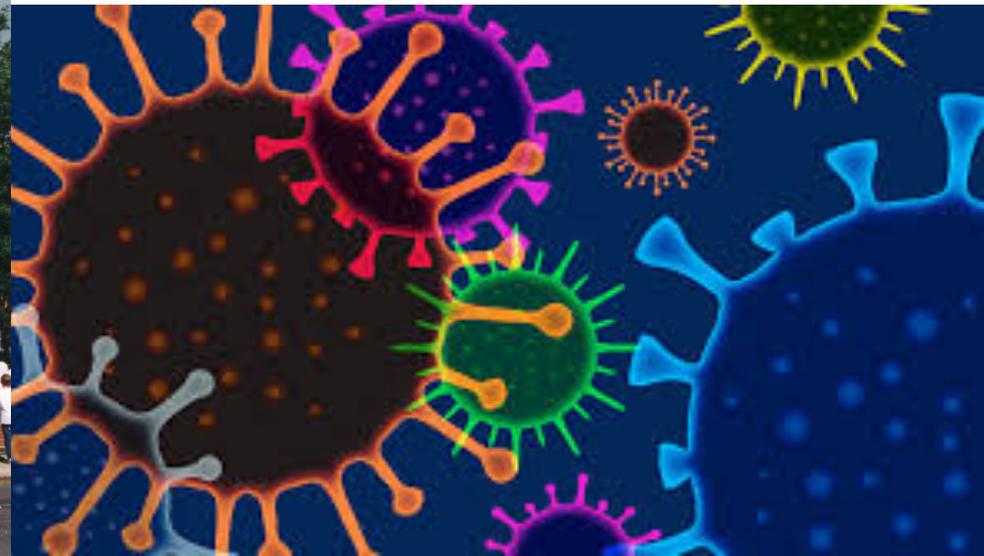


2021 Budget Presentation



Current Overall Situation

- The City is in a financial structural deficit as we try attempt to manage the financial impacts caused by the COVID-19 pandemic
- We continue to focus on providing essential services
- 2020 sales tax distributions are projected to be 14% less than 2019 distributions
- Still projecting a \$25M reduction in 2020 revenues
- With reductions in 2020 capital projects and maintenance programs and savings in the operating budget we are now projected to spend \$3M-\$4M in reserves
- Convention Center and hotel will both take an operating loss for the first time in their combined history
- TGT revenue is significantly reduced in 2020

2021 Budget Overview

- No recommended change in mill levy of 13.557
- The overall 2021 City budget will reduce 2.0% over 2020 budget
- Total 2021 budgeted revenues will decrease by 3.6% over the 2020 budget
 - Sales and use tax will increase 7.8% in 2021
 - Development fees will reduce in 2021
 - Other fees and fines will increase slightly over 2020
 - Property valuation will increase 5.9 % in 2021
- City 2021 operating budget will increase 2.2% over 2020 budget
- Spend down of operating reserve to accomplish essential services in 2021; will require continued control of operating expenses such as hiring freeze, restricted travel, etc.

2021 Operating Budget Additions

- Adds six firefighting personnel in order to operate the new Fire Station #8 located at 175th Street and Quivira
- Adds mental health co-responder (JOCO employee)
- Adds a dedicated CIT police officer
- Increase in animal impound fees
- Increase in school crossing guard contract
- Increase in recycling center costs



