

City of Leawood, Kansas *Quarterly Report*



First Quarter – March, 2019
Finance Department

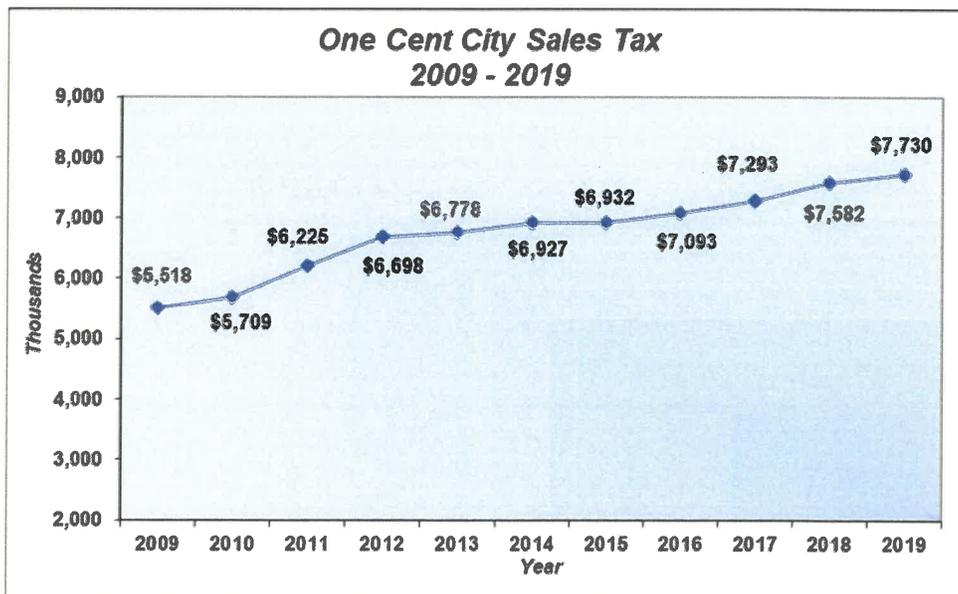
Quarterly Report For the period ending March 31, 2019

Below, please find the highlights of revenues and expenditures for the first quarter of 2019.

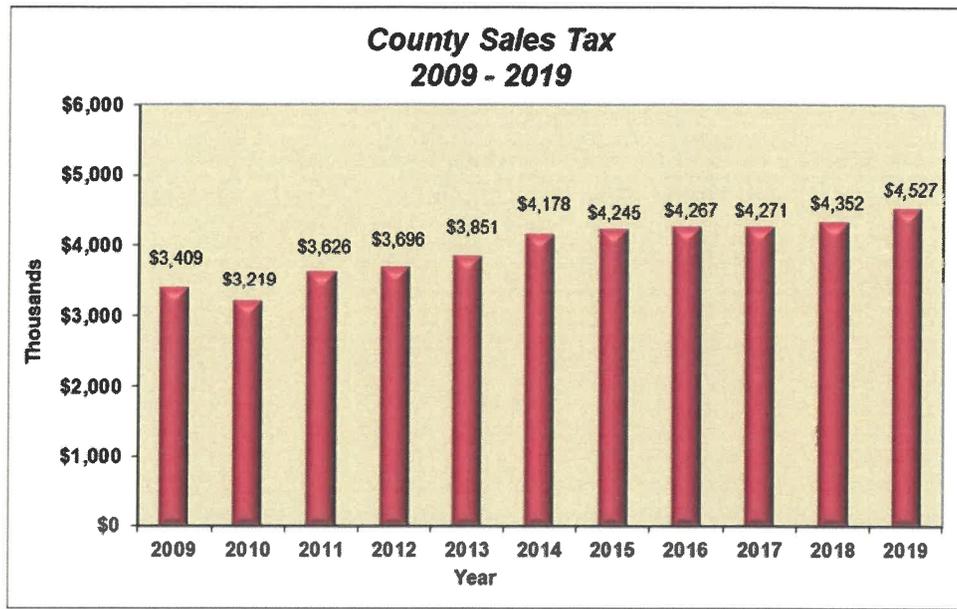
REVENUES

Property Taxes: The 2019 Budget projects all property tax related collections to be \$23,561,100. Collections, through the first quarter are \$13,932,356 or 59.1% of billed taxes. Collections for the first quarter of 2018 were \$14,153,705 or 62.6% of billed taxes. At year-end, this revenue is expected to be approximately 98% of budget. This revenue source is included in both the General and the Bond and Interest funds.

