



MERRIAM

Just right.

**WORK SESSION
CITY HALL
MONDAY, JUNE 1, 2009
7:00 P.M.**

If you require any accommodation (i.e. qualified interpreter, large print, reader, hearing assistance) in order to attend this meeting, please notify the Administrative Office at 913-322-5500 no later than 24 hours prior to the beginning of the meeting.

1. City Council Goals and Priorities.
2. Discussion regarding 2010 Budget.

Memorandum

To: Mayor & City Council
From: Phil Lammers, City Administrator
Date: May 20, 2009
RE: **2010 Goals & Objectives**

Mission

Our primary values, as a city, are to achieve results and reach our goals exceeding the minimum and leaving things better than we found them. We strive to be the best and to serve the public fairly, honestly and openly by working together with our citizens. We work to provide local government of unquestioned integrity with a conservative tone in our fiscal planning while providing first class service and facilities.

Goals

- I. **Citizen Advocacy**
 - a. conduct more city business on line
 - b. complete redraft and practice our emergency operations plan
 - c. expanded or different hours at Visitor Bureau
 - d. provide an out-door pet play space
 - e. improve timeliness of Merriam Highlights and city calendar
 - f. consider ward wide informal gatherings for neighborhood issues
 - g. citizen satisfaction survey
 - h. improve website content and access
- II. **Sustainability**
 - a. Pursue "take charge challenge" efforts; weatherization, optimizer thermostats, shade trees, etc.

- b. pursue environmentally friendly (Green) products and programs
- c. train citizens and employees about the value of resource management

III. Improve Planning Process

- a. create a five year plan
- b. update comprehensive plan

IV. Code Enforcement

- a. intensify enforcement on all code violations (including housing)
- b. redraft animal ownership ordinance
- c. monitor foreclosures and prepare for code violations
- d. assist landlords with vacancies
- e. consider new sign committee/ordinance

V. Community Development

- a. continue ¼ cent sales tax for residential group streets and drainage
- b. sustain CIP efforts
- c. sustain street lighting program
- d. "neighbor helping neighbor" program

VI. Economic Development

- a. re-think development agreements (Village & Pointe)
- b. continue to redevelop Downtown Merriam
- c. work with small business owners

VII. Administrative Focus

- a. continue to improve working relations between council and staff
- b. work with DOC to complete census and consider redistricting
- c. research ordinances for conflicts
- d. justify all expenses for conservative budgeting
- e. assign personnel in each department as grant czar

VIII. Maintain Core Services

- a. police
- b. fire
- c. public works – maintain existing infrastructure
- d. parks and recreation

Memorandum

To: Mayor Sissom and City Council
From: Phil Lammers, City Administrator
Cindy Ehart, Finance Director
Date: May 28, 2009
RE: 2010 Balancing Strategies

Attached for your review is an updated 2010 Budget projection for general fund along with a schedule of balancing strategies to close the current gap.

Changes and updates since May 4

- *Licenses/Fees/Permits:* Estimated 2009 building permit revenues have been reduced by \$125,000. It appears we will not meet the original budget due to the steep drop in building activity (including Merriam Pointe and Merriam Village) associated with the economic downturn.
- *Court Fines:* Estimated 2009 court fine revenues have been reduced by \$100,000 based upon current trends.
- *Alcohol Tax:* Estimated 2009 alcohol tax revenues have been increased by \$3,200 to reflect the Kansas legislature's decision to distribute taxes rather than use them to fund the state's budget deficit.
- *Personal Services:* 2010 official KPERS and KP&F rates were received and reflect reduced rates for a savings of \$39,000 in benefit costs from the prior estimate.
- *Other:* Miscellaneous changes to 2010 revenue and expenditure estimates resulted in a net increase in expenditures of \$18,832 over the prior estimates.

