

FY2022 Budget 9 Month Update

August 16, 2022

8/16/2022

FY2022 Budget Comments



- FY2022 budget figures include budget amendments approved by the Board:
 - **Budget Amendment #1 – Cleaning Reinforced Concrete Box**
 - **Budget Amendment #2 – Increase Project, Personnel, & Revenue Budgets**
 - ❖ **Aerobic Digester Construction**
 - ❖ **Streetscape Phase III – Bridge Street Engineering**
 - ❖ **Classification and Compensation Implementation**
 - ❖ **Traffic Impact Revenue – Future Stoplight on Highway 169**
 - **Budget Amendment #3 – Establishing CID Fund**
- Expenditures include **19** of the **26** fiscal year payrolls. **73%** of wage related expenses have been paid through **19** payrolls.

General Fund Review



Heritage Park Ballfield on a Sunny Afternoon

General Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Received
Revenues	\$4,918,620	\$5,221,716	\$4,171,714	84.81%

- Overall General Fund revenue projections are bolstered by the performance of Property Tax and Use Tax.

General Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Expended
Expenditures	\$5,905,850	\$5,784,140	\$4,364,577	73.90%

- Campground Electrical Upgrade – Phase II and III (**\$75,000 - Completed**)
- GIS Survey & Mapping (**\$100,000 – Nearly Complete**)
- Complete Transportation Master Plan (**\$60,000 - Completed**)
- Complete Downtown Streetscape Phase II (**\$105,000 - Completed**)

Property Tax Revenue

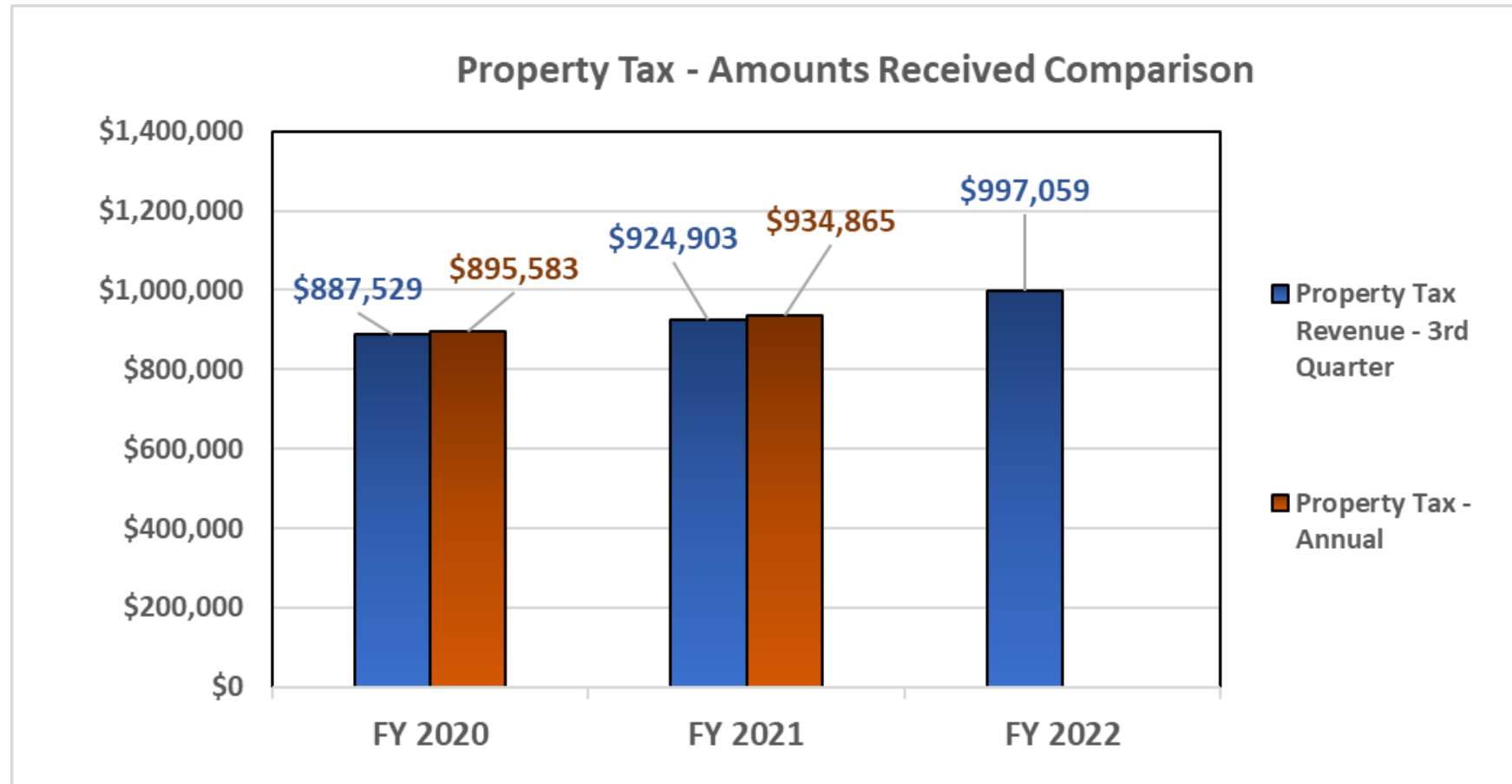


*Property Tax revenue comprises **20%** of General Fund revenues and helps to fund core services and amenities in the City*

