



City of Warrensburg Budgeting History

PRESENTED BY HAROLD STEWART,
CITY MANAGER

Outline

- I. Process
 - I. 2020 Process for FY 2020/21
- II. Budget vs. Actual
- III. Audits
- IV. Transparency

I. Process

- City's Fiscal Year (FY) begins October 1st of every year and ends September 30th of the following year
- January – March
 - Staff begins determining what projects will need considered in the next FY, equipment/vehicles need replaced, staffing needs, putting together cost estimates for all of them
- April
 - New Council takes office, budget discussions begin with Council.
 - The last several years this has included Council Tours of all departments and services (see what was accomplished with the last FY budget, what is being done in the current FY, and what needs consideration in the next FY budget).
 - Revenue projections are presented by Staff to Council during a Regular Council meeting.
 - A strategic planning session is held with Council and management staff. Council discusses their priorities for the upcoming budget and the community in general and communicates the directives to staff of what to include in the budget balancing/recommendation process

I. Process (Continued)

- April – Early July

- City Manager, Assistant City Manager, and Finance Staff meet with each Department Head (and other department management members if appropriate) to review each department's budget line by line
 - Staff reviews revenue and expenditure history and trends
 - Staff discusses needed adjustments (increase and decrease)
 - Staff discusses service needs, project needs, operational changes/challenges, equipment and training needs
 - Everything is added to the Budget calculations
- Council Priorities from the Strategic Planning Session are discussed, cost estimates determined, and added to the budget
- Once all input from Council and Staff is received and included in the calculations, Management compares proposed Revenues and Expenditures to each other (at this point there is almost always a deficit, meaning more expenditures than revenues)
- Management (all Department Heads and the City Manager as an entire team) begins eliminating expenses (operational, projects, equipment/vehicle replacement) to balance Expenditures to Proposed Revenues

I. Process (Continued)

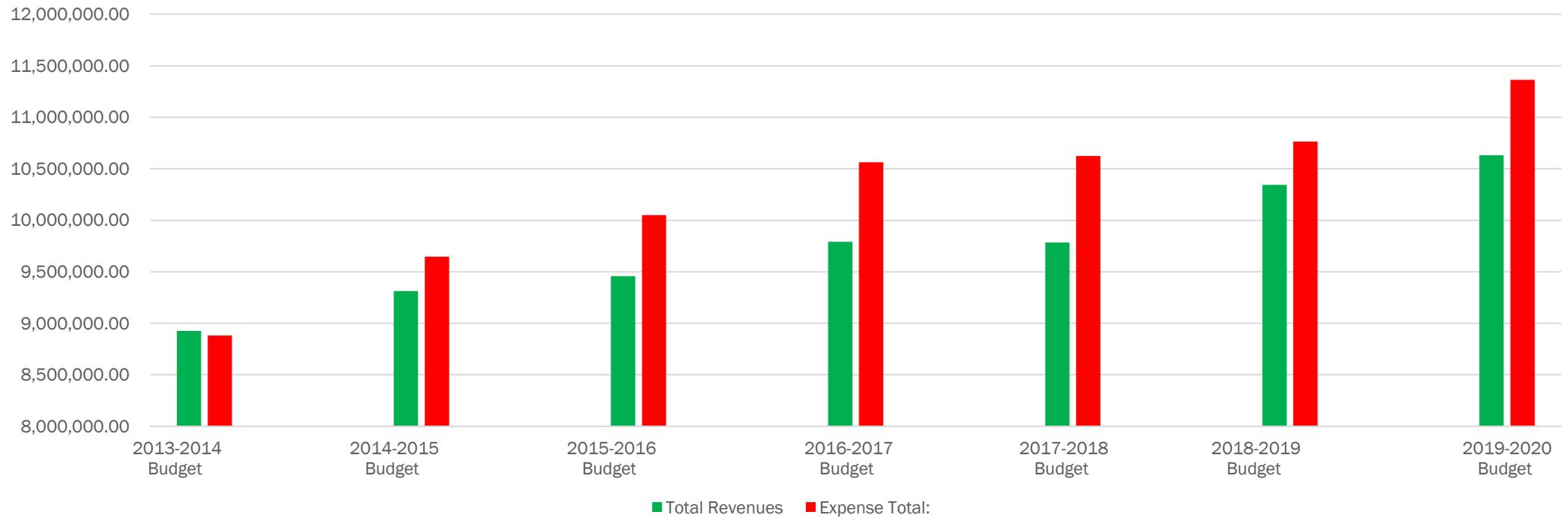
- Mid to Late July
 - Staff presents a Proposed Draft Budget to the City Council in an open Regular Council Meeting
 - Most years Staff presents a balanced budget that the Council can review and change if expectations are not met or have changed
 - Some years (including recently) Staff has difficulty balancing the budget and seeks further direction from Council on what to consider to balance the budget (service reduction, operational/staff reduction, potential revenue increases, etc.)
- Late July – End of August
 - Council begins and completes the formal process of approving the budget (public hearings and ordinance approvals)
- September All necessary budget documentation is created, submitted to the State, and made available to the public

