

Introduced by: City Manager Nathan Mai-Lombardo

**AN ORDINANCE APPROVING THE BUDGET OF THE CITY OF BERKELEY, MISSOURI, FOR THE FISCAL YEAR COMMENCING JULY 1, 2024 AND CONCLUDING JUNE 30, 2025; APPROPRIATING THE SUMS THEREIN FOR THE PURPOSES AND OBJECTS THEREIN**

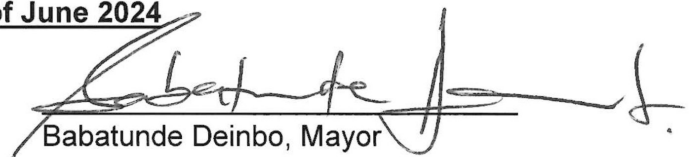
**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BERKELEY, MISSOURI, AS FOLLOWS:**

- Section 1.** The budget of the City of Berkeley, Missouri for the fiscal year commencing July 1, 2024 and concluding June 30, 2025; as presented and attached hereto and made a part hereof as it is more fully set forth herein, is hereby approved and such sums contained herein are hereby appropriated for the purposes and objects therein.
- Section 2.** This measure is deemed distinctly, the City Charter requires the Council to approve a budget, not later than the fourth (4<sup>th</sup>) day prior to commencement of this fiscal year.
- Section 3.** The budget summary will be attached and will be hereby incorporated herein and made a part of this ordinance.
- Section 4.** This Ordinance shall be in full force and effect from and after its date of passage.

1st Reading this 10<sup>th</sup> day of June 2024


2nd Reading this 10<sup>th</sup> day of June 2024

3rd Reading, PASSED and APPROVED, this 17<sup>th</sup> day of June 2024

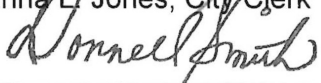


Babatunde Deinbo, Mayor

ATTEST:



Deanna L. Jones, City Clerk



Donnell Smith

Approved as to Form:  
Donnell Smith, City Attorney

Final Roll Call:

Councilwoman Verges	Aye ___	Nay ___	Absent <u>X</u>	Abstain ___
Councilwoman Williams	Aye <u>X</u>	Nay ___	Absent ___	Abstain ___
Councilman Hoskins	Aye <u>X</u>	Nay ___	Absent ___	Abstain ___
Councilwoman Anthony	Aye <u>X</u>	Nay ___	Absent ___	Abstain ___
Councilman Hindeleh	Aye <u>X</u>	Nay ___	Absent ___	Abstain ___
Councilwoman-at-Large Crawford-Graham	Aye ___	Nay ___	Absent ___	Abstain <u>X</u>
Mayor Deinbo	Aye <u>X</u>	Nay ___	Absent ___	Abstain ___



## ***City Managers Budget Message FY24/25***

June 30, 2024

Mayor Deinbo and Members of Council:

I am pleased to submit for your consideration the following budget for the fiscal year beginning July 1, 2024. My recommendations are based on a thorough review of our current financial standing in conjunction with the goals and priorities you have expressed for our community. I have also considered staff requests, infrastructure needs, and specific desires of the community. Without a doubt, this budget meets the needs of as City working to live up to its motto as a "Planned Progressive Community".

The budget was developed using the standards set forth by the Government Finance Officers Association (GFOA) and will be submitted to GFOA in anticipation of gaining the prestigious Distinguished Budget Presentation Award for the City's FY24/25 budget.

### ***City Council Strategic Goals for FY24/25***

The progress we make as a community is only possible through great teamwork and collaboration, both from within our organization and throughout the greater community. The City will continue to make progress and govern responsibly by maintaining focus on the strategic goals set by Mayor and Council leading our City into the future. These include the following, which were established for FY24/25:

- Fiscally sound and efficient City government,
- Economic Development,
- Invest in the City's infrastructure,
- Proactive Public Safety and Code Enforcement initiatives,
- Recreational and leisure opportunities for youth and seniors,
- Development of a new Civic Center, and



- Strategies to fully staff departments and retain quality employees.

