City of Valley Falls

January 3rd, 2021

Dear Mayor and Council Members:

SUBJECT: *Valley Falls Financial status*

**BACKGROUND**:

 Every month, I provide the governing body with a brief status update regarding City finances. Please review the following information, which provides more history and clarification on certain items.

*Revenue:*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **TOTAL Sales TAX DEPOSIT** | **2015** | **2016** | **% Change** | **2017** | **% Change** | **2018** | **% Change** | **2019** | **% Change** | **2020** | **% Change** | **2021** | **% Change** | **Average % change** |
| **January** | *$13,402* | *$12,896* | *-3.92%* | *$14,399* | *10.44%* | *$24,672* | *41.64%* | *$34,319* | *28.11%* | *$26,969* | -27.25% | *$34,286* | 27.13% | **9.80%** |
| **February** | *$14,923* | *$14,081* | *-5.98%* | *$15,627* | *9.89%* | *$24,815* | *37.03%* | *$22,719* | *-9.23%* | *$24,985* | 9.07% |  |  | **8.16%** |
| **March** | *$12,916* | *$14,043* | *8.03%* | *$22,668* | *38.05%* | *$25,728* | *11.89%* | *$25,967* | *0.92%* | *$27,295* | 4.87% |  |  | **12.75%** |
| **April** | *$12,200* | *$12,438* | *1.91%* | *$18,291* | *32.00%* | *$24,206* | *24.44%* | *$25,974* | *6.81%* | *$20,984* | -23.78% |  |  | **8.28%** |
| **May** | *$14,226* | *$15,024* | *5.31%* | *$24,201* | *37.92%* | *$22,104* | *-9.49%* | *$25,051* | *11.76%* | *$37,112* | 32.50% |  |  | **15.60%** |
| **June** | *$12,350* | *$14,580* | *2.43%* | *$28,488* | *48.82%* | *$27,657* | *-3.00%* | *$23,738* | *-16.51%* | *$32,889* | 27.82% |  |  | **11.91%** |
| **July** | *$16,847* | *$14,429* | *-16.76%* | *$26,361* | *45.26%* | *$23,039* | *-14.42%* | *$22,617* | *-1.87%* | *$31,899* | 29.10% |  |  | **8.26%** |
| **August** | *$14,706* | *$13,942* | *-5.48%* | *$21,593* | *35.43%* | *$21,313* | *-1.31%* | *$24,090* | *11.53%* | *$36,831* | 34.59% |  |  | **14.95%** |
| **September** | *$13,716* | *$14,934* | *8.15%* | *$26,767* | *44.21%* | *$23,401* | *-14.38%* | *$31,217* | *25.04%* | *$29,686* | -5.16% |  |  | **9.64%** |
| **October** | *$13,409* | *$14,758* | *9.14%* | *$26,239* | *43.76%* | *$21,483* | *-22.14%* | *$24,905* | *13.74%* | *$32,290* | 22.87% |  |  | **13.47%** |
| **November** | *$14,511* | *$14,533* | *0.15%* | *$26,993* | *46.16%* | *$22,210* | *-21.54%* | *$26,384* | *15.82%* | *$27,149* | 2.82% |  |  | **8.68%** |
| **December** | *$14,995* | *$16,126* | *7.02%* | *$26,529* | *39.21%* | *$21,206* | *-25.10%* | *$22,557* | *5.99%* | *$28,985* | 22.18% |  |  | **9.86%** |
| **Total** | **$168,200** | **$171,783** | **2.09%** | **$278,156** | **38.24%** | **$281,834** | **1.30%** | **$309,538** | **8.95%** | **$357,075** | **13.31%** | **$34,286** | -90.40% | **12.78%** |
| **Average** | **$14,017** | **$14,315** | **2.09%** | **$23,180** | **35.93%** | **$23,486** | **0.30%** | **$25,795** | **7.68%** | **$29,756** | **10.80%** |  |  | **11.36%** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **TOTAL PROPERTY TAX DEPOSIT** | **2015** | **2016** | **% Change** | **2017** | **% Change** | **2018** | **% Change** | **2019** | **% Change** | **2020** | **% Change** | **2021** | **% Change** | **Average % change** |
| **January** | *$103,778* | *$108,379* | *4.25%* | *$114,902* | *5.68%* | *$116,959* | *1.76%* | *$117,495* | *0.46%* | *$147,221* | 20.19% | $141,003 | **-4.22%** | **4.68%** |
| **February** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **March** | *$13,052* | *$12,066* | *-8.17%* | *$10,603* | *-13.80%* | *$8,144* | *-30.20%* | *$13,723* | *40.65%* | *$8,830* | -55.41% |  |  | **-13.38%** |
| **April** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **May** | *$74,604* |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **June** |  | *$80,199* | *6.98%* | *$76,374* | *-5.01%* | *$75,083* | *-1.72%* | *$90,971* | *17.47%* | *$100,869* | 9.81% |  |  | **5.51%** |
| **July** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **August** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **September** | *$25,301* | *$21,447* | *-17.97%* | *$31,571* | *32.07%* | *$26,707* | *-18.21%* | *$20,181* | *-32.34%* | *$24,891* | 18.92% |  |  | **-2.92%** |
| **October** | *$6,052* | *$2,778* | *-117.86%* | *$2,471* | *-12.43%* | *$2,939* | *15.93%* | *$4,520* | *34.96%* | *$2,881.15* | -56.87% |  |  | **-27.25%** |
| **November** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **December** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total** | **$222,787** | **$224,869** | **0.93%** | **$235,921** | **4.68%** | **$229,832** | **-2.65%** | **$246,890** | **6.91%** | **$284,692** | **13.28%** | **$141,003** |  | **4.63%** |
| **Average** | **$44,557** | **$44,974** |  | **$47,184** |  | **$45,966** |  | **$49,378** |  | **$56,938** |  |  |  |  |

*Bank Balance:*

The most important number that the City must monitor is the actual cash on hand balance, which is reflected in our banking institution. Please refer to *the following image* which demonstrates the bank balance from 2016 to December 2020.



