

2022 Recommended Budget Transmittal Letter

Date: September 12, 2021
To: Mayor and City Council
From: Michael J. Scanlon, City Manager
Re: The Recommended 2022 Budget for the City of Osawatomie

This Budget Transmittal Letter is designed to achieve four goals. They are:

1. Provide a summary of the policies and plans we are following that contribute to what is included in our tax collections and how we will be spending the tax dollars we collect.
2. Provide a listing, by fund, of the total revenues / expenditures compared to historical spending in each of the fifteen (15) Funds that are required by the Kansas State Budget Law.
3. Provide an explanation of variances that you see in the various funds. Why are some numbers higher or lower than recent trends? Why is something larger than one might expect in a particular expenditure category? The last two years have created considerable volatility in our budgeted funds i.e., Covid-19, Covid-19 Rescue Grants, Polar Vortex (repairs and spiked bills) and the overall uncertainty we are experiencing in maintaining our aging infrastructure.
4. Provide a reminder of our forecast, which guides our operating expenses, and to bring into focus the five goals we have established as a community and are working to meet through our annual budget.

Context

Every City throughout its life faces inflection points. Those inflection points and the direction a community takes is influenced by a multitude of decisions both small and large that set the course. Budgeting when applied properly supports those decisions. The City of Osawatomie is at another one of these inflection points. We have before us a whole set of decisions that will not only determine the future of those that call Osawatomie their home but it will impact those not yet born and who have yet to live or work here. As we face this collection of decisions there are several things I hope we can keep in mind.

First, blame as to who, how and why we are in our current financial condition is not helpful. “The great thing about blame and blaming others – and a reason we may chose to hang on to it is that blaming someone else takes the onus off of us.” But it doesn’t. Blaming doesn’t solve our problems

it only elongates and lengthens the time we are dealing with a particular set of problems. Solving any problem requires action. This budget is built on action.

Second, solving most problems requires patience and persistence. Just like it's easy to blame others for our problems, it's also easy to want a "quick fix." Many times, we don't want to take the time that's necessary to fully solve the problem. We just want the acute pain to go away. I often hear this when it comes to our streets and alleys. "JUST FIX THE HOLES!" We've been fixing holes for decades and the number and size of the holes are not going away. Fixing streets and the base that determines a street's life requires a lot more than a "quick fix." It's one that requires patience, planning and the money to fix them. This budget begins the long journey to fixing our streets.

Lastly, everything in a community is tied together. You can't pull at one piece of our budget without disrupting or changing the priorities we are pursuing. So budgeting, especially for a small community, requires as much persistence as it does a plan. There has been a great amount of planning done by our City Council over the last twelve months that has gone unnoticed by the public – but it's there and it's the City Council and community's persistence that will be important in bringing these plans to reality.

If we can refrain from blaming others, show a bit of patience and stick to our plans we will change the trajectory of our community! That's exactly what this budget begins to do.

The Policies that Guide Us

The Big Five

Over the last 12 months the City Council and Community have settled on our BIG FIVE goals. These goals provide the framework we as City staff work inside every day.

Our BIG FIVE Goals

- 1. Clean up the community**
- 2. Repair and maintain our streets**
- 3. Produce economic opportunities**
- 4. Create housing of all types**
- 5. Invest in our soft/hard infrastructure**

Don't Budget until you Forecast

Our budget starts in the same place every year. It starts with determining if we can balance out the General Fund Operations (Police, Public Works, and Parks) of our city over the next five years. We begin the process of forecasting in late May / early June. In 2020 we recognized that our General Fund budget was out of balance and that if we didn't act, in less than two years we would be facing

sharp cuts in services to make the dollars work. It was last year’s forecast that led us to approach Miami County and ask them if they could take over our dispatching operation. And it wasn’t simply taking it over – it was taking it over and not charging us for it. That one change will generate over \$1,000,000 in the next five years and has gone a long way in allowing us to balance the General Fund budget.

