

City of Lawrence Financial Report

Projections for the Fiscal Year 2020
Prepared by the Finance Department



City of Lawrence

Fiscal Year 2020 Projections

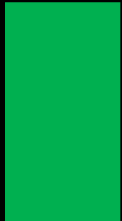
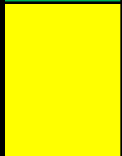
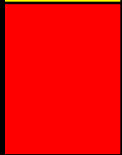
The information contained in this report is unaudited. Only Funds with Appropriations of \$500,000 or more are reviewed.

The report focuses on three key indicators:

- ✓ Revenues
- ✓ Expenditures
- ✓ Reserve Policy

Fiscal Year 2020 Projections

Each key revenue indicator is rated compared to the revised budget adjusted for revenues on the following scale:

	Rating Scale	Revenue
	Positive Outlook	All positive growth and any indicator within (+/-) 2% compared to the prior year
	Area of Concern	2% through 5% reduction compared to the prior year
	Negative Outlook	Greater than 5% reduction compared to the prior year

Fiscal Year 2020 Projections

For Fiscal Year 2020 we are projecting that the City's key revenues will be \$2.05 million (1.34%) over the FY 2020 revised budget.

Fiscal Year 2020 Projections

Revenue Indicators

Status	Indicator	Comments
	Property Taxes	0.61% lower than the revised Budget.
	Sales Taxes – City	13.21% higher than the revised Budget.
	Use Tax – City	69.41% higher than the revised Budget.
	Sales Taxes – County	6.72% higher than the revised Budget.
	Use Tax County	34.43% higher than the revised Budget.
	Franchise Fees - Electric	8.12% lower than the revised Budget.
	Franchise Fees – Natural Gas	11.42% lower than the revised Budget.

Fiscal Year 2020 Projections

Revenue Indicators

Status	Indicator	Comments
Yellow	Franchise Fee – Communications	4.81% lower than the revised Budget.
Green	Gasoline Tax	28.23% higher than the revised Budget.
Green	Transient Guest Tax	9.43% higher than the revised Budget.
Red	Liquor Tax	31.60% lower than the revised Budget.
Green	Water/Sewer Fees	0.23% lower than the revised Budget.
Yellow	Solid Waste Fees	4.51% lower than the revised Budget.
Red	Roll Off Fees	13.65% lower than the revised Budget.

Fiscal Year 2020 Projections

Revenue Indicators

Status	Indicator	Comments
	Storm Water Fees	1.24% lower than the revised Budget.
	Douglas County EMS Fees	1.08% lower than the revised Budget.

Fiscal Year 2020 Projections

Revenue Discussion

The 2020 Revised Budget has been allocated using historical collection percentages. The discussion below is based on those allocations.

The Sales Tax budgets were lowered to reflect a very conservative posture due to the shutdowns caused by COVID-19. Thankfully, the City's actual experience has been better than initially anticipated.

Electric Franchise tax collections were lower by \$474 thousand (-8.12%). The decrease is due to a milder summer than originally anticipated.

Natural Gas Franchise tax collections were lower by \$97 thousand (-11.42%). The decrease is due to a milder winter than originally anticipated.

Fiscal Year 2020 Projections

Revenue Discussion

The 2020 Revised Budget has been allocated using historical collection percentages. The discussion below is based on those allocations.

Communications Franchise tax collections were lower by \$43 thousand (-4.81%). The decrease is due to collections being reduced most likely due to COVID-19.

Liquor Taxes were lower by \$742 thousand (-31.60%) due to the shutdowns caused by COVID-19.

Roll Off Dumpster fees were lower by \$310 thousand (-13.65%). The decrease is due to a reduction in the service demand.

