BILL 2012-35

****** First Reading ******

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: August 6, 2012

RE: Ordinance – 2012-2013 Fiscal Year Budget

Issues

The attached ordinance will authorize the budget for the fiscal year, beginning October 1, 2012, running through September 30, 2013. The proposed budget has been reviewed by the Council Finance Committee, and is available for public review.

Revenues to the City are anticipated to be $23,585,282, and expenses are expected to be $23,044,180. The increase over last year is the funding of capital improvements for water, wastewater and storm water improvements. Most funds have an adequate reserve, and the General Fund reserve will go from approximately 19% to 26%. Our goal last year, during the preparation of the current budget was to get this up to 25-50%, eventually. A reserve policy was discussed during the Finance Committee meeting, and staff will prepare something in the near future. Providing there are no large emergency or contingency expenditures, we expect to grow the General Fund reserve by approximately $260,385 at the end of the new fiscal year. The other funds, including the utilities are in fairly good shape. The reserves for water and wastewater will be improved as we continue to review our rates, annually. Our goal will be to get the water and wastewater fund reserves built up to a four to six-month operating reserve. The water and sewer use rates recently proposed are reflected in the new budget. Cost figures for our contract portion of operations at the wastewater plant have not been received from Alliance Water Resources at this point. However, any adjustment is expected to be small, and a budget amendment will be made, if necessary.

This year, the employees are absorbing an increase of approximately 9-10% for health insurance, where they are paying the entire increase of the cost of premiums and the City cost will remain the same as last year. No provisions were made for step increases this year, but a 2% cost of living adjustment was approved by the Committee for recommendation to the Council. It is a one-time expense, and not an addition to the Pay Matrix. The Committee agreed that we can take a look at the improving financial picture mid-year or so, and make recommendations on any step increases or other changes at that time. In the General Fund, we want to replace at least one patrol car this year, which is also included in this budget.

Recommendation

Staff recommends that the Council approve the first reading of the budget.

Bill 2012-35

AN ORDINANCE APPROVING THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI BUDGET OF THE ENSUING FISCAL YEAR OCTOBER 1, 2012 TO SEPTEMBER 30, 2013

BE IT ORDAINED BY THE COUNCIL FOR THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI, AS FOLLOWS:

Section 1. The City Council hereby has approved and adopted a budget for the fiscal year 2012-2013.

Section 2. The Budget for the fiscal year 2012-2013 is made a part of this ordinance and attached hereto.

Passed and approved on first reading this 6th day of August 2012.
Passed and approved on second reading this _____ day of August 2012.
Passed and approved on third and final reading this _____ day of September 2012.

_____
Mayor Dennis M. Clark

ATTEST:

_____
City Clerk/Finance Clerk

First Reading