



# PROPOSED BUDGET

## Fiscal Year 2023-24



**INDEPENDENCE**  
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A GREAT AMERICAN STORY

# FY23-24 Proposed vs FY 22-23 Adopted

	FY 2021-2022 Actual	FY 2022-23 Adopted	FY 2023-24 Proposed Budget	% Difference (Actual FY21- 22 to FY23-24)
Salaries	\$118,421,507	\$122,278,070	\$125,922,617	6.30%
Retiree Health Insurance	\$5,767,449	\$5,911,000	\$5,744,940	-0.40%
Operating Expenses	\$131,740,867	\$143,717,165	\$157,475,736	19.50%
Equipment	\$4,976,161	\$8,361,058	\$11,356,716	128.20%
<b>Total - Operating</b>	<b>\$260,905,984</b>	<b>\$280,267,293</b>	<b>\$300,500,009</b>	<b>7.20%</b>
Capital Improvements	\$27,580,342	\$25,660,836	\$56,595,746	105.20%
Debt Service	\$17,539,886	\$18,807,966	\$19,471,198	11.00%
Transfers Out	\$17,920,570	\$13,250,092	\$17,951,770	0.20%
Contingency	886	\$100,000	\$514,005	0.00%
<b>Total</b>	<b>\$323,946,782</b>	<b>\$338,086,187</b>	<b>\$395,032,728</b>	<b>16.80%</b>

# ALL FUNDS

	FY 2021-22	FY 2022-23	FY 2022-23
Category	Actual Expenditures	Adopted Budget	Estimated Expenditures
Salaries	\$118,421,507	\$121,918,070	\$114,216,523
Retiree Health Insurance	5,767,449	5,911,000	5,911,000
Operating Expenses	131,740,867	141,442,565	154,256,158
Equipment	4,976,161	8,248,958	5,638,038
<b>Total - Operating</b>	<b>\$260,905,984</b>	<b>\$277,520,594</b>	<b>\$280,021,719</b>
Capital Improvements	27,580,342	24,903,836	38,267,885
Debt Service	17,539,886	18,707,887	19,476,053
Transfers Out	17,920,570	15,956,700	18,316,207
Contingency	886	150,000	-
<b>Total</b>	<b>\$323,947,668</b>	<b>\$337,239,016</b>	<b>\$356,081,864</b>

# General Fund

FY 2021-22

FY 2022-23

FY 2022-23

Category	Actual Expenditures	Adopted Budget	Estimated Expenditures
Salaries	\$64,605,951	\$59,707,717	\$59,138,104
Retiree Health Insurance	3,515,168	3,499,000	3,499,000
Operating Expenses	9,594,885	10,864,297	10,358,631
Equipment	384,129	56,723	130,930
<b>Total - Operating</b>	<b>\$78,100,133</b>	<b>\$74,127,737</b>	<b>\$73,029,576</b>
Capital Improvements	-	-	-
Debt Service	339,276	165,400	165,150
Transfers Out	883,286	10,000	165,000
Contingency	-	-	-
<b>Total</b>	<b>\$79,322,695</b>	<b>\$74,303,137</b>	<b>\$73,359,726</b>

# Special Revenue Funds

	FY 2021-22	FY 2022-23	FY 2022-23
Category	Actual Expenditures	Adopted Budget	Estimated Expenditures
Salaries	\$11,890,707	\$17,037,657	\$14,901,746
Retiree Health Insurance	193,279	240,000	240,000
Operating Expenses	10,240,305	10,566,743	10,745,056
Equipment	3,710,562	5,064,510	3,891,000
<b>Total - Operating</b>	<b>\$26,034,853</b>	<b>\$32,908,910</b>	<b>\$29,737,540</b>
Capital Improvements	25,109,272	10,048,836	10,858,366
Debt Service	203,225	1,880,600	1,880,521
Transfers Out	460,765	5,700	-
<b>Total</b>	<b>\$51,808,115</b>	<b>\$44,844,046</b>	<b>\$42,476,427</b>