General City Sales Tax: Sales Tax represents the second largest source of general fund revenue. The 2019 original budget projected collections to be \$7,729,800. This projection will be decreased to \$7,589,900 in the estimated budget. Collections for 2018 were \$7,581,789 or 1.0% higher than budget and 4.0% higher than the 2017 collections. There is a two-month lag between the time of remittance and the month the tax was actually collected by the retailer, so by the end of March there is only one month of collection which truly can be captured for 2019. For that one month, collections were lower by 12.6% than collections for the same month last year. There is much fluctuation in the monthly sales tax remittance and this cannot be considered a trend, but instead expect it to level out over the next few months. Staff will continue to closely monitor this revenue source.



County Retail Sales Tax: County retail tax collections are estimated to be \$4,480,500, a decrease of \$46,300, or 1.0% lower, than the original projection of \$4,526,800. Collections for 2018 were \$4,352,255, which were 1.9% higher than the 2017 collections of \$4,271,271 but 1.0% lower than the 2018 estimated budget of \$4,352,255. To date in 2019, collections are 10.8% lower than the same period in 2018.

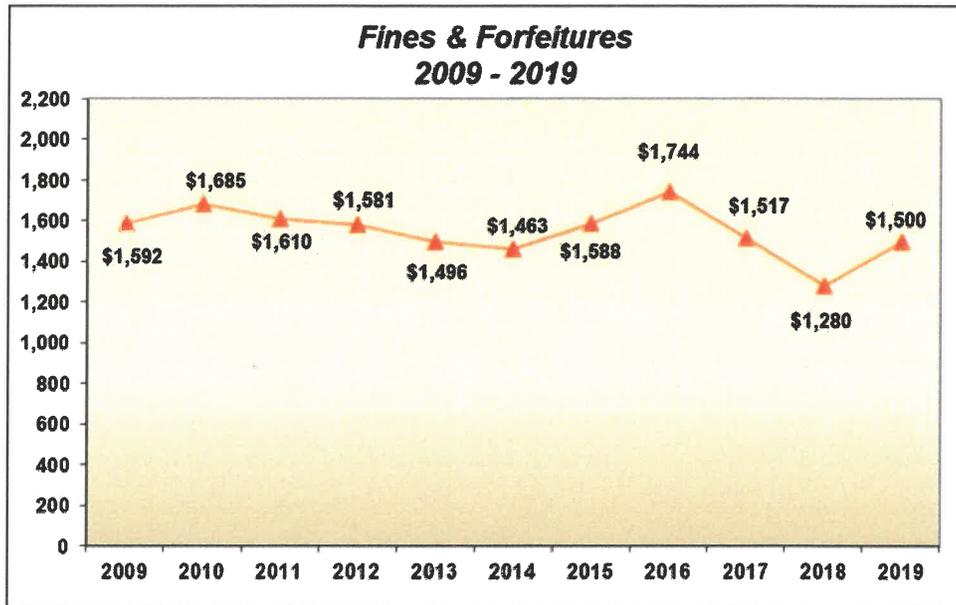


Total Sales & Local Use Tax: Included in this category are the City one-cent sales tax, County sales tax, City and County compensating use taxes, the 1/8-cent sales tax, and the County public safety sales and use taxes. Total sales and use tax cash collections for 2018 was \$16,291,027 for budgeted funds; and \$2,112,260 for the County public safety and courthouse/coroner sales taxes. The 2019 original budget is \$16,630,300 however this will be revised to \$16,555,700 based on prior year collections and growth projections. To date for this year, collections for the City sales and use categories are 10.4% lower than the same period in 2018. Again, this reflects only one month of collection in 2019.

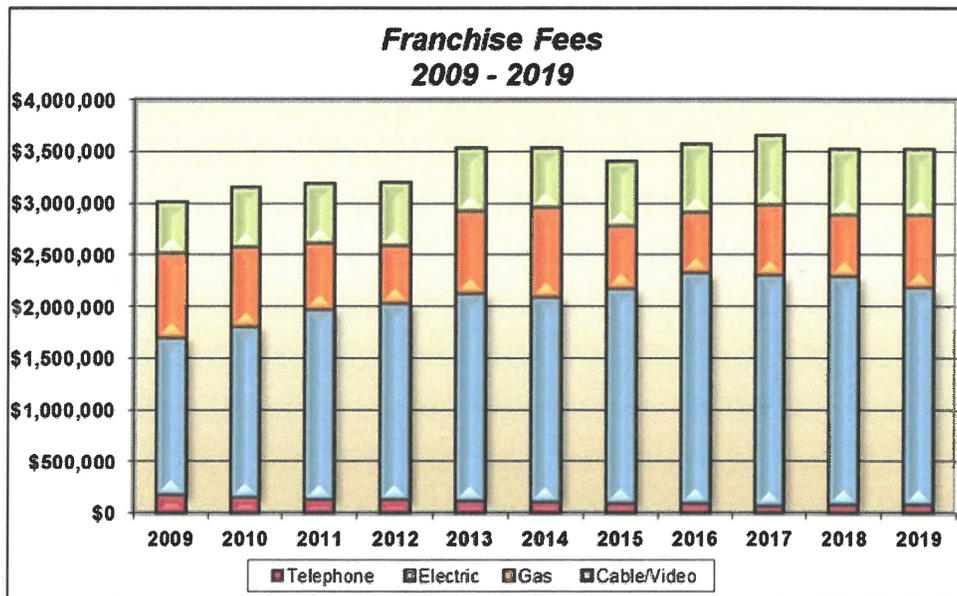
As shown in the table, the 2018 total collections were higher when compared to the two previous years. The 2018 total reflects an increase of 3.8% from the 2017 actuals and 7.0% higher than the 2016 actuals. The .25% County Public Safety sales/use taxes are placed into the Public Safety Fund to be used for public safety capital improvements. The .25% County Courthouse/Court Facility sales/use taxes are placed into the Economic Development Fund.

