

# City of Blue Springs

## Office of Administration

**TO:** Honorable Mayor and City Council

**DATE:** August 1, 2006

**SUBJECT: Fiscal Year 2006-07 Recommended Budget**

I am pleased to submit the Blue Springs operating budget and Capital Improvements Program for Fiscal Year 2006-07 for your consideration. The FY 2006-07 budget presents financial and operational information, which facilitates evaluation of past performance and allows for future planning. Staff and I have taken great pride in developing this submittal and look forward to working with the Mayor and City Council on its adoption.

The proposed document represents our continued effort to provide residents with an exceptionally high value of municipal services for their financial support. In this proposal, we have assembled the resources necessary to initiate and continue many important priorities of the Mayor and Council, and address many community issues identified in the most recent Citizen Survey, which was administered in January 2006, and presented to the City Council in April of 2006. The table below provides a brief summary of new and ongoing budget initiatives in support of the top five most important citizen priorities as identified in the Citizen Survey (in priority order).

### **#1 Improved Flow of Traffic Congestion**

- Complete design and engineering for Woods Chapel Road widening and improvement project from 40 Highway to Burrus Old Mill Park
- Continue implementation of Highway 7 Corridor Plan involving the consolidation of curb-cuts and access points tied to redevelopment and construction of medians to minimize turning conflicts
- Highway 7 widening project for south-area developments (Wyatt Road to Colbern Road Improvements)

### **#2 Maintenance of City Streets and Buildings**

- Addition of two (2) full-time street maintenance workers to add a second pothole repair crew and enhance snow removal response
- Maintain funding for annual street maintenance
- Replacement of pothole patch truck, and the addition of one dump truck for road maintenance activities and snow removal
- Replacement of street sweeper unit, which is used to remove dirt and contaminants from the city's streets

<ul style="list-style-type: none"><li>• Proposal for February 2007 sales tax special election to support much-needed street maintenance and sidewalk improvements throughout the city</li><li>• New pavement crack sealing machine to replace obsolete unit</li></ul>
<p><b>#3 Community Development and Planning</b></p> <ul style="list-style-type: none"><li>• Addition of one (1) Planning Technician position in the Planning Department to increase customer service/responsiveness</li><li>• Implementation of the South Area Annexation Plan and the expansion of city borders – Chapman Farms, Eagles Ridge, and other developments</li><li>• Continued implementation of Adams Dairy Parkway Corridor development</li><li>• Continued implementation of business redevelopment strategies throughout the Highway 7 Corridor, especially at the intersection of Highways 40 and 7 and Downtown</li><li>• Economic Development – implementation of business plan for newly created Economic Development Corporation</li><li>• Implementation of GIS data and information on the Internet to enhance services to internal and external development-related customers</li></ul>
<p><b>#4 Quality of Police</b></p> <ul style="list-style-type: none"><li>• Addition of four (4) full-time police officers, one (1) full-time records clerk, increasing the existing part-time animal control officer to full-time</li><li>• Funds for additional police vehicles and other public safety equipment to address growth in city population and increase visibility of officers to the public</li><li>• Funds to study replacement of current outdated 911 and emergency radio system and renovation of dispatch center to plan for comprehensive system conversion in four to six years</li><li>• Completion of Police Department accreditation process (CALEA)</li><li>• Implementation of EMS/Ambulance study recommendations</li></ul>
<p><b>#5 Enforcement of Building and Property Maintenance</b></p> <ul style="list-style-type: none"><li>• Addition of one (1) building inspector to improve responsiveness in existing inspections and to address future growth in residential and/or commercial building permits</li><li>• Implementation of new permitting/inspections/codes enforcement software, which will improve efficiency and information for the public</li></ul>

This budget proposal fully supports all these initiatives and more.

Prior to FY 2000, it was not uncommon to see 5 to 8 percent annual growth in sales tax, one of our primary revenue sources. Over the past several years, revenue from sales tax has been relatively “flat” with annual increases between 1 and 2 percent. Our 10-year average growth

has been 3.3 percent. The 2006 fiscal year has seen movement away from this trend and, for the first time in years, we are seeing growth in sales tax in excess of 3 to 4 percent annually, providing a much-needed boost to our budget. In fact, it is largely due to growth in the sales tax revenue category that we are able to add budget items in this proposal. Although our projections will remain on the conservative side, with more retail activity occurring in the community and several new proposed retail projects on the horizon in Blue Springs, we have more reason to be optimistic for the 2007 fiscal year.

The proposed budget is balanced, appropriately maintains the General Fund reserve accounts (as established by the City Council), and reflects the various fee and rate increases implemented during the past year in our fee-based area. All local taxes, including sales tax, property tax, and franchise fees, are maintained at current authorized levels.

This transmittal memorandum summarizes only a few of the highlights included in the budget document. Other notable and significant budgetary changes are provided in the department budget summaries for each department and program.

### **TOTAL BUDGET**

The proposed budget totals \$54,259,666 (p.5); a decrease of \$2,496,513 (4.4 percent) from the Fiscal Year 2005-06 adopted budget. The overall operating budget increases by 5.5 percent from the 2005-06 adopted budget. The majority of budget increases are the result of ten new full-time positions, and cost increases to current services and equipment replacement. Additional detail regarding the annual CIP is referenced later in the budget message and the budget document. The General Fund budget increases by approximately 6 percent and ongoing expenditures have been carefully managed to contain costs where possible. The Fiscal Year 2006-07 planned budget is allocated as follows (p.11):

<b>Category</b>	<b>Adopted FY 2005-06</b>	<b>Proposed Budget FY 2006-07</b>	<b>Percent of Total Budget</b>
Personal Services	\$ 15,197,740	\$ 15,832,479	29%
Supplies and Materials	\$ 1,665,781	\$ 1,852,769	3%
Contractual Services	\$ 13,880,640	\$ 14,722,720	27%
<b>Sub-Total Operations</b>	<b>\$ 30,744,161</b>	<b>\$ 32,407,968</b>	<b>60%</b>
Debt Service/Misc.	\$ 2,588,941	\$ 2,783,084	5%
Capital Improvements	\$ 23,423,078	\$ 19,068,615	35%
<b>Total Budget</b>	<b>\$ 56,756,179</b>	<b>\$ 54,259,666</b>	<b>100%</b>

### **ONGOING AND NEW INITIATIVES**

#### **Staffing and Personnel Costs**

Total salaries and personnel costs are estimated at \$15.8 million and comprise approximately 29 percent of the total budget and 62 percent of the General Fund budget, where most employee

costs are funded. Overall, personnel expenses will increase by \$634,739 in FY 2007, a 4 percent increase from 2006. This increase includes an allocation for annual employee raises, increases in health insurance costs, increases in the employee retirement system (LAGERS), and other items such as FICA, Medicare, and deferred compensation.

