

City of Lee's Summit

Fiscal Year 2022

General Fund Proposed Budget

(July 01, 2021 – June 30, 2022)



Updated 4-30-21

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)



Budget Calendar

May 2021	
May 3, 2021 2:00 PM	Special Finance & Budget Committee Meeting Agenda: Committee Review and Discussion of FY22 Budget
May 10, 2021 2:00 PM	Regular Finance & Budget Committee Meeting Agenda: Continued Committee Review and Discussion of FY22 Budget
May 17, 2021 10:00 AM	Special Finance & Budget Committee Meeting Agenda: Continued Committee Review and Discussion of FY22 Budget
May 18, 2020	Submit Notice of Public Hearing information (must be published by May 25)
June 2021	
June 8, 2021 6:00 PM	City Council Meeting: Public Hearing; First Reading of FY22 Budget Ordinance
June 14, 2021 2:00 PM	Regular Finance & Budget Committee Meeting
June 15, 2021 6:00 PM	City Council Meeting: Second Reading of FY22 Budget Ordinance



**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



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
Firefighter Paramedics
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
Training Sergeant
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
Graduation Fellow
Granicus Encoder upgrade
Budget Manager

\$4.2M



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
Firefighter Paramedics
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
Training Sergeant
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
Graduation Fellow
Granicus Encoder upgrade
Budget Manager



Targeted/Funded Expansion Needs

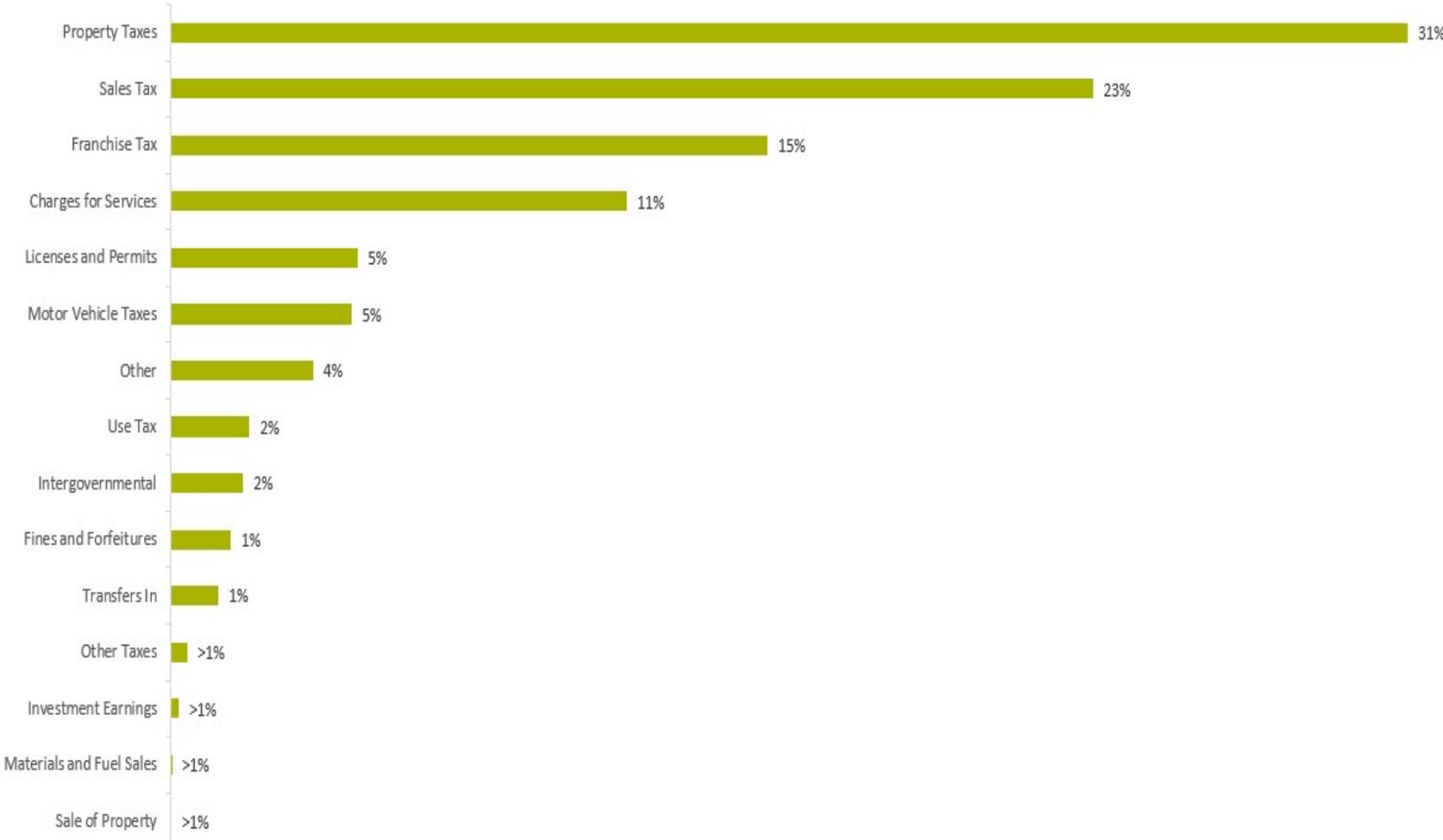
Deputy Fire Chief - Administration
Deputy Fire Chief - Operations
Assistant Fire Chief
Communications Supervisor
Communications Specialists
Firefighter Paramedics
Police Administration Supervisor
Communications Call Takers
CIP Inspections Manager

