



November 1, 2024

To: Sam Anselm, City Administrator

From: Earlene Rich, Finance Director

Re: Budget Amendment for the Fiscal Year Ending December 31, 2024

Executive Summary

The Finance Department, with the support of other departments, recommends the attached budget amendment for the fiscal year ending December 31, 2024.

Discussion

During the budget process in July-September 2024, each department prepared an estimate of expenses for the current fiscal year. The Finance Department reviewed those estimates and compared those to year-to-date expenses recognized through November 1st to project whether changes were needed. The legal level of budget control is the department level in the General Fund and the fund level for all other funds.

The budget amendment includes decreased revenues and expenses for the General Fund with a positive net impact to the net income of \$10,550. The changes to the Capital Improvement Fund will cause a negative impact on the net income of \$113,500 related to emergency replacement of the city hall generator and additional local match anticipated for the detention basin projects. The Library Fund will have a slight decrease to their net income of \$2,220 related to increased costs of digital subscriptions. The Electric Fund will have a decrease of \$2.5 million in potential costs for completion of the 69 kV line and other costs for relocation of infrastructure for Hwy 160 Overpass.

The budget amendment also includes closing two funds – TIF #1 and TIF #3. The term for TIF #1 has expired and the fund is closed. Termination of TIF #3 was approved at the October 2024 council meeting. This budget amendment provides appropriation approval for distribution of remaining balances.

All other funds have a \$0 net impact for this recommended budget amendment. Additional expenses were either covered with savings from another department or are offset by comparable increases to revenues (in the case of donations and grants).

The most significant changes are related to vacancy savings, increases to contracted services, utility increases, building maintenance, and grant revenues.

Fiscal Impact

The budget amendment includes a decrease in fund balance for the Capital Improvement Fund of \$113,500, a decrease in fund balance of \$2,220 in the Library Fund, a decrease in cash balances for the Electric Fund of \$2,500,000 and closing two TIF Funds. No other fund balance changes are anticipated.

BILL NO. 4786

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE ADOPTION OF AMENDED BUDGETS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2024 AND ENDING DECEMBER 31, 2024.

WHEREAS, the City Council of the City of West Plains, Missouri heretofore adopted its budget for the fiscal year beginning January 1, 2024 and ending December 31, 2024; and

WHEREAS, the administration and City Council of the City of West Plains, Missouri reviewed all accounts and recommend adjustments as listed in Exhibit A; and

WHEREAS, the City Council finds the changed budget allowances for the funds and departments listed in Exhibit A to be appropriate.

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

Section 1: That the budget for the year beginning January 1, 2024 and ending December 31, 2024, heretofore adopted by the City Council of the City of West Plains, Missouri is hereby amended to reflect changes as listed in Exhibit A attached, and as set out below.

Section 2: That the budget for the year beginning January 1, 2024 and ending December 31, 2024 as amended and set forth in Section 1 above, is hereby approved and adopted.

Section 3: That this Ordinance shall be in full force and effect immediately from and after the date of its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF DECEMBER, 2024.

CITY OF WEST PLAINS, MISSOURI

BY: _____
MAYOR MICHAEL TOPLIFF

ATTEST:

CITY CLERK KELLIE MAYERS

Exhibit A
Budget Amendment - FY24

| | Revenues | | | | Expenditures | | | | Total Fund Balance Change from 2024 Adopted Budget |
|----------------------------------|------------------------|---------------------|---------------------|------------------------|------------------------|---------------------|---------------------|------------------------|--|
| | FY24 Adopted Budget | Amendment #1 | Amendment #2 | FY24 Amended Budget | FY24 Adopted Budget | Amendment #1 | Amendment #2 | FY24 Amended Budget | |
| General | \$ 11,215,488 | \$ - | \$ (65,300) | \$ 11,150,188 | \$ 13,430,645 | \$ 28,040 | \$ (75,850) | \$ 13,382,835 | \$ 1,715,355 |
| Capital | \$ 2,520,000 | \$ - | \$ - | \$ 2,520,000 | \$ 4,102,075 | \$ 382,730 | \$ 113,500 | \$ 4,598,305 | \$ (313,489) |
| Transportation | \$ 3,280,850 | \$ - | \$ - | \$ 3,280,850 | \$ 3,470,776 | \$ 55,270 | \$ - | \$ 3,526,046 | \$ 1,047,863 |
| Grants | \$ 15,017,515 | \$ 2,879,800 | \$ 2,856,360 | \$ 20,753,675 | \$ 15,017,515 | \$ 2,879,800 | \$ 2,856,360 | \$ 20,753,675 | \$ - |
| Library | \$ 655,230 | \$ - | \$ 96,980 | \$ 752,210 | \$ 652,860 | \$ 240 | \$ 99,200 | \$ 752,300 | \$ 51,097 |
| Tourism | \$ 418,300 | \$ - | \$ 235,000 | \$ 653,300 | \$ 472,140 | \$ - | \$ 235,000 | \$ 707,140 | \$ 29,121 |
| Consol. Spec. Revenue | \$ 20,000 | \$ - | \$ 70,000 | \$ 90,000 | \$ 42,500 | \$ - | \$ 70,000 | \$ 112,500 | \$ 47,174 |
| Governmental Funds | \$ 33,127,383 | \$ 2,879,800 | \$ 3,193,040 | \$ 39,200,223 | \$ 37,188,511 | \$ 3,346,080 | \$ 3,298,210 | \$ 43,832,801 | \$ 2,577,121 |
| Utilities - Admin | \$ 413,290 | \$ 6,030 | \$ 50,000 | \$ 469,320 | \$ 413,290 | \$ 6,030 | \$ 50,000 | \$ 469,320 | \$ - |
| Electric | \$ 21,265,430 | \$ - | \$ - | \$ 21,265,430 | \$ 24,227,542 | \$ 760,030 | \$ 2,500,000 | \$ 27,487,572 | \$ (1,228,315) |
| Water | \$ 3,103,200 | \$ - | \$ - | \$ 3,103,200 | \$ 4,521,780 | \$ 102,970 | \$ - | \$ 4,624,750 | \$ 683,377 |
| Sewer | \$ 2,925,620 | \$ 1,210,000 | \$ - | \$ 4,135,620 | \$ 3,785,566 | \$ 1,284,370 | \$ - | \$ 5,069,936 | \$ 1,528,427 |
| Sanitation | \$ 3,977,630 | \$ - | \$ - | \$ 3,977,630 | \$ 4,543,190 | \$ 43,900 | \$ - | \$ 4,587,090 | \$ 522,524 |
| Fiber | \$ 107,500 | \$ - | \$ - | \$ 107,500 | \$ 109,980 | \$ - | \$ - | \$ 109,980 | \$ 2,009 |
| Proprietary Funds | \$ 31,792,670 | \$ 1,216,030 | \$ 50,000 | \$ 33,058,700 | \$ 37,601,348 | \$ 2,197,300 | \$ 2,550,000 | \$ 42,348,648 | \$ 1,508,022 |
| TIF #1 | \$ 100 | \$ - | \$ - | \$ 100 | \$ - | \$ - | \$ 4,100 | \$ 4,100 | \$ (4,100) |
| TIF #2 | \$ 486,150 | \$ - | \$ 200,000 | \$ 686,150 | \$ 486,150 | \$ - | \$ 200,000 | \$ 686,150 | \$ - |
| TIF #3 | \$ 137,500 | \$ - | \$ - | \$ 137,500 | \$ 1,000 | \$ - | \$ 1,450,000 | \$ 1,451,000 | \$ (1,450,000) |
| Tax Increment Financing F | \$ 623,750 | \$ - | \$ 200,000 | \$ 823,750 | \$ 487,150 | \$ - | \$ 1,654,100 | \$ 2,141,250 | \$ (1,454,100) |
| All Funds | \$ 65,543,803 | \$ 4,095,830 | \$ 3,443,040 | \$ 73,082,673 | \$ 75,277,009 | \$ 5,543,380 | \$ 7,502,310 | \$ 88,322,699 | \$ 2,631,043 |

