Fiscal Year 2011-12 Budget

6-2-2011

Budget Approach

- **Budget Priorities based on**
  - 2007 City Council Survey Results
  - Lee's Summit 360° strategic plan
- **Guiding Factors**
  - Multi-year Evaluation of the City's Financial Condition
  - 5-Year Financial Forecast
  - Fund Balance Policy
- Purpose of the budget is to serve as the **financial guide**, **evaluate** past priorities, **communicate** with citizens, and develop **performance measures** (GFOA Budget Objectives)

Budget Process

Financial Analysis

- December 2, 2010: Multi-year Evaluation of the City's Financial Condition.
- February 10, 2011: Review of General Fund Budget Scenarios.

Budget Review and Adoption

- March 8, 2011: Presentation of City Manager's proposed Fiscal Year 2011-2012 General Fund budget.
- March 25, 2011: Televised Budget Presentations from Departments
- Public Hearing: June 2
- Budget adoption: June 16

- **New fiscal year begins: July 1**

General Fund: Fund Balance

	2011 Amended Budget	2011 Projected Actual	2012 Proposed Budget
Revenues	$ 55,075,149	$ 58,330,766	$ 58,731,575
Expenditures	$ 58,378,007	$ 59,734,737	$ 58,311,420
Excess of Revenues over Expenditures	$ (3,302,858)	$ (1,403,971)	$ 420,155
Fund Balance - Beginning	$ 27,326,459	$ 27,326,459	$ 25,922,488
Fund Balance - Ending	$ 24,023,601	$ 25,922,488	$ 26,342,643
Ending Fund Balance as a % of Expenditures	41.2%	43.4%	45.2%

General Fund: Departmental Budgets

Department	2012 Proposed Budget	From 2011 Budget $ Change	% Change
Administration	$ 3,503,864	$ (102,362)	-2.8%
Public Works Engineering	$ 3,690,710	$ (556,777)	-13.1%
Police	$ 19,043,736	$ 16,289	0.1%
Fire	$ 15,595,990	$ 59,690	0.4%
Finance	$ 4,941,443	$ 590,839	13.6%
Planning	$ 1,024,262	$ 49,085	5.0%
Court	$ 816,667	$ 7,440	0.9%
Codes	$ 1,424,374	$ (72,711)	-4.9%
Law	$ 1,173,735	$ 59,213	5.3%
Public Works Operations	$ 7,096,639	$ (117,293)	-1.6%
Total	**$ 58,311,420**	**$ (66,587)**	**-0.1%**

General Fund: Budget Highlights

- Complete phase 2 of the Performance for Excellence initiatives.
- Continue support and implementation of Lee's Summit 360° Strategic Plan recommendations.
- Implementation of new financial system (Enterprise Resource Planning project).
  - Target date to go live is December 1, 2011
- Implementation of new business license software.

General Fund: Expansions

- Fiscal Year 2010-11 marked the completion of funding for the 3-year plan to add 21 Police Officers.
- Fiscal Year 2011-12 expansions are as follows:

General Fund		FTEs	Amount	Ongoing
Administration	Human Resources Generalist	1.00	$ 69,923	$ 66,123
Police	Upgrade Animal Control Supervisor	0.00	$ 13,275	$ 6,042
Police	Animal Control Officer	1.00	$ 50,071	$ 48,348
Total		**2.00**	**$ 133,269**	**$ 120,513**

Compensation & Benefits

No merit increases have been proposed for July 1, 2011.

