

KC looks ahead to next year's shortfall

'Hard choices' loom for \$45 million gap

By LYNN HORSLEY
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The Kansas City Council got its first look Thursday at the politically unpopular decisions it may have to make as it confronts next year's projected \$45 million budget shortfall.

Those included: Charging citizens for trash pickup, closing community centers and the Municipal Correctional Institution, consolidating departments and reducing the number of top managers, and ceasing the annual \$2 million contribution for maintenance at the Truman Sports Complex.

These are just some of the ideas

MORE CITY CUTS

Here are some of the proposed changes, and the estimated fiscal effect, to deal with next year's projected \$45 million shortfall in the Kansas City budget.

- Start charging for residential trash pickup and eliminate apartment rebates for trash pickup: **\$11.78 million**
- Reduce city overtime costs by at least 25 percent: **\$4.25 million**
- Close the Municipal Correctional Institution: **\$3.75 million**
- Phase out general fund support for health care for indigent people: **\$3.7 million**
- Cease the annual contribution for maintenance and improvements at the Truman Sports Complex: **\$2 million**
- Close three or four community centers: **\$1.75 million**
- Eliminate the police department helicopter unit: **\$900,000**
- Close the parks department greenhouse and nursery: **\$440,000**

the council pondered for next year, while it sidestepped the immediate crisis of this year's \$16 million budget shortfall in its \$464 million

BUDGET: Council members consider cuts

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"What we're doing now, and what the city manager has been doing, is taking little bit by bit around the

Finance Committee Chairman Evert Asjes told his colleagues, referring to the multiple cuts that have been proposed in this year's budget.

Asjes said more dramatic changes are needed to deal with a projected \$45 million imbalance between revenues and expenses in next year's budget, which starts May 1.

City Auditor Mark Funkhouser compiled the list of possible cuts and structural changes.

Funkhouser acknowledged many of his ideas won't be easy for elected officials or the public to embrace and could take significant transition time to implement. Some of the suggestions would require charter changes and voter approval.

"What's left are things that are controversial, difficult, and what are going to be hard choices to make," Funkhouser said.

City Manager Bob Collins said the list is just a place to start the budget

debate. "I don't agree 100 percent with this list," he said. "I think it's a good list. It's certainly provocative."

Among the possible changes, and their potential effect on the budget:

- Start charging citizens for residential trash pickup and eliminate the apartment rebates for trash pickup: **\$11.78 million**.
- Council members Bonnie Sue Cooper and Paul Danaher indicated they wouldn't support such a move, because voters approved raising the earnings tax in 1970 to pay for trash collection. But Mayor Kay Barnes pointed out that Kansas City is now one of the few major U.S. cities that doesn't charge a separate fee for trash pickup.

Councilman Terry Riley said, "Sometimes you have to raise taxes to offset budget shortfalls." Riley said he would prefer a tax to laying off city employees in a budget crisis.

■ Reduce city overtime costs by at least 25 percent: **\$4.25 million**. Funkhouser said overtime last year cost the city nearly \$21 million. While some overtime is unavoidable, Funkhouser said much of it can be contained.

■ Phase out general fund support for health care for indigent people: **\$3.7 million**.

■ Cease the annual contribution for maintenance and improvements at the Truman Sports Complex: **\$2 million**.

■ Close three or four community centers: **\$1.75 million**.

■ Close the Municipal Correctional Institution: **\$3.75 million**. Some council members questioned what would happen to the inmates, but Funkhouser pointed out that neighboring cities manage to operate without a municipal prison.

■ Reduce the number of city cell phones and the number of take-home vehicles: **\$750,000**.

■ Close the lowest activity fire station, at Richards Gebaur Memorial Airport, that serves the south portion of the city: **\$650,000**.

■ Close the parks department greenhouse and nursery: **\$440,000**.

Funkhouser said consolidating various departments and city operations could save additional millions of dollars.

That might mean reducing the number of top managers, but Funkhouser said he was not calling for layoffs. He said people displaced

in a reorganization could be offered jobs where vacant positions existed elsewhere.

Danaher repeated his call for the city to implement managed competition. Under such a system, city employees would have to compete with the private sector to see who could provide the best service for the lowest cost. But other council members were skeptical.

"You can't efficiency your way out of this deficit," Councilman Troy Nash said.

"We're not going to tax ourselves out of this financial crisis," Danaher retorted.

The council postponed further budget discussions until Sept. 19. As for this year's \$16 million budget problem, Collins said he is still waiting for information on whether an early retirement package might help the situation. That information is not expected to be available before mid-October, and the council is not expected to approve amendments to this year's budget until November.

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