



CITY COUNCIL WORK SESSION
Wednesday, June 22, 2022 at 6:30 p.m.

POWELL COMMUNITY CENTER
6200 MARTWAY

Meeting In Person and Virtually via Zoom

This meeting will be held in person at the time and date shown above. In consideration of the COVID-19 social distancing recommendations, this meeting will also be available virtually via Zoom (<https://zoom.us/join>). Information will be posted, prior to the meeting, on how to join at <https://www.missionks.org/calendar.aspx>.

If you require any accommodations (i.e. qualified interpreter, large print, reader, hearing assistance) in order to attend this meeting, please notify the Administrative Office at 913-676-8350 no later than 24 hours prior to the beginning of the meeting.

AGENDA

1. 2023 Budget – Laura Smith (materials to be uploaded prior to work session)

Staff will present information on the 2023 Budget with a particular emphasis on revenue estimates, and will discuss specific Council budget priorities and a first look at supplemental requests from the Departments for 2023.



MEMORANDUM

Date: June 21, 2022
To: Mayor and City Council
From: Laura Smith, City Administrator
RE: Budget Memo #1 – 2023 Budget

Two years into the pandemic, we are still learning and watching the impacts of COVID-19 on our budget and overall financial position. While we feel more confident in some areas of our decision making in the budget process, there continue to be a significant number of unknowns – both COVID-19 related and others – that cause us to remain cautious in making recommendations for 2023.

We are slightly behind our normal schedule for the annual budget discussions, but that may work to our advantage as a number of issues have come to light in recent weeks. Staff has needed additional time to understand and evaluate how those issues will impact 2022, and what we can realistically anticipate for 2023.

This first budget memo begins with some basic information on Mission's Budget structure and budget development process. While this is familiar information for the some on the Governing Body, the information is included to provide background and context for both members of Governing Body and the public who may be new to the budget process. During the June 22nd work session we will review major revenue streams/revenue projections, discuss Council and staff budget priorities and questions identified through a recent survey, review the status of American Rescue Plan Act (ARPA) funds, and introduce the supplemental budget requests identified by the Departments. During the June 29th work session, we will engage in a more comprehensive discussion of projected General Fund expenses and begin the process of refining and prioritizing the supplemental requests.

Budget Structure

The City of Mission's budget covers the period of January 1st through December 31st each year. The total budget is made up of more than a dozen individual funds, and annual budget discussions are typically focused in two areas. First, on the City's General Fund - an operating fund supporting basic functions such as Police, Public Works and Parks + Recreation. And second, on those funds tied to capital infrastructure investments such as streets, stormwater, park improvements or amenities and public buildings and facilities, many of which have limited or special-purpose revenue streams. The entire budget will eventually be adopted together, but the City's operating and infrastructure budgets are generally discussed separately throughout the process.

General Fund

The City's General Fund accounts for the core municipal functions and services such as Public Safety, Public Works, Parks + Recreation, and Administration. It is an operating budget, focused primarily on revenues coming and going in one fiscal year. There are four primary revenue streams that support the General Fund budget: sales/use taxes, property taxes, parks and recreation revenues, and fines and forfeitures. Diversification of these revenue streams is important to help weather fluctuations in each, because they impact how the City is able to pay for and maintain core services.

Capital Project Funds

Capital infrastructure projects are generally large in scope (expensive) and can take several years to complete. Because of this, they are more appropriately handled outside of the annual operating fund (General Fund). Mission continues to emphasize investment in infrastructure, for streets, parks and stormwater. In order to support an increased investment in these long-term assets, dedicated revenue streams have been implemented to increase transparency and accountability.

Budget Development Process

The Mayor, City Council, staff, and the citizens of Mission are all important participants in the creation and execution of the City's budget. State law requires the City's budget be balanced and dictates the timing and process for submitting a final budget to the County Clerk. A timeline of those dates/processes is included in the packet.

Early in the year, we complete the formal audit to ensure we have a clear and consistent picture of the previous fiscal year. Each month we track and review revenues and expenses looking for areas of uncertainty or places where budget performance exceeds original projections. Year to date in 2022 we have seen more uncertainty than originally anticipated which will be discussed throughout the remainder of the memorandum.

In order to discern which programs and issues are of the highest priority to citizens, and to ensure we are aligning the budget with these goals and objectives, residents should play an active role in the budget process. It has historically been difficult to get meaningful citizen input in the annual budget process, especially with no controversial issues under consideration. Staff remains committed to encouraging input and feedback through the City Council committee and legislative meetings, work sessions, public forums, and through social media outlets or other methods. Ideas and suggestions to improve public education and engagement are always welcomed.

During the June 22nd work session we will review an anticipated meeting schedule for our budget discussions in the coming months.

Council Goals and Objectives

In recent years, through budget surveys, retreats, and other discussions, Council and staff have worked to consistently develop consensus around both short and longer-term priorities, goals, and objectives. Quarterly project status updates have also been provided to ensure that the Governing Body is able to track the progress toward identified projects and goals.

After taking office last December, Mayor Flora met with each member of the Council individually to discuss and confirm priorities. A summary of those discussions was brought forward to a February 2022 half-day retreat and the items below were identified as priorities for continued emphasis (not in priority order).

1. Residential street program
2. Pedestrian-focused streets
3. Sustainability/Climate Action Plan implementation
4. Commercial code enforcement
5. Parks planning/implementation
6. Small business partnerships/initiatives
7. Sylvester Powell solution (long-term feasibility/viability)
8. Gateway solution
9. Building Codes update
10. Development activity

More recently, in preparation for a Council retreat on May 7th, a short budget survey was distributed to the Council. The results remained consistent with information collected over the previous 12-18 months and is included below. When asked about top budget priorities for FY 2023 the following were identified as the top three priorities:

- Street Maintenance (77.78%)
- Stormwater Infrastructure Maintenance (66.67%)
- Economic Development (55.56%)

When asked about one specific program or service to be implemented in 2023, the survey responses included:

- Acceleration of stormwater and street repairs
- Large scale park and street investments
- Create a planning tool to design our downtown to address needed and wanted businesses
- Permanent mental health co-responder funding with Mission-specific focus, or at the very least expansion of what we are currently doing
- Complete streets and trails – begin implementation of safe, high quality, border-to-border routes for bikes and pedestrians, separated from traffic, with significant investment in connection to surrounding cities

- Policy regarding short-term rentals
- Residential street repairs

Information from these discussions will help to guide and inform our budget conversations.

