

CITY OF  
ROLLA  
BUDGET

FISCAL YEAR 2020-2021



September 21, 2020

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 2018-19 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 department demands.

In every respect the 2020-21 Budget meets the legal requirement that expenditures not exceed anticipated revenues plus any unencumbered fund balance from the previous year. The 2020-21 Budget will begin on October 1, 2020. The budget represents a total yearly program of \$55,250,366 offset by anticipated revenues of \$55,089,880 – the deficit of \$160,486 being made up from reserves. The unusually large budget reflects two significant bond issues, namely the SRF Sewer Bond of \$17.2 M and the Move Rolla TDD (transportation) program of \$7.8 M. The budget also includes a \$2.5 M capital cost to construct a new public services/street shop at the Public Works Yard off McCutcheon Ave. The budget anticipates an overall pay adjustment of 1% for qualifying full-time City employees with an additional 5% for public safety officers. Rolla voters authorized the Use Tax on out-of-state purchases in November 2019 for public safety needs including compensation and equipment (includes HVAC replacement for RPD, body cameras, and fire vehicle). The budget also includes \$285,000 in park improvements thanks to Prop P (1/4 cent sales tax) and a management contract for both The Centre and SplashZone. The budget includes user fee increases in sewer rates and building permit fees.

The 2020-21 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 most service possible for each tax dollar spent.

Sincerely,

John Butz  
City Administrator

ORDINANCE NO. 4576

AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2020 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, 2020, and

WHEREAS, a public meeting on the budget was conducted on August 31, 2020, and the required public hearing scheduled on September 8, 2020, 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, 2020, 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 21<sup>st</sup> DAY OF SEPTEMBER 2020.

APPROVED:

  
MAYOR

ATTEST:

  
CITY CLERK

APPROVED AS TO FORM:

  
CITY COUNSELOR

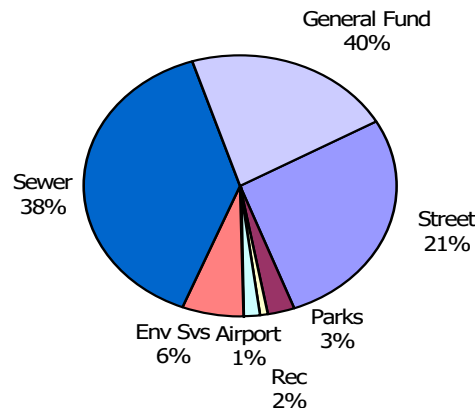
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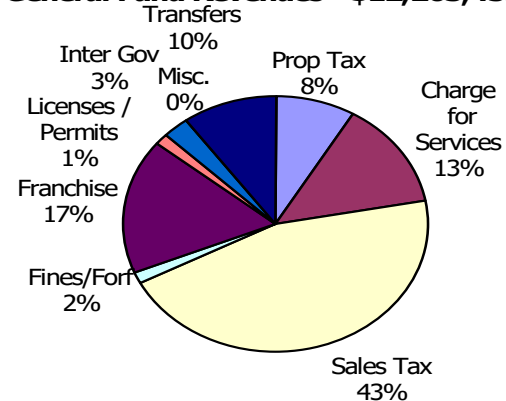
The FY 2021 budget reflects total revenues of \$55,089,880, which is uncharacteristically high due to Sewer Revenue Bond receipts of \$17,200,000 and MRTDD reimbursements of \$7,765,000. The City anticipates: total sales tax receipts of \$10,171,700; property tax receipts of \$1,278,563; sanitary sewer and environmental services fees of \$7,512,300; utility franchise fees of \$1,934,000; and total state and federal grants of \$157,000 with the balance being generated by miscellaneous fees, permits, licenses, fines, interest income and internal governmental transfers. The new Use Tax on out-of-state purchases is projected to generate \$475,000 for public safety purposes.

