



2009 City Budget Work Session

May 27, 2008

Budget As Major Policy Tool

- ❖ Provide opportunities for public input
- ❖ Adhere to a planned schedule
- ❖ Provide short-term operational requirements and long-term capital needs of the City
- ❖ Provide sufficient funding and direction in order for City Administration to adequately deliver City services
- ❖ Provide information to allow for future budgetary forecasts and analysis

Budget Reminders

- City finances have begun to stress as forecasted.
- There are several issues which, most likely, will require extended discussion during the 2009 budget process.
- As in the past, this work session will focus on the City's proposed General Fund and the 2009-2014 Capital Improvements Program.

City Taxable Valuation

2009	426,231,863	3.0%
2008	413,817,343	12.6%
2007	367,438,289	14.3%
2006	321,481,120	8.9%

New Improvements Valuation

2009	11,184,942	(26.7%)
2008	15,264,609	83.3%
2007	8,326,252	6.6%
2006	7,811,755	(10.1%)

Tax Levy Rate



	Tax Levy Rate
2003	44.39
2004	43.54
2005	40.83
2006	36.24
2007	33.09
2008	31.68

Tax Levy and Budget Impact

- (1) RCPD has published a budget that is estimated to require an additional **\$1,320,000 in property taxes**
- (2) The Employee Benefit Fund and the Kansas Police & Fire (KP&F) Fund will require an additional **\$ 686,000 in property taxes**
- (3) The Bond & Interest Fund will require an additional **\$ 349,000 in property taxes**

Tax Levy & Budget Impact

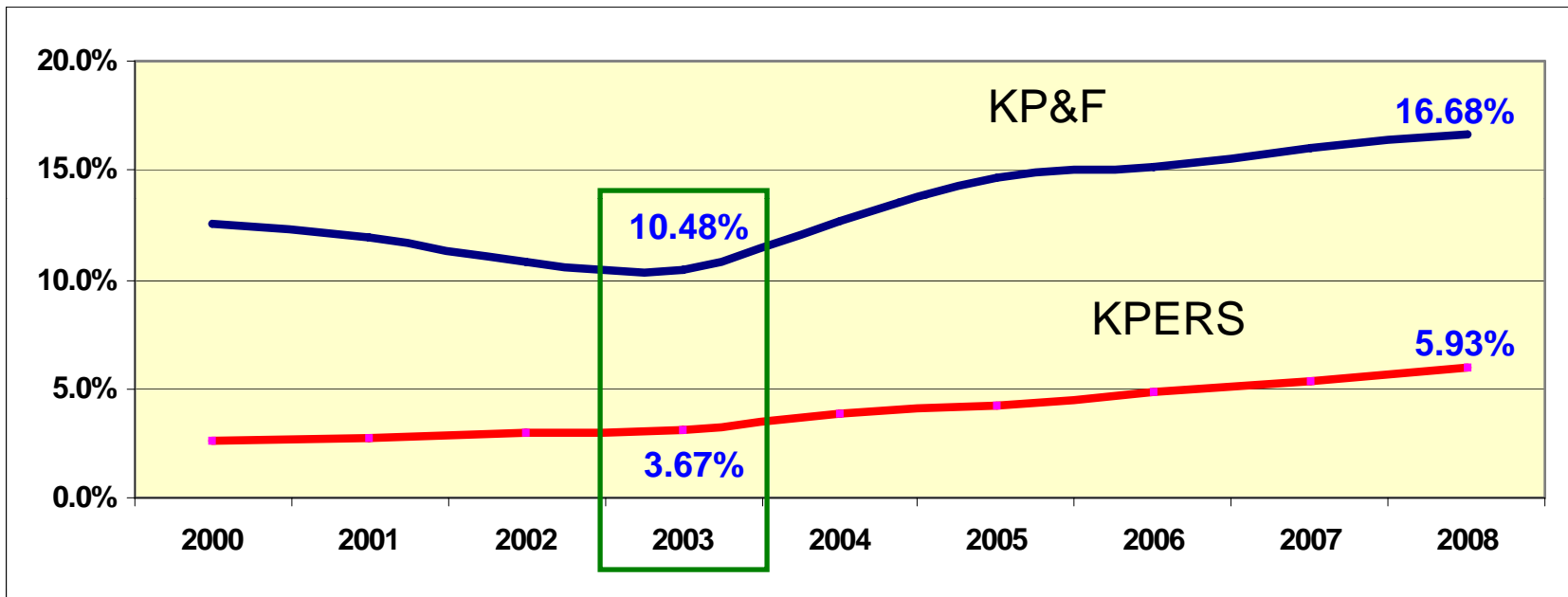
Combined, these three budget impacts currently account for **75% of the anticipated property tax increase** facing the City in 2009.

