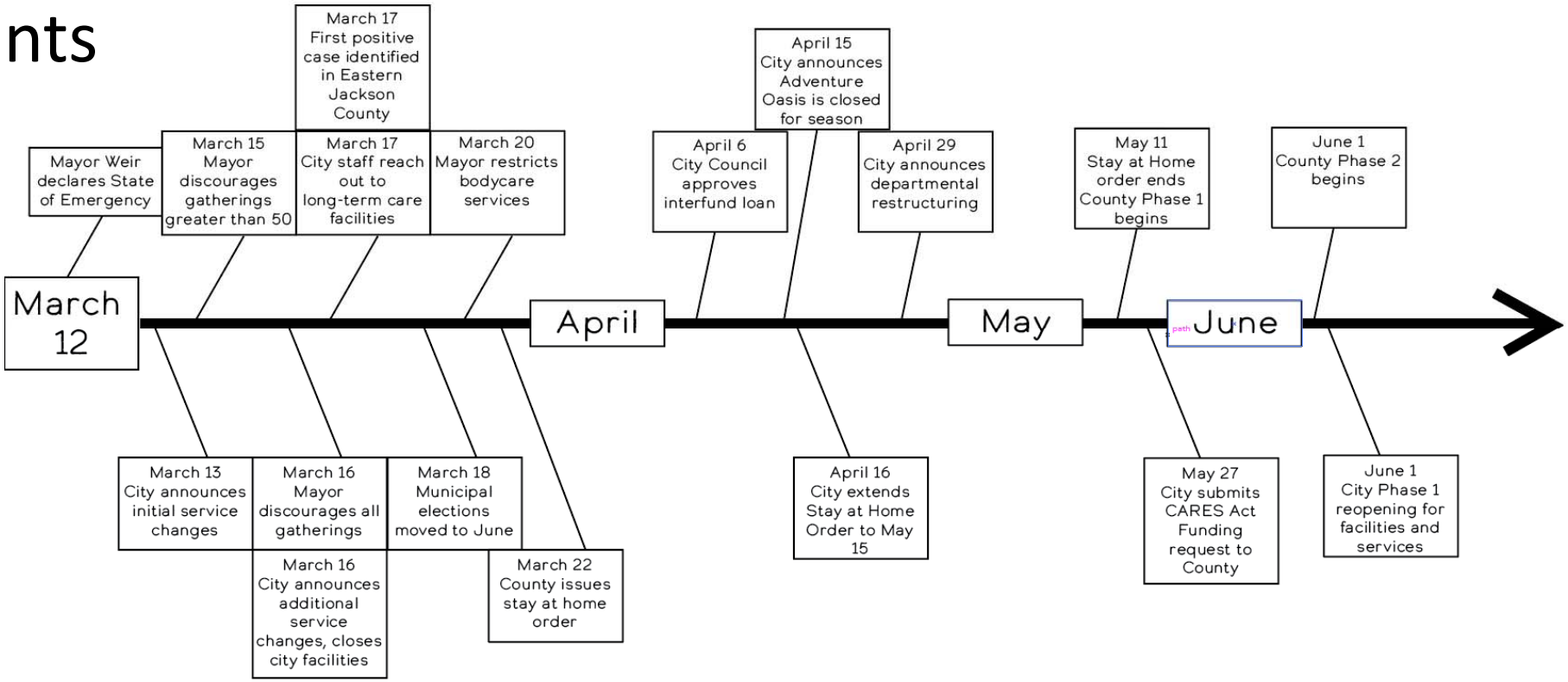
COVID-19 Update

City Council Study Session 6/22/20

★A GREAT AMERICAN STORY★

Timeline of Events



Response to COVID: March-Current

Incident Command Team

- Mayor (Eileen Weir)
- City Manager (Zach Walker)
- Fire Chief (Doug Short)
- Health Director (Christina Heinen)
- Public Information Officer (Meg Lewis)
- Emergency Operations Director (Dante Gliniecki)

Weekly Check-Ins

- Incident Command Team
- Citywide Team
- MACG
- Jackson Co. Executive/Mayors
- Jackson Co. Managers/City Managers
- Governor’s Office
- Bloomberg Harvard City Leadership Initiative

