



CITY OF GRANDVIEW

INTERDEPARTMENTAL
MEMORANDUM

To: Mayor and Board of Aldermen

From: Cory Smith, City Administrator

Date: August 11, 2017 

Subject: Proposed Fiscal Year 2018 Budget

Following a couple of slower months for U.S. job growth in April and May, June saw a larger number of jobs created at 222,000, more than anticipated by most economists. In the meantime, unemployment rose slightly to 4.4%, still among the lowest since 2001. The average for this year is nearly 180,000 a month. About 350,000 more people entered the labor market, which was the reason for the slight uptick in the unemployment rate. About 64,000 new jobs came in food service and business areas (office, technology, engineering, professional), with about half of those being higher paying jobs, suggesting a fairly robust economy currently. Average hourly pay has risen just 2.5% from a year earlier though, one of the economy's key shortcomings. According to DOL, the last time unemployment was this low, wages were rising about 4 percent.

A year ago, voters in the U.K. voted to leave the European Union, and we were overwhelmed weekly by terrorist killings in places like Nice, France, and the murder of police officers in Dallas and Baton Rouge. This past year, terrorist bombings have continued in Europe and Asia, but more nations have seemingly united against terrorist activities, and ISIS has been driven from some of its previous strongholds in the Middle East. The U.S. was divided sharply in the November election, and Congress remains that way, with little progress being made on a new health care plan, the federal budget, or infrastructure spending – something that the NLC and cities nationwide were hoping for this year. It appears likely it will be next year before anything happens there. Meanwhile, national security has been a strong concern this year, and hacking into government and business networks has created chaos, unrest and grief for financial and other data systems around the world. Everything seems to be less stable and more volatile nowadays, which doesn't do anything to help the growing list of concerns for cities – things like financial stability, sustainability, the global economy, online sales, increasing infrastructure and maintenance costs, economic development and job creation, health and liability insurance costs, keeping up with new technology, and keeping public sector jobs competitive.

With good employment news this year, the overall mood of the country at the present time has been described as fairly optimistic, consuming (more and more online), but still distrusting, and anxious about the future, starting with general concerns about global terrorism and the threat of ISIS and the robust economy. In a 2016 study by the Economic Policy Institute, they indicated that the average disparity between the top one percent of earners and the average of the other 99% was a ratio of 25.3 to one – or the top one percent earns 25 times what everyone else earns on average. It was not clear from this if the trend was worsening or not, but some cities and

counties around the country were shown to have rates as high as 87 to 1 for the top one percent earners. This year, however, the same group (EPI) says in their report on executive compensation that CEO's of America's 350 largest companies made an average of 271 times more than what the typical worker made in 2016. They said this ratio was 59 to 1 in 1989 and just 20 to 1 in 1965, using 2016 dollars. Certainly, this adds to the growing concern about wages in America (including minimum wages), good paying jobs, the impact of higher education, and growing unrest about globalization, free trade, third world economic growth, and how Americans can compete for and retain future high paying jobs.

Job growth is pretty good, inflation is now at 4.3% (about as low as it can go), and economic growth is peaking once again. In fact, a Brookings Institution's recent report just announced that the U.S. market just reached a turning point in July. The U.S. has now regained the same level of employment that it had before the recession began nearly a decade ago. So, due to changes in the population, the overall proportion of Americans who were working has just now reached the level where it was before the recession. Wage growth is still only about 2.5% over levels in 2016 though, less than anticipated. This is an improving, but uncertain, modest, and still volatile economy that we find ourselves in this year as we were preparing the FY 2018 budget.

Budget Overview and Executive Summary

This past year has seen continued progress with the redevelopment of Truman's Marketplace, and now the center is about 85% occupied with retailers, restaurants, and services available that residents have been anticipating for several years. In the past two years, with new stores starting to open in late 2015, we've seen increases in sales tax dollars of \$262,000 in fiscal year 2016 and \$511,000 in fiscal year 2017 (total 2.5%) – or about \$105,000 and \$204,400 to date going to the General Fund respectively, with 22 new businesses producing sales tax.

Meanwhile, the total assessed valuation for all real properties in Grandview has finally exceeded its pre-recession high and now stands at \$287 million. Keep in mind that assessed values are set at 19% of market value for residential properties and 32% for commercial properties (or at least are supposed to be). So, given the millions of dollars invested in recent years, particularly on commercial development, the recession has taken a heavy toll on the commercial building and housing market, and total valuation in Grandview has now surpassed 2007 levels according to Jackson County.

Along with the huge upswing in construction, and therefore construction costs, in the few years, we are making gradual progress on the most recent group of bond projects approved. The amphitheater has been completed and in operation since spring of 2016; Fire Station No. 1 has been totally refurbished; a new fire pumper truck has been purchased and our aerial truck has been refurbished (now once again); the police storage building has been completed this summer, but with some final issues still to be resolved with the construction company; the Shalimar Park ball field renovation is underway, with completion currently anticipated at year's end; and design has been under discussion for the new police/public gun range at the old ball park. Still to come are the aquatics park at Meadowmere and the new senior/teen center addition to The View. Construction and labor costs have hurt the City over the past couple of years though.

With construction of the new Gateway Village project still anticipated to get under way again, it could be another big year ahead. This would include their Phase I development, including seven soccer fields, hotel, and some retail construction for commercial and residential use. Plans for the new restaurant and microbrewery just across from Gail's Harley-Davidson to the north, have now been reviewed and approved. Two new stand-alone Dollar General stores represent the more recent competition for Walmart, as people look more and more for discount prices and convenience. Grand Summit (Lindsey Development) also plans yet another 300 apartment units over the next year or two, with 144 being discussed now. Altogether, this would put them well over 1,000 total units just south of Highway 150 and not quite a mile east of I-49.

If all goes well, this all signals a bright future and growing economy for Grandview, which also sits prominently in close proximity to the \$4.5 billion Cerner Corp. redevelopment project being occupied this year, adjacent to a major federal installation like the Honeywell/NNSA complex, and home to our own recently developed NOAA (weather monitoring facility). With nearly 6,000 new employees in or within five miles of Grandview already, we should have more opportunities for new housing or redevelopment in our city and likely even more commercial development in the coming years. A housing study is now under way and will be completed around December this year, which will help us understand even better the opportunities that exist for existing home sales, new single-family homes, and even more apartment development. It should also provide the data and trends that will help us market the City in the years to come.

We have a great deal to be optimistic about. Once again, however, outside factors as well as our some of own necessary development decisions have continued to hold revenues down in the past year or two. While steady improvement is being seen in sales tax collection this year, along with more one-time construction-related and occupational license fees, we have seen a decline of about \$1 million in two other large revenue categories over the past two years, with a nominal expected bounce-back expected in fiscal year 2018. In a \$14.8 million General Fund budget, this type of decline in key areas has been troubling and very challenging to say the least.

The City's departmental management staff, particularly in Finance, has done an outstanding job the past two to three years in working collaboratively with one another, studying and evaluating various city-wide systems, and presenting cost saving alternatives in many city-wide contracts and other items. These efforts have already reduced costs over the past couple of years and will lower costs significantly over the coming years. Some current revenue declines, in conjunction with the deficit spending associated with last fall's added one-time employee pay checks, high overtime costs in the Police and Fire Departments, and the added costs for health insurance and workers' compensation coverage, made it difficult to come in under budget this year. However, with cost savings in some areas and cooperation from the department heads, we have created what looks like we could have an estimated surplus this year of \$25,000 or more (revenues over expenditures), thereby not depleting the City's General Fund balance this year, unlike 2015 and 2016 where we saw significant deficits due to stagnating revenues and increasing or added costs for various items, thus taking the fund balance to only 22% of expenditures, down from 30% just four years ago. Even with budget savings this year, we will remain at 22% in reserves.

In short, the higher demand for services, added workload, and increasing maintenance needs, coupled with ongoing declines in revenues in certain areas, put the City in the position of simply

trying to hold our own once again for the current year. However, this year has done better than expected from a revenue standpoint, and we have done several things to hold down expenditures significantly, but without reducing services. Next year's budget now looks very promising. The following summaries will provide more details about revenues and expenditures in preparation for consideration of the proposed fiscal year 2018 budget by the Board.

General Fund Revenues

Property tax revenues – From 2005 to 2010, these increased about 1.7% a year, at least a positive growth trend. Then, thanks to the recession and a county reassessment process that cut property values by 7%, tax revenues actually dropped 3.3% (about 0.7% lower each year) from 2010 to 2015. That's a growth rate of just under 0.5% per year, or just \$13,000 a year over ten years. With this year's 4.9% spike, it raises the average over a 12-year period to 1% per year, or around \$27,400 annually – pretty minimal for 20.5% of our revenue stream. For next year, the increase in assessed value (provided just recently at 6.9% if it holds) would increase the average growth in revenues over 13 years to 1.03%, or a \$36,000 annual average now that it is growing again. At this point, we're projecting a total of \$3,100,000 for next year, and this would be the first time the City could exceed \$3 million in property tax revenues.

Sales tax revenues – Since 2005, these have been our greatest disappointment, spurred by the recession, a declining shopping center, and the loss of Sam's Club. This created a loss of more than \$500,000 over a decade, a huge drop in what was once by far the largest revenue source (19.1% decline). With the new shopping center opening stores in 2016, revenues were actually up 8.5% in 2016. With the near completion of the center this year, retail sales tax collections are up another 8.7% this year, reaching 99% of 2005-2008 levels. With new Dollar General stores and a new restaurant planning to open next year, we are now optimistically anticipating another 5% increase in 2017, which would set a new peak for sales tax revenues, about 3.4% above the previous high point. The City needs this kind of growth annually from sales taxes in order to provide for annual pay raises, operating cost increases, and new demands for service from a tax source that is now also approaching 20% of General Fund revenues. Here, we project a total next year of \$2,976,000 in sales tax collections.

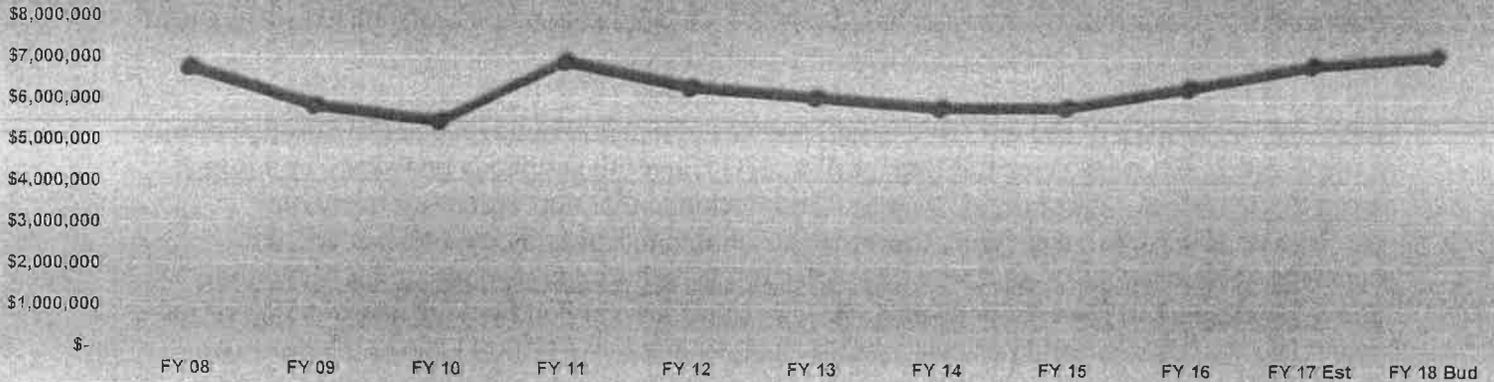
Franchise tax revenues – After the average 4% per year (or \$115,000) increases we saw from 2005 to 2015 (due mostly to the Missouri Supreme Court's decision to apply municipal franchise taxes to wireless phone charges), these revenues took a serious downturn in 2016. They were nearly \$100,000 below 2015 levels, primarily due to the dramatic drop in the cost of natural gas and associated mild winter's lower overall usage for heating. In addition, increased competition has lowered cell phone costs and the resultant franchise taxes (\$48,000 below 2015 levels). Because of a significant decline in certain other General Fund revenues, this category still represents 23.3% of the General Fund revenue stream, and we're estimating another \$100,000, or 3% this year, but the City has now seen a lack of consistency in this category. We project a minimal increase in franchise taxes for next year, with natural gas franchise fees holding steady, land line phone service still declining, and cell phone franchise fees dropping, then stabilizing for now. We should continue to see some increases due to recent rate hikes for electricity and the related franchise tax revenue increase, but conservation efforts and alternative sources continue to reduce overall power usage as well. Overall, we see revenues holding steady at \$3,520,000.

Revenue	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Est
Sales Tax	\$ 6,704,732	\$ 5,777,389	\$ 5,404,210	\$ 6,860,642	\$ 6,245,146	\$ 6,007,396	\$ 5,768,838	\$ 5,779,985	\$ 6,250,144	\$ 6,806,400
Utility Tax	\$ 4,035,148	\$ 3,538,771	\$ 3,714,253	\$ 4,049,309	\$ 3,610,554	\$ 3,545,471	\$ 3,597,319	\$ 3,572,412	\$ 3,396,280	\$ 3,485,000
Property Tax	\$ 4,355,300	\$ 4,395,975	\$ 4,335,785	\$ 4,407,840	\$ 4,364,847	\$ 4,239,976	\$ 4,080,338	\$ 4,057,366	\$ 4,123,676	\$ 4,430,000
Total	\$ 15,095,179	\$ 13,712,135	\$ 13,454,248	\$ 15,317,792	\$ 14,220,548	\$ 13,792,843	\$ 13,446,496	\$ 13,409,762	\$ 13,770,100	\$ 14,721,400

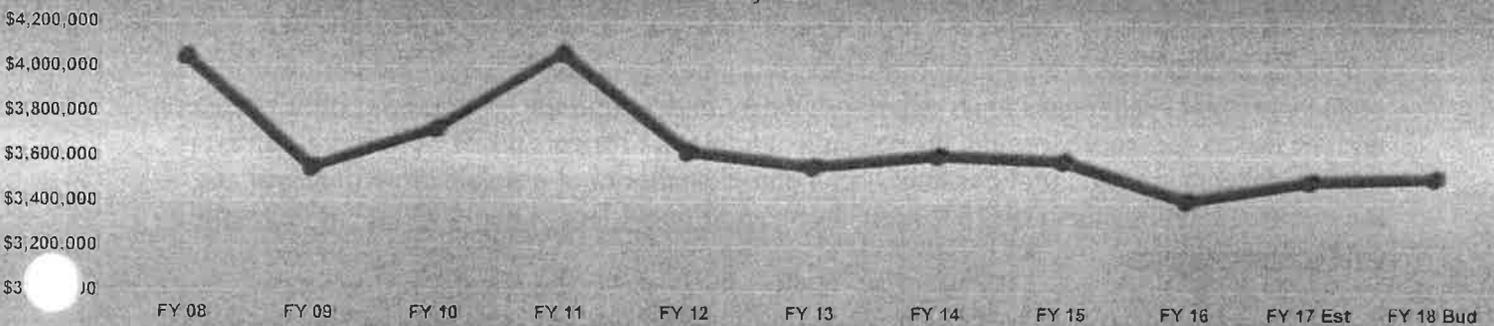
A Valuation	\$280,288,266	\$ 262,983,291	\$ 265,539,937	\$ 258,787,123	\$ 260,383,084	\$ 247,440,097	\$ 250,414,967	\$ 264,041,833	\$ 269,863,124	\$ 287,377,353
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Revenue Sources