Understand the Economics of the Community – PULL FACTOR

Every community has a unique set of economic drivers. And those economic drivers determine what the tax rates and services are from community to community. As cities we all collect dollars in different ways. And here’s where two of our five goals intersect (repair and maintain our streets / produce economic opportunities). Do you know Osawatomie’s Pull Factor? It’s one of the most important indicators of a city’s ability to rely less on property tax and more on sales tax. ***If you have a high pull factor you can levy a whole lot less in property tax.***

Here are the top 10 cities in pull factor:

Top 10					
Rank	City	2020 State Sales Tax Collection	2020 Population	Sales Per Capita	Pull Factor
1	Merriam	48,544,845.00	11,081.00	4,380.91	4.49
2	Colby	10,471,155.00	5,370.00	1,949.94	2.00
3	Holton	5,614,332.00	3,208.00	1,750.10	1.80
4	Hays	35,210,874.00	20,744.00	1,697.40	1.74
5	Marysville	5,458,842.00	3,269.00	1,669.88	1.71
6	Garden City	43,052,412.00	26,408.00	1,630.28	1.67
7	Paola	9,237,544.00	5,719.00	1,615.24	1.66
8	Mission	15,629,002.00	9,911.00	1,576.93	1.62
9	Iola	8,211,224.00	5,266.00	1,559.29	1.60
10	Goodland	6,721,621.00	4,406.00	1,525.56	1.57

Here are the bottom 10 cities in pull factor:

Bottom 10					
Rank	City	2020 State Sales Tax Collection	2020 Population	Sales Per Capita	Pull Factor
1	Bel Aire	1,048,242.00	8,300.00	126.29	0.13
2	Valley Center	1,830,674.00	7,325.00	249.92	0.26
3	Eudora	1,756,563.00	6,411.00	273.99	0.28
4	Clearwater	811,234.00	2,552.00	317.88	0.33
5	Rose Hill	1,291,788.00	3,968.00	325.55	0.33
6	Osawatomie	1,469,906.00	4,284.00	343.12	0.35
7	Galena	1,168,856.00	2,858.00	408.98	0.42
8	Basehor	2,657,815.00	6,496.00	409.15	0.42
9	Mulvane	3,113,155.00	6,489.00	479.76	0.49
10	Tonganoxie	2,726,823.00	5,583.00	488.42	0.50

What does all of this mean? Well first, those cities that are in blue are communities that I once worked in (Merriam and Mission). And if you looked at them 25-30 years ago they had pull factors below 1. In both communities we made the effort to increase our Pull Factors– we consciously went after companies that would draw people into those cities. We need to do the same thing in Osawatomie. Yes, it will be a different type of business we are looking for but it can be done.

We as a Governing Body and Staff contemplated Pull Factor when we came up with our Street program to achieve Goal #2. We would have liked a higher Pull Factor so that we could have relied less on property tax, but we didn't have that choice. We do believe over time we can impact the Pull Factor of our community, which is part of Goal #3, but we have to get started on streets now. There's never going to be a time where there are as many grant dollars available as there is now. Now is the time to strike.

**If not now, when?
When you arrive at "when," what are you going to pay with?**

Housing of all types – SPREADING THE BURDEN

As we clean up our housing stock and neighborhoods (Goal #1), we are actively seeking and encouraging new housing to be built (Goal #4). We have issued more single-family building permits in the last 12 months than we did in the previous 10 years. We believe we can increase this even more and do it across several housing types. Pull factor isn't only about retail sales – it's also about inviting people in to live in our community. If we can increase the number of housing units we have as a city we can lessen the property tax burden on each of our current property owners.

The Utility Infrastructure Paradox – REPLACING AND REPAIRING

One of the things that's occurring at the same time is that our water system needs to be repaired and replaced. It's both a "bad luck" / "good luck" situation. It's "bad luck" because this is coming at the same time that we are asking the community to contribute to fixing our streets. The Governing Body and Staff are aware that our citizens can only stretch their dollars so far to help with our infrastructure needs. But therein lies the paradox. There won't be a better time to replace a water line than when you are repairing or replacing a street. There won't be a better time to consider upgrades and replacements of plants and lines than with the current federal government infrastructure and COVID-19 relief dollars. We will be working on this "paradox" over the next several months. But we need to do both – fix our streets and repair our water system.

Budget by the Numbers – THE 30,000 FOOT VIEW

Table B on the following page shows the 15 funds that are included in our official budget submittal to the County Clerk and State of Kansas. As you look at the various funds, you'll see swings in the variance between the 2021 Estimate and the 2022 Proposed Budget.