The budget includes funding for salary increases comparable to what other governmental entities and private companies are offering their employees. Eligible employees will have an opportunity to receive a salary increase based on their individual performance ranging from 0 percent to a maximum of 3.5 percent. Overall, the average increase cannot exceed 3 percent for the entire organization and the expense for this is budgeted at an estimated \$230,000.

This budget does not include any “range” or “scale” adjustments, as these were completed in the 2006 budget year and typically are made approximately every three years. The current proposal supports the philosophy that employees should receive an adjustment based entirely on their work performance. Additionally, the budget provides funding to increase the City’s match to the employees’ 457 plan from 2 percent to 3 percent, to allow us to be more competitive with other greater Kansas City metropolitan area employer retirement plans. Funding for the additional percent was made available by a unique year in which health care costs did not increase. As a result, we were able to reallocate funds that normally would have gone to health care benefits to enhance a popular retirement benefit.

A total of 272.4 full-time equivalent positions (p. 310) are included in this budget submittal and include a total of 11.23 new, full-time positions for the upcoming fiscal year, one additional seasonal position, and one part-time position going to full-time. The new positions and changes are as follows:

- Police Department – Four Police Officers (General Fund)
- Police Department – One Data Entry Records Specialist for police records unit (General Fund)
- Police Department – One part-time Animal Control Officer increased to full-time (General Fund)
- Information Services – One PC Support Specialist (General Fund)
- Planning Department – One Planning Technician (General Fund)
- Planning Department – One Building Inspector (General Fund)
- Public Works Department – Two Street Maintenance Workers (General Fund)
- Parks Department – One Seasonal Parks Maintenance Worker for Hidden Valley Park Sports Complex (General Fund)

**Police Officer Positions** – These four new positions would be added to the Operations Division and function in the role of uniformed patrol officers. The four new officers are needed to respond to overall increases in local public safety activity and to help increase the visibility of the police throughout the community. The last time new police officers were added to the budget was in 2004-05. In 2005, the department responded to 36,197 calls for service and over the past five years has averaged a little over 3 percent increase in calls per year. We believe that four additional positions will allow us to maintain existing services levels, if not make some

slight improvements in certain areas when coupled with other programmatic changes that are occurring. Although 72 percent of residents are satisfied with the overall quality of police services (source, 2006 Citizen Survey), we hope to address a decline in satisfaction results regarding visibility in retail areas and neighborhoods by the addition of these extra officers. The new positions also would help reduce the frequency and duration of blacked-out periods, increase safety of officers by helping to ensure backup assistance, and minimally reduce some over-time expenses incurred due to officer illness, injury, required training, or vacation. Three of these positions will be funded through new General Fund revenues, while one will be funded through a reallocation of money currently budgeted to fund the Police Reserve Officers Program.

**Data Entry Records Specialist** – The police records unit staff continues to handle and process more police reports today than in the past. Despite the workload, the police records unit has not increased staff in over six years; yet the volume of calls and reports generated has consistently increased from 30,558 in 2000 to 36,197 in 2005. The current amount of police reports being generated for processing and entry has made it extremely difficult to process information in a timely manner. Currently, the crime report data entry process is running up to two and a half months behind established standards, which in turn makes statistics pulled from the system out-of-date and, at times, ineffectual. With an additional position, the unit can become more current in report entry, ensure quality control standards are met, extend operational hours so people can get reports after work and, most importantly, improve crime prevention and analysis through timely review of data.

**Animal Control Officer** – The proposed budget also includes funding in the Police Department to expand one part-time Animal Control Officer to full-time. This change will bring total staffing of the Animal Control division to three full-time officers and will allow for expanded hours of operation during the week, and especially on weekends. This change will also have a positive impact on Patrol Officers and their ability to respond to other public safety calls. Currently, animal control coverage on weekends is insufficient and Police Officers handle animal calls and complaints, thus taking them out of service for other calls. The Animal Control unit has not increased personnel in over fifteen years, yet the citizen and animal population has substantially increased. It is anticipated this change will provide a much-needed boost to the program and respond to one of the key public safety areas of concern identified in the 2006 Citizen Survey.

**PC Support Analyst** – The primary function of this new position would be to handle workstation, network, application, and telecommunication Help Desk calls from City employees. Currently, the Information Services Department Manager, Network Administrator, and Database Administrator are responsible for responding to the 600 monthly Help Desk calls generated by all internal system users. While an important function of the IS Department, Help Desk calls typically receive first priority and consume valuable time and resources for other important technology-related initiatives. As a result, the current structure does not allow the management staff to devote time to projects with a direct impact on citizen services, such as e-Government solutions, GIS implementation, and public safety communication planning. The Mid-America Regional Council (MARC) released a survey of IS staffing levels for municipalities in the Kansas City metro area in February 2006, and Blue Springs, with three employees, ranked last in

the survey. In comparison, Lee's Summit has thirteen employees, Independence – twenty-one, and Olathe - thirty. Due to the current need for resources in this area, staff has already begun recruitment for this position in anticipation that the City Council will support this request.

**Planning Technician** - In our continuing effort to enhance direct contact with citizens and developers, we believe that this "Planner on Duty" will increase satisfaction with our front counter response, plan review, telephone response, and application processing. Currently, two clerical assistants, who do not have development training or planning backgrounds, respond to walk-in customers and staff the Planning Department front counter. The Planning Technician would have the required planning background to answer basic planning questions from customer contacts, which would enable the associate and senior planners to provide more direct interaction with development customers on individual projects. The position can be partially financed through a raise in planning-related fees. In anticipation of Council support for this position as well, staff has also begun recruitment for this position.

**Building Inspector** – This position would add one full-time building inspector to the Codes Department and reduce the average number of daily inspections per inspector from twelve per day to eight per day. With this additional position, the total number of inspectors for the city would increase to three. This position is needed to provide a higher level of responsiveness in current inspection activity, and prepare the Codes Department for future workload requirements related to the south annexed area and other in-fill projects throughout the City. Also included in this request is the addition of one vehicle for the inspector, along with other required supplies and materials to support the position. We are confident that this addition will enable the inspectors to spend more time with each building customer and also maintain a high degree of inspection quality.

**Street Maintenance Positions** – These two new positions would provide additional manpower primarily for street maintenance and secondarily for snow removal activities. The city has conservatively grown by 10 percent since 2000 and the infrastructure system is aging and failing at a faster rate. For example, pothole repair over the last three years has increased from approximately 5,000 annually to over 8,000 annually today. Manpower is being allocated to perform reactive repairs instead of proactive maintenance such as crack sealing. With the addition of these two positions, we will add another pothole repair team and be able to achieve our goal of crack sealing 1,250,000 square yards of pavement each year, while improving customer service levels for reactive repairs. We will also be able to fill the need for another snow removal team with these positions. While many variables affect our ability to quickly remove snow and ice during the winter months, the average time needed to clear snow from the streets after a snowfall has steadily increased over the years from nine hours to in excess of twenty hours. With an ongoing expectation from the public to be timely and responsive to inclement weather, we believe the need for additional personnel in these basic service areas is warranted.

