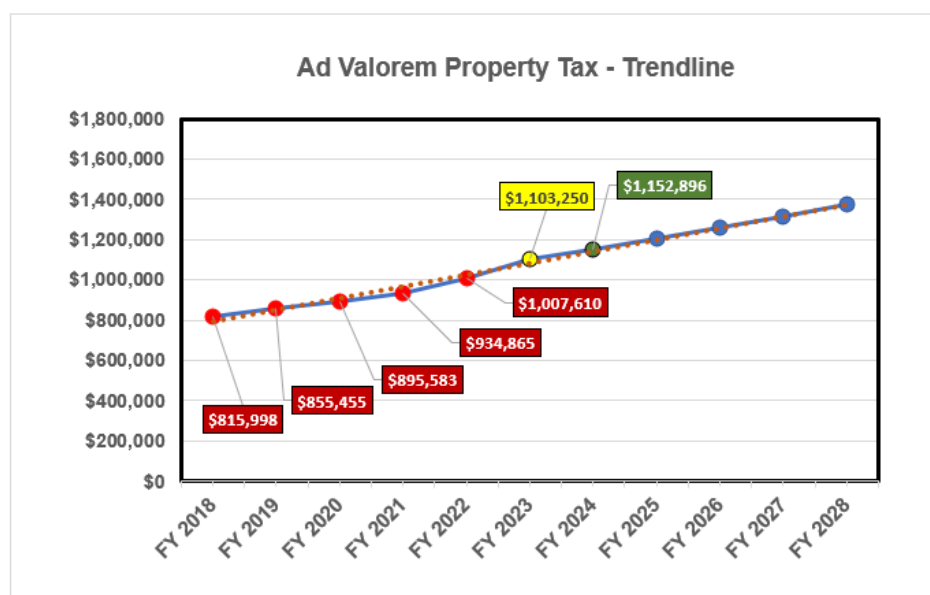


	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #76923c; color: white; padding: 5px 10px; font-weight: bold;">STAFF</div> <div style="background-color: #005580; color: white; padding: 5px 10px; font-weight: bold;">REPORT</div> </div>
Date:	August 28, 2023
Prepared By:	Stephen Larson, Finance Director
Subject:	FY2023 – 9 Month Budget Update

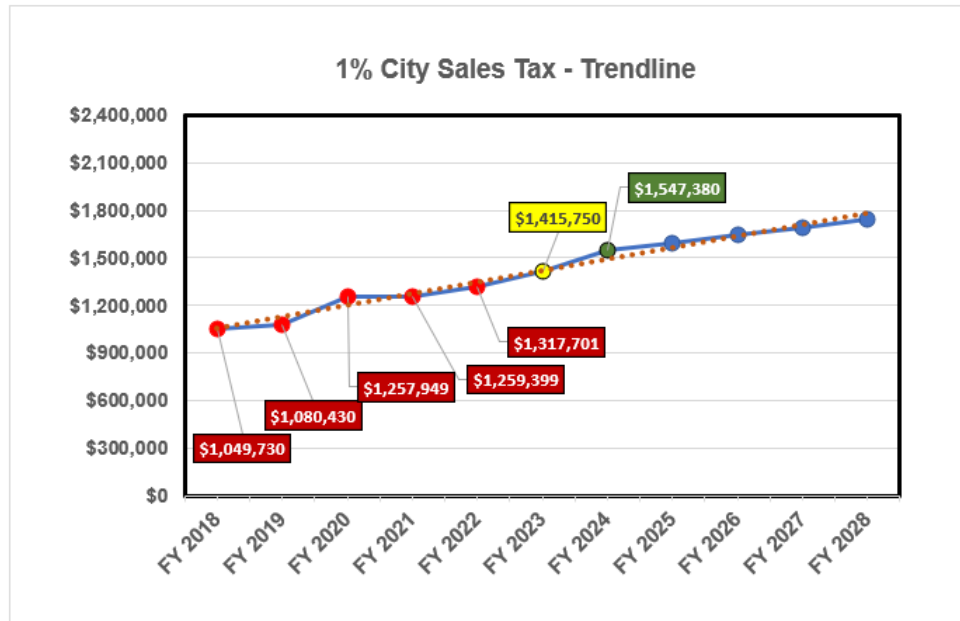
The City is performing well, from a fiscal standpoint, through 9 months of the fiscal year. The Board has approved five Budget Amendments so far, which has helped the City retain the proper budget authority to make key capital equipment and project expenditures. Many capital projects, especially those spanning multiple budgeted funds, such as 4th Street & 4th Terrace Road, Sewer, Water, and Stormwater Improvements and the Quincy Boulevard Improvements, are underway. These projects are impacting multiple funds, which staff will continue to monitor in conjunction with the fund's respective revenue sources.

The City continues to enjoy strong revenue performance in the categories of Sales Tax, Use Tax, and Interest Earnings.

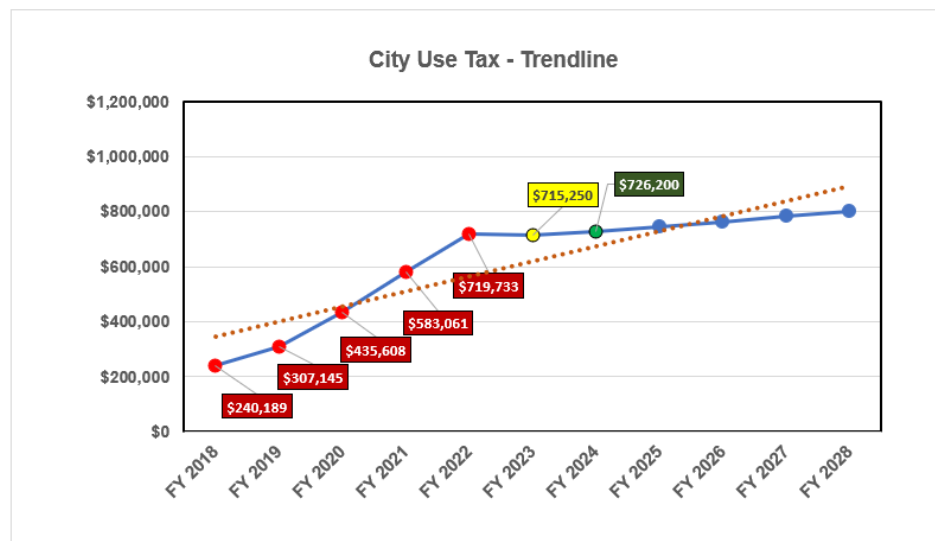
- **Ad Valorem Property Tax:** property tax revenues will exceed \$1.1 million in FY2023. The Finance Office has used more aggressive assumptions on property tax growth going into the future. Next year's proposed Property Tax revenue budget, shown in green, is slated at \$1.152 million in revenues.