General Fund Revenue Forecasts and Assumptions

As a result of concerted efforts to build and maintain the General Fund fund balance, the City had the opportunity in 2020, and again in 2021 to avoid having to make radical budget decisions as a result of the pandemic. In the first year of the pandemic, staff presented 5-Year revenue forecasting models for the major revenue streams in the General Fund to aid in evaluating alternatives and creating flexibility to respond appropriately to challenges presented by COVID-19. Those models allowed us to continue to preserve at least a 25% fund balance reserve in accordance with established Council Policy. A philosophy which is recommended policy be a “non-negotiable” in development of the 2023 Budget. With 2+ years' worth of experience now available to us, Staff is not relying as heavily on the modeling scenarios to build the 2023 budget.

The General Fund operating budget is supported by four primary revenue streams: sales/use taxes (local and intergovernmental), property taxes, parks and recreation revenues, and fines and forfeitures. For purposes of our current budget conversations, we will recap the performance and considerations for each major revenue source. As we review the fluctuations or targets, it is important to note that some continue to be impacted by the pandemic, but some other unique circumstances are also influencing the 2023 revenue projections. Actual and estimated performance for each of the primary revenue streams is discussed in more detail below.

Sales and Use Tax Revenues

The largest revenue stream in the City’s general fund comes from sales and use taxes. This revenue stream includes the City’s 1% general sales tax and the portion of the County’s sales tax (general and special use) that is distributed based on a statutory formula.

In 2020 and 2021, Mission, like most other cities in Johnson County, never experienced decreased sales tax revenues when compared to original budget estimates. The table below highlights 2021 sales tax performance, considerations for revised 2022 budget estimates, and 2023 budget recommendations.

	2021 Budget	2021 Revised	2021 Actual	% change Budget to Actual	2022 Budget	2022 Estimated	2023 Proposed
City	\$3,285,000	\$4,050,000	\$4,259,660	30%	\$4,150,000	\$3,875,000	\$4,150,000
County	\$1,324,800	\$1,540,000	\$1,755,830	32%	\$1,565,000	\$1,669,500	\$1,717,000

While Mission continued to see increased sales tax revenues throughout 2021, the growth has slowed slightly in 2022, particularly with respect to use tax revenues. In addition, with distribution of the May use tax receipts, staff became aware of a refund situation from an appeal of taxes distributed from two vendors between 2014 and 2016 which will reduce the 2022 receipts by approximately \$311,000. Limited information has been secured from the Department of Revenue to date, and Staff will present more details during the work session. We are not aware of any refunds at this time which would impact the 2023 receipts.

Property Tax Revenues

Property tax revenues are based on the assessed valuation of taxable real and personal property in each taxing jurisdiction. The City Council is responsible for setting the mill levy annually during the budget process. One mill is equivalent to one dollar for every \$1,000 of assessed property value.

Like most other cities in Johnson County, Mission continues to see increases in our assessed valuation. Mission’s current mill rate is 16.369, and one mill generates approximately \$173,000 for the current year’s budget (2022). Of the total mills, the equivalent of seven mills is dedicated (transferred out) for street improvements, with the revenues available to support General Fund operations. A chart detailing mill levies of all other Johnson County taxing authorities is included in the packet. A historical summary of Mission’s mill levy and special is also included for your reference.

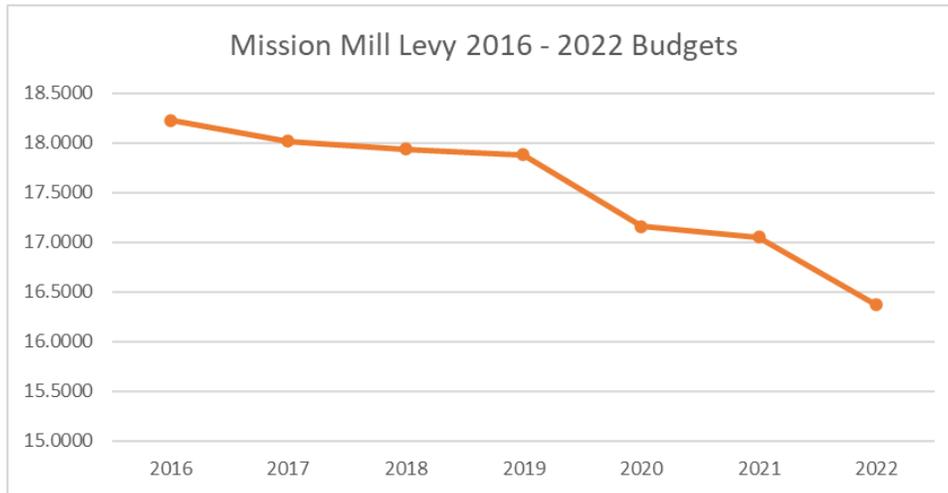
	2021 Actual	2022 Budget	2022 Estimated	2023 Proposed
Property Tax (General)	\$1,736,909	\$1,780,000	\$1,730,000	\$1,891,066
Property Tax (Streets)	\$1,096,720	\$1,120,000	\$1,120,000	\$1,400,000
Motor Vehicle Taxes	\$ 245,105	\$ 263,100	\$ 251,950	\$ 254,550
Total	\$3,078,734	\$3,163,100	\$3,101,950	\$3,545,616

The 2022 Budget was the first year, the requirements of SB13/HB2104 went into effect, with a Revenue Neutral Rate (RNR) calculation coming specifically into play as a part of the annual budget discussions. The RNR calculates the mill levy required to generate the exact same amount of property tax as the prior year’s budget. Mission’s estimated RNR for the 2023 budget is 14.34 mills (vs. 2022 mill levy of 16.369).

While the Governing Body must be sensitive to the impact of increased valuations on taxpayers, the cost of providing city services is not static. Having the opportunity to capture this growth is an important part of being able to deliver the services our residents expect, especially when other significant revenue streams are being impacted.