As you will see, the final average balance number in 2020 ($324,930.99), has declined from its high in 2017 of $383,503.77 a decline of 15 percent, and is up from the low in 2018 of $292,387.87, an increase of 10%.

This number flows up and down over time, depending on what major expenses the City absorbs.

*Fund Balance:*

The City operates utilizing twelve funds. Each fund has requirements for how it can be utilized. Please refer to *the chart below*, which demonstrates the fund balance from each fund since 2016.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Month (End Balance)** | **General** | **Water** | **Sewer** | **Capital Improvement** | **Consolidated Streets and Highway** | **Special Equipment Reserve** | **Solid Waste** | **Bond and Interest** | **RHID** | **All Funds** |
| **January 2016** | $257,124 | $98,194 | $244,194 | $0 | $324,112 | $10,369 | $74,294 | $0 |  | $1,008,286 |
| **February 2016** | $247,491 | $108,237 | $250,379 | $0 | $324,112 | $10,369 | $68,761 | $0 |  | $1,009,348 |
| **March 2016** | $244,887 | $106,711 | $248,717 | $0 | $324,112 | $10,369 | $76,061 | $0 |  | $1,010,251 |
| **April 2016** | $213,162 | $103,275 | $245,715 | $0 | $331,400 | $10,369 | $76,333 | $0 |  | $980,255 |
| **May 2016** | $203,564 | $108,520 | $247,782 | $0 | $331,400 | $10,369 | $69,473 | $0 |  | $971,109 |
| **June 2016** | $256,253 | $115,709 | $250,496 | $0 | $331,400 | $10,369 | $77,143 | $0 |  | $1,041,370 |
| **July 2016** | $224,029 | $105,328 | $250,155 | $0 | $338,978 | $10,369 | $77,101 | $0 |  | $1,005,960 |
| **August 2016** | $202,781 | $107,960 | $230,225 | $0 | $338,978 | $10,369 | $77,690 | $0 |  | $967,627 |
| **September 2016** | $177,473 | $113,452 | $231,807 | $0 | $328,928 | $10,369 | $77,487 | $0 |  | $939,206 |
| **October 2016** | $309,719 | $122,355 | $236,787 | $1,296,405 | $337,161 | $10,369 | $78,407 | $0 |  | $2,391,141 |
| **November 2016** | $29,229 | $128,059 | $238,965 | $1,285,841 | $337,161 | $10,369 | $78,102 | $153,500 |  | $2,258,959 |
| **December 2016** | $114,623 | $134,362 | $245,996 | $1,447,725 | $332,136 | $10,369 | $79,188 | $153,721 |  | $2,518,118 |
| **January 2017** | $217,132 | $122,270 | $249,870 | $1,382,890 | $339,946 | $10,369 | $72,485 | $153,721 |  | $2,468,412 |
| **February 2017** | $199,343 | $129,417 | $254,262 | $1,382,890 | $339,946 | $10,369 | $79,971 | $153,721 |  | $2,549,856 |
| **March 2017** | $192,459 | $135,086 | $258,255 | $1,317,890 | $339,946 | $10,369 | $66,650 | $162,836 |  | $2,481,954 |
| **April 2017** | $167,406 | $124,010 | $253,508 | $1,318,579 | $347,139 | $10,369 | $66,752 | $169,998 |  | $2,457,760 |
| **May 2017** | $157,482 | $131,040 | $255,342 | $1,301,353 | $345,327 | $10,369 | $66,955 | $179,788 |  | $2,447,656 |
| **June 2017** | $216,337 | $137,217 | $260,204 | $1,284,946 | $343,652 | $10,369 | $67,015 | $191,602 |  | $2,511,343 |
| **July 2017** | $195,129 | $129,202 | $264,452 | $1,222,926 | $347,533 | $10,369 | $66,706 | $202,593 |  | $2,438,910 |
| **August 2017** | $176,522 | $140,076 | $264,246 | $1,159,722 | $327,308 | $10,369 | $66,855 | $211,212 |  | $2,356,311 |
| **September 2017** | $203,369 | $143,470 | $268,370 | $1,031,655 | $324,214 | $10,369 | $66,386 | $180,732 |  | $2,228,564 |
| **October 2017** | $190,527 | $147,426 | $271,247 | $940,959 | $202,520 | $10,369 | $66,318 | $191,394 |  | $2,020,760 |
| **November 2017** | $181,731 | $155,818 | $273,947 | $799,367 | $94,708 | $10,369 | $66,212 | $201,966 |  | $1,784,117 |
| **December 2017** | $200,678 | $162,983 | $278,996 | $627,828 | $98,170 | $10,369 | $80,403 | $213,070 |  | $1,672,497 |
| **January 2018** | $273,901 | $153,730 | $282,875 | $343,170 | $55,412 | $10,369 | $78,776 | $223,094 |  | $1,422,163 |
| **February 2018** | $259,249 | $154,759 | $287,410 | $267,704 | $54,529 | $10,369 | $80,114 | $233,146 |  | $1,348,140 |
| **March 2018** | $252,651 | $160,451 | $290,675 | $202,085 | $54,529 | $10,369 | $80,176 | $182,033 |  | $1,233,829 |
| **April 2018** | $232,010 | $156,382 | $259,221 | $125,185 | $61,619 | $10,369 | $80,196 | $191,967 |  | $1,117,809 |
| **May 2018** | $215,938 | $164,367 | $262,540 | $182,224 | -$39,394 | $10,369 | $81,108 | $200,798 |  | $1,078,809 |
| **June 2018** | $274,605 | $163,634 | $266,117 | -$3,659 | -$53,408 | $10,369 | $81,053 | $212,141 |  | $951,712 |
| **July 2018** | $234,576 | $155,855 | $270,388 | -$3,169 | -$46,906 | $10,369 | $80,962 | $217,185 |  | $920,118 |
| **August 2018** | $217,377 | $167,575 | $274,955 | -$3,100 | -$47,475 | $10,369 | $80,819 | $225,564 |  | $926,943 |
| **September 2018** | $240,121 | $178,897 | $280,660 | -$3,000 | -$52,297 | $10,369 | $81,426 | $212,204 |  | $949,240 |