Staff Engineer
F-150 Upgrade for Snow Response
Applications Analyst
System Administrator
Budget Manager

\$1.25 net/\$980K



FY22 General Fund Revenues Overview



FY22 General Fund Revenues

	2019	2020	2021	2021	2022	Change from FY20 Actuals		Change from FY21 Proj	
	Actuals	Actuals	Budget	Mid-FY Proj	Budget	\$	%	\$	%
Property Taxes*	20,552,989	20,563,385	21,076,390	21,875,939	24,681,876	4,118,491	20.03%	2,805,937	12.83%
Sales Tax	17,328,879	17,344,063	15,475,569	17,777,860	18,406,383	1,062,320	6.12%	628,523	3.54%
Use Tax				472,267	1,560,398	1,560,398		1,088,131	230.41%
Franchise Tax	12,525,332	12,437,755	11,770,257	11,834,559	11,910,181	-527,574	-4.24%	75,622	0.64%
Motor Vehicle Taxes	3,653,245	3,588,745	3,408,925	3,649,444	3,598,415	9,670	0.27%	-51,029	-1.40%
Other Taxes	291,208	353,946	269,410	292,707	314,209	-39,737	-11.23%	21,502	7.35%
Fines and Forfeitures	1,171,956	782,983	1,043,397	979,855	1,189,141	406,158	51.87%	209,286	21.36%
Licenses and Permits	2,605,210	3,652,593	2,825,126	3,426,501	3,715,760	63,167	1.73%	289,259	8.44%
Intergovernmental	1,157,233	1,301,777	1,457,795	1,457,795	1,431,202	129,425	9.94%	-26,593	-1.82%
Charges for Services	9,093,423	9,121,941	9,528,761	9,062,386	9,092,539	-29,402	-0.32%	30,153	0.33%
Materials and Fuel Sales	2,842	3,691	3,945	3,945	3,500	-191	-5.17%	-445	-11.28%
Investment Earnings	727,475	774,051	111,304	120,388	150,000	-624,051	-80.62%	29,612	24.60%
Other	1,635,911	3,261,411	2,481,942	2,498,631	2,826,318	-435,093	-13.34%	327,687	13.11%
Sale of Property	2,970,703	0	0	137,000	0	0	0.00%	-137,000	na
Transfers In	742,110	862,311	870,113	870,113	940,250	77,939	9.04%	70,137	8.06%
Total	74,458,516	74,048,653	70,322,934	74,459,390	79,820,172	5,771,519	7.79%	5,360,782	7.20%



