

**FY2024 Budget
6 Month Financial Update
BOA Work Session
June 4, 2024**

FY2024 Budget Comments

FY2024 amendments approved by the Board:

- **Budget Amendment #1:** On November 20, 2023, \$732,000 of expenditures to the CWWWS Fund. Expenditures are:
 - \$155,000 4th Street and 4th Terrace stormwater improvements
 - \$305,000 Quincy Boulevard stormwater improvements
 - \$200,000 Raw Water Pump Station construction
 - \$72,000 Playground Resurfacing at Smith's Fork Park and Heritage Park
- **Budget Amendment #2:** On March 5, 2024, \$30,000 of expenditures to the General Fund and \$200,831.87 of expenditures to the CWWWS Fund. Expenditures are:
 - \$30,000 West Central Missouri Regional Lodge #50 of the Fraternal Order of Police
 - \$116,713.60 First and Bridge Street Waterline Improvement
 - \$28,000 manhole replacement on Maple Street
 - \$29,796.27 final cost of motive pump maintenance
 - \$26,322 waterline under 147th Street
- **Budget Amendment #3:** On May 7, 2024, \$45,375.63 of expenditures to the General Fund and \$15,753.93 of expenditures to the CWWWS Fund. Expenditures are:
 - \$36,000.75 LAGERS upgrade to L-12 from L-7 (GF)
 - \$12,078.81 LAGERS upgrade to L-12 from L-7 (CWWWS)
 - \$9,374.88 IT services upgrade (GF)
 - \$3,675.12 IT services upgrade (CWWWS)

On May 7, 2024, \$460,000 of additional revenue and expenditures to the Transportation Sales Tax Fund and \$1,000,000 to the Capital Improvement Sales Tax Fund was approved as additional MARC grant funds were secured. Revenue and expenditures are:

- \$460,000 Commercial Street Sidewalk Project
- \$1,000,000 Streetscape Phase III
- \$4,350,000 COP budgeted in CWWWS fund, plus an additional \$2,344,510 for a total of \$6,694,510. Resolution 1307, go to market.



General Fund Review



General Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Revenues	\$ 6,266,986	\$ 6,695,853	\$ 3,845,330	61.4%

- 2nd 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	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Expenditures	\$ 7,100,790	\$ 7,171,798	\$ 3,508,981	49.4%

GF Funded Capital Project	Phase	Resolution	Contractor / Engineer	Status
4 th St & 4 th Terr Improvement	Construction	1199	Menke	Completed
Quincy Boulevard Improvements	Construction	1221	Amino Brothers	In Progress *
Annual Wayfinding Signage Installation	Construction	Upcoming	City Staff	In Progress

Property Tax Revenue

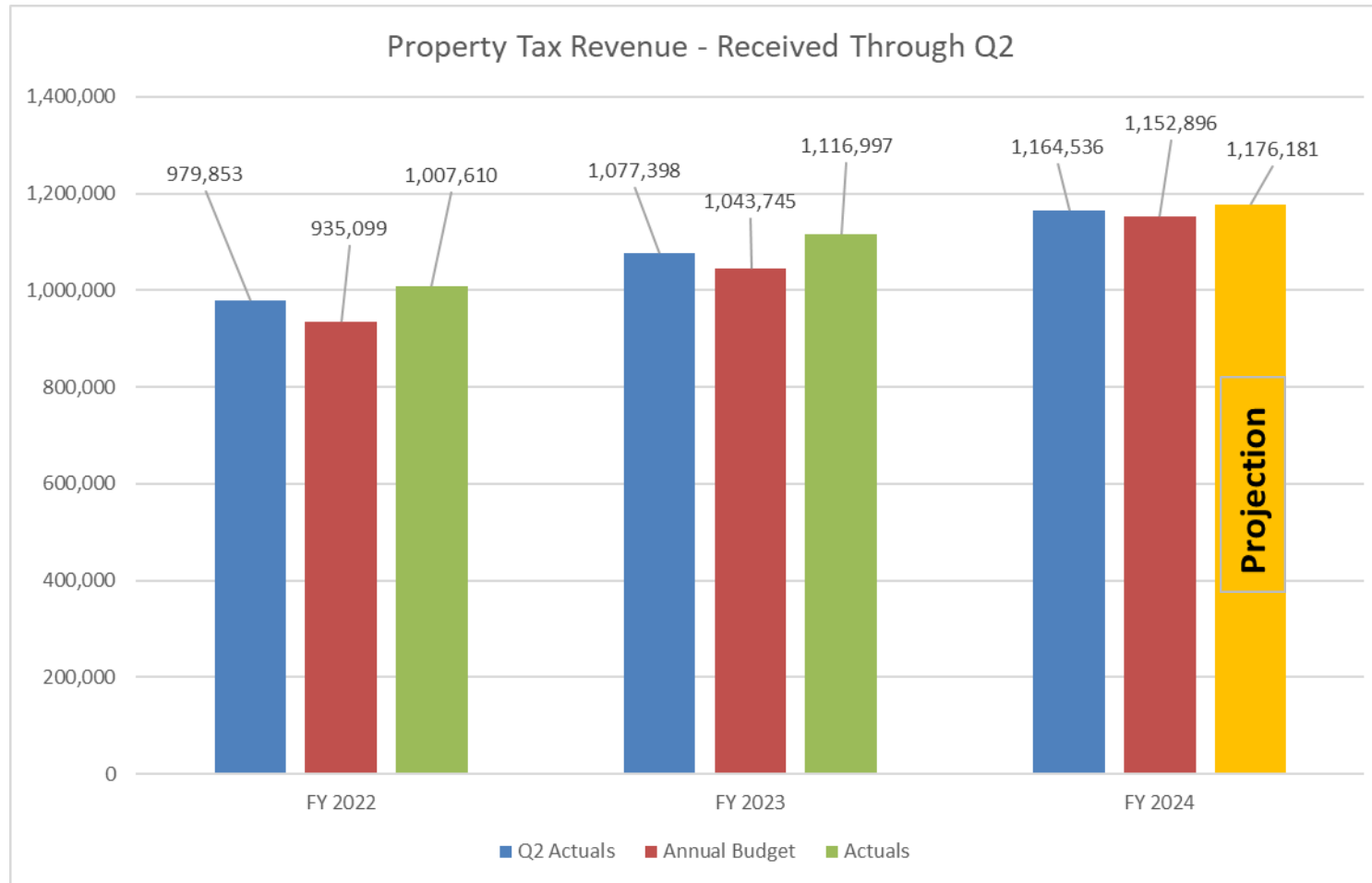


*Property Tax revenue comprises **18%** of General Fund revenues and plays a significant role in funding core City services and amenities*