Balancing Strategies

With the exception of the proposed transport gas fee revenue (estimated at \$50,000), the current funding gap can be managed with a combination of changes to our largest category of expenditures, *personal services*. Here is a summary of significant adjustments proposed:

- Defer hiring of two firefighter trainees (previously approved for 2009) pending approval of a "SAFER" grant for a savings of \$76,000 in salary and benefit costs. If the grant is not received, no hiring would occur.
- Suspend funding of the Neighborhood Services Manager for 2009. Key responsibilities of this position would be shared by existing Community Development staff for a savings of \$92,000 in salary and benefit costs. Staff anticipates that the Planner I would become responsible for working with the City's neighborhoods; the Code Enforcement Officer and Administrative Assistant would manage the rental registration and inspection program. See "Other Staffing Changes" below for more Community Development department proposed changes.

- Limit merit raises to 80% of current maximum, while increasing salary range for every regular full and part-time position by 2%. The range adjustment would benefit the 22 employees who are projected to be out of range by 2010. These changes would result in a net savings of \$58,500.
- Limit 2010 health insurance increases to a maximum of 10% (down from 13% estimated at May 4) for a savings of \$24,000. Staff believes this can be accomplished by changes to the prescription co-pay component of our current health plan.
- Reduce Visitor's Bureau funding for part-time administrative help to 8 hours per week from the current schedule of 20 hours per week. The original projection included a reduced transfer to general fund because of lower estimated guest tax collections. As a result, no additional cost to general fund is associated with this change which would allow for greater focus on communication-related administrative goals.
- Increase hours worked by Visitor's Bureau coordinator from 30 to 40 hour per week. Although the cost to the Transient Guest Tax fund for this change could be \$15,000, the general fund is impacted only if guest tax collections fall short of budget.

Other Balancing Considerations

- General fund reserve and contingency budgets may be reduced after the application of the proposed balancing measures and continue to meet council policy. In the strategy currently presented, reserve and contingency was reduced only by the exact amount needed to balance the budget.
- General fund transfers to CIP reflect council policy. The only reduction to the transfer amount is for the CIP-related salaries within the Community Development department.
- Some "alternate suggestions" are listed on the attached for your consideration.

Other Staffing Changes

The Community Development department budget provides for funding of a full-time Building Inspector, a position which is currently vacant. Staff instead proposes to hire an additional Codes Enforcement Officer with this funding.

The City of Merriam, like most cities nationwide, is experiencing a slowdown in major construction projects combined with an increase in property foreclosures. This situation has decreased the need for an additional Building Inspector while increasing the workload of the City's one Codes Enforcement Officer. An additional Codes Enforcement Officer would permit the City to address the property maintenance concerns stemming from the increase in number of property foreclosures. The new Codes Enforcement Officer would also be responsible for assisting with the implementation of the city's rental registration and inspection program.

June 1 work session

Input from council members at this work session will be used to prepare the detailed budget drafts for the June 29 work session. Department heads will be in attendance to answer any questions you may have regarding proposed strategies. If you have questions about the attached or additional suggestions for balancing, please contact Phil or Cindy.

City of Merriam
General Fund
(as of June 1, 2009)

