

# Citywide Business Plan and Budget Overview

AGA Kansas City Chapter

December 20, 2017



## Agenda

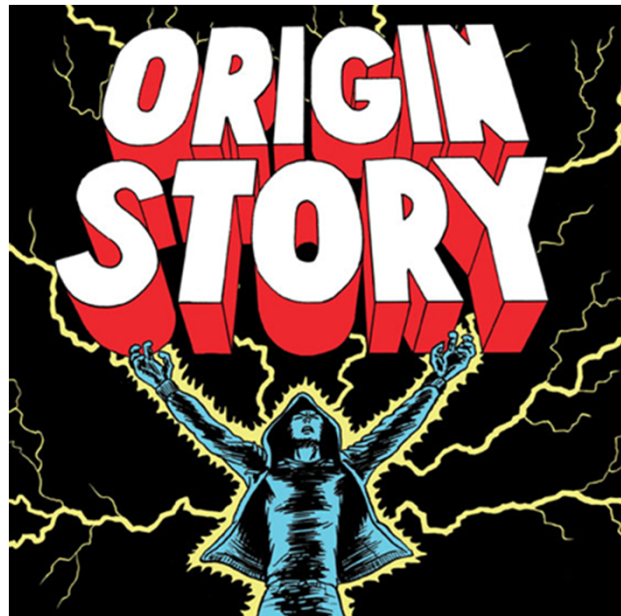
1. Citywide Business Plan
  - a) Goals and Objectives
  - b) Five-Year Financial Plan
2. Resident Involvement
3. Link to Performance
4. Budget Overview
5. Conclusion

# Citywide Business Plan

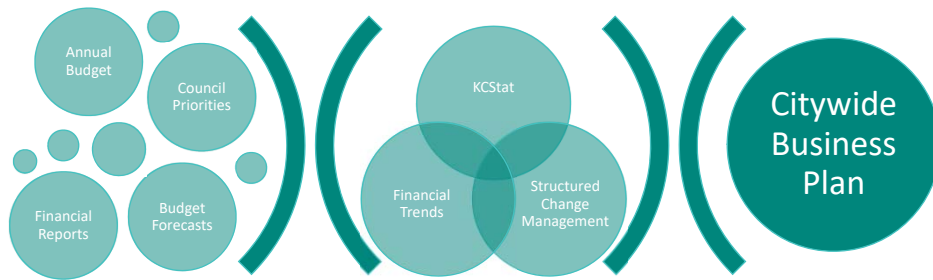


## In the beginning...

- Began modeling in 2013
- Combined with council strategic plan
- Merged into annual budget cycle
- Charter required

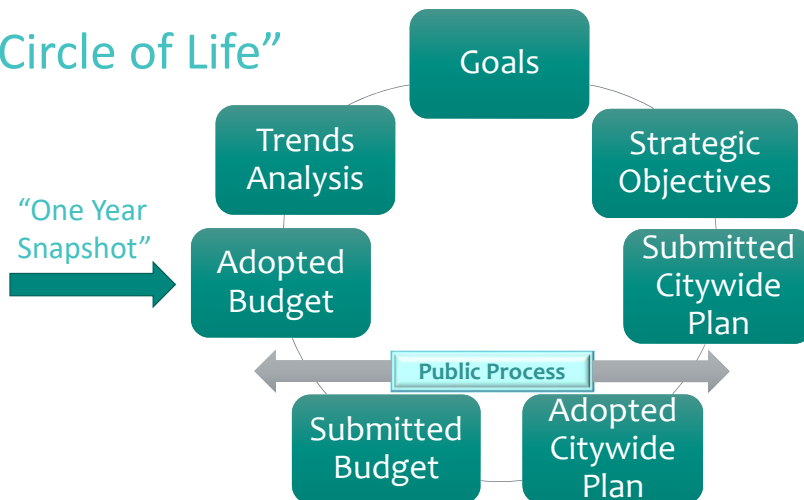


## Connecting the Dots



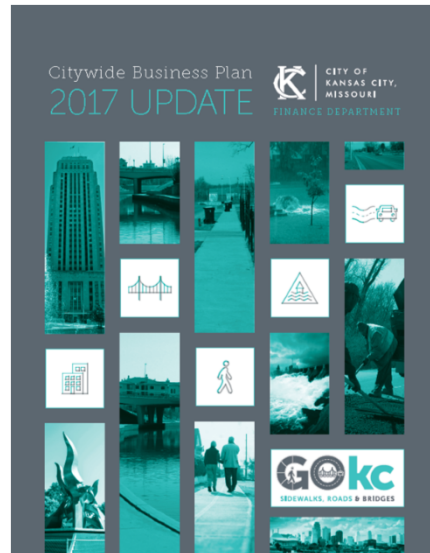
## BUDGET AND PLANNING PROCESS OVEVIEW

### “Circle of Life”



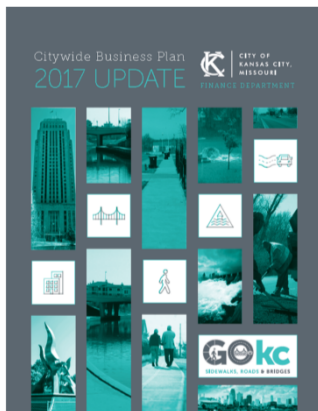
## MAJOR COMPONENTS

1. City Strategic Plan
2. Financial Strategic Plan
3. Five-Year Financial Plan



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## “Common Template”



<b>Values</b>	What we believe
<b>Vision Statement</b>	What we strive to become
<b>Mission Statement</b>	What we exist to do
<b>Goals</b>	What we do to achieve the mission
<b>Objectives</b>	How we achieve each goal
<b>KPI's</b>	How we measure success

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## 2017 UPDATE

- Rebranding
- Four-Year Council Term
- GO KC Bond proposal per Resolution No. 160951
- SMART Strategies