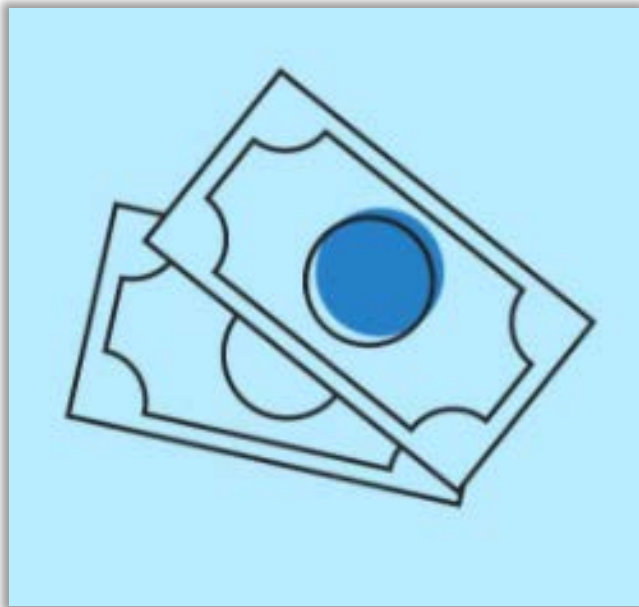
General Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Received
Property Tax Revenues	\$935,099	\$1,001,450	\$997,059	106.63%

- The City receives a large Property Tax disbursement in January 2022.
- The City, on average in the past 3 years, receives **98.9%** of property tax revenue by the 3rd quarter of the fiscal year.
- For the last 4 years, the City has seen an average annual increase in property tax revenues of about **4.6%**.

