

CITY OF ROLLA BUDGET

FISCAL YEAR
2019-2020



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 of 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,

John Butz

City Administrator

JB/ms

AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2019 AND APPROPRIATING FUNDS PURSUANT THERETO.

WHEREAS, the City Administrator has presented to the City Council an annual budget for the fiscal year beginning on October 1, 2019, and

WHEREAS, a public meeting on the budget was conducted on August 26, 2019, and the required public hearing scheduled on September 3, 2019, at which hearing citizens were given an opportunity to be heard:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROLLA, MISSOURI, AS FOLLOWS:

Section 1: The annual budget for the City of Rolla, Missouri, for the fiscal year beginning October 1, 2019, a copy of which is attached hereto and made a part thereof as if fully set forth herein, having been heretofore submitted by the City Administrator, is hereby adopted.

Section 2: Funds are hereby appropriated for the objects and purposes of expenditure set forth in said budget.

Section 3: This Ordinance shall be in full force and effect from and after its passage and approval.

PASSED BY THE CITY COUNCIL OF THE CITY OF ROLLA, MISSOURI, AND APPROVED BY THE MAYOR THIS 16th DAY OF SEPTEMBER 2019.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

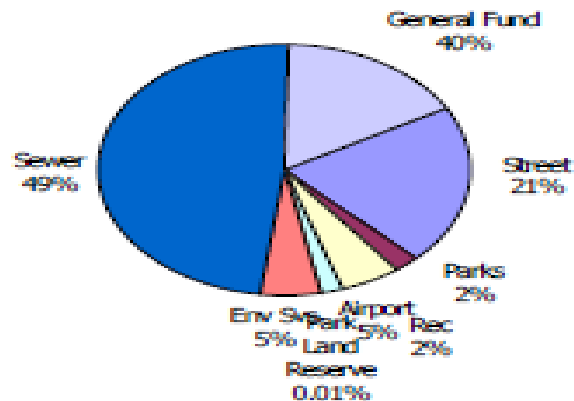
CITY COUNSELOR
Digitally signed by Sam B. Thurman
Date: 2019.09.18 15:52:23 -0500

Where the Money Comes From....

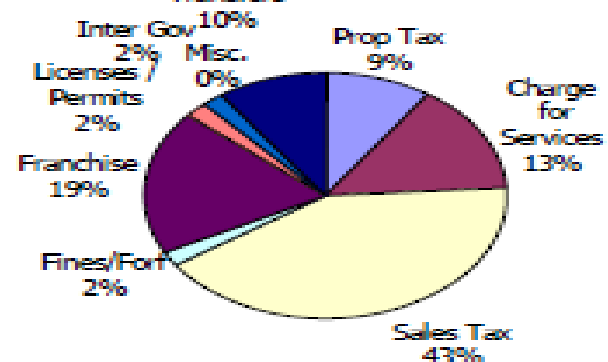
The FY 2020 budget reflects total revenues of \$65,158,504 which is uncharacteristically high due to Sewer Revenue Bond receipts of \$27,225,000 and MRTDD reimbursements of \$8,200,000. The City anticipates: total sales tax receipts of \$9,873,200; property tax receipts of \$1,374,760; sanitary sewer and environmental services fees of \$6,849,640; utility franchise fees of \$2,104,000; and total state and federal grants of \$2,941,000 with the balance being generated by miscellaneous fees, permits, licenses, fines, interest income and internal governmental transfers.

The General Fund makes up 16.3% of total revenue projections or \$10.62 million with the 1-cent general sales tax providing 41.6% of funds available (\$4.89 million). The General Fund sales tax grew nearly 5% in FY 2019 but much of that growth was redirected to reimburse extra-ordinary development costs at the new Westside MarketPlace Project. The FY 2020 budget anticipates sales tax growth (net) of 2%. The Sewer Fund and Environmental Services Fund generate \$31.36 million and \$3.47 million respectively (primarily from user fees and the Sewer Treatment Plant Upgrade). The Sewer Fund has a \$3/month "service availability fee" increases in FY 2020 (the 3rd of 4 such increases) to cover the debt service on the new sewer treatment plant upgrades. The Park Fund is projected to generate \$1.56 million primarily from the Prop P sales tax (\$1.15 mil), dedicated park property tax fees of \$271,600, and park and cemetery operating fees. The Recreation Fund is projected to generate \$1.15 million in user fees (projected operating/recovery rate of 78%). The Airport is expected to generate \$3.46 million (primarily from the 95% State/federal grant for runway improvements and secondarily from fuel sales, ground leases and hangar revenues). The Street Fund derives its primary funding from the ½ cent Capital Improvement Sales Tax and the ½ cent Transportation Sales Tax (\$4.45 million combined), and motor fuel and vehicle sales taxes (\$620,000).

