

City of Lee's Summit
Fiscal Year 2022
City Manager's Proposed Budget
(July 01, 2021 – June 30, 2022)



Updated 21 Jun 21

Explanation of Funds

- **General Fund** – Provides funds for departments that don't have a dedicated revenue stream
- **Special Revenue Funds** – Used to account for revenues and expenses that have special legal or regulatory provisions (ex: TIF & CID funds)
- **Debt Service Funds** – Records financial transactions specifically tied to the issuing and repayment of debt (2 funds: GO Debt & Parks Debt)
- **CIP Funds** – Source of funding for capital projects that have revenues from additional sales and property tax levies
- **Enterprise Funds** – Expenses are funded from service and consumption charges instead of taxes (ex: Water Utilities, Airport)
- **Internal Service Funds** – Funding is received from all departments for services (ex: ITS, Fleet, CBS)



**SERVICE
EXCELLENCE**

aim high & deliver.

We are committed to
quality in all we do.

INTEGRITY

do the right thing.

We are
transparent, ethical
and accountable in
our actions.

be responsible.

We are innovative
and use our resources
wisely.

STEWARDSHIP

General Fund



FY22 Budget Development

Management Team Drafted Four Versions
of the FY22 General Fund Budget



Expansion Needs

Deputy Chief - Administration
Deputy Chief - Operations
Assistant Fire Chief
Communications Supervisor
Communications Specialists
Firefighter Paramedics
Search Boat
LiferPak 15
Lexipol System
Havis Devices Vehicles
Assistant Fire Chief
Engineers
Staff Car
TacMedic Radios
CAD Replacement or Upgrade
ePCR Implementation

Sculpture Walk Growth
Review/Analyze HRIS in Lawson
Retirement Plan Broker
Compensation Analysis Software
Police Administration Supervisor
Communications Call Takers
Sergeant-Prof Dev & Wellness
CRT Officer
Neighborhood Services Officer
Cityworks Permits & Licenses
CIP Inspections Manager
Staff Engineer
F-150 Upgrade for Snow Response
Mini Excavator
Vacuum Excavator
Video Inspection System

Online RUSA System for Small
Wireless Facilities
GIS Public Asset Program
GIS Sign Inventory
Systems Administrator
Application Analyst
Unitrends Backup Appliance
MicroSoft Office Pro Licenses (5)
Endpoint Detection and Response
Graduate Fellow
Granicus Encoder upgrade
Budget Manager

\$4.2M



Funded Expansion Needs

Fire

Deputy Fire Chief – Administration
Deputy Fire Chief – Operations
Assistant Fire Chief*
Communications Supervisor
4 Communications Specialists
6 Firefighter Paramedics

Police

Sergeant—Prof Dev & Wellness
Police Administration Supervisor*
4 Communications Call Takers