Property Tax funds are shown in blue and include the General Fund, Debt Service Fund, Industrial Fund, Employee Benefits Fund and the Public Safety Equipment Fund. **TABLE A** shows the Property Tax funds and what we expect to collect in additional property taxes. Of the \$378,757 (21.42%) approximately 93% goes to the Debt Service Fund to pay for a portion of the **Paving the Way Street Program**.

Paving the Way – WHAT'S THAT?

It's a ten-year street replacement and repair program that will collect about \$450,000 in additional property taxes to help pay for street replacement and repair. In addition, the voters will vote on an additional ½ cent Sales Tax in November that will contribute another \$125,000 to the program. The goal is to take these dollars match them up with local, state and federal grants and get \$8,875,000 worth of street repairs and replacements done in the next 3-5 years. We plan to use both short- and long-term debt to finance a portion of these improvements which is why the money is budgeted in the Debt Service Fund. The difference between the \$450,000 and \$351,877 being levied in 2022 is made up of reductions in principal in other outstanding debt and accounting for increases in companion sources found in the General Fund.

Property Tax Fund Variances

FUND	Estimate	Proposed Budget	Percent
	2021	2022 less Reserves	Variance 2021 to 2022
General	741,751	768,585	3.62%
Debt Service	497,268	849,145	70.76%
Industrial	4,945	4,960	0.30%
Employee Benefits	497,268	497,278	0.00%
Public Safety Equipment	24,725	24,745	0.08%
TOTALS	1,767,978	2,146,735	21.42%

TABLE A

Expenditures Variances and Cash Balances

FUND	Expenditure Variances				Cash Balance Variances		
	Estimate 2021	Proposed Budget 2022 less Reserves	Percent Variance 2021 to 2022		1/1/2022 Fund Balance	12/31/2022 Ending Balance and Reserves	Percent Variance 2021 to 2022
General	2,824,188	2,949,257	4.43%		536,097	435,525	-18.76%
Debt Service	1,000,000	714,986	-28.50%		18,769	770,014	4002.58%
Library	15,750	50,000	217.46%		115,441	80,941	-29.89%
Industrial	27,750	5,000	-81.98%		30,618	30,618	0.00%
Employee Benefits	856,315	864,250	0.93%		116,163	35,740	-69.23%
Public Safety Equipment	107,500	68,965	-35.85%		8,865	23,676	167.07%
Street Improvement	180,000	125,000	-30.56%		35,429	25,689	-27.49%
Refuse	441,600	480,000	8.70%		1,764	1,764	0.00%
Tourism	62,500	40,000	-36.00%		44,121	29,121	-34.00%
Special Parks and Recreation	34,346	37,848	10.20%		17,727	2,879	-83.76%
Electric Reserve Debt Service	435,350	436,000	0.15%		148,738	146,838	-1.28%
Water	1,230,945	1,031,402	-16.21%		235,821	283,969	20.42%
Electric	4,683,767	4,488,140	-4.18%		710,025	305,885	-56.92%
Sewer	4,184,445	3,559,869	-14.93%		163,322	158,003	-3.26%
Golf Course	418,500	371,000	-11.35%		293,500	308,500	5.11%
TOTALS	16,502,956	15,221,717	-7.76%		2,476,400	2,639,162	6.57%

TABLE B

Variance by Funds – INCREASES AND DECREASES

General Fund – 4.43% increase or \$175,069

Increases are found in three areas. Personnel costs increase \$87,287 which is tied to salary increases based on performance. These dollars are spent only if the employee's performance merits it. Commodities and Capital Outlay combined increase about \$44,400 most of which is accounted for by increases to the street program. Lastly, we budgeted for a \$50,000 Cash Reserve in 2022.

Debt Service Fund – 28.50% decrease or \$285,014

Decreases here are the result of carrying Bond/Cash Reserves forward into the next year. You can see that in the large increases in Fund Balance that goes from \$18,769 to \$770,014. We eventually spend the money and we spend it on streets. Over time these expenditures even out once we issue our short- and long-term debt.

Library Fund – 217.46% increase or \$34,350

Increase is found in one area. We've budgeted \$37,500 in Capital Outlay for needed repairs at the library (water in the basement) and other facility investments. This still leaves a cash balance of \$80,941 for future library needs. This increase in expenditures give the library the ability to expend but the Library Board makes the ultimate decisions on building and property investments.

Industrial Fund – 81.98% decrease or \$30,618

Decrease is found in one area. We've budgeted for 30,618 in Cash Reserves. We are building back the cash to help offset future economic development costs associated with the Northland properties.

