

**FY2023 Budget  
6 Month Financial Update  
BOA Work Session  
May 16, 2023**

# FY2023 Budget Comments



- The FY2023 budget figures include the following budget amendments approved by the Board of Aldermen:
  - **Budget Amendment #1:** \$51,500 added to the CWWWS Fund for the outright purchase of a new Utilities Department Skid Steer (delivered in May 2023).
  - **Budget Amendment #2:** \$165,000 added to the Transportation Sales Tax Fund for mill and overlay costs related to 4<sup>th</sup> Street & 4<sup>th</sup> Terrace improvements.
  - **Budget Amendment #3:** \$50,000 added to the General Fund and \$50,000 added to the Transportation Sales Tax Fund for expenses related to the 2023 Street Maintenance Program.
  - **Budget Amendment #4:** \$105,000 added to the General Fund, \$75,000 added to the Transportation Sales Tax Fund, and \$60,000 added to the Park & Stormwater Sales Tax Fund for expenses related to the waterline, road, and stormwater improvements on Quincy Boulevard.

# General Fund Review



General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
<b>Revenues</b>	\$5,466,340	\$5,986,868	\$3,637,856	66.6%

- 2<sup>nd</sup> Quarter FY2023 General Fund revenue projections are bolstered by the performance of property tax, sales tax, and interest earnings from available cash on hand.

General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Expended
<b>Expenditures</b>	\$6,460,310	\$6,439,052	\$2,831,898	43.8%

Capital Projects With GF Funding	Phase	Resolution	Contractor/Engineer	Status
2023 Street Maintenance Program	Construction	1212	Pavement Management	Bid Awarded
Quincy Boulevard – Sidewalk Replacement	Construction	1221	Amino Brothers Co.	Bid Awarded
2023 Sidewalk Replacement Program	Construction	Upcoming	Bid Not Awarded Yet	Not Started
Litton Visitor Center Renovation	Construction	Upcoming	Bid Not Awarded Yet	Not Started

# Property Tax Revenue

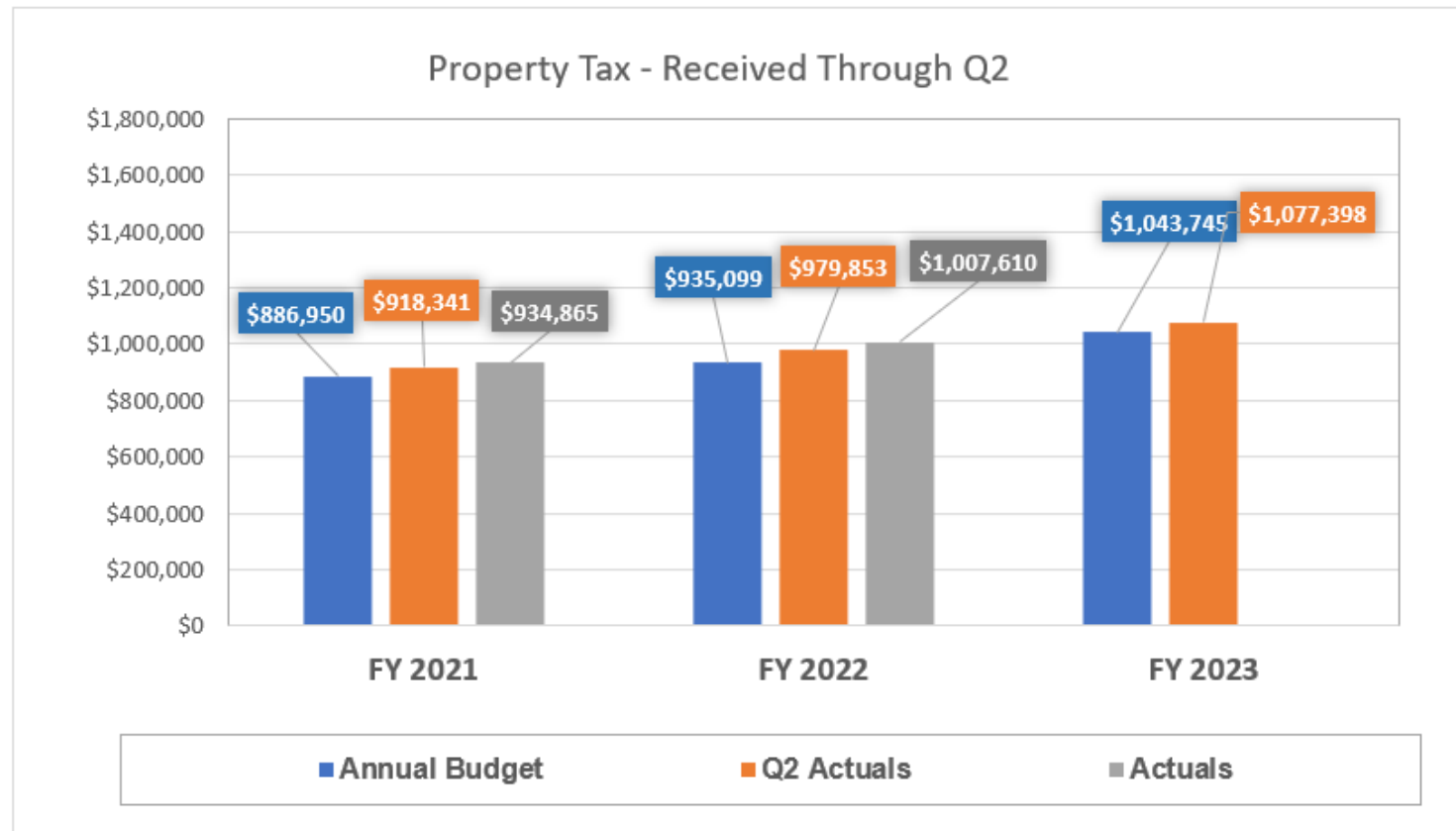


*Property Tax revenue comprises **20%** of General Fund revenues and plays a significant role in funding core City services and amenities*

