



To the Honorable Mayor, City Council Members, City Staff, and the Citizens of Republic:

INTRODUCTION

The City of Republic continues to challenge the status quo as we prepare for 2024. This new year will continue to exemplify great strides in wastewater improvements, increased Parks & Recreation investment, and the benefits of increased public safety funding. The sales tax growth, which remains relatively flat year over year, is the lifeblood of the City and is a direct result of the City's continual efforts in fostering partnerships within the economic development community.

SUMMARY

The 2024 Consolidated Budget ("Budget") is presented for City Council consideration and consists of an (1) Operating Budget and a (2) Capital Budget, which are broken out as follows.

- Operating Budget with revenues of \$37,457,699, expenses of \$34,611,092 resulting in an Operating Surplus of \$2,846,607.
- Capital Budget with expenditures of \$64,558,749 funded as follows:
 - \$33,701,273 in transfers from existing cash; and
 - \$817,000 in transfers from Capital Improvement Sales Tax Fund or Fire Sales Tax Fund as appropriate; and
 - \$30,131,300 in Grants or Reimbursements from the State of Missouri or Missouri Department of Transportation.
- The combination of these two Budgets results in a Consolidated Net Surplus of \$2,937,432.
- This Budget establishes our operating and capital investment plan for Fiscal Year (FY) 2024. The City of Republic provides basic municipal services such as public safety, street maintenance, water and sewer services, and parks and recreation programs.

The City has prepared two (2) parallel documents: the Budget and the 2024-2028 5-Year Capital Improvement Program (CIP).

- The Budget contains 20 individual departmental budgets across ten (10) funds (General Fund, Police Fund, Fire Fund, Street Fund, Stormwater Fund, Water Fund, Wastewater Fund, Parks & Recreation Fund, Capital Improvements Project Fund, and Fire Sales Tax Fund).
- This Budget includes a separate Operating Budget and Capital Budget for each of the individual departmental budgets.
- The CIP identifies all capital and infrastructure needs the City foresees for the next five (5) years, including improvements to the American's Disabilities Act (ADA) of 1990.

The City must follow governmental accounting standards. These standards require the City to separate different activities into corresponding funds and departments so that the funding sources and uses are kept separate and reported in a particular manner. Financial planning is essential for sound fiscal management and stewardship of resources. At the forefront of any decision is the transparency, accuracy, and accountability of City funds. It is imperative for City Council and City staff to have well-founded internal controls and accuracy before approving a budget. The budget, as proposed, provides direction to the City as to resources available for planned expenditures while allowing for



unanticipated expenditures.

The City has also engaged KPM CPAs as our independent outside auditor to examine our financial statements and processes on an annual basis. KPM also provides accounting guidance throughout the year in the ever changing and evolving world of governmental accounting. The complete financial audit can be found on the City's website.

BUDGET ANALYSIS

In accordance with the Missouri State Statute Section 67.010, the budget is to be balanced and the total proposed expenditures are not to exceed the estimated revenues and any unencumbered fund balance, less any deficit estimated for the beginning of the budget year. Each budget will outline a multi-year presentation of planned and actual resources to allow for the comparative analysis of the financial conditions of the City, as required.

The Operating Budget is comprised of the following Funds, with highlights below:

1. General Fund

- a. Administration – is a consolidation of the following departments - City Administration, City Clerk, Legal, Finance, Information Technologies, Human Resources, Public Information Office, Community Development (BUILDS), Municipal Court, Animal Control
- b. Revenues & Expenses
 - i. Revenues are appropriated to each respective department as governed by ordinance, ballot, or budget statute.
 - ii. Real Property Levy of 0.4267 per assessed \$100 for the General Fund.
 - iii. Administration personnel costs are allocated proportionally to all funds & departments based on headcount.
 1. Each fund and/or department treats the administration allocation as expense to each respective department's budget.
 2. Alternatively, the General Fund treats the administration allocation as revenue in the Administration Budget.
 3. Both the revenue (in the General Fund) and the expense (in the Fund/Department) budgets are eliminated in the consolidation process.

2. Parks and Recreation Fund

- a. In March of 2023, the City issued \$9.9 million in Series 2023 Special Obligation Bonds to fund the Aquatic Center expansion & the JR Martin Park upgrades & improvements.
- b. The FY 2024 Capital Budget contains \$7,366,899 in expenditures, of which \$6,325,399 are for the Aquatic Center expansion and JR Martin Park upgrades. That specific amount will be funded with restricted cash generated from the Series 2023 Bond issue.
- c. The Operating Budget contains the revenues & expenses for the Parks & Recreation Department (community programming, park maintenance, Republic Aquatic Center, Senior Center).
 - i. Funded by sale of services; and