



City of
**RAYMORE,
MISSOURI**



ADOPTED ANNUAL BUDGET FOR FISCAL YEAR BEGINNING NOV.1, 2017



RAYMORE

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CITY LEADERSHIP

Mayor and City Council

Kristofer P. Turnbow, Mayor

Kevin Kellogg	Ward I
Reginald Townsend	Ward I
Joseph Burke III	Ward II
Derek Moorhead (Mayor Pro Tem)	Ward II
Kevin Barber	Ward III
Jay Holman	Ward III
Sonja Abdelgawad	Ward IV
John Berendzen	Ward IV

City Manager and Management Team

Jim Feuerborn, City Manager

Jan Zimmerman, Assistant to the City Manager / Chief of Police

Jim Cadoret, Assistant to the City Manager / Community Development Director

Shawn Aulgur	Human Resources Manager
Mike Ekey	Communications Director
Donna Furr	Municipal Court Administrator
Mike Krass	Public Works Director / City Engineer
Jim Mayberry	Information Systems Manager
Ryan Murdock	Emergency Management Director
Nathan Musteen	Parks & Recreation Director
Matt Tapp	Economic Development Director
Cynthia Watson	Finance Director
Jeanie Woerner	City Clerk

CITY OF RAYMORE

- VOLUNTEER BOARDS & COMMISSIONS**
- PLANNING & ZONING COMMISSION
 - BOARD OF ZONING ADJUSTMENT
 - LICENSE TAX REVIEW COMMITTEE
 - TAX INCREMENT FINANCING COMMITTEE
 - TREE BOARD
 - BOARD OF APPEALS
 - ARTS COMMISSION

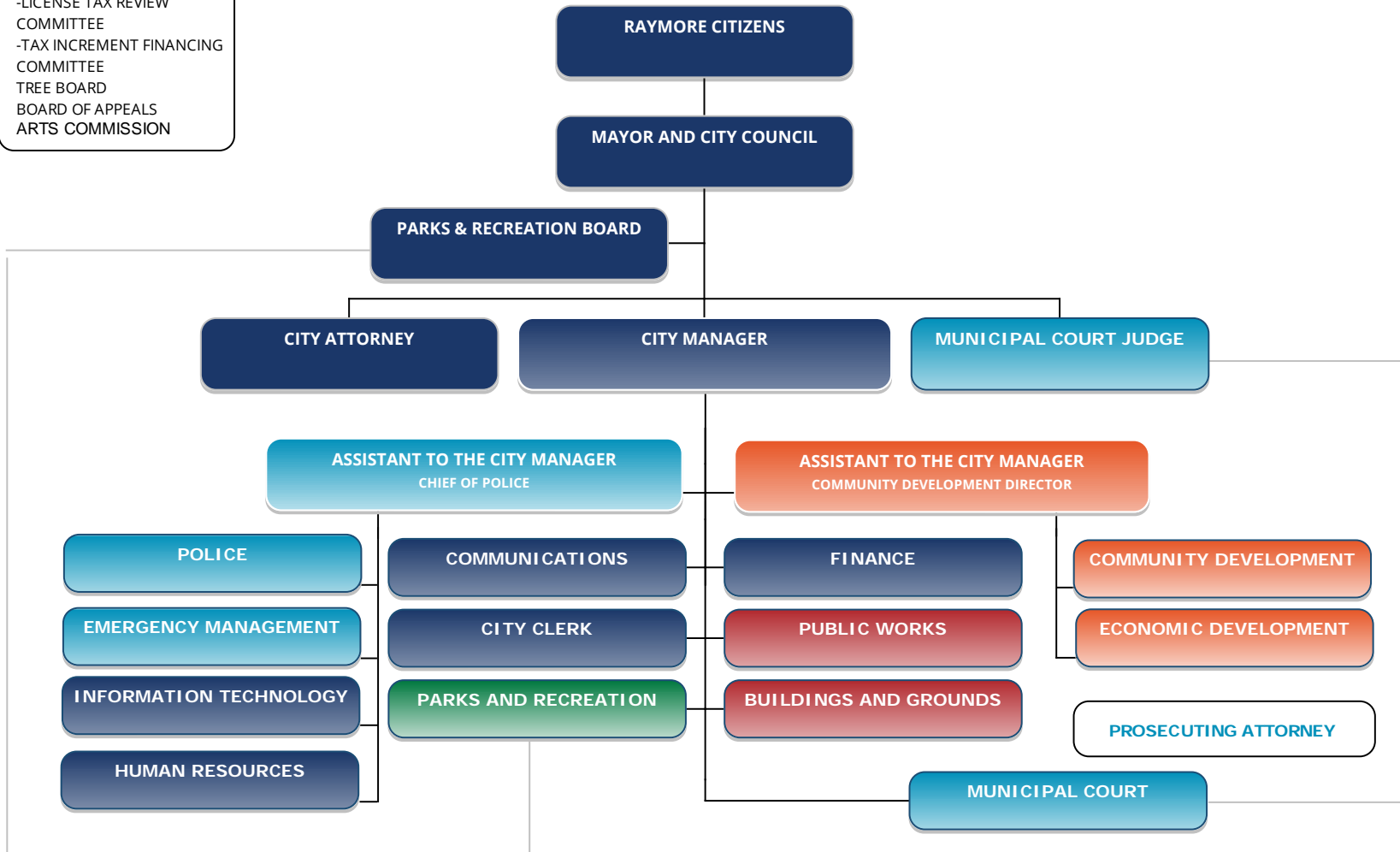


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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Raymore
Missouri**

For the Fiscal Year Beginning

November 1, 2016

A handwritten signature in black ink, appearing to read 'Jeffrey R. Emswiler'.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Raymore, Missouri for its annual budget for the fiscal year beginning Nov. 1, 2016. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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CITY OF RAYMORE

HISTORY

The Raymore Township was one of the last areas settled in Cass County due to the scarcity of large creeks, rivers and timbered areas. Prior to the Civil War, the township possessed only three inhabitants and it was not until after the war that settlement grew rapidly. The prairie soil was used for farms and ranches, some of which still exist today.

Raymore was initially platted in 1874, incorporated on March 20, 1877, and became a Fourth Class city on March 5, 1988. The community was named after its founding fathers, George Rea and Henry Moore. Rea and Moore were instrumental in building the Kansas City, Clinton and Springfield Railroad, which later brought the railroad through Raymore in 1885. For almost 50 years, the Raymore Depot and local hotel hosted eight daily trains and their passengers and crew in transit from Kansas City to Springfield.

Located in northwestern Cass County along Interstate 49, Raymore's recent history is dominated by rapid growth. Raymore is one of the fastest growing communities in the area, consistently placing among the top communities for new residential construction in the Kansas City Metropolitan area.



GENERAL

The City is a constitutional charter city and political subdivision, duly created and existing under the laws of the State of Missouri. Additional information regarding the City, its history, socio-economic structure, commercial and residential growth may be obtained by contacting City Hall or visiting the City's website.

