expenditures. (F&BC Meeting, August 10, 2020)

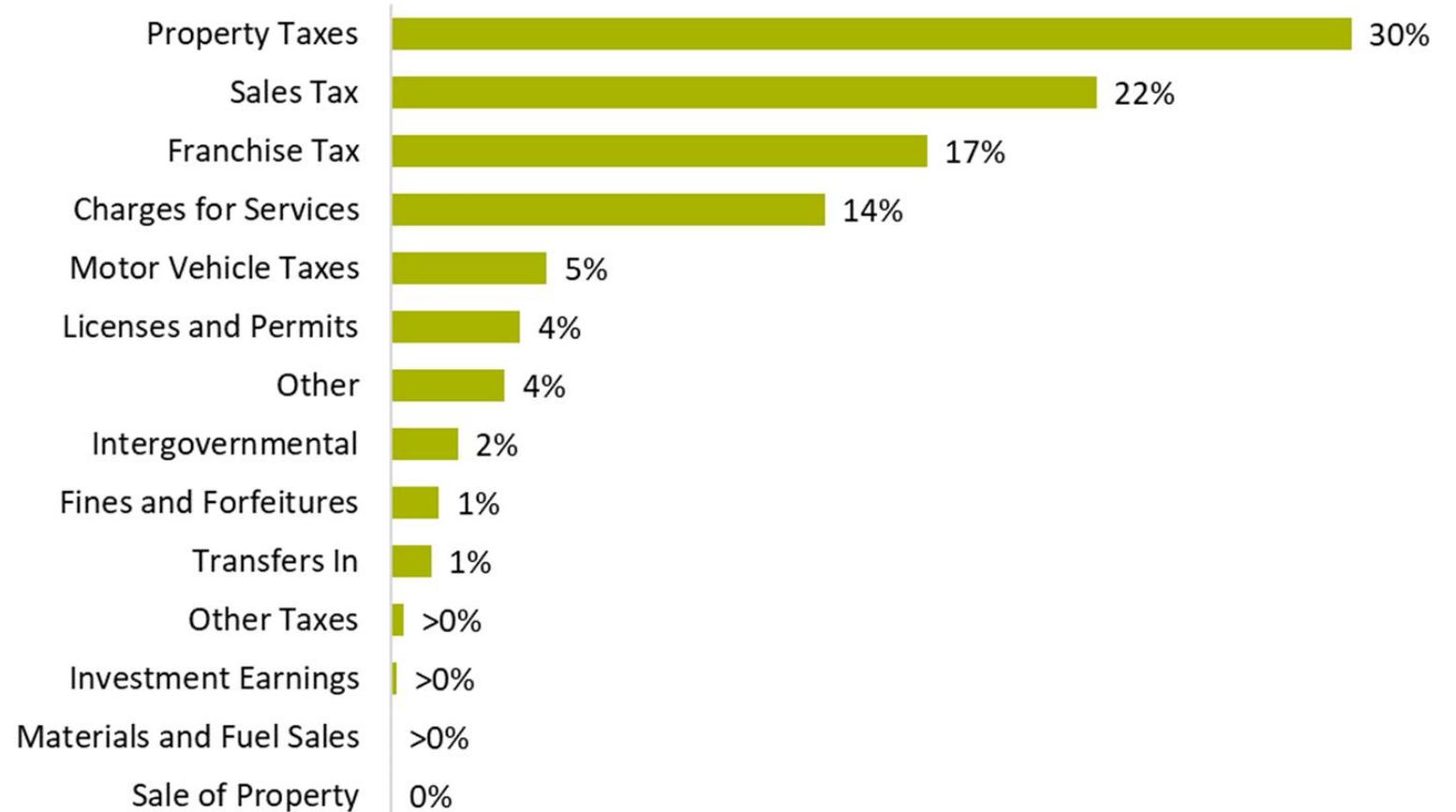
**SERVICE EXCELLENCE**  
*aim high & deliver.*  
We are committed to quality in all we do.

**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**

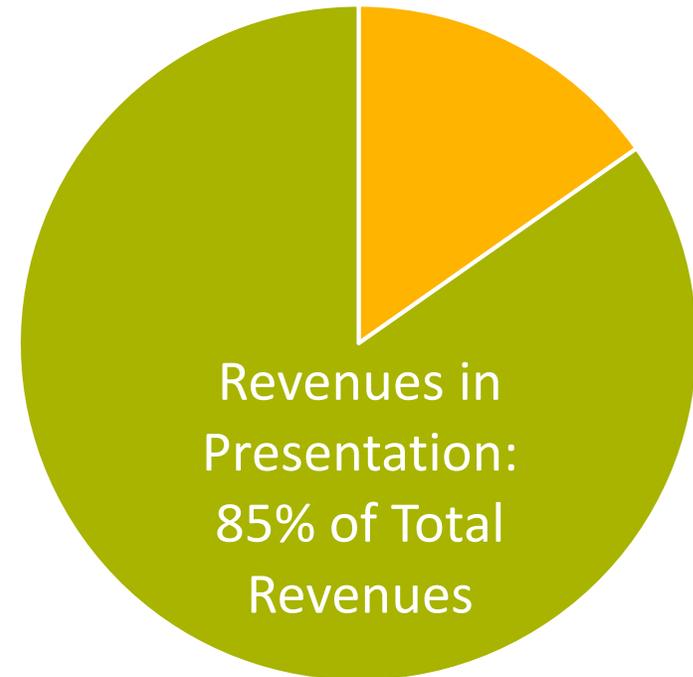
# FY21 General Fund Revenues Overview

| 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           |
| <b>Total</b>             | <b>70,322,934</b> |