# Enterprise Funds

	FY 2021-22	FY 2022-23	FY 2022-23
Category	Actual Expenditures	Adopted Budget	Estimated Expenditures
Salaries	\$41,924,849	\$45,172,696	\$40,176,673
Retiree Health Insurance	2,059,003	2,172,000	2,172,000
Operating Expenses	111,905,677	120,011,525	133,152,471
Equipment	881,469	3,127,725	1,616,108
<b>Total - Operating</b>	<b>\$156,770,998</b>	<b>\$170,483,946</b>	<b>\$176,385,342</b>
Capital Improvements	2,471,070	14,855,000	27,244,370
Debt Service	16,997,385	16,661,966	17,430,382
Contingencies	886	150,000	-
Transfers Out	16,576,519	15,941,000	18,151,207
<b>Total</b>	<b>\$192,816,858</b>	<b>\$218,091,912</b>	<b>\$239,211,302</b>



# CHALLENGES AHEAD



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# Economic Volatility

- Labor Shortage
- Inflation
- Wild Swing in Sales Tax
- Regional Bank Failures
- Looming U.S. Government Default
- Shifting Geo-Political Landscape



# STRATEGIC ACTION PLAN

- **An Engaged Community.** We foster a culture of engagement and civic leadership based on innovation and best practices involving community members of all backgrounds and perspectives.
- **An Innovative Economy.** We grow a diversified and innovative economy leveraging our community amenities, skilled and creative people, and educational resources to generate economic opportunities.
- **A Safe, Welcoming Community.** We embrace a safe, healthy, welcoming, and inclusive community.
- **A Well-Planned City.** We consistently improve our community's appearance and quality of life as it grows and changes, honoring our unique history and sense of place as we plan for a livable, affordable, more connected city.
- **A Financially Sustainable Organization.** We create long-term financial stability by using equitable and sustainable sources of funding for City services, and we deliver them in a lean and efficient manner.
- **A High-Performance Organization.** We operate as an ethical, high-performance organization anticipating future needs, utilizing best practices, and striving for continuous improvement.



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# REALLOCATING FOR PRIORITIES

- Council established a new Action Plan surrounding key areas of operations
- Simply cutting programs and services is not the answer
- Reallocation of resources from lower priority programs to higher priority (strategic alignment)

# BUILDING A BETTER FOUNDATION



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## Planning

Determine and clarify  
vision/results

## Target

Identify programs  
and services

## Allocate

Allocate costs and  
resources to  
programs

## Score

Do the programs and  
services we fund  
align with  
community  
priorities?

## Analyze

Are dollars  
aligning to what  
we value most?