The City is almost 20 square miles in area and is located approximately 23 miles south of Downtown Kansas City in the west central part of the state. The present estimated population of the City is 20,839.

Government

A council/manager form of government leads the City of Raymore. The City adopted its Charter in November 1997. The City Council consists of eight members with two members elected from each of the four wards. The Council Members serve two-year, staggered terms. The Mayor is elected at-large, serves a three-year term and presides over meetings of the City Council. The City Manager is appointed by the Mayor, with the advice and consent of the City Council and serves as the chief administrative officer of the City. Council Members set the policy for the City and the City Manager is responsible for administering this policy in the day-to-day activities of City operations. Department heads for municipal operations report to the City Manager.

The City Council establishes utility and tax rates, and authorizes all municipal indebtedness and tax rates to support the adopted budget. The City's fiscal year ends on Oct. 31.

City staff consists of approximately 100 full- and part-time employees. The City participates in the Missouri Local Government Employees Retirement System (LAGERS), administered by a seven-member, independent board of trustees pursuant to Missouri statutes. The plan is a defined benefit plan that provides for normal, early and disability retirement benefits to participants meeting certain eligibility requirements. The plan covers substantially all full-time employees of the City.

Municipal Services and Utilities

The City owns and operates its own water and sewer systems. Kansas City Power and Light provides a majority of the electrical service and Missouri Gas Energy/Laclede provides a majority of the natural gas service. The City provides its citizens with services such as street maintenance and construction, police protection, code enforcement, engineering and planning, building inspections and parks and recreation programs.

VISION

The City of Raymore is dedicated to being a quality community in which to live, work, and play.

MISSION

In order to achieve this vision, the City will develop and deliver programs, policies, and services that enhance the lives of our citizens, employees, and visitors.

VALUES

While we are achieving our mission, we will keep at the forefront the following values:

HONESTY - We deal openly and honestly with citizens and all others with whom we meet and work.

RECEPTIVE AND RESPONSIVE - We remain receptive to our customers and respond to their needs.

INTEGRITY - We do what we say and we mean what we do. We follow through.

SENSE OF COMMUNITY - We are a community serving one another and promoting family values.

LEADERSHIP - It is our responsibility to set direction and plan for the future of our community.

PARTNERSHIP - We work cooperatively with those who affect the Raymore quality of life.

RESPONSIBILITY - We manage our resources prudently and efficiently.

COMMUNITY

Police Protection

The City of Raymore Police Department provides public service to the community 24 hours a day, year-round. These functions are performed through two divisions: the Operations Division and the Support Services Division. These are further subdivided into the Patrol Unit, Investigations Unit, Traffic Enforcement Unit, Community Interaction Unit, Animal Control and, Property, Evidence and Supply Unit.

Fire Protection

The South Metro Fire District provides fire suppression and advanced life support emergency medical response for 52 square miles in Cass County, including the cities of Raymore and Lake Winnebago, and unincorporated parts of the county.

EDUCATION

The public school population for the City of Raymore is adjoined with the City of Peculiar to create the Raymore-Peculiar School District, which covers approximately 94 square miles of the Cass County area.

The City's residents have access to more than 22 colleges and universities, nine community colleges and numerous religious, technical and business schools.

- 40.3% of Raymore residents over the age of 25 have earned at least one college degree.
- 32.6% of Raymore residents have a bachelor's degree or higher. The national average is 29.7%.
- 97% of Raymore residents over the age of 25 are high school (or equivalent) graduates. The national average is 86.7%.

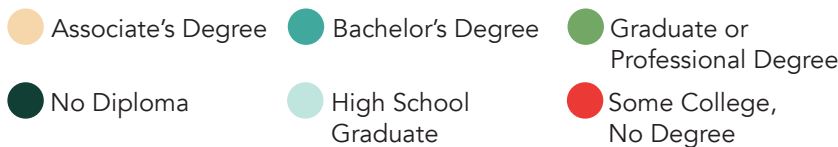
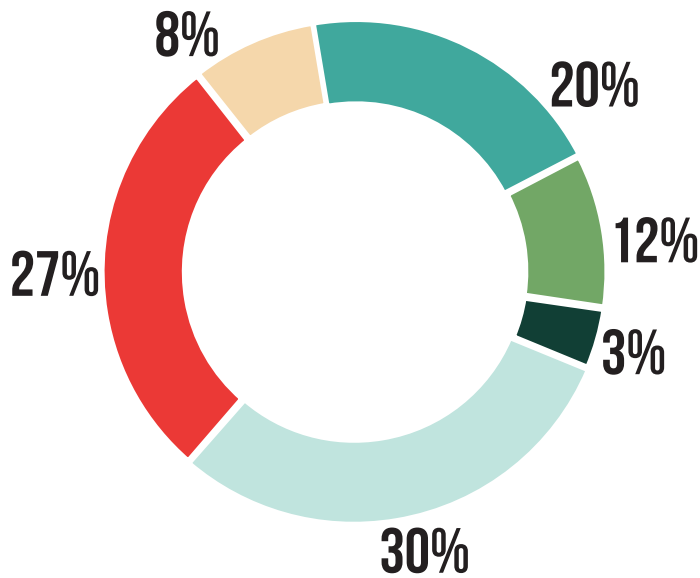
Public Schools

The Raymore-Peculiar School District consists of 10 schools, which had 6,039 students enrolled for the 2016-2017 school year. The district is accredited with distinction in performance by the Missouri Dept. of Elementary & Secondary Education and has regularly received regional and statewide recognition as a world class system for public education.

The district includes:

- Raymore-Peculiar High School (serving 9-12)
- Raymore-Peculiar East Middle School (6-8)
- Raymore-Peculiar South Middle School (6-8)
- Bridle Ridge Elementary (K-5)
- Eagle Glen Elementary (K-5)
- Creekmoor Elementary (K-5)
- Peculiar Elementary (K-5)
- Stonegate Elementary (K-5)
- Raymore Elementary (K-5)
- Timbercreek Elementary (K-5)
- Shull Early Learning (Pre-K)

Education Attainment of Raymore Residents Age 25 & Over



PARKS & RECREATION

The City of Raymore provides numerous venues for sporting and recreation activities. The City's incorporated boundary includes seven parks with various amenities. Events throughout the year included: Touch-a-Truck, Easter Festival, Jog With Your Dog, Movies in the Park, Fishing Derby, Spirit of America Fourth of July Celebration, Veterans Celebration and the Mayor's Christmas Tree Lighting, as well as sporting leagues and instructional programs.

The Raymore Parks & Recreation Board oversees recreation programming. The Board was established under City Code Chapter 120 and Chapter 90 of the Revised Statutes of the State of Missouri as an administrative board.

The mission of the Raymore Parks & Recreation Board is to be fiscally responsible in maintaining and expanding land, facilities and programs. The Board also strives to provide diverse recreational programs and a range of parks and green spaces accessible to all residents. The Board, in conjunction with the City Council, oversees the Parks & Recreation Department, which manages the day-to-day operations.

