

City of Leawood, Kansas *Quarterly Report*



Second Quarter – June, 2020
Finance Department

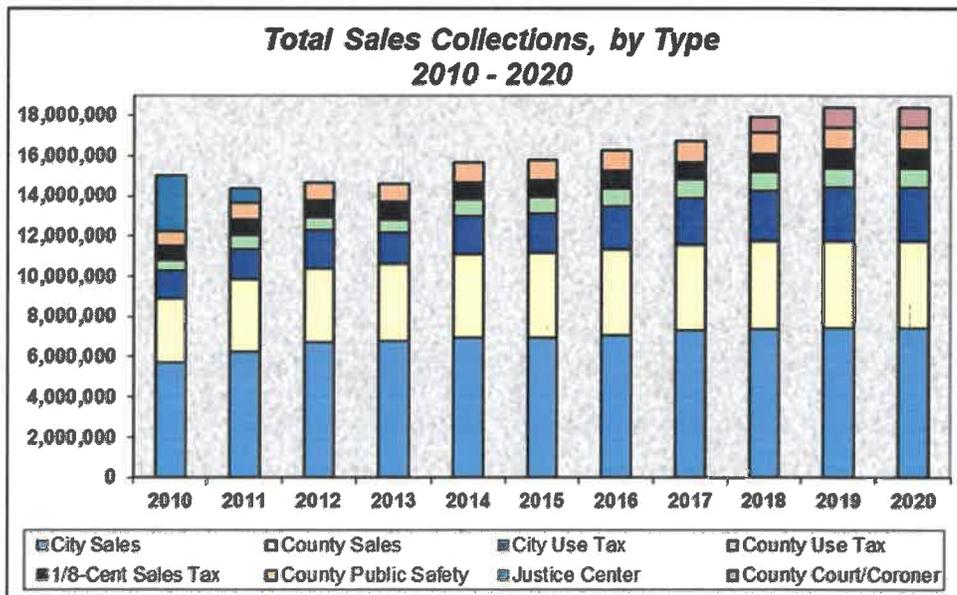
Update of City Finances For the period ending *June 30, 2020*

Below, please find the highlights of revenues and expenditures for the second quarter of 2020.

REVENUES

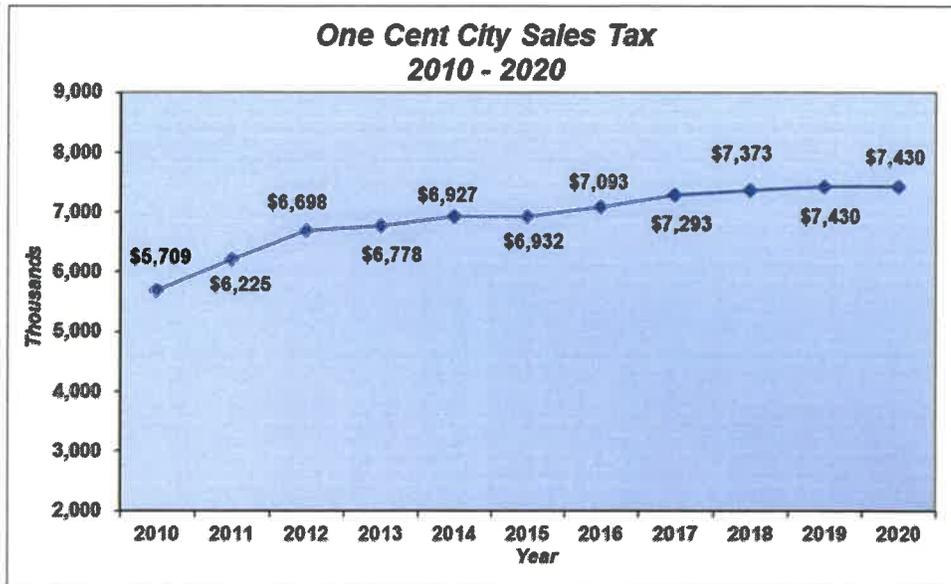
Property Tax: For 2020, property taxes are budgeted at \$25,016,627. Collections to date are \$24,186,818, or 96.9% of the billed taxes. For the same period last year, collections were at 97.4%. At year-end, collections should be approximately 98% of projections with any fluctuations from this percent caused by delinquent payments. This revenue appears to be on target to original budget projections, therefore no changes were made to the estimated budget. This revenue source is found in both the General and Bond and Interest funds.

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 special sales taxes. The budgeted sales and use tax receipts through the second quarter total \$4,482,605 and are 8.1% lower than collections of \$4,875,556 for the same period last year. The 2020 budget is estimated at \$18,413,900 and reflects a 0% increase for all areas from the 2019 actuals.