All Sales Tax

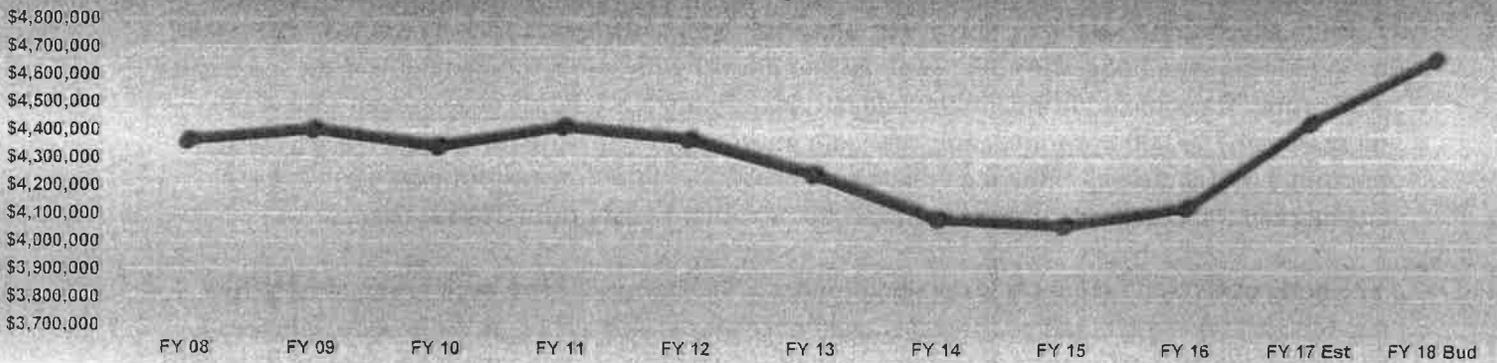


Utility Tax

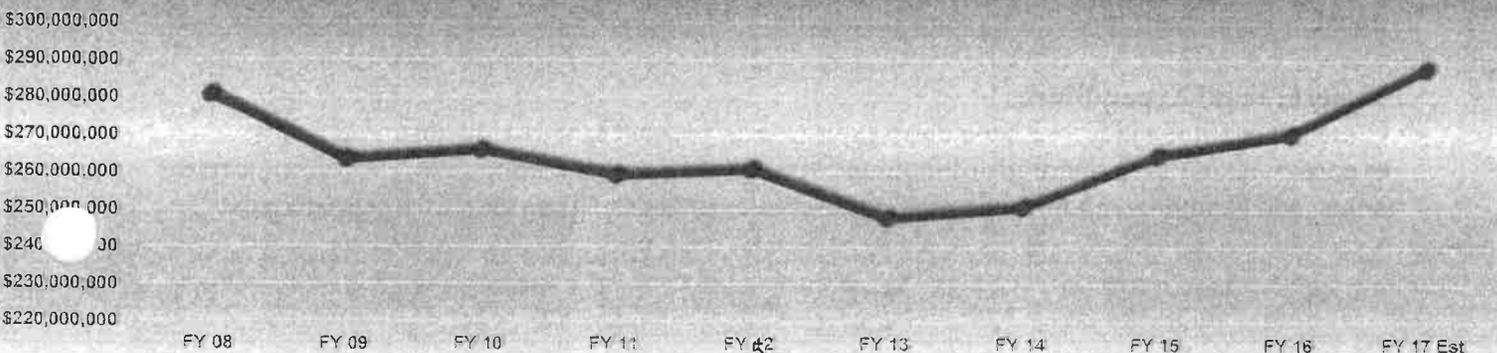


Electric, Cable/Video Services, Natural Gas, Wireless, and Landline Phone

All Property Tax



Assessed Valuation



* FY17 as of 7/30/2017

Ten years ago sales tax, property tax, and franchise tax revenues comprised 63.2% of the general revenue stream, and with the recent upsurge in property and sales tax sources, now these amount to 63%, partially due to a severe decline in one of the other key revenue sources. With our recent successes in redevelopment, new development, and expansion, these three key revenue sources are gaining strength and showing overall growth in the past two years. With the gradual improvement, countered by ever escalating increases in some operating costs, this has demanded constant belt-tightening from most all departmental budgets.

Last year, we noted that the next five largest sources of General Fund revenue had dropped from a combined 26.3% of the General Fund total to 23.1% over the previous two years, or a loss of around \$300,000 in a short period of time. These include other tax revenues (mostly our gasoline tax allocation), municipal court receipts, ambulance fees, license office fees, and occupational license fees. As a result, the top eight General Fund revenue sources (the three above plus these five) had dropped from 88.1% of the General Fund total in 2014 to 85.6% last year. The total of these eight primary sources had declined by \$318,000 in just the prior two years. With this year's growth in sales tax and property tax revenues, these eight top sources will rise to 91% of the total revenues in the General Fund in fiscal year 2017.

Another \$226,000 loss in the total for the next five largest sources this year has continued to create significant challenges to an otherwise upbeat budget outlook. With fewer police officers and the need to put more through the academy, along with officers on FTO, military, injury, or medical leave, the traffic unit has either been non-existent or not been able to write nearly as many traffic citations this year (20% less), for an additional loss of about \$230,000 this year in court revenue alone.

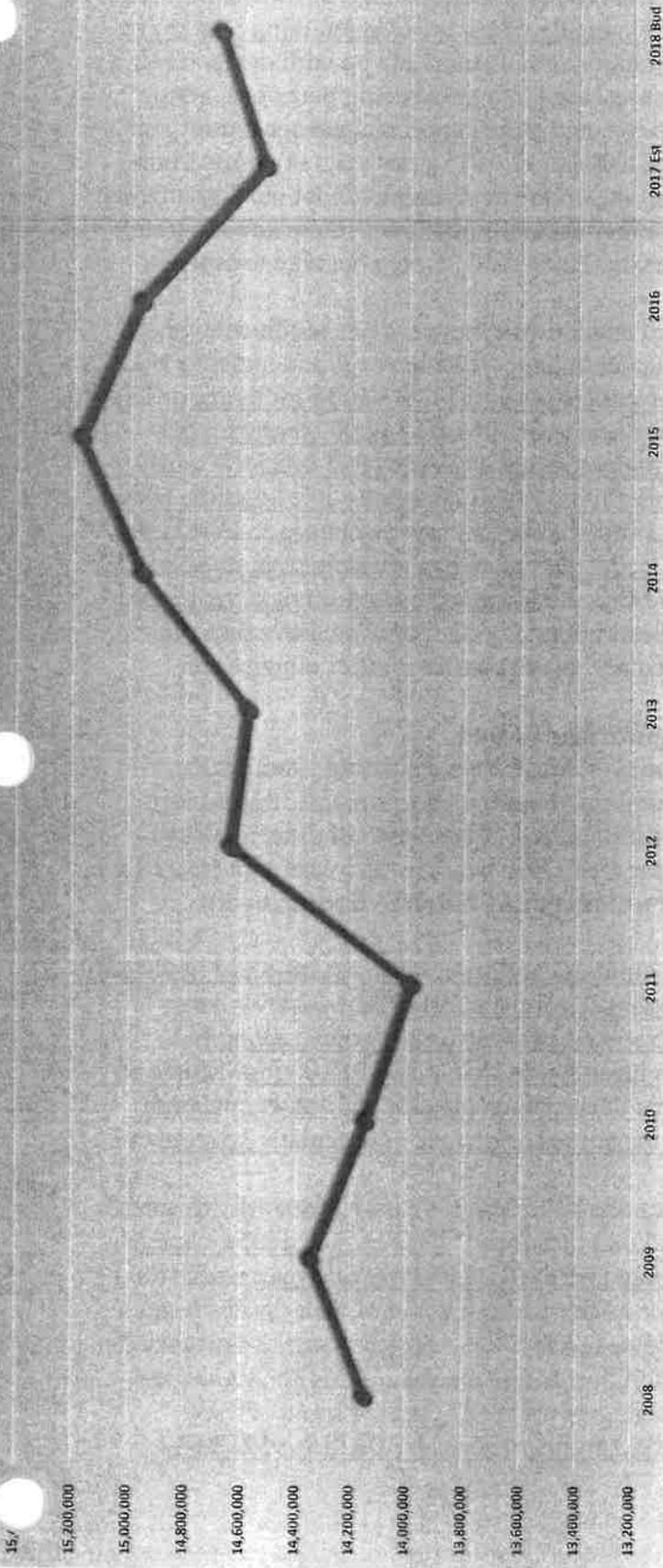
Next year we are forecasting a \$65,000 increase in these five large revenue streams combined, which would bring them back up to 25.3% of the total (up from 23.1%). With the continued growth of some of our key revenues and stagnation in some others, the top eight revenue sources should maintain a level we estimate to be about 90.5% of total revenue if projections hold. With the huge deficit last year, however, and slight surplus forecast for this year, we have been trying to bring the budget for next year back to a level within our anticipated revenues and leave some room for some additions to the budget. Ideally, the City needs to see overall revenue increases of \$300,000 or more each year, at a minimum, to provide for normal personnel and operating cost increases. Between this year's growth and the forecast for next year, we are starting to hit that mark (estimated at \$640,000 over two years from 2016 levels).

The good news trend is that sales tax and property tax revenues have been rising at a healthy pace the past two years (and as forecast, again next year). Our anticipated new development project would also bring in more revenue to the City within a couple more years once it gets off the ground. Revenues are expected to rise to \$15,150,500 next year, or \$14,665,497 without transfers from other funds, for a relatively healthy 2.5% growth rate, after 2.4% growth this year.

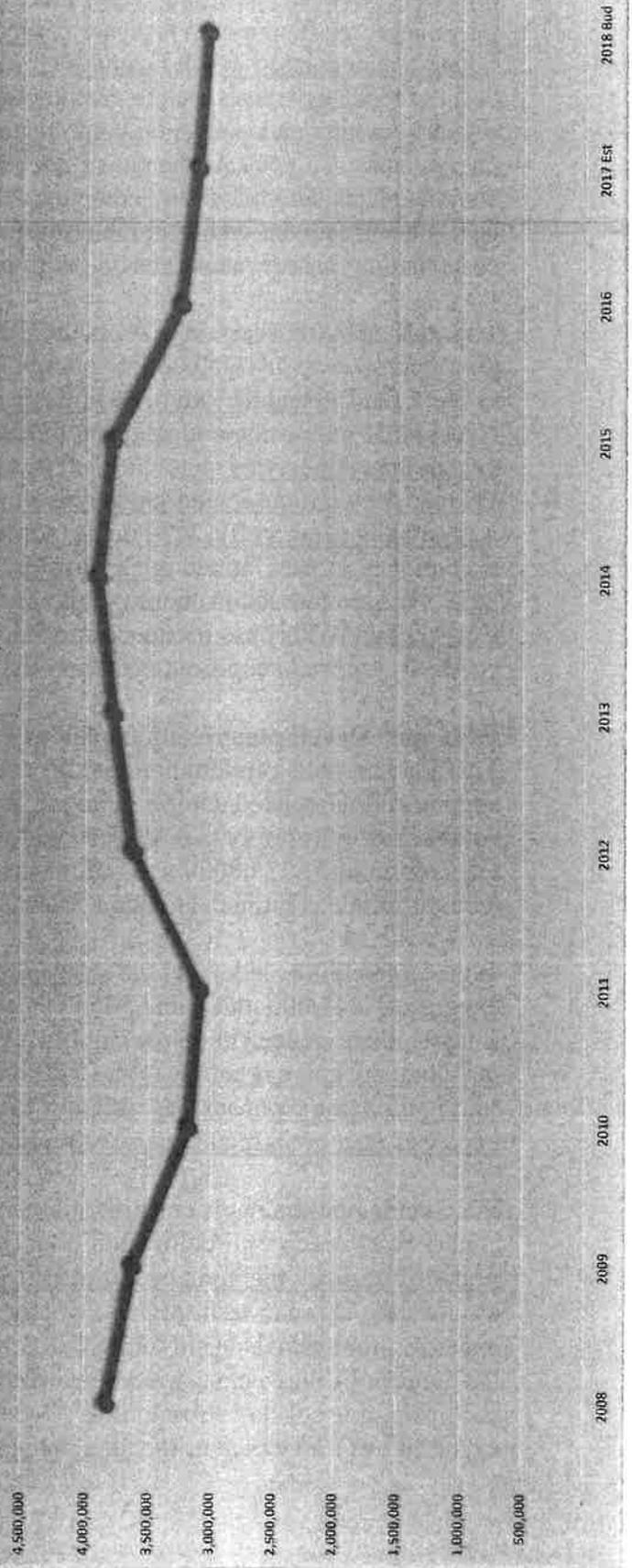
General Fund Expenditures

On the expenditure side, we have done a great deal in recent years to cut costs, hold down expenses, and to save hundreds of thousands of dollars through consolidation, rebidding certain items, and changing vendor or professional service contracts. This, along with greater cost-

General Fund Expenditure History



General Fund Non Personnel Expenditures



effectiveness and the resultant cost savings, has allowed us to provide two pay increases to our employees over the past three years (between 2% and 6% based on tenure over two years), but just a one-time flat amount last year. Over the previous five years, the General Fund operating budget had increased just 4.5%, or 0.8% per year, hardly enough to keep up with the increasing costs of those pay raises, health care annual increases, escalating retirement plan costs, rising property/casualty and workers' comp insurance costs, and technology, maintenance, utility and energy costs. A 2.6% average pay raise (effective October of 2015), last year's one-time lump sum payments, and police/fire career development pay raises have impacted not only a particular year, but subsequent budgets in the future. Those may seem nominal, but still create long-term costs that our past revenues starting with the recession (2009-2015) were not able to sustain.

The staff has tried everything we could think of to crank down this year's expenditures, which are forecast to hit \$14,740,063, or about \$24,000 under budget. Without counting transfers out to other funds, General Fund operating costs are estimated at just \$14,439,100 for this year. This is just 96.5% of our operating expenditure total for fiscal year 2014, \$514,000 less than our expenditures three years ago. For next year, we are proposing a budget of \$15,085,897 or just \$14,885,897 without including transfers out to other funds. This is actually 1.7% less than what was actually spent in FY 2014 due to some of the aforementioned revenue issues and challenges we continue to face. In fact, this is just \$230,317, or 1.6% more than the amount budgeted in FY 2012. We are pleased to submit to the Mayor and Board a balanced budget for next year in the General Fund. This has put more of a strain on departmental budgets, but we have taken the necessary steps to keep from depleting the fund balance even further for the coming year.

Economic Development Enhancement/Communications Fund

This fund has had a funding problem for some time. It doesn't have a funding source that supports all the related activities, and as the General Fund continued to struggle, this created another reason for prior year deficits and funding difficulties. At the present time, this fund receives around \$125,000 or so in revenue each year from the hotel tax and whatever amount we recover from the Truman Heritage Festival. The rest is coming from the General Fund.

