

**RESOLUTION NO. R-18-18**

**A RESOLUTION AMENDING OR REVISING THE 2018 GENERAL FUND, COMMUNITY CENTER PARKS SALES TAX FUND, CAPITAL IMPROVEMENT SALES TAX FUND, TRANSPORTATION IMPROVEMENT SALES TAX FUND, CAPITAL EQUIPMENT REPLACEMENT FUND, AND COMBINED WATER AND SEWERAGE SYSTEM FUND, FOR THE CITY OF GLADSTONE, MISSOURI, AND AUTHORIZING EXPENDITURES OF FUNDS.**

WHEREAS, The Council of the City of Gladstone, Missouri has determined the need for additional appropriations in the above referenced funds.


**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:**

THAT, the General Fund, Community Center Parks Sales Tax Fund, Capital Improvement Sales Tax Fund, Transportation Improvement Sales Tax Fund, Capital Equipment Replacement Fund, and the Combined Water and Sewerage System Fund, be adopted or amended as set forth below:


	<u>REAPPROPRIATED BUDGET RESOLUTION NO. R-17-45</u>	<u>REVISING BUDGET RESOLUTION NO. R-18-xx</u>	<u>INCREASE (DECREASE)</u>
<u>General Fund</u>			
Expenditures	\$18,159,481	\$20,294,229	\$2,134,748
<u>Community Center Parks Sales Tax</u>			
Expenditures	\$4,122,455	\$4,266,882	\$144,427
<u>Combined Water &amp; Sewerage System</u>			
Expenditures	\$10,535,552	\$10,561,894	\$26,342
	<u>FY17 BUDGET RESOLUTION NO. R-17-23</u>	<u>REVISING BUDGET NO. R-18-xx</u>	<u>INCREASE (DECREASE)</u>
<u>Capital Improvement Sales Tax</u>			
Expenditures	\$1,988,695	\$2,308,911	\$320,216
<u>Transportation Sales Tax</u>			
Expenditures	\$2,002,914	\$3,401,036	\$1,398,122
<u>Capital Equipment Replacement Fund</u>			
Expenditures	\$447,500	\$667,500	\$220,000

**FURTHER, THAT**, the City Manager of the City of Gladstone, Missouri is hereby authorized to expend the amounts as shown in the Revised Budgets.

**INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI THIS 12<sup>th</sup> DAY OF FEBRUARY, 2018.**

  
\_\_\_\_\_  
R.D. Mallams, Mayor

ATTEST:

  
\_\_\_\_\_  
Ruth Bocchino, City Clerk



## *Request for Council Action*

RES  # R-18-18

BILL  # City Clerk Only

ORD # City Clerk Only

Date: 2/7/2018

Department: Choose Department

Meeting Date Requested: 2/12/2018

Public Hearing: Yes  Date: [Click here to enter a date.](#)

Subject: 2018 Midyear Budget

Background: The 2018 Midyear Budget was presented to the City Council at an Open Study Session on January 22, 2018, to be approved at the February 12, 2018, City Council meeting.

Budget Discussion: Funds are budgeted in the amount of \$ [Click here to enter amount](#) from the [Choose a Fund](#) Fund. Ongoing costs are estimated to be \$ [Click here to enter amount](#) annually. Previous years' funding was \$ [Click here to enter amount](#)

Public/Board/Staff Input: Staff is recommending that the 2018 budget be passed as presented with two additions. In the General Fund, \$200 has been added for the additional cost of records microfilming and the Community Center Parks Fund, an additional \$10,000, has been added to fund a new diving board for the outdoor pool and additional HVAC repairs from the damage sustained from a storm in June. Accompanying the request for Council Action form is the 2018 Fiscal Year Midyear Budget memo.