Mission’s assessed valuation is expected to increase by approximately \$25.0 million for 2023. Because of the impacts of SB13/HB2104 and fluctuating values of properties located within TIF Districts, Mission’s mill levy has actually decreased by 1.865 mills since the Transportation Utility Fee was converted to mills in the 2016 budget year. The mill levy funding the 2022 budget

is 16.369 mills, a decrease of 0.679 mills over last year's (2021's) levy even though it was Council and staff's intent to hold the mill flat at 17.048 (the mill levy funding the 2021 budget).



Based on the needs and priorities identified by our residents and the Council, Staff would recommend that the Governing Body advise the County (by the July 20 deadline) of our intent to exceed the Revenue Neutral Rate for 2023. This does not establish the final mill levy but creates the flexibility necessary to capture the increased revenues generated by the growth in assessed valuation.

Another issue to consider relative to the City's property tax revenues is the potential impact of the "Dark Store Theory" litigation that was recently heard by the Kansas Supreme Court. While a final decision has not been released, it is anticipated soon. The total annual impact of the "Dark Store Theory" going forward is something that could generally be managed within an annual operating budget without too many challenges. However, as the potential liability has continued to accumulate, it may be prudent for the City to hold back or restrict all or a portion of this amount in the General Fund reserves to mitigate operating budget impacts.

The Johnson County Appraiser has provided projected revenue losses resulting from the appeals through 2019. Staff has reached out for updates, which have not yet been provided. Based on the current properties which could be impacted by the outcome of the legal challenges, Mission's estimated liability (refund) is detailed in the table below:

Year	Estimated Mission Impact (amount to refund)
2015	\$15,741
2016	\$93,673
2017	\$47,496
2018	\$47,234
2019	\$68,166
Total	\$272,310

Staff will monitor the final decisions surrounding the “Dark Store Theory” as we continue in the 2023 Budget development process.

Parks + Recreation Revenues

Parks + Recreation revenues are generated through memberships, facility rentals, class and program fees and summer camp fees for the Community Center, and memberships, daily fees and concessions from the Mission Family Aquatic Center (MFAC). 2020 revenues were significantly impacted by shut-downs and restrictions imposed as a result of COVID-19, including a three month closure of the Powell Community Center, cancellation of the summer camp program, and the decision not to open the MFAC for the season.

The 2021 Budget anticipated improvements in Parks + Recreation revenues. However, as a result, at least in part of COVID-19 incident/positivity rates that continued to climb through 2021, and continued public health restrictions instituted at our facilities, revenues at the Powell Community Center did not recover as anticipated. The table below highlights Parks + Recreation revenue categories summarizing performance in each with a comparison of actual to original budget.

	2021 Budget	2021 Revised	2021 Actual	% change Budget to Actual	2022 Budget	2022 Estimated	2023 Proposed
Memberships	\$ 468,750	\$275,000	\$193,041	(-59%)	\$300,000	\$300,000	\$ 350,000
Rentals	\$ 213,750	\$100,000	\$110,427	(-48%)	\$150,000	\$163,000	\$ 165,000
Programs	\$ 300,000	\$175,000	\$137,838	(-54%)	\$175,000	\$185,500	\$ 190,000
Daily Fees	\$ 187,500	\$100,000	\$102,820	(-45%)	\$100,000	\$148,000	\$ 150,000
Summer Camp	\$ 225,000	\$125,000	\$111,693	(-50%)	\$215,000	\$161,000	\$ 189,225
Totals	\$1,395,000	\$775,000	\$655,819	(-53%)	\$940,000	\$957,500	\$1,044,225

As a result of the COVID-19 impacts, and revenue streams that were underperforming prior to the pandemic, the City Council authorized \$40,000 in the 2022 budget to fund a feasibility study for the Community Center to evaluate options to improve the long term sustainability and viability of the facility. The feasibility study is currently in progress and draft recommendations are anticipated in late July/early August.

Year to date in 2022, Parks + Recreation revenues are realizing incremental improvement over the previous two years. Although nowhere near a return to pre-pandemic cost recovery levels, the increases are encouraging and will be helpful (in conjunction with the feasibility study recommendations) in making decisions for the center, including on-going expectations for cost-recovery for the facility. A summary of cost recovery at the Powell Community Center since 2015 is included below as a point of reference. Projected cost recovery for 2023 will be provided as part of the June 29th work session when we review General Fund expenditures.

	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Revenues	\$ 1,780,144	\$ 1,817,753	\$ 1,758,157	\$ 1,675,697	\$ 1,698,878	\$ 710,775	\$ 706,254	\$ 420,078
Expenses	\$ 2,089,988	\$ 2,225,928	\$ 2,284,283	\$ 2,342,798	\$ 2,425,932	\$ 2,062,448	\$ 2,267,738	\$ 937,347
Difference (\$)	\$ (309,845)	\$ (408,175)	\$ (526,127)	\$ (667,101)	\$ (727,054)	\$ (1,351,673)	\$ (1,561,484)	\$ (517,269)
Cost Recovery %	85%	82%	77%	72%	70%	34%	31%	45%

Fine and Forfeiture Revenues

Fine and forfeiture revenues are those collected because of law enforcement activity, primarily traffic enforcement, and associated municipal court charges. Underperformance of this revenue stream had been off-set by sales and use tax receipts prior to the pandemic and projections for this stream had been adjusted downward for 2020 prior to estimating any COVID-19 impacts.

Even though this revenue stream is not specifically dependent on a broader economic recovery, it has not returned as quickly as was originally forecasted. While there are some lingering COVID-19 impacts, the decreases in 2021 and YTD in 2022 are more closely tied to having fewer officers on the street available to perform traffic enforcement. Although the Department has been at or close to full staffing levels, the hires have frequently needed to go through the Police Academy. The time spent at the Academy, coupled with the time required in field training (FTO) upon graduation means that we don't have the full benefit of a fully staffed department for months.