On the expenditure side, this fund pays for our Communications program, website and newsletter expenses (\$146,000 total), and \$40,000 or more typically for the festival the past few years (mostly music concerts and promotion). We also spent \$119,000 on our annual economic development and marketing contract, \$20,000 on business retention, and \$10,000 for Music on Main (as a major sponsor), as well as all economic development related legal and consulting expenses (most of which have been reimbursed, but some are general or speculative expenses.)

Even using one-time new construction permit fees up to \$156,000 it's easy to see why this fund is underwater each year before additional General Fund transfers. This has forced the General Fund to subsidize this fund even further in an amount up to \$145,000 more this year, and it's obvious the City can't afford to do that any longer. After trimming some of the typical budget expenses, the special subsidy for FY 2018 is budgeted at \$95,000. Another hotel, as proposed in the Gateway Village plan, would be a welcome addition and could reduce this deficit and the accompanying subsidy substantially. After ratcheting down the budget for some of these expenditures for next year, the total proposed budget for this fund for FY 2018 is \$282,914.

Transportation Sales Tax Fund

This fund supports both street maintenance and construction projects each year, and we have received at least \$18 million in federal funding commitments over the past seven or eight years now. However, as we have seen with the Main Street–Phase IV project as an example, it has become increasingly difficult to front-end all of the projects on the drawing board, with federal reimbursement coming a year or so later. The Sam’s Club loss has seriously impacted this fund as well as the General Fund, adding to our financing funding issues. However, we’ve managed to complete the Main Street Phase IV project, the MoDOT Highway 150 Cost-Share projects, just completed this year, along with providing funds for our annual street resurfacing program, slurry seal program, and sidewalk and curb repair program.

This half-cent sales tax was first approved by voters in 1986, then again in 1991, 2001 and 2011. It sunsets every 10 years, and will come up for renewal again in 2020. After committing \$6.8 million on road projects in 2015 and 2016, the proposed budget for this fund for next year is just **\$563,487** to cover the annual maintenance program and ongoing project inspection costs.

Capital Improvements Sales Tax Fund

Likewise, this is another fund supported by a half-cent sales tax that pays for all of the City’s equipment replacement, vehicle replacement, facility renovation and replacement items, new computer technology, and a good deal of infrastructure (storm drainage, sidewalks and curbs, and certain projects like the Civic Plaza area, Botts Road reconstruction, and the Main Street Corridor). It should have been renewed by voters just prior to this budget submittal.

This fund, first voted on in 1998, brings in a bit more than the Transportation Sales Tax Fund (fewer exemptions), but as can be seen from the City’s adopted Capital Improvements Plan, there are far more needs than can be funded by around \$1.3 million a year in sales tax revenue, and this fund also lost a substantial amount with the Sam’s Club loss. Therefore, this fund is hard pressed to fund all the needed items, but our priority list for the coming year is included in a subsequent section of this memo. It’s easy to see that this is of vital importance to support the City’s annual equipment and vehicle replacement, as well as various infrastructure needs as well. The proposed budget for this fund is **\$1,782,500**, and a summary of projects and items funded is included later in this memo.

Sanitary Sewer Fund

This fund has struggled to catch up with skyrocketing cost increases over the past several years. The most significant impact has come from increases in sanitary sewage treatment costs from both the Little Blue Valley Sewer District and Kansas City Water Pollution Control Department. This included an 84% increase in our costs within a five-year period from LBVSD, along with about a 60% increase in sewage treatment from the portion of our system that goes to Kansas City in the past five years. Kansas City is increasing rates 10% or more each year to help pay for \$2 billion in water and sewer improvements. In addition, Public Works has been conducting inflow/infiltration studies for the past five or six years, and the City has been replacing lines, lining sewers, and sealing manholes in an effort to reduce the extraneous storm water entering the sewers and adding to our treatment bill, which includes the cost of treating all storm water entering our lines, as well as wastewater from the sewer system (all sewage and storm water is metered as it flows to the Little Blue Valley treatment plant).

We have been increasing sewer rates annually for the past six years to catch up with annual operating costs and limit the deficits of recent years in this fund. A rate study done just this year has evaluated the costs of treatment from Kansas City and Little Blue Valley and the projected cost trends for the next few years, along with our own operating cost increases for maintaining the system, billing both commercial and residential customers, and repairing or lining sewers. The study and resulting report now recommends that the City increase sewer rates 5.7% this year and for the next few years as well. Despite the comparatively high cost for water in Grandview, the City's sanitary sewer service rates still remain among the lowest in the metro area, even after the anticipated rate increase. The FY 2018 proposed budget for this fund is **\$4,085,409**, 2.4% higher than this year's budget.

Strategies Employed Over Time

Tax Incentives – As I've noted in the past, the City has remained aggressive, but selective in the use of the tax incentives over the past 25 years or so, and these have resulted in numerous new businesses, now approaching 2,000 jobs during that stretch. However, a prolonged recession, and its long lasting effects on the financial sector, has a way of reducing or even eliminating the positive impact of some of those new businesses and associated investment, jobs, and tax revenues. Grandview has used various tax incentives available to the City to incentivize development and to attract the following businesses over the past several years:

- 1) **TIF # 15** - Truman's Marketplace Shopping Center redevelopment project, which has produced new or renovated stores like Burlington, TJ Maxx, Ross Dress, Petco, Five Below, Price Chopper, Citi Trends, Rue 21, Lutti's, Topsy's, and Shoe Carnival, along with pad sites that now include McAllister's Deli, Chipotle, Verizon, Mattress Firm, and Hardee's.
- 2) **TIF # 16** – Approved last year and scheduled to produce up to 14 new competition soccer fields, hotels, retail and restaurant development, and eventually new apartments, single family homes, and more commercial development along Highway 150. We are expecting to see revised plans and dirt moving again by this fall on Phase I of this huge project.
- 3) **TIF # 9** – Gateway Commons development – Gail's Harley-Davidson, Subway, Sonic, and Zipz! – and now a few more acres owned by the bank just north of Gail's will be the site for a new microbrewery and restaurant development.
- 4) **TIF # 13** – Grandview Crossing commercial redevelopment – Red X, E. Edwards, Grainger, Benjamin Moore Paint, Pizza Hut, Orlando's, etc.) – with the Red X space being vacant for several years, it is now the location of Discount Groceries, an existing business that will expand and take most of the 68,000 square foot store space.
- 5) **TIF # 6** – Blue Ridge & Truman Drive, included a new intersection there (brought in McDonald's, O'Reilly's, Sherwin-Williams Paint, etc.).
- 6) **TIF # 8** – Downtown TIF in conjunction with the Main Street Corridor improvements – Songbird Café, Accurso's Catering, Joe's Cabinet Shop, El Altano Mexican Restaurant, UPS Store, Unruh's new 8th & Main Event Space, Café Main (now closed), Local Roots Market (now closed), shops and apartments in the Grandview and Main building (2015 fire damaged, but now leasing once again), numerous offices and loft apartments in Unruh's other buildings, and numerous building improvements and other offices and shops, and parking lots, 100+ jobs added. This was terminated by Jackson County, 2016.

- 7) **TIF # 10** – Teague initiated industrial park – Burger and Brown Engineering, Fluid Systems & Components, PODS, (including two expansions), and others, as well as more lots available in that industrial park.
- 8) **TIF # 12** – Holiday Inn Express – many visitors and hotel tax revenue.
- 9) **Chapter 100 Industrial Revenue Bonds** (for abatement purposes) – Sika Corporation (300 employees initially) 1998; MeadWestvaco-Calmar, 2003 (then WestRock, now Silgan), still around 400-450 employees).
- 10) **Chapter 353 Redevelopment** (for tax abatement) – Hickman Mills Medical Clinic/ Office relocation there in 2009, along with Albers Pharmacy (45-50 employees); Pride Cleaners headquarters and operations as a redevelopment project on the East Frontage Road (around 80 employees); new Quik Trip at Hwy 150 & I-49 – 15 employees).
- 11) **Transportation Development District** (added sales tax and/or property tax assessment) – Gateway Commons and Truman’s Marketplace redevelopment.
- 12) **Community Improvement District** (similar to above) – Truman’s Marketplace.
- 13) **Enhanced Enterprise Zones** (based on demographics for economically challenged areas in various census tracts in the City) – tax abatement for the National Oceanographic & Atmospheric Administration regional federal facility (80 employees); tax credits for Snowmen, Perfection Tile, and Pyramid Roofing - examples of how we have used this tax abatement mechanism to bring in new businesses or expand existing businesses.

Tax incentives usually tie up the revenues generated by a project for a period of several years. However, ten of the 16 TIF districts have now been closed out (no longer allocated to TIF), and our Chapter 100 projects are 13 and 19 years old now, allowing those businesses to start paying property taxes to the impacted taxing jurisdictions as the abatements diminish or expire.

Grants – The City has greatly extended the funding capacity of two of our special sales taxes (for Transportation and Capital Improvements) by applying for and receiving grant awards for over \$20 million in grant funds over the past eight years or so. These have been particularly noteworthy in expediting and extending the Main Street Corridor, including future funding through the end of 2017 and into 2018 and 2019, when grant money is expected to help us begin the frontage road two-way conversion and the Blue Ridge bridge and underpass.

Residential Development – The City has tried to encourage residential development for the past 15 years or more, which has resulted in around 1,000 new housing units to date, including 750 apartment units. This includes 300 new apartment units in the past three years. Since the recession, we have not seen many single-family homes being built since Sunrise Farms and the Villas of River Oaks despite the 40-lot subdivision still awaiting development along Byars Road across from the Villas. Even more apartment units are expected as part of another Grand Summit expansion phase, and the new Gateway development is supposed to create single-family and apartment unit in the coming years as part of their development. In the meantime, the City has been proactive in forcing the renovation and redevelopment of older, run-down apartment complexes and homes in town – and in a dozen or so cases, demolished those buildings. This has led to the renovation or remodeling of as many as 800 apartment units and numerous houses to date. The housing study we have initiated this year will provide more information that we hope will spur more interest in new housing development here.

Facility Improvements – Using the Capital Improvements Sales Tax, the City has also tried to keep updating, maintaining, renovating and remodeling City facilities and departmental areas like the License Office, Finance offices, Community Development/Public Works offices, Fire Station No. 1 (major renovation), Police facilities, our conference room and kitchen area, and the Public Works/Park Maintenance facility (finished in about 2013), along with ongoing technology upgrades to the extent funding has allowed. We have also made energy efficiency modifications to our city buildings, including energy efficient glass, radiant heating, and more energy efficient lighting. We have also changed out all facility lighting with LED bulbs, and KCP&L is doing that with their streetlights now too. We want City facilities to be attractive, comfortable, efficient, and beneficial to employee productivity, as well as the public, but major roof and HVAC replacements are now due, and pending the renewal of this sales tax, will be on the front burner next year.

Citizen Communications – The City has now enhanced and upgraded its website, and our newsletter continues to be well received and read, with timely information and attractive photos and graphics. The City has invested in an emergency notification system to greatly improve communications with residents before or during an emergency. Two community festivals and numerous summer concerts and movies in the parks, more athletic activities and youth sports leagues add to local amenities enhancing social interaction, identity, and sense of community. The Citizens Academy, now in its fifth year, has attracted many interested residents, and has received nothing but positive reviews so far. A branding process last year resulted in a new tag line and updated letterhead and logo that provide even more community identity.

Neighborhood Preservation – Along with our ongoing promotion and encouragement of neighborhood preservation, property maintenance, and beautification (i.e., Yard of the Month, etc.) the City's landscaping (trees, shrubs, flowers) of Main Street complements the flower beds at City Hall, *The View*, and most of our parks. Some businesses along Main have responded with their own beautification, renovation and energy conservation efforts, and this is expected to continue. In conjunction with the Grandview Chamber, the City helped start the Grandview Main Street program in 2015, using a grant and Missouri Main Street guidelines and assistance, with the goal of organizing and promoting business in this corridor and redeveloping and once again using older and underutilized buildings along Main Street.

Departmental Efforts - In addition to all these initiatives, City departments have continued to actively pursue more effective, cost-efficient, and customer-friendly approaches to service delivery. Examples of this include: good overall response times for police and fire; a cost-effective and smooth running court system; personal service-oriented enforcement of codes pertaining to tall weeds and grass, disabled or unlicensed vehicles, nuisances, and animal control; customer-friendly, staff-efficient vehicle and driver's licensing and property tax collection offices for the state and county, now taking credit cards; transitioning to more fuel-efficient vehicles; instant messaging to citizens through our emergency notification system; providing a nice space for our local farmers market; weekly pre-application meetings to assist businesses, builders, and developers with their plans for development or construction; electronic ticketing by police officers and in-car videos; greater use of GIS in-house and online; and a focus on grant funding for everything from bridge design to street construction, and from traffic safety to neighborhood stabilization and bridge relocation and design. General Fund revenues support the

bulk of the City's operations and all but 24 full-time employees (about 13%) in other funds. These will be discussed in the following sections.

Commercial Development - The primary citizen concern (from past surveys) has been the lack of new or improved retail opportunities in the community, but last year we got our shopping center redevelopment project going, a \$76 million TIF project that is now about 85% occupied and providing significant new retail opportunities for residents. Last year, the groundbreaking for a new \$234 million development was held, and this is one that could be the most significant commercial/recreation venture in the metro area. After some initial financial issues, we are anticipating that they are once again on track for a spring 2018 opening.

In the new global economy, with a healthy, but still uncertain job market and the recent lack of a national or state funding agenda, particularly for infrastructure, it has become more difficult to obtain financing, sell bonds, or to keep revenues intact. With more and more online sales, cities are under high pressure nationwide, and continue to look for development opportunities, new businesses, new revenues, and jobs in the coming year, as well as new strategies to provide law enforcement effectively, improve community relations, offer desired amenities, and build and maintain infrastructure for their citizens in a changing world.

General Fund Expenditure Issues and Cost Reduction Efforts

While some of our key revenues have stagnated or declined in recent years, some of our expenditure items have been on a steady incline. Despite ongoing efforts to contain or reduce operating costs, the City has seen health care costs increasing \$30,000 to \$80,000 a year despite sharing annual cost increases with employees. This year's cost increase was more moderate, and we were able to make substantial changes by dropping the expensive HMO plans in favor of the high deductible plans that employ health savings accounts to allow employees to manage their own health care costs. The City is now paying around \$1.3 million for employee health care, but this seems to be the best alternative for the upcoming year. Meanwhile, after shopping our other insurance programs in recent years at substantial savings, we will be examining other health care cost options in the coming year. In the meantime, retirement system contributions (entirely City paid) have typically continued to rise each year by as much as \$80,000 annually too, but this year rates announced were fairly stable for 2018. Together, these two account for 12% of this fiscal year's budget or, incredibly, one dollar of every \$8.33 spent in the General Fund. Thankfully, retirement contributions for next year will remain stable. Meanwhile, cost and limited choices have pushed employees toward the least expensive health plans. As of this July, about 95% of our employees had migrated to the high deductible plans.

All the seemingly automatic cost increases each year leave little room for other rising costs. Contract maintenance fees associated with our financial management system, CAD system, P-25 radio system, video cameras, electronic ticketing system, court and other software packages, and a few other items have become a significant cost area city-wide. New technology is not cheap, and these now constitute a relatively high percentage of our overall contractual service costs.