# Revenues Discussed in Presentation

- Property Tax
- Sales Tax
- Franchise Taxes
- Motor Vehicle Taxes
- Ambulance Fees (Charge for Service)
- Use Tax (not in FY21 Forecast)



# Property Tax

- The City will receive a majority of the revenues for Property Taxes in January.
- It is assumed that the City will receive a large majority of the budgeted revenue amount. Exception:
  - The Board of Equalization is still resolving appeals.
  - Jackson County is withholding revenues to provide refunds for appeals that were resolved in favor of the taxpayer.
  - The City was able to include a recoupment amount in the property tax levies, however, any appeals that are overturned after the City's levy amounts were approved by Council will have revenues withheld and will need to be recouped in a future year.

# Sales Tax

- FY21 Forecast Methodology: 10% decrease from FY20 amounts (actuals for July to March and projections for April to June)
- On average, there is a two-month lag on when the City receives sales tax. Example:
  - An entity collects sales tax over the month of July.
  - That entity then submits their July sales tax payments to the State of Missouri by mid-August.
  - The State aggregates all of the sales tax revenue for the City of Lee's Summit and remits it to the City in the first week of September (usually by the 7<sup>th</sup>).

# Sales Tax: Local Sales Tax

| Month            | Actual<br>2016    | Actual<br>2017    | Actual<br>2018    | Actual<br>2019    | Actual<br>2020    | Actual<br>2021    | Chg frm<br>Prior | 2021 Actual<br>Cumulative | Budget<br>2021    | 2021 Budget<br>Cumulative | Chg<br>Act to Bud |
|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------------|-------------------|---------------------------|-------------------|
| July             | 1,422,492         | 1,429,806         | 1,686,459         | 1,822,515         | 1,675,255         | 1,498,216         | -10.6%           | 1,498,216                 | 1,577,728         | 1,577,728                 | -5.0%             |
| Aug              | 827,837           | 1,004,066         | 1,062,223         | 1,114,791         | 1,242,137         | 1,461,376         | 17.7%            | 2,959,592                 | 1,040,558         | 2,618,286                 | 13.0%             |
| Sept             | 1,823,728         | 1,837,143         | 1,791,492         | 1,979,547         | 1,894,383         | 2,020,053         | 6.6%             | 4,979,645                 | 1,724,171         | 4,342,457                 | 14.7%             |
| Oct              | 1,296,309         | 1,392,064         | 1,328,051         | 1,252,757         | 1,320,300         |                   |                  | 4,979,645                 | 1,187,233         | 5,529,690                 |                   |
| Nov              | 958,809           | 910,986           | 1,031,529         | 1,410,362         | 1,176,689         |                   |                  | 4,979,645                 | 1,101,251         | 6,630,941                 |                   |
| Dec              | 1,621,081         | 1,502,452         | 2,006,596         | 1,787,110         | 1,768,236         |                   |                  | 4,979,645                 | 1,692,678         | 8,323,619                 |                   |
| Jan              | 1,310,326         | 1,645,953         | 1,186,780         | 1,501,716         | 1,619,238         |                   |                  | 4,979,645                 | 1,310,982         | 9,634,601                 |                   |
| Feb              | 921,512           | 1,029,391         | 1,092,056         | 1,135,813         | 1,159,656         |                   |                  | 4,979,645                 | 1,030,933         | 10,665,534                |                   |
| Mar              | 1,804,401         | 1,582,604         | 2,006,232         | 1,742,457         | 1,701,401         |                   |                  | 4,979,645                 | 1,658,638         | 12,324,172                |                   |
| Apr              | 1,224,551         | 1,261,288         | 970,442           | 1,349,581         | 1,363,170         |                   |                  | 4,979,645                 | 1,089,908         | 13,414,080                |                   |
| May              | 830,132           | 930,199           | 1,024,585         | 953,034           | 1,052,848         |                   |                  | 4,979,645                 | 884,943           | 14,299,023                |                   |
| June             | 1,921,866         | 1,850,866         | 1,759,831         | 1,736,345         | 1,637,022         |                   |                  | 4,979,645                 | 1,633,339         | 15,932,362                |                   |
| <b>Total</b>     | <b>15,963,045</b> | <b>16,376,819</b> | <b>16,946,276</b> | <b>17,786,028</b> | <b>17,610,336</b> | <b>4,979,645</b>  |                  |                           | <b>15,932,362</b> |                           |                   |
| <b>Variances</b> |                   |                   |                   |                   |                   |                   |                  |                           |                   |                           |                   |
|                  | <u>From Prior</u> |                  | <u>Actual to Bud</u>      |                   |                           |                   |
| \$ Change        | 1,123,050         | 413,774           | 569,457           | 839,752           | (175,692)         | 167,870           |                  | 637,188                   |                   |                           |                   |
| % Change         | 7.57%             | 2.59%             | 3.48%             | 4.96%             | -0.99%            | 3.49%             |                  | 14.67%                    |                   |                           |                   |

