

RESOLUTION NO. R-20-17

A RESOLUTION AMENDING OR REVISING THE 2020 TRANSPORTATION SALES TAX 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 fund.

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

THAT, the Transportation Sales Tax Fund be adopted or amended as set forth below:

	FY19 BUDGET RESOLUTION NO. R-19-28	REVISING BUDGET RESOLUTION NO. R-20-xx	INCREASE (DECREASE)
<u>Transportation Sales Tax Expenditures</u>	\$3,338,280	\$6,336,287	\$2,998,007

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

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 13th DAY OF APRIL, 2020.



Mayor Carol J. Suter

ATTEST:



Ruth Bocchino, City Clerk



Request for Council Action

RES # R-20-17

BILL # City Clerk Only

ORD # City Clerk Only

Date: 4/9/2020

Department: Finance

Meeting Date Requested: 4/13/2020

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

Subject: 2020 Midyear Budget

Background: The 2020 Midyear Budget review will be presented to the City Council on April 13, 2020. Staff recommendations will be on the agenda for City Council approval.

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 2020 budget be amended as presented in the April 13th City Council meeting. Accompanying the request for Council Action form is the 2020 Fiscal Year Midyear Budget memo and resolution.

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

Dominic Accurso
Department Director/Administrator

City Attorney

SW
City Manager



Department of Finance
Memorandum

DATE: April 9, 2020
TO: Scott Wingerson, City Manager
FROM: Dominic Accurso, Director of Finance
RE: 2020 Fiscal Year Midyear Budget

The 2020 Fiscal year has proven to be a challenging period with many uncertainties. With the COVID-19 pandemic and stay at home orders closing businesses and canceling public events, staff has recreated the 2020 fiscal year budgets with less than half of the fiscal year remaining. Sales tax and charges for services are the revenue streams most likely to be affected by the pandemic. Another revenue stream affected by the pandemic is fines and forfeitures. The Supreme Court of Missouri has suspended in person court proceedings for the municipal court from March 18th to May 1st. These conditions caused by the COVID-19 virus, coupled with declining revenues from gross receipts taxes have dictated the need to shift and re-allocate the remaining budget of the City.

The midyear budget review for fiscal year 2020 is complete and hereby submitted to the City Council for review. 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). The comparisons referencing budgeted revenues and expenditures in the narrative are based on the February interim financial report.

GENERAL FUND (Exhibit A)

During the first eight months of the fiscal year, the General Fund has experienced multiple events that have called for adjustments in both revenue and expense. The February interim financial statements reference operating revenue is trending slightly below the previous year. This is due to lower than expected revenues from gross receipts and charges for services. Variables that are still unknown are the effect on sales tax (sales tax received has a two month lag, we will receive March's sales tax and information mid-May), when businesses will re-open, and when public events (senior activities and recreation activities) will resume. With the outbreak of the COVID-19 virus and the stay at home order taking effect in March and lasting to May or possibly even later, staff felt that revenue projections needed to be adjusted.

When the 2020 fiscal year budget was approved, work on a new retention and compensation structure was in the works. The structure has been implemented during this fiscal year. Adjustments from non-departmental have been made to the respective departments. Adjustments had to be made the expenditure budget due to the revenue adjustments. Staff analyzed available budgets to see where budget could be moved and what expenditures could be eliminated. Open positions, recreation programs, travel and training, and other expenditure line items have been adjusted to balance the budget. See Exhibit F for the list of adjustments by department.

There have been unexpected expenditures in the General Fund mainly due to the street maintenance and maintaining the City's fleet. Additional budget requests from departments are an asphalt hot box (to help with pot hole repair \$12,000), funding for additional road salt (\$11,500), additional funding for automotive supplies (\$10,000), and repairs to the ladder truck (\$7,500). Facility maintenance requests are for repairs to the animal control building, storm siren repairs, and landscaping. Funding for additional EMS consulting and compliance is also being requested. Staff has been able to move budget to these areas to satisfy many of the City's needs. At this time, no additional budget for the General Fund is being requested.

