

Memorandum

To: Mayor Sissom and Councilmembers
From: Chris Engel, City Administrator; Cindy Ehart, Finance Director
Date: May 4, 2017
Re: 2018 Budget Work Session
Cc: Department Heads

Building the 2018 Budget:

The budget process officially began on March 13, when City Council adopted updated goals and objectives representing a summary of current priorities. The City Administrator then advised staff to develop departmental and capital budgets that align with these goals and objectives. Otherwise, staff was directed to sustain current programs, service levels, and staffing. Department heads submitted their expenditure requests to the City Administrator and Finance Director on March 31, who have since reviewed. Revenue is projected by the Finance Director using historic, economic and auto industry trends, and estimates from Johnson County. The budgets will be refined in the weeks ahead to incorporate feedback from City Council and other necessary changes.

2018 Outlook:

Continued strength in the economy is evident as Merriam posted an increase in 2016 sales tax collections for the sixth consecutive year. Total City sales tax improved by 4.9%, buoyed almost exclusively by higher auto sales. Property values are on the rise, too. Residential home values are up 6.6%; commercial values up 3.0%

Although the new property tax "lid" is in effect, staff does not anticipate the 2018 levy will exceed the statutory limit. If exceeded, City Council must choose between a budget election and reduction of property tax revenues. For Merriam, the increased costs of law enforcement, fire protection, and debt service will provide relief from the statutes in 2018.

Preliminary Budgets:

On Monday night, staff will present preliminary 2018 budgets for General, Bond, Transient Guest Tax, and Equipment Reserve Funds. The budgets sustain current programs and support City Council goals and objectives and include:

- No overall change to the mill rate of 27.673
- No additions to authorized full-time equivalent employees of 111.20
- Employee merit raises consistent with prior years; salary range adjustments of .5%
- General Fund transfers to CIP at 50% of sales tax collections plus the City share of the county courthouse sales tax

Attachments:

General Fund Preliminary Budget
Bond and Interest Fund Preliminary Budget
Transient Guest Tax Fund Preliminary Budget
Equipment Reserve Fund Preliminary Budget
Employee Staffing Levels (Authorized Paid Positions)
Salary Ranges (Compensation Plan)

General Fund

	Actual 2016	Estimated 2017	Prelim 2018	Increase Over Est. 2017	Dollar Change
REVENUES					
Beginning Fund Balance	\$ 6,116,977	\$ 6,349,247	\$ 5,934,792	-6.53%	\$ (414,455)
Taxes:					
Property	3,299,927	3,880,000	4,120,000	6.19%	240,000
Motor Vehicle	439,152	466,016	497,434	6.74%	31,418
City Sales Tax	7,827,566	7,905,842	8,024,429	1.50%	118,587
City Use Tax	508,042	500,000	500,000	0.00%	-
County Sales Tax	1,160,251	1,148,648	1,148,648	0.00%	-
County Sales Tax 1/4 (eff 1995)	290,064	287,163	287,163	0.00%	-
County Sales Tax 1/4 (eff 2009)	290,064	287,163	287,163	0.00%	-
County Sales Tax 1/4 (courthouse)	-	215,372	287,163	33.33%	71,791
Alcohol Tax	24,452	21,277	25,718	20.87%	4,441
Franchise Fees	1,475,516	1,459,380	1,453,286	-0.42%	(6,094)
Licenses/Fees/Permits	390,671	293,250	324,448	10.64%	31,198
Charges for Service	301,516	275,653	272,454	-1.16%	(3,199)
Court Fines	872,163	925,000	925,000	0.00%	-
Federal Grants (COPS)	36,588	-	-	0.00%	-
Interest	29,458	30,000	30,000	0.00%	-
Miscellaneous	146,519	103,500	93,002	-10.14%	(10,498)
SUBTOTAL OPERATING REVENUES	17,091,949	17,798,264	18,275,908	2.68%	477,644
TOTAL REVENUES	\$ 23,208,926	\$ 24,147,511	\$ 24,210,700	0.26%	\$ 63,189
EXPENDITURES					
Personal Services	\$ 7,417,386	\$ 7,783,000	\$ 8,178,193	5.08%	\$ 395,193
Contractual Services	4,039,395	4,462,226	4,807,065	7.73%	344,839
Commodities	575,922	681,000	726,935	6.75%	45,935
Capital Outlay	12,150	12,200	6,200	-49.18%	(6,000)
Health and Welfare	41,061	56,000	86,600	54.64%	30,600
SUBTOTAL OPERATING EXPENDITURES	12,085,914	12,994,426	13,804,993	6.24%	810,567
Interfund Transfers	4,715,391	5,168,293	5,099,378	-1.33%	-68,915
Contingency	58,374	50,000	-	-100.00%	-50,000
TOTAL EXPENDITURES	\$ 16,859,679	\$ 18,212,719	\$ 18,904,371	3.80%	\$ 691,652
ENDING BALANCE	\$ 6,349,247	\$ 5,934,792	\$ 5,306,329	-10.59%	(628,463)

