

Agenda

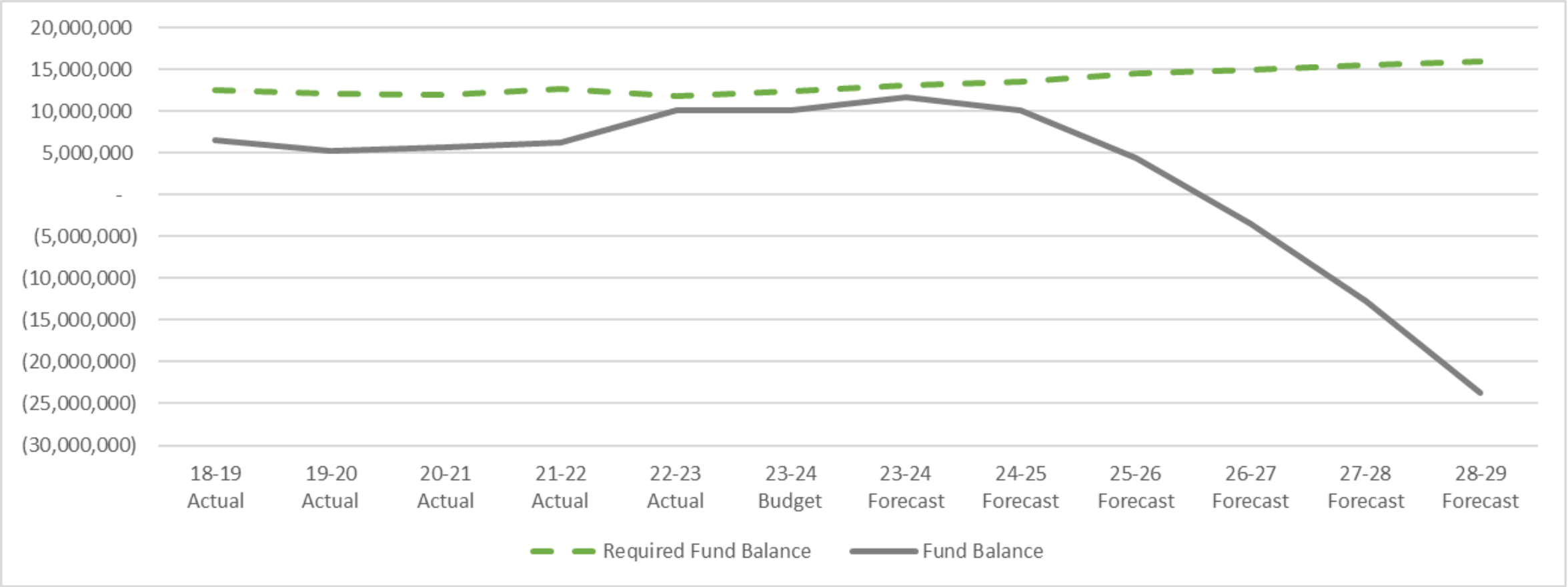
- Financial Update
 - Expenditure Outlook
 - Economic Growth Indicators
 - General Fund Balance Forecast
- What are the City's primary expenses and how are they trending?
 - Expenditures
 - 2024 Breakdown by Department for General Fund
 - Budget Pressures
 - General Fund Expenditures
 - Pension Contributions
 - Budget Pressures