Employee Benefit Fund – 0.98% increase or \$7,935

This increase is nominal and related to fully expending health insurance costs. This fund will require attention in future years as we try and balance out the ever-increasing costs of health care and workers compensation insurance.

Public Safety Equipment Fund – 35.85% decrease or \$38,535

This decrease is solely a decrease in capital outlay expenditures of \$38,535.

Street Improvement Fund – 30.56% decrease or \$55,000

Decreases are found in two areas. The transfer to CIP Street Fund was reduced by \$42,500 which is offset by increases in General Fund street spending. Second, we are showing a \$15,000 decrease in commodities again offset by increases in General Fund street spending.

Refuse Fund – 8.7% increase or \$38,400

Increase is found in the rates being charged by Waste Management and the full collection of the City's Franchise Fee and Service Charge.

Tourism Fund – 36.00% decrease or \$22,500

Decrease found in one area. We've budgeted for a decrease of 22,500 in contractual services.

Special Parks Fund – 10.20% increase or \$3,502

Increase is found Capital Outlay. We will spend \$3,502 in 2022 for bike stands for various places in the city.

Electric Reserve Debt Service – 0.15% increase or \$650

This is simply a rounding of the principal and interest to whole dollars.

Water Fund – 16.21% decrease or \$199,543

Within the Water Fund there are a number of things going on that generates this decrease. The most significant being we transferred an additional \$150,000 to the General Fund related to the sale of the Water Tower leases in August, 2021. That will not occur again in 2022. Then there are a number of offsetting variances that generate the additional decrease of \$49,543.

Electric Fund – 4.18% decrease or \$235,627

Don't be fooled by the decrease. This is an example of how a seasonal or natural event can really skew the numbers and confuse the reader. In 2021 we had a Polar Vortex that account for us borrowing about \$1,000,000. That 1,000,000 is reduced to 800,000 (reserve / payments) in 2022.

Sewer Fund – 14.93% decrease or \$624,576

Again, don't be fooled by this increase. In the Sewer fund we are accounting for an almost \$3,250,000 Plant Upgrade that is being paid out over the next two years. Almost the entire amount can be found in the difference in capitalized construction costs between 2021 and 2022 of \$650,000.

Golf Course Fund – 11.35% decrease or \$47,500

This decrease can be found in the amount of dollars we have decreased going to the Clubhouse Repair Project Reserve. Starting in 2021 we are beginning to set aside dollars to repair/replace the Golf Course Clubhouse.

PROPOSED BUDGET

2022

BUDGETARY PAGES

General Fund

General Fund Department Detail

Debt Service Fund

Library Fund

Industrial Fund

Employee Benefits Fund

Public Safety Equipment Fund

Street Improvement Fund

Refuse Fund

Tourism Fund

Special Parks Fund

Electric Utility Debt Service Fund

Water Fund

Electric Fund

Sewer Fund

Golf Course Fund

**City of Osawatomie
General Fund
Summary
Fiscal Year 2022**

	Actual 2019	Actual 2020	Estimate 2021	Proposed Budget 2022
Fund Balance January 1	340,282	260,035	391,085	536,097
REVENUES				
Ad Valorem Tax	636,230	681,151	725,000	768,585
Delinquent Tax	26,900	48,836	25,000	25,000
Motor Vehicle Tax	71,267	69,755	70,000	70,000
Recreational Vehicle Tax	1,172	1,122	1,150	600
16/20M Vehicle Tax	455	251	250	200
Commercial Vehicle Tax	634	780	800	300
Special Assessments	3,252	1,526	5,000	5,000
Sales Tax	751,910	875,539	850,000	900,000
Franchise Fees and Leases	109,902	99,515	100,000	100,000
Liquor Tax	3,868	4,798	5,000	5,000
Intergovernmental Grants	23,157	186,626	50,000	50,000
License & Permits	26,059	23,761	25,000	25,000
Service Charges	64,029	73,689	75,000	75,000
Fines and Fees	128,724	97,389	115,000	115,000
Interest on Idle Funds	28,969	13,723	15,000	15,000
Miscellaneous	20,515	105,269	50,000	50,000
Transfer from Sewer	164,596	146,143	145,000	145,000
Transfer from Electric	424,359	374,024	412,000	374,000
Transfer from Water	173,721	174,021	300,000	125,000
TOTAL	2,659,719	2,977,918	2,969,200	2,848,685
EXPENDITURES				
Personal Services	1,913,500	1,972,136	1,914,083	2,001,370
Contractual Services	540,534	573,886	520,151	532,500
Commodities	192,602	190,662	181,550	201,950
Capital Outlay	61,395	97,444	172,637	196,637
Other Expenses	31,935	12,740	35,767	66,800
TOTAL	2,739,966	2,846,868	2,824,188	2,999,257
Revenues Over (Under) Expenditures	(80,247)	131,050	145,012	(150,572)
Ending Fund Balance 12/31	260,035	391,085	536,097	385,525