General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Property Tax Revenues	\$1,043,745	\$1,103,250	<b>\$1,077,398</b>	<b>103.2%</b>

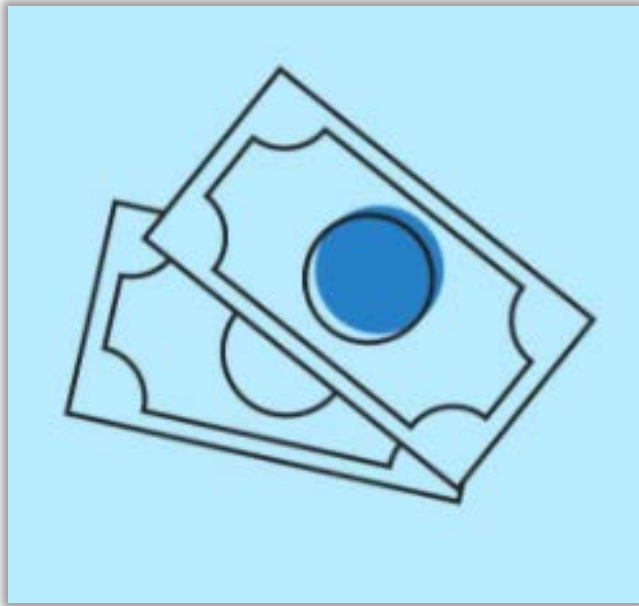
- The City received a large Property Tax disbursement from Clay County in January 2023.
- The City, on average in the past 3 years, receives **98%** of annual property tax revenue by the 2<sup>nd</sup> quarter of the fiscal year.
- For the last five years, the City has seen an average annual increase in property tax revenues of about **5.7%**.

