

City of Parkville  
2023 Requested Budget  
*1<sup>st</sup> Budget Work Session*

October 18, 2022



# First Budget Work Session

- 2022 General Fund Overview
  - 2022 Year-End Projections (as of September 30, 2022)
  - 2022 Revenue Estimates
- 2023 Budget Request
  - Revenue & Expenditure Assumptions
  - Budgeted expenditures
- 2023 Department Request Overview – General Fund Only
- General Fund and Reserve Fund Balance Target
- Personnel Changes
- Outline of Key Decisions for 1<sup>st</sup> Work Session
  - Public Safety Sales Tax & Use Tax
- Future Work Session Schedule

## 2022 General Fund Revenue Projections

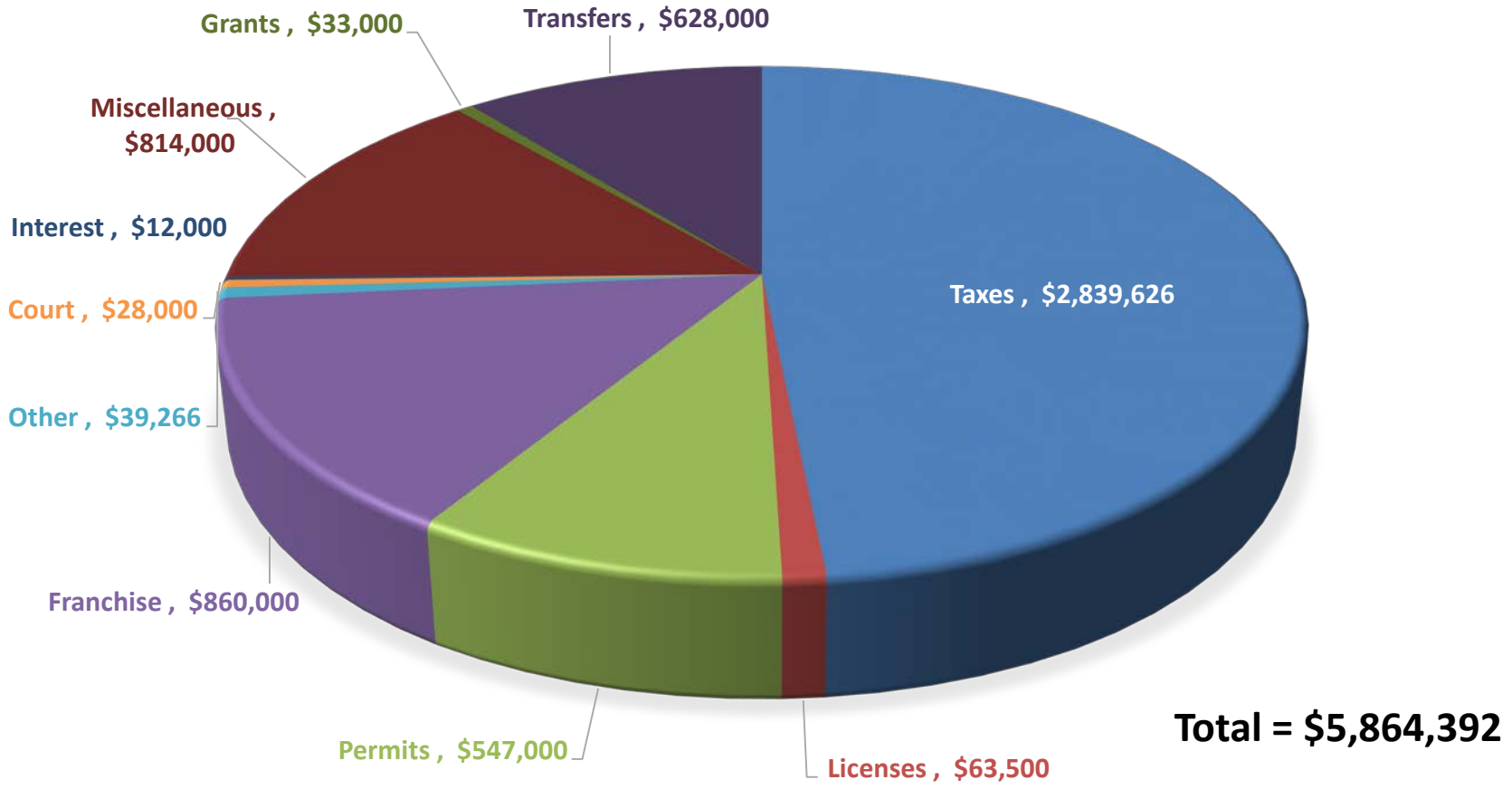
- 2022 projected beginning fund balance = \$1,194,820
  - The 2021 beginning fund balance = \$990,919
    - Confirmed from the 2021 auditor's report
- 2022 revenue budget = \$5,812,512
- 2022 Revenue Estimate = \$5,864,392
- Overall, 2022 Revenues are expected to be ABOVE budget projection by \$51,880

