



City of Smithville, Missouri

Board of Aldermen - Work Session Agenda

Tuesday, December 5, 2023

6:30 p.m. – City Hall Council Chambers and Via Videoconference

Anyone who wishes to view the meeting may do so in real time as it will be streamed live on the City's FaceBook page.

For Public Comment via Zoom, please email your request to the City Clerk at ldrummond@smithvillemo.org prior to the meeting to be sent the meeting Zoom link.

- 1. Call to Order**
- 2. FY2023 Year End Budget Review**
- 3. Adjourn**

Join Zoom Meeting
<https://us02web.zoom.us/j/81797693934>

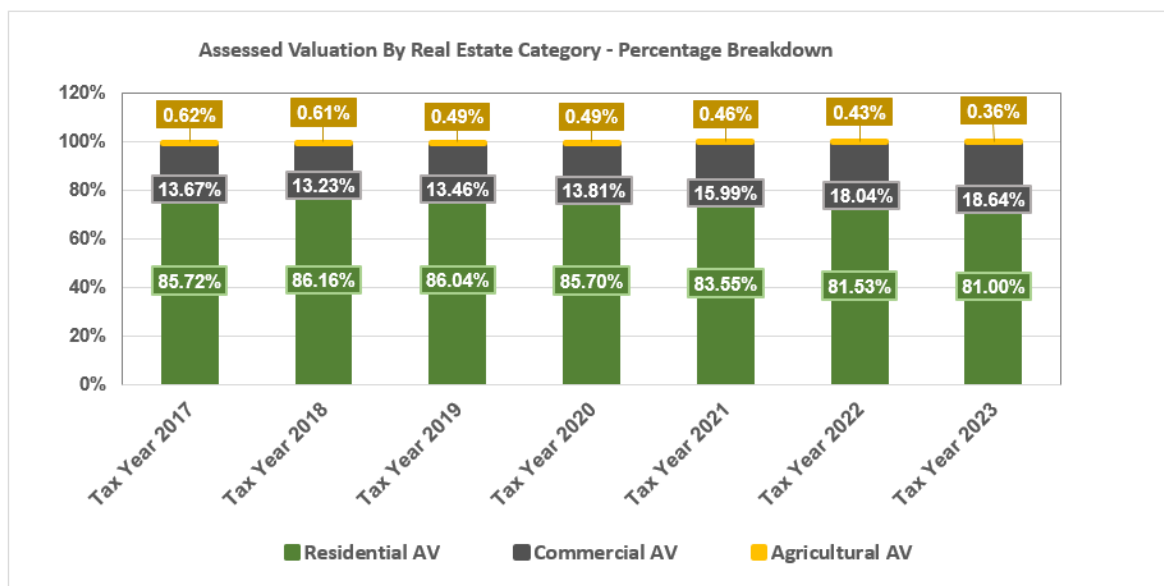
Meeting ID: 817 9769 3934
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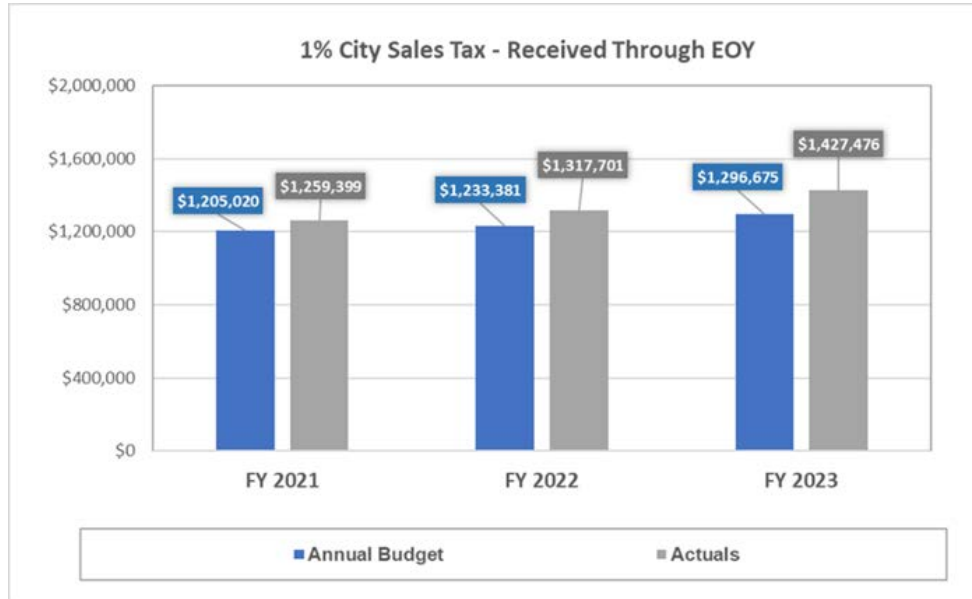
	<div>STAFF REPORT</div>
Date:	December 5, 2023
Prepared By:	Stephen Larson, Finance Director (PPT by Gina Pate)
Subject:	FY2023 Year End Update

This staff report presents highlights of the FY2023 year-end financial activity. Overall, the City performed well from a revenue and expenditure perspective for FY2023. Below are some of the major highlights presented from this years' budget:

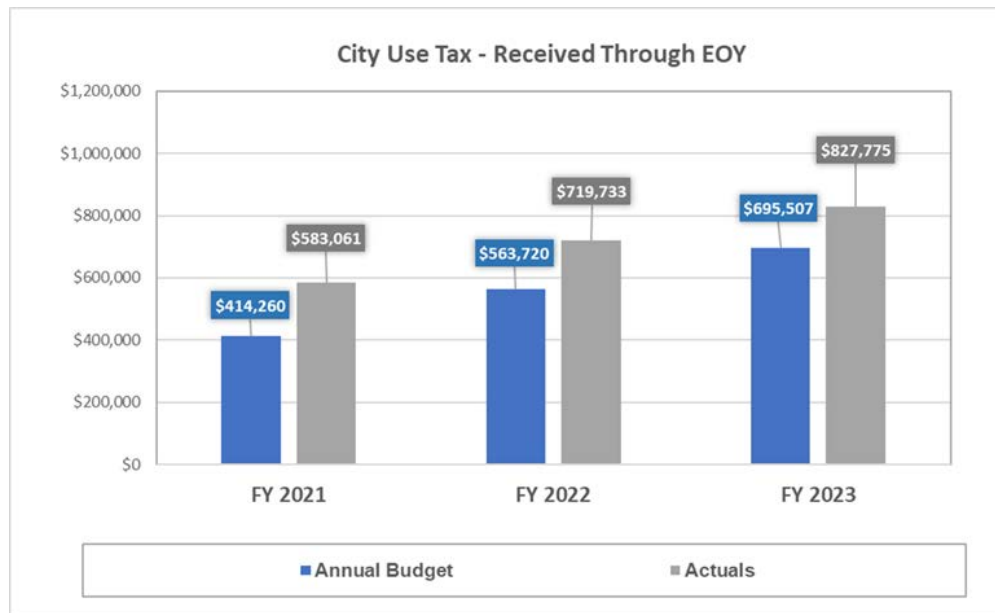
- Property Tax:** In FY2023, the City received \$1,116,997 in Ad Valorem Property Tax. This reflects an increase of 10.86% over the amount received in FY2022 of \$1,007,610. Assessed valuation continues to grow in the city and the commercial base continues to grow. The amount received in FY2023 exceeded the designated budget. The graph below reflects the property tax broken down by category: residential, commercial, and agricultural.



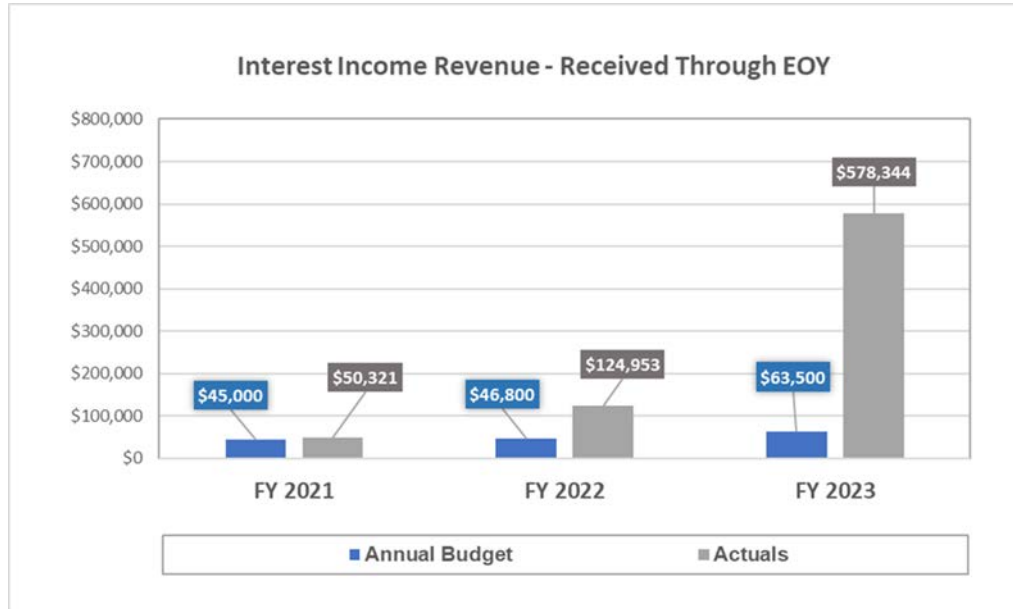
- 1% City Sales Tax:** In FY2023, the city received \$1,427,476 in 1% City Sales Tax. This reflects an increase of 8.33% over the amount received in FY2022 of \$1,317,701. The local Smithville economy continues to grow, and this is reflected through steady, consistent year-over-year growth in the 1% City Sales Tax.



- City Use Tax:** In FY2023, the city received \$827,775 in City Use Tax. This reflects an increase of 15.01% over the amount received in FY2022 of \$719,733. Consumer online activity continues to flourish as many everyday household purchases are made online routinely via major retailers.



- **Interest Earnings on City's Cash on Hand:** In FY2023, the city received \$578,344 in Interest Earnings. This reflects a very sizable increase over the earnings received in FY2022. The City's interest rate (which floats with the Treasury Bill rate) climbed significantly at the end of the 2022 calendar year.



General Fund - FY2023 Year End 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

