



17, 2020 to discuss a potential model for distributing the excess funds over the fund balance to the PSA organizations. As a result of feedback received from the PSA organizations, it is recommended that the funds be distributed based upon the FY20 PSA funding proportions (reference slide 10 of the attached presentation for specifics).

Impact/Analysis:

After a review and analysis of the Hotel/ Motel Tax revenues, an updated revenue forecast was calculated by using actual revenues amounts for July through October and taking a 50% decrease from the pre-COVID two year average amounts for November through June. This gave an updated forecast amount of \$308,059 for FY21 (reference slide 6).

Using the updated revenue forecast and the budgeted expenditures, an estimated year-end fund balance of \$192,720 was calculated (reference slide 7). Using an end of the year reserve balance of \$42,720, there would be excess funds over the reserve balance amount of \$150,000. The \$150,000 could be distributed to the PSA organizations for the second half of the current fiscal year (reference slide 9).

City staff is recommending that the available funds of \$150,000 be distributed to the PSA organizations based off of their proportion of PSA funding as it was distributed in FY20 (reference slide 10). Using this approach, each PSA would receive the following additional funds:

- Downtown Lee's Summit Mainstreet, Inc.: \$14,668.90
- Lee's Summit Economic Development Council: \$67,232.45
- Lee's Summit Chamber of Commerce, Inc. (Tourism): \$12,479.08
- Lee's Summit Chamber of Commerce, Inc. (Marketing): \$38,505.86
- Velocity Lee's Summit, Inc.: \$17,113.71

Other Information/Unique Characteristics:

City staff is requesting direction from the City Council regarding distribution of PSA funds. Based upon direction, staff will prepare amended PSA agreements for the remaining six months of the current fiscal year.

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