



September 3, 2019

Honorable Louis J. Magdits, IV
and Members of City Council
City of Rolla
Rolla, MO 65402

Dear Mayor and Council:

Pursuant to the requirements of Section 67.020 of the Revised Statutes of Missouri, the Fiscal Year 2019-20 Budget is hereby submitted. This Budget has been prepared in conjunction with the Mayor, Council and Department Directors who have anticipated the needs of their Departments realistically in relation to both available money and citizen needs.

In every respect the 2019-20 Budget meets the legal requirement that expenditures not exceed anticipated revenues plus any unencumbered fund balance from the previous year. The 2019-20 Budget will begin on October 1, 2019. The budget represents a total yearly program of \$42,341,196 offset by anticipated revenues of \$65,158,504 – the surplus of \$22,817,308 is entirely made up from the unspent portion of a \$27,225,000 Sewer Revenue Bond approved by the voters in November 2018. The surplus of Sewer Revenue Bonds will be spent down in FY 2021 and 2022 with the significant upgrades of two or the City's three sewer treatment facilities.

The budget anticipates an overall pay adjustment of 2.5% for qualifying full-time City employees with modest growth projections in other expenditures including a 5% increase in health insurance costs. The City's General Fund of which Public Safety Services comprise 68% of the budget is particularly tight and facing significant but unfunded needs in police and fire compensation and equipment. The budget includes \$3,000,000 in Airport Improvements (Runway rehab at 95% grant funding), \$420,000 in park improvements thanks to Prop P (1/4 cent Parks Sales Tax), Move Rolla Transportation Development District improvements of \$8,207,000 (Ped Bridge over I-44, Kingshighway Improvements and University Dr. realignment), a new lease payment on a new fire truck, and \$5,500,000 in sewer treatment plant improvements (year 1 of Sewer Revenue Bonds). The budget does include small user fee increases in building permit fees and cemetery plot and burial fees.

The 2019-20 Budget is submitted with the belief that it represents a worthy effort to obtain a balanced program for the ensuing year. The Budget expresses on paper and in dollars the never-ending struggle to provide Rolla citizens the best service possible for each tax dollar spent.

Sincerely,

A handwritten signature in black ink, appearing to read "John Butz", is written over a horizontal line.

John Butz

City Administrator

JB/ms