

### **Proposed Fiscal Year 2021 Budget Preface**

One of the City of Weldon Spring's core values is to provide quality municipal services in a fiscally responsible manner while preserving the public's trust in their local government. This budget reflects the City's goal to provide essential municipal services that the residents and businesses rely on daily while maintaining a high quality of life standard for the community. Please review this Executive Summary of the FY 2021 Budget and accompanying Budget trend details on the following attached pages.

#### **FY 2020 Recap:**

The FY 2020 Budget which began on October 1, 2019 and concludes on September 30, 2020 was relatively productive especially considering the global COVID-19 Pandemic. The COVID-19 event was a major disruption to the normal operations and priorities of the City. A Mid-Year Budget Adjustment was prepared, reviewed and adopted by the Board of Aldermen. This revised budget reflected concerns for reduced revenues and scaled back capital and special projects identified at the beginning of the fiscal year. Fortunately, as of the 10<sup>th</sup> month of the fiscal year most revenues have remained on target and some have even seen significant increases year over last. Additionally, the City Clerk initiated and completed several audits of lines of revenue for franchise fees and sales taxes. The results of these audit finds discovered numerous businesses and some residences that had not been properly coded to the City of Weldon Spring and therefore a subject to correction and billing two years back.

From a financial standpoint the City's General and Road & Bridge Funds are expected to experience positive fund balances. The Parks and State Revenue Sharing Funds are expected to operate a deficit in FY 2020. The City's Sewer NID debt was retired in FY 2019 and paid in-full by drawing from fund reserves and the administration is taking steps to convey the infrastructure to Duckett Creek Sanitary Sewer District and coordinate final collections for any delinquent accounts through St. Charles County Collector's Office. Here are year-end projected net balances by fund below:

- General Fund: positive \$52,765
- Parks/Facilities Fund: negative (\$28,783)
- State Revenue Sharing Fund: negative (\$195,644)
- Road & Bridge Fund: positive \$4,912
- Sewer Funds: negative (\$6,038)
- Independence Rd. Phase IV and Phase III (Special Funds): positive \$1,212,894 (Note: due to timing of reimbursements from federal and county road board funding sources)

Of the capital/special projects identified at the start of the fiscal year fourteen out of eighteen (14/18) were substantially completed. The completed projects or initiatives are as follows:

1. Creation and hiring of a new Parks & Facilities Manager full-time staff position.
2. Asphalt trail & parking lot maintenance which included: Patriotic Trail, Ind. Rd Phase 2, Summit Ridge Place Trails & side parking lot at City Hall/Park.
3. Weldon Spring City Park Playground Improvement/Expansion Project Phase 2.

4. Independence Rd. Phase IV Construction - final punch list and additional change order work was completed and accepted.
5. City website complete redesign and updating with new provider and hosting services.
6. Laserfiche archiving software/system for city records.
7. Four new laptops with remote access features purchased and deployed.
8. Design and installation of new Weldon Spring City Park monument signage.
9. Keyless smart access point for Board Room side entry to City Hall.
10. Awarded bid for fertilization, aeration and over seeding of city right-of-ways.
11. Expanded areas and frequency of mowing along city right-of-ways.
12. Awarded bid to remove and replace certain concrete slabs and curbs throughout City.
13. Engineering design for walking trail improvements in WS City Park and along a portion of Wolfrum Rd.
14. Funded engineering design for safety improvements to Sammelman Rd.

The four projects that were not completed included 1) Community & Business Survey to establish a baseline evaluation of municipal services, 2) Audio/Visual and technology improvements to Board Room, 3) Development of citywide Park & Update Trail Master Plan, and 4) City facilities needs assessment and evaluation. These projects were put on hold during the Mid-Year Budget Adjustment out of concerns that COVID-19 impacts may reduce revenues and staff's available time to pursue said initiatives. Of note, the Walking Trail Improvement Project which did have engineering design completed and was bid out but did not get awarded due to low bidder turnout and the bids exceeding the project budget. However, these projects will be programed and budgeted for in FY 2021.