Benefit Funds

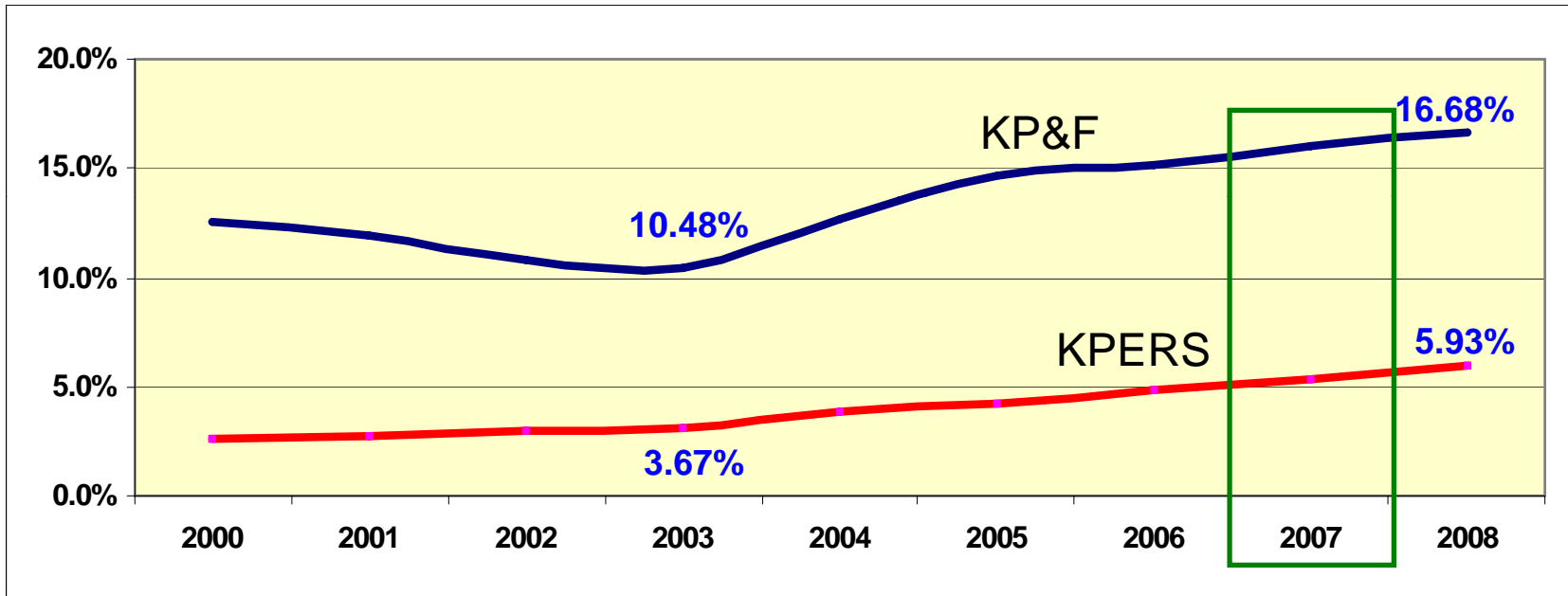
For several years, full funding of the Employee Benefit Fund and the KP&F Fund has not kept pace with the State mandated contribution levels.

For the past two years, the General Fund has made up the difference.