\*Included in the Local Sales Tax revenues in November-FY19 is a one-time payment of \$300,000, which was for a settlement going back to 2005.

# Franchise Taxes

- The following are the four types of franchise taxes and the methodology used to forecast the FY21 revenues:
  - Natural Gas: Use the 5-year average as the baseline and decrease by 3% (potential COVID-19 impact).
  - Telephone: Use the FY20 projection amount as the baseline and decrease by 15.2% (3-year average annual percentage decline)
  - Electric: Use the 3-year average as the baseline and decrease by 3% (potential COVID-19 impact).
  - Cable TV: Use the FY20 projection amount as the baseline and decrease by 2.3% (3-year average annual percentage decline).

# Franchise Tax: Natural Gas

| Month        | Actual 2016      | Actual 2017      | Actual 2018      | Actual 2019      | Actual 2020      | Actual 2021    | Chg frm Prior | 2021 Cumulative | Budget 2021      | 2021 Budget Cumulative | Chg Act to Bud |
|--------------|------------------|------------------|------------------|------------------|------------------|----------------|---------------|-----------------|------------------|------------------------|----------------|
| July         | 96,423           | 96,600           | 104,877          | 88,937           | 96,348           | 96,396         | 0.1%          | 96,396          | 93,356           | 93,356                 | 3.3%           |
| Aug          | 91,470           | 90,424           | 100,169          | 85,034           | 90,398           | 93,889         | 3.9%          | 190,285         | 88,467           | 181,823                | 4.7%           |
| Sept         | 89,695           | 87,756           | 99,020           | 84,438           | 89,603           | 90,570         | 1.1%          | 280,855         | 87,086           | 268,909                | 4.4%           |
| Oct          | 93,209           | 90,945           | 102,811          | 87,088           | 89,480           |                |               | 280,855         | 89,968           | 358,877                |                |
| Nov          | 97,989           | 93,403           | 106,484          | 109,444          | -                |                |               | 280,855         | 96,825           | 455,702                |                |
| Dec          | 131,611          | 113,788          | 201,755          | 230,068          | 344,585          |                |               | 280,855         | 164,712          | 620,414                |                |
| Jan          | 209,104          | 276,562          | 242,279          | 317,507          | 255,308          |                |               | 280,855         | 263,023          | 883,437                |                |
| Feb          | 336,904          | 345,925          | 447,766          | 351,466          | 311,744          |                |               | 280,855         | 364,798          | 1,248,235              |                |
| Mar          | 281,144          | 254,450          | 338,293          | 408,783          | 314,776          |                |               | 280,855         | 310,994          | 1,559,229              |                |
| Apr          | 170,471          | 203,953          | 258,795          | 342,661          | 225,560          |                |               | 280,855         | 240,418          | 1,799,647              |                |
| May          | 145,633          | 143,238          | 245,830          | 167,033          | 166,292          |                |               | 280,855         | 158,277          | 1,957,924              |                |
| June         | 103,032          | 120,210          | 98,935           | 122,234          | 118,549          |                |               | 280,855         | 101,159          | 2,059,083              |                |
| <b>Total</b> | <b>1,846,685</b> | <b>1,917,253</b> | <b>2,347,015</b> | <b>2,394,693</b> | <b>2,102,643</b> | <b>280,855</b> |               |                 | <b>2,059,083</b> |                        |                |

## Variances

|           | <u>From Prior</u> |  |  | <u>Act to Bud</u> |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|-------------------|
| \$ Change | (561,638)         | 70,568            | 429,762           | 47,678            | (292,050)         | 4,506             |  |  | 11,946            |
| % Change  | -23.3%            | 3.8%              | 22.4%             | 2.0%              | -12.2%            | 1.6%              |  |  | 4.4%              |