### ***FY24/25 Budget Overview and Highlights***

The FY24/25 budget provides for the City to continue investing in our organization and community. Notable changes have occurred over the past two years, and we intend to keep our momentum going forward. These investments are laid out in the appropriate section of the budget. However, some highlights include:

- Minimum \$100,000 continued investment in the Neighborhood Stabilization Program.
- Completion of the last of our ARPA projects, which will involve \$150,000 worth of new signage around the community.
- An additional \$450,000 in street repairs, for a three-year total of over \$4 million dollars.
- Completion of our park improvements, for a total three-year commitment of over \$3 million dollars.
- Beginning renovations of Airport Elementary School into a new Civic Center.
- Increased resources for City staff.
- Investing in our City's economic development including \$1 million for property acquisition, \$500,000 for demolition, \$3,000,000 for site improvements, and \$250,000 for our Commercial Façade Improvement program.
- \$3.4 million for renovations at Fire Station #2.
- \$1.2 million to begin new construction at our Public Works complex.
- We are also planning to update our Comprehensive Plan, and complete our Downtown Development Plan and Parks Master Plan.

While improving our service levels to the community, we remain fiscally responsible at all times. This budget includes both our required \$200,000 contingency to help buffer against fluctuations in revenues as well as our required 17% General Fund reserve.

As mandated by the City Charter, the FY24/25 budget represents a balanced



budget. Total appropriations from each fund do not exceed estimated fund balances and revenues for each of the City's respective funds. The remainder of this transmittal letter details in general terms the operating and capital budgets, expenditures and revenues for each fund, and changes in the final balance.

### ***FY24/25 Operating Budget***

Operating expenses include all employee salaries and benefits, as well as those purchases that are not able to be capitalized. All services provided by the City in FY24/25 are approved at funding levels which permit the continuation of services at improved service levels.

### ***FY24/25 Capital Budget***

The City's Capital Budget includes any project or item with a life of five years or more and a cost of over \$5,000. Major construction projects, including street improvements, are considered capital expenditures. Most major equipment purchases also meet the criteria for capital expenditures. The City's 5-year Capital Plan is included in totality in Appendix A.

### ***Total Revenues***

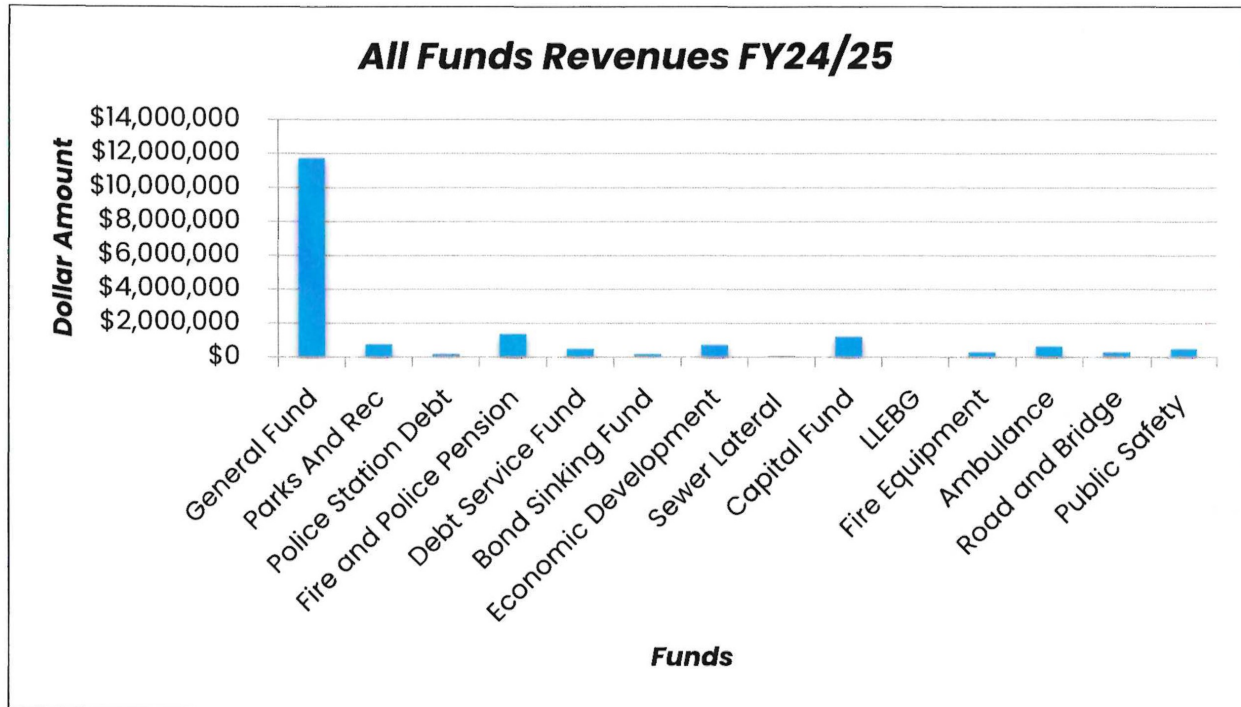
The City of Berkeley has a diverse revenue base. We continue to work to stabilize and further diversify that base. Total revenues for FY24/25 are \$18,673,988. The revenues breakdown by fund is as follows:

- General Fund: \$11,746,650
- Parks: \$765,250
- Police Station Debt: \$205,388
- Police and Fire Pension: \$1,387,000
- Debt Service: \$498,150
- Bond Sinking: \$197,500
- Economic Development: \$750,500
- Sewer Lateral: \$85,000
- Capital: \$1,230,000



- LLEBG: \$500
- Fire Equipment: \$325,000
- Ambulance: \$668,000
- County Road & Bridge: \$315,000
- Public Safety: \$500,050

Below is a chart depicting the total revenues for all funds for FY24/25:



### Total Expenditures

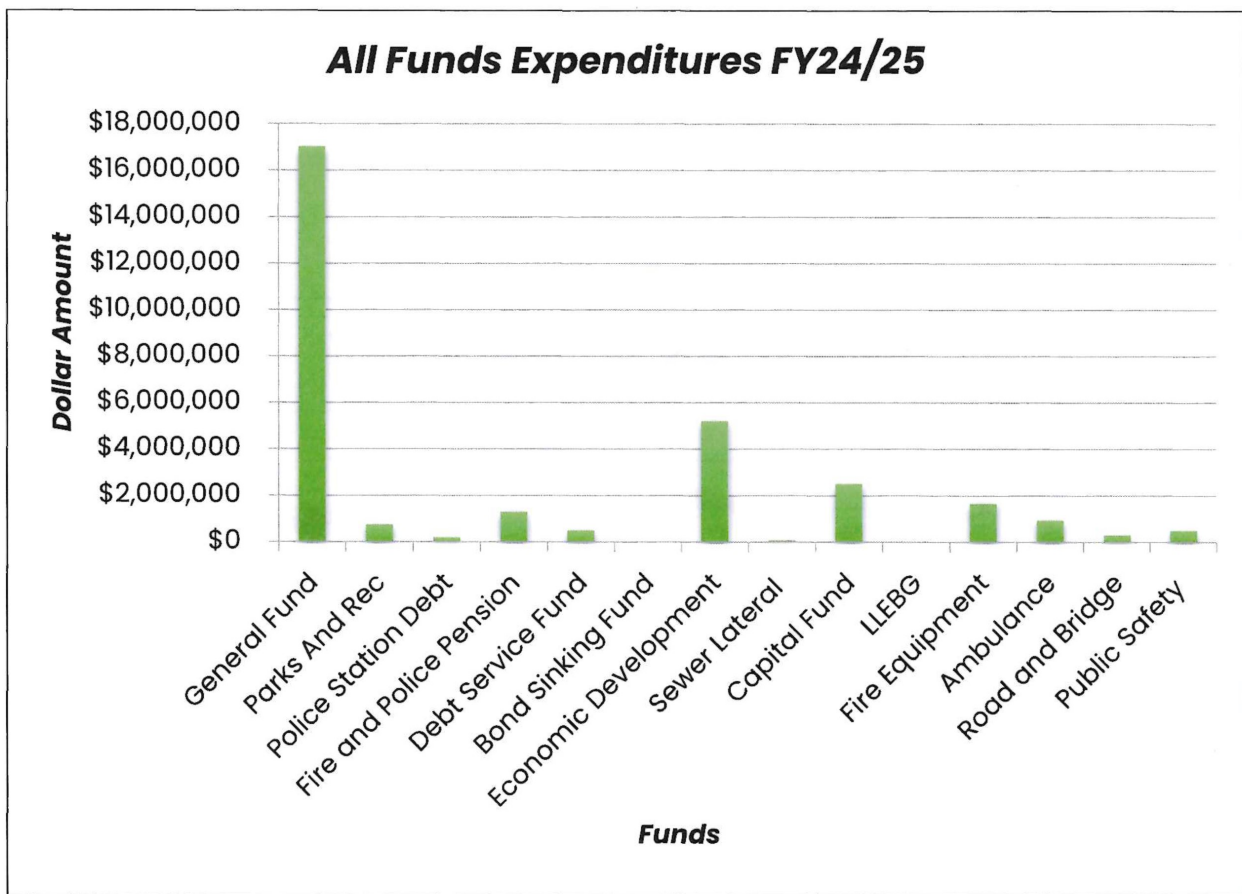
The FY24/25 annual budget for all funds totals \$30,968,274. The City has a total of fifteen (14) different funds. The expenditures breakdown is as follows:

- General Fund: \$17,031,196
- Parks: \$765,250
- Police Station Debt: \$205,388
- Police and Fire Pension: \$1,297,500
- Debt Service: \$498,150
- Bond Sinking: \$0
- Economic Development: \$5,230,038



- Sewer Lateral: \$85,000
- Capital: \$2,515,000
- LLEBG: \$0
- Fire Equipment: \$1,662,500
- Ambulance: \$948,000
- County Road & Bridge: \$315,000
- Public Safety: \$500,050

Below is a table illustrating the FY24/25 total uses by each fund. These figures include expenditures and inter-fund transfers.



**General Fund**

The General Fund is used as the chief operating fund and to account for all resources which are not accounted for in another fund. Most functions of the City are financed within this fund, such as maintenance and operations (M&O),

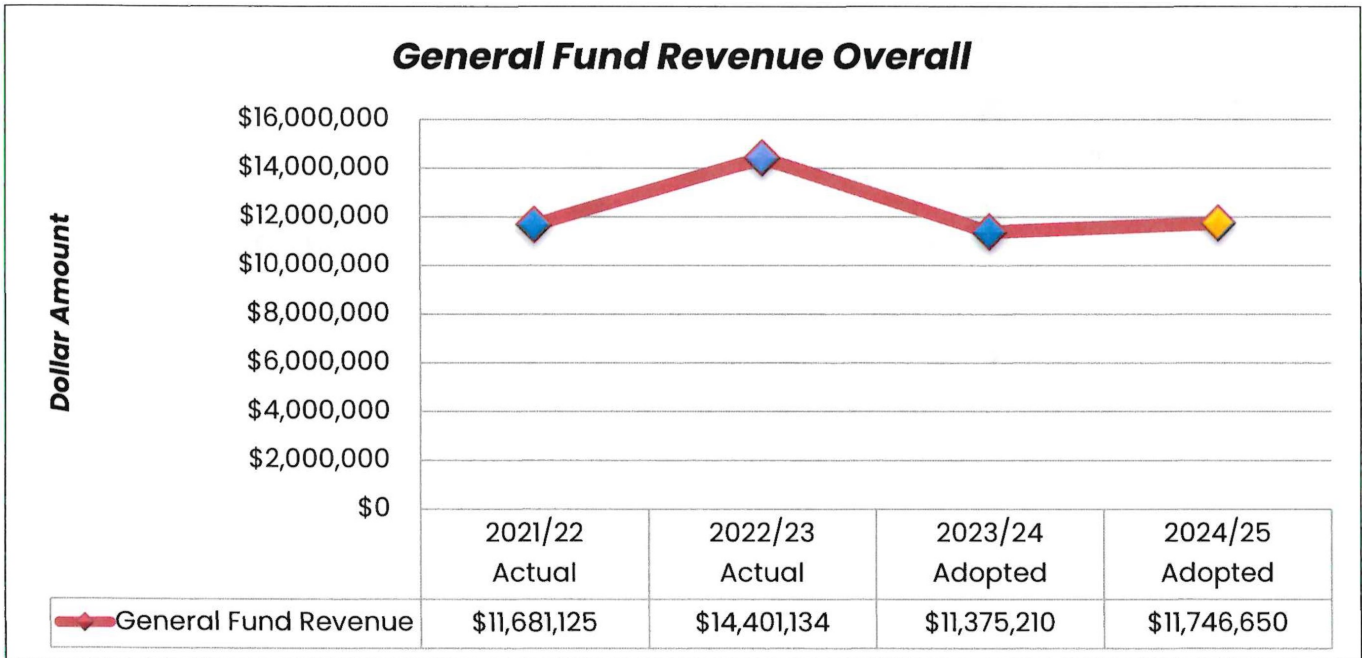


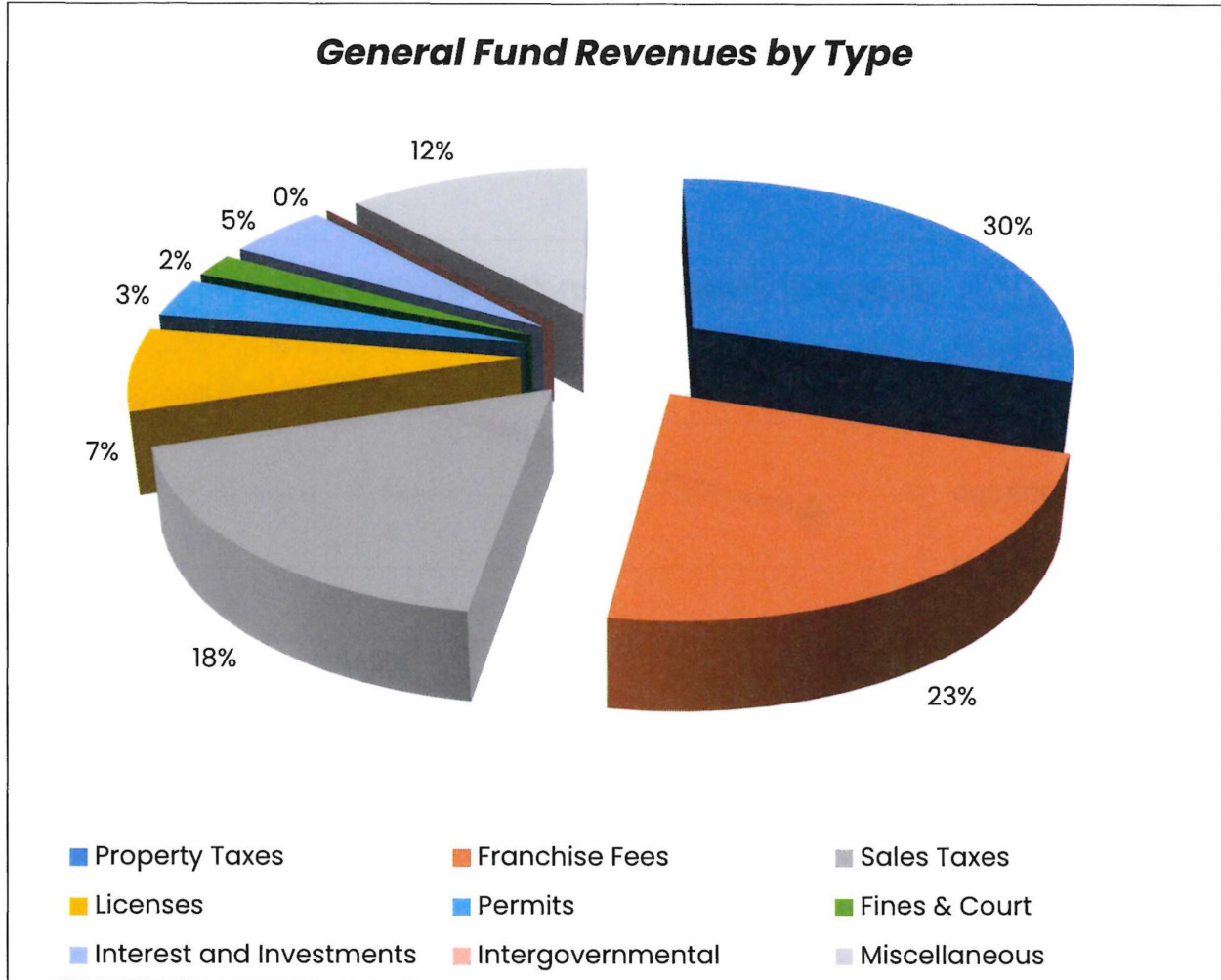
and salaries and benefits. By definition, there can only be one General Fund.

**General Fund Revenues**

Total General Fund revenue for FY24/25 is estimated to be \$11,746,650. The City's General Fund is made up of 9 different revenue streams:

- Property Taxes: \$3,500,000
- Franchise Fees: \$2,665,000
- Sales Taxes: \$2,088,000
- Licenses: \$850,200
- Permits: \$404,500
- Fines & Court: \$243,750
- Interest & Investments: \$579,500
- Intergovernmental: \$2,000
- Miscellaneous: \$1,413,700