Projected COVID-19 Budget Impacts

Projection at start of COVID-19 pandemic

	FY 2019-20 Revenue Loss	FY 2020-21 Revenue Loss	Total Revenue Loss
General Fund	($4,625,000)	($2,000,000)	($6,625,000)
Police Sales Tax	($359,320)	($112,287)	($471,607)
Fire Sales Tax	($338,055)	($105,642)	($443,697)
Parks Sales Tax	($724,058)	($411,279)	($1,135,337)
Storm Water Sales Tax	($676,096)	($211,280)	($887,376)
Street Sales Tax	($1,352,178)	($422,556)	($1,774,734)
Transient Guest Tax	($319,292)	($164,680)	($483,972)
Total	($8,393,999)	($3,427,724)	($11,821,723)

City Actions

- Hard hiring and spending freeze
- Interfund Loan: up to $25 million

Budget Framework Within Economic Uncertainty

- Forecast with a Fall economic recovery in mind
- Continue to provide essential City services
- Review service delivery across all functions for efficiencies
- Focus on financial sustainability
  - Provide for extra capacity to absorb further revenue decline
  - Begin re-building General Fund fund balance
  - Keep adequate fund balances in all other funds
  - Repay interfund loan (estimated principal amount: $2 million)

Budget Overview

- Total Budget: $311,888,191. Decrease of $5,090,335 (2%)
- General Fund Revenues: $72,822,481
  - Decrease of $5,085,021
- General Fund Expenses: $72,822,481
  - Decrease of $4,907,496

FY21 General Fund Budget Summary

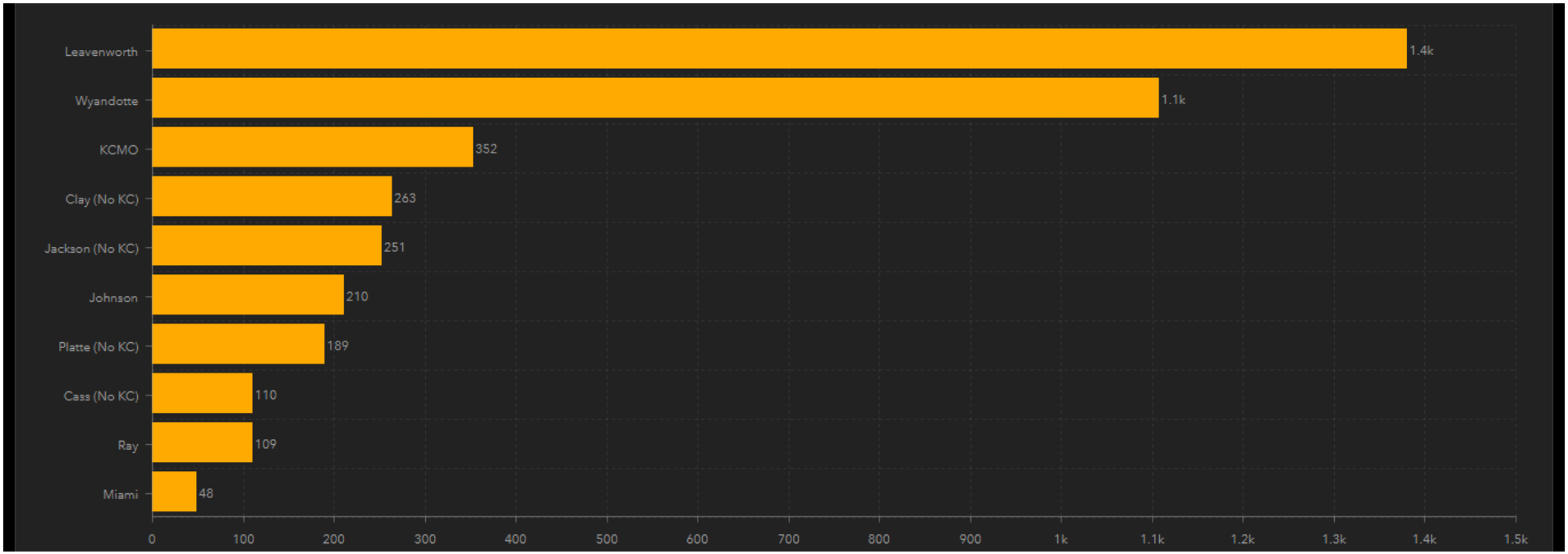
Budget Pressures:	($2,786,236)
Budget Cuts:	$4,295,254
Contingency:	($1,509,018)
Balance:	-

