

Townhall Meeting

VILLAGE OF CLAYCOMO

Why are we here?

The Board of Trustees has done everything in it's power to work with the stagnate income for the last several years. Although the income hasn't really changed, the expenses have increased. The Village has had to "live within its means". That may mean purchasing equipment or services that get us by, not giving the employees of the Village raises, longevity incentives, passing benefit expenses on to the employees. It also impacts the safety of the First Responders, and residents.

So the Board of Trustees need to see what can be done to correct this issue.

Every attempt was made to make the information in this presentation as accurate as possible.

Projected Village Income (2017 – 2018)

Type	Amount	Examples
Fees	\$510,000	Ambulance & Court
Misc Fees	\$44,350	Permits, Signs, Contracts, Tags, Interest, Etc
Franchise Fees	\$850,000	Fees on Utilities
Property Taxes (Levy)	\$350,000	Personal and Business Personal
Real Estate Taxes (Levy)	\$70,000	Personal and Business Real Estate
Sales Tax – ½ %	\$132,000	General Use
Sales Tax – 1 %	\$264,000	Retirement, vehicle & equipment replace/repair
Sales Tax – ¼ %	\$66,000	Fire/EMS equipment / supplies
Miscellaneous Taxes	\$123,000	Fuel, Surtax, Road & Bridge, Penalties
Total	\$2,409,350	

Projected Village Expenses (2017 – 2018)

Type	Amount	Examples
Administration	\$242,229	Payroll, Benefits, Training, Utilities at City Hall.
Fire Department	\$666,776	Payroll, Benefits, Training, Gear, Supplies, Fuel, Maintenance
Police Department	\$665,422	Payroll, Benefits, Training, Gear, Uniforms, Fuel, Maintenance
Court	\$45,450	Judge and Prosecutor, Training, Jail Fees, Software
Public Works	\$126,600	Sewer Repairs, Street Lights, Maintenance
Parks Department	\$16,000	Repairs, Parking Lots, Trails, Maintenance
Operations	\$607,481	Benefits, Insurance, Computers and servers, Fees
Community Building	\$18,700	Repairs, Maintenance, Utilities, Janitorial
Total Expenses:	\$2,388,658	

What does that leave us?

So after subtracting the expenses from the projected income, for the 2017 – 2018 budget we are left with

\$20,692

Depending on the circumstance, this is our buffer in case there are unexpected expenses (massive sewer break, lawsuit, employee injured/killed). We do have restricted funds that have a balance, but they can only be used under specific guidelines.

This also does not allow for Cost of Living increases, raises, better training, better equipment, more personnel.

Current Bank Balances

Fund	Balance	Notes
Asphalt Fund	\$25,000	Restricted - Hold over for Specific Project
Roads and Bridges	\$224,102.52	Restricted
General Fund	\$834,696.98	(recently received franchise fees)
Court Bonds	\$6,167.63	Restricted
1% Equipment / Lagers	\$410,467.05	Restricted - Fire/EMS/Police Equipment, Retirement.
Police Training Fund	\$21,433.96	Restricted
¼ % Fire Protection Tax	\$98,961.30	Restricted to Fire Services and Supplies
Judicial Training	\$6,434.33	Restricted
D.W.I. Funds	\$6,492.17	Restricted

Police Department – Recurring Necessary expenses

The Police department routinely purchases a new police vehicle every year. With the extreme wear and tear that these vehicles endure, they need to be replaced on a regular basis for safety and cost effectiveness.

A new police vehicle equipped for service averages approximately \$39,000



Fire Department – Recent Equipment

In 2016, the Village was able to purchase this new ambulance with money from the 1% Equipment/Replacement fund. The cost was \$207,208.

Due to mechanical issues, our back up ambulance will need to be replaced in the near future.



The Village – Recent Purchases

Over the last two years, the Village has been able to update the very old and problematic computer/network system. Some of the computers were running operating systems that were no longer supported. The two buildings (city hall and fire station) were unable to share files. Most of the employees didn't have email.

