



City Council Study Session

May 11, 2026
6:00 PM,
20201 E. Jackson Drive
First Floor, Santa Fe and Oregon Conference Room
Independence, MO 64057

To view a Council meeting agenda, visit <https://independencemo.portal.civicclerk.com/> and select 'Most Recent Council Agenda'.

PRESENTATIONS

1. Fiscal Year 2026-2027 Proposed Budget

INFORMATION ONLY

1. **Please Note:** In accordance with RSMo. 610.021, the City Council may convene in a Closed Executive Session during or after the meeting, on matters of litigation, legal action, and/or attorney client communications, as permitted by Sec. 610.021(1), on matters of personnel, as permitted by Sec. 610.021(3) and personnel records, as permitted by 610.021(13), on matters of contracts, as permitted by 610.021(12), on matters of real estate, as permitted by 610.021(2) and/or matters of labor negotiations, as permitted by 610.021(9).

Proposed Budget

Fiscal Year 2026-27



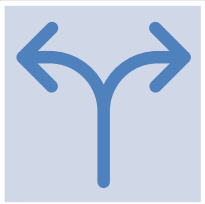
All Funds					
	FY2024-25	FY 2025-26	FY 2025-26	FY2026-27	% Difference Adopted
	Actual	Adopted	Projected	Proposed Budget	FY25-26 to FY26-27
Salaries	\$ 132,599,936	\$ 138,201,893	\$ 134,736,808	\$ 146,597,768	6%
Retiree Health Insurance	\$ 6,696,631	\$ 7,496,000	\$ 7,095,139	\$ 8,658,199	16%
Operating Expenses	\$ 170,847,282	\$ 200,173,214	\$ 184,308,952	\$ 265,809,942	33%
Equipment	\$ 4,092,295	\$ 6,163,599	\$ 6,102,836	\$ 7,048,843	14%
Total Operating	\$ 314,236,144	\$ 352,034,706	\$ 332,243,735	\$ 428,114,752	22%
Debt Service	\$ 21,030,004	\$ 24,195,140	\$ 24,339,453	\$ 24,352,395	1%
Transfers Out for Capital Imp	\$ 32,783,017	\$ 78,016,011	\$ 33,160,604	\$ 79,562,455	2%
Contingency	\$ -	\$ 157,700	\$ -	\$ 647,700	100%
Total	\$ 368,049,165	\$ 454,403,557	\$ 389,743,792	\$ 532,677,302	17%

FY 26-27 PROPOSED vs FY 25-26 ADOPTED

REFLECTING ON FY 25-26

- General Fund maintained the minimum 16% unreserved fund balance requirement.
- Issuance of GO bonds in September 2025 for a par amount of \$27.8 million to implement phase 1 of the authorized \$55M for street, bridge, and sidewalk repairs.
- Moved from old City Hall to new Municipal Commons Building
- New City Manager - one month on the job
 - "Show Me Independence"

MOVING FORWARD



Improved financial position, but facing critical choices as expenditures continue to outpace **recurring revenues**.



Anticipated PILOT revenue increase in coming years brings both opportunity and expectations.



Addressing **fiscal pressures** in the budget.

STRATEGIC ACTION PLAN

- **An Engaged Community.** We foster a culture of engagement and civic leadership based on innovation and best practices involving community members of all backgrounds and perspectives.
- **An Innovative Economy.** We grow a diversified and innovative economy leveraging our community amenities, skilled and creative people, and educational resources to generate economic opportunities.
- **A Safe, Welcoming Community.** We embrace a safe, healthy, welcoming, and inclusive community.
- **A Well-Planned City.** We consistently improve our community's appearance and quality of life as it grows and changes, honoring our unique history and sense of place as we plan for a livable, affordable, more connected city.
- **A Financially Sustainable Organization.** We create long-term financial stability by using equitable and sustainable sources of funding for City services, and we deliver them in a lean and efficient manner.
- **A High-Performance Organization.** We operate as an ethical, high-performance organization anticipating future needs, utilizing best practices, and striving for continuous improvement.