The Chief has been diligent in his review of this situation and has recently extended an offer for a part-time motorcycle officer. Following the resignation of our only certified motorcycle officer in September 2021, we have not been successful in replacing that important traffic control position. The new part-time officer is expected to be on the street in just a few weeks, having the full benefit of the summer and fall seasons for increased traffic enforcement – a goal which aligns with Council priorities.

	2021 Budget	2021 Revised	2021 Actual	% change Budget to Actual	2022 Budget	2022 Estimated	2023 Proposed
Fines	\$1,083,842	\$636,660	\$441,947	(-59%)	\$743,500	\$623,450	\$732,250

This revenue stream will continue to be monitored closely throughout the remainder of 2022 in the event the revenue projections could be revised upward either this year or for the 2023 Budget.

General Fund Revenue Summary

The Adopted 2022 Budget included revenues totaling \$13,205,392. In any comparison to 2021 Actuals (\$16,217,555) it should be noted that the deposit of bond proceeds for the Facility Conservation Improvement (FCIP) Program (2021) and the resulting carry-over of the same bond proceeds into the 2022 beginning fund balance created an inflated picture of 2021 revenues.

Revised revenue estimates for the 2022 Estimated Budget and 2023 Proposed Budget are much more consistent and paint a more accurate picture. Revenue estimates are anticipated to increase approximately 1% between 2022 Estimated and 2023 Proposed, assuming the mill levy is held constant at the 16.369 rate. A summary of the General Fund Revenues, including revenue detail used to create the estimates is included in the packet.

American Rescue Plan Act (ARPA) and Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

In March 2021, the American Rescue Plan Act was signed into law. The Act provided \$1.9 trillion in federal relief/stimulus, including a \$350 billion allocation to state, local, and tribal governments. Total ARPA funding was provided directly to non-entitlement cities (<50,000 population) from the State, and was distributed in two equal tranches, the first received in June 2021 and the second received earlier this month. SLFRF funds awarded to the City totaled approximately \$1.5 million. All funds must be obligated by December 31, 2024 and spent by December 31, 2026.

The Treasury issued preliminary guidance on the funding in early 2021 as well as a list of Frequently Asked Questions. Guidance for SLFRF funds was finalized in January 2022 and the final rule took effect on April 1, 2022. According to the guidance, the intent of the funds are, “To provide support to state, local, and tribal governments (together, recipients) in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).”

A key difference from the original guidance issued to the final rule had to do with the calculation of lost revenue. The final rule allows recipients to choose between a “standard allowance” of \$10 million in lost revenue or recipients can use the prescribed revenue loss calculation. Staff is recommending the City exercise the \$10 million revenue loss option, which is anticipated to provide the Council and the City with the greatest latitude in the expenditure of the funds, but all expenditures will still have to be compliant with both Treasury and Office of Management and Budget (OMB) guidance.

The General Fund revenue summary provided shows Mission’s ARPA funds as transfers into the General Fund. Please note that if the ARPA funds are removed from these General Fund

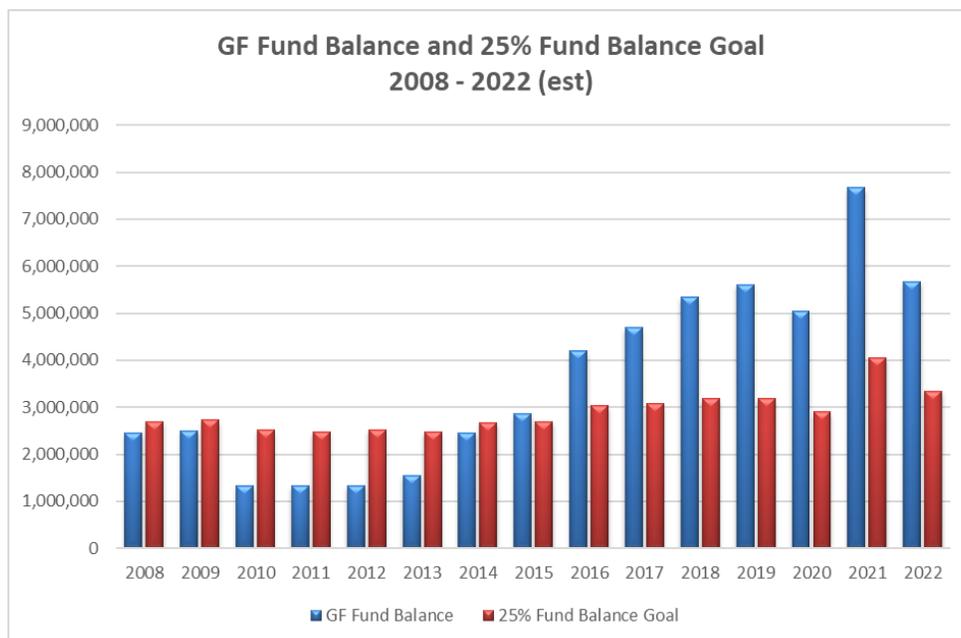
estimates, there is essentially no “excess” General Fund fund balance available for the 2023 budget. Staff will detail the anticipated scenarios in more detail during the June 22nd and June 29th work sessions. While we understand there is a desire to allocate the ARPA funds on eligible projects (i.e. streets or stormwater infrastructure), it may be prudent to hold off on any final decisions until later this year, or early in 2023, in order to see if other revenue streams impacting the General Fund stabilize.

General Fund Reserves

The City Council has an established fund balance target/goal of 25% of budgeted revenues in the General Fund. Over the last several years we have not only achieved that goal, but have exceeded it. While the COVID-19 situation did impact the fund balance position in 2020, the combination of sales tax performance and careful management of expenses allowed the overall fund balance position to remain strong both for 2020 and into 2021.

As outlined previously above, the FCIP bond proceeds increased the revenues by \$3,376,731 in 2021 which also then resulted in a higher reserve as it is a percentage of annual General Fund revenues. In the overall budget picture, it will be a “wash” as expenditures for the program did not exceed bond revenues. Staff will continue to refine the estimated impacts to the excess fund balance anticipating a more detailed evaluation in connection with the General Fund expense conversations scheduled for the June 29th work session.

