

Legislation Text

File #: BILL NO. 17-243, **Version:** 1

AN ORDINANCE APPROVING AMENDMENT NO. 12 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI. (F&BC 11-6-17)

Issue/Request:

AN ORDINANCE APPROVING AMENDMENT NO. 12 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI.

Key Issues:

At the end of each fiscal year, an analysis is done to identify any variance between budgeted amounts and the total expense for each fund. After this analysis, some funds are identified as being over budget due to anticipated costs, unanticipated costs, or incorrect budgets, which require a budget amendment for additional spending authorization.

Proposed Committee Motion:

I move to recommend for approval to City Council AN ORDINANCE APPROVING AMENDMENT NO. 12 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI.

Background:

F100 General Fund

The General Fund ended FY17 with expenditures \$1,020,627 under budget. However, three General Fund departments exceeded their annual budgets. To offset these expenses, savings from other departments will be used, eliminating the need to utilize the reserve balance. Public Works Engineering ended the fiscal year \$103,936 (1.94%) over budget. This is primarily attributed to an unbudgeted payment to LAGERS for certain temporary employees. Law Enforcement was \$197,302 (1.0%) over budget. This is as a result of overtime expended to investigate serious crimes as well as an adjustment to Special Detail fees, which created higher demand. Finance ended the year \$178,430 (2.16%) over budget. This is primarily attributed to the EMS Billing Program, which expenses bad debt and insurance adjustments relating to EMS Charges for Service. The balance of the budget overage is related to increased professional fees for audits.

F200 Parks and Recreation

Total expenditures for the Parks and Recreation Fund are \$15,912 over budget due to expenditures related to the 4th to 5th street sidewalk connector project. Although not anticipated in the original FY17 budget, the Park Board approved funding of the project at the October 2016 and February 2017 Park Board meetings.

F201 Gamber Center

Total expenditures for the Gamber Center Fund are \$13,711 over budget due to the construction of Bocce Ball courts in the courtyard area. Although not anticipated in the original FY17 budget, the Park Board approved funding of the

project at the October 2016 Park Board meeting.

F203 Summit Waves

Total expenditures for the Summit Waves Fund are \$192,774 over budget due to various repairs made to the facility including the replacement of a shade structure, media blasting, waterfall repairs and painting. A majority of the expenditures were covered by a transfer of approximately \$129,000 from the construction settlement funds held in an account on the balance sheet. The Park Board approved funding of the various projects at the December 2016, January 2017 and February 2017 meetings.

F220 Business & Industry Fund

The Business & Industry Fund captures the Hotel/motel bed tax and utilizes funds for economic development purposes and related public service agreements. The Fund was \$6,150 (1.64%) over budget as a result of discounts expensed for timely tax remittances.

F230 Road & Bridge Escrow

This fund had a \$1,123 interest expense that was unbudgeted.

F240 Entitlement Fund

The Entitlement Fund administers the funds received through the Community Development Block Grant program. Budgeted revenues were higher than anticipated, which increased the funds available for expenditure.

F303 I-470 Business Center TIF

Tax Increment Financing (TIF) funds' annual budgets are created by anticipating revenues that are passed through to pay for specified costs. This fund expended \$907,352 for reimbursable expenses as defined in the TIF agreement.

F304 SummitWoods TDD

The SummitWoods TDD is a special revenue fund where the annual budget is created by anticipating revenues that are to be passed through for specified costs. A budget was not established for this fund, but \$21,661 was passed through for authorized costs.

F305 Summit Woods TIF

The \$1,732 expenditure in this fund is to close the fund.

F306 Chapel Ridge TIF

Tax Increment Financing (TIF) funds' annual budgets are created by anticipating revenues that are passed through to pay for specified costs. This special revenue fund is utilized to repay obligations relating to the Chapel Ridge TIF. Funds in the amount of \$2,157,664 were spent to repay the 2007 Strother TDD Bonds.

F313 Water District No. 14

The \$77 expensed to this account was done in error and will be corrected in the current fiscal year.

F341 Infrastructure Improv. 2010

This fund is for construction projects relating to road improvements as a result of the 2010 GO Bond Issue. A budget was not established for this fund in the FY17 budget process, and needs to be amended to \$12,936 to reflect activity within the fund.

F345 TIF Application Fund

This fund holds application deposits for various development projects that are in the exploration phase and have not yet been approved by the City. Application deposits are the funding source for these expenditures. The City experienced high levels of economic development activity in FY2017, in turn causing a high level of expenditure.

F347 Road Improvements 2013

This fund is for construction projects relating to road improvements as a result of the 2013 GO Bond Issue. A budget was not established for this fund in the FY17 budget process, and needs to be amended to \$430,038 to reflect activity within the fund.

F348 Blue Pkwy & Colbern Rd CID Fund

The City is the fiscal agent for the Blue Parkway & Colbern Road Community Improvement District. The annual budget is derived by passing through anticipated revenues for specified costs. This Fund includes the Unity Village Escrow Account. The excess budget expenditures were related to construction costs.

F351 Longview Farm 2016 TIF

This fund was established after the budget making process for FY17 after the approval of the New Longview TIF. The \$300,000 expenditure in the fund is the first payment of the inter-fund loan.

F352 Public Safety Bonds 2016

This fund was established after the budget making process for FY17 as a result of the November 2016 election for public safety capital expenditures. This budget amendment authorizes expenditure in the amount of \$828,579.

F650 Claims & Damages Reserve Fund

Beginning in FY2015, this fund has been administered in a similar fashion to other self-insurance funds the City utilizes. These funds charge premiums to departments and centrally pay all claims and damages for the insurance fund. Claims and damages were \$275,614 over budget as a result of claims against the City.

F670 Health Insurance Reserve Fund

The Health Insurance Reserve Fund administers costs relating to health insurance such as claims, terminal liability, and administrative costs charged by the City's insurer. A portion of each employee's health insurance premium is allocated to this fund as revenue. The fund experienced higher than budgeted claims during the fiscal year. This fund was \$13,649 over budget.

Presenter: Jack Feldman, Management Analyst

Recommendation: Staff recommends approval

Committee Recommendation: A motion was made by Vice Chair Edson, seconded by Councilmember Faith, that this Ordinance be recommended for approval to the City Council - Regular Session, due back on 11/16/2017. The motion carried by a unanimous vote.