



**2016-17**  
**Revenue Manual**

May 2, 2016

**HONORABLE MAYOR, CITY COUNCIL AND CITY MANAGER:**

This document reflects the 2016-2017 Revenue Estimates of the City of Independence, historical revenue data, analytical comparisons, and detailed information regarding the City's major revenue sources.

A great deal of effort is expended in an attempt to make the revenue estimates as accurate as possible. Various economic indicators are reviewed and evaluated with regard to the impact that they might have on Independence. Those economic indicators include, but are not limited to, CPI index (measure of inflation), unemployment, inventory levels, and growth in retail sales regionally and nationally. Numerous publications are monitored continuously, looking for indications from analysts as to what is happening and will happen in the economy.

In many cases, actual numbers are provided from outside agencies like assessed real property values, grant amounts, rate changes, new major businesses opening, etc. In many other cases, estimates are based on criteria that can change dramatically from one year to the next. One example is the natural fluctuations in weather. Fuel costs during the peak heating and cooling seasons have a dramatic impact on utilities serving Independence residents. Also, precipitation may also have a significant impact on revenues of the Water and General Funds.

In addition to gathering and analyzing data, actual data for the period up to and including March 2016 are utilized. Also, information received from various department directors, key personnel, and individuals from other organizations that generate or impact City revenues is employed. Where future revenues can be predicted by past history, five years or more of accumulated data are analyzed with regression analysis and other forms of statistical analysis. The above-mentioned methods are combined to arrive at the best estimates possible.

This process has proven very effective in past years with variances from original estimates typically falling in the area of 3%. For example, original budgeted revenue in the General Fund for the fiscal year ended June 30, 2015 was \$75,519,266 and actual revenue was \$74,793,391 or a -1.1% variance of (\$828,176). This negative variance was due in large part to a shortfall in the payments in lieu of taxes paid by the City utilities.

In the current fiscal year, original revenue estimates for the General Fund were \$76,302,245. The current year revised revenue estimate is \$73,113,934, a variance of (\$3,188,311) or -4.2%. This negative variance is due to (\$1.1 million) in natural gas revenues, which reflects the historical warm winter weather. Additionally, revenues from the telephone franchise fees (\$1.4 million)

continue to slip due to mobile phone market pressures and industry changes. The third piece of the shortfall is in Municipal Court fines and forfeitures (\$0.9 million). This decrease is due to legislative changes to cap fines and limit enforcement capabilities.

The following summary reflects original and revised estimates of total revenue by fund for fiscal year 2015-2016 and estimates for fiscal year 2016-2017:

Fund	2015-16				2016-17	Chg. Orig. to Prop.
	Original Estimate	Current Projection	Inc./(Dcr.) Orig. Est.	Percent Change	Proposed Budget	
General Fund	\$76,302,246	\$73,113,934	(\$3,188,311)	-4.2%	\$74,441,617	(2.4%)
Tourism	1,868,200	1,894,455	26,255	1.4%	1,925,400	3.1%
CDBG	346,865	759,326	412,461	118.9%	421,902	21.6%
HOME	246,498	308,121	61,623	25.0%	279,721	13.5%
Grants	1,155,644	3,325,190	2,169,546	187.7%	1,179,525	2.1%
Street Sales Tax	7,997,618	8,350,900	353,282	4.4%	8,350,900	4.4%
Parks Sales Tax	4,574,359	4,606,203	31,844	0.7%	4,608,151	0.7%
Storm Water Sales Tax	4,001,359	4,184,000	182,641	4.6%	4,184,000	4.6%
Police Sales Tax	2,137,826	2,254,663	116,837	5.5%	2,210,600	3.4%
Fire Sales Tax	2,003,702	2,100,800	97,098	4.8%	2,100,800	0.7%
License Surcharge	175,300	160,500	(14,800)	-8.4%	100,000	(43.0%)
Power & Light	142,282,545	136,339,998	(5,942,547)	-4.2%	142,845,176	0.4%
Sanitary Sewer	23,469,156	23,356,265	(112,891)	-0.5%	25,453,425	8.5%
Water	31,679,726	31,055,426	(624,300)	-2.0%	32,359,384	2.1%
<b>Total</b>	<b>\$298,241,043</b>	<b>\$291,809,781</b>	<b>(6,431,262)</b>	<b>-2.2%</b>	<b>\$300,460,601</b>	<b>0.7%</b>

As indicated above, overall revenues for the City are increasing 0.7%.

I will be available to discuss any questions you may have regarding this information.