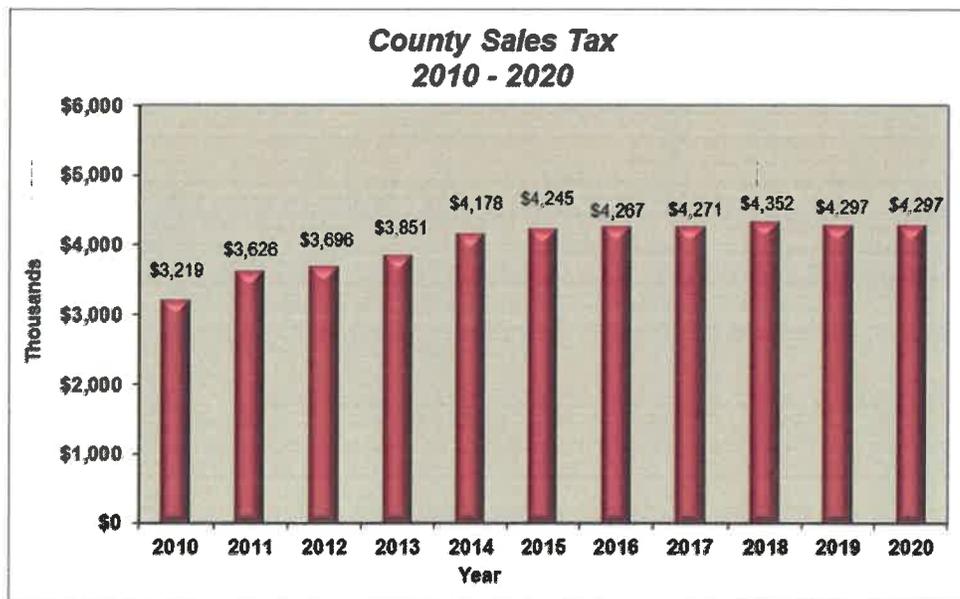


It is important to remember that collections to date represent actual cash received for the period of January through April. A two-month lag exists between the month of payment by the retailer and the month in which Leawood receives sales tax revenue from the State.

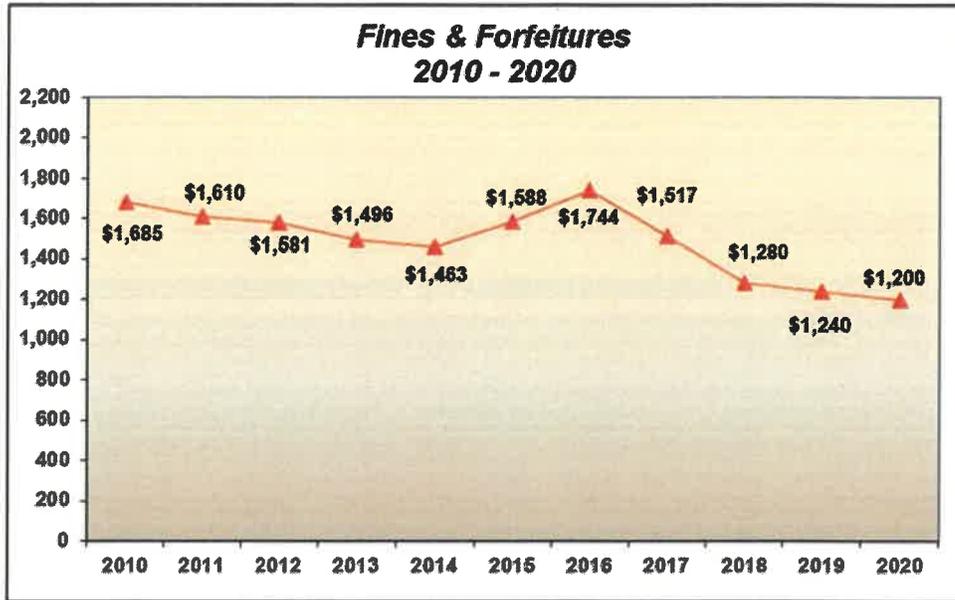
General City Sales Tax: The one-cent City Sales Tax is the second largest source of revenue for the General Fund. The 2020 original budget of \$7,814,400 has been decreased to \$7,429,700. Collections through June 30, 2020 are \$1,909,415, and are 15.9% lower than the 2019 collections of \$2,269,092. The decrease is directly related to the COVID19 closures that occurred from late March through the first part of May.