# Property Tax Revenue - 3 Year Trend History





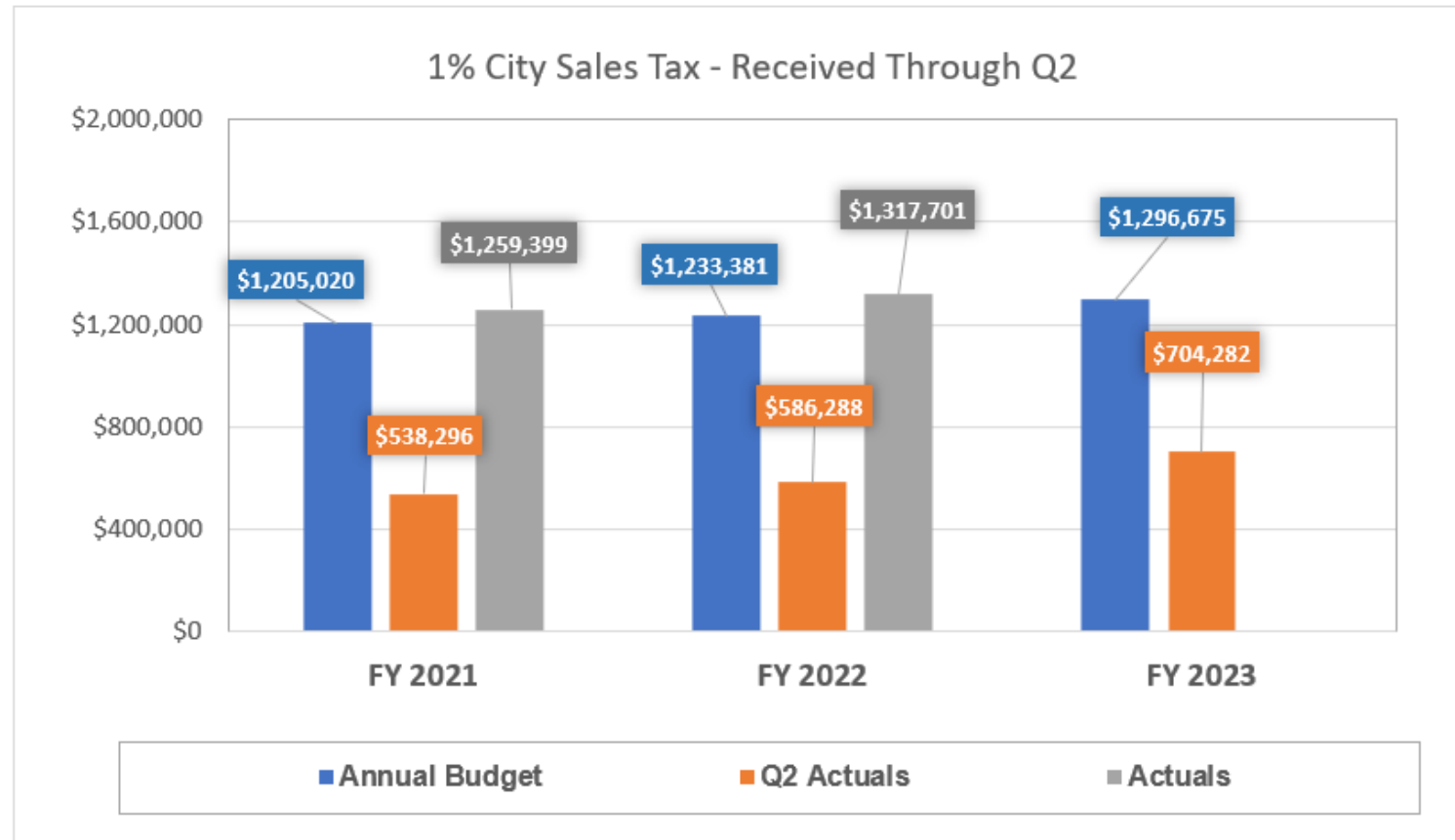
# 1% City Sales Tax Revenue



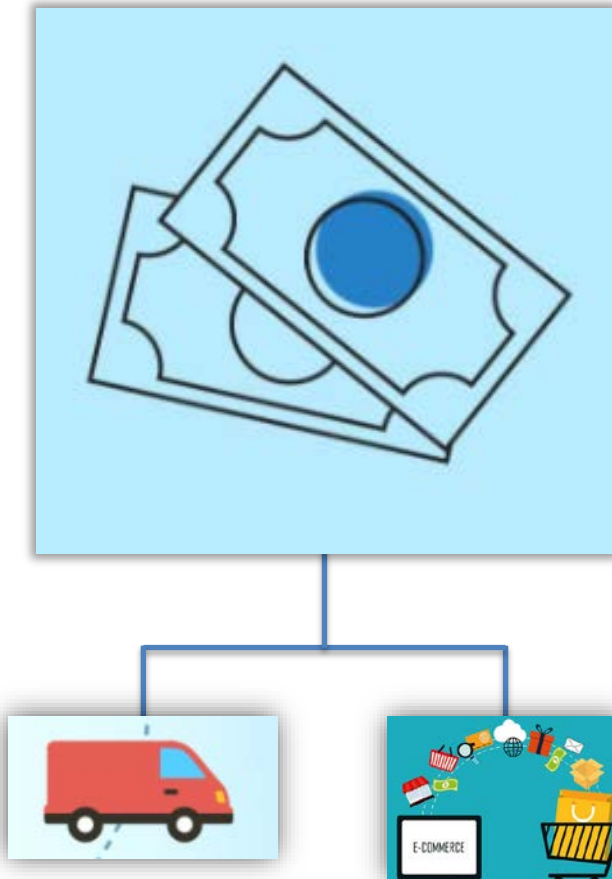
General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Sales Tax Revenues	\$1,296,675	\$1,358,350	\$704,282	54.3%

- The City, on average in the past 3 years, receives **44%** of sales tax annual revenue by the 2<sup>nd</sup> quarter of the fiscal year.
- This data reflects the monthly transfer of TIF EATs from the General Fund to the Special Allocation Fund (Marketplace TIF).

# 1% City Sales Tax Revenue - 3 Year Trend History



# Use Tax Revenue

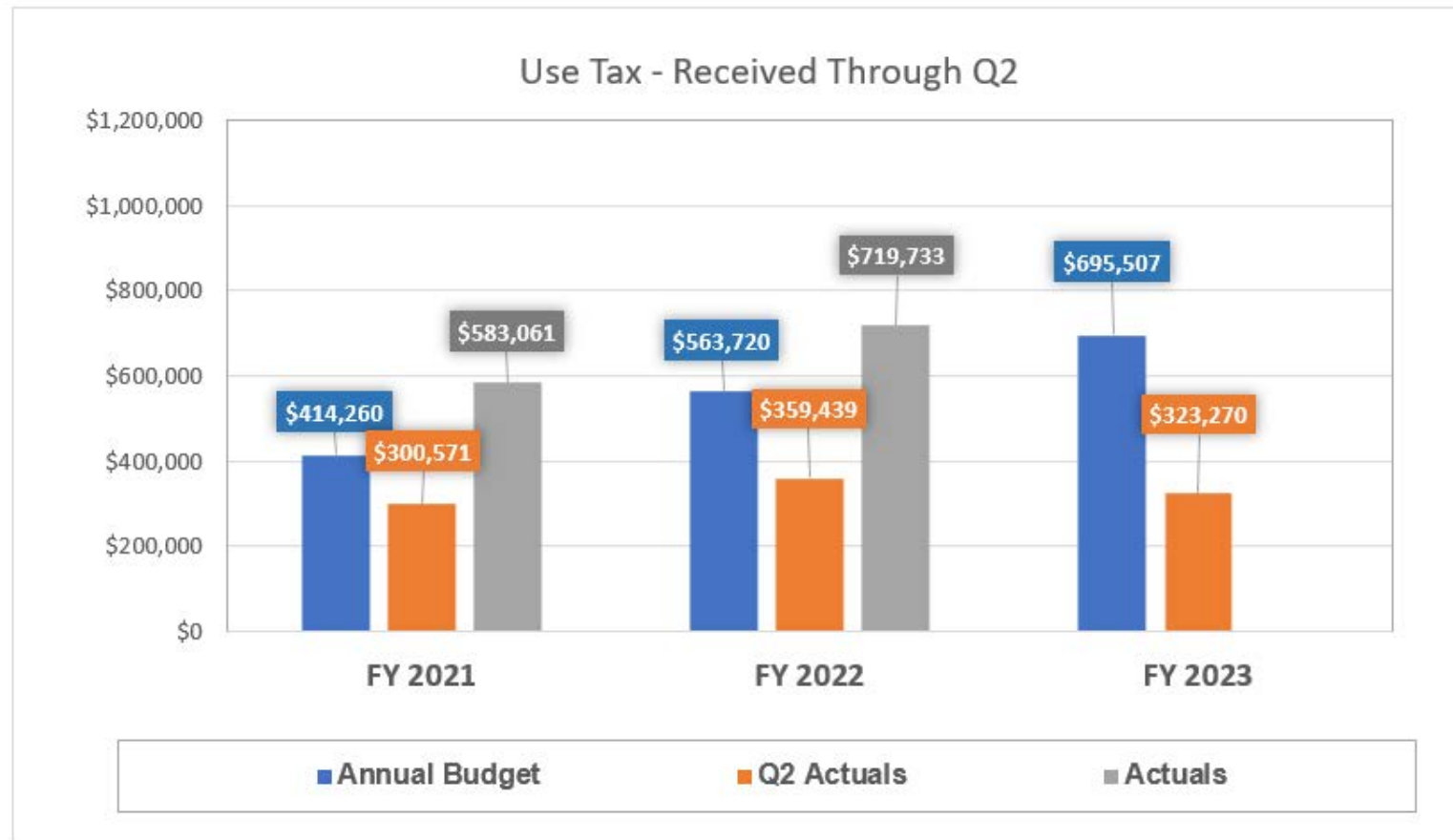


General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Use Tax Revenues	\$695,507	\$668,450	\$323,270	46.5%

- The City, on average in the past 3 years, receives **49%** of use tax annual revenue by the 2<sup>nd</sup> quarter of the fiscal year.
- Use Tax receipts have *dropped off in the February, March, and April 2023 Distributions.*