Over the past fourteen years, it has been very difficult to reduce the operating budget to balance revenue limitations without impacting staffing levels. The most dramatic impact occurred in or

after 2008, but staffing cuts began in 2003. Over the 14-year period, the City has cut or frozen 17 positions city-wide. Still, we've tried to address areas of serious need, and have added nine new positions, only four of which impact the General Fund. The net effect has been a total reduction of about eight percent of the General Fund work force (without requiring layoffs). Of our entire employee complement, 65 percent are Police and Fire Department personnel.

Departments have for several years been asked to consider more cost control, i.e. additional consolidation, energy savings, alternative approaches, cost avoidance, and more creativity to counteract escalating costs. The management staff and employees alike have been creative over the past few years, and even more was done this year. Some that have made a significant impact on costs include the following:

- Despite being in the MPR pool for around 30 years, we were able to save over \$100,000 a year by competitively bidding the City's property and casualty insurance following an analysis by our insurance consultant. Now in the sixth year, we have saved hundreds of thousands of dollars, and it has remained relatively stable for several years now.
- In the past couple of years, we saved \$40,000 annually by competitively bidding our workers' comp coverage, again following an analysis of the market. Then, despite a bad injury/loss period over 18 months, we were able to find yet another municipal carrier for this coverage for the 2017-18 year that is saving us about \$100,000 from the premium we would have had to pay, and it includes more emphasis on safety and preventing employee injuries, with closer monitoring of injury leave and medical attention and recovery.
- The Finance Director rebid our ambulance billing contract this year, and we will now be receiving more timely and effective handling by our ambulance billing service, plus the City will be paying less to the contractor, 3.95% instead of the previous 10%, which by next year could net \$40,000 or more in additional revenue per year.
- Last year, the Finance Director worked with our bond consultants to refund the City-backed bonds for TIF #9, the Gateway Commons commercial development initiated in 2003, thus saving around \$50,000 in debt service payments (City's subsidy).
- Last year, the staff worked together on a new phone system bid process that wound up saving the City \$55,000 a year by changing out our phone system and service provider, plus thousands more by eliminating unnecessary phones city-wide.
- By analyzing our legal services contract and working cooperatively with our Special Counsel, we have reduced our annual legal services costs, with about a \$40,000 savings to the General Fund. Bond funds and capital funds should see some savings as well.
- Last year, we also decided to hire our former IT contract service specialist, thus getting his services full-time (about 60% more hours each week) at a savings of around \$20,000 to the General Fund, plus several thousand dollars to other funds as well.
- In the past couple of years, we have also saved \$20-30,000 annually by consolidating all printer/copier services under one contract. This offers the same brands and services to all city employees, with same day service for any malfunctions or breakdowns.
- As part of a regional consortium led by Kansas City, we are now saving at least \$10,000 a year by purchasing gasoline cooperatively through that group, saving not only money, but the time it took to take bids every couple of months previously.
- In recent years, we have also downsized several vehicles, starting with dump trucks in Public Works, patrol cars in the Police Department, and an Assistant Fire Chief's utility

vehicle. Community Development added a more fuel-efficient vehicle for Neighborhood Services to use this year, and it will likely be replicated when we replace others.

- Using our 2014 bond funds, the Fire Department refurbished our aerial truck rather than having to replace it (saving at least \$600-\$700,000) and bought a new pumper truck – both for less than the price of a new aerial truck.
- We are now purchasing new ambulances that allow for the City to replace components like the chassis over time without replacing the whole unit, thus extending the life for several years and saving about \$125,000 per unit.
- Building a new joint use, green design Public Works/Park Maintenance facility in 2012 as part of the 2008 bond package that replaced two 50-year-old inefficient facilities has resulted in greater energy efficiency, productivity, and preservation of City equipment.
- Saving on overall vehicle maintenance costs by moving all routine maintenance in-house with our two Public Works mechanics, along with some of the more costly repair jobs. This has saved thousands of dollars, created a cooperative relationship between them and the departments, and often saved delay time in getting equipment back on line.
- We have replaced street lights on Main Street (City owned) with new LED lights, thus saving on electricity usage that could reduce power costs by as much as \$15,000 per year. KCP&L is also changing out the rest of our lights at additional savings, but unfortunately not as much as they are saving in energy costs.
- After months of negotiation, we are saving thousands of dollars by consolidating credit card fees under one company – and reducing the convenience fee to just over two percent per transaction paid by customers.
- Our purchase a few years ago of hydraulic power-lift cots for our ambulances, hastening patient transport and promoting safety, has reduced employee injuries and City liability.
- We still cross-train part-time employees in the Collections and License Office, thus enabling the supervisor to schedule based on peak demand and reducing hours for part-time employees in both areas.
- Savings from elimination of seasonal right-of-way mowing in Public Works, now using regular personnel and more efficient routes; and bringing park mowing back in-house, after being contracted for several years, at a savings of approximately \$40,000 per year.
- We have saving around \$60,000 annually by moving from a private contractor to regional county-operated jail facilities to house prisoners at a lower rate per day. With fewer tickets and jail time the past two years, this cost is down even more in 2016. We also schedule video arraignments in between court sessions to bond inmates more quickly

These efforts don't count the potential cost savings from other services that can impact crime, violence, police/community relations, neighborhood preservation, building safety, and even development. These are things like police community outreach and youth programs, resource officers in the schools, DUI and speed enforcement, use of CIT and domestic violence counseling, fire and emergency education in the schools, more regular fire inspections, free smoke detectors, regular street maintenance and sewer cleaning, programs like Pets Helping People and Coffee with a Cop, code enforcement for unmowed lots and nuisances, processing dangerous building cases and demolition or problem properties, predevelopment meetings for builders and developers, one-stop shopping in our tax collection and licensing offices, and lean, efficient court processing and adjudication.

The City also continues numerous cooperative efforts with other entities: property tax billing/collection (Jackson County), sewer service billing and collection (Water District #1), school resource officers (Grandview School District), and regular health inspections (Jackson County). Regional partnerships also still provide for pooled employee health insurance (MPR), sewage treatment (LBVSD and KC), cooperative purchasing (MARC, State of Missouri, purchasing groups), regional training (MARC and KCPD), the state/regional law enforcement data network (REGIS), and drug enforcement operations (Jackson County Drug Task Force). Regional and cooperative efforts like these are cost effective for all parties involved, and we may be looking at one or two other such efforts in the coming year or so.

Financial Outlook and General Fund Strategy for Fiscal Year 2018

Now nine years after the recession began, we have a generally positive year in the national and local economies. We have reached what most economists call full employment at around 4.3%. The housing market continues its resurgence, and a seller's market has boosted housing values this past year, along with more new housing starts. The rental market is still up significantly too, but high tech jobs are still going unfilled, millions are still working part-time while wanting full-time jobs, and the workforce participation rate (% of the working-age population either working or seeking work) is still sitting near the lowest level in 40 years at around 63% as of July.

Businesses of all sizes continue to suggest they will be locating, expanding, or leaving based on tax incentives, and cities continue to provide TIF assistance or other incentives, only to find that many commercial centers struggle to meet projections. Grandview's initial retail TIF districts have languished over the years or failed to materialize in some cases. The recent renovation and rebranding of Truman's Marketplace is a really significant breakthrough for Grandview, as centers in Mission, Metcalf South, and Metro North have struggled for years and are just now receiving approvals to move forward, generally with reduced plans and expectations. Many retailers have either closed stores or announced bankruptcy this past year. Walmart has bought into clothing and other similar online sales businesses, including jet.com in an effort to compete with Amazon. Ali Baba is quickly becoming one of the top ten "economies" in the world. Gateway Village development, if it can get back on track, with its sports fields, hotels, retail, restaurants, and new housing opportunities, has an opportunity to be a new model sports/entertainment/retail center, as consumers look for more than just shopping at centers around the country.

Despite the recession and erratic economy, most of our businesses and industries have stabilized, without severe job loss, and new businesses and energy still appear evident on Main Street, including the restoration of the office building at Grandview Road and Main, opening of the new 8th & Main Event Center, and other opportunities in the making. With the near-completion of Truman's Marketplace and one new fast-food restaurant joining others on one of their pad sites, we are also seeing new development and redevelopment along Blue Ridge on the north side.

The I-49 Corridor will likely take awhile to redevelop, given the effects of over 30 years of one-way frontage roads, deterioration, run-down and vacant businesses along there, but two new businesses have appeared along the West Frontage Road in recent months. Also, we have finally gained MoDOT's cooperation and support in turning the highway frontage roads back to two-

way traffic in the next couple of years. Public Works has received approval for federal funding to begin that conversion in 2018.

As we have been working through our budget estimates, projections, and strategies for this year, we know that recent state legislation has had a significant impact the past two years, and will likely have further, but yet uncertain impact next year. Given the current climate in Missouri, bills are proposed each year that could reduce or eliminate city revenues, or in some cases nullify municipal authority over zoning or other matters of local interest – even the right to file class action lawsuits. We already have the \$1.00/\$100 assessed valuation cap on property taxes (probably 100 years old) and the Hancock Amendment (requiring a vote on any new tax, license, or fee, excluding user fees). The legislature, and now the Missouri Supreme Court, have changed the rules and the leverage to even get people to come to court, and each year they attempt to take more local authority away on zoning issues, telecom issues, right-of-way issues, licensing issues, and personnel issues. If this doesn't change, cities are going to continue seeing revenue sources and the right to manage local issues deteriorate even further in the coming years.

Strategy Based on Current Circumstances – Over the past nine years, the City has frozen ten positions across the various departments, but the reductions have occurred as a result of attrition, after evaluating each individual vacancy, so that services have been impacted as little as possible. We have yet to impose layoffs, furloughs, or salary reductions, although several cities around us have done so, particularly around 2009-2012. Even with the loss of Sam's Club, we have also managed to provide pay raises in two of the last three years without layoffs.

The General Fund operating budget has been trimmed once again, both this year in anticipation of a possible deficit, as well as additional cuts for next year in an effort to balance the budget and provide something for pay raises. The result is that departmental budgets have not changed much over the past eight years or so. In fact, the accompanying chart shows that expenditure levels have risen for various reasons over the past several years, but non-personnel related expenditures are being held to 2011 levels for next year.

Maintenance costs, from those for numerous software packages to those for vehicles, field equipment, communications items, and facilities, are among the few things that have changed because of greater technology usage, contractual maintenance and repair increases. Of course, we are also impacted by the ongoing effects of the employee pay raises from 2014 and 2015, which cost around \$480,000. We have revisited all these costs for the coming year, not just based on trends or past history, but on realistic expectations and probabilities.

After a lot of scrutiny and diligence on everyone's part, we are presenting a balanced budget for fiscal year 2018. However, the City's revenues must be able to sustain the natural growth in demand for services that occurs in most cities, along with the added costs of new parks and streets and facilities, as well as those built 40-50 years ago. Because of the tax limitations in Missouri, we cannot just depend on anticipated growth and development. While we have seen some additional one-time development related plan review and building permit revenues in recent years, that temporary funding doesn't provide any long term stability in and of itself.

With all the positive retail, restaurant, and industrial development news, new and impressive streets, bridges, and park amenities being built, and tremendous new community outreach and communications programs, we believe that our greatest resource is our employees. After two years where we were able to provide pay raises of as much as six percent for our employees, we were only able to provide lump sum payments last year, while our deficit reached a new high. Our pay ranges, and particularly the upper limits of some of those, are still not competitive enough to meet metro area comparative pay escalation. This impacts our ability to recruit the best employees, even with those cities we compare or compete with the most.

So, the budget strategies being recommended for Fiscal Year 2018 are as follows:

1. Maintain essentially the same staffing in each department, but continue to look at opportunities associated with employee turnover. In the past year, we have made a few reductions related to part-time staffing.
2. Fund employee raises, once again using a one to three percent approach based on employee tenure. Yes, this was an unexpected benefit of all our work this year.
3. Continue our current practice of funding capital items only from capital funds.
4. Fund a rental registration and inspection program, including partial cost-recovery fees for inspections, with implementation scheduled for spring of 2018.
5. With the passage this week of the Capital Improvements Sales Tax for another ten years, look at funding options for both facility and fleet improvements, replacing equipment, vehicles, and technology, and making facility repairs or providing for renovation as needed.
6. Consider the potential and feasibility of new tax sources, particularly the local use tax and the public safety sales tax after careful analysis of the use of new revenues.
7. Continue to seek and respond to new development opportunities, which appear to be more likely than in the past, using careful cost/benefit analysis of each project.
8. Continue to research any additional ways to cut costs, consolidate services, or consider additional fees for service in the coming year, where such measures are justified or have fallen below the market, in an effort to maintain a balanced budget.

Those who currently have a local use tax are able to apply it like sales taxes on out-of-state purchases of more than \$2,000, particularly for businesses purchasing equipment items, which include large purchases at times. Amazon has already agreed to collect local use taxes on all online sales in Missouri for those cities that have it, and the tax would also be applied to out-of-state vehicle sales, which we would lose otherwise after November of 2018. The future appears to be in online sales, and the City should try to take advantage of that. In addition, occupational license fees have not changed in 39 years, so our minimum and maximum fees have not remotely kept up with inflation and are comparatively very low, but this also requires voter approval.

As indicated previously, for the coming year, the total General Fund budget as proposed is \$15,085,897, or 2.1% more than the budget for the current fiscal year, but 0.4% less than actual expenditures for 2016 and 2% less than actual expenditures for 2015. In fact, the proposed budget is currently only one percent more than what the City actually spent in fiscal year 2009, nearly eight years ago.

Capital Improvements

The half-cent sales tax for capital improvements has been in effect since approval by the citizens in 1998, and under the terms of its creation must be approved every ten years. We were able to renew it this year before its expiration next year, and its approval is critical to the continued provision of all the capital equipment and facility needs of the City. The half-cent sales tax for transportation has been in effect since 1986, was approved again in 1991 and now is voted on every ten years as well. In 2001, voters approved a third half-cent sales tax to build and operate our community center, *The View*, which is now 13½ years old. Fortunately for the City, the voters have agreed to renew the first two taxes every ten years when they come up for renewal. These funds can only be used for their intended purpose as authorized under Missouri statutes and detailed in Board resolutions passed prior to the elections. Once again, the significance of these capital funds cannot be overemphasized since General Fund revenues have not been able to support annual capital expenditures for equipment replacement, vehicles, roads, facility or technology improvements for nearly 20 years now.