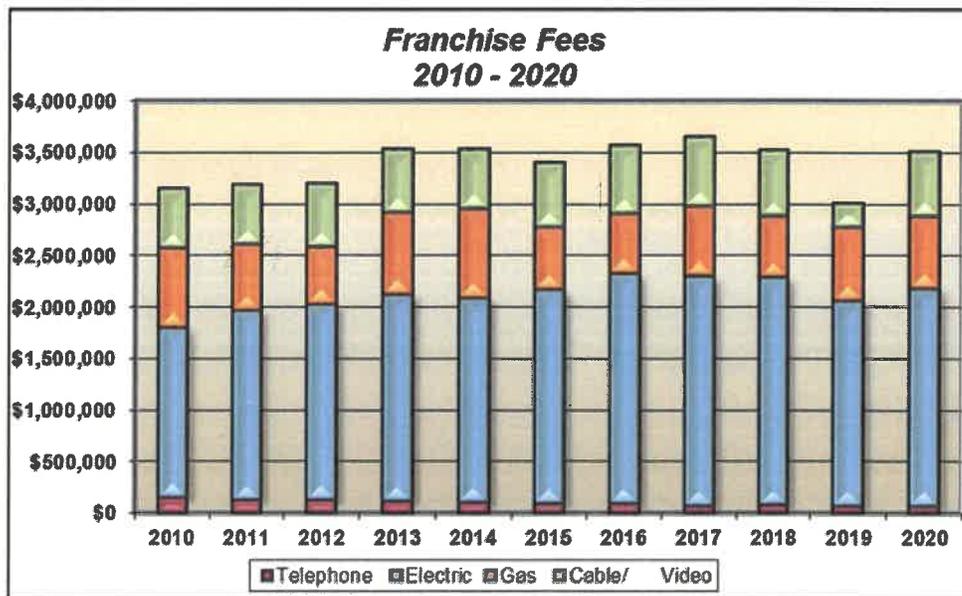
County Retail Sales Tax: The original budget for this area of \$4,612,700 has been adjusted to \$4,297,000; a decrease of \$315,700 from the original projections and equal to the 2019 receipts. Cash collections to date, excluding the special county .25% receipts, are \$1,262,583, 3.0% lower than the 2019 collections and 29.4% of estimated projections.



Fines and Forfeitures: Fines and forfeitures have been estimated at \$1,200,000, lower by \$100,000 from the original projection of \$1,300,000. Through June 30, 2020, collections are \$429,247, or 35.8% of the estimated budget, and 36.2% lower than collections for the same period in 2019 of \$672,455.

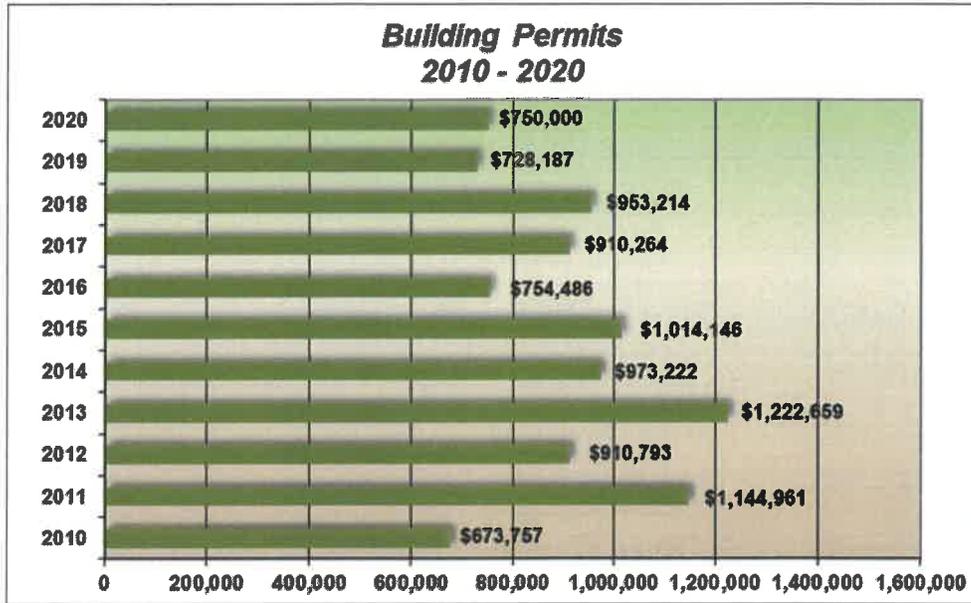


Franchise Fees: Franchise fees are estimated at \$3,515,000, the same as the original budget. Collections in this area fluctuate year to year primarily due to changes in the weather, but also rate changes and competition within the video/telephone areas. Cash collections for the first six months are \$1,442,503, or 41.0% of the estimated budget, and 14.1% lower than the \$1,678,708 collected for the same period in 2019.