**General Fund Expenditures**

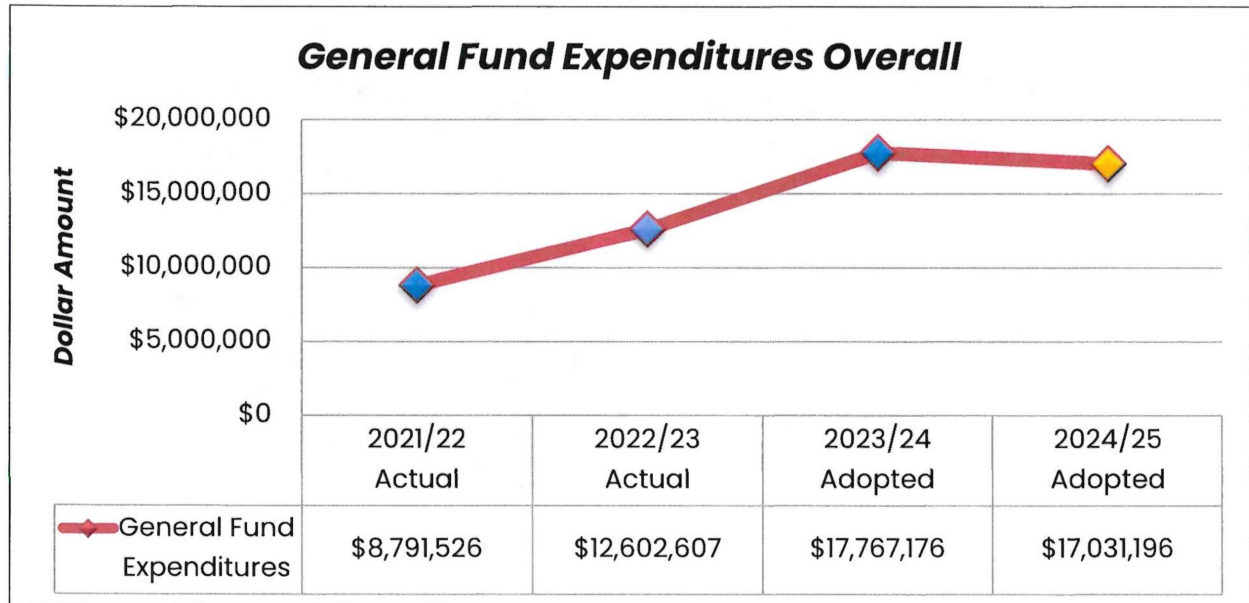
The total for all General Fund expenditures for FY24/25 is estimated to be \$17,031,196. The expenditures for FY24/25 by department are as follows:

- City Council: \$266,180
- Administration: \$6,453,344
- City Clerk: \$155,088
- Code Enforcement and Inspections: \$504,980
- Municipal Court: \$187,543
- Moline Court: \$67,469
- Facilities Maintenance: \$179,925
- Finance: \$465,180