- City Sales Tax:** the 1% City Sales Tax continues to perform very well and is projected to exceed the budget. The FY2024 sales tax budget, which is covered in detail in the FY2024 budget presentation, is assumed to continue to build on this growth. Next year's proposed City Sales Tax revenue budget, shown in green, is slated at \$1.547 million.



- City Use Tax:** the City's Use Tax has bounced back in the last two months as major retailers have caught up on their remittance to the Department of Revenue. Next year's City Sales Tax proposed revenue budget, shown in green, is slated at \$726,200.



Expenditures are tracking towards the budget through 9 months of fiscal activity. Significant capital improvement spending will occur within the next 2-3 months, especially related to road and sidewalk improvements. The progress related to these projects will be reflected in the year-end activity report. Finance staff and Public Works administrative staff will be monitoring these projects for potential budget rollovers for the FY2024 budget and potential budget amendments in FY2024.

CWWS Fund

The CWWS Fund has continued to be *bolstered by steadily increasing revenues* as rate adjustments have occurred. Water volume and wastewater volume revenues have come in as projected. A warm summer has resulted in significant water consumption and adequate revenues for the CWWS Fund. Both categories are forecasted to make the budget.

Some projects are being pushed back to FY2024, which helps relieve financial pressure off the fund for the time being. For the 144th Street Lift Station and West Bypass, the City is still planning to issue debt for this project, but the issuance will occur in FY2024. Mayra Toothman, the Assistant to the Public Works Director, has been doing an excellent job keeping the public and citizenry updated on project timelines using the public website.

Special Sales Tax Funds

- *Transportation Sales Tax Fund:* The City has started to contract with Pavement Management Inc. to complete the mill and overlay annual maintenance program. In addition, Legacy is working to complete the sidewalk program.
- *Capital Improvement Sales Tax Fund:* Streetscape Phase III is being pushed back in to FY2024, so these funds will be rolled over. The reimbursement revenues will also be re-budgeted for FY2024.
- *Park & Stormwater Sales Tax:* Various stormwater improvements are occurring on 4th Street & 4th Terrace and Quincy Boulevard. Heritage Park and Smith's Fork Park Playgrounds are also receiving resurfacing improvements which will have a fiscal impact on the PST Fund. Staff expect this fund to stay on budget as the fiscal year ends.



*City of
Smithville*

**9 Month Budget Update
August 28, 2023**

FY2023 Budget – 9 Month Comments



- The FY2023 budget figures include the following budget amendments approved by the Board of Aldermen:
 - ✓ **Budget Amendment #1** – Additional Budget Authority for Utilities Department Skid Steer Outright Purchase
 - ✓ **Budget Amendment #2** – Additional Budget Authority for 4th Street & 4th Terrace Improvements Bid Award.
 - ✓ **Budget Amendment #3** – Additional Budget Authority for 2023 Street Maintenance Program Bid Award.
 - ✓ **Budget Amendment #4** – Additional Budget Authority for Waterline, Road, and Stormwater Improvements on Quincy Boulevard Bid Award.
 - ✓ **Budget Amendment #5** – Additional Budget Authority for Marketplace TIF Debt Service Payments & Heritage Park & Smith's Fork Park Playground Resurfacing.

General Fund Review



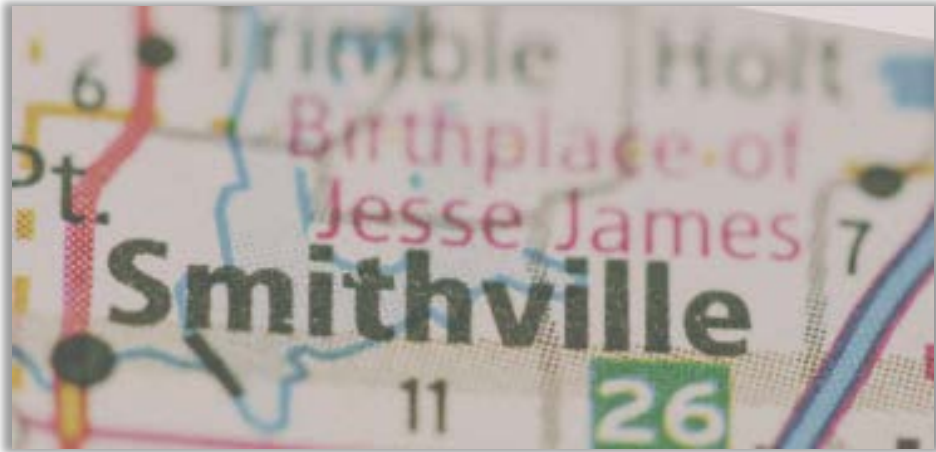
General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Revenues	\$5,466,340	\$6,210,118	\$4,978,029	91%

- 3rd 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
Expenditures	\$6,460,310	\$6,372,849	\$4,395,532	68%

Capital Projects With GF Funding	Phase	Resolution	Contractor/Engineer	Status
2023 Street Maintenance Program	Construction	1212	Pavement Management	In Progress
Quincy Boulevard – Sidewalk Replacement	Construction	1221	Amino Brothers Co.	In Progress
2023 Sidewalk Replacement Program	Construction	1231	Legacy Underground Construction	In Progress
Litton Visitor Center Renovation	Construction	Upcoming	Bid Not Awarded Yet	Not Started