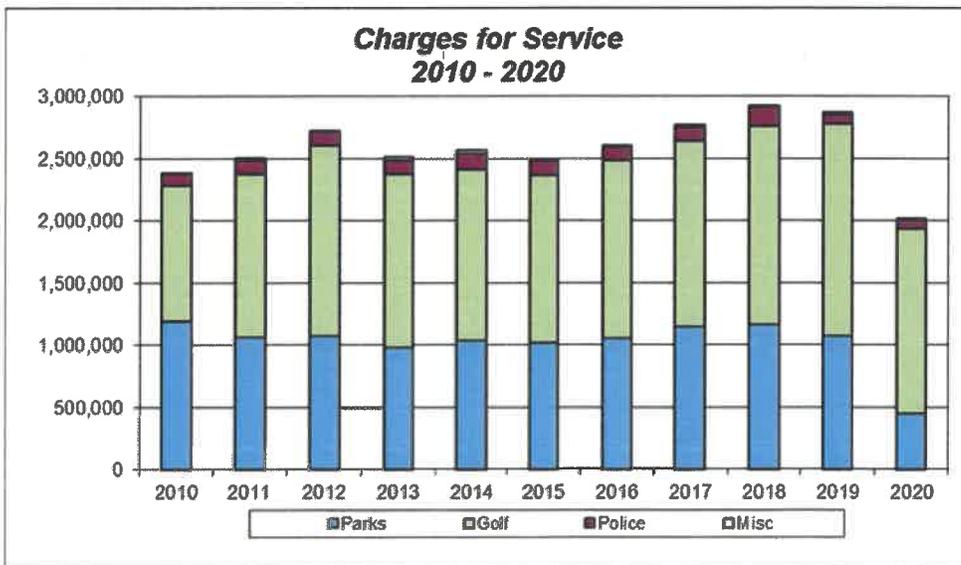


Licenses and Permits: Licenses and Permits include a variety of building, occupation, and animal fees. These fees have been reviewed and the estimated budget has decreased from the original budget of \$1,554,500 to \$1,180,500. Total collections through the second quarter are \$616,093 or 52.2% of the estimated budget.

Building permit collections, which have typically been the largest source of revenue in this category, total \$386,844 through the second quarter of 2020. To date receipts are 51.6% of the estimated budget of \$750,000 and 4.1% higher than the 2019 collections, of \$371,704.



Charges for Services: This category generally reflects fees for park and recreation programs, including the golf course, as well as some Police Department items such as animal impound fees and school resource officer revenue. Through June 2020, collections were \$795,852 or 39.5% of the estimated budget of \$2,013,900, lower than collections of \$1,653,081 for the same period last year by \$857,229. To-date collections are substantially lower due to closures and suspension of several parks and recreation programs and activities due to the COVID19 pandemic.



Interest Income: Interest income, for all budgeted funds, was originally projected to be \$1,043,169. However, this revenue has been adjusted downward to \$509,040 in the 2020 estimated budget. To date, a total of \$290,572 has been received, which is a decrease of 53.5% from the 2019 collections of \$624,544 for the same period. Staff will continue to monitor the rates and investment opportunities.

EXPENDITURES

The 2020 General Fund budgeted expenditures were originally approved at \$60,288,300 including reserves of \$6,522,900 which nets to \$53,765,400. Revised estimates include total expenditures of \$52,675,200 and reserves of \$1,000,000. The reserve/contingency funds are available to be used for any unforeseen expense or obligation the city may have that was not formally budgeted.

The first six months of expenditures in 2020 are \$18,922,689 or 35.3% of the estimated budget. Typically, expenses should be close to 50% of budget for the second quarter. As shown below, two departments exceed the 50% target. This is due to a full year of transfers from the General Fund to other funds; and the full year payment of maintenance agreements. The following table compares the expenses through the second quarter against the estimated budget.

<i>DEPARTMENTS</i>	<i>General Fund Original Budget 2020</i>	<i>General Fund Estimated Budget 2020</i>	<i>General Fund ACTUALS Through 6/30/20</i>	<i>% Change Actuals/ Est. Budget</i>
City Wide	\$11,578,000	\$11,538,000	\$1,662,475	13.26%
Administration	\$623,300	\$579,400	\$251,274	43.37%
Finance	\$906,100	\$908,200	\$438,294	48.26%
Human Resources	\$684,300	\$690,800	\$306,328	44.34%
Municipal Court	\$735,400	\$682,700	\$296,235	43.39%
Legal Services	\$589,500	\$621,000	\$258,124	41.57%
Information Services	\$1,127,300	\$1,136,900	\$532,934	46.88%
Community Development	\$1,776,100	\$1,690,900	\$768,862	45.47%
Police	\$11,058,800	\$10,600,300	\$4,584,793	43.25%
Fire	\$8,432,400	\$8,186,300	\$4,041,747	49.37%
Public Works	\$8,289,800	\$7,978,800	\$2,777,124	34.81%
Parks & Recreation	\$7,964,400	\$8,061,900	\$3,004,500	37.27%
TOTAL (without Cont/Reserves)	\$53,765,400	\$52,675,200	\$18,922,689	
Contingency & Reserves	\$6,522,900	\$1,000,000	\$0	0.00%
TOTAL	\$60,288,300	\$53,675,200	\$18,922,689	35.25%