# Franchise Tax: Telephone

| Month        | Actual<br>2016   | Actual<br>2017   | Actual<br>2018   | Actual<br>2019   | Actual<br>2020   | Actual<br>2021 | Chg frm<br>Prior | 2021 Actual<br>Cumulative | Budget<br>2021   | 2021 Budget<br>Cumulative | Chg<br>Act to Bud |
|--------------|------------------|------------------|------------------|------------------|------------------|----------------|------------------|---------------------------|------------------|---------------------------|-------------------|
| July         | 247,662          | 235,949          | 197,831          | 190,130          | 153,500          | 146,812        | -4.4%            | 146,812                   | 120,663          | 120,663                   | 21.7%             |
| Aug          | 254,852          | 222,784          | 173,248          | 176,171          | 136,231          | 127,103        | -6.7%            | 273,915                   | 108,225          | 228,888                   | 19.7%             |
| Sept         | 245,929          | 224,905          | 172,896          | 174,477          | 128,520          | 112,371        | -12.6%           | 386,286                   | 106,051          | 334,939                   | 15.3%             |
| Oct          | 248,311          | 231,211          | 192,407          | 181,428          | 145,174          |                |                  | 386,286                   | 115,659          | 450,598                   |                   |
| Nov          | 100,294          | 209,227          | 173,682          | 173,250          | 133,445          |                |                  | 386,286                   | 107,050          | 557,648                   |                   |
| Dec          | 369,143          | 220,186          | 203,646          | 162,273          | 127,321          |                |                  | 386,286                   | 109,917          | 667,565                   |                   |
| Jan          | 255,728          | 235,388          | 198,684          | 189,512          | 160,189          |                |                  | 386,286                   | 122,206          | 789,771                   |                   |
| Feb          | 229,240          | 204,081          | 153,748          | 157,949          | 121,658          |                |                  | 386,286                   | 96,572           | 886,343                   |                   |
| Mar          | 227,268          | 203,650          | 199,823          | 135,400          | 128,852          |                |                  | 386,286                   | 103,283          | 989,626                   |                   |
| Apr          | 256,584          | 353,283          | 204,981          | 166,332          | 150,055          |                |                  | 386,286                   | 161,473          | 1,151,099                 |                   |
| May          | 219,713          | 193,655          | 172,866          | 141,864          | 123,972          |                |                  | 386,286                   | 113,292          | 1,264,391                 |                   |
| June         | 215,402          | 174,652          | 160,681          | 101,813          | 116,967          |                |                  | 386,286                   | 122,728          | 1,387,119                 |                   |
| <b>Total</b> | <b>2,870,126</b> | <b>2,708,971</b> | <b>2,204,493</b> | <b>1,950,599</b> | <b>1,625,884</b> | <b>386,286</b> |                  |                           | <b>1,387,119</b> |                           |                   |

## Variance

|           | <u>From Prior</u> |  |  |  | <u>Act to Bud</u> |  |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|-------------------|--|
| \$ Change | (278,272)         | (161,155)         | (504,478)         | (253,894)         | (324,715)         | (31,966)          |  |  |  | 51,347            |  |
| % Change  | -8.8%             | -5.6%             | -18.6%            | -11.5%            | -16.6%            | -7.6%             |  |  |  | 15.33%            |  |

# Franchise Tax: Electric

| Month        | Actual 2016      | Actual 2017      | Actual 2018      | Actual 2019      | Actual 2020      | Actual 2021      | Chg frm Prior | 2021 Cumulative | Budget 2021      | 2021 Budget Cumulative | Chg Act to Bud |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|-----------------|------------------|------------------------|----------------|
| July         | 720,963          | 769,152          | 795,028          | 927,389          | 640,251          | 768,083          | 20.0%         | 768,083         | 761,421          | 761,421                | 0.9%           |
| Aug          | 895,379          | 907,995          | 888,661          | 993,763          | 991,987          | 938,766          | -5.4%         | 1,706,850       | 926,341          | 1,687,762              | 1.1%           |
| Sept         | 890,728          | 864,192          | 808,543          | 736,763          | 895,768          | 825,368          | -7.9%         | 2,532,218       | 786,689          | 2,474,451              | 2.3%           |
| Oct          | 771,476          | 785,510          | 772,720          | 852,682          | 785,039          |                  |               | 2,532,218       | 776,817          | 3,251,268              |                |
| Nov          | 473,736          | 472,788          | 533,824          | 514,908          | 560,335          |                  |               | 2,532,218       | 518,557          | 3,769,825              |                |
| Dec          | 423,011          | 448,417          | 487,899          | 507,603          | 438,275          |                  |               | 2,532,218       | 462,066          | 4,231,891              |                |
| Jan          | 485,420          | 482,105          | 498,879          | 511,151          | 528,123          |                  |               | 2,532,218       | 495,703          | 4,727,594              |                |
| Feb          | 530,395          | 497,149          | 591,763          | 271,647          | 536,192          |                  |               | 2,532,218       | 451,052          | 5,178,646              |                |
| Mar          | 490,740          | 440,442          | 518,368          | 479,189          | 501,943          |                  |               | 2,532,218       | 483,246          | 5,661,892              |                |
| Apr          | 427,882          | 438,386          | 461,481          | 482,646          | 457,678          |                  |               | 2,532,218       | 445,545          | 6,107,437              |                |
| May          | 416,207          | 432,647          | 493,922          | 464,616          | 445,455          |                  |               | 2,532,218       | 448,339          | 6,555,776              |                |
| June         | 463,673          | 412,171          | 696,037          | 215,235          | 551,969          |                  |               | 2,532,218       | 506,571          | 7,062,347              |                |
| <b>Total</b> | <b>6,989,610</b> | <b>6,950,954</b> | <b>7,547,125</b> | <b>6,957,592</b> | <b>7,333,016</b> | <b>2,532,218</b> |               |                 | <b>7,062,347</b> |                        |                |