Exhibit A
Budget Amendment #2 - FY24

| Activity | Fund | Description | Revenue | Expenditure |
|---------------------------------------|---------|---|--------------|--------------|
| GENERAL GOVERNMENT (CITY-SIDE) | | | | |
| Pool | General | Operating expenses including lifeguard pay and chemicals for the pool exceeded budget expectations for the year. The overage is partially covered by an increase in pool rental revenues. | \$ 6,300 | \$ 33,000 |
| Golf | General | Some operating expenses for the golf course were higher than budgeted. The additional expense is fully offset by membership fees received through the month of September that were higher than budgeted. | \$ 28,400 | \$ 16,150 |
| Facilities Mtce | General | The generator for city hall unexpectedly failed. While the new generator was being researched and shipped, a temporary generator was rented. These costs will be offset by savings in other departments which will be transferred as part of this budget amendment. | | \$ 20,500 |
| Senior Center | General | Utilities for the senior center building are trending higher than the budgeted amount. These costs will be offset by savings in other departments which will be transferred as part of this budget amendment. | | \$ 4,500 |
| HR | General | Property & liability insurance cost allocations resulted in less being paid from the General Fund this year. The savings are anticipated at \$150,000. A portion of those savings will be transferred to other departments as outlined in this section. | | \$ (150,000) |
| Revenues | General | Utility admin fees are trending lower than expected due to vacancies in administrative personnel and other operating savings. This revenue will be offset by savings in the departments, but since those actual results are unknown, they will not be included in the budget amendment. | \$ (500,000) | |
| Revenues | General | Retail marijuana sales taxes were not budgeted as the overall impact of those taxes was not known during the budget preparation. | \$ 200,000 | |
| Revenues | General | Sales and use taxes are trending higher than budget in 2024. Additional sales taxes will cover the funding gap for the utility admin fee revenue shortfall. | \$ 200,000 | |
| | | | \$ (65,300) | \$ (75,850) |

Exhibit A
Budget Amendment #2 - FY24

| Activity | Fund | Description | Revenue | Expenditure |
|-----------------|-------------|---|----------------|--------------------|
| Facilities Mtce | Capital | The generator for city hall unexpectedly failed in the middle of the year. A replacement generator was purchased which had not been budgeted. | | \$ 63,500 |
| Planning | Capital | Some additional expenses are necessary to complete the detention basin projects. The city hopes to receive grant reimbursement to fully offset these unplanned expenses, however, some funds are being added as a transfer out of capital to cover the potential for additional expenses. | | \$ 50,000 |
| Debt | Capital | The final interest payment and closing costs for the capital debt was higher than budgeted. This expense will be covered by transferring savings from the golf capital leases to the debt department. | | \$ 3,000 |
| Fire | Capital | The costs of some fire projects were higher than budgeted. The department expects to be able to cover this expense with year-end savings, but some funds will be transferred from golf capital lease savings to the fire department. | | \$ 2,000 |
| Library | Capital | The library HVAC replacement project went slightly over budget. The department has no other projects budgeted in capital for 2024, so the savings will be transferred from the golf capital lease savings. | | \$ 8,000 |
| Golf | Capital | Savings on capital leases. One of the leases for the golf course had it's final payout in 2024. The full year of lease payments were budgeted, but only a partial year was needed. | | \$ (13,000) |
| | | | \$ - | \$ 113,500 |
| Economic Dev | Grant | The city used ARPA funds to purchase a building at 601 Washington for economic development opportunities. | \$ 610,000 | \$ 610,000 |
| Planning | Grant | Some additional expenses are necessary to complete the detention basin projects. The city hopes to receive grant reimbursement for prior expenses which have already been paid from city funds (capital) to fully offset these unplanned expenses. | \$ 170,000 | \$ 170,000 |

