

**CITY COUNCIL MEETING  
Study Session  
August 9, 2021**

A Study session of the Warrensburg City Council was held on Monday, August 9, 2021, at 6:00 p.m., at 200 S. Holden with Mayor Scott Holmberg presiding. Roll was called as follows, Present were: Kushner, Lund, Bentley, Holmberg. Absent: Brooks.

The adoption of the agenda was considered. Lund moved to adopt the agenda. Yes: Lund, Kushner, Bentley, Holmberg. Absent: Brooks.

Finance Director Marcella McCoy reviewed the adopted financial policies. McCoy said the operating expenses are not to exceed operating revenues plus 50% of the unencumbered balances or less any deficit estimated for the beginning of the budget year. McCoy said financial policies require a general fund balance reserve of 22% of the General Fund expenditures for FY22 of approximately \$2.4 million. Council member Brooks arrived.

**FISCAL YEAR 2021 BUDGET**

	<b>FY21 BUDGET</b> (as amended)	<b>FY21 ACTUAL</b> (as of 7/31/21)
All Funds Revenue	\$34,221,778	\$22,434,919
All Funds Expenditures	<u>\$35,079,818</u>	<u>\$18,069,769</u>
Revenue Over/(Under) Expenditures	(858,040)	\$4,365,150

McCoy said the FY21 budget deficit is the difference between the projected American Relief Plan receipts and Water Pollution Control depreciation. She said she is hoping the balance will be a positive balance. McCoy said the American Relief Plan money should be received some time the middle of August. McCoy said actual expenditures are down compared to budgeted expenses as of July 31, 2021.

**FISCAL YEAR 2022 PROPOSED BUDGET-ALL FUNDS**

	<b>FY22 Proposed Budget</b>
All Funds Revenues	\$39,083,050
All Funds Expenditures	<u>\$41,981,745</u>
Revenue Over (Under) Expenditures	(\$2,898,695)

McCoy said \$2,784,260 of the budget deficits lies in the WPC budget and depreciation. She said the remaining is a combination of General Fund, Parks, Arts Commission, and the Self-Insured Fund. She said the General Fund is a deficit of \$299,010.

**GENERAL FUND BUDGET HISTORY**

	<b>FY19 Budget</b> (as amended)	<b>FY20 Budget</b> (as amended)	<b>FY21 Budget</b> (original)	<b>FY 22 Budget</b> (proposed)
Revenues	\$10,344,075	\$10,670,078	\$9,841,630	\$10,406,370
Expenditures	<u>\$10,763,754</u>	<u>\$11,299,813</u>	<u>\$10,448,750</u>	<u>\$10,705,380</u>
Revenue Over/ (Under) Expenditures	(\$419,679)	(\$629,735)	(\$607,120)	(\$299,010)

McCoy said history has been to budget to spend the reserves; but the last two years reserve use has been reduced.

**FY22 PROPOSED BUDGET-GENERAL FUND-CASH BALANCES**

**FY22 Cash Balances**

Restricted Funds:

CEMETERY DONATIONS	\$ 46,830
TUITION ASSISTANCE	20,000
STORM RESPONSE (Wages/Supplies)	80,000
BUSINESS PARK	174,880
TRAFFIC SIGNAL REIMBURSEMENT	<u>224,424</u>
Total Restricted funds	\$546,134
FY21 Restricted reserve	\$2,370,773
Non-Restricted FY21 Balance	<u>\$2,686,500</u>
Estimated Beginning Cash Balance	<u>\$5,603,407</u>

For the FY 22 Proposed Budget, McCoy said the general fund cash balances could be used if necessary.

The FY22 Proposed Budget in the General Fund is as follows:

	<b>FY22 Proposed Budget</b>
General Fund Revenues	\$10,406,370
General Fund Expenditures	\$10,520,870
Other Uses	<u>(\$184,510)</u>
Revenue Over (Under) Expenditures	(\$299,010)

McCoy said the FY 22 Proposed Budget in the General Fund includes the Hawthorn debt payment plus payments for the street sweeper and PD RMS software lease. She said it shows a 3.4% decrease from the budgeted FY21 number without the American Rescue Plan funds.

McCoy said the FY22 Proposed Budget is basically a maintenance budget with the items that include a 20% increase in medical coverage, average 3% salary increase plus PTO Payout, use of \$4,000 cemetery donations for computer software and community funding requests of \$167,800.

**FY22 COMMUNITY INVESTMENT PLAN (CIP) TRANSPORTATION**

	<b>TRANSPORTATION</b>	<b>½ CENT SALES TAX</b>	<b>TOTAL</b>
<b>Projected Cash Balance 9/30/20</b>	\$433,080	\$409,625	\$842,705
Estimated FY21 Revenue	<u>736,000</u>	<u>1,976,000</u>	<u>2,712,000</u>
<b>FY21 Estimated Available Funding</b>	1,169,080	2,385,625	3,554,705
Less FY21 Debt		1,434,240	1,434,240
Less FY21 Other Expenses	<u>736,000</u>	<u>253,150</u>	<u>989,150</u>
<b>Projected Cash Balance 9/30/21</b>	\$433,080	\$698,235	\$1,131,315

McCoy said the FY22 Community Investment Plan, (CIP) Transportation, includes the annual street maintenance program at \$682,000, the Curb and Sidewalk Program/ADA at \$80,000, Towable Message Boards/Traffic Control Monitoring at \$57,000, and Upgrade of the Major Street Plan at \$100,000.

The FY22 Community Investment Plan, One-Half Cent Sales Tax includes the following:

- Certificate of Participation Debt- \$1,368,225
- Two Police vehicles- \$100,000
- Public Works Equipment- \$153,000
- Building Repairs-Improvements-\$239,000
- Police Computer Upgrade- \$96,000

McCoy said the FY22 Community Investment Plan (CIP) – General Obligation (G.O.) Bond Fund includes the street portion of the 2017 G.O. Bonds that are scheduled to retire in 2022. McCoy said the voters approved the issuance of \$17 million in 2021 which renews the debt levy. \$5 million issued on August 9, 2021, with the remaining \$12 million will be issued in 2022.

McCoy said the FY22 Neighborhood Improvement District Fund includes Russell Avenue that will be paid in full during Fiscal Year 2021. The annual revenue is estimated at \$64,000 a year, leaving an estimated yearly balance of \$100,000 to be paid by the General Fund.

The FY22 Water Pollution Control Fund, Major Capital Expenses, according to McCoy, will include replacement of

- SBR (1 at each plant)-\$590,000

- SCADA Components - \$675,000

- I & I Relining Project-\$149,000

McCoy said since this is a reassessment year, the actual tax levy will go down this year. She said, however, it will not be a significant amount.

As there was no further business, the meeting was adjourned.

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Scott Holmberg, Mayor

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Cindy Gabel, City Clerk