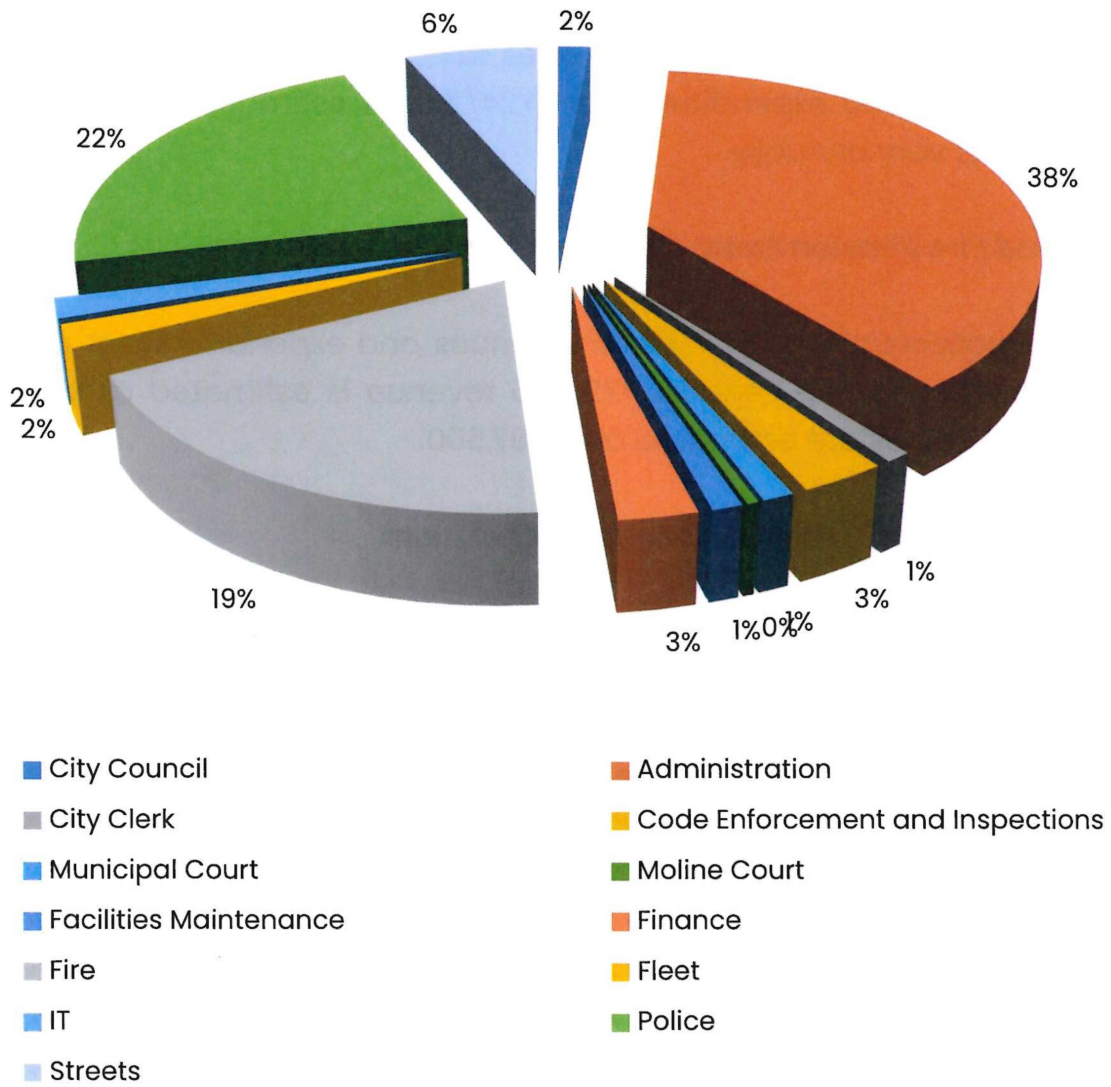


Fire: \$3,225,415  
 Fleet: \$329,897  
 IT: \$289,391  
 Police: \$3,808,669  
 Streets: \$1,098,115





### General Fund Expenditures by Department



### Parks Fund - Revenues and Expenditures

The Parks Fund accounts for the receipts of the City's ½ cent sales tax. These receipts are to be used for park and storm water activities. It also receives other park related revenues. FY24/25 revenues and expenditures are estimated at \$765,250.

***Police Station Debt Fund – Revenues and Expenditures***

In August 2015, the City issued \$3,000,000 in General Obligation Bonds (Series 2015) to provide funds for the construction of a new Police Station. These G.O. bonds are funded by an additional sales tax and paid by a transfer into this fund. Revenues and expenditures for FY24/25 are estimated to be \$205,388. The amounts vary annually.

***Police and Fire Pension Fund – Revenues and Expenditures***

This fund collects and disburses all revenues and expenditures for the City's private Police and Fire Pension. FY24/25 revenue is estimated at \$1,387,000, while expenditures are estimated at \$1,297,500.

***Debt Service Fund – Revenues and Expenditures***

This fund receives revenues as transfers in from other funds. They are then used to pay the bond payment for the City's municipal complex (City Hall and Fire Station #1). The funds which make up the transfer(s) can differ annually. For FY24/25 revenues and expenditures are estimated at \$498,150.

***Bond Sinking Fund – Revenues and Expenditures***

This fund receives revenues as part of our overall taxes from varied sources. The funds are used to help pay the City's bonds. Revenues in FY24/25 are estimated to be \$197,500, while no expenditures are anticipated.

***Economic Development Fund – Revenues and Expenditures***

The Economic Development Fund is used to account for the Economic Development Sales Tax, which is required to be used for economic development within the City. We are estimating receipts of \$750,500 in FY24/25 and expenditures of \$5,230,038.

***Sewer Lateral Fund – Revenues and Expenditures***

The Sewer Lateral Fund provides funding for all sewer lateral projects in the City. It is funded by a tax on all properties in the City. Revenues and expenses for FY24/25 are estimated at \$85,000.

***Capital Fund – Revenues and Expenditures***

The Capital Fund provides funding for all capital improvement projects relating to the construction, maintenance, and repair of physical infrastructure, primarily financed through the City's ½ cent sales tax for capital improvement. Revenue for FY24/25 is estimated at \$1,230,000; expenditures are estimated at \$2,515,000.

***LLEBG Fund – Revenues and Expenditures***

The Local Law Enforcement Block Grant Fund (LLEBG) receives any federal or state government grant revenue for law enforcement. No new grants are anticipated this fiscal year. We anticipate revenues of \$500, and no expenditures are planned.