**Parks Maintenance position (seasonal)** - This additional seasonal position is needed at the Hidden Valley Park Sports Complex to assist with maintenance services to grounds and park facilities, including turf and landscaping repairs, maintenance to buildings, equipment,

playground, and athletic facilities. Since 2000, we have expanded numerous facilities at the sports complex including the addition of three new softball fields, one restroom/concession/shelter area, along with additional parking, bleachers, and other maintenance facilities. During this time, we have not increased staff. In order to properly care for the facility and maintain it at the quality standard we have set, we believe it is necessary to add an additional seasonal maintenance worker.

### **Community Planning and Development**

Identified as the third overall city priority by citizens in the annual survey, and in response to Council action over the past few years regarding development policies and practices, Community Planning and Development continues to be a major focal point in this year's budget. With a total departmental budget of \$2.2 million (p.123), Community Planning and Development will provide critical coordination and support for many ongoing development-related initiatives throughout the city, especially those involving Highway 7 redevelopment, Highway 40, the Adams Dairy Parkway Corridor, Chapman Farms and other south-area development, downtown master plan development, and many others.

The 2006 fiscal year saw many changes and opportunities related to development with potentially more new development opportunities facing our community than any time in the immediate past. These opportunities have created many challenges; however, the Planning Department has responded positively by working with many builders and developers to improve areas of the development process, and by providing creative solutions to inherent challenges associated with development. The south area development has created a unique opportunity for planning and engineering staff to work more closely with local builders/developers than any time in recent history. These frequent contacts and discussion opportunities have provided a continual flow of feedback to staff and elected officials, generating many creative ideas and suggestions for various process and policy-related improvements. Additionally, we continue to evaluate data collected from monthly customer service surveys. Implemented in April 2004, the surveys are mailed monthly to every builder/developer customer utilizing the city's development process. Currently, 83 percent of those customers surveyed were very pleased with the staff's attitude, as well as the level of assistance they were receiving throughout their projects. The budget does not specifically require an allocation to support this customer service effort; however, monthly developer surveys will remain a priority for staff in 2007. The budget also includes funding to host the third annual "city-sponsored" developer training workshop as another tool to better communicate with the development community, and support training efforts that will make development projects go more smoothly.

The budget includes approximately \$179,339 for the city's continued development of a Geographical Information System (GIS). Launched four years ago, the Planning Department sees GIS and the delivery of useful development data to the building community as a positive and proactive way to improve the development process and quality of development applications received on projects. In 2007, we will continue the work begun this year to enable GIS data to be on the Web and available for both internal departmental use and, most importantly, by the development community. Parcel mapping, infrastructure, utilities, and other critical information and data will be deployed during the 2007 fiscal year and made available on the city's Web site.

The planning budget once again provides another \$40,000 for specialized consulting services related to ongoing planning efforts, such as updating the ADP Corridor Plan, Sign Code, as well as other Unified Development Code revisions and policy changes requested by the City Council. Additionally, it is anticipated that with all the interest in the Downtown Master Plan, the City Council may wish to contract with an external firm for certain aspects of the implementation plan or development of key catalyst projects. The proposed budget provides some funding for such outside project consulting.

**Downtown Master Plan** – In June 2006, the City Council awarded a consulting contract to create a Downtown Master Plan. The plan will document current economic and market data, identify market opportunities for additional retail, office, civic, and residential uses, and recommendations for short- and long-term land use, transportation, and open space. The plan will have a substantial community involvement effort in late August 2006, and should be completed by late fall 2006. As previously stated, resources have been allocated for downtown planning studies, should they become necessary. The City also expects to receive \$231,884 in the 2006-2007 Community Development Block Grant funding program year, which could, with Council direction, be used for targeted projects in downtown.

The Codes Division budget increases in 2007 due to the addition of one building inspector. The 2006 Citizen Survey ranked the enforcement of building and property code/maintenance as the fifth highest overall community priority. With the addition of a full-time code inspector last year, along with clerical help, we have been able to improve the overall response to nuisance violations and various property issues brought to our attention. We are confident that these changes implemented in 2006 will result in a more responsive code enforcement program, which will translate into a safe and physically attractive community for all residents and visitors. This budget proposal does not specifically include funding related to the development or implementation of a minimum housing code; however, pending further direction from the City Council on this issue, staff is prepared to respond accordingly.

### **Public Safety and Emergency Medical Services**

Budget expenditures for public safety efforts involving the Police Department and Ambulance Service total more than \$10.7 million (p.187) for 2007. This amount represents approximately 33 percent of all department expenditures and accounts for almost half of the city's total workforce. This includes 116.35 total employees including 82 Class A Certified/Commissioned Police Officers; the remaining 34.35 are dispatch, clerical, and other non-commissioned support personnel.

There were no new public safety positions added in the current year's budget; but due to continued population growth, a desire for increased visibility, and overall responsiveness in the community, I am proposing five new positions for this fiscal year. Four new police officers, along with one new data entry records clerk, will provide a much-needed enhancement to our patrol and records divisions. Additionally, the Animal Control Unit will receive expanded staff support, as well. This proposed budget continues to support and enhance many vital police services and programs.

During April 2006, three assessors with the Commission on Accreditation of Law Enforcement Officers (CALEA) were in Blue Springs to complete one of the final milestones in the Police Department Accreditation process. Previously, on March 18, 2005, the department received "Recognition" level by CALEA. Started in 2004, this process facilitated a complete and comprehensive review of all departmental policies and practices to ensure compliance with nationally accepted public safety standards. We anticipate that the department will receive full accreditation by early August 2006.

Funds totaling \$99,980 are allocated for state-mandated police officer training and certification and advanced education. The allocation of training funds represents 34 percent of the total funds budgeted citywide for all training-related initiatives.

The proposed Emergency Medical Services (EMS) budget for 2007 totals \$2,101,424 (p.193), an increase of \$200,608 from 2006. This \$200,608 increase includes \$102,073 for operational increases including employee salaries and benefits, fuel and oil increases, \$36,000 for EMS consulting, \$40,000 for electronic field reporting equipment and software, and \$137,000 for a replacement ambulance (which is a \$17,000 increase from last year's replacement ambulance cost). Since 1992, the Central Jackson County Fire Protection District (CJC) has, through contractual agreement with the city, provided local emergency medical services. Considered one of the best services in the Kansas City metropolitan area, expenditures supporting the service have continued to outpace many other programs supported by the General Fund. Because of these increases and utilization of the same EMS provider for over twelve years, the city initiated a comprehensive EMS evaluation, focusing on cost analysis and containment, needs assessment, and the evaluation of other service providers. The 2006 budget included funds to complete this study, which was completed in the summer of 2006 and presented to the City Council in a work session. Several strategic recommendations were made including establishing a contract with a third-party billing agency to maximize revenues for the City. Other recommendations included the creation of a new governance structure, limiting the number of ambulance providers to only one, modification of the current financing structure to include more municipalities, and the development of reporting mechanisms to include performance standards for our provider. As noted before, this proposed budget includes \$36,000 to assist staff with the implementation of these recommendations.