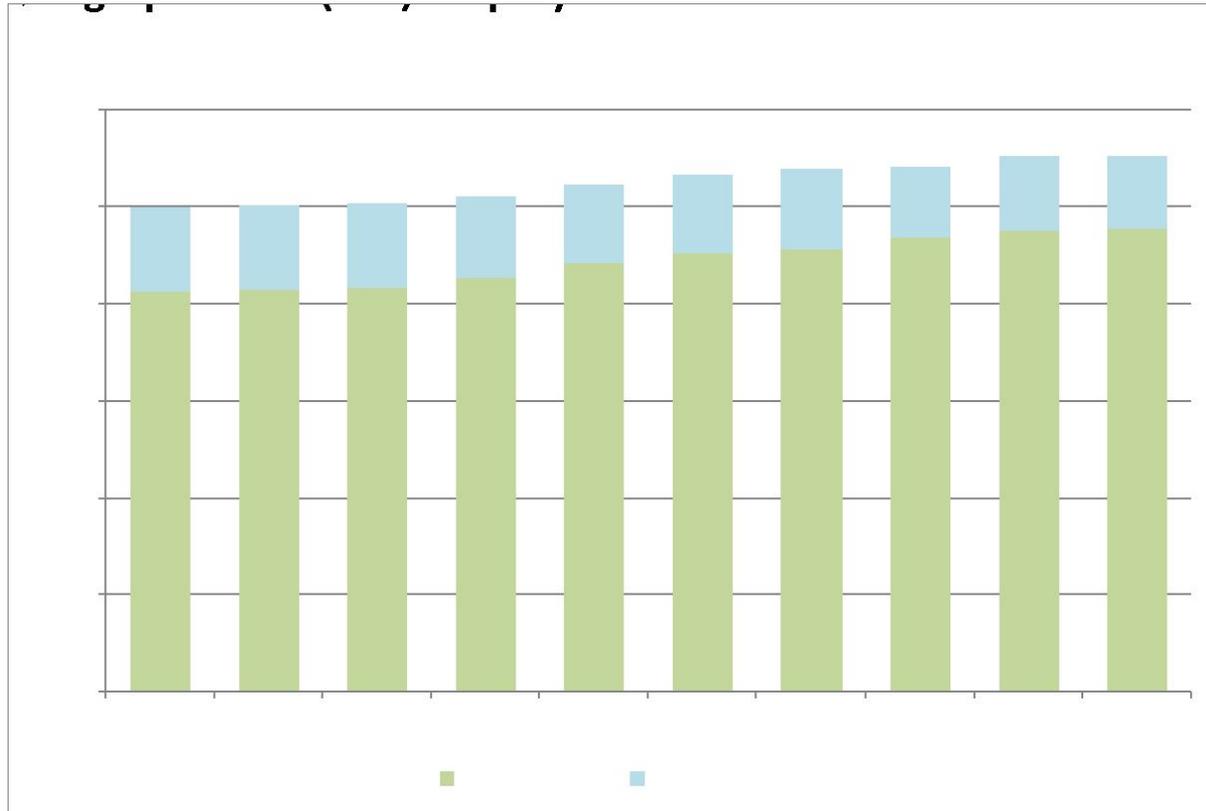
2021 Operating Budget Highlights

- Annual equipment replacement reduced to \$2.5M
- Projected increase in police and fire pension plan payments
- Operating expenditures will increase by 2.2% over 2020 adopted budget
- Overall Goal Area and Program changes (budget-to-budget)

Goal Area	2019 Budget	2020 Budget	2021 Budget	Change (\$)	Percent Change
Finance, Budget, and Economic Development	\$23,397,100.00	\$24,885,852.00	\$24,679,210.00	-\$206,642.00	-0.9%
Public Safety	\$63,905,524.00	\$65,291,244.00	\$68,982,288.00	\$3,691,044.00	5.8%
Public Works	\$19,664,997.00	\$20,005,230.00	\$20,131,244.00	\$126,014.00	0.6%
Community Development	\$27,071,699.00	\$28,787,674.00	\$29,112,258.00	\$324,584.00	1.2%