Current COVID-19 Landscape

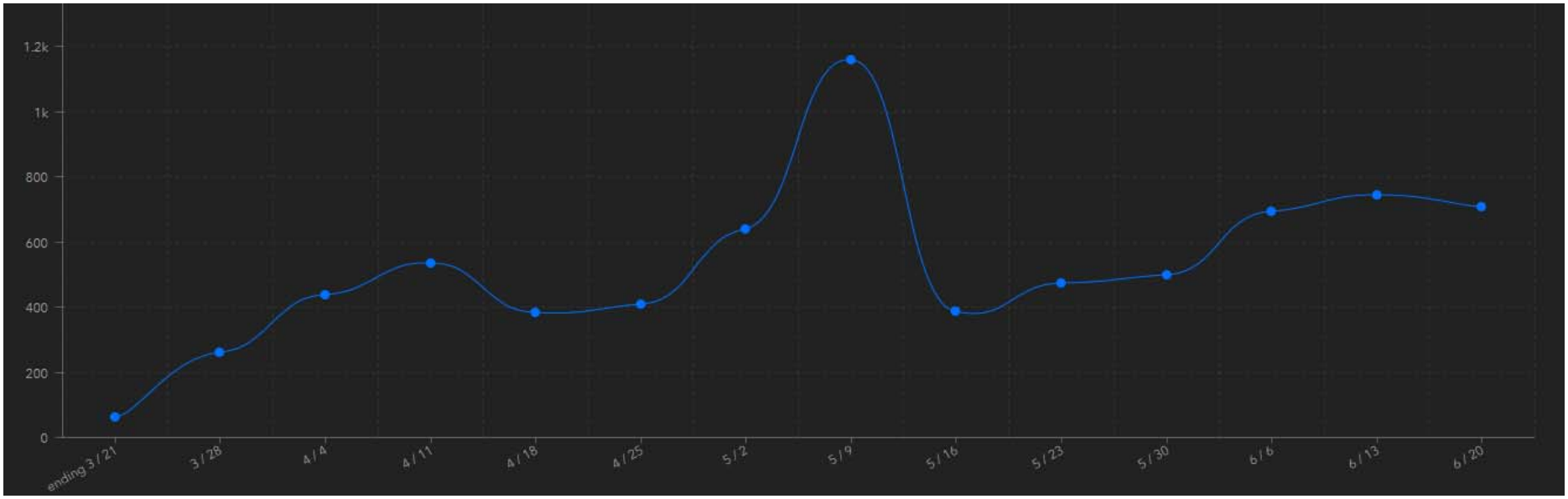
Current Case Status

- US cases: 2.29 million confirmed (120k deaths)
- Missouri cases: 18,143 confirmed (961 deaths)
  - 8.2% increase in statewide cases last 7 days
- Jackson Co. cases: 1,030 confirmed (27 deaths)
  - 254 cases per 100,000 population

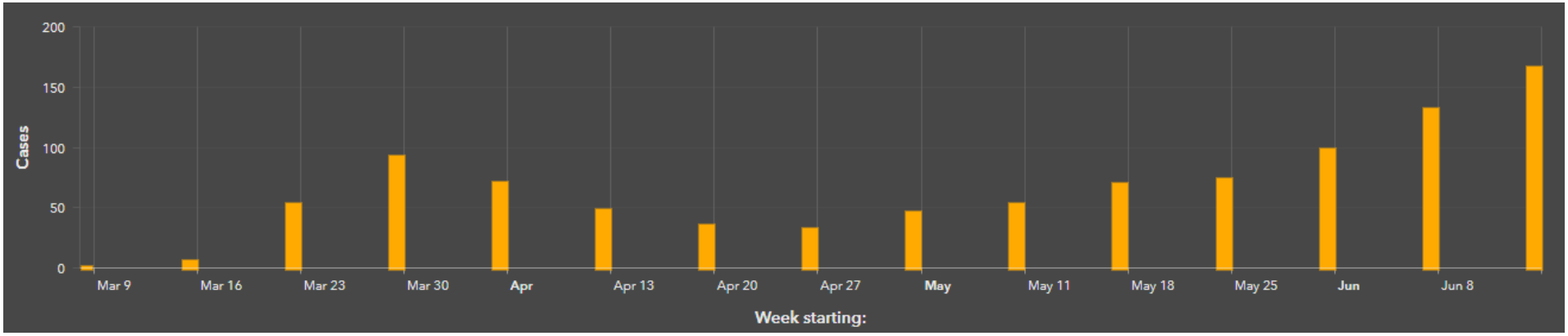
Cases by County per 100,000



Weekly New Case Totals



EJC New Cases by Week



Effects of Stay at Home Order

- ~60 million coronavirus cases prevented in US; "*The last several months have been extraordinarily difficult, but through our individual sacrifices, people everywhere have each contributed to one of humanity's greatest collective achievements*"