Public Works

CIP Inspections Manager
Staff Engineer
F-150 Upgrade for Snow Ops

IT

Applications Analyst
System Administrator

Finance

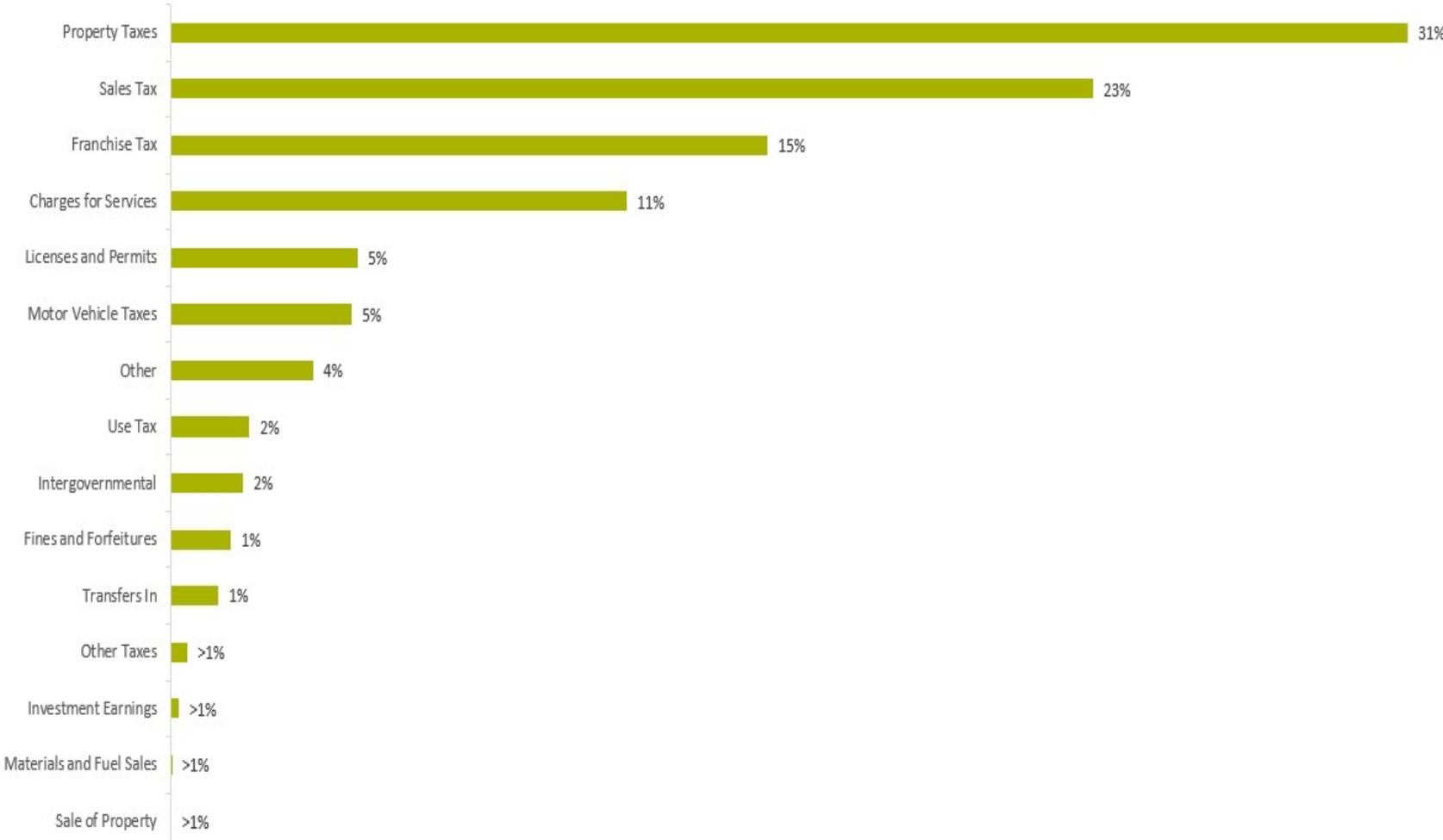
Budget Manager*

\$1.1 M

*reclassification of existing position(s)



FY22 General Fund Revenues Overview



FY22 General Fund Revenues

Revenues	2019 Actuals	2020 Actuals	2021 Budget	2021 Mid-FY Proj	2022 Forecast
Property Taxes	20,552,989	20,563,385	21,076,390	21,875,939	24,691,579
Sales Tax	17,328,879	17,344,063	15,475,569	17,777,860	18,406,383
Use Tax				472,267	1,560,398
Franchise Tax	12,525,332	12,437,755	11,770,257	11,834,559	11,910,181
Motor Vehicle Taxes	3,653,245	3,588,745	3,408,925	3,649,444	3,598,415
Other Taxes	291,208	353,946	269,410	292,707	314,209
Fines and Forfeitures	1,171,956	782,983	1,043,397	979,855	1,189,141
Licenses and Permits	2,605,210	3,652,593	2,825,126	3,426,501	3,715,760
Intergovernmental	1,157,233	1,301,777	1,457,795	1,457,795	1,431,202
Charges for Services	9,093,423	9,121,941	9,528,761	9,062,386	9,092,539
Materials and Fuel Sales	2,842	3,691	3,945	3,945	3,500
Investment Earnings	727,475	774,051	111,304	120,388	150,000
Other	1,635,911	3,261,411	2,481,942	2,498,631	2,826,318
Sale of Property	2,970,703	0	0	137,000	0
Transfers In	742,110	862,311	870,113	870,113	940,250
Total	74,458,516	74,048,653	70,322,934	74,459,390	79,829,875



