

## Legislation Text

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**File #:** BILL NO. 17-44, **Version:** 1

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AN ORDINANCE APPROVING AMENDMENT NO. 9 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI. (F&BC 2/6/17)

Issue/Request:

AN ORDINANCE APPROVING AMENDMENT NO. 9 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI

Key Issues:

Before the start of a new fiscal year, City departments will project, or estimate, the final anticipated revenues and expenditures, in the current fiscal year, for their prospective fund or department. The year end projections are developed to help identify a more accurate financial condition. In some instances, budgeted amounts are calculated 6 to 12 months before the start of the fiscal year. The process of calculating year end projections helps refine anticipated revenue and expenditure budget amounts by factoring real time trend information, unanticipated revenues or expenditures, or cost savings.

Since the adoption of the original budget on June 16, 2016, the Fire Department has projected to incur additional costs that would exceed budgeted amounts.

- On January 5, 2017 the City Council approved a labor agreement by and between the International Association of Fire Fighters (IAFF) and the City of Lee's Summit. This agreement provided for wage adjustments for IAFF members. Concurrent with the approval of the agreement, Council approved wage adjustments for non-sworn fire personnel. As a result, this amendment will increase the Fire Department's budget to reflect the City Council's actions taken at the January 5, 2017 meeting. The anticipated cost of the wage adjustments is approximately \$1.2m annually or \$600k for the remainder of FY17. Additionally, to implement these adjustments it is necessary to revise the pay and classification plan to accommodate the increase for Paramedic Pay and a straight hour for hour conversion for Communications Specialists.
- In addition to increased costs associated with the labor agreement, the Fire Department also anticipates an increase in overtime costs. Overtime pay is paid to personnel who cover vacant shift positions that are necessary to meet minimum staffing requirements. Overtime costs are expected to increase \$550k above budget and are projected to total approximately \$1.025m for FY17.

Funding for the increased costs is available through increased revenue. FY17 revenue projections are expected to be \$2.8m above budgeted amounts. In total, the General Fund is projected to have a small

surplus of \$75k at the end of the year.

Proposed Council Motion:

FIRST READING: I move for second reading of AN ORDINANCE APPROVING AMENDMENT NO. 9 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI.

SECOND READING: I move for adoption of AN ORDINANCE APPROVING AMENDMENT NO. 9 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI.

Background:

Each year, as part of the budget process, City departments project their year-end revenue and expense amounts. This is an important step to help identify new trends and any unexpected changes that might have occurred during the fiscal year. The updated information is then used to identify a net income or loss for each fund.

Presenter: Nick Edwards, Director of Administration

Recommendation: Staff recommends approval of AN ORDINANCE APPROVING AMENDMENT NO. 9 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, BY REVISING THE AUTHORIZED PAY AND CLASSIFICATION PLAN AND BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI

Committee Recommendation: A motion was made by Councilmember Forte, seconded by Vice Chair Seif, that this Ordinance be recommended for approval to the City Council - Regular Session, due back on 2/16/2017. The motion carried by unanimous vote.