



# Agenda Item Report

## City Commission - Jan 05 2021

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Department	Staff Contact
Finance	Danielle Buschkoetter, Budget and Strategic Initiatives Manager

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### Recommendations

Consider approving the first quarter budget adjustment for 2021.

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### Executive Summary

Beginning in 2021, the City is starting a quarterly budget adjustment process to keep the public and City Commission informed on changes to the budget made throughout the year to address unforeseen expenditures, carry forward fund balances, and to remain flexible for unforeseen projects and opportunities throughout the year.

As part of this quarterly process, a formal budget amendment may be brought forward to increase a fund's expenditure authority if necessary. For this to occur, a public hearing must be held and notice of the public hearing must be given at least 10 days prior to the hearing. This is anticipated to occur towards the end of the year if needed. Throughout the year, staff will look for places to reduce expenditures to off-set the impact of these items whenever possible.

Many of the adjustments are to account for either unforeseen expenditures or to account for expenditures that were planned in the prior year but are being requested to be moved to the current year. There were also a few errors discovered in the budget after adoption that are being cleaned up as well. A summary of adjustments is presented below by fund.

#### Summary of Quarter 1 Adjustments

##### General Fund (001)

Increase FICA for part-time salaries in Parks & Recreation. In the transition of moving the Recreation Fund, Special Recreation Fund, and Golf Course Fund to the General Fund in 2021 an error occurred and some of the FICA costs were not accurately moved for part-time staff.

Increase revenue and expenditures related to collection fees associated with Municipal Court. The City has changed how collection fees are accounted for and therefore a budget adjustment will be made to increase revenues and expenditures to account for the cost of collections in 2021.

There was funding set aside in the 2020 budget for a Climate Protection Plan. This project has begun but started later in 2020 than initially anticipated and will conclude in 2021 and therefore funds will need to be rolled forward to 2021 for this project.

Reinstate general economic development funds and additional funding for outside legal counsel. These costs often come up throughout the year and were inadvertently removed from the budget prior to adoption. This will allow the City to act quickly if and when these funds are needed.

The total cost of these changes will be approximately \$475,000 and will come from fund balance and savings from other line items.

Airport Fund (201)

In late 2020, the City was notified of an award by the Kansas Department of Transportation for an aviation grant. The City does have a match requirement and a budget adjustment may be required to account for that match being spent in 2021. The exact amount of the match is not yet known and will included in a future quarterly budget adjustment memo.

Capital Improvement Reserve Fund (202)

<b>2020 CIP Number</b>	<b>Project Name</b>	<b>Request for 2021 Appropriation</b>
MS-20-8001	ADA Ramp Improvement	\$117,000
MS-20-8012	Parking Garage Repairs	390,000
MS-20-8013	Sidewalk Hazard Mitigation-Public	1,140,000
MS-20-8019	Asset Management Program	192,000
PW18E2CIP	Kasold – Clinton Parkway to HyVee	243,000
<b>Fund Total</b>		<b>\$2,082,000</b>

The total amount being requested to roll-forward to 2021 is approximately \$2,082,000 and will come from unspent proceeds in 2020 so that the projects may be completed in 2021. These funds will be transferred out of the Capital Improvement Reserve Fund (202) into the Capital Projects Fund (400).

Capital Projects Fund (400)

Increase the allocation for PR-21-2407 Youth Sports Complex Exit -27th Street Extension project by \$300,000. Additional funding was received in 2020 through the Federal Funds Exchange, and staff is requesting \$300,000 of those funds be allocated towards this project in 2021. This item is on the agenda for approval January 5, 2021.

Solid Waste Fund (502)

<b>2020 CIP Number</b>	<b>Project Name</b>	<b>Request for 2021 Appropriation</b>
MS-20-8015	Ally Rehabilitation	\$125,000
<b>Total</b>		<b>\$125,000</b>

The total amount being requested to roll-forward to 2021 is approximately \$125,000 and will come from unspent proceeds in 2020 so that the projects may be completed in 2021.