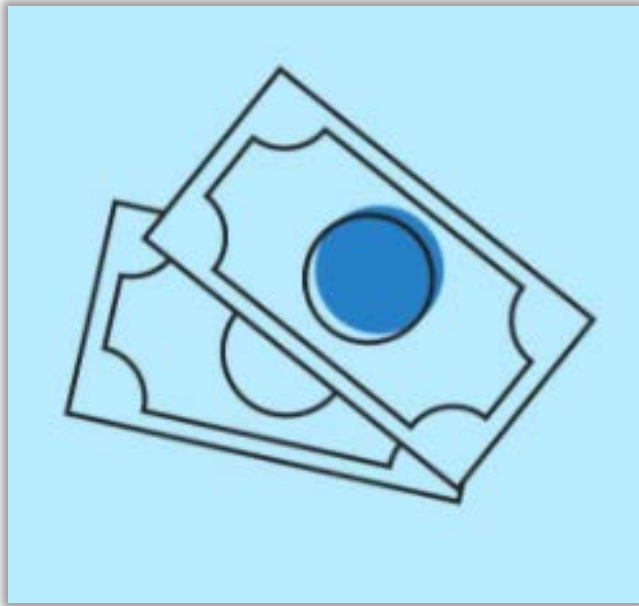
General Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Property Tax Revenues	\$ 1,152,896	\$ 1,176,181	\$ 1,164,536	101.0%

- Property taxes are due December of each year, Clay County disburses in January, reflecting the majority of property tax income.
- The City, on average in the past 3 years, receives **99%** of annual property tax revenue by the 2nd quarter of the fiscal year.
- For the last five years, the City has seen an average annual increase in property tax revenues of about **5.8%**.

