

May 14, 2019

Mayor and City Council,

With the current fiscal year coming to a close, I want to reflect on some of the successes we have experienced as a city over the past twelve months. Just as in years past, Lee's Summit received a number of accolades including being named one of the "Best Places to Live in America" by *Money* magazine and received Silver and Gold level designations as a "Community for All Ages" by the Mid America Regional Council. The community also came together and spent many hours working on the next strategic plan, which has outlined a vision and strategic framework for our city to work towards over the next several years.

As an organization, progress was also made towards addressing the compensation for the City's most important asset, our workforce. After a compensation and benefits study was conducted, City Council adopted an ordinance that increased wages for employees across the workforce. Management and labor groups also worked together to negotiate terms of new labor agreements. These successes would not be possible without the dedication and collaboration of our citizens, stakeholders, elected officials, and our incredibly dedicated staff.

In looking to the future, the City will continue to face challenges that will require all of us working together if we are to overcome them. Like most municipalities throughout the country, Lee's Summit faces the difficulty of balancing operating costs while keeping within revenue sources. Also, as Lee's Summit has grown, we have enhanced our service delivery systems that can result in higher operational cost. The citizens expect higher quality of services and response due to our focus on becoming a high performance community. We want to meet their expectations and are glad to know they have confidence in our ability to perform. In order to address our current and future needs it will be essential for the City to plan and identify sustainable revenue resources that can be counted on to support the level of service expected by the citizens of Lee's Summit.

## 1. Budget Request

In the FY20 Budget, and in future budgets, staff works to allocate resources to best support the delivery of municipal services. The City has approximately 70 different funds, each categorized by purpose. We are proposing a total budget expenditure of \$230,981,192. This includes all proposed funding for daily operations, capital improvements, debt service, internal service, and enterprise operations.

Total Proposed Budget		
	FY19	FY20
	Budget	Proposed
General Fund	\$71,050,069	\$77,380,952
Special Revenue Funds	\$13,106,602	\$18,335,151
Capital Project Funds	\$40,216,615	\$50,260,122
Debt Service Funds	\$11,528,908	\$12,800,275
Enterprise Funds	\$49,421,913	\$56,020,847
Internal Service Funds	\$15,042,837	\$16,183,845
<b>Total Proposed Expenditures</b>	<b>\$200,366,944</b>	<b>\$230,981,192</b>

General Fund: This fund includes budgets for nine departments that provide the mission critical services to our residents such as police and fire protection, street maintenance, planning, codes, municipal court, and general administration of the City.

Special Revenue Funds: These funds include Parks, grants, tax increment financing (TIF), and transportation development district (TDD) funds. These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital project) requiring separate accounting because of legal or regulatory provisions or administrative actions.

Debt Service Funds: The City utilizes two funds to record the receipt and disbursement of monies used to repay principal and interest charges on city-issued debt. The General Obligation Debt Service Fund and Park COP Debt Service Fund are used to account for the annual retirement of bonds issued since 2003.

Enterprise Funds: The City's enterprise funds hold the budgets for departments that operate in business-type activities. These funds rely on revenues generated from sales of materials or services. The enterprise funds include budgets for Water Utilities, Solid Waste, and Airport activities.

Internal Service Funds: The City uses internal service funds, or Proprietary Funds, to account for its fleet of vehicles and equipment, information technology systems, central building services, and trust funds. The internal service departments allocate costs for the reimbursement of services to other departments.

## **Citizen Based Strategic Planning**

In FY19, the City launched a citizen based strategic planning process called "Lee's Summit Ignite! Your Ideas. Our Future." The process, which was facilitated by the Novak Consulting Group, engaged citizens and stakeholders through community conversations, focus groups, and an online engagement platform. The Lee's Summit community very much embraced the process with hundreds of people giving their input and ideas.

Although the community is still working to finalize the strategic plan, the draft elements of the plan have been compiled. Based on the initial input, the community's vision for Lee's Summit is "a world-class community striving to ensure purposeful growth and quality of life for future generations." In order to achieve that vision seven critical success factors were identified:

- balanced economic development;
- strong neighborhoods with housing choices;
- cultural and recreational amenities;
- inclusive community engagement;
- community health and wellbeing;
- collaborative relations with education partners; and
- proactive infrastructure development.