2021 Budget Personnel Changes

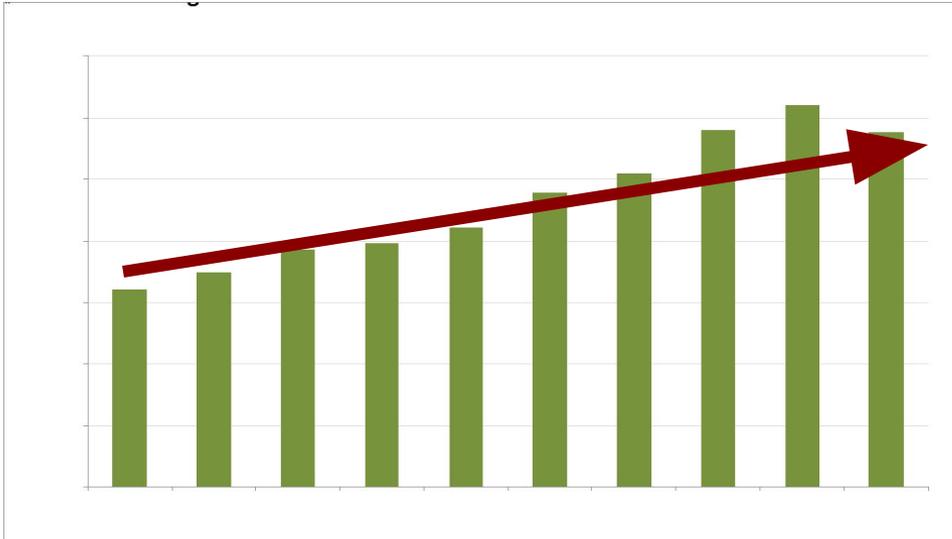
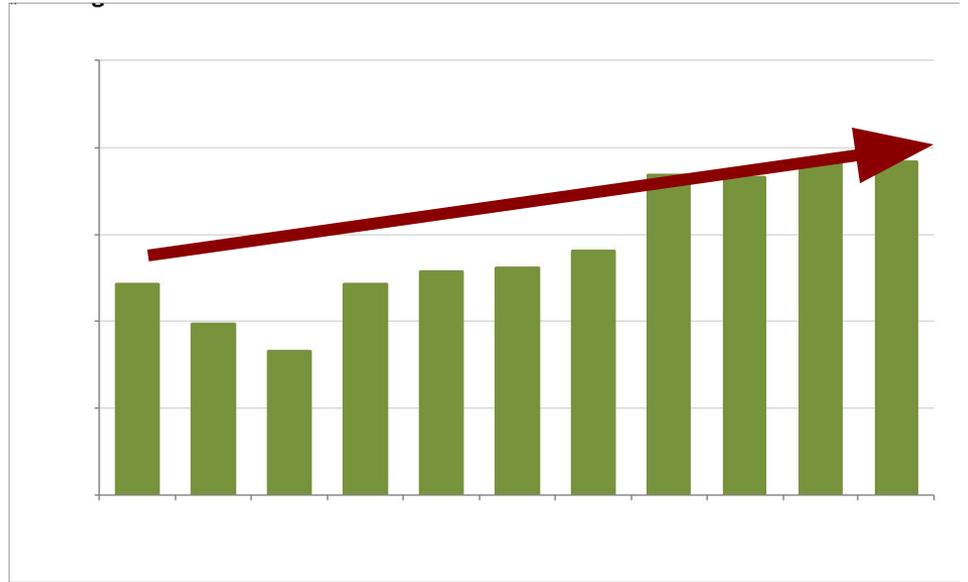
- Increase in Fire Department and Police Department FTEs offset by elimination of positions in other Departments; hiring freeze still in effect
- Net overall increase of 2.22 FTE





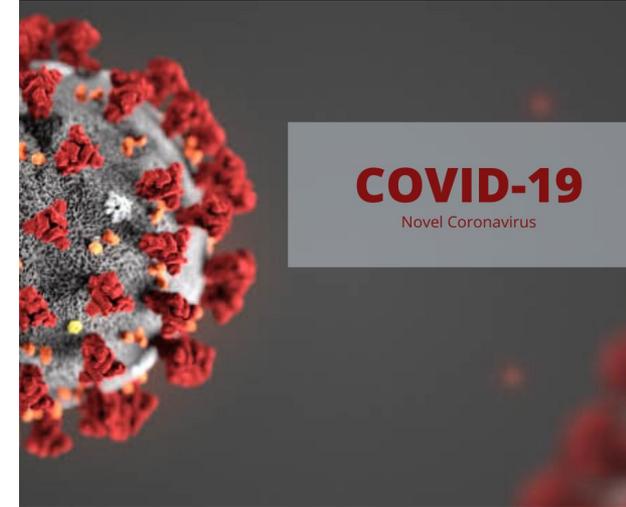
**Maintenance Program
Annual Expenditures**