Property Tax Revenue - 3 Year Trend History



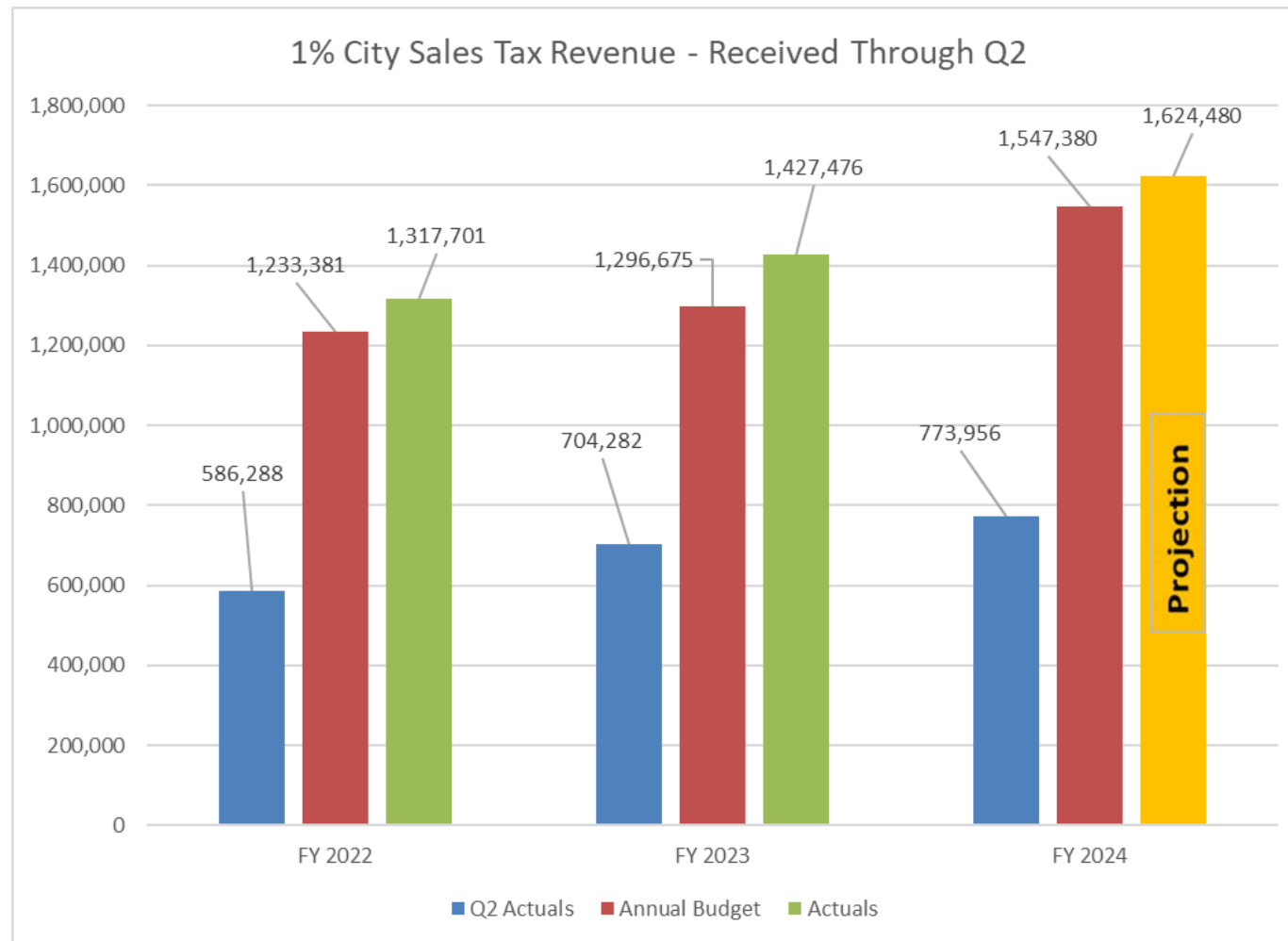
1% City Sales Tax Revenue



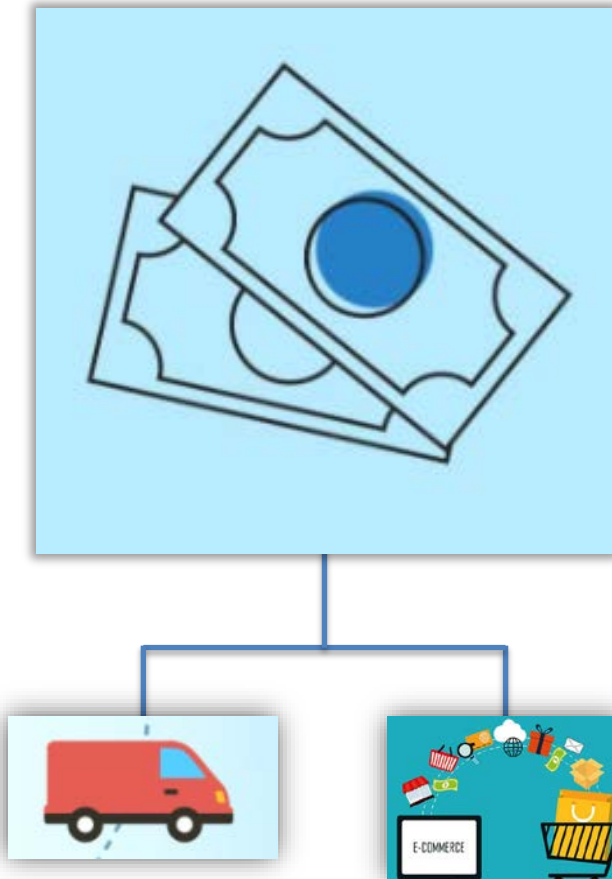
General Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Sales Tax Revenue	\$ 1,547,380	\$ 1,624,480	\$ 773,956	50.0%

- The City, on average in the past 3 years, receives **45%** of sales tax annual revenue by the 2nd 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



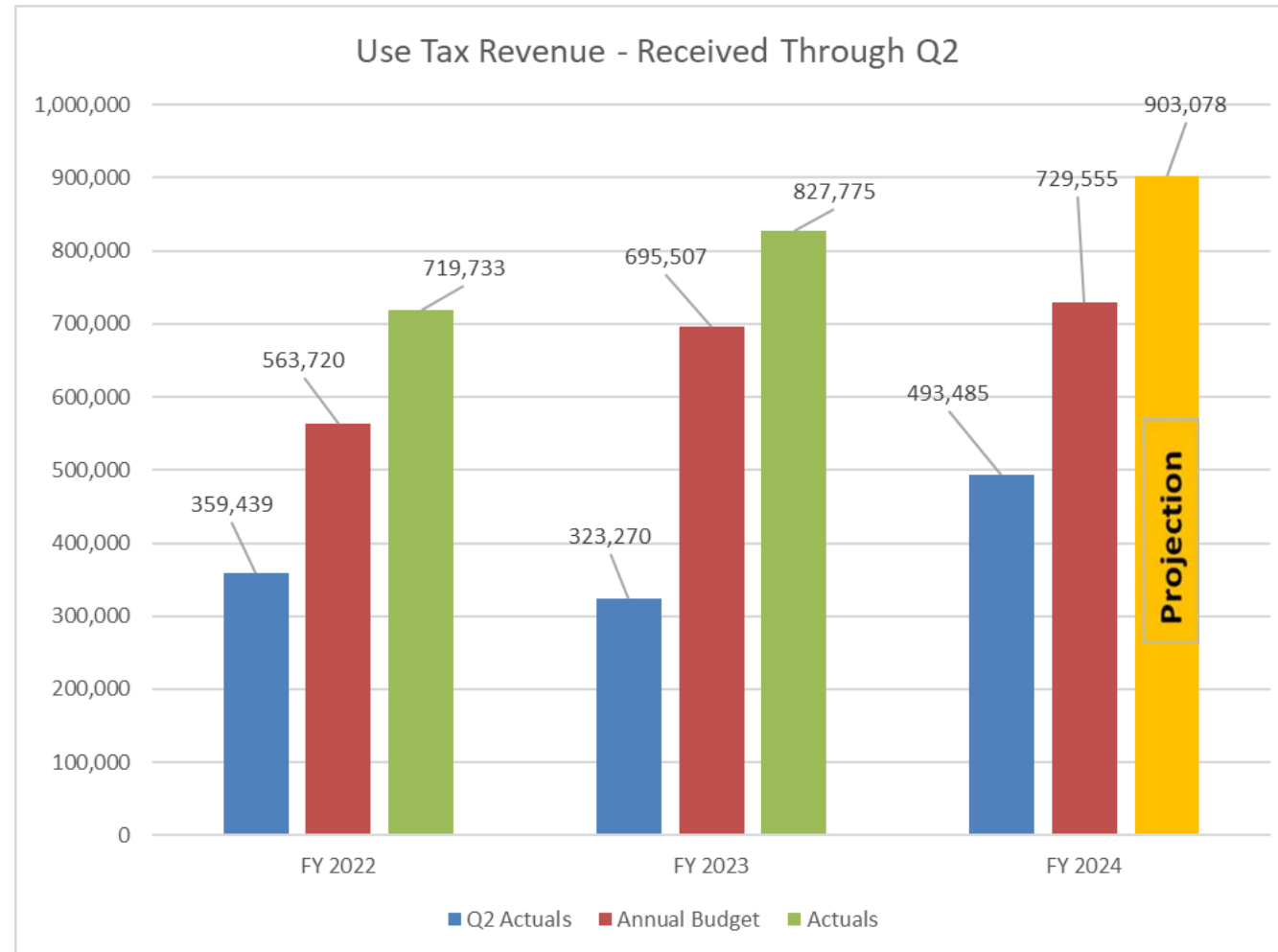
Use Tax Revenue



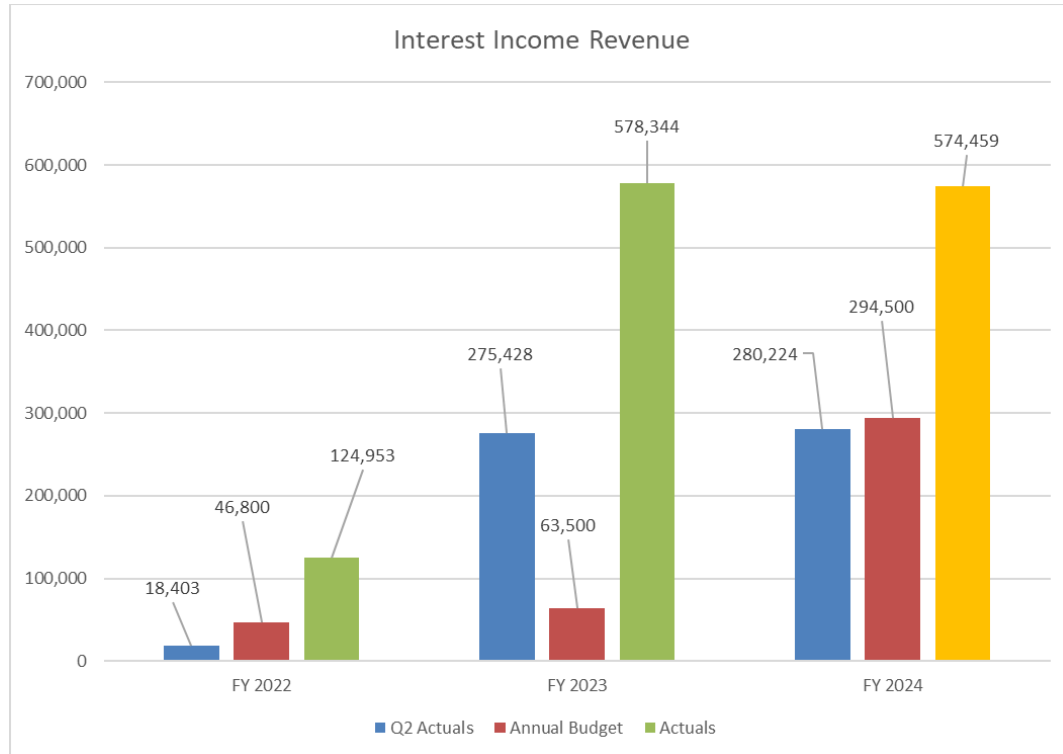
General Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Use Tax Revenue	\$ 729,555	\$ 903,078	\$ 493,485	67.6%

