

Budget Message

FY2019 was a year focused on fiscal conservation and budgetary compliance. The City Council participated in budget review meetings and as needed, adjusted the budget. Therefore, as the fiscal year end nears, we can see the results of proactive budget planning and reactive budget review in the final balances of the FY2019 budget. The following points are an overview of the FY2019 and FY2020 budget.

Personnel

Personnel costs are substantial portions of any business or municipal budget. The City is no exception. Services such as police protection, nuisance and code enforcement, parks and recreation, street maintenance, utility service, and general governmental support require personnel and resources that must be constantly balanced.

In the last few years, the City has added an additional Detective (FY2016) and two SRO's (FY2016 and FY2018) to the Police Department. A Code Enforcement Officer/Building Inspector was added to the Building Department in FY2017/2018.

In April of 2018, voters approved Franklin County Proposition P. Proposition P is a one half of one percent sales tax earmarked for county and municipal law enforcement. The tax started to be collected on October 1, 2018 with revenues being received by the City starting in January 2019. The tax is to be used for the compensation of City of Sullivan Law Enforcement Officers (LEO). The FY2019 Budget included a 3% step increase for officers plus the anticipated Prop P funds. The FY2020 projected Prop P revenue is \$242,700 which equates to approximately \$12,000 to \$13,000 in additional pay annually per officer.

The City Council has given approval for a 3% pay grade step increase for all fulltime City employee's for FY2020.

General Fund

FY2019 budgeted sales tax revenues were estimated to be \$1,578,000 and property tax revenues of \$400,000. Actual FY2019 sales tax revenues were \$1,632,861 and property revenues of \$420,495. FY2020 sales tax revenues are budgeted to be \$1,600,000 and property tax revenue of \$407,000. The FY2020 budgeted sales tax revenue projection has been increased by \$22,000, over the FY2019 budgeted amount, which is in line with the FY2017, FY2018, and FY2019 actual receipts.

The FY2020 General Fund estimated budget revenues are \$4,504,620 and with expenditures at \$4,500,058. FY2019 revenues were \$4,585,923 and expenditures of \$4,298,325. The General fund comprises most of the operations of general governmental activities. (FY2019 figures as of September 30, 2018.)

Economic Development

The economy appears to be rebounding and we have seen the expansion of some industries and business in the community. The City has been and is still in discussions with some local and non-local industries looking at creating jobs in Sullivan. In the next year we also expect to see some additional retailers coming to Sullivan. The City will continue to focus on finding adequate uses for its City owned properties and the Enhanced Enterprise Zone to promote economic development and create jobs. In FY2019, the City purchased an 18-hole golf course to retain its economic benefit to the community and two industrial buildings currently rented to a local manufacturer.

Transportation

Motor Fuel Tax Fund monies will be used in FY2020 to purchase commodities such as road salt and to continue the successful "Novachip" (Ultrathin Bonding) process of overlaying streets. This has replaced the "chip and seal" process. In FY2016, the City of Sullivan saw the completion of the much-anticipated Springfield Road and Elmont Road signalization project. The City is working with MoDOT on the signalization of Exit 226 via a 50/50 cost share. The Sullivan Regional Airport received approval to build ten additional hangars and the airport will still be paid via entitlement funds through MoDOT at 90%.

Parks & Recreation

In FY2020, the City of Sullivan will continue to make, as it did in FY2016, FY2017, FY2018, and FY2019, a substantial capital investment in maintaining and adding to the Parks & Recreation infrastructure. Recent and current projects include: a pocket park, a North Side Trail, a Route 66 splash park, new pavilions, additional bathrooms, and other improvements.

In FY2020 there will also be the continued focus on revenue versus expenditure percentages to adequately justify any Parks program. We will continue to work on the future planning of the Sullivan Parks and Recreation system. The goal of FY2020 will be to once again set measurable and obtainable goals for the improvements and to maintain a fiscally responsible Parks & Recreation Department.

Grants

It is anticipated that federal and state funding will continue in FY2020 but at a decreased level as compared to previous years. As with most capital projects that are partially externally funded, the City will be required to bear the cost and seek reimbursement. Such funding will be represented in Surface Transportation Program – Urban, airport entitlement funds, etc. The amount of monies fluctuates with the project and funding source. FY2020 grant projects include: ten hangars at the airport 90% grant funding, Fisher Drive sidewalk improvements 75% grant funding, Exit 226 signalization 50% grant funding, and Main St to Sappington Bridge sidewalk 57% grant funding.