Fiscal Year 2020 Projections

General Fund ONLY

Revenue Type	Revenues as of 12/31/2019	Revenues as of 12/31/2020	\$ Change from FY 2019	% Change from FY 2019
Property Taxes	\$ 22,410,216	\$ 23,454,999	\$ 1,044,783	4.66%
Sales Taxes	27,895,215	29,894,370	1,999,155	7.17%
Franchise Fees	7,415,461	6,970,635	(444,826)	-6.00%
Licenses & Permits	1,581,918	1,468,711	(113,207)	-7.16%
Intergovernmental	1,356,359	1,079,723	(276,636)	-20.40%
Charges for Services	7,613,344	7,614,328	984	0.01%
Fines & Penalties	1,842,364	936,174	(906,190)	-49.19%
Interest income	628,280	355,774	(272,506)	-43.37%
Miscellaneous	746,188	570,541	(175,647)	-23.54%
Transfers from other funds	3,667,474	4,373,345	705,871	19.25%
General Fund	<u>\$ 75,156,819</u>	<u>\$ 76,718,601</u>	<u>\$ 1,561,782</u>	<u>2.08%</u>

Fiscal Year 2020 Projections

General Fund ONLY

Revenue Type	FY 2020 Revised Budget	Projected Revenues as of 12/31/2020	Amount of Budget Remaining	% of Budget Remaining
Property Taxes	\$ 23,567,000	\$ 23,454,999	\$ (112,001)	-0.48%
Sales Taxes	25,752,000	29,894,370	4,142,370	16.09%
Franchise Fees	7,585,000	6,970,635	(614,365)	-8.10%
Licenses & Permits	1,571,000	1,468,711	(102,289)	-6.51%
Intergovernmental	901,000	1,079,723	178,723	19.84%
Charges for Services	8,223,000	7,614,328	(608,672)	-7.40%
Fines & Penalties	1,460,000	936,174	(523,826)	-35.88%
Interest income	350,000	355,774	5,774	1.65%
Miscellaneous	540,000	570,541	30,541	5.66%
Transfers from other funds	3,805,000	4,373,345	568,345	14.94%
General Fund	\$ 73,754,000	\$ 76,718,601	\$ 2,964,601	4.02%

The adopted budget was \$81.18 million

All Major Funds

Fund	Revenues as of 12/31/2019	Projected Revenues as of 12/31/2020	\$ Change from FY 2019	% Change from FY 2019
General	\$ 75,156,819	\$ 76,718,601	\$ 1,561,782	2.08%
Water/Sewer	46,191,781	44,865,911	(1,325,870)	-2.87%
Bond & Interest	13,899,913	15,009,384	1,109,471	7.98%
Solid Waste	16,446,911	14,233,323	(2,213,588)	-13.46%
Outside Agency Grants	5,033,235	11,055,702	6,022,467	119.65%
Capital Improvement Reserve	10,554,421	7,143,322	(3,411,099)	-32.32%
Administrative Charges	-	4,878,000	4,878,000	100.00%
Library	4,527,052	4,735,779	208,726	4.61%
Public Transportation	4,768,579	4,133,264	(635,315)	-13.32%
Central Maintenance	4,855,045	3,647,471	(1,207,574)	-24.87%
Stormwater	3,603,289	3,553,848	(49,441)	-1.37%
Recreation	5,808,574	4,134,276	(1,674,298)	-28.82%
Economic Development Funds	1,877,155	2,411,707	534,552	28.48%
Special Gas	2,972,867	2,089,576	(883,291)	-29.71%
Water/Sewer Nonbonded Const	1,207,758	1,923,030	715,271	59.22%
Housing Trust	1,088,521	1,281,343	192,822	17.71%
Equipment Reserve	1,942,208	1,025,426	(916,782)	-47.20%
Comm. Dev. Block Grant	698,308	827,343	129,035	18.48%
Public Golf Course	852,076	1,207,173	355,097	41.67%
Public Parking	1,460,579	905,820	(554,760)	-37.98%
Guest Tax	1,775,916	706,144	(1,069,772)	-60.24%
Special Alcohol	945,300	548,407	(396,893)	-41.99%
Special Recreation	821,937	539,424	(282,513)	-34.37%
Farmland Escrow	178,997	19,057	(159,940)	-89.35%
Major Funds	<u>\$ 206,667,241</u>	<u>\$ 207,593,330</u>	<u>\$ 926,089</u>	<u>0.45%</u>


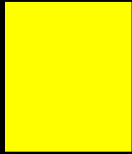
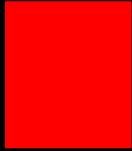
All Major Funds