With a new strategic plan being completed in the near future, it is imperative to utilize a more transparent and qualitative financial planning process. As a result, included in the FY20 budget is funding to redesign the City's annual budget process to the Priority Based Budgeting (PBB)

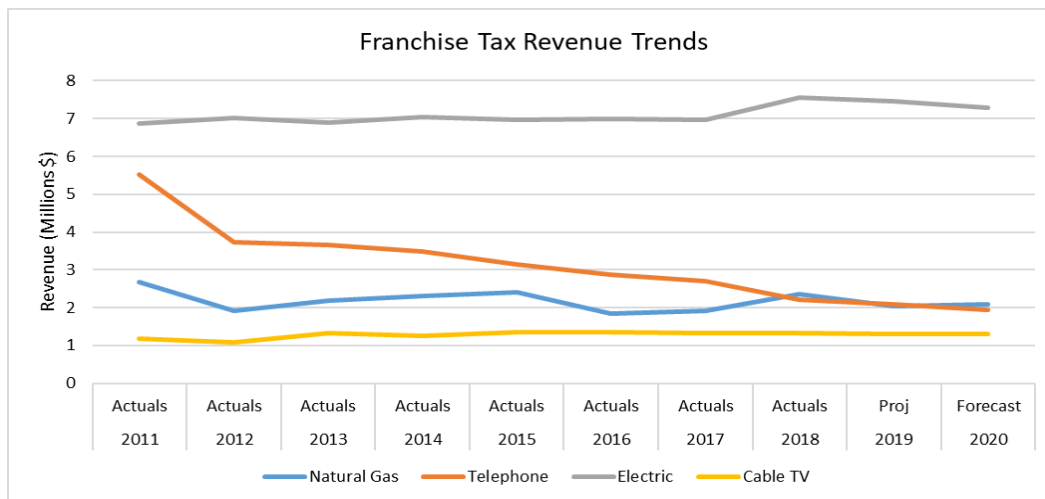
methodology. With the PBB framework, it will be easier for our elected officials and staff to align our resources to our strategic priorities and needs.

**2. Review of Financial Condition – General Fund**

One of the many strengths of this organization is the strong fiscal management and stewardship of the City’s resources. This can be seen in the strategic and thoughtful way that taxpayer dollars are spent on municipal services to achieve outcomes that benefit the citizens of Lee’s Summit. In addition, the City has made efforts in recent fiscal years to increase the general fund reserve balance to ensure a healthy reserve position. Because of these efforts, in 2017 the City of Lee’s Summit achieved a triple A (AAa) credit rating from Moody’s Investor Service.

It is important to mention that the triple A rating (AAa) does not imply a perfect financial condition. Instead, it is a high mark that requires strong fiscal management for continual achievement. Part of that strong fiscal management will include monitoring existing and emerging revenue and expense issues, and coming up with solutions to address them.

A trend from previous fiscal years that continues to cause concern is the long-term deterioration of franchise taxes, which are the third largest revenue source for the City. In FY11, revenue from franchise taxes totaled \$16.25 million and accounted for approximately 28% of all General Fund revenues. In comparison, for the FY20 budget, it is forecasted that revenue from franchise taxes will total \$12.63 million and account for approximately 17% of all General Fund revenues.