Capital Improvement

In FY2016, the City of Sullivan completed several capital improvement projects such as sealing and/or resurfacing several city parking lots, resurfacing of the basketball and tennis courts, grandstand fencing, skating rink & Police Department roof repairs, an ADA accessible ramp at

City Hall, and several equipment replacement items.

In FY2017, the City began work on the North Side Park and Trail and the City Lake trail extension. The Police Department upgraded their dispatching and phone systems. The Parks and Street Department building received a new roof.

In FY2018, the City developed the North Side Park, a splash park, new sidewalk and restroom, and trail improvements, and several capital equipment purchases.

In FY2019, Capital Improvement goals included the start of a sidewalk from Main St. to Sappington Bridge Road, the beginning of the Fisher St. sidewalk project, the completion of a splash park restroom, Vogelgesang Trail Head improvements (parking lot and pavilion), and Jim Bottomley Park improvements (pavilion and bleacher pads).

In FY2020, Capital Improvements include ten new airport hangars, Main St. to Sappington Bridge Road sidewalk, Fisher St. sidewalk project, Park & Recreation Feasibility Study, Exit 226 Signalization, City Lake improvements, City Hall HVAC replacement, North side trail system extension (Southern section), and other various projects and equipment.

In FY2015, the last payment was made on the 1994 General Obligation Bond. Now that the bond debt has been retired, additional funds are available for other capital improvement items.

Enterprise Funds

In FY2010, the City joined a group of thirteen "Sho-Me" cities to form the Mid-Missouri Municipal Power Energy Pool (MMMPEP) to find alternatives to Sho-Me Power as a supplier of electricity and to meet the 2013 deadline for which notice had been given to the cities by Sho-Me. In FY2012 a new supplier was identified and contracted for service. In FY2013 the City began receiving power from the new supplier at a lower rate than previously charged by Sho-Me Power. In FY2016, a large amount of time was dedicated to researching a future supplier as the contract expired in the Spring of 2018. A supplier was identified, and a ten-year agreement was secured.

The Electric Department has purchased and installed an Advanced Metering System (AMI) to improve the accuracy and speed of meter data and for the assistance in repairing outages. At this time, it is not expected for the rates to the City of Sullivan to increase nor are the rates charged to its customers budgeted to increase in FY2020. The Board of Alderman have suspended the automatic 3% rate increase for FY2020 (eight consecutive years). The base Electric rates have not been increased since 2012 and the base Water and Sewer rates have not been increased since 2010.

In FY2016, the City placed the four water towers on a painting and preventive maintenance contract and completed the installation of a water tower level and well monitoring system. In FY2019, the Water Department will continue the work on adding additional drinking water sources as well as water main extensions to the system. In conjunction with the Electric Department, the Water Department also purchased and installed an Advanced Metering System (AMI) meters to work in tandem to the electric meters. In FY2018 the Water Department

installed security fencing for all water towers. The City is still expected to upgrade the sewer collection system to minimize inflow and infiltration into the system. This will be a slow and expensive process, requiring a systematic approach and perseverance to complete the upgrade. Some pipes will require replacement while some may be relined. At this time, it is not expected nor budgeted for the water or sewer rates to increase in FY2020.

The 1999A Revenue Bond and the Series 2011 Revenue Bond (Refunded Series 2000) were retired in FY2019.

Conclusion

At the end of FY2019, the General Fund ended with revenues exceeding expenditures at \$287,598 (\$159,072 in revenues received from Insurance Claims due to damage from the August 30, 2019 storm damage).

The overall FY2019 Budget will end with revenues exceeding expenditures partly due to conservative budgeted revenue projections, restrictive expenditure policies, periodic budget meetings, some larger projects not being completed in FY2019, and from responsible fiscal measures taken by the Board of Aldermen and Staff.

The FY2020 Budget projects the General Fund revenues to be approximately \$4,562 more than expenditures.

The overall FY2020 Budget is projected with \$24.7 million in revenues and \$25.7 million in expenditures. The FY2020 overall budget is balanced with excess expenditures covered by fund reserves.

The overall financial health of the City is good and stable.