## Variances

|           | <u>From Prior</u> |  |  |  | <u>Act to Bud</u> |  |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|-------------------|--|
| \$ Change | 19,119            | (38,656)          | 596,171           | (589,533)         | 375,424           | 4,212             |  |  |  | 57,767            |  |
| % Change  | 0.3%              | -0.6%             | 8.6%              | -7.8%             | 5.4%              | 0.2%              |  |  |  | 2.3%              |  |

# Franchise Tax: Cable TV

| Month        | Actual 2016      | Actual 2017      | Actual 2018      | Actual 2019      | Actual 2020      | Actual 2021    | Chg frm Prior | 2021 Cumulative | Budget 2021      | 2021 Budget Cumulative | Chg Act to Bud |
|--------------|------------------|------------------|------------------|------------------|------------------|----------------|---------------|-----------------|------------------|------------------------|----------------|
| July         | 345,397          | 335,840          | 235,524          | 331,220          | 232,459          | 165,855        | -28.7%        | 165,855         | 224,419          | 224,419                | -26.1%         |
| Aug          | -                | 2,169            | 99,185           | -                | 94,269           | 151,816        | 61.0%         | 317,671         | 91,008           | 315,427                | 0.7%           |
| Sept         | -                | -                | -                | -                | -                | -              | 0.0%          | 317,671         | -                | 315,427                | 0.7%           |
| Oct          | 281,209          | 330,333          | 281,226          | 327,842          | 155,647          |                |               | 317,671         | 224,419          | 539,846                |                |
| Nov          | 56,570           | -                | 61,819           | -                | 161,502          |                |               | 317,671         | 91,008           | 630,854                |                |
| Dec          | -                | -                | -                | -                | -                |                |               | 317,671         | -                | 630,854                |                |
| Jan          | 347,396          | 233,886          | 233,240          | 334,148          | 233,590          |                |               | 317,671         | 224,419          | 855,273                |                |
| Feb          | -                | 98,739           | 104,518          | -                | 89,690           |                |               | 317,671         | 91,008           | 946,281                |                |
| Mar          | -                | -                | -                | -                | -                |                |               | 317,671         | -                | 946,281                |                |
| Apr          | 339,549          | 177,254          | 252,996          | 328,074          | 234,012          |                |               | 317,671         | 224,419          | 1,170,700              |                |
| May          | 1,491            | 156,414          | 58,609           | -                | 89,690           |                |               | 317,671         | 91,008           | 1,261,708              |                |
| June         | (9,557)          | -                | (330)            | (98,761)         | 85,212           |                |               | 317,671         | -                | 1,261,708              |                |
| <b>Total</b> | <b>1,362,055</b> | <b>1,334,635</b> | <b>1,326,787</b> | <b>1,222,523</b> | <b>1,376,071</b> | <b>317,671</b> |               |                 | <b>1,261,708</b> |                        |                |

## Variations

|           | <u>From Prior</u> |  |  |  | <u>Act to Bud</u> |  |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|-------------------|--|
| \$ Change | 18,142            | (27,420)          | (7,848)           | (104,264)         | 153,548           | (9,057)           |  |  |  | 2,244             |  |
| % Change  | 1.3%              | -2.0%             | -0.6%             | -7.9%             | 12.6%             | -2.8%             |  |  |  | 0.7%              |  |

# Motor Vehicle Taxes

- The following are the three types of Motor Vehicle Taxes:
  - Motor Vehicle – Fuel Tax
  - Motor Vehicle – Sales Tax
  - Motor Vehicle – License/ Transfer Fee
- FY21 Forecast Methodology: 10% decrease from FY20 amounts (actuals for July to February and projections for March to June)