**City of Osawatomie
General Fund
Summary
Fiscal Year 2022**

	Actual 2019	Actual 2020	Estimate 2021	Proposed Budget 2022	Percent Change Compared to 2021 Estimate
Governing Body					
Personal Services	16,800	16,800	16,800	16,800	0.0%
Total	16,800	16,800	16,800	16,800	0.0%
Administration					
Personal Services	456,161	458,762	472,200	405,212	-16.5%
Contractual Services	264,545	340,199	236,702	235,000	-0.7%
Commodities	20,267	38,258	20,750	25,000	17.0%
Capital Outlay	11,143	42,020	6,500	10,000	35.0%
Other Expenses	21,475	12,740	19,100	16,800	-13.7%
Total	773,591	891,979	755,252	692,012	-9.1%
Community Development					
Personal Services	98,185	137,291	153,800	145,331	-5.8%
Contractual Services	61,898	43,717	106,700	100,000	-6.7%
Commodities	14,938	10,186	10,450	15,000	30.3%
Capital Outlay	919	4,039	10,000	10,000	0.0%
Total	175,939	195,233	280,950	270,331	17.8%
Police Department					
Personal Services	848,335	861,290	757,545	781,570	3.1%
Contractual Services	84,724	84,577	79,800	75,000	-6.4%
Commodities	50,306	44,435	43,900	50,000	12.2%
Capital Outlay	5,976	18,538	8,500	40,000	78.8%
Total	989,341	1,008,840	889,745	946,570	6.0%
Fire Department					
Personal Services	52,928	49,950	69,180	72,500	4.6%
Contractual Services	18,874	19,949	19,949	20,000	0.3%
Commodities	9,536	11,800	12,450	16,450	24.3%
Capital Outlay	260	5,595	89,000	10,000	-790.0%
Total	81,598	87,294	190,579	118,950	-60.2%
Cemeteries Parks Levies					
Personal Services	200,784	191,672	175,000	196,000	10.7%
Contractual Services	50,788	38,676	25,000	40,000	37.5%
Commodities	40,297	32,017	40,000	40,000	0.0%
Capital Outlay	27,862	23,584	28,637	20,637	-38.8%
Total	319,731	285,949	268,637	296,637	9.4%
Streets and Alleys					
Personal Services	110,873	126,923	120,000	223,957	46.4%
Contractual Services	28,636	21,180	25,000	25,000	0.0%
Commodities	33,929	35,664	35,000	40,000	12.5%
Capital Outlay	25,181	1,773	25,500	100,000	74.5%
Total	198,620	185,540	205,500	388,957	47.2%
Library					
Personal Services	99,935	99,579	112,500	117,500	4.3%
Contractual Services	23,773	18,835	19,500	30,000	35.0%
Commodities	23,236	18,273	18,500	15,000	-23.3%
Capital Outlay	656	1,895	2,500	5,000	50.0%
Total	147,600	138,582	153,000	167,500	8.7%
John Brown Cabin					
Personal Services	29,317	29,869	37,058	42,500	12.8%
Contractual Services	7,294	6,754	7,500	7,500	0.0%
Commodities	102	29	500	500	0.0%
Capital Outlay	35	-	2,000	1,000	-100.0%
Total	36,748	36,651	47,058	51,500	8.6%
General Fund Totals					
	2,739,967	2,846,868	2,807,521	2,949,257	4.8%
Cash Basis Reserve					
	-	-	16,667	50,000	66.7%
Total	2,739,967	2,846,868	2,824,188	2,999,257	5.8%
Other Expenses					
Personal Services	1,913,318	1,972,136	1,914,083	2,001,370	4.4%
Contractual Services	540,532	573,886	520,151	532,500	2.3%
Commodities	192,611	190,662	181,550	201,950	10.1%
Capital Outlay	72,032	97,444	172,637	196,637	12.2%
Other Expenses	21,475	12,740	35,767	66,800	46.5%
Total	2,739,967	2,846,868	2,824,188	2,999,257	5.8%

