

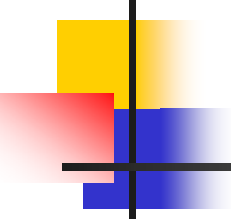


City of Kansas City, MO



Budget 101

Understanding the KCMO Budget



The FY 2006-07 City Budget

- Total Budget of \$1,113,461,462 for the current year
 - Expenditures of \$2,507.80 for each of the City's 444,000 residents
 - Expenditures of \$5,891.33 for each of the 189,000 households in the City
 - Expenditures of \$3,479,567 for each square mile of the City



The FY 2006-07 City Budget

- **Where the Money Comes From:**

■ Earnings Taxes	\$177,800,000
■ Sales and Use Taxes	177,225,000
■ Revenue from Public Enterprises	247,703,674
■ Property Taxes	137,480,355
■ Utility Taxes	66,925,000
■ Grants	61,923,728
■ Gaming	21,200,000
■ Service Charges	50,519,699
■ Licenses and Permits	44,894,872
■ Interest and Rental Income	35,081,841
■ Convention and Tourism	32,300,000
■ Court Fines	19,922,500
■ All Other	<u>7,435,841</u>

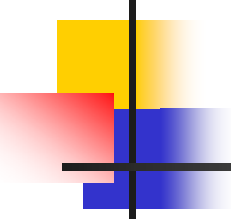
■ **Total Revenues** **\$1,080,412,510**



The FY 2006-07 City Budget

- How the Money Gets Spent

■ Salaries and Benefits	\$417,224,839
■ Contracts	385,587,293
■ Supplies	28,256,124
■ Equipment	11,112,104
■ Pass-Thru to Other Agencies	96,487,006
■ Debt Service	170,694,096
■ Mandated Reserves	<u>4,100,000</u>
■ Total	\$1,113,461,462



The FY 2006-07 City Budget

- Where the Money Gets Spent

■ Public Safety	(27.6%)	\$307,047,549
■ Economic Growth	(29.3%)	325,740,575
■ Public Infrastructure	(20.8%)	231,265,615
■ Healthy Community	(11.0%)	123,991,539
■ Neighborhood Livability	(6.3%)	70,262,956
■ Governance	(5.0%)	<u>55,153,228</u>
■ Total		\$1,113,461,462

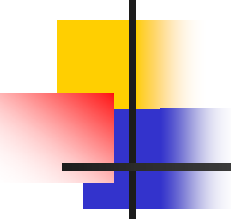
The question you're all asking...

Why can't Neighborhood Services get more money???



The FY 2006-07 City Budget

- Why the Money Gets Spent the Way that It Does. (The Constraint Analysis)
 - Enterprise Operations and Special Assessments - 27% of the budget
 - Aviation and Water Services Department
 - State Law and City Charter Requirements – 18% of the budget
 - KCMO Police Department, Hotel Taxes, State Road and Bridge Funds



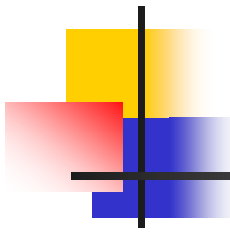
The FY 2006-07 City Budget

- The Constraint Analysis continued
 - Voter Approved Allocations – 21% of the budget
 - One Cent Sales Tax, Police and Fire Sales Taxes, Health Levy, Streetlights
 - Grant Programs – 3% of the budget
 - Restricted to designated purposes.
 - Public Health, Social service grants, etc.



The FY 2006-07 City Budget

- The Constraint Analysis continued
 - Debt and Lease Payments – 3% of the budget
 - Required Debt Service payments not otherwise previously restricted (equipment, golf courses, etc)
 - Programs Approved by Ordinance or Resolution – 10% of the budget
 - Tax Increment Financing, Kansas City Zoo, Capital Improvements, Jackson County Sports Authority



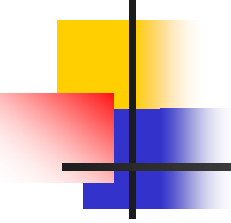
The FY 2006-07 City Budget

- The Constraint Analysis continued
 - Dedicated Program Revenues – 4% of the budget
 - Service charges used to support city services
 - Building Permits, food inspection, etc.
 - Flexible Resources Remaining – 14% of the Total Budget
 - “Flexible” may not be very flexible such as the fire department and additional support for Police.
 - Provides the bulk of neighborhood or basic services
 - Trash collection, recycling, streetlight operations, as well as basic City administrative functions



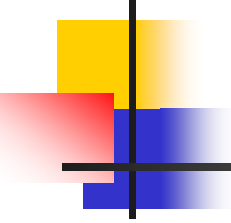
The FY 2006-07 City Budget

- The Constraint Analysis - Summary
 - Bulk of the total budget (86% is restricted in some way (State Law, voter mandate, fees, grants, enterprise operation)
 - Neighborhood Services are totally dependent on the budget as a whole.
 - City Budget is essentially a zero sum game
 - When something gets significantly more, something else will get less to keep in balance



The FY 2007-08 City Budget

- Cost Drivers in the Upcoming Budget
 - Salary and Benefit Costs
 - Double digit health insurance increases,
 - Market rate pay adjustments to retain staff;
 - More people to provide to services or new programs;
 - Economic Incentives
 - 40 to 60% increase in reimbursements needed to meet current obligations. Time to start paying the bills for recent revitalization efforts...
 - Infrastructure Maintenance
 - Keep up with the need to repair and replace aging infrastructure



The FY 2007-08 City Budget

- What We're Hearing....
 - Neighborhoods need the following:
 - More Animal Control enforcement;
 - More Property code enforcement;
 - More Tree trimming;
 - More Building demolition;
 - More Minor Home Repair
 - What else?
 - What could be reduced to help pay for these and others?