Economic Indicator – Retail Sales

	Receipts Totals		Growth		
Filing Month	Total Receipts @1%	% Chg. From Same Month Last Yr.	Last 12 Month Retail Sales Values	Annual Growth Rate in Economy	Over-the-Year % Change in CPI (Midwest)
Oct-22	1,898,704.50	2.0%	2,312,803,050	5.7%	7.4%
Nov-22	1,943,883.61	7.7%	2,326,636,442	5.6%	6.8%
Dec-22	2,323,657.17	4.0%	2,335,587,161	4.5%	6.0%
Jan-23	1,855,372.33	13.1%	2,357,025,303	5.7%	6.0%
Feb-23	1,859,105.49	12.8%	2,378,088,807	5.9%	5.6%
Mar-23	2,120,848.73	1.1%	2,380,479,001	5.6%	4.9%
Apr-23	1,946,544.55	3.8%	2,387,567,170	6.0%	4.9%
May-23	1,945,794.24	2.0%	2,391,340,075	5.8%	3.7%
Jun-23	2,073,330.30	4.7%	2,400,590,871	6.0%	2.4%
Jul-23	2,086,935.51	7.1%	2,414,448,015	6.2%	2.9%
Aug-23	2,006,501.79	-3.4%	2,407,284,522	4.6%	3.4%
Sep-23	2,045,646.47	1.7%	2,410,632,469	4.4%	3.2%
Oct-23	1,989,595.67	4.8%	2,419,721,586	4.6%	2.9%
Nov-23	1,898,158.92	-2.4%	2,415,149,117	3.8%	2.9%
Dec-23	2,255,580.55	-2.9%	2,408,341,455	3.1%	3.2%

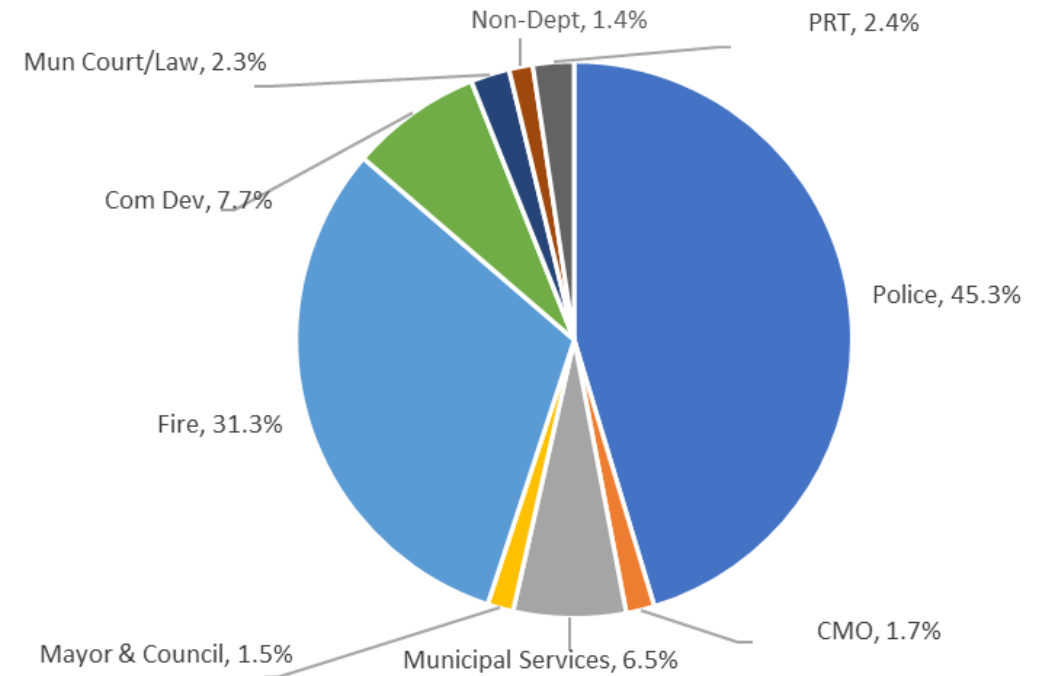
- Shows all retail sales in City of Independence
- Ended 2023 calendar year with 3.1% growth
 - Growth is slowing, but not significantly
 - Numbers updated on a monthly basis
- Lower than change in CPI for the first time since January