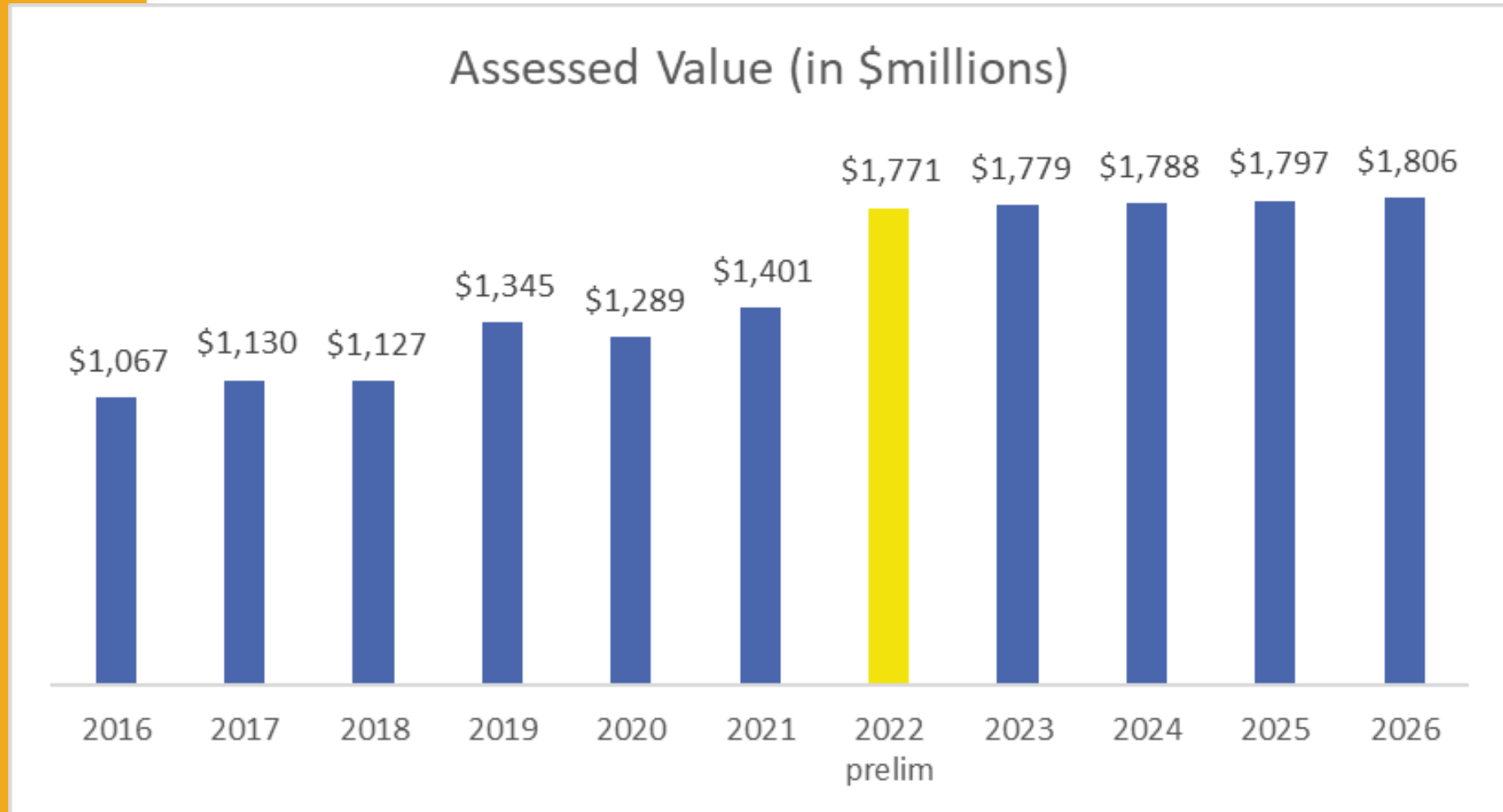
# SHAPING THE BUDGET PICTURE

- Began Process in February 2023
- General fund revenues: +\$3.8M
  - Property Tax
  - Sales Tax Increase
  - PILOTS
  - Interfund Charges for Support Services
- General fund expenses: +\$3.8M
- 74 package requests totaling \$5.83 million
  - Approved 52 requests. \$5.2M in new spending
- General fund Contingency of \$364k
- Hiring “chill”

# General Fund Revenues

	Actual 2021-22	Forecast 2022-23	Budget 2023-24	% Difference (Actual FY 21-22 to FY 23-24)
Taxes	26,407,417	27,581,821	28,495,625	7.91%
Franchise Fees	8,161,195	8,223,000	8,333,000	2.11%
PILOTS	20,168,635	21,724,179	21,301,000	5.61%
Licenses and Permits	5,595,200	4,270,000	4,452,950	-20.41%
Intergovernmental Revenue	5,883,864	6,279,000	5,960,000	1.29%
Charges for Services	2,177,202	1,881,770	2,034,900	-6.54%
Fines and Court Fees	2,116,881	2,019,807	2,086,000	-1.46%
Interfund Charges	5,035,500	2,354,600	4,469,287	-11.24%
Other Revenue	1,014,779	440,000	929,451	-8.41%
Transfers In (includes ARPA)	3,529,000	0	0	-100.00%
<b>Revenue Total</b>	<b>80,089,673</b>	<b>74,774,177</b>	<b>78,062,213</b>	<b>-2.53%</b>

# General Fund Revenues



# General Fund Expenditures

	Actual	Forecast	Budget	% Difference (Actual FY21-22 to FY23-24)
	2021-22	2022-23	2023-24	
Salary and Benefits	\$68,121,118	\$62,540,015	\$63,252,606	-7%
Operating Expenses	\$9,594,885	8,141,463	\$9,480,387	-1%
Equipment	\$384,129	\$130,930	\$217,271	-43%
F&A allocation & GF subsidies	\$0	\$2,217,168	\$4,222,544	
Debt Service	339,276	\$165,150	\$165,400	-51%
Transfers Out	\$883,286	\$165,000	\$360,000	-59%
Contingency	\$0	\$0	\$364,005	0
<b>Expenditure Total</b>	<b>\$79,322,695</b>	<b>\$73,359,726</b>	<b>\$78,062,213</b>	<b>-1.60%</b>