| **October 2018** | $216,568 | $180,275 | $281,591 | -$2,903 | -$39,518 | $10,369 | $80,848 | $220,570 |  | $947,800 |
| **November 2018** | $185,787 | $185,283 | $285,283 | -$2,803 | -$30,720 | $10,369 | $80,818 | $229,368 |  | $943,384 |
| **December 2018** | $146,032 | $194,280 | $288,895 | $385 | $0 | $10,369 | $54,869 | $237,723 |  | $932,552 |
| **January 2019** | $239,547 | $185,520 | $294,604 | $739 | $14,668 | $11,319 | $55,361 | $252,391 |  | $1,054,148 |
| **February 2019** | $210,426 | $184,357 | $298,999 | $1,106 | $23,580 | $11,319 | $55,853 | $261,303 |  | $1,046,610 |
| **March 2019** | $207,426 | $188,664 | $304,757 | $1,437 | $34,380 | $11,319 | $55,669 | $185,564 |  | $989,215 |
| **April 2019** | $163,196 | $176,383 | $297,810 | $1,803 | $45,281 | $11,319 | $55,310 | $196,465 |  | $947,566 |
| **May 2019** | $142,047 | $181,022 | $298,902 | $2,158 | $55,232 | $11,319 | $55,245 | $205,416 |  | $951,341 |
| **June 2019** | $190,357 | $186,576 | $285,402 | $2,524 | $64,863 | $11,319 | $55,162 | $215,047 |  | $1,010,676 |
| **July 2019** | $167,418 | $186,384 | $267,856 | $2,879 | $73,832 | $11,319 | $55,733 | $224,017 |  | $999,100 |
| **August 2019** | -$49,679 | $361,007 | $258,661 | $3,245 | $84,094 | $11,319 | $55,316 | $234,278 |  | $958,240 |
| **September 2019** | -$83,175 | $366,284 | $264,247 | $3,612 | $96,453 | $11,319 | $55,301 | $225,488 |  | $939,528 |
| **October 2019** | -$95,555 | $364,463 | $268,678 | $3,967 | $96,453 | $11,319 | $56,327 | $235,980 |  | $929,669 |
| **November 2019** | -$116,018 | $370,163 | $273,664 | $4,333 | $96,453 | $11,319 | $55,612 | $246,727 |  | $942,252 |
| **December 2019** | $39,168 | $179,970 | $281,000 | $4,688 | $96,453 | $11,319 | $47,310 | $255,934 |  | $915,842 |
| **January 2020** | $154,828 | $174,466 | $273,156 | $5,054 | $96,453 | $5,656 | $55,472 | $267,254 |  | $1,032,338 |
| **February 2020** | $128,559 | $179,535 | $278,938 | $5,421 | $96,453 | $5,656 | $55,314 | $277,055 |  | $1,026,930 |
| **March 2020** | $117,603 | $180,542 | $282,612 | $5,764 | $96,453 | $5,656 | $55,570 | $201,724 |  | $945,924 |
| **April 2020** | $55,972 | $166,170 | $276,388 | $5,764 | $103,906 | $5,656 | $55,880 | $209,882 |  | $879,619 |
| **May 2020** | $49,402 | $168,167 | $283,568 | $6,485 | $103,906 | $5,656 | $54,753 | $225,024 |  | $896,962 |
| **June 2020** | $162,311 | $174,330 | $290,715 | $6,485 | $113,139 | $5,656 | $54,353 | $238,658 |  | $1,045,647 |
| **July 2020** | $118,220 | $185,964 | $290,056 | $7,207 | $93,123 | $5,656 | $55,108 | $251,642 |  | $1,006,254 |
| **August 2020** | $63,875 | $198,575 | $296,235 | $7,207 | $95,478 | $5,656 | $55,101 | $267,296 |  | $989,422 |
| **September 2020** | $44,674 | $206,946 | $296,866 | $7,940 | $106,509 | $5,656 | $56,792 | $258,766 |  | $984,149 |
| **October 2020** | $22,290 | $201,269 | $302,649 | $7,940 | $77,215 | $5,656 | $56,084 | $272,192 |  | $945,295 |
| **November 2020** | $10,080 | $181,857 | $309,136 | $8,292 | $75,565 | $5,656 | $55,807 | $283,301 |  | $929,695 |
| **December 2020** | $19,646 | $256,495 | $294,863 | $8,656 | $73,365 | $5,656 | $56,343 | $295,386 |  | $1,010,411 |
| **January 2021** | $144,157 | $168,735 | $300,777 | $9,008 | $87,432 | $5,656 | $56,036 | $309,453 |  |  |
| **60 Month Average** | **$157,935** | **$170,484** | **$271,722** | **$311,915** | **$153,236** | **$9,551** | **$66,635** | **$183,637** |  | **$1,327,818** |
| **12-Month Average** | **$78,066** | **$189,049** | **$291,900** | **$7,181** | **$93,545** | **$5,656** | **$55,595** | **$257,532** |  | **$969,119** |

Currently the City has the following funds:

01- General Fund

02- Employee Benefits (inactive)

03- Water Fund

04- Sewer Fund

05 –Capital Improvement

06 – Consolidated Streets and Highway

07 – Special Equipment Reserve

08 – Solid Waste

09 – Bond and Interest

10 – Special Highway (inactive)

11 – CDBG Grants

12 – RHID

Out of the funds listed above, only five should be considered active, meaning operations are frequent enough that there is a need to reserve funds to ensure continuity in the event a revenue decline. Active funds and the desired three month reserve include:

01- General Fund = $160,626 (12 month rolling average $81,671 short)

03- Water Fund = $53,991 (12 month rolling average $135,535 surplus)

04- Sewer Fund = $31,266 (12 month rolling average $258,332 surplus)

08 – Solid Waste = $28,011 (12 month rolling average $27,537 surplus)

09 – Bond and Interest = $107,843 (12 month rolling average $146,172 surplus)

*Budget Authority:*

Maximum percent spend per month should be no more than 8.33%.