# General Fund Revenues

Revenues	2020	2021 Budget	2021 Actual	2022 Budget	2022 Estimate
<b>Taxes</b>	\$ 2,390,745	\$ 2,538,198	\$ 2,662,548	\$ 2,646,268	\$ 2,839,626
<b>Licenses</b>	\$ 56,621	\$ 62,700	\$ 70,583	\$ 71,594	\$ 63,500
<b>Permits</b>	\$ 504,098	\$ 389,100	\$ 518,981	\$ 496,139	\$ 547,000
<b>Franchise</b>	\$ 792,513	\$ 859,000	\$ 812,268	\$ 858,000	\$ 860,000
<b>Other</b>	\$ 15,188	\$ 34,194	\$ 30,885	\$ 30,905	\$ 39,266
<b>Court</b>	\$ 61,118	\$ 130,000	\$ 66,310	\$ 75,000	\$ 28,000
<b>Interest</b>	\$ 6,755	\$ 7,500	\$ 5,531	\$ 6,763	\$ 12,000
<b>Miscellaneous</b>	\$ 835,759	\$ 506,500	\$ 246,003	\$ 539,907	\$ 814,000
<b>Grants</b>	\$ -	\$ 7,320	\$ 60,881	\$ 10,000	\$ 33,000
<b>Transfers</b>	\$ 289,221	\$ 566,200	\$ 566,200	\$ 1,077,936	\$ 628,000
<b>Total Revenues</b>	\$ 4,952,017	\$ 5,100,712	\$ 5,040,190	\$ 5,812,512	\$ 5,864,392

# General Fund Revenues

## 2022 EOY GENERAL FUND REVENUE ESTIMATE



## 2022 General Fund Expenditures Projections

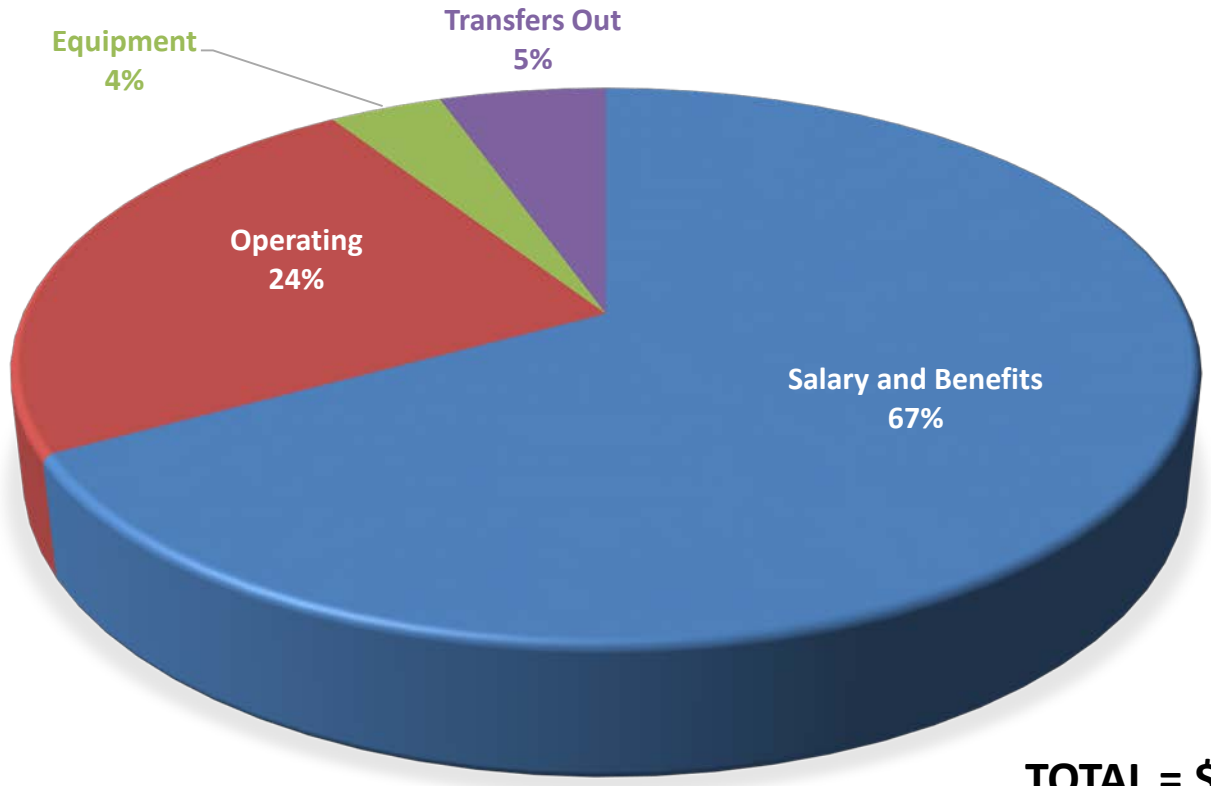
- 2022 expenses currently projected to be \$296,293 under budget.
- 2022 projected year-end General Fund balance of \$1,227,243 is on target to be slightly higher than the beginning fund balance of \$1,194,820.