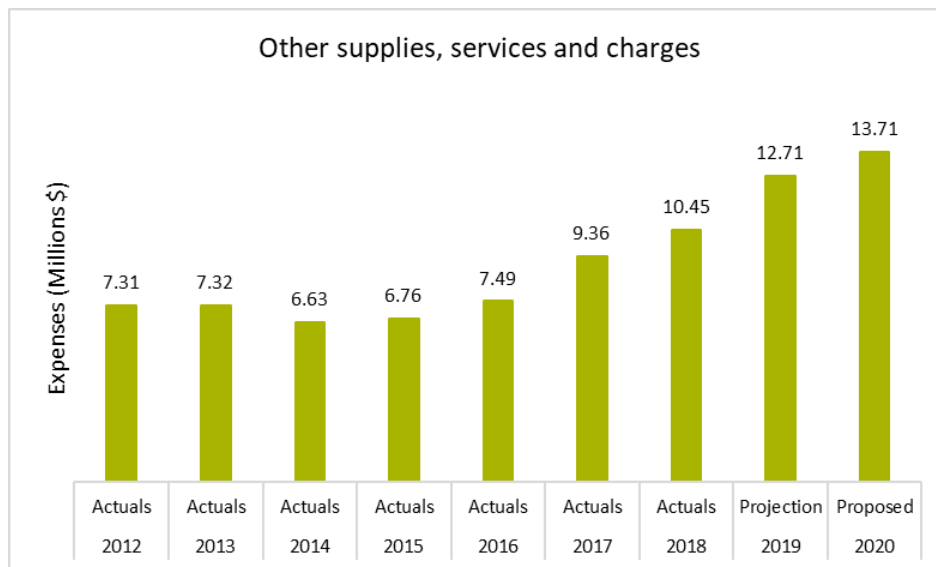


As it can be seen from the chart above, a major cause of the deterioration of franchise taxes can be attributed to the decline in telephone franchise tax revenue. From FY11 to present, telephone franchise tax revenue has decreased by \$3.4 million, or 62%. The decline has occurred as people are increasingly eliminating landlines in favor of cell phones. It is important to point out that traditional methods of revenue collection may continue to produce declining outcomes, and modern approaches may need to be pursued.

As internet sales continues to represent an increasing portion of economic activity, the lack of a Use Tax

places Lee’s Summit-based retailers at a competitive disadvantage. Staff is recommending the consideration of a use tax as a potential long-term solution similar to the voter approved Motor Vehicle Sales Tax. The potential gain of this revenue will help support existing service delivery needs that we have documented through our accreditation processes and align our collection method to modern economic activities.

An issue becoming apparent in FY20 is the Other Supplies, Services, and Charges (OSSC) expense category. As it can be observed in the chart below, in recent fiscal years the OSSC expenses have increased significantly. This is particularly concerning because the OSSC expenses have outpaced the growth of other expense categories and revenues. In FY12, OSSC expenses accounted for 12.9% of total expenses. By comparison, in the FY20 proposed budget, it is estimated that OSSC expenses will account for 17.7% of total expenses.



The increase in OSSC expenses is primarily the result of nondiscretionary items in the budget. For example, as the EMS fees have increased over the past several years, the expenses for bad debt, insurance adjustment, and collection fees have increased too. For FY20, the OSSC expenses associated with EMS fees are estimated to total \$4.12 million, or approximately 30% of all OSSC expenses.

Another example of the nondiscretionary OSSC expenses is Payment in Lieu of Taxes (PILOTs), which is revenue that is received from Chapter 100 economic development projects. For FY20, approximately 84% of the PILOTs revenue that is received is passed through and distributed to other taxing jurisdictions, which is the expense associated with PILOTs. For FY20, the PILOTs expenses are estimated to be \$2.50 million, or approximately 18% of all OSSC expenses. Until OSSC nondiscretionary expenses are stabilized with regards to their proportion of General Fund expenditures, it will be harder for the City to make new investments in personnel or service delivery.

A new budgeting software is scheduled to be implemented in FY20. When this occurs, it is anticipated that the account structure for OSSC will be reviewed analyzed to see if it is possible to separate out and track the impact of nondiscretionary expenses like those described above with EMS fees and PILOTs.

### 3. General Fund Overview

In FY20, General Fund revenue estimates total \$75,719,343, which will be used to fund an operating budget of \$75,667,029. The proposed budget also includes one-time, special project expenses of \$1,713,921, which brings the total expenditure amount to \$77,380,952.

#### General Fund Revenues

In FY20, the total proposed revenue estimates of the General Fund is anticipated to increase by 5.43% over the original adopted budget for FY19.