## STRATEGIC PLANNING HIERARCHY


- 7 Goals
- 30 Objectives
- 110 Strategies
- Measures of Success

**Stratex Solutions** – 2016  
Innovation Partnership  
Program member



Baseline Scenario	“Known knowns” eg wages and benefits, current debt service, inflationary growth, projected revenue growth	 <p>“There are known knowns. These are things we know that we know.</p> <p>There are known unknowns. That is to say, there are things that we know we don't know.</p> <p>But there are also unknown unknowns. There are things we don't know we don't know.”</p> <p>Donald Rumsfeld</p>
Balanced Scenario	“Fixes” the Baseline - Changes to programs and service levels, FTE counts, funding sources, new initiatives	


FIVE-YEAR FINANCIAL PLAN SCENARIOS

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## Fiscal Years 2018 - 2023 Financial Plan

**Scenario Description: Baseline Assumptions**

- No new employees throughout forecast period
- Pension contributions reflect actuarial assumptions
- Includes negotiated and projected increases for Local 42, Local 500 and non represented employees
- Reduces the growth of fine revenues from 1.5% to 0.0% due to continued declining revenue citation volume
- General Fund absorbs increased fire apparatus debt service (\$9.8 million over five years)
- Additional operational support for Animal Shelter operations beginning in FY 2020
- Additional Fire Department overtime beginning in FY 2018

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## Fiscal Years 2018 - 2023 Financial Plan

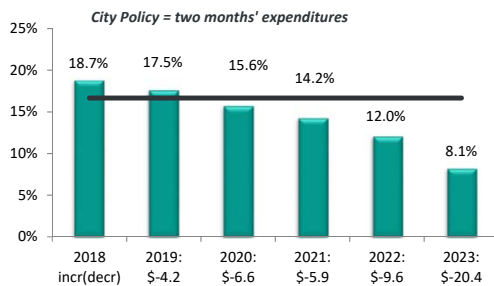
### Scenario Description: *Balanced Assumptions*

- Incorporates savings of \$1.0 million in FY 2019 and \$1.0 million in FY 2020 in the Parks Sales Tax Fund to maintain a positive fund balance through the forecast period
- Maintains safety net providers at FY 2017-18 funding levels in the Health Levy Fund due to projected increases for ambulance services
- Assumes increased revenues or decreased expenditures to offset anticipated shortfall of \$44.0 million over the forecast period in the General Fund - equivalent to approximately 281 non-public safety positions

## Five-Year Financial Plan – Fund Balance

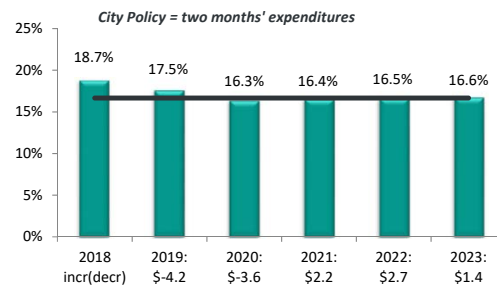
### Baseline scenario

**General Fund: Reserves**  
as a percent of operating expenditures



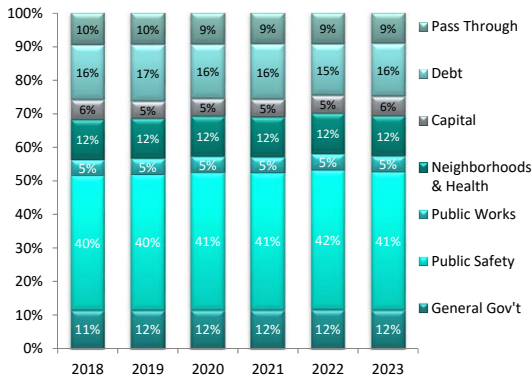
### Balanced scenario

**General Fund: Reserves**  
as a percent of operating expenditures

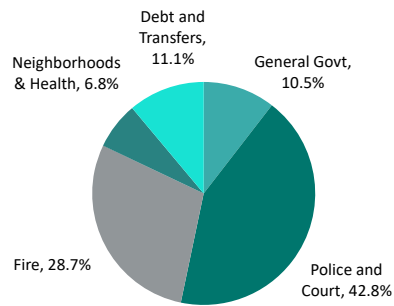


# Five-Year Financial Plan – Portfolio of Services

Governmental Activities Funds: Allocation by Program

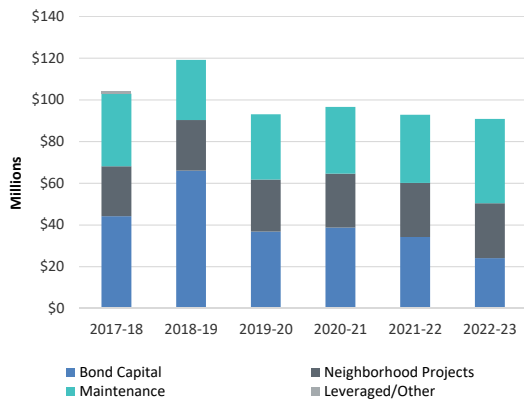


General Fund Operating Expenses: 2023

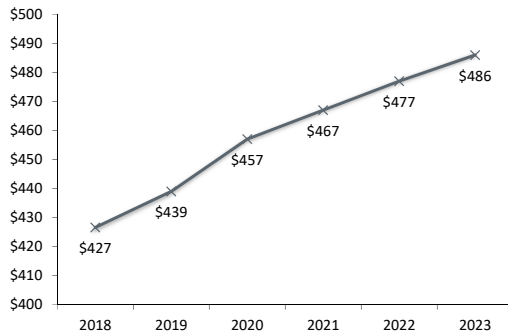


# Five-Year Financial Plan – Capital Expenditures and Taxpayer Impact

Projected Capital and Maintenance Expenditures



Property Tax Impact  
Median Home Value = \$140,000, Vehicle Value = \$15,000



# Resident Involvement

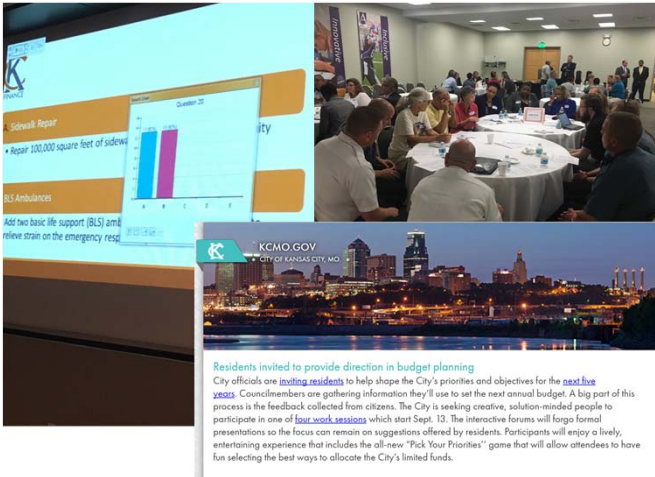
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## Residents invited to provide direction in budget planning

