

2020 SPENDING PLAN

September 24, 2020 Update

OVERVIEW OF SPENDING PLAN

- ✓ Purpose is to identify areas of concern where revenue shortages in major funds may impact city services or budgeted expenditures
- ✓ Includes adjustments made in early 2020 to immediately offset expected shortfalls
- ✓ Identifies additional areas where adjustments may occur if needed

PROJECTED SHORTFALL FOCUS

- ✓ Combined impact of \$ 350,000 (projected to be \$398,500 in August)
- ✓ Includes slight projected shortfall in Sales Tax overall
- ✓ Varying degree of impact from sales tax, delayed Municipal Court revenue, delinquent Property tax and Motor Vehicle collections, and miscellaneous revenue sources
- ✓ Unbudgeted increase of overtime, legal fees, and project costs
- ✓ Special Assessment Delinquency estimated at 5% (collected 86% thru August)
- ✓ Deferred utility sales revenue

GENERAL FUND - IMMEDIATE STEPS IDENTIFIED TO OFFSET IMPACT

Adjustments currently impacting outcome (General Fund):	\$381,325
Beginning of Year Unbudgeted Fund Balance Rollover - General Fund	(\$175,000)
Position vacancies - Frozen <i>Payroll plus benefit savings</i>	(\$184,550)
Position vacancies - Unfilled <i>Payroll plus benefit savings</i>	(\$155,035)
Adjust budget for Operational Expenditure savings <i>Fuel, Kennel Charges, Insurance, Crossing Guard services, Prisoner boarding, etc.</i>	(\$25,000)
Unbudgeted expense: Police Department overtime <i>(Budget: 53,575; \$60,500 spent thru September; Estimated total exp of \$83,775)</i>	\$30,000
Unbudgeted expense: General Fund legal services <i>(Budget \$50,000; Spent thru June \$197,000, Estimated total expense of \$275,000)</i>	\$225,000
Unbudgeted expense: Conceptual design of Justice Center for public Referendum	\$20,000
Aquatic Closure for 2020 season	(\$116,740)

Additional delays of projects or purchases (Dependent on Sales Tax):	\$80,000
Delay Comprehensive Plan <i>(50% of total cost budgeted from Special County Sales Tax)</i>	(\$80,000)

** Recommend moving ahead with this project*

SALES TAX IMPACT

Collection Point	% Inc/Dec over 2019
Spring Hill City Sales Tax	+ 11.83%
Spring Hill City Use Tax	+ 40.79%
Johnson County Sales Tax	- .01%
Johnson County Use Tax	+ 20.02%
Miami County Sales Tax	+ 10.56%
Miami County Use Tax	+ 29.17%

ADDITIONAL MEASURES IDENTIFIED (IF NEEDED FOR GENERAL FUND)

Adjustments Available (If Needed):	\$238,500
Move 2019 YE Transfer from Equipment Fund back to General Fund	\$150,000
Suspend employee education reimbursement program	\$5,000
Temporarily suspend cost sharing of salt expenditure with Special Highway Fund	\$15,000
Defer 2020 equipment purchase - Steel salt spreader <i>Redirect funds to General Fund</i>	\$18,500
Budget cuts of overall budget of 5% or 10%	undecided
Redirect Special County Sales Tax from Equipment Reserve fund to General Fund	\$50,000

OTHER FUNDS REVIEW

Debt Service Fund:	(\$33,300)
Beginning of Year Unbudgeted Fund Balance Rollover	(\$95,000)
Special Assessment Delinquency estimated at 5% <i>86% collected thru August</i>	\$57,200
Property Tax Delinquency estimated at 3%	\$4,500

Water Utility Fund:	\$25,470
Water sales revenue deferred	\$35,850
Position vacancy frozen - Public Works Director (4 months, June thru Sept) <i>50% Salary + Payroll Taxes + KPERS + Health Ins. = \$5,560/month</i>	(\$10,380)

Wastewater Utility Fund:	(\$341,720)
Beginning of Year Unbudgeted Fund Balance Rollover	(\$220,000)
Sewer sales revenue deferred	\$45,450
System Development Fees collected over budget	(\$109,000)
Position vacancy frozen - Utility Maintenance Worker position (9 months thru Sept) <i>100% Salary + Payroll Taxes + KPERS + Health Ins. = \$5,310/month</i>	(\$47,790)
Position vacancy frozen - Public Works Director (4 months, June thru Sept) <i>50% Salary + Payroll Taxes + KPERS + Health Ins. = \$5,560/month</i>	(\$10,380)

DISCUSSION