COMMUNITY CENTER AND PARK TAX FUND (Exhibit B)

The Community Center and Parks Tax Fund will be greatly affected as 83% of the funds revenues are derived from sales tax and charges for service. Although revenues for the Community Center are trending 2% over the previous year, 58% of total charges for services have been collected and 65% of sales tax has been collected as of February 29th (67% of the fiscal year complete). With the stay at home order and the Community Center closed until further notice, sales tax and charges for services will be impacted. Revenue and expenditure budgets both have been adjusted.

Expenditures with corresponding revenue line items have been decreased where available to help during this period. See Exhibit F for the list of adjustments by department. Recommended requests for additional budget are for a marketing program (\$22,000) and a building request for \$2,500 to transition to Spectrum cable television service. Revenue shortfalls and supplemental requests will be funded by increasing the equity transfer \$485,980, to \$718,330. Estimated ending fund balance for the CCPT fund will decrease to \$881,118. Conservative budgeting and programing for the fund will be necessary in future years to recoup fund balance used during this period.

PUBLIC SAFETY SALES TAX FUND (Exhibit C)

Total revenue for the PSST is tracking slightly behind expected budgeted revenue. Sales tax is up 4% from the previous year. The funding source for PSST is sales tax. Staff feels that projections should be adjusted to account for sales tax lost during this time. Expenditures are below expected due to staffing levels throughout the fiscal year. There is no additional capital or supplemental requests at this time. Projected ending fund balance for PSST is \$59,804.

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

Actual revenues for the CWSS fund are slightly behind projected due to reduced water consumption during July and August. An increase in the equity transfer of 112,338 to pay for the previous year's sewer cleaning that occurred during this fiscal year. Adjusted amounts for the CWSS fund are estimated to be a decrease of \$255,000 less than original budgeted revenues of \$11,564,905.

Expenditures are more than the previous year due to accelerated water and sewer line replacement, maintenance on the lime sludge lagoon, and personnel costs. The decrease budgeted expenditures in non-departmental due to a decreased payment to Kansas City. An increase in budget authority is not being requested for the CWSS Fund at this time.

Capital Improvement Sales Tax Fund (Exhibit E)

At this time, there are no adjustments to the Capital Improvement Sales Tax Fund. Most of the projects from the 2017 lease purchase and previous years have been wrapped up in the current fiscal year. Projected ending fund balance available for future projects is \$153,908.

Transportation Sales Tax Fund (Exhibit F)

Adjustments are needed for the Transportation Sales Tax Fund to fund prior year's projects cost to complete and to close out the Pleasant Valley Road project. An adjustment in the amount of \$3,288,007 is being requested for TST. Projected ending fund balance available for future projects is \$59,812.

Capital Equipment Replacement Fund (Exhibit G)

There are no budget adjustments needed for the Capital Replacement Fund at this time. Both revenue and expenditure projections are on track. Projected ending fund balance for the Capital Equipment Replacement Fund will be \$256,096.

Debt Issuance

Over the course of the past year, staff has been working to issue debt for capital projects. These projects include the new public safety facility, remodeling of the fire station, downtown parking projects, improvements to the outdoor pool and the Atkins-Johnson Farm, and additional funding for mill and overlay water main replacements. Our financing team has been monitoring the condition of the municipal bond market. Due to the volatility of the market, fluctuation in interest rates, and sales tax uncertainty, the City's Municipal Financial Advisor has recommended the delay of issuing debt until market conditions have stabilized.

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 will end the fiscal year with a positive fund balance and within policy. These adjustments will assist staff in carrying out council goals and give the City the flexibility needed to continue and improve operations at the City.

Staff recommends increasing budget authority for the TST Fund to \$6,396,099. A resolution to amend the 2020 Budget based on recommended budgets will be placed on the Council agenda for consideration on April 13, 2020. If you have any questions, please contact me at your convenience.

