

**SMITHVILLE BOARD OF ALDERMEN
WORK SESSION**

December 5, 2023, 6:30 p.m.
City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 6:30 p.m. A quorum of the Board was present: Melissa Wilson, Marv Atkins, Leeah Shipley, Dan Ulledahl and Ronald Russell. Dan Hartman was absent.

Staff present: Cynthia Wagner, Gina Pate, Chief Lockridge, Chuck Soules, Jack Hendrix, Matt Denton and Linda Drummond.

2. FY2023 Year End Budget Review

Gina Pate, Assistant City Administrator, provided an overview of the FY2023 year-end budget review.

General Fund FY2023 Year End Financial Review

General Fund – FY2023 Performance

General Fund	FY2023 Original Budget	FY2023 Forecasted	FY2023 Actual	Delta (Budget vs. Actual)
Beginning Cash Balance	\$3,315,925	-	\$3,425,221	\$109,296
Revenues	\$5,466,340	\$6,259,781	\$6,569,450	\$1,103,110
Expenditures	\$6,310,310	\$6,154,018	\$6,045,137	\$156,292
Ending Cash Balance	\$2,471,955	\$3,530,984	\$3,949,534	\$1,477,579

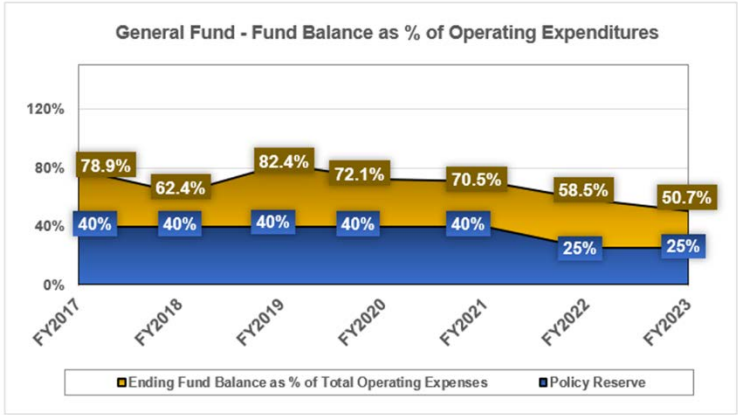
Excellent Revenue Performance

- Ad Valorem Property Tax
- 1% City Sales Tax
- City Use Tax
- Interest Earnings

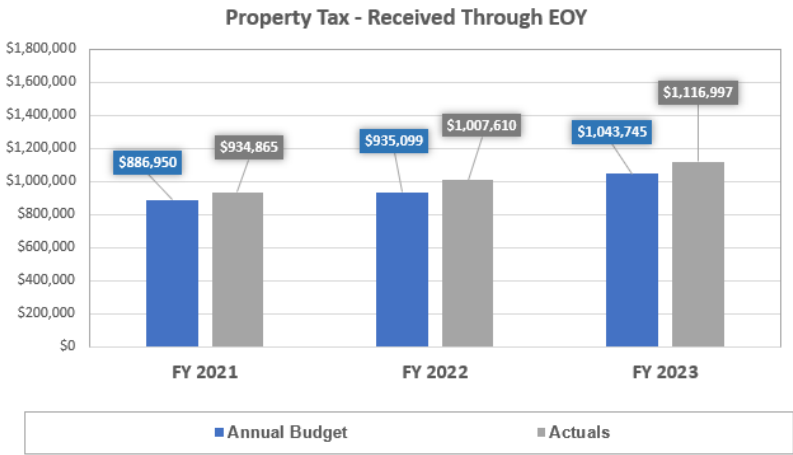
Exceeding Original Expenditure Budget

- \$25,000 added to Budget for the 1% MARC Administrative Fee for Future Capital Projects Grant Reimbursement
- \$25,000 added to Budget for the 2023 Street Maintenance Program