General Fund Balance Forecast



FY 2023-24 General Fund by Department

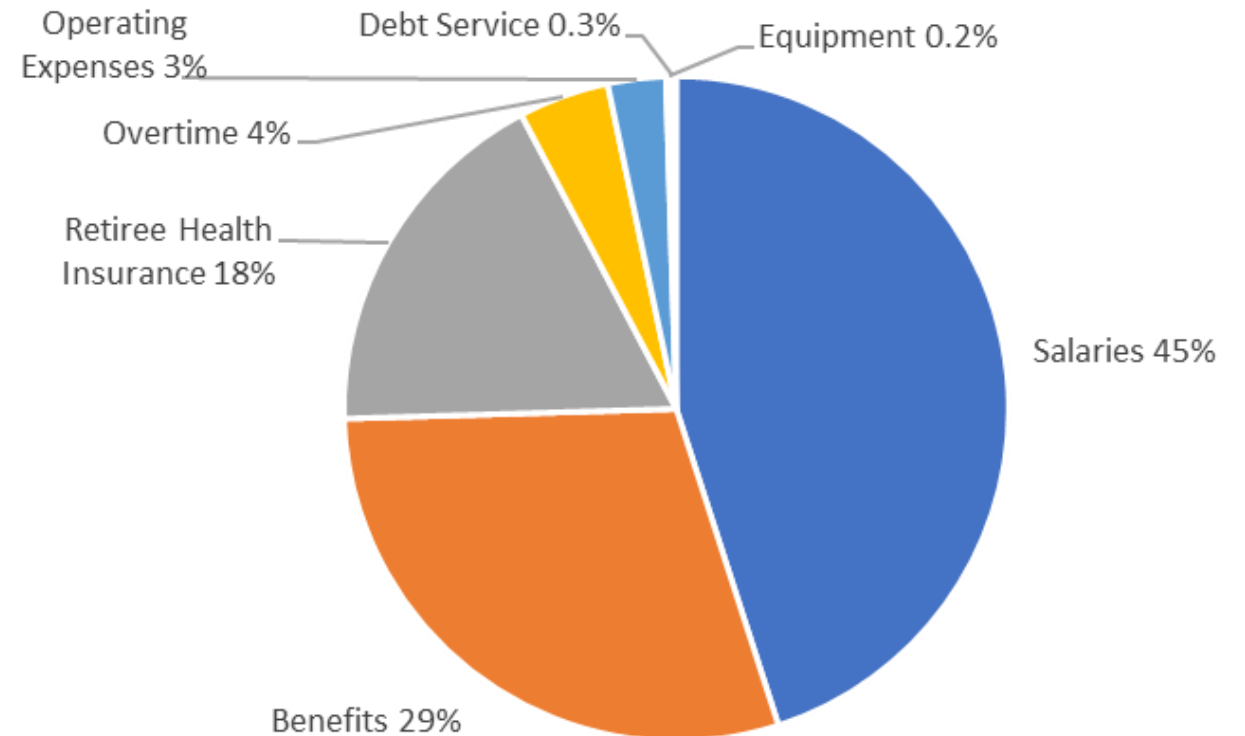
Department	Budget	Projected
Police	\$35,397,004	\$36,394,081
Fire	24,404,130	28,077,339
Municipal Services	5,103,087	4,830,404
Com Dev	5,980,795	5,975,126
Mun Court/Law	1,764,811	1,800,865
CMO	1,292,479	1,327,678
Mayor & Council	1,174,882	742,573
City Clerk	-	250,608
Non-Dept	1,080,427	932,885
PRT	1,864,597	1,545,988
Total	\$78,062,212	\$81,877,548