***Fire Equipment Fund – Revenues and Expenditures***

The Fire Equipment Sales Tax Funds account for all the receipts of the City's ¼ cent sales tax. These receipts are to be used for equipment for the Municipal Fire Department. FY24/25 revenues are estimated at \$325,000, and expenditures are estimated at \$1,662,500. These are mostly for construction of the new Fire Station #2.

***Ambulance Fund – Revenues and Expenditures***

The Ambulance Fund collects revenues from various tax sources dedicated to the operation of the City's ambulances. It does not include revenues from services; those go to the General Fund. This fund provides relief for salaries and operational costs. FY24/25 revenues are estimated at \$668,000, and expenditures are estimated at \$948,000.

**County Road & Bridge Fund – Revenues and Expenditures**

This fund received revenues from Berkeley’s portion of the St. Louis County road and bridge revenues. It is used for funding road infrastructure projects and improvements. We estimate FY24/25 revenues and expenditures at \$315,000.

**Public Safety Fund – Revenues and Expenditures**

This fund receives revenue from the City’s Public Safety Sales Tax. They are used to provide relief to the General Fund for Police salaries. Revenues and expenditures for FY24/25 are estimated at \$500,050.

**General Fund – Fund Balance and Reserve**

The fund balance is normally used throughout the year to fund various non-budgeted projects as approved by Mayor and Council. Additionally, due to the fluctuating and irregular nature of our revenue streams, the City’s fund balance is also used to fund normal operations over the course of the fiscal year, with the fund returning to its full balance by the end of the fiscal year.

The City has adopted two policies to guard in its responsible fiscal management. The first requires a \$200,000 contingency to be present in the budget. These funds will not be spent as part of regular business. We also have in place a policy to maintain at least 16.7% of revenues or the average of 2 months of revenues within the General Fund throughout the fiscal year.

**Total Fund Balances**

The following chart shows the City’s estimated total fund balances at the end of FY24/25:



<u>Fund Number</u>	<u>Name</u>	<u>Beginning Fund Balance</u>	<u>FY24/25 Estimated Revenues</u>	<u>FY24/25 Estimated Expenditures</u>	<u>Change in Fund Balance</u>	<u>Ending Fund Balance</u>
1	<b>General Fund</b>	13,725,648	11,746,650	17,031,196	(5,199,748)	<b>8,441,102</b>
2	<b>Parks</b>	0	765,250	765,250	0	<b>0</b>
3	<b>Police Station Debt</b>	0	205,388	205,388	0	<b>0</b>
9	<b>Police and Fire Pension</b>	14,504,989	1,387,000	1,297,500	89,500	<b>14,594,489</b>
11	<b>Debt Service</b>	0	498,150	498,150	0	<b>0</b>
12	<b>Bond Sinking</b>	1,086,603	197,500	0	197,500	<b>1,284,103</b>
14	<b>Economic Development</b>	5,968,488	750,500	5,230,038	(4,479,538)	<b>1,488,950</b>
17	<b>Sewer Lateral</b>	996,690	85,000	85,000	0	<b>996,690</b>
25	<b>Capital</b>	2,481,726	1,230,000	2,515,000	(1,285,000)	<b>1,196,726</b>
27	<b>LLEBG</b>	125,132	500	0	500	<b>125,632</b>
29	<b>Fire Equipment</b>	1,541,388	325,000	1,662,500	(1,337,500)	<b>203,888</b>
31	<b>Ambulance</b>	1,085,551	668,000	948,000	(280,000)	<b>805,551</b>
35	<b>County Road &amp; Bridge</b>	0	315,000	315,000	0	<b>0</b>
37	<b>Public Safety</b>	462,178	500,050	500,050	0	<b>462,178</b>
<b>Total</b>		<b>41,978,394</b>	<b>18,673,988</b>	<b>31,053,072</b>	<b>(12,379,084)</b>	<b>29,599,310</b>

**Conclusion**

This FY24/25 Annual Budget is submitted to the Mayor and Council with the confidence that this document will assist citizens in evaluating approved budgetary and service levels. It also is intended to assist Mayor and Council in setting policy and establishing an overview of operations and City staff in accomplishing our stated goals and objectives while always remaining financially responsible. We all strive to live up to our motto of being a “Planned Progressive Community”.



I would like to thank the Mayor and Council for providing direction in order to assist in the development of this FY24/25 budget document. Additionally, several staff members have worked diligently on this budget, and without their help this document would not have been possible. To all who have worked to produce this document, I wish to express my very sincere gratitude.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nathan".

Nathan Mai-Lombardo  
City Manager