Memorial Park - 400 Park Lane

Memorial Park is located off Olive St. behind Raymore Elementary School. The park area is 20+ acres and has a pleasant mix of passive and active space. The park hosts several of Raymore's special events and festivals.

Park amenities include:

- One large shelter house with stage
- One small shelter house
- Two tennis courts
- One concession stand with attached restrooms
- Four ball fields, shared with Raymore Elementary
- Two sand volleyball courts
- One lighted walking trail (approximately 0.8 mile)
- One basketball court
- Playground equipment

Recreation Park – 1011 S. Madison

Located on the southern end of town on 80 acres, Recreation Park is the largest of Raymore's parks. It is also the most active park with approximately 80% of its space dedicated to active programmable use.

Park amenities include:

- Six-field baseball / softball complex
- Soccer fields
- Football field

- Two concession stands
- Four lighted tennis courts
- One lighted basketball court
- Two playground areas
- Two shelter houses - Optimists Shelter and East Shelter
- A fishing pond
- Park House and maintenance buildings
- Skate park
- Exercise trail (approximately 1.5 miles)
- Disc golf course

Hawk Ridge Park – 701 Johnston Parkway

The City's newest community park, Hawk Ridge Park is 79 acres of rolling hills with a fishing lake. (daily creel limits for fishing are four channel catfish, two bass, 20 blue gill, 30 crappie). The park's topography is well suited for future park planning to include a mix of both passive natural areas and facilities. The park also includes soccer fields.

Ward Park Place Park

Located on 3.88 acres on the western end of Sierra Drive in Ward Park Place Subdivision. Ward Park received playground equipment and a paved walking trail in 2011.





Good Parkway Linear Park

Located in a greenway between the Wood Creek and Stonegate subdivisions, Good Parkway is a functional drainage way. A 1.0 mile recreational trail was added in 2003. Future plans for the park include stream restoration and natural areas that will improve the condition of the stream, reduce pollutants in the water, and enhance aesthetics.

Eagle Glen Linear Park

Located in a greenway within the Eagle Glen subdivision, Eagle Glen Linear Park is a functional drainage way. In 2004, a recreation trail (approximately 1.0 mile) was added. Playground equipment was added in 2012. Future plans for the park include stream restoration and natural areas that will improve the condition of the stream, reduce pollutants in the water, and enhance aesthetics.

Eagle Park

Located in an easement in the parking lot of a retail shopping area along Highway 58, the park was once the home of the Mayor’s Christmas Tree Lighting. Residents donated funds to purchase and install a 70-foot flagpole, lighting and memorial.

T.B. Hanna Station Park - 215 S Washington St.

Home to Raymore’s Original Town Farmers Market, T.B. Hanna Station Park is located along the 200 block of South Washington St. The market is open between 4 and 7 p.m. every Tuesday from the beginning of June to the middle of October. The park also includes the Depot Shelter, grills, picnic tables and wi-fi.

Centerview - 227 Municipal Circle

Whether planning a meeting for a few or organizing a major wedding for 350, the unique style and affordability of Centerview makes it the perfect place to host a private event. Centerview was designed to provide seamless indoor and outdoor spaces that can accommodate any event in any season and will make your day truly unforgettable.



ECONOMIC & DEMOGRAPHIC DATA

COMMERCE AND INDUSTRY

Major Employers

Employer	Product/Service	Number of Employees
1 Wal-Mart	Retail	343
2 Ray-Pec School District*	Education	338
3 Foxwood Springs	Senior Living Care	326
4 Sam's Club	Wholesale Club	200
5 Constino's Price Chopper	Grocery Store	160
6 Lowe's	Home Improvement	130
7 Rehabilitation Center of Raymore	Medical	120
8 City of Raymore	Government	103
9 McDonald's	Restaurant	45
10 Benton House of Raymore	Senior Living Care	40

Source: Raymore Department of Finance - Contacted businesses for information

* Raymore-Peculiar School District - Number of employees for the entire district is 857; the number of employees employed within the City of Raymore is 338 - Contacted Human Resources Department for school district.