Compensation Study

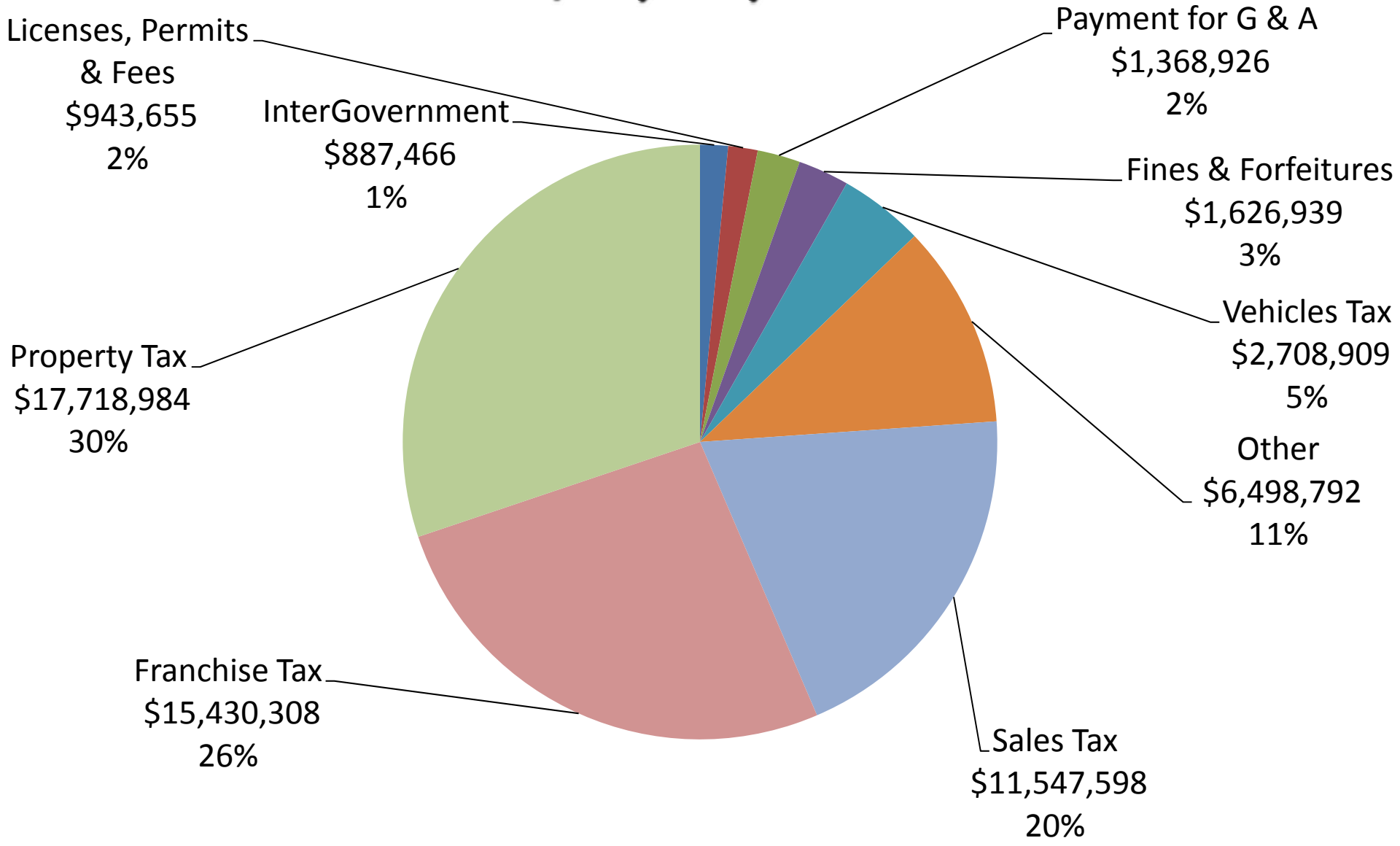
- Implementation of Phase I only:
  - General Fund $99,553, Other Funds $19,877
- Phase II and III are on hold for future consideration:
  - Phase II: General Fund $570,039, Other Funds $112,440
  - Phase III: General Fund $263,079, Other Funds $18,125

Health Insurance

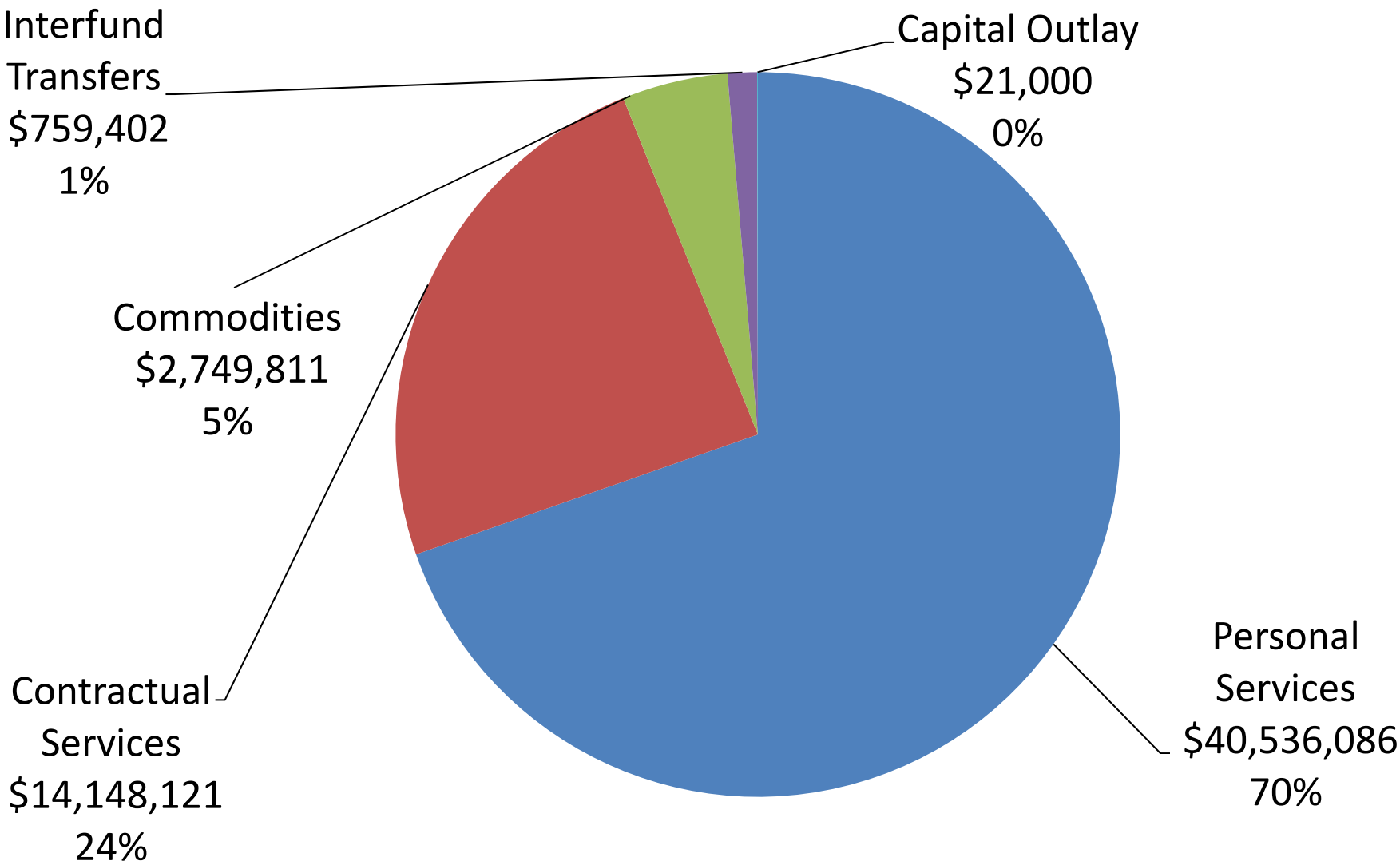
- Currently going through enrollment: 10% increase budgeted, but the actual could end up less than 10%.
- City Council approved the change from Midwest Public Risk to Blue Cross Blue Shield effective July 1, 2011.