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 June 30th and the current balance. *The table is a reflection of the activity only through the second quarter and does not include anticipated revenue and expenses for July 1 through December 31, 2020.*

Funds	1/1/2020 Beginning Balance	Actual through June 30, 2020		
		Revenue	Expense	Current Balance
Special Revenue Funds				
Special Alcohol	\$337,527	\$103,119	\$169,961	\$270,685
Special City, Street, Highway	1,418,507	480,985	0	1,899,492
Special Parks & Recreation	637,870	105,044	19,586	723,327
Special Law Enforcement	27,626	117	0	27,743
Special Transient Guest Tax	645,841	83,444	31,820	697,464
Capital Funds				
City Equipment	11,039,928	48,820	633,476	10,455,272
Street Improvements	1,819,844	12,300	922,005	910,140
Capital Improvements	7,524,633	30,484	262,228	7,292,890
1/8-Cent Sales Tax	1,240,617	245,220	13,886	1,471,951
City Capital Art	400,956	1,706	22,417	380,245
Park Impact Fee	207,058	8,616	0	215,674
Public Art Impact Fee	162,579	8,428	0	171,007
135 th St Corridor Impact Fee	146,752	25,173	0	171,925
	\$25,609,738	\$1,153,456	\$2,075,379	\$24,687,816

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, 2020.

Funds	1/1/2020 Beginning Balance	Forecast through December 31, 2020		
		Revenue	Expense	Projected Balance
Special Revenue Funds				
Special Alcohol	\$337,527	\$479,073	\$652,000	\$164,600
Special City, Street, Highway	1,418,507	1,556,095	2,062,000	912,602
Special Parks & Recreation	637,870	610,031	998,900	249,001
Special Law Enforcement	27,626	374	20,900	7,100
Special Transient Guest Tax	645,841	357,160	594,500	408,501
Capital Funds				
City Equipment	11,039,928	2,660,071	3,558,800	10,141,199
Street Improvements	1,819,844	2,217,057	2,196,000	1,840,901
Capital Improvements	7,524,633	2,575,067	2,556,700	7,543,000
1/8-Cent Sales Tax	1,240,617	3,106,684	4,087,600	259,701
City Capital Art	400,956	41,505	195,000	247,461
Park Impact Fee	207,058	2,042	205,000	4,100
Public Art Impact Fee	162,579	1,621	95,000	69,200
135 th St Corridor Impact Fee	146,752	1,448	0	148,200
	\$25,609,738	\$13,608,228	\$17,222,400	\$21,995,566

CONCLUSION

Over the past several years, Leawood has continued to realize revenue growth. This can be attributed in large part to the continued use of a financial forecasting and planning model used by staff to monitor financial progress. The City began using this tool over a decade ago. Every year it has been improved and it is monitored throughout the year to ensure that fund balances remain within policy standards, especially when revenue sources and expenditure demands change. Additionally, Leawood continues to have a diversified revenue base. The largest category, 41%, being property taxes; followed by sales taxes of 30%; and then governmental revenue category of 29%, which includes franchise, licenses, permits, and charges for services. Also contributing to Leawood's stability is the fact that the City continues to offer, attract and promote a high quality of life.

As all are aware, the entire world has been impacted by the COVID19 outbreak. In January, the United States declared a public health emergency, followed by emergency declarations and "stay-at-home orders" for almost every state in the nation. Kansas was the 22nd state to institute a temporary, statewide stay-at-home order, which was in effect from March 30th until May 4th. Johnson County, KS issued an order extending this until May 10th for the county. It is certain that the temporary closure of retail, business, restaurants, and entertainment venues will not only impact the financial security of individuals, and their "normal" way of life, but also the economic stability of the nation and state and local governments. Much is still unknown about the illness and the effects are continually changing, as well as the financial implications. Staff will continue to be diligent in monitoring revenue collections and expenditures for the City and report frequently to the Governing Body.

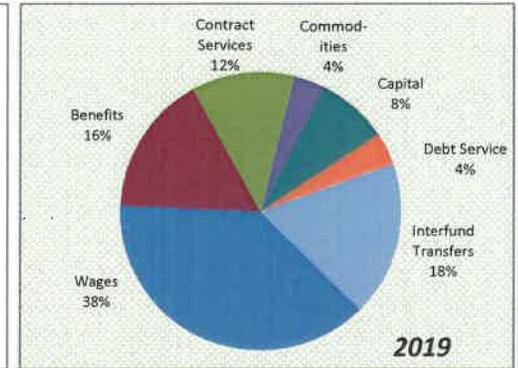
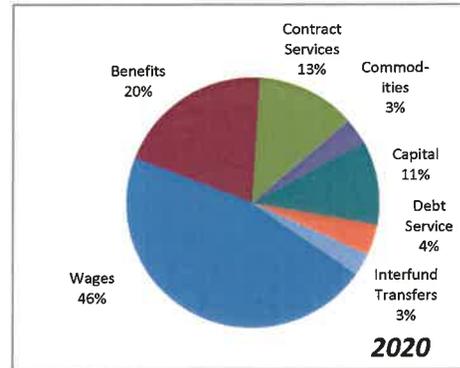
City of Leawood, Kansas
SNAPSHOT OF FINANCES and CITY ACTIVITY
as of June 30, 2020 (50% of the year complete)