Fund	FY 2020 Budget	Projected Revenues as of 12/31/2020	Amount of Budget Remaining	% of Budget Remaining
General	\$ 73,754,000	\$ 76,718,601	\$ 2,964,601	4.02%
Water/Sewer	45,517,000	44,865,911	(651,089)	-1.43%
Bond & Interest	18,808,000	15,009,384	(3,798,616)	-20.20%
Solid Waste	14,781,000	14,233,323	(547,677)	-3.71%
Outside Agency Grants	11,067,000	11,055,702	(11,298)	-0.10%
Capital Improvement Reserve	8,503,000	7,143,322	(1,359,678)	-15.99%
Administrative Charges	4,765,000	4,878,000	113,000	2.37%
Library	4,782,000	4,735,779	(46,221)	-0.97%
Public Transportation	4,004,000	4,133,264	129,264	3.23%
Central Maintenance	5,154,000	3,647,471	(1,506,529)	-29.23%
Stormwater	3,511,000	3,553,848	42,848	1.22%
Recreation	4,857,000	4,134,276	(722,724)	-14.88%
Economic Development Funds	2,563,000	2,411,707	(151,293)	-5.90%
Special Gas	1,672,000	2,089,576	417,576	24.97%
Water/Sewer Nonbonded Const	1,739,000	1,923,030	184,030	10.58%
Housing Trust	979,000	1,281,343	302,343	30.88%
Equipment Reserve	1,100,000	1,025,426	(74,574)	-6.78%
Comm. Dev. Block Grant	817,000	827,343	10,343	1.27%
Public Golf Course	1,305,000	1,207,173	(97,827)	-7.50%
Public Parking	1,012,000	905,820	(106,180)	-10.49%
Guest Tax	856,000	706,144	(149,856)	-17.51%
Special Alcohol	785,000	548,407	(236,593)	-30.14%
Special Recreation	786,000	539,424	(246,576)	-31.37%
Farmland Escrow	30,000	19,057	(10,943)	-36.48%
Major Funds	<u>\$ 213,147,000</u>	<u>\$ 207,593,330</u>	<u>\$ (5,553,670)</u>	<u>-2.61%</u>

The adopted budget was \$223.57 million

Fiscal Year 2020 Projections

Each key expenditure indicator is rated compared to the revised budget adjusted for expenditures on the following scale :

Rating Scale		Expenditure
	Positive Outlook	Any indicator below (+/-) 2% compared to the budget
	Area of Concern	Any indicator within (+/-) 2% through 5% increase compared to the budget
	Negative Outlook	Any indicator greater than (+/-) 5% increase compared to the budget

Fiscal Year 2020 Projections

For Fiscal Year 2020 we are projecting that the City's key expenditures will be \$3.42 million (1.53%) under the FY 2020 revised budget.

Fiscal Year 2020 Projections

Expenditure Indicators

Status	Indicator	Comments
Green	Personnel Services	1.09% under the revised budget.
Green	Contractual Services	0.63% under the revised budget.
Yellow	Internal Services	3.53% under the revised budget.
Green	Commodities	0.54% under the revised budget.
Red	Capital Outlay	27.84% under the revised budget.
Red	Other	775.46% over the revised budget.
Yellow	Debt Service	2.10% under the revised budget.
Yellow	Transfers to other funds	4.56% over the revised budget.

Fiscal Year 2020 Projections

Expenditure Discussion

Capital Outlay are \$6.39 million (27.84%) under budget. The primary drivers are utility and street projects that will not be fully expensed in this year. There will be more detail on this when the full CIP report is issued next quarter.

Other expenses are \$156 thousand (752.47%) over budget. These are typically things like writing off bad debt. The City has not traditionally budgeted for this expense as it is usually done during the audit process. However, we have begun working on writing off those bad debts before the audit, so we will need to budget for this expense moving forward.

Fiscal Year 2020 Projections

General Fund ONLY

Department	Expenditures as of 12/31/19	Projected Expenditures as of 12/31/2020	\$ Change from FY 2019	% Change from FY 2019
City Commission	\$ 883,797	\$ 960,571	\$ 76,774	8.69%
Office of the City Manager	3,363,104	2,836,971	(526,133)	-15.64%
Planning & Development	3,088,404	3,070,187	(18,216)	-0.59%
Finance	5,258,166	6,081,693	823,528	15.66%
Information Technology	1,166,069	-	(1,166,069)	-100.00%
Office of the City Attorney	2,253,650	2,549,067	295,417	13.11%
Police Department	23,527,590	25,726,170	2,198,580	9.34%
Fire/EMS Department	21,707,912	23,167,849	1,459,937	6.73%
Parks and Recreation	4,826,859	4,871,336	44,477	0.92%
Health & Social Services	1,027,584	1,090,888	63,304	6.16%
MSO	6,062,945	7,897,515	1,834,570	30.26%
General Fund	<u>\$ 73,166,080</u>	<u>\$ 78,252,247</u>	<u>\$ 5,086,168</u>	<u>6.95%</u>