ALLOCATING BASED ON PRIORITIES

- Continue to utilize the established Strategic Agenda surrounding key areas of operations.
- Utilizing new revenues to support community priorities AND set-up long-term financial sustainability
- Considering new ways to achieve priority goals

SHAPING THE GF PICTURE

First time in years that the City has not started the budget process facing General Fund shortfall

- Provide 3% across-the-board wage increase for non-represented employees.
- Additional \$143,000 needed just to sustain current Transportation service levels.
- Additional \$2.9M for Police and \$2M for Fire
- \$60,000 for property abatements
- Funding for other needed resources including 4 new positions, support for Parks and Rec and the Animal Shelter

GENERAL FUND

General Fund				
	FY2024-25	FY 2025-26	FY2026-27	% Difference Actuals
	Actual	Projected	Proposed Budget	FY24-25 to FY26-27
Taxes	\$ 29,540,692	\$ 30,338,650	\$ 30,716,000	4%
Franchise Fees	\$ 7,887,333	\$ 7,620,000	\$ 8,825,000	12%
PILOTS	\$ 22,658,996	\$ 22,700,000	\$ 26,804,612	18%
Licenses & Permits	\$ 5,543,479	\$ 6,389,358	\$ 6,743,900	22%
Intergovernmental Revenue	\$ 7,857,059	\$ 7,604,000	\$ 7,745,000	-1%
Charges for Services	\$ 2,867,732	\$ 3,614,704	\$ 3,602,647	26%
Fines & Court Fees	\$ 2,348,660	\$ 2,300,000	\$ 1,906,000	-19%
Interfund Charges	\$ 3,403,231	\$ 5,573,875	\$ 5,609,877	65%
Other Revenue	\$ 2,349,944	\$ 1,023,355	\$ 433,000	-82%
Revenue Total	\$ 84,457,126	\$ 87,163,942	\$ 92,386,036	9%