City officials are [inviting residents](#) to help shape the City's priorities and objectives for the [next five years](#). Councilmembers are gathering information they'll use to set the next annual budget. A big part of this process is the feedback collected from citizens. The City is seeking creative, solution-minded people to participate in one of [four work sessions](#) which start Sept. 13. The interactive forums will forgo formal presentations so the focus can remain on suggestions offered by residents. Participants will enjoy a lively, entertaining experience that includes the all-new "Pick Your Priorities" game that will allow attendees to have fun selecting the best ways to allocate the City's limited funds.

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## Resident Work Sessions



**Content:** Emphasizes citywide objectives, and includes a budget-related prioritization exercise

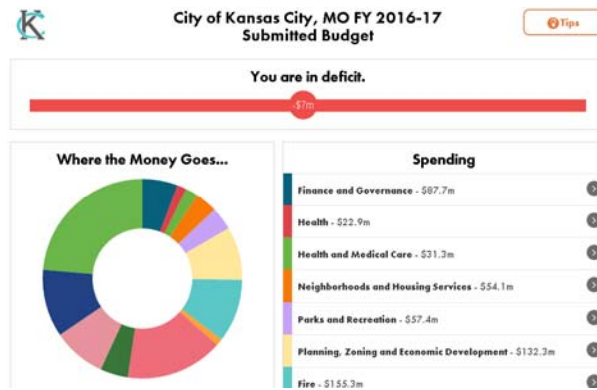
**Focus groups:** Each table addresses the objectives for city goals

