



DATE: March 1, 2022
 TO: Ty Lasher, City Manager
 FROM: Ted Henry, Assistant City Manager/ Director of Finance
 RE: Summary of Recommended FY22 Budget Adjustments

As reported, the FY21 General Fund ending balance was \$990K more than anticipated. This was primarily due to special assessment savings from land sold (\$240K), savings from refinancing land debt (\$177K) and sales tax and other revenues performing better than expected (\$313K).

Below are the staff recommended budget adjustments to the FY22 General Fund:

General Fund	FY22 Original Budget	FY22 Revised Actual	Variance	
<u>EXPENDITURES</u>				
Personnel:	2,780,407	2,873,081	92,674	< add Director of PZ&D
Contractual:	660,089	660,089		
Commodities:	327,905	327,905		
Capital Outlay:	72,500	72,500		
Debt Service:	24,000	24,000		
Transfers Out:				
Land Debt:	1,158,310	1,158,310		
Special Assessments:	200,000	200,000		
Debt Service (City at Large):	1,109,026	1,035,952	(73,074)	< savings on 2020C bond issue
CIP (Streets):	780,497	1,400,000	619,503	< added for street improvements
Equipment Reserve:	100,000	100,000		
TOTAL EXPENDITURES	7,409,394	6,732,490		
Fund Balance - beginning	2,470,559	3,460,243		
Net Change in Fund Balance	(454,713)	(1,093,816)		
Fund Balance - ending	2,015,846	2,366,426	350,580	
% of Revenues	30%	35%	+5%	< cushion for other grants and/or unaudited numbers (FY21 audit scheduled for may)

As reported, the US Treasury has released the Final Rule for the use of ARPA funds, which allows cities to use up to \$10 million of ARPA Recovery Funds as “lost revenue” for the provision of general government services. This ruling provides more flexibility and changes our initial strategy for spending recovery funds. For this reason, we recommend the following adjustments to our Water and Sewer Funds.

Staff Recommended Adjustments to the Water and Sewer Funds:

Water Fund	FY22 Original Budget	FY22 Revised Actual	Variance	
<u>EXPENDITURES</u>				
Personnel	351,635	342,034	(9,601)	< water/sewer personnel adjustments
Wichita Water Purchased	571,000	571,000		
CCUA Operations	406,575	485,060	78,485	< canceled water side agreement
CCUA Debt Service	571,000	571,000		
Other Contractual Services	303,500	349,000	45,500	< decreased franchise fee
Commodities	311,550	311,550		< added legal fees
Capital Outlay	0	600,000	600,000	< water system improvement projects
Debt Service	51,714	51,714		
Transfer Out	259,632	359,632	100,000	< new public works facility project
TOTAL EXPENDITURES	2,826,606	3,640,990		
Fund Balance - beginning	1,648,648	2,412,068		
Net Change in Fund Balance	(52,106)	(741,490)		
Fund Balance - ending	1,596,542	1,670,578		
% of Revenues	58%	58%		

Sewer Fund	FY22 Original Budget	FY22 Revised Actual	Variance	
<u>EXPENDITURES</u>				
Personnel	351,635	371,451	19,816	< water/sewer personnel adjustments
CCUA Operations	555,000	555,000		
CCUA Debt Service	725,000	725,000		
Other Contractual Services	182,508	238,200	55,692	< decreased franchise fee
Commodities	298,500	298,500		< added legal fees
Capital Outlay	0	600,000	600,000	< sewer system improvement projects
Debt Service	31,689	31,689		
Transfer Out	299,305	399,305	100,000	< new public works facility project
TOTAL EXPENDITURES	2,443,637	3,219,145		
Fund Balance - beginning	2,083,922	2,877,557		
Net Change in Fund Balance	91,798	(683,710)		
Fund Balance - ending	2,175,720	2,193,847		
% of Revenues	86%	87%		

Staff recommends reducing Stormwater Fund reserves by increasing the amount available to make improvements to our stormwater system.

Stormwater Fund	FY22 Original Budget	FY22 Revised Actual	Variance	
<u>EXPENDITURES</u>				
Contractual Services	5,000	5,000		
Capital Outlay	239,715	364,557	124,842	< stormwater improvement projects
TOTAL EXPENDITURES	244,715	369,557		
Fund Balance - beginning	179,115	308,957		
Net Change in Fund Balance	(159,115)	(283,957)		
Fund Balance - ending	20,000	25,000		
% of Revenues	23%	29%		

Staff recommends reducing Solid Waste Fund reserves by increasing the transfer amount to our Street Fund. This action will increase the amount we have available to make minor road repairs throughout the city.