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor

Dominic Accurso  
Department Director/Administrator

City Attorney

  
City Manager



*Department of Finance  
Memorandum*

**DATE:** January 18, 2018  
**TO:** Scott Wingerson, City Manager  
**FROM:** Dominic Accurso, Interim Finance Director  
**RE:** 2018 Fiscal Year Midyear Budget

The Mid-Year Budget review for Fiscal Year 2018 is complete and hereby submitted to the City Council for review. The mid-year budget review gives staff the opportunity to compare budget projections to actual revenues and expenditures, economic trends, and adjust budgeted funding levels based upon unique circumstances that have arisen in the first six months of the fiscal year. This memorandum and exhibits will provide information on the General Fund, Community Center and Parks Tax Fund (CCPT), Public Safety Sales Tax Fund (PSST), Combined Water and Sewerage System Fund (CWSS), Capital Improvements Sales Tax Fund (CIST), Transportation Sales Tax Fund (TST) and Capital Equipment Replacement Fund (CERF).

GENERAL FUND (Exhibit A)

During the first five months of the fiscal year, the General Fund has experienced multiple events that have called for adjustments in both revenue and expense. Overall, revenue is trending 3% higher than originally budgeted. Actual sales and property tax are .31% over projected total revenues while gross receipts taxes are down .4% due to decreases from the telecoms and wireless companies. Licenses & permits are up .45% due to an increase in business license reporting and building permits. Charges for services are 1.72% over projected total revenues due to senior activities. Miscellaneous revenue and transfers have increased 1.2% due to one time revenues.

Increases in budgeted expenditures are mainly due to the closing of the 2017 lease purchase, senior activity expenditures, and one time expenditures. Additional revenue from senior activities will offset the additional senior activity expense. A one-time transfer from CERF will be used to offset a portion of the 2017 lease purchase as the energy savings contract equipment is currently being installed. Expenditures for downtown development will be offset by an equity transfer. Supplemental requests for professional services, supplies and maintenance are being recommended in the amount of \$72,140. Staff is recommending budget authority for expenditures of \$20,294,029 from \$18,159,481, an increase of \$2,134,548.

#### COMMUNITY CENTER AND PARK TAX FUND (Exhibit B)

Adjustments for the CCPT are due to the 2017 lease purchase and storm damage to the HVAC system. Sales tax revenue has been adjusted to reflect higher than projected collections. Additional one time revenues and expense include an insurance reimbursement for the storm damage to the HVAC system that has been paid from both 2017 and 2018 fiscal years and transfer from CERF to pay for the energy savings equipment. The one time revenues will offset the additional expenses for HVAC repair and debt service. Budget authority in the amount of \$4,256,882 is being recommended, an increase of \$68,349 from \$4,188,533.

#### PUBLIC SAFETY SALES TAX FUND (Exhibit C)

Actual revenue and expense for PSST are tracking close to projected. An adjustment for an increase in sales tax revenue has been made, but no expense adjustment is necessary.

#### COMBINED WATERWORKS AND SEWERAGE SYSTEM (CWSS) FUND (Exhibit D)

Recommended adjustments for the Combined Waterworks and Sewerage System include \$10,000 for supplemental water line supplies and water meters and \$16,342 for debt service for the energy savings contract. The debt service will be offset by a one-time transfer from CERF. Total budget authority recommended for the CWSS Fund is \$10,561,894, or an increase of \$26,342.

#### Capital Improvement Sales Tax Fund (Exhibit E)

Adjustments to the Capital Improvement Sales Tax Fund include prior year's projects cost to complete in the amount of \$320,216. The recommended budget authority for CIST is \$2,308,911. Projected ending fund balance available for future projects is \$264,011.

#### Transportation Sales Tax Fund (Exhibit F)

The majority of the adjustments needed for the Transportation Sales Tax Fund is to fund prior year's projects cost to complete in the amount of \$1,232,093. Additional adjustments include the debt service for the 2017 lease purchase (\$104,406), repairs to the Rock Creek Greenway Trail (\$51,400), and an additional \$10,223 for street maintenance. Adjustments to revenue include an increase in sales tax (\$20,000), increase in the transfer from the Special Road District (\$20,000) and one time revenues of insurance proceeds (\$45,000). Budget authority requested for TST is \$3,401,036. Projected ending fund balance available for future projects is \$81,474.