The village was able to purchase:

- 15 New computers
- 3 New servers
- 2 Firewalls
- Wireless bridge
- IT Total Management service (ongoing)

We plan on replacing equipment on a regular cycle to make sure that we don't fall behind again. This was all made possible by the 1% Equipment and Replacement Fund.

Why is this a Problem?

WE WILL LOOK AT ISSUES THAT A RESTRICTED BUDGET CREATES

Longevity

- Fire Department Personnel – 10 full time
 - Only Three have been here 5 or more years.
 - Four have been here less than a year.
- Police Department Personnel – 11 full time
 - Only Three have been here 5 or more years
 - The remaining six have been here for less than two years
- Administrative Personnel – 3 full time
 - All three have been here a little over 1 year.
 - One Public Works employee that has been here less than 6 months.

Wages

Area Fire Services (20 surveyed Metro)

All of them have an Entry and Top pay, except us, some use normal raises, some use pay steps.

- EMT – Our starting pay is 14th out of 20, but almost all of them will make more in as little as a year.
- Paramedic – Our starting pay is 11th out of 13, but the other two will exceed ours in as little as a year.
- A brand new Paramedic makes as much as a 13 year Paramedic in Claycomo.

Area Police Departments (17 surveyed regionally)

Almost all of them have an Entry level and Top pay spread, some use normal raises, some use pay steps.

- Police Officer – Our starting pay is 7th out of 17, all but three have advancements.
- Sergeants – Our starting pay is 10th out of 17, all but three have advancements.
- A brand new Police Officer makes as much as a long term Police Officer in Claycomo.

Pay Raises

In the last 12 years, there has been 3 pay raises. This averages to less than 1% per year.

There has been no Cost of Living increase during this time.

Over time the employee cost for family healthcare has continued to climb. So thier take home amount has actually decreased.

Firefighters work 24 hours shifts, at an average of 53 hours/week.

Police Officers work 12 hours shifts, at an average of 43 hours/week.

Administration work 8 hours shifts, at an average of 40 hours/week.

Year	% Raise
2005	0%
2006	0%
2007	0%
2008	5%
2007	0%
2008	0%
2009	0%
2010	0%
2011	0%
2012	0%
2013	0%
2014	0%
2015	3%
2016	0%
2017	3%

Number of Personnel

Fire Service – Currently we have 3 personnel on duty for 24 hour shifts. This is below the national standard of four personnel for staffing per shift.

National Fire Protection Association (NFPA) Standard 1710 (2016 edition) Chapter 5.2, Section 3.1 and 3.1.1 state:

Fire companies whose primary functions are to pump and deliver water and perform basic fire fighting at fires, including search and rescue, shall be known as engine companies.

These companies shall be staffed with a minimum of four on-duty members.

Police Service – With the way the world is today, an officer should have someone to back them up, because you never know what you are going to come across. The Board of Trustees has made it a priority that we staff at least two officers per shift for safety.

Training

As the world changes, we need to keep our first responders prepared for anything. The problem is, that essential training isn't always free. All staff members needs to be current on training and certifications.

Even the administrative staff needs to be kept up on changes in legal matters and procedures.

We must rely on contracts with other municipalities for dispatching our first responders.



Fire Department Future Expenditures

The Fire Department was able to purchase several pieces of equipment with the use of General Obligation Bonds. This equipment is coming to the end of it's usable life, and will need to be replaced in the next few years.

Equipment	Replace	Low \$	High \$
Bunker Gear	Now	\$65,524	
EMS Laptops	2017-2018	\$2,600	\$2,700
Ambulance	~2019-2020	\$235,000	
Chief's Vehicle	2019	\$35,000	\$39,000
Cardiac Monitors	~2019-2020	\$29,000	\$37,000
Mobile Radios	~2019-2020	Awaiting Pricing	
SCBA's	~2020	\$95,000	\$170,000
Pumper (Basic) - OR -	~2020	\$430,000	\$480,000
Quint (Basic)	~2020	\$615,000	\$720,000
Extrication Equipment	~2020	\$20,000	\$27,000

Insurance Services Office (ISO)

The Village of Claycomo has recently gone through the Insurance Service Office (ISO) evaluation.