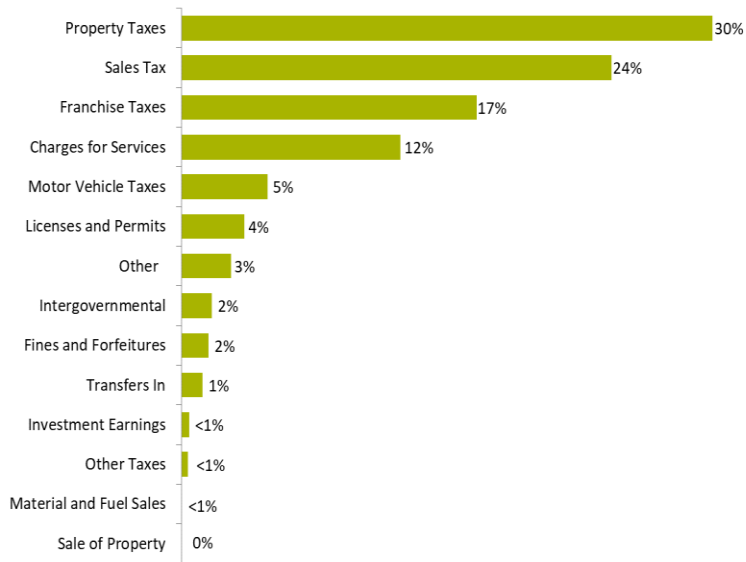
	2019	2020	Change from FY19 Budget	
	Budget	Forecast	\$	%
<b>Property Taxes</b>	21,664,477	23,065,850	1,401,373	6.47%
<b>Sales Tax</b>	17,121,276	18,130,832	1,009,556	5.90%
<b>Franchise Tax</b>	12,530,550	12,625,326	94,776	0.76%
<b>Motor Vehicle Taxes</b>	3,694,490	3,694,164	-326	-0.01%
<b>Other Taxes</b>	322,690	295,174	-27,516	-8.53%
<b>Fines and Forfeitures</b>	1,199,105	1,159,690	-39,415	-3.29%
<b>Licenses and Permits</b>	2,655,300	2,685,440	30,140	1.14%
<b>Intergovernmental</b>	1,148,065	1,310,965	162,900	14.19%
<b>Charges for Services</b>	8,826,224	9,374,305	548,081	6.21%
<b>Materials and Fuel Sales</b>	0	2,000	2,000	N/A
<b>Investment Earnings</b>	120,000	330,000	210,000	175.00%
<b>Other</b>	1,730,838	2,139,500	408,662	23.61%
<b>Sale of Property</b>	0	0	0	N/A
<b>Transfers In</b>	804,515	906,097	101,582	12.63%
<b>Total</b>	<b>71,817,530</b>	<b>75,719,343</b>	<b>3,901,813</b>	<b>5.43%</b>

**Property Tax:** FY20 estimates a 6.47% increase in Property Taxes over the previous fiscal year budget. The increases are reflected as a result of an increase in our assessed value in calendar year 2018 in Jackson and Cass Counties, as well as a preliminary calendar year 2019 assessed value estimate supplied by Jackson County. Also included in the increased revenue is PILOTs, with an increase of \$642,699, or 27.39%, over FY19 budget. The increase in PILOTs are a result of additional Chapter 100 economic development projects and investment coming online this fiscal year. It is important to reiterate that approximately 84% of PILOTs are distributed to other taxing jurisdictions and will be counted as an expense to the General Fund.

**Sales Tax:** General Fund sales tax revenue is a net figure of the gross 1% sales tax receipts less sales tax redirection from Economic Activity Taxes (EATs) generated within Tax Increment Financing (TIF) projects in Lee's Summit. Gross sales tax revenue is estimated at 3.50% over the revised FY19 year-end projections. The General Fund also receives a monthly payment from Cass County for a prior period remittance error. These payments are spread over 36 months and began in January 2018. In FY20, this will account for \$214,824 in General Fund revenue.

**Franchise Tax:** This revenue is received from utility providers who attain access to the City's right of way for the commercial purposes to deliver private services. In total, franchise tax revenue is expected to increase \$94,776 (0.76%) from FY19 budgeted revenue.

Franchise tax revenues for natural gas and electric are largely dependent on weather, consumption, and rates. Because the weather is not predictable, to forecast natural gas and electric franchise tax revenues a 3-year average is assumed for the FY20 budget. The cable TV franchise tax has experienced a slight decline in revenues over the previous fiscal years and was forecasted assuming a 1% decrease from FY19 projections. As it was previously mentioned, telephone franchise tax continues to decline annually at a much higher rate and is a revenue threat to funding general fund operations. From FY11 to present, telephone franchise tax revenue has decreased by \$3.4 million, or 62%.



**Charges for Service:** On February 11, 2016, City Council passed Ordinance No. 7815, which establishes a 50% cost recovery rate for EMS service. As a result of this change, EMS charges for service is expected to increase net revenue by \$238,735 or 7.22% in FY20.