Total Estimated Revenues - \$65,158,504



General Fund Revenues - \$11,748,814

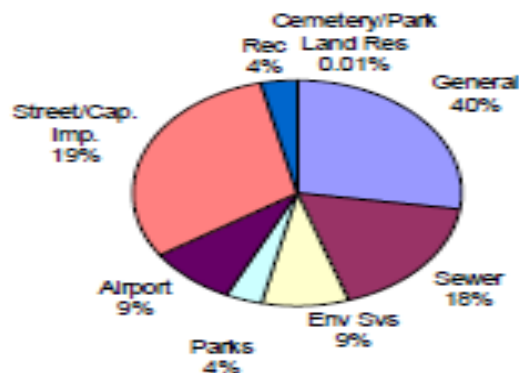


Where the Money Goes...

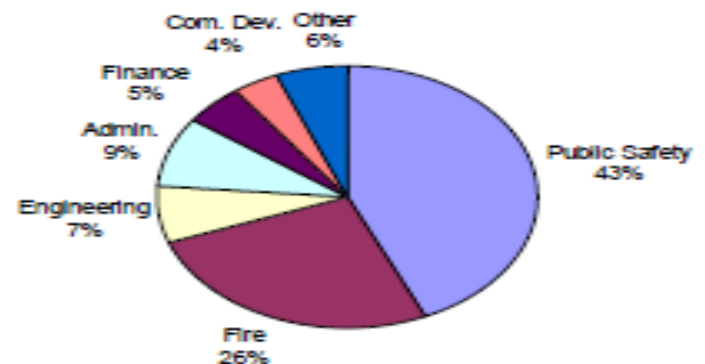
The FY 2020 budget of \$42.6 million is considerably higher than past City budgets due primarily to the Move Rolla Transportation Development District projects that are managed by the City. The FY 2020 budget is split as follows: General Fund (27.2% - \$11.59 mil), Sewer Fund (17.6% - \$7.51 mil), Environmental Services Fund (8.7% - \$3.69 mil), Parks Fund (3.6% - \$1.53 mil), Cemetery Fund (0.2% - \$65,000), Park Land Reserve Fund (0.0% - \$15,000), Airport (8.5% - \$3.63 mil), Street/Capital Improvement Fund (30.5% - \$12.96 mil) and the Rec Center Fund (3.7% - \$1.56 mil). The General Fund is made up of 14 separate divisions that do not generate sufficient dollars directly and are therefore funded primarily by the general property and sales taxes of the City. The largest Divisions in the General Fund include the Police Department (43.4%), Fire Department (26.4%), Engineering (7.1%), and General Administration and Finance (13.5%). Other minor divisions of the General Fund include Building Services, Community Development, Economic Development, Legal, Library and Municipal Court.

The City's General Fund remains tight but is slowly rebuilding the reserves spent down during the Great Recession. The budget includes a 2.5% average overall increase in merit and cost-of-living for all qualifying full-time employees. The General Fund benefited from a new P&L insurance program, but health insurance costs have escalated. Employee compensation, particularly in public safety positions and impacts from minimum wage increases, continue to pose a challenge. The Sewer Fund is facing significant treatment plant upgrades due to new state and federal mandates so a \$27 million revenue bond issue was approved in 2018. Engineering design work is now completed and construction will take place over the next two fiscal years. The Street Fund shifts to more asphalt overlay maintenance in FY 2020 with significant TDD projects planned for the next two years (Hwy E Ped Bridge; Kingshighway; University Dr). The Airport Fund includes a \$3,100,000 runway rehab project with MoDOT and FAA grants of 95%. Environmental Services will launch a pilot program for a new trash pickup program in FY 2020 and continues to see a tightening of the recycling market. Thanks in large part to Prop P (1/4 cent parks tax approved by voters in 2015) there is sustained funding for traditional park maintenance including several park improvements planned at SplashZone, Coventry Park and BerJuan Park. The Rec Center Fund remains independent of all other Funds (spend down of original 1/2 cent sales tax proceeds), and the Centre is expected to recover 80% of its operating expenses through memberships and user fees.