	2016 Actual	2017 Actual	2018 Actual	2019 Original	2019 Estimated
City Sales	\$7,092,955	\$7,293,234	\$7,581,789	\$7,729,800	\$7,589,900
County Sales	4,267,284	4,271,271	4,352,255	4,526,800	4,480,500
City Use	2,108,032	2,344,737	2,510,728	2,485,000	2,584,800
County Use	874,574	903,983	928,397	958,100	955,600
City 1/8-Cent Sales	884,323	878,052	917,858	930,600	944,900
TOTAL	\$15,227,168	\$15,691,277	\$16,291,027	\$16,630,300	\$16,555,700
.25% County Public Safety	1,028,374	1,035,053	1,056,133	1,096,900	1,087,200
.25% County Courthouse/Court	0	790,542	1,056,127	1,096,900	1,087,200

Fines and Forfeitures: The 2019 budget for fines and forfeitures is \$1,500,000. Receipts through the first quarter total \$319,881, compared to \$321,354 for the same period in 2018 or a decrease of 0.5%.

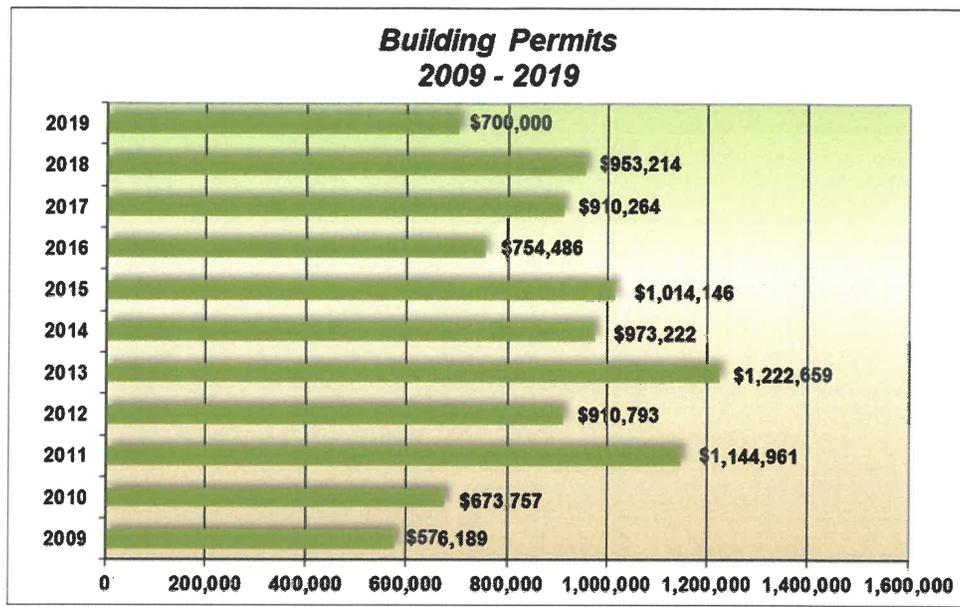


Franchise Fees: Franchise fees are budgeted at \$3,515,000 in the 2019 original budget, and will remain the same in the estimated budget, based on prior year actuals. First quarter cash collections are \$922,997 or 26.3% of budget, compared to \$1,076,557 for the same period in 2018. This revenue area can be affected by several factors such as changes in usage, rate increases and the state of energy prices.



Licenses and Permits: Licenses and Permits include a variety of building, occupation, and animal license fees. The largest portion is from building permits. Collections for this entire revenue source, through the first quarter, were \$296,195 as compared to \$306,774 in 2018, or a decrease of 3.4%. Many of the components in this category are related to building growth.

Building permit collections are \$193,216 through March 2019 as compared to \$198,822 through March 2018, a decrease of 2.8%. The 2019 original budget included a projection of \$700,000 by year-end; however, this will be increased to \$800,000 in the 2019 estimated budget, based on current year collections and 2018 actuals.