General Fund Revenues by Type

$58,731,577



General Fund Expenditures by Source
$58,311,420



Five-Year Revenue/Expense Model

Account	FY 11-12 Projected	FY 12-13 Projected	FY 13-14 Projected	FY 14-15 Projected	FY 15-16 Projected
Total Revenues	58,731,575	60,672,730	61,640,174	61,622,421	62,594,627
Increase	1.14%	3.31%	1.59%	-0.03%	1.58%
Total Expenditures	58,311,420	58,789,112	60,369,689	62,003,143	63,691,807
Increase	-2.72%	0.82%	2.69%	2.71%	2.72%
Revenues - Expenditures	$ 420,155	$ 1,883,618	$ 1,270,485	$ (380,722)	$ (1,097,180)
Net change in fund balances					
Fund balances—beg.	$ 25,922,493	$ 26,342,648	$ 28,226,266	$ 29,496,751	$ 29,116,029
Fund balances—end.	$ 26,342,648	$ 28,226,266	$ 29,496,751	$ 29,116,029	$ 28,018,849
Ending fund balance as a % of expenditures	45.18%	48.01%	48.86%	46.96%	43.99%

Five-Year Revenue/Expense Model

No Reimbursement for Gamber Center

Account	FY 11-12 Projected	FY 12-13 Projected	FY 13-14 Projected	FY 14-15 Projected	FY 15-16 Projected
Total revenues	57,731,575	59,900,333	60,601,711	61,559,374	62,521,313
Increase	-1.03%	3.76%	1.17%	1.58%	1.56%
Total expenditures	58,311,420	58,789,112	60,369,689	62,003,143	63,691,807
Increase	-2.38%	0.82%	2.69%	2.71%	2.72%
Revenues - Expenditures	$ (579,845)	$ 1,111,221	$ 232,022	$ (443,768)	$ (1,170,494)
Net change in fund balances					
Fund balances—beg.	$25,922,493	$25,342,648	$26,453,869	$26,685,891	$26,242,123
Fund balances—end.	$25,342,648	$26,453,869	$26,685,891	$26,242,123	$25,071,629
Ending fund balance as a % of expenditures	43.46%	45.00%	44.20%	42.32%	39.36%

5% Opportunity Funding Reserve

The Types of uses eligible for funding from the 5% Opportunity Funding Reserve shall include Matching funds for Grants, Economic Development/Business Retention, Planning Studies and Capital Projects

Beginning balance: $2,875,982

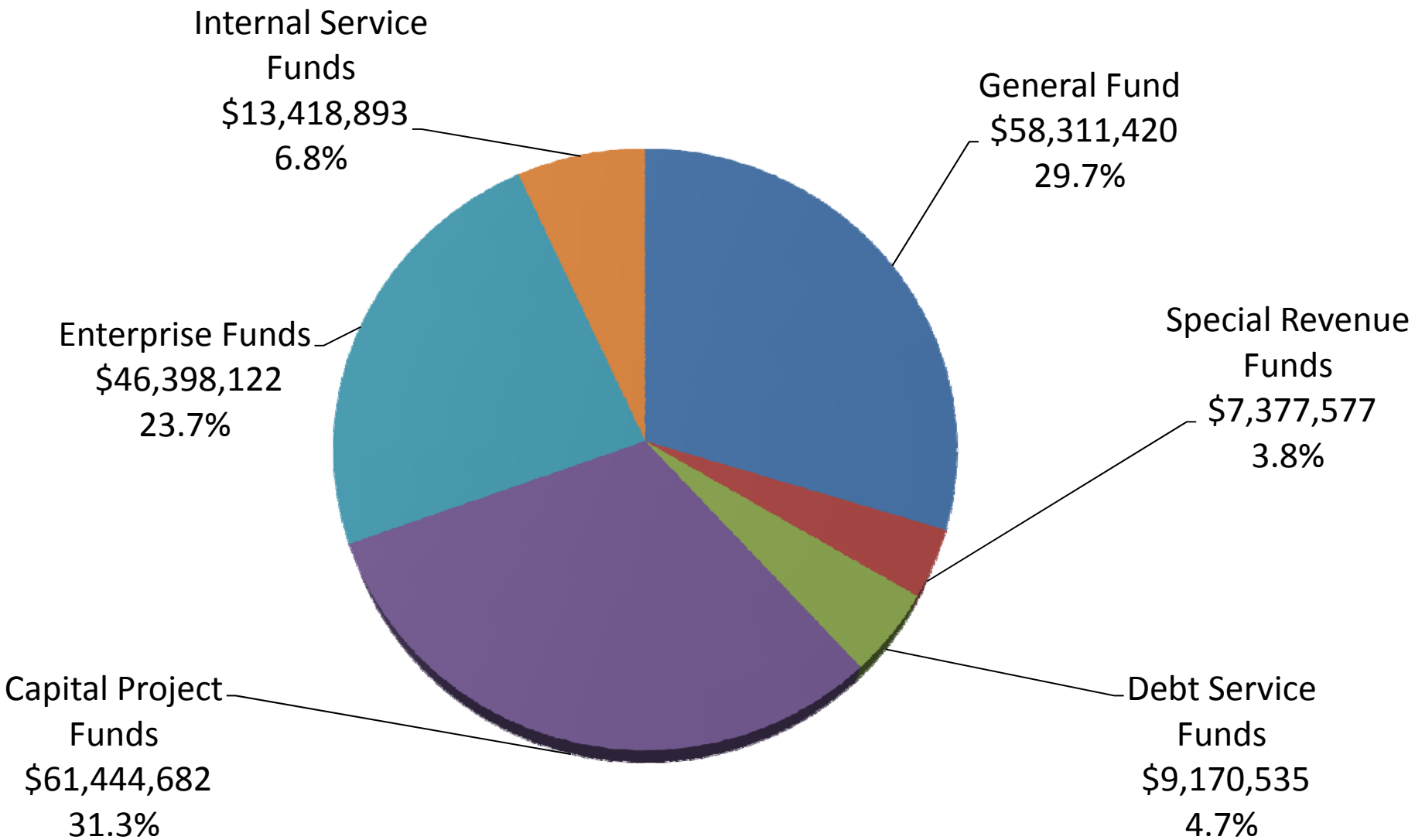
Reserved Expenditures:

- Exergonix $1.5 million
- Economic Redevelopment Strategies $100,800

Ending Balance: $1,275,182

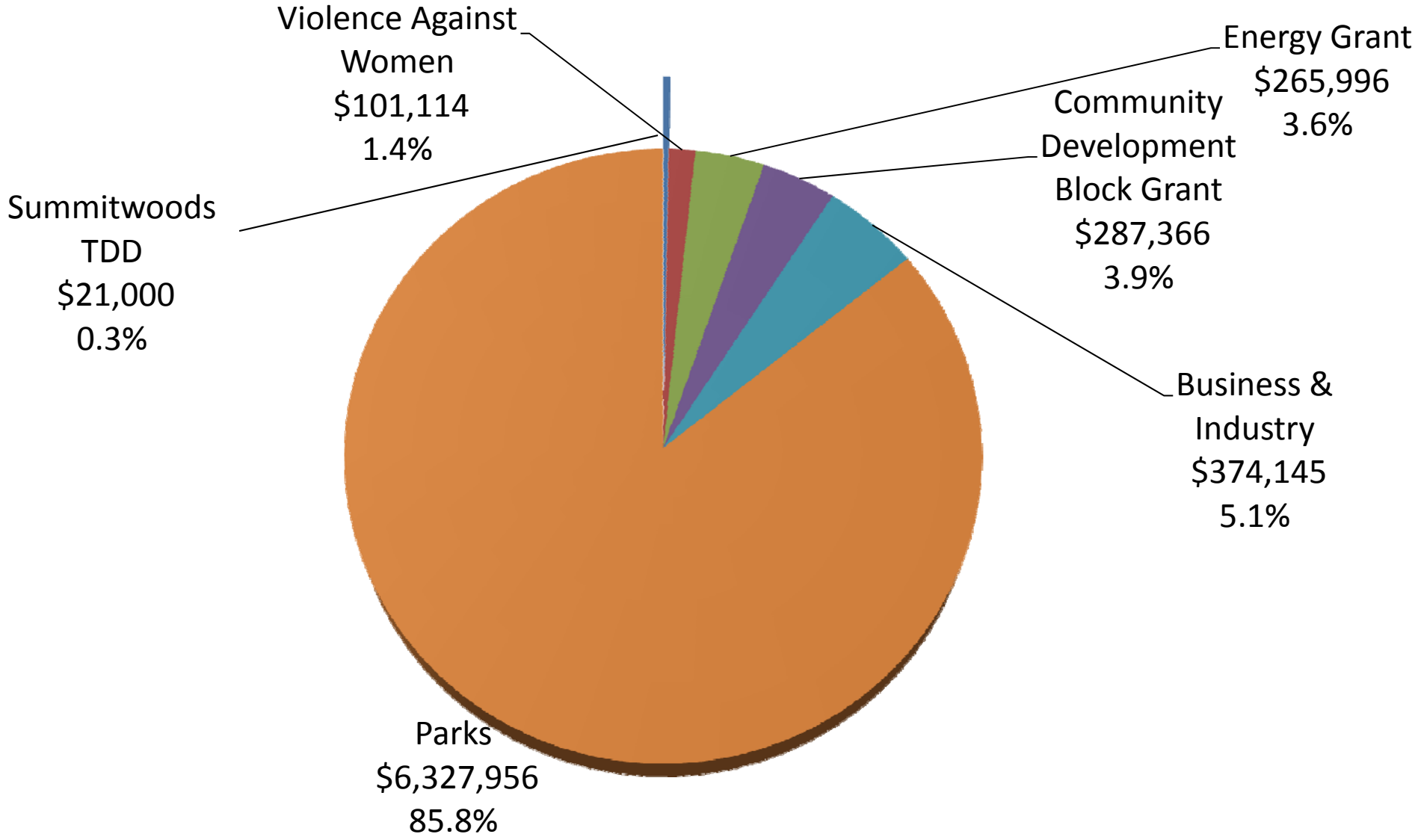
Summary of All Funds By Type

$196,121,229



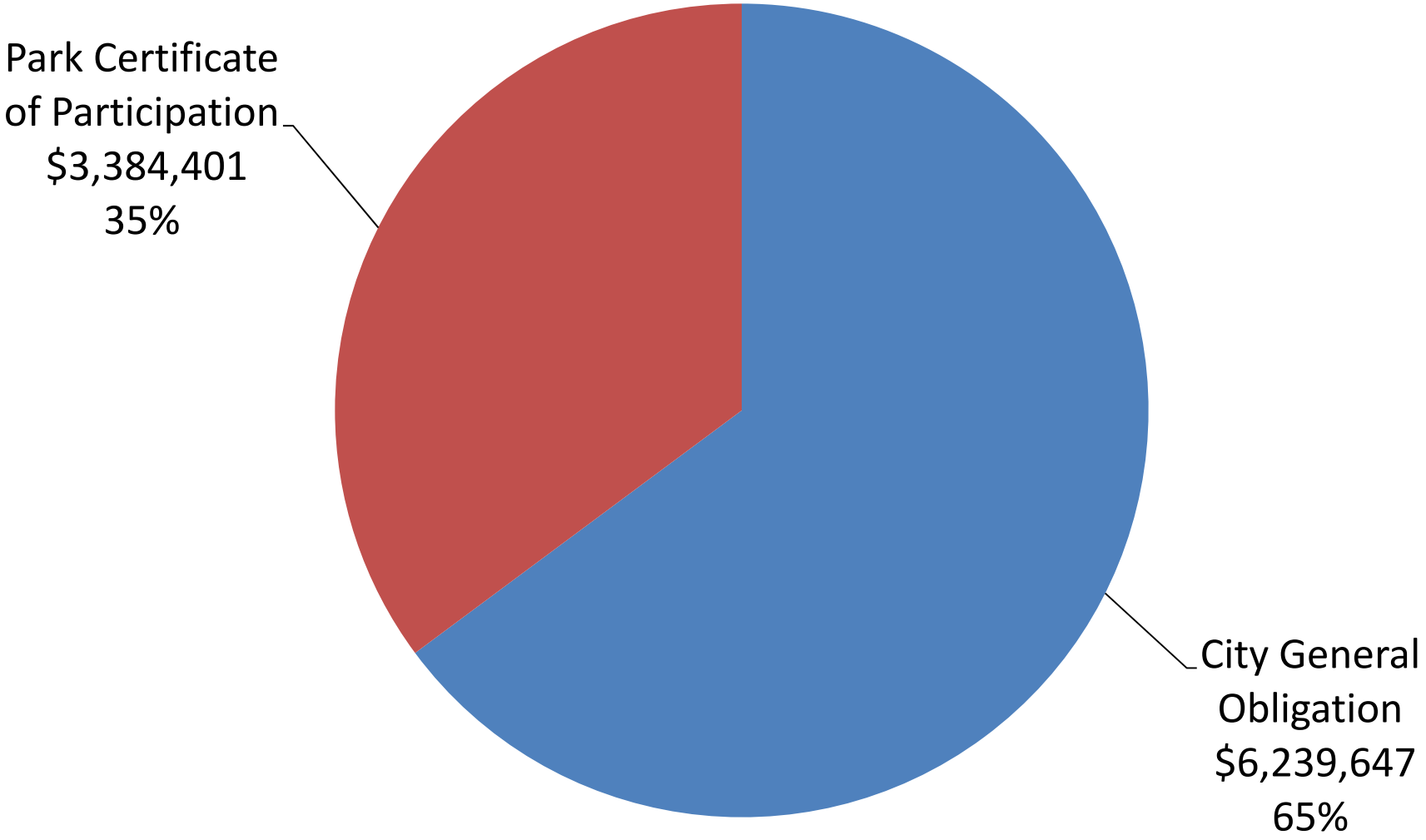
Special Revenue Funds

$7,377,577



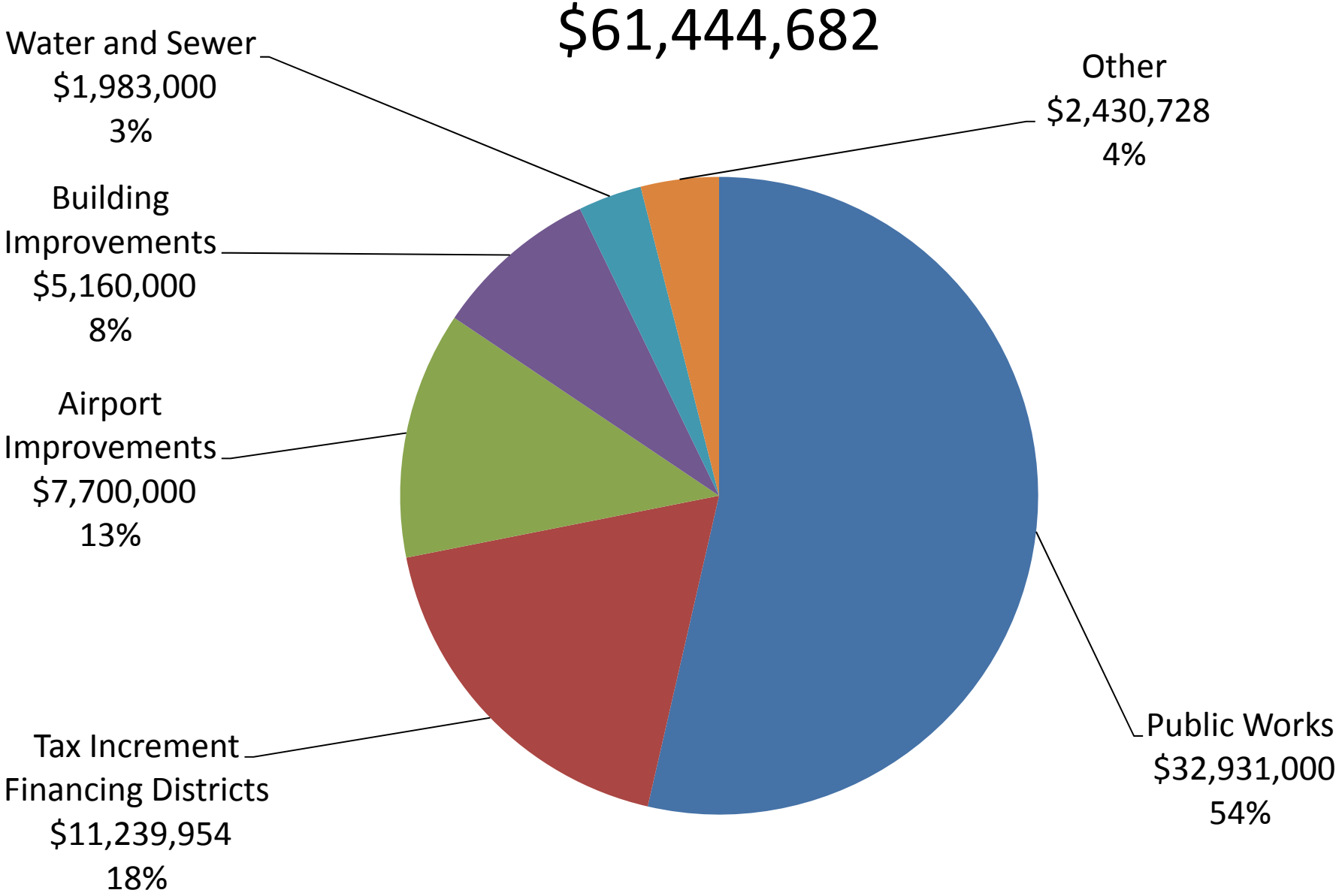
Debt Service Funds by Type

$9,170,535



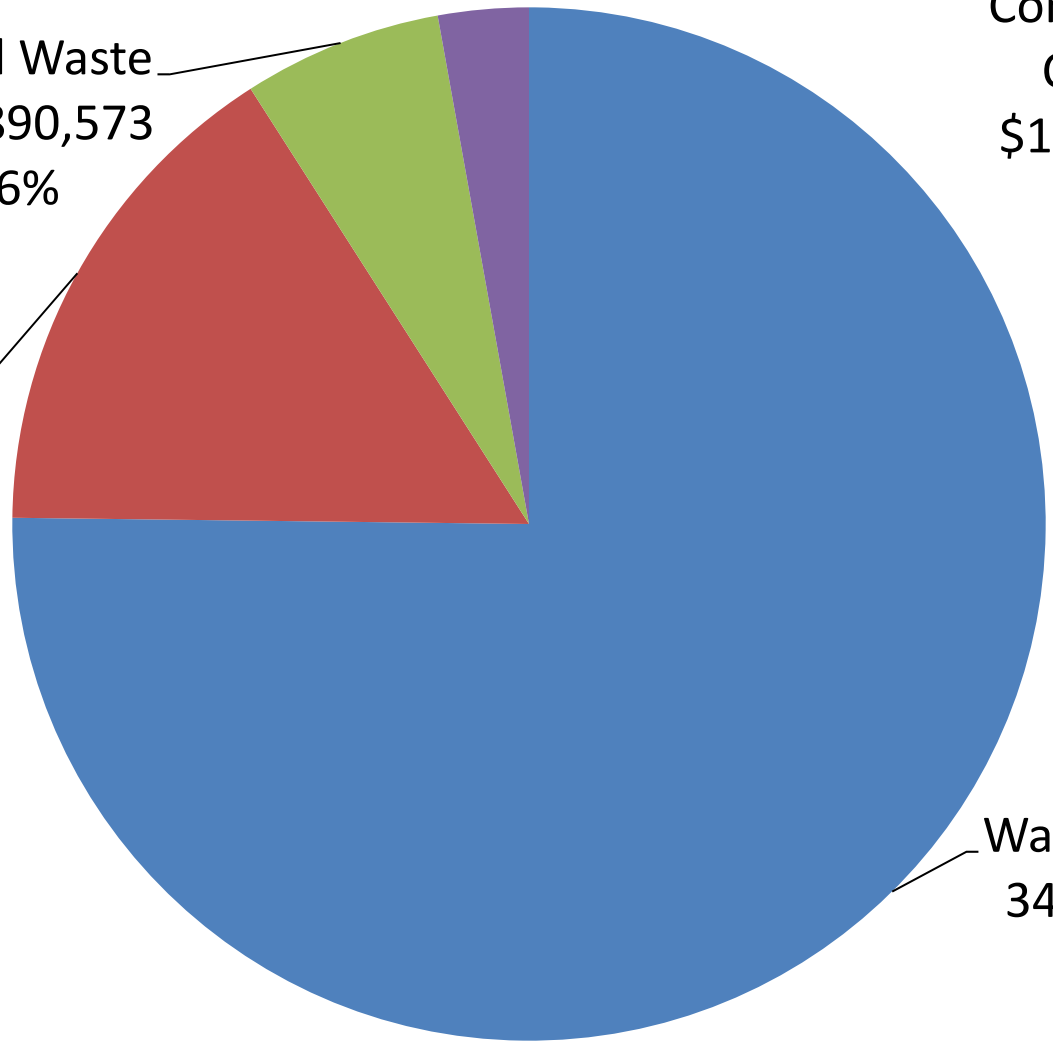
Capital Project Funds

$61,444,682



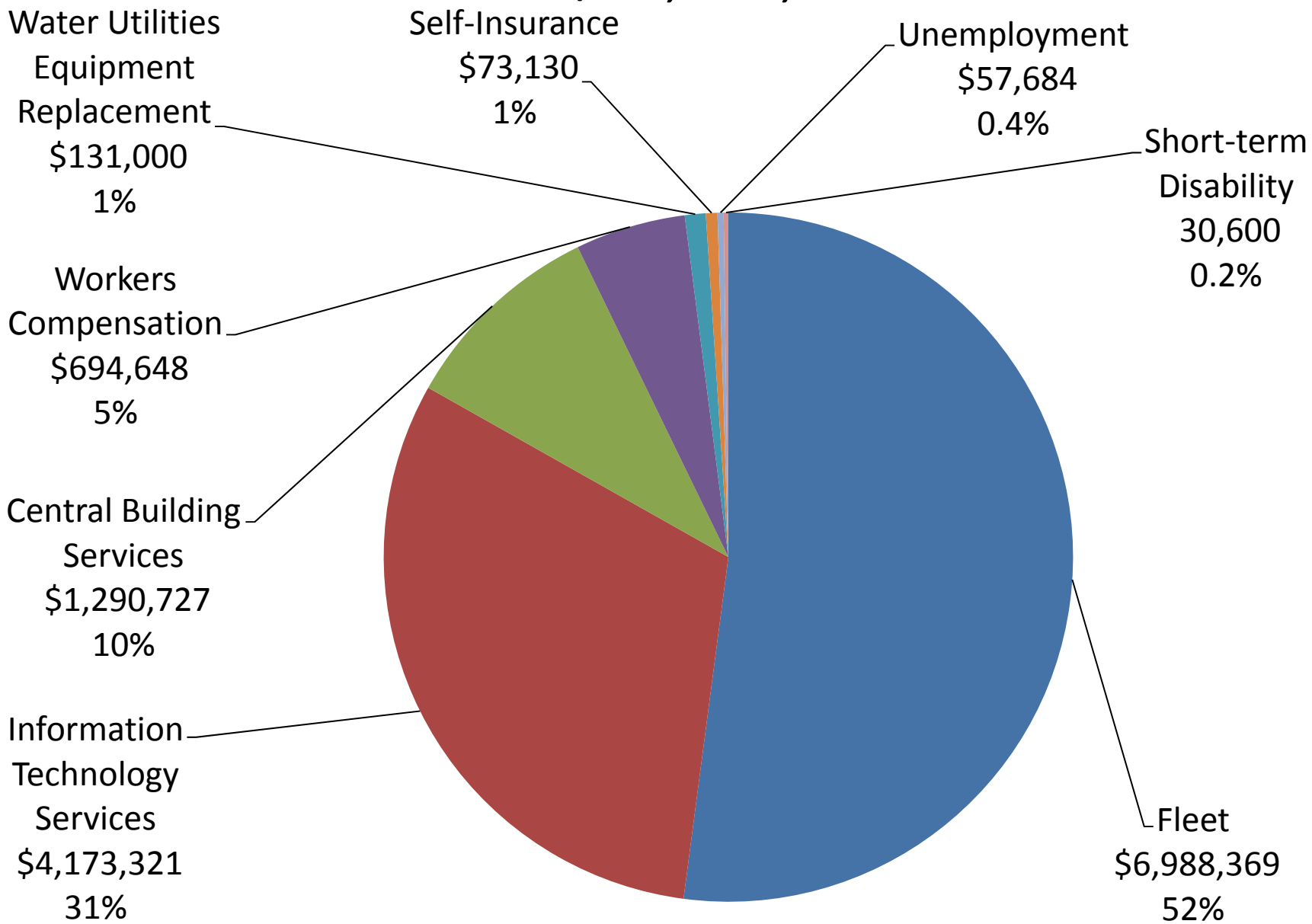
Enterprise Funds

$46,398,122