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

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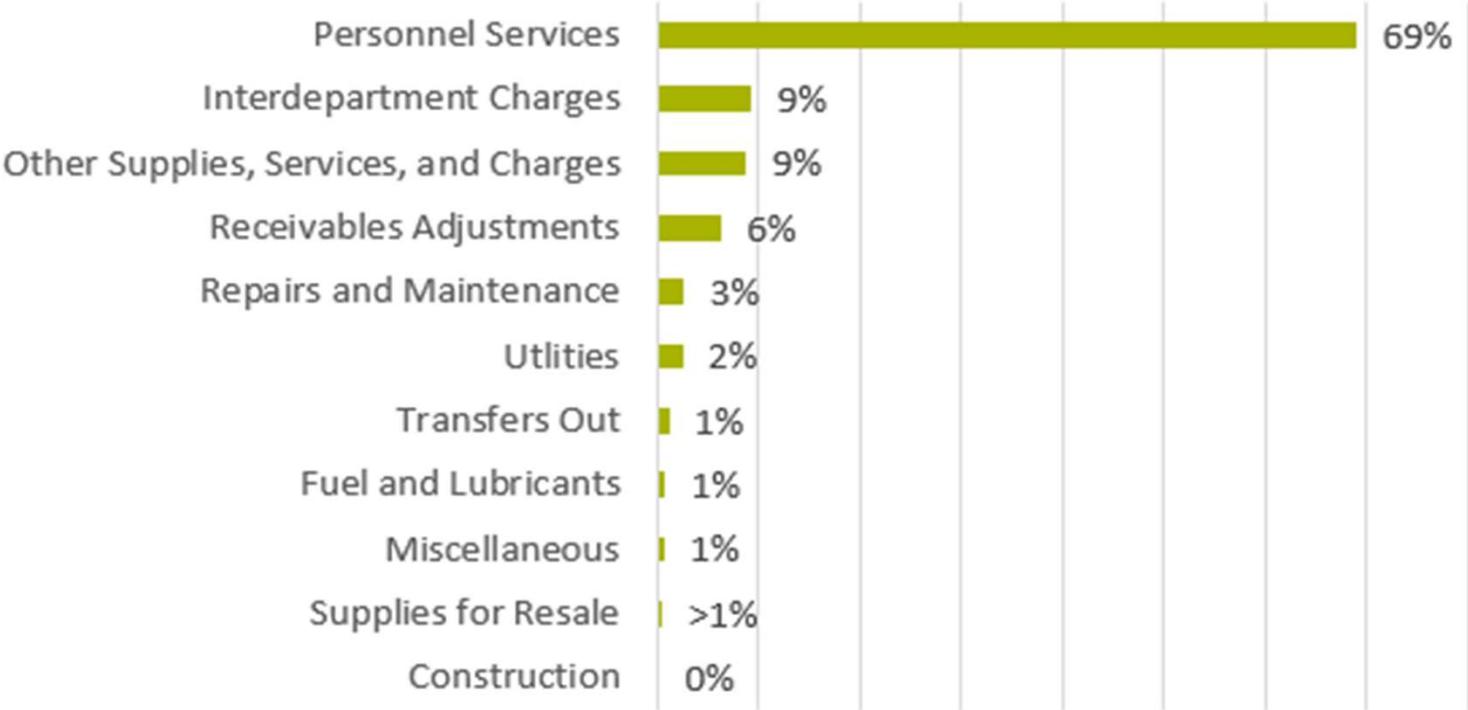