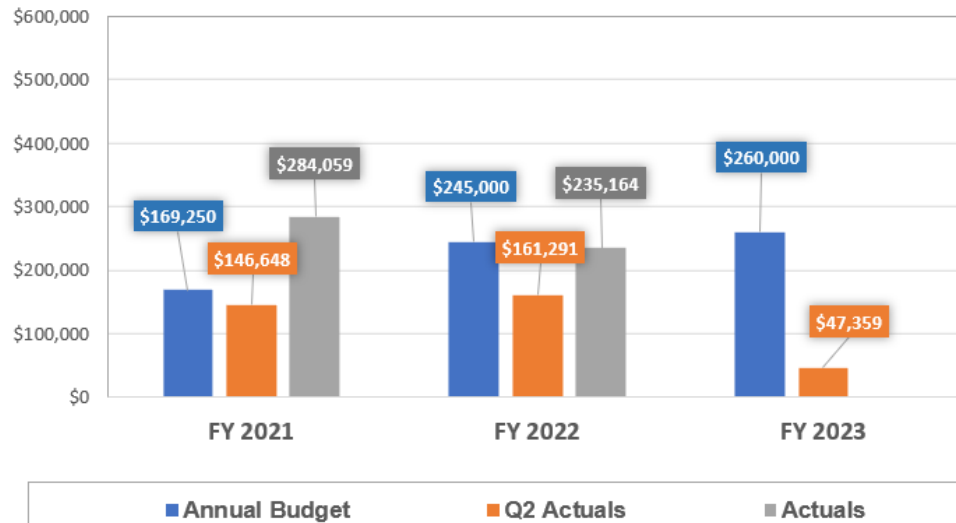


# Use Tax Revenue - 3 Year Trend History



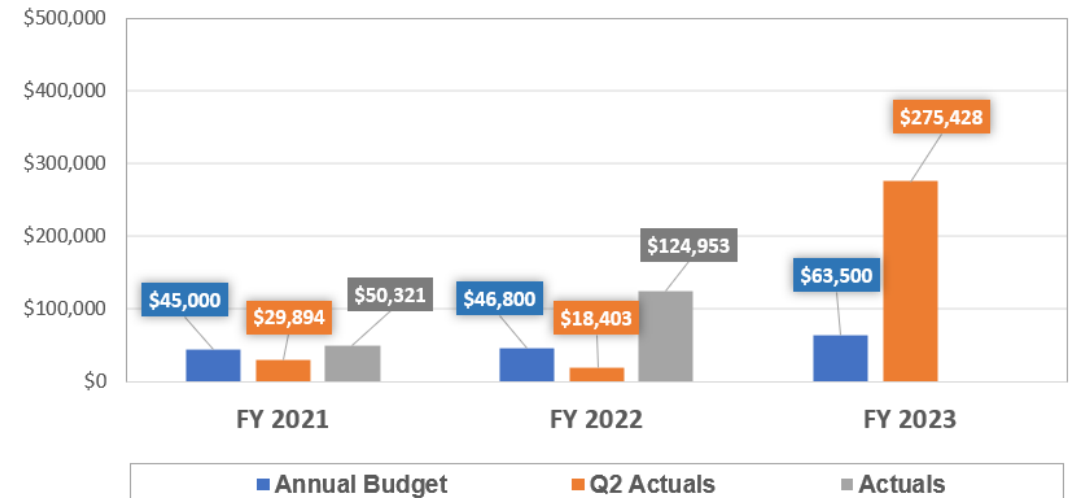
# General Fund Revenues – Areas of Impact

Building Permits - Received Through Q2



Building Permit revenue is **down in Q2** compared to previous years.

Interest Income Revenue - Received Through Q2



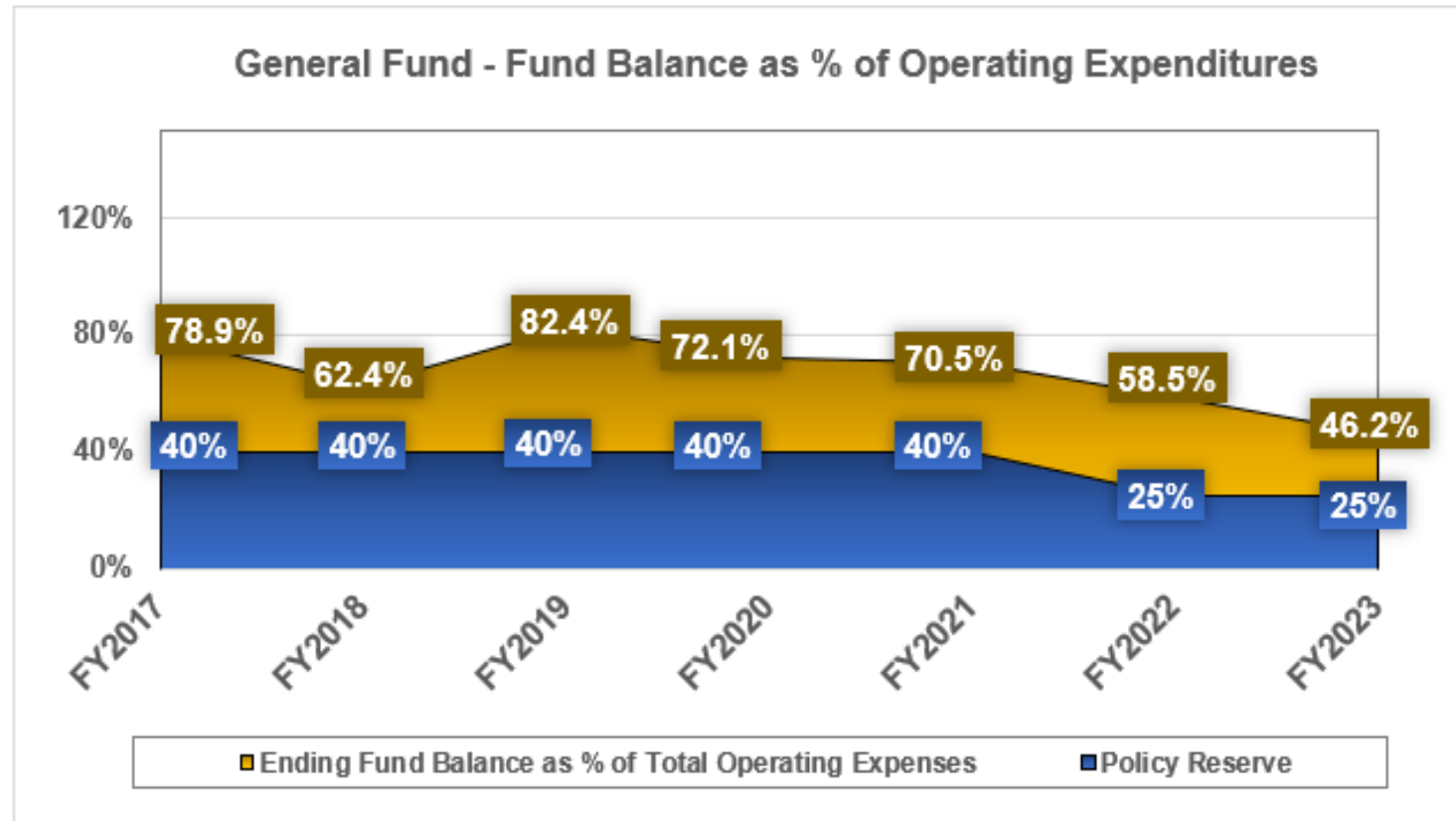
Interest Earnings revenue is **up significantly in Q2** compared to previous years.