2020 Amended Budget Result:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund (2020)** | **Current** | **Budgeted** | **Remaining** | **Percent Remaining** |
| **General** | $642,627 | $666,448 | $23,821 | 3.57% |
| **Consolidated Street and Hwy** | $94,284 | $113,000 | $18,716 | 17% |
| **Water** | $215,959 | $333,772 | $117,813 | 35.30% |
| **Sewer** | $125,058 | $162,256 | $37,198 | 22.93% |
| **Solid Waste** | $102,703 | $109,734 | $7,031 | 6.41% |
| **Total** | **$1,180,632** | **$1,284,382** | **$204,578** | **15.93%** |
|  |  |
| **Outstanding Indebtedness** | **Current** | **Budgeted** | **Remaining** |  |
| **G.O. Bonds** | $107,843 | $1,535,000 |  |  |
| **Other** | $0 | $47,240 |  |  |
| **Total** | **$107,843** | **$1,582,240** |  |  |

2021 Budget Status:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund (January)** | **Current** | **Budgeted** | **Remaining** | **Percent Remaining** |
| **General** | $36,927.00 | $652,000.00 | $615,073.00 | 94% |
| **Consolidated Street and Hwy** | $0.00 | $60,000.00 | $60,000.00 | 100% |
| **Water** | $108,232.00 | $260,000.00 | $151,768.00 | 58% |
| **Sewer** | $6,352.00 | $166,000.00 | $159,648.00 | 96% |
| **Solid Waste** | $10,300.00 | $100,000.00 | $89,700.00 | 90% |
| **Special Equipment Reserve** | $0.00 | $0.00 | $0.00 |  |
| **RHID** | $0.00 | $53,554.00 | $53,554.00 | 100% |
| **Total** | **$161,811.00** | **1,291,554** | **$1,129,743** | **87%** |
|  |  |
| **Outstanding Indebtedness** | **Current** | **Budgeted** | **Remaining** |  |
| **G.O. Bonds** | $106,868 | $1,535,000 |  |  |
| **Other** | $0.00 | $47,240 |  |  |
| **Total** | **$106,868** | **1,582,240** |  |  |

*Spending History:*

2020:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Fund** | **1/2020** | **2/2020** | **3/2020** | **4/2020** | **5/2020** | **6/2020** | **7/2020** | **8/2020** | **9/2020** | **10/2020** | **11/2020** | **12/2020** | **Total** |
| **General** |
| *Income* | $179,823 | $22,686 | $30,831 | $19,150 | $41,437 | $154,979 | $29,970 | $15,896 | $39,298 | $25,787 | $18,097 | $44,113 | $622,066 |
| *Expenses* | $64,018 | $48,922 | $41,787 | $80,780 | $48,061 | $42,017 | $74,060 | $70,241 | $58,499 | $48,171 | $35,036 | $30,907 | $642,500 |
| **Result** | **$115,805** | **-$26,236** | **-$10,956** | **-$61,631** | **-$6,624** | **$112,962** | **-$44,090** | **-$54,345** | **-$19,201** | **-$22,384** | **-$16,940** | **$13,206** | **-$20,434** |
| **Consolidated Street and Hwy** |
| *Income* | $0 | $0 | $0 | $0 | $0 | $11,475 | $12,984 | $15,654 | $12,164 | $11,466 | $1,650 | $0 | $65,394 |
| *Expenses* | $0 | $0 | $0 | $0 | $0 | $2,241 | $33,000 | $13,300 | $1,133 | $40,760 | $0 | $2,200 | $92,634 |
| **Result** | **$0** | **$0** | **$0** | **$0** | **$0** | **$9,234** | **-$20,016** | **$2,354** | **$11,031** | **-$29,294** | **$1,650** | **-$2,200** | **-$27,241** |
| **Water** |
| *Income* | $16,665 | $18,125 | $16,311 | $16,907 | $17,593 | $17,063 | $22,599 | $19,585 | $19,263 | $20,057 | $16,891 | $91,426 | $292,484 |
| *Expenses* | $22,169 | $13,056 | $15,303 | $31,279 | $17,129 | $9,367 | $10,965 | $6,975 | $10,892 | $25,733 | $36,303 | $16,788 | $215,959 |
| **Result** | **-$5,504** | **$5,069** | **$1,007** | **-$14,372** | **$464** | **$7,697** | **$11,634** | **$12,610** | **$8,371** | **-$5,677** | **-$19,412** | **$74,638** | **$76,525** |
| **Sewer** |
| *Income* | $10,760 | $12,404 | $11,157 | $11,954 | $11,635 | $11,718 | $11,927 | $11,382 | $11,981 | $11,049 | $11,550 | $11,404 | $138,922 |
| *Expenses* | $18,604 | $6,622 | $7,483 | $18,178 | $4,463 | $4,564 | $12,586 | $5,203 | $11,349 | $5,267 | $5,062 | $25,677 | $125,058 |
| **Result** | **-$7,844** | **$5,782** | **$3,674** | **-$6,224** | **$7,172** | **$7,154** | **-$659** | **$6,179** | **$631** | **$5,783** | **$6,488** | **-$14,273** | **$13,863** |
| **Solid Waste** |
| *Income* | $8,162 | $7,762 | $8,297 | $8,642 | $8,223 | $9,656 | $10,779 | $9,861 | $10,270 | $9,938 | $9,636 | $10,511 | $111,736 |
| *Expenses* | $0 | $7,920 | $8,040 | $8,332 | $9,350 | $10,056 | $10,024 | $9,868 | $8,579 | $10,646 | $9,912 | $9,975 | $102,703 |
| **Result** | **$8,162** | **-$158** | **$257** | **$310** | **-$1,127** | **-$401** | **$755** | **-$7** | **$1,691** | **-$708** | **-$276** | **$536** | **$9,033** |
| **Outstanding indebtedness** |
| **G.O. Bonds** |
| *Income* | $11,320 | $9,801 | $10,818 | $8,158 | $16,142 | $13,633 | $12,984 | $15,654 | $12,164 | $13,425 | $11,109 | $23,195 | $158,403 |
| *Expenses* | $0 | $0 | $86,149 | $0 | $1,000 | $0 | $0 | $0 | $20,694 | $0 | $0 | $0 | $107,843 |
| **Result** | **$11,320** | **$9,801** | **-$75,331** | **$8,158** | **$15,142** | **$13,633** | **$12,984** | **$15,654** | **-$8,530** | **$13,425** | **$11,109** | **$23,195** | **$50,561** |