Additionally, in FY 2020 there were several unplanned initiatives and emergency repairs that were completed. These unforeseen items included:

1. Research and adoption of revised employee fringe benefit offerings and retirement program policies
2. Updating and formal adoption of Private Infrastructure Dedication procedure and policy
3. Double box culvert repair in Wrenwyck Place subdivision
4. Removal and replacement of 36" culvert pipe which failed on Wolfrum Rd.

#### **FY 2021 Budget Summary:**

Careful consideration and input have been taken to develop the FY 2021 Budget and another aggressive list of capital/special project funding activity has been identified and programed into the Budget. Between the Finance Committee, Parks & Recreation Advisory Committee, staff and the Board of Aldermen, ideas for projects and priorities have been developed and incorporated into the coming fiscal year's Budget. In FY 2021 greater attention and emphasis is being placed on maintenance and upkeep of municipal assets including property, buildings and streets. The planning and community engagement initiatives identified in FY 2020 that were postponed will be carried forward to FY 2021. Additional technological improvements are planned as well as funding to pursue development of marketing and promotional strategies for the community.

The net revenues minus expenditures in FY 2021 for each of the major funds are estimated below. It is not uncommon for the City to overestimate expenditures and special project expenses but with the additional

staffing levels the administration is confident that continued efficiency and effectiveness to complete the identified priorities will be achieved.

- General Fund: negative (\$11,375)
- Parks/Facilities Fund: negative (\$288,006)
- State Revenue Sharing Fund: negative (\$322,625)
- Road & Bridge Fund: negative (\$164,370)
- Sewer Funds: positive \$22,107
- Independence Rd. Phase IV (Special Fund): positive \$96,053

The above summary of fund balances when combined represents a (\$668,216) deficit, however, the shortfall of revenues vs. planned expenses will be funded with the appropriate fund reserves. For a full view of revenues and expenditures by fund please refer to the attached Exhibit A – “FY 2021 Budget” document. Additionally, past budget trends can be viewed in the Exhibit B – “FY 2021 Budget Trends Report” document.

The capital/special projects for the FY 2021 Budget are summarized below in Table 1.

<b>Table 1: FY 2021</b>				
<b>Capital Projects or Special Funding Activities Summary</b>				
<b>Fund:</b>	<b>Line Item/Category:</b>	<b>Description:</b>	<b>Purpose:</b>	<b>Amount:</b>
General	Advertisement/ Marketing	Professional Services to develop PR/Marketing Plan/Strategy	Intent to promote City to businesses, developers and attract future residents and/or inform voters	\$20,000
General	Consultant - Misc.	Community Surveying - Baseline Establishment for City Services and Performance/Community Expectations	Conduct a city-wide survey through a 3rd party firm specializing in survey work; statistically accurate & comparable to other communities	\$14,000
General	Non-capital equipment - City Hall	Misc. equipment for City Hall, staff and/or elected officials	Replacement of existing equipment & purchase of new	\$8,750
			<b>Subtotal General Fund:</b>	<b>\$42,750</b>

Parks/ Facilities	Signs (Will be a Capital Expenditure)	City Park Main Entrance Sign & Misc.	Main Entrance Monument Sign	\$16,500
Parks/ Facilities	Bldg - Repairs & Maint.	City Hall facility maintenance & repairs - gables carpentry work	Replace rotten wood on gables & misc. maintenance	\$10,000
Parks/ Facilities	Park - Repairs	Nancy Lane Modifications/Improvements	Address: fence, pipe, drainage and access	\$25,000
Parks/ Facilities	Park - Repairs	Major tree removal/trimming in City Park - Brock Addition	Remove unsafe/hazardous trees	\$15,000
Parks/ Facilities	Park - Repairs	City Hall/Park parking lot repairs/replacement and striping	Remove & replace poor sections of pavement and seal/crack fill remainder	\$18,000
Parks/ Facilities	Equipment - Park Bldg. (Non-capital expenditure)	Programable/automatic locking system for Park Bldg. restrooms facilities	Allow staff to program and set default lock/unlock system	\$2,000
Parks/ Facilities	Capital Equipment - City Hall Facility	AV Equipment for Board Room: Additional equip. and technology improvements	Flat Screen Smart TV's	\$5,000
Parks/ Facilities	Capital Improvement - Trails	Trail Additions and Improvements in City Park & Wolfrum Rd. Extension	Construction funding for new trails per Cochran Design parameters	\$275,000
Parks/ Facilities	Real Property Improvements	Park Electrical Improvements	Park Bldg & exterior/parking lot lighting upgrades	\$7,500
Parks/ Facilities	Trial Maint./Repairs	Asphalt walking trail maint. & repairs	Ind. Rd. Phase 3 trail sealing & crack fill	\$15,000
Parks/ Facilities	Park Planning/Professional Services	Secure excess MoDOT ROW to original WS spring.	Future public use access point-trailhead	\$5,000
Parks/ Facilities	Park Planning/Engineering	Develop citywide Park & Update Trail Master Plan	Master planning for parks system.	\$22,500
Parks/ Facilities	Park Planning (Engineering or Professional Services)	City Facilities Needs Assessment	A systematic process of evaluating the physical needs for facilities of the City Gov't	\$12,500
<b>Subtotal Parks Fund:</b>				<b>\$429,000</b>