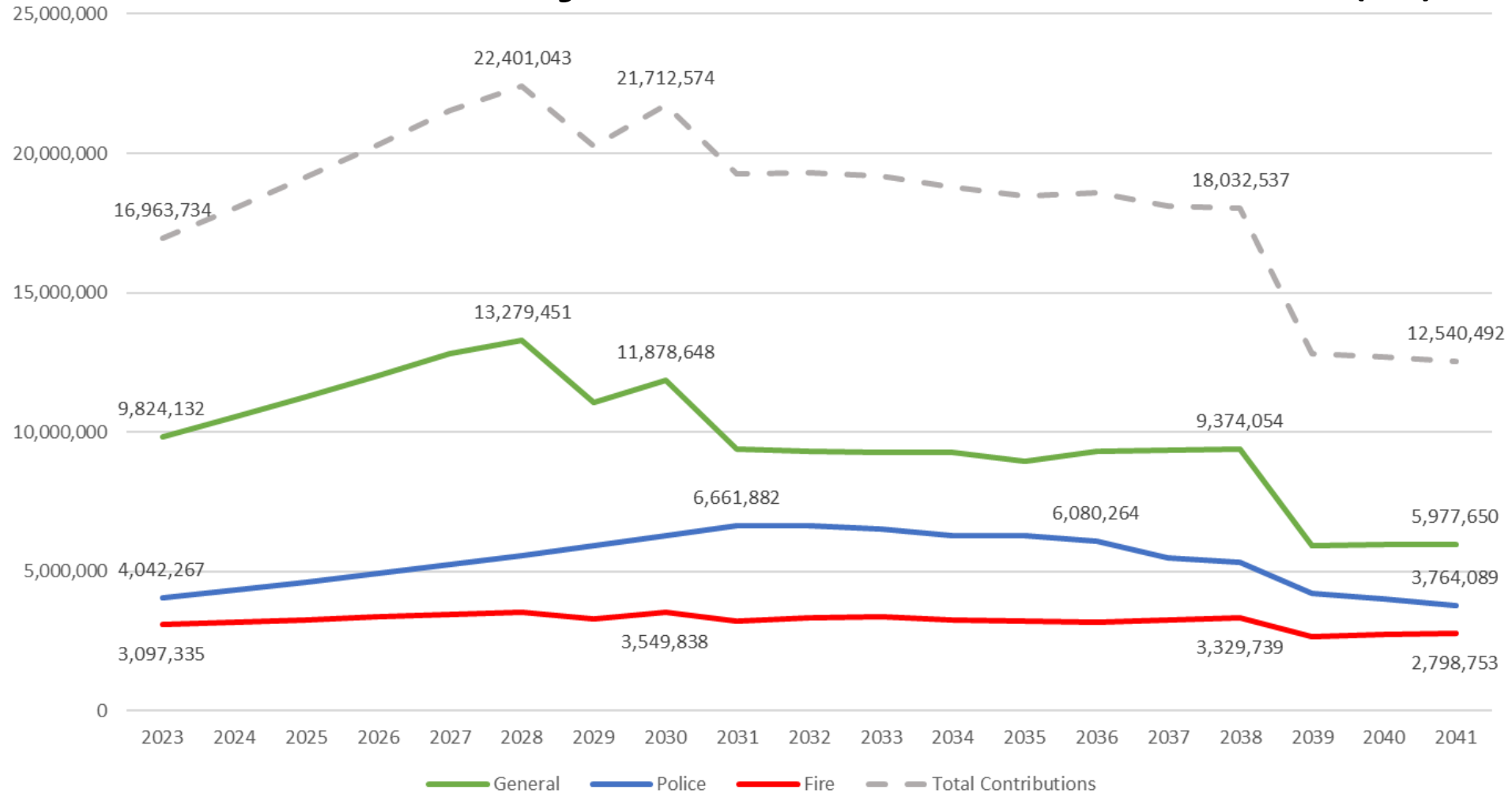
FY 2023-24

General Fund Expenditures

Category	Budget	Projected
Salaries	\$34,824,666	36,608,726
Benefits	22,815,430	21,914,163
Operating Expenses	3,214,705	3,412,174
Retiree Health Insurance	3,405,903	3,894,600
Professional Services	3,425,331	3,275,022
ERP Interfund Charges	7,084,494	7,207,635
Overtime	2,185,007	5,094,483
Debt Service	165,400	165,400
Equipment	217,271	295,345
Transfers Out	360,000	10,000
Contingency	364,005	-
Total	\$78,062,212	\$81,877,548