- The City, on average in the past 3 years, receives **49%** of use tax annual revenue by the 2nd quarter of the fiscal year.
- Use Tax revenue has been well above expectations for FY2024.

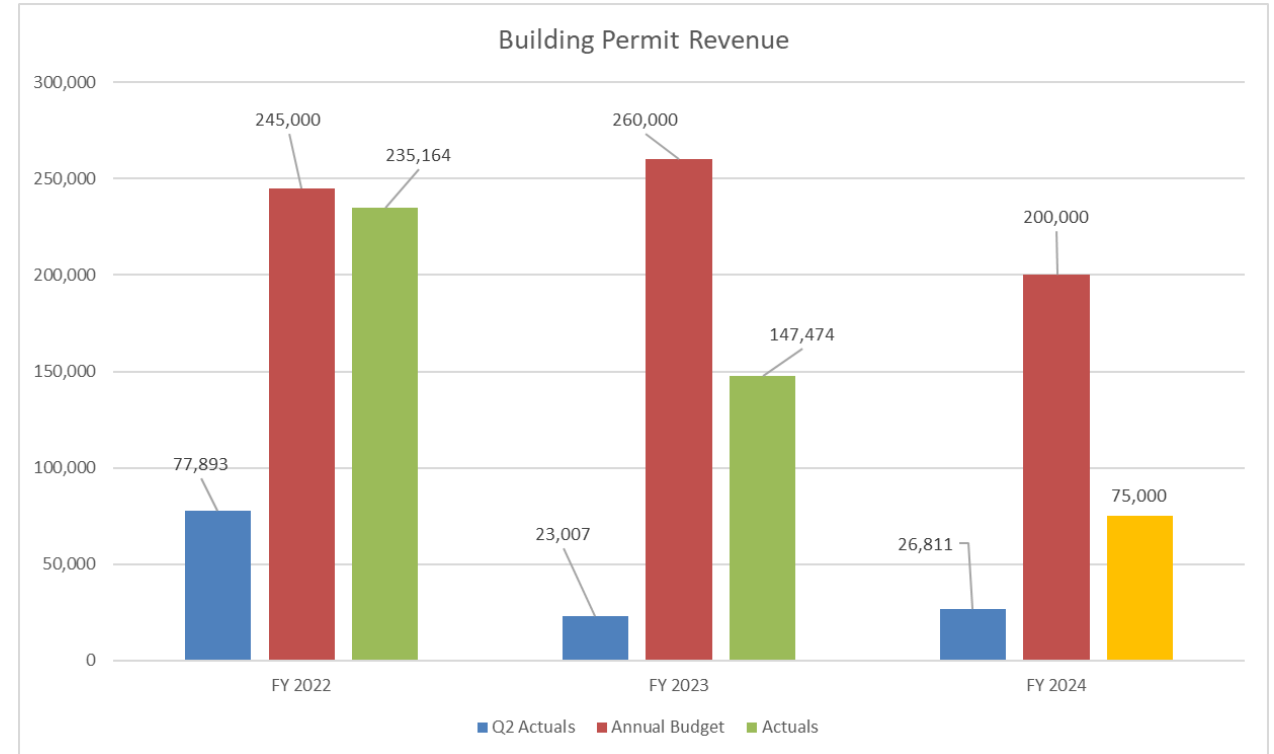
Use Tax Revenue - 3 Year Trend History



General Fund Revenues – Areas of Impact



Interest Earnings revenue is up slightly from prior year Q2 and **up significantly** compared to FY2022 and prior.



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

General Fund – Q1 to Q2

	Q1 2024	Q2 2024
Property Tax	\$ -	\$ 23,285
Sales Tax	\$ 53,784	\$ 77,100
Use Tax	\$ 100,000	\$ 173,523
Interest Income	\$ 202,576	\$ 279,959
BuildingPermits	\$ (150,000)	\$ (125,000)
	<u>\$ 206,360</u>	<u>\$ 428,867</u>
Total Expenses	<u>\$ (72,428)</u>	<u>\$ (71,008)</u>
	<u>\$ 133,932</u>	<u>\$ 357,859</u>

General Fund Review



General Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Revenues	\$ 6,266,986	\$ 6,695,853	\$ 3,845,330	61.4%

- 2nd 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	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Expenditures	\$ 7,100,790	\$ 7,171,798	\$ 3,508,981	49.4%