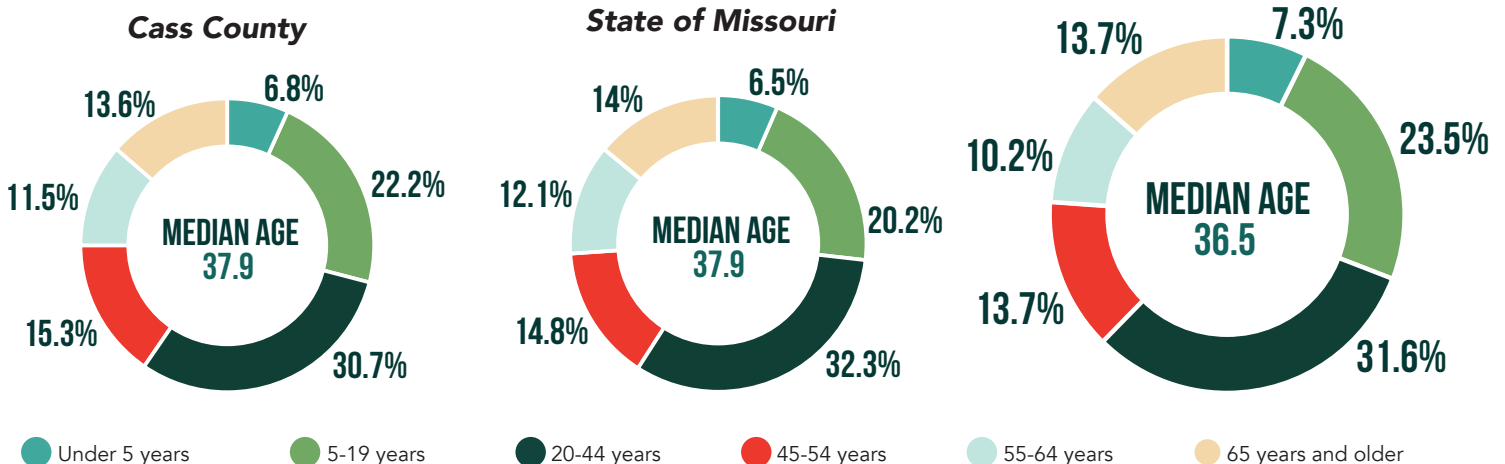
GENERAL AND DEMOGRAPHIC INFORMATION

Census Population Data

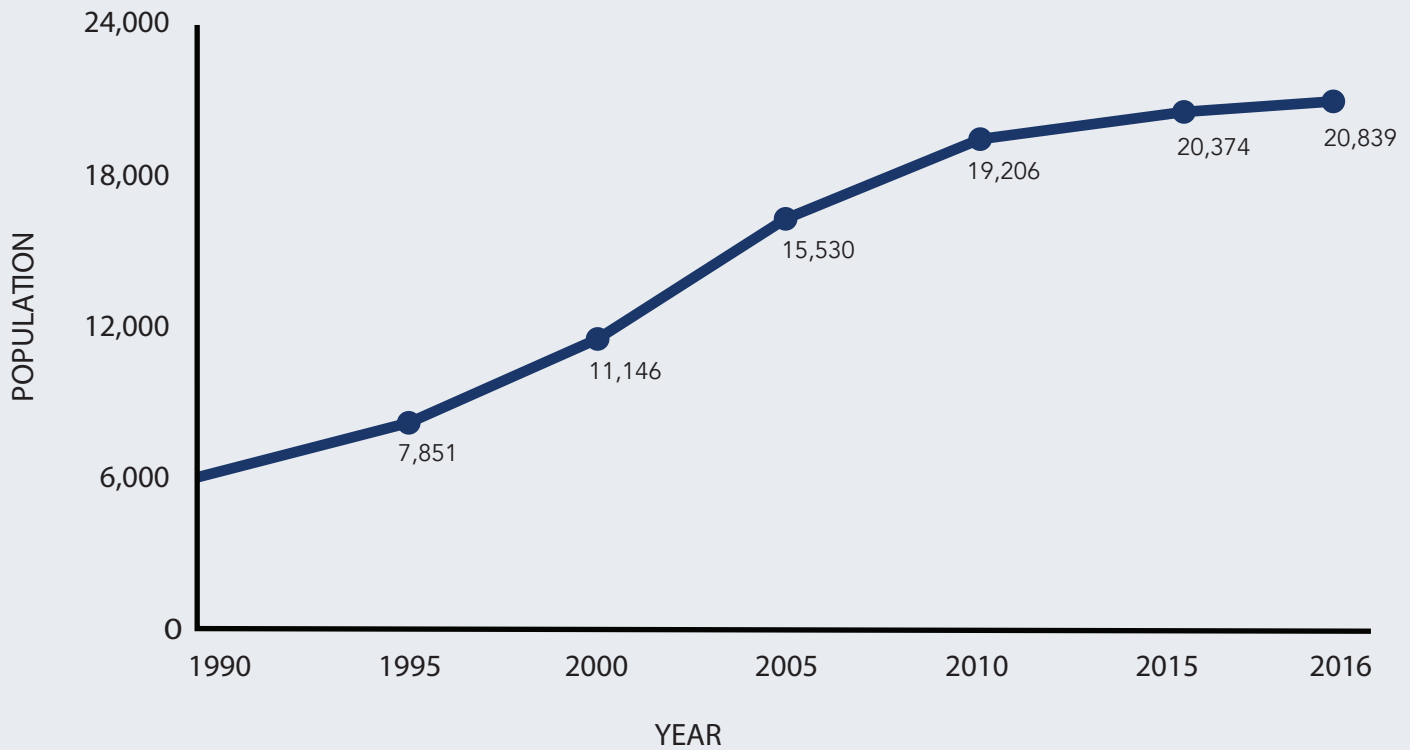
	1970	1980	1990	2000	2010
City of Raymore	587	3154	5592	11,146	19,206
Cass County	39,448	51,029	63,808	82,092	99,478
State of Missouri	4,677,623	4,916,776	5,117,073	5,595,211	5,988,927

Source: U.S. Department of Commerce, Economics & Statistics Administration; Bureau of the Census. Missouri Data Center, Jefferson City, Missouri and City Department of Economic Development

Population Distribution by Age per 2010 Census



Population Statistics*



*1990, 2000 and 2010 are actual per U.S. Bureau of Census, all other years are estimates.

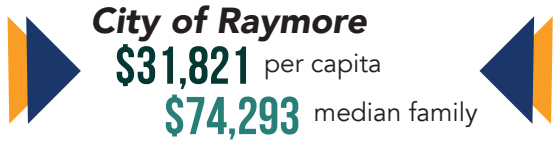
Unemployment Figures

	2014	2015	2016	2017
City of Raymore				
Total Labor Force	10,564	10,954	10,902	11,165
Unemployed	281	430	356	372
Unemployment Rate	2.7%	3.9%	3.3%	3.3%
Cass County				
Total Labor Force	54,404	54,463	53,919	54,448
Unemployed	2,597	2,602	1,950	1,963
Unemployment Rate	4.8%	4.8%	3.6%	3.6%
State of Missouri				
Total Labor Force	3,019,753	3,113,753	3,093,755	3,059,676
Unemployed	177,834	155,584	123,719	124,198
Unemployment Rate	5.9%	5.05%	4%	4.1%

Source: Missouri Economic Research & Information Center (MERIC), MO Dept E.D. – Civilian Labor Force Date Dec. 2016. The unemployment data for 2017 is as of May 2017.

INCOME STATISTICS

Income Figures per 2013 US Census Quick Facts



State of Missouri

\$26,259 per capita
\$48,173 median family

Cass County

\$28,398 per capita
\$61,584 median family

Median Earnings

Male (full-time)	\$58,264
Female (full-time)	\$47,183

Employment Status

Population 16+ years	15,347
In labor force	10,190
Civilian Labor Force	10,190
Employed	9,807
Unemployed	383

Occupation

Management, Professional	4,097
Service Occupations	1,326
Sales and Office Occupations	2,479
Natural Resources, Const. and Maint. Occupations	840
Production, Transp. & Matl Moving Occupations	1,065

Source: US Census Bureau, Quick Facts 2014 American Community Survey 5-Year Estimates

HOUSING STRUCTURES

Housing Type	Number of Units	Percent of Units
Single-Family	6,482	80.34%
Duplex	344	4.26%
Multi-Family	1,242	15.39%

Median Home Value per 2010-2015 American Community Survey 5-Year Estimates

City of Raymore | **\$176,100**
Cass County | **\$159,600**
State of Missouri | **\$138,400**

Source: U.S. Department of Commerce Bureau of the Census American Fact Finder and City Community Development Department.



BUILDING CONSTRUCTION

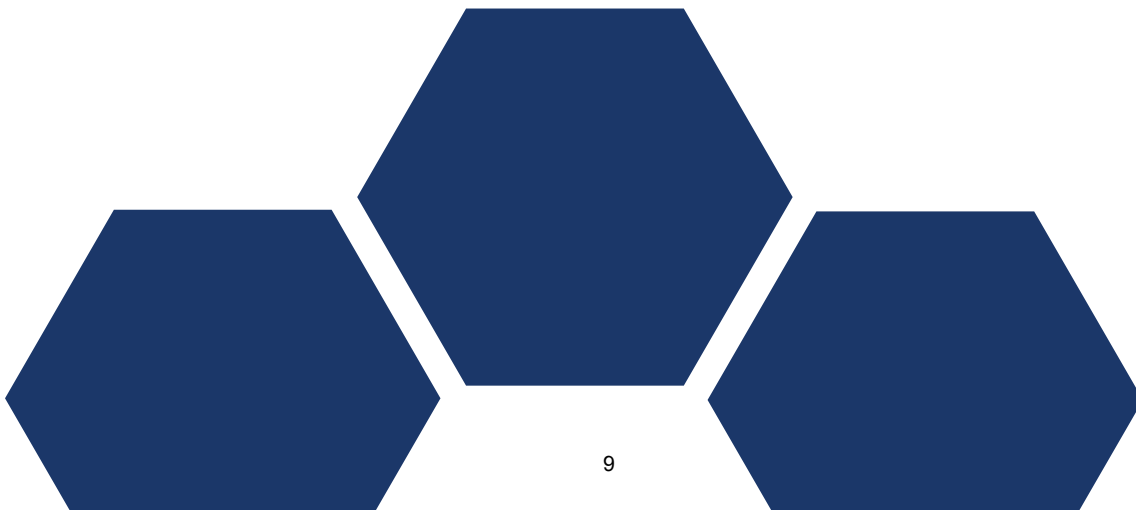
Total Building Permits and Estimated Cost by Type