2021:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Fund** | **1/2021** | **2/2021** | **3/2021** | **4/2021** | **5/2021** | **6/2021** | **7/2021** | **8/2021** | **9/2021** | **10/2021** | **11/2021** | **12/2021** | **Total** |
| **General** |
| *Income* | $161,438 |  |  |  |  |  |  |  |  |  |  |  | $161,438 |
| *Expenses* | $36,927 |  |  |  |  |  |  |  |  |  |  |  | $36,927 |
| **Result** | **$124,511** |  |  |  |  |  |  |  |  |  |  |  | **$124,511** |
| **Consolidated Street and Hwy** |
| *Income* | $14,067 |  |  |  |  |  |  |  |  |  |  |  | $14,067 |
| *Expenses* | $0 |  |  |  |  |  |  |  |  |  |  |  | $0 |
| **Result** | **$14,067** |  |  |  |  |  |  |  |  |  |  |  | **$14,067** |
| **Water** |
| *Income* | $17,592 |  |  |  |  |  |  |  |  |  |  |  | $17,592 |
| *Expenses* | $108,232 |  |  |  |  |  |  |  |  |  |  |  | $108,232 |
| **Result** | **-$90,640** |  |  |  |  |  |  |  |  |  |  |  | **-$90,640** |
| **Sewer** |
| *Income* | $12,266 |  |  |  |  |  |  |  |  |  |  |  | $12,266 |
| *Expenses* | $6,352 |  |  |  |  |  |  |  |  |  |  |  | $6,352 |
| **Result** | **$5,914** |  |  |  |  |  |  |  |  |  |  |  | **$5,914** |
| **Solid Waste** |
| *Income* | $9,992 |  |  |  |  |  |  |  |  |  |  |  | $9,992 |
| *Expenses* | $10,300 |  |  |  |  |  |  |  |  |  |  |  | $10,300 |
| **Result** | **-$308** |  |  |  |  |  |  |  |  |  |  |  | **-$308** |
| **Outstanding indebtedness** |
| **G.O. Bonds** |
| *Income* | $14,067 |  |  |  |  |  |  |  |  |  |  |  | $14,067 |
| *Expenses* | $0 |  |  |  |  |  |  |  |  |  |  |  | $0 |
| **Result** | **$14,067** |  |  |  |  |  |  |  |  |  |  |  | **$14,067** |

|  |
| --- |
| **General Fund** |
| **Year** | **Total Income** | **Total Expenses** |
| **2016** | $493,144.63 | $544,970.75 |
| **2017** | $606,239.90 | $516,852.31 |
| **2018** | $644,521.77 | $699,168.13 |
| **2019** | $513,517.02 | $621,608.16 |
| **2020** | $623,105.69 | $642,627.33 |
| Total | $2,880,529.01 | $3,025,226.68 |
| Average | $576,105.80 | $605,045.34 |

General Fund Personnel Breakdown:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category/Year | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
| Administration/Special Projects | $56,073.00 | $58,335.00 | $59,109.00 | $77,701.00 | $88,719.00 | $67,987.40 |
| % OE | 18% | 18% | 17% | 20% | 22% | 19% |
| Police Department | $138,926.00 | $150,213.00 | $140,739.00 | $155,127.00 | $169,502.00 | $150,901.40 |
| % OE | 45% | 47% | 40% | 40% | 42% | 43% |
| Public Works | $74,677.00 | $79,079.00 | $80,937.00 | $89,269.00 | $89,981.00 | $82,788.60 |
| % OE | 24% | 25% | 23% | 23% | 22% | 24% |
| Parks and Pool | $29,329.00 | $22,600.00 | $57,391.00 | $52,932.00 | $34,783.00 | $39,407.00 |
| % OE | 10% | 7% | 16% | 14% | 9% | 11% |
| Court/Legal | $8,385.00 | $8,783.00 | $9,683.00 | $9,062.00 | $17,113.00 | $10,605.20 |
| % OE | 3% | 3% | 3% | 2% | 4% | 3% |
| Total | $307,390.00 | $319,010.00 | $347,859.00 | $384,091.00 | $400,098.00 | $351,689.60 |