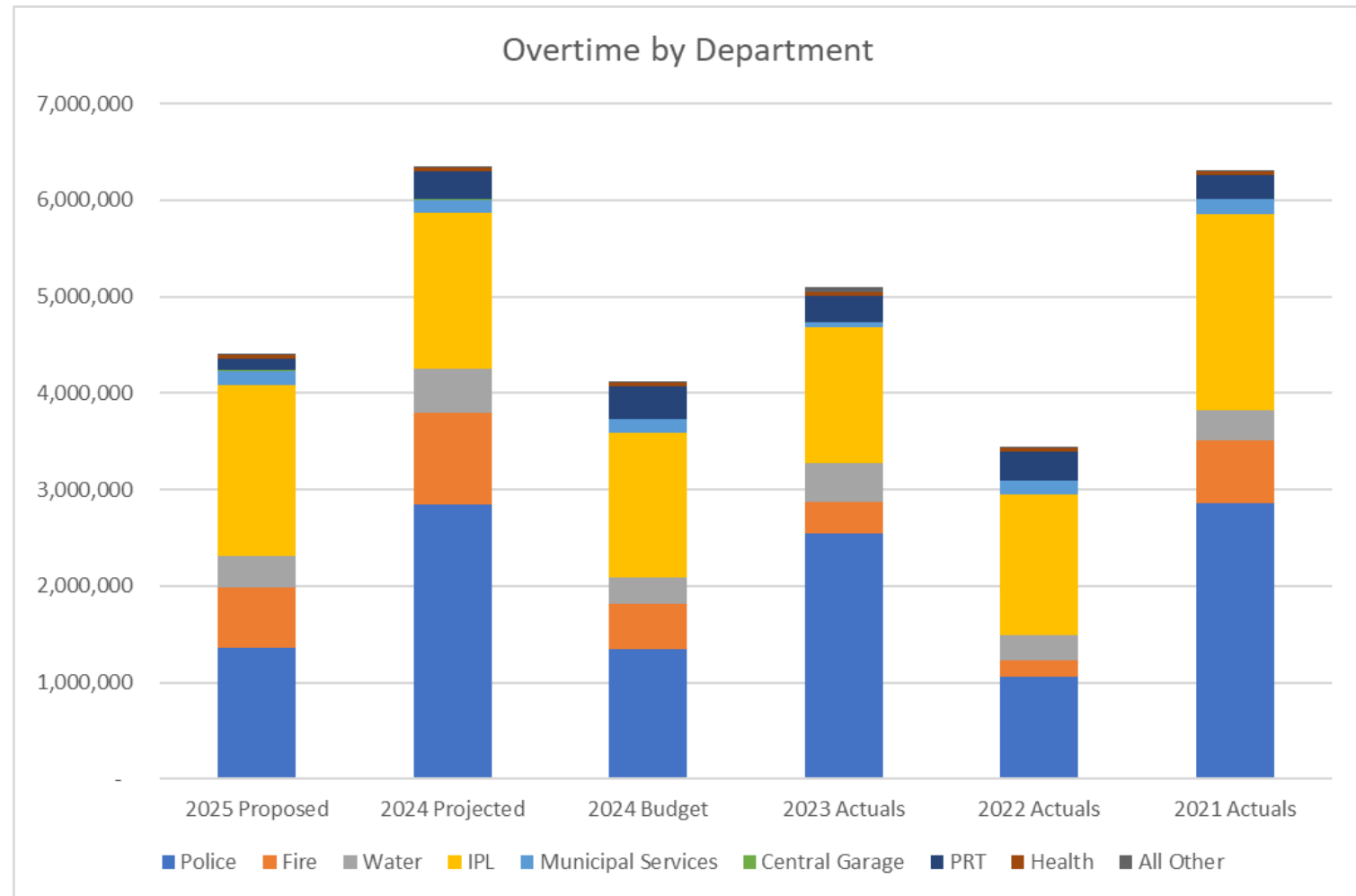


LAGERS Projected Contributions (\$)



