

Prop PD Quarterly Report



2025 – 2026 FISCAL YEAR

July 1, 2025 through February 28, 2026

Background Information

On August 6, 2024, voters in Independence, MO passed Proposition PD, a one-quarter of one cent sales tax that would go directly to fund the Independence Police Department. This was the result of needing to increase starting wages for Police Officers and negotiate a new wage scale with the FOP to not only keep the department's current sworn officers but also attract new police officers to Independence.

Kansas City PD had just announced a new wage scale that was increasing their number of certified police officer applicants, while the number of certified applicants for Independence had stalled. Prop PD was introduced to be a funding mechanism that would allow Independence PD to create a new wage scale for Police Officers and be more competitive in the hiring market.

Independence voters showed their support of the department and this measure by passing Prop PD with over 60% in favor. This tax went into effect on January 1, 2025.

25/26 FISCAL YEAR - Revenue

Beginning 2025/26 FY Fund Balance:	\$ 1,160,075
*Sales Tax Collected through 2/28/26:	\$ 3,801,147
Investments & Other Income:	5,423
Use Tax Waterfall:	<u>212,579</u>
Total Revenue to date:	\$ 4,019,149
Transfers in from General Fund: (thru 2/28/26)	\$ 24,020,241
Total Revenues & Financing Sources:	\$ 29,199,465

Expenditures for July 2025 – February 2026

CATEGORY	OBJECT	ACCOUNT DESCRIPTION	Sum of ORIGINAL APPROP	Sum of REVISED BUDGET	Sum of YTD EXPENDED	Sum of ENCUMBRANCES	Sum of AVAILABLE BUDGET
	5100	Salaries	\$1,724,434.97	\$1,724,434.97	\$1,024,986.06	\$0.00	\$699,448.91
		Salaries -	\$16,367,919.18	\$21,257,666.07	\$12,110,474.57	\$0.00	\$9,147,191.50
	5101	Salaries	\$4,889,746.89	\$0.00	\$11,507.74	\$0.00	(\$11,507.74)
		Salaries -	\$22,985.00	\$22,985.00	\$43,661.74	\$0.00	(\$20,676.74)
	5102	Overtime	\$1,278,000.00	\$1,278,000.00	\$1,653,352.69	\$0.00	(\$375,352.69)
	5103	Other Pay	\$0.00	\$0.00	\$351,945.40	\$0.00	(\$351,945.40)
	5106	Retiree He	\$2,300,000.00	\$2,300,000.00	\$1,390,069.30	\$0.00	\$909,930.70
	5107	Worker Com	\$918,000.00	\$918,000.00	\$1,135,070.14	\$0.00	(\$217,070.14)
	5110	FICA	\$1,840,709.15	\$1,840,709.15	\$1,120,555.42	\$0.00	\$720,153.73
	5111	LAGERS	\$5,433,132.05	\$5,433,132.05	\$3,679,441.46	\$0.00	\$1,753,690.59
Salaries & Benefits	5112	Health Ins	\$4,661,967.16	\$4,661,967.16	\$2,220,565.46	\$0.00	\$2,441,401.70
	5113	Dental Ins	\$115,430.26	\$115,430.26	\$57,569.62	\$0.00	\$57,860.64
	5114	Life Insur	\$21,545.69	\$21,545.69	\$11,829.99	\$0.00	\$9,715.70
	5115	Long Term	\$22,418.63	\$22,418.63	\$12,553.07	\$0.00	\$9,865.56
	5116	Other Empl	\$0.00	\$0.00	(\$1,537.08)	\$0.00	\$1,537.08
	5118	401aDeferr	\$0.00	\$0.00	\$23,830.00	\$0.00	(\$23,830.00)
	5121	Clothing/U	\$219,735.00	\$219,735.00	\$88,722.99	\$0.00	\$131,012.01
	5123	Meal Allow	\$0.00	\$0.00	\$52.00	\$0.00	(\$52.00)
	5124	Other Allo	\$294.00	\$294.00	\$0.00	\$0.00	\$294.00
	5130	Pers Ser	(\$236,011.00)	(\$236,011.00)	(\$157,340.64)	\$0.00	(\$78,670.36)
	5140	Grant Expe	\$0.00	\$0.00	(\$23,019.40)	\$0.00	\$23,019.40
	5199	VacncyFact	(\$4,413,851.00)	(\$4,413,851.00)	\$0.00	\$0.00	(\$4,413,851.00)
Salaries & Benefits Total			\$35,166,455.98	\$35,166,455.98	\$24,754,290.53	\$0.00	\$10,412,165.45