General Fund Operating Expense:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category/Year | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
| Administration/Special Projects | $74,931.00 | $71,901.00 | $200,339.00 | $66,412.00 | $84,964.00 | $99,709.40 |
| % OE | 32% | 37% | 57% | 28% | 35% | 40% |
| Police Department | $23,417.00 | $47,777.00 | $41,818.00 | $25,220.00 | $49,617.00 | $37,569.80 |
| % OE | 10% | 24% | 12% | 11% | 21% | 15% |
| Public Works | $120,390.00 | $55,480.00 | $66,888.00 | $104,748.00 | $75,029.00 | $84,507.00 |
| % OE | 51% | 28% | 19% | 44% | 31% | 34% |
| Parks and Pool | $15,427.00 | $14,999.00 | $36,865.00 | $35,750.00 | $24,334.00 | $25,475.00 |
| % OE | 7% | 8% | 11% | 15% | 10% | 10% |
| Court/Legal | $1,676.00 | $5,757.00 | $3,482.00 | $3,270.00 | $5,812.00 | $3,999.40 |
| % OE | 1% | 3% | 1% | 1% | 2% | 2% |
| Total | $235,841.00 | $195,914.00 | $349,392.00 | $235,400.00 | $239,756.00 | $251,260.60 |













General Fund Combined Personnel and Operating Comparison:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Category/Year | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
| Administration/Special Projects | $131,004.00 | $130,236.00 | $259,448.00 | $144,113.00 | $173,683.00 | $167,696.80 |
| % GF | 24% | 25% | 37% | 23% | 27% | 28% |
| Police Department | $162,343.00 | $197,990.00 | $182,557.00 | $180,347.00 | $219,119.00 | $188,471.20 |
| % GF | 30% | 38% | 26% | 29% | 34% | 31% |
| Public Works | $195,067.00 | $134,559.00 | $147,825.00 | $194,017.00 | $165,010.00 | $167,295.60 |
| % GF | 36% | 26% | 21% | 31% | 26% | 28% |
| Parks and Pool | $44,756.00 | $37,599.00 | $94,256.00 | $88,682.00 | $59,117.00 | $64,882.00 |
| % GF | 8% | 7% | 14% | 14% | 9% | 11% |
| Court/Legal | $10,061.00 | $14,540.00 | $13,165.00 | $12,332.00 | $22,925.00 | $14,604.60 |
| % GF | 2% | 3% | 2% | 2% | 4% | 2% |
| Total | $543,231.00 | $514,924.00 | $697,251.00 | $619,491.00 | $639,854.00 | $602,950.20 |













Other Funds:

|  |
| --- |
| **Water Fund Income and Expenses** |
| **Year** | **Water Fund Total Income** | **Water Fund Total Expenses** |
| 2016 | $197,641.49 | $177,535.05 |
| 2017 | $197,027.99 | $166,069.64 |
| 2018 | $212,833.29 | $181,535.54 |
| 2019 | $205,681.04 | $220,548.86 |
| 2020 | $292,484.08 | $215,959.42 |
| **Total** | **$1,105,667.89** | **$961,648.51** |
| **Average** | **$221,133.58** | **$192,329.70** |



|  |
| --- |
| **Sewer Fund Income and Expenses** |
| **Year** | **Total Income** | **Total Expenses** |
| 2016 | $126,135.65 | $121,436.47 |
| 2017 | $126,290.07 | $92,303.00 |
| 2018 | $130,357.91 | $120,459.00 |
| 2019 | $139,617.66 | $147,512.55 |
| 2020 | $138,921.57 | $125,058.00 |
| **Total** | **$661,322.86** | **$606,769.02** |
| **Average** | **$132,264.57** | **$121,353.80** |



*Debt:*

Below you will see the debt payments for the City, over the last five years. In 2019, the payment on the Water Plant was completed. Going forward from 2020, the only debt obligation will be to the Swimming Pool G.O. Bond. This debt obligation will not count against the total debt limit of the City – opening doors for USDA loans for infrastructure projects.

|  |
| --- |
| **All Funds, Percentage of Debt Comparison** |
| **Year** | **All spending** | **Debt payments** | **Non-debt spending** | **% Debt** |
| 2016 | $1,102,510.02 | $86,820.46 | $1,015,689.56 | 7.87% |
| 2017 | $1,987,518.17 | $72,777.69 | $1,914,740.48 | 3.66% |
| 2018 | $2,240,813.48 | $120,172.96 | $2,120,640.52 | 5.36% |
| 2019 | $1,207,152.01 | $124,230.31 | $1,082,921.70 | 10.29% |
| 2020 | $1,294,146.00 | $107,842.50 | $1,186,303.50 | 8.33% |
| \*2021\* | $1,400,000.00 | $105,867.45 | $1,294,132.55 | 7.56% |
| **Total** | **$9,232,139.68** | **$617,711.37** | **$8,614,428.31** |  |
| **Average** | **$1,538,689.95** | **$102,951.90** | **$1,435,738.05** | **7.18%** |

The City is on track to reach the saturation point of the GO terms by 2033. The estimates I have included in the following table are conservative, so there is a reasonable chance this date comes before 2033.

|  |
| --- |
| **Debt Schedule/Projections** |
| **Year** | **Income** | **Expense** |
| *2016* | *$153,720.70* | *$0.00* |
| *2017* | *$100,807.70* | *$41,458.23* |
| *2018* | *$113,506.17* | *$88,853.50* |
| *2019* | *$138,218.90* | *$108,687.50* |
| *2020* | *$124,099.80* | *$107,842.50* |
| *2021* | *$120,000.00* | *$105,867.45* |
| *2022* | *$120,000.00* | *$104,762.40* |
| *2023* | *$120,000.00* | *$103,527.40* |
| *2024* | *$120,000.00* | *$107,107.40* |
| *2025* | *$120,000.00* | *$105,497.45* |
| *2026* | *$120,000.00* | *$103,747.40* |
| *2027* | *$120,000.00* | *$106,787.40* |
| *2028* | *$120,000.00* | *$104,612.40* |
| *2029* | *$120,000.00* | *$107,187.40* |
| *2030* | *$120,000.00* | *$104,587.40* |
| *2031* | *$120,000.00* | *$106,906.20* |
| *2032* | *$120,000.00* | *$104,037.50* |
| *2033* | *$120,000.00* | *$105,975.00* |
| *2034* | *$120,000.00* | *$102,825.00* |
| *2035* | *$120,000.00* | *$104,468.70* |
| *2036* | *$120,000.00* | *$105,812.40* |
| *2037* | *$120,000.00* | *$106,968.70* |
| **Total** | **$2,670,353.27** | **$2,137,519.33** |
| **Act. Average** | **$126,070.65** | **$101,786.63** |