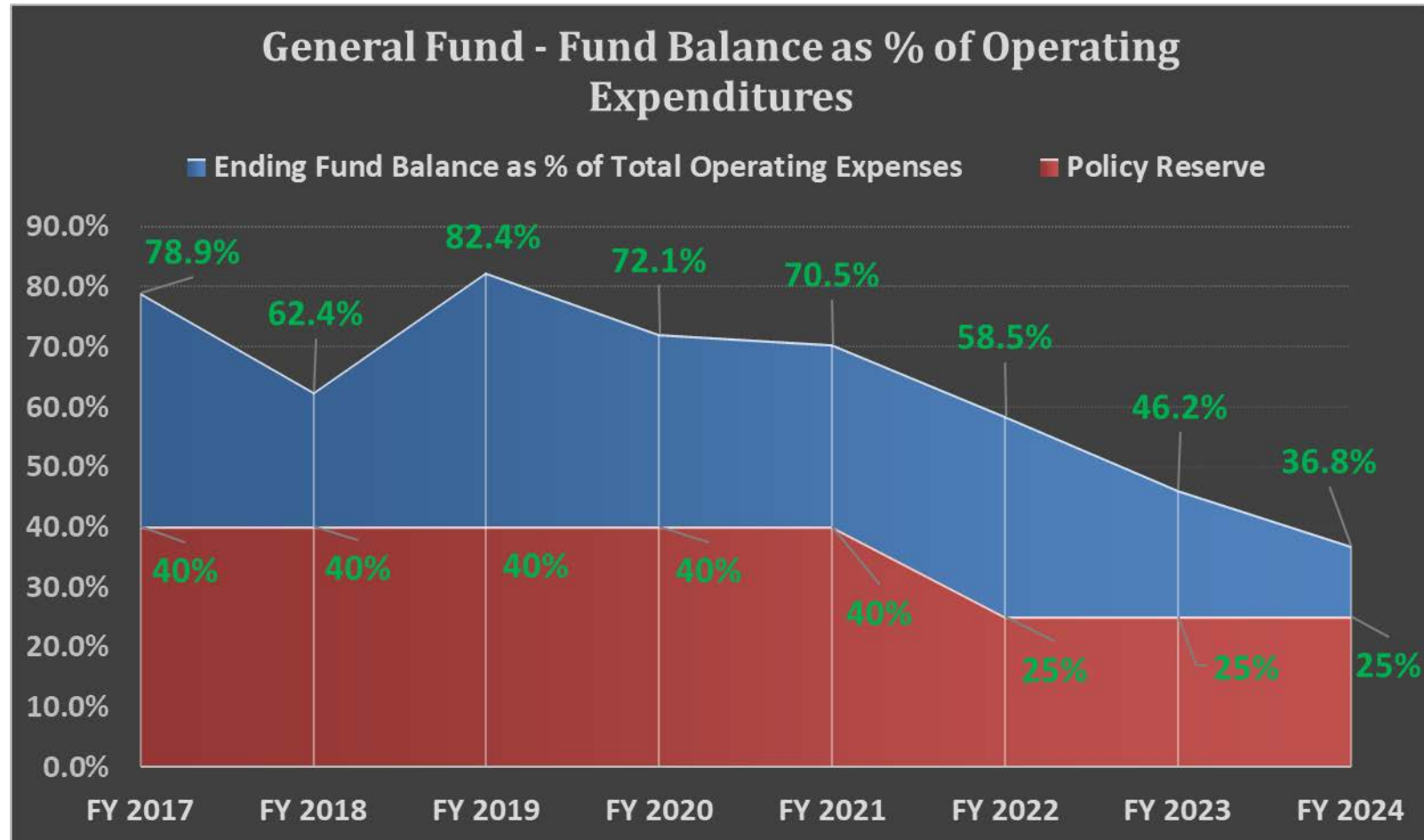
GF Funded Capital Project	Phase	Resolution	Contractor / Engineer	Status
4 th St & 4 th Terr Improvement	Construction	1199	Menke	Completed
Quincy Boulevard Improvements	Construction	1221	Amino Brothers	In Progress *
Annual Wayfinding Signage Installation	Construction	Upcoming	City Staff	In Progress

General Fund – Bottom Line

	Actual FY2023	Budgeted FY2024	Projected FY2024
Beginning Fund Balance	3,425,221	3,951,294	3,117,490
Total Revenues	6,569,620	6,266,986	6,695,853
Total Expenses	6,043,547	7,100,790	7,171,798
Net Change in Fund Balance	526,073	(833,804)	(475,945)
Ending Fund Balance	3,951,294	3,117,490	2,641,545
			357,859

*Projected increase over FY2024 budget of **\$357,859**.

General Fund – Fund Balance Analysis



The FY2024 percentage of operating expenditures (shown in the graph above) is the projected ending amount.

Capital Improvement Sales Tax Fund



Streetscape Phase III – Conceptual Design

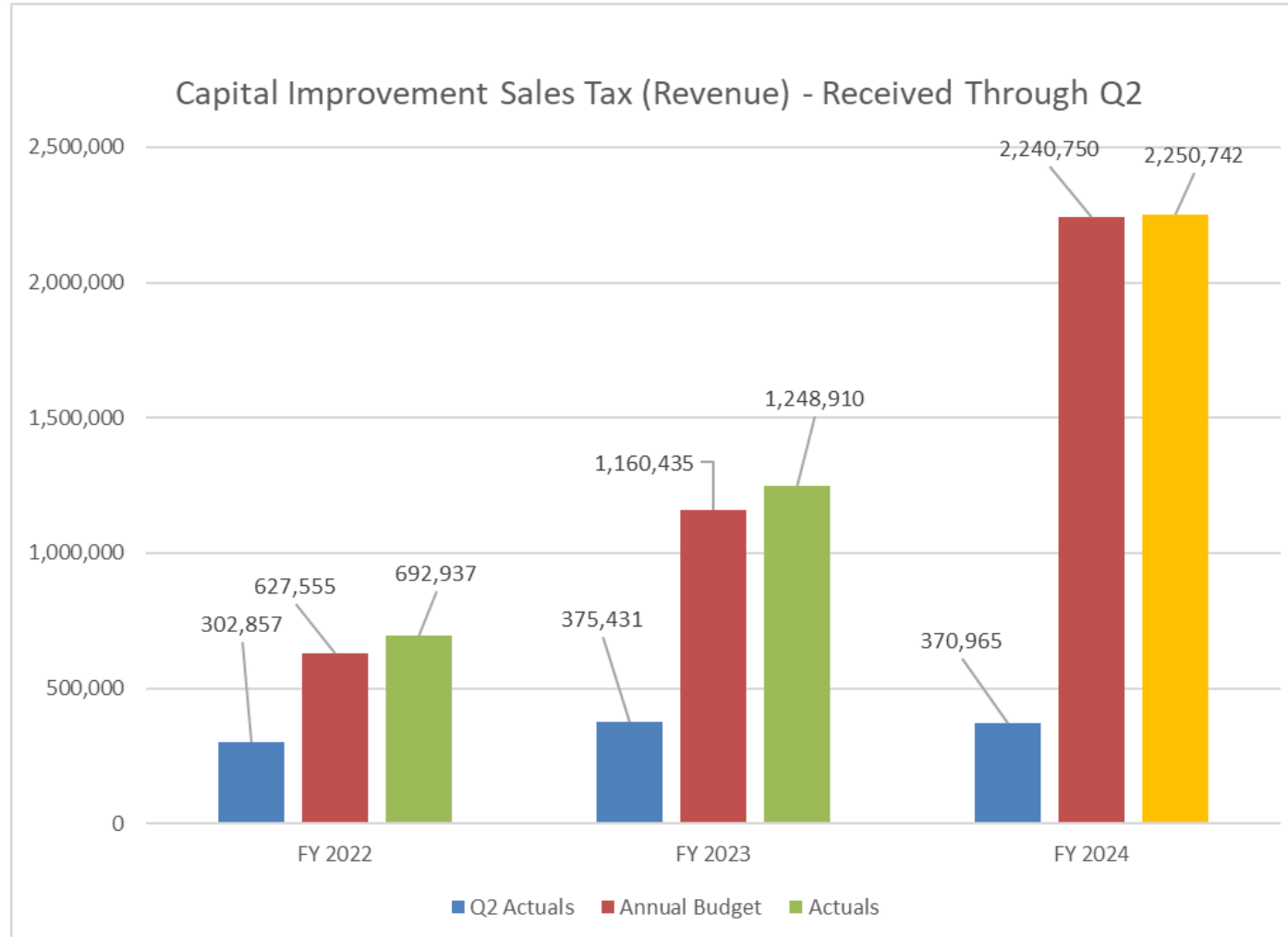
Capital Improvement Sales Tax	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Revenue	\$ 2,240,750	\$ 2,250,742	\$ 370,965	16.6%