# Motor Vehicle – Fuel Tax

| Month        | Actual 2016      | Actual 2017      | Actual 2018      | Actual 2019      | Actual 2020      | Actual 2021    | Chg frm Prior | 2021 Actual Cumulative | Budget 2021      | 2021 Budget Cumulative | Chg Act to Bud |
|--------------|------------------|------------------|------------------|------------------|------------------|----------------|---------------|------------------------|------------------|------------------------|----------------|
| July         | 180,405          | 206,092          | 210,337          | 227,712          | 214,986          | 175,950        | -18.2%        | 175,950                | 201,745          | 201,745                | -12.8%         |
| Aug          | 227,792          | 210,672          | 229,360          | 209,227          | 208,228          | 198,993        | -4.4%         | 374,943                | 190,241          | 391,986                | -4.3%          |
| Sept         | 227,868          | 210,847          | 213,237          | 196,725          | 228,821          | 208,586        | -8.8%         | 583,529                | 193,928          | 585,914                | -0.4%          |
| Oct          | 213,719          | 217,000          | 217,336          | 230,606          | 218,217          |                |               | 583,529                | 204,536          | 790,450                |                |
| Nov          | 193,433          | 207,564          | 197,680          | 202,141          | 203,780          |                |               | 583,529                | 184,985          | 975,435                |                |
| Dec          | 207,470          | 212,052          | 208,632          | 215,321          | 218,481          |                |               | 583,529                | 197,691          | 1,173,126              |                |
| Jan          | 179,076          | 201,202          | 203,106          | 201,829          | 201,153          |                |               | 583,529                | 187,747          | 1,360,873              |                |
| Feb          | 209,354          | 209,065          | -                | 202,781          | 204,051          |                |               | 583,529                | 185,400          | 1,546,273              |                |
| Mar          | 187,741          | 188,196          | 394,236          | 191,445          | 194,310          |                |               | 583,529                | 175,795          | 1,722,068              |                |
| Apr          | 186,897          | 182,196          | 175,460          | 175,413          | 189,310          |                |               | 583,529                | 159,899          | 1,881,967              |                |
| May          | 203,659          | 210,079          | 207,529          | 207,215          | 186,264          |                |               | 583,529                | 189,006          | 2,070,973              |                |
| June         | 227,842          | 198,629          | 208,850          | 190,279          | 111,622          |                |               | 583,529                | 181,888          | 2,252,861              |                |
| <b>Total</b> | <b>2,445,256</b> | <b>2,453,594</b> | <b>2,465,763</b> | <b>2,450,694</b> | <b>2,379,224</b> | <b>583,529</b> |               |                        | <b>2,252,861</b> |                        |                |

## Variations

|           | <u>From Prior</u> |  |  |  | <u>Act to Bud</u> |  |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|-------------------|--|
| \$ Change | 57,626            | 8,338             | 12,169            | (15,069)          | (71,470)          | (68,507)          |  |  |  | (2,385)           |  |
| % Change  | 2.41%             | 0.34%             | 0.50%             | -0.61%            | -2.92%            | -10.51%           |  |  |  | -0.41%            |  |

# Motor Vehicle – Sales Tax

| Month        | Actual 2016    | Actual 2017    | Actual 2018    | Actual 2019    | Actual 2020    | Actual 2021    | Chg frm Prior | 2021 Actual Cumulative | Budget 2021    | 2021 Budget Cumulative | Chg Act to Bud |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|------------------------|----------------|------------------------|----------------|
| July         | 66,766         | 61,819         | 68,941         | 69,124         | 79,507         | 91,111         | 14.6%         | 91,111                 | 69,555         | 69,555                 | 31.0%          |
| Aug          | 65,944         | 73,263         | 68,436         | 79,541         | 77,816         | 102,292        | 31.5%         | 193,403                | 73,638         | 143,193                | 35.1%          |
| Sept         | 61,499         | 74,619         | 80,590         | 72,183         | 82,101         | 85,529         | 4.2%          | 278,932                | 72,200         | 215,393                | 29.5%          |
| Oct          | 76,469         | 67,354         | 57,713         | 63,746         | 72,656         |                |               | 278,932                | 63,832         | 279,225                |                |
| Nov          | 65,585         | 62,656         | 72,672         | 67,343         | 77,340         |                |               | 278,932                | 67,707         | 346,932                |                |
| Dec          | 52,773         | 57,939         | 63,206         | 58,596         | 61,325         |                |               | 278,932                | 56,119         | 403,051                |                |
| Jan          | 63,105         | 60,950         | 65,706         | 55,452         | 63,345         |                |               | 278,932                | 55,593         | 458,644                |                |
| Feb          | 46,693         | 63,712         | -              | 62,162         | 66,573         |                |               | 278,932                | 60,244         | 518,888                |                |
| Mar          | 65,193         | 59,872         | 122,918        | 61,636         | 54,356         |                |               | 278,932                | 54,365         | 573,253                |                |
| Apr          | 73,605         | 77,107         | 82,762         | 68,440         | 85,558         |                |               | 278,932                | 70,758         | 644,011                |                |
| May          | 66,393         | 70,986         | 71,261         | 66,630         | 38,329         |                |               | 278,932                | 64,529         | 708,540                |                |
| June         | 64,448         | 71,842         | 72,630         | 73,377         | 49,599         |                |               | 278,932                | 68,328         | 776,868                |                |
| <b>Total</b> | <b>768,473</b> | <b>802,119</b> | <b>826,835</b> | <b>798,230</b> | <b>808,504</b> | <b>278,932</b> |               |                        | <b>776,868</b> |                        |                |