Internal Service Funds

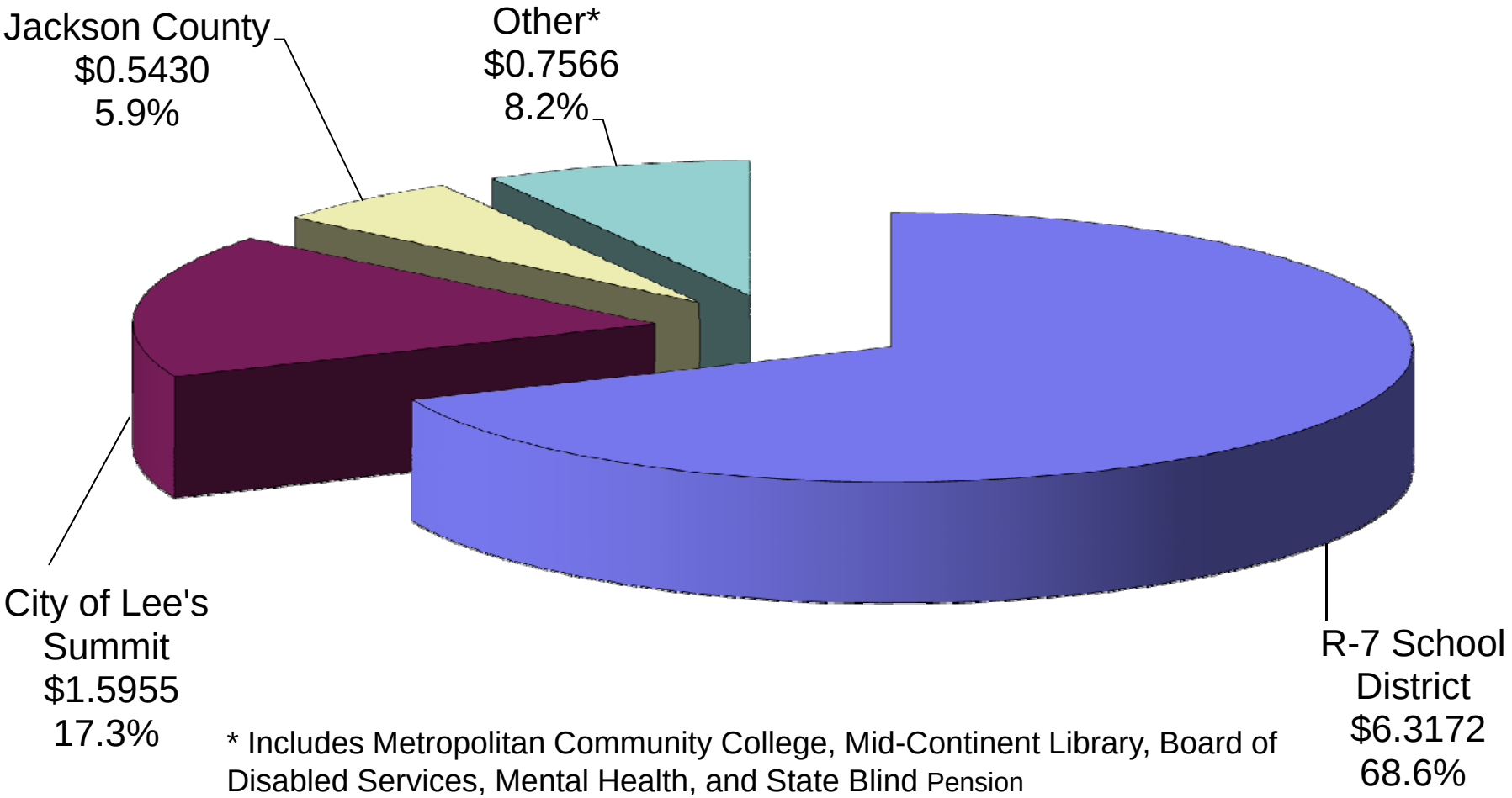
$13,418,893



2011 Projected Property Tax Levy

(within Lee's Summit/Jackson County Boundaries)

Total Levy: $9.2423 per $100 assessed **valuation**



* Includes Metropolitan Community College, Mid-Continent Library, Board of Disabled Services, Mental Health, and State Blind Pension

Property Tax Levy Comparison

Total Tax Levy

Year	Lee's Summit R-7	City of Lee's Summit	Jackson County	Other	Total
2010	6.0548	1.5258	0.5430	0.7795	8.9031