Exhibit A
Budget Amendment #2 - FY24

| Activity | Fund | Description | Revenue | Expenditure |
|----------|---------|--|---------------------|---------------------|
| Planning | Grant | When budget was prepared, it was assumed that the Garner Villas project would be further along by the end of 2023, so more of the revenue and expense was included in that budget than what was needed. This is not a change in the grant amount or total project expense - just an update to the timing of the project costs and related grant reimbursement. | \$ 2,076,360 | \$ 2,076,360 |
| | | | <u>\$ 2,856,360</u> | <u>\$ 2,856,360</u> |
| Library | Library | Grant revenues and expenses for the library are higher than expected. These items fully offset. | \$ 70,000 | \$ 70,000 |
| Library | Library | Donation revenues and expenses for the library are higher than expected. These items almost fully offset. Excess costs are expected to be offset by savings in other line items for the fund. If no other savings are realized, the variance will be covered from existing cash balances. | \$ 26,980 | \$ 29,200 |
| | | | <u>\$ 96,980</u> | <u>\$ 99,200</u> |
| Tourism | Tourism | The success of the solar eclipse resulted in higher revenues and expenses than were budgeted. The revenues include event tickets, merchandise sales and hotel/motel taxes. Expenses include events, advertising costs, merchandise procurement, and credit card fees. | \$ 235,000 | \$ 225,000 |
| Tourism | Tourism | Department is using some of the revenues from the eclipse weekend hotel sales for completing minor building maintenance on the Welcome Center. Although the department anticipates budget savings in other areas to cover this expense, the budget gap is very slim in this fund. | | \$ 10,000 |
| | | | <u>\$ 235,000</u> | <u>\$ 235,000</u> |

Exhibit A
Budget Amendment #2 - FY24

| Activity | Fund | Description | Revenue | Expenditure |
|----------------------------------|------------------|--|---------------------|---------------------|
| Police | Special Revenues | The police department receives funding for a portion of the salary for cyber crimes investigations. This funding is restricted to police equipment and training. | \$ 50,000 | \$ 50,000 |
| Parks | Special Revenues | The parks department has received multiple donations this year from a citizen to be used toward specific projects including the pickleball courts. | \$ 20,000 | \$ 20,000 |
| | | | <u>\$ 70,000</u> | <u>\$ 70,000</u> |
| General Government Totals | | | \$ 3,193,040 | \$ 3,298,210 |

Exhibit A
Budget Amendment #2 - FY24

| Activity | Fund | Description | Revenue | Expenditure |
|-----------------------------|--------------|--|------------------|---------------------|
| UTILITIES | | | | |
| | Util - Admin | The Tantalus software was budgeted in the electric fund, but this software now registers readings for water as well as electric. Since the expenses pertains to more than one utility, it should be budgeted from the utility admin fund and the offsetting revenues will come from admin fees to each utility. | \$ 50,000 | \$ 50,000 |
| | Electric | Costs through July are at the budgeted amount for this project. The project is utilizing some inventory which was not budgeted as part of the project and the engineering costs also were not budgeted in 2024. | | \$ 2,000,000 |
| | Electric | This is an estimate of costs remaining to be paid for increasing the height of all electrical overhead lines to accommodate the overpass project. The total budgeted from the Electric Fund was \$500K all of which was budgeted in 2023. Since most costs were not incurred until 2024, this increases the current year budget to account for the timing difference of those project costs. | | \$ 500,000 |
| | | | \$ - | \$ 2,500,000 |
| Utility Funds Totals | | | \$ 50,000 | \$ 2,550,000 |

Exhibit A
Budget Amendment #2 - FY24

| Activity | Fund | Description | Revenue | Expenditure |
|---|--------|--|-------------------|---------------------|
| TAX INCREMENT FINANCING | | | | |
| | TIF #1 | Closing expenses for TIF #1 | \$ | 4,100 |
| | TIF #2 | TIF #2 revenue exceeded expectations for the year. Since all revenues are paid out to the related CID, the revenues and expenses will both be increased. | \$ 200,000 | \$ 200,000 |
| | TIF #3 | TIF #3 will be terminated by the end of 2024. All cash balances will be paid out to the applicable taxing entities. Since funds cannot report a negative revenue, these amounts need to be budgeted as an expense of the fund. | \$ | 1,450,000 |
| Tax Increment Financing Funds Totals | | | \$ 200,000 | \$ 1,654,100 |