	Audited 2008	Budget 2009	Estimated 2009	Projected/ Requested 2010
REVENUES				
Beginning Balance	\$ 4,139,983	\$ 2,823,175	\$ 4,519,752	\$ 3,218,864
Taxes:				
Property Tax				
Current	2,499,290	3,373,000	3,373,000	3,250,000
Back	12,906	-	-	-
County Sales Tax	904,795	887,437	848,855	891,855
Motor Vehicle	290,251	285,437	285,437	363,116
City Sales Tax	5,493,829	5,250,993	4,669,754	4,669,754
Alcohol Tax	15,165	13,000	13,000	15,000
County Sales Tax 1/4 (old jail tax)	226,199	220,610	211,489	222,489
County Sales Tax 1/4 (new public safety)	-	-	211,489	222,489
Franchise Fees	1,164,267	1,100,000	1,100,000	1,130,000
Licenses/Fees/Permits	418,005	440,500	315,500	280,200
Charges for Service	237,731	248,530	248,530	242,551
Court Fines	930,356	1,032,500	900,000	1,001,500
Interest	88,603	100,000	25,000	25,000
Miscellaneous	227,837	66,000	66,000	67,500
Transfer from Transient Guest	145,000	155,000	155,000	130,000
Transfer from I-35 CIP	90,000	90,000	90,000	90,000
Transfer from Risk Management	-	100,000	100,000	-
SUBTOTAL OPERATING REVENUES	12,744,235	13,363,007	12,613,055	12,601,455
TOTAL REVENUES	16,884,218	16,186,182	17,132,807	15,820,319
EXPENDITURES				
Personal Services	7,417,838	8,801,499	8,801,499	9,006,000
Contractual Services	1,564,786	1,873,854	1,873,854	1,902,864
Commodities	606,763	737,495	637,495	697,739
Capital Outlay	-	15,500	15,500	34,200
Health and Welfare	19,885	33,100	33,100	33,200
SUBTOTAL OPERATING EXPENDITURES	9,609,272	11,461,448	11,361,448	11,674,003
Interfund Transfers	2,745,294	2,719,734	2,452,494	2,524,366
Reserves and Contingency	9,900	2,005,000	100,000	1,950,000
TOTAL EXPENDITURES	12,364,466	16,186,182	13,913,942	16,148,369
ENDING BALANCE	\$ 4,519,752	\$ -	\$ 3,218,864	\$(328,050)

**2010 Budget
Balancing Strategies
General Fund**

	Staff Suggestions	Alternate Suggestions
	Funding Source/(Use)	Funding Source/(Use)
Projected Funding Gap as of May 4, 2009 work session	\$ (126,418)	
updates since May 4:		
Revision to Estimated 2009 Court Fine Revenues	(100,000)	
Revision to Estimated 2009 Building Permit Revenues	(125,000)	
Revision to Estimated 2009 Alcohol Tax Revenues	3,200	
Revision to KPERs/KP&F/401a expense (per state notification)	39,000	
Other changes to revenues/expenses	(18,832)	
Projected Funding Gap as of June 1, 2009	\$ (328,050)	

#	Addition/Increase of fees	
1	Transport gas fee in lieu of franchise tax (bulk - user fee)	\$ 50,000

Personal Services/Staffing

2	Defer hiring of 2 Firefighter trainees approved for 2009 - VACANT	94,000	
2a	City share of costs to hire 2 firefighters with SAFER grant (if received)	(18,000)	
3	Defer hiring of Fire Marshall position - VACANT	-	87,000
4	Suspend funding for Neighborhood Serv. Mgr - VACANT	92,500	
5	Suspend funding for Comm. Dev. Intern position - VACANT	-	26,000
6	2% Salary Range Adjustment to each salary range	(22,000)	
6a	Remove "topped out" payments of \$500/emp if 2% range adj occurs	8,500	
7	Limit employee merit raises to 80% of maximum increase	72,000	
8	Limit City's share of health insurance increases to 10%	24,000	
8a	Limit City's share of health insurance increases to 8%	-	40,000
9	Suspend employee tuition reimbursement benefit	-	8,875
10	Reduce Admin help at Visitors Bureau to 8 hours per week	no impact	
11	Impact of added hours for Visitors Bureau coordinator on General Fund	no impact	

Elimination of / Changes to Programs

12	Easy Ride	-	18,134
12a	Voucher program for taxi cab program	-	(15,000)
13	Limit City Wide Clean-up to 1 time per year	-	9,000
14	Impact of balancing on General Fund Reserves & Contingency	27,050	
15	Replenish Risk Management Reserve Fund to council policy	-	(175,000)

Reduce Sales Tax Transfers to Capital Improvement Fund

16	Cancel or postpone projects as determined	-	undetermined
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Projected Funding Gap after adjustments - June 1, 2009 \$ -