ISO collected information on municipal fire protection efforts and assigns a Public Protection Class (PPC) between 1 and 10. Class 1 is given to those that demonstrate an exemplary fire suppression program. Class 10 indicates the suppression program does not meet ISO's minimum criteria.

Due to the current capabilities, changes in training, equipment, dispatching, water supply and mutual aid agreements with surrounding departments, the Village of Claycomo has earned the PPC designation of 3/3X. This is an improvement from our previous rating of 4.

All the residents and Business owners in Claycomo and Randolph need to advise their insurance companies of the change in rating, that will be effective 12/1/2017, it could equate to annual savings on insurance premiums for property owners.

Possible Solutions

THE VILLAGE HAS AND OPTION OF A SALES TAX INCREASE, THE BOARD WOULD LIKE THE RESIDENTS TO ALSO CONSIDER INCREASING THE MAXIMUM ALLOWABLE PROPERTY TAX LEVY (CEILING).

Property Tax Levy

Tax Levies fluctuate, every year, when calculated by the Pro Forma by the State of Missouri. Our tax levy should have been set at \$0.3655, but our current ceiling is \$0.33/\$100, so that is what it was set at.

- Real Estate Properties are assessed at a percentage of their appraised valuation. They are; Residential = 19%, Commercial = 32%, Agricultural = 12%.
- Personal and Business Personal Property (not real estate) taxes are done the same way. Your property is given an assessed amount, and you pay \$0.33 per \$100 valuation.
- If property values go up, the levy goes down, this helps stabilize what you pay each year.

Real Estate Levy Examples

Theses are figured using 19% of the appraised value.

- 1) If your house is \$150,000, the assessed value is \$28,500, so your annual tax is \$94.05
- 2) If your house is \$100,000, the assessed value is \$19,000, so your annual tax is \$62.70
- 3) If your house is \$75,000, the assessed value is \$14,250, so you annual tax is \$47.03

Property Tax Levy – Did you know?

The Village pays an annual trash contract of \$66,394/year for our residents. The current income from residential property tax is estimated to be \$29,883.21. That is \$36,511, short of covering this expense.

This service, is provided by the Village, and alleviates multiple trash companies coming through town at various days and times, and reduces wear and tear on our streets.

The Tax Levy “ceiling” has not been changed since before 1989?

Property Tax - Where do we stand? (Sort by base levy)

Entity	Levy	Police	Fire	EMS	EMT Pay	Paramedic Pay	Notes
Prathersville	0.2722	County	District	District			
Birmingham	0.3136	County	BFD & CFD	Contract	Volunteers	Volunteers	
Claycomo	0.3300	Self	Self	Self	\$3,090.33	\$3,252.97	Only rate
Oakwood Park	0.4717	County	Contract	Contract			
Smithville	0.4785	Self	District	District			
Holt	0.4803	County	District	District			
Randolph	0.4986	County	Contract	Contract			
Village of Oakwood	0.5588						
Kearney	0.6300	Self	District	District	\$ 3,056.25	\$ 3,547.83	1st Step
Glenaire	0.6572	County	Contract	LFD/LDH			
Pleasant Valley	0.7160	Self	Self	Self	Part Time	Part Time	
Independence	0.7216	Self	Self	Contract	\$ 3,497.77	\$ 3,672.59	1st Step
Village of Oaks	0.8037		Contract	Contract			
Oakview	0.8386	Self	Contract	Contract			
Missouri City	0.8708	County	District	District	Volunteers	Volunteers	
Excelsior Estates	0.9260	County	District	District			
Gladstone	0.9290	Self	Self	Self			
Liberty	0.9747	Self	Self	Self	\$ 2,997.00	\$ 3,146.00	Before Tax Increase
Mosby	1.0000	Self	District	District	Volunteers	Volunteers	
Sugar Creek	1.1300	Self	Self	Contract			
N.Kansas City	1.1757	Self	Self	Self	\$ 3,179.08	\$ 3,815.25	1st Step
Excelsior Springs	1.1820	Self	Self	Self			
Avondale	1.4297	Contract	Vol	Contract	Volunteers	Volunteers	
Kansas City	1.5906	Self	Self	Self	\$ 3,038.00	\$ 3,718.00	1st Step
Lawson	1.9956	Self	District	District			