Fund Sources: Property Tax, Sales Tax, Motor Vehicle Tax, Court Fines, Franchise Fees, Permits and Licenses

Guideline: Use for the payment of operating expenditures

Highlight: General Fund balance represents 29% of operating revenues. When combined with Risk Management, ending fund balance represents 34.5% of operating revenues

Bond and Interest Fund

	Actual 2016	Estimated 2017	Prelim 2018	Increase Over Est. 2017	Dollar Change
REVENUES					
Beginning Fund Balance	\$ 44,696	\$ 34,208	\$ 30,169	-11.81%	\$ (4,039)
Taxes:					
Property Tax					
Current	332,389	150,900	160,250	6.20%	9,350
Motor Vehicle	41,461	47,019	19,371	-58.80%	(27,648)
Special Assessment	423,283	424,792	425,375	0.14%	583
Interest	1,529	1,500	1,000	-33.33%	(500)
Transfers from CIP Fund	75,000	275,000	300,000	9.09%	25,000
TOTAL REVENUES	\$ 918,358	\$ 933,419	\$ 936,165	0.29%	\$ 2,746
EXPENDITURES					
Principal	\$ 795,000	\$ 830,000	\$ 860,000	3.61%	\$ 30,000
Interest	89,150	73,250	56,650	-22.66%	(16,600)
TOTAL EXPENDITURES	\$ 884,150	\$ 903,250	\$ 916,650	1.48%	\$ 13,400
ENDING FUND BALANCE	\$ 34,208	\$ 30,169	\$ 19,515	-35.31%	\$ (10,654)

Fund Sources: Property Tax, Motor Vehicle Tax, Special Assessments, Interest and Transfers from other funds.

Guidelines: Resources used to retire the bonded indebtedness of the City. Statutory Authority: K.S.A. 10-113.

Transient Guest Tax Fund

	Actual 2016	Estimated 2017	Prelim 2018	Increase Over Est. 2017	Dollar Change
REVENUES					
Beginning Fund Balance	\$ 551,150	\$ 636,586	\$ 632,499	-0.64%	\$ (4,087)
Transient Guest Tax	542,476	499,647	449,682	-10.00%	(49,965)
Rental and Special Event Income	52,991	50,260	52,085	3.63%	1,825
Miscellaneous	6,491	-	-	0.00%	-
TOTAL REVENUES	\$ 1,153,108	\$ 1,186,493	\$ 1,134,266	-4.40%	\$ (52,227)
EXPENDITURES					
Personal Services	323,650	339,079	365,473	7.78%	\$ 26,394
Contractual Services	111,731	132,360	140,285	5.99%	7,925
Commodities	6,501	9,675	11,955	23.57%	2,280
Health and Welfare	74,640	72,880	75,455	3.53%	2,575
SUBTOTAL OPERATING EXPENDITURES	516,522	553,994	593,168	7.07%	\$ 39,174
Contingency	-	-	-	0.00%	-
TOTAL EXPENDITURES	\$ 516,522	\$ 553,994	\$ 593,168	7.07%	\$ 39,174
ENDING FUND BALANCE	\$ 636,586	\$ 632,499	\$ 541,098	-14.45%	\$ (91,401)

Fund Sources: Transient Guest Tax. K.S.A. 12-1698

Guidelines: Used to enhance the community in ways that attract visitors, including general economic development and tourism as outlined in Charter Ordinance #23. The transient guest tax rate is 7% effective 1-1-2008. Current expenditures include the Visitors Bureau and staffing, Merriam Marketplace operations, special events and staffing. Economic Development activities are performed by the Asst City Administrator.