State Rev. Sharing	Outside Attorney	Dealing w/ ongoing litigation w/ PSL	Legal fees	\$10,000
State Rev. Sharing	Professional Services Consultant	Dealing w/ ongoing litigation w/ PSL	Expert witness in construction contractual law.	\$5,000
State Rev. Sharing	City Streets	Shift some street maintenance to be handled internally through sub-contracts directly.	Improve response time to addressing certain street repairs issues	\$22,500
State Rev. Sharing	City Streets	Emergency Repairs - unforeseen/unplanned	Improve response time to addressing certain street repairs issues	\$75,000
			<b>Subtotal State Rev. Sharing Fund:</b>	<b>\$112,500</b>

<b>Grand Total of Capital/Major Expenditures:</b>	<b><u>\$584,250</u></b>
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### **FY 2021 Budget - Final Summary and Management's Opinion**

The City continues to budget aggressively having identified many priorities and expansion of funding for various maintenance needs. These initiatives and areas of focus are intended to improve and preserve the quality of life standard for the citizens of Weldon Spring. However, there are several key points which need to be considered as FY 2021 approaches.

1. It is recommended that the City begin looking for new sources of dedicated revenue especially in the area of Public Safety i.e. roads and police protection. The funds that support these activities have in recent years operated deficits and are forecasted to continue to do so in order to meet current service levels and maintenance needs.
  - a. In November of 2018 the City of Weldon Spring along with most of the other St. Charles County cities went to the voters to consider approving a Use Tax on out of state purchases made by residents and businesses of their respective city. At that time no cities in the county were successful in passing the Use Tax initiative; since this time the city of O'Fallon was successful in obtaining voter approval and the cities of St. Charles and Cottleville continue to seek voter approval. Though a Use Tax is estimated to generate only about \$30K/annually in revenue for Weldon Spring, having such a tax on the books sets the groundwork for the collection of internet sales taxes once the State approves policies and procedures for such collections. Internet Sales continues to be a fast-growing segment of the economy as more and more retailers consolidate, merge or close brick and mortar operations; the COVID-19 Pandemic will no doubt fuel this trend and cause substantial shift to the public's purchasing habits.

In closing the continued development and regular review of a rolling Five Year Financial Plan is a high priority of the Finance Committee. The Committee plans to update the Five-Year Financial Plan at the beginning of FY 2021 and has already begun reviewing preliminary figures. It is anticipated that the Five-Year Plan will be a working document that will aid the City's administration and Elected Officials with their prioritization and allocation of municipal resources in the future.

***Below is a brief description and explanation of what each fund or fund category is and their characteristics.***

**General Fund:** This is the "multipurpose" fund which can be used for any type of municipal expenditure; it is an "unrestricted fund". Some examples of revenues include franchise fees on gas and electric utilities, licensing and permitting fees and fines/forfeitures from court operations. Examples of some expenditures typical of this fund are wages/benefits, printing, insurance, professional consultant services and travel/training expenses.