Stormwater Fund (505)

There were a few Stormwater maintenance projects that were double budgeted in the 2021

adopted budget. This error was discovered when the rate model was being developed and the model was updated with the accurate figures before being presented. This revision aligns the budget with the rate model and the rates that were adopted by the City Commission. This will be a reduction of approximately \$335,000.

Roll forward approximately \$130,000 from unspent maintenance projects in 2020 (\$77,000 from MS-20-9800 Storm Sewer Replacement, Rehabilitation & Lining Program and \$53,000 from MS-20-9801 Stormwater In-House Construction) to 2021. This item is on the agenda for approval January 5, 2021.

In December 2020, a bid was awarded for MS-20-9800 Storm Sewer Replacement (Pump Station No. 1 Replacement) but a contract will not be signed until 2021 and therefore \$250,000 will need to be rolled-forward to be able to begin construction on that project in 2021.

As part of the budget, MS-21-9804 was approved which had a capital component as well as an operational component. There were three staff members added to the stormwater fund (along with budget for necessary equipment). This operational cost was added as a lump sum amount and needs to be moved to the correct line items for 2021. This is not increasing the budget, but rather moving the costs associated with it to the correct line item.

Administrative Services Fund (523)

Increase funding for the City Clerk's Office for staffing of the Information Window. A new position was added in late 2020 to the City Clerk's Office to staff the new Information Window at City Hall. Funding for this position was not included in the 2021 budget and will added to the Administrative Services Fund.

Increase funding for the Finance Department for part-time staffing for accounting. A new part-time position was added in late 2020 to the Finance department to help with accounting needs throughout the year. Funding for this position was not included in the 2021 budget and will be added to the Administrative Services Fund.

There is a need to increase janitorial services at City Hall to ensure a safe working environment and to increase the frequency of cleaning. Facilities maintenance has been moved to the Administrative Services Fund in 2021 however, 100% of the funding is coming from the General Fund.

The total impact of these changes is approximately \$162,000. The cost associated with the information window and accounting position (\$107,000) will be spread across all operating funds while the portion associated with the janitorial services (\$55,000) will be borne by the General Fund.

Water & Wastewater Non-Bonded Construction Fund (552)

<b>2020 CIP Number</b>	<b>Project Name</b>	<b>Request for 2021 Appropriation</b>
MS-20-0012	Eagle Bend & YSC Irrigation Water Supply Project	\$1,102,000

MS-20-9904*	Wastewater Failed Infrastructure Contingency	420,000
<b>Total</b>		<b>\$1,522,000</b>

\*A portion of this project is debt financed and will be paid for out of fund 551.

The total amount being requested to roll-forward to 2021 is approximately \$1,452,000 and will come from unspent proceeds in 2020 so that the projects may be completed in 2021.

### Strategic Plan Critical Success Factor

Effective Governance/Professional Administration  
Sound Fiscal Stewardship

### Fiscal Impact

The fiscal impact to the City is summarized by fund:

- General Fund: Net increase of \$530,000 (\$475,000 as outlined under the General Fund section plus \$55,000 for the janitorial services outlined in the Administrative Services section)
- Capital Improvement Reserve Fund: Net increase of \$2,082,000 (transfer to Capital Projects Fund)
- Capital Projects Fund: Net increase of \$2,382,000 (\$2,082,000 transfer from Capital Improvement Reserve Fund plus \$300,000 for YSC Extension)
- Solid Waste: Net Increase of \$125,000
- Stormwater Fund: Net increase of \$45,000
- Administrative Services Fund: Net increase of \$162,000
- Water & Wastewater Non-Bonded Construction Fund: Net increase of \$1,522,000

These costs will use prior year fund balance and/or through savings found throughout the year.

### Action Requested

Approve the first quarter budget adjustments as presented.