The chart below details the City’s General Fund position from 2008 through 2022 (estimated). The 2023 estimated Fund Balance will ultimately be impacted by the inclusion of any supplemental requests provided by the Council, staff or the Climate Action Plan Task Force.



Staff is likely to remain conservative when recommending the use of excess reserves to balance the budget but look forward to working collaboratively in our upcoming meetings to prioritize and model the impacts of various alternatives until we can achieve a plan which makes sense for both today and into the future.

Summary

The budget process is always a journey, and in recent years, a journey without a roadmap. Although we feel more confident in our ability to understand and predict the continued impacts of the COVID-19 pandemic, other factors continue to create challenges in other significant revenue streams. Additionally, the labor market, inflation, and concern for a recession continue to place additional strain on the overall revenue and expense pictures.

Our goal is to continue to move deliberately in assessing trends, evaluating alternatives, and implementing changes, and by doing so we can continue to keep Mission positioned appropriately for the future. As we work through the 2023 budgets for both the General Fund, and in the Capital Improvement Program our focus will remain on strategic investments, items that go directly to improving the quality of life for our residents and businesses. If you have questions regarding any of the material included, please feel free to contact me prior to Wednesday's work session.

SB 13 - Budget, Levy & Tax Deadlines



 County Clerk

 Appraiser

 Treasurer

 Tax Subdivision

 Election Officer

City of Mission 2023 Annual Budget

General Fund Summary

	Actual 2020	Actual 2021	Budget 2022	YE Estimate 2022	Budget 2023	% Change 2022 Est/2023
<u>BEGINNING FUND BALANCE</u>	\$ 5,612,837	\$ 5,089,182	\$ 7,668,588	\$ 7,668,588	\$ 5,673,142	
<u>REVENUES</u>						
Property Taxes	\$ 1,648,608	\$ 1,736,909	\$ 1,780,000	\$ 1,730,000	\$ 1,891,066	9%
Property Taxes For Streets	1,032,107	1,096,720	1,120,000	1,120,000	1,400,000	25%
Motor Vehicle Taxes	241,689	245,105	263,100	251,950	254,550	1%
Sales/Use Taxes	3,850,117	4,259,660	4,150,000	3,875,000	4,150,000	7%
Franchise Taxes	1,011,085	1,030,860	1,022,000	1,098,500	1,062,000	-3%
Licenses and Permits	155,331	126,233	154,000	155,000	155,500	0%
Review/Plan Inspection Fees	188,056	145,960	200,000	630,000	495,000	-21%
Police Fines	575,275	441,947	743,500	623,450	732,250	17%
Service Charges	146,073	88,116	141,500	106,000	126,000	19%
Pool Revenue	(122)	141,475	132,000	156,000	158,000	1%
Community Center Revenue	710,775	706,254	992,950	1,019,450	1,097,825	8%
Intergovernmental Revenue	1,842,693	1,903,316	1,660,200	1,764,500	1,862,000	6%
Miscellaneous	169,606	115,917	94,360	102,250	79,000	-23%
Bond/Lease Proceeds	44,332	3,376,731	-	-	-	0%
Transfers In	-	802,351	751,782	751,782	-	-100%
TOTAL REVENUES	\$ 11,615,623	\$ 16,217,555	\$ 13,205,392	\$ 13,383,882	\$ 13,463,191	1%

City of Mission 2023 Annual Budget

Revenue Detail

	Actual 2020	Actual 2021	Budget 2022	YE Estimate 2022	2023 Budget	% Change 2022/2023
<u>Property Tax</u>						
Real Estate Tax (General Property Tax)	1,631,153	1,695,379	1,760,000	1,700,000	1,871,066	6.31%
Delinquent Real Estate Tax	17,455	41,530	20,000	30,000	20,000	0.00%
Property Tax	1,648,608	1,736,909	1,780,000	1,730,000	1,891,066	
<u>Property Tax for Streets (7 Mills)</u>	1,032,107	1,096,720	1,120,000	1,120,000	1,400,000	25.00%
<u>Motor Vehicle Tax</u>						
Motor Vehicle Tax	237,105	240,277	260,000	247,500	250,000	-3.85%
Recreational Vehicle Tax	831	1,151	800	800	900	12.50%
Heavy Truck Tax	3,488	3,599	2,000	3,500	3,500	75.00%
Rental Excise Tax	-	-	-	-	-	0.00%
Delinquent Personal Property Tax	265	77	300	150	150	-50.00%
Motor Vehicle Tax	241,689	245,105	263,100	251,950	254,550	
<u>City Sales/Use Tax</u>						
City Sales Tax	2,450,874	2,584,741	2,550,000	2,625,000	2,700,000	5.88%
City Use Tax	1,399,244	1,674,920	1,600,000	1,250,000	1,450,000	-9.38%
City Sales/Use Tax	3,850,117	4,259,660	4,150,000	3,875,000	4,150,000	
<u>Franchise Tax</u>						
KCP&L	703,895	709,459	710,000	710,000	700,000	-1.41%
KS Gas Service	176,330	199,734	190,000	275,000	250,000	31.58%
SBC Telephone	16,967	20,145	19,500	21,500	22,000	12.82%
Consolidated Telephone (formerly SureWest)	2,406	1,606	2,000	2,000	2,000	0.00%
AT&T (SBC) Video	24,384	19,222	20,000	18,500	19,000	-5.00%
Consolidated Video (formerly SureWest)	8,956	8,790	8,500	8,500	9,000	5.88%
Spectrum Video (formerly Time Warner)	57,219	56,405	55,000	59,000	60,000	9.09%
Google (New)	20,928	15,500	17,000	4,000	-	-100.00%
Franchise Tax	1,011,085	1,030,860	1,022,000	1,098,500	1,062,000	
<u>Licenses and Permits</u>						
Occupational License	77,068	91,113	90,000	95,000	95,000	5.56%
Public Works Permits	2,850	3,475	3,500	4,000	4,500	28.57%
Rental License	62,420	22,664	47,000	42,000	42,000	-10.64%
Rental Inspection Fee	-	-	-	-	-	0.00%
Tree Service License Fee	-	-	-	-	-	0.00%
Sign Permit Fee	5,685	2,726	5,000	4,000	5,000	0.00%
Land Use Fee	430	-	1,500	3,000	2,000	33.33%
Liquor License	4,500	5,125	5,500	5,500	5,500	0.00%
Operator/Solicitor/Massage License	1,378	230	1,000	1,000	1,000	0.00%
Animal License	1,000	900	500	500	500	0.00%
Licenses and Permits	155,331	126,233	154,000	155,000	155,500	
<u>Plan Review/Inspection Fees</u>						
Building Permit Fees	140,031	101,255	125,000	415,000	345,000	176.00%
Plan Review Fees	48,025	44,705	75,000	215,000	150,000	100.00%
Plan Review/Inspection Fees	188,056	145,960	200,000	630,000	495,000	
<u>Intergovernmental Revenue</u>						
County Sales/Use Tax						
County Sales Tax	656,086	762,290	690,200	740,000	762,000	10.40%
County Use Tax	179,580	242,731	203,000	205,000	211,000	3.94%
County Sales/Use Tax	835,666	1,005,020	893,200	945,000	973,000	
County Sales/Use Tax - Jail						
County Jail Sales Tax	163,272	189,588	172,500	190,000	195,000	13.04%
County Jail Use Tax	44,895	60,683	51,500	51,500	53,000	2.91%
County Sales/Use Tax - Jail	208,167	250,271	224,000	241,500	248,000	
County Sales/Use Tax - Pub Safety						
County Public Safety Sales Tax	163,272	189,588	172,500	190,000	195,000	13.04%
County Public Safety Use Tax	44,895	60,683	51,500	51,500	53,000	2.91%
County Sales/Use Tax - Pub Safety	208,167	250,271	224,000	241,500	248,000	