**Parks/Facilities Fund:** This is a "restricted fund" and monies are earmarked for park and municipal building operations and capital projects. Examples of these revenues include the ½% sales tax, parks reservation/user fees and a portion of the Metro Parks Sales tax. Some examples of expenditures include parks related wages/benefits, special events, facility/grounds maintenance, equipment/fixtures as well as real property improvements and purchases.

**Roads & Public Safety Funds:** This is a culmination of several control funds including: State Revenue Sharing, County Road & Bridge, as well as all road project specific funds. All these funds are "restricted", and monies can only be spent on roads and/or public safety related activities. Some examples of the revenue typical of these funds are Motor Fuel tax, Motor Vehicle Sales tax, County Road & Bridge property tax, County Road Board grants and Federal Highway grants. The expenditures which hit these funds are road improvement capital projects, policing services, and roadway and trail maintenance expenses.

**Sewer Funds:** This category of funds includes all Neighborhood Improvement District (NID) revenues and expenditures which are "restricted" to the sewer collection system. The City constructed the collection system to serve a portion of the community that did not have access to public sewer. Each property within the district pays an annual assessment and fees to cover the debt service and maintenance for the system.

Fund Reserves/Bank Balances:							
Name	FY 18 Fund Balance (not cash)	FY 19 Fund Balance (not cash)	FY 20 - Oct. 1st -Bank Balance (cash)	FY 20 - June 30th -Bank Balance (cash)			
General Fund 10	\$ 1,817,752	\$ 1,263,542	\$ 321,933	\$ 437,514			
Parks & Facilities Fund 20	\$ 1,652,533	\$ 1,980,972	\$ 1,967,624	\$ 2,045,787			
State Rev. Sharing Fund 22	\$ 189,762	\$ 408,680	\$ 321,212	\$ 712,694			
Road & Bridge Fund 23		\$ -	\$ -	\$ -			
Sewer Funds 30, 31 & 33	\$ 117,320	\$ 100,882	\$ 100,882	\$ -			
Net Cash Balance	\$ 3,777,367	\$ 3,754,076	\$ 2,711,651	\$ 3,195,994			
FY 2020 Target Emergency Reserve Funds:				\$ 834,992			
Fiscal Year 2021 Budget							
Revenues:							
Name	FY 18 Actual	FY 19 Actual	FY 20 Budget Adj.	FY 20 Year-End Est.	% Change	FY 21 Budget	
<b>Fund 10 General Fund</b>							
General Operating	\$ 630,097	\$ 603,900	\$ 547,093	\$ 617,397		\$ 598,390	
General Capital/Special Projects	\$ -	\$ 25,129	\$ -	\$ 22,728		\$ -	
Total General Fund Revenue	\$ 630,097	\$ 629,029	\$ 547,093	\$ 640,126	17.00%	\$ 598,390	
<b>Fund 20 Parks Fund</b>							
Parks Operating	\$ 355,183	\$ 347,726	\$ 276,150	\$ 391,934		\$ 356,500	
Parks Capital/Special Projects	\$ 7,035	\$ 204,750	\$ -	\$ -		\$ -	
Total Parks Fund Revenue	\$ 362,218	\$ 552,476	\$ 276,150	\$ 391,934	41.93%	\$ 356,500	
<b>Fund 22 State Revenue Sharing Fund</b>							
State Rev. Sharing Operating	\$ 217,460	\$ 213,488	\$ 187,657	\$ 209,955		\$ 194,925	
State Rev. Sharing Capital/Special Projects	\$ 64,459	\$ 169,124	\$ 1,569,946	\$ 1,569,946		\$ 159,013	
Total State Rev. Sharing Fund Revenue	\$ 281,920	\$ 382,612	\$ 1,757,603	\$ 1,779,901	1.27%	\$ 353,938	
<b>Fund 23 Road and Bridge Fund* Note this fund is shown for the full year of activities.</b>							
Road & Bridge Operating	\$ 200,785	\$ 199,673	\$ 213,362	\$ 211,211		\$ 210,630	
Road & Bridge Capital/Special Projects	\$ -	\$ 4,842	\$ -	\$ -		\$ -	
Total Road & Bridge Revenue	\$ 200,785	\$ 204,515	\$ 213,362	\$ 211,211	-1.01%	\$ 210,630	