# General Fund – Bottom Line

	Actual FY2022		Budgeted FY2023		Projected FY2023	
Beginning Fund Balance	\$	3,736,229	\$	3,456,205	\$	3,425,221
Total Revenues	\$	5,542,691	\$	5,466,340	\$	5,986,868
Total Expenses	\$	5,853,699	\$	6,310,310	\$	6,439,976
Net Change in Fund Balance	\$	(311,008)	\$	(843,970)	\$	(453,108)
Ending Fund Balance	\$	3,425,221	\$	2,612,235	\$	2,972,113

\*Original FY2023 Budget of **\$6,310,310** (with no Budget Amendments) is shown

# General Fund – Fund Balance Analysis



The FY2023 percentage of operating expenditures (shown in the graph above) is the projected ending amount.

# Capital Improvement Sales Tax Fund



*Streetscape Phase III – Conceptual Design*

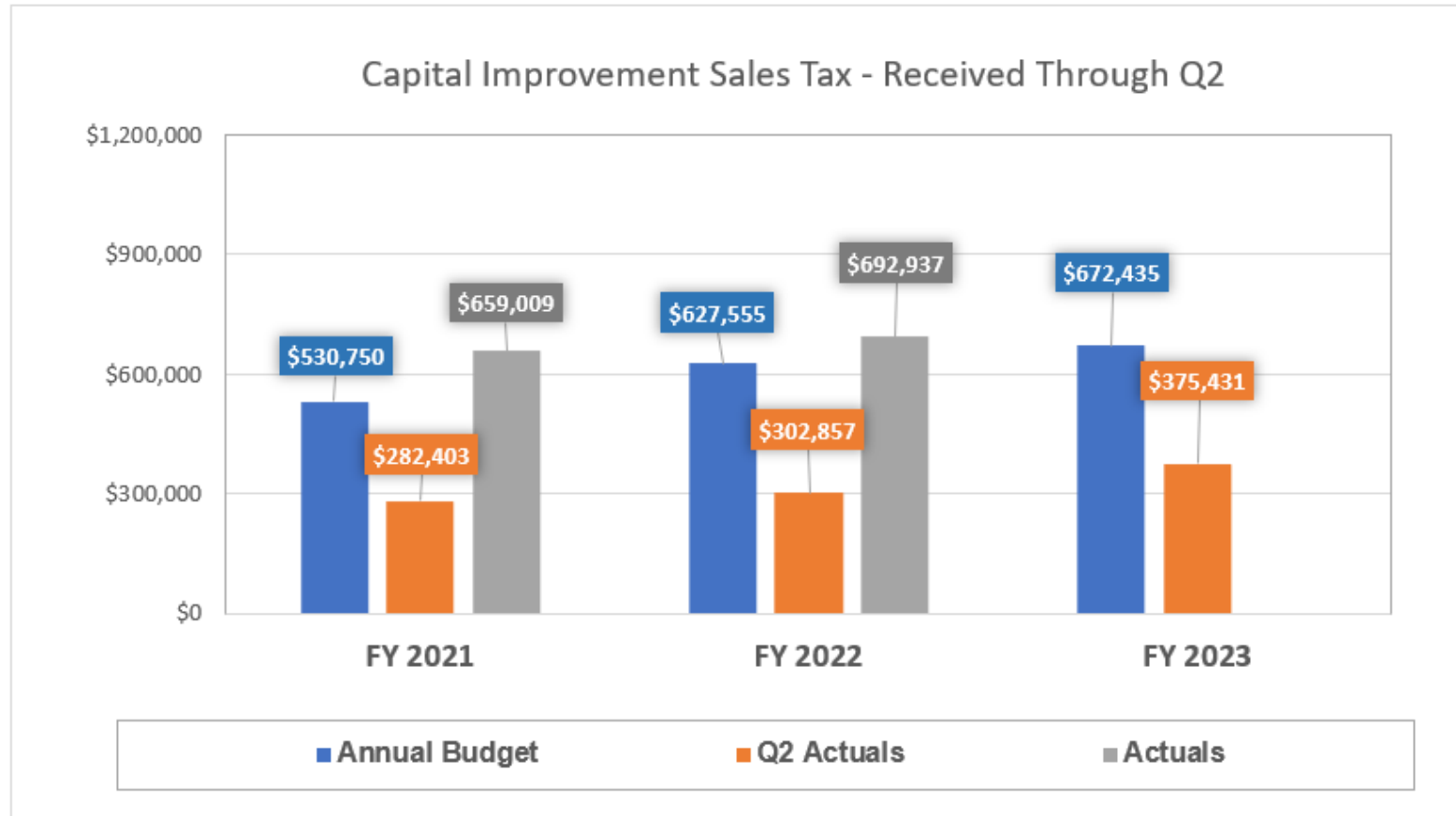
Capital Improvement Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
<b>All Revenues</b>	\$1,160,435	\$1,211,750	<b>\$375,431</b>	<b>32.4%</b>

- The City, on average in the past year 3 years, receives **43.5%** of capital improvement sales tax annual revenue by the 2<sup>nd</sup> quarter of the fiscal year.
- The budget includes a **\$488,000** MoDOT reimbursement for Streetscape Phase III Construction, which would be received as project progress occurs.