Charges for Services: The budget for this category, which mainly reflects fees for park and recreation programs, is estimated to be \$2,867,400, slightly higher than the original projections of \$2,803,700. Collections through March were \$464,811, or 16.2% of the estimated budget and 7.4% lower than collections for the same period last year, of \$502,154. Golf course, soccer, aquatic center fees, day camps and alarm fees are some of the revenues within this category. Many of these are seasonal in nature and therefore collections will fluctuate from quarter to quarter, with lower collections in the first quarter.

Interest Income: Interest income for 2019 is \$567,096 in the original budget, for all budgeted funds. However, this will be adjusted upward to \$985,375. To date, a total of \$257,354 has been received for all budgeted funds, which is an increase of 60.7% from the 2018 collections of \$160,100 for the same period. Staff will continue to monitor the rates and investment opportunities.

Investing complies with the mix set out in the City’s Investment Policy that was initially approved by the Governing Body in November of 2004, and subsequently amended.

EXPENDITURES

The General Fund 2019 budgeted expenditures are \$54,294,500, which includes contingencies and reserves of \$5,190,300. As part of the 2019 budget process, current year expenditures will be reviewed and revised, if necessary.

Expenditures through March 2019 are \$13,592,742, or 25.04 % of the original budget.

<i>DEPARTMENTS</i>	<i>General Fund Original Budget 2019</i>	<i>General Fund ACTUALS Through 3/31/19</i>	<i>% of Budget</i>
City Wide	\$8,039,900	\$4,291,621	32.4%
Administration	\$655,200	\$155,271	23.7%
Finance	\$841,100	\$198,026	23.5%
Human Resources	\$670,000	\$133,336	20.0%
Municipal Court	\$700,100	\$145,464	20.8%
Legal Services	\$565,100	\$146,355	25.0%
Information Services	\$1,169,400	\$368,020	31.5%
Community Development	\$1,663,700	\$397,798	23.9%
Police	\$11,000,200	\$2,556,462	23.2%
Fire	\$7,952,500	\$2,205,125	27.7%
Public Works	\$8,151,400	\$1,606,297	19.7%
Parks & Recreation	\$7,695,600	\$1,388,968	18.1%
TOTAL (without Contingency/Reserves)	\$49,104,200	\$13,592,742	
Contingency & Reserves	\$5,190,300	\$0	
TOTAL	\$54,294,500	\$13,592,742	25.0%

Typically, expenses should be approximately 25% of budget for the first quarter. As shown above, three departments exceed this target: General Operations because of the full year of transfers to other funds occurring in the first quarter; Information Services for the payment of annual maintenance contracts on software/hardware; and the Fire Department for the full year lease payment for fire apparatus. These types of expense occurrences somewhat inflate the totals for the first quarter, but are smoothed out during the second and third quarters. The total to-date expenses, for all departments, is right at the 25% benchmark.

With the city's financial system, "EDEN", department heads and other managers have access to the financial software and can review their budget daily, weekly or monthly. In addition, as an oversight function all departmental expenses are reviewed monthly in the Finance Department. Variances are reviewed and appropriate action is recommended to the department if necessary.

SUMMARY OF OTHER FUNDS

The following table includes the budgeted Special Revenue and Capital funds for the City. Shown is the beginning balance, revenues and expenditures through March 31st and the current balance. *The table is a reflection of the activity only through the first quarter and does not include anticipated revenue and expenses for April 1 through December 31, 2019.*