### General Fund Expenditures

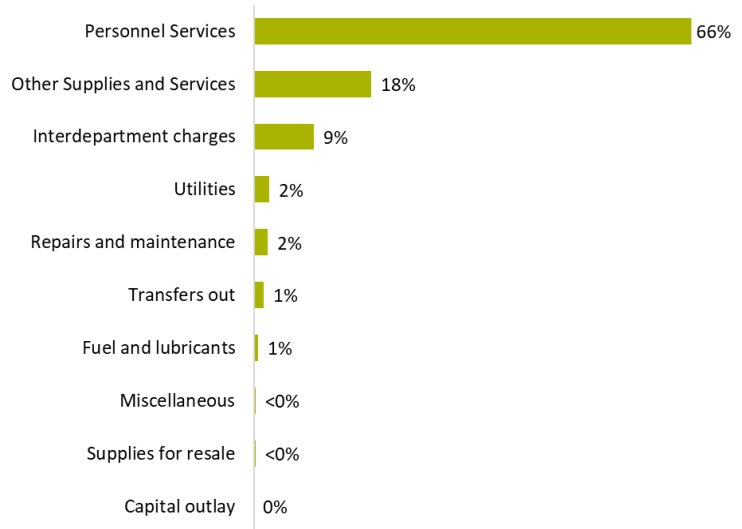
The challenge each budget planning process is to maximize the limited resources provided by taxpayers and residents of the community in the most efficient manner possible. In FY20, the total proposed budget expenditure of the General Fund is \$77,380,952, an 8.91% increase over the current fiscal year.

	2019	2020	Change from FY19 Budget	
	Budget	Proposed	\$	%
<b>Personnel Services</b>	46,924,867	51,055,513	4,130,646	8.80%
<b>Supplies for resale</b>	255,500	255,500	0	0.00%
<b>Other supplies, services and charges</b>	11,915,524	13,709,103	1,793,579	15.05%
<b>Repairs and maintenance</b>	1,551,710	1,592,536	40,826	2.63%
<b>Utilities</b>	1,749,764	1,843,618	93,854	5.36%
<b>Fuel and lubricants</b>	512,803	479,059	-33,744	-6.58%
<b>Miscellaneous</b>	103,950	258,800	154,850	148.97%
<b>Capital outlay</b>	135,000	0	-135,000	-100.00%
<b>Interdepartment charges</b>	6,402,753	7,043,254	640,501	10.00%
<b>Transfers out</b>	1,498,198	1,143,569	-354,629	-23.67%
<b>Total</b>	<b>71,050,069</b>	<b>77,380,952</b>	<b>6,330,883</b>	<b>8.91%</b>

It is important to mention that the total budget expenditure includes one-time, special project expenses of \$1,713,921. “One-time” expenses are those expenses that do not occur every year and are in addition to operational needs. Examples of the budgeted one-time expenses include, but are not limited to funds for new personal protective equipment for Fire Department personnel, a Comprehensive Plan update, and additional funds for Fire Station 3. When comparing the proposed General Fund expenditures without the “one-time” expenditures, the increase from the FY19 Budget is \$4,616,962, or 6.5%. Most that increase is a result of compensation improvements and increases to non-discretionary OSSC expenses described in the following sections.

**Personnel Services:** This category of expense accounts for costs associated with employees’ compensation and benefits. As a service organization, our largest expense is for those who provide our municipal services such as accountants, police officers, fire fighters, and other dedicated professionals. The proposed budget increase for personnel services is \$4.1 million, or 8.80%. FY20 will be the first full fiscal year where the compensation changes that were adopted in FY19 will be in effect. In addition, represented employees will move through the step plan salary schedule as established by the labor agreements and a 3% merit increase pool has been budgeted for Core-General employees.

**Other Supplies, Services, and Charges:** This category of expense accounts for those expenses associated with daily operations such as goods, services, supplies, contractual expense, and many other items. Several non-discretionary line item expenses reside in this category and have increased significantly. Two examples include the bad debt expense associated with EMS fees and the expenses associated with PILOTs. As the EMS fees have increased over the past several years, the bad debt expense associated with those fees have increased too. In FY20, the bad debt expense is expected to increase \$305k. The largest increase in this category is for PILOTs. It was previously mentioned that approximately 84% of PILOTs are distributed to other taxing jurisdictions. With the additional Chapter 100 economic development projects and investment coming online this fiscal year, it is expected for the PILOTs expense to increase by \$563k. Overall the OSSC category will increase by almost \$1.8 million, or 15.05%.



#### 4. Enterprise and Internal Service Funds

Enterprise and internal service funds receive revenues from user fees and charges directly from internal and external customers. These funds are not directly supported by tax revenue, but by charges to City departments and users.