	Actual 2020	Actual 2021	Budget 2022	YE Estimate 2022	2023 Budget	% Change 2022/2023
County Sales/Use Tax - Court House						
County Court House Sales Tax	163,272	189,586	172,500	190,000	195,000	13.04%
County Court House Use Tax	44,895	60,683	51,500	51,500	53,000	2.91%
County Sales/Use Tax - Pub Safety	208,167	250,268	224,000	241,500	248,000	
Alcohol Tax	73,607	140,699	90,000	90,000	125,000	38.89%
Other Intergovernmental Revenue	308,917	6,787	5,000	5,000	20,000	300.00%
Total for Intergovernmental	1,842,693	1,903,316	1,660,200	1,764,500	1,862,000	
Police Fines						
Fines	545,888	421,608	700,000	600,000	700,000	0.00%
Parking Fines	2,100	1,325	2,500	1,500	2,000	-20.00%
Alarm Fines	25	250	200	250	250	25.00%
Police Dept. Lab Fees	1,370	4,890	500	2,000	2,000	300.00%
Fuel Assessment Fees	4,840	2,426	6,500	3,500	5,000	-23.08%
ADA Accessibility Fees	18,902	9,598	30,000	13,700	20,000	-33.33%
Motion Fees	1,150	850	3,000	1,500	2,000	-33.33%
Expungement Fees	1,000	1,000	800	1,000	1,000	25.00%
Court Appointed Attorney	-	-	-	-	-	0.00%
Police Fines	575,275	441,947	743,500	623,450	732,250	
Service Charges						
Court Costs	25,299	15,963	35,000	25,500	30,000	-14.29%
On Line Convenience	2,565	966	2,500	1,500	2,000	-20.00%
Charge for Services	-	-	-	-	-	0.00%
Reimbursed Expenses	30,994	10,647	25,000	15,000	20,000	-20.00%
Animal Control Contracts	84,946	58,000	75,000	60,000	70,000	-6.67%
Nuisance Abatement Fees	2,270	2,541	4,000	4,000	4,000	0.00%
Weed Abatement Fees	-	-	-	-	-	0.00%
Service Charges	146,073	88,116	141,500	106,000	126,000	
Miscellaneous and Other						
Interest/Investments	13,067	798	5,000	2,250	3,000	-40.00%
Sale of Fixed Assets	-	-	-	-	1,000	#DIV/0!
Miscellaneous	156,539	115,119	89,360	100,000	75,000	-16.07%
Miscellaneous and Other	169,606	115,917	94,360	102,250	79,000	
Pool Revenues						
Outdoor Pool Membership	-	39,317	40,000	40,000	42,000	5.00%
Outdoor Pool Front Desk	-	74,269	50,000	75,000	75,000	50.00%
Outdoor Pool Concessions	(122)	21,505	25,000	22,000	25,000	0.00%
Outdoor Pool Program Fees	-	2,160	6,000	2,000	5,000	-16.67%
Outdoor Pool Rental	-	4,225	5,000	5,000	5,000	0.00%
Super Pool Pass Revenue	-	-	6,000	12,000	6,000	0.00%
Pool Revenue	(122)	141,475	132,000	156,000	158,000	
Community Center Revenue						
Community Center Membership	364,711	193,041	300,000	300,000	350,000	16.67%
Community Center Rental	73,373	110,427	150,000	163,000	165,000	10.00%
Community Center Program	121,395	137,838	175,000	185,500	190,000	8.57%
Community Center Daily Fees	93,980	102,820	100,000	148,000	150,000	50.00%
Community Center Misc.	2,166	1,594	5,000	14,000	5,500	10.00%
Community Center Resale of Items	290	1,591	700	700	850	21.43%
Community Center Sponsorship/Ads	-	-	-	-	-	0.00%
Morrow Trust Fund	-	-	-	-	-	0.00%
Mission Summer Program	1,735	111,693	215,000	161,000	189,225	-11.99%
Mission Square PILOTS	53,125	47,250	47,250	47,250	47,250	0.00%
Community Center Revenues	710,775	706,254	992,950	1,019,450	1,097,825	