**City of Osawatomie
Debt Service
Summary
Fiscal Year 2022**

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	201,267	180,406	171,564	18,769
REVENUES				
Ad Valorem Tax	360,020	394,662	426,507	849,145
Delinquent Tax	13,995	26,847	-	25,000
Motor Vehicle Tax	38,390	39,014	18,039	40,000
Recreational Vehicle Tax	632	630	298	600
16/20M Vehicle Tax	227	129	53	200
Commercial Vehicle Tax	342	440	205	300
Bond Proceeds (Temp Note)	-	-	100,603	850,000
Transfer in from Sewer	320,800	175,000	175,000	175,000
Transfer in from Water	126,500	126,000	126,500	126,000
TOTAL	860,906	762,722	847,205	2,066,245
EXPENDITURES				
Bond Principal	630,687	480,000	600,000	925,000
Bond Interest	250,080	290,463	279,664	345,000
Fees and Postage	1,000	1,101	500	45,000
Bond Reserves	-	-	119,836	85,000
TOTAL	881,767	771,564	1,000,000	1,400,000
Revenues Over (Under) Expenditures	(20,861)	(8,842)	(152,795)	666,245
Ending Fund Balance 12/31	180,406	171,564	18,769	685,014

**City of Osawatomie
Library
Summary
Fiscal Year 2022**

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	104,416	103,424	116,057	115,441
REVENUES				
Intergovernmental Grants	10,040	17,705	10,000	10,000
Interest on Idle Funds	743	603	134	500
Miscellaneous	2,305	5,422	5,000	5,000
TOTAL	13,088	23,730	15,134	15,500
EXPENDITURES				
Contractual Services	1,432	2,069	2,500	2,500
Commodities	9,398	9,028	10,000	10,000
Capital Outlay	3,250	-	3,250	37,500
Cash Reserves	-	-	-	80,941
TOTAL	14,080	11,097	15,750	130,941
Revenues Over (Under) Expenditures	(992)	12,633	(616)	(115,441)
Ending Fund Balance 12/31	103,424	116,057	115,441	-

**City of Osawatomie
Industrial
Summary
Fiscal Year 2022**

	Actual 2019	Actual 2020	Estimate 2021	Proposed Budget 2022
Fund Balance January 1	102,182	(4,302)	35,050	30,618
REVENUES				
Ad Valorem Tax	4,330	4,477	4,945	4,960
Delinquent Tax	75	277	-	-
Motor Vehicle Tax	242	417	205	27
Recreational Vehicle Tax	4	7	3	7
16/20M Vehicle Tax	1	6	1	6
Commercial Vehicle Tax	2	5	2	-
Rental Income	52,669	-	12,162	-
Sale of Assets	56,449	6,000	-	-
Reimbursed Expense	5,460	29,394	-	-
Miscellaneous	14,894	17,894	6,000	-
TOTAL	134,126	58,477	23,318	5,000
EXPENDITURES				
Contractual Services	85,334	18,188	27,750	5,000
Commodities	525	937	-	-
Lease Purchase - Grocery Store Equip	154,751	-	-	-
Cash Basis Reserve	-	-	-	30,618
TOTAL	240,610	19,125	27,750	35,618
Revenues Over (Under) Expenditures	(106,484)	39,352	(4,432)	(30,618)
Ending Fund Balance 12/31	(4,302)	35,050	30,618	-

**City of Osawatomie
Employee Benefits Fund
Summary
Fiscal Year 2022**

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	203,007	251,570	284,559	116,163
REVENUES				
Ad Valorem Tax	467,054	447,721	497,268	497,278
Delinquent Tax	22,973	36,953	-	15,049
Motor Vehicle Tax	54,800	51,794	20,465	50,000
Recreational Vehicle Tax	901	830	338	800
16/20M Vehicle Tax	419	198	60	200
Commercial Vehicle Tax	488	573	231	500
Reimbursed Expenses	10,139	454	12,162	-
Transfer in from Sewer	87,636	97,085	67,450	90,000
Transfer in from Electric	48,445	44,134	35,000	60,000
Transfer in from Water	63,368	67,741	54,945	70,000
TOTAL	756,223	747,483	687,919	783,827
EXPENDITURES				
Personal Services	700,348	708,873	851,315	859,250
Contractual Services	7,312	5,621	5,000	5,000
<i>Cash Basis Reserve</i>	-	-	-	35,740
TOTAL	707,660	714,494	856,315	899,990
Revenues Over (Under) Expenditures	48,563	32,989	(168,396)	(116,163)
Ending Fund Balance 12/31	251,570	284,559	116,163	-