The General Fund makes up 21.8% of total revenue projections or \$12.26 million. The General Fund sales and use taxes generate 45.3% of funds available (\$5.56 million). The General Fund sales tax grew nearly 3.8% in FY 2020 but some of that growth was redirected to reimburse extra-ordinary development costs at the Westside MarketPlace and Kohl's TIF projects. The FY 2021 budget anticipates sales tax growth (net) of 2%. The Sewer Fund and Environmental Services Fund generate \$21.85 million and \$3.56 million respectively (primarily from user fees and the Sewer Treatment Plant Upgrade bond proceeds). The Sewer Fund has a "service availability fee" increase from \$9 to \$12 per month for maintenance of the sewer collection system and an increase in the variable sewer rate from \$5.25/1,000 gallons to \$5.40 for sewer treatment expenses including debt service on the new sewer treatment plant upgrades. The Park Fund is projected to generate \$1.62 million from the Prop P sales tax (\$1.21 mil), property taxes of \$281,163, and park and cemetery operating fees. The Recreation Fund is projected to generate \$1.02 million in membership and user fees under the new management agreement with Power Wellness but is expected to cost \$1.7 million in this transitional year. The Airport is expected to generate \$371,328 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 (\$4.89 million combined), and motor fuel and vehicle sales taxes (\$599,000).

**Total Estimated Revenues - \$55,089,880**

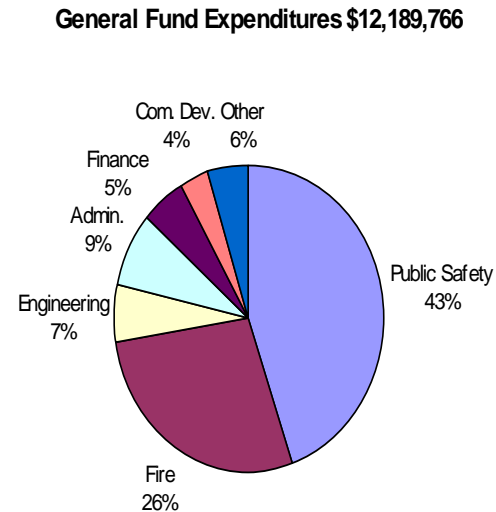
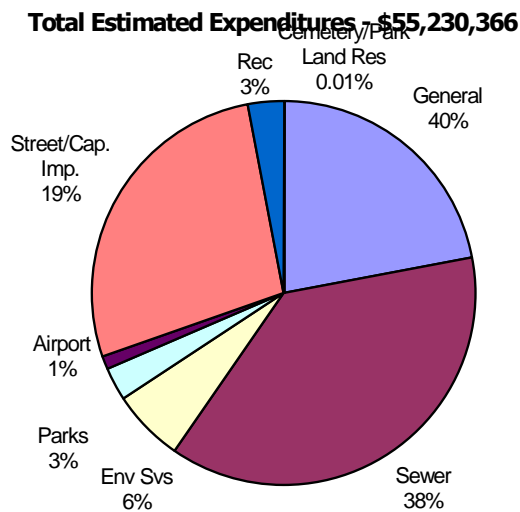