# General Fund Expenditures

Expenditures	2020	2021 Budget	2021 Actual	2022 Budget	2022 Estimate
Salary and Benefits	\$ 2,819,081	\$ 3,250,909	\$ 3,008,552	\$ 3,911,418	\$ 3,604,941
Operating	\$ 1,606,257	\$ 1,732,741	\$ 1,672,159	\$ 1,272,329	\$ 1,282,513
Equipment	\$ 367,289	\$ 324,699	\$ 159,676	\$ 199,135	\$ 199,135
Transfers Out	\$ 922,822	\$ 359,420	\$ 359,420	\$ 292,863	\$ 292,863
<b>Total Expenditures</b>	<b>\$ 5,715,449</b>	<b>\$ 5,667,769</b>	<b>\$ 5,199,807</b>	<b>\$ 5,675,745</b>	<b>\$ 5,379,452</b>

# General Fund Expenditures

## 2022 EOY GENERAL FUND EXPENDITURES ESTIMATE



**TOTAL = \$5,379,452**



# 2023 Budget Priorities

- Organizational Excellence
- Infrastructure & Public Facilities
- Quality Development
- Parks & Recreation
- Communications
- Public Safety

## 2023 General Fund Revenue Projections

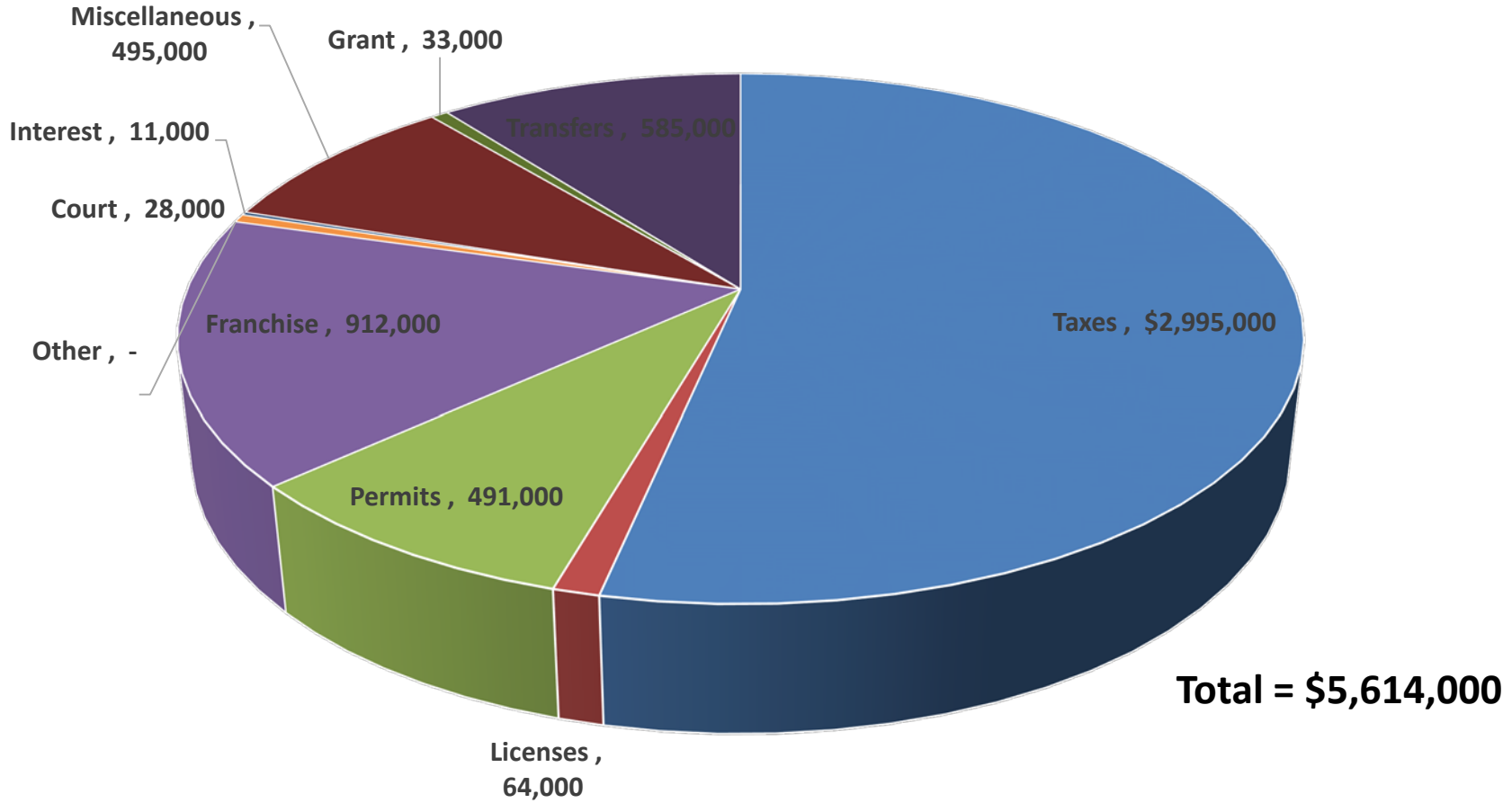
- 2023 budgeted revenue = \$5,614,000
- Overall, 2023 revenues are expected to be BELOW 2022 revenue by \$250,392
- Sales tax collections up (5% growth assumption)
- Other sources down (Permits, Court, 1-Time misc.)
- Change in transfers – Consolidating Parks budget, will transfer Parks operations out of General Fund.

# General Fund Revenues

Revenues	2022 Budget	2022 Estimate	2023 Budget
Taxes	\$ 2,646,268	\$ 2,839,626	\$ 2,995,000
Licenses	71,594	63,500	64,000
Permits	496,139	547,000	491,000
Franchise	858,000	860,000	912,000
Other	30,905	39,266	-
Court	75,000	28,000	28,000
Interest	6,763	12,000	11,000
Miscellaneous	539,907	814,000	495,000
Grant	10,000	33,000	33,000
Transfers	1,077,936	628,000	585,000
<b>Total Revenues</b>	<b>5,812,512</b>	<b>5,864,392</b>	<b>5,614,000</b>