Category	OBJECT	ACCOUNT DESCRIPTION	Sum of ORIGINAL APPROP	Sum of REVISED BUDGET	Sum of YTD EXPENDED	Sum of ENCUMBRANCES	Sum of AVAILABLE BUDGET
	5201	Mailing an	\$1,800.00	\$1,800.00	\$917.80	\$0.00	\$882.20
	5203	Overnight	\$44,000.00	\$44,000.00	\$29,543.95	\$0.00	\$14,456.05
	5204	Events and	\$7,200.00	\$7,200.00	\$1,473.74	\$681.00	\$5,045.26
	5205	Advertisin	\$400.00	\$400.00	\$31.25	\$0.00	\$368.75
	5206	Printing a	\$3,500.00	\$3,500.00	\$2,141.77	\$0.00	\$1,358.23
	5207	Insurance	\$890,000.00	\$890,000.00	\$593,333.36	\$0.00	\$296,666.64
	5208	Fees and P	\$700.00	\$700.00	\$314.92	\$0.00	\$385.08
	5209	Maint M	\$0.00	\$0.00	\$85.57	\$0.00	(\$85.57)
	5210	Maint. - M	\$362,286.00	\$362,286.00	\$246,258.06	\$0.00	\$116,027.94
	5211	Maint. - M	\$120,000.00	\$120,000.00	\$55,397.01	\$30,342.68	\$34,260.31
	5211	Maintenanc	\$300.00	\$300.00	\$0.00	\$0.00	\$300.00
	5212	Maintenanc	\$60,200.00	\$60,200.00	\$54,358.36	\$10,816.64	(\$4,975.00)
	5213	Dues and M	\$7,800.00	\$7,800.00	\$862.60	\$0.00	\$6,937.40
Services	5214	Training a	\$42,000.00	\$42,000.00	\$24,212.19	\$0.00	\$17,787.81
	5218	Mileage &	\$0.00	\$0.00	\$261.00	\$0.00	(\$261.00)
	5222	LegalServ	\$51,000.00	\$51,000.00	\$108,174.78	\$0.00	(\$57,174.78)
	5223	Interfund	\$3,714,650.00	\$3,714,650.00	\$2,476,433.44	\$0.00	\$1,238,216.56
	5224	SwCpMaint	\$50,100.00	\$43,395.00	\$23,918.50	\$0.00	\$19,476.50
	5226	Other Prof	\$693,500.00	\$693,500.00	\$437,369.53	\$501,733.18	(\$245,602.71)
	5229	Electricit	\$9,000.00	\$9,000.00	\$3,786.08	\$0.00	\$5,213.92
	5230	Gas	\$10,000.00	\$10,000.00	\$2,026.94	\$0.00	\$7,973.06
	5231	Water	\$500.00	\$500.00	\$540.06	\$0.00	(\$40.06)
	5232	Sewer	\$2,200.00	\$2,200.00	\$1,507.45	\$0.00	\$692.55
	5233	TrashWaste	\$1,200.00	\$1,200.00	\$225.00	\$0.00	\$975.00
	5234	Other Util	\$0.00	\$0.00	\$657.36	\$0.00	(\$657.36)
	5235	Comm Serv	\$72,700.00	\$72,700.00	\$39,705.33	\$1,798.00	\$31,196.67
	5236	Rent Lease	\$8,900.00	\$8,900.00	\$7,023.21	\$0.00	\$1,876.79
	5240	Other Serv	\$130,900.00	\$130,900.00	\$163,651.82	\$9,311.92	(\$42,063.74)
		Services Total	\$6,284,836.00	\$6,278,131.00	\$4,274,211.08	\$554,683.42	\$1,449,236.50
	5300	Office Sup	\$35,200.00	\$35,200.00	\$7,862.52	\$0.00	\$27,337.48
	5302	Comp E	\$6,700.00	\$6,700.00	\$2,048.69	\$0.00	\$4,651.31
Supplies		Computer E	\$0.00	\$20,062.00	\$826.80	\$0.00	\$19,235.20
	5309	Other Oper	\$121,800.00	\$121,800.00	\$26,903.63	\$27,411.70	\$67,484.67
	5313	Small Tool	\$12,200.00	\$18,905.00	\$8,970.03	\$0.00	\$9,934.97
	5315	Motor Vehi	\$350,000.00	\$350,000.00	\$213,466.12	\$0.00	\$136,533.88
	5316	Motor Vehi	\$6,500.00	\$6,500.00	\$4,352.06	\$0.00	\$2,147.94
		Supplies Total	\$532,400.00	\$559,167.00	\$264,429.85	\$27,411.70	\$267,325.45
Equipment	5405	Other Mach	\$0.00	\$150,270.00	\$27,940.00	\$140,961.00	(\$18,631.00)
		Equipment Total	\$0.00	\$150,270.00	\$27,940.00	\$140,961.00	(\$18,631.00)
		Grand Total	\$41,983,691.98	\$42,154,023.98	\$29,320,871.46	\$723,056.12	\$12,110,096.40
Total Expenditures:						\$30,043,928	