The proposed budget maintains emergency ambulance fees for residents and non-residents at the current rate; however, the rate structure will likely be revised during the fiscal year as part of the system changes anticipated for 2007. Until such time, resident fees will remain at \$650 per run and non-resident fees will remain at \$800 per run. Our annual contract with Central Jackson County Fire Protection District continues to provide one of the premiere ambulance services in the metropolitan area. Revenues collected from ambulance fees fund approximately 55 percent of the total EMS budget, with the city's General Fund subsidizing the operation by 45 percent. The General Fund subsidy for 2007 is estimated at \$956,051 compared to \$755,816 in 2006. It is our intent to implement the recommendations from the recent EMS study, which we believe will increase our revenues and decrease the actual General Fund subsidy in the future.

### **Economic Development**

During the 2005 fiscal year, the City Council, staff, and other community stakeholders embarked upon a collaborative effort to evaluate the city's Economic Development (ED) program, and to seek new and creative opportunities for delivering ED services in the future; positioning Blue Springs for continued success in retail, commercial, office, and many other competitive markets. This effort began in September 2004 and culminated on June 20, 2005, when the City Council authorized the creation of the Blue Springs Economic Development Corporation (EDC) and approved a Board of Directors to guide this new organization in its infancy. As you well know, the rollout of the EDC is on schedule and will likely physically move from City Hall to a new location in the community within the next few months.

The 2007 budget allocates \$310,000 for the Economic Development Corporation, which represents approximately 75 percent of the EDC's total funding for the 2007 year, with 25 percent coming from private membership. Concurrent with the adoption of the annual City budget or shortly thereafter, we expect the EDC to enter into a formal contractual obligation with the city for the delivery of certain economic development services. The EDC has developed a strong, strategic business plan, and has shown a strong membership commitment by generating over \$100,000 in private sector dues. The combination of city funds, leveraged with membership funds, has allowed the EDC to contemplate adding one additional full-time position to the program. The additional position will supplement the existing staff of two, and provide an increased ability for the program to manage many basic needs associated with launching a new business, working with and managing a new board of directors and membership base, and organizing a new office location, while maintaining an adequate response to new development opportunities in the community. The additional position is not reflected in the overall FTE count in this budget, as we anticipate the full transition and separation of the EDC in the coming months.

The 2007 proposed budget includes \$34,000, representing the city's commitment to support the Kansas City Area Transportation Authority (KCATA) commuter bus service from Kansas City to Blue Springs. The KCATA continues to work, in conjunction with many regional partners, on a long-term funding plan consistent with priorities and commitments made well over one year ago. Staff is very concerned that the federal grant funding that heavily supports our ability to provide transit service will not be available in the future. If this scenario plays out, we will need to approach the Council about alternate sources of funding or discontinuing the service.

### **Community Engagement/Public Relations**

Local residents place a high priority on the effectiveness of city communication with the public. Last year's Citizen Survey continued to reinforce the need to keep citizens informed on local issues.

In the 2005 budget, the Office of Public Information was formally created and identified as an individual division within the City Administrator's office, creating a new level of importance

and overall awareness. This budget proposal includes funding to further expand the services we offer citizens through CTV7 by proposing to televise City Council meetings. Viewed as a way to improve citizen awareness and education of local issues, several Councilmen have, over the past few months, expressed an interest in seeing this initiative go forward. You may recall, the 1998 Out of the Blue Into the Future visioning plan also recommended televising City Council meetings. The proposed budget includes \$75,745 to implement this initiative.

Funds are also included to continue producing *The Blue Springs Magazine* and the special *Community Issue* produced in conjunction with the Blue Springs School District, Central Jackson County Fire Protection District, and the Blue Springs Chamber of Commerce. In its fourth year of production, the *Community Issue* magazine continues to be met with widespread public enthusiasm. The 2007 budget continues funding of these important communication services.

While we generally receive high marks in the Citizen Survey for various communication products, as well as our overall effort to keep citizens informed, we still believe there is a strong need and opportunity for the city to begin to re-tool our image locally and regionally. The recent Citizen Survey and preliminary comments from the Renew the Blue – Reaching Higher visioning group, have indicated there is a desire by the community to improve our image in the metropolitan region. Due to considerable market interest in Eastern Jackson County, we have a rare opportunity to tell our message to a greater audience. We are proposing to capitalize on this unique time by engaging in a comprehensive citywide “branding” initiative. This initiative would look to connect, through message and media product, all facets of city government, and would redefine what qualities make Blue Springs unique in the metropolitan area. Through this effort we would update all communications and marketing materials with a fresh community image and identity. These resources also would be used to update our logo, enhance tourism materials, revise marketing materials in all departments, completely revamp the Web site, and provide resources for marketing our visioning plan, anticipated to be completed in January 2007. The proposed budget includes approximately \$120,000 to initiate this process, which will be ongoing. Funding will come from several existing resources including revenues from the Hotel/Motel Tax Fund, marketing/advertising dollars in the EDC budget, and marketing funds in the Parks and Recreation Department.

### **Employee Training and Development**

In an ongoing effort to provide the best services possible to Blue Springs citizens, continued emphasis is placed on employee development and training. For the fourth consecutive year, funds have been proposed for the Management Development Program, which provides city supervisors and managers with ongoing skills development in health and safety, policy and law, management, coaching, and mentoring. The program requires all management level employees and supervisors be kept abreast of changing employment law, as well as productivity trends and efficiency efforts.

The overall city budget includes over \$290,236 for organization training and education opportunities in technology applications, process improvement, performance measurement, and strategic planning. The Police Department accounts for 34 percent of all training and education

appropriations, which are generally mandated by the State and Federal Government. Funding is again proposed for several important employee benefits including \$1,077,131 for the employer portion of health insurance, \$241,288 for the city's proposed 3 percent employee deferred compensation match and \$888,291 to fully fund the state-administered (LAGERS) employee pension fund.

### **Parks and Recreation**

Blue Springs is known regionally and nationally for its excellent park system, and the 2007 budget continues funding for many important park programs that have helped create this reputation. The budget allocates a total of \$6,458,821 (p.166) to all park programs, including the Adams Pointe Golf Club, and maintains current service levels on all existing programs and services.

The budget is highlighted this year with a Parks Capital Improvements Program totaling over \$1,080,500 (p.181). Included in the CIP is \$500,000 for continued citywide bicycle/pedestrian path development, and over \$350,000 for replacement of ballfield lights at Pink Hill and Keystone Parks. An appropriation of \$53,000 is included for registration software to replace the current system, which is no longer supported by the vendor. Funds of \$50,000 are included in the proposed budget to study the long-term future of Centennial Pool-Plex. The study will comprehensively look at the feasibility and operational costs required to rehabilitate the pool, the cost to construct a new pool and purchase land, and determine the market feasibility of a family aquatic center in Blue Springs. Also included in Parks Capital Improvements Program is funding of \$80,000 to replace the HVAC control system in the Public Safety Building, and \$70,000 for the replacement of a 1992 rotary mower used to mow open areas in our parks and rights-of-way.