2011	6.3172	1.5955	0.5430	0.7866	9.2423
Difference	0.2624	0.0697	0.0000	0.0071	0.3392

City Tax Levy

Year	General Fund	Parks Fund	Debt Service Fund	Total
2010	0.8966	0.1595	0.4697	1.5258
2011	0.9558	0.1700	0.4697	1.5955
Difference	0.0592	0.0105	0.0000	0.0697

Five-Year Revenue/Expense Model

No Levy Roll-Up

Account	FY 11-12 Projected	FY 12-13 Projected	FY 13-14 Projected	FY 14-15 Projected	FY 15-16 Projected
Total revenues	57,834,526	59,754,570	60,704,020	60,663,367	61,607,534
Increase	-0.85%	3.32%	1.59%	-0.07%	1.56%
Total expenditures	58,311,420	58,789,112	60,369,689	62,003,143	63,691,807
Increase	-2.38%	0.82%	2.69%	2.71%	2.72%
Revenues - Expenditures	$ (476,894)	$ 965,459	$ 334,331	$ (1,339,776)	$ (2,084,273)
Net change in fund balances					
Fund balances—beg.	$25,922,493	$25,445,599	$26,411,058	$26,745,389	$25,405,613
Fund balances—end.	$25,445,599	$26,411,058	$26,745,389	$25,405,613	$23,321,340
Ending fund balance as a % of expenditures	43.64%	44.93%	44.30%	40.97%	36.62%

Conclusion

- Continued emphasis on “long-term” financial planning
  - Financial Trend Model (20 year)
  - Five-year Budget Model
  - Impact analysis of incremental decisions
- Investment in Technology for improved customer service and efficiency
- Continue strategic planning for economic redevelopment
- Implementation of Lee’s Summit 360 strategies and goals

Questions?

Council Action: motion to direct staff to draft an ordinance approving the proposed Fiscal Year 2011-2012 annual budget