Solid Waste Fund	FY22 Original Budget	FY22 Revised Actual	Variance	
<u>EXPENDITURES</u>				
Admin Fee to Water	35,000	35,000		
Solid Waste Services	362,202	362,202		
Recycling Services	136,992	136,992		
Transfer Out	100,000	200,000	100,000	< added for street maintenance
TOTAL EXPENDITURES	634,194	734,194		
Fund Balance - beginning	193,209	247,374		
Net Change in Fund Balance	(73,194)	(173,194)		
Fund Balance - ending	120,015	74,180		
% of Revenues	21%	13%		

Street Fund	FY22 Original Budget	FY22 Revised Actual	Variance	
<u>EXPENDITURES</u>				
Personnel	85,803	85,803		
Contractual Services	118,567	118,567		
Commodities	142,050	142,050		
Capital Outlay	55,000	155,000	100,000	< added for street maintenance
TOTAL EXPENDITURES	401,420	501,420	100,000	
Fund Balance - beginning	179,378	239,306		
Net Change in Fund Balance	4,740	4,740		
Fund Balance - ending	184,118	244,046		
% of Revenues	45%	48%		

FY22 Equipment Replacement Reserve Fund (Non-Budgeted)

Schedule of Revenues & Expenditures

REVENUES

	<u>FY22 Original</u>	<u>FY22 Revised</u>
Transfer from General Fund	50,000	50,000
Transfer from Water Fund	100,000	100,000
Transfer from Sewer Fund	100,000	100,000
Sale of Equipment	0	0
Interest on Investments	0	0
TOTAL REVENUES	250,000	250,000

EXPENDITURES

Replacement Watchguard Server (PD)	10,000	20,000	< scheduled for replacement
FY2022 Police Vehicle Purchase (PD)	50,000	50,000	< scheduled for replacement
Mastic Street Sealing Machine (PW)	65,000	65,000	< scheduled for replacement
Mini Excavator (PW)	60,000	60,000	< scheduled for replacement
F-350 Truck (PW)	45,000	45,000	< scheduled for replacement
Exmark Mower and Rotary Mower (PW)	35,500	35,500	< scheduled for replacement
F-150 Truck (P&Z)	30,000	30,000	< scheduled for replacement
Utility Task Vehicle (REC)	20,000	20,000	< scheduled for replacement
TOTAL EXPENDITURES	430,500	440,500	
Net Change in Fund Balance	(80,500)	(90,500)	
Fund Balance - ending	294,623	284,623	

ARPA Fund (Non-Budgeted)

Schedule of Revenues & Expenditures

REVENUES

	<u>YTD</u>	<u>YTD</u>	
ARPA Deposit (July 2021)	633,328	633,328	< received
ARPA Deposit (July 2022)	633,328	633,328	< not yet received
TOTAL REVENUES	1,266,656	1,266,656	

EXPENDITURES

	0	0	< BASE grant (submitted)
TOTAL EXPENDITURES	0	0	
Net Change in Fund Balance	0	0	
Fund Balance - ending	1,266,656	1,266,656	

FY 22 Capital Improvement Reserve Fund (Non-Budgeted)

Schedule of Revenues & Expenditures

REVENUES

	<u>FY22 Original</u>	<u>FY22 Revised</u>	
Transfer from General Fund	780,497	1,400,000	< increased by GF savings
Transfer from Water Fund	0	100,000	
Transfer from Sewer Fund	0	100,000	
Insurance Proceeds	0	0	
Other Revenues	0	0	
TOTAL REVENUES	780,497	1,600,000	

EXPENDITURES

47th Street Reconstruction	275,000	223,774	< bid approved
FY22 Street Improvement Projects	780,497	1,451,226	< amount available in FY22
 New Public Works Facility (TBD)	 TBD	 200,000	 < earmarked project
PD Garage and Shelter (TBD)	TBD	TBD	< acquire cost estimate
 Tornado Siren (\$75K)	 TBD	 0	 < other future needs to consider
Public Works HVAC (\$50K)	TBD	0	< other future needs to consider
City Hall Energy Efficient HVAC (\$150K)	TBD	0	< other future needs to consider
City Hall Keyless Entry System (\$50K)	TBD	0	< other future needs to consider
Financial/ Utility ERP Software Upgrade (\$250K)	TBD	0	< other future needs to consider
Recreation Parking Lot Lighting (\$20K)	TBD	0	< other future needs to consider
Recreation Irrigation Phase 2 (\$5K)	TBD	0	< other future needs to consider
TOTAL EXPENDITURES	1,004,271	1,823,774	
 Fund Balance – ending	 380,054	 380,054	

Pending Land Sales Report

	<u>FY22</u>	
125 acres (Sunflower Commerce Park Lots)	1,227,742	< Completed
30 acres (south of K-254)	471,099	< Completed
 90 acres (Sunflower Commerce Park 2 nd Add)	 607,500	 < Pending
160 acres (south of K-254)	1,037,880	< Pending
TOTAL PENDING REVENUES FROM FY22 SALES	3,344,221	