We are proud to let you know that, after considerable public input from our senior community, we are proposing a new transportation service to our senior citizens, managed through the Vesper Hall program. An allocation of \$24,000 is proposed in this budget for a contract with Older Adults Transportation Service (OATS) to provide 2-day-a-week service for Blue Springs senior citizens. We will use the 2007 fiscal year as a gauge for the success and utilization of the program and report back to the City Council next year on possible revisions or improvements. The cost of the service will be offset somewhat by asking each user to pay a \$1.00 fee for each one-way trip made. We expect this to be a very popular service and meet a growing need by seniors in our community. As noted before, the coordination of this new program will be administered through the capable leadership of Vesper Hall. We fully expect that in October of this year, we will receive notification that our Senior Program has received full accreditation from the National Institute of Senior Centers. Blue Springs will be the first senior center in the State of Missouri to receive this designation.

### **Strategic Planning and Visioning**

In 1997, the City Council undertook a major community visioning process with a large citizen stakeholder group. The effort, which involved over 100 local individuals, produced a long-term strategic plan and vision for the community called Out of the Blue Into the Future (OBIF). In last year's budget, a proposal was made to initiate another community visioning process, very

similar to OBIF, during the 2006 fiscal year. As you know the update to that plan, Renew the Blue- Reaching Higher, is well under way, and should be completed in January 2007. We are extremely excited about the civic priorities currently being developed by the Renew the Blue group, and are fully committed to taking these citizen-based “Key Performance Areas” and integrating them into next year’s budget. In the meantime, we are committing \$20,500 for resources to increase community awareness and education regarding Renew the Blue and will work with the Co-Chairs and appropriate committees to develop appropriate marketing materials.

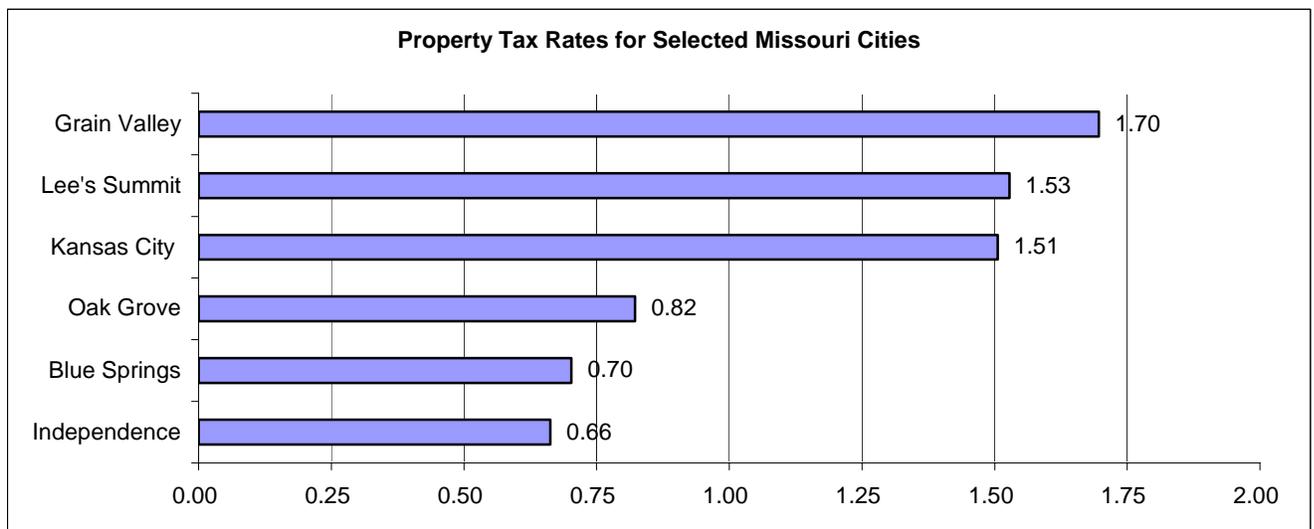
## **GENERAL FUND**

### **Revenues**

General Fund revenues are projected to total \$21,941,427 (p.39) for Fiscal Year 2006-07, an increase of \$1,138,170 (5.5 percent) compared to the adopted budget for Fiscal Year 2005-06.

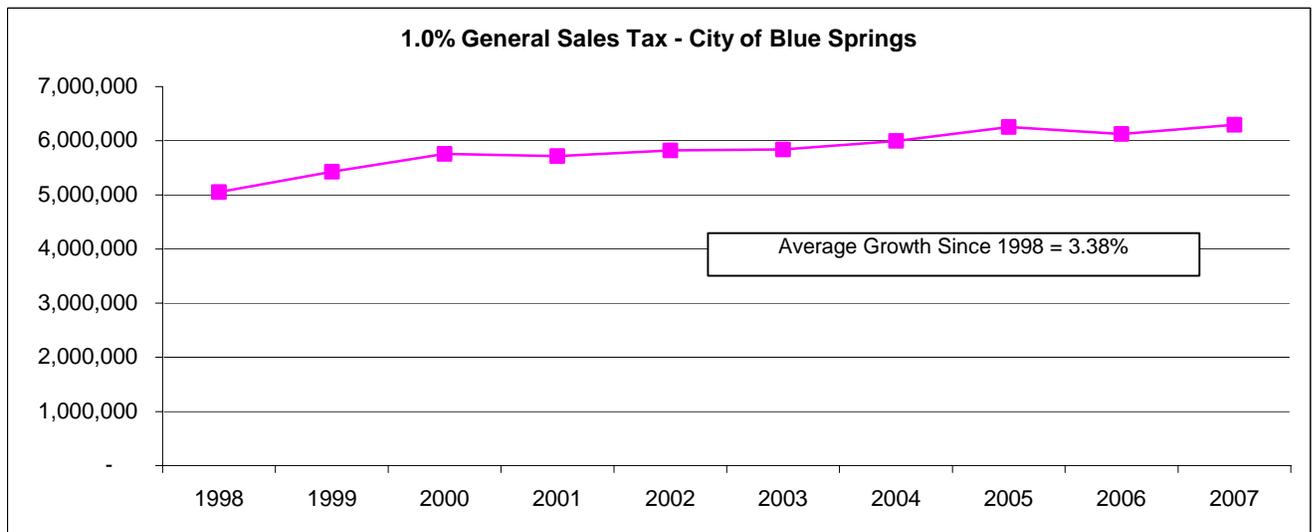
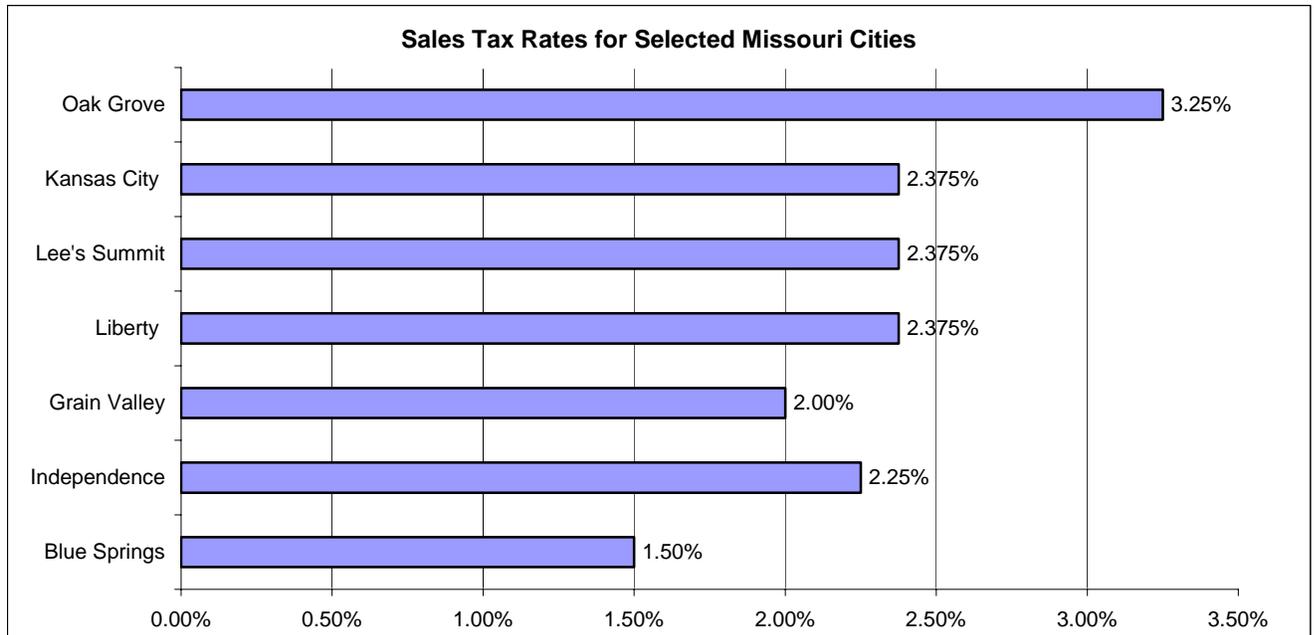
Significant changes are:

- Personal Property Tax and Real Estate Tax revenues are estimated to be \$3,716,499 (p.40). New construction is estimated at \$19.6 million compared to \$13.5 million in the current year. Personal property tax revenue continues to increase modestly with the total assessed property valuation for 2007 increasing to \$694,710,373. The city’s municipal property tax rate of \$0.7029 remains as one of the lowest in the Eastern Jackson County area.



- Sales Tax, the largest revenue source in the General Fund, is slated to increase \$373,740 over the 2005-06 adopted budget (6 percent) to \$6,295,377 (p.40). Historically, sales tax revenue has grown an average of 3.38 percent over the last ten years. Recent developments within the City have boosted the current year’s sales tax and sales tax is expected to end the year at \$200,000 or 3.4 percent over budget. The 2007 budget number represents a modest increase of 2.8 percent over what is projected for 2006. As

new development occurs within the City, the sales tax base will continue to be a resource for providing basic services.



- Intergovernmental Revenues are projected to be \$2,920,210 (p.41) or \$212,187 more than the previous year's adopted budget. Revenues include \$1,403,908 from the state fuel tax and \$1,516,302 from federal, state, and local grant funds. Of the funds received from Jackson County, \$166,480 is anticipated from the Jackson County Combat D.A.R.E. Grant, which partially funds the Community and Youth Outreach Unit D.A.R.E. Program conducted at 12 Blue Springs elementary schools. Jackson County will also provide \$269,798 from County

sales taxes to fully fund the Drug Task Force. Also included in Intergovernmental Revenues is a two-year expansion of the Domestic Violence Grant at \$172,185 and Community Development Block Grant funds for \$231,884.

- Charges for Services are estimated at \$3,184,877 (p.42) and increase by \$103,963 (3.4 percent) from the adopted Fiscal Year 2005-06 budget. Most of the increase is attributed to: 1) actual increases in building permit fees, and 2) more development activity impacting construction permit fees, license bureau fees, and parks and recreation programs. All fee increases proposed in the 2007 budget are consistent with city policy to recoup staff time and resources in providing the service whenever possible. Charges for service include all development-related fees, public safety, municipal court, license and tax, and EMS (ambulance) fees.
- Ambulance Fee revenue is at \$1,145,373 (p.41) for 2007. Fees will not be increased in 2007 and will remain at the adopted budget levels established in 2004. Emergency transport fees will remain at \$650 for residents and \$800 for non-residents. Non-emergency transport fees remain at \$300 for residents and non-residents. The city has contracted for ambulance services from Central Jackson County Fire Protection District since October 1, 1992. Current revenues fund approximately 55 percent of the program cost, with the city's General Fund subsidy covering the remaining 45 percent.

**Expenditures**

Total budgeted expenditures in the General Fund are estimated at \$23,282,205 (p.39), an increase of \$1,318,518 (6 percent) from the adopted Fiscal Year 2005-06 expenditures. General Fund expenditures are broken down as follows (p.44):

Category	Adopted Budget FY 2005-06	Proposed Budget FY 2006-07	Percent of Operating Budget
Personal Services	\$ 13,720,161	\$ 14,306,832	62%
Supplies and Materials	\$ 1,285,876	\$ 1,424,057	6%
Contractual Services	\$ 6,170,531	\$ 6,685,938	29%
Capital Outlay	\$ 787,119	\$ 865,378	3%
<b>General Fund Operating</b>	<b>\$ 21,963,687</b>	<b>\$ 23,282,205</b>	<b>100%</b>

**HOTEL/MOTEL TAX FUND**

Hotel/Motel Tax revenue is a 6.5 percent gross receipts bed tax placed on all Blue Springs hotels. Initially passed by voters in 1998 at 5 percent, voters approved an increase to 6.5 percent in April 2003. The revenue resulting from the tax is restricted for use toward convention and tourism activities and specifically the annual debt service on the conference center. Debt service

in 2007 is \$347,669. During the 2005 fiscal year, the city refunded and refinanced the original debt issued to construct the conference center. Original bonds were issued at a 7 percent interest rate and were refinanced at 4 percent; thus providing substantial annual savings. Revenue for Fiscal Year 2006-07 is estimated at \$536,472 (p.47) and increases slightly from the 2006 budget. In addition to the payment for debt service, \$140,000 is budgeted for the Conference Center management agreement, \$20,000 for the City's marketing/imaging campaign, and \$10,000 for the Chamber of Commerce tourism initiative.