I. Process I. 2020 Process for FY 2020/21

- Due to COVID the 2020 Council Election was postponed until June 4th
- New Council Members sworn in on June 15th
- June 22nd Revenue projections presented to Council, Community Funding presentations made to Council
- June 24th Virtual Council Tour of all Departments
- June 25th Strategic Planning Session held with Council and Management
- July 13th Council Discusses Budget and Community Funding Changes
- August 10th Sewer Rate Presentation and Staff Presents 4 Options for elimination of \$500,000 in expenditures

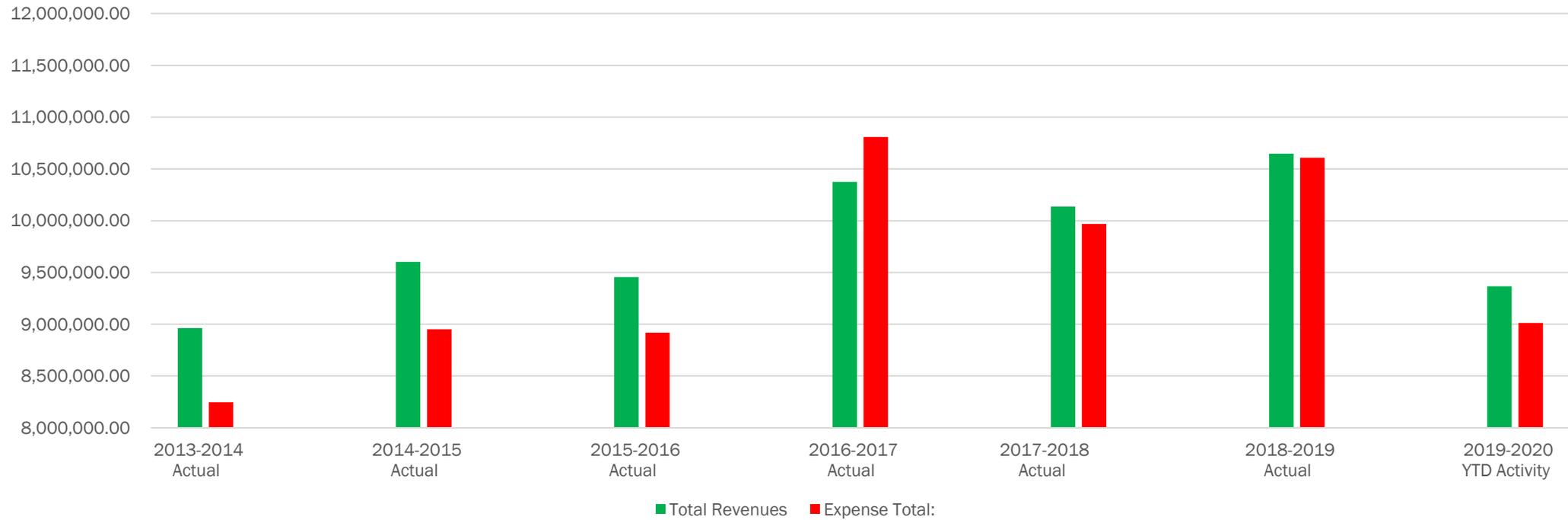
II. Budget vs. Actual

Approved Budget History

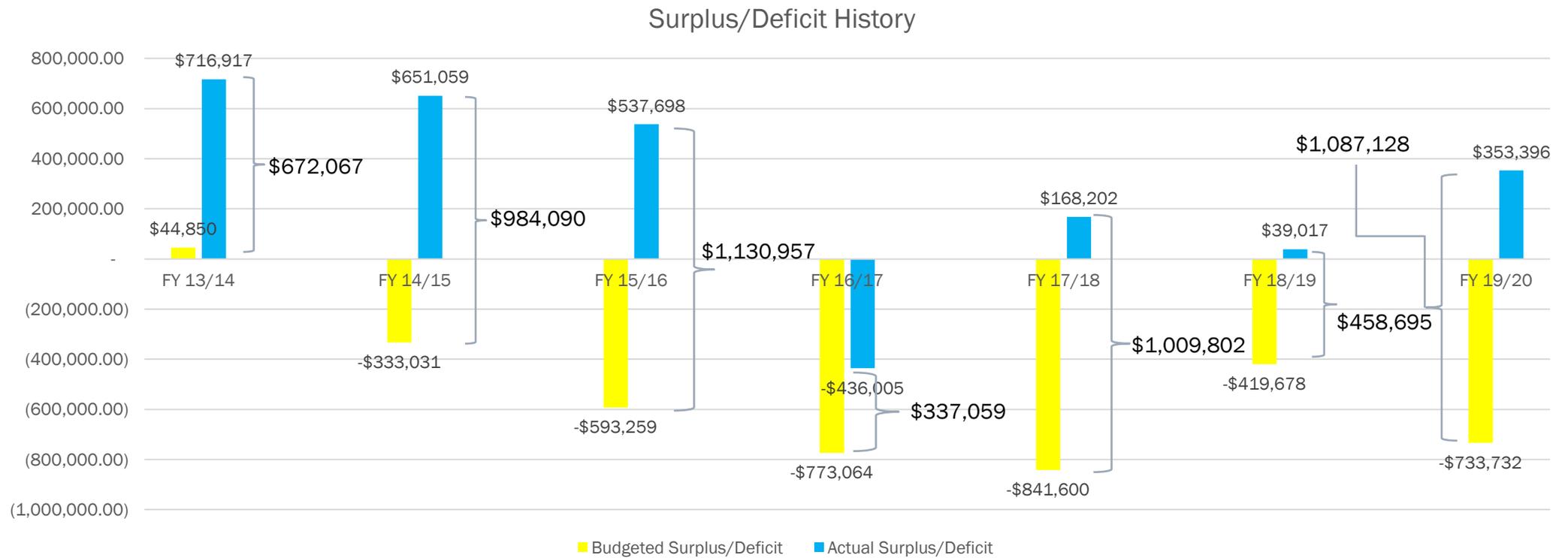


II. Budget vs. Actual continued

Actual Budget History



II. Budget vs. Actual continued

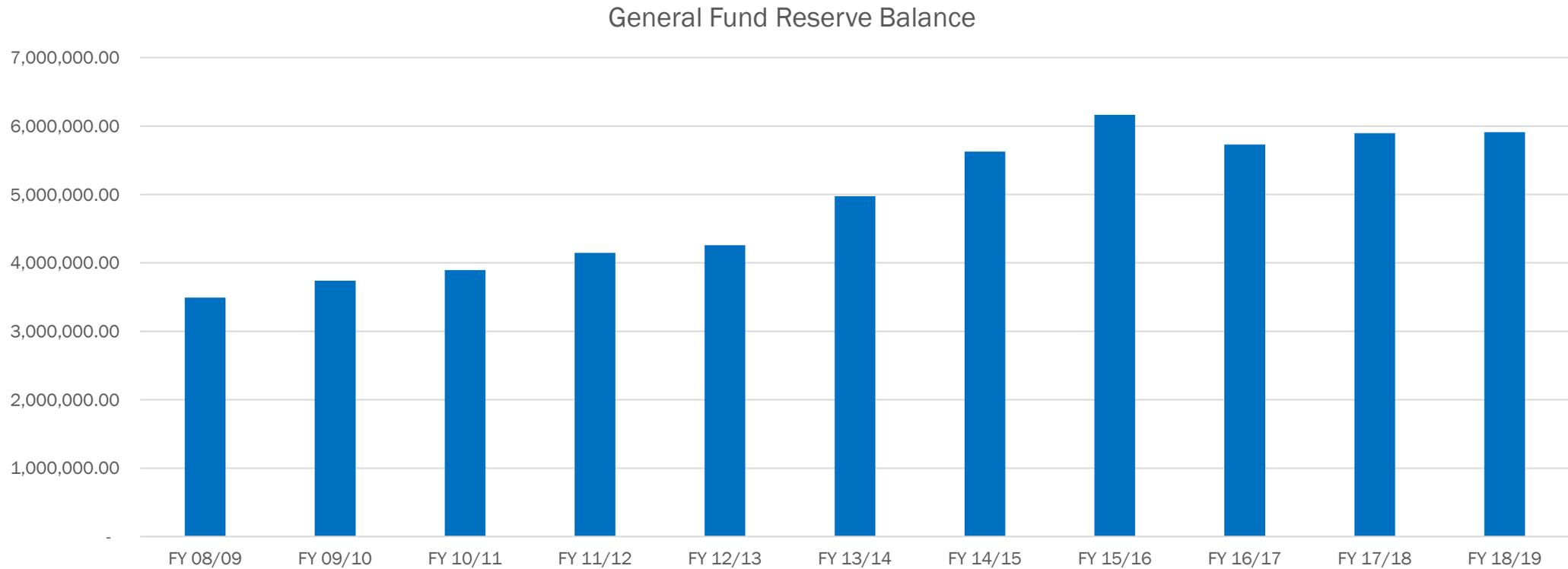


II. Budget vs. Actual Continued

Why the difference between Budget and Actual?

- Employee turnover- each position is funded for the entire year, if a position becomes vacant there is a cost savings
- Project costs- while a cost estimate is prepared and budgeted, staff looks for any opportunity to reduce the cost of projects
- Lower/higher operational costs- prices of some things fluctuate (utility cost/usage, gas prices, insurance costs, etc.)
- Cost Cutting- towards the end of each FY staff generally looks for any way to reduce spending and budgeted items/projects get cut or postponed
