

CITY OF ROLLA BUDGET

FISCAL YEAR 2023-2024



September 5, 2023

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 2024 Budget is hereby submitted (October 1, 2023 – September 30, 2024). 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 2023-24 Budget meets the legal requirement that expenditures not exceed anticipated revenues plus any unencumbered fund balance from the previous year. The budget represents a total yearly spending program of \$37,915,446 offset by anticipated revenues of \$33,905,885 – a net deficit of \$2,009,561 (due to the spend-down of the last MRTDD project, Pine St. North, ARPA funds, Animal Shelter Ph. 2, and Centre support). The budget includes an average pay adjustment of 6% (COLA and merit) for qualifying full-time City employees. The Budget includes fee increases for the Sewer Fund and the Environmental Service Fund due to significantly higher landfill disposal costs. The City has received \$4.1 M in federal ARPA funds in 2022 with a series of possible expenditures of \$1,162,000 in FY 2024/25.

The Fiscal Year 2024 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,

A handwritten signature in blue ink, appearing to read "John Butz", is written over a light blue circular stamp.

John Butz
City Administrator

AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2023 AND APPROPRIATING FUNDS PURSUANT THERETO.

WHEREAS, the City Administrator as Budget Officer has presented to the City Council an annual budget for the fiscal year beginning on October 1, 2023, and

WHEREAS, a public meeting on the budget was conducted on August 28, 2023, and the required public hearing scheduled on September 5, 2023, 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, 2023, 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 18th DAY OF SEPTEMBER 2023.

ATTEST:

Terri M. Powell
CITY CLERK

APPROVED:
John B. Henry
MAYOR Pro Tem

APPROVED AS TO FORM:

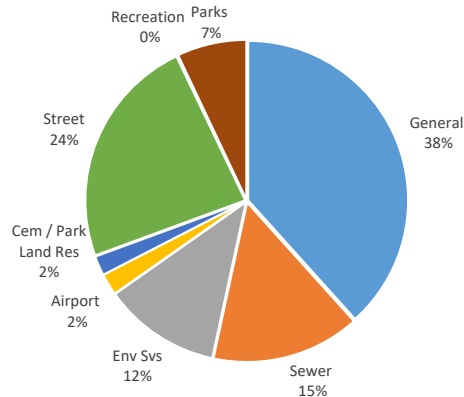
John B. Henry
CITY COUNSELOR

Where the Money Comes From....

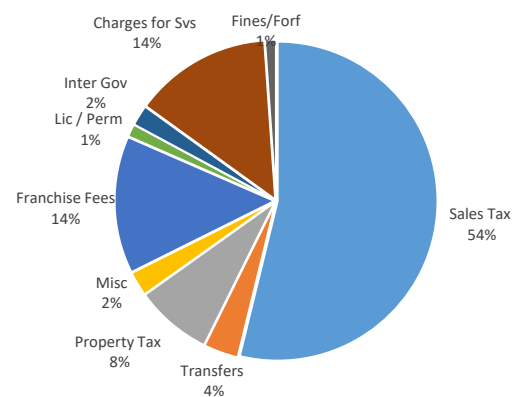
The FY 2024 budget reflects total revenues of \$35,905,885. The City anticipates: total sales tax receipts of \$13,237,100; property tax receipts of \$1,405,800; sanitary sewer and environmental services fees of \$8,932,000; utility franchise fees of \$1,913,000; and total state and federal grants of \$197,000 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 \$1,015,000 for public safety purposes.

The General Fund makes up 38.8% of total revenue projections or \$13.94 million. The General Fund sales and use taxes generate 53.7% of funds available (\$7.76 million). The General Fund sales tax grew nearly 7.02% in FY 2023 but some of that growth was redirected to reimburse extra-ordinary development costs at the Westside MarketPlace and Kohl's TIF projects. The FY 2024 budget anticipates sales tax growth (net) of 4%. The Sewer Fund and Environmental Services Fund generate \$5.46 million and \$4.33 million respectively (primarily from user fees and the Sewer Treatment Plant Upgrade bond proceeds). The Sewer Fund has an increase in the variable sewer rate of \$.50/1,000 gallons to \$6.75/1,000 gallons of water for sewer treatment expenses including debt service on the new sewer treatment plant upgrades. Due to manpower, landfill disposal services and equipment costs the budget includes a 12% increase in trash fees. The Park Fund is projected to generate \$2.56 million from the Prop P sales tax (\$1.54 mil), property taxes of \$277,300, and park and cemetery operating fees. The Recreation Fund is projected to generate \$1.4 million in membership and user fees under the new management agreement with Power Wellness but is expected to cost \$1.85 million in this transitional year. ARPA funds of \$250,000 are anticipated for loss of Centre revenues due to COVID. The Airport Fund is expected to generate \$779,900 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 (\$5.88 million combined), and motor fuel and vehicle sales taxes (\$863,000).