Enterprise Funds	FY19	FY20	Change from FY19 Budget	
	Budget	Proposed	\$	%
Water/Sewer Fund	\$43,191,482	\$49,796,730	\$6,605,248	15.29%
Airport Fund	\$2,223,687	\$2,396,350	\$172,663	7.76%
Solid Waste Management	\$2,551,752	\$2,327,638	-\$224,114	-8.78%
Harris Park Community Ctr	\$1,454,992	\$1,500,129	\$45,137	3.10%
<b>Total</b>	<b>\$49,421,913</b>	<b>\$56,020,847</b>	<b>\$6,598,934</b>	<b>13.35%</b>

**Water Utilities** is responsible for providing clean, safe drinking water to the City with the exception of two areas served by other water districts. The department purchases treated water from Independence and Kansas City to serve over 35,000 residential, commercial, and irrigation accounts. Similarly, the department operates and maintains facilities to collect wastewater from its customers so that it is conveyed to Little Blue Valley Sewer District for treatment. The department provides sanitary sewer service to approximately 32,500 accounts.

The **Airport** provides general management and administration of resources to operate, maintain, market, and promote the airport which operates two runways and eight taxiways, totaling 166,044 square yards of pavement, and 23 buildings.

Following the closure of the landfill, **Solid Waste** will provide oversight of the post-closure process to ensure compliance with state laws and regulations.

Internal Service Funds	FY19	FY20	Change from FY19 Budget	
	Budget	Proposed	\$	%
Central Building Services	\$1,932,320	\$2,110,750	\$178,430	9.23%
Fleet Operations	\$6,076,783	\$7,377,284	\$1,300,501	21.40%
ITS Services	\$4,819,697	\$4,171,381	-\$648,316	-13.45%
Short Term Disability Fnd	\$35,233	\$31,074	-\$4,159	-11.80%
Unemployment Trust Fund	\$49,727	\$30,792	-\$18,935	-38.08%
Claims & Damages Reserve Fund	\$940,866	\$982,000	\$41,134	4.37%
Work Comp Self Insurance	\$1,188,211	\$1,480,564	\$292,353	24.60%
<b>Total</b>	<b>\$15,042,837</b>	<b>\$16,183,845</b>	<b>\$1,141,008</b>	<b>7.59%</b>

**Information Technology Services (ITS)** provides central management of information technology resources and initiatives for the entire organization. Key projects to be led by ITS for the upcoming fiscal year include implementation of a new Enterprise Content Management system, completion of the Police Department Computer Automated Dispatch/Records Management System, and implementation of new a budgeting software and open data portal.

**Fleet Management** provides oversight and management of the City's motor vehicle and equipment fleet, including administration of the Vehicle and Equipment Replacement Program (VERP), motor pool, maintenance and repair services, acquisition and disposal of the City's fleet units. Key work done in this arena includes expanding capabilities to doing repairs in-house thereby reducing maintenance costs for the City. Additionally, fleet will provide oversight on the effort to replace the main fuel site.

**Central Building Services (CBS)** provides oversight and management of the City's facilities including administration of the Building and Equipment Replacement Program (BERP), project management,



facility maintenance services and custodial services programs, as well as maintenance and repair services for leased facilities. CBS will coordinate the following maintenance projects in FY19:

- Fire Station 6 roof replacement.
- Fire headquarters roof replacement.
- Fire headquarters roof top unit (RTU) replacement.
- Fire headquarters generator.
- Public Works-Operations replace hot water tank
- Fleet repair bay door 19 floor drain.

**5. Capital Improvement Plan**

The 2020-2024 Capital Improvement Plan (CIP) has been divided into eight major categories, plus the Public Works and Water Utilities programs.

<b>Capital Project Funds</b>	<b>FY20 Proposed</b>
Airport	\$4,901,000
Bridges, Streets, Signals	\$14,959,000
Facilities	\$0
Parks Construction	\$5,530,000
Public Works Programs	\$7,792,820
Sanitary Sewer	\$5,850,000
Stormwater	\$2,102,000
Solid Waste	\$1,677,000
Water	\$6,154,000
Water Utility Programs	\$587,000
<b>Total</b>	<b>\$49,552,820</b>

All funding sources that may be used for various capital improvements are reviewed each year. Much of the work to develop the CIP focuses on the balancing of available resources with the identified capital needs. Consideration must be given to factors such as annual revenue projections from various sources, restrictions on the uses of certain funds, legal limitations on debt capacity, and City policies relative to project funding. For budgeting purposes, the first year’s funding is included in the annual budget with the subsequent years funding added to each future annual budget respectively. In FY20, major CIP projects receiving funding include:

- Chipman Road – Bent Tree Drive to View High Drive
- Summit Waves – Wave Pool
- Sanitary Sewer – Cedar Creek Improvements (MH29-220 to MH37-001)

**6. Workforce and Expansion Requests**

Workforce, or employee counts, is described as a ratio of full-time equivalents (FTE) where one full-time employee is estimated to work 2,080 hours annually, or 2,912 hours for certain Fire Department personnel.