## Variances

|           | From Prior |  |  |  | Act to Bud |  |
|-----------|------------|------------|------------|------------|------------|------------|--|--|--|------------|--|
| \$ Change | 35,767     | 33,646     | 24,716     | (28,605)   | 10,274     | 39,508     |  |  |  | 63,539     |  |
| % Change  | 4.88%      | 4.38%      | 3.08%      | -3.46%     | 1.29%      | 16.50%     |  |  |  | 29.50%     |  |

# Motor Vehicle – License/ Transfer Fee

| Month        | Actual 2016    | Actual 2017    | Actual 2018    | Actual 2019    | Actual 2020    | Actual 2021    | Chg frm Prior | 2021 Actual Cumulative | Budget 2021    | 2021 Budget Cumulative | Chg Act to Bud |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|------------------------|----------------|------------------------|----------------|
| July         | 31,487         | 31,234         | 31,062         | 30,695         | 26,466         | 39,261         | 48.3%         | 39,261                 | 26,471         | 26,471                 | 48.3%          |
| Aug          | 30,861         | 28,291         | 28,720         | 34,519         | 34,629         | 41,492         | 19.8%         | 80,753                 | 32,022         | 58,493                 | 38.1%          |
| Sept         | 31,759         | 36,498         | 37,465         | 34,438         | 37,436         | 37,656         | 0.6%          | 118,409                | 33,284         | 91,777                 | 29.0%          |
| Oct          | 38,105         | 32,538         | 28,937         | 29,372         | 36,888         |                |               | 118,409                | 30,685         | 122,462                |                |
| Nov          | 26,294         | 25,913         | 36,983         | 30,798         | 29,766         |                |               | 118,409                | 28,047         | 150,509                |                |
| Dec          | 30,617         | 30,287         | 29,781         | 32,367         | 37,239         |                |               | 118,409                | 32,234         | 182,743                |                |
| Jan          | 40,110         | 32,152         | 33,897         | 33,368         | 33,756         |                |               | 118,409                | 31,085         | 213,828                |                |
| Feb          | 29,607         | 33,786         | -              | 42,069         | 38,355         |                |               | 118,409                | 37,244         | 251,072                |                |
| Mar          | 26,314         | 29,665         | 63,893         | 22,111         | 18,713         |                |               | 118,409                | 18,905         | 269,977                |                |
| Apr          | 40,257         | 37,428         | 40,588         | 36,542         | 39,786         |                |               | 118,409                | 35,718         | 305,695                |                |
| May          | 36,436         | 36,332         | 39,273         | 44,435         | 28,185         |                |               | 118,409                | 38,765         | 344,460                |                |
| June         | 40,890         | 41,998         | 41,401         | 33,608         | 39,797         |                |               | 118,409                | 34,736         | 379,196                |                |
| <b>Total</b> | <b>402,737</b> | <b>396,122</b> | <b>412,000</b> | <b>404,322</b> | <b>401,017</b> | <b>118,409</b> |               |                        | <b>379,196</b> |                        |                |

## Variations

|           | <u>From Prior</u> |  |  |  | <u>Act to Bud</u> |  |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|-------------------|--|
| \$ Change | 8,869             | (6,615)           | 15,878            | (7,678)           | (3,305)           | 19,878            |  |  |  | 26,632            |  |
| % Change  | 2.25%             | -1.64%            | 4.01%             | -1.86%            | -0.82%            | 20.17%            |  |  |  | 29.02%            |  |

# Ambulance Fees

- Ambulance fees are in the Charges for Service revenue category.
- A revenue model was created to calculate and set the Ambulance Fees.
- The ambulance fees are calculated and set with the goal of recovering 50% of the cost to provide ambulance services.