Property Tax

	2019	2020	2021	2021	2022	Change from FY20 Actuals		Change from FY21 Proj	
	Actuals	Actuals	Budget	MidFY Proj	Budget	\$	%	\$	%
Property Taxes- Jackson	17,284,775	17,370,788	17,730,059	18,431,149	20,854,780	3,483,992	20.06%	2,423,631	13.15%
Property Taxes Cass	516,191	506,197	508,034	560,139	596,938	90,741	17.93%	36,799	6.57%
RR Tax - Jackson	409,841	350,306	382,344	382,344	438,812	88,506	25.27%	56,468	14.77%
RR Tax - Cass	9,188	7,365	7,365	8,472	9,471	2,106	28.59%	999	11.79%
Replacement Tax	2,015,598	2,160,910	1,916,115	1,916,155	2,156,404	-4,506	-0.21%	240,249	12.54%
Payment in Lieu of Taxes (PILOTS)	317,396	167,819	532,473	577,720	635,174	467,355	278.49%	57,454	9.94%
Total	20,552,989	20,563,385	21,076,390	21,875,979	24,691,579	4,128,194	20.08%	2,815,600	12.87%

Considerations:

- Property Taxes based on preliminary assessed valuation adjusted for collection
- RR Tax based on preliminary assessed valuation
- Replacement Tax based on prior year actual collections
- PILOTS represent only the portion retained by the City
- Includes approximately \$2.3M attributable to the debt levy reallocation



Sales Tax

	2019	2020	2021	2021	2022	Change from FY20 Actuals		Change from FY21 Proj	
	Actuals	Actuals	Budget	MidFY Proj	Budget	\$	%	\$	%
Local Sales Tax	17,786,028	17,610,335.86	15,932,362	18,100,317	18,767,865	1,157,529	6.57%	667,548	3.69%
Local Sales Tax-EATs	-704,507	-510,899.77	-564,205	-429,869	-361,482	149,418	-29.25%	68,387	-15.91%
CID Sales Tax	48,948	29,805.65	0	0	0	-29,806	-100.00%	0	0.00%
Sales Tax-Cass Co prior period	198,410	214,821.24	107,412	107,412	0	-214,821	-100.00%	-107,412	-100.00%
Total	17,328,879	17,344,063	15,475,569	17,777,860	18,406,383	1,062,320	6.12%	628,523	3.54%

Considerations:

- City recieved the last prior period remittance payment from Cass Co in December 2020
- FY21 is tracking-up to end at over 3.5% above prior year
- FY22 Forecast is 2% above current FY21 Projection



Use Tax

Month	Actual 2021
July	0
Aug	0
Sept	0
Oct	0
Nov	0
Dec	83,167
Jan	150,668
Feb	274,272
Mar	337,296
Apr	257,882
May	?
June	?
Total	1,103,286

Considerations:

- FY21 Cumulative Budget was \$817,517
- Could End Year with \$1.5M in revenue
- Estimating Around \$1.6 for FY22