**General Fund Revenues - \$12,263,455**



The FY 2021 budget of \$55.2 million is considerably higher than past City budgets due primarily to the Sewer Treatment Plant Upgrades, the Move Rolla Transportation Development District projects (i.e. Kingshighway), and the pending relocation of the City's public works facilities to McCutcheon Dr. Without those 3 major capital projects the \$28M budget is very comparable to previous years. The FY 2021 budget is split as follows: General Fund (22.0% - \$12.17 mil), Sewer Fund (37.7% - \$20.82 mil), Environmental Services Fund (6.0% - \$3.29 mil), Parks Fund (2.8% - \$1.53 mil), Cemetery Fund (0.1% - \$70,000), Park Land Reserve Fund (0.1% - \$50,000), Airport (1.0% - \$530,305), Street/Capital Improvement Fund (27.2% - \$15.05 mil) and the Rec Center Fund (3.1% - \$1.72 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 budget includes the expenditure of approximately \$450,000 in the new Use Tax proceeds earmarked for public safety compensation and equipment. The largest Divisions in the General Fund include the Police Department (44.8%), Fire Department (27.5%), Engineering (6.5%), and General Administration and Finance (12.9%). 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 with small margins. The budget includes a 1% average overall increase in cost-of-living for all qualifying full-time employees and an additional 5% for public safety officers due to the new Use Tax. The Street Fund shifts to more asphalt overlay maintenance in FY 2021 with significant TDD projects planned for the next two years (Kingshighway; University Dr. relocation). Environmental Services will launch a pilot program for a new trash pickup program in FY 2021 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 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 management of the Centre has been contracted with a private corporation called Power Wellness with a goal of medical integration in Centre programming and services.



**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**  
**2020-2021 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 manner 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 2020 - 2021**

	<b>Audit 2018</b>	<b>Audit 2019</b>	<b>Estimated 2020</b>	<b>Adopted 2021</b>	<b>% of Budget</b>
<b>REVENUES</b>					
Sales/Property Tax	14,286,975	14,414,015	14,568,570	15,176,476	28%
Licenses & Permits	179,135	174,427	144,240	157,250	0%
Intergovernmental	287,762	777,957	3,531,194	346,250	1%
Charges for Service	9,960,064	9,949,647	9,287,774	10,811,130	20%
Fines & Forfeitures	207,962	215,867	128,200	183,800	0%
Misc. Income	10,820,542	2,057,628	1,020,105	8,714,974	16%
Bond Proceeds	1,349,992	0	10,954,833	19,700,000	36%
<b>Total Revenues</b>	<b>\$ 37,092,431</b>	<b>\$ 27,589,541</b>	<b>\$ 39,634,915</b>	<b>\$ 55,089,880</b>	<b>100%</b>
<b>EXPENDITURES</b>					
Personnel	13,294,836	14,080,418	14,202,612	14,067,675	25%
Supplies & Bldg. Mtnc.	1,088,947	1,061,046	900,875	825,160	1%
Services	3,718,454	5,192,491	4,049,954	6,024,070	11%
Maintenance & Imp.	2,894,739	2,635,025	2,147,053	2,828,875	5%
Capital Exp.	17,462,577	8,075,888	17,683,023	31,057,511	56%
Use Tax Exp.	0	0	129,009	427,075	1%
<b>Total Expenditures</b>	<b>\$ 38,459,553</b>	<b>\$ 31,044,868</b>	<b>\$ 39,112,526</b>	<b>\$ 55,230,366</b>	<b>100%</b>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	<b>\$ (1,367,122)</b>	<b>\$ (3,455,327)</b>	<b>\$ 522,389</b>	<b>\$ (140,486)</b>	
<b>FUND TRANSFERS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TOTAL REVENUES OVER EXPENDITURES</b>	<b>\$ (1,367,122)</b>	<b>\$ (3,455,327)</b>	<b>\$ 522,389</b>	<b>\$ (140,486)</b>	
<b>BEGINNING FUND BALANCE (10/1)</b>	<b>\$ 14,300,435</b>	<b>\$ 12,933,313</b>	<b>\$ 9,477,986</b>	<b>\$ 10,000,375</b>	
<b>ENDING FUND BALANCE - ALL FUNDS (9/30)</b>	<b>\$ 12,933,313</b>	<b>\$ 9,477,986</b>	<b>\$ 10,000,375</b>	<b>\$ 9,859,889</b>	