City of Osawatomie
Public Safety Equipment Fund
Summary
Fiscal Year 2022

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	88,410	56,482	33,086	8,865
REVENUES				
Ad Valorem Tax	21,628	22,386	24,725	24,745
Delinquent Tax	618	1,554	-	-
Motor Vehicle Tax	2,151	2,307	1,023	1,500
Recreational Vehicle Tax	35	37	17	17
16/20M Vehicle Tax	8	7	3	3
Commercial Vehicle Tax	19	26	11	11
Sales Tax	66,619	20,501	57,500	57,500
State Grant Proceeds	19,050	7,582	-	-
Miscellaneous	3,960	4,680	-	-
Transfer in from Electric	10,000	-	-	-
TOTAL	124,088	59,080	83,279	83,776
EXPENDITURES				
Contractual Services	7,042	927	-	-
Commodities	2,620	-	-	-
Capital Outlay	106,389	12,584	38,535	-
Principal	31,470	32,472	32,472	32,472
Interest	8,495	7,493	7,493	7,493
Transfer to CIP Technology		29,000	29,000	29,000
Cash Basis Reserve	-	-	-	23,676
TOTAL	156,016	82,476	107,500	92,641
Revenues Over (Under) Expenditures	(31,928)	(23,396)	(24,221)	(8,865)
Ending Fund Balance 12/31	56,482	33,086	8,865	-

**City of Osawatomie
Street Improvement Fund
Summary
Fiscal Year 2022**

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	243,747	201,140	113,179	35,429
REVENUES				
Motor Fuel Tax	117,274	111,207	97,150	110,160
County Connecting Links	5,100	5,100	5,100	5,100
TOTAL	122,374	116,307	102,250	115,260
EXPENDITURES				
Contractual Services	-	3,620	-	2,500
Commodities	-	-	25,000	10,000
Capital Outlay	69,981	45,648		
Transfer to CIP Street Fund	95,000	155,000	155,000	112,500
<i>Cash Basis Reserves</i>	-	-	-	25,689
TOTAL	164,981	204,268	180,000	150,689
Revenues Over (Under) Expenditures	(42,607)	(87,961)	(77,750)	(35,429)
Ending Fund Balance 12/31	201,140	113,179	35,429	-

**City of Osawatomie
Refuse Fund
Summary
Fiscal Year 2022**

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	5,103	1,000	1,764	1,764
REVENUES				
Refuse Fees	309	460	441,600	480,000
Miscellaneous	640	709	-	-
TOTAL	949	1,169	441,600	480,000
EXPENDITURES				
Contractual Services	5,052	405	441,600	480,000
<i>Cash Basis Reserves</i>	-	-	-	1,764
TOTAL	5,052	405	441,600	481,764
Revenues Over (Under) Expenditures	(4,103)	764	-	(1,764)
Ending Fund Balance 12/31	1,000	1,764	1,764	-

**City of Osawatomie
Tourism Fund
Summary
Fiscal Year 2022**

	Actual 2019	Actual 2020	Estimate 2021	Proposed Budget 2022
Fund Balance January 1	47,084	56,523	75,621	44,121
REVENUES				
Transient Guest Tax	11,182	11,908	12,500	10,000
Service Charges	17,420	10,385	16,250	13,000
Miscellaneous	2,121	1,174	2,250	2,000
Transfer in from Electric Utility	10,000	10,000	-	-
TOTAL	40,723	33,467	31,000	25,000
EXPENDITURES				
Contractual Services	25,415	10,962	47,500	25,000
Commodities	5,869	3,407	15,000	15,000
<i>Cash Basis Reserve</i>	-	-	-	29,121
TOTAL	31,284	14,369	62,500	69,121
Revenues Over (Under) Expenditures	9,439	19,098	(31,500)	(44,121)
Ending Fund Balance 12/31	56,523	75,621	44,121	-