**Capital Improvement Program
Annual Expenditures**

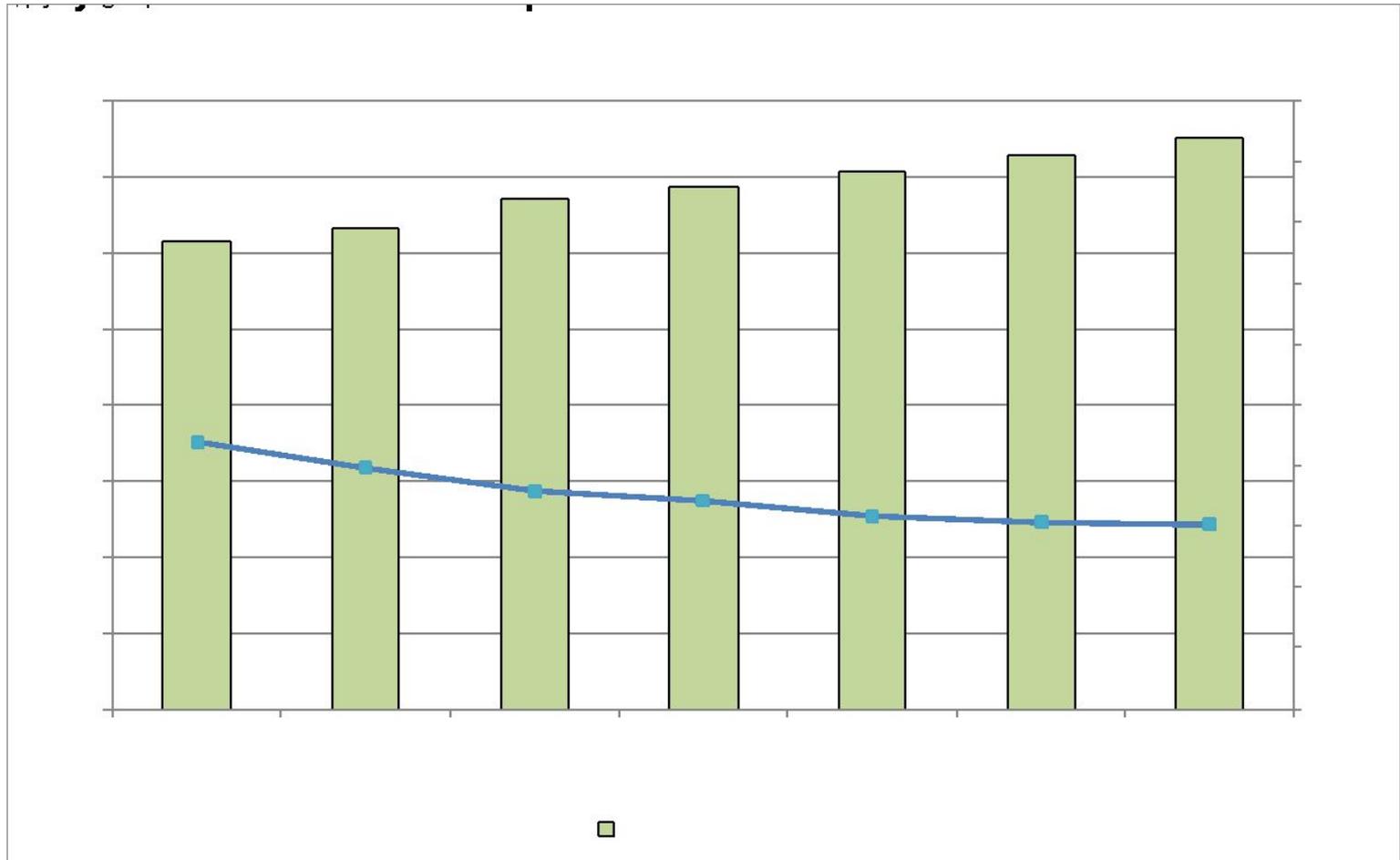


Budget Challenges and Issues

- Actual impact of national and global economy due to COVID-19 pandemic still to be determined
- Impact of state fiscal situation
- Impact of 2020 property tax lid legislation
- Increased unemployment
- Rising construction costs
- Uncertainty in commercial real estate market
- Tourism revenue (TGT)
- Operating loss at OPCC and Sheraton



Projected Five Year Plan Overview GF Expenditures and Balance



Future Budget Pressures



Summary

- Financial situation is in structural deficit; must use reserves to provide essential services in 2021
- No recommended change to mill levy
- Reduced capital investment and maintenance in upcoming years
- Essential services costs still increasing
- Schedule:
 - Committee discussions on goal areas during the month of June 2020
 - COW meeting scheduled for July 6, 2020
 - Public Hearing scheduled for August 3, 2020
 - Adoption scheduled for August 17, 2020