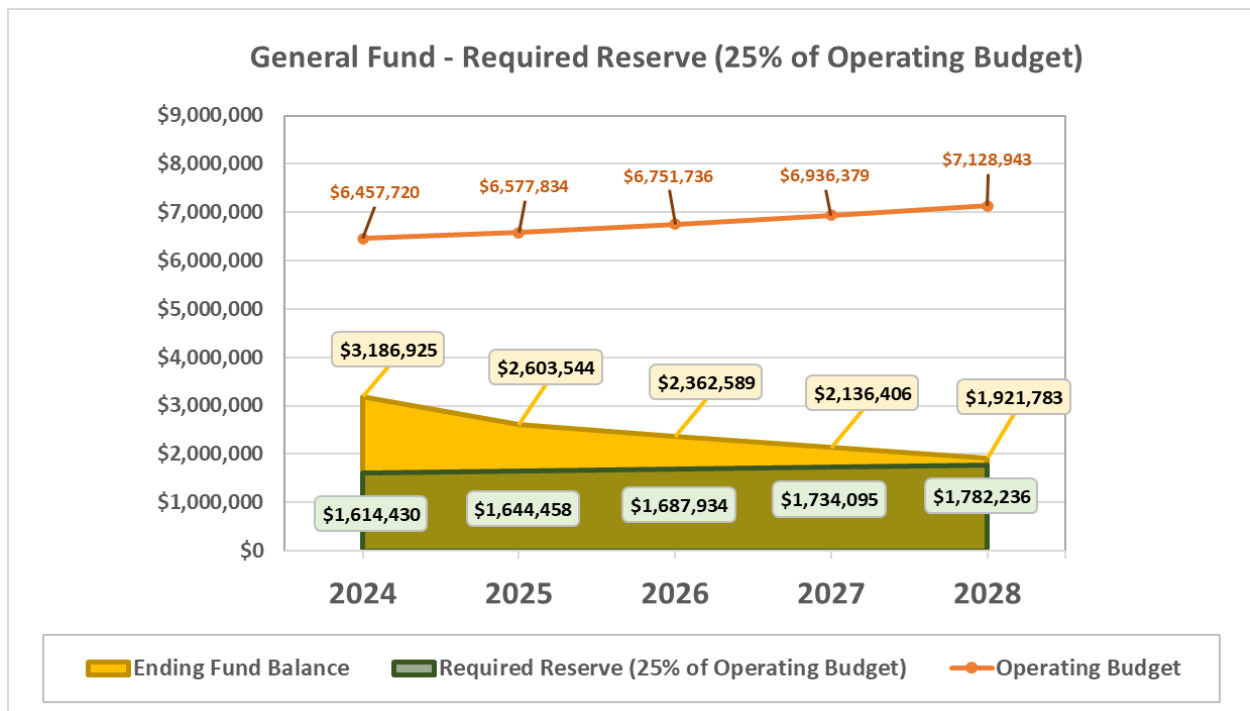
General Fund revenue performance was overall very strong in FY2023. The city received actual revenues of \$6,569,450 on a budget of \$5,466,340. On the expenditure side, \$6,045,137 was spent on an original budget of \$6,310,310. FY2023 actual ending funding balance was \$3,949,534 compared to the original budgeted cash balance of \$2,471,955.

General Fund FY2024 – Looking Ahead

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

In looking ahead to FY2024, staff are projected the FY2024 ending cash balance to exceed the Adopted FY2024 amount of \$2,692,680 because of the revenue performance at the end of FY2023. The Finance Department will continue to keep the Board updated through Quarterly Budget Updates via the new Finance Director.

The graph below depicts the five-year cashflow projection for the General Fund.



CWWS Fund – FY2023 Year End 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

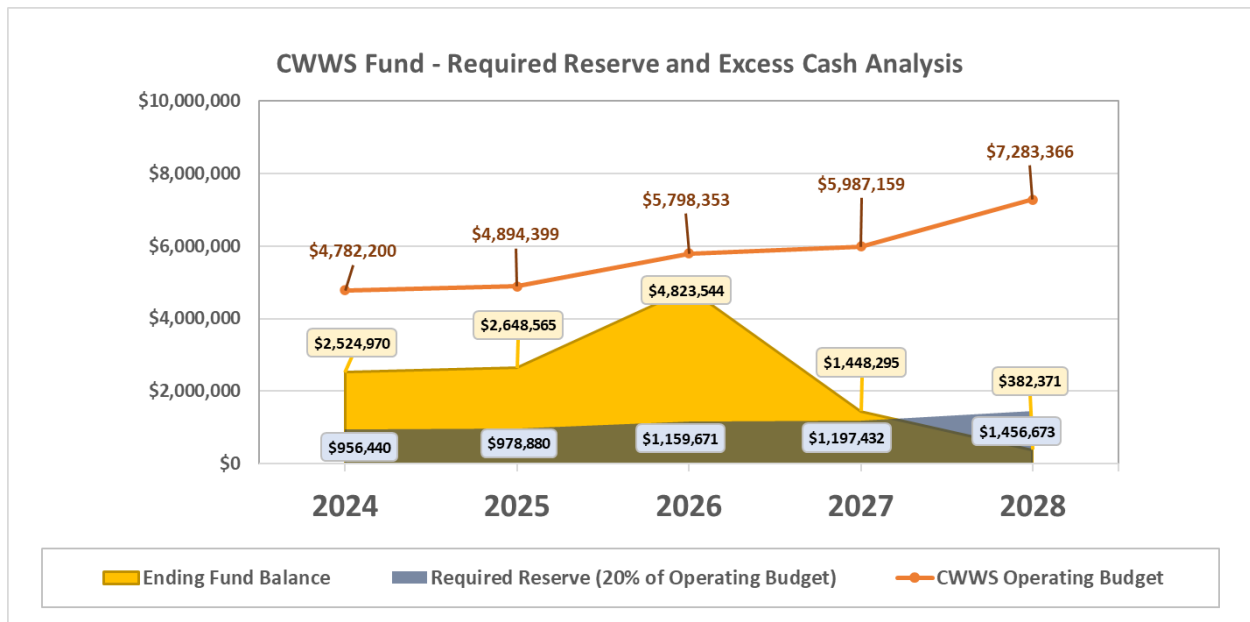
The FY2023 CWWS Fund budget originally included \$3,900,000 million in COP revenues. These revenues are being pushed back to FY2024 with the anticipated issuance of a Series FY2024 COP for both the 144th Street Lift Station & Stonebridge Lift Station. FY2023 actual ending funding balance was \$6,348,827 compared to the original budgeted cash balance of \$3,394,446. In summary, just over \$500,000 in fund balance was utilized in the CWWS Fund.

General Fund FY2024 – Looking Ahead

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

For FY2024, the CWWS Fund balance will continue to be used, primarily for large scale capital projects. The projected beginning fund balance of \$6.3 million is expected to dwindle to \$1.3 million throughout the year as these projects are completed and paid for. Staff will continue to monitor and report CWWS financial activity via a Quarterly Budget Update.

