

Legislation Text

File #: 2020-3923, **Version:** 1

Presentation of the FY21 November General Fund Financial Dashboards

Issue/Request:

Presentation of the FY21 November General Fund Financial Dashboards

Key Issues:

Through the first five months of the current fiscal year (July 1, 2020 - November 30, 2020), the General Fund revenues total \$24,652,320. This amount is greater than budgeted amounts by approximately \$4.6 million (or 23%). The following is information about the major revenue categories in the General Fund and large variances for between budget and actual amounts for other revenue categories:

-Property Taxes. The actual revenues for the Property Tax revenue category total approximately \$3.5 million. It was anticipated that the City would not begin receiving property tax revenues until the month of December but we have received some property tax revenues earlier than anticipated.

-Sales Taxes. In total, the actual Sales Tax revenues are greater than budgeted amounts by approximately \$1.1 million (or 17%). By comparison to the same time period in the prior fiscal, sales tax revenues are greater by approximately \$440,000 (or 6%).

-Franchise Taxes. The actual revenues for the Franchise Tax category are greater than budgeted amounts by \$79,000 (or 1%). It is important to mention that although the actual amounts are greater than budgeted amounts for the current fiscal year, when compared to the same time period in the prior fiscal year the actual revenues have decreased by approximately \$87,000 (or 2%).

-Motor Vehicle Taxes. The actual revenues for the Motor Vehicle Taxes revenue category are greater than budgeted amounts by \$138,000 (or 9%). It is important to mention that although the actual amounts are greater than budgeted amounts for the current fiscal year, when compared to the same time period in the prior fiscal year the actual revenues have decreased by approximately \$18,000 (or 1%).

-Other Taxes. The actual revenues for the Other Taxes revenue category (i.e. Cigarette Tax and Intangible Tax) are greater than budgeted amounts by \$14,000 (or 14%). It is important to mention that although the actual amounts are greater than budgeted amounts for the current fiscal year, when compared to the same time period in the prior fiscal year the actual revenues have decreased by approximately \$1,000 (or 1%).

-Fines and Forfeitures. In total, the actual revenues for Fines and Forfeitures are less than budgeted amounts by \$197,000 (or 45%). Almost all revenue accounts within this revenue category (i.e. probation fees, court costs, inmate security fees, minor traffic, bond forfeitures, etc.) have actual expenses significantly less than budgeted amounts.

-Licenses and Permits. The Licenses and Permits revenue category has actual revenues greater than budgeted amounts by approximately \$460,000 (or 38%). By comparison to the same time period in the prior fiscal, the actual revenues are greater by approximately \$120,000 (or 8%).

-Intergovernmental. In total, the actual revenues for Fines and Forfeitures are less than budgeted amounts by \$196,000 (or 35%). During normal times the City would receive COMBAT funds for the DARE services provided by the Lee's Summit Police Department. Due to the COVID-19 pandemic, the R-7 school district has put into place temporary protocols. One of those protocols is limited access to the buildings. As a result, DARE services were not provided during the first semester.

-Charges for Service. In total, the actual revenues for Charges for Service are less than budgeted amounts by \$339,000 (or 9%). There are three primary causes for the differences between budgeted and actual amounts. 1. Ambulance fees. Revenues from ambulance fees have totaled approximately \$3.2 million. This is less than the budgeted estimates by approximately \$180,000 (or 5%). 2. Commissions-Taxes. This revenue is less than budgeted amounts by approximately \$100,000 (or 83%). The majority of revenue from Commissions-Taxes occurs in the months of December and January. When the budget was created, the anticipated revenue was incorrectly spread evenly across all months. As a result, the difference is the cause of how the budgeted amounts were entered into the system. 3. Special Detail. This revenue is less than budgeted amounts by approximately \$40,000 (or 57%). Special Detail revenue is reimbursement that the City receives for special assignments and additional duty provided by LSPD officers. As a result of there being less events and opportunities for special assignments due to COVID-19, this revenue category has actual revenues less than budget amounts.

-Other. In total, the actual revenues for the Other revenue category are less than budgeted amounts by \$94,000 (or 57%). The cause of the difference is that the revenues that the General Fund receives for reimbursements from TIF/ development related work provided by the Law Department has not been processed yet.

The actual expense and encumbrance amounts for the General Fund total \$30,112,965. This is less than budgeted expense amounts by approximately \$4 million (or 12%). The following is information about the major expense categories and major differences between actual and budget amounts for other expense categories.

-Personnel Services. Personnel Services account for more than two-thirds of all General Fund expenditures. In total, the actual expenses for Personnel Services are \$21.4 million. This is less than budgeted amounts by \$1.1 million (or 5%).

-Other Supplies, Services, and Charges. The next largest expense category in the General Fund is Other Supplies, Services, and Charges. The actual expenses and encumbrances are less than budgeted amounts by approximately \$1.7 million (or 47%). A cause for this expense category being under budget is that the non-personnel Insurance Expenses have not been processed in the financial software yet (\$440,000). Also, there are several expense accounts that have not been expended at the level that was anticipated through the first five months of the fiscal year (i.e. professional fees expense, employee training expense, travel and meeting expense, prisoner expense, miscellaneous equipment, etc.). It is important to mention that the current trend is not necessarily indicative of where the City will end the current fiscal year for three reasons: (1) some

planned expenses may have been moved to later in the fiscal year; (2) there may be some expenses that need to be processed; or (3) the budget spread applied to certain expenses may not have been an accurate portrayal of when the expenses will occur.

-Repairs and Maintenance. The actual expenses and encumbrances are less than budgeted amounts by approximately \$455,000 (or 49%). It is important to mention that the current trend is not necessarily indicative of where the City will end the current fiscal year for three reasons: (1) some planned expenses may have been moved to later in the fiscal year; (2) there may be some expenses that need to be processed; or (3) the budget spread applied to certain expenses may not have been an accurate portrayal of when the expenses will occur.

-Fuel and Lubricants. The actual expenses and encumbrances for Fuel and Lubricants are less than budgeted amounts by approximately \$203,000 (or 99%) because these expenses have not been processed yet.

Proposed City Council Motion:

Not applicable. This item is for presentation purposes.

Background:

The General Fund Financial Dashboards are presented each month to provide information about General Fund revenues and expenses, and provide a comparison of actual amounts to budgeted amounts.

Impact/Analysis:

The information presented on the General Fund revenues and expenses are for the first five months of the current fiscal year (July 1, 2020 - November 30, 2020).

Other Information/Unique Characteristics:

The dashboard is a report to provide an overview of General Fund revenues and expenses, as well as a comparison of actual amounts to budgeted amounts. It is important to keep in mind that amounts can change from one month to the next and the information within this dashboard is the information in the financial system as of January 4, 2021.

Chris Clubine, Management Analyst

Recommendation: Not applicable. This item is for presentation purposes.

Committee Recommendation: [Enter Committee Recommendation text Here]