Property Tax Revenue - 3 Year Trend History



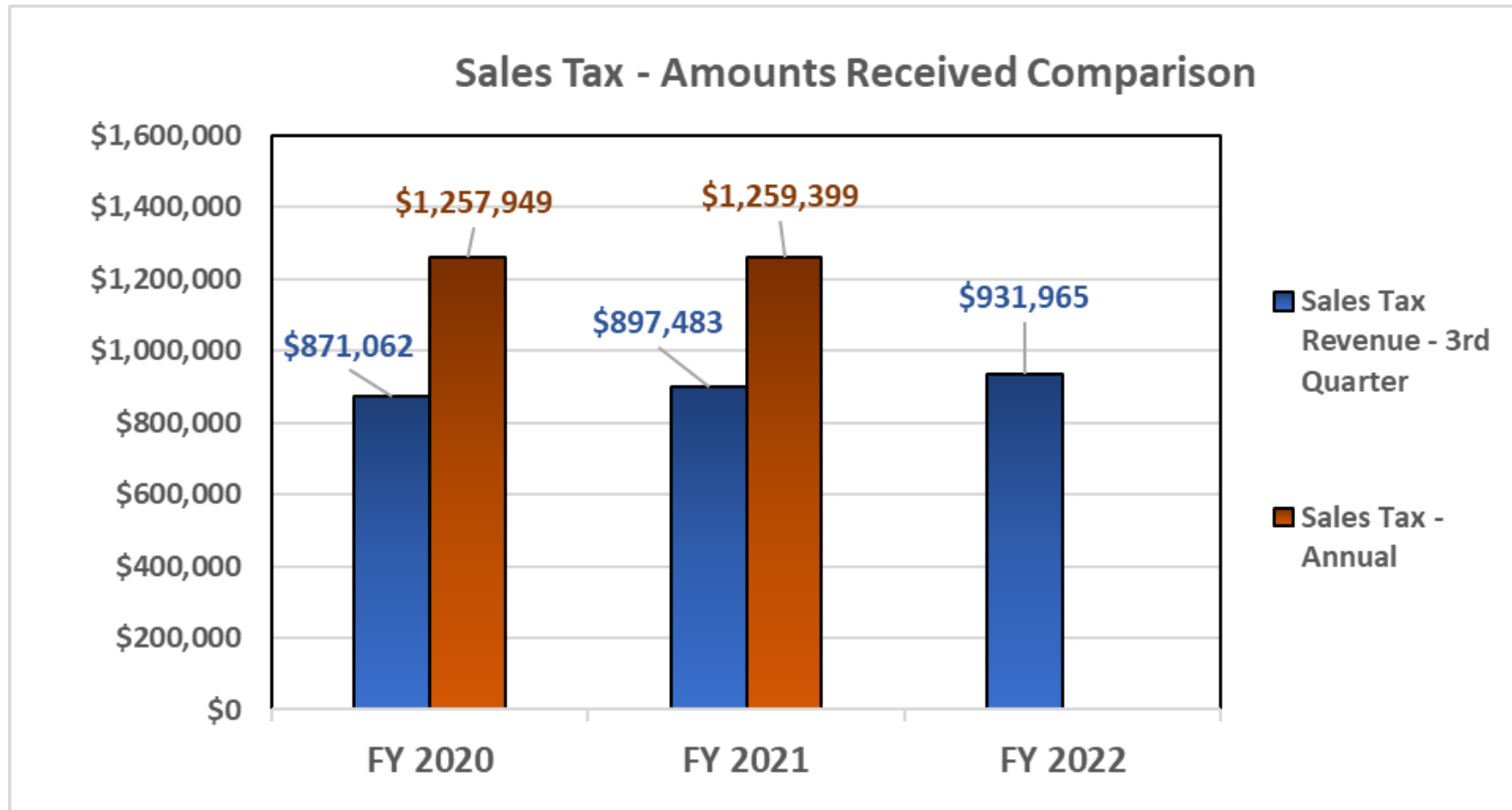
1% City Sales Tax Revenue



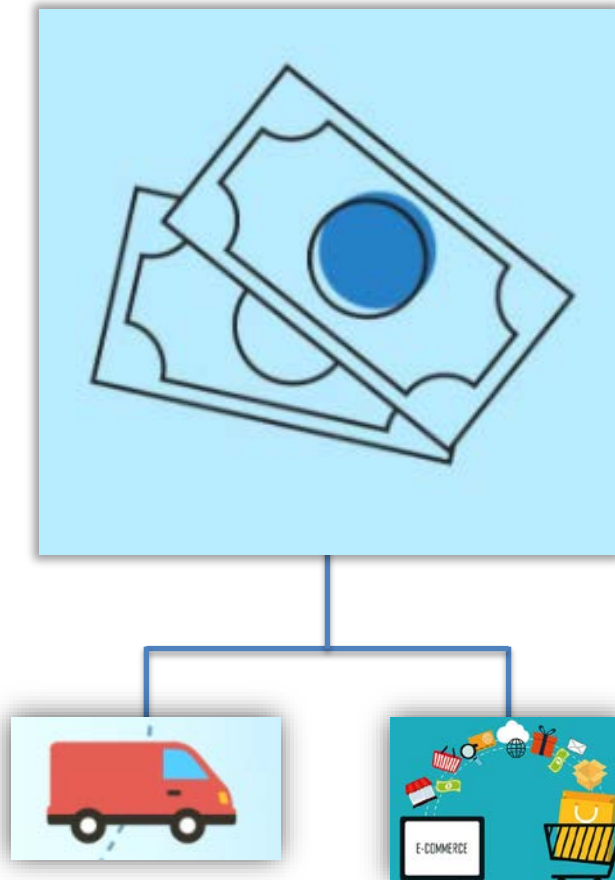
General Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Received
Sales Tax Revenues	\$1,233,381	\$1,268,250	\$931,965	75.56%

- The City, on average in the past 3 years, receives **70.9%** of sales tax annual revenue by the 3rd quarter of the fiscal year.
- This data reflects the transfer of TIF EATs from the General Fund to the Special Allocation Fund.