# How GF Dollars are Spent



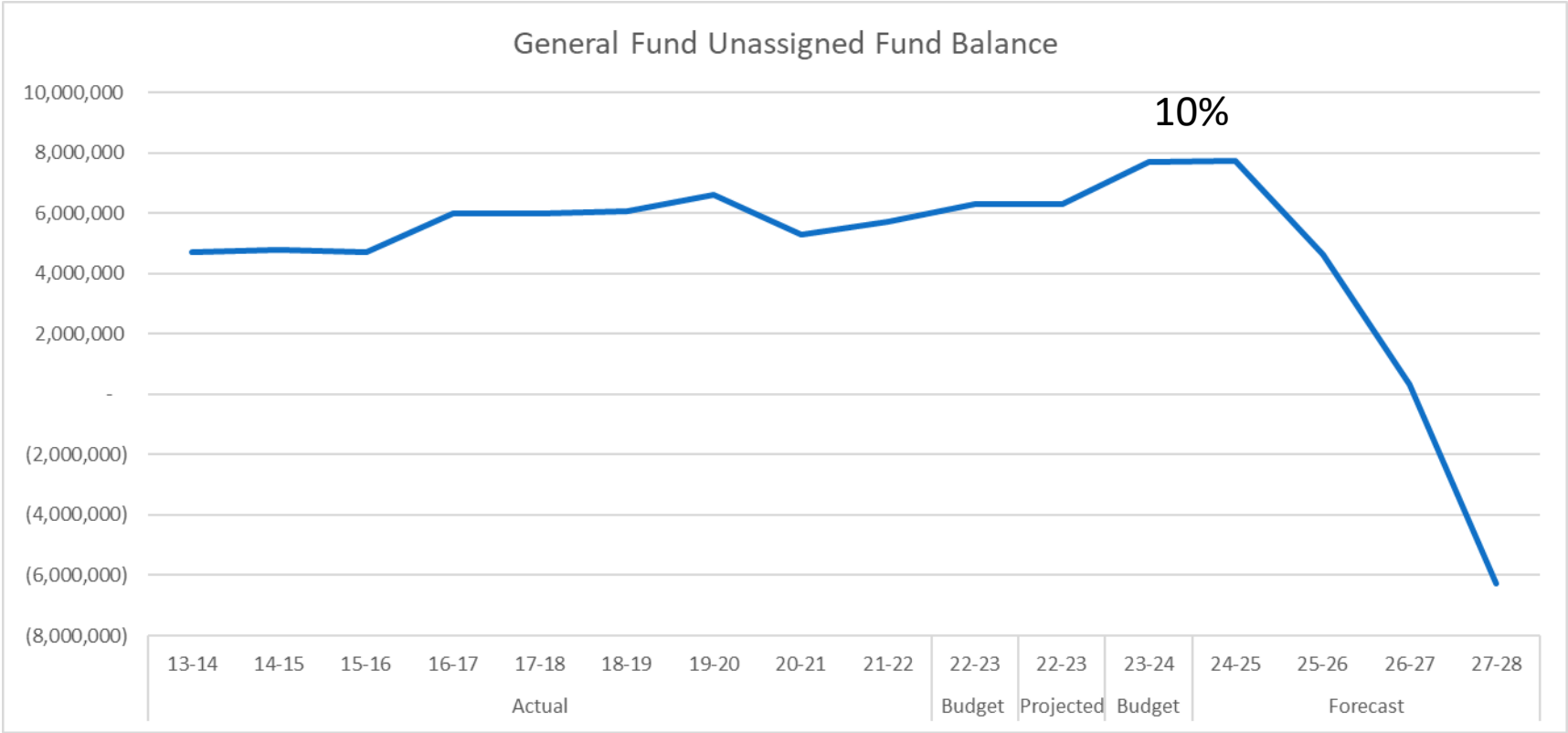
Remainder:

Mayor & Council \$0.016  
Health \$0.004  
Non-Departmental \$0.003

City Manager \$0.016  
PRT \$0.003  
Law \$0.002

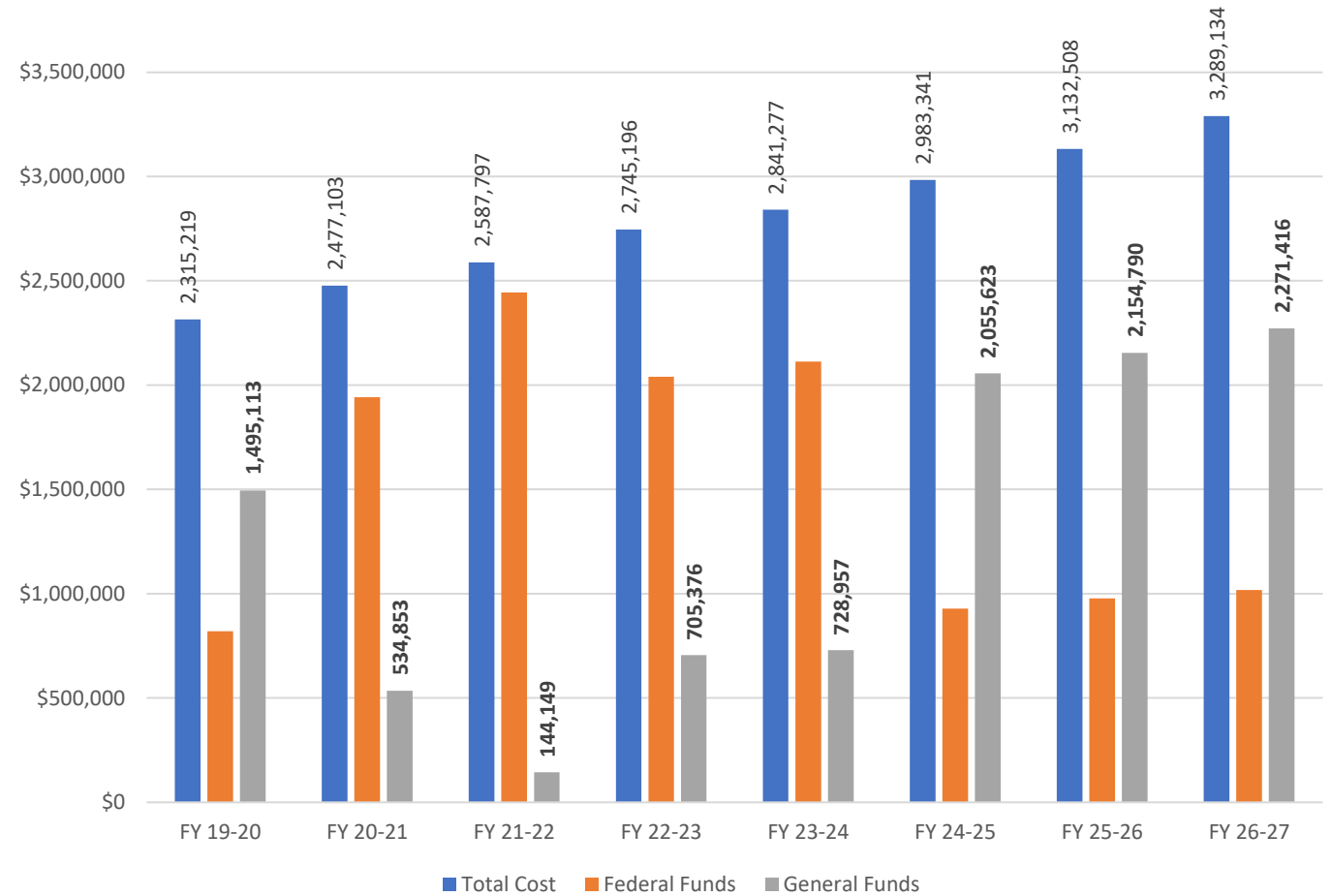


# GENERAL FUND UNASSIGNED BALANCE



# ADDRESSING TRANSIT CHALLENGES

- Funding is secured for the FY23-24 budget
- Will add approximately \$1M in expenditures for the FY24-25 budget



# EMPLOYEE BENEFITS

- 3% market adjustment wage increase for non-represented employees.
- Represented employees will receive wage increases as outlined in their contracts.