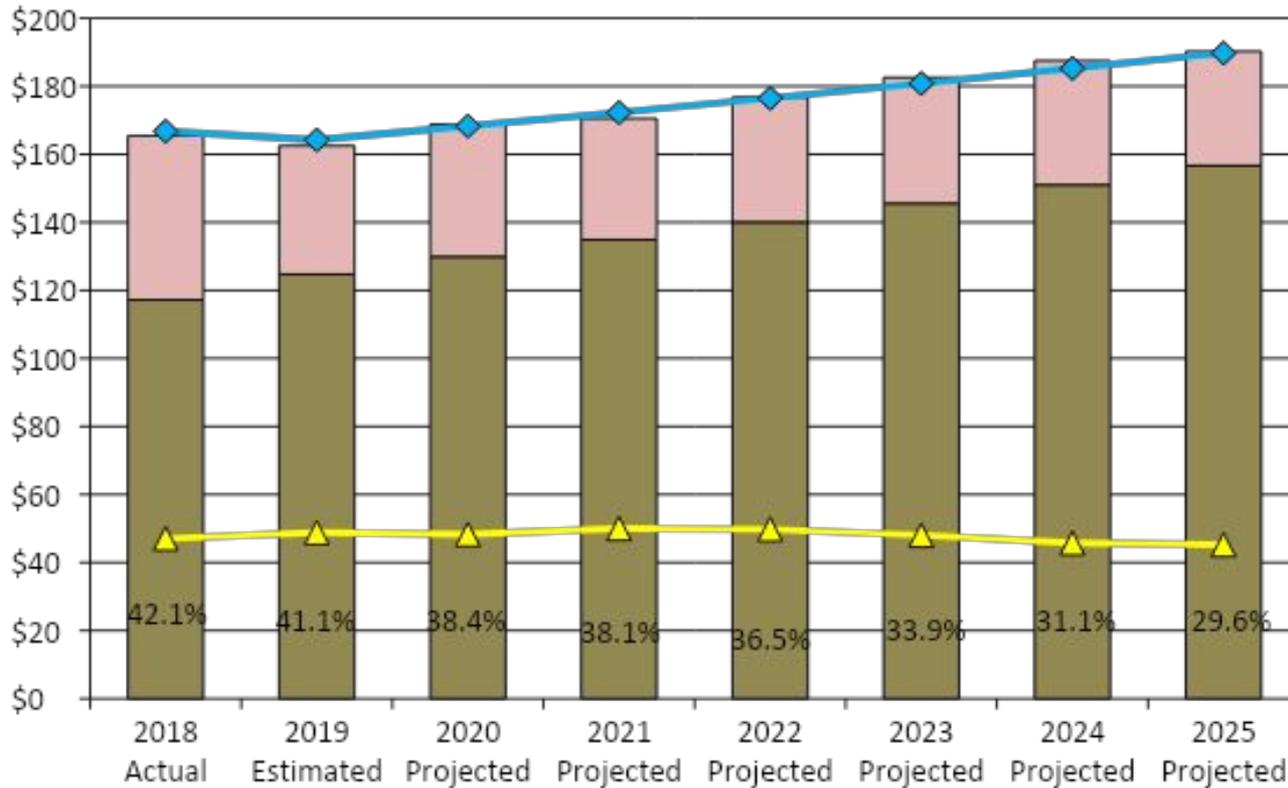


Updated 2021-2025 CIP and Maintenance Plans June 1, 2020



Current Situation

- General fund balance will be spent down, but remains near or at 30% at the end of the 5 year plan



Operating Expense
 Capital & Maintenance

Five Year Financial Planning Assumptions

- Revenue projections discussed in budget presentation
- Mill levy remains constant
- 1/8th cent sales is renewed by the community in 2024
- Budget operating expenditures projected at 95% or lower



Overall CIP and Maintenance Plans

- The 2021-2025 CIP totals \$192.2 million. This is essentially no increase from the 2020-2024 CIP and a 7.4% decrease from the originally-proposed 2021-2025 CIP (January 2020.)
- The 2021-2025 Maintenance Program totals \$115.1 million. This is a decrease of 7.2% from the 2020-2024 program and a decrease of 2.4% from the originally-proposed 2021-2025 program (January 2020.)



CIP Overview

- No investment growth allows five-year plan to balance
- Increases in construction costs reduce capacity