**Expanded participation:** Constituents from the grassroots level + representatives from stakeholder organizations

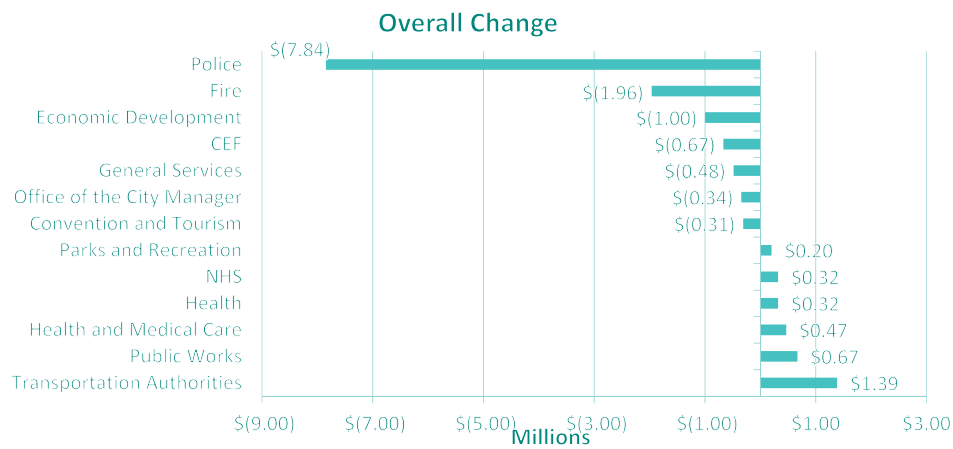
## Social Media and Online Tools



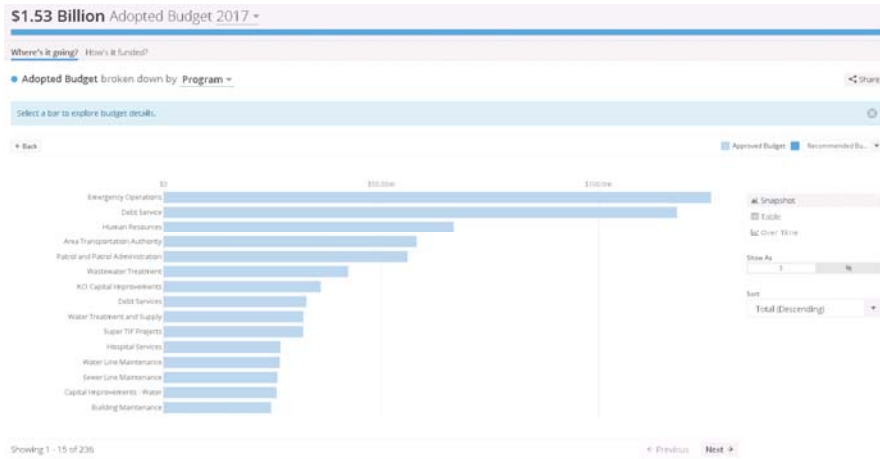
# Balancing Act – kcmo.gov/balancingact



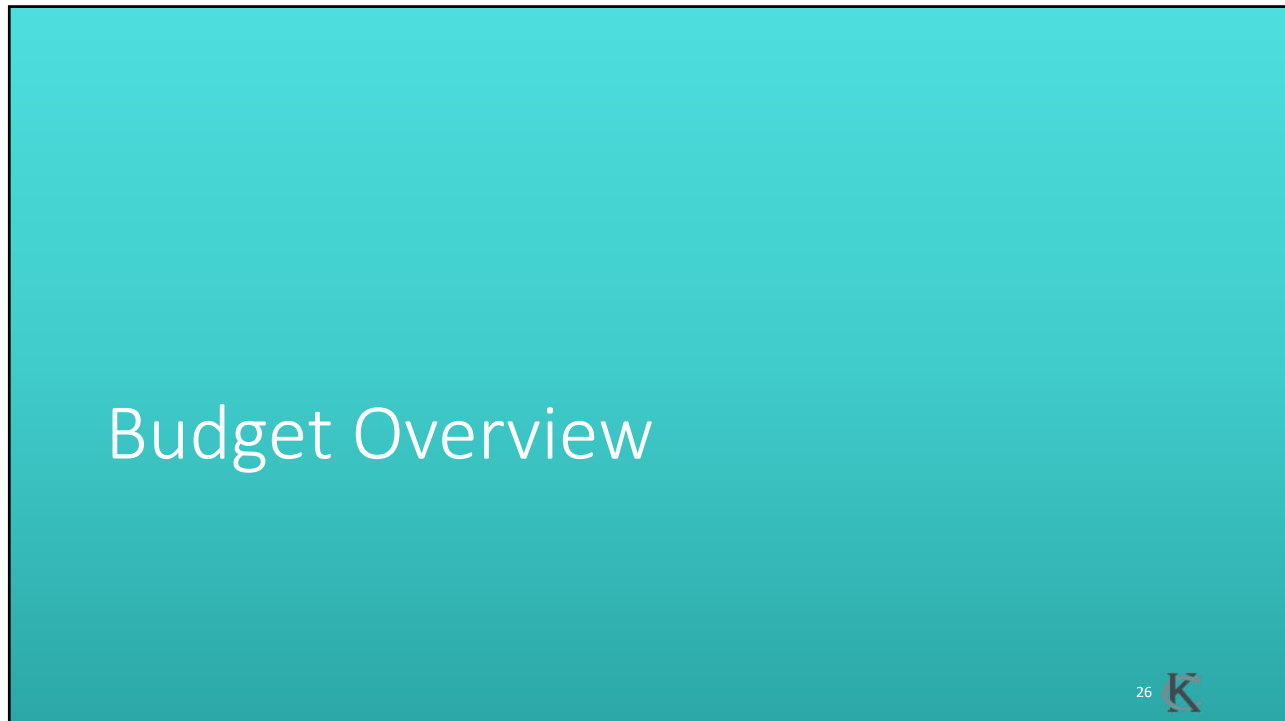
# Balancing Act Activity Results



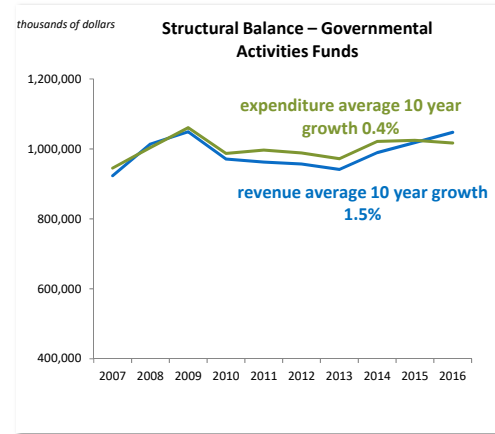
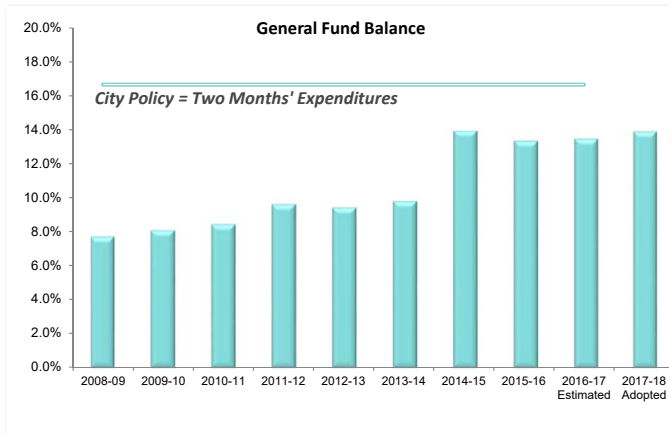
# Open Budget – budget.kcmo.gov



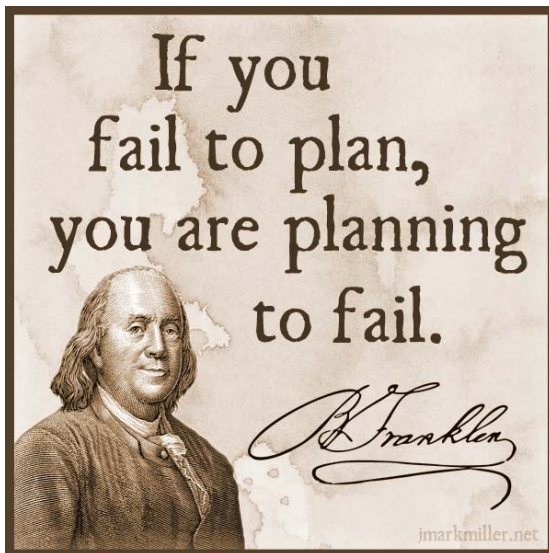
KCStat Dashboards      kcstat.kcmo.org



# Structural Imbalance



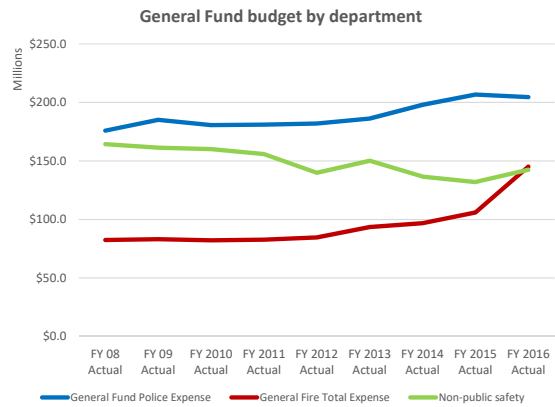
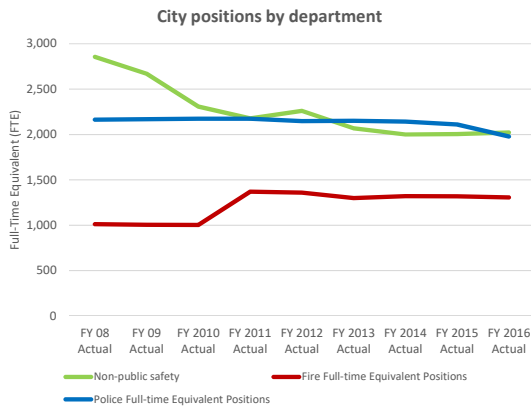
Sources: FY 2017-18 Adopted Activity Budget and FTMS, City of Kansas City, Missouri