 - In FY 19/20 specifically, staff cut more than \$500k in spending. This was achieved by furloughing of employees (hourly FT staff – 12 days; salaried staff - 15 days), and cutting operational expenses in several departments

II. Budget vs. Actual continued



II. Budget vs. Actual continued

- Recommended standard for City Reserves is to have a minimum of 6 Months Operational Cost in Reserve.
 - FY 19/20 Budgeted \$11,364,261 in expenses, divided by 12 is \$947,022/month
 - Current GF Reserve Balance is \$5,909,519
 - $\$5,909,519 / \$947,022 = 6.22$ months of operational capacity in reserve
 - Many communities that have needed to use reserves after an emergency wish they had 9-12 months in reserve
 - With the City having met the minimum 6-month reserve balance, Staff has been more focused on putting taxpayer dollars to work for the community rather than adding to reserve balance since FY 15/16

III. Audit

- City has a Third Party Audit done every year. Usually begins in the Fall after the FY has ended and is presented to Council in January/February. Cost of the audit is \$26,000
- Cost of an audit by the State Auditor's Office is approximately \$80,000
- All audit reports/financial statements are available in the Council Packet of the meeting the findings are presented, and on the City Website (<https://www.warrensburg-mo.com/204/Financial-Statements>)
- The last several years the City has received a “clean audit” with no major findings or management issues identified

IV. Transparency

- The City has taken several steps to increase transparency and engagement with the public over the last several years
- Website
 - All budget documents are available on the site (<https://www.warrensburg-mo.com/203/Budget-Reports>)
 - Agendas/Minutes of all meetings are available on the site. The packets on the site are the same information the Council receives from Staff to prepare for the meeting. (<https://www.warrensburg-mo.com/agendacenter>)
 - Citizens can sign up to receive a text or email with a link to any agenda posted on the website, as well as other website features (<https://www.warrensburg-mo.com/list.aspx>)
- Video of Council meetings
 - Recordings of Council meetings are available on YouTube (<https://www.youtube.com/channel/UCjsAGFHVRHqVKq3EFHYOzww>)

IV. Transparency Continued

- Zoom

- Since the beginning of COVID-19 all public meetings have allowed for the public to participate via Zoom. Citizens can interact with the Council, or a Board/Commission, through Zoom from anywhere.

- Social Media

- The City has a general Facebook account where information is posted, as well as several specific department accounts (Police, Fire, WCVB, Parks and Recreation)