### Capital Equipment Replacement Fund (Exhibit G)

Staff is recommending that the Capital Equipment Replacement Fund Transfer a portion to cover the debt service for the energy savings contract, as the equipment is currently being installed. The total amount transferred to the other funds for debt service is \$193,000. An additional \$27,000 for downtown development is also being recommended for a total budget authority of \$667,500, an increase of \$220,000.

### CONCLUSION

In conclusion, the General Fund, the Community Center Park Tax Fund, the Public Safety Sales Tax Fund, Combined Water and Sewer System Fund, Capital Improvement Sales Tax Fund, Transportation Sales Tax Fund and Capital Equipment Replacement Fund all ended fiscal year with a positive fund balance.

Staff recommends budget authority for the General Fund of \$20,294,029, \$4,256,882 in the CCPT Fund, \$10,561,894 in the CWSS Fund, \$2,308,911 in the CIST Fund, \$3,401,036 in the TST Fund, and \$667,500 in the CERF Fund. A resolution to amend the 2018 Budget based on recommended budgets will be placed on the Council agenda for consideration on February 12, 2018. If you have any questions, please contact me at your convenience.

**GENERAL FUND  
STATEMENT OF REVENUES & EXPENDITURES**

	REAPPRO/CURRENT 2018	MIDYEAR 2018	BUDGET VARIANCE
<u>Revenue Sources</u>			
Property Tax	\$ 3,399,352	3,454,937	55,585
Sales Tax	3,914,545	3,939,545	25,000
Gross Receipts Tax	3,585,121	3,512,621	(72,500)
Licenses & Permits	574,650	656,750	82,100
Intergovernmental	1,332,974	1,344,474	11,500
Charges for Services	3,035,797	3,348,297	312,500
Fine & Forfeitures	1,060,000	1,060,000	-
Misc. Revenue & Transfers	756,076	974,076	218,000
Operating Revenues	17,658,515	18,290,699	632,184
Equity Transfer	504,809	2,004,809	1,500,000
<b>TOTAL REVENUE</b>	<b>\$ 18,163,324</b>	<b>\$ 20,295,508</b>	<b>\$ 2,132,184</b>
<u>Expenditures</u>			
General Administration	\$ 1,273,700	\$ 1,276,140	2,440
Finance	1,450,251	1,457,451	7,200
Public Safety	8,300,261	8,323,261	23,000
Public Works	2,317,776	2,352,276	34,500
Community Development	801,897	801,897	-
Parks & Recreation	2,478,953	2,816,725	337,772
Non-Departmental & Transfers	1,536,643	3,266,279	1,729,636
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,159,481</b>	<b>\$ 20,294,029</b>	<b>\$ 2,134,548</b>

**GENERAL FUND - ANALYSIS OF FUNDS AVAILABLE**

	2017 ACTUAL	2018 REAPPRO	2018 MIDYEAR
Beg Funds Available	\$ 5,007,854	\$ 5,443,132	\$ 5,443,132
Revenues	17,902,000	18,163,324	20,295,508
Equity Adj	-	(504,809)	(2,004,809)
Net Funds Available	22,909,854	23,101,647	23,733,831
Expenditures	(17,466,722)	(18,159,481)	(20,294,029)
Net Income (Loss)	435,278	3,843	1,479
Ending Funds Available	\$ 5,443,132	\$ 4,437,357	\$ 3,439,802
20% Fund Balance Req		3,631,896	3,414,777.60
Over (Under) Fund Bal Req		\$ 805,461	\$ 25,025