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Net Revenues Less Expenditures:						
Name	FY 18 Actual	FY 19 Actual	FY 20 Budget Adj.	FY 20 Year-End Estimate	% Change	FY 21 Budget
Fund 10 General Fund	193,420	143,932	12,675	52,765		(11,375)
Fund 20 Park Fund	234,347	331,158	(144,633)	(28,783)		(288,006)
Fund 22 State Revenue Sharing Fund	(14,502)	(1,559,830)	1,355,452	1,374,302		(226,572)
Fund 23 Road and Bridge Fund	(21,507)	(1,521)	(28,437)	4,912		(164,370)
Funds 30, 31, 33 Sewer Funds	(13,988)	(15,828)	(10,443)	(6,038)		22,107
<b>Total Net Revenues Less Expenditures</b>	<b>377,770</b>	<b>(1,102,089)</b>	<b>1,184,614</b>	<b>1,397,159</b>	<b>17.94%</b>	<b>(668,216)</b>
NOTE: Any deficit by fund will be supplemented with unrestricted fund reserves to ensure a balanced budget.						
<b>Fund Balances &amp; FY Year-End Forecasted 2020 Bank Balance:</b>						
Name		FY 17 Audited Fund Balance:	FY 18 Audited Fund Balance:	FY 19 Audited Fund Balance:	Forecasted FY 20 Year-End Bank Balance by Fund:	
General Fund 10		\$ 1,984,694	\$ 1,817,752	\$ 1,263,542	\$ 374,699	
Parks & Facilities Fund 20		\$ 1,418,520	\$ 1,652,533	\$ 1,980,972	\$ 1,938,841	
State Rev. Sharing Fund 22		\$ 25,855	\$ 189,762	\$ 408,680	\$ 1,695,514	
Road & Bridge Fund 23		\$ -	\$ -	\$ -	\$ 4,912	
Sewer Funds 30, 31 & 33		\$ 130,841	\$ 117,320	\$ 100,882	\$ 94,845	
Totals:		\$ 3,559,910	\$ 3,777,367	\$ 3,754,076	\$ 4,108,810	
		<b>FY 2020 Target Emergency Reserve Funds:</b>			<b>\$ 834,992</b>	
		<b>Discretionary Reserve Funds Balance:</b>			<b>\$ 3,273,818</b>	

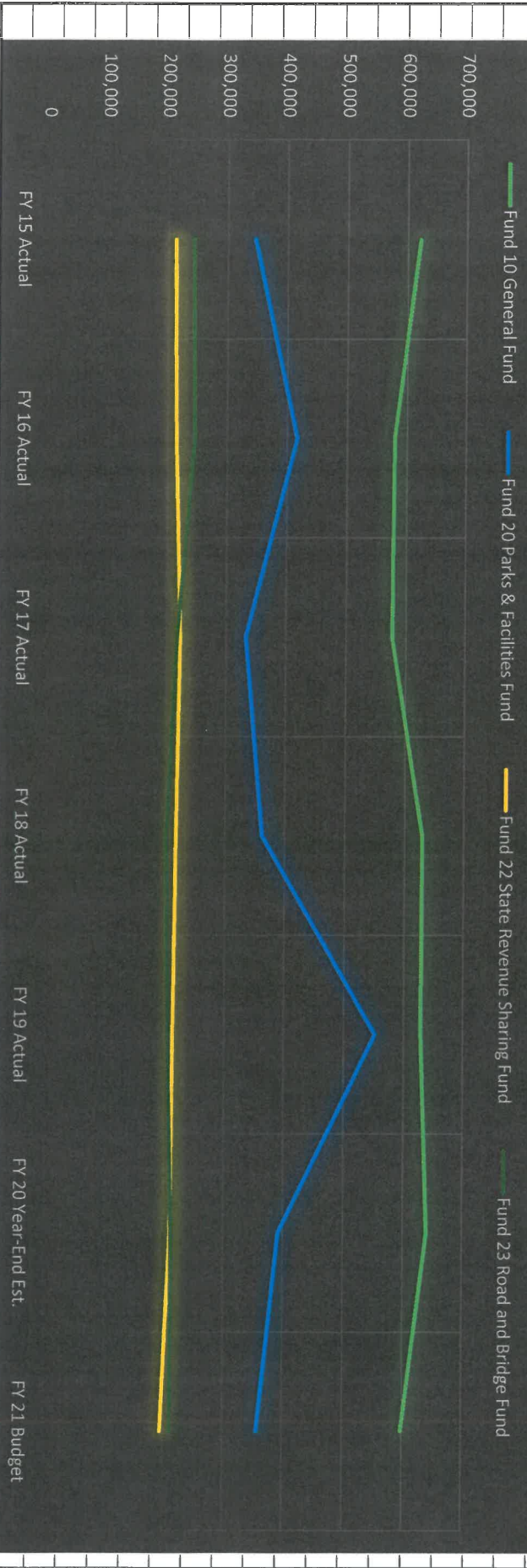
# Exhibit B: FY 2021 Budget Trends Report

