

## Roeland Park City Council - Finance Committee

### **Minutes** - Meeting of June 22, 2009

**In Attendance:**        **Members:** Scott Gregory, Chair & Megan England

**Others:** Bill Art, John Carter, Mike Foltz, Mayor Adrienne Foster, Toni Hull, Mark Kohles, Betsy Mellor, Bob Meyers, Debra Mootz, Debbi Schraeder, Rex Taylor

The meeting did not begin until approximately 8:30 PM, as a result of the lengthy Administration Committee meeting preceding. Therefore all agenda items other than the 2010 Budget were put in abeyance until the next meeting.

#### **2010 Budget:**

Chair Gregory offered a memo, attached hereto and incorporated by reference. The memo summarized the amount by which the 1<sup>st</sup> Draft of the Budget depletes the reserve (\$144,000) and suggested that the \$135,000 savings on the 2009 Street Maintenance Program be “sequestered” to increase the carryover to 2010. Much work remains to achieve the goal of increased reserves in anticipation of debt service on 12-012 and 12-014 which will commence in 2011 and 2013 respectively. Other minor cuts in line items were suggested and it was further suggested that the budget for the last half of 2009 be studied for savings opportunities, which would also enhance the carryover to 2010. Mr. Gregory and others voiced the opinion that raising the mil levy was inappropriate in the current economic climate.

The imminent sunseting of 27D was noted by Cmbr. Meyers, along with the suggestion that we plan ahead for its renewal.

Committee Member England offered data comparing Roeland Park’s mil levy to that of other cities. Selected cities with mil levies higher than that of Roeland Park lead to her belief that the mil levy should be raised and unspecified amenities added to the proposed budget.

Mayor Foster suggested that funding of additional items such as amenities must come from reductions in other, existing line items.

The committee is at an impasse on the budget. Austerity Budgeting to cope with declining sales tax, property tax and interest revenue is at odds with the concept of increasing spending and raising the tax rate. Additional budget meetings were scheduled for June 29<sup>th</sup> and 30<sup>th</sup>, at which time we must resolve the fundamental differences in order to timely produce the 2010 budget.

June 22, 2009

To: Council & Mayor

From: Scott Gregory, Finance Committee Chair

Re: 2010 Budget

Keeping in mind that Staff's first draft is a good start in tough times, let me first state my goals for the 2010 budget:

Debt service for RC12-012 (mostly streets) will kick in at \$400K annually in 2011. In 2007, it was suggested that \$1 million from sale of property could be used at \$250K per year to offset the peak in debt service for years 2009 through 2012. We have sold no property, but have, by hook or crook, maintained a reasonable budget through 2009. We might hope that the economy improves by 2011, but need to proceed as if revenues will be flat. It appears relatively easy to balance the budget without dipping into the general fund reserve, (see below) but the challenge appears to be creating another \$100K in the reserve in 2010 in preparation for 2011. My goal is to accomplish this without a mil levy increase.

The easy part in balancing the budget. The first draft dips into the reserve \$144K (\$800K - \$656K). The 2009 Street Program bid came in \$135K below budget, potentially increasing carryover to 2010 by \$135K. I question whether Mr. Carter has included the \$100K note from CLO in calculation of the carryover. If not, that's another \$100K toward the goal. There is another \$17K in minor reductions of line items. (Details to be discussed tonight.) Cost-consciousness and cost-cutting through the last 6 months of 2009 should be reviewed and formalized, a re-budgeting of the last half of 2009, if you will.

Prairie Village cut tree trimming by \$50,000. We might look closely at our program. PV also cut three staff positions. We are not proposing any staff cuts, although salary increases should be discussed and consciously approved.

The 2010 Street Program is in Draft #1 at \$450K. We might assume that we will enjoy savings comparable to the 2009 program when we bid the 2010 program. Alternatively, we might scale back the program.