

Police USE Tax Quarterly Report

Information through December 2020



Background Information

On August 6, 2019, the voters of the City of Independence approved Proposition P, which implemented a local use tax at the rate of 2.25%. A local use tax is a tax placed on goods purchased out of state for delivery to and use in Independence. Local use tax can only be collected if the vendor has a physical presence in the State of Missouri. Online purchases from vendors who do not have a retail store or distribution center in the State of Missouri are not subject to local sales tax or local use tax.

Background Continued

Fifty percent of these funds are allocated to support operations of the Regional Animal Shelter until such time that the amount being allocated into the shelter reaches \$750,000 annually. The other fifty percent is designated to hire and equip up to 30 additional police officers. Once the level of funding for the Shelter and the Police Department are met, the remainder of the local use tax proceeds will flow into the other City sales tax funds in the same manner the City's total local sales tax is allocated.

Council Resolution No. 6465 amended Section 3 of Resolution 5075 which created the Public Safety Sales Tax Oversight Committee. This amendment authorizes the Oversight Committee to be renamed the Public Safety Tax Oversight Committee, and directs the Committee to review revenue and expenditures generated through the collection of the local use tax to ensure its use for the funding of police personnel.

Unlike the Public Safety Sales Tax, there is no sunset on the Local Use Tax.

20/21 FY Revenue

Beginning 2020/21 FY Fund Balance:	\$667,093
Adjustment made in Sept to 19/20 FY Balance: <i>(based on est. accrual thru June 2020)</i>	<u>\$185,000</u>
Revised Beginning Fund Balance for 20/21 FY:	\$852,093
 *Tax Collected thru December 2020:	 \$1,459,700
Interest / Investment Earnings:	<u>\$ 3,420</u>
20/21 FY Revenue to date:	\$1,463,120
 Total Revenue since inception:	 \$2,315,213

*Split between PD and Animal Services was 50/50 until Animal Services reached \$750,000. This was reached in November. Tax revenue is now going 100% to Police until we reach \$3 million, at which time additional revenue will start to waterfall to other funds.

20/21 FY Expenditures

Personnel hired under the Use Tax:

Name	Title	Hire Date	Recruit / Certified	Notes
Grant DelaCruz	Recruit	8/6/2020	Recruit	
Spencer Sturm	Recruit	8/11/2020	Recruit	9/9/20 - Resigned/demoted to Detention Officer
Shawn Bloss	Police Officer	8/11/2020	Certified	
Chris Bargfrede	Recruit	8/17/2020	Recruit	8/27/20 - Resigned
Andrea Smith	Recruit	8/19/2020	Recruit	
Allyx McCoy	Recruit	8/20/2020	Recruit	

Personnel Expenses			
Officer Name	Sum of Salary	Sum of Benefits	Total Expenses
BARGFREDE	\$ 1,401.84	\$ 111.72	\$ 1,513.56
BLOSS	\$ 15,313.14	\$ 5,841.21	\$ 21,154.35
DELACRUZ	\$ 12,232.83	\$ 3,807.94	\$ 16,040.77
MCCOY	\$ 13,551.12	\$ 6,016.47	\$ 19,567.59
SMITH	\$ 13,706.88	\$ 2,580.45	\$ 16,287.33
STURM	\$ 2,647.92	\$ 209.06	\$ 2,856.98
Grand Total	\$ 58,853.73	\$ 18,566.85	\$ 77,420.58
* Equipment Expenses			
Order for Tablet/Keyboard Mounts (entry should be reversed by next qtr)			\$1,708.98
Total Expenses Charged to Use Tax thru December: \$ 79,129.56			

*Per City Council direction, all equipment orders for new officers hired under the Use Tax have been moved to the Public Safety Sales Tax funding. There is one order that has been pending and requires a Journal Entry to be entered by Finance. That has not been completed yet, so there is an expense of \$1,708.98 charged to the Use Tax in November that should be corrected by the next quarterly report.

Total Revenue through December 2020:	\$ 2,315,213
Expenses charged to date:	\$ 79,130
Overall Available Fund Balance:	\$ 2,236,084