Franchise Taxes

	2019	2020	2021	2021	2022	Change from FY20 Actuals		Change from FY21 Proj	
	Actuals	Actual	Budget	MidFY Proj	Budget	\$	%	\$	%
Natural Gas	2,394,693	2,102,643	2,059,083	2,067,069	2,232,303	129,660	6.17%	165,234	7.99%
Telephone	1,950,523	1,625,884	1,387,119	1,484,796	1,240,753	-385,131	-23.69%	-244,043	-16.44%
Electric	6,957,592	7,333,016	7,062,347	7,081,985	7,193,123	-139,893	-1.91%	111,138	1.57%
Cable TV	1,222,524	1,376,213	1,261,708	1,200,709	1,244,002	-132,211	-9.61%	43,293	3.61%
Total	12,525,332	12,437,755	11,770,257	11,834,559	11,910,181	-527,575	-4.24%	75,622	0.64%

Considerations:

- Natural Gas is a blended, 3-year average baseline
- Telephone continues 3 year average 15% decrease
- Electric is a blended, 3-year average baseline
- Cable is forecast to be flat to end of year FY21 projection



FY22 General Fund Revenues

Revenues	2019 Actuals	2020 Actuals	2021 Budget	2021 Mid-FY Proj	2022 Forecast
Property Taxes	20,552,989	20,563,385	21,076,390	21,875,939	24,691,579
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Other	1,635,911	3,261,411	2,481,942	2,498,631	2,826,318
Sale of Property	2,970,703	0	0	137,000	0
Transfers In	742,110	862,311	870,113	870,113	940,250
Total	74,458,516	74,048,653	70,322,934	74,459,390	79,829,875



General Fund Expenditures by Type

	2019	2020	2021	2021	2022	Change from FY20 Actuals		Change from FY21 Budget	
	Actuals	Actuals	Budget	MidFY Proj	Budget	\$	%	\$	%
Personal Services	47,919,050	51,141,606	52,843,228	51,876,157	55,285,727	4,144,121	8.10%	2,442,500	4.62%
Supplies for Resale	200,894	254,422	255,500	255,500	290,500	36,078	14.18%	35,000	13.70%
Other Supplies, Services, and Charges	7,855,069	9,681,268	7,145,310	6,578,690	6,961,308	-2,719,960	-28.10%	-184,003	-2.58%
Repairs and Maintenance	1,476,008	1,997,890	1,735,030	1,758,502	2,020,597	22,707	1.14%	285,567	16.46%
Utilities	1,730,369	1,741,106	1,905,430	1,831,240	1,834,260	93,154	5.35%	-71,170	-3.74%
Fuel and Lubricants	486,956	377,245	493,262	394,749	463,658	86,413	22.91%	-29,604	-6.00%
Miscellaneous	26,034	310,852	405,430	405,662	401,400	90,548	29.13%	-4,030	-0.99%
Construction/Capital Assets	103,783	-4,493	0	0	0	4,493			
Interdepartment Charges	6,256,768	7,242,055	7,045,434	7,036,805	7,338,366	96,311	1.33%	292,933	4.16%
Transfers Out	1,517,278	4,196,569	380,210	380,210	802,480	-3,394,089	-80.88%	422,270	111.06%
Receivables Adjustments	3,746,443	4,332,664	3,940,000	4,500,000	4,900,000	567,336	13.09%	960,000	24.37%
Total	71,318,651	81,271,183	76,148,833	75,017,514	80,298,295	-972,888	-1.20%	4,149,462	5.45%