Total Estimated Expenditures - \$42,555,367



General Fund Expenditures \$11,589,542



The Mission of the City of Rolla is to promote the enhanced quality of life for citizens of all ages and abilities. We do so by pursuing strong public safety services, a quality infrastructure network based on properly planned growth, and a diverse and vibrant economy. Through effective leadership in cooperation with our citizens, businesses and community organizations we can ensure the desired balance between our urban development with the charm of our rural history through open and participative communication with our customers and citizens.

(City Council Retreat, 2000)

CITY OF ROLLA

2019-2020 Budget Summary

The Funding of City Services

The City of Rolla is a large service organization. Our customers range from general citizens desiring the basic services of health, public safety, and welfare to churches, schools, and neighborhoods to businesses, tourists, and prospective residents. The City's mission is to protect and enhance the quality of life of all customers. And like any business the City provides roads, utilities, sanitation, public safety, parks and recreation, leadership, planning and economic opportunity based on the value customers are willing to pay to support these endeavors. As such it is helpful to understand where the money goes (services provided) and where the money comes from.

What is Budgeting?

Legally, budgeting is the balancing of revenues and retained earnings (reserves) with planned expenditures – a work plan with accountability. The City of Rolla's budget is organized in a series of funds, each of which is considered a set of self-balancing accounts, to record and maintain the assets, liabilities, fund equity, revenues, and expenditures for each primary activity. The City of Rolla operates with the following ten (10) funds: General Fund, Sewer Fund, Airport Fund, Solid Waste Fund, Cemetery Trust Fund, Street/Capital Improvement Fund, Recreation Center Fund, Park Fund, Park Land Reserve Fund and Health Insurance Internal Service Fund (not budgeted). Rolla Municipal Utilities (RMU) derives its authority to operate the electric and water system directly from the City Council. RMU is a part of the City with a separate budget under the Board of Public Works that works closely with the City in addressing the many needs of the community.

Main Purposes of Budgeting: A means of balancing revenues and expenditures (legal requirement)

- a) Budgeting as a “**semi-judicial process**” where departments and divisions come to the City Council to plead their case;
- b) Budgeting is “**accountability**” where the people hold the City Council accountable through the electoral process;
- c) Budgeting is “**control**” whereas appropriations are the first line of Defense against overspending;
- d) Budgeting is “**public relations**” where we attempt to respond to the public’s needs and requests by establishing public policy;
- e) Budgeting is an “**instrument**” of good management;
- f) Budgeting is a “**work plan**” with a dollar sign attached;
- g) Budgeting is an instrument for “**planning**” which requires project costs and program levels at least several years ahead.

Source “Public Budgeting in America”

FUND ACCOUNTING

Accounts of the City organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate.

Governmental Funds:

General Fund – the general operating fund of the City. It is used to account for all financial resources except those requiring separate accounting. (General Fund and Airport Fund)

Special Revenue Funds – used to account for the proceeds of specific revenue sources that are legally restricted. (Parks Fund, Recreation Fund and Park Land Reserve Fund)

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of major capital facilities. (Street Fund)

Proprietary Funds:

Enterprise Funds – used to account for operations that are financed and operated in a matter similar to private business enterprises. (Sewer Fund and Environmental Services Fund)

Fiduciary funds:

Trust & Agency Funds – used to account for assets held by the city in a trustee capacity. (Cemetery Fund)