Capital Improvements Sales Tax Fund Budget

After consideration of numerous items requested by the departments this year, it's clear that the City cannot afford all of those – hence the need to renew this tax. The following infrastructure and equipment items are considered high priorities and are recommended for Fiscal Year 2018:

Ambulance replacement (2)	\$355,500
Bunker gear (second set & replacements)	97,000
Field equipment	20,000
Fire command vehicle lease	5,000
Police package vehicles	185,000
Body-worn cameras	90,000
Tactical body armor	55,000
Mobile data terminals/DVR replacement	42,000
Detective unit vehicle	27,000
Video server	10,000
City building improvements	300,000
Computer and software replacement	75,000
City-wide phone system capital cost	20,000
Annual Public Works vehicle replacement	120,000
Annual storm sewer/drainage studies/repairs	100,000
Annual concrete storm channel renovation	75,000
Presidential trail construction	50,000
Annual new curb construction	50,000
Annual sidewalk repair program	25,000
Annual curb repair program	50,000
Public Works field equipment	15,000
MO Highway 150 street lighting study	<u>10,000</u>
Total	\$1,776,500

Transportation Sales Tax Fund Budget

Because of the Main Street Corridor Phase IV project, Main Street Phase VII project, and the Highway 150 cost-share projects all being done in 2016, this sales tax fund was struggling to avoid a negative fund balance, so we covered that on a temporary basis by the General Fund. As the federal grant reimbursements are received, it allowed the next project in line to go forward with the help of federal funding. Meanwhile, road resurfacing and sidewalk/curb repairs were able to return to normal funding levels.

With all the work done in the past year completing Main Street Phase IV, both design and construction of the 155th Street project, the Presidential Trail construction, and 135th Street Trail, Phase I, no major projects are scheduled for next year. Details on this fund’s recent activities can be found later in this document, but the street maintenance budget for next year will include the following in fiscal year 2018:

Maintenance Projects

Street overlay program	\$375,000
Slurry seal program	65,000
Sidewalk and curb repair	65,000
Legal services	12,000
Ongoing project inspection costs	<u>46,487</u>
Total	\$563,487

2015 Public Safety Bond Improvement Fund

On August 5, 2014 voters approved a \$13 million bond issue to pay for numerous capital items for police and fire and parks and recreation. The proposal was split into two questions or packages, one for each major area of need. In 2015, the City sold bonds to cover the first phase of public safety needs. Funds have been spent on a new public safety radio system, new police storage building and access improvements, new fire pumper truck, renovation of our aerial truck (currently back at the manufacturer for fire damage repairs after an unexpected electrical fire), renovation of Fire Station No. 1 and remodeling of Fire Station No. 3, all part of the bond issue. In 2018, including the grant we have received for this project, we are budgeting the following:

Police Department shooting range	\$1,000,000
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2015 Park Bond Improvement Fund

As indicated above, in fiscal year 2015, the City sold the bonds approved by voters in 2014 and spent some of the funds for the design of the amphitheater project and the water park project. The amphitheater project was completed last year and is fully operational, but the bids for the water park were way over our original budget. That project was put on hold, something agreed upon by both the Parks and Recreation Commission and the Board of Aldermen. Instead, we proceeded with a design/build concept design and construction for the sports field improvements necessary for Shalimar Park, another of the bond projects, which is now under way following an August 1 groundbreaking. Decisions will still have to be made on the scope of the water park

project, along with value engineering and possible downsizing. With the Shalimar Park contract already approved and improvements under way for Shalimar Park Ball Field improvements, that project will continue into next year, but are no funds are budgeted for FY 2018 in this fund.

2017 Park Bond Improvement Fund

The remaining bonds from the 2014 bond package approved by voters (with no tax increase) were issued in 2017. After another process to determine the size and scope of the water park in Meadowmere Park that can be provided for the funds available, we hope to go forward with that project next year. The budget for FY 2018 is as follows:

Water park/playground project	\$2,000,000
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Park Levy Fund

This fund was created in 1989 when voters approved a 12-cent park levy to support parks and recreation facilities, primarily for maintenance and replacement of equipment and park features and amenities. With major projects and improvements now funded by park bonds, this fund has generally taken over annual maintenance and upkeep of the parks, including funding for three of the City’s park maintenance staff members. This now includes 13 parks of over 200 acres, along with streetscape areas in the City and gardens and recreational areas like the spray ground/splash park, skate park, and the new amphitheater. For fiscal year 2018, the following expenditures are recommended:

Shalimar Park furnishings and equipment	75,000
Presidential Trail construction	496,434
Field equipment – mower for parks	32,000
John Anderson playground equipment	85,000
Facility maintenance (playgrounds, shelters, parking lots, etc.)	27,000
Landscaping and maintenance supplies	20,000
Transfer to General Fund – 3 maintenance employees	135,000
Jackson County tax collection fee	<u>2,000</u>
Total	\$872,434

Community Center Sales Tax Fund

This fund was established using revenues from the half-cent sales tax approved by voters in 2001 for construction, maintenance, and operation of our community center, known to everyone now as *The View*. It generates additional revenue from membership fees, daily admission charges, rentals, and special program fees. Those revenues combined pay for administrative and business operations, fitness, aquatics, marketing, facility rentals, maintenance, and debt service payments on the certificates of participation (similar to G.O. bonds) issued to build the facility. Those are scheduled to be paid off in about 2027.

After opening in early 2004, the center and this fund started facing deficits in 2007 and 2008, primarily due to the downturn in the economy and lower sales tax revenues, even while other revenues have remained fairly constant. The fund took another serious blow to its revenue base with the loss of the Sam's Club store in the fall of 2013, which had a major impact on its budget. This year, we finally see sales tax revenues climbing back to pre-recession levels.

In the past few years, the staff at *The View* reviewed operations and made changes in the staffing levels, also consolidating some of the positions and assignments. Hours have been reduced again slightly this year to address primary hours of use and run more efficiently. Personal service costs, for instance, dropped by \$190,000 from 2008 to 2010, or about 17 percent. Since 2009, these costs have risen just 3.4 percent over eight years based on our latest estimate for year-end 2017. In October of 2009, membership fees were increased, and then were increased again five years later in October of 2014, then a small increase last year. The proposed operating budget for *The View* for FY 2018 is \$2,338,590, or 1.7 percent less than for 2017, and this also includes the recommended pay raises. Numerous expenditure items were reduced in order to ensure the budget is close to being balanced, but a transfer is included to start repaying the General Fund a portion of the longstanding debt owed to it by this fund. With revenues increasing, we felt that now is the time to start to pay back this old loan (which will stand at \$425,000 at the end of 2017) over the next few years. All the revenues and expenditures in this fund are covered in detail later in this budget document.

The annual debt service payments (like mortgage payments) will constitute a cost of \$700,000 next year, over 30% of the budget. With debt payments increasing annually, sales tax and membership and other revenues will need to try to keep up with this increasing cost, along with the other normal inflationary costs, to maintain a balanced budget. If not, we will likely see deficits again in this fund over the next ten years or, alternatively, the City will have to find ways to further cut staffing, operating, maintenance, utility, or other costs in order to keep from depleting the fund balance in the Community Center Sales Tax Fund, let alone pay back the General Fund for loans made several years ago.

Sanitary Sewer Fund

The Sanitary Sewer Fund is the City's enterprise fund and has accounted for revenue collection and expenditures related to sanitary sewer service billing and collection, maintenance of the City's sewer system, new and replacement sewer lines, and sewage treatment and disposal by the Little Blue Valley Sewer District (about 80%) and Kansas City Pollution Control (around 20%). The LBVSD serves cities in eastern and southern Jackson County, as well as northern Cass County. Grandview also contracts with Jackson County Water District No. 1 for billing services (our charges are added to their water bills), which has done so for the past 23 years now in order to simplify billing for both and reduce delinquent payments. The maintenance, cleaning, and repair of the sanitary sewer system remain the responsibility of the Public Works Department.

Treatment costs associated with LBVSD increased 84 percent from fiscal year 2007 to fiscal year 2012, after which we have seen more modest increases. Since about 2012, Kansas City has been increasing sanitary sewer costs by 10-15 percent a year in order to pay off a huge bond issue for long overdue water and sewer line replacement. The LBVSD increases were a combination of

questionable changes in billing methodology by the LBVSD staff and our problems with storm water inflow and infiltration (I/I) entering the sanitary sewer system. Between the substantially higher treatment costs, consulting costs to monitor and analyze our sewer system, normal equipment replacement, and sewer lining and replacement costs to mitigate the effects of I/I.

Grandview experienced annual deficits in this fund for several years due to the severe increases mentioned above in treatment costs from our service providers. This has also been partially due to our collective desire to aggressively fund sewer system studies and evaluate I/I sources; then make repairs, reline, and rehabilitate sewers to reduce the I/I entering the system. This has now begun to make a significant difference and will continue to impact wet-weather flow readings and reduce our share of treatment costs during heavy rain events or wet spring/summer seasons.

A series of annual rate increases was recommended by our consultants in 2009 to address all these increased costs, which have been implemented. This year's cost of service and rate study by our consultants shows that revenues are now meeting expenditure levels in this fund, but the treatment and maintenance cost projections for future years indicate the need for continued annual increases over the next few years, while still maintaining a competitive advantage over most other cities in the metro area. So, starting in FY 2018, we plan to recommend approval of smaller annual rate increases in an effort to simply keep up with escalating treatment and repair and maintenance costs, while trying to avoid future annual deficits, yet remaining comparatively low relative to other cities. The proposed budget of \$4,085,409 for 2018 is just 2.4% higher than this year's, including pay raises, and is covered in greater detail in a later section.

Economic Development Enhancement Fund

This fund provides resources for our Economic Development and Communications programs, as well as our annual Truman Heritage Festival. It was created in 2007 to market the City and promote business attraction, business retention, and job creation, along with regional attention to a transformation. At that time, the City created its own economic development program in-house (also creating a staff position) to deal with the marketing and business attraction aspects of economic development, while still contracting with the Grandview Chamber of Commerce for our local business retention program. Then in 2013, the City requested proposals for contract economic development services rather than committing to just one employee. The result was approval of a contract with Zimmer Real Estate Services, now Newmark Grubb Zimmer, which includes the resources of a large real estate development company, along with key individuals to handle the various aspects of business attraction, promotion of residential and commercial development, public relations and networking with the metro area business community, and lobbying efforts for state and federal assistance when warranted.

The other portion of this fund is devoted to our Communications program, which is managed by our Communications Director, who manages the City's public information and service marketing program through our website, our quarterly newsletter, social media, press releases, flyers, and brochures advertising events, activities, and programs sponsored by the City. The program is intended to inform citizens about City services, announce the City's accomplishments, highlight new developments, distribute news, and attract more visitors, residents, and businesses to come to Grandview to enjoy events, dining and shopping, and all our recreational amenities.

The fund itself was created and funded using one-time revenue sources in an effort to develop such programs without impacting the General Fund. The passage in 2011 of the hotel/motel tax provides some funds from hotel guests (through a 5% charge on hotel bills that began January 1, 2012) to promote tourism and economic development in the City. Those funds have been used to promote and market the City; fund our annual Heritage Festival; promote Main Street and downtown; announce various events; and bring people to the City in a variety of ways. The annual hotel/motel tax receipts help pay for part of our Communications program and various promotional activities and events the City funds each year.

With just one hotel in town currently, the desired programs cost far more than what the annual hotel revenues can support. With the recent flurry of development and the additional building permit revenue accordingly, we have used what we called one-time building permit revenue (that expected beyond the norm annually) to prop up this fund and help pay for the special events, along with the contract economic development efforts. Even with that, we have had to transfer over \$140,000 a year from the General Fund to keep these programs viable. This fund needs another revenue source, either through additional hotels or other development-related activities, if we want to continue funding all these services.

The proposed budget for this fund for FY 2018 is \$282,914. With one of our two hotels closed for nearly five years, we lost about 35% of the potential collections from the new tax. As indicated above, another hotel or source of funds is badly needed to keep the General Fund from subsidizing these efforts substantially. Revenues next year, despite adding one-time building permit fees, will come up significantly short again and require another General Fund subsidy of about \$95,000, not counting \$55,000 in one-time building permit fees assigned here, but less than the past couple of years as we trimmed some of the items in both programs. Another hotel chain appears interested when the Gateway Village project moves forward. Depending on the progress of our commercial areas and the construction of a new hotel, the City could certainly be in a better position in this fund a year or two from now.

Other Funds

The City has several other funds that account for tax increment financing activities associated with our remaining active TIF districts. Those still in effect include TIF No. 9 (Gateway Commons), TIF No. 10 (Botts Road Industrial Development Area), TIF No. 12 (Holiday Inn), TIF No. 13 (Grandview Crossing Redevelopment Area/Discount Groceries and More), TIF No. 15 (Truman's Marketplace Redevelopment Area), and TIF No. 16 (Gateway Sports Village Development Area). Other funds provide some additional support for neighborhood parks, facility maintenance, insurance deductibles, and general obligation bond debt service. These are all straight forward in purpose, generally limited as to funding sources (if any), and described in greater detail in the final budget sections provided here.

Outlook

The City, just like many of our businesses, is competing in a global economy that is not entirely stable, healthy or predictable at the present time. New technology, manufacturing, retail moving to online sales, housing choices, new economy jobs, education challenges, health care, medical

breakthroughs, opioid abuse, food production, social media, politics, new legislation, cyber crime, police/community relations, legal challenges, weather and natural disasters, and just about everything associated with all of these, continue to change the way we do business on almost a daily basis. Financial stability can change with all these factors as well, and it can seemingly change overnight or certainly through the passage of new laws or opening and closing of large stores or manufacturers. Thus, the nature of the budgets for cities, and our budget for the coming year, is once again constantly evolving and changing depending on a number of things that could happen in the year ahead. Without stability, pay progression, and some level of predictability, public sector jobs are harder to fill, and it becomes more difficult to retain quality employees.

The budget for next year reflects the staff's efforts to address the Board's goals with respect to:

- attracting retail development
- conversion of our one-way frontage road system back to two-way
- bringing high quality development to the Highway 150 Corridor
- redevelopment of the new I-49 Corridor
- completing improvements to the Main Street Corridor (bridge)
- encouraging more businesses downtown
- attracting new homebuilders and new housing options
- maintaining and enhancing property values
- keeping our streets and neighborhoods safe
- enhancing our parks and/or recreational opportunities
- working with and supporting other key organizations in our city
- informing and communicating effectively with our citizens through numerous media
- marketing the City effectively to those outside our community, nationwide or beyond.

Considering the many difficulties of the last few years, we are pleased to be able to budget for and offer our employees pay increases this coming year as well.

The City has improved its image the past few years, making very noticeable progress now, growing and gaining momentum in several areas at the present time, and the staff plans to keep that moving in accord with the direction of the Mayor and Board. I feel that we have further strengthened an already great management team and have a sizeable number of capable and dedicated employees working for the betterment of the City. We expect to face the challenges ahead with strategies that provide for financial viability, infrastructure preservation and improvement, innovation and cost effectiveness, and continual improvements to quality of life and communications with our citizens and employees alike.

Final Thoughts and Acknowledgements

The City faces many challenges, but we have overcome even more in past years, investing \$22.5 million in infrastructure in the past three years and potentially bringing in an estimated \$300 million in new commercial development. Our parks are the most popular in the metro, and other cities are now trying to emulate our Main Street. We are trending toward financial stability, but progress needs to continue, and new revenue sources should be considered. New businesses are opening monthly, and our strategies have been working. We are fortunate at present not to have to make any drastic cuts, full-time personnel cuts, or serious service disruptions, but we

must continually try to find ways to enhance revenues, promote cost-effective development, and use our resources wisely.

Our department heads are doing even more with less, finding savings and efficiencies, and they have kept operations running smoothly with fewer people than they really need. I appreciate their continued cooperation and creativity in an environment of shrinking resources and greater demands. Many of our employees have not only been dedicated to serving residents, but have provided many good and cost effective ideas to better manage resources, and I truly appreciate their understanding, commitment, and service orientation. With new or increasing revenues, we must look at a review of classifications and pay commensurate with our market. This remains one of the Mayor and Board's and management staff's key goals in meeting future challenges.