# General Fund Revenues

## 2023 Budgeted Revenue



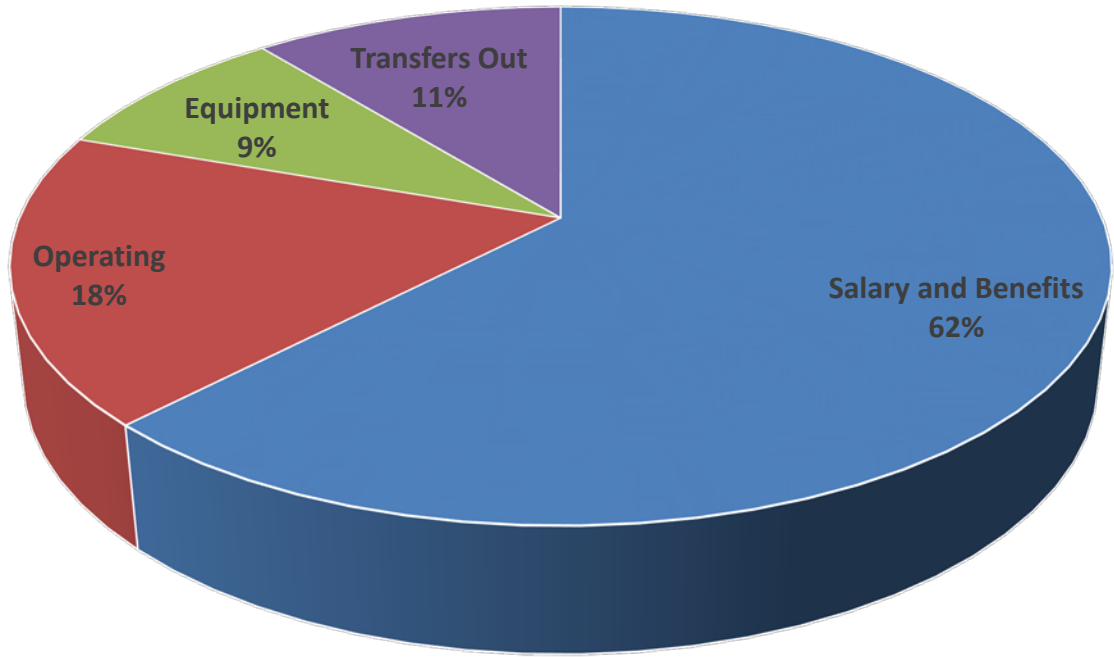
## 2023 General Fund Requested Expenditures

- 2023 budget request = \$6,437,697
- \$761,952 more than 2022
  - \$403,003 impact to personnel cost
    - Adjustments & full staffing
  - \$364,050 more for CIP
  - Reduction in NET Park expenditures in the General Fund
  - Small changes in other areas
- \$823,697 reduction in fund balance

# General Fund Expenditures

Expenditures	2022 Budget	2022 Estimate	2023 Budget
<b>Salary and Benefits</b>	\$ 3,911,418	\$ 3,604,941	\$ 4,007,944
<b>Operating</b>	\$ 1,272,329	\$ 1,282,513	\$ 1,167,034
<b>Equipment</b>	\$ 199,135	\$ 199,135	\$ 563,145
<b>Transfers Out</b>	\$ 292,863	\$ 292,863	\$ 699,575
<b>Total Expenditures</b>	\$ 5,675,745	\$ 5,379,452	\$ 6,437,697

## 2023 Budget - Requested Expenditures



Total = \$6,437,697

# 2023 Fund Balance Target

## **General Fund Balance** (Policy is to maintain 5-15% General Fund Appropriation)

Estimated ending fund balance is \$403,546, or 6.2% of budget.

## **Emergency Reserve Fund Balance** (Policy is to maintain at least 25% of General Fund Appropriation)

- Estimated emergency fund balance is \$1,332,108, or 21% of budget.
- Combined Reserves = \$1,735,654, or 27% of the budget.
  - **Warning:** We will continue to spend down our fund balance unless we continue to outperform budget, and maintain unfilled positions
  - Capital Improvement Plan (CIP) spending may be restricted.
  - We need address the structural imbalance that exists between operating revenues and operating expenses.