1% City Sales Tax Revenue - 3 Year Trend History



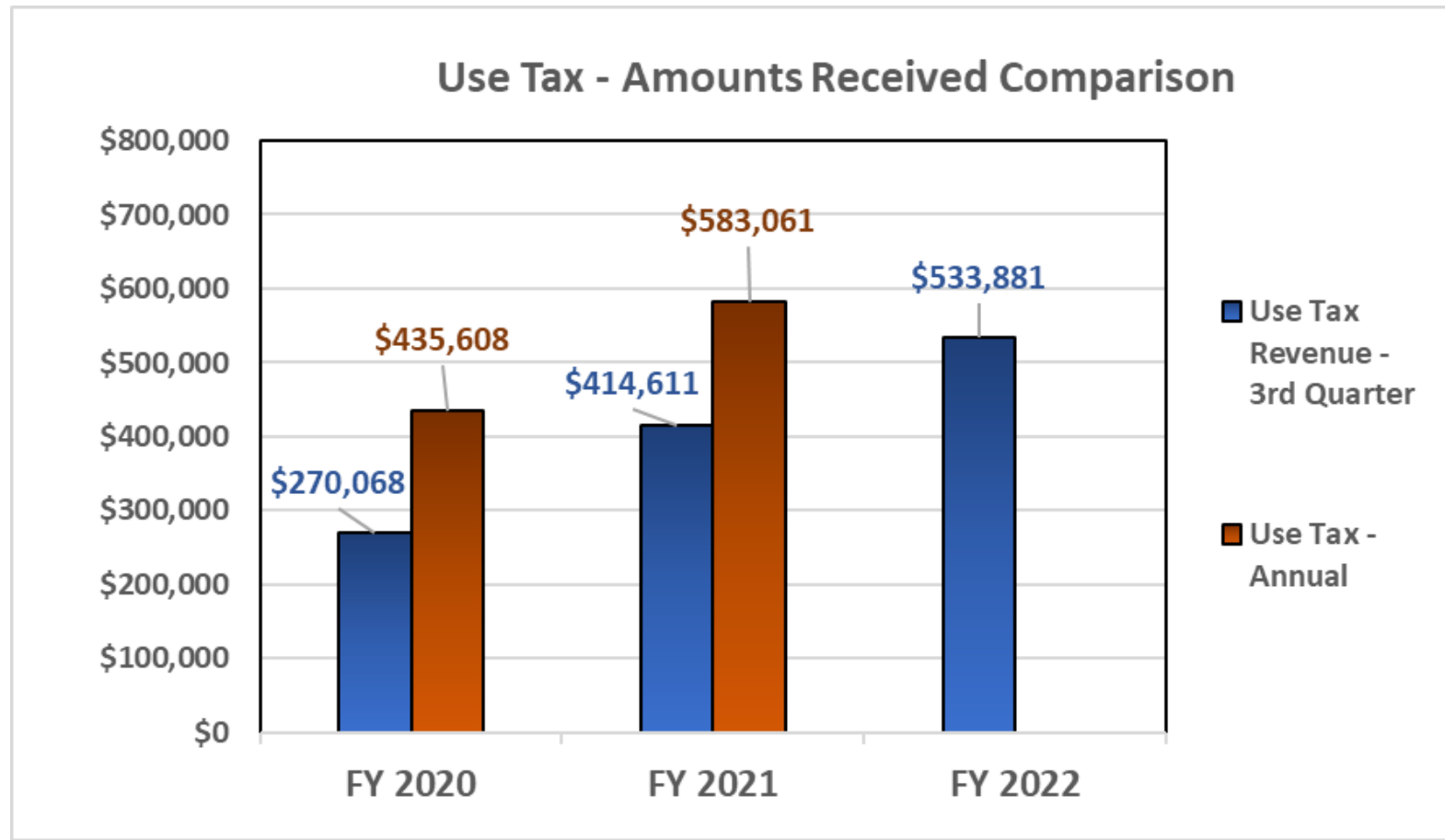
Use Tax Revenue



General Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Received
Use Tax Revenues	\$563,720	\$639,250	\$533,881	94.71%

- The City, on average in the past 3 years, receives **70.4%** of use tax annual revenue by the 3rd quarter of the fiscal year.
- Use Tax receipts have *continued to accelerate* in FY2022 as online purchasers charge sales tax and consumers purchase more and more goods online.

Use Tax Revenue - 3 Year Trend History



General Fund – Bottom Line

	Actual FY2021		Budgeted FY2022		Projected FY2022	
Beginning Fund Balance	\$	3,558,070	\$	3,456,205	\$	3,736,229
Total Revenues	\$	5,448,319	\$	4,918,620	\$	5,221,716
Total Expenses	\$	5,270,160	\$	5,905,850	\$	5,784,140
Net Change in Fund Balance	\$	178,159	\$	(987,230)	\$	(562,424)
Ending Fund Balance	\$	3,736,229	\$	2,468,975	\$	3,173,805

FY2021 Ending Balance: **Page 45** of FY2021 Financial Statements

Capital Improvement Sales Tax Fund



*Final Pay Application for Streetscape Phase II Construction
Processed in July 2022*

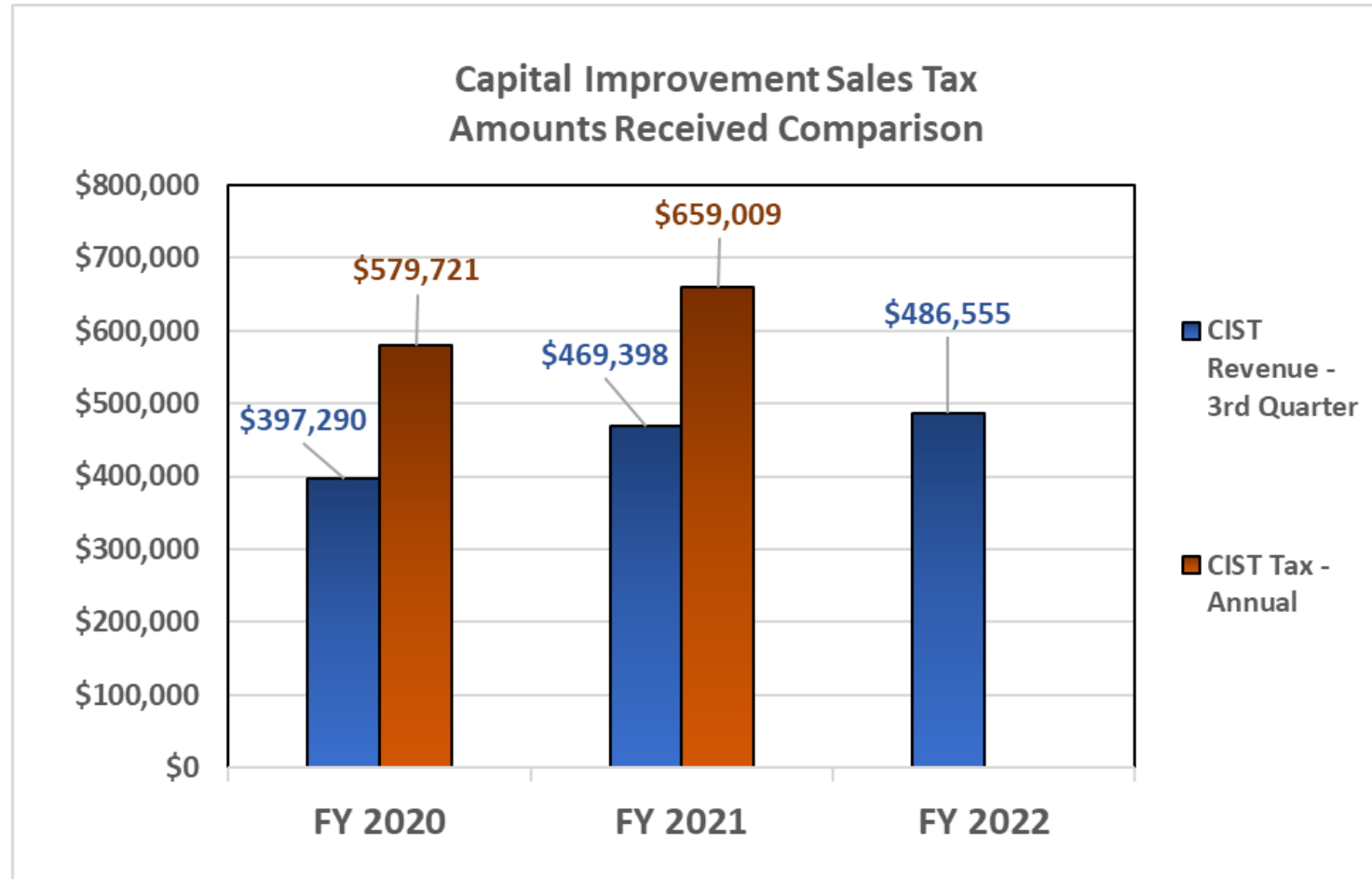
Capital Improvement Sales Tax	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Received
Revenues	\$627,555	\$653,250	\$486,554	77.53%

- The City, on average in the past year 3 years, receives **70.4%** of capital improvement sales tax annual revenue by the 3rd quarter of the fiscal year.
- Capital Improvement Sales Tax is not subject to TIF EATS collections.