I especially appreciate the efforts of Cynthia Wagner, Interim Budget Officer; Cemal Gungor, Finance Director; and returning Assistant City Administrator Kirk Decker for their time and effort in developing the budget this year, and their understanding of and commitment to the City's needs and long-term goals. Cynthia has worked tirelessly with the department heads for the past several months to fashion a lean, but workable budget that still provides for a number of capital improvements and new equipment. Their work on revenue estimates, deliberations with department heads, budget development, capital project coordination, and compilation of the budget document for your review, as well as the 2018 Capital Improvement Plan, amount to a significant accomplishment and time commitment, along with their normal responsibilities. It has also been accomplished in a timely and thorough manner.

We respectively submit the enclosed proposed budget for fiscal year 2018, and we look forward to another year of challenges, but also to another year of significant progress for Grandview.

City of Grandview Fiscal Year 2018 Annual Budget

Summary of General Fund Revenues and Expenditures

Fund: General

	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Budget
FUNDS AVAILABLE OCT. 1	4,560,647	4,013,604	3,263,846	3,289,120
REVENUE				
Revenue Sources				
Property Taxes	2,694,120	2,821,029	2,960,000	3,100,000
Franchise Taxes	3,587,202	3,396,643	3,500,000	3,520,000
Sales Taxes	2,402,293	2,605,565	2,832,000	2,976,000
Other Taxes	1,079,925	1,064,187	1,091,000	1,101,000
Municipal Court Receipts	1,621,258	1,121,793	890,000	890,000
Service Charges	1,491,097	1,476,367	1,443,160	1,505,660
Licenses & Permits	707,375	600,181	669,000	674,000
Grants	403,749	423,110	295,927	406,837
Miscellaneous Revenues	387,370	346,243	364,450	367,000
One Time Revenues	38,445	2,500	256,000	125,000
Total Revenue Sources	14,412,834	13,857,618	14,301,537	14,665,497
Transfers				
Transfer From Other Funds	165,000	251,280	155,000	175,000
Transfer From Sanitary Sewer	259,400	293,400	308,800	310,000
Total Transfers In	424,400	544,680	463,800	485,000
Total Revenue	14,837,234	14,402,298	14,765,337	15,150,497
EXPENDITURES				
Personal Services				
Salaries	7,517,400	7,793,468	7,755,895	8,013,639
Other Pay	998,043	1,041,335	1,029,047	883,098
Benefits	2,748,279	2,865,177	2,615,566	2,946,161
Total Personal Services	11,263,722	11,699,980	11,400,508	11,842,905
Operations				
Supplies	330,687	333,666	307,059	333,750
Purchased Services	2,814,031	2,208,403	2,004,436	1,993,192
Capital Outlay	3,088	27,294	-	-
Internal Services	220,546	109,670	128,997	132,050
Insurance	250,741	276,657	315,000	309,000
Street Lights	308,455	300,738	300,000	275,000
Total Operations	3,927,548	3,256,428	3,055,492	3,042,992
Transfers Out To Other Funds				
Capital Funds	-	-	-	-
Other Funds	205,000	191,090	301,000	200,000
Total Transfers Out	205,000	191,090	301,000	200,000
Total Expenditures	15,384,277	15,152,056	14,740,063	15,085,897
SURPLUS/(SHORTFALL)	(547,043)	(749,758)	25,274	64,600
FUNDS AVAILABLE SEPT. 30	4,013,604	3,263,846	3,289,120	3,353,720

City of Grandview Fiscal Year 2018 Annual Budget

Fund Summary

Fund: General

Fund Description

The General Fund is used to account for resources traditionally associated with government operations, which are not required legally or by sound financial management to be accounted for in another fund. The fund collects general tax revenue and disburses it for general operating purposes to the major departments including Police, Fire, Public Works, Parks & Recreation and Community Development. The fund also supports administrative functions of the Mayor & Board of Aldermen, Administration, Finance, and Public Building & Grounds Maintenance.

This section provides summary as well as detailed information about the various revenue sources that provide the funding needed for general city obligations. Also included in this section is a summary budget of each department as well as detailed budgets for each division that make up the department operations. Each program budget contains a description of the program along with anticipated goals for the year as well as statistical information and performance measures.

Expenditure Funding by Department

	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Budget
Mayor & Board of Aldermen	\$ 480,302	\$ 354,735	\$ 302,587	\$ 249,922
Administration	974,478	1,016,250	1,003,336	1,084,733
Finance	1,498,906	1,499,350	1,595,964	1,415,438
Fire	3,790,332	3,941,592	3,648,170	3,756,853
Police	5,347,217	5,402,631	5,230,568	5,456,235
Community Development	728,880	706,917	680,660	748,237
Public Works	1,498,596	1,346,372	1,292,232	1,284,069
Parks and Recreation	564,479	556,079	566,977	581,672
Buildings and Grounds	295,673	323,790	301,948	308,734
Transfers	400,000	210,000	361,000	200,000
Total	\$ 15,578,864	\$ 15,357,717	\$ 14,983,442	\$ 15,085,897

Staffing: Full Time Equivalents (FTE)

	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Budget
Regular - Full-time	155.0	154.0	155.0	155.0
Regular - Part-time	10.9	12.8	12.7	12.7
Temporary/Seasonal	5.5	5.8	5.1	5.1
Total FTEs	171.4	172.6	172.8	172.8

City of Grandview Fiscal Year 2018 Annual Budget

Detailed Summary of General Fund Revenues

				Fund: General
	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Budget
<u>Property Taxes</u>				
Real Estate Property	2,324,140	2,433,621	2,553,507	2,674,281
Real Estate Replacement	124,720	130,596	137,029	143,510
Railroad & Utilities	87,512	91,634	96,148	100,696
Delinquent Individual Personal Property	107,567	112,634	118,183	123,773
Interest - Real Replacement	-	-	-	-
Penalties	50,181	52,544	55,133	57,740
Total Property Tax	2,694,120	2,821,029	2,960,000	3,100,000
<u>Franchise Taxes</u>				
Electricity	1,985,093	2,019,474	2,075,000	2,120,000
Natural Gas	632,935	476,323	500,000	515,000
Telephone	130,781	108,820	95,000	95,000
Cable Television	270,315	271,918	270,000	270,000
Telecommunications	568,078	520,108	560,000	520,000
Total Franchise Tax	3,587,202	3,396,643	3,500,000	3,520,000
<u>General Sales Tax</u>	2,402,293	2,605,565	2,832,000	2,976,000
<u>Other Taxes</u>				
Cigarette Tax	102,596	95,340	90,000	95,000
Financial Institution Tax	17,390	4,601	25,000	15,000
Gasoline Tax	653,349	650,562	655,000	670,000
State Motor Vehicles Sales Tax	200,124	208,111	215,000	215,000
State Motor Vehicles Sales Fees	106,466	105,573	106,000	106,000
Total Other Taxes	1,079,925	1,064,187	1,091,000	1,101,000
<u>Municipal Court Receipts</u>				
Fines	1,452,293	1,000,662	797,246	797,246
Court Costs	112,499	81,855	61,757	61,757
Police Training	19,677	13,673	10,802	10,802
DUI Costs	14,512	9,335	7,966	7,966
Inmate Security Fund	18,724	13,695	10,279	10,279
Crime Victims	3,553	2,573	1,950	1,950
Total Municipal Court Receipts	1,621,258	1,121,793	890,000	890,000
<u>Grants</u>				
Traffic Enforcement Grant	49,885	49,246	41,000	36,612
Highway Safety Grants	35,201	-	1,000	1,000
DWI Enforcement Grants	-	19,845	12,500	25,725
Bulletproof Vest Grant	-	4,410	4,278	3,500
POST Commission Funds	10,239	7,149	7,149	6,800
D.A.R.E. / COMBAT Grants	308,424	317,894	230,000	330,000
Underage Drinking (EUDL) Grant	-	-	-	-
Miscellaneous Grants	-	24,566	-	3,200
Total Grants	403,749	423,110	295,927	406,837

City of Grandview Fiscal Year 2018 Annual Budget

Detailed Summary of General Fund Revenues

Fund: General

	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Budget
Services Charges				
Ambulance Fees	813,702	853,854	800,000	850,000
Animal Control/Shelter	19,861	23,500	22,000	22,000
Admin. Tow	510	821	800	800
Weed/Trash Removal	48,776	10,654	12,000	12,000
Weed/Trash Removal/JACO	49,744	64,140	65,000	65,000
Weekend Clean-up Fees	15,142	18,117	20,000	27,000
Shelter Rentals	16,158	17,000	17,000	17,000
Sale of Reports, Maps, and Copies	11,547	10,711	11,500	11,500
Alarm Fees	6,660	9,945	7,000	8,000
Alarm Application Fees	1,390	1,655	1,360	1,360
TIF Planning and Filing Fees	6,600	6,691	-	-
TDD Administrative Fee	455	458	5,300	5,000
CID Administrative Fee	216	270	5,200	5,000
Vacant Property Registration Fees	6,200	3,920	4,000	4,000
Plan Review	94,980	59,214	60,500	60,500
Rezoning & Variances	2,850	3,050	1,500	1,500
State License Office Collection Fees	396,306	392,367	410,000	415,000
Total Service Charges	1,491,097	1,476,367	1,443,160	1,505,660
Licenses & Permits				
Business/Occupational Licenses	263,784	284,879	300,000	300,000
Business/Cigarette Licenses	925	800	1,000	1,000
Vehicle Licenses	86,729	90,391	90,000	90,000
Liquor Licenses	16,673	17,482	20,000	20,000
Liquor Worker Permits	8,565	8,130	8,000	8,000
Electrical & Mechanical Licenses	7,918	8,271	7,000	7,000
Electrical & Mechanical Permits	71,283	43,068	45,000	45,000
Plumbing Licenses	3,272	3,007	3,000	3,000
Plumbing Permits	14,105	15,681	20,000	20,000
Building Permits	172,766	125,257	170,000	150,000
Special Permits	61,355	3,215	5,000	30,000
Total Licenses & Permits	707,375	600,181	669,000	674,000
Miscellaneous				
Interest Earnings	62,554	46,231	55,000	60,000
County Collection Reimbursement	101,777	105,502	140,000	140,000
MARCIT Insurance Dividend	14,286	4,598	-	-
Grandview CSD # 4 Reimbursement	154,431	142,720	128,000	135,000
Insurance Reimbursement	2,831	4,599	13,000	-
Cash (Short)/Long	2,049	1,773	400	500
PILOTS	10,079	6,513	6,500	6,500
Sale of City Property	14,963	12,980	-	-
Miscellaneous	24,400	21,327	21,550	25,000
Total Miscellaneous	387,370	346,243	364,450	367,000

City of Grandview Fiscal Year 2018 Annual Budget

Detailed Summary of General Fund Revenues

				Fund: General
	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Budget
<u>One Time Revenues</u>				
One-Time PILOT payments	35,445	-	-	-
Developer Contributions	-	-	256,000	125,000
Donations	3,000	2,500	-	-
Total One Time Revenues	38,445	2,500	256,000	125,000
<u>Transfer From Other Funds</u>				
Transfer From Sanitary Sewer Fund	259,400	293,400	308,800	310,000
Transfer from TIF Funds	30,000	116,280	-	-
Transfer From Park Levy Fund	135,000	135,000	135,000	135,000
Total Transfers From Other Funds	424,400	544,680	443,800	445,000
<u>TOTAL GENERAL FUND REVENUE</u>	<u>14,837,234</u>	<u>14,402,298</u>	<u>14,745,337</u>	<u>15,110,497</u>

City of Grandview Fiscal Year 2018 Annual Budget

Summary of General Fund As Percentages of Total Revenues and Expenditures

Fund: General

	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Budget
REVENUE				
Revenue Sources				
Property Taxes	18.16%	19.59%	20.05%	20.46%
Franchise Taxes	24.18%	23.58%	23.70%	23.23%
Sales Taxes	16.19%	18.09%	19.18%	19.64%
Other Taxes	7.28%	7.39%	7.39%	7.27%
Municipal Court Receipts	10.93%	7.79%	6.03%	5.87%
Service Charges	10.05%	10.25%	9.77%	9.94%
Licenses & Permits	4.77%	4.17%	4.53%	4.45%
Grants	2.72%	2.94%	2.00%	2.69%
Miscellaneous Revenues	2.61%	2.40%	2.47%	2.42%
One Time Revenues	0.26%	0.02%	1.73%	0.83%
Total Revenue Sources	97.14%	96.22%	96.86%	96.80%
Transfers In From Other Funds				
Transfer from Other Funds	1.11%	1.74%	1.05%	1.16%
Transfer From Sanitary Sewer	1.75%	2.04%	2.09%	2.05%
Transfer From Cap. Improv. Sale	0.00%	0.00%	0.00%	0.00%
Total Transfers In	2.86%	3.78%	3.14%	3.20%
Total Revenue	100.00%	100.00%	100.00%	100.00%
EXPENDITURES				
Personal Services				
Salaries	48.86%	51.44%	52.62%	53.12%
Other Pay	6.49%	6.87%	6.98%	5.85%
Benefits	17.86%	18.91%	17.74%	19.53%
Total Personal Services	73.22%	77.22%	77.34%	78.50%
Operations				
Supplies	2.15%	2.20%	2.08%	2.21%
Purchased Services	18.29%	14.57%	13.60%	13.21%
Capital Outlay	0.02%	0.18%	0.00%	0.00%
Internal Services	1.43%	0.72%	0.88%	0.88%
Street Lights	2.01%	1.98%	2.04%	1.82%
Insurance	1.63%	1.83%	2.14%	2.05%
Total Operations	25.53%	21.49%	20.73%	20.17%
Transfers Out To Other Funds				
Capital Funds	0.00%	0.00%	0.00%	0.00%
Other Funds	1.33%	1.26%	2.04%	1.33%
Total Transfers Out	1.33%	1.26%	2.04%	1.33%
Total Expenditures	100.08%	99.97%	100.11%	100.00%

City of Grandview Fiscal Year 2018 Annual Budget

Summary of General Fund Revenue and Expenditures

Fund: General

Chart 1.