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE

ALL FUNDS

City of Rolla

Fiscal Year 2019 - 2020

	Audit 2017	Audit 2018	Estimated 2019	Adopted 2020	% of Budget
REVENUES					
Sales/Property Tax	13,661,002	14,286,975	14,370,550	14,648,960	22%
Licenses & Permits	303,291	179,135	168,500	206,600	0%
Intergovernmental	1,298,843	287,762	713,167	3,141,750	5%
Charges for Service	9,654,312	9,960,064	9,797,219	10,406,246	16%
Fines & Forfeitures	145,477	207,962	189,400	214,488	0%
Misc. Income	1,109,845	1,163,108	2,399,803	958,460	1%
Bond Proceeds	186,000	10,973,410	1,740,000	35,582,000	55%
Total Revenues	\$ 26,358,770	\$ 37,058,415	\$ 29,378,639	\$ 65,158,504	100%
EXPENDITURES					
Personnel	12,839,916	13,294,836	13,849,270	14,332,833	34%
Supplies & Bldg. Mtnc.	1,051,465	1,088,947	1,055,303	1,048,160	2%
Services	2,957,002	3,718,454	4,806,028	4,228,528	10%
Maintenance & Imp.	2,377,024	2,894,739	2,565,451	2,196,200	5%
Capital Exp.	10,622,652	17,243,394	7,764,233	20,535,475	48%
Total Expenditures	\$ 29,848,059	\$ 38,240,370	\$ 30,040,285	\$ 42,341,196	100%
EXCESS REVENUES OVER EXPENDITURES	\$ (3,489,289)	\$ (1,181,955)	\$ (661,646)	\$ 22,817,308	
FUND TRANSFERS	\$ -	\$ -	\$ 22,325	\$ -	
TOTAL REVENUES OVER EXPENDITURES	\$ (3,489,289)	\$ (1,181,955)	\$ (639,321)	\$ 22,817,308	
BEGINNING FUND BALANCE (10/1)	\$ 11,788,526	\$ 11,555,093	\$ 10,153,954	\$ 9,514,634	
ENDING FUND BALANCE - ALL FUNDS (9/30)	\$ 8,299,237	\$ 10,373,137	\$ 9,514,634	\$ 32,331,942	

CITY OF ROLLA

REVENUE TOTALS

FY 2019 - 2020

Fund	2016-2017 ACTUAL	2017-2018 ACTUAL	2018-2019 ESTIMATED	2019-2020 ADOPTED	% OF BUDGET
General Fund	10,323,554	11,915,573	10,312,606	10,624,714	16.31%
Sewer Fund	3,470,745	3,696,852	5,220,782	31,363,800	48.13%
Environmental Services Fund	3,617,586	3,587,865	3,389,024	3,473,940	5.33%
Park Fund	1,503,219	1,579,684	1,539,500	1,566,100	2.40%
Park Land Reserve Fund	19,996	490	27,725	2,700	0.00%
Airport Fund	1,226,383	451,529	630,250	3,460,650	5.31%
Cemetery Fund	10,092	7,588	14,400	17,000	0.03%
Street Fund	8,494,491	14,660,893	7,193,892	13,501,000	20.72%
Recreation Fund	1,203,863	1,157,942	1,050,460	1,148,600	1.76%
REVENUE TOTAL	29,869,929	37,058,415	29,378,639	65,158,504	100%

CITY OF ROLLA

EXPENDITURE TOTALS

FY 2019 - 2020

Department	2016-2017 ACTUAL	2017-2018 ACTUAL	2018-2019 ADOPTED	2018-2019 ESTIMATED	2019-2020 ADOPTED	% OF BUDGET
Administration	669,658	646,402	648,556	642,601	660,106	1.55%
City Administration	310,846	319,783	320,075	311,770	303,275	0.71%
Library	198,361	208,051	247,535	236,225	278,145	0.65%
Finance	544,849	635,138	596,200	539,275	597,255	1.40%
Legal	61,082	69,150	68,500	70,900	64,850	0.15%
Court	84,689	88,273	89,265	84,360	87,503	0.21%
911/Telecommunications	1,069,429	1,054,713	1,191,071	1,032,537	1,155,430	2.72%
Animal Control	170,108	134,209	139,890	135,051	141,675	0.33%
Police	3,814,775	3,784,026	3,639,580	3,610,518	3,729,263	8.76%
Fire	2,763,023	4,061,972	3,006,050	2,857,201	3,063,000	7.20%
Building Services	97,936	86,844	82,808	91,995	87,025	0.20%
Engineering	748,095	790,812	819,720	796,301	818,325	1.92%
Community Development	389,918	367,903	426,500	402,665	440,140	1.03%
Economic Development	222,995	226,834	232,825	225,925	163,550	0.38%
GENERAL FUND TOTAL	11,145,764	12,474,109	11,508,575	11,037,324	11,589,542	27.23%
Sewer	3,642,835	4,354,792	5,382,367	5,456,326	7,506,900	17.64%
Recycling	452,384	651,064	648,805	601,781	562,675	1.32%
Sanitation	2,185,424	2,642,680	2,484,800	2,382,026	2,708,750	6.37%
Vehicle Maintenance	387,991	437,465	439,835	391,750	419,910	0.99%
Parks	1,310,506	1,483,030	1,496,005	1,412,346	1,533,690	3.60%
Cemetery	1,437	2,188	15,000	0	65,000	0.00%
Park Land Reserve	0	0	0	0	15,000	0.04%
Airport	1,177,616	614,804	1,071,785	741,115	3,626,840	8.52%
Street	8,336,625	14,285,966	4,818,425	6,705,873	12,964,365	30.46%
Recreation Center	1,462,732	1,508,421	1,548,690	1,529,665	1,562,695	3.67%
OTHER FUNDS TOTAL	18,957,550	25,980,411	17,905,712	19,220,882	30,965,825	72.61%
EXPENDITURE TOTAL	30,103,315	38,454,520	29,414,287	30,258,206	42,555,367	100%