Property Tax – Where do we stand? (Sort by combined levy)

Entity	Levy	Combined Levy	Police	Fire	Fire Levy	EMS	EMS Levy	EMT Pay	Paramedic Pay	Notes
Birmingham	0.3136	0.3136	County	BFD & CFD		Contract		Volunteers	Volunteers	
Claycomo	0.3300	0.3300	Self	Self		Self		\$3,090.33	\$3,252.97	Only rate
Oakwood Park	0.4717	0.4717	County	Contract		Contract				
Randolph	0.4986	0.4986	County	Contract		Contract				
Village of Oakwood	0.5588	0.5588								
Glenaire	0.6572	0.6572	County	Contract		LFD/LDH				
Pleasant Valley	0.7160	0.7160	Self	Self		Self		Part Time	Part Time	
Village of Oaks	0.8037	0.8037		Contract		Contract				
Oakview	0.8386	0.8386	Self	Contract		Contract				
Prathersville	0.2722	0.8453	County	District	0.3	District	0.2731			
Gladstone	0.9290	0.9290	Self	Self		Self				
Liberty	0.9747	0.9747	Self	Self		Self		\$ 2,997.00	\$ 3,146.00	Before Tax Increase
Sugar Creek	1.1300	1.1300	Self	Self		Contract				
N.Kansas City	1.1757	1.1757	Self	Self		Self		\$ 3,179.08	\$ 3,815.25	1st Step
Excelsior Springs	1.1820	1.1820	Self	Self		Self				
Smithville	0.4785	1.4046	Self	District	0.4906	District	0.4355			
Avondale	1.4297	1.4297	Contract	Self		Contract		Volunteers	Volunteers	
Independence	0.7216	0.7216	Self	Self		Contract		\$ 3,497.77	\$ 3,672.59	1st Step
Missouri City	0.8708	1.4439	County	District	0.3	District	0.2731	Volunteers	Volunteers	
Holt	0.4803	1.5280	County	District	1.0477	District				
Kearney	0.6300	1.5437	Self	District	0.9137	District		\$ 3,056.25	\$ 3,547.83	1st Step
Mosby	1.0000	1.5731	Self	District	0.3	District	0.2731	Volunteers	Volunteers	
Kansas City	1.5906	1.5906	Self	Self		Self		\$ 3,038.00	\$ 3,718.00	1st Step
Excelsior Estates	0.9260	1.8892	County	District	0.9632	District				
Lawson	1.9956	2.9588	Self	District	0.9632	District				

Property Tax – How will it help?

Aggregate Valuation		Different Levy Amounts			
		Previous 0.3166	Current Ceiling 0.3300	Pro-Forma 0.3655	Proposed Ceiling 0.5000
Real Estate as of August 2017		Real Estate Projections			
Residential	\$ 9,055,490.00	\$ 28,669.68	\$ 29,883.12	\$ 33,097.82	\$ 45,277.45
Agricultural	\$ 23,160.00	\$ 73.32	\$ 76.43	\$ 84.65	\$ 115.80
Commercial	\$ 15,571,210.00	\$ 49,298.45	\$ 51,384.99	\$ 56,912.77	\$ 77,856.05
Railroad & Utility	\$ 2,051,815.00	\$ 6,496.05	\$ 6,770.99	\$ 7,499.38	\$ 10,259.08
Total Real Estate	\$ 26,701,675.00	\$ 84,537.50	\$ 88,115.53	\$ 97,594.62	\$ 133,508.38
Personal Property as of August 2017		Personal Property Projections			
Personal Property	\$ 98,537,105.00	\$ 311,968.47	\$ 325,172.45	\$ 360,153.12	\$ 492,685.53
Railroad & Utility Personal	\$ 178,807.00	\$ 566.10	\$ 590.06	\$ 653.54	\$ 894.04
Total Personal	\$ 98,715,912.00	\$ 312,534.58	\$ 325,762.51	\$ 360,806.66	\$ 493,579.56
		Projected Levy Income			
Total Current Valuation	\$ 125,417,587.00	\$ 397,072.08	\$ 413,878.04	\$ 458,401.28	\$ 627,087.94