**COMMUNITY CENTER PARKS SALES TAX FUND  
STATEMENT OF REVENUES & EXPENDITURES**

	REAPPRO/CURREN 2018	MIDYEAR 2018	BUDGET VARIANCE
<u>Revenue source:</u>			
<u>Community Center/Natorium</u>			
Sales Tax	\$ 864,000	\$ 874,000	\$ 10,000
Charges for Services	1,100,450	1,100,450	-
Rents & Royalties - Facility Rental	272,160	272,160	-
Other Misc Income	29,265	29,265	-
NKC Operating User Fee	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Total Comm Ctr/Natorium	\$ 2,440,875	\$ 2,450,875	\$ 10,000
<u>Outdoor Pool</u>			
Charges for Services	\$ 187,375	\$ 187,375	\$ -
Other Misc Income	<u>18,500</u>	<u>18,500</u>	<u>-</u>
Total Outdoor Pool	\$ 205,875	\$ 205,875	\$ -
Total Operating Revenues	\$ 2,646,750	\$ 2,656,750	\$ 10,000
NKC Capital User Fee	\$ 525,000	\$ 525,000	\$ -
Misc Revenue	11,940	91,940	80,000
Transfers IN	752,500	836,927	84,427
Equity Transfer	<u>186,265</u>	<u>186,265</u>	<u>-</u>
Total Non-Operating Revenues	\$ 1,475,705	\$ 1,640,132	\$ 164,427
TOTAL REVENUES	\$ 4,122,455	\$ 4,296,882	\$ 174,427
<u>Expenditures:</u>			
Community Center	\$ 886,812	\$ 886,812	\$ -
Natorium	895,718	945,718	50,000
Outdoor Pool	170,850	170,850	-
Non-Departmental	116,615	116,615	-
Debt Requirements	<u>2,052,460</u>	<u>2,136,887</u>	<u>84,427</u>
TOTAL EXPENDITURES	\$ 4,188,533	\$ 4,256,882	\$ 68,349

**CCPT - ANALYSIS OF FUNDS AVAILABLE**

	2017 ACTUAL	2018 CURRENT/REAPP	2018 MIDYEAR
Beginning Unreserved Fund Balance	\$ 1,546,777	\$ 1,774,070	\$ 1,774,070
Equity Transfer	-	(186,265)	(186,265)
Revenue	3,781,209	4,122,455	4,296,882
Expenditures	<u>(3,553,916)</u>	<u>(4,188,533)</u>	<u>(4,256,882)</u>
Net Income (Loss)	227,293	(66,078)	40,001
Projected End Unreserved Fund Balance	\$ 1,774,070	\$ 1,521,728	\$ 1,627,806



Exhibit C

**PUBLIC SAFETY SALES TAX FUND  
STATEMENT OF REVENUES & EXPENDITURES**

	REAPPRO 2018	MIDYEAR 2018	BUDGET VARIANCE
<u>Revenue Sources</u>			
Sales Tax	\$ 864,000	\$ 874,000	\$ 10,000
Misc. Revenue & Transfers	738	738	-
Equity transfer	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 864,738</b>	<b>\$ 874,738</b>	<b>\$ 10,000</b>
<u>Expenditures</u>			
PSST	\$ 636,802	\$ 636,802	\$ -
Non-Departmental	227,147	227,147	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 863,949</b>	<b>\$ 863,949</b>	<b>\$ -</b>

**PSST - ANALYSIS OF FUNDS AVAILABLE**

	2017 ACTUAL	REAPPRO 2018	MIDYEAR 2018
Beg Funds Available	\$ 173,730	\$ 214,734	\$ 214,734
Revenues	884,591	864,738	874,738
Equity Transfer	-	-	-
Net Funds Available	1,058,321	1,079,472	1,089,472
Expenditures	(843,587)	(863,949)	(863,949)
Net Income (Loss)	41,004	789	10,789
<b>Ending Funds Available</b>	<b>\$ 214,734</b>	<b>\$ 215,523</b>	<b>\$ 225,523</b>