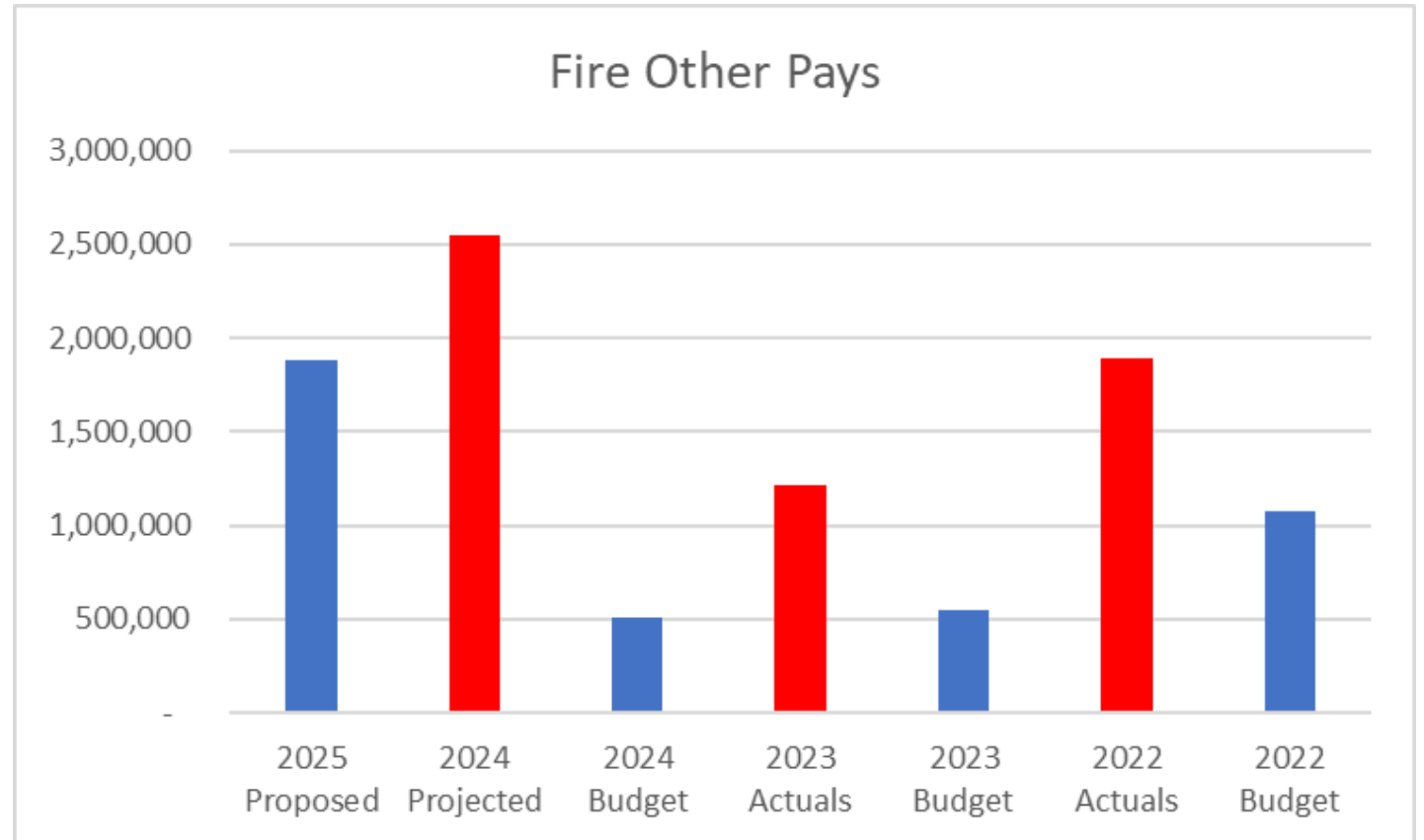
What's driving increase in LAGERS contributions?