The graph below depicts the five-year cashflow projection for the CWWS Fund.





FY2023 Year End Financial Review

12/5/2023



General Fund FY2023 Year End Financial Review

12/5/2023

General Fund – FY2023 Performance

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General Fund – FY2023 Performance

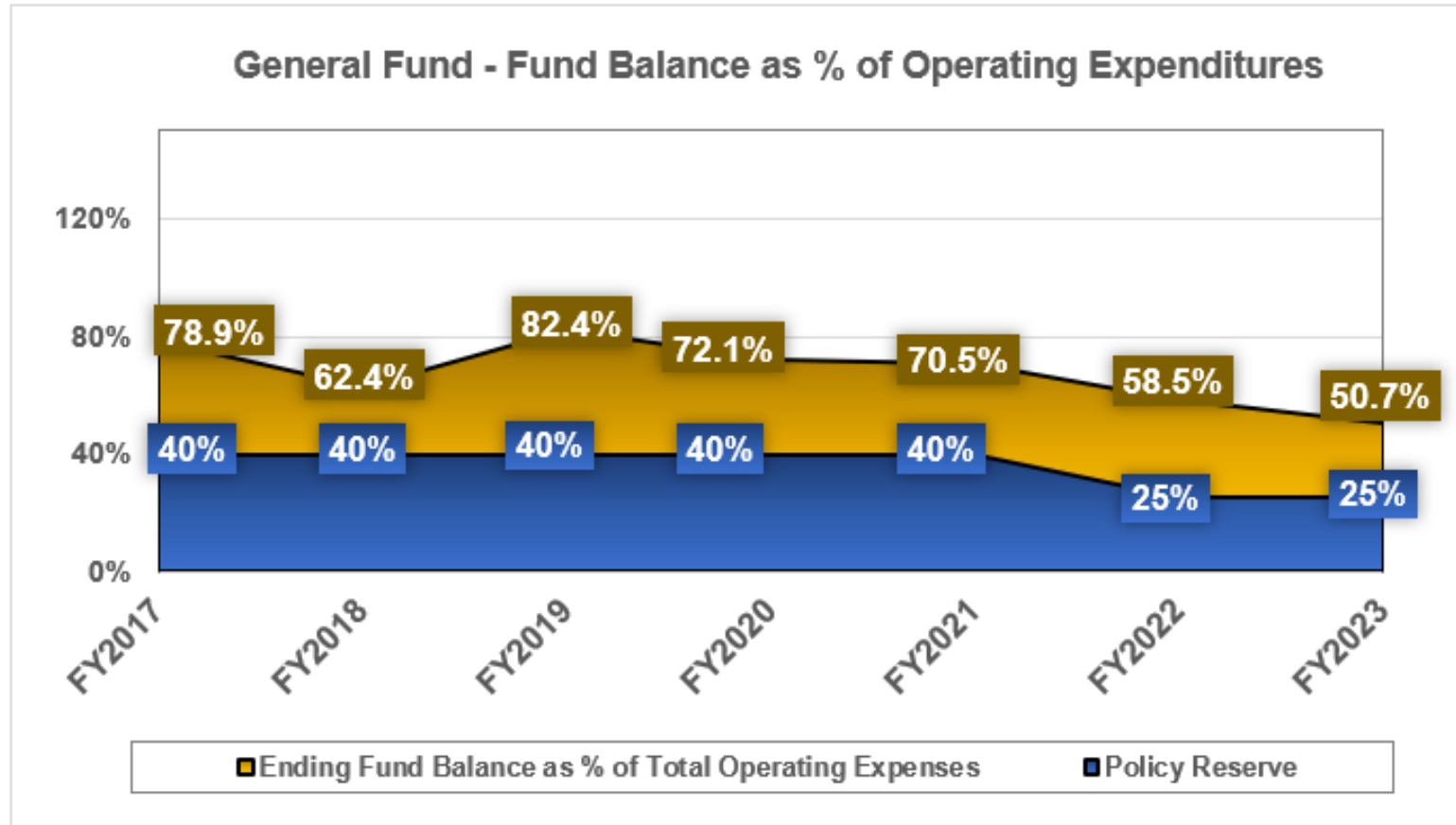
Excellent Revenue Performance

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

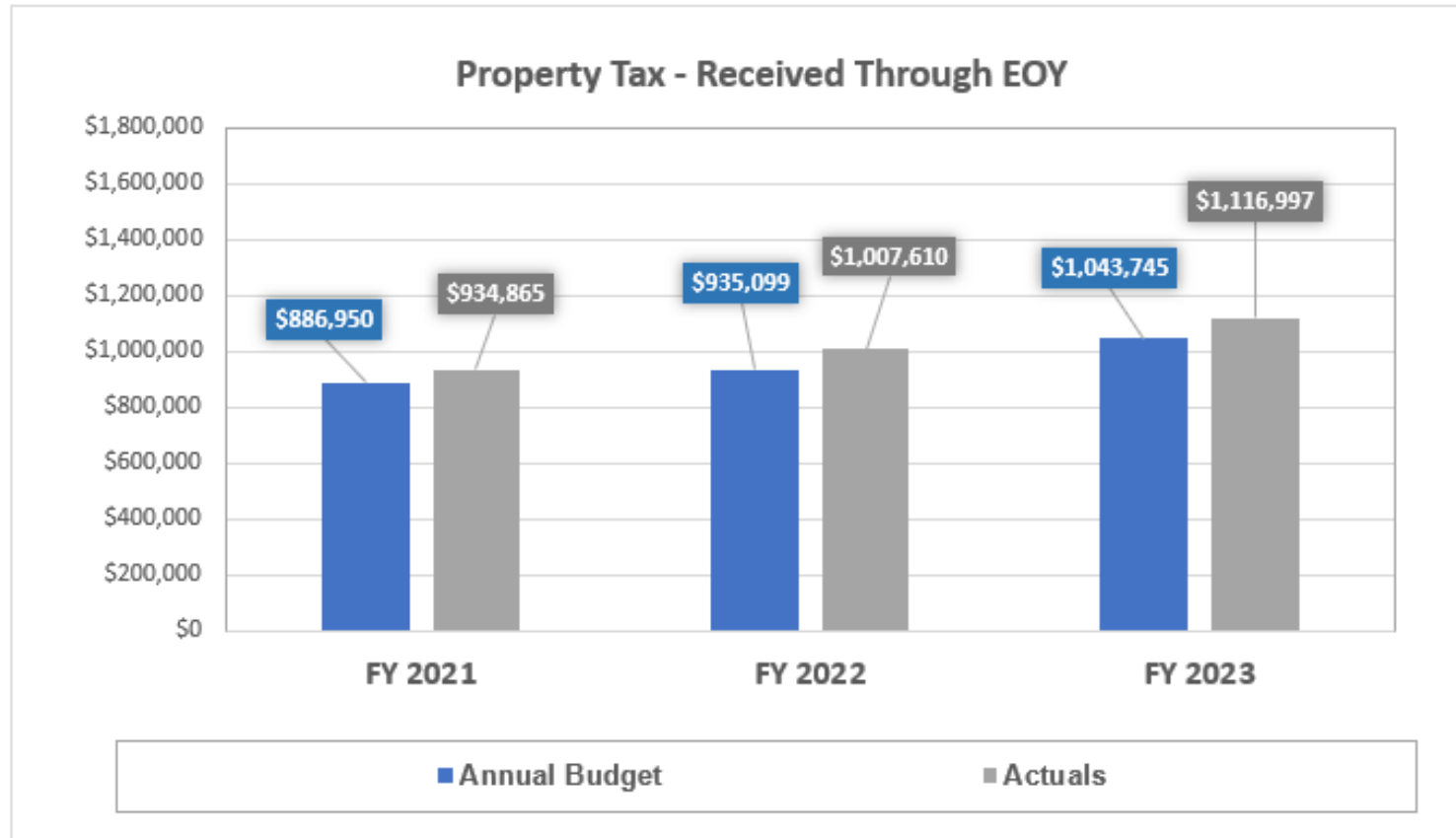
Exceeding Original Expenditure Budget

- \$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

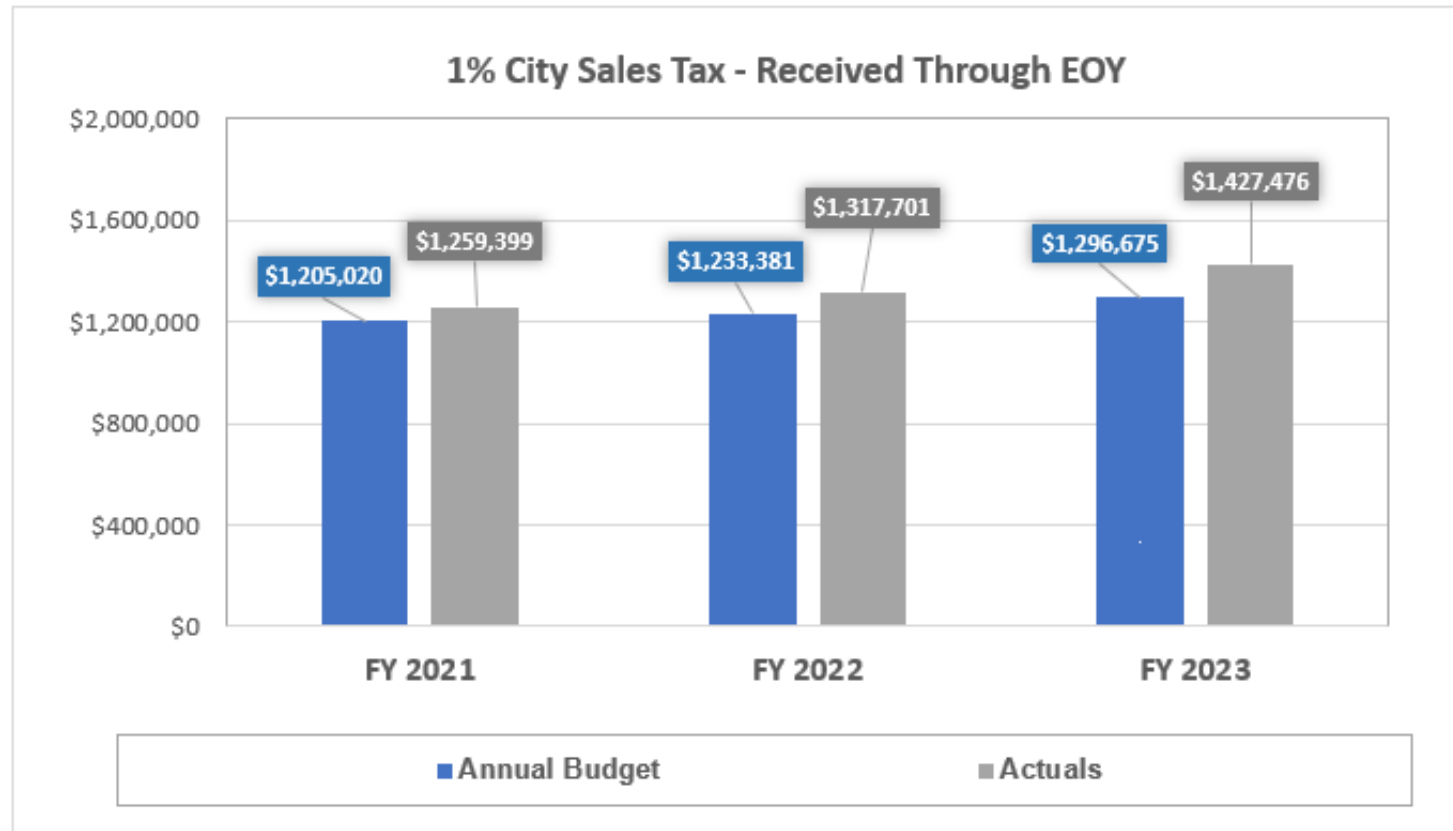
General Fund – Fund Balance Analysis