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES

	ORIGINAL BUDGET <u>2020</u>	MIDYEAR <u>2020</u>	BUDGET VARIANCE
Revenue Sources			
Property Tax	3,644,650	3,664,650	20,000
Sales Tax	5,325,000	4,875,000	(450,000)
Gross Receipts Tax	3,573,500	3,343,500	(230,000)
Licenses & Permits	755,050	710,050	(45,000)
Intergovernmental	1,388,300	1,399,800	11,500
Charges for Service	3,728,100	3,333,600	(394,500)
Fine & Forfeitures	755,000	650,000	(105,000)
Misc. Revenue	990,000	965,000	(25,000)
Operating Revenues	<u>20,159,600</u>	<u>18,941,600</u>	<u>(1,218,000)</u>
Transfers	200,000	225,000	25,000
Equity Transfer	100,000	100,000	-
TOTAL REVENUE	<u>20,459,600</u>	<u>19,266,600</u>	<u>(1,193,000)</u>
Expenditures			
General Administration	1,355,795	1,318,581	(37,214)
Finance	1,546,093	1,432,227	(113,866)
Public Safety	8,855,608	9,002,068	146,460
Public Works	2,407,184	2,318,744	(88,440)
Community Development	790,281	691,142	(99,139)
Parks & Recreation	2,864,172	2,455,141	(409,031)
Non-Departmental & Transfers	2,631,142	2,013,356	(617,786)
TOTAL EXPENDITURES	<u>20,450,275</u>	<u>19,231,260</u>	<u>(1,219,015)</u>

GENERAL FUND - ANALYSIS OF FUNDS AVAILABLE

	2019 <u>ACTUAL</u>	2020 <u>ORIGINAL</u>	2020 <u>MIDYEAR</u>
Beg Funds Available	4,089,692	3,798,365	3,707,690
Revenues	18,345,631	20,459,600	19,266,600
Equity Transfer	-	(100,000)	(100,000)
Net Funds Available	<u>22,435,323</u>	<u>24,157,965</u>	<u>22,874,290</u>
Expenditures	<u>18,636,958</u>	<u>20,450,275</u>	<u>19,231,260</u>
Net Income (Loss)	(291,327)	9,325	35,340
Ending Funds Available	3,798,365	3,707,690	3,643,031
20% Fund Balance Req			<u>3,564,831</u>
Over (Under) Fund Bal Req			78,200

COMMUNITY CENTER PARKS SALES TAX FUND
STATEMENT OF REVENUES & EXPENDITURES

	ORIGINAL BUDGET <u>2020</u>	MIDYEAR <u>2020</u>	BUDGET <u>VARIANCE</u>
Revenue source:			
Community Center/Natatorium			
Sales Tax	894,075	844,075	(50,000)
Charges for Services	1,094,325	790,782	(303,543)
Facility Rental	271,000	186,146	(84,854)
NKC Operating User Fee	700,000	700,000	-
Total Comm Ctr/Natatorium	<u>2,959,400</u>	<u>2,521,003</u>	<u>(438,397)</u>
Outdoor Pool			
Charges for Services	181,500	78,227	(103,273)
Miscellaneous Revenue	81,200	46,754	(34,446)
Total Operating Revenues	<u>3,222,100</u>	<u>2,645,984</u>	<u>(576,116)</u>
Transfers In	769,315	769,315	-
Equity Transfer	232,350	718,330	485,980
Total Non-Operating Revenues	<u>1,001,665</u>	<u>1,487,645</u>	<u>485,980</u>
TOTAL REVENUES	<u>4,223,765</u>	<u>4,133,629</u>	<u>(90,136)</u>
Expenditures:			
Community Center	859,418	869,434	10,016
Natatorium	884,829	839,777	(45,052)
Outdoor Pool	179,969	134,868	(45,101)
Non-Departmental	138,549	128,549	(10,000)
Debt Requirements	2,161,000	2,161,000	-
TOTAL EXPENDITURES	<u>4,223,765</u>	<u>4,133,629</u>	<u>(90,137)</u>