- Headcount
- Salaries
- **Overtime**
- Other pays



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in LAGERS
contributions?

- Headcount
- Salaries
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- **Other pays**



Example of OT on LAGERS Increase

Example		
How overtime drives increase in Lagers rates		
	John Doe normal work week	John Doe including OT
3 Years Wages	295,107	641,304
Average Monthly Salary	8,197	17,814
Years of Service at age 55	25.00	25.00
Lagers Benefit Multiplier	2.00%	2.00%
Monthly Lagers Benefit	4,099	8,907
Projected Lifetime Benefit for 25 years	1,229,613	2,672,100

Benefit calculation is equal to: Avg. Monthly Salary x Yrs. Service x Benefit Multiplier

Public Safety Cost Per Capita

Municipality	Population	Police			Fire		
		Budget	Per Capita	FTE	Budget	Per Capita	FTE
Independence	123,011	35,234,028	\$ 286.43	327.6	26,432,973	\$ 214.88	204.0
Overland Park*	197,106	47,494,174	\$ 240.96	359.0	29,974,011	\$ 152.07	220.5
Lee's Summit*	102,781	24,685,228	\$ 240.17	236.5	22,414,034	\$ 218.08	193.0
Olathe	143,014	34,044,733	\$ 238.05	234.0	25,746,663	\$ 180.03	174.0
Columbia	126,254	24,201,391	\$ 191.69	250.0	23,451,236	\$ 185.75	182.5
Average of comparison cities			\$ 227.72			\$ 183.98	

*Fire Department includes EMS/Paramedics

Lee's Summit & Columbia pay 100% of LAGERS contributions

Budget numbers including only personnel expenses.

Personnel Services Costs in General Fund

Health and dental = 12.6% of personnel exp in GF (\$8.0M)

Retiree Health ins = 5.4% of personnel exp in GF (\$3.5M)

	Independence		Overland Park		Lee's Summit		Olathe		Columbia	
	Budget	FTE	Budget	FTE	Budget	FTE	Budget	FTE	Budget	FTE
General Fund	78,062,213	617.88	306,600,000	1147.08	95,461,286	598.93	155,149,080	779.00	131,847,700	813.62
Total	395,032,728	1189.95	430,660,000	1225.13	361,783,591	910.00	396,706,384	1075.50	525,151,507	1604.50
	Personnel Services are 81% of GF Expenditures		Information not available		Personnel Services are 67% of GF Expenditures		Personnel Services are 64% of GF Expenditures		Personnel Services are 69% of GF Expenditures	

Other Post-Employment Benefits

- The City's defined benefit Other Post-Employment Benefits (OPEB) plan provides OPEB for all active and retired employees and their eligible dependents
- Coverage is available for the lifetime of the retiree and their spouses upon payment of required retiree contribution premiums
 - The City establishes rates based upon an actuarially determined rate. As of June 30, 2023, the premiums were split as follows:

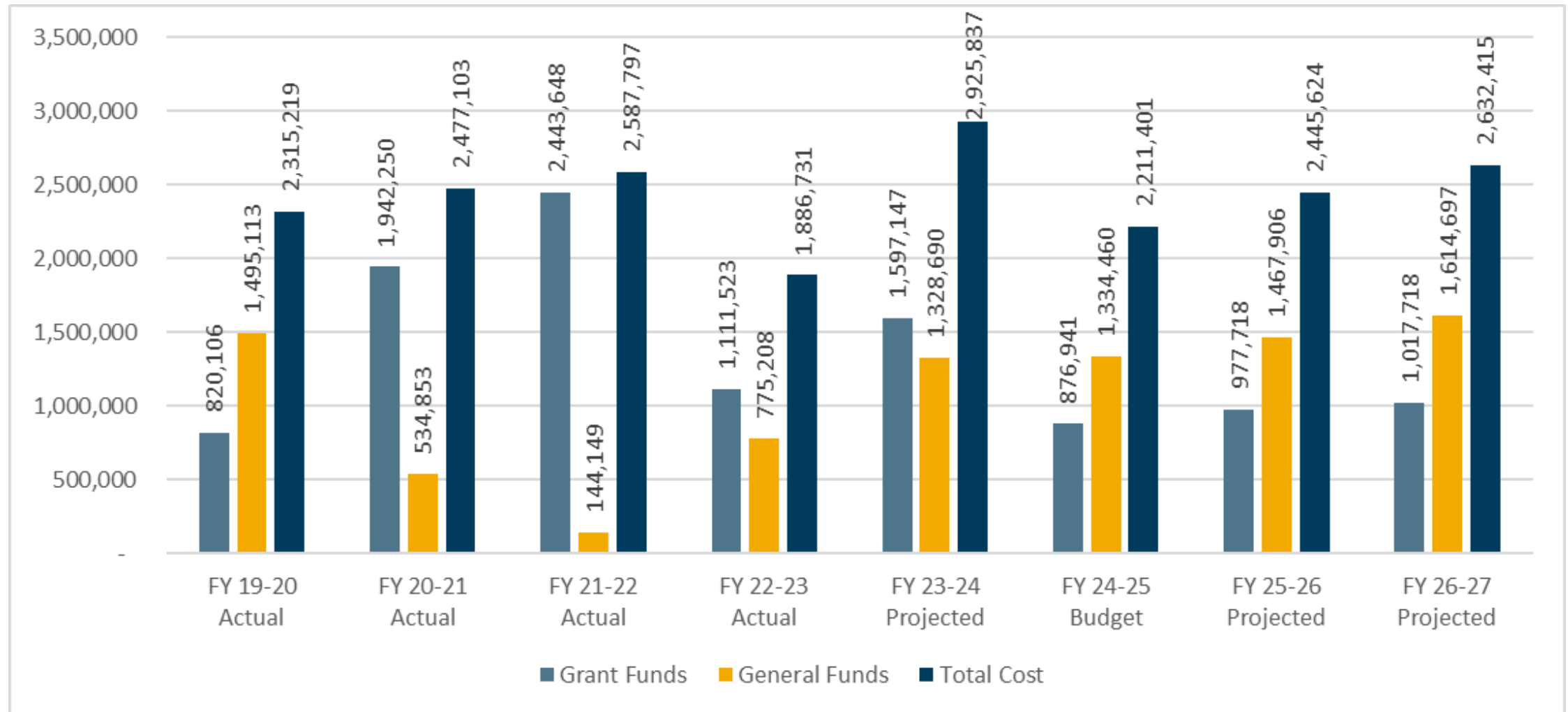
Insurance Plan	Retiree Premium	City Premium
Open Access Plan 1	20%	80%
Open Access Plan 2	18%	82%
Local Plus	14%	86%
Medicare Stand-Alone Plan	20 - 56%	44 - 80%

- As of January 1, 2023, total OPEB plan participants were 1,708, not including eligible dependents
- As of June 30, 2023, the City's total OPEB liability was \$175,743,038 283.61% of covered payroll at the time
 - As of January 1, 2020, Medicare eligible retirees became covered under a fully-insured, stand-alone plan and have been moved from the self-funded group plan
 - Retirees that were hired after July 1, 2018 must contribute 100% of the plan premiums.
 - Premiums for retirees that were hired prior to July 1, 2018 are split between the retiree and the City at percentages that are comparable to active City employees, and may be amended at any time by the City Council.

Source: City of Independence, MO FY2020 Comprehensive Annual Financial Report

12

Transit System



Summary

- Continue push of reallocation of existing resources to find “savings” and ensure dollars flow to programs most aligned to the strategic plan
- Budget pressures, including constantly increasing costs:
 - Transit
 - City Share of Employee Health Insurance
 - Retiree Health Insurance
 - 1% LAGERS Increase (annual)
 - Overtime
 - Overall personnel costs increasing
 - Costs of goods and services expected to increase with inflation