	Full-time Equivalents (FTE)			Change from FY19	
	FY18	FY19	FY20	Count	%
General Fund	548.10	551.98	552.93	0.95	0.17%
Parks & Recreation	111.54	109.45	139.29	29.84	27.26%
Water Utilities	62.50	62.46	64.92	2.46	3.94%
Airport	9.16	8.46	8.26	-0.20	-2.36%
Solid Waste	1.00	1.60	1.60	0.00	0.00%
CBS	8.62	8.12	8.12	0.00	0.00%
Fleet	9.12	9.12	9.12	0.00	0.00%
ITS	28.05	28.13	27.99	-0.14	-0.50%
<b>Total</b>	<b>778.09</b>	<b>779.32</b>	<b>812.23</b>	<b>32.91</b>	<b>0.29</b>

The primary goal of the budget-making process is to maintain the level of service our community currently receives. In addition to that, every year departments are asked to submit expansion requests for consideration of funding in the annual budget. An expansion request is a new expenditure that is to be made in an effort to enhance services, increase efficiency, or improve the working environment. For a growing community, it is common for these needs to be in excess of available resources. The City of Lee's Summit is in this position and must carefully consider each new request as well as the current needs of the organization.

In the FY20 budget, the City Manager and management team of the City of Lee's Summit placed a greater importance on providing wage enhancements for current employees over expanding personnel. Understanding that this is the most important priority for the organization, along with the reality that requests were much greater than the available resources, the following expansion requests will remain unfunded until we find solutions that could include one, or a combination of, the following factors:

1. Adjust current levels of service or programs to create ongoing cost savings
2. Increase and expand revenues to include modern approaches (use tax) or new revenues to fund specific services.

We will work with the Mayor and Council to find the right solutions to fund the most critical expansion needs.

Department Expansion Requests from FY19 - Pending Funding					
Fund	Department	Type	Description	FY19 Cost	Recurring Cost
General Fund	Fire	Personnel	Communications Specialist (x6)	\$343,860	\$333,330
Airport	Airport	Personnel	Line Attendant .5 FTE increase	\$15,969	\$15,639
Airport	Airport	Personnel	Line Attendant 1 FTE increase	\$23,710	\$45,271
Airport	Airport	Capital	De-icing Equipment	\$10,450	\$10,450
Airport	Airport	Capital	Improvements to Hangar 1 HVAC	\$12,373	\$0
Airport	Airport	Capital	Circulating Fan for Hangar 1	\$11,789	\$0
Airport	Airport	Capital	Hangar 1 Electronic Gate Opener	\$15,155	\$0
Airport	Airport	Capital	Window and door awnings for Hangar 1	\$10,000	\$0
<b>Total</b>				<b>\$443,306</b>	<b>\$404,690</b>
<b>Cost to General Fund</b>				<b>\$343,860</b>	<b>\$333,330</b>

**Note:** Items highlighted in blue will not be implemented until a corresponding amount of new revenue is available.

As of 04/24/19, these positions have not been implemented.

Previously Unfunded Department Expansion Requests					
Fund	Department	Type	Description	FY19 Cost	Recurring Cost
General Fund	Fire	Personnel	Battalion Chief, EMS	\$110,989	\$108,647
General Fund	Fire	Personnel	Captain of Training (2nd FTE)	\$81,036	\$76,469
General Fund	Fire	Personnel	EMS Assistant Chief	\$109,638	\$104,829
General Fund	Fire	Personnel	Captain of Prevention	\$87,552	\$85,710
General Fund	Fire	Personnel	Battalion Chief of Support Services	\$110,989	\$108,647
General Fund	ITS	Personnel	Applications Analyst	\$84,478	\$80,478
General Fund	ITS	Personnel	System Administrator	\$86,398	\$80,478
General Fund	Police	Personnel	Lead Detention Officer (reclassification)	\$7,326	\$7,326
General Fund	Police	Personnel	Police Officer (Traffic Enforcement)	\$68,453	\$60,830
General Fund	Police	Personnel	Animal Control Officer	\$58,141	\$58,141
<b>Total</b>				<b>\$614,326</b>	<b>\$590,257</b>
<b>Cost to General Fund</b>				<b>\$614,326</b>	<b>\$590,257</b>