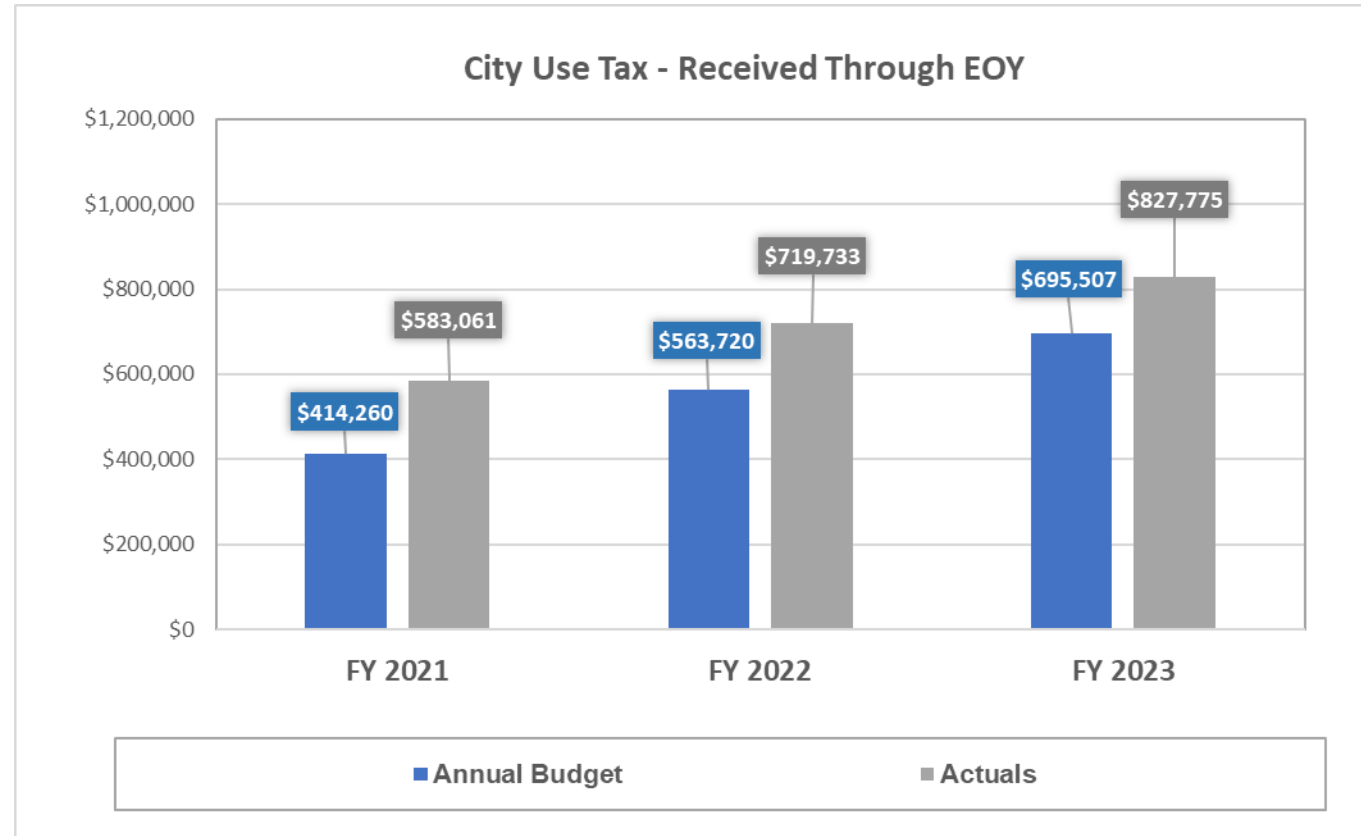
Ad Valorem Property Taxes



1% City Sales Tax

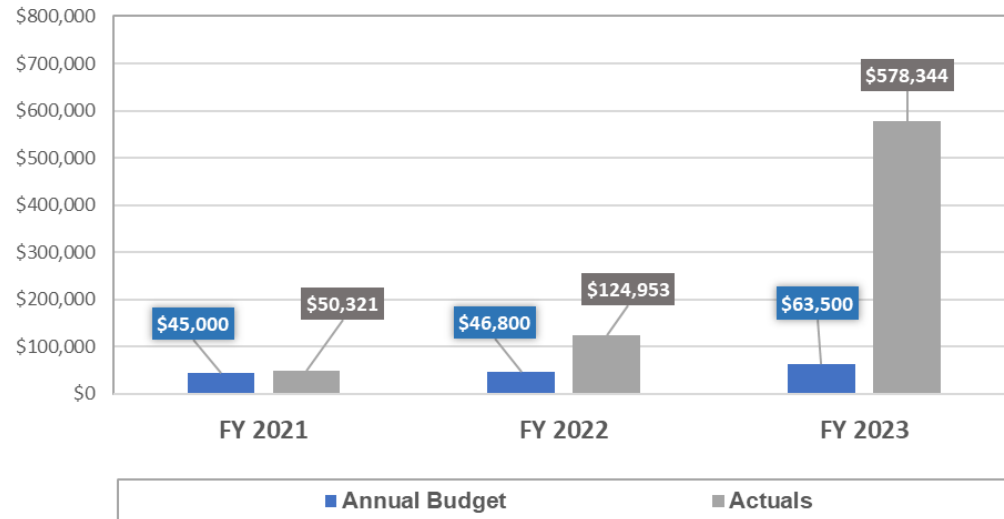


1% City Use Tax

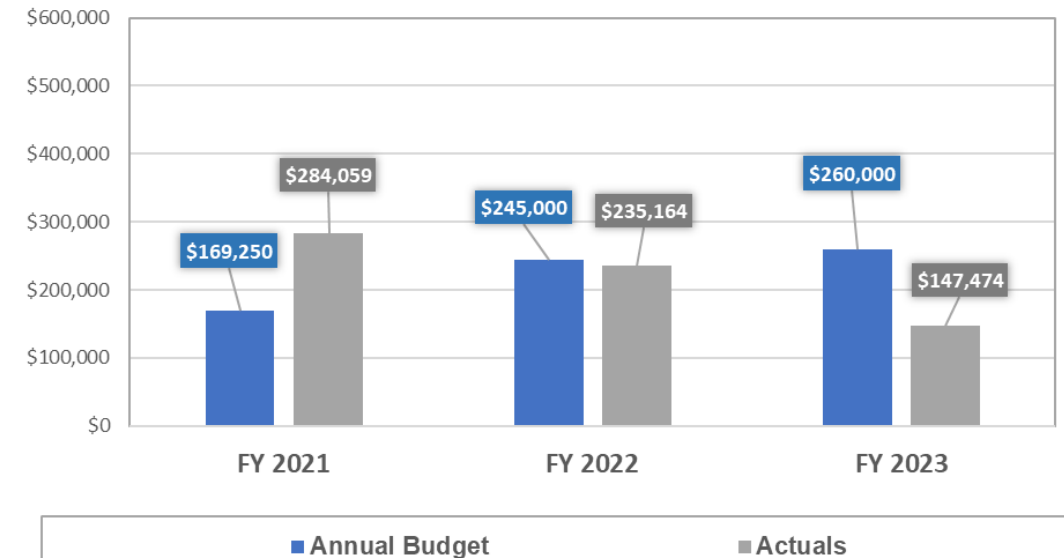


Interest Earnings & Building Permits

Interest Income Revenue - Received Through EOY



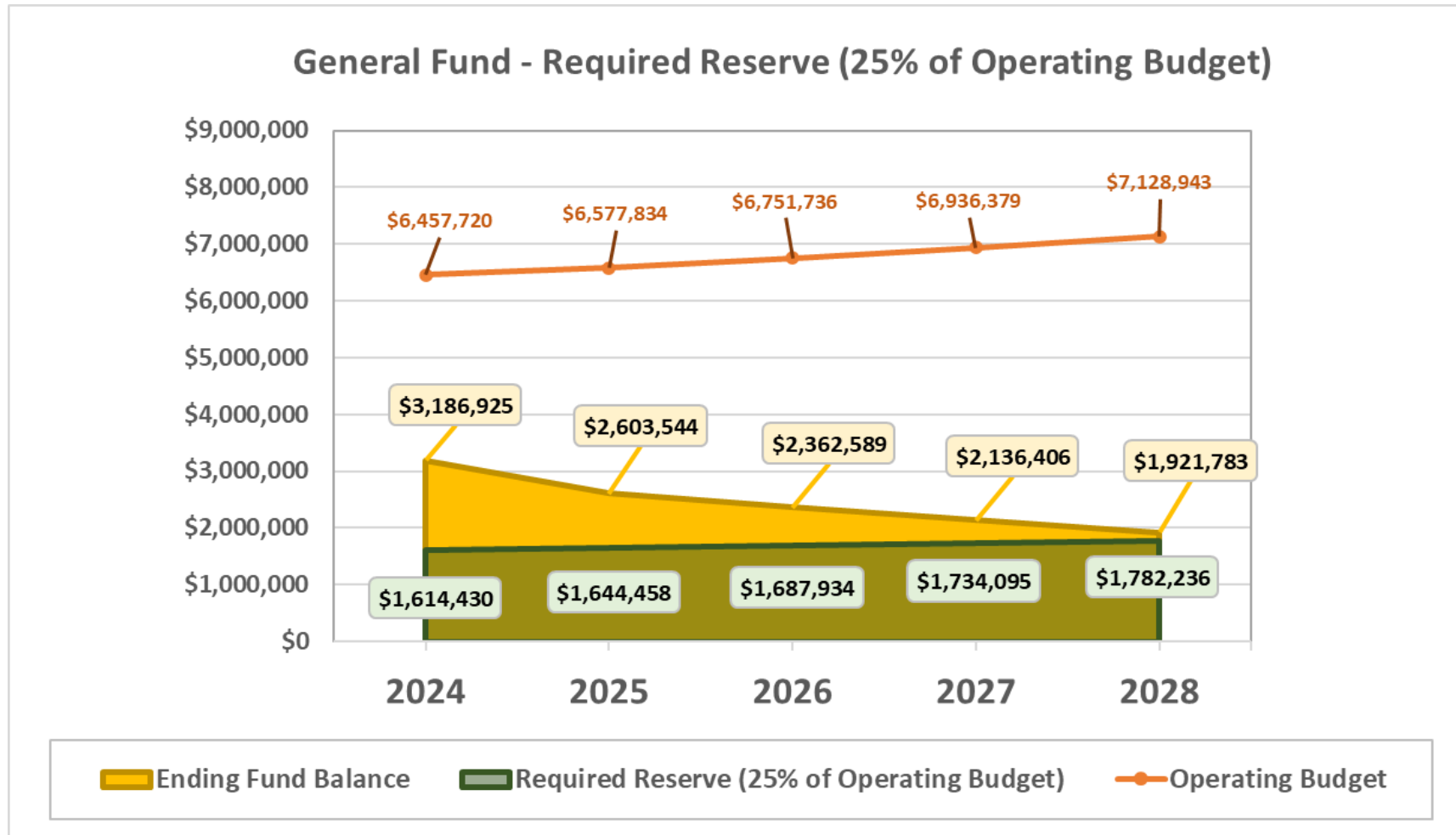
Building Permits - Received Through EOY



General Fund – FY2024 Budget

General Fund	FY2024 Adopted	FY2024 Projected	Delta (Adopted vs. Projected)
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Revenues	\$6,262,486	\$6,262,486	-
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General Fund – Five Year Cashflow Projection