Ad Valorem Property Tax Revenue

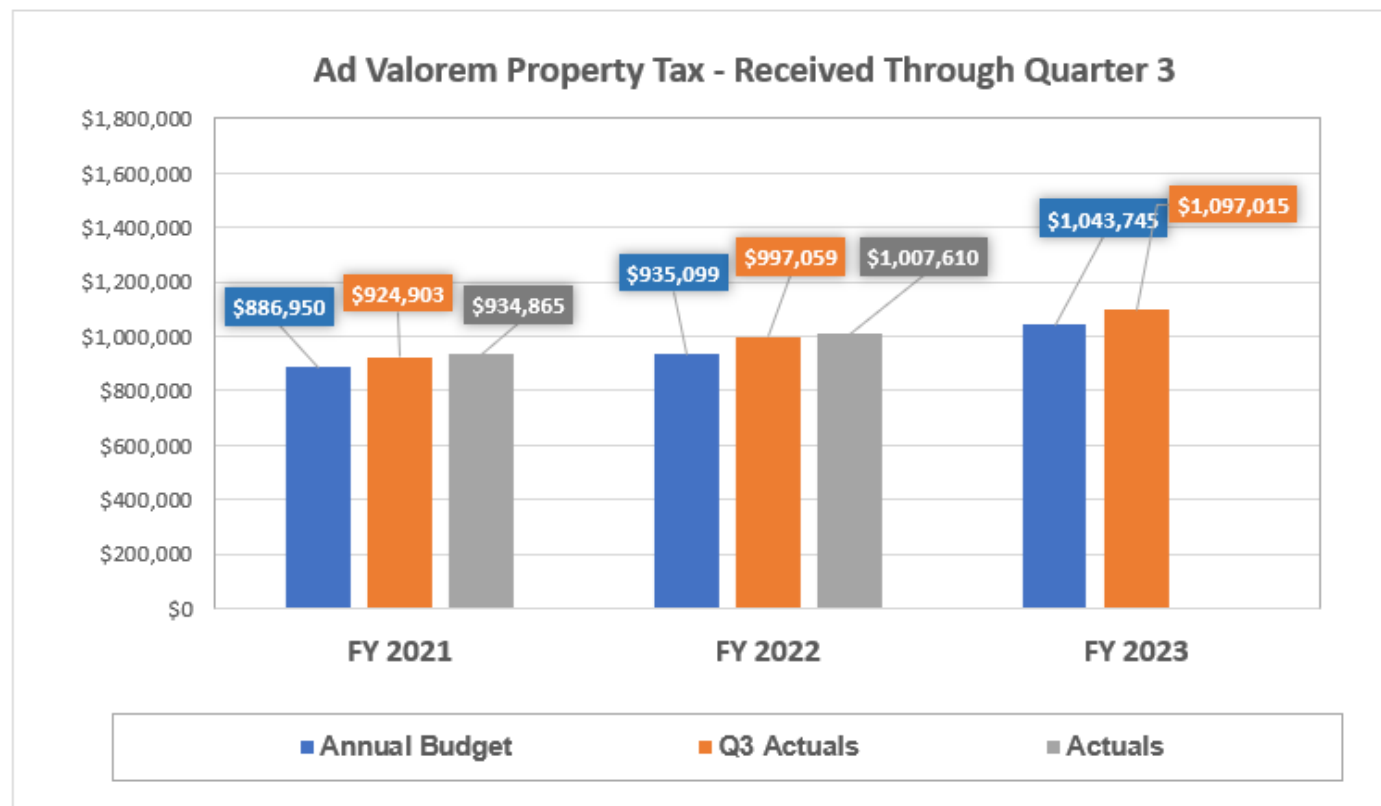


*Property Tax revenue comprises **20%** of General Fund revenues and plays a significant role in funding core City services and amenities*

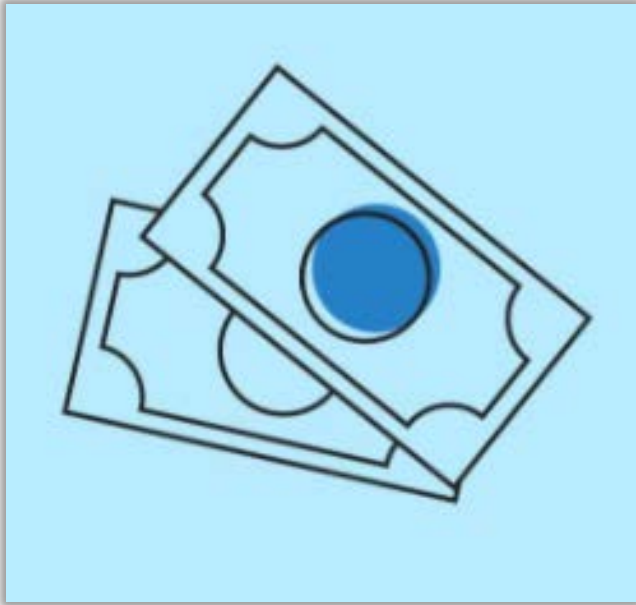
General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Property Tax Revenues	\$1,043,745	\$1,103,250	\$1,097,015	105%

- The City received a large Property Tax disbursement from Clay County in January 2023.
- The City, on average in the past 3 years, receives **99.5%** of annual property tax revenue by the 3rd quarter of the fiscal year.
- For the last five years, the City has seen an average annual increase in property tax revenues of about **6.2%**.

Ad Valorem Property Tax Revenue Quarter 3 History



1% City Sales Tax Revenue



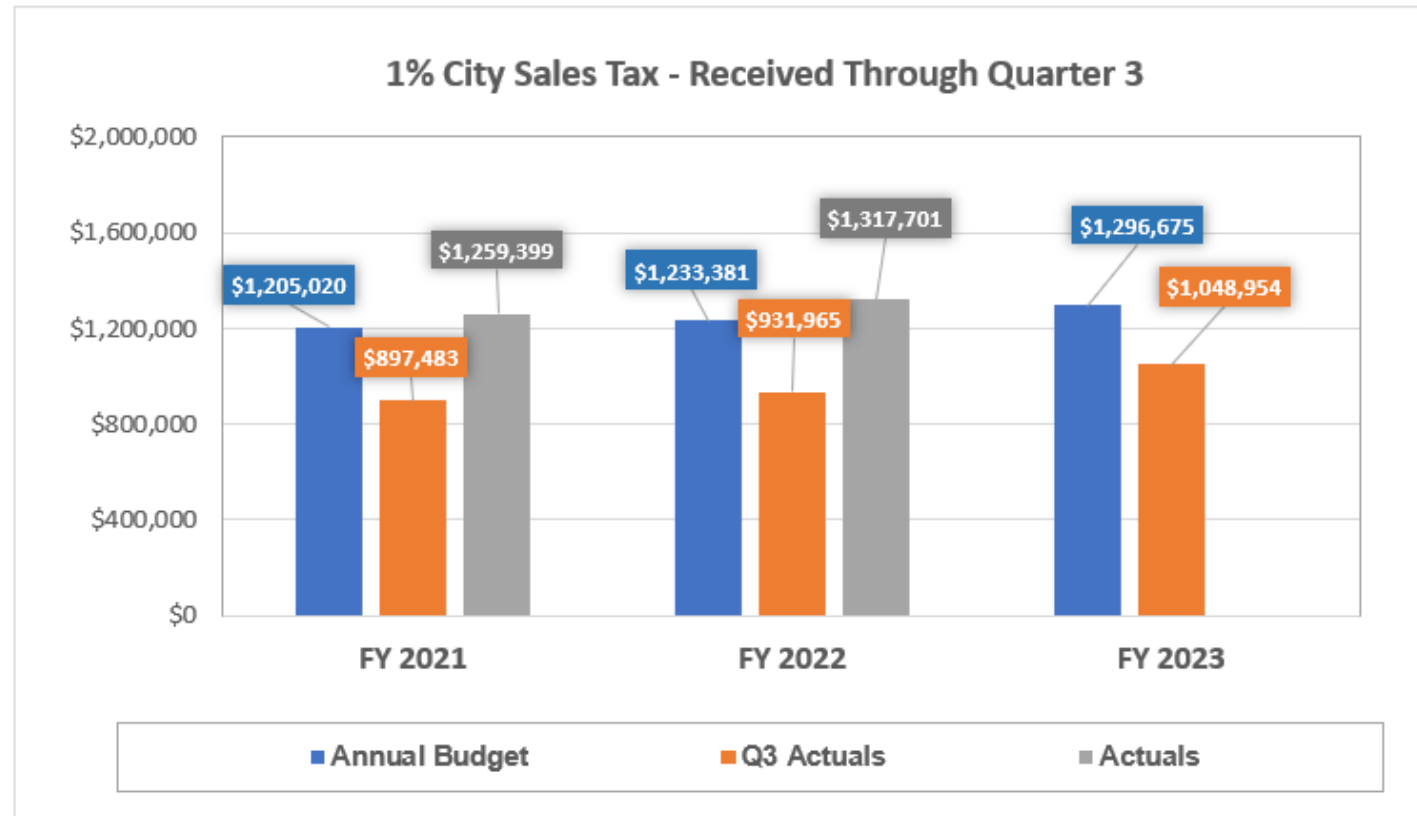
General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Sales Tax Revenues	\$1,296,675	\$1,415,750	\$1,048,954	81%