CCPT - ANALYSIS OF FUNDS AVAILABLE

	2019 ACTUAL	2020 ORIGINAL BUDGET	2020 MIDYEAR
Beginning Unreserved Fund Balance	1,895,396	1,599,448	1,599,448
Revenue	4,170,654	4,223,765	4,133,629
Equity Transfer	<u>(295,948)</u>	<u>232,350</u>	<u>718,330</u>
Net Funds Available	5,770,102	6,055,563	6,451,407
Expenditures	<u>4,170,654</u>	<u>4,223,765</u>	<u>4,133,629</u>
Net Income (Loss)	-	-	0
Ending Unreserved Fund Balance	<u>1,599,448</u>	<u>1,367,098</u>	<u>881,118</u>

PUBLIC SAFETY SALES TAX FUND
STATEMENT OF REVENUES & EXPENDITURES

	ORIGIONAL BUDGET 2020	MIDYEAR 2020	BUDGET VARIANCE
Revenue Sources			
Sales Tax	894,075	844,075	(50,000)
Misc. Revenue & Transfers	14,600	14,600	-
Equity transfer	31,553	81,553	50,000
TOTAL REVENUE	940,228	940,228	-
Expenditures			
PSST	656,601	656,601	-
Non-Departmental	46,097	46,097	-
Debt Requirements	237,530	237,530	-
TOTAL EXPENDITURES	940,228	940,228	-

PSST - ANALYSIS OF FUNDS AVAILABLE

	2019 ACTUAL	ORIGIONAL 2020	MIDYEAR 2020
Beg Funds Available	245,707	222,910	222,910
Revenues	890,244	940,228	858,675
Equity Transfer	(22,797)	(31,553)	(81,553)
Net Funds Available	1,113,154	1,131,585	1,000,032
Expenditures	890,244	940,228	940,228
Ending Funds Available	222,910	191,357	59,804
 Net Income (Loss)	 -	 -	 -

COMBINED WATERWORKS & SEWER SYSTEM FUND
STATEMENT OF REVENUES & EXPENDITURES

	Original Budget 2020	Midyear 2020	Budget Variance
Revenue source:			
Water	4,367,765	4,197,765	(170,000)
Sanitation	6,828,140	6,743,140	(85,000)
Other income	119,000	119,000	-
Operating revenue	<u>11,314,905</u>	<u>11,059,905</u>	(255,000)
Equity Transfer	<u>250,000</u>	<u>362,338</u>	112,338
TOTAL REVENUE	<u><u>11,564,905</u></u>	<u><u>11,422,243</u></u>	<u><u>(142,662)</u></u>
Expenditures:			
Water Production	1,346,354	1,341,617	(4,737)
Water Operations & Maint	1,906,051	1,915,851	9,800
Sewer Collection	456,092	521,039	64,947
Non-Departmental & Transfers	6,789,549	6,580,126	(209,423)
Debt Requirements	<u>1,063,610</u>	<u>1,063,610</u>	-
TOTAL EXPENDITURES	<u><u>11,561,656</u></u>	<u><u>11,422,243</u></u>	<u><u>(139,413)</u></u>

CWSS - ANALYSIS OF FUNDS AVAILABLE

	2019 Actual	Original Budget 2020	Midyear 2020 Budget
Beginning Unreserved Retained Earnings	3,231,499	4,148,748	4,148,748
Revenue	10,704,620	11,564,905	11,422,243
Equity Adj	<u>-</u>	<u>250,000</u>	<u>362,338</u>
Net Funds Available	13,936,119	15,963,653	15,933,329
Expenses	<u>9,787,371</u>	<u>11,561,656</u>	<u>11,422,243</u>
Projected Ending Unreserved Retained Earnings	4,148,748	4,401,997	4,511,086
20% Retained Earnings Req'd			2,284,449
Over (Under) 20% Retained Earnings Req'd			2,226,637
Net Income (Loss)	917,248	3,249	-