- The City, on average in the past year 3 years, receives **43.2%** of capital improvement sales tax annual revenue by the 2nd quarter of the fiscal year.
- The budget includes a **\$1,488,000** MoDOT reimbursement for Streetscape Phase III Construction, which would be received as project progress occurs.

Capital Improvement Sales Tax	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Expenditure	\$ 1,906,340	\$ 1,906,340	\$ 433,837	22.8%

CIST Funded Capital Project	Phase	Resolution	Contractor / Engineer	Status
Riverwalk Park & Trail	Engineering	1321	GBA	In Progress
2nd Creek Sidewalks	Engineering	1321	GBA	In Progress
Downtown Streetscape Phase III	Construction	Upcoming	TBD	Not Started
1st Street and Bridge Round-A-Bout	TBD	Upcoming	To Be Decided	Not Started

Capital Improvement Sales Tax Revenue - 3 Year Trend History



Transportation Sales Tax Fund



Public Works Street Department Team

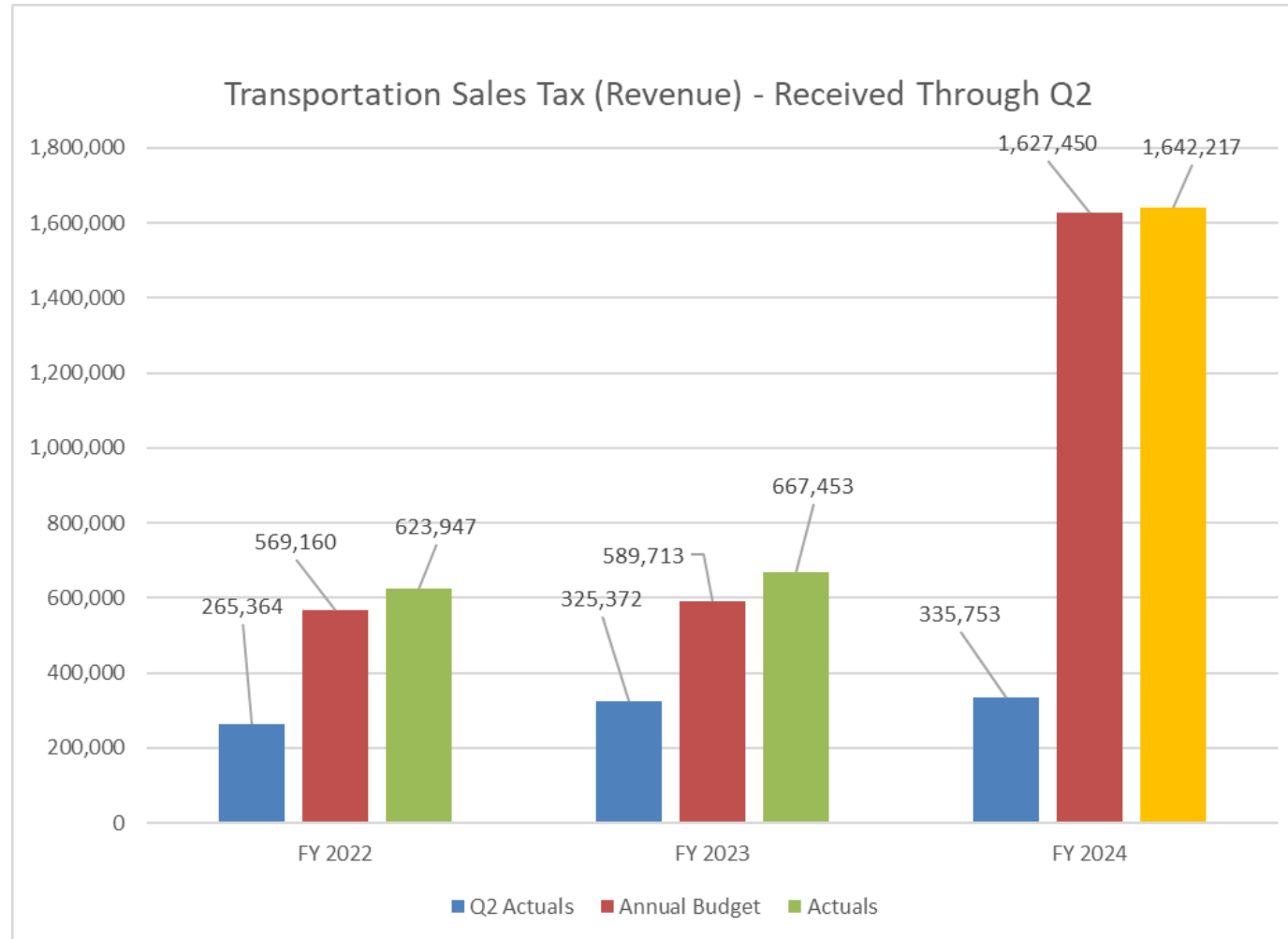
Transportation Sales Tax	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Revenue	\$ 1,627,450	\$ 1,642,217	\$ 353,793	21.7%

- The City, on average in the past 3 years, receives **43.3%** of transportation sales tax annual revenue by the 2nd quarter of the fiscal year.
- The budget includes a **\$960,000** MARC reimbursement for Commercial Street Sidewalks, which would be received as project progress occurs.