*Infrastructure Spending:*

|  |
| --- |
| **All Funds, Percentage of Infrastructure Spend Comparison** |
| **Year** | **All spending** | **Infrastructure Spend** | **Non-infrastructure spending** | **% Infrastructure spending** |
| 2016 | $1,102,510.02 | $75,714.36 | $1,026,795.66 | 6.87% |
| 2017 | $1,987,518.17 | $432,621.29 | $1,554,896.88 | 21.77% |
| 2018 | $2,240,813.48 | $223,140.09 | $2,017,673.39 | 9.96% |
| 2019 | $1,207,152.01 | $83,669.16 | $1,123,482.85 | 6.93% |
| 2020 | $1,294,146.00 | $132,018.85 | $1,162,127.15 | 10.20% |
| \*2021\* | $1,400,000.00 | $370,000.00 | $1,030,000.00 | 26.43% |
| **Total** | **$8,129,629.66** | **$1,241,449.39** | **$5,858,180.27** |  |
| **Average** | **$1,538,689.95** | **$219,527.29** | **$1,319,162.66** | **13.69%** |

|  |
| --- |
| **Infrastructure Spend by Type** |
| **Year** | **Streets** | **Water** | **Sewer** | **Total** |
| 2016 | $64,539.17 | $0.00 | $11,175.19 | $75,714.36 |
| 2017 | $424,548.14 | $0.00 | $8,073.15 | $432,621.29 |
| 2018 | $191,889.74 | $0.00 | $31,250.35 | $223,140.09 |
| 2019 | $27,726.57 | $25,324.97 | $30,617.62 | $83,669.16 |
| 2020 | $96,197.59 | $28,100.00 | $7,721.26 | $132,018.85 |
| **\*\*2021\*\*** | **$120,000.00** | **$120,000.00** | **$130,000.00** | **$370,000.00** |
| **Total** | **$860,362.04** | **$173,424.97** | **$207,662.38** | **$1,241,449.39** |

*Vehicle Replacement:*

The City has been paying for major equipment and vehicle replacements out of the General Fund. When considering this over time, this becomes a very difficult practice, in terms of financial planning.

The State of Kansas allows the City to maintain and utilize a Special Equipment reserve fund, which can be used for Equipment/Vehicle replacement activities. Please refer to *attachment 3* to see the roster of City equipment/vehicles, along with an estimated lifespan and replacement schedule.

Since the City has been using the General Fund primarily for acquisitions, the Special Equipment Reserve has been a dormant fund. I strongly encourage the governing body to change this practice. The City is behind schedule on saving to replace vehicles. If the City were to replace the vehicles, based on their estimated remaining lifespan, we would need to start off by transferring $53,291.67 this FY, slowing decreasing over the next decade. This is most likely not an option for the City at this time.

Please refer to this scenario if the City begins transferring $25,000 this year:

|  |
| --- |
| **2021 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$5,500.00** |  | **$0.00** |
| **Transfer In** | **$25,000.00** |  | **$0.00** |
| **Surplus** | **$0.00** |  | **$0.00** |
|  | **$0.00** |  |  |
| **Total** | **$30,500.00** | **Total** | **$0.00** |
| **End of year result** | **$30,500.00** |

|  |
| --- |
| **2022 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$30,500.00** | **Police Vehicle** | **$22,000.00** |
| **Transfer In** | **$25,000.00** |  |  |
| **Surplus** | **$1,000.00** |  |  |
|  | **$0.00** |  |  |
| **Total** | **$56,500.00** | **Total** | **$22,000.00** |
| **End of year result** | **$34,500.00** |

|  |
| --- |
| **2023 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$34,500.00** | **City Admin PC** | **$2,500.00** |
| **Transfer In** | **$25,000.00** | **PW Vehicle** | **$15,000.00** |
| **Surplus** | **$1,000.00** |  | **$0.00** |
|  | **$0.00** |  |  |
| **Total** | **$60,500.00** | **Total** | **$17,500.00** |
| **End of year result** | **$43,000.00** |

|  |
| --- |
| **2024 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$43,000.00** |  |  |
| **Transfer In** | **$25,000.00** |  | **$0.00** |
| **Surplus** | **$0.00** |  | **$0.00** |
|  | **$0.00** |  |  |
| **Total** | **$68,000.00** | **Total** | **$0.00** |
| **End of year result** | **$68,000.00** |

|  |
| --- |
| **2025 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$68,000.00** | **PD Vehicle** | **$22,000.00** |
| **Transfer In** | **$25,000.00** | **PD PC** | **$2,500.00** |
| **Surplus** | **$2,000.00** | **PW Mower** | **$9,000.00** |
|  | **$0.00** | **PW Mower** | **$9,000.00** |
| **Total** | **$95,000.00** | **Total** | **$42,500.00** |
| **End of year result** | **$52,500.00** |

|  |
| --- |
| **2026 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$52,500.00** | **PW Vehicle** | **$15,000.00** |
| **Transfer In** | **$25,000.00** | **PW PC** | **$2,500.00** |
| **Surplus** | **$1,000.00** | **City Clerk PC** | **$2,500.00** |
|  | **$0.00** |  |  |
| **Total** | **$78,500.00** | **Total** | **$20,000.00** |
| **End of year result** | **$58,500.00** |