CAPITAL IMPROVEMENT SALES TAX
STATEMENT OF REVENUES & EXPENDITURES

	MIDYEAR 2020
REVENUE	
Sales Tax	1,715,000
Interest	<u>8,250</u>
TOTAL REVENUE	<u><u>1,723,250</u></u>
EXPENDITURES	
Debt Service	839,054
Engineering Division Transfer	100,000
Arts Council	17,150
Transfers Out-Interfund	669,900
Storm water Projects	
Master Plan Implementation	185,000
Misc. Storm Projects	75,000
Parks Projects	
Parks Trail Replacement Program	20,000
Parks Master Plan Implementation	<u>145,000</u>
TOTAL EXPENDITURES	<u>2,051,104</u>
Prior Year Projects To Be Completed	90,000
TOTAL EXPENDITURES	2,141,104
Beg Funds Available	571,762
Revenues	<u>1,723,250</u>
Net Funds Available	2,295,012
Expenditures	<u>2,141,104</u>
Ending Funds Available	153,908

TRANSPORTATION SALES TAX FUND
STATEMENT OF REVENUES & EXPENDITURES

	MIDYEAR 2020
REVENUE	
Sales Tax	1,715,000
RZB Subsidy	14,324
MoDOT Grant	1,250,000
Kansas City Reimbursement	595,000
Special Road District Funds	350,000
Interest Income	8,000
Transfers In	150,000
TOTAL REVENUE	<u><u>4,082,324</u></u>
EXPENDITURES	
Debt Service	549,600
Transportation Services	123,000
Administration Services	100,000
Transfers Out-Interfund	100,000
Road Projects	
Street Mill and Overlay Program	1,066,812
Intermediate Maintenance	50,000
City Intermediate Maintenance	20,000
Old Pike Road Construction	1,290,000
NE 76th Street Design	500,000
Sidewalk/Trail Projects	
New Curb, Gutter, Sidewalk	347,378
Sidewalk Master Plan	
Traffic/Ped Signal Upgrades	261,857
Shoal Creek Greenway Trail	810,400
Prior Year Projects To Be Completed	1,117,240
TOTAL EXPENDITURES	<u><u>6,336,287</u></u>
Beg Funds Available	2,313,775
Revenues	4,082,324
Net Funds Available	<u>6,396,099</u>
Expenditures	<u>6,336,287</u>
Ending Funds Available	59,812

CAPITAL EQUIPMENT REPLACEMENT FUND
STATEMENT OF REVENUES & EXPENDITURES

	ORIGINAL BUDGET <u>2020</u>	MIDYEAR <u>2020</u>	BUDGET <u>VARIANCE</u>
Revenue			
Taxes	552,500	552,500	-
Other	23,500	23,500	-
Transfer	72,000	72,000	-
Equity Adjustment	-	-	-
Total Revenue	<u>648,000</u>	<u>648,000</u>	-
Capital Expenditures	300,000	300,000	-
COP Debt Service	30,035	61,609	31,574
Transfer Out	200,000	200,000	-
Total Expenditures	<u>530,035</u>	<u>561,609</u>	31,574

CERF - ANALYSIS OF FUNDS AVAILABLE

	2019 ACTUAL	ORIGINAL 2020	MIDYEAR 2020
Beg Funds Available	2,146,058	169,705	169,705
Revenues	2,465,301	648,000	648,000
Equity Transfer	<u>(1,976,353)</u>	-	-
Net Funds Available	2,635,006	817,705	817,705
Expenditures	<u>2,465,300</u>	<u>530,035</u>	<u>561,609</u>
Ending Funds Available	169,705	287,670	256,096
Net Income (Loss)	-	117,965	86,391