Transportation Sales Tax	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Expenditure	\$ 1,699,140	\$ 1,699,140	\$ 110,371	6.5%

TST Funded Capital Project	Phase	Resolution	Contractor / Engineer	Status
Annual Asphalt Overlay Program	Construction	1323	Asphaltic Surfaces	Completed
Annual Sidewalk Replacement Program	Construction	Upcoming	KC Concrete	Completed
Commercial Street Sidewalks (grant for \$960,000)	Construction	Upcoming	To Be Decided	Not Started

Transportation Sales Tax Revenue - 3 Year Trend History



Combined Water & Wastewater Fund



CWWS Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Revenue	\$ 10,683,600	\$ 10,968,941	\$ 2,997,191	28.1%

- Budgeted revenues include COP proceeds of **\$4,350,000** for 144th Street Lift Station and West Bypass of the 144th Street Lift Station.

CWWS Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Expenditure	\$ 15,704,620	\$ 13,004,620	\$ 2,231,694	14.2%

2024 Capital & Maintenance Program – CWSWS Fund



Aerobic Digester Improvements

CWSWS Funded Capital Project	Phase	Resolution	Contractor / Engineer	Status
2024 Sewer Rehabilitation Program	Maintenance	1300	SAK	Completed
Complete Auth 94 - West Bypass of 144th St Lift Station	Engineering	987	HDR Engineering	In progress
Complete Auth 92 - Smith's Fork Pump Station	Engineering	1197	HDR Engineering	In progress
Complete Auth 99 - WTP Improvements / Residuals	Engineering	1208	HDR Engineering	In progress
Complete Auth 97 - River Cross / Maple Ln Waterline	Engineering	1138	HDR Engineering	In progress
Complete Auth 98 - Owens Branch Sanitary Sewer	Engineering	1176	HDR Engineering	In progress
West Bypass of the 144th Street Lift Station	Construction	Upcoming	TBD	In progress
144 th Street Lift Station	Construction	Upcoming	TBD	In progress
Est. Remaining Contract - Smith's Fork Force Main	Construction	Upcoming	TBD	In progress
Maple Lane & River Crossing (12" Waterline)	Construction	Upcoming	TBD	In progress
Headworks Bar Screen	Construction	1309	Ross Construction	In progress
Authorization 101 - Stonebridge Lift Station	Engineering	1258	HDR Engineering	In progress
Stonebridge Lift Station (SSD Cost Sharing)	Construction	Upcoming	TBD	In progress
1st and Bridge Street Watermain Improvements	Construction	Upcoming	TBD	In progress*
Lagoon Cleaning & Liner Repair	Construction	1299	Richardson Construction Company	Bid Awarded
Water Plant Improvements	Construction	Upcoming	Ross Construction	Bid Awarded

Water & Wastewater Sales Revenue



City of Smithville Water Tower

CWWS Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Water Sales	\$ 3,245,350	\$ 3,407,618	\$ 1,529,544	47.1%

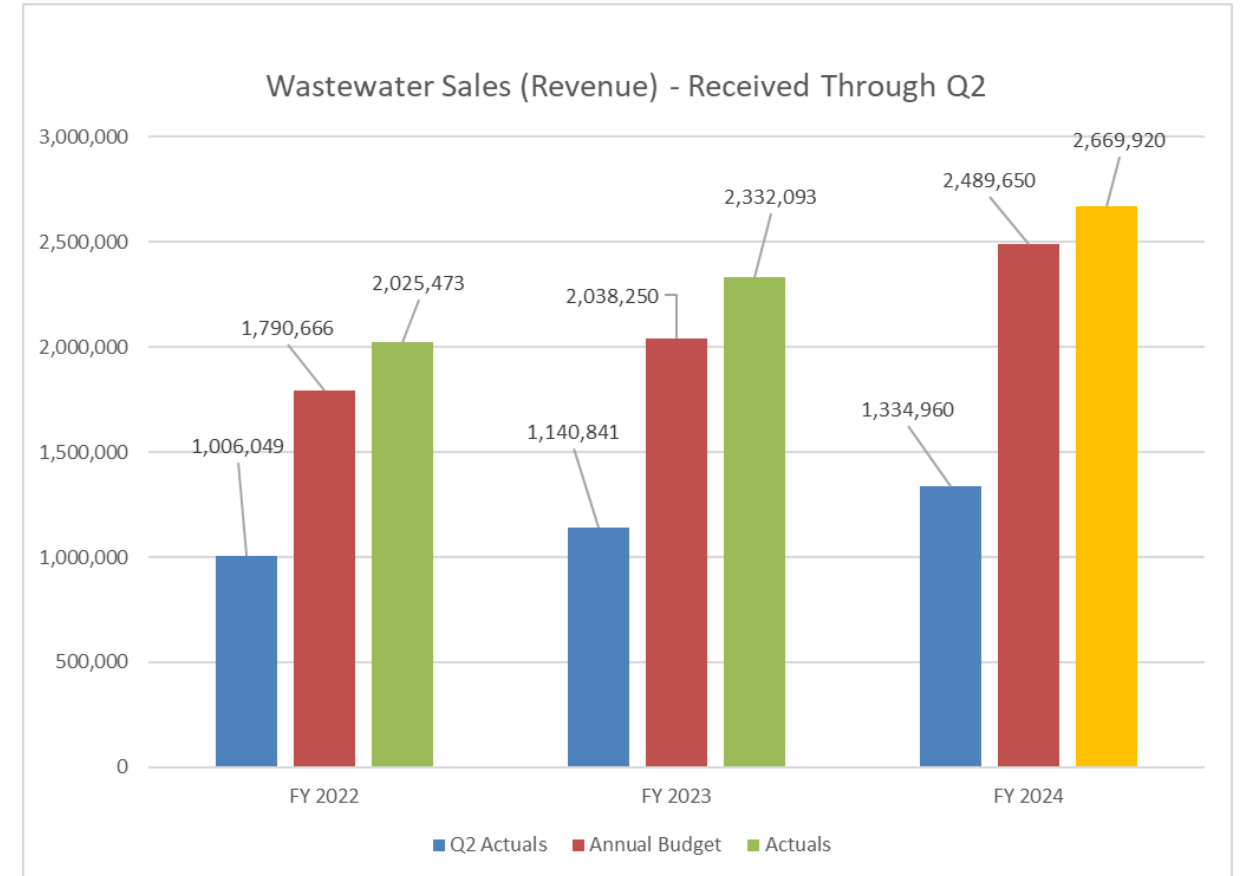
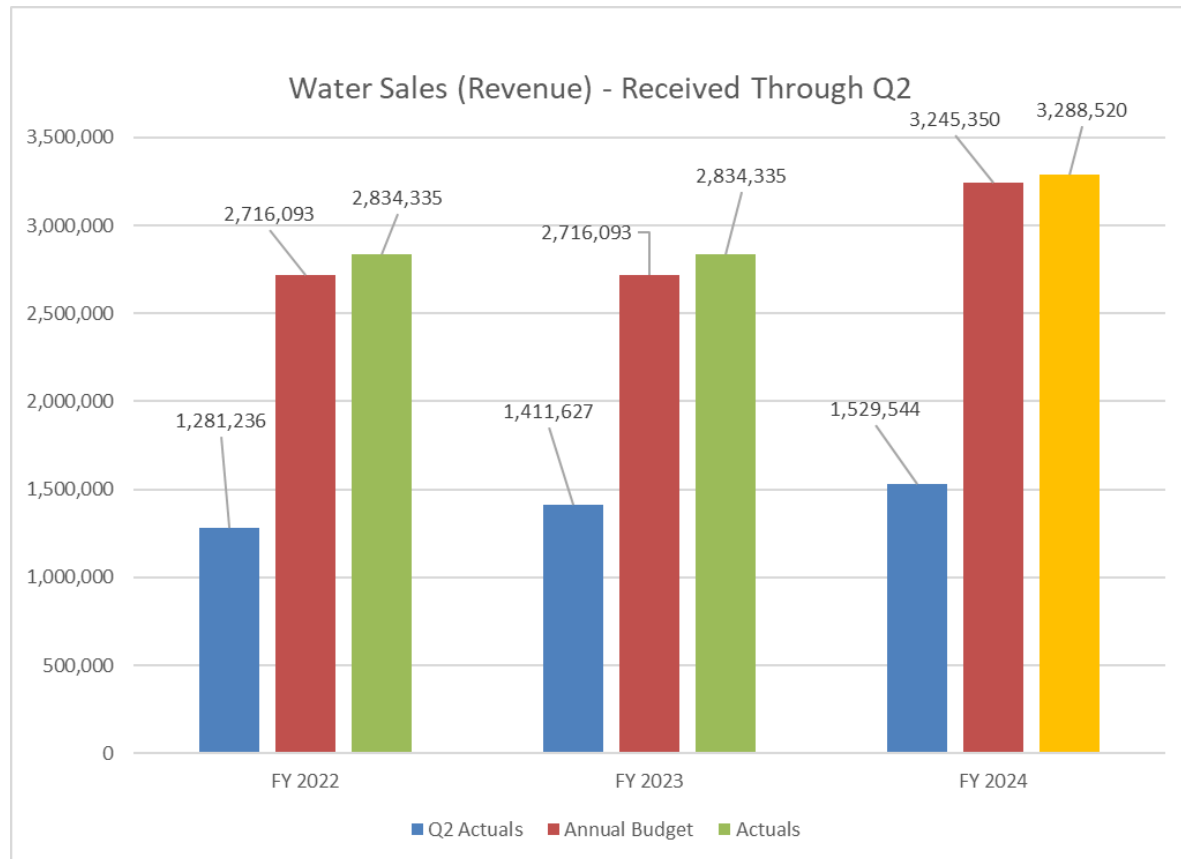
- The City, on average in the past 3 years, receives **44.7%** of water sales annual revenue by the 2nd quarter of the fiscal year.