General Fund Revenues

Revenues	Est Budget	2020	% of Bud	2019 (Jan-Jun)	% Chg
Taxes	\$32,869,805	\$22,390,286	68.1%	\$20,980,288	6.7%
Licenses & Permits	1,180,500	616,093	52.2%	787,144	-21.7%
Other Intergovernmental	9,461,920	2,769,550	29.3%	2,764,716	0.2%
Charges for Services	2,013,900	795,852	39.5%	1,653,081	-51.9%
Fines & Forfeitures	1,200,000	429,247	35.8%	672,455	-36.2%
Interest Income	162,307	118,706	73.1%	171,971	-31.0%
Contributions & Other	77,000	30,645	39.8%	58,048	-47.2%
Other Financing Sources	257,000	0	0.0%	252,000	0.0%
Sub-Total, Revenues	47,222,432	27,150,379	57.5%	27,339,703	-0.7%
Fund Balance	15,908,268	0	0.0%	0	0.0%
Total Revenues	\$63,130,700	\$27,150,379	43.0%	\$27,339,703	-0.7%

YTD - Citywide Expense Allocation



General Fund Expenditures - by Program

Expenditures	Est Budget	2020	% of Bud	2019 (Jan-Jun)	% Chg
General Operations	\$12,534,500	\$1,662,475	13.3%	\$5,178,329	-67.9%
Administration	579,400	251,274	43.4%	283,970	-11.5%
Finance	908,200	438,294	48.3%	389,313	12.6%
Human Resources	690,800	306,328	44.3%	306,239	0.0%
Municipal Court	682,700	296,235	43.4%	282,569	4.8%
Legal Services	621,000	258,124	41.6%	272,422	-5.2%
Information Services	1,136,900	532,934	46.9%	613,683	-13.2%
Community Development	1,690,900	768,862	45.5%	768,039	0.1%
Police	10,600,300	4,584,793	43.3%	4,911,993	-6.7%
Fire	8,186,300	4,041,747	49.4%	3,940,015	2.6%
Public Works	7,978,800	2,777,124	34.8%	3,158,317	-12.1%
Parks & Recreation	8,065,400	3,004,500	37.3%	3,111,527	-3.4%
Total Expenditures	\$53,675,200	\$18,922,689	35.3%	\$23,216,417	-18.5%

YTD - Total Citywide Budget

Expenditures	Est Budget	2020	% of Bud	2019 (Jan-Jun)	% Chg
Total Citywide Budget	\$79,125,200	\$21,861,726	27.6%	\$27,071,750	-19.2%

All Other Budgeted Funds - by Fund Type

Special Revenue Funds	Est Budget	2020	% of Bud	2019 (Jan-Jun)	% Chg
Revenues	\$3,002,733	\$772,709	25.7%	\$1,575,234	-50.9%
Fund Balance	3,067,367	0	0.0%	0	0.0%
Total Revenues	6,070,100	772,709	12.7%	1,575,234	-50.9%
Total Expenses	3,733,800	221,367	5.9%	696,482	-68.2%

Capital Funds	Est Budget	2020	% of Bud	2019 (Jan-Jun)	% Chg
Revenues	\$10,605,495	\$380,748	3.6%	\$4,285,779	-91.1%
Fund Balance	22,515,705	0	0.0%	0	0.0%
Total Revenues	33,121,200	380,748	1.1%	4,285,779	-91.1%
Total Expenses	12,894,100	1,854,011	14.4%	2,138,077	-13.3%

Debt Service Fund	Est Budget	2020	% of Bud	2019 (Jan-Jun)	% Chg
Revenues	\$8,087,788	\$7,029,840	86.9%	\$7,780,822	-9.7%
Fund Balance	8,986,242	0	0.0%	0	0.0%
Total Revenues	17,074,030	7,029,840	41.2%	7,780,822	-9.7%
Total Expenses	8,822,100	863,658	9.8%	1,020,773	-15.4%

General Fund Expenditures - by Category

Expenditures	Est Budget	2020	% of Bud	2019 (Jan-Jun)	% Chg
Personnel	\$31,151,200	\$14,475,511	46.5%	\$14,771,812	-2.0%
Contractual Services	8,442,000	2,610,438	30.9%	2,981,994	-12.5%
Commodities	3,522,700	736,720	20.9%	978,283	-24.7%
Capital	466,200	465,931	99.9%	353,701	31.7%
Other Financing Uses	10,093,100	634,091	6.3%	4,130,628	-84.6%
Total Expenditures	\$53,675,200	\$18,922,689	35.3%	\$23,216,418	-18.5%