## ALL FUNDS - Revenues & Expenditures

### Revenues:

Name	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Actual	FY 20 Year- End Est.	FY 21 Budget
Fund 10 General Fund	621,782	579,848	577,579	630,097	629,029	640,126	598,390
Fund 20 Parks & Facilities Fund	346,159	417,021	333,099	362,218	552,476	391,934	356,500
Fund 22 State Revenue Sharing Fund	212,252	214,935	222,703	217,460	213,488	209,955	194,925
Fund 23 Road and Bridge Fund	242,015	245,557	216,941	200,785	204,515	211,211	210,630
Fund 24 Ind. Rd. Phase 3	41,807	315,294	1,709,637	368,025	0	27,551	0
Funds 30, 31 & 33 Sewer Funds	62,831	56,878	59,480	58,514	37,240	4,133	29,107
Fund 36 Ind. Rd. Phase 4	0	100,747	10,029	64,459	169,124	1,542,395	159,013
<b>Total Revenues</b>	<b>1,526,846</b>	<b>1,930,280</b>	<b>3,129,467</b>	<b>1,901,559</b>	<b>1,805,872</b>	<b>3,027,305</b>	<b>1,548,565</b>
<b>% Change</b>		<b>26%</b>	<b>62%</b>	<b>-39%</b>	<b>-5%</b>	<b>68%</b>	<b>-49%</b>