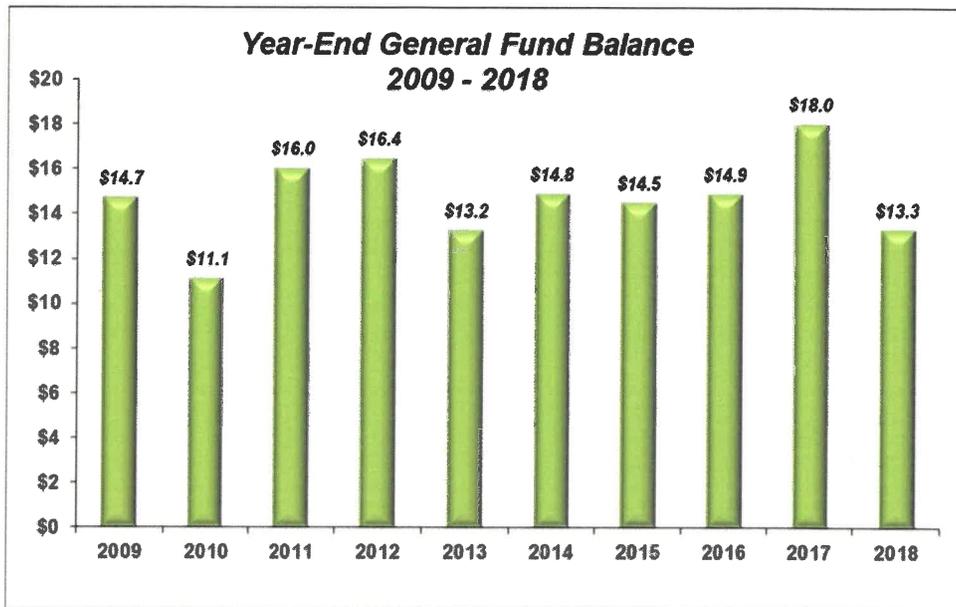
Funds	1/1/2019, Actual Beginning Balance	Actual through March 31, 2019		
		Revenue	Expense	Current Balance
Special Revenue Funds				
Special Alcohol	\$466,554	\$3,704	\$346,013	\$124,245
Special City, Street, Highway	882,157	982,249	13	1,864,393
Special Parks & Recreation	466,895	4,544	0	471,439
Special Law Enforcement	26,861	183	0	27,044
Special Transient Guest Tax	1,654,027	10,600	0	1,664,627
Capital Funds				
City Equipment	10,436,502	1,108,657	90,384	11,454,775
Street Improvements	2,271,592	1,316,680	38,844	3,549,428
Capital Improvements	7,542,578	1,050,485	141,164	8,451,898
1/8-Cent Sales Tax	1,122,521	73,817	511,314	685,025
City Capital Art	427,617	48,253	7,315	468,555
Park Impact Fee	180,970	4,694	0	185,664
Public Art Impact Fee	159,125	2,447	0	161,572
135 th St Corridor Impact Fee	142,363	932	0	143,295
	\$25,779,762	\$4,607,246	\$1,135,048	\$29,251,960

The following table includes the budgeted Special Revenue and Capital funds for the City. Shown is the beginning balance, along with budgeted revenues and expenditures for the entire year, leaving the projected ending fund balance at December 31, 2019.

Funds	1/1/2019, Est. Beginning Balance	Forecast through December 31, 2019		
		Revenue	Expense	Projected Balance
Special Revenue Funds				
Special Alcohol	\$466,554	\$549,046	\$662,000	\$353,600
Special City, Street, Highway	882,157	1,606,243	1,807,800	678,600
Special Parks & Recreation	466,895	550,105	861,800	155,200
Special Law Enforcement	26,861	439	15,000	12,300
Special Transient Guest Tax	1,654,027	601,273	2,255,300	0
Capital Funds				
City Equipment	10,436,502	1,349,098	2,882,700	8,902,900
Street Improvements	2,271,592	3,614,008	5,284,000	601,600
Capital Improvements	7,542,578	1,120,922	3,130,200	5,533,300
1/8-Cent Sales Tax	1,122,521	3,807,079	4,797,200	132,400
City Capital Art	427,617	52,883	212,500	268,000
Park Impact Fee	180,970	3,030	180,000	4,000
Public Art Impact Fee	159,125	2,775	0	161,900
135 th St Corridor Impact Fee	142,363	2,737	0	1445,100
	\$25,779,762	\$13,259,638	\$22,090,500	\$16,948,900

FUND BALANCE (CARRY-OVER)

The beginning fund balance in the General Fund for 2019 is \$13,303,982 compared to the budgeted projection of \$7,478,700, thus beginning the year with a substantially higher balance than initially projected.



CONCLUSION

City staff is in the process of formulating the 2019 Estimated and 2020 Budgets for their departments. The Capital Improvement Program (C.I.P.) was discussed at the April 15th work session and will be requested for formal approval in June. The 2020-2024 financial assumptions were discussed at the same work session. The 2020 Budget is on schedule to be distributed on May 24th.

Several reports on City finances have been prepared and distributed to the Governing Body with statistics and analysis of 2018. Additionally, the City's annual audit will be presented within the next month at a City Council meeting. Should any further information be desired, please contact the City Administrator or Finance staff.

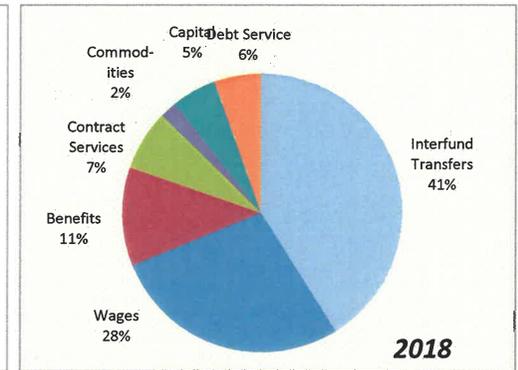
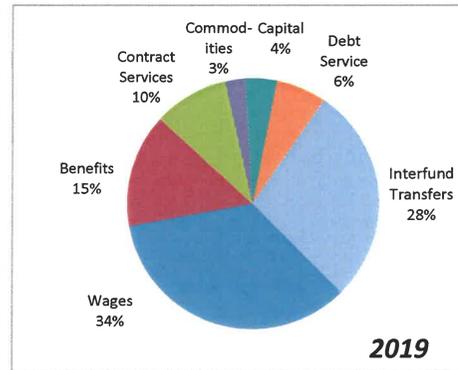
City of Leawood, Kansas
SNAPSHOT OF FINANCES and CITY ACTIVITY
as of March 31, 2019 (25% of the year complete)



