

Legislation Text

File #: BILL NO. 22-43, **Version:** 1

An Ordinance approving Amendment No. 6 to the budget for the Fiscal Year ending June 30, 2022, as adopted by Ordinance No. 9184 and Ordinance No. 9187, by amending the authorized expenditures to projected year end amounts for the City of Lee's Summit, Missouri.

Issue/Request:

An Ordinance approving Amendment No. 6 to the budget for the Fiscal Year ending June 30, 2022, as adopted by Ordinance No. 9184 and Ordinance No. 9187, by amending the authorized expenditures to projected year end amounts for the City of Lee's Summit, Missouri.

Key Issues:

Part of the annual budget process includes a period of reviewing and revising expenditures for the current fiscal year. For budgets that are projecting year-end expenditures to be greater than the approved budget expenditure amount, this requires a budget amendment.

The General Fund consists of several departments including Administration, Public Works-Engineering, Police, Fire, Finance, Law, Municipal Court, Public Works-Operations, and Development Services. As a fund, the General Fund year-end expenses are projected to be less than the approved budget expenses. However, because the current practice has been to have the expenditure approval at the department level for the General Fund, those departments that project to have expenses greater than budget require a budget amendment. General Fund departments that are projecting year-end expenses to be greater than the approved budget amount are as follows:

-Fire: The Fire department is projecting to have expenditures greater than the approved budget amount by \$360,641. The cause of the variance between projected and approved budget expenses is increased expenses related to personnel costs. The department is projecting additional overtime expenditures necessary to provide coverage during COVID, several payouts associated with retirements and the impact of the newly approved International Association of Fire Fighters (IAFF) contract.

-Finance: This General Fund department is projecting to have expenditures greater than the approved budget amount by \$24,781. The cause of the variance between projected and approved budget expenses is increased expenses related to transitions in personnel.

-Municipal Court: The Municipal Court department is projecting to have expenditures greater than the approved budget amount by \$10,973. The variance is related to increased costs associated with the court security services contract.

-Development Services: This General Fund department is projecting to have expenditures greater than the approved budget amount by \$3,516. The cause of the variance is due to an unexpected abatement of a dangerous building.

The following are other funds that have projected to have year-end expenses greater than their budgeted amounts:

-Fund 200 Parks and Recreation Fund: This special revenue fund is projected to have expenditures greater than the approved budget amount by \$6,947. The cause of the variance is the unbudgeted promotions.

-Fund 201 Gamber Center Fund: This special revenue fund is projected to have expenditures greater than the approved budget amount by \$30,199. Several causes are attributable to the variance in projected and approved budget expenses. Due to COVID restrictions, some fitness classes that had been reduced but changes in guidelines allowed classes to be offered but required an increase in part-time salaries expenses for instructors. Unexpected repairs to the roof and HVAC system account for other primary causes of the increases.

-Fund 203 Swimming Pool Fund: This special revenue fund is projected to have expenditures greater than the approved budget amount by \$65,792. The primary cause of the variance was increased part-time salary expenses related to increased facility attendance.

-Fund 205 Longview Recreation Center Fund: This special revenue fund is projected to have expenditures greater than the approved budget amount by \$16,952. The approval of an additional full-time position during the fiscal year is the cause of the variance.

-Fund 275 Public Safety Equipment Replacement Fund: This special revenue fund is projected to have expenditures greater than the approved budget amount by \$17,876. The purchase of replacement bomb suit was the cause of the variance. The bomb suit lifecycle replacement was scheduled for the current fiscal year however it was not included in the original budget.

-Fund 359 Green Street Improvements Fund: This Capital Project fund is projected to have expenditures greater than the approved budget amount by \$948,277. The approval of the Green Street Improvements design services contract is the cause of the variance.

Fund 510 Airport Fund: This Enterprise fund is projected to have expenditures greater than the approved budget amount by \$703,128. The cause of the variance was due to increases in fuel sales. Jet A fuel sales has experienced the increased demand and is projected to be 100,000 gallons over the originally budgeted amount. As an enterprise fund, the additional expenditures related to fuel costs are offset by increased revenues.

Fund 530 Recreation Center Fund: This Enterprise fund is projected to have expenditures greater than the approved budget amount by \$28,739. HVAC repairs and a variety of other operational expenses of the facility are the cause of the variance.

Proposed Committee Motion:

I move to recommend to the City Council for approval an Ordinance approving Amendment No. 6 to the budget for the Fiscal Year ending June 30, 2022, as adopted by Ordinance No. 9184 and Ordinance No. 9817, by amending the authorized expenditures to projected year end amounts for the City of Lee's Summit,

Missouri.

Proposed Council Motion:

FIRST MOTION: I move for second reading of an Ordinance approving Amendment No. 6 to the budget for the Fiscal Year ending June 30, 2022, as adopted by Ordinance No. 9184 and Ordinance No. 9817, by amending the authorized expenditures to projected year end amounts for the City of Lee's Summit, Missouri.

SECOND MOTION: I move for adoption of an Ordinance approving Amendment No. 6 to the budget for the Fiscal Year ending June 30, 2022, as adopted by Ordinance No. 9184 and Ordinance No. 9817, by amending the authorized expenditures to projected year end amounts for the City of Lee's Summit, Missouri.

Brent Boice, Assistant Director of Business Services, Water Utilities

Staff recommends approval of the budget amendment.