Total Estimated Revenues - \$35,905,885



General Fund Revenues - \$14,451,935

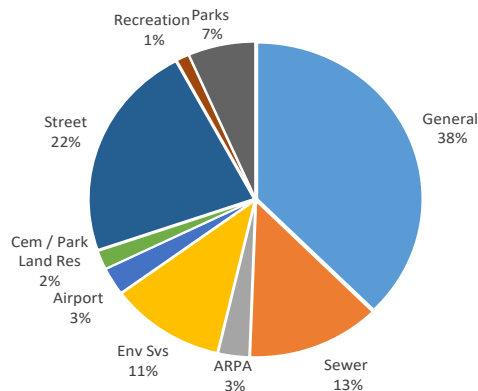


Where the Money Goes...

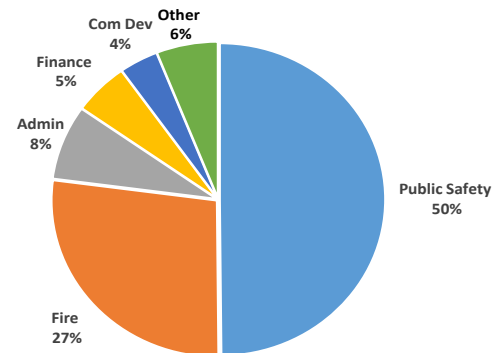
The FY 2024 budget of \$37.9 million is a more typical budget with the completion of several major capital initiatives (sewer treatment plant upgrades and MRTDD projects). COVID/ARPA revenues of \$4.1 million was received in FY 2022 and saw one time expenditures of \$2.5 million in FY 2022, \$655,000 in FY 2023 and \$1.16 million projected FY 2024. The FY 2024 budget is split as follows: General Fund (38.37% - \$14.51 mil), Sewer Fund (13.3% - \$5.05 mil), Environmental Services Fund (11.5% - \$4.35 mil), ARPA Fund (3.1% - \$1.17 mil), Parks Fund (6.7% - \$2.56 mil), Cemetery Fund (0.1% - \$8,000), Park Land Reserve Fund (0.1% - \$25,000), Airport (2.9% - \$1.08 mil), Street/Capital Improvement Fund (22.9% - \$8.68 mil) and the Rec Center Fund (1.3% - \$487,305). The General Fund is made up of 13 separate divisions that do not generate sufficient dollars directly and are therefore funded primarily through the general property and sales taxes of the City. The budget includes the expenditure of approximately \$1.0 million in the Use Tax proceeds earmarked for public safety compensation. The largest Divisions in the General Fund include the Police Department (49.8%), Fire Department (27.2%), and General Administration and Finance (13.1%). Other minor divisions of the General Fund include Building Services, Community Development, Economic Development, Legal, Library and Municipal Court. The Engineering Division was transferred from the General Fund to the Street/Cap Improvement Fund in FY 2022.

The City's General Fund has fared better than projected largely due to overall economic activity. The budget includes eight (8) Police vehicles (\$432,000), \$250,000 towards the Recreation Fund deficit and \$250,000 towards Phase II of the new animal shelter from accumulated donations. Personnel challenges persist and the budget includes a 3% cost of living increase with a new wage and grade scale and up to 3% for merit for all qualifying full-time employees. The Street Fund shifts to more asphalt overlay maintenance in FY 2024 with a major project planned for North Pine St. Environmental Services is expanding the automated trash pick-up system with the third and final truck. In large part to Prop P (1/4 cent parks tax approved by voters in 2015 and 1/16th reauthorized in 2023) there is sustained funding for traditional park maintenance including several park improvements planned at Ber Juan Park. The Rec Center Fund remains independent of all other Funds, 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 towards self-sufficiency by FY 2026.

Total Estimated Expenditures - \$37,915,446



General Fund Expenditures - \$14,509,396



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
2023-2024 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 2023 - 2024

	Audit 2021	Audit 2022	Estimated 2023	Adopted 2024	% of Budget
REVENUES					
Sales/Property Tax	16,436,163	17,847,430	18,799,850	19,463,900	54%
Licenses & Permits	166,356	205,903	208,500	188,450	1%
Intergovernmental	1,444,802	2,735,118	1,482,000	930,000	3%
Charges for Service	9,912,326	11,450,390	11,555,848	12,195,885	34%
Fines & Forfeitures	155,167	166,392	153,400	163,500	0%
Misc. Income	11,662,908	3,742,173	2,540,062	2,964,150	8%
Bond Proceeds	13,728,830	6,014,200	1,896,584	0	0%
Total Revenues	\$ 53,506,552	\$ 42,161,606	\$ 36,636,244	\$ 35,905,885	100%
EXPENDITURES					
Personnel	13,680,327	13,867,642	14,544,707	15,808,950	42%
Supplies & Bldg. Mtnc.	809,741	898,616	920,076	942,576	2%
Services	5,664,365	4,750,651	4,849,566	5,025,300	13%
Maintenance & Imp.	3,132,530	3,420,125	3,167,017	3,739,150	10%
Capital Exp.	25,956,131	23,704,088	10,346,472	11,392,435	30%
Use Tax Exp.	374,219	469,186	960,950	1,007,035	3%
Total Expenditures	\$ 49,617,314	\$ 47,110,307	\$ 34,788,788	\$ 37,915,446	100%
EXCESS REVENUES OVER EXPENDITURES	\$ 3,889,239	\$ (4,948,701)	\$ 1,847,456	\$ (2,009,561)	
FUND TRANSFERS	\$ -	\$ -	\$ (20,500)	\$ -	
TOTAL REVENUES OVER EXPENDITURES	\$ 3,889,239	\$ (4,948,701)	\$ 1,826,956	\$ (2,009,561)	
BEGINNING FUND BALANCE (10/1)	\$ 10,846,012	\$ 15,191,350	\$ 15,803,217	\$ 17,630,173	
ENDING FUND BALANCE - ALL FUNDS (9/30)	\$ 14,735,250	\$ 10,242,649	\$ 17,630,173	\$ 15,620,612	
FOOTNOTES:					
RESTRICTED CASH	\$ 4,497,166	\$ 6,158,543	\$ 7,233,503	\$ 7,072,547	
PROJECTED UNRESTRICTED CASH	\$ 10,238,084	\$ 4,084,106	\$ 10,396,669	\$ 8,548,064	