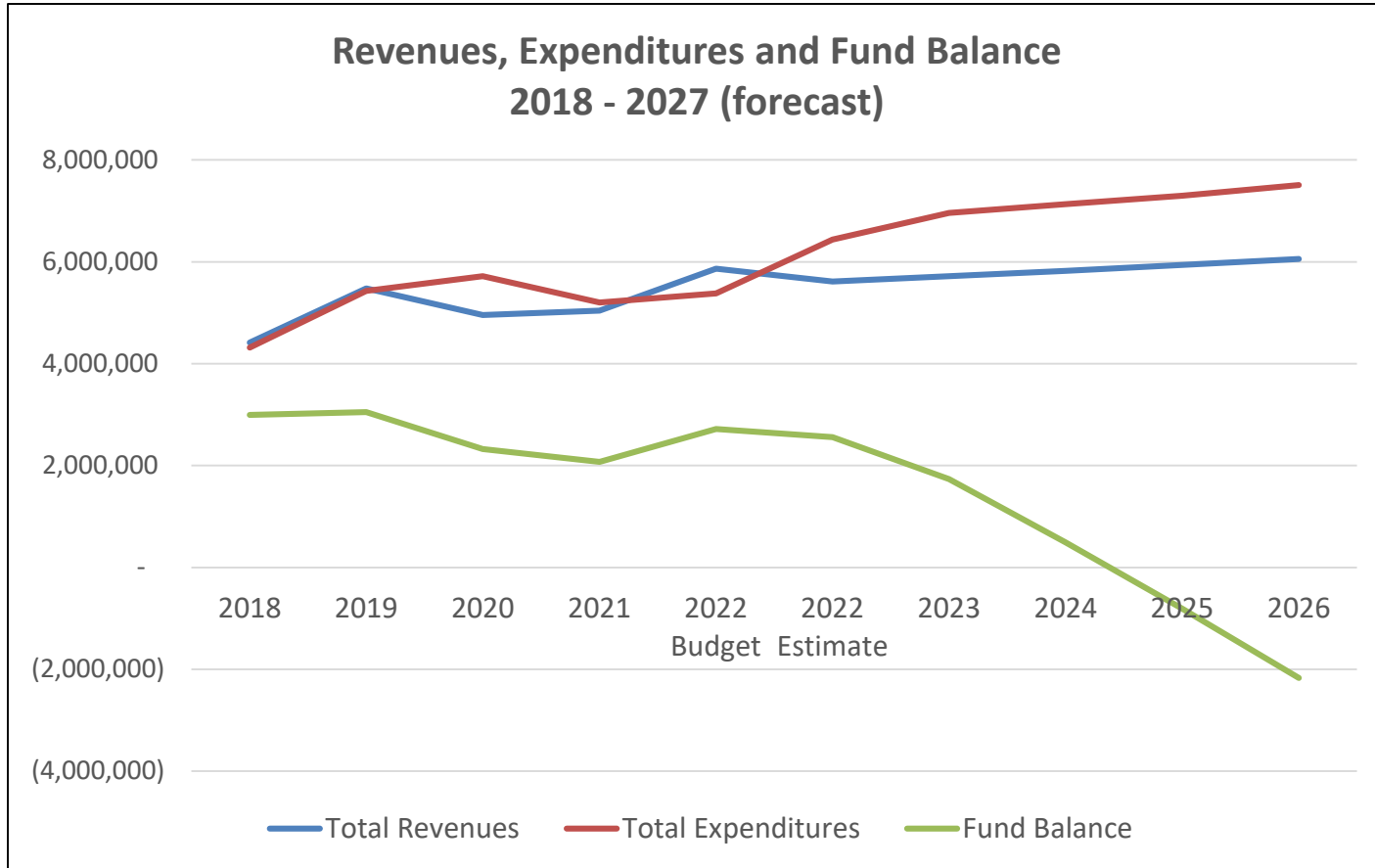


## Personnel Changes – General Fund Impact

- Organizational Excellence
- Market Driven Data (McGrath)
- Positions adjusted (9) to meet market minimum
- COLA (1.5% @ January 1)
- Merit (2% @ Anniversary)
  - Total budget impact = 2.5% - 3%
- LAGERS Adjustment – L-12 (1.75%) to L-6 (2%)