Fiscal Year 2020 Projections

General Fund ONLY

Department	FY 2020 Revised Budget	Projected Expenditures as of 12/31/2020	Amount of Budget Remaining	% of Budget Remaining
City Commission	\$ 994,000	\$ 960,571	\$ 33,429	3.36%
Office of the City Manager	2,973,000	2,836,971	136,029	4.58%
Planning & Development	3,111,000	3,070,187	40,813	1.31%
Finance	6,130,000	6,081,693	48,307	0.79%
Office of the City Attorney	2,663,000	2,549,067	113,933	4.28%
Police Department	27,117,000	25,726,170	1,390,830	5.13%
Fire/EMS Department	23,866,000	23,167,849	698,151	2.93%
Parks and Recreation	4,933,000	4,871,336	61,664	1.25%
Health & Social Services	1,109,000	1,090,888	18,112	1.63%
MSO	7,993,000	7,897,515	95,485	1.19%
General Fund	\$ 80,889,000	\$ 78,252,247	\$ 2,636,753	3.26%

The adopted budget was \$82.14 million

All Major Funds

Fund	Expenditures as of 12/31/2019	Projected Expenditures as of 12/31/2020	\$ Change from FY 2019	% Change from FY 2019
General	\$ 73,166,080	\$ 78,252,247	\$ 5,086,168	6.95%
Water/Sewer	46,018,200	46,817,840	799,640	1.74%
Bond & Interest	12,240,678	19,756,115	7,515,437	61.40%
Solid Waste	12,542,444	15,958,682	3,416,238	27.24%
Federal Grants	5,282,435	11,151,670	5,869,235	111.11%
Capital Improvement Reserve	9,803,205	10,528,743	725,538	7.40%
Administrative Charges	-	4,877,215	4,877,215	100.00%
Library	4,538,000	4,782,000	244,000	5.38%
Public Transportation	4,185,045	4,822,886	637,841	15.24%
Central Maintenance	3,829,900	4,863,777	1,033,877	26.99%
Stormwater	2,958,860	2,976,548	17,688	0.60%
Recreation	5,713,526	5,089,759	(623,767)	-10.92%
Economic Development Funds	1,773,211	2,561,546	788,335	44.46%
Special Gas	2,559,663	3,005,214	445,551	17.41%
Water/Sewer Nonbonded Const	205,511	4,207,514	4,002,003	1947.34%
Housing Trust	225,539	1,179,165	953,626	422.82%
Equipment Reserve	713,766	2,123,112	1,409,346	197.45%
Comm. Dev. Block Grant	752,114	1,545,820	793,706	105.53%
Public Golf Course	940,013	905,395	(34,618)	-3.68%
Public Parking	558,725	1,380,777	822,053	147.13%
Guest Tax	2,048,982	1,006,627	(1,042,355)	-50.87%
Special Alcohol	867,222	823,403	(43,819)	-5.05%
Special Recreation	867,459	808,277	(59,182)	-6.82%
Farmland Escrow	1,429,807	1,151,689	(278,118)	-19.45%
Major Funds	<u>\$ 193,220,385</u>	<u>\$ 230,576,022</u>	<u>\$ 37,355,637</u>	<u>19.33%</u>