**FISCAL YEAR 2019-2020
UNFUNDED REQUESTS**

<u>DEPARTMENT</u>	<u>LINE ITEM</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
Administration	Personnel	\$ 10,000.00	Reduce PT hours
		\$ 10,000.00	
Finance	Personnel	\$ 47,900.00	Lay off FT
		\$ 47,900.00	
Animal Control	Equipment	\$ 7,000.00	Radios
	Personnel	\$ 15,000.00	Part Time position
		\$ 22,000.00	
Police	Equipment	\$ 8,000.00	SWAT headsets
	Equipment	\$ 7,500.00	Evidence Drying Cabinet
	Equipment	\$ 6,000.00	Radar - 2
	Equipment	\$ 2,500.00	Shotguns - 2
	Equipment	\$ 122,000.00	Radios
	Equipment	\$ 20,000.00	Mobile printers - 20
	Building & Grounds	\$ 75,000.00	HVAC
	Building & Grounds	\$ 21,000.00	Front of Building
	Vehicle	\$ 129,000.00	Fleet Vehicle - 3
	Personnel	\$ 30,000.00	Crime analyst position
	Personnel	\$ 39,000.00	IT Position - 50%
	Personnel	\$ 18,000.00	Education incentive
	Personnel	\$ 100,000.00	Payroll infusion
		\$ 578,000.00	
Fire	Personnel	\$ 75,000.00	Delay Fire Marshall position (pay, uniforms, training, etc).
	Personnel	\$ 67,500.00	Vacant 1 firefighters (3 unfunded) (pay, uniforms, training, etc)
	Personnel	\$ 80,000.00	Payroll infusion
	Equipment	\$ 90,000.00	Air Compressor
	Equipment	\$ 12,000.00	Phone system
	Equipment	\$ 60,000.00	Radio
	Vehicle	\$ 46,000.00	Assistant Chief vehicle
	Building & Grounds	\$ 5,000.00	Station 1 Bathroom
	Building & Grounds	\$ 10,000.00	Station 2 Bathroom Remodel
	Building & Grounds	\$ 30,000.00	Station 1 & 2 Kitchen
	Building & Grounds	\$ 30,000.00	Exhaust
	Building & Grounds	\$ 1,250,000.00	New training site construction
		\$ 1,755,500.00	
Engineering	Personnel	\$ 25,000.00	Reduce PT hours
Env Services	Personnel	\$ 50,000.00	Operations Manager
	Building & Grounds	\$ 400,000.00	Recycling Office
		\$ 450,000.00	
Community Development	Vehicle	\$ 15,000.00	Lease arrangement
		\$ 15,000.00	
Recreation	Building & Grounds	\$ 30,000.00	Smoothie Bar
	Building & Grounds	\$ 237,000.00	Replace fitness floor
		\$ 267,000.00	
Parks & Recreation	Equipment	\$ 10,000.00	Field drag
	Building & Grounds	\$ 80,000.00	Pavillion Flooring - multiple parks (4)
	Building & Grounds	\$ 40,000.00	Kwantes/Morgan Fence
	Building & Grounds	\$ 66,000.00	Coventry Bathroom
	Building & Grounds	\$ 250,000.00	Ber Juan Playground
	Building & Grounds	\$ 150,000.00	Trail connection - Green Acres to Cemetery
	Building & Grounds	\$ 50,000.00	Buehler walk way
		\$ 646,000.00	
		\$ 3,816,400.00	