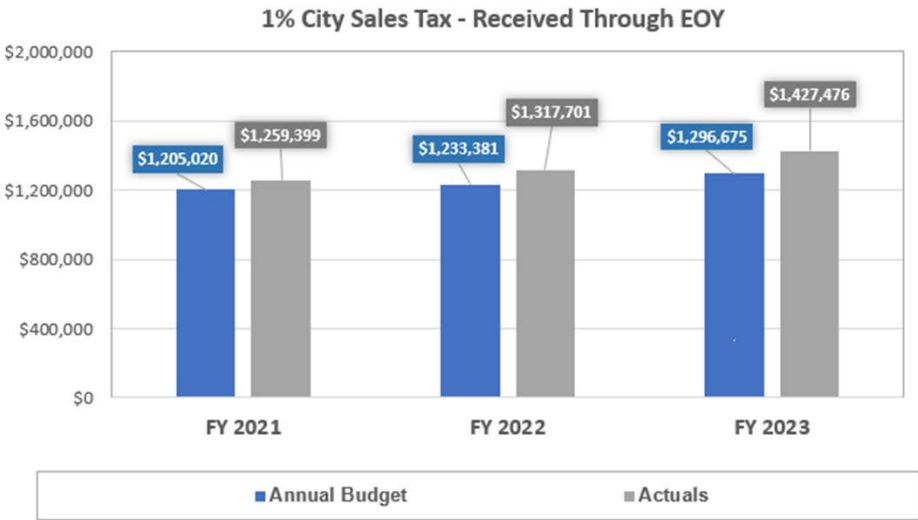
General Fund – Fund Balance Analysis



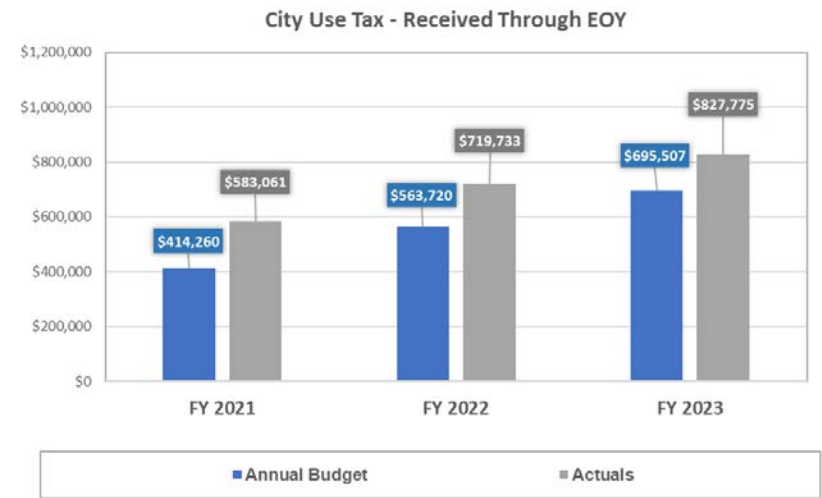
Ad Valorem Property Taxes



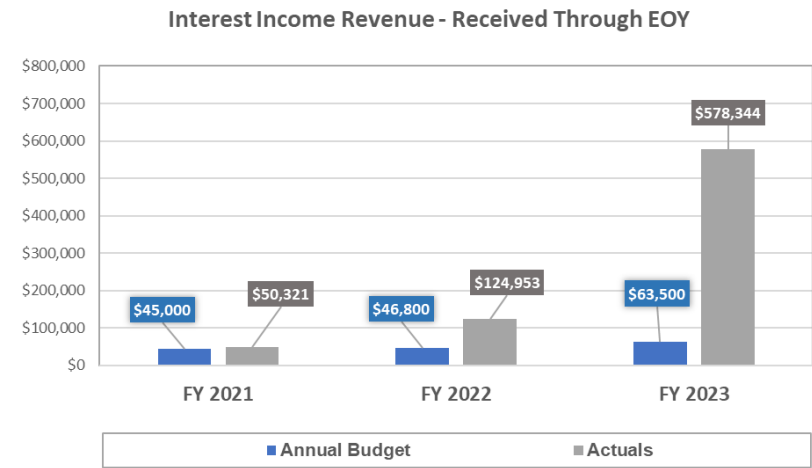
1% City Sales Tax



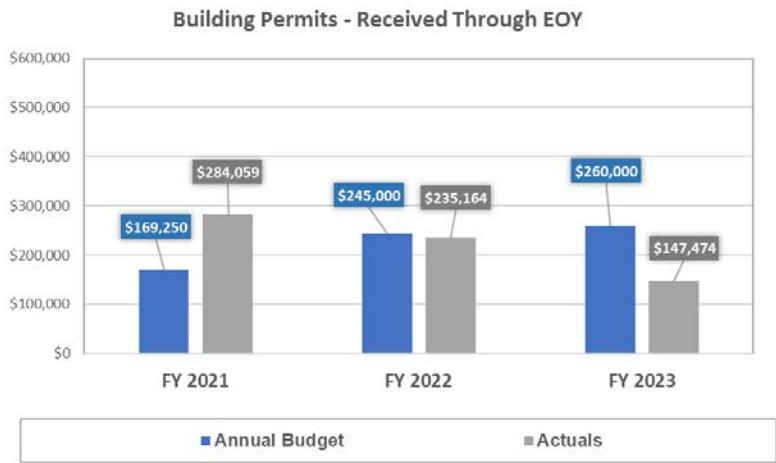
1% City Use Tax



Interest Earnings



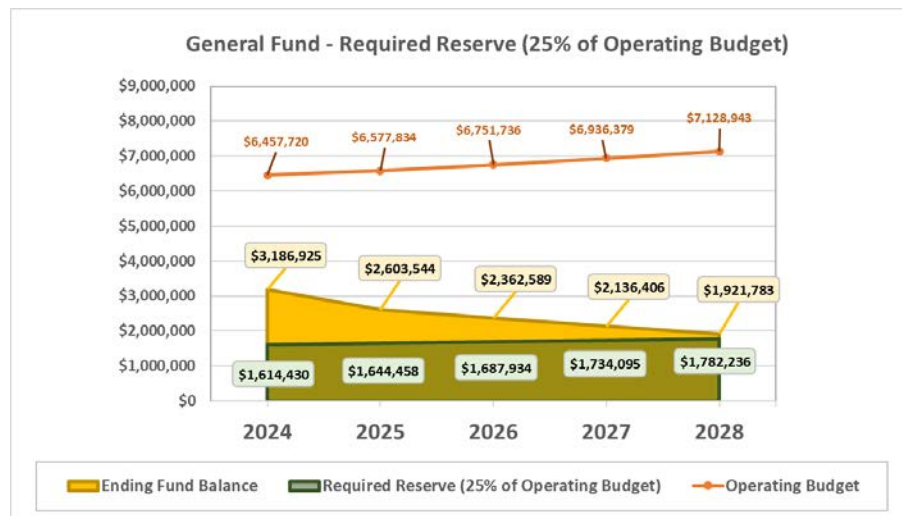
Building Permits



General Fund – FY2024 Budget

General Fund	FY2024 Adopted	FY2024 Projected	Delta (Adopted vs. Projected)
Beginning Cash Balance	\$3,530,984	\$3,949,534	\$418,550
Revenues	\$6,262,486	\$6,262,486	-
Expenditures	\$7,100,790	\$7,100,790	-
Ending Cash Balance	\$2,692,680	\$3,111,230	\$418,550

General Fund – Five Year Cashflow Projection



Combined Water/Wastewater Fund – FY2023 Year End Financial Review CWWS Fund – FY2023 Performance

Combined Water/Wastewater Fund	FY2023 Original Budget	FY2023 Forecasted	FY2023 Actual	Delta (Budget vs. Actual)
Beginning Cash Balance	\$7,123,744	-	\$6,854,956	-\$268,788
Revenues	\$9,340,817	\$5,837,885	\$6,104,757	-\$3,236,060
Expenditures	\$13,070,115	\$6,237,458	\$6,610,896	\$6,459,219
Ending Cash Balance	\$3,394,446	\$6,455,383	\$6,348,817	\$2,954,371

Revenue Performance

- Water Sales: Actual revenues exceeded the budget.
- Wastewater Sales: Actual revenues exceeded the budget.
- Series 2024 COP Issuance: \$3,900,000 of the FY2023 Revenue Budget consisting of the COP Proceeds. This revenue is pushed from FY2023 to FY2024.