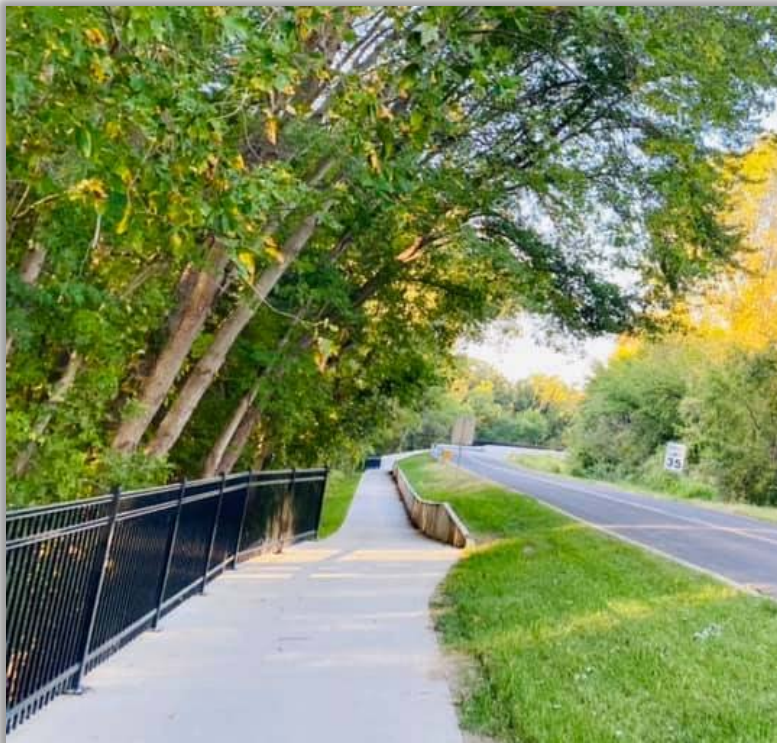
Capital Improvement Sales Tax	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Expended
Expenditures	\$660,550	\$645,824	\$501,296	75.89%

- Streetscape **Phase III** (Bridge Street) Engineering (**\$182,000 – In Progress**)
- Transfer to Capital Projects Fund for Streetscape Phase II (**\$127,000 - Completed**)
- Transfer to Debt Service Fund (**\$351,550 - Completed**)

Capital Improvement Sales Tax Revenue - 3 Year Trend History



Debt Service Fund



General Obligation Debt utilized to fund Main Street Trail

Debt Service	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Received
Revenues	\$351,550	\$351,550	\$351,550	100.00%

- The budgeted transfer of **\$351,550** from the Capital Improvement Sales Tax Fund to support Debt Service payments has occurred.

Debt Service	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Expended
Expenditures	\$339,213	\$339,213	\$339,213	100.00%

- General Obligation debt payments (for Series 2018 and Series 2019 issuances) have been received.