**CAPITAL IMPROVEMENTS PROGRAM**

The Capital Improvements Program (CIP) guides the city in the planning, scheduling, and budgeting of major improvement projects. It outlines expenditures, allocates existing funds, and anticipates future revenues to rehabilitate, restore, improve, and add to the city's infrastructure.

Each year, city staff, in conjunction with the Planning Commission and City Council, develop a CIP forecast for the next six fiscal years. The process begins in December each year and usually concludes in late spring with its adoption by the City Council. The proposed CIP for 2007 through 2012 identifies many potential CIP projects totaling over \$149.3 million (p.230). Although projects are recommended and adopted by the City Council each year, the CIP is only a proposed plan and may be altered following its adoption to reflect changes and emerging priorities of the City Council or changes in available funds.

The proposed CIP budget for Fiscal Year 2006-07 recommends capital expenditures totaling \$19,068,615 (p.6). Of this amount, \$13,967,763 is for new construction projects, \$3,145,615 for new equipment and maintenance projects referred to as capital outlay, \$473,000 for software and a communications study, and \$1,482,237 that has been carried forward and re-budgeted from projects included, but not completed, in the 2006 budget year (Adams Dairy Parkway, Willow Tree Subdivision south toward Wyatt Road, Adams Dairy Parkway, street lights from Roanoke Drive to Moreland School Road, and the citywide bicycle path plan).

Over 64 percent (\$12.2 million) of the total CIP expenditures for 2007 reflect our ongoing efforts to improve the sanitary sewer system for the South Sewer Neighborhood Improvement District and provide overall maintenance to the system. Capital Improvements Fund expenditures are broken down as follows (p.7):

<b>Improvement Type</b>	<b>Adopted Budget FY 2005-06</b>	<b>Proposed Budget FY 2006-07</b>	<b>Percentage of Capital Budget</b>
Parks and Recreation	\$ 1,902,816	\$ 1,080,500	6%
Street Construction and Improvements	\$ 17,414,283	\$ 2,543,500	13%
Other Improvements	\$ 0	\$ 420,000	2%
Sanitary Sewer System	\$ 1,600,000	\$ 12,225,000	64%
Water System	\$ 200,000	\$ 550,000	3%
Capital Outlay and	\$ 2,305,979	\$ 2,249,615	12%

Equipment			
<b>Total Improvements</b>	<b>\$ 23,423,078</b>	<b>\$ 19,068,615</b>	<b>100%</b>

**7 Highway/Colbern Road Intersection Improvements**

This project is for the reconstruction of the 7 Highway and Colbern Road intersection. The proposed budget includes \$500,000 for right-of-way acquisition for this location. Due to the development of 1,500 acres to the north of this intersection, and the fact that Jackson County is currently under construction to improve Colbern Road to the west, we believe that it is prudent to begin work on this project. The estimated cost of this improvement is \$8.5 million, and includes signalization of the intersection and improvement of all four roadways in each direction. Funding for the project has not yet been secured in future budget years; however, staff will continue to work with local, state, and federal officials on a funding plan. This intersection should be viewed as the southern gateway into the City of Blue Springs.

**Woods Chapel Road Improvements**

Although there is not a specific funding allocation for Woods Chapel Road in the 2007 budget, work on the design and engineering of a comprehensive roadway improvement and widening project from 40 Highway on the south to Duncan Road on the north will be completed prior to the end of 2006. It is our hope and belief that with completed engineering and design plans for Woods Chapel Road, we will position ourselves in the future to take advantage of grant opportunities similar to our funding with Adams Dairy Parkway. Additionally, we will continue to explore development-related opportunities along the Woods Chapel Road Corridor with a revenue-generating component sufficient to fund portions of this road improvement. Staff fully realizes the importance of this roadway to help serve the traffic needs of our community. The current Citizen Survey revealed that over 62% of citizens were dissatisfied with peak traffic on Woods Chapel Road, and ranked flow of traffic in Blue Springs as the number one priority for the city in the next two years. With the Council’s support and direction, as well as local citizen support, plans to accelerate work on Woods Chapel Road could be undertaken. The 2006-2012 Capital Improvements Program shows expenses totaling over \$14.8 million to complete all three phases of road improvements. A dedicated voter-approved funding source would need to be explored if we were to move forward with an accelerated plan.

**Adams Dairy Parkway**

The 2006-07 budget, for the first budget year in several years, does not include funds for the Adams Dairy Parkway (ADP). During 2005, the city opened three key sections of ADP (Duncan Road to Roanoke, 40 Highway to Sunnyside School Road, and Moreland School Road to Willow Tree Subdivision). Federal/State highway grant funds provided 80 percent of the construction costs for these improvement projects. In 2006, the budget included \$2,535,000 for continued expansion of ADP from Willow Tree Subdivision to Wyatt Road and further installation of decorative street lights along the ADP Corridor. Federal/State grant funds will provide 80 percent of the funding for these projects and the city is providing funding match of 20 percent. To date, nearly all the Parkway has been completed. Two more phases of the parkway remain, Phase VII - Roanoke Drive to Pink Hill Road, and Phase VIII – Wyatt Road to Colbern Road. Funding for these final phases has not yet been identified.

### **Street Maintenance**

The city maintains a street system of approximately 478 lane miles of road. The proposed budget includes \$1,400,000 for the city's annual street overlay program, which provides for crack sealing, deep strength patching, micro paving, and major asphalt overlays. The current appropriation of \$1,400,000 provides maintenance for approximately 6 percent of the city's total road system. Additionally, \$100,000 of this amount is set aside for annual sidewalk maintenance, infill, and new construction. As indicated to you in the past, this level of funding is not adequate to appropriately service and maintain our street system.

Considered a basic service, a well-maintained street and sidewalk infrastructure makes a positive statement about the overall quality of the community and can, in many instances, make lasting impressions that shape how people feel about their community and influence those who may be considering relocation to Blue Springs. While the plan is not yet finalized, many citizen stakeholders in the Renew the Blue – Reaching Higher visioning process have readily acknowledged the importance of a well-maintained infrastructure.

As presented in last year's budget message, former City Administrator Fred Siems recommended consideration of a local sales tax proposal dedicated to streets. For months, staff has been assembling information and data to develop a specific proposal, which was initially presented to the City Council this past February. With Council support, and subject to additional consideration and input in the very near future, staff is prepared to provide Blue Springs voters with the opportunity to consider a very specific sales tax ballot issue in February 2007, dedicated for the improvement of streets and sidewalks. In light of the State's recent investment in redoing I-70 from 7 Highway to I-470, recent state-funded overlay of 7 and 40 Highways in Blue Springs, and continuing trends revealed in the Citizen Survey indicating street maintenance as the #2 priority for citizens, we believe there exists a strong commitment at the local level for this initiative. Our specific recommendation would be to ask Blue Springs voters to support a half-cent sales tax increase for a five-year period. The revenue generated from a half-cent revenue source (approximately \$14 million over five years) would fund major street repair and overlay projects, as well as approximately 1,635 individually identified sidewalk maintenance issues throughout the city. This message is submitted in anticipation of providing the Council with a very specific sales tax proposal at the August 5, 2006 Council work session.