	2012	2013	2014	2015	2016
Residential					
Number of Permits	68	110	117	172	211
Estimated Cost	\$16,411,200	\$28,319,200	\$29,746,700	\$38,854,800	49,128,800
Non-Residential					
Number of Permits	7	17	17	24	21
Estimated Cost	\$1,268,100	\$14,576,000	\$1,353,300	\$9,157,100	987,200

PROPERTY TAXES

	Major Property Tax Payers	Local Assessed Valuation	% of Total of Top 10 Local Assessed Valuation
1	Sam's Club	\$3,646,200	18.62%
2	Launch Properties, LLC (Manor Homes Apts)	\$2,991,270	15.27%
3	Wal-Mart	\$2,970,600	15.17%
4	Lowes	\$2,358,940	12.04%
5	Raymore Group LLC (Raymore Mkt Ctr)	\$2,221,390	11.34%
6	Foxwood Springs	\$1,559,530	7.96%
7	Laclede Gas Co (Formerly MO Gas Energy)	\$1,324,280	6.76%
8	Raymore SLP LLC (Benton House)	\$882,890	4.51%
9	Community Bank of Raymore	\$863,520	4.41%
10	MBSR Raymore Mo LLC (Walgreens)	\$767,720	3.92%

Source: County Assessor. Assessed valuation includes real estate and personal property.
(Based upon assessed valuation for 2016)



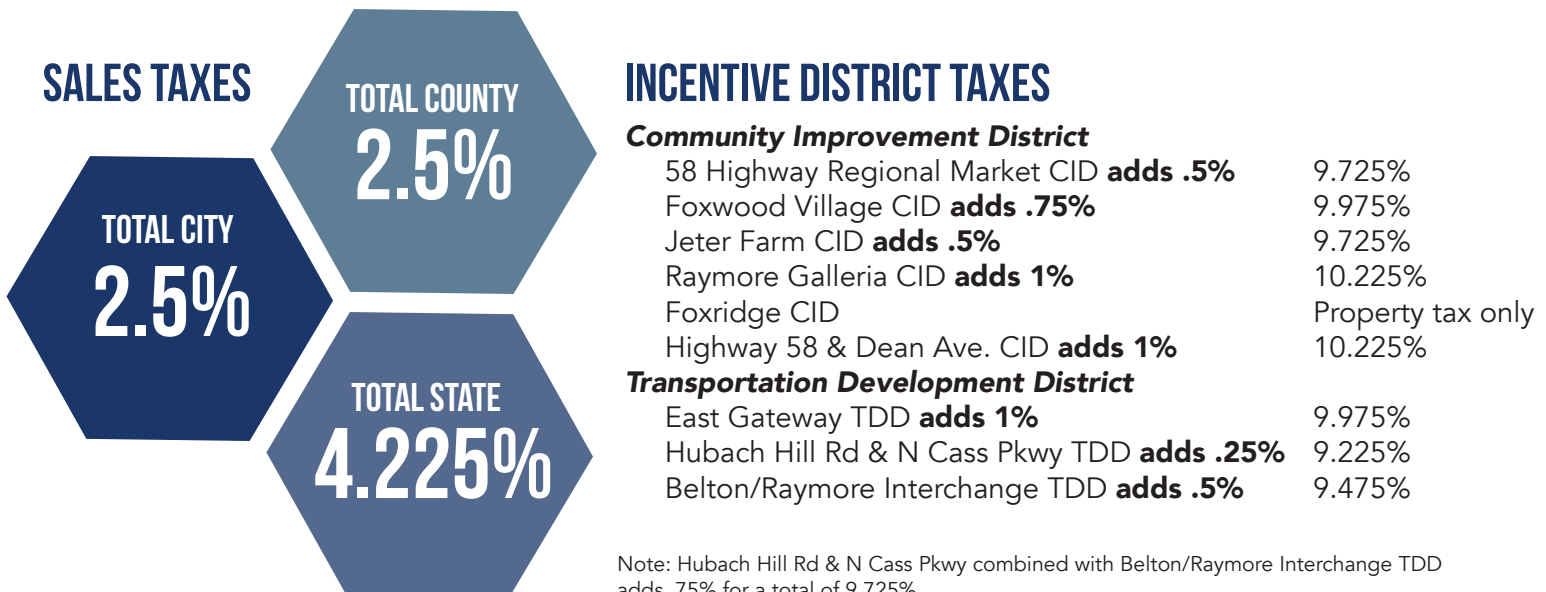


TAX COLLECTION RECORD

The following table sets forth tax collection information for the City for fiscal years for which audited financial statements are available.

Year Ended*	Total Levy	Taxes Levied	Current and Delinquent Collections
2017	1.3057	-	-
2016	1.3057	\$3,798,313	\$3,516,570
2015	1.3057	\$3,700,642	\$3,518,468
2014	1.3068	\$3,592,637	\$3,399,903
2013	1.3068	\$3,520,413	\$3,440,452

*Based on Cass County February fiscal year end.



Note: Hubach Hill Rd & N Cass Pkwy combined with Belton/Raymore Interchange TDD adds .75% for a total of 9.725%

FINANCIAL POLICIES

ACCOUNTING AND AUDITING OVERVIEW

The City of Raymore currently produces financial information that is in conformity with generally accepted accounting principles, inclusive of GASB's 34 requirements. The financial information structure of the City is organized on the basis of funds and account groups within each fund, with each fund considered a separate accounting entity. The activities and operations of each fund are accounted for separately, with a set of self-balancing accounts that make up the funds assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate.

The City's financial information is audited annually by a firm of independent certified public accountants, in accordance with generally accepted governmental auditing standards.

The following is an overview and summary of the policies and practices used to develop the annual budget. To view the full text of each policy, visit www.Raymore.com/FinancialPolicies

OPERATING RESERVES

Resolution 10-70

The City of Raymore believes that in order to

provide security for any foreseeable contingency, a restriction of 20% of the proposed fund expenditures should be held in reserve for application to next years fund balance.

Resolution 10-70 adopted Sept. 27, 2010 states, "It shall, in the budget annually adopted by the City Council, be the policy of the Council to hold an amount equivalent to 20 percent of the departmental operating expenditures in the General Fund, Park Fund and Enterprise Fund in reserve, in order to be prepared for unforeseen emergencies that may occur."