Benefit Funds



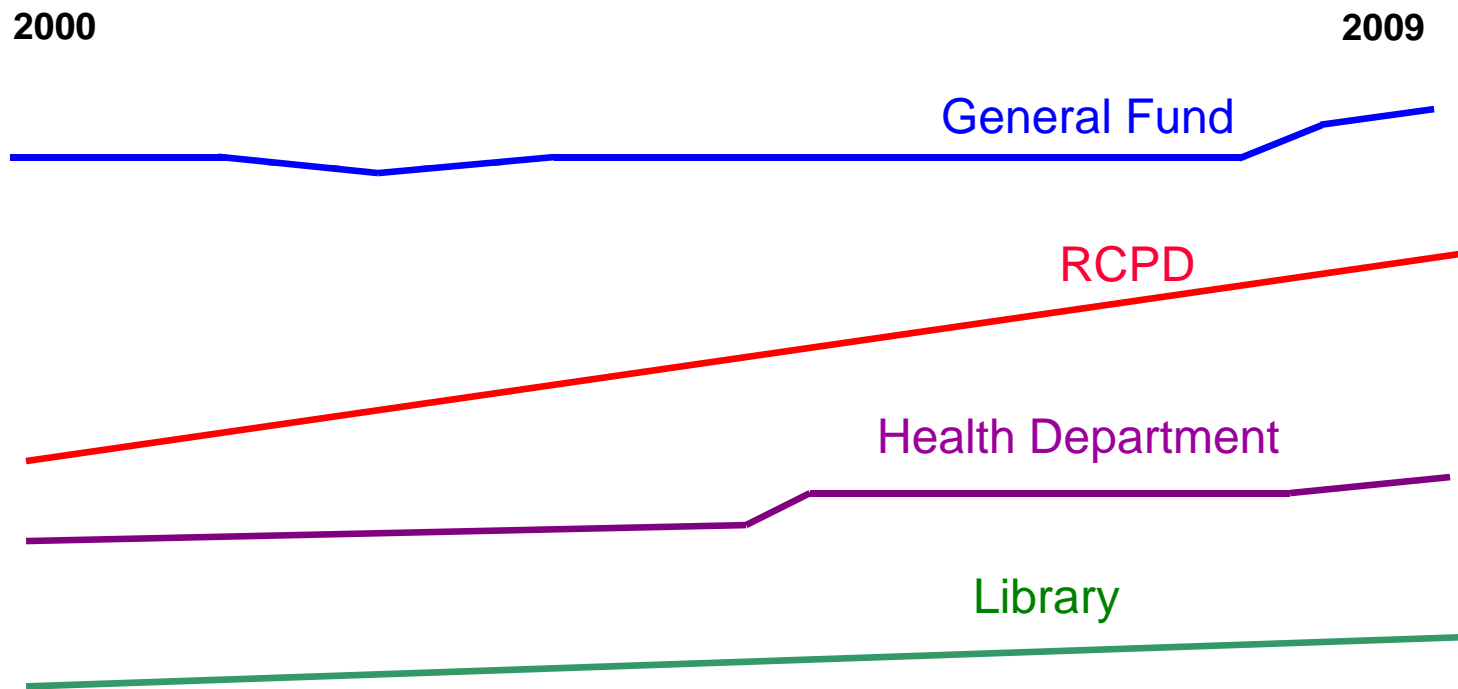
Benefit Funds



Review of Operational Budgets

The City's main operational budget, the General Fund, will increase again this year after several years of little growth.

Review of Operational Budgets



City Budget Overview

<i>Budget Category</i>	2007 <i>Budgeted</i>	2008 <i>Budgeted</i>	2009 <i>Proposed</i>	
General Fund	19,407,122	20,801,075	22,776,417	9.5%
Special Revenue Funds	30,497,451	36,172,813	41,827,682	15.6%
Water Fund	11,249,057	10,831,100	11,271,585	4.1%
Wastewater Fund	6,960,105	7,873,500	7,603,237	(3.4%)
Stormwater Fund	1,227,911	1,325,986	1,671,000	2.6%
Bond & Interest Fund	10,642,557	12,106,658	13,432,407	11.0%
Total Budget	79,984,203	89,111,132	98,623,255	10.7%

Budgeted Expenditures

Proposed 2009 Budget Increase

(over current budget)

Economic Development Fund	\$ 2,178,000
General Fund	\$ 1,975,000
Bond & Interest Fund	\$ 1,326,000
RCPD	\$ 1,237,000
Special Park and Recreation	\$ 448,000
Total	\$ 7,164,000