Capital Improvement Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Expended
<b>All Expenditures</b>	\$1,355,370	\$1,355,370	<b>\$433,839</b>	<b>32.0%</b>

Capital Projects with CIST Funding	Phase	Resolution	Contractor/Engineer	Status
Downtown Streetscape Phase III	Engineering	1026	HDR Engineering	In Progress
Quincy Boulevard - Road Reconstruction	Construction	1221	Amino Brothers Co.	Bid Awarded
Downtown Streetscape Phase III	Construction	Upcoming	Bid Not Awarded Yet	Not Started

# Capital Improvement Sales Tax Revenue - 3 Year Trend History





# Transportation Sales Tax Fund



*Public Works Street Department Team*

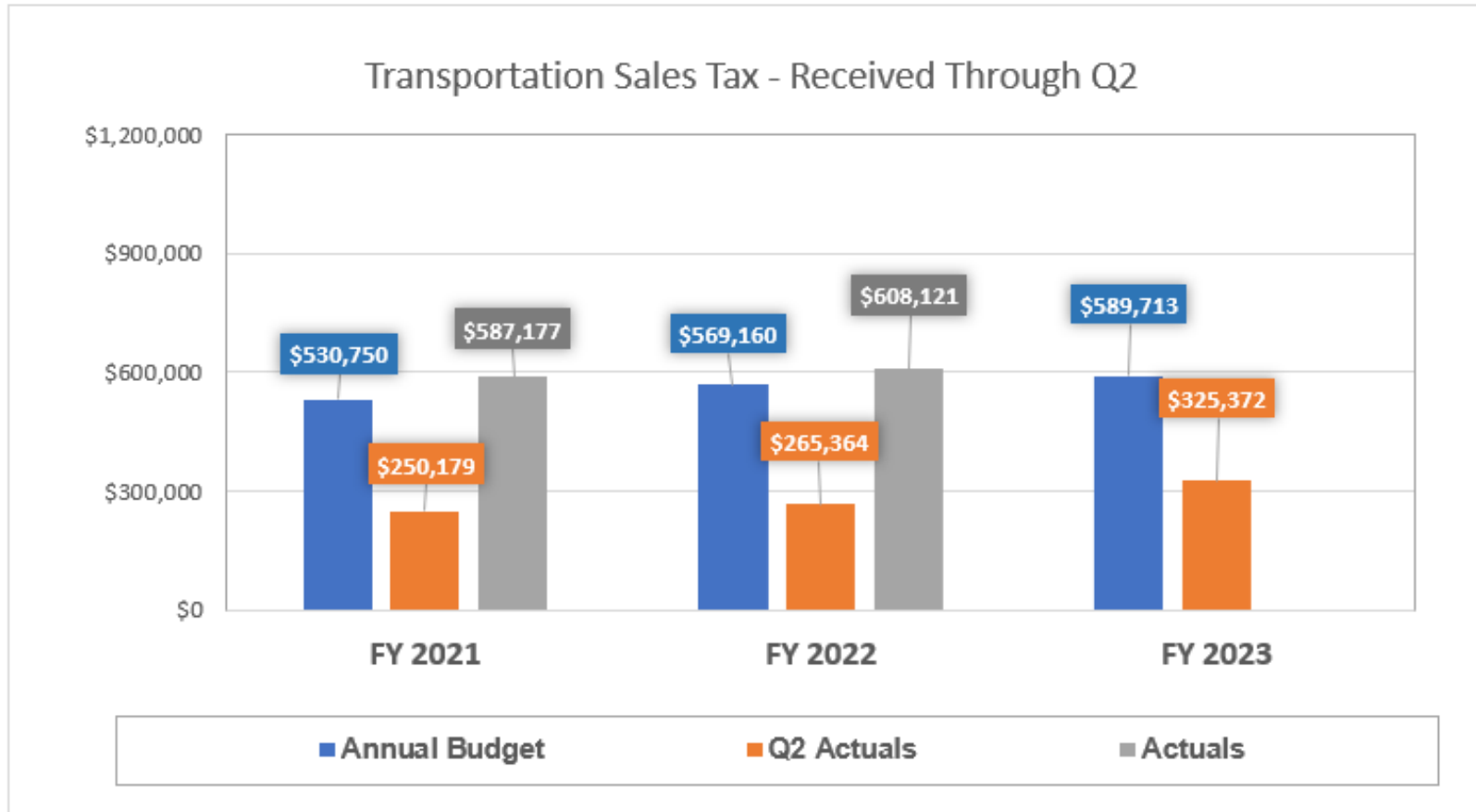
Transportation Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
<b>Revenues</b>	\$589,713	\$639,910	<b>\$326,632</b>	<b>55.4%</b>

- The City, on average in the past 3 years, receives **43.3%** of transportation sales tax annual revenue by the 2<sup>nd</sup> quarter of the fiscal year.