Expenditure Savings (Under Budget)

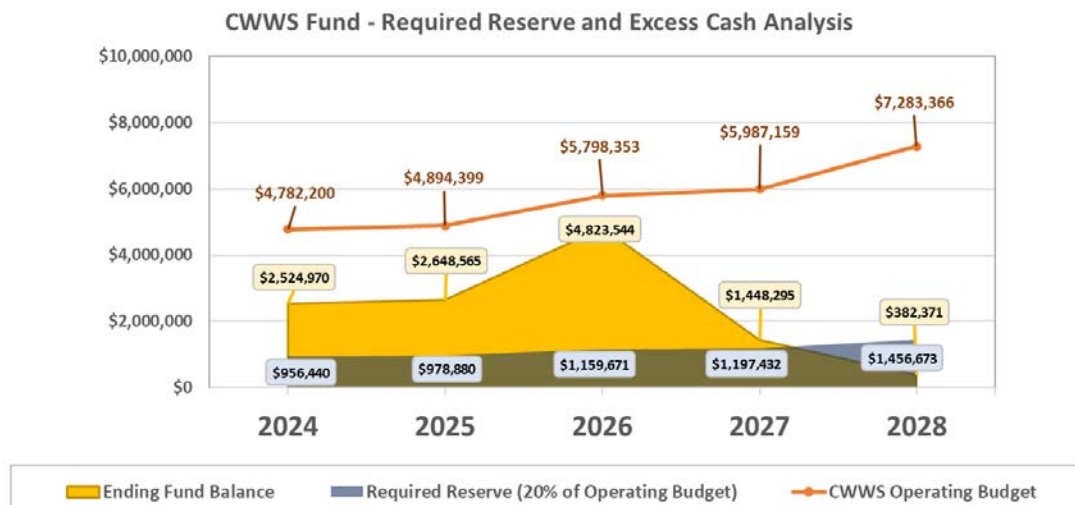
- *Project Pushback*
 - 144th Street West Bypass and 144th Street Lift Station: Budget of \$3,900,000 pushed to FY2024.
 - Water Plant Improvements: Budget of \$900,000 pushed to FY2024.

CWWS Fund – FY2024 Adopted Budget

Combined Water/Wastewater Fund	FY2024 Adopted	FY2024 Projected	Delta (Adopted vs. Projected)
Beginning Cash Balance	\$6,455,383	\$6,348,817	-\$106,566
Revenues	\$10,683,600	\$10,683,600	-
Expenditures	\$15,704,620	\$15,704,620	-
Ending Cash Balance	\$1,434,363	\$1,327,797	-\$106,566

Gina explained that there are a lot of Capital Improvement Projects scheduled for FY2024.

CWWS Fund – Five Year Cashflow Projection



Alderman Russell asked if the adopted FY2024 wastewater budget included the 15% increase.

Gina noted that it did.

Alderman Russell asked what could be done to even out the graph so that it does not have the increase in 2026. Do we need to move some projects.

Cynthia explained that when we look at budget planning we include all the projections of the projects. Some projects do take time so that may flatten out the increase in 2026 if we do not have to fund some of those projects. Cynthia noted that we have to do the infrastructure, so we have to continue to review the timing and costs of the projects and continue to review the rate structure. She explained that we need to continue to monitor this and do the projections, so we have the information in advance. Some of these projects are going to have to happen due to the City's aging infrastructure.

Mayor Boley noted that 2026 is when the water treatment plant improvements are scheduled.

Cynthia noted that the improvements we have scheduled will have a direct impact on the issues with the taste and odor of the water.

Alderman Russell asked if the numbers include the projected 15% increase each year.

Cynthia explained that the projected numbers include the annual increases.

Special Sales Tax Funds – FY2023 Year End Financial Review

Transportation Sales Tax Fund – FY2023 Review

Transportation Sales Tax Fund	FY2023 Original Budget	FY2023 Forecasted	FY2023 Actual	Delta (Budget vs. Actual)
Beginning Cash Balance	\$354,072	-	\$429,407	\$75,335
Revenues	\$589,713	\$646,780	\$667,453	\$77,740
Expenditures	\$702,246	\$538,983	\$532,904	\$169,342
Ending Cash Balance	\$241,539	\$537,204	\$563,956	\$322,417

Transportation Sales Tax Fund – FY2024 Adopted Budget

Transportation Sales Tax Fund	FY2024 Adopted	FY2024 Projected	Delta (Adopted vs. Projected)
Beginning Cash Balance	\$537,204	\$563,956	\$26,752
Revenues	\$1,168,950	\$1,168,950	-
Expenditures	\$1,699,140	\$1,699,140	-