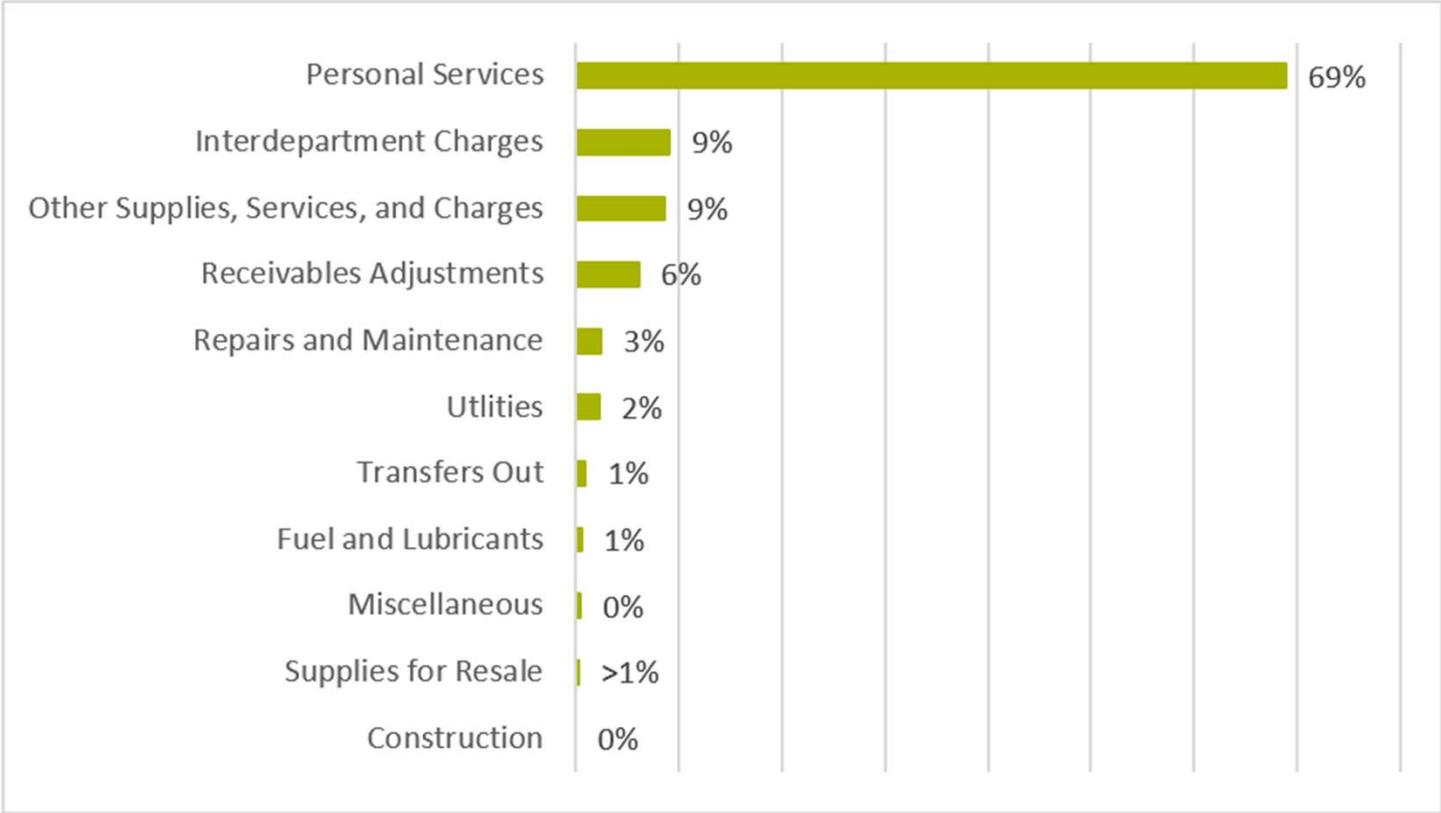


General Fund Expenses by Department

Expenditures	2019	2020	2021	2021	2022	Change from FY20 Actuals		Change from FY21 Budget	
	Actuals	Actuals	Budget	MidFY Proj	Request	\$	%	\$	%
Administration	4,456,991	3,695,001	3,522,887	3,502,710	3,882,011	187,010	5.06%	359,124	10.19%
Public Works--Engineering	5,527,222	5,852,931	6,275,757	6,134,859	6,834,235	981,304	16.77%	558,478	8.90%
Law Enforcement	21,167,105	22,308,733	23,043,832	21,984,287	23,335,585	1,026,852	4.60%	291,753	1.27%
Fire/EMS Services	18,865,352	21,551,372	20,781,662	20,553,761	21,829,049	277,677	1.29%	1,047,387	5.04%
Finance	10,670,365	12,524,559	10,261,893	10,738,411	11,531,890	-992,669	-7.93%	1,269,997	12.38%
Legal Services	1,437,623	1,596,630	1,665,081	1,653,195	1,932,870	336,240	21.06%	267,789	16.08%
Municipal Court	905,018	968,432	971,756	937,982	1,022,615	54,183	5.59%	50,859	5.23%
Public Works Operations	4,906,874	5,695,843	5,158,485	5,074,136	5,644,569	-51,274	-0.01	486,084	9.42%
Development Services	3,382,102	4,024,681	4,467,480	4,438,173	4,285,471	260,790	6.48%	-182,009	-4.07%
Total	71,318,651	81,271,182	76,148,833	75,017,514	80,298,295	-972,887	-1.20%	4,149,462	5.45%



FY22 General Fund Expenditure Overview



Personal Services



Personal Services: Wage Increases, Step Advancement, & Promotions

Non-Represented:

- 3% Merit Increase at Beginning of Fiscal Year
- Estimated General Fund Impact= \$526,942.56

FOP:

- Biennial Step Advancement on Job Anniversary Date
 - Estimated General Fund Impact= \$93,591.39

IAFF:

- Annual Step Advancement on Job Anniversary Date
 - Estimated General Fund Impact= \$64,899.15

IAM:

- Annual Step Advancement at Beginning of Fiscal Year
 - Estimated General Fund Impact= \$17,777.03

- There are also certain FOP, IAFF, and IAM positions that shall be eligible for automatic promotion once specific requirements of the position are met (i.e. experience, certifications, training, etc.). The expenses associated with those promotions are NOT included into the above estimated impacts.