CWWS Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Wastewater Sales	\$ 2,489,650	\$ 2,639,029	\$ 1,334,960	53.6%

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

Water & Wastewater Sales Revenue

3 Year History of Q2



CWWS Fund – Bottom Line

	Actual FY 2023	Budgeted FY 2024	Projected FY 2024
Beginning Fund Balance	7,123,744	6,589,526	1,568,506
Total Revenues	6,104,757	10,683,600	10,968,941
Total Expenses	6,638,976	15,704,620	13,004,620
Net Change in Fund Balance	(534,218)	(5,021,020)	(2,035,679)
Ending Fund Balance	6,589,526	1,568,506	(467,173)
			2,985,341

*Projected increase over FY2024 budget of **\$2,985,341**. \$2.7M in projected projects delayed.

Sanitation Fund



GFL Bright Green Sanitation Trucks

Sanitation Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Revenue	\$ 938,757	\$ 922,790	\$ 456,895	48.7%

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

Sanitation Fund	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Expenditure	\$ 931,805	\$ 924,024	\$ 466,512	50.1%

- 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	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Revenue	\$ 933,750	\$ 1,036,463	\$ 370,190	39.6%

- The City, on average in the past year 3 years, receives **42.3%** of park and stormwater sales tax annual revenue by the 2nd quarter of the fiscal year.
- The budget includes a **\$184,600** grant for OK Railroad.

Park & Stormwater Sales Tax	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Expenditure	\$ 1,021,000	\$ 1,021,000	\$ 362,474	35.5%

PST Funded Capital Project	Phase	Resolution	Contractor / Engineer	Status
Stonebridge Stormwater Improvements	Engineering	1304	GBA	Completed
Emerald Ridge Neighborhood Park & Signage	Construction	Upcoming	To Be Decided	In Progress
Stonebridge Stormwater Improvements	Construction	Upcoming	To Be Decided	In Progress
The "OK Railroad" Trail (grant for \$184,600)	In house	Upcoming	To be bid in 2025	Not Started

VERF (Vehicle & Equipment Replacement Fund)



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

VERF	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Revenue	\$ 374,398	\$ 373,851	\$ 373,851	99.9%

- ❑ The VERF received the budgeted \$249,000 transfer for annual operational support in Q1 of 2024.
- ❑ Sold \$124,851.35 in FY2024.

VERF	FY2024 Budgeted	FY2024 Projections	FY2024 YTD	% of Budget Received
Expenditure	\$ 423,547	\$ 423,547	\$ 176,524	41.7%

- ❑ Through April 30, 2023, the City is leasing **38 vehicles** with Enterprise Fleet Management. (11 added in FY2024)

6 Month Budget Review - Conclusion



Revenues

- *Property Tax*: Property tax will exceed the adopted line-item budget in FY2024.
- *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*: Excellent growth through Q2, which is likely somewhat driven by consumer inflation in routine goods and services, but also growth in the local economy.
- *Building Permits*: Permits are beginning to pickup, but the revenue budget will not be met for FY2024.
- *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 FY2024.

Expenditures

- *General Fund Operational Expenditures*: At this time staff is not projecting any significant changes to the expenditure budget.
- *Capital Budgets*: Capital budget spending is significant in all funds this year. Staff will monitor progress and adjust projections in FY2024.