# CITY OF ROLLA

## REVENUE TOTALS

### FY 2020 - 2021

<b>Fund</b>	<b>2017-2018 ACTUAL</b>	<b>2018-2019 ACTUAL</b>	<b>2019-2020 ESTIMATED</b>	<b>2020-2021 ADOPTED</b>	<b>% OF BUDGET</b>
General Fund	11,915,573	10,450,441	10,498,623	11,036,655	20.03%
Sewer Fund	3,697,036	3,786,937	5,894,654	21,852,350	39.67%
Environmental Services Fund	3,621,697	3,503,490	3,525,580	3,560,000	6.46%
Park Fund	1,579,684	1,604,918	1,561,235	1,618,338	2.94%
Park Land Reserve Fund	490	27,730	350	740	0.00%
Airport Fund	451,529	614,799	3,580,861	371,328	0.67%
Cemetery Fund	7,588	13,572	8,700	8,100	0.01%
Street Fund	14,660,893	6,508,841	14,074,556	15,619,469	28.35%
Recreation Fund	1,157,942	1,078,812	490,356	1,022,900	1.86%
<b>REVENUE TOTAL</b>	<b>37,092,431</b>	<b>27,589,541</b>	<b>39,634,915</b>	<b>55,089,880</b>	<b>100%</b>

# CITY OF ROLLA

## EXPENDITURE TOTALS

### FY 2020 - 2021

Department	2017-2018 ACTUAL	2018-2019 ACTUAL	2019-2020 ADOPTED	2019-2020 ESTIMATED	2020-2021 ADOPTED	% OF BUDGET
Administration	646,402	638,918	660,106	593,176	626,681	1.13%
City Administration	319,783	327,617	303,275	314,883	313,645	0.57%
Library	208,051	240,606	278,145	264,550	287,900	0.52%
Finance	635,138	611,318	597,255	605,850	621,625	1.13%
Legal	69,150	72,829	64,900	63,085	64,725	0.12%
Court	88,273	87,427	87,503	85,807	88,675	0.16%
911/Telecommunications	1,054,713	1,070,600	1,155,430	1,185,505	1,232,430	2.23%
Animal Control	134,209	139,523	148,155	150,231	170,495	0.31%
Police	3,784,026	3,715,698	3,795,863	3,850,995	4,047,200	7.33%
Fire	4,061,972	3,061,277	3,118,200	3,124,500	3,340,250	6.05%
Building Services	86,844	93,400	87,025	78,785	81,540	0.15%
Engineering	790,812	827,965	818,325	806,005	787,790	1.43%
Community Development	367,903	421,984	440,140	426,300	451,200	0.82%
Economic Development	226,834	237,403	163,550	90,559	54,110	0.10%
<b>GENERAL FUND TOTAL</b>	<b>12,474,109</b>	<b>11,546,564</b>	<b>11,717,872</b>	<b>11,640,231</b>	<b>12,168,266</b>	<b>22.03%</b>
Sewer	4,354,792	5,822,996	7,506,900	4,739,939	20,822,099	37.70%
Recycling	651,064	548,784	562,675	555,604	550,940	1.00%
Sanitation	2,642,680	2,731,091	2,708,750	2,550,135	2,313,300	4.19%
Vehicle Maintenance	437,465	399,600	419,910	410,495	425,735	0.77%
Parks	1,483,030	1,480,816	1,533,690	1,446,403	1,530,535	2.77%
Cemetery	2,188	0	65,000	5,000	70,000	0.00%
Park Land Reserve	0	0	0	0	50,000	0.09%
Airport	614,804	762,427	3,626,840	3,729,341	530,305	0.96%
Street	14,285,966	6,177,198	12,964,365	13,041,695	15,049,736	27.25%
Recreation Center	1,513,454	1,575,391	1,562,695	993,683	1,719,450	3.11%
<b>OTHER FUNDS TOTAL</b>	<b>25,985,444</b>	<b>19,498,304</b>	<b>30,950,825</b>	<b>27,472,295</b>	<b>43,062,100</b>	<b>77.84%</b>
<b>EXPENDITURE TOTAL</b>	<b>38,459,553</b>	<b>31,044,868</b>	<b>42,668,697</b>	<b>39,112,526</b>	<b>55,230,366</b>	<b>100%</b>