The above Funds represent about 75% of the total budget increase

General Fund Revenues

Revenues

	2007 <i>Budgeted</i>	2008 <i>Budgeted</i>	2009 <i>Proposed</i>	
Beginning Cash Balance	2,700,000	2,300,000	1,729,338	(24.8%)
State & Local Sales Taxes	8,161,250	9,114,589	10,026,000	10.0%
Property Taxes	1,140,714	1,379,497	1,329,839	(3.6%)
User Fees & Licenses	3,368,758	3,251,473	3,423,050	5.3%
Transfers	2,692,400	3,459,400	4,847,225	40.0%
Investment & Other Income	1,344,000	1,296,116	1,420,965	9.6%
Total Revenues	19,407,122	20,801,075	22,776,417	9.5%

General Fund Expenditures

By Category

	2007 <i>Budgeted</i>	2008 <i>Budgeted</i>	2009 <i>Proposed</i>	
Personnel Services	12,770,014	13,949,803	15,500,423	11.1%
Contractual Services	3,120,691	3,183,228	3,250,134	2.1%
Commodities	1,341,300	1,708,162	1,909,700	11.8%
Capital Outlay	710,270	525,950	520,400	(1.0%)
Budgeted Reserves	500,000	500,000	500,000	----
Transfers and Other Charges	1,464,847	933,932	1,095,760	17.3%
Total Expenditures	19,407,122	20,801,075	22,776,417	9.5%

General Fund Expenditures

By Department

	2007 <i>Budgeted</i>	2008 <i>Budgeted</i>	2009 <i>Proposed</i>	
General Administration	4,008,756	4,090,473	4,337,710	6.0%
Fire Services	4,446,535	4,756,083	5,113,785	7.5%
Public Works	2,441,481	2,829,314	3,324,084	17.5%
Parks & Recreation	4,890,576	5,290,541	5,758,145	8.8%
Outside Services	662,924	728,180	773,250	6.2%
General Services	2,956,850	3,106,484	3,469,443	11.7%
Total Expenditures	19,407,122	20,801,075	22,776,417	9.5%

Budgeted Expenditures

Proposed General Fund Increase

(over current budget)

Budgeted Salary Adjustments	\$ 570,270
New Employee Positions	\$ 51,040
Minimum Wage Increase	\$ 234,320
Health Insurance & Other Benefits	\$ 694,990
Contractual & Commodities	\$ 268,444
Debt Service & Transfers	\$ 156,278

Total \$ 1,975,342

Other Budget Considerations

- ✓ Capital Improvements
- ✓ Employee Adjustments
- ✓ Water Rate Increase
- ✓ Wastewater Rate Increase

Capital Improvements

Management action...

Over **\$5.3 million** in proposed expenditures were eliminated by the City Manager from the 2009-2014 Capital Improvement Program.

An additional **\$23.3 million** in proposed expenditures were deferred or reduced by the City Manager.

Capital Improvements

Overall...

Compared to 2008, the CIP budget impact for 2009 is only slightly higher:

Equipment **(\$156,578)**; Projects **\$514,026**

In the General Fund...