# HEALTH INSURANCE UPDATES

- Health Insurance rates are increasing 9.6% on Jan 1, 2024
- Loss of Federal funding to subsidize Staywell
- No changes to Retiree Health Insurance
- No changes to plans

# Use Tax Revenues

	2021-22 Actuals	2022-23 Projected	2023-24 Proposed Budget
Animal Shelter Use Tax (010)	\$762,750	\$782,000	\$855,000
Police (018)	4,000,000	4,100,000	4,483,000
<b>Waterfall</b>			
General Fund (002)	\$395,847	\$710,000	\$642,000
Street Improv Sales Tax (011)	197,924	355,000	321,000
Park Improv Sales Tax (012)	98,939	187,000	169,000
Storm Water Sales Tax (013)	98,939	187,000	169,000
Police Public Safety Sales Tax (016)	49,282	94,000	85,000
Fire Public Safety Sales Tax (017)	260,174	355,000	321,000
<b>Total Revenue (All funds)</b>	<b>\$5,863,855</b>	<b>\$6,770,000</b>	<b>\$7,045,000</b>

# Sales Tax Funds Revenues

	FY 2020-21	FY 2022-23	FY 2023-24
	Actual	Projected	Proposed Budget
Street Improv Sales Tax (011)	9,358,341	10,119,000	10,534,000
Park Improv Sales Tax (012)	4,679,176	5,060,000	5,268,000
Storm Water Sales Tax (013)	4,679,176	5,060,000	5,268,000
Police Public Safety Sales Tax (016)	2,513,756	2,719,000	2,831,000
Fire Public Safety Sales Tax (017)	3,459,833	10,946,000	11,395,000
Marijuana Sales Tax Fund (065)	0	0	150,000
<b>Total Revenue</b>	<b>\$24,690,282</b>	<b>\$33,879,000</b>	<b>\$35,446,000</b>



# UTILITIES FISCAL HEALTH

- Keeping up with routine maintenance
- Increase in CIP next year for all Enterprise Funds
- Engaging in long-range planning
  - Sanitary Sewer Cost of Service Study