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

	Jun-20	Jun-19	%		Jun-20	Jun-19	%
City Sales Tax Collections <i>(receipts through May, 2019)</i>	\$1,909,415	\$2,269,092	-15.9% ↓	Interest Earnings/Rates <i>(all budgeted funds)</i>	\$290,572	\$624,544	-53.5% ↓
Building-related Fees <i>(per Building Official)</i>	\$479,337	\$447,100	7.2% ↑	Fines/Forfeitures	\$429,247	\$672,455	-36.2% ↓
Property Tax Collections <i>(Collections thru Jun/Assessed)</i>	96.9%	97.4%	-0.5% ↓	Special Assessment Collections <i>(Collections thru Jun/Assessed)</i>	72.5%	71.0%	2.1% ↑

CITY OF LEAWOOD, KANSAS
Pay-As-You-Go (PAYG) Project Status Report
As of 6/30/2020

No.	Project Name	Previous Yrs Expense	Orig 2020 Budget	Current 2020 Budget	2020 Expenditures	2020 Encumbrances	Status/Project to Date Information	Balance	2021-2025 Budgets
Art									
79005	Temporary Art	16,934	-	5,000	-	-		5,000	25,000
79015	"Walking Woman" Art	54,213	-	1,739	-	1,739	Kissick Construction (3111.0000873)	-	-
79026	Ironhorse Golf Art	-	13,000	13,000	-	-		13,000	-
79027	"Inspiration" Art	13,715	-	85,000	4,206	5,000	Continental Consult Engrs (4111.0000363)	75,794	-
79028	"Women of World" Art	1,500	13,000	20,000	11,639	2,000	Forsythe, John (4111.0000372)	6,361	-
79029	"Skywriting" Art	-	-	45,000	-	-		45,000	-
NA	Annual Art Maintenance	114,548	60,000	60,000	-	-		60,000	60,000
Art Total		183,976	86,000	224,739	15,845	8,739		200,156	60,000
Buildings and Grounds									
49136	Golf - Replace Kitchen Appliances	-	150,000	150,000	-	-		150,000	-
49137	Golf - Clubhouse HVAC Replacement	-	-	75,000	-	-		75,000	-
49140	Golf - Parking Lot Overlay	-	-	400,000	-	-		400,000	-
71025/ 71026	Park - Citywide Park Improvements, 2017-2018	1,037,165	-	2,237	-	2,237	Continental Consult Engrs (3111.0000886)	0	-
71028	Park - Citywide Park Improvements, 2019	999,998	-	39,368	19,586	12,315	Continental Consult Engrs (4111.000368)	7,467	5,150,000
71029	Park - Citywide Park Improvements, 2020	-	425,000	1,395,000	-	-		1,395,000	-
71026	Park - Bicycle Route Sign System	32,778	-	72,000	-	-		72,000	-
71050	Park - Restrooms, N Lake (Leawood Foundation)	-	50,000	228,700	-	-		228,700	-
74001	Bldg - City Hall Int Wall Renovations	88,371	-	15,000	8,700	-		6,300	50,000
74013	Bldg - Restroom Repairs, City Hall	-	10,000	20,000	-	-		20,000	75,000
74056	Bldg - Nature Center HVAC	-	-	40,000	-	-		40,000	-
74057	Bldg - Oxford School House HVAC Replace	-	-	14,000	-	-		14,000	-
74076	Bldg - City Hall Heating Boilers	-	-	200,000	5,900	76,525	GBA (3111.0000981); Western Diesel (3111.0000982)	117,575	-
74094	Bldg - Justice Center, Heat Pumps	56,690	33,000	42,600	15,278	13,044	Design Mechanical (3180.0000672. 675.677)	14,278	221,600
74095	Bldg - 2017 Flood Damage Repairs	1,030,314	-	228,300	194,494	33,157	Kissick Construction Co (4111.0000369)	649	-
74105	Park - Ironwoods Lake Silt Removal	-	87,000	175,000	-	-		175,000	-
74107	Bldg - Carpet/Floor Replacement	-	-	15,000	13,470	-		1,530	75,000
74109	Bldg - COVID19 Response Project	-	-	40,000	3,629	1,480		34,891	-
76048	Fiber Technology Project	68,481	-	100,000	-	-		100,000	-
76050	PW Facility Bay Expansion	938,151	-	20,000	17,555	-		2,445	-
Buildings and Grounds Total		4,251,948	755,000	3,287,205	278,613	138,758		2,854,834	5,571,600
Streets									
70028	2020 Mill & Overlay	-	1,620,300	1,912,000	-	1,704,209	Superior Bowen (3111.0000975)	207,791	-
70027	2020 Trail Repairs	-	100,000	100,000	-	-		100,000	-
72054	Arterial - Lee, 95th to Somerset	127,082	2,470,000	131,000	107,278	-		23,722	-
72065	Arterial - Mission Rd, 119th-127th Streets	810,971	-	1,420,400	495,700	699,396	JM Fahey (3111.0000909)	225,304	-
72066	Arterial - Lee Blvd, 103rd to 95th	2,442,151	-	330,600	8,173	116,963	Kissick Construction (3111.0000930)	205,464	-
72074	Arterial - Mission Rd, 95th to N City Limits	1,965	-	200,000	198,737	-		1,263	-
72088	Arterial - Retain Wall Rpr, 127/Roe NE Corner	-	-	120,000	112,116	6,172	Dondlinger & Sons (3111.0000952)	1,712	-
72092	Arterial - Mission Rd, 85-95 Streetlights/Sidewalk	-	-	110,000	-	109,630	HDR Engineering (3111.0000983)	370	425,000
Streets Total		3,382,169	4,190,300	4,324,000	922,005	2,636,370		765,625	425,000
Stormwater									
73004	Storm - SMAC IC-04-040	70,028	500,000	200,000	-	-		200,000	1,500,000
77017	Storm - Waterford Stormwater	132,538	-	2,084,800	-	92,299	Shafer Kline Warren (3111.0000553)	1,992,501	-
77018	Storm - Patrician Woods Stormwater	1,109,990	-	807,200	13,377	2,723	Olsson Assoc (3111.0000675)	791,100	-
77021	Storm - Cloisters/PV Stormwater	139	-	390,000	-	-		390,000	-
77022	Storm - 12600 Roe, RCB Improvements	52,833	-	1,100	-	-		1,100	-
77024	Storm - Drainage Study: Lee Blvd-Ct:93-95	-	-	21,000	509	20,239	Brungardt Honomichl & Co (3111.0000939)	252	-
77500	Storm - CAO Stormwater Repairs, TBD	-	-	58,500	-	-		58,500	-
Stormwater Total		1,365,528	500,000	3,562,600	13,886	115,260		3,433,454	1,500,000
Economic Development									
<i>There are currently no Economic Development projects</i>									
		9,183,621	5,531,300	11,398,544	1,230,348	2,899,127		7,254,069	7,556,600