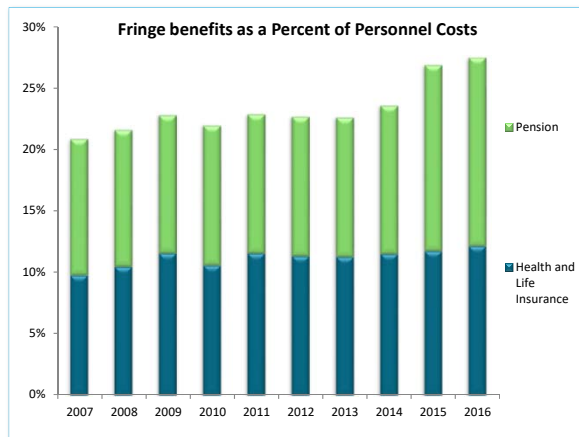
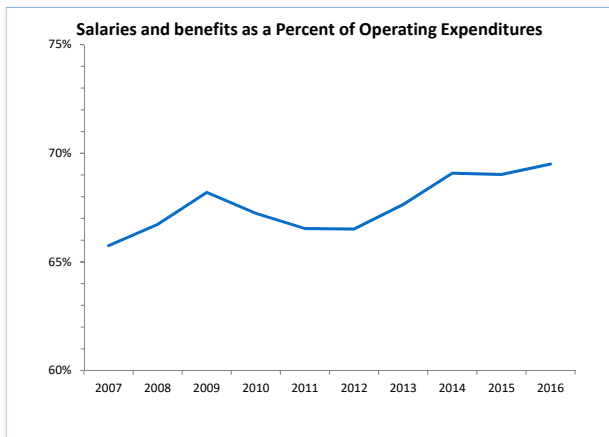
Perennial Budget Busters  
(or, When everything is a priority, nothing is a priority)

- Public Safety Expenses
- Wages and Benefits
  - Pension
  - Health Care
- Debt Service

# Public Safety Expenses

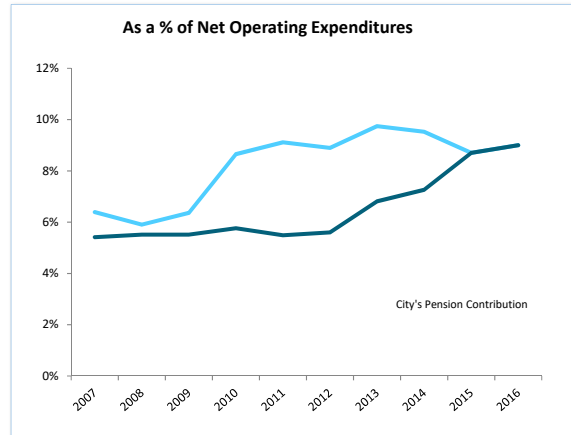
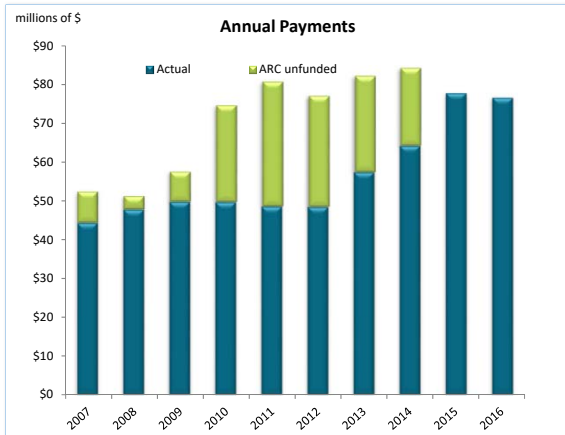


# Wages and Benefits



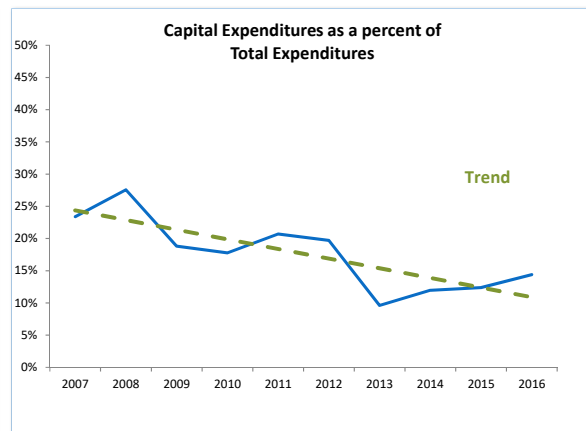
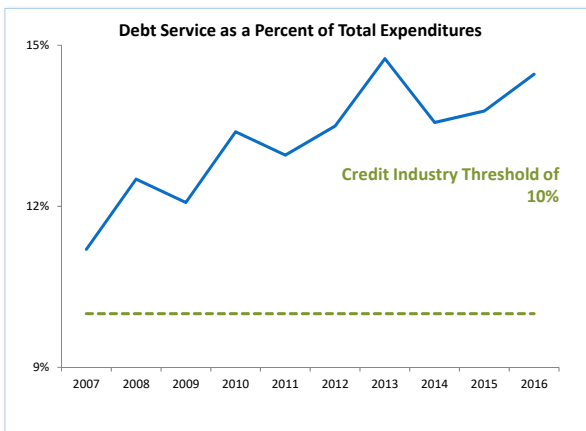
Source: Finance Trends Monitoring System, City of Kansas City, Missouri