Equipment Reserve Fund

	Actual 2016	Estimated 2017	Prelim 2018	Increase Over Est. 2017	Dollar Change
REVENUES					
Beginning Fund Balance	\$ 1,763,964	\$ 1,965,665	\$ 1,611,565	-18.01%	\$ (354,100)
Transfer from General Fund	700,000	700,000	700,000	0.00%	-
Interest	11,318	2,000	5,000	150.00%	3,000
Miscellaneous	108,294	20,000	20,000	0.00%	-
TOTAL REVENUES	\$ 2,583,576	\$ 2,687,665	\$ 2,336,565	-13.06%	\$ (351,100)
EXPENDITURES					
Capital Outlay	\$ 617,911	\$ 1,076,100	\$ 771,300	-28.32%	\$ (304,800)
Contingency	-	-	-	0.00%	-
TOTAL EXPENDITURES	\$ 617,911	\$ 1,076,100	\$ 771,300	-28.32%	\$ (304,800)
ENDING FUND BALANCE	\$ 1,965,665	\$ 1,611,565	\$ 1,565,265	-2.87%	\$ (46,300)

Fund Sources: Transfers from the General Fund and interest on idle funds.

Guidelines: To finance the acquisition of equipment.

Capital Purchases - Budgeted for 2018

	<u>Years Old</u>	<u>Cost</u>
<u>Police Department</u>		
Patrol Vehicles (2)	6	\$55,000
Investigations Vehicle	10	25,000
Electronic Signboard/Trailer	New	17,000
<u>Parks/Recreation</u>		
Facility Equipment Replacements	various	200,000
<u>Public Works</u>		
Street Sweeper	15 (5)	225,000
Dump Truck	16	149,300
Sander	25	38,000
Snow Plow Blade	35	12,000
Sign Cutter	9	8,000
Street Stripper	6	5,000
<u>Information Technology</u>		
License Plate Reader System	New	31,000
Computers/Monitor Replacements, Memory	various	6,000
Total		\$ 771,300

Authorized Paid Positions - Requested

Department	Position	Actual 2016	Estimated 2017	Proposed 2018
City Council	Mayor	1.00	1.00	1.00
	Councilmember	8.00	8.00	8.00
	Total	9.00	9.00	9.00
Administration	City Administrator	1.00	1.00	1.00
	Assistant City Administrator	1.00	1.00	1.00
	Finance Director	1.00	1.00	1.00
	City Clerk	1.00	1.00	1.00
	Accountant	1.00	1.00	1.00
	Human Resources/Risk Manager	1.00	1.00	1.00
	Communication/Public Engagement Mgr.	1.00	1.00	1.00
	Accounting Clerk	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	1.00
	Management Intern	1.00	1.00	1.00
Total	10.00	10.00	10.00	
Information Services	Network and Comm. Administrator	1.00	1.00	1.00
	Total	1.00	1.00	1.00
Municipal Court	Court Administrator	1.00	1.00	1.00
	Court Clerk	1.75	1.75	1.75
	Total	2.75	2.75	2.75
Police Department	Police Chief	1.00	1.00	1.00
	Police Major	1.00	1.00	1.00
	Captain	2.00	2.00	2.00
	Sergeant	3.00	3.00	3.00
	Corporal	4.00	5.00	5.00
	Master Police Officer	6.00	5.00	5.00
	Police Officer*	13.00	13.00	13.00
	Crime Analyst	0.00	0.00	1.00
	Records Clerk	3.00	3.00	2.00
	Community Service Officer	2.00	2.00	2.00
	Crossing Guard	0.75	0.75	0.75
Total	35.75	35.75	35.75	
Fire Department	(Services through City of Overland Park after 2014)	Total	0.00	0.00
Total			0.00	0.00
Public Works	Public Works Director	1.00	1.00	1.00
	Public Works Superintendent	1.00	1.00	1.00
	Foreman	2.00	2.00	2.00
	Asset Management Technician	1.00	1.00	1.00
	Public Works Technician	1.00	1.00	1.00
	Mechanic	1.00	1.00	1.00
	Maintenance Worker III	1.00	0.00	0.00
	Maintenance Worker II	6.00	6.00	6.00
	Maintenance Worker I	1.80	2.80	2.80
	Facility Maintenance Worker II	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	1.00
	Seasonal Labor	4.16	4.16	4.16
Total	21.96	21.96	21.96	