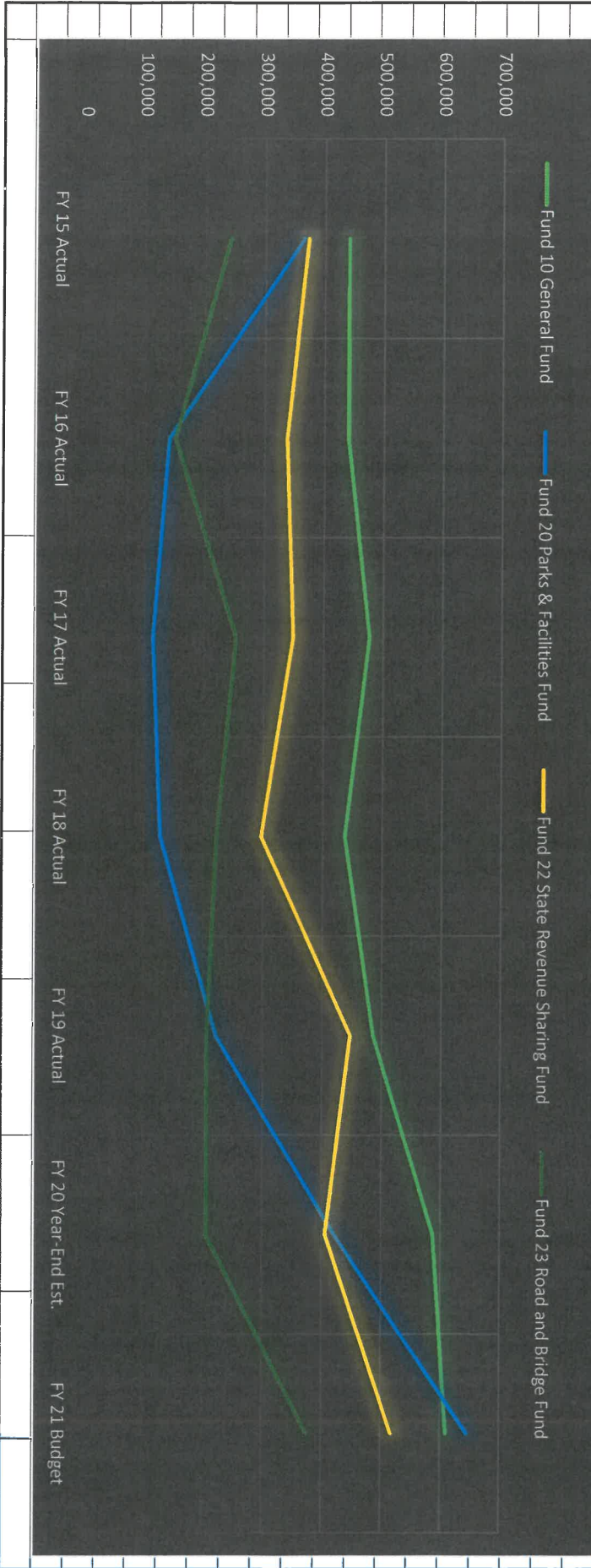
### Revenue Trends by Major Fund



## Expenditures:

Name	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Actual	FY 20 Year- End Est.	FY 21 Budget
Fund 10 General Fund	439,728	439,775	477,016	436,676	485,583	587,360	609,765
Fund 20 Parks & Facilities Fund	364,939	140,386	114,409	127,872	221,767	420,717	644,506
Fund 22 State Revenue Sharing Fund	372,015	336,871	348,093	296,422	446,547	405,599	517,550
Fund 23 Road and Bridge Fund	242,015	151,000	252,855	222,292	206,036	206,299	375,000
Fund 24 Ind. Rd. Phase 3	306,299	803,544	1,511,465	457,388	65,095	0	0
Funds 30, 31 & 33 Sewer Funds	74,019	71,730	81,816	72,502	53,068	10,171	7,000
Fund 36 Ind. Rd. Phase 4	71,475	126,945	60,647	249,480	1,488,375	357,052	62,960
<b>Total Expenditures</b>	<b>1,870,490</b>	<b>2,070,251</b>	<b>2,846,301</b>	<b>1,862,631</b>	<b>2,966,472</b>	<b>1,987,198</b>	<b>2,216,781</b>
<b>% Change</b>		<b>11%</b>	<b>37%</b>	<b>-35%</b>	<b>59%</b>	<b>-33%</b>	<b>12%</b>
<b>Total Revenues Less Expenditures</b>	<b>(343,644)</b>	<b>(139,971)</b>	<b>283,166</b>	<b>38,928</b>	<b>(1,160,600)</b>	<b>1,040,107</b>	<b>(668,216)</b>

## Expenditure Trends by Major Fund





Net Revenues Less Expenditures:							
Name	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Actual	FY 20 Year- End Est.	FY 21 Budget
Fund 10 General Fund	182,054	140,073	100,563	193,420	143,446	52,765	(11,375)
Fund 20 Park Fund	(18,780)	276,635	218,689	234,347	330,708	(28,783)	(288,006)
Fund 22 State Revenue Sharing Fund	(159,763)	(121,936)	(125,390)	(78,962)	(233,059)	(195,644)	(322,625)
Fund 23 Road and Bridge Fund	0	94,557	(35,913)	(21,507)	(1,521)	4,912	(164,370)
Fund 24 Ind. Rd. Phase 3	(264,492)	(488,250)	198,172	(89,362)	(65,095)	27,551	0
Fund 30 Sewer Escrow	(11,188)	(14,852)	(22,336)	(13,988)	(15,828)	(6,038)	22,107
Fund 36 Ind. Rd. Phase 4	(71,475)	(26,198)	(50,618)	(185,021)	(1,319,251)	1,185,343	96,053
Total Net Revenues Less Expenditures	(343,644)	(139,971)	283,166	38,928	(1,160,600)	1,040,107	(668,216)