J.T. Hardy
Budget Officer

September 30, 2019

FY2020 Revenue

Fund	Balance Forward	Taxes	Fines & Forfeitures	Licenses & Permits	Charges for Services	Intergovernmental	Miscellaneous	Total Revenues	Total Rev+Bal Fwd
General Fund	\$ 981,939	\$ 2,007,000	\$	\$ 234,500	\$ 547,620	\$ 1,490,000	\$ 170,500	\$ 4,504,620	\$ 5,486,559
Motor Fuel Tax	\$ 325,911	\$ 280,000	\$	\$	\$	\$	\$ 110,000	\$ 390,000	\$ 715,911
Library	\$ -	\$ 1,000	\$	\$	\$	\$	\$	\$ 1,000	\$ 1,000
Cultural Grant	\$ 245	\$	\$	\$	\$	\$	\$	\$	\$ 245
Delta Regional Authority	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -
Federal Grants	\$ 46,458	\$	\$	\$	\$	\$ 1,852,744	\$	\$ 1,852,744	\$ 1,899,202
State Grants Fund 10	\$ -	\$	\$	\$	\$	\$ 10,000	\$	\$ 10,000	\$ 10,000
State Grants Fund 11	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -
Drug Enforcement	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -
Stormwater Management	\$ 109,497	\$	\$	\$ 10,000	\$	\$	\$	\$ 10,000	\$ 119,497
Golf Course	\$ 267,420	\$	\$	\$	\$	\$	\$	\$	\$ 267,420
MoDAG	\$ 55,477	\$	\$	\$	\$	\$	\$	\$	\$ 55,477
GO DS 1994 Authorization	\$ -	\$	\$	\$	\$	\$	\$	\$	\$ -
Capital Improvement	\$ 2,834,125	\$ 800,000	\$	\$	\$	\$ 534,361	\$ 314,000	\$ 1,648,361	\$ 4,482,486
Elmont Overpass Project	\$ 878,158	\$ 800,000	\$	\$	\$	\$	\$ 7,000	\$ 807,000	\$ 1,685,158
Special Reserve	\$ 4,077,829	\$	\$	\$	\$ 75,000	\$	\$ 25,000	\$ 100,000	\$ 4,177,829
Electric	\$ 10,565,134	\$ 200,000	\$	\$ 23,000	\$ 9,640,000	\$	\$ 86,525	\$ 9,949,525	\$ 20,514,659
Solid Waste	\$ 106,543	\$	\$	\$	\$ 415,000	\$	\$	\$ 415,000	\$ 521,543
CWSS	\$ 2,470,590	\$ 25,000	\$	\$ 37,000	\$ 3,128,000	\$	\$ 16,500	\$ 3,206,500	\$ 5,677,080
Sullivan Municipal Utilities	\$ 69,135	\$	\$	\$	\$	\$	\$ 467,050	\$ 467,050	\$ 536,185
Employee Health Benefits	\$ 402,651	\$	\$	\$	\$	\$ 937,000	\$	\$ 937,000	\$ 1,339,651
Prop P LEO Comp Fund	\$ 19,273	\$ 242,700	\$	\$	\$	\$	\$ 242,700	\$ 242,700	\$ 261,973
Marshal Bond	\$ 3,613	\$	\$ 52,000	\$	\$	\$	\$	\$ 52,000	\$ 55,613
Restitution	\$ 1,900	\$	\$ 5,000	\$	\$	\$	\$	\$ 5,000	\$ 6,900
Dangerous Building	\$ -	\$	\$	\$	\$	\$ 73,000	\$ 15,000	\$ 15,000	\$ 15,000
Oak Grove Transport.	\$ 667,821	\$	\$	\$	\$ 500	\$	\$ 200	\$ 73,200	\$ 741,021
Sullivan Emergency Asst	\$ -	\$	\$	\$ 304,500	\$	\$	\$	\$ 500	\$ 500
	\$ 23,883,709	\$ 4,355,700	\$ 112,000	\$ 304,500	\$ 13,806,120	\$ 4,897,105	\$ 1,211,775	\$	\$ 48,570,909
							Total Less Bal Fwd		\$ 24,687,200