Authorized Paid Positions - Requested

Department	Position	Actual 2016	Estimated 2017	Proposed 2018
Culture and Recreation	Parks & Recreation Director	1.00	1.00	1.00
	Assistant Parks & Rec. Director	1.00	1.00	1.00
	Recreation Supervisor	1.00	1.00	1.00
	Facility Maintenance Worker II	1.00	1.00	1.00
	Facility Maintenance Worker I	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	1.00
	Facility Supervisor	2.72	2.47	2.47
	Fitness Specialist	0.23	0.23	0.23
	Landscape Technician	0.00	0.25	0.25
	League Supervisor	0.00	0.00	0.00
	League Scorekeeper	0.00	0.00	0.00
	Programs Coordinator	0.41	0.41	0.41
	Total	9.36	9.36	9.36
Aquatic Center	Pool Manager	0.24	0.24	0.24
	Assistant Pool Manager	0.20	0.20	0.20
	Swim Coach	0.29	0.29	0.29
	Swim Lesson Instructor	0.10	0.10	0.10
	Pool Supervisor	0.33	0.33	0.33
	Lifeguard/Head Lifeguard	5.21	5.21	5.21
	Cashier/Concession/Deck Attendant	3.90	3.90	3.90
	Concession Stand Supervisor	0.26	0.26	0.26
	Seasonal Maintenance Worker I	0.13	0.13	0.13
Total	10.66	10.66	10.66	
Visitor's Bureau	Visitor's Bureau Director	1.00	1.00	1.00
	Communication Specialist	1.00	1.00	1.00
Total	2.00	2.00	2.00	
Marketplace	Marketplace Coordinator	0.16	0.16	0.16
	Marketplace Asst. Coordinator	0.16	0.16	0.16
Total	0.32	0.32	0.32	
CIP Administration	CIP Director	1.00	0.00	0.00
	Administrative Assistant	0.40	0.40	0.40
	Project Coordinator	1.00	1.00	1.00
	Construction Inspector	0.00	0.00	0.00
Total	2.40	1.40	1.40	
Community Development	Director of Community Development	1.00	1.00	1.00
	Building Inspector/Official	1.00	1.00	1.00
	Neighborhood Services Manager	1.00	1.00	1.00
	Code Compliance Officer	2.00	2.00	2.00
	Planner I	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	1.00
Total	7.00	7.00	7.00	
City Total		112.20	111.20	111.20

Classification By Category				
	Full Time	80.00	79.00	79.00
	Part Time	17.06	17.06	17.06
	Seasonal	15.14	15.14	15.14
	Total	112.20	111.20	111.20

Note: All numbers given in full time equivalents (FTE). For instance, a part time employee working 10 hours per week (out of a possible 40 hours) would be counted as .25 FTE. Estimated reflects positions filled for some or all of the year.

* To facilitate training and to manage attrition, Council approved "over-hiring" by up to 2 FTE's when qualified candidates are available.