- Median Annual Base Wage as of April 22, 2021 = \$57,008.02



Personal Services: Blended Insurance Rate

FY21 Blended Insurance Rate: \$13,800

FY22 Blended Insurance Rate: \$14,940

Reasons for Blended Insurance Rate Increase used for Budget:

- 8% increase for health & 3% increase for dental in CY 2022

General Fund Budget Impact: \$8,357,380

FY22 Blended Rate Benefit	
Month	Blended Rate
July (2021)	\$1,199
August	\$1,199
September	\$1,199
October	\$1,199
November	\$1,199
December	\$1,199
January (2022)	\$1,291
February	\$1,291
March	\$1,291
April	\$1,291
May	\$1,291
June	\$1,291
Total	\$14,940

Medical Insurance Increase – Impact to Employee

Employee Contribution (Monthly): Current			
	Individual	Individual + Spouse or Child	Family
Cigna Buy Up PPO Plan (\$0 Deductible)	\$173.87	\$633.72	\$735.58
Cigna Base PPO Plan (\$500 Deductible)	\$79.90	\$439.67	\$510.40
Cigna HDHP with HSA Plan	\$20.10	\$307.44	\$356.84

Employee Contribution (Monthly): + 8% Increase			
	Individual	Individual + Spouse or Child	Family
Cigna Buy Up PPO Plan (\$0 Deductible)	\$187.78	\$684.42	\$794.43
Cigna Base PPO Plan (\$500 Deductible)	\$86.29	\$474.84	\$551.23
Cigna HDHP with HSA Plan	\$21.71	\$332.04	\$385.39

Average Monthly Contribution: \$361.95

Average Monthly Contribution: \$390.90

The average monthly contribution for medical insurance will increase by \$28.95.

Full-time employees (2080 hours per year) making a wage of at least \$10 per hour would have the average monthly contribution increase for medical insurance (\$28.95) covered by the 3% increase.

$\$10 \times 3\% \text{ increase} = \$0.30 \text{ increase per hour} \times 2080 \text{ hours} = \$624 \text{ annual wage increase} \div 12 \text{ months} = \underline{\$52.00}$

All benefits eligible, full-time employees have an hourly wage of greater than \$10.