Transportation Sales Tax Fund



Hospital Drive – Mill and Overlay



Tillman Road – Mill and Overlay

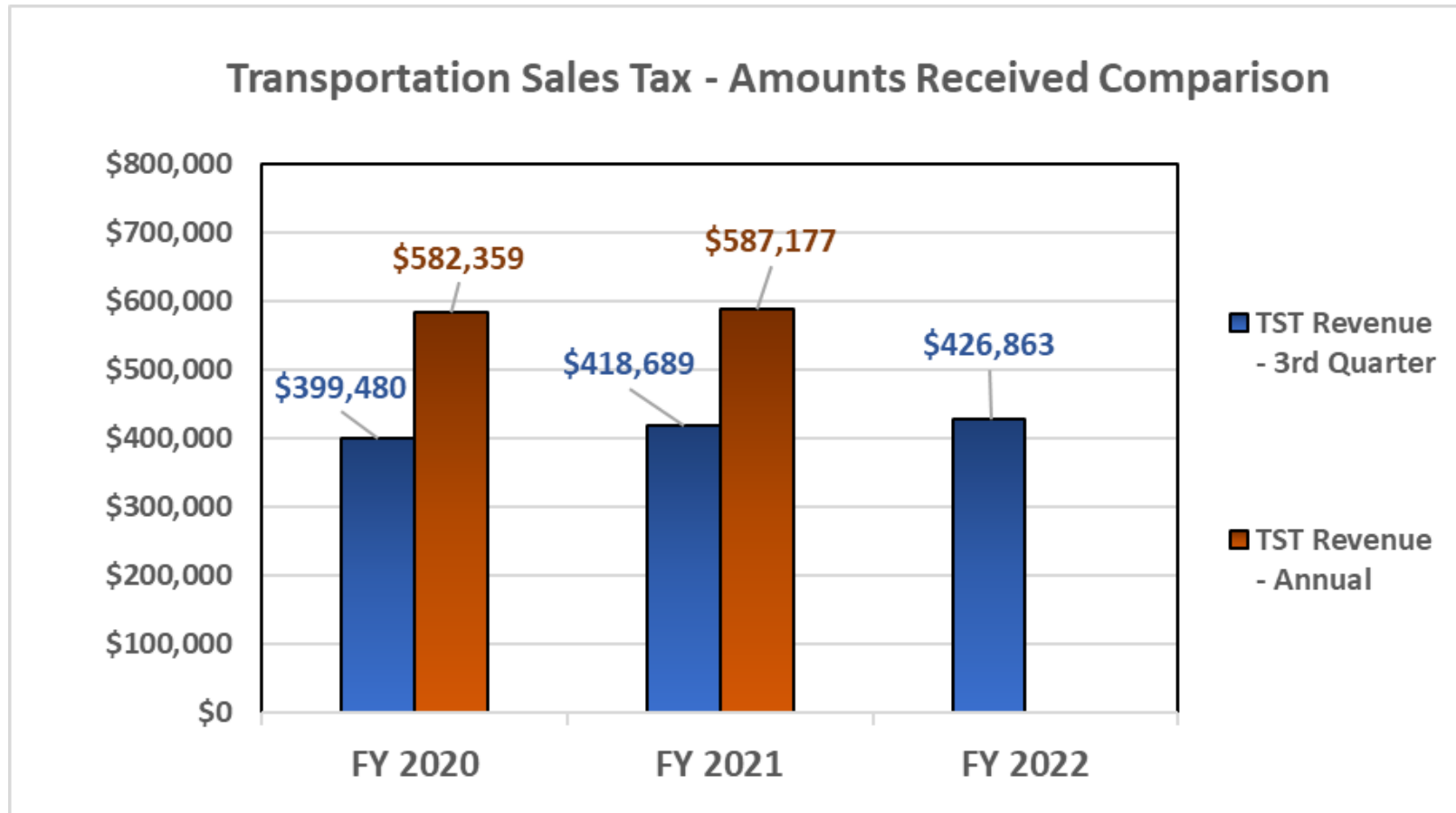
Transportation Sales Tax	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Received
Revenues	\$569,160	\$572,150	\$426,863	75.00%

- The City, on average in the past 3 years, receives **70.7%** of transportation sales tax annual revenue by the 3rd quarter of the fiscal year.
- Transportation Sales Tax is subject to TIF EATS collections.

Transportation Sales Tax	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Expended
Expenditures	\$782,630	\$692,730	\$551,638	70.49%

- Annual Asphalt Overlay Program **(\$300,000 - Complete)**
- Downtown Streetscape Phase II **(\$169,000 - Complete)**
- 4th Street Terrace Road Repairs Following Utility Improvements **(Project Allocated for FY2023)**

Transportation Sales Tax Revenue - 3 Year Trend History



Combined Water & Wastewater Fund



Utility Crew Repairs a Water Leak at Meadow St & Commercial Avenue

CWWS Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Received
Revenues	\$5,925,400	\$6,127,911	\$4,663,197	78.70%

- CWWS Fund revenue budget includes **\$805,495** from Clay County for ARPA funding reimbursement for the construction of the Raw Water Pump Station at Smith's Fork.
- Staff has submitted a final reimbursement request to receive final portion of funds.

CWWS Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% of Budget Expended
Expenditures	\$6,778,415	\$5,857,048	\$3,405,116	50.23%

- Aerator Digester - Engineering (**\$93,445 – In Progress**)
- Aerator Digester - Construction (**\$491,900 – Beginning Shortly**)
- West Bypass 144th Lift Station - Engineering (**\$346,050 – In Progress**)
- GIS Utilities Survey and Mapping (**\$100,000 – Nearly Complete**)
- 2022 Slipline Sewer Program (**\$128,408 – Beginning Shortly**)

Water & Wastewater Sales Revenue



CWWS Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Received of Budget
Water Sales	\$2,716,094	\$2,737,000	\$1,965,584	72.37%