## Pension

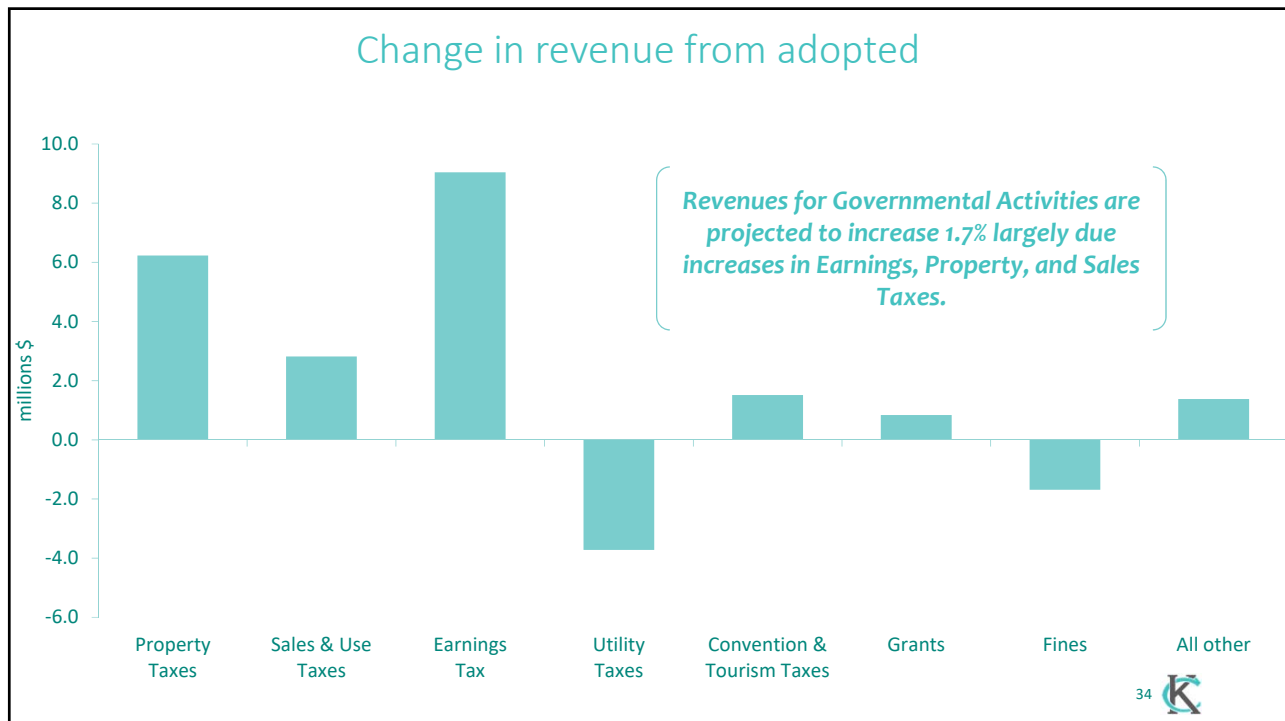
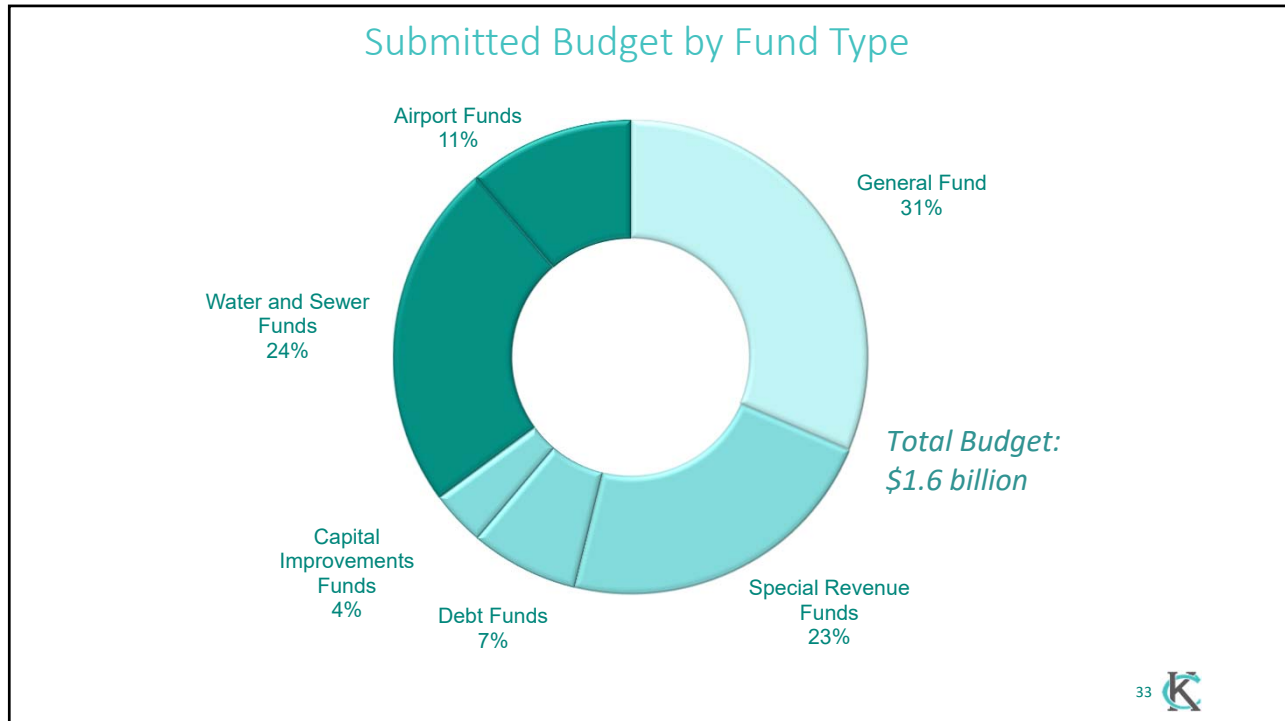


