BILL 2014-37

****** Second Reading ******

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, Interim City Manager

DATE: August 18, 2014

RE: Ordinance – 2014-2015 Fiscal Year Budget

Issues

The attached ordinance will authorize the budget for the fiscal year, beginning October 1, 2014, running through September 30, 2015. The proposed budget has been reviewed by the Council Finance Committee, and is available for public review.

Many capital improvements are planned for the upcoming fiscal year. For the Enterprise Funds, major sewer system improvements, automated metering, energy improvements and a fixed generator for the water treatment plant are planned. Some of these improvements will result in long-term savings, due to more efficient metering of utilities and energy savings. The General Fund has some funding included for an increased effort toward street maintenance. This is a planned drawdown of reserves, but the General Fund reserve level has improved over the last few years, allowing some capital improvements to be considered. The main revenue source for the General Fund is through sales taxes. While those revenues have been relatively flat over the last several years, the latest reports show a very slight increase. Since the State does not remit taxes to the City on a regular basis, it is very difficult to determine the actual trends per reporting period. Business activity in Cameron has been stable, and is leaning in a positive direction. A Tax Increment Financing project is proposed for the upcoming year, which is the first in several years. This project should have a positive impact on revenues as it grows.

For the past few years, the City, along with other cities in Missouri has been involved in litigation to recover tax revenue from certain telecommunications entities, as well as to preserve its rights for control over utility corridors/rights-of-way. This expense is considerable, but the City wants to retain rights that it has always had. The City also stands to lose a great deal of revenue if the telecoms succeed in getting changes to current State law regarding use of the City's rights-of-way. We will continue to fund this effort and keep Council informed of any major changes in the litigation effort.

Revenues to the City are anticipated to be $27,894,101, and expenses are expected to be $27,780,478. The increase over last year is the funding of capital improvements mentioned above. While no cost of living increase for the employees was funded, provisions were made for step increases for eligible employees this year, amounting to a little over 2.0%, overall. No

benefit increases are proposed. We practice conservative budgeting and strive to maintain adequate fund reserves for operations and emergency/capital expenses.

Recommendation

Staff recommends that the Council review and consider the first reading of the budget.

Bill 2014-37

AN ORDINANCE APPROVING THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI BUDGET OF THE ENSUING FISCAL YEAR OCTOBER 1, 2014 TO SEPTEMBER 30, 2015

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 2014-2015.

Section 2. The Budget for the fiscal year 2014-2015 is made a part of this ordinance and attached hereto.

Passed and approved on first reading this 18th day of August 2014.
Passed and approved on second reading this 2nd day of September 2014.
Passed and approved on third and final reading this ____day of _____ 2014.

_____
Mayor Dennis M. Clark

ATTEST:

_____
City Clerk/Finance Clerk

Second Reading