INVESTMENT POLICY

It is the policy of the City of Raymore to invest public funds in a manner which will provide a reasonable investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds.

Except for cash in certain restricted and special funds, the City of Raymore will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Investment through external programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance with this policy.

General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield.

DEBT POLICY

The ability of the City to incur debt is limited by Article VI of the Constitution of the State of Missouri. Section 26(a) of the Article provides that a city may not become indebted in an amount exceeding in any year, the income and revenue provided for such year plus any unencumbered balances from previous years, except as set forth in Section 23(a) and Sections 26(b-e). Section 27 of the Article provides that a city may issue revenue bonds for the purpose of paying all or part of the cost of purchasing, constructing, extending or improving municipal utilities.

The City of Raymore is authorized under the aforementioned Articles, to issue General Obligation Bonds, Revenue Bonds, Special Revenue Bonds and Certificates of Participation. When determining the type of bond to issue, the following factors are considered:

- The direct and indirect beneficiaries of the project to be financed. The larger proportion of citizens should benefit from projects financed with General Obligation Bonds.
- The lifetime of the benefits generated by the project.
- The revenues that may be raised by alternative

types of user charges.

- The cost-effectiveness of user charges.
- The effect of the proposed bond issue on the City's ability to finance future project of equal or higher priority.
- The true interest and net interest cost of each type of bond.
- The impact on the City's financial condition and credit ratings.

CAPITALIZATION POLICY

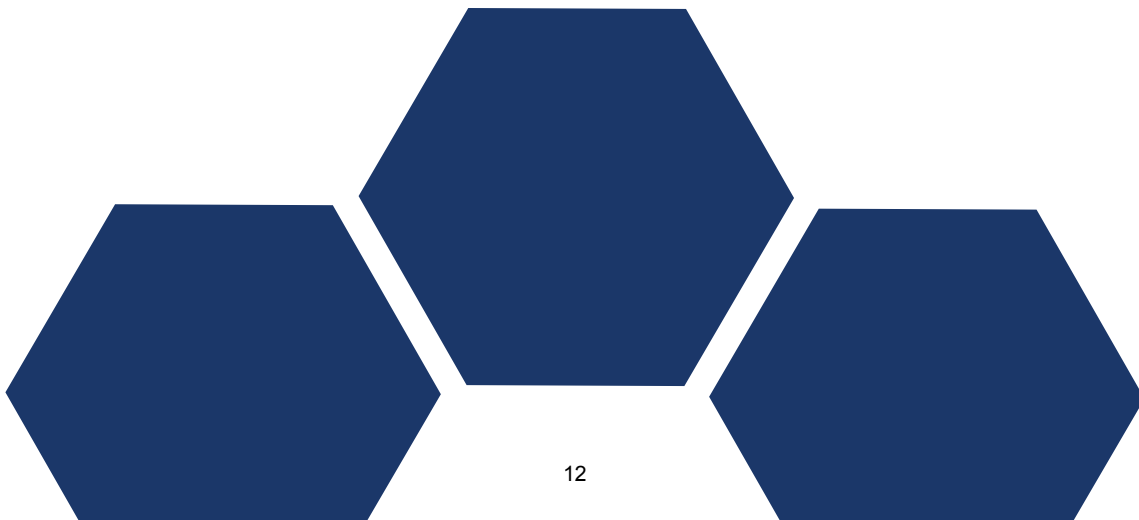
Resolution 03-23

To establish for the City of Raymore a policy for capitalization for real property, infrastructure, equipment, works of art and historical treasures, intangible assets, donated assets and leased property.

Historically, City of Raymore has complied with the financial reporting requirements of the Government Accounting Standards Boards (GASB.) City assets for the Proprietary Funds have been recorded and depreciated. Governmental fund assets will be recorded in the General Fixed Asset Account Group (GFAAG) at original or historical cost and adjusted each year for new assets purchased and assets replaced due to obsolescence, damage, theft or loss.

The GASB issued Statement No. 34, effective June 30, 2003, requires City infrastructure, works of art, historical treasures, intangible assets and depreciation to be recorded for all funds in the government-wide financial statements.

This policy addressed the elements of financial reporting introduced by GASB Statement No. 34 and ensures that capital asset transactions are accounted for consistently and in accordance with generally accepted accounting principles.



PURCHASING POLICY

City Code Chapter 135

Section 135.010: General Provisions - This Chapter provides guidelines to be followed in purchasing goods and services for the City. These policies and procedures supersede all prior purchasing directives, memoranda, and practices. The City Manager shall be responsible for enforcing this policy.

BASIS OF PRESENTATION

The accounts of the City are organized on the basis of funds and groups of accounts, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, equities, revenues and expenditures. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the City.

FUND STRUCTURE

Governmental Fund Types:

General Fund

The general fund is the general operating fund of the City. GAAP prescribe that the general fund be used "to account for all financial resources except those required to be accounted for in another fund." That is, it is presumed that all of a government's activities are reported in the general fund unless there is a compelling reason to report an activity in some other fund type.

Internal Service Funds

Governments often wish to centralize certain services and then allocate the cost of those services within the government. Internal service funds are generally used for central garage and motor pools, duplicating and printing services, information systems, purchasing, and central stores. The goal of an internal service fund is to measure the full cost of providing goods and services provided and recouping that cost through fees or charges.

Capital Project Funds

Capital Project Funds are used to report major capital acquisition and construction separately from their ongoing operating activities. Separate reporting enhances an understanding of the

government's capital activities, and it helps to avoid the distortions in financial resources trend information that can arise when capital and operating activities are mixed.

Special Revenue Funds

Special revenue funds most often have certain revenue sources set aside for a specific purpose. GAAP provide that special revenue funds be used "to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes." Parties outside the government as well as the governing body itself can impose these legal restrictions.

Debt Service Funds

Resources set aside to meet current and future debt service requirements on general long-term debt are recorded in a Debt Service Fund. GAAP permit the use of debt service funds "to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest."

Fiduciary Funds

Fiduciary Funds are used "to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs." Fiduciary funds include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The distinction between trust funds and agency funds is that trust funds normally are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