Expenditure Adjustments for 2020 Midyear					
	Personnel	Supplies/Services	Midyear	Total	
General Fund					
General Administration					
Public Information Coordinator (PT)	(21,000)				
Printing		(15,000)			
Travel/Training		(2,241)			
Total GA				(38,241)	
Finance					
Administrative Assistant	(25,000)				
Accountant	(75,000)				
IT Analyst	(17,000)				
EMS Compliance			6,000		
Travel/Training		(4,083)			
Total Finance				(115,083)	
Public Safety					
Crossing guard	(13,500)				
Evidence Officer (PT)	(16,800)				
Turnouts (re-appropriation)		(22,605)	22,605		Delayed to 21 fiscal year
Repairs for Engine			7,500		
Storm Siren repair			3,500		
BC vehicle		(42,000)	42,000		Delayed to 21 fiscal year
Travel/Training		(6,703)			
Fuel		(5,000)			
Total Public Safety				(31,003)	
Public Works					
Engineer	(75,000)				
Maintenance Workers	(50,500)				
Seasonal Streets (PT)	(18,439)				
Salt			11,500		
Auto supplies			10,000		
Hot Box			12,000		
Travel/Training		(4,005)			
Total Public Works				(114,444)	
Community Development					
Commercial Codes Enforcement (PT)	(21,500)				
Permit Tech	(2,000)				
Administrative Asst.	(10,000)				
Comp Plan Update		(50,000)			
Travel/Training		(17,000)			
Fuel		(500)			
Total Community Development				(101,000)	
Parks & Rec					
Recreation Specialist	(40,000)				
Concession & Amphitheater (PT)	(64,000)				
Seasonal Parks (PT)	(41,000)				
Food Supplies		(25,000)			
Uniforms		(10,000)			
Program Activities		(20,000)			
Contractual (Div 62)		(40,000)			
Landscaping & Ash Bore treatment			6,000		
Repair to Animal Shelter			9,600		
Ham Heights Slide			7,900		
Senior Activities		(160,000)			
Program Activities (LS)		(20,000)			
Exhibits (Farm)		(3,500)			
Contractual (Farm)		(9,000)			
Fuel		(1,000)			
Total Parks & Rec				(410,000)	

Expenditure Adjustments for 2020 Midyear				
	Personnel	Supplies/Services	Midyear	Total
Non Departmental				
Postage		(3,500)		
Office Supplies		(2,500)		
Paper		(2,500)		
Contractual		(2,500)		
Equipment Maintenance		(4,000)		
Dangerous Buildings		(22,500)		
Insurance		(52,500)		
Lease Purchase (software & Ambulance)			31,575	
Total Non Departmental				(58,425)
Total	(490,739)	(547,637)	170,180	(868,196)
Community Center and Park Tax Fund				
Community Center				
Program Activities		(3,500)		
Marketing program			20,000	
Personal Training		(1,000)		
Member Classes		(5,000)		
Advertising		(1,000)		
Marketing			2,000	
Buildings			2,500	
Natatorium				
Part time staff	(50,000)			
Member Classes		(3,000)		
Travel		(3,000)		
Misc. Services		(1,500)		
Outdoor Pool				
Part time staff	(34,044)			
Chemicals		(5,000)		
Buildings		(7,000)		
Misc. Services		(2,000)		
Non Departmental				
Insurance		(10,000)		
Total	(84,044)	(42,000)	(101,544)	-
Combined Waterworks and Sewerage System				
Production				
Well #1 repairs			5,000	
Electricity		(20,000)		
Sewer				
Sewer cleaning (re-appropriation)			80,000	
Sewer line improvements		(25,000)		
Non Departmental				
Sewer charges to KC		(160,000)		
Water plant improvements		(50,000)		
Total	-	(255,000)	85,000	(170,000)
Total of all Funds	(574,783)	(844,637)	153,636	(1,038,196)