

Resolution 230129

Violence Prevention Funding

Finance Department – February 8, 2023

Resolution 230129

- Directs the City Manager to present a funding plan for the Blueprint for Violence Prevention
 - From unappropriated fund balance of the General Fund
 - \$30 million
- Cautions
 - Fund Balance Policy
 - Annual budget and planning processes
 - Consider with other priorities
 - Five Year Financial Plan
 - Structural imbalance
 - Starting from historically high revenue
 - Recession
 - Existing spending on violence prevention efforts
 - Potential credit rating implications

General Fund - Fund Balance

Balance as of Year Ending 4/30/22	\$ 177,359,411	\$ 177,359,411
Reserve for Encumbrances and Reappropriations	\$ 18,030,918	\$ 18,030,918

Current Year Operations:

	Current Budget	Second Quarter	Difference
Revenues	\$ 587,520,837	\$ 651,174,177	\$ 63,653,340
Expenditures	\$ (561,023,114)	\$ (561,737,370)	\$ (714,256)
Transfers In	\$ 22,079,242	\$ 21,765,415	\$ (313,827)
Transfers Out	\$ (70,387,571)	\$ (74,220,666)	\$ (3,833,095)
Estimated Fund Balance Year Ending 4/30/23	\$ 173,579,723	\$ 232,371,885	

General Fund - Fund Balance Target (Adopted Budget)

\$ 95,568,038

General Fund – 2nd Quarter

Fiscal Years 2024 - 2028 Financial Plan

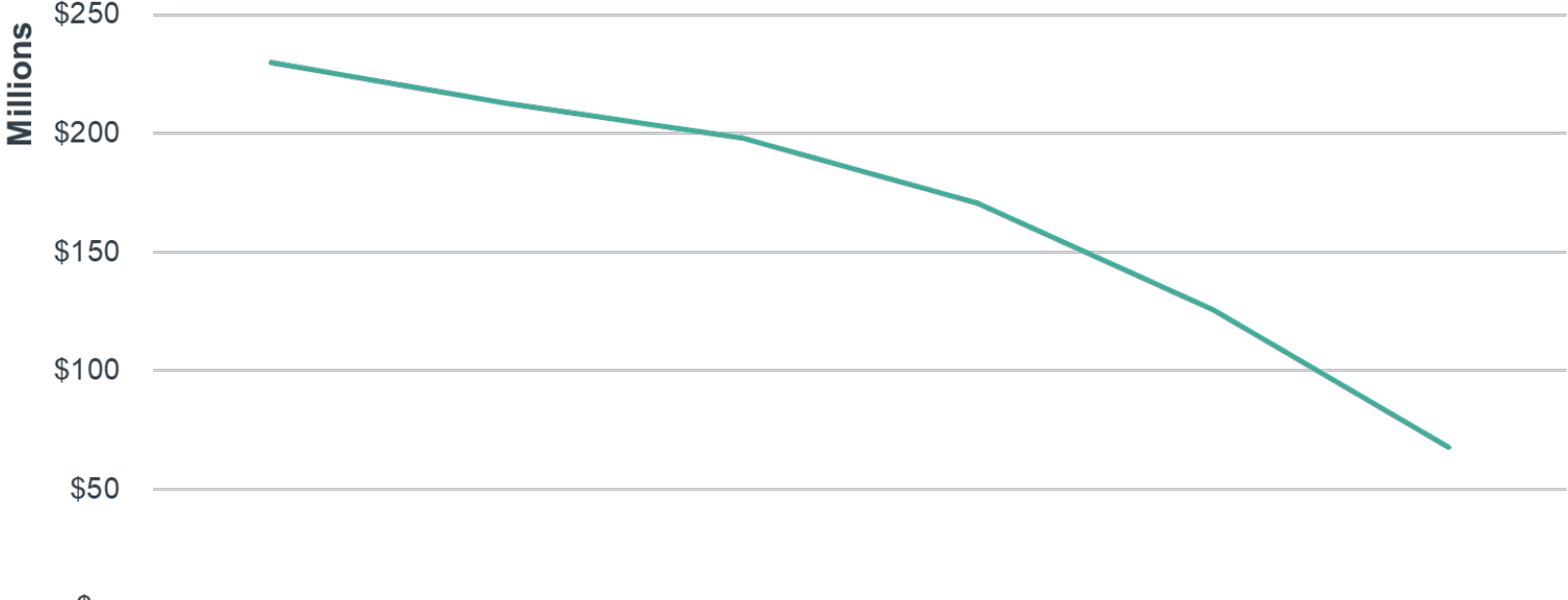
Scenario Description: Baseline

	2022 actuals	2023 adopted	2023 Estimated	2024	2025	2026	2027
GENERAL FUND							
Total Revenue	\$682,181,522	\$608,979,161	\$675,085,390	\$646,550,272	\$657,474,156	\$668,630,104	\$680,033,013
Total Expenditures	\$557,456,336	\$609,007,005	\$636,104,092	\$663,757,019	\$672,051,371	\$695,898,342	\$725,348,375
Reserves - General Fund		\$177,359,412					
Encumbrances and Reappropriation		\$18,030,918	\$234,371,627	\$217,164,880	\$202,587,665	\$175,319,428	\$130,004,066
<i>percent of operating expenditures</i>		32.9%	40.8%	36.5%	33.5%	27.9%	20.1%
Total Operating Surplus/(Loss)		\$ (27,844)	\$ 38,981,298	\$ (17,206,747)	\$ (14,577,215)	\$ (27,268,237)	\$ (45,315,362)

Five Year Financial Plan

Increasing use of available fund balance

Estimated General Fund Balance



	2023	2024	2025	2026	2027	2028
— Fund Balance	\$229,935,90	\$212,729,15	\$198,151,94	\$170,883,70	\$125,568,34	\$67,907,372

Five-Year Financial Plan

Historic Revenue Levels

Is this sustainable?