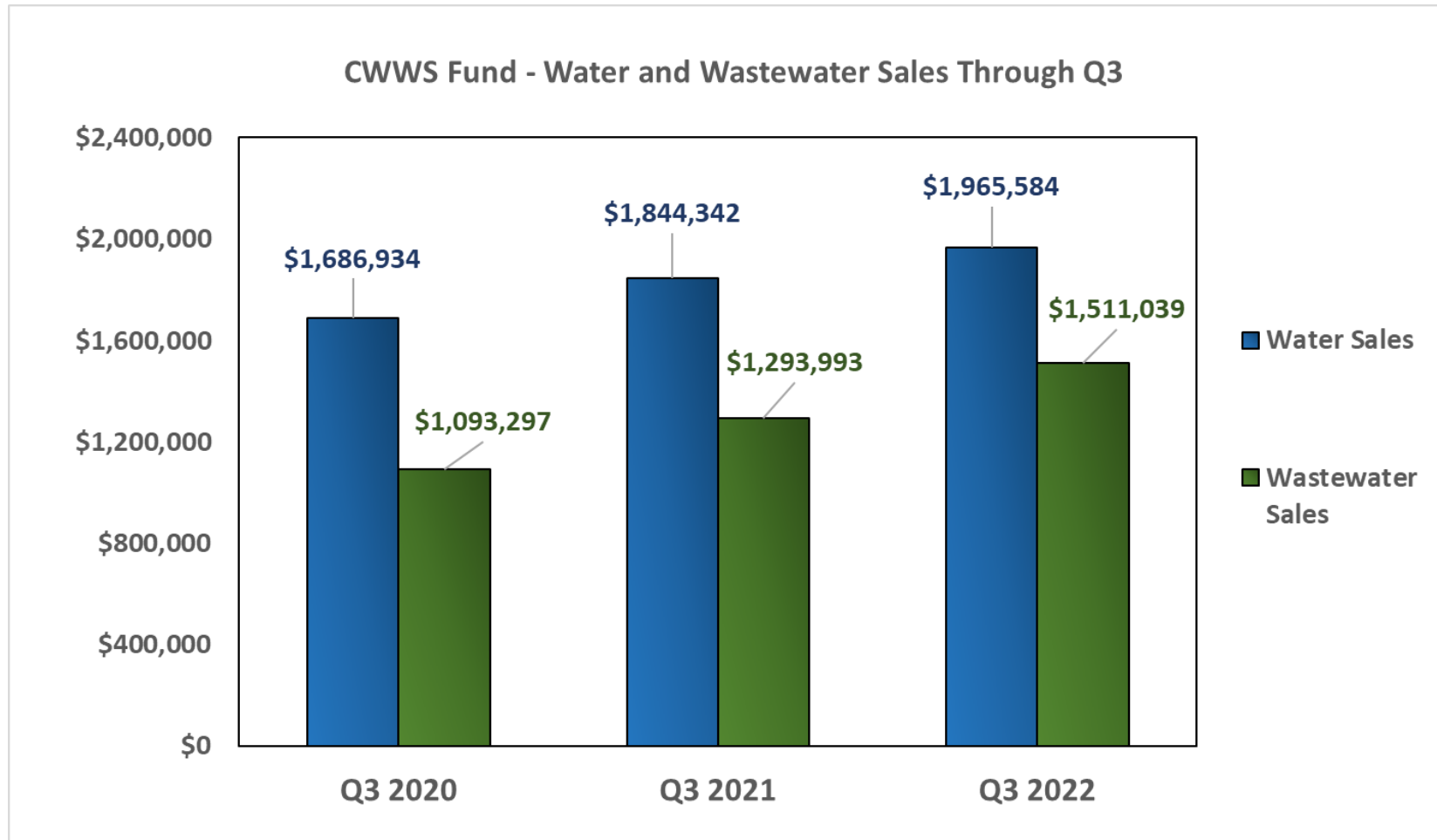
- The City, on average in the past 3 years, receives **69.9%** of water sales annual revenue by the 3rd quarter of the fiscal year.

CWWS Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Received of Budget
Wastewater Sales	\$1,790,666	\$1,950,000	\$1,511,039	84.38%

- The City, on average in the past 3 years, receives **72.8%** of wastewater sales annual revenue by 3rd quarter of the fiscal year.

Water & Wastewater Sales Revenue

3 Year History of Q3



CWWS Fund – Bottom Line

	Actual FY2021		Budgeted FY2022		Projected FY2022	
Beginning Fund Balance	\$	4,528,147	\$	4,643,050	\$	5,602,501
Total Revenues	\$	4,994,592	\$	5,119,400	\$	5,330,547
Total Expenses	\$	3,920,238	\$	6,485,415	\$	5,873,853
Net Change in Fund Balance	\$	1,074,354	\$	(1,366,015)	\$	(543,306)
Ending Fund Balance	\$	5,602,501	\$	3,277,035	\$	5,059,195

FY2021 Ending Balance: **Page 12** of FY2021 Financial Statements

Sanitation Fund



GFL Bright Green Trucks

Sanitation Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Received of Budget
Revenues	\$849,530	\$816,670	\$611,422	71.97%

- The City, on average in the past 3 years, receives **74.4%** of solid waste annual revenue by the 3rd quarter of the fiscal year.