FY20 Department Expansion Requests					
Fund	Department	Type	Description	FY20 Cost	Recurring Cost
General Fund	Admin-Cultural Arts	General	Cultural Arts programming expansion	\$25,189	\$25,189
General Fund	Development Services	Capital	Vehicle upgrade from 2-wheel to 4-wheel drive (x2)	\$6,446	\$200
General Fund	Development Services	Personnel	GIS Technician	\$72,125	\$70,525
General Fund	Development Services	Personnel	Data Analyst	\$73,490	\$71,540
General Fund	Finance	Personnel	Procurement Contract Compliance Officer	\$84,466	\$84,466
General Fund	Fire	Capital	AeroClave (x2)	\$29,000	\$0
General Fund	Fire	Capital	Lucas devices (x5)	\$76,250	\$9,725
General Fund	Fire	Capital	National Fire Operations Reporting System (NFORS)	\$5,000	\$8,000
General Fund	Fire	Capital	Rescue 3 apparatus, equipment, and supplies	\$437,884	\$56,260
General Fund	Fire	Capital	Staff cars (x3)	\$78,000	\$6,543
General Fund	Fire	Capital	Training and burn props	\$1,000,000	\$0
General Fund	Fire	Personnel	Deputy Chief	\$133,988	\$131,146
General Fund	Fire	Personnel	Firefighter Paramedic (x9)	\$633,772	\$603,109
General Fund	ITS	Capital	WhatsUp Gold license expansion	\$15,375	\$0
General Fund	ITS	Capital	Backup uninterruptible power supply (UPS)	\$7,262	\$0
General Fund	Police	Capital	Crime Scene Van	\$10,500	-\$3,100
General Fund	Police	Personnel	Shelter Attendant-Animal Control	\$56,419	\$56,419
General Fund	Police	Personnel	CIU Detective (x2)	\$138,740	\$123,939
General Fund	Police	Personnel	Communication Specialist (x2)	\$128,050	\$128,050
General Fund	PW Engineering	Personnel	Right-of-Way Coordinator (reclassification)	\$6,997	\$6,997
General Fund	PW Operations	Capital	F-150 Truck	\$25,000	\$1,816
General Fund	PW Operations	Capital	Envirosight Quickview Camera	\$20,000	\$0
General Fund	PW Operations	Personnel	Assistant Manager of PW Operations (reclassification)	\$37,681	\$37,681
General Fund	PW Operations	Personnel	PWO Contract Manager (reclassification)	\$0	\$0
Water/ Sewer Fund	Water Utilities	Capital	Meter Test Bench	\$84,372	\$0
Water/ Sewer Fund	Water Utilities	Capital	Ford F-150 Work Truck	\$24,000	\$3,444
Water/ Sewer Fund	Water Utilities	Personnel	Senior Staff Engineer	\$114,243	\$111,543
Water/ Sewer Fund	Water Utilities	Personnel	Inventory Maintenance Technician	\$60,990	\$59,140
<b>Total</b>				<b>\$3,385,239</b>	<b>\$1,592,632</b>
<b>Cost to General Fund</b>				<b>\$3,101,634</b>	<b>\$1,418,505</b>

## 7. Summary

Lee's Summit is an awarding winning, vibrant community that continues to grow and develop. As an organization, we must continually change and make improvements to ensure that our citizens receive the level of service that they come to expect, while balancing the unique challenges presented by growth. We are confident that the proposed budget balances those challenges and provides the expected level of service in a fiscally responsible manner. The key message in this report is the need to look beyond the one-year increment provided by the budget approval process. We need to consider

how to support and grow our municipal services to match our community's expectations. We also need to create new revenue capacity to fulfill the strategic vision set forth by our City Council and community.

In closing, I want to express my appreciation to the Finance and Budget Committee; the City's Management Team; Nick Edwards, Assistant City Manager; Bette Wordelman, Finance Director; and Chris Clubine, Management Analyst for their important work in preparing this budget for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Arbo". The signature is fluid and cursive, with the first name being more prominent.

Stephen Arbo  
City Manager