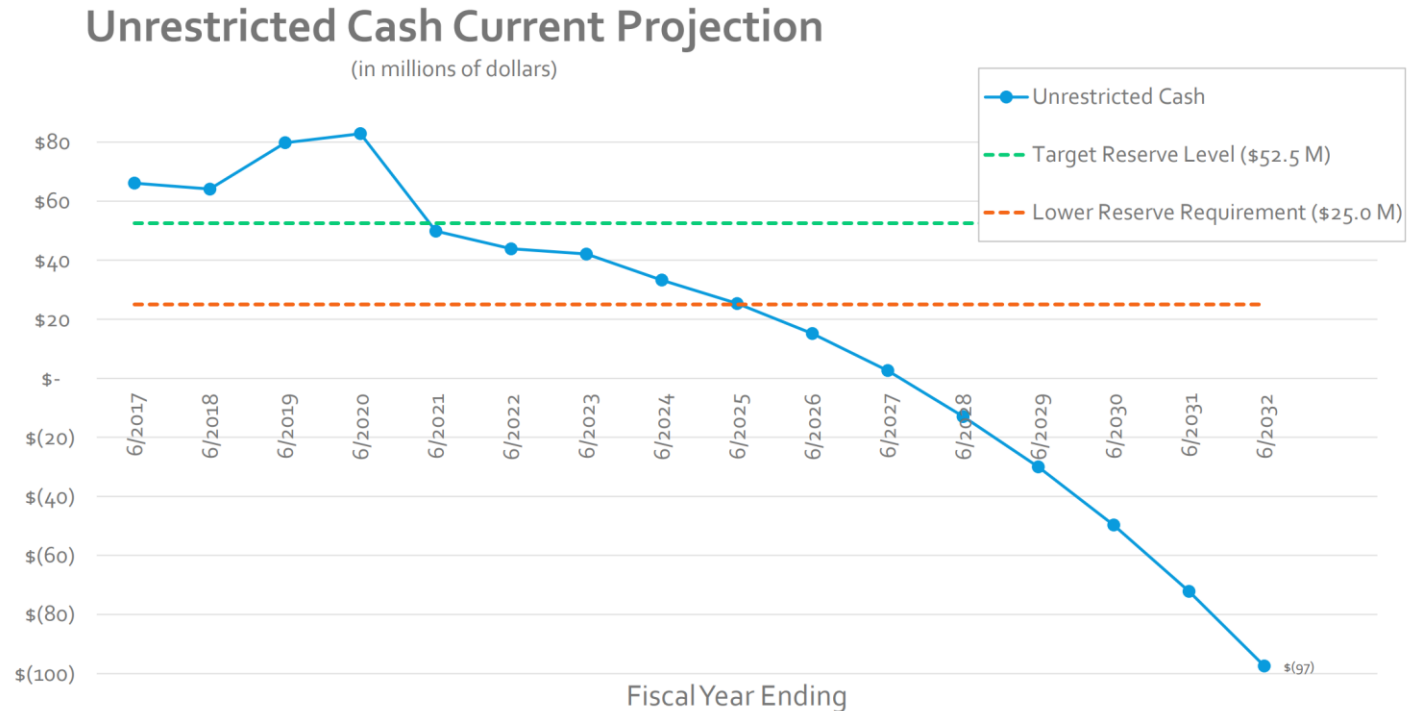
# Enterprise Fund Overview

		FY 2020-21 (Actual)	FY 2021-22 (Projected)	FY 2023-24 Proposed Budget
Power & Light (020)	Revenue	143,408,821	163,276,448	148,013,370
	Expenditure	136,424,173	170,855,366	161,700,582
	Net	<b>\$6,984,648</b>	<b>(\$7,578,918)</b>	<b>(\$13,687,212)</b>
Water (040)	Revenue	37,003,677	37,189,629	36,090,330
	Expenditure	28,935,912	34,692,887	41,314,860
	Net	<b>\$8,067,765</b>	<b>\$2,496,742</b>	<b>(\$5,224,530)</b>
Sanitary Sewer (030)	Revenue	35,596,117	37,127,709	36,986,838
	Expenditure	27,456,773	33,663,048	43,335,373
	Net	<b>\$8,139,344</b>	<b>\$3,464,661</b>	<b>(\$6,348,535)</b>



# Power & Light Rate Restoration

- Challenged fiscal position
  - Erosion of revenues
- Budget includes elimination of 6% discount
  - Important for long-term financial sustainability in IPL
  - Recommended by PUAB.



# How GF Dollars are Spent



Remainder:

Mayor & Council \$0.016  
Health \$0.004  
Non-Departmental \$0.003

City Manager \$0.016  
PRT \$0.003  
Law \$0.002

# INNOVATIVE ECONOMY

- Neighborhood Tourism Funds: \$25,000
- First full year of membership in the Independence Economic Development Partnership (\$140,000)

# Well-Planned City

- \$4.6M budgeted for pavement preventative maintenance
- \$3.9M for Square Streetscape
- \$2M+ for Truman Connected Phase I & II
- \$1.3M for Noland Road (incl. grant portion)
- \$146,000 for Independence Historic Trails and \$330,000 for sidewalks to parks.
- \$300,000 for Winner Road Complete Streets
- \$105,000 23<sup>rd</sup> Street Complete Streets





# Well-Planned City

- Rentalscape STR Software: \$19,500
- STR/Rental License Compliance: \$25,000
- Historic Pres. Grant Match: \$4,500
- Sustained current funding for property maintenance and dangerous building abatements.



# FINANCIALLY SUSTAINABLE ORGANIZATION

- \$364,005 planned increase to General Fund Reserves (10.5%)
- Reduction-in-Force of 1 FTE in Mayor/Council Office





# Safe, Welcoming Community

- \$1.8M for new Fire Station
- Additional Personnel:
  - Firefighters (3)
  - Battalion Chiefs (4)
  - ARCH Paramedic (1)
- \$350,000 payoff of Aerial Lease

# Safe, Welcoming Community

- Address changing crime trends with a substantial increase in law enforcement-related activities:
  - \$1.4M for Mobile Command Post
  - \$101,000 for General Counsel
  - \$1.5M for Fleet Replacement Program & Equipment
  - \$55,000 increase to detention housing





# HIGH-PERFORMANCE ORGANIZATION

- Records Request Software: \$17,000
- Supervisory Training: \$33,390
- Timekeeping Software: \$429,000
- Targeted Salary Fixes: \$40,262
- Misc. Technology Equipment & Security Upgrades: \$117,900



# PREPARING FOR FUTURE GENERATIONS

- Begin implementation of projects for Public Safety
- Begin reallocation of existing resources in absence of revenue growth
- Develop new revenue streams



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# NEXT STEPS

- Official Public Budget Hearing, May 15, 2023
- First Reading of Operating and Capital Budgets on June 5, 2023
- Adoption of the Operating and Capital Budgets on June 20, 2023





ROGER T SERMON COMMUNITY CENTER



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# QUESTIONS?