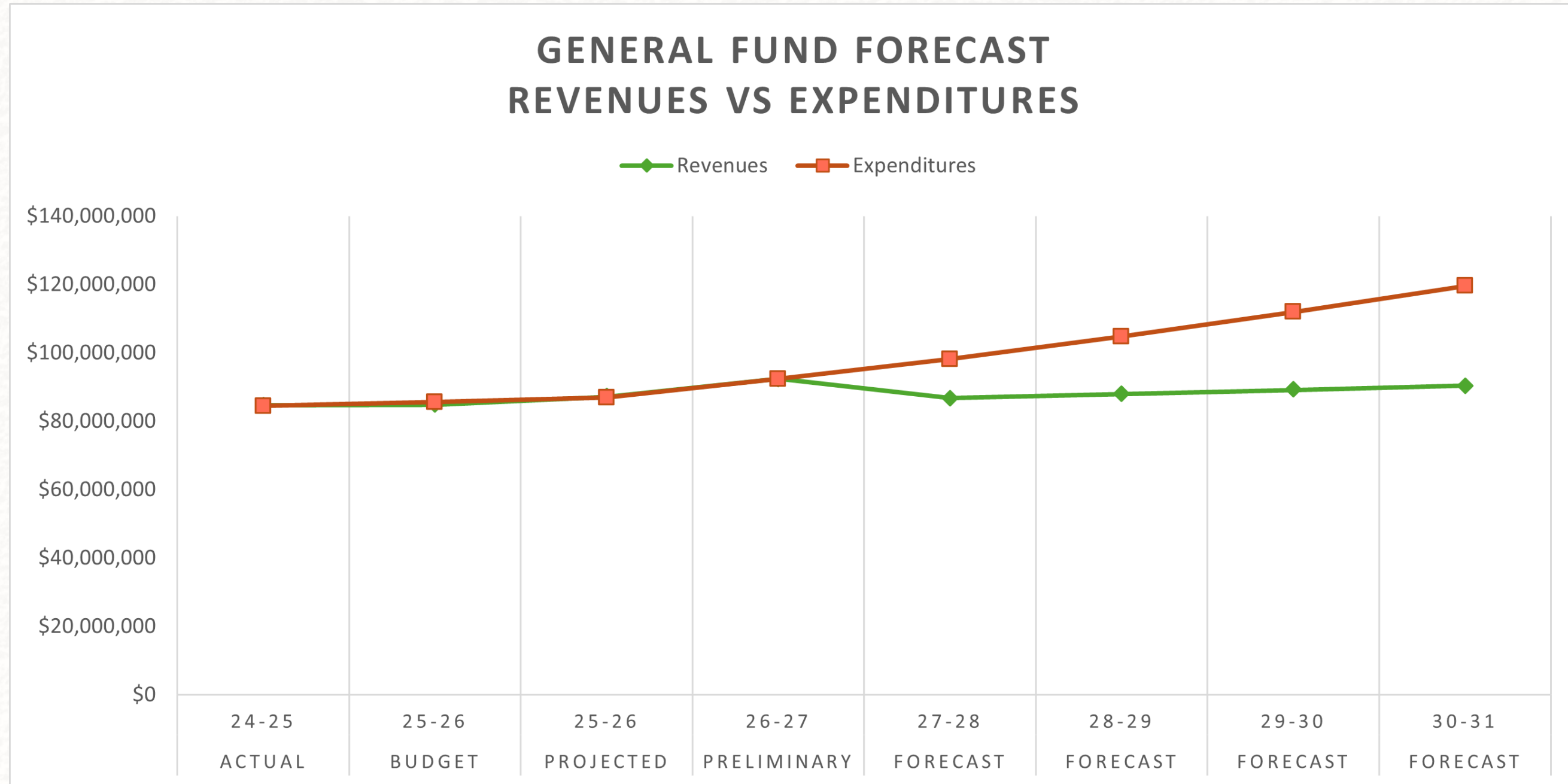
REVENUES

GENERAL FUND

General Fund				
	FY2024-25 Actuals	FY 2025-26 Projected	FY2026-27 Proposed Budget	% Difference Actuals FY24-25 to FY26-27
Salary & Benefits	67,104,873	10,654,204	68,851,818	3%
Operating Expenses	14,893,618	8,997,124	20,785,377	40%
Equipment	148,641	56,035	84,371	-43%
Debt Service	1,785,058	1,792,336	1,819,470	2%
Transfers Out	\$ 10,167	\$ 65,415,090	\$ 355,000	3392%
Contingency	0	0	490,000	100%
Revenue Total	\$ 83,942,357	\$ 86,914,789	\$ 92,386,036	10%

EXPENDITURES

GENERAL FUND



Forecasted Revenues vs Expenditures



Mayor & Council \$0.01
 Parks and Rec \$0.02

Remainder:
 City Manager \$0.01
 Municipal Court \$0.02

HOW GF DOLLARS ARE SPENT

SPECIAL SALES TAX FUNDS

Special Tax Fund Revenues				
	FY2024-25	FY 2025-26	FY2026-27	% Difference Actuals
	Actual	Projected	Proposed Budget	FY24-25 to FY26-27
Street Improvement Sales Tax (011)	14,498,882	12,020,945	11,854,000	-18%
Park Improv Sales Tax (012)	6,262,495	6,178,663	6,147,100	-2%
Storm Water Sales Tax (013)	6,229,896	6,018,373	5,934,900	-5%
Police Public Safety Sales Tax (016)	3,359,003	3,284,836	3,292,600	-2%
Fire Protection Sales Tax (017)	12,686,108	38,735,146	12,706,000	0%
Marijuana Sales Tax (065)	946,496	981,400	830,000	-12%
Prop PD Sales Tax (067)	3,195,772	42,205,835	6,196,600	94%
Revenue Total	\$ 47,178,652	\$ 109,425,198	\$ 46,961,200	0%

REVENUES

SPECIAL SALES TAX FUNDS

Special Revenue Funds						
	FY2024-25	FY 2025-26	FY 2025-26	FY2026-27	% Difference Adopted	
	Actual	Adopted	Projected	Proposed Budget	FY25-26 to FY26-27	
Salaries & Benefits	\$ 23,873,992	\$ 76,950,219	\$ 77,946,872	\$ 30,369,940	-61%	
Retiree Health Insurance	186,295	4,297,500	4,139,996	224,907	-95%	
Operating Expenses	13,954,612	24,084,418	24,217,835	15,739,488	-35%	
Equipment	3,281,243	3,890,128	4,770,135	5,237,672	10%	
Total Operating	\$ 41,296,142	\$ 109,222,265	\$ 111,074,838	\$ 51,572,007	-54%	
Debt Service	1,874,681	4,981,700	5,126,116	5,104,925	0%	
Transfers Out for Capital Imp	18,022,507	36,287,011	19,155,918	21,700,055	13%	
Contingency	-	7,700	-	7,700	100%	
Total	\$ 61,193,330	\$ 150,498,676	\$ 135,356,872	\$ 78,384,687	-42%	