- The City, on average in the past 3 years, receives **71%** of sales tax annual revenue by the 3rd 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).

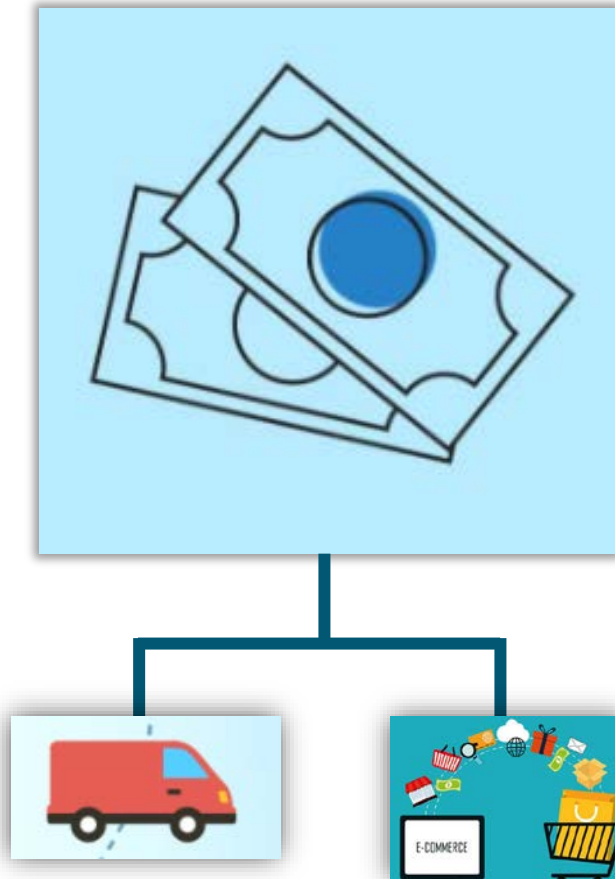
*The Total Sales Tax Rate for the City of Smithville is **8.475%**
(outside of the Smithville Commons CID).*