	Actual 2020	Actual 2021	Budget 2022	YE Estimate 2022	2023 Budget	% Change 2022/2023
<u>TIF/CID Proceeds</u>						
Mission Crossing TIF - Sales Tax	-	-	-	-	-	0.00%
Mission Crossing CID - Sales Tax	-	-	-	-	-	0.00%
Cornerstone Commons - CID Sales Tax	-	-	-	-	-	0.00%
TDD Sales Tax	-	-	-	-	-	0.00%
CID/TIF Proceeds	-	-	-	-	-	
<u>Bond/Lease Proceeds</u>						
2014 Lease Purchase of Police Vehicles	-	-	-	-	-	0.00%
2015 Lease Purchase of Street Sweeper	-	-	-	-	-	0.00%
2016 Lease Purchase of Police Vehicles	-	-	-	-	-	0.00%
2020 Lease Purchase of Police Vehicles	44,332	-	-	-	-	0.00%
2021 Bond Proceeds - FCIP Financing	-	3,376,731	-	-	-	
Bond/Lease Proceeds	44,332	3,376,731	-	-	-	
<u>Transfers From Other Funds</u>						
Transfers From Other Funds	-	802,351	751,782	751,782	-	0.00%
Transfers From Other Funds	-	802,351	751,782	751,782	-	
Total Revenue	11,615,623	16,217,555	13,205,392	13,383,882	13,463,191	

City Council Work Session

June 22, 2022

2023 Budget Work Session



Meeting Agenda

- Overview of Process and Budget Structure
- Review of Council Goals/Objectives
 - February 2022 Retreat
 - 2023 Budget Survey
- Review of General Fund Revenues
- Supplemental Requests
- ARPA Funding
- General Fund Reserves
- Budget Calendar – June 29 Work Session



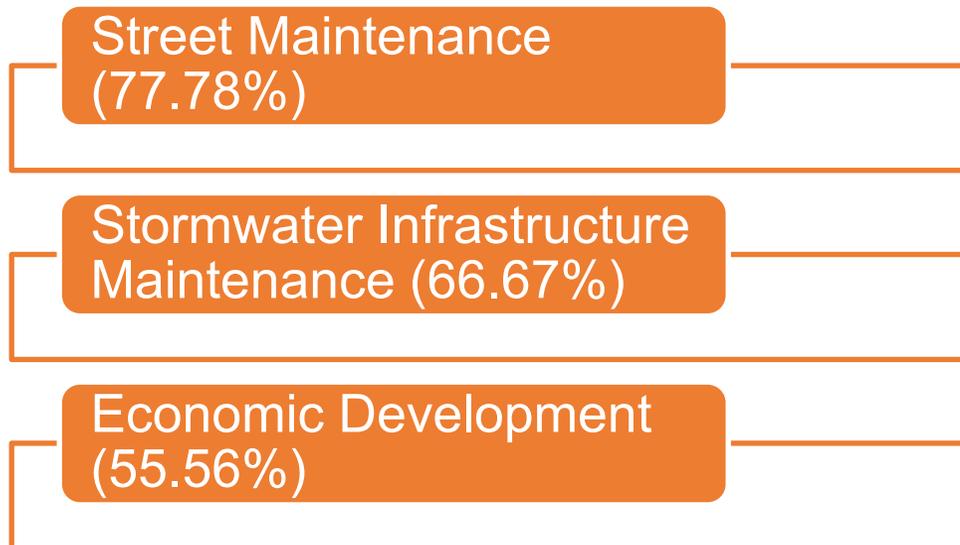
Project Priorities from February 2022 Retreat – To Receive Continued Emphasis or Priority

- Residential Street Program
- Pedestrian-focused Streets
- Sustainability/Climate Action Plan Implementation
- Commercial Code Enforcement
- Parks planning/implementation
- Small business partnerships and initiatives
- Solution for long-term feasibility of Powell Community Center
- Gateway solution
- Building Codes Update
- Development activity



2023 Council Budget Survey

Top Priorities



Other Priorities identified for 2023:

- Acceleration of stormwater and street repairs
- Large scale park and street investments
- Planning tool to design downtown to attract desired businesses
- Permanent Mental Health Co-Responder funding with Mission-specific focus
- Complete streets and trails



Sales and Use Tax Revenues

	2021 Budget	2021 Revised	2021 Actual	% change Budget to Actual	2022 Budget	2022 Estimated	2023 Proposed
City	\$3,285,000	\$4,050,000	\$4,259,660	30%	\$4,150,000	\$3,875,000	\$4,150,000
County	\$1,324,800	\$1,540,000	\$1,755,830	32%	\$1,565,000	\$1,669,500	\$1,717,000

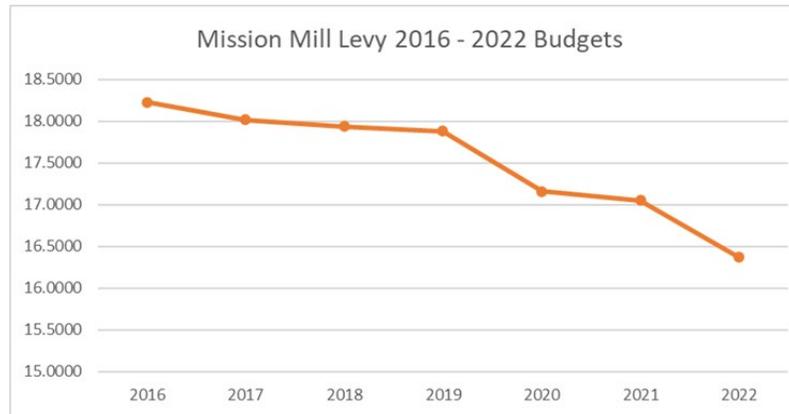
Considerations for 2022 and 2023 Estimates:

- Use Tax refund (2022)
- Impacts of inflation on purchasing habits
- Talk of a recession?