EXPENDITURES

ENTERPRISE FUNDS OVERVIEW

		FY2024-25 Actual	FY 2025-26 Projected	FY2026-27 Proposed Budget
Power & Light (020)	Revenue	173,565,531	168,787,970	256,730,730
	Expenditure	147,967,791	154,697,354	273,467,825
	Net	\$ 25,597,740.00	\$ 14,090,616.00	\$ (16,737,095.00)
Water (040)	Revenue	39,563,317	34,552,072	33,942,700
	Expenditure	35,965,709	37,100,977	44,609,992
	Net	\$ 3,597,608.00	\$ (2,548,905.00)	\$ (10,667,292.00)
Sanitary Sewer (030)	Revenue	37,053,989	37,856,224	42,222,900
	Expenditure	38,979,979	37,646,022	43,828,763
	Net	\$ (1,925,990.00)	\$ 210,202.00	\$ (1,605,863.00)

ENTERPRISE FUNDS

Enterprise Funds						
	FY2024-25 Actual	FY 2025-26 Adopted	FY 2025-26 Projected	FY2026-27 Proposed Budget	% Difference Adopted FY25-26 to FY26-27	
Salaries & Benefits	\$ 45,871,302	\$ 50,659,577	\$ 46,778,563	\$ 52,977,455	5%	
Retiree Health Insurance	2,260,105	2,515,000	2,312,312	2,831,847	13%	
Operating Expenses	141,999,052	165,914,805	151,093,993	229,285,077	38%	
Equipment	662,411	2,205,400	1,276,665	1,726,800	-22%	
Total Operating	\$ 190,792,870	\$ 221,294,782	\$ 201,461,533	\$ 286,821,179	30%	
Debt Service	17,370,265	17,421,000	17,421,000	17,428,000	0%	
Transfers Out for Capital Improvements	14,750,343	41,449,000	10,561,819	57,507,400	39%	
Contingency	-	150,000	-	150,000	100%	
Total	\$ 222,913,478	\$ 280,314,782	\$ 229,444,352	\$ 361,906,579	29%	

EXPENDITURES

INTERNAL SERVICE FUND BUDGETARY CHANGES

The Internal Services Fund is used to centralize and allocate the costs of shared support services across city departments.

The proposed budget includes investments in the departments that comprise this fund (HR, Communications, Tech Services, Finance).

Additions include:

- \$40,000 for the Safety and Compliance program
- \$805k to authorize new positions including: Help Desk Team Supervisor, Learning and Development Specialist, Procurement Specialist II, Budget Analyst, Accountant I, Accounting Manager, Cyber Security Supervisor
- \$1.34M in capital expenditures

USE TAX

Use Tax Receipts				
	FY2024-25	FY 2025-26	FY2026-27	
	Actual	Projected	Proposed Budget	
Animal Shelter Use Tax (010)	\$ 893,000	\$ 911,000	\$ 928,000	
Police (018)	4,683,000	4,782,000	4,875,000	
Waterfall	\$ 5,576,000	\$ 5,693,000	\$ 5,803,000	
General Fund (002)	1,857,080	2,350,000	2,308,000	
Street Improvement Sales Tax (011)	928,539	1,120,945	1,154,000	
Park Improv Sales Tax (012)	464,325	560,473	577,000	
Storm Water Sales Tax (013)	464,325	560,473	577,000	
Police Public Safety Sales Tax (016)	232,162	280,236	288,000	
Police Prop PD Sales Tax (067)	569,046	560,473	577,000	
Fire Public Safety Sales Tax (017)	928,539	946,785	1,154,000	
Total Revenues (All funds)	\$ 11,020,016	\$ 12,072,385	\$ 12,438,000	

REVENUES

CONCLUSION

- Budget maintains core City services while making targeted investments in public safety, neighborhoods, infrastructure support, internal operations, and organizational capacity.
- Increased PILOT revenues have improved City's near-term financial position, but it is imperative to focus on long-term planning and need to build more sustainable funding strategies for the future.

NEXT STEPS

- Community Budget Session on May 27 at Midwest Genealogy Center
- Official Public Budget Hearing and First Reading of Operating and Capital Budgets on June 1, 2026
- Adoption of the Operating and Capital Budgets on June 15, 2026



INDEPENDENCE

★ MISSOURI ★