General Fund Revenues

Revenues	Orig Budget	2019	% of Bud	2018 (Jan-Mar)	% Chg
Taxes	\$31,022,408	\$11,354,259	36.6%	\$9,918,074	14.5%
Licenses & Permits	1,423,500	296,195	20.8%	306,774	-3.4%
Other Intergovernmental	9,532,976	626,998	6.6%	722,679	-13.2%
Charges for Services	2,803,700	464,811	16.6%	502,154	-7.4%
Fines & Forfeitures	1,500,000	319,881	21.3%	321,354	-0.5%
Interest Income	200,216	101,022	50.5%	35,444	185.0%
Contributions & Other	81,000	33,419	41.3%	259,492	-87.1%
Other Financing Sources	252,000	252,000	100.0%	247,000	0.0%
Sub-Total, Revenues	46,815,800	13,448,586	28.7%	12,312,971	9.2%
Fund Balance	7,478,700	0	0.0%	0	0.0%
Total Revenues	\$54,294,500	\$13,448,586	24.8%	\$12,312,971	9.2%

YTD - Citywide Expense Allocation



General Fund Expenditures - by Program

Expenditures	Orig Budget	2019	% of Bud	2018 (Jan-Mar)	% Chg
General Operations	\$13,230,200	\$4,291,621	32.4%	\$7,130,098	-39.8%
Administration	655,200	155,271	23.7%	134,478	15.5%
Finance	841,100	198,026	23.5%	186,327	6.3%
Human Resources	670,000	133,336	19.9%	119,970	11.1%
Municipal Court	700,100	145,464	20.8%	141,205	3.0%
Legal Services	565,100	146,355	25.9%	127,992	14.3%
Information Services	1,169,400	368,020	31.5%	144,234	155.2%
Community Development	1,663,700	397,798	23.9%	367,935	8.1%
Police	11,000,200	2,556,462	23.2%	2,352,332	8.7%
Fire	7,952,500	2,205,125	27.7%	2,057,323	7.2%
Public Works	8,151,400	1,606,297	19.7%	1,370,490	17.2%
Parks & Recreation	7,695,600	1,388,968	18.0%	1,302,362	6.6%
Total Expenditures	\$54,294,500	\$13,592,743	25.0%	\$15,434,746	-11.9%

YTD - Total Citywide Budget

Expenditures	Orig Budget	2019	% of Bud	2018 (Jan-Mar)	% Chg
Total Citywide Budget	\$85,633,300	\$15,748,565	18.4%	\$17,792,118	-11.5%

All Other Budgeted Funds - by Fund Type

Special Revenue Funds	Orig Budget	2019	% of Bud	2018 (Jan-Mar)	% Chg
Revenues	\$3,307,106	\$1,073,690	32.5%	\$1,073,690	0.0%
Fund Balance	3,496,494	0	0.0%	0	0.0%
Total Revenues	6,803,600	1,073,690	15.8%	1,073,690	0.0%
Total Expenses	5,603,900	346,026	6.2%	328,862	5.2%

Capital Funds	Orig Budget	2019	% of Bud	2018 (Jan-Mar)	% Chg
Revenues	\$9,952,532	\$6,485,078	65.2%	\$6,485,078	0.0%
Fund Balance	22,283,268	0	0.0%	0	0.0%
Total Revenues	32,235,800	6,485,078	20.1%	6,485,078	0.0%
Total Expenses	16,486,600	789,021	4.8%	1,030,362	-23.4%

Debt Service Fund	Orig Budget	2019	% of Bud	2018 (Jan-Mar)	% Chg
Revenues	\$9,133,388	\$6,538,618	71.6%	\$6,538,618	0.0%
Fund Balance	9,375,412	0	0.0%	0	0.0%
Total Revenues	18,508,800	6,538,618	35.3%	6,538,618	0.0%
Total Expenses	9,248,300	1,020,773	11.0%	998,148	2.3%