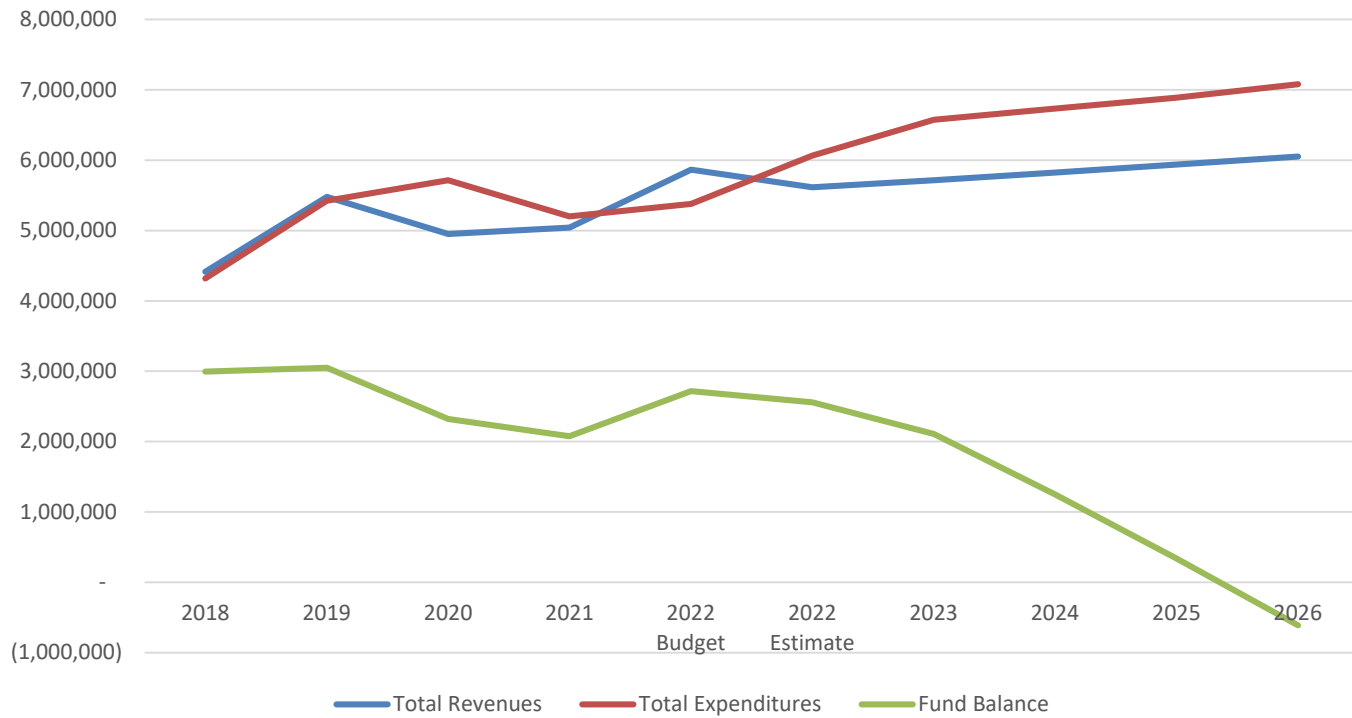
# 2023 Personnel Request

## Fully Staffed (9 current vacancies)



## Hiring 2 New Police Officers (7 openings)

Revenues, Expenditures and Fund Balance  
2018 - 2027 (forecast)



# 2023 General Fund CIP REQUESTS

Department	Project	GF Impact
Administration	Concrete Flatwork, City Hall Renovations, Security System Upgrads, Records Management Software, Facilities Management Software,	\$111,041
IT	Computer Replacement	\$7,000
Police	2X Police Patrol Vehicles (1 rollover from 2022), In-Car Video System Upgrades, Security Cameras in Public Spaces (4X), Police Substation Design	\$139,303
Community Development	Title IV – Development Code Updates (Architectural Design Standards)	\$40,000
Public Works	45 HWY Entryway Signage, Backhoe, Public Parking Lot Lease, Hawver Gulch Watershed Study, River Road Ditch Work	\$265,041
	Total CIP	\$562,385

## How do we solve this?

- Public Safety Sales Tax
- Use Tax
- Reduce Transfers
- Reduced Capital Projects

# Next Steps

- ~~October 18 – General Fund Requested Budget, including CIP~~
- November 1 – General Fund Proposed Budget, CIP Update, Parks Sales Tax Fund, Transportation Fund, miscellaneous follow-up
- November 15 – Sewer Fund (2 parts for 2023 – costs and future plans), miscellaneous follow-up
- November 21 – Summary review of final budget and miscellaneous follow-up
- December 6 – Adoption – 1<sup>st</sup> Reading
- December 20 – Adoption – 2<sup>nd</sup> Reading