***1.00%** of this rate is the General Fund Sales Tax*

1% City Sales Tax Revenue Quarter 3 History



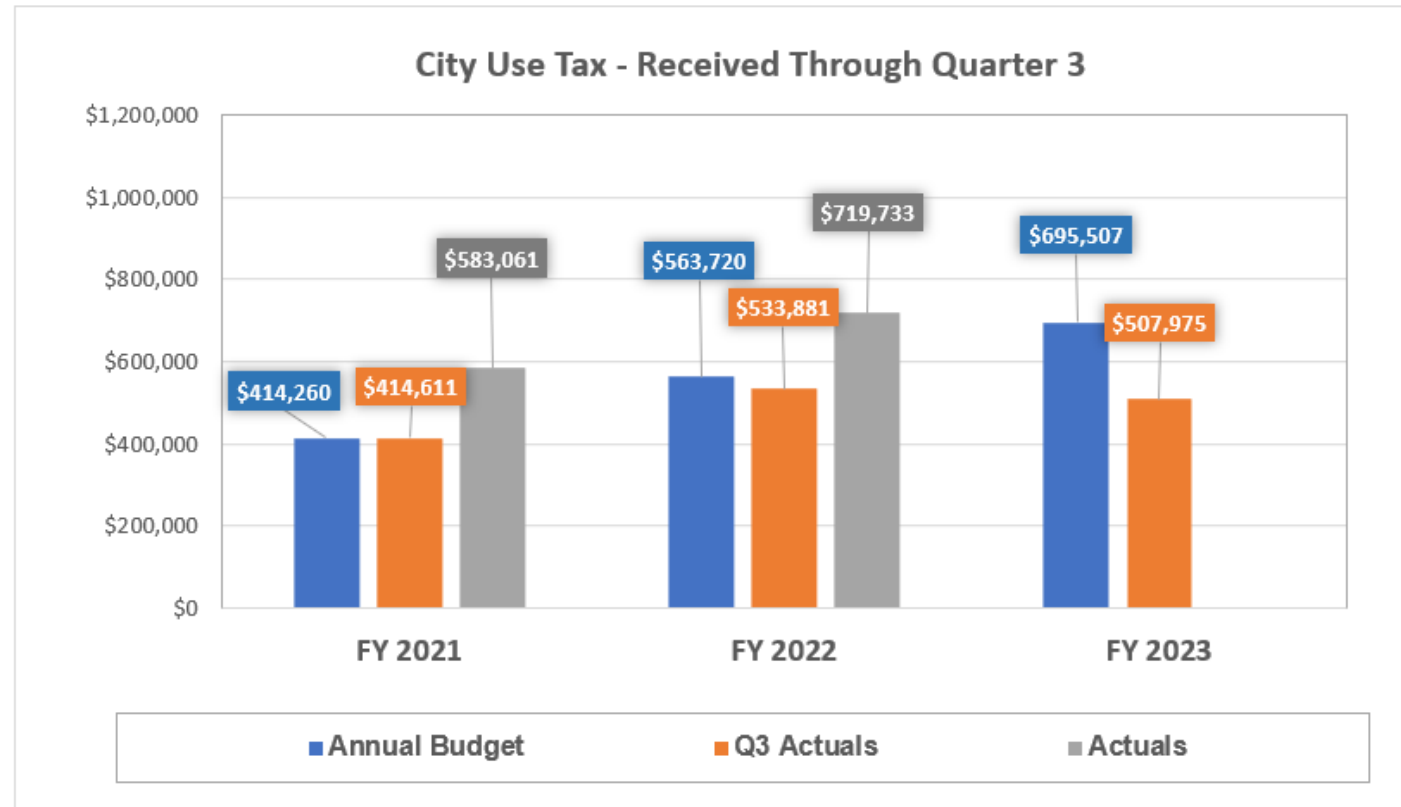
City Use Tax Revenue



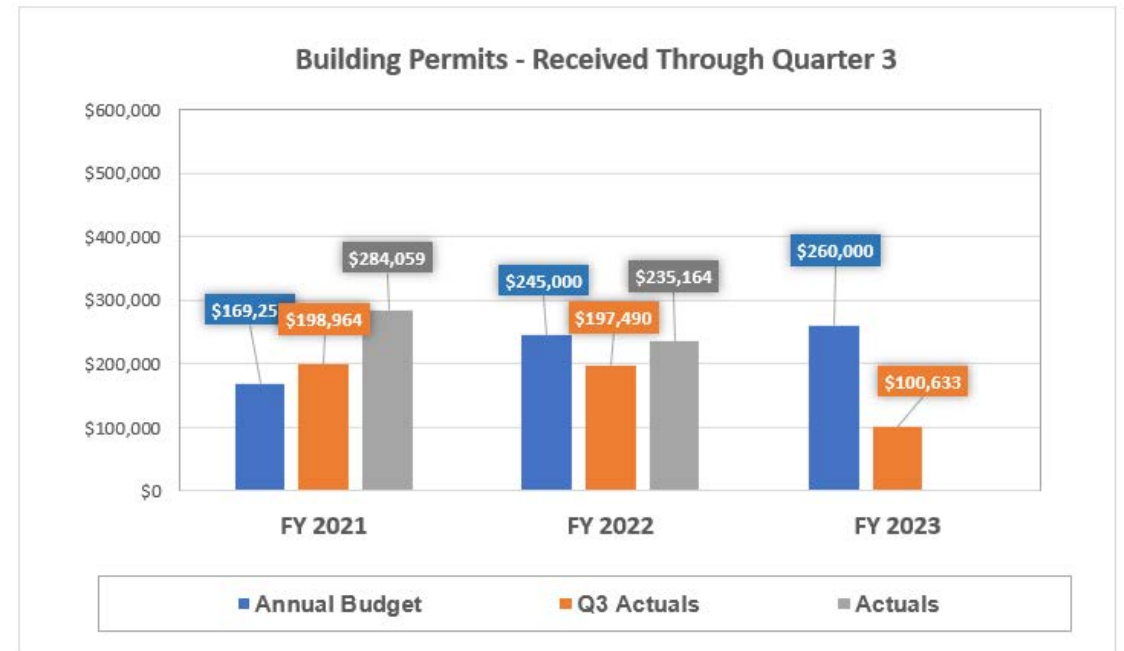
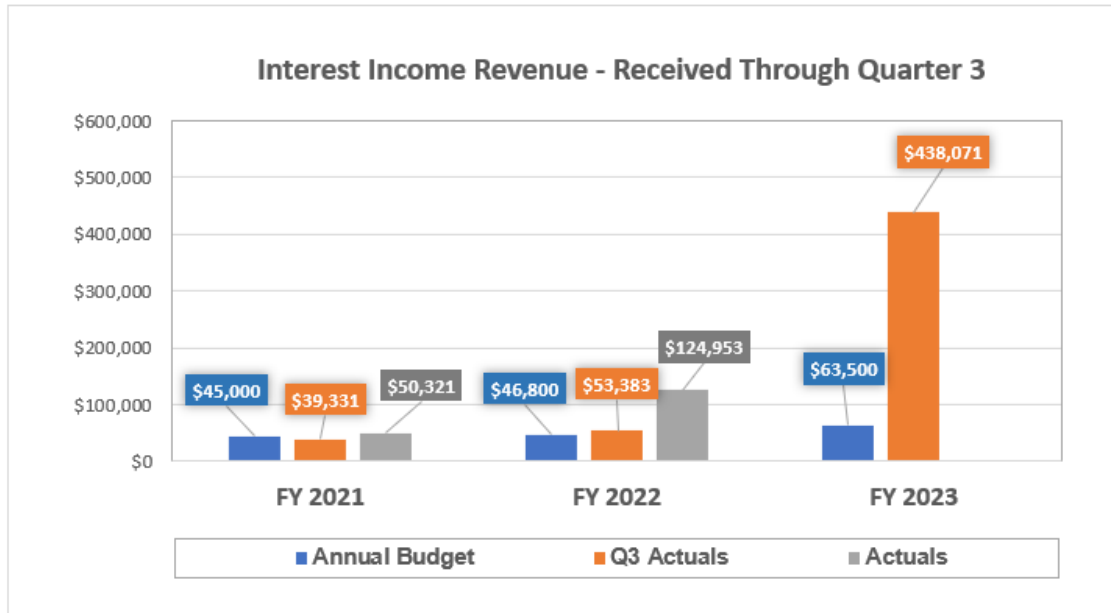
General Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Use Tax Revenues	\$695,507	\$715,250	\$507,975	73%

- The City, on average in the past 3 years, receives **73%** of use tax annual revenue by the 3rd quarter of the fiscal year.
- City Use Tax receipts have *surged back in the months of July and August due to remittance catchup.*