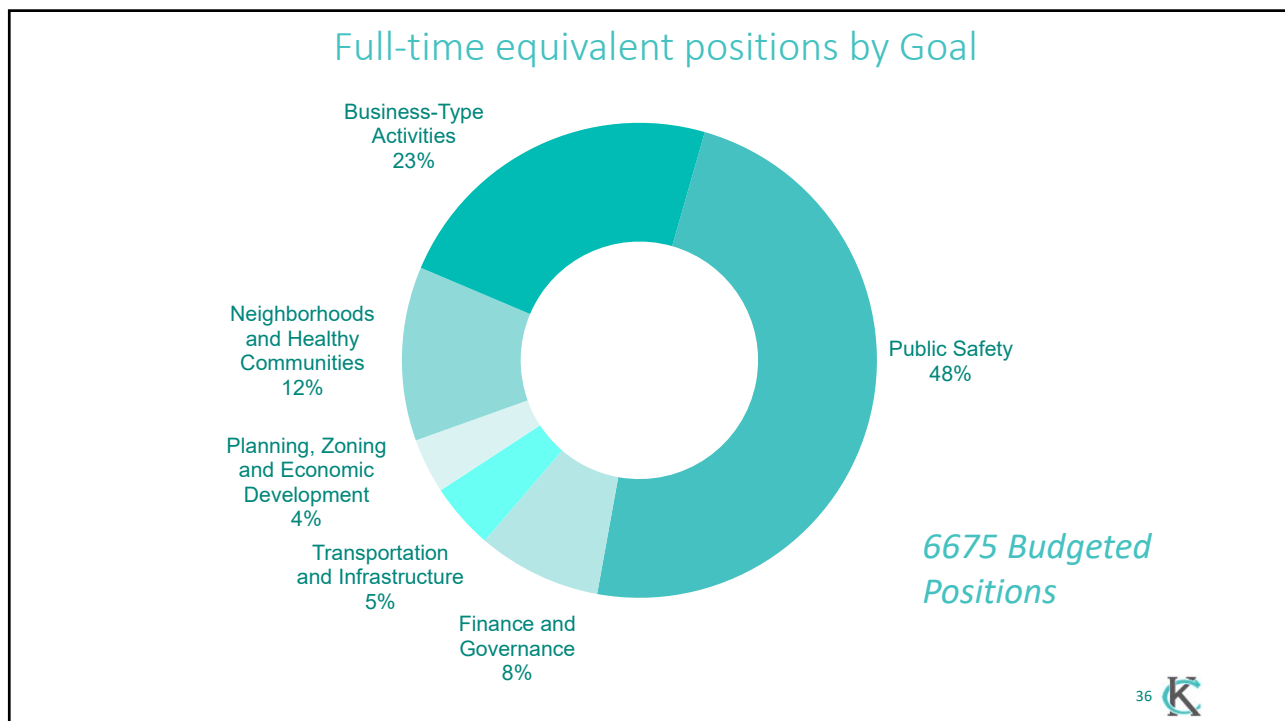
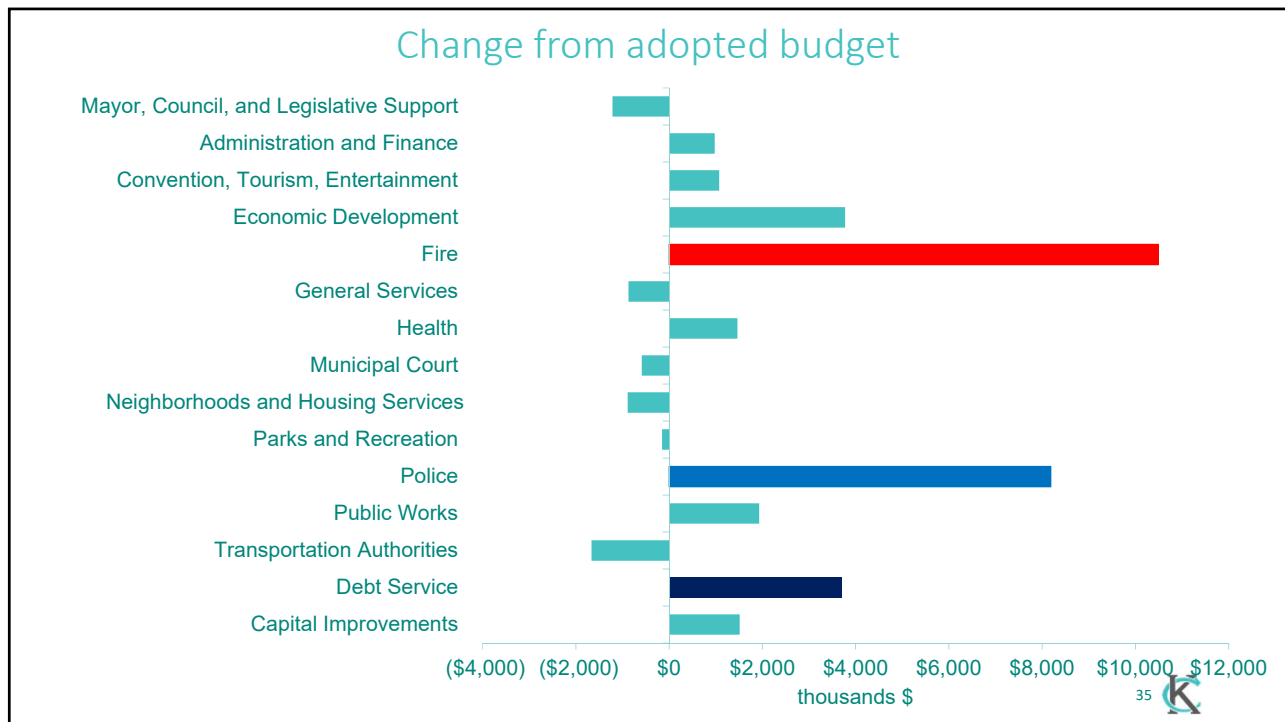
Source: Finance Trends Monitoring System, City of Kansas City, Missouri