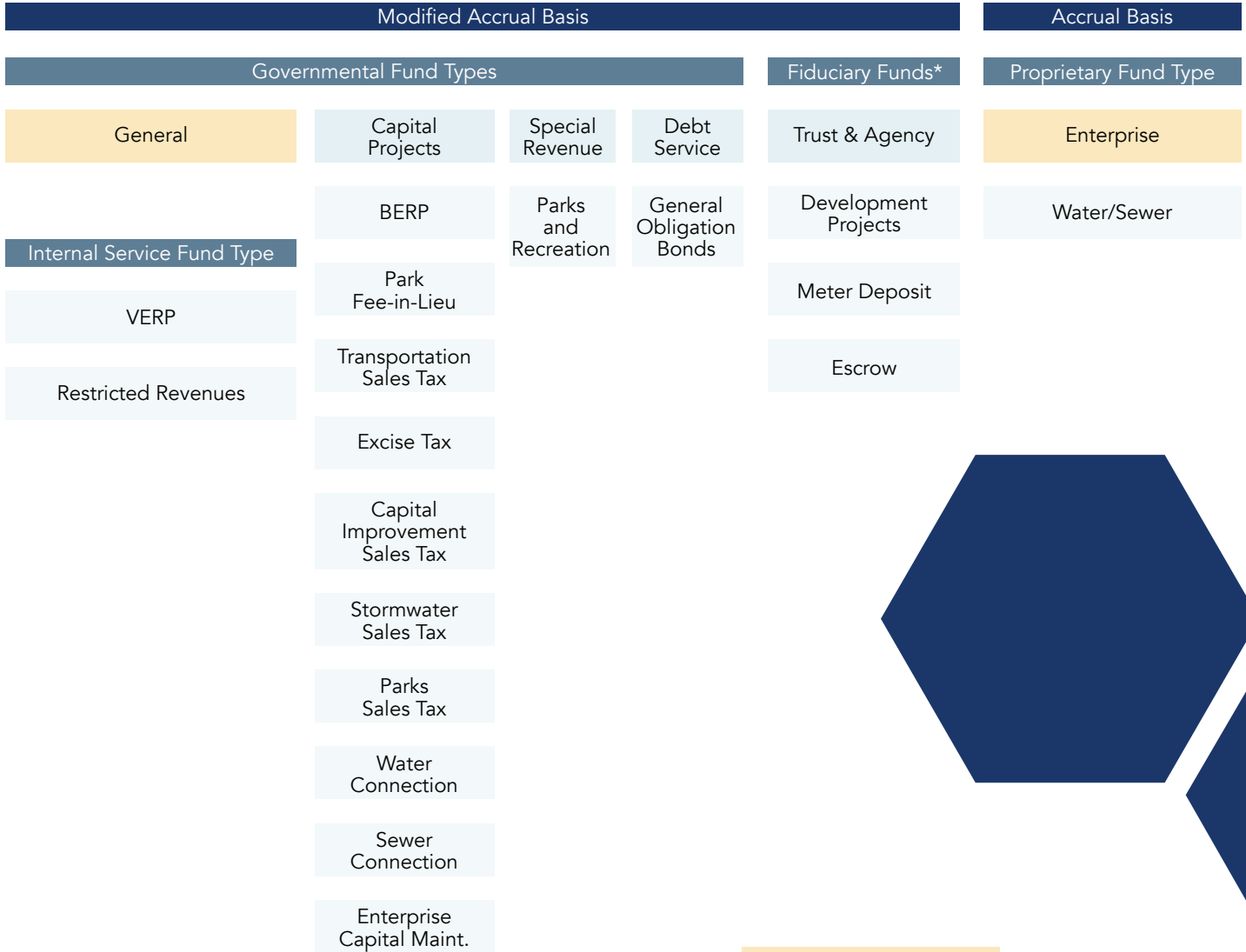
Proprietary Fund Types:

Enterprise Funds

An enterprise fund may be used to report any activity for which a fee is charged to external users for goods or services. GAAP also require the use of an enterprise fund for any activity whose principal revenue sources meet any of the following criteria: 1) debt backed solely by fees and charges; 2) legal requirement to recover cost; or 3) policy decision to recover cost.

FUND STRUCTURE

BASIS OF ACCOUNTING AND BUDGETING



Indicates a major funds

* These funds are not included in the FY 2018 Budget due to their intended purposes.

BASIS OF ACCOUNTING

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or seen enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. Those revenues susceptible to accrual are sales taxes, property taxes, franchise taxes.

Proprietary fund types utilize the accrual basis

of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

BASIS OF BUDGETING

The final budget adopted by the City Council must be a balanced budget, where total resources equal total obligations. The City Charter prohibits a budget which projects spending in excess of available resources. The City's budget is prepared on the modified accrual basis (which is the same accounting basis used for all governmental funds) and assumes that prior year's ending cash balances can be utilized to balance the budget.

The Proprietary fund types utilize the accrual basis of budgeting.

DISCUSSION OF BUDGET PROCESS

RSMo. Chapter 67 requires the City to prepare a balanced budget and provide specific budgetary information within the budget document. The City prepares the overall budget on a modified accrual basis, with departmental budgets prepared on a zero-based, maintenance and expansion basis. This same modified accrual basis is used in preparation and reporting of the City's audited financial statements. All unexpended budget appropriations expire at the end of the fiscal year. Primary budgetary control focuses at the department level with transfers between programs within a department allowed upon the authorization of the City Manager.

Upon receipt of the departmental budget request, the following events occur:

- All departmental budget requests for the coming year are submitted to the Finance Department, which consolidates and compares the current year requests to prior year actual and current year budgets.
- *Budget Division Hearings* - Meetings are held with the department directors and City Manager prior to submission of the recommended budget to the Mayor and City Council.
- *City Council Work Session(s)* - The City Council reviews the proposed budget and expansion

requests in one or more work sessions prior to the public hearing.

- *Public Hearing* - A public hearing is held prior to the budget's approval and adoption. The City Council votes on possible changes to the City Manager's recommended budget and the final budget is proposed for adoption.
- *Budget Adoption* - Budget approval and adoption takes place at the second regular council meeting in October preceding the new fiscal year. The ordinance to adopt the proposed budget is read and acted on at the City Council meeting preceding the start of the fiscal year.

LONG-TERM FINANCIAL PLANNING

A long-range financial plan (LTFP) provides guidance for where the City wants to go financially and how it plans to get there. The LTFP combines financial forecasting with financial strategies, allowing City officials and management to evaluate the long-term sustainability of the annual budget. The LTFP has a multi-year horizon; with two years shown in the annual budget on most funds and five years shown on the capital funds. Internally management looks at ten to twenty years.

The LTFP is reviewed annually and updated each year using the most recent information available. Revenues are forecast using historical trend analysis that is appropriately adjusted based on known business openings/closings and any additional known facts. Expenditures are forecast using projected inflation as well as any known future impacts. Debt is reviewed annually both internally and with the assistance of a Financial Advisor to maintain the most appropriate debt portfolio and debt margin.

Long-range financial plan can be broken into four major phases:

1. **Mobilization:** resources to undertake planning, preliminary financial analysis, definition of the underlying purpose of the planning process, the City's service level preferences, financial policies, and the scope of the planning effort.
2. **Analysis:** focuses on the City's financial position, making long-term projections, and the analyzing the City's probable future financial position.
3. **Decision:** strategies, plans and adjustments are created and agreed upon.
4. **Execution:** strategies become operational through the budget, financial performance measures, and action plans.

To read more of the City's LTFP, visit our website at www.Raymore.com/FinancialPolicies.

BUDGET ADMINISTRATION

Personnel Services

Expenditure control in the area of personnel services is provided through position control rosters. There are no new positions created without the approval of the City Manager, Mayor and the City Council. This category consists of all wages, salaries, associated taxes and benefits.

Commodities

The Commodities category consists of non-capitalized and consumable items such as, fuel and lubricants used for motorized equipment and

vehicles, communication equipment (mobile phones, pagers) computer equipment, tools and equipment, office supplies and furniture and other non-contractual items.