Personal Services: LAGERS Cost

LAGERS Type	FY21 Budget	FY22 Budget	% Change Increase
General	10.60%	11.60%	1.00%
Police	13.80%	14.80%	1.00%
Fire	12.30%	13.30%	1.00%

FY21 General Fund Budget–LAGERS: \$4,127,331

FY22 General Fund Budget–LAGERS: \$4,653,208*

Difference/ Increase to General Fund: \$528,877



Revenues & Expenditures

Revenues	2022 Forecast
Property Taxes	24,691,579
Sales Tax	18,406,383
Use Tax	1,560,398
Franchise Tax	11,910,181
Motor Vehicle Taxes	3,598,415
Other Taxes	314,209
Fines and Forfeitures	1,189,141
Licenses and Permits	3,715,760
Intergovernmental	1,431,202
Charges for Services	9,092,539
Materials and Fuel Sales	3,500
Investment Earnings	150,000
Other	2,826,318
Sale of Property	0
Transfers In	940,250
<i>Use of General Fund Reserves for One Time Costs</i>	<i>512,046</i>
Total	80,341,921

Expenditures	2022 Budget
Personal Services	55,285,727
Supplies for Resale	290,500
Other Supplies, Services, and Charges	6,961,308
Repairs and Maintenance	2,020,597
Utilities	1,834,260
Fuel and Lubricants	463,658
Miscellaneous	401,400
Construction/Capital Assets	0
Interdepartment Charges	7,338,366
Transfers Out	802,480
Receivables Adjustments	4,900,000
Total	80,298,295

Considerations:

Funding of one-time expenditures (non-ongoing operating costs) from reserve balance. Some items include:

- Vehicles & equipment for positions in Fire, Police, IT, & Public Works
- Snow Fighting Equipment
- Building upgrades and repairs to Fire Station 1
- Municipal Election expenses



Other Funds



Special Revenue Funds

Special Revenue Funds	FY20 Budget	FY21 Budget	FY22 Proposed
Parks and Recreation Fund	\$3,615,724	\$3,406,344	\$3,740,252
Gamber Center	\$425,730	\$399,100	\$350,195
Lovell CC at Legacy Park	\$2,085,352	\$1,860,716	\$1,634,772
Summit Waves	\$689,414	\$764,531	\$844,633
Cemetery Trust Fund	\$204,873	\$191,522	\$179,826
Longview Community Center	\$1,362,821	\$1,257,015	\$1,026,494
Business and Industry Fund	\$631,544	\$323,583	\$446,811
Entitlement Fund	\$406,232	\$393,451	\$518,376
VAWA Grant Fund	\$150,000	\$150,000	\$200,000
Post Closure	\$303,120	\$508,681	\$415,373
PSERP	\$782,850	\$187,628	\$224,316
CARES	-	-	\$1,500,000
Total	\$10,657,660	\$9,442,571	\$11,081,048



Capital Project Funds

Capital Project Funds	FY20 Budget	FY21 Budget	FY22 Proposed
Water Tap Fund	\$2,534,147	\$1,609,318	\$1,650,000
Sewer Tap Fund	\$700,000	\$0	\$0
Water Construction	\$5,074,000	\$7,852,000	\$8,958,000
Sewer Construction Fund	\$5,345,000	\$7,522,000	\$6,050,000
WU Equipment Replacement	\$874,000	\$1,757,000	\$1,617,000
Airport Construction	\$4,901,000	\$2,983,000	\$2,572,000
Capital Imprvmt Sales Tax	\$15,578,000	\$12,673,000	\$22,263,000
R&B Excise Tax	\$1,200,000	\$1,477,000	\$2,100,000
Road & Bridge Improvement	\$8,140,616	\$9,825,000	\$7,861,000
Park Development Fund	\$5,530,000	\$378,500	\$457,500
TIF Application Fund	\$96,429	\$250,000	\$250,000
Road Improvements 2013	\$216,820	\$0	\$0
Public Safety Improvements 2020	\$0	\$9,055,000	\$500,700
Public Safety Bonds 2020 B	\$0	\$7,000,000	\$4,500,000
Total	\$50,190,012	\$62,381,818	\$58,779,200