**Combined
Water/Wastewater Fund
FY2023 Year End
Financial Review**

12/5/2023

CWWS Fund – FY2023 Performance

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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

CWWS Fund – FY2023 Performance

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 consisted of the COP Proceeds. This revenue is pushed from FY2023 to FY2024.

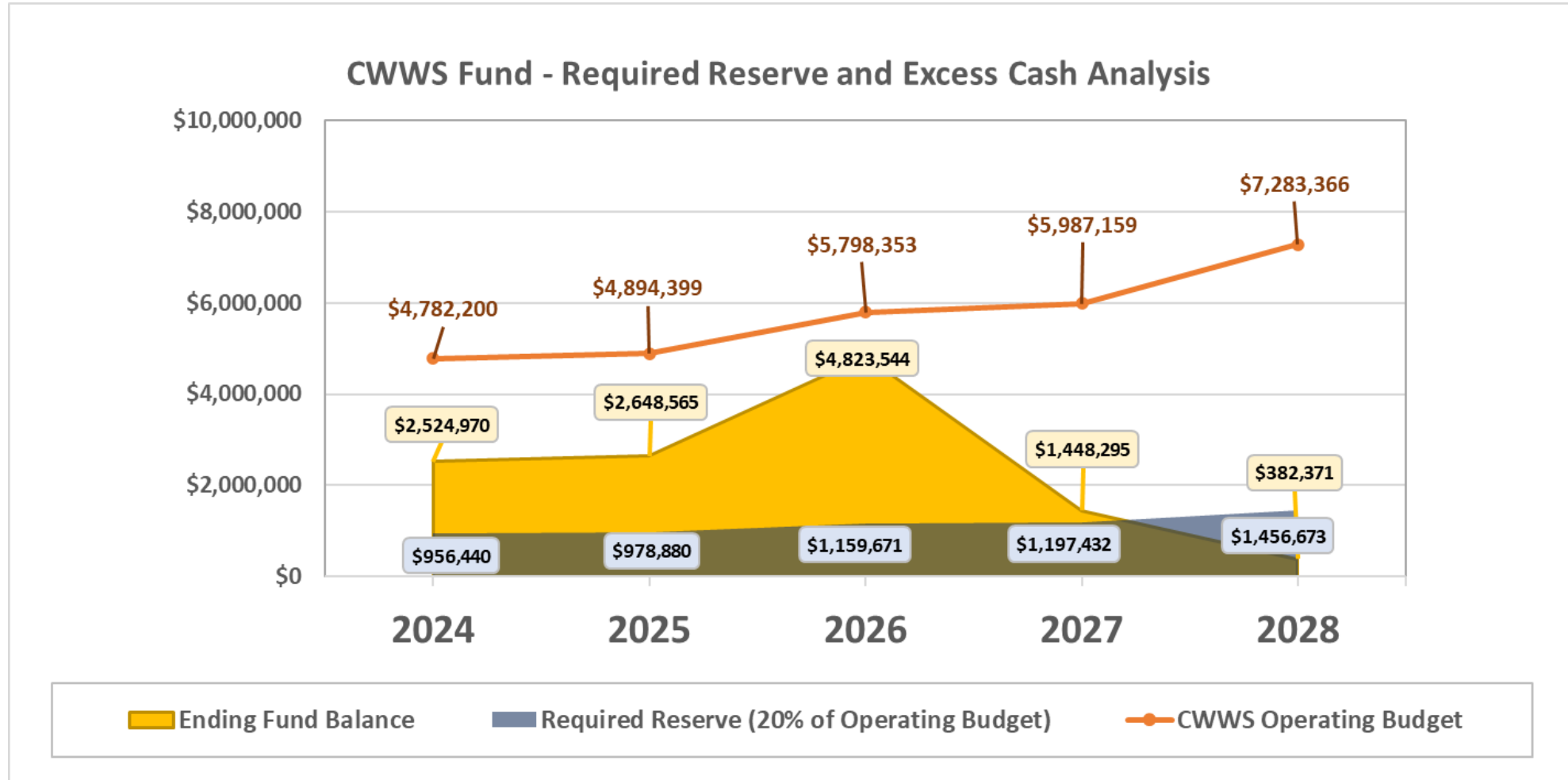
Expenditure Savings (Under Budget)

- **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

CWWS Fund – Five Year Cashflow Projection





Special Sales Tax Funds FY2023 Year End Financial Review

12/5/2023



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

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

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

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

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



**Truck & Salt
Spreader**

**Vehicle & Equipment
Replacement Fund
FY2023 Year End Financial
Review**

12/5/2023



**Skid Steer
Milling Attachment**



Utilities Zero-Turn Mower

Vehicle & Equipment Replacement Fund

FY2023 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 & 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

FY2023 Budget Performance - Conclusion

- **General Fund:** Revenue performance was strong
- **CWWS Fund:**
- **Special Sales Tax Funds:**
- **Vehicle & Equipment Replacement Fund:** Not all vehicles planned for replacement in FY2023 were completely replaced. 4 of 8 police vehicles.