General Fund Expenditures

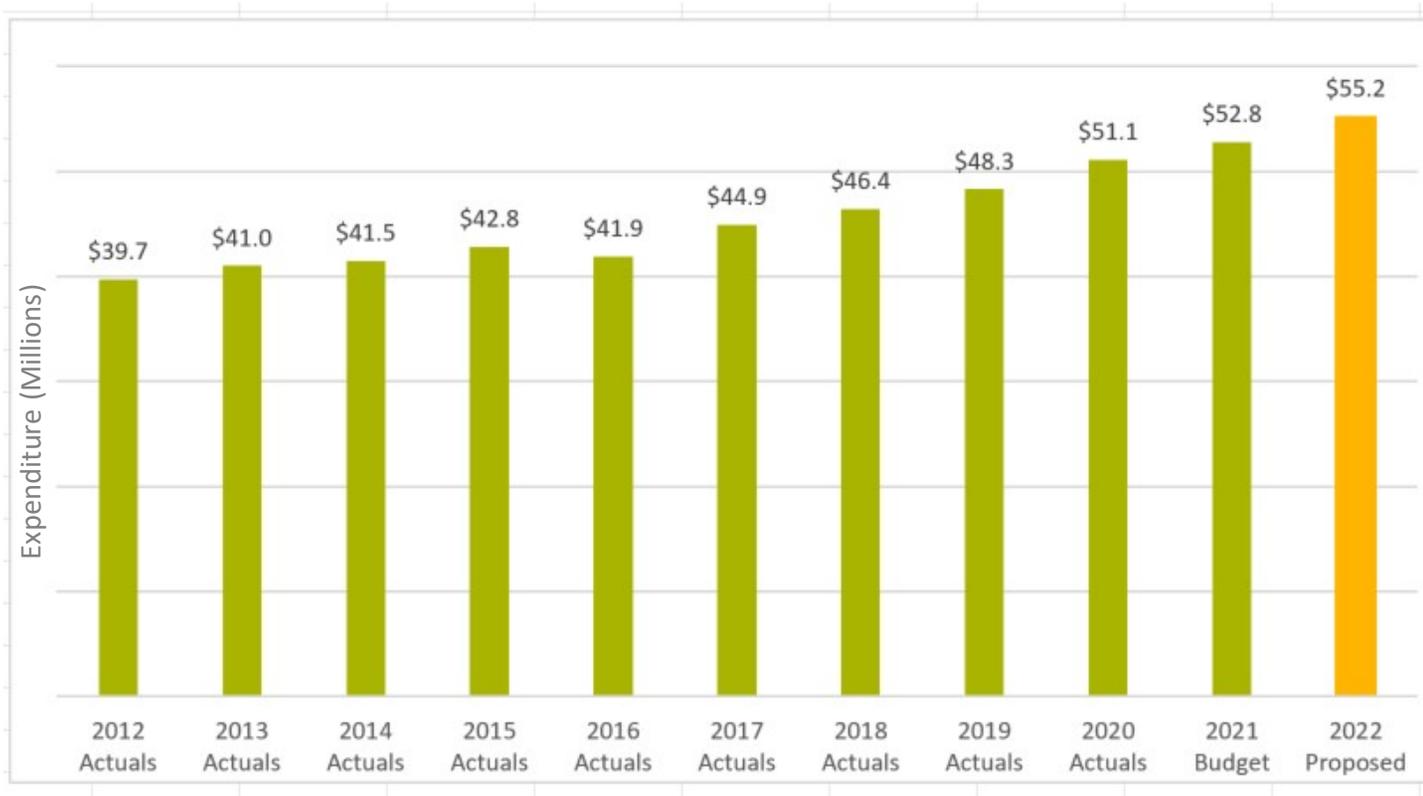
	2020	2021	2022	Change from FY20 Actuals		Change from FY21 Budget	
	Actuals	Budget	Budget	\$	%	\$	%
Personnel Services	51,141,606	52,843,228	55,232,932	4,091,326	8.00%	2,389,705	4.52%
Supplies for Resale	254,422	255,500	290,500	36,078	14.18%	35,000	13.70%
Other Supplies, Services, and Charges	9,681,268	7,145,310	6,944,647	-2,736,621	-28.27%	-200,664	-2.81%
Repairs and Maintenance	1,997,890	1,735,030	2,020,597	22,707	1.14%	285,567	16.46%
Utilities	1,741,106	1,905,430	1,834,260	93,154	5.35%	-71,170	-3.74%
Fuel and Lubricants	377,245	493,262	498,658	121,413	32.18%	5,396	1.09%
Miscellaneous	310,852	405,430	401,400	90,548	29.13%	-4,030	-0.99%
Construction	-4,493	0	0	4,493			
Interdepartment Charges	7,242,055	7,045,434	7,338,061	96,006	1.33%	292,628	4.15%
Transfers Out	4,196,569	380,210	766,070	-3,430,499	-81.75%	385,860	101.49%
Receivables Adjustments	4,332,664	3,940,000	4,900,000	567,336	13.09%	960,000	24.37%
Total	81,271,183	76,148,833	80,227,124	-1,044,059	-1.28%	4,078,291	5.36%