10/01/2019

FY2020 Expenses

Fund	Function	Personnel Svcs	Contract Svcs	Commodities	Capital Outlay	Contributions	Non-operating	Total	Rev - Exp	Fund Balance
General Fund	Mayor & Board	\$ 28,420	\$ 3,200	\$ 300		\$ 500		\$ 32,420		\$ 32,420
	Municipal Court	\$ 59,355	\$ 20,150	\$ 1,000				\$ 80,505		\$ 80,505
	P&Z Commission		\$ 400	\$ 100				\$ 500		\$ 500
	Board of Adjustment		\$ 300					\$ 300		\$ 300
	Airport Board		\$ 600					\$ 600		\$ 600
	Tree City USA Committee		\$ 500	\$ 1,000				\$ 1,500		\$ 1,500
	Administration	\$ 142,325	\$ 43,550	\$ 1,800		\$ 18,000		\$ 205,675		\$ 205,675
	City Clerk	\$ 167,950	\$ 24,000	\$ 1,800				\$ 193,750		\$ 193,750
	Elections		\$ 650	\$ 6,000				\$ 6,650		\$ 6,650
	Economic Development		\$ 4,100	\$ 500				\$ 4,600		\$ 4,600
	Engineering							\$ -		\$ -
	Custodial	\$ 22,500	\$ -	\$ 1,500				\$ 24,000		\$ 24,000
	City Hall		\$ 28,500	\$ 700				\$ 29,200		\$ 29,200
	Other Buildings		\$ 2,000	\$ 5,000				\$ 7,000		\$ 7,000
	Public Grounds		\$ 4,500	\$ 1,000				\$ 5,500		\$ 5,500
	Workers Compensation		\$ 58,000					\$ 58,000		\$ 58,000
	Insurance, Liability		\$ 78,000					\$ 78,000		\$ 78,000
	Insurance, Other		\$ 35,000					\$ 35,000		\$ 35,000
	Oak Grove Village		\$ 146,000					\$ 146,000		\$ 146,000
	Police Department	\$ 1,104,490	\$ 136,050	\$ 68,500				\$ 1,309,040		\$ 1,309,040
	Investigative Services	\$ 166,439	\$ 2,900	\$ 5,000				\$ 174,339		\$ 174,339
	School Resource Officer	\$ 191,389	\$ 3,000	\$ 4,400				\$ 198,789		\$ 198,789
	City Jail		\$ 1,000	\$ 4,000				\$ 5,000		\$ 5,000
	Communications Center	\$ 284,600	\$ 8,100	\$ 5,500				\$ 298,200		\$ 298,200
	Emergency Management		\$ 8,000	\$ 2,000				\$ 10,000		\$ 10,000
	DWI/Drug Enforcement			\$ 1,000		\$ 5,000		\$ 6,000		\$ 6,000
	Animal Control	\$ 57,350	\$ 7,100	\$ 2,200				\$ 66,650		\$ 66,650
	Code Administration	\$ 150,150	\$ 18,650	\$ 2,500		\$ 5,000		\$ 171,300		\$ 171,300
	Traffic Engineering							\$ -		\$ -
	Streets & Highways	\$ 409,600	\$ 29,800	\$ 37,200				\$ 476,600		\$ 476,600
	Snow Removal		\$ 2,000					\$ 2,000		\$ 2,000
	Maintenance Buildings		\$ 5,000					\$ 5,000		\$ 5,000
	Street Cleaning		\$ 4,000	\$ 1,500				\$ 5,500		\$ 5,500
	Sullivan Regional Airport		\$ 33,500	\$ 175,500	\$ -			\$ 209,000		\$ 209,000
	Solid Waste (Compost)							\$ -		\$ -
	Parks & Recreation	\$ 370,200	\$ 35,300	\$ 37,000	\$ -			\$ 442,500		\$ 442,500
	Chamber of Commerce/Visitors Bureau		\$ 6,000					\$ 6,000		\$ 6,000
	Fairgrounds		\$ 200	\$ 1,000				\$ 1,200		\$ 1,200
	Fair/Festivals		\$ 16,500	\$ 200				\$ 16,700		\$ 16,700
	Swimming Pool	\$ 55,850	\$ 26,650	\$ 11,000				\$ 93,500		\$ 93,500
	Community Center		\$ 16,660	\$ 500				\$ 17,160		\$ 17,160
	Skating Rink	\$ 13,300	\$ 7,300	\$ 1,000				\$ 21,600		\$ 21,600