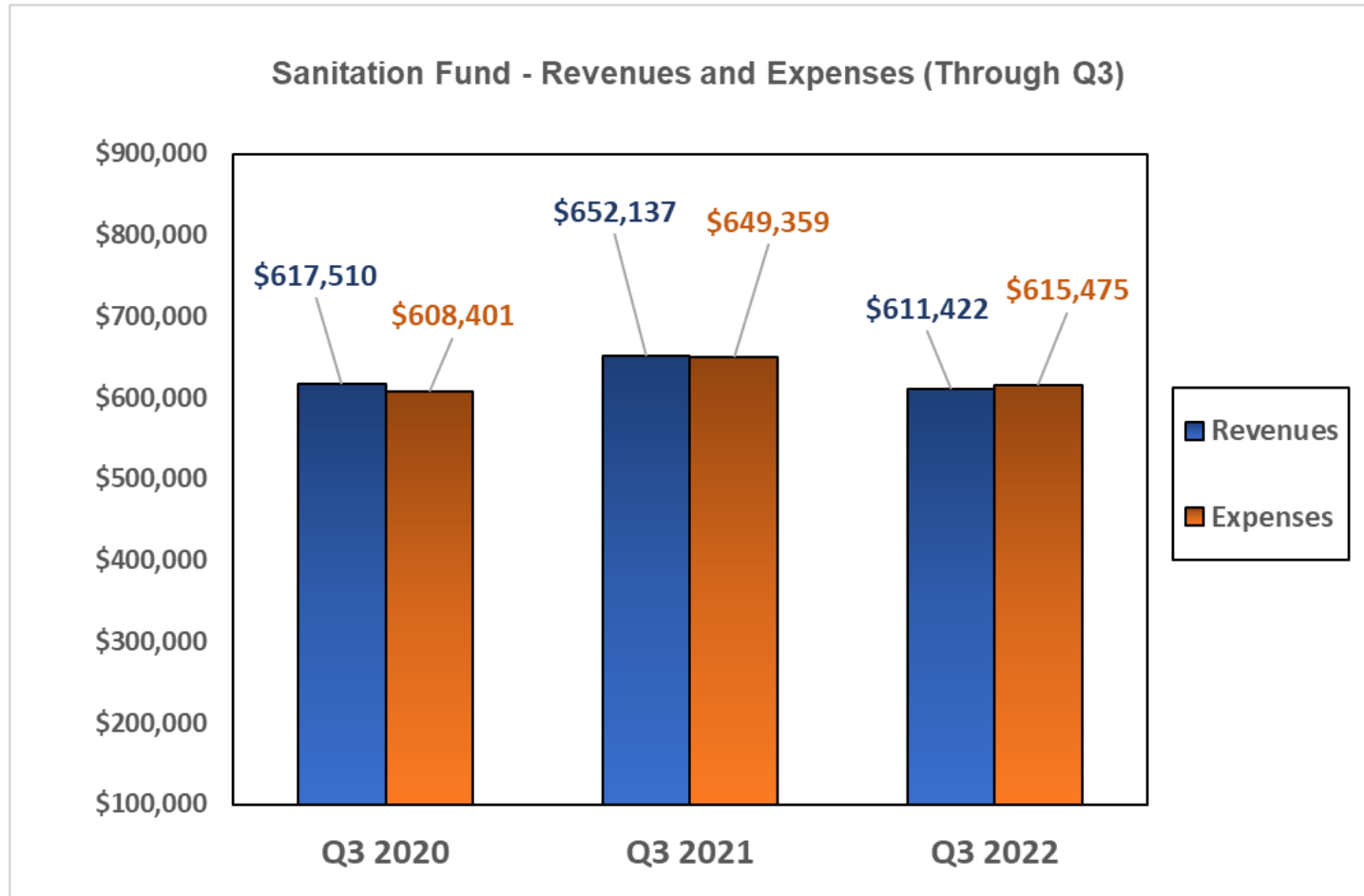
Household Hazardous Waste Event

Sanitation Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Expended of Budget
Expenditures	\$836,450	\$815,943	\$615,475	73.58%

- The City also pays to participate in the Household Hazardous Waste collection program administered by MARC which is funded by the Sanitation Fund.

Sanitation Fund Revenues & Expenditures

3 Year History of Q3



Park & Stormwater Sales Tax Fund



*Diamond Crest Neighborhood
Park and Playground*

Park & Stormwater Sales Tax	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Received of Budget
Revenues	\$627,555	\$664,250	\$495,768	79.00%

Park & Stormwater Sales Tax	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Expended of Budget
Expenditures	\$485,000	\$358,012	\$281,073	57.95%

VERF (Vehicle & Equipment Replacement Fund)



New Streets Department Truck with Salt Spreader

VERF	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Received of Budget
Revenues	\$284,000	\$320,455	\$210,586	74.15%

- ❑ As of July 2022, the City has sold **14** vehicles (**13** in-house and **1** EFM leased) and is awaiting payment on multiple vehicles which have been auctioned.
- ❑ The City has “flipped” 3 vehicles which were leased through EFM which have produced equity/gains for the City. The City is awaiting an “equity” payment on **2** of these vehicles.

VERF	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Expended of Budget
Expenditures	\$175,749	\$175,749	\$128,511	73.12%

- ❑ Staff is monitoring lease expense for the final 3 months of the fiscal year to ensure expenses track to budget.

ARPA (American Rescue Plan Act) Fund



Construction Progress – Raw Water Pump Station

American Rescue Plan Act Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Received of Budget
Revenues	\$1,089,162	\$1,099,657	\$10,495	0.96%

- 2nd tranche payment will be received no less than 1 year after 1st tranche payment. City received 1st payment on **September 8, 2021**.
- The City received **\$10,495** as a result of funds either declined or not requested by another NEU within the State of Missouri.

American Rescue Plan Act Fund	FY2022 Budgeted	FY2022 Projections	FY2022 YTD	% Expended of Budget
Expenditures	\$2,178,300	\$2,178,300	\$576,113	26.45%

- The City is now beginning to utilize the **\$2.178 million** in direct ARPA disbursements for the remainder of the Raw Water Pump Station project.

9 Month Budget Review - Conclusion



Revenues

- Property Tax revenues are projected to exceed \$1,000,000 by the end of FY2022 and continue to be bolstered by new construction in the City.
- Sales Tax is performing well through 9 months and is outperforming Q3 YTD figures from 2021 and 2020.
- Use Tax is performing exceptionally well. Staff have increased revenue projections for the final 3 months of FY2022 along with increases to projected Use Tax revenues for the Proposed FY2023 Budget.
- ARPA funding (both from Clay County and the City's ARPA Fund) has reduced financial burden of major capital project expense (Raw Water Pump Station project).

Expenditures

- General Fund operational expenditures continue to rise with inflation, track closer to the budget compared to Q2 of 2022, but remain under the budget overall.
- Staff monitoring actual vehicle leasing expense compared to budget as vehicle costs increase (as well as future VERF cashflows).