Debt Service Funds

Debt Service Funds	FY20 Budget	FY21 Budget	FY22 Proposed
General Obligation Debt	\$8,305,275	\$10,266,598	\$11,357,148
Park COP Debt	\$4,495,000	\$3,657,500	\$4,375,000
Total	\$12,800,275	\$13,924,098	\$15,732,148



Enterprise Funds

Enterprise Funds	FY20 Budget	FY21 Budget	FY22 Proposed
Water/Sewer Fund	\$50,080,335	\$47,773,890	\$50,050,931
Airport Fund	\$2,892,256	\$2,956,827	\$3,338,371
Solid Waste Management	\$4,040,332	\$180,362	\$21,656
Harris Park Community Ctr	\$1,638,875	\$1,253,453	\$1,429,862
Total	\$58,651,798	\$52,164,532	\$54,840,820



Internal Service Funds

Internal Service Funds	FY20 Budget	FY21 Budget	FY22 Proposed
Central Building Services	\$2,110,750	\$1,391,007	1,811,716
Fleet Operations	\$7,988,676	\$4,561,712	7,350,470
ITS Services	\$5,190,953	\$4,940,872	4,711,614
Short Term Disability	\$31,074	\$20,393	21,308
Unemployment Trust	\$30,792	\$32,630	40,000
Claims & Damages Reserve	\$982,000	\$1,005,874	1,005,874
Work Comp Self Insurance	\$1,480,564	\$1,008,423	867,960
Health Insurance Reserve	\$0	\$18,159	18,159
Total	\$17,814,809	\$12,979,070	\$15,827,101



Total Budget—All Funds

	Total Proposed Budget		
	FY20	FY21	FY22
	Budget	Budget	Proposed
General Fund	\$78,514,897	\$75,898,833	\$80,298,295
Special Revenue Funds	\$18,653,341	\$17,022,977	\$11,081,048
Capital Project Funds	\$50,190,012	\$62,381,818	\$58,779,200
Debt Service Funds	\$12,800,275	\$13,924,098	\$15,732,148
Enterprise Funds	\$58,651,798	\$52,164,532	\$54,840,820
Internal Service Funds	\$17,814,809	\$12,979,070	\$15,827,101
Total Proposed Expenditures	\$236,625,132	\$234,371,328	\$236,558,612



Recommendations from FBC

1. A motion was made by Councilmember Felker, seconded by Councilmember Forte, to recommend to City Council an amendment to the City Manager's proposed budget to include a dedication of funds for a 2022 Independence Day celebration for no less than \$50,000 with encouragement to find additional funding, to include sponsorships, to increase that event budget. The motion carried by a unanimous 4-0 vote. (5-24 FBC)
2. A motion was made by Vice Chair Lopez, seconded by Councilmember Forte, to recommend to City Council an amendment to the City Manager's proposed budget to reflect a percentage merit pay increase to non-represented employees of 2% instead of the 3% in the proposed budget. The motion carried by a unanimous 4-0 vote. (5-24 FBC)
3. A motion was made by Councilmember Forte, seconded by Councilmember Felker, to recommend to City Council the removal of the Budget Manager from the City Manager's proposed budget. The motion carried by the following vote: Aye-Vice Chair Lopez, Councilmember Felker, Councilmember Forte Nay-Chairperson Johnson. (5-24 FBC)
4. A motion was made by Councilmember Forte, seconded by Vice Chair Lopez, to recommend to City Council for approval of Development Services Personnel Expansion Requests, during the Budget Process. The motion carried by a unanimous 4-0 vote (6-14 FBC)