Ending Cash Balance	\$7,014	\$33,766	\$26,752
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Capital Improvement Sales Tax Fund – FY2023 Review

Capital Improvement Sales Tax Fund	FY2023 Original Budget	FY2023 Forecasted	FY2023 Actual	Delta (Budget vs. Actual)
Beginning Cash Balance	\$394,454	-	\$410,774	\$16,320

Revenues	\$1,160,435	\$728,750	\$728,750	-\$431,685
Expenditures	\$1,355,370	\$471,325	\$471,325	\$884,045

Ending Cash Balance	\$199,519	\$668,200	\$668,199	\$468,680
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Capital Improvement Sales Tax Fund – FY2024 Adopted Budget

Capital Improvement Sales Tax Fund	FY2024 Adopted	FY2024 Projected	Delta (Adopted vs. Projected)
Beginning Cash Balance	\$668,200	\$668,199	-\$1

Revenues	\$1,240,750	\$1,240,750	-
Expenditures	\$1,906,340	\$1,906,340	-

Ending Cash Balance	\$2,610	\$2,609	-\$1
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Parks and Stormwater Sales Tax Fund - FY2023 Review

Park and Stormwater Sales Tax Fund	FY2023 Original Budget	FY2023 Forecasted	FY2023 Actual	Delta (Budget vs. Actual)
Beginning Cash Balance	\$749,556	-	\$809,380	\$59,824

Revenues	\$672,435	\$723,750	\$760,303	\$87,868
Expenditures	\$497,750	\$549,330	\$134,093	\$363,657

Ending Cash Balance	\$924,241	\$983,800	\$1,435,590	\$511,349
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Parks and Stormwater Sales Tax Fund – FY2024 Adopted Budget

Park and Stormwater Sales Tax Fund	FY2024 Adopted	FY2024 Projected	Delta (Adopted vs. Projected)
Beginning Cash Balance	\$983,800	\$1,435,590	\$451,790
Revenues	\$933,750	\$933,750	-
Expenditures	\$1,021,000	\$1,021,000	-
Ending Cash Balance	\$896,550	\$1,348,340	\$451,790

Vehicle and Equipment Replacement Fund – FY2023 Year End Financial Review

VERF Fund	FY2023 Original Budget	FY2023 Forecasted	FY2023 Actual	Delta (Budget vs. Actual)
Beginning Cash Balance	\$157,400	-	\$184,328	\$26,928
Revenues	\$422,100	\$371,770	\$290,443	-\$131,657
Expenditures	\$381,750	\$345,318	\$311,047	\$70,703
Ending Cash Balance	\$197,750	\$210,780	\$163,724	-\$34,026

Vehicle and Equipment Replacement Fund – FY2024 Adopted Budget

VERF Fund	FY2024 Adopted	FY2024 Projected	Delta (Adopted vs. Projected)
Beginning Cash Balance	\$210,780	\$163,724	-\$47,056
Revenues	\$374,398	\$374,398	-
Expenditures	\$423,547	\$423,547	-
Ending Cash Balance	\$161,631	\$114,575	-\$47,056

Alderman Russell asked if we sell our current vehicles that deficit would go down.

Cynthia explained that Enterprise helps us sell the vehicles, and once the vehicles are sold that number will go down.

Mayor Boley noted that we are still waiting to receive some of the vehicles we have on order.

FY2023 Budget Performance – Conclusion

- *General Fund*: Revenue performance was strong
- *CWWS Fund*: Performed well. Significant projects in 2024. Continues to be an area of focus for long term planning.
- *Special Sales Tax Funds*: Continued to provide adequate funding for the improvement necessary in the transportation, CIP and parks and stormwater projects identified in the CIP plan.
- *Vehicle & Equipment Replacement Fund*: Not all vehicles planned for replacement in FY2023 were completely replaced. 4 of 8 police vehicles.

3. **Adjourn**

Alderman Ulledahl moved to adjourn. Alderman Atkins seconded the motion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 6:51 p.m.

Linda Drummond, City Clerk

Damien Boley, Mayor