MO Current Reopening Plans

- State of Emergency through 12/30
- Social distancing restrictions lifted 6/16

Jackson County Reopening Plans

- Phase 2 Recovery Plan (effective 6/1/20)
  - Gatherings of up to 50 people allowed
  - Capacity limits for non-essential businesses, weddings, funerals, and churches at 50% occ.
  - Phase 3: TBD (14-28 days between phases)

Independence Reopening Plans

- Phase 1 (June 1)
  - Limited reopening of public facilities, parks and recreation assets, protective measures for staff and public.
- Phase 2 (TBD), 3 (August 1), 4 (September 1)
  - Gradual reopening of facilities and assets

Fiscal Impact

- US GDP: Expected to contract 53% by June
- US Unemployment: 21 million (13.7%; 3.5% in February). May be closer to 40-50 million
- Depression-level figures, but self-inflicted
- Some indicators showing slight improvement

CARES Act

- Signed into law 3/27/20: $2.2 trillion
- Allocates funding for unplanned, unbudgeted COVID-19 expenses between 3/1/20-12/31/20
- Jackson County Allocation: $122.7 million
- Independence allocation: $10.2 million

CARES Act-Transit

- $25 billion allocated for public transit
- Supplements lost revenue along with operating/capital expenses related to COVID.
- KCATA allocation: $51.2 million
- Independence allocation: $1.6 million

Current Revenue Trends

General Fund Revenues

Revenue	Adopted FY20	Est. FY 20	Difference
Sales Tax	$17,831,670	$17,871,294	$39,624
Building Permits	$910,000	$1,300,603	$390,603
Bus. License	$1,995,000	$1,965,350	($29,650)
Motor Vehicle Sales	$1,044,722	$945,778	($99,122)
Fines & Court Costs	$3,576,250	$2,570,471	($1,005,779)

Sales Tax Funds

Revenue	Adopted FY20	Est. FY 20	Difference
Parks	$4,225,579	$4,189,712	($35,867)
Streets	$8,451,115	$8,379,394	($71,721)
Stormwater	$4,225,597	$4,189,712	($35,867)
Police	$2,245,747	$2,257,879	$12,132
Fire	$2,112,842	$2,094,886	($17,956)
Lodging	$1,995,578	$1,639,489	($356,089)

Sales Tax Analysis 2019 vs. 2020

Category	Feb/March/April 19	Feb/March/April 20	% Change
Supermarkets	$311,209	$389,731	20%
Home Improvements	$217,630	$318,051	32%
Big Box Retail	$266,766	$292,832	9%
Total	$795,604	$1,000,615	20%

General Fund Revenues-PILOTS

Revenue	Adopted FY20	Est. FY 20	Difference
Water	$3,371,200	$3,079,437	($291,763)
Sewer	$3,292,800	$3,335,729	$42,929
Electric	$12,950,000	$12,559,889	($390,111)
Total	$19,614,000	$18,975,058	($638,942)

Use Tax

Month	Amount
January	$90,742
February	$181,893
March	$290,179
April	$394,220
Total YTD	$957,033
12-Month Forecast	$2,871,100

Future Outlook

Virus Outlook

- WHO: Worsening globally; single-day high 6/21
- US: Cases rising in 23 states
- Vaccine: Several promising trials; targeting early ’21
- Potential for spike in fall/winter

Economic Recovery Forecast

- U-Shaped recession
- Dependent on two factors
  - Timing (reopening & outbreaks vs. vaccine)
  - Consumer Confidence
    - Unprecedented levels of anxiety

COI Updated Forecast

- Could end FY 20 better than anticipated; uncertainty for FY 21

- FY20:

FY19/20	Previous COVID-19 Forecast	Updated COVID-19 Forecast
Revenue Loss	$ 4,625,000	$ 1,700,000
Ending Fund Balance	$ 1,375,000	$ 4,300,000

- FY21: Uncertainty with sales taxes, business licenses