# Ambulance Fees

| Month        | Actual 2016      | Actual 2017      | Actual 2018      | Actual 2019      | Actual 2020      | Actual 2021      | Chg frm Prior | 2021 Actual Cumulative | Budget 2021      | 2021 Budget Cumulative | Chg Act to Bud |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|------------------------|------------------|------------------------|----------------|
| July         | 224,404          | 391,435          | 511,699          | 571,526          | 650,723          | 678,468          | 4.3%          | 678,468                | 660,423          | 660,423                | 2.7%           |
| Aug          | 235,799          | 362,991          | 536,063          | 655,927          | 687,599          | 679,409          | -1.2%         | 1,357,877              | 725,953          | 1,386,376              | -2.1%          |
| Sept         | 214,431          | 395,983          | 507,654          | 561,754          | 639,066          |                  |               | 1,357,877              | 648,844          | 2,035,220              |                |
| Oct          | 237,571          | 398,956          | 483,862          | 594,325          | 691,114          |                  |               | 1,357,877              | 694,567          | 2,729,787              |                |
| Nov          | 210,737          | 387,021          | 439,446          | 641,928          | 640,015          |                  |               | 1,357,877              | 692,678          | 3,422,465              |                |
| Dec          | 210,344          | 431,458          | 480,125          | 652,138          | 740,255          |                  |               | 1,357,877              | 752,357          | 4,174,822              |                |
| Jan          | 217,310          | 418,981          | 587,484          | 593,112          | 712,322          |                  |               | 1,357,877              | 705,371          | 4,880,193              |                |
| Feb          | 195,843          | 372,316          | 469,282          | 591,800          | 587,573          |                  |               | 1,357,877              | 637,256          | 5,517,449              |                |
| Mar          | 206,336          | 389,037          | 492,007          | 582,080          | 536,472          |                  |               | 1,357,877              | 580,366          | 6,097,815              |                |
| Apr          | 387,293          | 387,741          | 466,228          | 552,199          | 390,885          |                  |               | 1,357,877              | 550,291          | 6,648,106              |                |
| May          | 365,082          | 394,129          | 487,743          | 642,029          | 517,214          |                  |               | 1,357,877              | 610,454          | 7,258,560              |                |
| June         | 364,747          | 388,249          | 522,299          | 619,939          | 607,141          |                  |               | 1,357,877              | 617,189          | 7,875,749              |                |
| <b>Total</b> | <b>3,069,897</b> | <b>4,718,297</b> | <b>5,983,892</b> | <b>7,258,757</b> | <b>7,400,381</b> | <b>1,357,877</b> |               |                        | <b>7,875,749</b> |                        |                |

## Variations

|           | <u>From Prior</u> |  |  |  | <u>Act to Bud</u> |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|-------------------|
| \$ Change | 579,592           | 1,648,400         | 1,265,595         | 1,274,865         | 141,624           | 19,555            |  |  |  | (28,499)          |
| % Change  | 23.3%             | 53.7%             | 26.8%             | 21.3%             | 2.0%              | 1.5%              |  |  |  | -2.06%            |

# Use Tax

- The Use Tax went into place on October 1, 2020.
- On average, there is a two-month lag on when the City will receive the Use Tax revenue. Example:
  - An entity collects use tax over the month of October.
  - That entity then submits their October use tax payments to the State of Missouri by mid-November.
  - The State aggregates all of the use tax revenue for the City of Lee's Summit and remits it to the City in the first week of December (usually by the 7th).
- General Fund annual Use Tax revenue estimate: \$817,517.
  - Based on the above estimate, it can be assumed that the General Fund will receive a total of approximately \$476,885 in Use Tax revenue over the final 7 months of FY21 (December to June).

# Revenue Summary: Comparison of Budget to Actuals

| General Fund Revenues           | Cumulative Budget | Cumulative Actuals | Difference \$  | Difference % |
|---------------------------------|-------------------|--------------------|----------------|--------------|
| Sales Tax                       | 4,342,457         | 4,979,645          | 637,188        | 14.67%       |
| Franchise Tax-Natural Gas       | 268,909           | 280,855            | 11,946         | 4.44%        |
| Franchise Tax-Telephone         | 334,939           | 386,286            | 51,347         | 15.33%       |
| Franchise Tax-Electric          | 2,474,451         | 2,532,218          | 57,767         | 2.33%        |
| Franchise Tax-Cable TV          | 315,427           | 317,671            | 2,244          | 0.71%        |
| Motor Vehicle-Fuel Tax          | 585,914           | 583,529            | (2,385)        | -0.41%       |
| Motor Vehicle-Sales Tax         | 215,393           | 278,932            | 63,539         | 29.50%       |
| Motor Vehicle-License/ Transfer | 91,777            | 118,409            | 26,632         | 29.02%       |
| Ambulance Fees*                 | 1,386,376         | 1,357,877          | (28,499)       | -2.06%       |
| <b>Total</b>                    | <b>10,015,643</b> | <b>10,835,422</b>  | <b>819,779</b> | <b>8.18%</b> |

\*There are only 2 months of actuals available for Ambulance Fees.

The City will begin receiving Use Tax revenue in December.

The City will receive Property Tax revenue in January.

# Fiscal Sustainability Concepts

- The City will continue to review and analyze fiscal sustainability concepts.
- Concept #3: Engage Employees – Fiscal Sustainability Ideas Survey
  - 92 survey responses (89 included in attachment – 2 removed and shared with P&R because they were department specific and 1 was a duplicate response.)
  - Management Team has reviewed every Fiscal Sustainability idea that was submitted.
  - Management Team is now in the process of prioritizing and analyzing the ideas.
  - These ideas are potential tools that can be used to help ensure the City's Fiscal Sustainability.

# Upcoming Budget Monitoring/ Review with the Finance and Budget Committee

- General Fund Financial Dashboards: November 9 through end of year
- Business and Industry Fund Review: November 9, 2020
- FY21 Budget Year-End Projections: February 8, 2021
- FY22 General Fund Revenue Forecast: April 12, 2021
- Presentation of Proposed FY22 Budget: April 26, 2021
- Committee Review of Proposed FY22 Budget: May 3, 2021 and May 10, 2021

# City Manager Concluding Remarks



Questions?