|  |
| --- |
| **2027 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$58,500.00** | **PD Vehicle** | **$22,000.00** |
| **Transfer In** | **$25,000.00** | **Copier** | **$9,000.00** |
| **Surplus** | **$1,000.00** |  | **$0.00** |
|  | **$0.00** |  |  |
| **Total** | **$84,500.00** | **Total** | **$31,000.00** |
| **End of year result** | **$53,500.00** |

|  |
| --- |
| **2028 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$53,500.00** | **PD Vehicle** | **$22,000.00** |
| **Transfer In** | **$25,000.00** | **PW Vehicle** | **$15,000.00** |
| **Surplus** | **$4,000.00** | **Dump Truck** | **$20,000.00** |
|  | **$0.00** |  |  |
| **Total** | **$82,500.00** | **Total** | **$57,000.00** |
| **End of year result** | **$25,500.00** |
| **2029 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$25,500.00** | **City Admin PC** | **$2,500.00** |
| **Transfer In** | **$25,000.00** | **Backhoe** | **$40,000.00** |
| **Surplus** | **$2,000.00** |  |  |
|  | **$0.00** |  |  |
| **Total** | **$52,500.00** | **Total** | **$42,500.00** |
| **End of year result** | **$10,000.00** |

|  |
| --- |
| **2030 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **$10,000.00** | **Tractor** | **$40,000.00** |
| **Transfer In** | **$25,000.00** |  |  |
| **Surplus** | **$2,000.00** |  |  |
|  | **$0.00** |  |  |
| **Total** | **$37,000.00** | **Total** | **$40,000.00** |
| **End of year result** | **-$3,000.00** |

|  |
| --- |
| **2031 Breakdown** |
| **Income** | **Expenditures** |
| **Starting Balance** | **-$3,000.00** | **PD Vehicle** | **$22,000.00** |
| **Transfer In** | **$25,000.00** |  |  |
| **Surplus** |  |  |  |
|  | **$0.00** |  |  |
| **Total** | **$22,000.00** | **Total** | **$22,000.00** |
| **End of year result** | **$0.00** |

This is a hypothetical scenario; however, you can see that is plausible. We have a roster of mostly aging vehicles and equipment, which will need attention. If the governing body wishes to maintain this amount of equipment and vehicles, I strong recommend $25,000 as a minimum transfer amount to the Special Equipment Reserve Fund.

The Public Works department is largely able to complete maintenance in-house. There are some repair costs, however, they are hit and miss compared to the Police Department who regularly seeks maintenance on vehicles given the patrol hours. Please see the maintenance history on PD vehicles the last two years:

|  |  |  |  |
| --- | --- | --- | --- |
| **Vehicle** | **2019** | **2020** | **Total** |
| 2010 Dodge Charger | 604.62 | 84.16 | 688.78 |
| 2008 Jeep | 2192.94 | 2032.34 | 4225.28 |
| 2014 Dodge Charger | 280.38 | 479.6 | 759.98 |
| 2018 Ford Explorer |  | 967.62 | 967.62 |
| **Total** | **3077.94** | **3563.72** | **6641.66** |

Insurance is another cost that is incurred annually per vehicle:

|  |  |  |  |
| --- | --- | --- | --- |
| **Department** | **Equipment** | **2020 Insurance** | **2021 Insurance** |
| Police | 2010 Dodge Charger | $768.00 | $703.00 |
| Police | 2008 Jeep | $607.00 | $634.00 |
| Police | 2014 Dodge Charger | $947.00 | $926.00 |
| Police | 2018 Ford Explorer | - | $1,247.00 |
| Public Works | 2001 Dodge | $607.00 | $558.00 |
| Public Works | 2010 Chevy | $795.00 | $756.00 |
| Public Works | 1994 Chevy | $346.00 | $326.00 |
| Public Works | 2006 International Dump Truck | $1,253.00 | $1,360.00 |
| **Total** |  | **$5,323.00** | **$6,510.00** |

**ISSUES**:

1. General fund 12 month rolling average is short of desired three month emergency reserve amount.

2. Vehicle and equipment replacement is a looming challenge. These expenses have historically hindered the General Fund.

3. Begin discussions on discretionary spending for 2021 general fund. Ideally wait until June to expend resources. Once the governing body gives direction on spending priorities, staff will begin making preparations to hold more detailed discussions at later meetings.

|  |  |  |
| --- | --- | --- |
| **Proposed Item** | **Estimated cost** | **Rank** |
| **Oak street pond**  | $25,000.00 |  |
| **Jeep Liberty Replacement** | $22,000.00 |  |
| **Police Department and Public Works Department building Maintenance/renovation** | $15,000.00 |  |
| **House Demolition** | $10,000.00 |  |
| **Swimming pool parking lot** | $25,000.00 |  |
| **Swimming pool driveway** | $6,000.00 |  |
| **ADA accessibility of City Hall** | $5,000.00 |  |
| **Police Department Case Management Server** | $3,500.00 |  |
| **Chevy 1500 Replacement Truck for Public works** | $15,000.00 |  |
| **Ordinance Codification** | $10,000.00 | 3 |
| **Benches and trash receptacles for downtown** | $5,000.00 |  |
| **Rock/sand/salt and dumpster area** | $10,000.00 | 2 |
| **VERF Contribution (Special Equipment Reserve Transfer)** | $25,000.00 | 1 |
| **Total** | $151,500.00 |  |

* Numbers in the ranking column are my recommended priorities for the coming year.
* Final number of discretionally spending will not be able to be determined until after at least June, when second round of significant property taxes are deposited. If revenues drop of, it will need to decrease.

**RECOMMENDATION**:

Begin end-of-year transfer from General fund to Special equipment reserve.

Identify the spending priorities of the governing body.

Sincerely,

Joseph Hackney

City Administrator