CITY OF ROLLA REVENUE TOTALS FY 2023 - 2024

Fund	2020-2021 ACTUAL	2021-2022 ACTUAL	2022-2023 ESTIMATED	2023-2024 ADOPTED	% OF BUDGET
General Fund	12,752,210	13,249,839	14,475,792	13,941,835	38.83%
Sewer Fund	18,099,118	10,642,054	5,962,584	5,457,000	15.20%
Environmental Services Fund	3,976,914	4,047,589	3,997,400	4,326,500	12.05%
ARPA Fund	97	2,325,555	453,000	3,000	0.01%
Park Fund	1,801,997	2,005,887	1,991,466	2,564,100	7.14%
Park Land Reserve Fund	562	1,343	680	650	0.00%
Airport Fund	672,256	740,576	725,400	779,900	2.17%
Cemetery Fund	23,219	20,946	18,414	21,000	0.06%
Street Fund	16,023,154	13,926,551	10,030,200	8,561,300	23.84%
Recreation Fund	157,024	851,553	481,308	250,600	0.70%
REVENUE TOTAL	53,506,552	47,811,893	38,136,244	35,905,885	100%

CITY OF ROLLA

EXPENDITURE TOTALS

FY 2023 - 2024

Department	2020-2021 ACTUAL	2021-2022 ACTUAL	2022-2023 ADOPTED	2022-2023 ESTIMATED	2023-2024 ADOPTED	% OF BUDGET
Administration	628,017	764,297	709,485	753,553	769,610	2.03%
City Administration	319,347	290,452	308,055	292,745	352,225	0.93%
Library	294,607	328,043	318,850	366,265	431,300	1.14%
Finance	627,248	667,509	729,200	741,359	778,195	2.05%
Legal	65,170	75,394	70,750	64,980	117,940	0.31%
Court	89,081	96,217	133,450	132,530	147,895	0.39%
911/Telecommunications	1,216,058	1,227,904	1,498,835	1,344,665	1,476,605	3.89%
Animal Control	195,781	682,561	335,740	275,385	490,155	1.29%
Police	4,033,226	4,650,903	4,993,225	5,505,654	5,264,010	13.88%
Fire	3,216,676	3,254,400	4,655,462	4,661,311	3,945,211	10.41%
Building Services	105,992	85,971	105,715	118,818	118,175	0.31%
Engineering	763,443	0	0	0	0	0.00%
Community Development	436,669	449,828	518,500	559,145	556,050	1.47%
Economic Development	33,989	52,927	57,075	73,025	62,025	0.16%
GENERAL FUND TOTAL	12,025,305	12,626,406	14,434,342	14,889,435	14,509,396	38.27%
Sewer	18,134,355	11,155,404	5,874,432	6,223,610	5,047,650	13.31%
Recycling	582,273	522,801	428,375	506,653	474,805	1.25%
Sanitation	2,974,854	2,789,037	3,072,950	2,879,952	3,354,525	8.85%
Vehicle Maintenance	465,948	492,478	496,230	490,754	519,385	1.37%
ARPA	0	2,543,572	1,635,000	655,000	1,165,000	3.07%
Parks	1,596,974	1,809,833	1,812,250	1,893,507	2,557,030	6.74%
Cemetery	80,331	6,381	10,000	4,000	8,000	0.02%
Park Land Reserve	50,000	35,000	0	0	25,000	0.07%
Airport	830,123	907,701	794,560	878,050	1,084,575	2.86%
Street	11,788,027	12,736,157	7,103,085	4,747,967	7,540,500	19.89%
Engineering	0	804,208	927,650	820,300	1,142,275	3.01%
Recreation Center	1,089,124	683,659	459,025	799,560	487,305	1.29%
OTHER FUNDS TOTAL	37,592,009	34,486,230	22,613,557	19,899,353	23,406,050	61.73%
EXPENDITURE TOTAL	49,617,314	47,112,635	37,047,899	34,788,788	37,915,446	100%