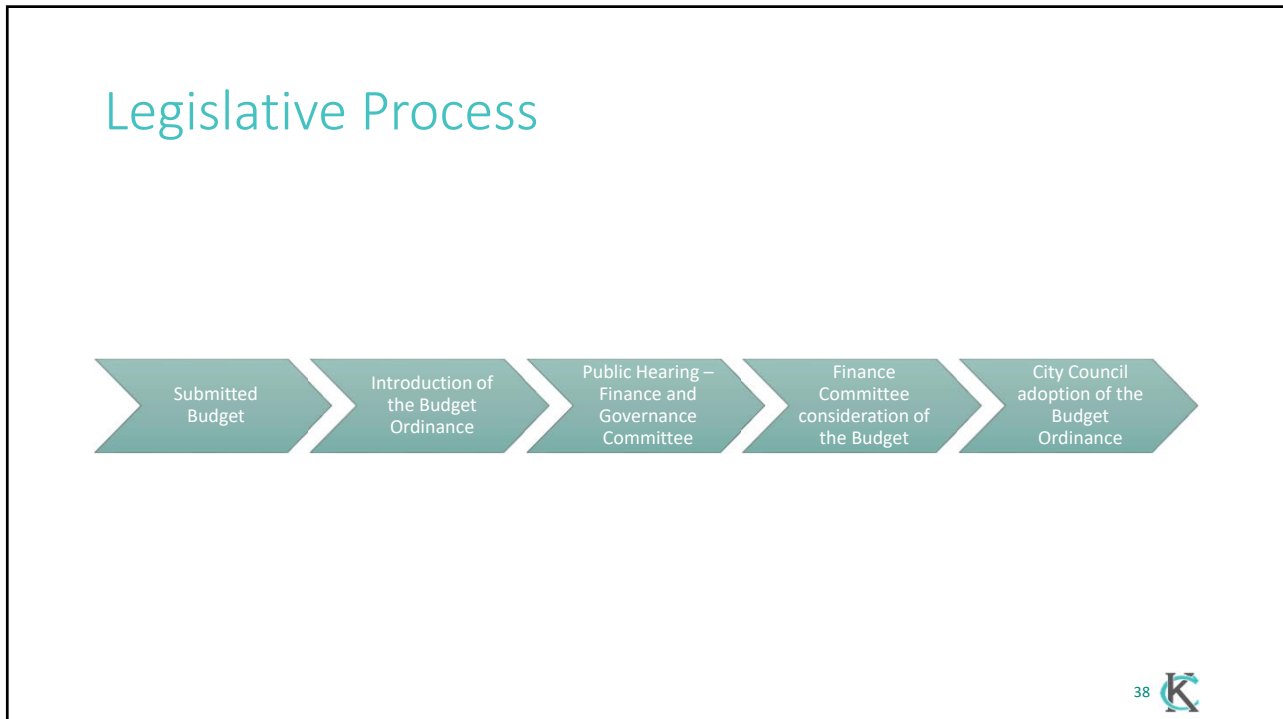
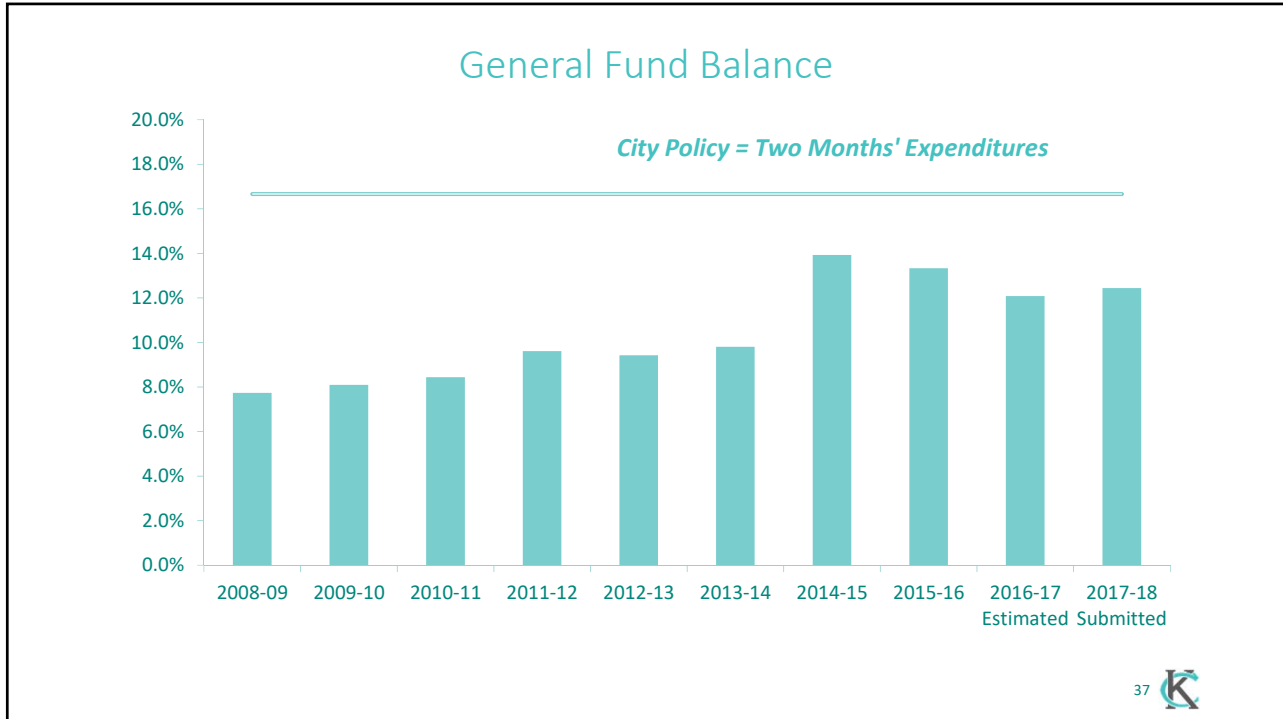
## Debt and Capital Improvements



Source: Finance Trends Monitoring System, City of Kansas City, Missouri







## Neighborhood Hearings



### Mohart Community Center

- February 18



### Woodneath Library

- February 25



### Southeast Community Center

- March 4

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## Links

- Citywide Business Plan
  - <http://kcmo.gov/finance/citywide-business-plan>
- KCMO Budget Office
  - <http://kcmo.gov/budget>
  - [@KCMOBudget](#)
  - [@Scott Huizenga](#)
- Open Budget - [budget.kcmo.gov](http://budget.kcmo.gov)
- Open Data – [data.kcmo.org](http://data.kcmo.org)
- Balancing Act - [www.kcmo.gov/balancingact](http://www.kcmo.gov/balancingact)

The Noah rule: Predicting rain doesn't count; building arks does.

Warren Buffett

QuoteAddicts.com

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THANK YOU!