Maintenance & Repairs

Buildings, grounds, plant and equipment maintenance, and vehicle maintenance are included in this category, which encompasses the maintenance and repair expenses incurred in the routine operation of the department.

Utilities

Utility expenditures are those incurred for gas, electric, phone, water and sewer. These are recorded in the Building and Grounds department by building. Individual departmental budgets do not include any utility amounts.

Contractual Services

Contractual Services are professional fees such as legal fees, advertising, auditing, testing, education, training, travel expenses and service and equipment rentals.

Capital Outlay

Capital Outlay are expenditures that exceed \$5,000 incurred through the acquisition or enhancement of fixed assets, to the extent the expenditure exceeds \$5,000 and has useful life or can be expected to extend the life three years or more. These include building improvements, capital lease payments, and vehicles.

Debt Service

Debt Service consists of the principal, interest, and fiscal agent expenditures relating to General Obligation and Revenue bonds.

Inter-fund Transfers/Miscellaneous

Inter-fund Transfers are used to provide resources on a program basis while still maintaining fiscal integrity by fund source and type. Miscellaneous items include bad debt, depreciation expense, amortization and losses incurred on sale of assets or bond refunding.

Capital Expenditures

Capital Expenditures are monies expended for the acquisition, improvement or replacement of capital assets. No capital expenditures shall be made unless:

- The Capital Expenditure was specifically budgeted for in the adopted annual budget, or
- The Finance Director determines that there are funds available within the department's budget, and the City Manager approves the purchase in writing, or
- The City Council may authorize unbudgeted expenditures in excess of \$10,000 when the re-appropriation of funds does not diminish the overall goal and objectives of the departments program for which these funds are taken.

The request for such approval shall be included and highlighted on the Council's Regular Agenda, and support material shall be provided that explains the purpose of the change and its impact on budget priorities.

CONTROL OF BUDGET AMENDMENTS

Reporting

The Finance Department provides monthly reports of budget position on a timely basis to each Department Director, the City Manager, Mayor, and City Council.

Expenditure Projection and Analysis

The Finance Department analyzes the expenditures of each department on a monthly basis and informs each Department Director whose expenditures appear to be exceeding the adopted budget. By the end of the seventh month of each budget year, the Finance Department notifies all Department Directors whose budgets are likely to be exceeded and also notifies the City Manager, Mayor, and City Council. Within two weeks of notification, each Department Director will inform the Finance Director and City Manager of the actions that will be taken to avoid exceeding the departmental budget.

Transfers

Departmental transfers not changing fund balances may be made as follows:

- Department Directors may transfer within the department's budget up to \$500 with a written request approved by the Finance Director.
- Department Directors may transfer within the department's budget \$500 to \$10,000 with written approval from the City Manager and the Finance Director.
- Transfers over \$10,000 within or between departments require City Council Approval.

Budget Amendments

If during the budget year, the Finance Department determines that a department's expenditures will exceed the approved departmental budget without exceeding the fund budget, the Finance Director shall, with the approval of the City Manager prepare an adjustment to the budget.

If any department's or fund's expenditures are expected to exceed the approved fund budget, a Budget Amendment shall be prepared for submission to the Mayor and City Council.

In the event of a public emergency, the City Manager may authorize expenditures by a department or fund, which is exceeding budget.

Summary

The Director of each department is responsible and accountable for the expenditures of his/her department. The Finance Director will, through timely reports and analysis, keep Department Directors and elected officials informed of any potential budgetary issues. A department shall not exceed its approved budget without authorization from the City Manager and/or Mayor and Council.

Amendments, which change the total budgeted appropriations for any fund, must be made through adoption of a budget amendment ordinance.



SEE NEXT PAGE
FOR FULL BUDGET
CALENDAR

BUDGET CALENDAR

Budget Development	Timeline
Management Team Meets to Discuss Budget/CIP Calendar and Training on Budget Preparation Manual if Necessary	Mar. 7
CIP Committee Meets to Discuss Current/Future Projects Status	Mar. 8
CIP Committee Meets to Create Projects and Disucss Capital Fund Models	Mar. 15 - Apr. 26
CIP Committee Meets to Create Park projects/Fund models	Mar. 15-22
VERP Adjustments/Confirmations Due	Mar. 24
Budget Flow/Design Meeting	Apr. 13
Park Board Work Session - CIP review	Apr. 25
Water and Sewer Rate Analysis	May 1-5
Finalize CIP and Capital Fund Models	May 8-12
Park Board Committee Meeting - CIP review	May 9
Schedule of Fees Adjustments Due	May 12
Equipment Requests Due to Information Technology	May 12
Personnel Requests Due to Human Resources	May 12
FY 2017 End of Year Expenditure Projections Due	May 19
Water and Sewer Rate Analysis and Recommendation to Management	May 24
Park Board Meeting and Approval of CIP	May 24
Finance Follow Up with Departments	May 22-26
Department Revenue Projections and Expenditure Requests Due	Jun. 2
Department Narratives, Org. Charts, and Performance Measures for Budget Due	Jun. 2
Document Creation to Communications Manager	Jun. 5-9
Water and Sewer Rate Presentation to Council	Jun. 5
Park Board Work Session - Operating Budget Review	Jun. 13
Water/Sewer Rate Public Hearing Notice to the Paper	Jun. 15
Department Budget Meetings	Jun. 19-23
Water/Sewer Rate Public Hearing Notice	Jun. 22
Park Board Meeting and Approval of Operating Budget	Jun. 27
Tax Levy Public Hearing Notice to the Paper	Jul. 14

BUDGET CALENDAR

Finalize and Adopt	
Schedule of Fees-FY18 (Fees, Water/Sewer Rates, Excise Tax Fee) Public Hearing	Jul. 24
Park Board Meeting - Final Review of Park Budget to go to Council	Jul. 25
City Manager Changes to Communications Manager Due	Aug. 8
Management Team Budget Meeting - Expansion Item Discussion	Aug. 8
Council - Tax Levy Public Hearing and First Reading	Aug. 14
Proposed Budget Document Submitted to Council	Aug. 17
Council - Budget/CIP Worksession	Aug. 21
Council - Tax Levy Second Reading	Aug. 28
Planning and Zoning CIP Worksession and Public Hearing	Sep. 5
Fiscal Year 2018 Budget/CIP Public Hearing Submitted to the Paper	Sep. 15
Council Budget/CIP Worksession (if necessary)	Sep. 18
Council Budget/CIP Worksession (if necessary)	Oct. 2
Council-FY18 Budget/CIP Public Hearing & 1st Reading of Budget/CIP Resolution	Oct. 9
Council-FY18 Budget Second Reading	Oct. 23
Post Adoption	
Adopted Budget Adjustments Finalized	Oct. 23
Post Adoption Memorandums Due	Nov. 3
Adopted Budget Documents to Communications Manager due	Nov. 6
FY18 Adopted Budget Book Submitted to Council	Nov. 27



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