Funding Category	2020-2024	Jan 2020 2021-2025	Jun 2020 2021-2025	\$ Change	% Change
Bridge Replacement	\$16,385,000	\$18,265,000	\$18,265,000	\$0	0.0%
Parks & Recreation	\$34,690,000	\$28,225,000	\$34,420,000	\$6,195,000	21.9%
Public Art		\$250,000	\$0	-\$250,000	-100.0%
Public Buildings	\$11,185,000	\$31,880,000	\$16,930,000	-\$14,950,000	-46.9%
Public Equipment	\$20,645,000	\$17,730,000	\$17,610,000	-\$120,000	-0.7%
Residential Street Program	\$27,100,000	\$28,000,000	\$28,200,000	\$200,000	0.7%
Storm Drainage	\$6,420,000	\$10,000,000	\$10,000,000	\$0	0.0%
Street Improvements	\$1,475,000	\$11,605,000	\$10,945,000	-\$660,000	-5.7%
Streetlighting	\$1,195,000	\$1,000,000	\$900,000	-\$100,000	-10.0%
Thoroughfares	\$71,690,000	\$58,595,000	\$53,600,000	-\$4,995,000	-8.5%
Traffic Management	\$1,940,000	\$1,940,000	\$1,300,000	-\$640,000	-33.0%
Grand Total	192,725,000	207,490,000	192,170,000	-15,320,000	-7.4%

2021-2025 CIP Project Highlights/Changes

- Arboretum Visitor's Center Phase 1 is deferred to 2022; increase in cost
- Arboretum Phase 2 project is removed (amphitheater and sculpture garden)
- Police Training facility deferred to 2026; design in 2025
- Public art has been removed from 5 year plan
- Continued investment in technology and cybersecurity but some projects deferred
- Continued investment in Neighborhood Street Reconstruction program
- Several new park projects have been removed
- Construction of connecting bridges on 167th Street
- Soccer complex LED lighting has been removed
- OP Farmer's Market project moved to 2023
- 167th Street: Metcalf to Antioch has been removed

Maintenance Program Overview

- Overall spending has decreased by \$8.9M from 2020-2024 program
- Street maintenance, curb and sidewalk, traffic management, and stormwater maintenance programs are preserved at current funding levels

Funding Category	2020-2024	Jan 2020 2021-2025	Jun 2020 2021-2025	\$ Change	% Change
Building Maintenance	\$9,640,000	\$9,465,000	\$7,725,000	-\$1,740,000.00	-18.38%
Parks Maintenance	\$10,640,000	\$8,210,000	\$7,345,000	-\$865,000.00	-10.54%
Stormwater Maintenance	\$12,930,000	\$10,000,000	\$10,000,000	\$0.00	0.00%
Street Maintenance	\$86,030,000	\$85,865,000	\$85,670,000	-\$195,000.00	-0.23%
Traffic Infrastructure Maintenance	\$4,785,000	\$4,355,000	\$4,355,000	\$0.00	0.00%
Grand Total	\$124,025,000	\$117,895,000	\$115,095,000	-\$2,800,000	-2.37%

2021-2025 Maintenance Program Highlights/Changes

- Annual playground replacement program has been reduced
- Parks parking lot reconstruction program has been reduced
- Antioch Acres Park and shelter replacement has been removed
- Energy conservation upgrades for city buildings Phase 1 has been removed

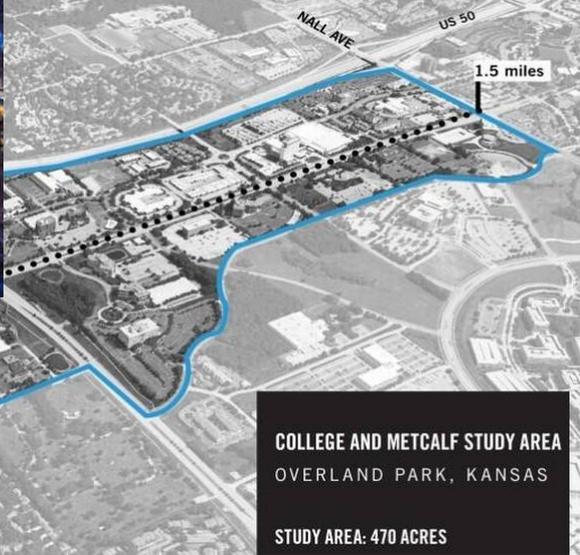


Issues

2021-2025 CIP and Maintenance Programs

- Increase in construction and maintenance costs
- Bike/hike trail funding
- Funding for Convention Center major maintenance projects
- Annual street maintenance program funding is static
- Aging city facilities; for example, Dennis Garret PW facility is 60+ years old
- Upcoming City Council decisions:
 - **Arboretum Visitor's center**
 - **Westlinks golf course fence**

The Next Decade 2020-2030



Schedule

- Schedule:
 - Committee discussions on plans during the month of June 2020
 - COW meeting scheduled for July 6, 2020
 - Public Hearing scheduled for August 3, 2020
 - Adoption scheduled for August 17, 2020



Questions and Discussion

09/25/2013