Transportation Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Expended
<b>Expenditures</b>	\$992,246	\$973,518	<b>\$131,390</b>	<b>13.2%</b>

Capital Projects With TST Funding	Phase	Resolution	Contractor/Engineer	Status
4th Street and 4th Terrace – Road Reconstruction	Construction	1199	Menke Excavating	<b>Bid Awarded</b>
2023 Street Maintenance Program	Construction	1212	Pavement Management	<b>Bid Awarded</b>
Quincy Boulevard - Road Reconstruction	Construction	1221	Amino Brothers Co.	<b>Bid Awarded</b>

# Transportation Sales Tax Revenue - 3 Year Trend History



# Combined Water & Wastewater Fund



Christopher Blanton – New Water Plant Shift Supervisor

CWWS Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Revenues	\$9,340,817	\$9,412,697	\$1,351,095	14.5%

- Budgeted revenues include COP proceeds of **\$3,900,000** for 144<sup>th</sup> Street Lift Station and West Bypass of the 144<sup>th</sup> Street Lift Station.

CWWS Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Expended
Expenditures	\$13,070,115	\$11,963,624	\$1,379,507	10.6%

- Budgeted expenditures include COP proceeds of **\$3,900,000** for 144<sup>th</sup> Street Lift Station and West Bypass of the 144<sup>th</sup> Street Lift Station.

# 2023 Capital & Maintenance Program – CWSWS Fund



*Aerobic Digester Improvements*

CWSWS Capital Project	Phase	Resolution	Contractor/Engineer	Status
Winner and Woods Waterline Replacement	Construction	1158	Blue Moon Hauling	Completed
Aerobic Digester	Construction	1084	David E. Ross	Completed
4th Street & 4th Terrace - Waterline Replacement	Engineering	1054	Veenstra & Kimm	Completed
Quincy Boulevard - Waterline Replacement	Engineering	1043	Snyder & Associates	Completed
2023 Slipline Sewer Program	Maintenance	1193	SAK Construction, LLC	Completed
West Bypass of 144 <sup>th</sup> Street Lift Station	Engineering	987	HDR Engineering	In Progress
Little Platte River Crossing - Waterline Replacement	Engineering	1138	HDR Engineering	In Progress
Owens Branch Interceptor	Engineering	1176	HDR Engineering	In Progress
Water Plant Improvements	Engineering	1208	HDR Engineering	In Progress
4th Street & 4th Terrace - Waterline Replacement	Construction	1199	Menke Excavating	Bid Awarded
Quincy Boulevard - Waterline Replacement	Construction	1221	Amino Brothers Co.	Bid Awarded
West Bypass of 144 <sup>th</sup> Street Lift Station	Construction	Upcoming	Bid Not Awarded Yet	Not Started
144th Street Lift Station	Construction	Upcoming	Bid Not Awarded Yet	Not Started
Water Plant Improvements	Construction	Upcoming	Bid Not Awarded Yet	Not Started

# Water & Wastewater Sales Revenue



*City of Smithville Water Tower*

CWWS Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Water Sales	\$2,832,795	\$2,995,141	\$1,411,440	49.8%

- The City, on average in the past 3 years, receives **44.7%** of water sales annual revenue by the 2<sup>nd</sup> quarter of the fiscal year.

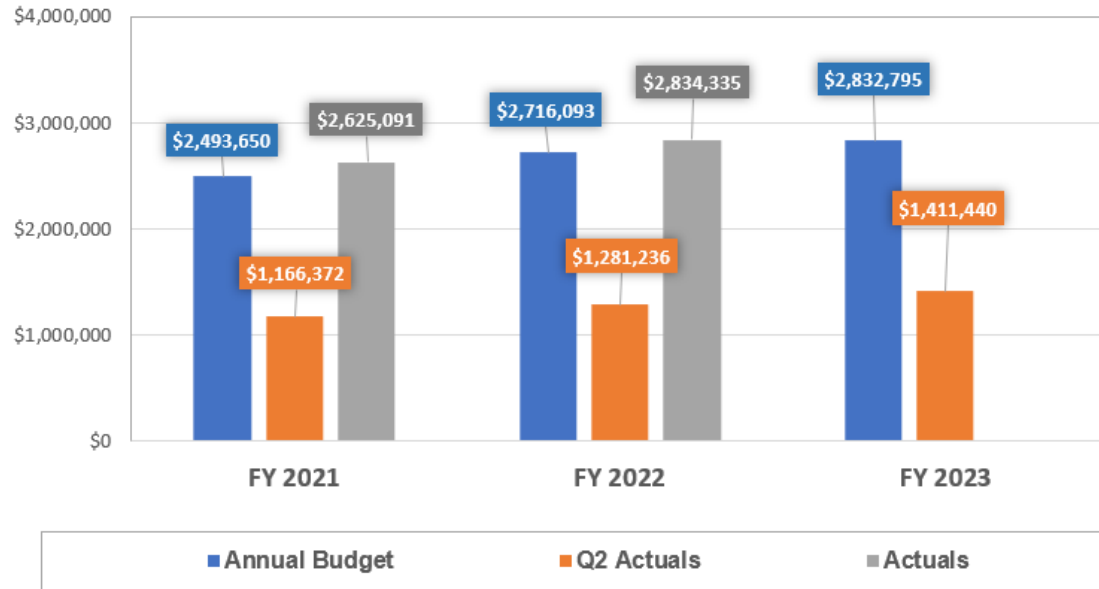
CWWS Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Wastewater Sales	\$2,038,250	\$2,196,468	\$1,140,841	56.0%

- The City, on average in the past 3 years, receives **47.4%** of wastewater sales annual revenue by 2<sup>nd</sup> quarter of the fiscal year.