Proposed CIP expenditures for 2009 are less **(\$5,550)** than in 2008

Employee Adjustments

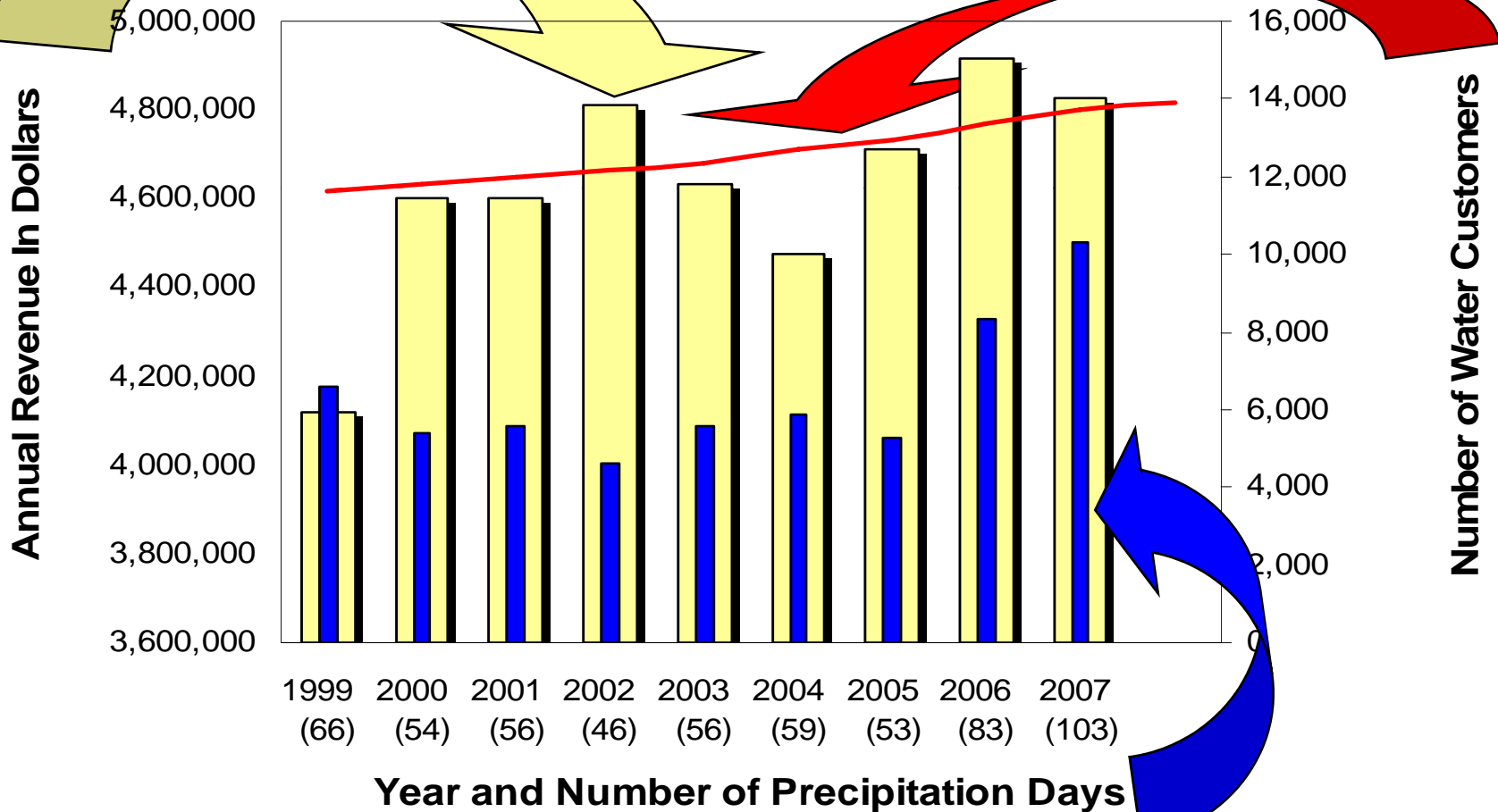
\$ 570,270 increase to personnel costs and proposed salary adjustments.

Unlike other public agencies, City Management prefers that a dollar amount be allocated annually. From within that amount, any COLA or merit approved by the City Manager is distributed across the employee base.

Water Rate Increase

In order for the Water Enterprise Fund to remain viable and meet anticipated community-wide growth, the phased-in rate increase of **10%** will be necessary in 2009.

Water Rate Increase



Wastewater Rate Increase

In order for the Wastewater Enterprise Fund to remain viable and meet anticipated community-wide growth, the first phase of a multi-year rate increase of **20%** will be necessary in 2009.

Note: Please recall that this initial increase (as well as any subsequent increase) is for the mandated new standards affecting effluent discharge.