### **Water and Sewer Projects**

Funding for operational needs and CIP projects comes exclusively from the Water and Sewer revenues generated from user/customer fees and development-related permits and tap fees. The CIP budget includes \$12,775,000 for combined water and sanitary sewers. Sanitary sewer projects total \$12,225,000 for citywide sanitary sewer line improvements. Total water system improvements proposed include \$550,000 and address citywide water needs. The amount of funding available for water and sewer system maintenance and improvements is substantially more in 2007 than in prior years.

A major CIP initiative funded in the 2007 proposed Sewer budget is \$10,000,000 for the completion of sanitary sewer improvements for the South Area Sewer Neighborhood Improvement District (NID). The total cost of the project will be approximately \$20 million and will be repaid by special assessments on the properties receiving the benefit of the sewer

improvements. An appropriation of \$1 million is also included for sludge removal at the Sni-A-Bar Wastewater Treatment Facility. This process must be performed periodically (approximately every five years) as required by the Missouri Department of Natural Resources.

### **Parks and Recreation**

The Parks and Recreation Department has \$1,080,500 budgeted for CIP projects in the 2007 budget. These projects include the following: \$500,000 for the completion of the bicycle/pedestrian paths, \$327,500 for the replacement of ballfield lights at Pink Hill and Keystone Parks, \$70,000 for the replacement of a mower, \$53,000 for Parks and Recreation program/activity tracking software, \$80,000 to replace the HVAC control system in the Public Safety Building, and \$50,000 for a Family Aquatics Center study.

### **GOLF COURSE FUND - Adams Pointe Golf Club**

Adams Pointe Golf Club opened to the public in 1998. The proposed budget for Fiscal Year 2006-07 is \$1,897,545 (p.173), an increase of \$111,246 from last year. The proposed golf course budget reflects the management agreement with Kemper Sports Management; a private course management firm responsible for the day-to-day operations of the golf course.

The 2007 budget includes \$1,474,889 for operations and \$30,000 for capital outlay items for a total "operations and maintenance" budget of \$1,504,889. Revenue generated by user fees is estimated at \$1,899,615 and is expected to cover all operations and maintenance (O&M) costs for the 2007 fiscal year, including annual debt service. The golf course was constructed using revenue from bonds issued in 1996 for a 20-year period. The annual debt service for 2007 is \$392,656. Including operation, maintenance, and debt service, the golf course is projected to "break-even" during the 2007 fiscal year and will be entirely self-supported by user fee revenues. We expect to have approximately 39,255 rounds of golf played during the 2007 fiscal year.

### **WATER FUND**

#### **Revenues**

Water revenues are projected to increase in Fiscal Year 2006-07 to \$6,697,519 (p.83). The water and sewer systems support approximately 19,000 total customers.

In July 2004, the City Council authorized staff to pursue a cooperative agreement with the Tri-County Water Authority for the future allocation and distribution of an additional two million gallons of water per day. The City of Blue Springs has identified the need for additional water supply to maintain existing customer demand, as well as meet future growth demands. In this budget, \$600,000 has been allocated for the debt service portion of this agreement and another \$888,920 has been budgeted for the purchase of water supply from Tri-County. This amount is offset by a reduction in planned purchases from the City of Kansas City, Missouri.

#### **Expenditures**

The operating portion of the Water Fund increases by \$641,465 (12 percent) to \$6,185,426 (p.83) in Fiscal Year 2006-07, with the majority of that amount attributed to the debt service payment of \$600,000. Each of the capital projects is summarized in the Capital Improvements Program section of this memorandum.

## **SEWER FUND**

### **Revenues**

Sewer revenues are projected to increase in Fiscal Year 2006-07 to \$15,724,770 (p.89). Revenues include the issuance of approximately \$10,000,000 in temporary notes for the South Area Sewer Neighborhood Improvement District. Revenues generated from sewer utility customers support annual costs related to the Sni-A-Bar Wastewater Treatment Plant and the Little Blue Valley Sewer District.

### **Expenditures**

Operating expenditures for Fiscal Year 2006-07 are projected to be \$15,907,827, an increase of \$10,118,431 (175 percent) from Fiscal Year 2006-07. The majority of this increase (\$10,000,000) is due to the completion of the improvements for the South Area Sewer Neighborhood Improvement District. Included in the budget proposal is \$900,000 for much-needed citywide sewer maintenance addressing inflow and infiltration issues, system deterioration due to age, and expansion to handle more flow and growth-related issues.

## **CONCLUSION**

I sincerely appreciate the opportunity the Mayor and City Council have afforded me to serve you and this community as City Administrator, and to present to you an annual budget plan that I believe responds to your priorities and areas of focus for 2007 and beyond. This budget continues the high standard for providing the best quality services to the community, maintaining and improving the City's infrastructure, and maintaining a strong financial position based upon reasonable projections, assumptions, and recommendations.

We are fortunate in our community to have strong elected and appointed leadership, willing to engage citizen stakeholders and to work collaboratively with many local businesses, residents, and civic-minded individuals who are vested in this community and impassioned with a strong desire to see Blue Springs be the best in all areas. To this end, staff has endeavored to balance existing resources with a solid plan to not only address immediate needs in the community, but plan for and fund, many desirable long-term amenities and initiatives. In fact, you will find that this budget submittal maintains an existing menu of many programs and services expected in our community, while responding to new and emerging areas of importance.

With the Council's leadership in initiating the Renew The Blue – Reaching Higher community visioning process, we look forward to its formal presentation to the City Council in January/February 2007, and are prepared to engage the implementation and adoption of this plan as a roadmap for our future. While the Plan has not yet been formally adopted by the City

Mayor & City Council  
August 1, 2006

Council, to the extent possible, this budget proposal has attempted to respond to the Renew the Blue Vision statement already developed:

We will....

1. Be a progressive community built on Stable, Productive, Inspired Families through encouragement of citizen engagement and diverse interests.
2. Promote collaboration, new ideas, and solutions in support of Responsive, Effective Local Government.
3. Build a Vibrant Broad-Based Economy.
4. Develop a Community Environment Second to None including promotion of the Arts, preservation of our History and safeguarding of our Traditions.
5. Support an ever-improving educational system offering Life Long Opportunities for All Citizens.

Many initiatives and programs funded in this budget proposal can be easily linked to these five strategic areas; and, where possible, we have attempted to provide solid financial and human resources to support this citizen-driven Vision. We will again provide funding for an annual citizen survey to encourage local citizen feedback, and to allow ourselves to be held accountable for results and overall performance in these strategic areas.

I want to personally acknowledge the hard work of all the staff, who worked so diligently and tirelessly on the preparation of this proposed budget for submission to you, especially Finance Director Christine Cates and Budget Analyst Lori Turner.

Very truly yours,  
CITY OF BLUE SPRINGS

Eric T. Johnson  
City Administrator