**COMBINED WATERWORKS & SEWER SYSTEM FUND  
STATEMENT OF REVENUES & EXPENDITURES**

	REAPPRO/CURREN 2018	MIDYEAR 2018	BUDGET VARIANCE
<u>Revenue source:</u>			
Water	\$ 4,194,930	\$ 4,194,930	-
Sanitation	6,194,154	6,194,154	-
Interest	26,000	26,000	-
Other income	66,823	66,823	-
Operating revenue	<u>10,481,907</u>	<u>10,481,907</u>	-
Transfers In	-	16,342	16,342
Use of Reserves	-	-	-
Equity Transfer	64,126	64,126	-
<b>TOTAL REVENUE</b>	<b><u>\$ 10,546,033</u></b>	<b><u>\$ 10,562,375</u></b>	<b><u>\$ 16,342</u></b>
<u>Expenditures:</u>			
Water Production	\$ 1,282,937	\$ 1,282,937	-
Water Operations & Maint	850,611	860,611	10,000
Sewer Collection	354,320	354,320	-
Non-Departmental & Transfers	6,104,178	6,104,178	-
Debt Requirements	1,058,600	1,074,942	16,342
Capital Outlay/Projects	884,906	884,906	-
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 10,535,552</u></b>	<b><u>\$ 10,561,894</u></b>	<b><u>\$ 26,342</u></b>

**CWSS - ANALYSIS OF FUNDS AVAILABLE**

	2017 ACTUAL	2018 REAPPROP BUDGET	MIDYEAR 2018 BUDGET
Beginning Unreserved Retained Earnings	\$ 1,802,580	\$ 10,286,201	\$ 10,286,201
Equity Adj		(64,126)	(64,126)
Revenue	9,586,295	10,546,033	10,562,375
Expenses	<u>(1,102,674)</u>	<u>(10,535,552)</u>	<u>(10,561,894)</u>
Net Income (Loss)	8,483,621	10,481	481
Projected Ending Unreserved Retained Earnings	<u>\$ 10,286,201</u>	<u>\$ 10,232,556</u>	<u>\$ 10,222,556</u>
20% Retained Earnings Req'd		960,477	1,084,319
Over (Under) 20% Retained Earnings Req'd		<u>\$ 9,272,079</u>	<u>\$ 9,138,237</u>

### Capital Improvement Sales Tax Fund

	<b>2018</b>	<b>2018</b>	
	<b>Original</b>	<b>Midyear</b>	
	<b>Budget</b>	<b>Budget</b>	
Fund Balance, July 1, 2017	\$ 507,189	\$ 507,189	
Budgeted Revenue, FY 2018	<u>2,045,733</u>	<u>2,065,733</u>	
Total Funds Available	2,552,922	2,572,922	
Budgeted Expenditures, FY 2018	<u>1,988,695</u>	<u>2,308,911</u>	
<b>PROJECTED FUND BALANCE, June 30, 2018</b>	<u>\$ 564,227</u>	<u>\$ 264,011</u>	
	<b>BUDGETED</b>	<b>BUDGETED</b>	<b>BUDGET</b>
	<b>2018</b>	<b>2018</b>	<b>VARIANCE</b>
<b>REVENUE</b>			
Sales Tax	1,690,983	1,710,983	20,000
Interest	4,750	4,750	-
Plan sales	-	-	-
Transf from GF-Facility Improvements	300,000	300,000	-
Transf from CWSS-Facility Improvements	<u>50,000</u>	<u>50,000</u>	-
<b>TOTAL REVENUE</b>	<u>\$ 2,045,733</u>	<u>\$ 2,065,733</u>	<u>\$ 20,000</u>
<b>EXPENDITURES</b>			-
Debt Service	1,381,785	1,381,785	-
Engineering Division Transfer	100,000	100,000	-
Arts Council	16,910	16,910	-
Misc. Storm Projects	70,000	70,000	-
Parks Trail Replacement Program	20,000	20,000	-
Parks Projects			-
Oak Grove Park Play Surface	50,000	50,000	-
Buildings Projects			-
City Hall Improvements	350,000	350,000	-
Prior Year Construction Projects	-	320,216	320,216
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,988,695</u>	<u>\$ 2,308,911</u>	<u>\$ 320,216</u>