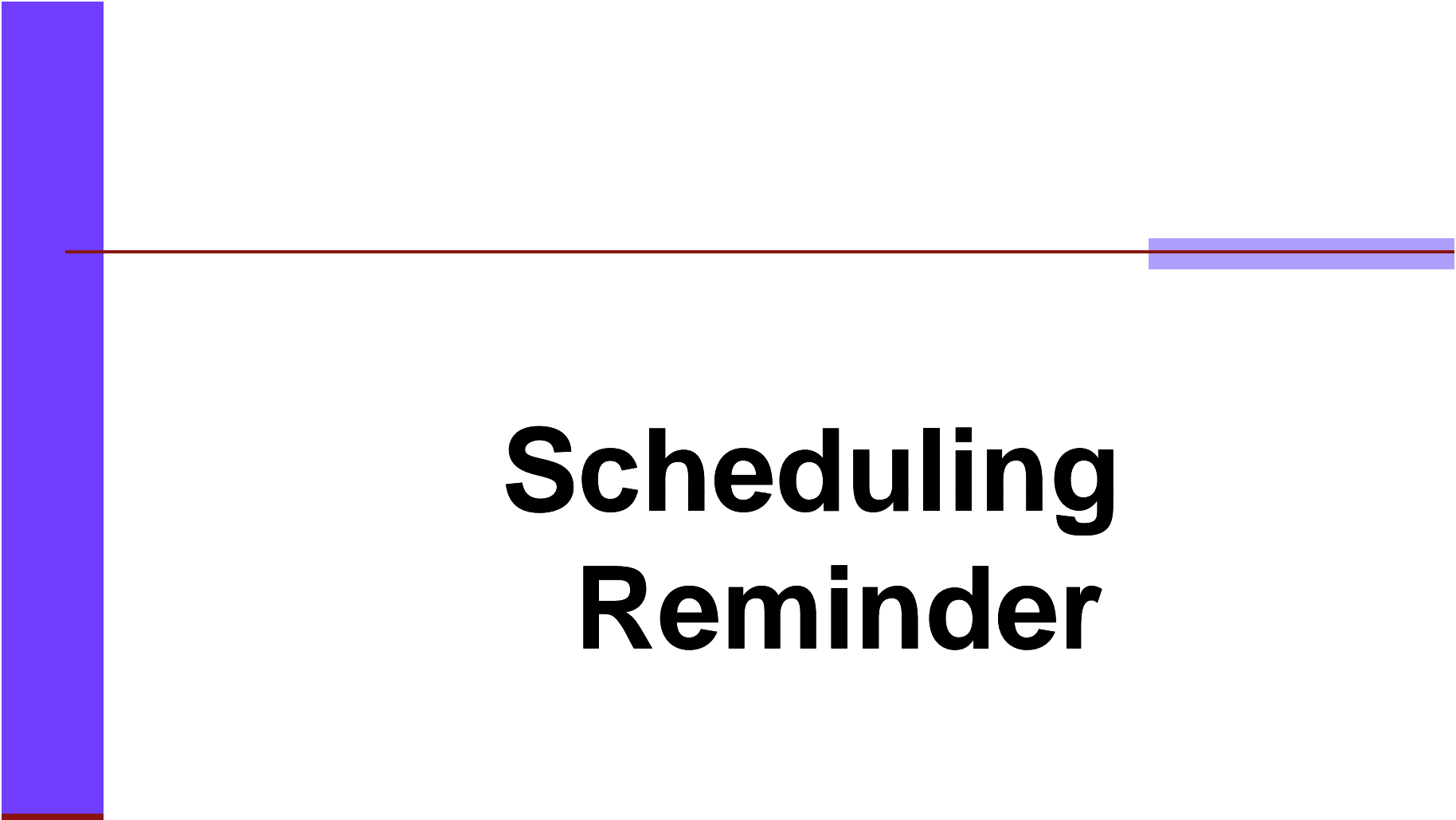
Budget Summary

Tax Levy Issues

- ✓ RCPD
- ✓ Benefit Funds
- ✓ Bond & Interest

Budget Issues

- ✓ Capital Improvements
- ✓ Employee Adjustments
- ✓ Water Rate Increase
- ✓ Wastewater Rate Increase



Scheduling Reminder


Budget Calendar

2nd Budget Work Session on **June 10th** (*may include an earlier starting time*)

3rd Budget Work Session and Outside Agency requests on **June 24th**

4th Budget Work Session on **July 8th**

Public hearing on the 2009 City Budget on **August 12th**



City staff would be happy to respond to any questions you might have.