General Fund Expenditures - by Category

Expenditures	Orig Budget	2019	% of Bud	2018 (Jan-Mar)	% Chg
Personnel	\$31,572,000	\$7,765,149	24.6%	\$6,995,760	11.0%
Contractual Services	8,056,200	1,417,650	17.6%	1,167,325	21.4%
Commodities	3,432,800	412,744	12.0%	323,798	27.5%
Capital	354,000	353,701	99.9%	353,701	0.0%
Other Financing Uses	10,879,500	3,643,500	33.5%	6,594,163	-44.7%
Total Expenditures	\$54,294,500	\$13,592,743	25.0%	\$15,434,746	-11.9%

Key Activity Updates (Cash Basis, Year-To-Date)

	Mar-19	Mar-18	%		Mar-19	Mar-18	%		
City Sales Tax Collections <i>(receipts through Jan, 2019)</i>	\$543,405	\$621,710	-12.6%	↓	Interest Earnings/Rates <i>(all budgeted funds)</i>	\$257,354	\$160,100	60.7%	↑
Building-related Fees <i>(per Building Official)</i>	\$239,470	\$251,703	-4.9%	↓	Fines/Forfeitures	\$319,881	\$321,354	-0.5%	↓
Property Tax Collections <i>(Collections thru Mar/Assessed)</i>	59.1%	62.6%	-5.6%	↓	Special Assessment Collections <i>(Collections thru Mar/Assessed)</i>	45.5%	48.6%	-6.4%	↓

CITY OF LEAWOOD, KANSAS
Pay-As-You-Go (PAYG) Project Status Report

As of 3/31/2019

No.	Project Name	Previous Yrs Expense	Orig 2019 Budget	Current 2019 Budget	2019 Expenditures	2019 Encumbrances	Status/Project to Date Information	Balance	2020-2024 Budgets
Art									
79005	Temporary Art	16,934	5,000	50,000	-	-		50,000	15,000
79015	"Walking Woman" Art	-	-	62,500	7,315	53,568		1,616	-
79027	"Inspiration" Art	-	-	85,000	-	-		85,000	-
79028	"Women of World" Art	-	-	8,000	-	-		8,000	-
NA	Annual Art Maintenance	80,058	50,000	60,000	-	-		60,000	50,000
Art Total		96,992	55,000	265,500	7,315	53,568		204,616	65,000
Buildings and Grounds									
49137	Golf - Clubhouse HVAC Replacement	-	-	75,000	-	-		75,000	-
49139	Golf - Pump Station Repairs	-	-	60,000	-	-		60,000	-
71025	Park - Citywide Park Improvements	659,473	-	348,800	84,781	263,986	Continental Consult Engrs (3111.0000886) O'Donnell & Sons (3111.0000829)	32	-
71026	Park - Bicycle Route Sign System	32,778	55,000	72,000	-	-		72,000	-
71028	Park - Citywide Park Improvements	947,466	1,253,900	1,380,000	-	-		1,380,000	5,150,000
74001	Bldg - City Hall Int Wall Renovations	49,771	25,000	53,000	-	-		53,000	50,000
74002	Bldg - Aquatic Center Exterior Doors	-	8,000	8,000	-	-		8,000	-
74013	Bldg - Restroom Repairs, City Hall	-	10,000	10,000	-	-		10,000	20,000
74046	Bldg - FS #2 HVAC Replacement	144,016	-	12,300	-	12,209	US Engineering Co (3111.0000798)	91	-
74056	Bldg - Nature Center HVAC	-	-	40,000	-	-		40,000	-
74057	Bldg - Oxford School House HVAC Replace	-	-	14,000	-	-		14,000	-
74070	Bldg - PW Facility Radiant Shop Heaters	-	-	37,000	-	36,914	Bruner (3111.0000812)	86	-
74076	Bldg - City Hall Heating Boilers	-	200,000	200,000	-	-		200,000	-
74081	Bldg - FS #3 HVAC Replacement	164,217	-	12,400	-	12,325	US Engineering Co (3111.0000799)	75	-
74094	Bldg - Justice Center, Heat Pumps	56,690	20,000	30,000	-	-		30,000	201,400
74098	Bldg - Ironwoods Lodge HVAC & Controls	-	285,000	285,000	-	-		285,000	-
74095	Bldg - 2017 Flood Damage Repairs	756,382	-	65,000	-	59,195	Apex Environmental (3111.0000896) Occu-Tec Inc (3111.0000916)	5,805	-
74102	Bldg - 2019 Winter Storm Damage	-	-	185,200	79,544	60,235	Van Booven Lawn/Tree (3111.0000898)	45,421	-
76048	Fiber Technology Project	68,481	-	626,000	-	-		626,000	-
76050	PW Facility Bay Expansion	267,793	-	683,500	23,160	657,833	Bruner Contracting Co (3111.0000812)	2,507	-
Buildings and Grounds Total		3,147,067	1,856,900	4,197,200	187,485	1,102,697		2,907,018	5,421,400
Streets									
70024	2018 Mill & Overlay	1,263,438	-	186,800	-	186,710	O'Donnell & Sons (3111.0000844)	90	-
70026	2019 Mill & Overlay	-	1,573,000	1,573,000	-	-		1,573,000	-
72029	Arterial - 114th St, Tomahawk Crk to 115th St	80,249	-	1,000	-	911	O'Donnell & Sons (3111.0000844)	89	-
72030	Arterial - Lee Blvd, 103rd to I-435 Bridge	88,074	-	26,600	-	26,502	O'Donnell & Sons (3111.0000844)	98	-
72031	Arterial - 137th St, Nall to Roe	135,727	-	18,000	-	17,918	O'Donnell & Sons (3111.0000844)	82	-
72034	Arterial - Kenneth Rd, 135th to 143rd Streets	-	400,000	-	-	-		-	400,000
72054	Arterial - Lee, 95th to Somerset	-	-	225,000	-	-		225,000	2,470,000
72065	Arterial - Mission Rd, 119th-127th Streets	5,626	-	2,005,000	409	2,000,000	JM Fahey (3111.0000909)	4,591	-
72066	Arterial - Lee Blvd, 103rd to 95th	-	1,775,000	1,955,600	38,435	131,797	Brungardt Honomichl & Co (3111.0000891)	1,785,369	-
72068	Arterial - 151st Street, Nall to E City Limits	124,233	-	80,500	-	80,450	O'Donnell & Sons (3111.0000844)	50	-
72074	Arterial - Mission Rd, 95th to N City Limits	-	-	952,300	-	-		952,300	-
Streets Total		1,697,347	3,748,000	7,023,800	38,844	2,444,288		4,540,668	2,870,000
Stormwater									
73004	Storm - SMAC IC-04-040	51,352	-	22,000	5,998	12,685	HDR Engineering (3111.0000806)	3,317	1,000,000
77017	Storm - Waterford Stormwater	-	1,900,000	1,225,000	-	-		1,225,000	-
77018	Storm - Patrician Woods Stormwater	188,398	-	1,660,200	5,316	22,052	Olsson Assoc (3111.0000675)	1,632,832	-
77021	Storm - Cloisters/PV Stormwater	-	-	390,000	-	-		390,000	-
77022	Storm - 12600 Roe, RCB Improvements	-	-	50,000	-	-		50,000	-
77500	Storm - CAO Stormwater Repairs, TBD	-	-	40,000	-	-		40,000	-
Stormwater Total		239,750	1,900,000	3,387,200	11,314	34,738		3,341,149	1,000,000
Economic Development									
There are currently no Economic Development projects									
		5,181,156	7,559,900	14,873,700	244,958	3,635,291		10,993,451	9,356,400