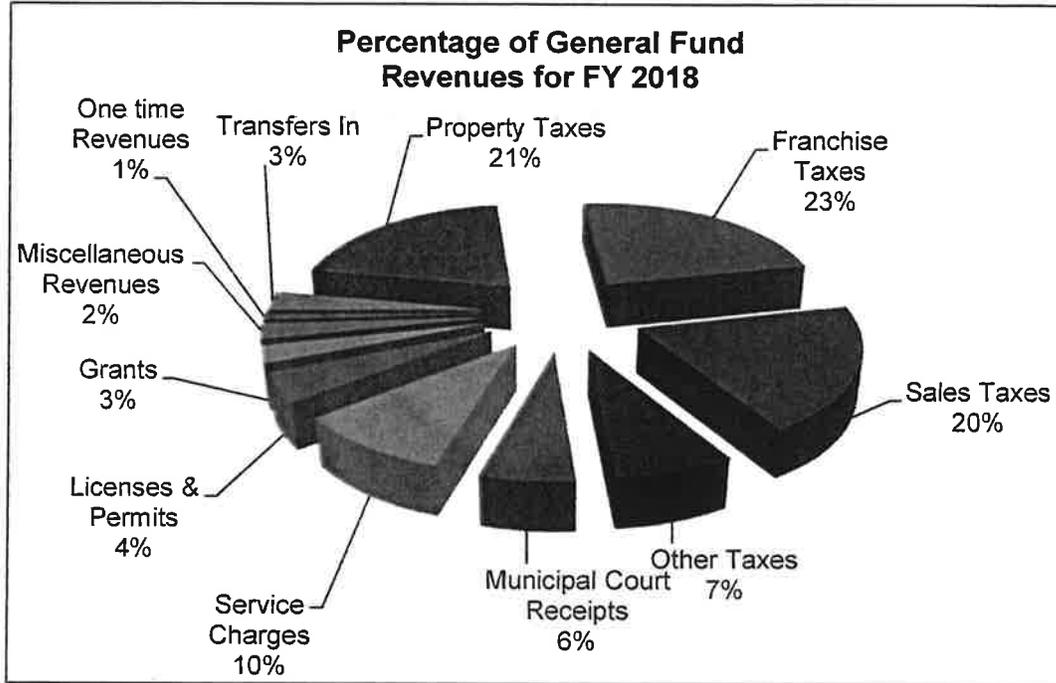
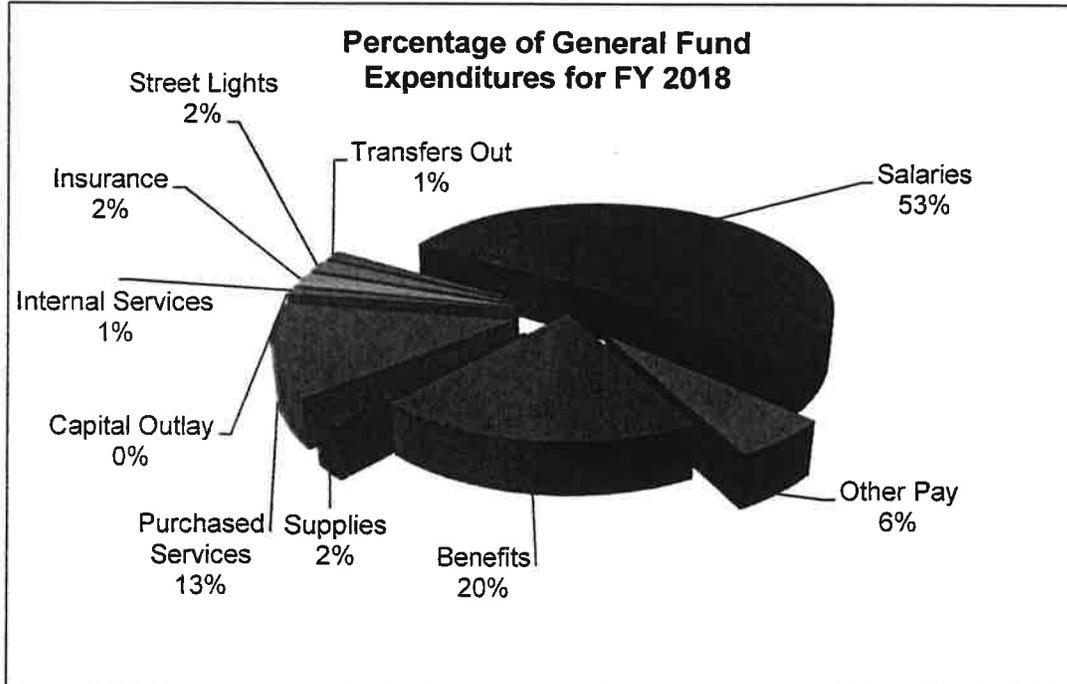


Chart 2.



City of Grandview Fiscal Year 2018 Annual Budget

Fiscal Year 2018 Operating Expenditures (Less Transfers) By Program and Type of Expenditure

								Fund: General
Department & Program	Personal Services	Supplies	Insurance	Street Lights	Purchased Services	Internal Services	Capital Outlay	Total
Mayor & Board								
Policy & Legislation	57,172	1,000	-	-	88,150	-	-	146,322
Legal Services	-	-	-	-	103,600	-	-	103,600
Total	57,172	1,000	-	-	191,750	-	-	249,922
Administration								
City Admin. Office	471,596	2,500	-	-	24,000	-	-	498,096
Human Resources	128,192	2,000	-	-	22,200	-	-	152,392
Municipal Court	229,592	9,200	-	-	71,350	-	-	310,142
City Clerk	62,540	400	-	-	61,164	-	-	124,104
Total	891,920	14,100	-	-	178,714	-	-	1,084,734
Finance								
Administration	296,130	5,800	-	-	65,100	-	-	367,030
Disbursements	51,062	1,000	-	-	1,600	-	-	53,662
Collections	169,326	4,000	-	-	104,000	-	-	277,326
Purchasing	35,592	750	-	-	1,000	-	-	37,342
State License Office	313,178	6,300	-	-	7,600	-	-	327,078
General Support	-	7,500	309,000	-	36,500	-	-	353,000
Total	865,288	25,350	309,000	-	215,800	-	-	1,415,438
Fire								
Administration	523,792	15,000	-	-	59,815	1,500	-	600,107
Emergency Services	2,803,708	99,500	-	-	139,645	15,000	-	3,057,853
Fire Prevention	87,293	4,300	-	-	6,400	900	-	98,893
Total	3,414,793	118,800	-	-	205,860	17,400	-	3,756,853
Police								
Patrol	2,666,361	62,000	-	-	266,722	58,000	-	3,053,083
Operations	1,088,054	4,500	-	-	31,476	12,000	-	1,136,030
Administration	1,124,122	20,500	-	-	122,500	-	-	1,267,122
Total	4,878,537	87,000	-	-	420,698	70,000	-	5,456,235
Community Development								
Development Services	190,682	500	-	-	10,210	-	-	201,392
Building Services	188,029	3,500	-	-	11,320	1,000	-	203,849
Neighborhood Services	224,706	1,600	-	-	112,790	3,900	-	342,996
Total	603,417	5,600	-	-	134,320	4,900	-	748,237
Public Works								
Engineering	109,725	4,250	-	275,000	61,150	1,750	-	451,875
Street Maintenance	489,944	12,250	-	-	269,000	25,000	-	796,194
Solid Waste	-	-	-	-	36,000	-	-	36,000
Total	599,669	16,500	-	275,000	366,150	26,750	-	1,284,069
Parks and Recreation								
Park Operations	79,052	-	-	-	6,500	-	-	85,552
Park Maintenance	354,520	42,200	-	-	86,400	13,000	-	496,120
Total	433,572	42,200	-	-	92,900	13,000	-	581,672
Buildings and Grounds								
Building Maintenance	98,534	23,200	-	-	187,000	-	-	308,734
Total	98,534	23,200	-	-	187,000	-	-	308,734
TOTAL	11,842,902	333,750	309,000	275,000	1,993,192	132,050	-	14,885,894

City of Grandview Fiscal Year 2018 Annual Budget

Fiscal Year 2018 Operating Expenditures (Less Transfers) By Program and Type of Expenditure

Fund: General

Department & Program	Personal Services	Supplies	Insurance	Street Lights	Purchased Services	Internal Services	Capital Outlay	Total
Mayor & Board								
Policy Legislation	0.48%	0.30%			4.42%			0.98%
Legal Services					5.20%			0.70%
Total	0.48%	0.30%	0.00%	0.00%	9.62%	0.00%	0.00%	1.68%
Administration								
City Admin. Office	3.98%	0.75%			1.20%			3.35%
Human Resources	1.08%	0.60%			1.11%			1.02%
Municipal Court	1.94%	2.76%			3.58%			2.08%
City Clerk	0.53%	0.12%			3.07%			0.83%
Total	7.53%	4.22%	0.00%	0.00%	8.97%	0.00%	0.00%	7.29%
Finance								
Administration	2.50%	1.74%			3.27%			2.47%
Disbursements	0.43%	0.30%			0.08%			0.36%
Collections	1.43%	1.20%			5.22%			1.86%
Purchasing	0.30%	0.22%			0.05%			0.25%
State License Office	2.64%	1.89%			0.38%			2.20%
General Support		2.25%	100.00%		1.83%			2.37%
Total	7.31%	7.60%	100.00%	0.00%	10.83%	0.00%	0.00%	9.51%
Fire								
Administration	4.42%	4.49%			3.00%	1.14%		4.03%
Emergency Services	23.67%	29.81%			7.01%	11.36%		20.54%
Fire Prevention	0.74%	1.29%			0.32%	0.68%		0.66%
Total	28.83%	35.60%	0.00%	0.00%	10.33%	13.18%	0.00%	25.24%
Police								
Patrol	22.51%	18.58%			13.38%	43.92%		20.51%
Investigations	9.19%	1.35%			1.58%	9.09%		7.63%
Police Services	9.49%	6.14%			6.15%			8.51%
Total	41.19%	26.07%	0.00%	0.00%	21.11%	53.01%	0.00%	36.65%
Community Development								
Development Services	1.61%	0.15%			0.51%			1.35%
Building Services	1.59%	1.05%			0.57%	0.76%		1.37%
Neighborhood Services	1.90%	0.48%			5.66%	2.95%		2.30%
Total	5.10%	1.68%	0.00%	0.00%	6.74%	3.71%	0.00%	5.03%
Public Works								
Engineering	0.93%	1.27%		100.00%	3.07%	1.33%		3.04%
Street Maintenance	4.14%	3.67%			13.50%	18.93%		5.35%
Solid Waste					1.81%			0.24%
Total	5.06%	4.94%	0.00%	100.00%	18.37%	20.26%	0.00%	8.63%
Parks and Recreation								
Park Operations	0.67%	0.00%			0.33%			0.57%
Park Maintenance	2.99%	12.64%			4.33%	9.84%		3.33%
Total	3.66%	12.64%	0.00%	0.00%	4.66%	9.84%	0.00%	3.91%
Buildings and Grounds								
Building Maintenance	0.83%	6.95%			9.38%			2.07%
Total	0.83%	6.95%	0.00%	0.00%	9.38%	0.00%	0.00%	2.07%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%

City of Grandview Fiscal Year 2018 Annual Budget

Fiscal Year 2018 Operating Expenditures (Less Transfers) By Program and Type of Expenditure

Fund: General								
Department & Program	Personal Services	Supplies	Insurance	Street Lights	Purchased Services	Internal Services	Capital Outlay	Total
Mayor & Board								
Policy Legislation	22.88%	0.40%			35.27%			58.55%
Legal Services					41.45%			41.45%
Total	22.88%	0.40%	0.00%	0.00%	76.72%	0.00%	0.00%	100.00%
Administration								
City Admin. Office	43.48%	0.23%			2.21%			45.92%
Human Resources	11.82%	0.18%			2.05%			14.05%
Municipal Court	21.17%	0.85%			6.58%			28.59%
City Clerk	5.77%	0.04%			5.64%			11.44%
Total	82.22%	1.30%	0.00%	0.00%	16.48%	0.00%	0.00%	100.00%
Finance								
Administration	20.92%	0.41%			4.60%			25.93%
Disbursements	3.61%	0.07%			0.11%			3.79%
Collections	11.96%	0.28%			7.35%			19.59%
Purchasing	2.51%	0.05%			0.07%			2.64%
State License Office	22.13%	0.45%			0.54%			23.11%
General Support		0.53%	21.83%		2.58%			24.94%
Total	61.13%	1.79%	21.83%	0.00%	15.25%	0.00%	0.00%	100.00%
Fire								
Administration	13.94%	0.40%			1.59%	0.04%		15.97%
Emergency Services	74.63%	2.65%			3.72%	0.40%		81.39%
Fire Prevention		0.11%			0.17%	0.02%		0.31%
Total	88.57%	3.16%	0.00%	0.00%	5.48%	0.46%	0.00%	97.68%
Police								
Patrol	48.87%	1.14%			4.89%	1.06%		55.96%
Investigations	19.94%	0.08%			0.58%	0.22%		20.82%
Police Services	20.60%	0.38%			2.25%			23.22%
Total	89.41%	1.59%	0.00%	0.00%	7.71%	1.28%	0.00%	100.00%
Community Development								
Development Services	25.48%	0.07%			1.36%			26.92%
Building Services	25.13%	0.47%			1.51%	0.13%		27.24%
Neighborhood Services	30.03%	0.21%			15.07%	0.52%		45.84%
Total	80.65%	0.75%	0.00%	0.00%	17.95%	0.65%	0.00%	100.00%
Public Works								
Engineering	8.55%	0.33%		21.42%	4.76%	0.14%		35.19%
Street Maintenance	38.16%	0.95%			20.95%	1.95%		62.01%
Solid Waste					2.80%			2.80%
Total	46.70%	1.28%	0.00%	21.42%	28.51%	2.08%	0.00%	100.00%
Parks and Recreation								
Park Operations	13.59%	0.00%			1.12%			14.71%
Park Maintenance	60.95%	7.25%			14.85%	2.23%		85.29%
Total	74.54%	7.25%	0.00%	0.00%	15.97%	2.23%	0.00%	100.00%
Buildings and Grounds								
Building Maintenance	31.92%	7.51%			60.57%			100.00%
Total	31.92%	7.51%	0.00%	0.00%	60.57%	0.00%	0.00%	100.00%
TOTAL	79.56%	2.24%	2.08%	1.85%	13.39%	0.89%	0.00%	100.00%

City of Grandview Fiscal Year 2018 Annual Budget

Fiscal Year 2018 Operating Expenditures (Less Transfers) By Program and Type of Expenditure

Fund: **General**

Chart 7.