City Use Tax Revenue Quarter 3 History



General Fund Revenues – Areas of Impact

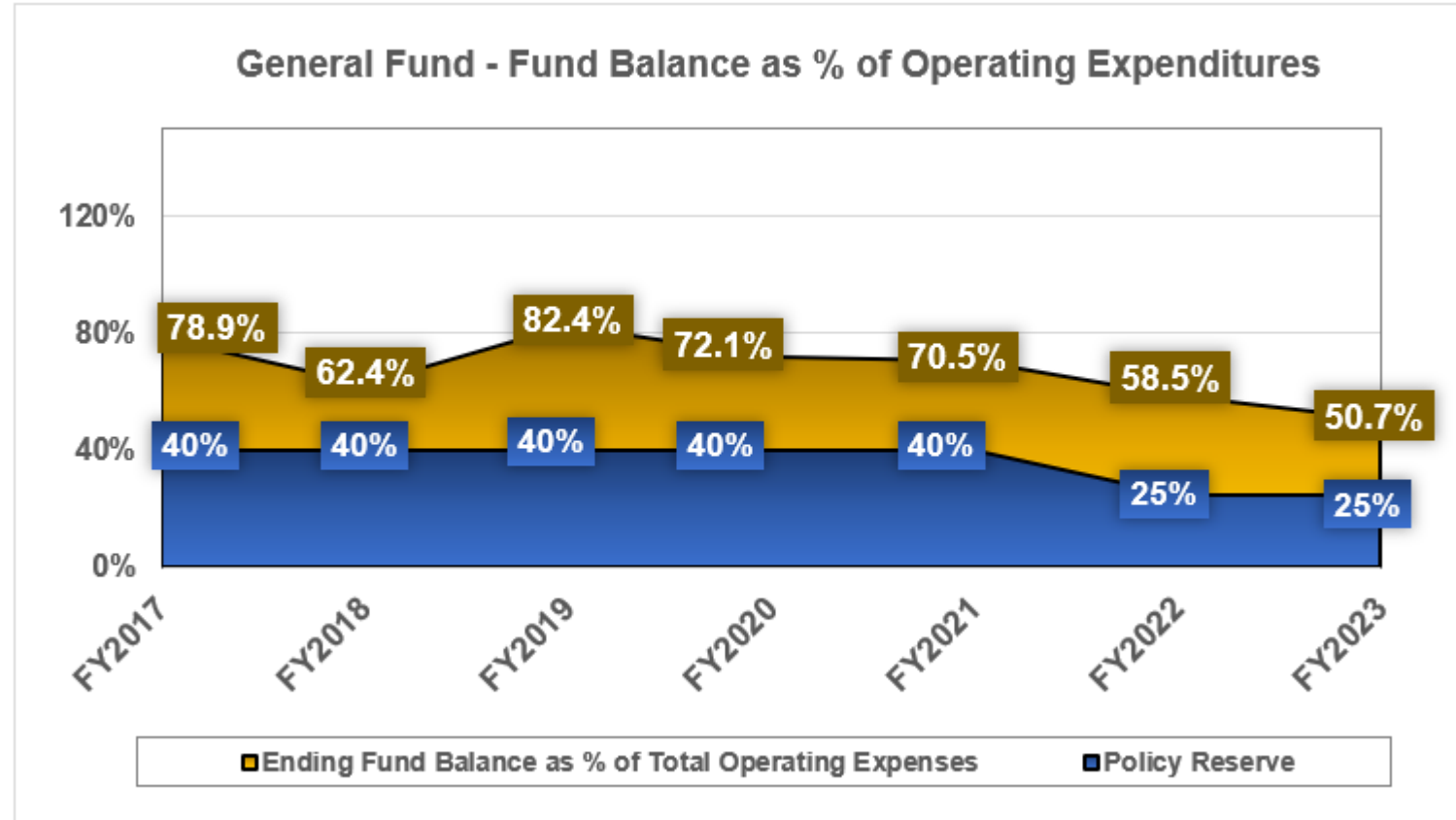


General Fund – Bottom Line

	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	\$ 6,210,118
Total Expenses	\$ 5,853,699	\$ 6,310,310	\$ 6,372,849
Net Change in Fund Balance	\$ (311,008)	\$ (843,970)	\$ (162,731)
Ending Fund Balance	\$ 3,425,221	\$ 2,612,235	\$ 3,262,490

*Budgeted FY2023 Figure indicates original budget prior to Budget Amendments.

General Fund – Fund Balance Analysis



Capital Improvement Sales Tax Fund



Streetscape Phase III – Conceptual Design

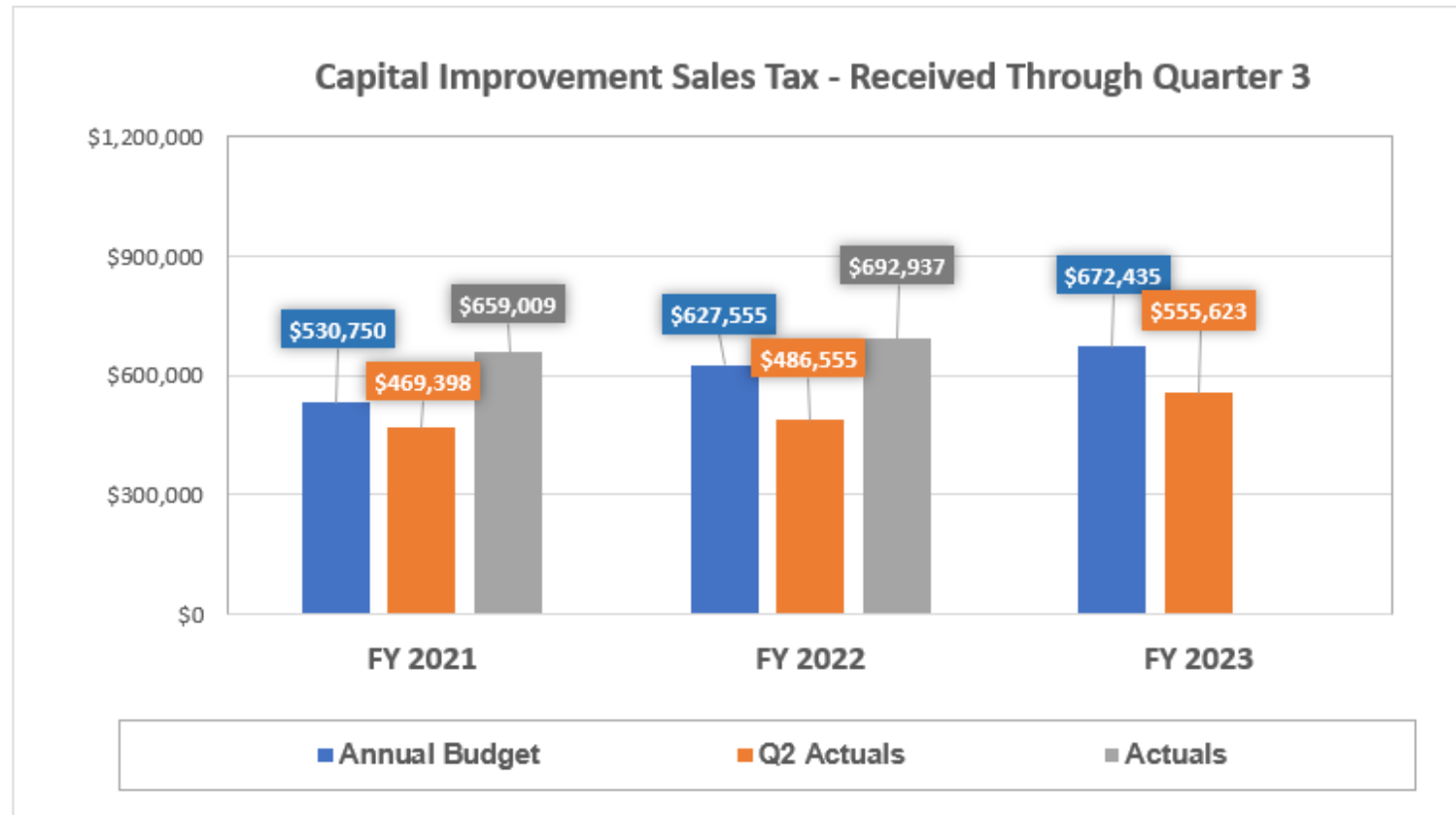
Capital Improvement Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
All Revenues	\$1,160,435	\$728,750	\$555,623	48%

- The City, on average in the past year 3 years, receives **70%** of capital improvement sales tax annual revenue by the 3rd quarter of the fiscal year.
- The budget includes a **\$488,000** MoDOT reimbursement for Streetscape Phase III Construction, which will now be rolled over to the revenue budget for FY2024.

