



AGENDA ITEM ANALYSIS

Project/Issue Name: 26-08 An Ordinance of the City Council Approving Budget Amendment No. 2 to the Budget for the Fiscal Year 2025.

Submitted By: Bob Ford, Chief Financial Officer

Date: March 3, 2026

Issue Statement

To amend the FY 2025 Capital Budget to reflect an increase actual expenditures for the Wastewater Fund of \$5.7 million fiscal year 2025.

Discussion and/or Analysis

On November 5, 2024, City Council approved the FY 2025 Annual Budget as part of Ordinance No. 24-64, which included both an Operating Budget and Capital Budget, collectively referred to as the “Budget”. The Budget was then amended on September 9, 2025, in Ordinance 25-29, modifying both the Operating and Capital Budgets, there after referred to as the “Amended Budget”.

During the fourth quarter of FY 2025, the Wastewater Treatment Plant Project expended an additional approximate \$5.7 million in Capital Expenditures beyond what was planned and budgeted in the Amended Budget. However, these incremental expenditures do NOT change the expenditures approved for the overall WWTP Project but are merely a timing issue of when the expenditure was actually made.

- The \$5.7 million in additional FY25 expenditures is an acceleration of work planned and budgeted in FY 2026.
- As a result, the WWTP Project capital expenditures increased by \$5.7 million in FY2025 but will now decrease by the same amount in FY2026.
- As a reminder, these expenditures are funded by drawing down on the City’s approved SRF Debt as the funding source.

Such a change has an impact on the Amended Budget approved by Council and requires Council action to remain in compliance. Specifically:

- Missouri State Statute Section 67.010 requires a balanced Budget, and
- City of Republic Municipal Code 135.050 states that no expenditure shall be made which would result in the total expenditures for that Fund to exceed the amount authorized by Council in the Budget Process.

Therefore, for the City to remain in compliance, City Council must approve the increase in capital expenditures for FY 2025 in a new FY25 Budget Amendment.

- As a result, Capital Expenditures will increase from \$57,232,737 to \$62,982,737.
- Once again, this is just a timing issue. In April, when we propose the first FY 2026 Budget Amendment, the Wastewater Treatment Plant Project will drop by the same amount.
- FYI - the books for FY 2025 remain “open” as we work with the Auditors to complete the FY 2025 Audit, therefore, City Council can still modify the Amended Budget, after which to be referred to as “Amended Budget 2”.

Recommended Action

Staff recommends approval.