Property Tax Revenues

	2021 Actual	2022 Budget	2022 Estimated	2023 Proposed
Property Tax (General)	\$1,736,909	\$1,780,000	\$1,730,000	\$1,891,066
Property Tax (Streets)	\$1,096,720	\$1,120,000	\$1,120,000	\$1,400,000
Motor Vehicle Taxes	\$ 245,105	\$ 263,100	\$ 251,950	\$ 254,550
Total	\$3,078,734	\$3,163,100	\$3,101,950	\$3,545,616



- Current Mill Rate: 16.369
- 9.369 mills to General Fund operations
- ~7 mills to fund street improvements
- One Mill = \$173,000 in 2022 Budget
- "Dark Story Theory" Impacts

Year	Estimated Mission Impact (amount to refund)
2015	\$15,741
2016	\$93,673
2017	\$47,496
2018	\$47,234
2019	\$68,166
Total	\$272,310



Parks + Recreation Revenues

	2021 Budget	2021 Revised	2021 Actual	% change Budget to Actual	2022 Budget	2022 Estimated	2023 Proposed
Memberships	\$ 468,750	\$275,000	\$193,041	(-59%)	\$300,000	\$300,000	\$ 350,000
Rentals	\$ 213,750	\$100,000	\$110,427	(-48%)	\$150,000	\$163,000	\$ 165,000
Programs	\$ 300,000	\$175,000	\$137,838	(-54%)	\$175,000	\$185,500	\$ 190,000
Daily Fees	\$ 187,500	\$100,000	\$102,820	(-45%)	\$100,000	\$148,000	\$ 150,000
Summer Camp	\$ 225,000	\$125,000	\$111,693	(-50%)	\$215,000	\$161,000	\$ 189,225
Totals	\$1,395,000	\$775,000	\$655,819	(-53%)	\$940,000	\$957,500	\$1,044,225



Fines and Forfeitures

	2021 Budget	2021 Revised	2021 Actual	% change Budget to Actual	2022 Budget	2022 Estimated	2023 Proposed
Fines	\$1,083,842	\$636,660	\$441,947	(-59%)	\$743,500	\$623,450	\$732,250



Supplemental Requests

- Council asked us to "tell you what we need"
- The list is more than what we can afford in any one year
- Sharing tonight to start to inform discussions next week and beyond regarding expenditures
- Department are prioritizing and that information will be included in Friday's work session packet for June 29



American Rescue Plan Act (ARPA)

State and Local Fiscal Recovery Funds (SLFRF)

Mission's
Allocation:
\$1,503,564

- Allowable uses of Recovery Funds, per U.S. Treasury Guidance

- Support Public Health Response
- Address Negative Economic Impacts
- Replace Public Sector Revenue Loss
- Water and Sewer Infrastructure
- Premium Pay for Essential Workers
- Broadband Infrastructure



American Rescue Plan Act (ARPA)

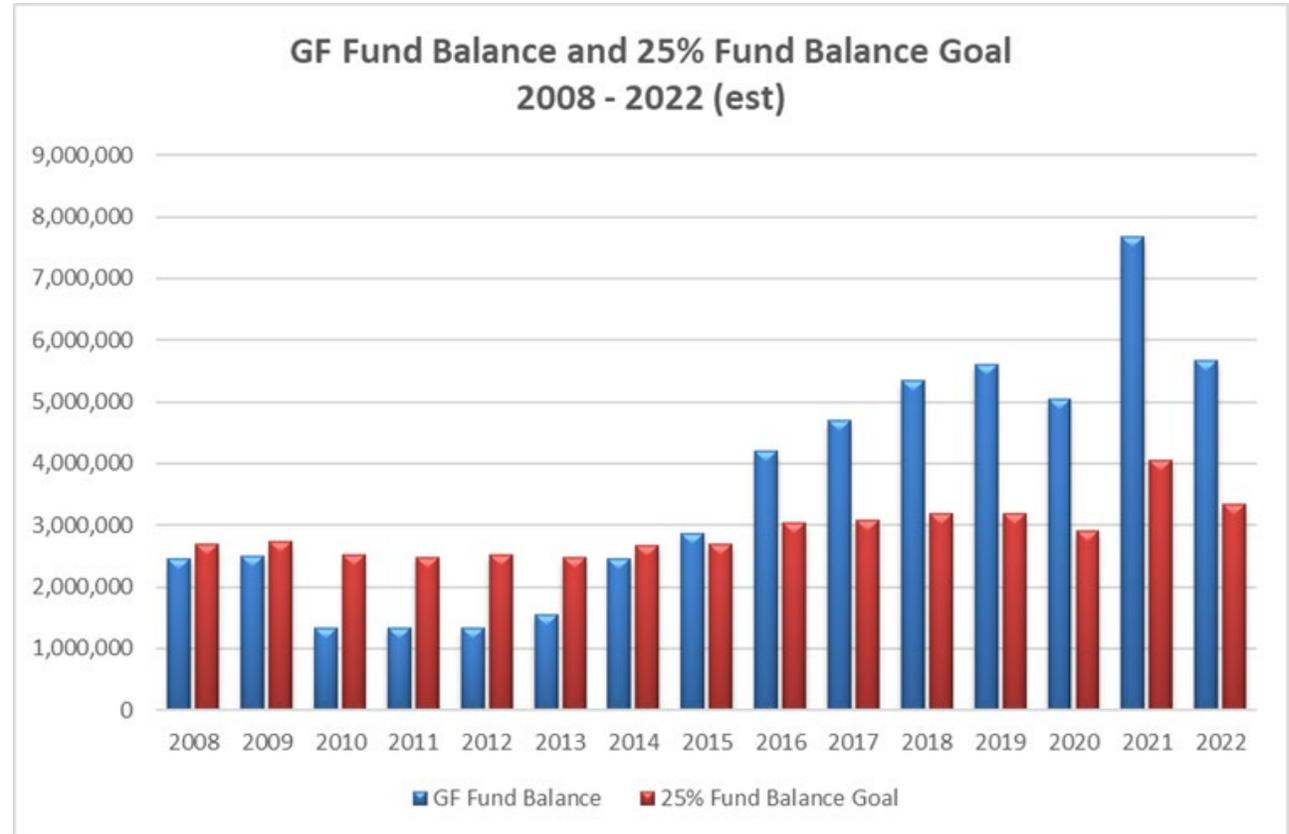
State and Local Fiscal Recovery Funds (SLFRF)

Using SLFRF funds to make up lost revenue

- Cities may use lost revenue for general government services up to the revenue loss amount
 - Either the standard allowance amount of \$10 million
 - OR
 - Amount calculated using Treasury's formula provided in the Final Rule
- All Funds must be obligated by December 31, 2024 and spent by December 31, 2026.



General Fund Reserves



Questions/Discussion?