Capital Improvement Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Expended
All Expenditures	\$1,355,370	\$584,845	\$462,682	34%

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.	In Progress
Downtown Streetscape Phase III	Construction	Upcoming	Bid Not Awarded Yet	Not Started

Capital Improvement Sales Tax Fund 3 Year History



Transportation Sales Tax Fund



Pavement Management Contractors – Crack Sealing

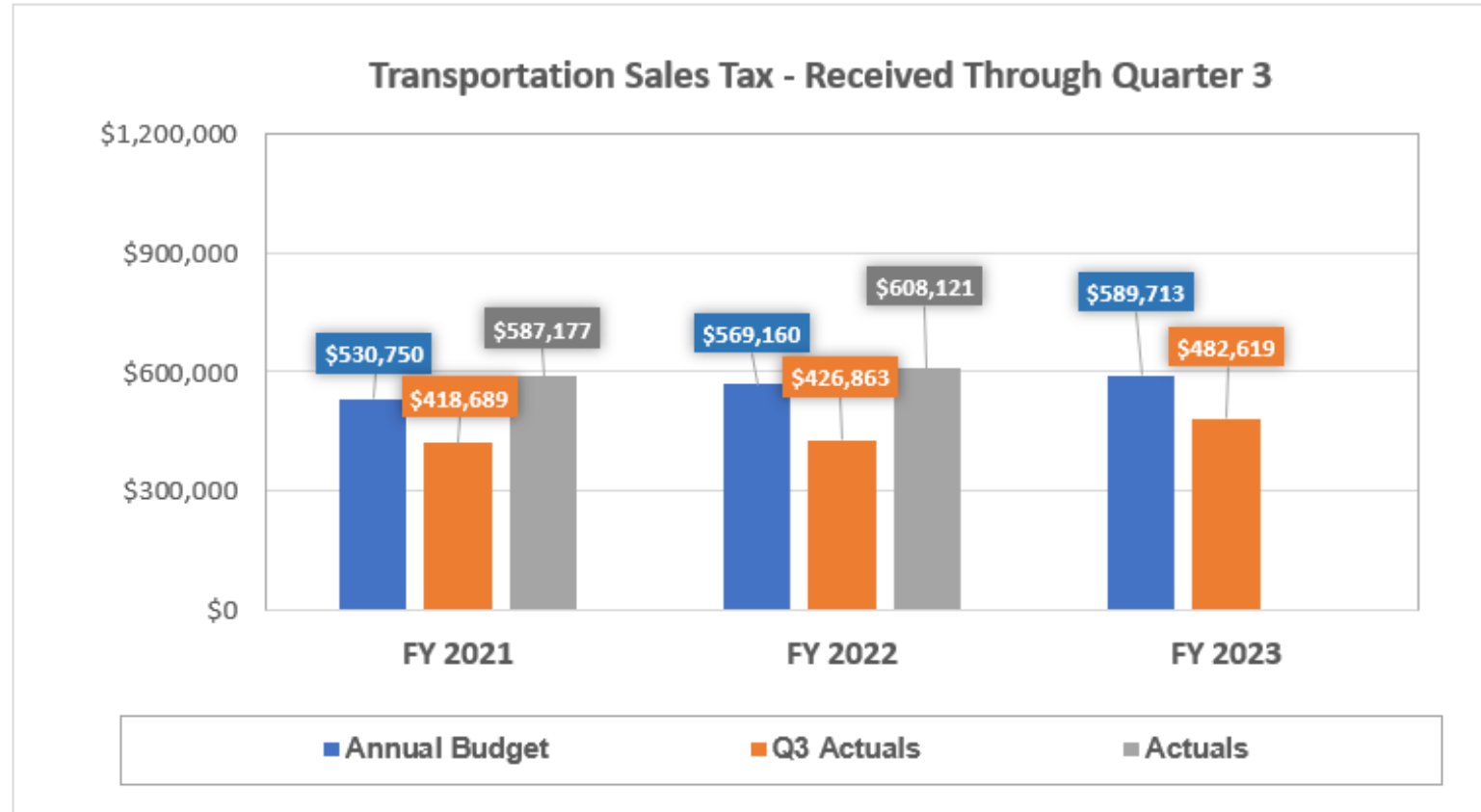
Transportation Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Revenues	\$589,713	\$644,480	\$484,929	82%

- The City, on average in the past 3 years, receives **71%** of transportation sales tax annual revenue by the 3rd quarter of the fiscal year.

Transportation Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Expended
Expenditures	\$992,246	\$970,057	\$182,672	18%

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

Transportation Sales Tax Fund 3 Year History



Combined Water & Wastewater Fund



New Safety Fence Installed at Lift Station

CWWS Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Received
Revenues	\$9,340,817	\$5,731,843	\$4,375,674	47%

- Budgeted revenues include COP proceeds of **\$3,900,000** for 144th Street Lift Station and West Bypass of the 144th Street Lift Station.
- These COP proceeds, along with the debt issuance procedure will be rolled over into FY2024 due to the condemnation process.

CWWS Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% of Budget Expended
Expenditures	\$13,070,115	\$6,667,792	\$4,190,128	32%

- Budgeted expenditures include COP proceeds of **\$3,900,000** for 144th Street Lift Station and West Bypass of the 144th Street Lift Station.
- This project expenditures will be rolled over into FY2024 due to the condemnation process.

Capital & Maintenance Program - CWWWS

CWWWS 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 th 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	In Progress
Quincy Boulevard - Waterline Replacement	Construction	1221	Amino Brothers Co.	In Progress
West Bypass of 144 th 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