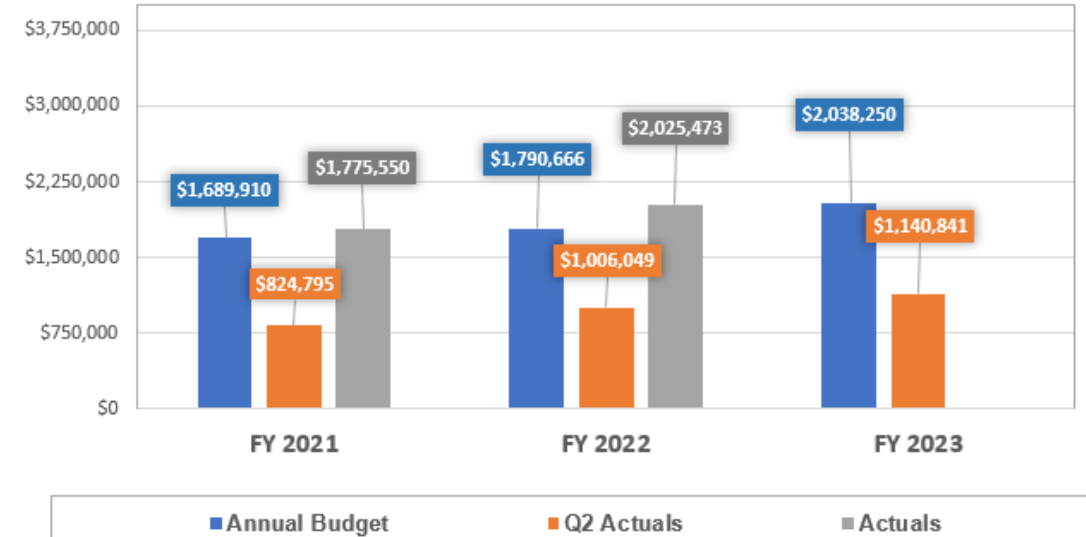
# Water & Wastewater Sales Revenue

## 3 Year History of Q2

Water Sales Revenue - Received Through Q2



Wastewater Sales Revenue - Received Through Q2





# CWWS Fund – Bottom Line

	Actual FY2022		Budgeted FY2023		Projected FY2023	
Beginning Fund Balance	\$	5,602,501	\$	7,123,744	\$	6,851,727
Total Revenues	\$	6,221,873	\$	9,340,817	\$	9,412,697
Total Expenses	\$	4,972,647	\$	13,070,115	\$	11,963,624
Net Change in Fund Balance	\$	1,249,226	\$	(3,729,298)	\$	(2,550,927)
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Ending Fund Balance	\$	6,851,727	\$	3,394,446	\$	4,300,800

# Sanitation Fund



*GFL Bright Green Sanitation Trucks*

Sanitation Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Revenues	\$915,860	\$851,972	\$425,989	46.5%

- The City, on average in the past 3 years, receives **49%** of solid waste annual revenue by the 2<sup>nd</sup> quarter of the fiscal year.

Sanitation Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Expended of Budget
Expenditures	\$900,600	\$849,366	\$429,977	47.7%

- The City also pays to participate in the Household Hazardous Waste collection program (paid for in Q1 every year) administered by MARC which is funded by the Sanitation Fund.

# Park & Stormwater Sales Tax Fund



City Park Shelter

Park & Stormwater Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
<b>Revenues</b>	\$672,435	\$723,750	<b>\$374,867</b>	<b>55.7%</b>

- The City, on average in the past year 2 years, receives **43.6%** of park and stormwater sales tax annual revenue by the 2<sup>nd</sup> quarter of the fiscal year.

Park & Stormwater Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Expended of Budget
<b>Expenditures</b>	\$557,750	\$549,330	<b>\$61,869</b>	<b>11.1%</b>

PST Funded Capital Project	Phase	Resolution	Contractor/Engineer	Status
Stormwater Discovery & Master Plan	Design	1106	George Butler Associates	Completed
4th Street & 4th Terrace – Stormwater Improvements	Engineering	1043	Snyder & Associates	Completed
4th Street & 4th Terrace – Stormwater Improvements	Construction	1199	Menke Excavating	Bid Awarded
Quincy Boulevard – Stormwater Improvements	Construction	1221	Amino Brothers Co.	Bid Awarded

# VERF (Vehicle & Equipment Replacement Fund)



*The Police Department ordered new 2023 Ford Patrol Interceptors to replace the current aging fleet (shown above)*

VERF	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
<b>Revenues</b>	\$422,100	\$420,400	<b>\$154,089</b>	<b>36.5%</b>

- ❑ The VERF received the budgeted \$70,000 transfer for annual operational support in Q1 of 2023.
- ❑ YTD in-house vehicle auction and equity flip revenues equal **\$84,089**.

VERF	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Expended of Budget
<b>Expenditures</b>	\$381,750	\$366,277	<b>\$161,319</b>	<b>42.3%</b>

- ❑ Through April 30, 2023, the City is leasing **25 vehicles** with Enterprise Fleet Management.

# ARPA (American Rescue Plan Act) Fund



Raw Water Pump Station Interior

American Rescue Plan Act Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Revenues	-	-	-	-

- ❑ Finance staff will record an *interest earnings journal entry* at the end of FY2023 for the ARPA Fund.

American Rescue Plan Act Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Expended of Budget
Expenditures	\$953,270	\$880,215	\$403,642	42.3%

- ❑ As of April 30, 2023, the City had **\$469,264** remaining on the Raw Water Pump Station construction contract with Irvinbilt Construction.
- ❑ Project has been completed. Final invoices are expected to be paid in July/August 2023.



# 6 Month Budget Review - Conclusion



## Revenues

- *Property Tax*: Property tax will exceed the adopted line-item budget in FY2023.
- *Sales Tax*: Excellent growth through Q2, which is likely somewhat driven by consumer inflation in routine goods and services, but also growth in the local economy.
- *Use Tax*: Projecting to bring in less than the FY2023 budgeted amount. Staff assuming changes in retail consumer purchasing patterns due to inflationary pressure.
- *Building Permits*: Permits are beginning to pickup, but the revenue budget will likely not be met for FY2023.
- *Interest Earnings*: Higher earnings rate (interest rate set to float with Treasury Bill rate) has allowed for revenues to exceed budget through Q2. Projecting well over the budgeted amount for FY2023.

## Expenditures

- *General Fund Operational Expenditures*: In finishing Q2 2023, city departments are currently fully staffed, which will result in lower vacancy savings in FY2023.
- *Capital Budgets*: Capital budget spending is significant in all funds this year. Multiple budget amendments have been needed to adjust budgets to accommodate spending.