FY22 General Fund Expenditure Overview



Personnel Services



Personnel 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 (based on 622 active employees) = \$57,008.02



Personnel 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*

*Includes proposed General Fund personnel expansions

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

City Insurance Costs				
	Medical	Vision	Dental	Total
Total Costs	\$8,712,504	\$78,996	\$456,364	\$9,247,864
Employee enrollment	642	655	658	
Annual Blended Cost/ employee	\$13,571	\$121	\$694	\$14,385
CY21 Monthly Blended Cost/ employee	\$1,131	\$10	\$58	\$1,199
Estimated rate increase for CY22	8%	0%	3%	
CY22 Monthly Blended Cost/ employee	\$1,221	\$10	\$60	\$1,291

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 2% increase.

\$10 x 3% increase = \$0.30 increase per hour x 2080 hours = \$624 annual wage increase ÷ 12 months = \$52.00

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



Personnel Services: LAGERS Rates

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

*Includes proposed General Fund personnel expansions



Funded Expansion Needs

Deputy Fire Chief - Administration
Deputy Fire Chief - Operations
Assistant Fire Chief
Communications Supervisor
Communications Specialists
Firefighter Paramedics
Police Administration Supervisor
Communications Call Takers
CIP Inspections Manager

Staff Engineer
F-150 Upgrade for Snow Response
Applications Analyst
System Administrator
Budget Manager

\$980K



General Fund Expenses by Department

Expenditures	2020	2021	2022	Change from FY20 Actuals		Change from FY21 Budget	
	Actuals	Budget	Request	\$	%	\$	%
Administration	3,695,001	3,522,887	3,882,011	187,010	5.06%	359,124	10.19%
Public Works--Engineering	5,852,931	6,275,757	6,834,235	981,304	16.77%	558,478	8.90%
Law Enforcement	22,308,733	23,043,832	23,264,414	955,681	4.28%	220,582	0.96%
Fire/EMS Services	21,551,372	20,781,662	21,829,049	277,677	1.29%	1,047,387	5.04%
Finance	12,524,559	10,261,893	11,531,890	-992,669	-7.93%	1,269,997	12.38%
Legal Services	1,596,630	1,665,081	1,932,870	336,240	21.06%	267,789	16.08%
Municipal Court	968,432	971,756	1,022,615	54,183	5.59%	50,859	5.23%
Public Works Operations	5,695,843	5,158,485	5,644,569	-51,274	-0.01	486,084	9.42%
Development Services	4,024,681	4,467,480	4,285,471	260,790	6.48%	-182,009	-4.07%
Total	81,271,182	76,148,833	80,227,124	2,008,942	2.47%	4,078,291	5.36%



FY22 Right Sizing

Management Team Drafted Four Versions
of the FY22 General Fund Budget

\$4.4M Deficit------→ **Balanced Operating Budget**
+ \$400K in one time costs



Revenues & Expenditures

2022	
Revenues	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>Funding of One Time Expenses</i>	<i>424,185</i>
Total	80,254,060

2022	
	Budget
Personnel Services	55,232,932
Supplies for Resale	290,500
Other Supplies, Services, and Charges	6,944,647
Repairs and Maintenance	2,020,597
Utilities	1,834,260
Fuel and Lubricants	498,658
Miscellaneous	401,400
Construction	0
Interdepartment Charges	7,338,061
Transfers Out	766,070
Receivables Adjustments	4,900,000
Total	80,227,124

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



Next Steps

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