All Major Funds

Fund	FY 2020 Revised Budget	Projected Expenditures as of 12/31/2020	Amount of Budget Remaining	% of Budget Remaining
General	\$ 80,889,000	\$ 78,252,247	\$ 2,636,753	3.26%
Water/Sewer	47,656,000	46,817,840	838,160	1.76%
Bond & Interest	19,829,000	19,756,115	72,885	0.37%
Solid Waste	16,340,000	15,958,682	381,318	2.33%
Federal Grants	11,341,000	11,151,670	189,330	1.67%
Capital Improvement Reserve	10,918,000	10,528,743	389,257	3.57%
Administrative Charges	4,765,000	4,877,215	(112,215)	-2.35%
Library	4,782,000	4,782,000	-	0.00%
Public Transportation	5,113,000	4,822,886	290,114	5.67%
Central Maintenance	5,250,000	4,863,777	386,223	7.36%
Stormwater	2,798,000	2,976,548	(178,548)	-6.38%
Recreation	5,822,000	5,089,759	732,241	12.58%
Economic Development Funds	2,563,000	2,561,546	1,454	0.06%
Special Gas	3,150,000	3,005,214	144,786	4.60%
Water/Sewer Nonbonded Const	5,580,000	4,207,514	1,372,486	24.60%
Housing Trust	1,376,000	1,179,165	196,835	14.30%
Equipment Reserve	2,231,000	2,123,112	107,888	4.84%
Comm. Dev. Block Grant	1,619,000	1,545,820	73,180	4.52%
Public Golf Course	949,000	905,395	43,605	4.59%
Public Parking	1,465,000	1,380,777	84,223	5.75%
Guest Tax	1,057,000	1,006,627	50,373	4.77%
Special Alcohol	826,000	823,403	2,597	0.31%
Special Recreation	883,000	808,277	74,723	8.46%
Farmland Escrow	1,474,000	1,151,689	322,311	21.87%
Major Funds	\$ 238,676,000	\$ 230,576,022	\$ 8,099,978	3.39%

The adopted budget was \$235.39 million

All Major Funds

Fund	12/31/19 Undesignated Fund Balance	Projected Revenues for FY 2020	Projected Expenditures for FY 2020	Revenues Over / (Under) Expenditures	Projected Undesignated Fund Balance	Undesignated Fund Balance as a % of Expenditures
General	\$ 24,709,340	\$ 76,718,601	\$ 78,252,247	\$ (1,533,647)	\$ 23,175,693	28.65%
Water/Sewer	25,927,412	44,865,911	46,817,840	(1,951,929)	23,975,483	50.31%
Bond & Interest	12,491,540	15,009,384	19,756,115	(4,746,731)	7,744,809	47.40%
Solid Waste	8,746,281	14,233,323	15,958,682	(1,725,359)	7,020,922	35.41%
Federal Grants	1,788	11,055,702	11,151,670	(95,968)	(94,180)	-0.86%
Capital Improvement Reserve	9,651,772	7,143,322	10,528,743	(3,385,421)	6,266,351	107.63%
Administrative Charges	-	4,878,000	4,877,215	785	785	0.02%
Library	75,547	4,735,779	4,782,000	(46,221)	29,325	0.62%
Public Transportation	16,537,264	4,133,264	4,822,886	(689,623)	15,847,641	284.01%
Central Maintenance	136,776	3,647,471	4,863,777	(1,216,306)	(1,079,530)	-21.11%
Stormwater	4,695,574	3,553,848	2,976,548	577,300	5,272,874	46.49%
Recreation	955,483	4,134,276	5,089,759	(955,483)	(0)	0.00%
Economic Development Funds	674,884	2,411,707	2,561,546	(149,839)	525,045	18.77%
Special Gas	2,779,245	2,089,576	3,005,214	(915,638)	1,863,607	83.53%
Water/Sewer Nonbonded Const.	7,695,692	1,923,030	4,207,514	(2,284,484)	5,411,208	171.78%
Housing Trust	1,090,562	1,281,343	1,179,165	102,178	1,192,740	80.92%
Equipment Reserve	2,660,570	1,025,426	2,123,112	(1,097,686)	1,562,884	106.68%
Comm. Dev. Block Grant	256,717	827,343	1,545,820	(718,477)	(461,760)	-48.66%
Public Golf Course	(301,778)	1,207,173	905,395	301,778	0	0.00%
Public Parking	558,264	905,820	1,380,777	(474,958)	83,306	7.88%
Guest Tax	671,621	706,144	1,006,627	(300,483)	371,138	26.97%
Special Alcohol	274,996	548,407	823,403	(274,995)	1	0.00%
Special Recreation	414,040	539,424	808,277	(268,853)	145,187	16.44%
Farmland Escrow	2,584,217	19,057	1,151,689	(1,132,632)	1,451,585	89.66%
Major Funds	\$ 123,287,807	\$ 207,593,330	\$ 230,576,022	\$ (22,982,692)	\$ 100,305,114	42.03%

Questions?



City of Lawrence