OVERALL FUND BALANCE:	
Unassigned Beginning Fund Balance	\$ 1,160,075
Revenue Added to date:	\$ 4,019,149
Other Financing Source - General Fund:	\$ 24,020,241
Total Revenues/Finance Sources:	\$ 29,199,465
TOTAL EXPENSES/ENCUMBRANCES:	\$ 30,043,928
Transfers Out:	\$ -
Cancellation of Prior Year Encumbrances:	\$ -
UNASSIGNED FUND BALANCE	\$ (844,463)
Restricted - Current Year Encumbrances:	\$ 723,056
Restricted -Prior Year Encumbrances:	\$ -
Total Fund Balance:	\$ (121,406)

As mentioned on the previous quarterly report, starting in Fiscal Year 2025/26, the Police Department’s budget has been shifted from the General Fund to the Prop PD Tax Fund, with monthly appropriations being transferred in from the General Fund to the Prop PD Fund (067). Therefore, the “Revenue Added to date” shown above is the actual tax revenue collected plus any investment income related to this fund. The “Other Financing Source – General Fund” is the amount that has been transferred into Prop PD from the General Fund.

Expenditures under Prop PD now reflect all Orgs (or Divisions) within the Police Department, except for Grants and the other Tax Funds. For the purposes of this report, a summary is being provided based on each Object Code.

As of February 28, 2026, we are 66.7% through the fiscal year and we’ve spent 71.3% of our budget in this fund. In some cases, this is due to blanket purchase orders being opened at the beginning of the year that encumber most if not all the annual funds budgeted for those line items. In other areas, we are running over budget due to increased costs that occurred this year.