Property Tax –What does it mean to you?

If a \$0.50 / \$100 tax Levy is established, this is what the difference in real estate taxes will cost you per year.

House Amount	Annual Tax	Difference	Per month	McDonald's Equivalent
\$200,000	\$190.00	\$64.60	\$5.38	Big Breakfast with Hot Cakes
\$150,000	\$142.50	\$48.45	\$4.04	Sausage McMuffin with Egg - Meal
\$125,000	\$118.75	\$40.37	\$3.36	McNugget Happy Meal
\$100,000	\$95.00	\$27.30	\$2.28	2 Sausage Burritos
\$75,000	\$71.25	\$24.22	\$2.02	McFlurry – Snack Sized

Property Tax – More Examples

Spot Valuations and Examples		Previous	Current Ceiling	Pro-Forma	Proposed Ceiling
		0.3166	0.3300	0.3655	0.5000
Restaurant	\$ 175,040.00	\$ 554.18	\$ 577.63	\$ 639.77	\$ 875.20
Commercial	\$ 85,630.00	\$ 271.10	\$ 282.58	\$ 312.98	\$ 428.15
Retail	\$ 124,100.00	\$ 392.90	\$ 409.53	\$ 453.59	\$ 620.50
Multi-Family Dwelling	\$ 55,960.00	\$ 177.17	\$ 184.67	\$ 204.53	\$ 279.80
Resident (\$300,000)	\$ 57,000.00	\$ 180.46	\$ 188.10	\$ 208.34	\$ 285.00
Resident (\$250,000)	\$ 47,500.00	\$ 150.39	\$ 156.75	\$ 173.61	\$ 237.50
Resident (\$200,000)	\$ 38,000.00	\$ 120.31	\$ 125.40	\$ 138.89	\$ 190.00
Resident (\$150,000)	\$ 28,500.00	\$ 90.23	\$ 94.05	\$ 104.17	\$ 142.50
Resident (\$125,000)	\$ 23,750.00	\$ 75.19	\$ 78.38	\$ 86.81	\$ 118.75
Resident (\$100,000)	\$ 19,000.00	\$ 60.15	\$ 62.70	\$ 69.45	\$ 95.00
Resident (\$75,000)	\$ 14,250.00	\$ 45.12	\$ 47.03	\$ 52.08	\$ 71.25

Sales Tax Increase

A sales tax will affect everybody, residents and people passing through purchasing goods. Currently our sales tax is 6.975%.

With our current tax rate, we are 42nd highest out of the 54 taxing entities in Clay County. If we raise our sales tax 1%, we would still be 34th out of 54.

Surrounding municipalities tax rates.

- Randolph = 6.725%
- Kearney = 7.225% and 8.225%
- Gladstone = 7.725% and 8.725%
- Liberty = 8.100%, 9.100%, and 10.100%
- Kansas City = 8.100%, 8.975%, and 10.100%
- Pleasant Valley = 8.725%

Sales Tax – How will it help?

If a sales tax increase of 1% for increased salaries is supported by the voters, we should be able to count on an additional \$264,000 income. This could go towards general fund needs such as wages, staffing, training and equipment.

The End

ANY QUESTION OR COMMENTS?