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Adopted	FY 2022-23 2Q Estimate
Earnings+	\$277.3	\$257.8	\$288.3	\$318.0	\$276.1	\$310.0
Sales^	\$250.9	\$255.2	\$224.2	\$293.0	\$297.7	\$322.3
Property	\$148.2	\$156.1	\$171.2	\$182.7	\$182.4	\$182.8
Hotel/Motel	\$27.1	\$25.1	\$9.7	\$22.1	\$21.5	\$30.7
Restaurant	\$29.1	\$28.4	\$21.3	\$30.2	\$27.2	\$31.3
Local Use	\$43.2	\$41.3	\$55.6	\$60.6	\$55.0	\$66.0
Utility	\$107.0	\$102.9	\$96.9	\$100.9	\$102.9	\$99.5
Licenses/Permits	\$52.6	\$55.5	\$43.9	\$55.9	\$58.4	\$54.4

+ Earnings Tax 2019 filing extension lowers FY 2019-20 and increases FY 2020-21 by \$32.8 million due to timing. Earnings Tax 2020 filing extension lowers FY 2020-21 by \$7.5 million and FY 2021-22 will be higher by that amount due to timing related to extension.

1. Dollar amounts are in millions and rounded to the first decimal
2. Chart represents gross Citywide revenue across all funds

^ New Fire Capital Sales Tax added \$22.6 million in FY 2021-22 Actual

Additional City Funding Needs

- City Hall Improvements - \$90 million
 - \$4 million in planned debt service in FY24 Submitted Budget to leverage \$40 million
 - \$50 million still needed
- World Cup - \$10 million
- Barney Allis Plaza – General Fund subsidy will be required to service future debt
- Municipal Jail
- Enterprise Resource Planning (ERP) Software – Up to \$20 million

Credit Rating Implications

- Credit positives
 - Improved and sustained fund balance
 - One-time uses of fund balance for capital projects (instead of debt)
- Credit negatives
 - Use of fund balance to deal with ongoing structural imbalance
 - Priority Based Budgeting
 - Additional programs will add to structural imbalance

Current Spending on Violence Prevention

Department	Program	Budget
Health	Aim4Peace	\$ 894,539
Health	Violence Prevention	\$ 421,269
Health	Mental Health Initiatives	\$ 635,000
Health	Safety Net Providers*	\$ 3,216,066
Housing	Office of Unhoused Solutions	\$ 1,258,282
Mayor's Office	Youth Employment	\$ 654,221
Municipal Court	Triage Center	\$ 1,000,000
Municipal Court	Specialty Courts	\$ 455,173
Parks and Recreation	Youth Services	\$ 490,935
Police Department	Youth Outreach	\$ 1,787,085
Police Department	Dedicated to community issues**	\$ 4,678,763
Police Department	Crisis intervention team**	\$ 550,228
		\$ 16,041,561
* Only a portion of this should be considered and more information is needed from Health I have currently included as 10% of what is passed through to the safety net providers		
** Source is KCPD's 1/21/22 Letter RE the Requested Budget and Community Policing Fund		

Blueprint Initiatives for Local Government

Additional funding
needed for some items

- Map existing violence prevention programs and services
- Access to affordable, mixed rate housing
- Reform TIF policies to prevent exploitation of blight
- Invest in public libraries, parks, and community centers in CD 3 and 5 – partnership with KC Public Library and Parks Sales Tax (no General Fund)
- Increase trash/bulky items within certain neighborhoods – especially CD 3 and 5
- Inclusion of residents and graduates of local schools in impacted areas in workforce for City-funded projects
- Invest in neighborhood associations
- Adopt/enforce policies that regulate the sale of alcohol
- Revise zoning ordinances that market gun shows in and around impacted neighborhoods
- Provide funding for neighborhood-level community workers

Blueprint Initiatives for Local Government

Additional funding
needed for some items

- Expand outreach to connect at risk youth and adults to resources
- Promote the development of small businesses within impacted neighborhoods
- Invest in quality early childcare – possible State funding?
- Ensure that staff within the City reflect the demographics of the community
- Invest in youth employment programs – additional funding (\$500k added in FY24 Submitted Budget)
- Contract with businesses that pay at least \$15/hour
- Customer service and police training focused on implicit bias and emphasizing dignity and respect
- Require trauma-informed care training for certain staff

Alternatives

- Start funding Blueprint initiatives/program
 - \$1 to \$2 million in FY24?
- Develop and fund priorities for FY25 and beyond
 - Priority Based Budgeting as a guide