Compensation Plan * Proposed***FULL TIME POSITIONS
EFFECTIVE JANUARY 1, 2018**

Position	Range Bottom	Range Top
City Administrator	103,280	154,920
Assistant City Administrator	91,058	136,587
Police Chief	91,058	136,587
Police Major	80,282	120,423
Police Captain	62,405	93,608
Sergeant	55,020	82,530
Corporal	51,662	77,493
Master Police Officer	45,548	68,322
Police Officer	42,768	64,152
Police Officer Trainee	40,732	40,732
Crime Analyst	42,769	69,177
Community Service Officer	33,245	49,867
Records Clerk	31,216	46,824
Community Development Director	85,500	128,250
Building Inspector/Official	42,768	64,152
Neighborhood Services Manager	48,509	72,763
Code Compliance Officer/Part-Time Code Compliance Planner I	37,707	56,561
Management Intern	45,548	68,322
	30,331	46,406
Director of Capital Improvements	85,500	128,250
Project Coordinator	42,769	64,152
Administrative Assistant	31,216	46,824
Finance Director	85,500	128,250
Accountant	48,509	72,763
Accounting Clerk	33,245	49,867
Network and Communication Administrator	80,282	120,423
Human Resources/Risk Management Manager	62,405	93,608
Communication and Public Engagement Manager	51,662	77,493
City Clerk	48,509	72,763
Administrative Assistant	31,216	46,824
Visitors' Bureau Director	48,509	72,763
Communication Specialist	40,158	60,237
Court Administrator	48,509	72,763
Court Clerk/Part Time Court Clerk	31,216	46,824

Compensation Plan * Proposed*

**FULL TIME POSITIONS (continued)
EFFECTIVE JANUARY 1, 2018**

Position	Range Bottom	Range Top
Public Works Director	91,058	136,587
Public Works Superintendent	55,020	82,530
Foreman	42,769	64,152
Asset Management Technician	42,769	64,152
Public Works Technician	40,158	60,237
Mechanic	37,708	56,561
Maintenance Worker III	33,244	49,867
Maintenance Worker II	31,215	46,824
Facility Maintenance Worker II	31,215	46,824
Maintenance Worker I/Part Time Maintenance Worker I	27,522	41,282
Parks & Recreation Director	85,500	128,250
Assistant Parks & Recreation Director	62,405	93,608
Recreation Supervisor	48,509	72,763
Facility Maintenance Worker II	31,215	46,824
Facility Maintenance Worker I	27,522	41,282

**REGULAR PART TIME POSITIONS
EFFECTIVE JANUARY 1, 2018**

Position	Range Bottom	Range Top
Business Development Coordinator	47,022	71,944

**ELECTED POSITIONS
EFFECTIVE JANUARY 1, 2018**

Position	Range Bottom	Range Top
Mayor	12,038	12,038
City Councilmembers	5,457	5,457

Compensation Plan * Proposed*

**PART TIME & SEASONAL POSITIONS
EFFECTIVE JANUARY 1, 2018**

Position	Range Bottom	Range Top
Crossing Guard	11.83	16.89
Seasonal Maintenance Worker	11.06	15.79
Intern PT	10.74	15.33
Seasonal Construction Inspector	18.17	27.79
Part Time Farmers Marketplace Assistant Coordinator	11.54	16.49
Part Time Farmers Marketplace Coordinator	13.01	18.56
Facility Supervisor	11.67	17.50
Gym Supervisor	10.52	15.02
Landscape Technician	13.00	18.56
League Supervisor	10.52	15.02
League Scorekeeper	8.56	12.20
Programs Coordinator	12.43	18.63
Fitness Specialist	12.43	18.63
Seasonal Exempt Employees:		
Pool Manager	9,737.13	13,905.25
Assistant Pool Manager	5,724.55	8,176.14
Head Swim or Dive Coach	1,943.07	2,670.06
Asst. Swim or Dive Coach/Pre Comp Coach	1,404.19	2,003.08
Pool Supervisor	13.63	19.47
Head Lifeguard	10.10	12.42
Swim Lesson Instructor	9.59	24.62
Lifeguard	8.55	10.83
Concession Stand Supervisor	11.14	13.48
Cashier/Concessions/Deck Attendant	7.51	9.78