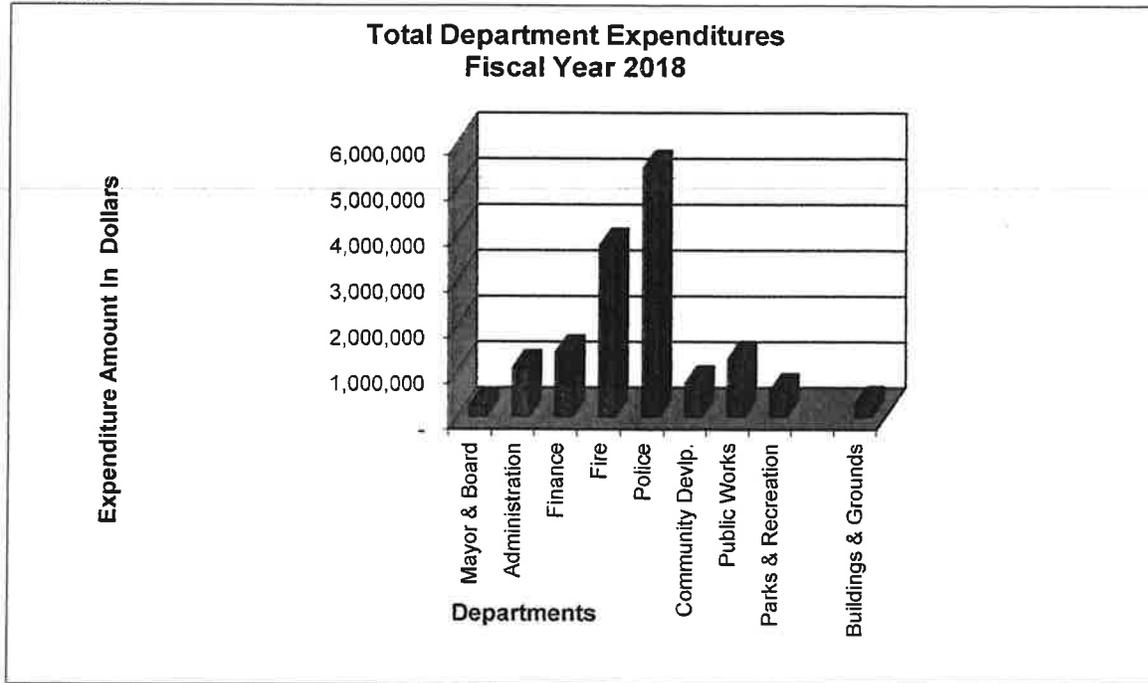
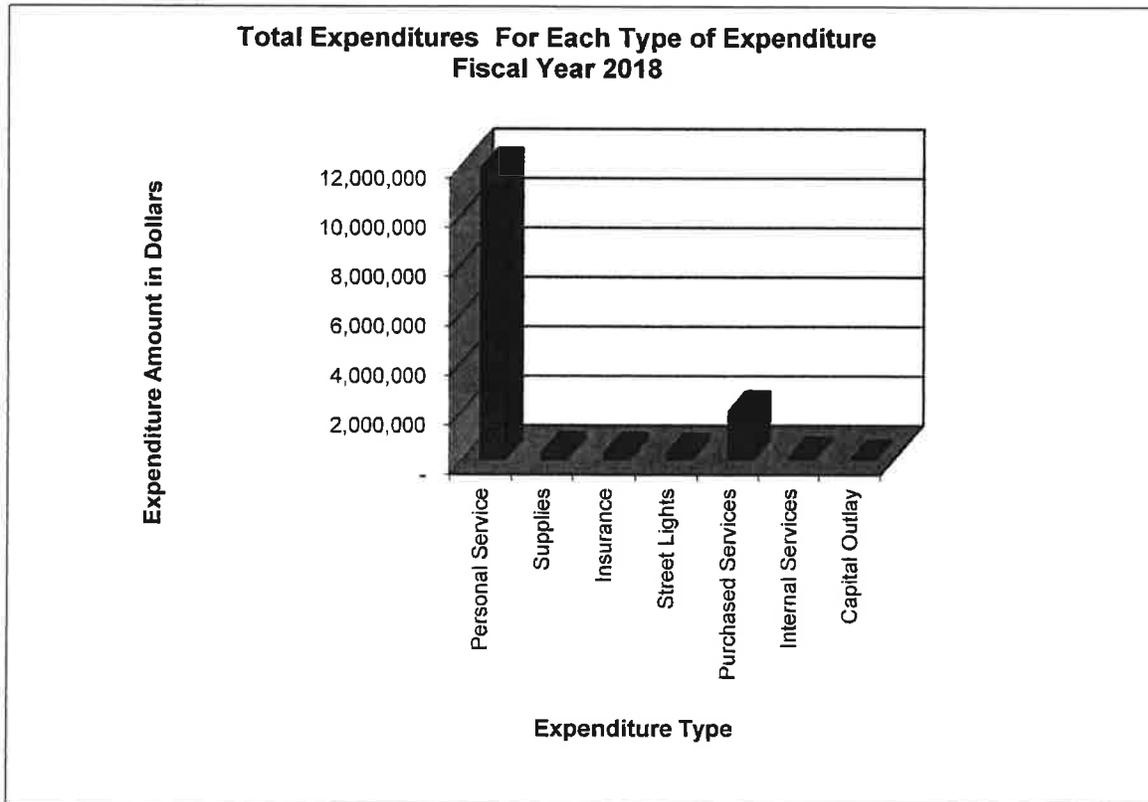


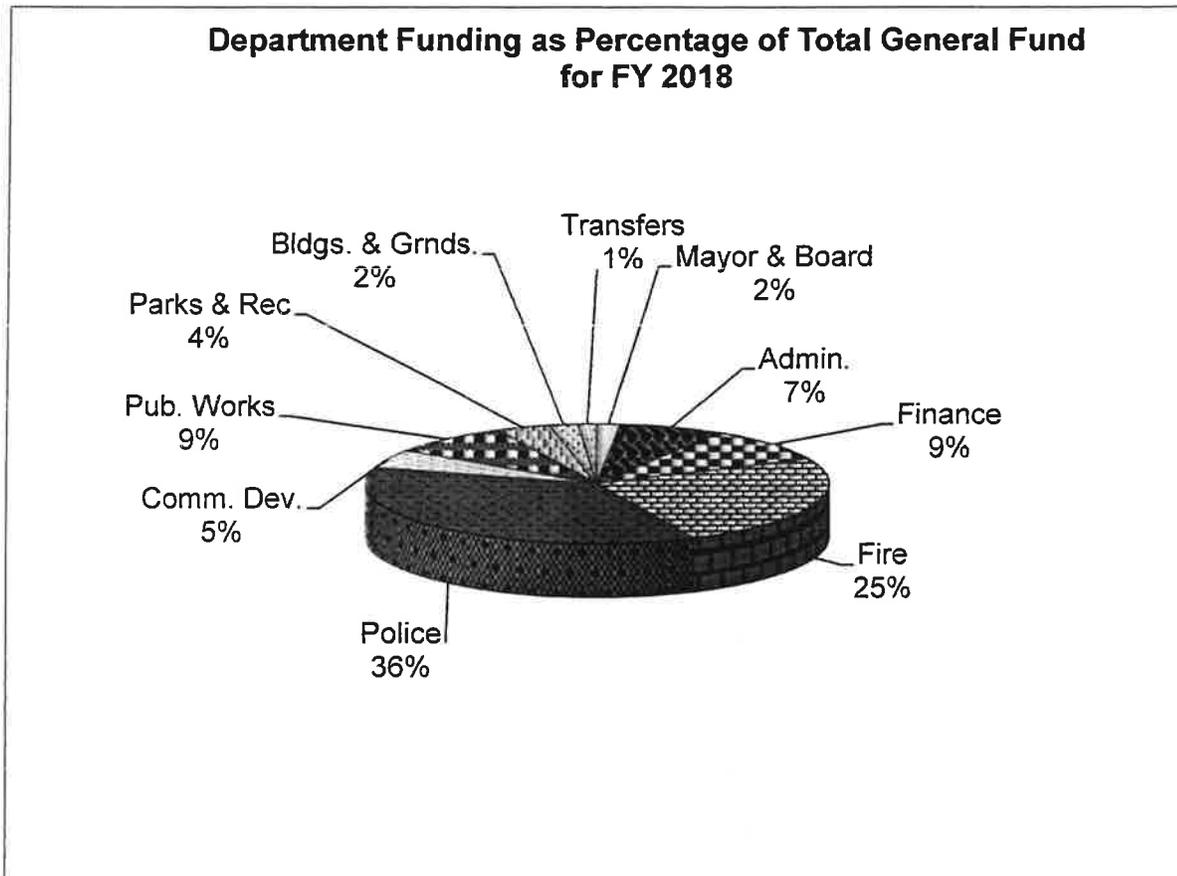
Chart 8.



City of Grandview Fiscal Year 2018 Annual Budget

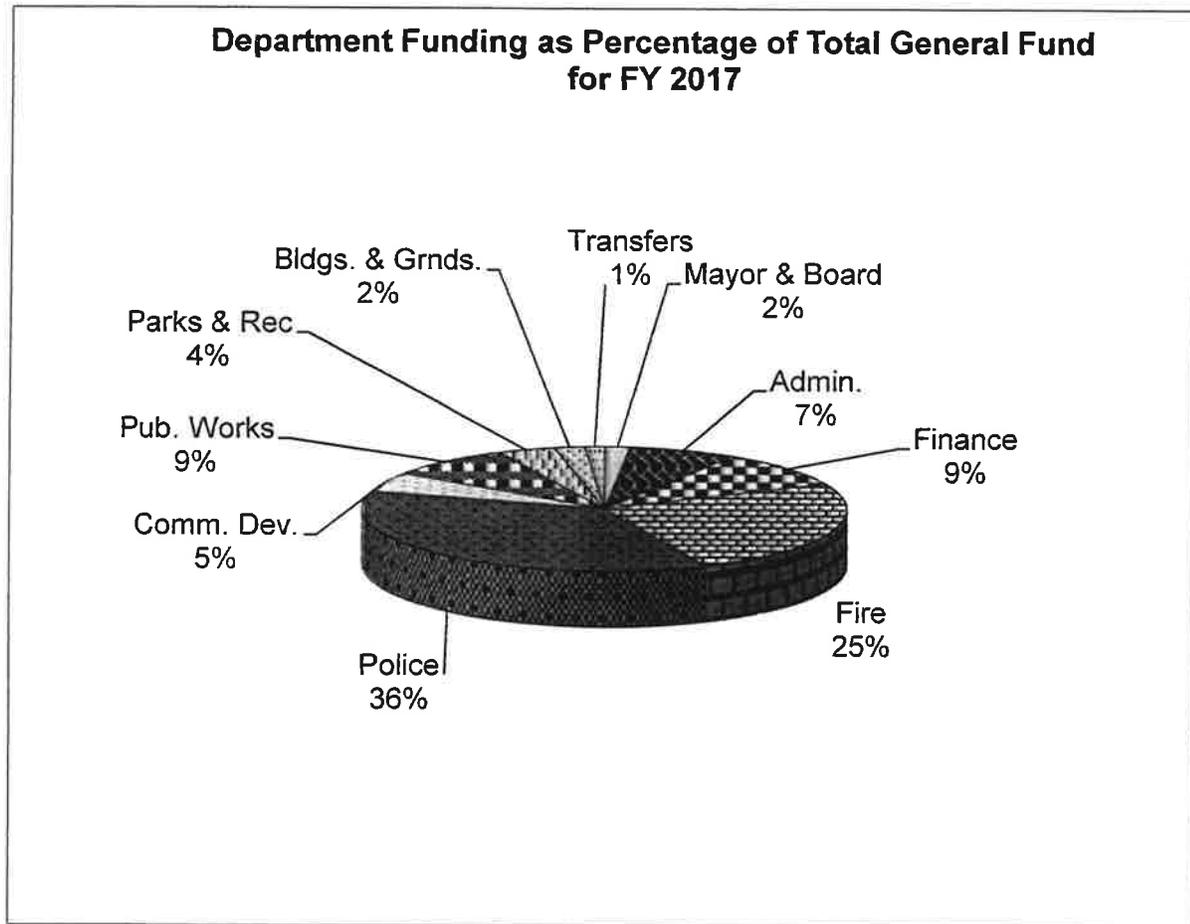
Fiscal Year 2018 Operating Expenditures (Less Transfers) By Program and Type of Expenditure

Fund: **General**



City of Grandview Fiscal Year 2018 Annual Budget

Fund: **General**



City of Grandview Fiscal Year 2016 Annual Budget

Budget Personal Services (FTE) Summary for FY 2013 through FY 2016

GENERAL FUND	FY 14-15			FY 15-16			FY 16-17			FY 17-18		
	Full Time	Part Time	Total									
<u>Administration</u>												
City Administrator's Office	4.0	0.0	4.0	4.0	0.0	4.0	4.0	0.0	4.0	4.0	0.0	4.0
Human Resources	1.0	0.7	1.7	1.0	0.7	1.7	1.0	0.7	1.7	1.0	0.7	1.7
Municipal Court	3.0	1.8	4.8	3.0	1.8	4.8	3.0	1.8	4.8	3.0	1.8	4.8
City Clerk	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0
Total	9.0	2.5	11.5									
<u>Finance</u>												
Administration/Accounting	3.5	0.0	3.5	3.5	0.0	3.5	3.5	0.0	3.5	3.5	0.0	3.5
Disbursements	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0
Collections	2.5	0.7	3.8	2.5	0.7	3.8	2.5	0.7	3.8	2.5	0.7	3.8
Purchasing	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5
State License Office	3.0	5.2	8.4	3.0	5.2	8.4	3.0	5.2	8.4	3.0	5.2	8.4
Total	10.5	5.9	17.2									
<u>Fire</u>												
Administration	6.0	0.0	6.0	6.0	0.0	6.0	6.0	0.0	6.0	6.0	0.0	6.0
Emergency Services	36.0	0.0	36.0	36.0	0.0	36.0	36.0	0.0	36.0	36.0	0.0	36.0
Emergency Preparedness	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	42.0	0.0	42.0									
<u>Police</u>												
Patrol	35.0	3.1	40.2	35.0	3.1	40.2	35.0	3.1	40.2	35.0	3.1	40.2
Operations	14.0	0.0	14.0	14.0	0.0	14.0	14.0	0.0	14.0	14.0	0.0	14.0
Administration	17.0	1.3	18.3	17.0	1.3	18.3	17.0	1.3	18.3	17.0	1.3	18.3
Total	66.0	4.4	72.5									
<u>Community Development</u>												
Development Services	2.0	0.0	2.0	2.0	0.0	2.0	2.0	0.0	2.0	2.0	0.0	2.0
Building Services	2.0	0.0	2.0	2.0	0.0	2.0	2.0	0.0	2.0	2.0	0.0	2.0
Neighborhood Services	4.0	0.0	4.0	4.0	0.0	4.0	4.0	0.0	4.0	4.0	0.0	4.0
Total	8.0	0.0	8.0									
<u>Public Works</u>												
Street Maintenance	8.5	0.0	8.5	8.5	0.0	8.5	8.5	0.0	8.5	8.5	0.0	8.5
Engineering	1.5	0.0	1.5	1.5	0.0	1.5	1.5	0.0	1.5	1.5	0.0	1.5
Total	10.0	0.0	10.0									
<u>Parks & Recreation</u>												
Park Operations	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0
Park Maintenance	6.0	0.0	6.0	6.0	0.0	6.0	6.0	0.0	6.0	6.0	0.0	6.0
Aquatics	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7.0	0.0	7.0									

City of Grandview Fiscal Year 2016 Annual Budget
Budget Personal Services (FTE) Summary for FY 2013 through FY 2016

	FY 14-15			FY 15-16			FY 16-17			FY 17-18		
	Full Time	Part Time	Total									
Buildings & Grounds												
Public Buildings & Grounds	1.5	0.0	1.5	1.5	0.0	1.5	1.5	0.0	1.5	1.5	0.0	1.5
GENERAL FUND TOTAL	154.0	12.8	172.6									
OTHER FUNDS:												
Economic Development	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0
Community Center Sales Tax	11.5	2.2	30.5	11.5	2.2	30.5	11.5	2.2	30.5	11.5	2.2	30.5
Sanitary Sewer - Finance	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.5
Sanitary Sewer - Public Works	11.0	0.0	11.0	11.0	0.0	11.0	11.0	0.0	11.0	11.0	0.0	11.0
OTHER FUNDS TOTAL	24.0	2.2	43.0									
TOTAL FOR ALL FUNDS	178.0	15.0	215.6									