CITY OF LEAWOOD, KANSAS
BOND-FINANCED Project Status Report
As of 3/31/2019

No.	Project Name	Budget (As Authorized by Resolution)	Resolution Numbers	Previous Yrs Expense	2019 Expenditures*	2019 Encumbrances	Status/Project to Date Information	Balance	Bond Life	Bond Year
Buildings and Grounds										
80158	Fire Station #1 Replacement	5,000,000	4652	227,169	45,500	174,951	Degasperi & Associates (3111.0000731)	4,552,380	20	2021
Buildings and Grounds Total		5,000,000		227,169	45,500	174,951		4,552,380		
Streets										
80129	143rd St, Windsor to Kenneth	13,827,671	4435	1,757,627	1,903,453	330,231	Various	9,836,360	15	2020
80175	Mission Rd, 133rd to 143rd Streets	14,806,000	4946	1,922	15,167	-		14,788,911	15	2024
80219	2019 Residential Streets, Ph III-Yr 2	3,000,000	4914	84,617	127,455	127,195	Continental Consult Engrs (3111.0000880)	2,660,732	15	2020
82065	Bury Overhead Lines-Mission Rd, 119 to 127	1,632,000	4916	3,095	24,418	43,636	Gunter Construction (3111.0000899)	1,560,851	15	2020
82074	Bury Overhead Lines-Mission Rd, 95 to Ranchmart	969,000	4915	1,845	14,560	507,172	KCPL (3111.0000895)	445,423	15	2020
Streets Total		34,234,671		1,759,549	1,918,620	1,008,234		24,625,272		
Stormwater										
80255	2018 Stormwater Improvements, Yr 1	3,000,000	2833	900,211	71,165	2,142,454	Various	(113,830)	15	2020
Stormwater Total		3,000,000		900,211	71,165	2,142,454		(113,830)		
Economic Development										
<i>There are currently no Economic Development projects</i>										
Economic Development Total		-		-	-	-		-		
		42,234,671		2,886,929	2,035,285	3,325,639		29,063,821		

* Includes financing costs over the life of the project