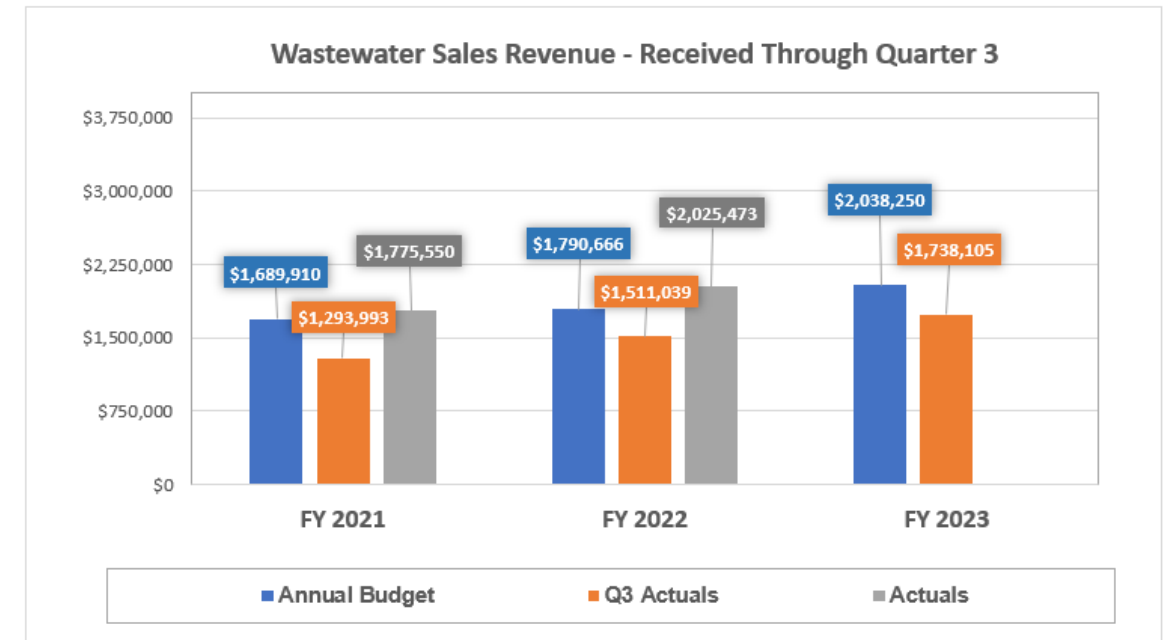
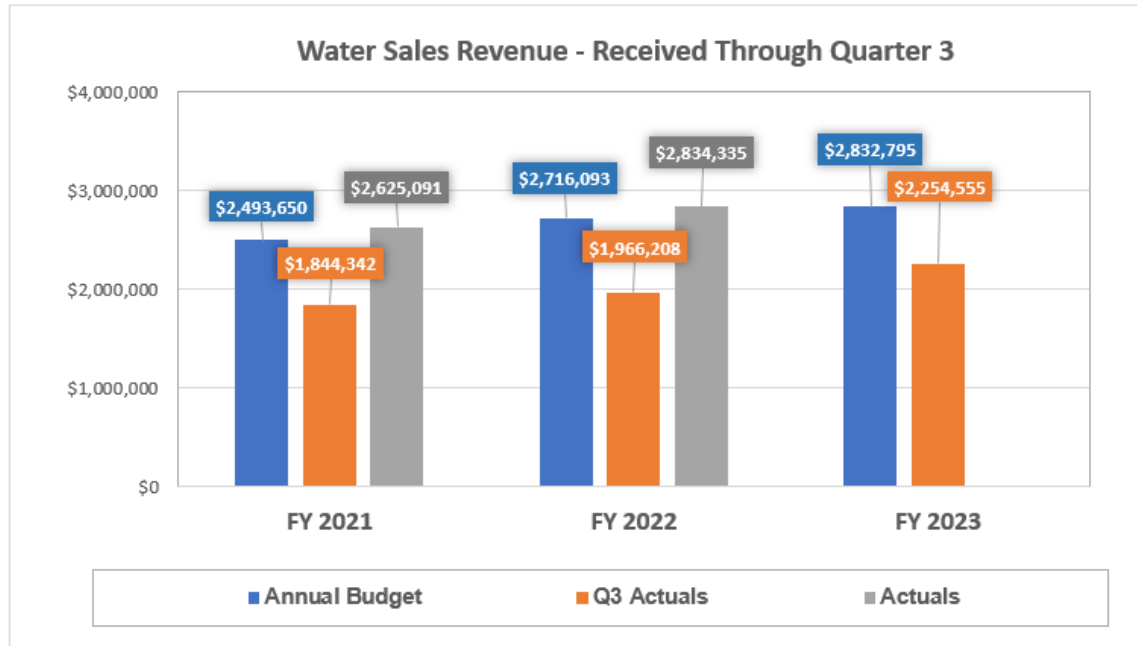
CWWS Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Water Sales	\$2,832,795	\$3,015,141	\$2,254,555	80%

- The City, on average in the past 3 years, receives **70%** of water sales annual revenue by the 3rd quarter of the fiscal year.

CWWS Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Wastewater Sales	\$2,038,250	\$2,263,575	\$1,738,105	85%

- The City, on average in the past 3 years, receives **73%** of wastewater sales annual revenue by 3rd quarter of the fiscal year.

Water & Wastewater Sales Revenue History of Quarter 3



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	\$ 5,732,930
Total Expenses	\$ 4,972,647	\$ 13,070,115	\$ 6,691,251
Net Change in Fund Balance	\$ 1,249,226	\$ (3,729,298)	\$ (958,321)
Ending Fund Balance	\$ 6,851,727	\$ 3,394,446	\$ 5,893,406

Sanitation Fund

Sanitation Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Revenues	\$915,860	\$844,436	\$647,837	71%

- YTD revenues are about \$3,400 over YTD expenditures through 9 months, which indicates the fund is stable and financially healthy.

Sanitation Fund	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Expended of Budget
Expenditures	\$900,600	\$844,050	\$644,460	72%

- Expenditure contingency is built into the FY2023 Budget for additional residents moving into Smithville.



GFL Bright Green Sanitation Trucks

Park & Stormwater Sales Tax Fund



Park & Stormwater Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Revenues	\$672,435	\$728,750	\$555,059	83%

- The City, on average in the past year 2 years, receives **70%** of park and stormwater sales tax annual revenue by the 2nd quarter of the fiscal year.

Park & Stormwater Sales Tax	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Expended of Budget
Expenditures	\$647,750	\$639,330	\$70,526	11%

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	In Progress
Quincy Boulevard – Stormwater Improvements	Construction	1221	Amino Brothers Co.	In Progress

Vehicle & Equipment Replacement Fund



VERF	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Received of Budget
Revenues	\$422,100	\$371,770	\$184,611	44%

- ☐ The VERF received the budgeted \$70,000 transfer for annual operational support in Q1 of 2023.
- ☐ Three more Public Works trucks will sell in August 2023, providing further revenue to the VERF.

VERF	FY2023 Budgeted	FY2023 Projections	FY2023 YTD	% Expended of Budget
Expenditures	\$381,750	\$345,318	\$244,789	64%

- ☐ Through July 31, 2023, the City is leasing **31 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	\$711,474	75%

- ❑ As of April 30, 2023, the City had **\$158,915** remaining on the Raw Water Pump Station construction contract with Irvinbilt Construction.
- ❑ Project has been completed. Final invoices are expected to be paid in August/September 2023.

9 Month Budget Review – Concluding Remarks



Revenues

- General Fund revenues continue to forecast above budget, with strong performance in Sales Tax and Interest Earnings.
- Use Tax is bouncing back with great performance following remittance catchup.
- A warm summer season has resulted in increased water sales in CWWS Fund.

Expenditures

- Inflation continues to be present in department operational budgets (increased costs in repairs & maintenance, treatment chemicals, contractual services).

Budget “Rollovers” for FY2024

- Funds for several projects planned for FY2023 will be rolled over to FY2024. This has no detrimental effect on fund balance as the planned expenditures simply move from this year to the next year.

Migration from ERP Pro 9 to ERP Pro 10

- The Finance Department is currently coordinating an update to the City's financial & resource planning software. The “Go Live” period for the software is planned in Q1 of 2024.