Additional Information on Object Codes that are over budget:

- 1) Overtime (5102) – as expected, we are running over budget on overtime costs department-wide. We have used approximately 75% of our OT budget through February. This puts us on pace to exceed our OT budget by \$1 million. This is primarily due to the increase in officer salaries without an increase to the overtime budget this year, plus the OT being worked to cover vacancies throughout the department.
- 2) Legal Services (5222) – Expenses for outside legal counsel have increased significantly this year.
- 3) Professional Services (5226) – We are currently over budget here due to a contract for Interim Chief and Permanent Chief selection services.
- 4) Other Services (5240) - This account is over budget due to a high number of damage and liability claims that have to be paid by the department.
- 5) Equipment (5405) – we are awaiting a supplemental appropriation to cover the shortage here. This account was used to purchase (57) new AEDs for the department as well as (4) Rifle Rated Shields. An appropriation was made for the AEDs but has not been made yet for the Shields.

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Proposition PD Sales Tax Fund
For the period ended February 28, 2026

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Percent Actual 66.67% of Year</u>	<u>Percent From Budget</u>	<u>Prior Year 2/28/2025 Actual Amounts</u>
	<u>Original</u>	<u>Amended</u>					
Revenues:							
Sales Taxes	\$ 5,500,000	5,500,000	3,801,147	(1,698,853)	69.11%	2.44%	38,311
Use Tax	506,000	506,000	212,579	(293,421)	42.01%	-24.66%	108,971
Investment Income (Loss)	—	—	5,314	5,314	0.00%	-66.67%	67
Other Revenue	—	—	109	109	0.00%	-66.67%	—
Total Revenues	<u>6,006,000</u>	<u>6,006,000</u>	<u>4,019,149</u>	<u>(1,986,851)</u>	<u>66.92%</u>	<u>0.25%</u>	<u>147,349</u>
Other financing sources:							
Transfers in - General Fund	—	36,030,362	24,020,241	(12,010,121)	66.67%	0.00%	—
Capital lease proceeds	—	—	—	—	0.00%	-66.67%	—
Total other financing sources	<u>—</u>	<u>36,030,362</u>	<u>24,020,241</u>	<u>(12,010,121)</u>	<u>66.67%</u>	<u>0.00%</u>	<u>—</u>
Total revenues and other financing sources	<u>6,006,000</u>	<u>42,036,362</u>	<u>28,039,390</u>	<u>(13,996,972)</u>	<u>66.70%</u>	<u>0.03%</u>	<u>147,349</u>
Expenditures:							
Public Safety	41,983,692	42,154,024	30,043,928	12,110,096	71.27%	4.60%	14,000
Community Development	—	—	—	—	0.00%	-66.67%	—
Capital outlay	—	—	—	—	0.00%	-66.67%	—
Debt Service	—	—	—	—	0.00%	-66.67%	—
Total Expenditures	<u>41,983,692</u>	<u>42,154,024</u>	<u>30,043,928</u>	<u>12,110,096</u>	<u>71.27%</u>	<u>4.60%</u>	<u>14,000</u>
Other Financing Uses:							
Transfers out	—	—	—	—	0.00%	-66.67%	—
Total Other Financing Uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.00%</u>	<u>-66.67%</u>	<u>—</u>
Total Expenditures and Other Financing Uses	<u>41,983,692</u>	<u>42,154,024</u>	<u>30,043,928</u>	<u>12,110,096</u>	<u>71.27%</u>	<u>4.60%</u>	<u>14,000</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ (35,977,692)</u>	<u>(117,662)</u>	<u>(2,004,538)</u>	<u>(1,886,876)</u>			<u>133,349</u>
Unassigned Fund Balance at Beginning of Year			1,160,075				—
Cancellation of Prior Year Encumbrances			—				—
Change in Other Fund Balance Components During the Year			—				—
Year-end investment market value adjustment			—				—
Ending Unassigned Fund Balance			<u>(844,463)</u>				<u>133,349</u>
Other Fund Balance Components:							
Restricted - Current Year Encumbrances			723,056				—
Restricted - Prior Year Encumbrances			—				—
Total Fund Balance			<u>\$ (121,407)</u>				<u>133,349</u>