CITY OF LEAWOOD, KANSAS
BOND-FINANCED Project Status Report
As of 6/30/2020

No.	Project Name	Budget (As Authorized by Resolution)	Resolution Numbers	Previous Yrs Expense	2020 Expenditures*	2020 Encumbrances	Status/Project to Date Information	Balance	Bond Life	Bond Year
Buildings and Grounds										
80158	Fire Station #1 Replacement	5,000,000	4652	783,191	85,455	243,688	Various	3,887,666	20	2023
80173	Park Maintenance Land/Facility	6,000,000	5200	2,779	12,639	-		5,984,582	20	2024
Buildings and Grounds Total		5,000,000		783,191	85,455	243,688		3,887,666		
Streets										
80129	143rd St, Windsor to Kenneth	13,827,671	4435	5,858,374	3,954,001	4,649,679	Various	(634,382)	15	2021
80175	Mission Rd, 133rd to 143rd Streets	14,806,000	4946	41,633	243,646	744,692	Burns/McD (3111.0000953); Olsson Inc (3111.0000979)	13,776,028	15	2025
80219	2019 Residential Streets, Ph III-Yr 2	3,000,000	4914	2,832,938	40,651	67,628	Continental Consulting (3111.0000880); G-B Construction (3111.0000937)	58,783	15	2021
82065	Bury Overhead Lines-Mission Rd, 119 to 127	1,632,000	4916	108,637	20,349	-		1,503,014	15	2021
82074	Bury Overhead Lines-Mission Rd, 95 to Ranchmart	969,000	4915	793,756	12,133	-		163,111	15	2021
Streets Total		34,234,671		5,900,007	4,197,647	5,461,999		13,141,646		
Stormwater										
80255	2018 Stormwater Improvements, Yr 1	3,000,000	2833	3,393,924	25,297	93,765	Various	(512,986)	15	2021
80256	2020 Stormwater Improvements, Yr 2	3,000,000	2833	8,338	86,617	419,024	McClure Engin (3111.0000837); Lamp Rynearson (3111.0000974)	2,486,021	15	2022
Stormwater Total		3,000,000		3,393,924	25,297	93,765		(512,986)		
Economic Development										
<i>There are currently no Economic Development projects</i>										
Economic Development Total		-		-	-	-		-		
		42,234,671		10,077,122	4,308,400	5,799,452		16,516,326		

* Includes financing costs over the life of the project