### Transportation Sales Tax Fund

	2018 Original Budget	2018 Midyear	
Fund Balance, July 1, 2017	\$ 1,111,657	\$ 1,111,657	
Budgeted Revenue, FY 2018	<u>2,285,853</u>	<u>2,370,853</u>	
Total Funds Available	3,397,510	3,482,510	
Budgeted Expenditures, FY 2018	<u>2,002,914</u>	<u>3,401,036</u>	
PROJECTED FUND BALANCE, June 30, 2018	<u>\$ 1,394,596</u>	<u>\$ 81,474</u>	
	BUDGETED 2018	BUDGETED 2018	BUDGET VARIANCE
REVENUE			
Sales Tax	1,690,983	1,710,983	20,000
Property Tax - Local Transit	50,000	50,000	-
Property Tax - Sidewalks	50,000	50,000	-
RZB Subsidy	20,120	20,120	-
Special Road District Funds	270,000	290,000	20,000
Rock Creek Greenway Trail	-	-	-
N Campbell Sidewalks (from CWSS)	100,000	100,000	-
N Campbell Sidewalks (from Fund 421)	100,000	100,000	-
Insurance Proceeds	-	45,000	45,000
Interest Income	<u>4,750</u>	<u>4,750</u>	-
TOTAL REVENUE	<u>\$ 2,285,853</u>	<u>\$ 2,370,853</u>	<u>\$ 85,000</u>
EXPENDITURES			
Debt Service	558,750	663,156	104,406
Engineering Division Transfer	100,000	100,000	-
ATA Payment	50,000	50,000	-
Local Transit	59,164	59,164	-
Street Maintenance	350,000	360,223	10,223
Intermediate Maintenance Program	100,000	100,000	-
City Intermediate Maintenance (Oak Grove Park Parking)	20,000	20,000	-
New Curb, Gutter, Sidewalk Program	50,000	50,000	-
ADA/Curbcut Sidewalks	50,000	50,000	-
Arterial Sidewalk Program	50,000	50,000	-
Rock Creek Greenway Trail	-	51,400	51,400
Traffic/Ped Signal Upgrade-72nd and Broadway	50,000	50,000	-
Old Pike Road-ROW Acquisition	15,000	15,000	-
Shaping Our Future Project TBD	25,000	25,000	-
Pleasant Valley Road Construction	400,000	400,000	-
Shoal Creek Greenway Trail-Happy Rock Park to N. Brighton	125,000	125,000	-
Emergency Reconstruction 58th & N Park	-	-	-
Prior Year's Projects to be completed	-	<u>1,232,093</u>	<u>1,232,093</u>
TOTAL EXPENDITURES	<u>\$ 2,002,914</u>	<u>\$ 3,401,036</u>	<u>\$ 1,398,122</u>

## Capital Equipment Replacement Fund

### Estimated Statement of Revenue & Expenditures and Projected Fund Balance for Fiscal Year 2018

Fund Balance, July 1, 2017	\$	1,670,324
Budgeted Revenue, FY18		<u>377,399</u>
Total Funds Available		2,047,723
Budgeted Expenditures, FY18		<u>667,500</u>
Projected Fund Balance, June 30, 2018	\$	<u>1,380,223</u>

		<u>2018 Original Budget</u>		<u>2018 Midyear</u>
<b><u>Revenue</u></b>				
Interest Earnings	\$	6,798	\$	6,798
Taxes/Transfer		<u>340,601</u>		<u>370,601</u>
Total Revenue	\$	<u>347,399</u>	\$	<u>377,399</u>
<b><u>Expenditures</u></b>				
Capital Expenditures	\$	300,000	\$	327,000
COP Debt Service		27,000		27,000
Transfer Out - General Fund		<u>120,500</u>		<u>313,500</u>
Total Expenditures	\$	<u>447,500</u>	\$	<u>667,500</u>