Brian Watson  
Director of Finance

## TABLE OF CONTENTS

		<u>PAGE</u>
I.	Introduction	1
II.	Fund Revenue Summary	3
III.	Revenue Sources	8
	<u>GENERAL PROPERTY TAXES</u>	
		<u>ACCOUNT NUMBER</u>
	Real Estate Taxes - Current and Delinquent	3011
	Railroad & Other Utilities	3013
		8
		11
	<u>SALES AND USE TAXES</u>	
	Local Option Sales Tax	3041
	Cigarette License Tax	3042
	Transient Guest Tax	3043
	Local Option Use Tax	3044
		12
		16
		17
		19
	<u>UTILITY FRANCHISE TAXES</u>	
	Water Utility Franchise Fee	3052
	Gas Utility Franchise Fee	3053
	Telephone Utility Franchise Fee	3054
	Electric Utility Franchise Fee	3055
	Cablevision Utility Franchise Fee	3057
		20
		21
		23
		25
		27
	<u>LICENSES AND PERMITS</u>	
	Occupational Licenses	3101
	Liquor Licenses	3102
	Exams & Licenses	3103
	Other Licenses & Permits	3104
	Building Permits	3108
	Construction Permits-Public Works	3109
	Nursing Home Permits	3120
	Day Care Permits	3121
	Food Handler's Permits	3122
	Massage Therapist Applications	3123
	Other Food Permits	3124
	Ambulance Permits	3125
	Plan Review-Health Department	3126
	Other Health Programs	3313
		29
		31
		34
		35
		36
		39
		40
		41
		42
		44
		45
		47
		49
		50

## TABLE OF CONTENTS (Cont'd.)

	<u>ACCOUNT NUMBER</u>	<u>PAGE</u>
<b><u>NON-BUSINESS LICENSES AND PERMITS</u></b>		
Motor Vehicle Licenses	3151	51
<b><u>INTERGOVERNMENTAL REVENUE FOR FEDERAL SOURCES</u></b>		
Community Development Block Grant (CDBG)	3204	53
HOME Grant	3209	54
Emergency Management Assistance	3210	55
Public Health Grant	3211	56
Dial-A-Ride Grant	3218	57
Other Federal Grant Sources	3219	58
<b><u>STATE SOURCES AND SHARED REVENUES</u></b>		
Financial Institution Tax	3241	59
Gasoline Tax	3242	60
Motor Vehicle Fees	3243	61
Motor Vehicle Sales Tax	3244	62
Other State Grant Sources	3250	63
<b><u>OTHER INTERGOVERNMENTAL REVENUES</u></b>		
Jackson County Drug Task Force	3272	64
D.A.R.E. Program	3274	65
Mid-America Regional Council (MARC)	3275	66
Other Misc Grants	3279	67
<b><u>INTRAGOVERNMENTAL REVENUES</u></b>		
Electric Service in Lieu of Taxes	3281	68
Water Service in Lieu of Taxes	3282	69
Sanitary Sewer Service in Lieu of Taxes	3283	70
<b><u>CHARGES FOR CURRENT SERVICES</u></b>		
Planning and Zoning Fees	3302	71
Board of Adjustment Fees	3303	73
Fees for Copies of Official Documents	3304, 3305, 3306, 3398	74

**TABLE OF CONTENTS (Cont'd.)**

	<u>ACCOUNT NUMBER</u>	<u>PAGE</u>
Computer Service Charge	3307	75
Animal Shelter Charges	3311	76
Identification Tags (Animals)	3312	78
Police Services Reimbursement	3316	79
School Resource Officer	3317	80
Alarm Charges	3318, 3319	81
Recreation Program Fees	3322	82
Park Concessions	3323	84
Pool Fees	3326	86
Recreation Center Fees	3327	88
Recreational Facility Rentals	3329	90
Admissions/National Frontier Trails Center	3331	93
National Frontier Trails Museum Store	3332	95
Admission/Vaile Mansion	3335	96
Cemetery Charges	3341, 3342, 3343	98
Central Garage Charges	3380	100
Sale of Street Signs	3392	101
Special Assessments	3393, 3412	102
Sale of Recycled Material	3396	104
Solid Waste Disposal Fee	3397	105
 <b><u>FINES AND COURT COSTS</u></b>		
Fines and Forfeitures	3401	106
Court Costs	3402	107
Court Costs for Police Training	3403	108
Court Costs for Domestic Violence	3404	109
Driving While Intoxicated/Drugs	3405	110
Special Warrant Collections	3406	111
 <b><u>INTEREST</u></b>	 3411, 3413	 112
 <b><u>INTERFUND CHARGES FOR SUPPORT SERVICES</u></b>		
	3421	114
 <b><u>OTHER REVENUE</u></b>		
Sale of Property	3431, 3432	116
Rent	3433	117
Damage Claims	3434	119
Contributions	3435	120

**TABLE OF CONTENTS (Cont'd.)**

	<b><u>ACCOUNT NUMBER</u></b>	<b><u>PAGE</u></b>
Cash Over and (Short)	3439	121
Discounts Taken	3440	122
Miscellaneous Non-Operating Revenue	3449	123
<b><u>CHARGES FOR UTILITY SERVICES</u></b>		
Electric Service Charges	4010, 4100, 4510	124
Sewer Service Charges	4010, 4110, 4120	126
Intermunicipal Sewer Agreements	4571, 4572	128
Water Service Charges	4010, 4100, 4130	130

# **I. Introduction**







## **II. Fund Revenue Summary**













### **III. Revenue Sources**





















































































































































































































































































## REVENUE MANUAL

**REVENUE SOURCE:** Water Service Charges (cont.)

**ACCOUNT:** 4010, 4100,  
4130

**Actual Revenues Received Past Ten Years**  
Amounts in Thousands