**City of Osawatomie
Special Parks Fund
Summary
Fiscal Year 2022**

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	34,674	41,502	43,573	17,727
REVENUES				
Local Alcoholic Liquor Tax	3,868	4,798	6,000	6,000
Miscellaneous (Donations)	250	-	2,500	2,000
Transfer in from Electric Utility	20,000	20,000	-	15,000
TOTAL	24,118	24,798	8,500	23,000
EXPENDITURES				
Contractual Services	-	821	-	-
Capital Outlay	-	4,615	-	3,502
Principal	15,641	16,204	32,346	32,346
Interest	1,649	1,087	2,000	2,000
<i>Cash Basis Reserves</i>	-	-	-	2,879
TOTAL	17,290	22,727	34,346	40,727
Revenues Over (Under) Expenditures	6,828	2,071	(25,846)	(17,727)
Ending Fund Balance 12/31	41,502	43,573	17,727	-

City of Osawatomie
Electric Utility Debt Service Fund
Summary
Fiscal Year 2022

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	149,988	149,988	149,988	148,738
REVENUES				
Operating Transfer - Electric Utility	432,501	434,100	434,100	434,100
TOTAL	432,501	434,100	434,100	434,100
EXPENDITURES				
Bond Principal	240,000	250,000	260,000	270,000
Bond Interest	192,500	184,100	175,350	166,000
Fees and Postage	1	-	-	-
<i>Cash Basis Reserves</i>	-	-	-	146,838
TOTAL	432,501	434,100	435,350	582,838
Revenues Over (Under) Expenditures	-	-	(1,250)	(148,738)
Ending Fund Balance 12/31	149,988	149,988	148,738	-

**City of Osawatomie
Water Fund
Summary
Fiscal Year 2022**

	Actual 2019	Actual 2020	Estimate 2021	Proposed Budget 2022
Fund Balance January 1	275,151	231,460	142,935	235,821
REVENUES				
Water Sales	967,821	956,425	984,000	1,064,000
Sales Tax	69	137	150	150
Late Fees	8,481	12,288	3,350	3,350
Other Charges	8,667	23	-	-
Rental Income	17,748	25,780	325,331	-
Sale of Assets	-	1,050	-	-
Water Protection Tax	-	11,000	11,000	11,000
Reimbursed Expense	-	1,050	-	1,050
TOTAL	1,002,786	1,007,753	1,323,831	1,079,550
EXPENDITURES				
ADMINISTRATION				
Personal Services	7,708	1,407	25,000	47,096
Contractual Services	37,876	33,881	20,000	20,000
Commodities	116	1,102	1,000	1,000
WATER TREATMENT				
Personal Services	94,354	108,786	150,000	200,000
Contractual Services	99,839	168,930	90,000	90,000
Commodities	128,280	107,059	125,000	125,000
WATER DISTRIBUTION				
Personal Services	144,323	135,085	145,000	117,306
Contractual Services	27,807	26,608	25,000	25,000
Commodities	47,340	62,520	49,000	49,000
Capital Outlay	20,245	3,138	20,000	20,000
TRANSFERS OUT				
General Fund	50,000	50,000	200,000	50,000
GOB Fund	126,500	126,000	126,000	126,000
CIP Water Fund	75,000	80,000	75,000	-
Employee Benefits Fund	63,368	67,741	54,945	75,000
Overhead Fees	123,721	113,021	114,000	75,000
Water Protection Tax	-	11,000	11,000	11,000
Cash Basis Reserves	-	-	-	283,969
TOTAL	1,046,477	1,096,278	1,230,945	1,315,371
Revenues Over (Under) Expenditures	(43,691)	(88,525)	92,886	(235,821)
Ending Fund Balance 12/31	231,460	142,935	235,821	-

**City of Osawatomie
Electric Fund
Summary
Fiscal Year 2022**

	Actual 2019	Actual 2020	Estimate 2021	Proposed Budget 2022
Fund Balance January 1	290,049	288,306	358,792	710,025
REVENUES				
Electric Charges	3,508,535	3,379,240	3,850,000	3,850,000
Sales Tax	123,017	119,409	125,000	125,000
Utility Deposits	5,686	7,179	5,500	55,000
Late Fees	79,839	62,535	50,000	50,000
Other Charges	22,778	72,944	2,000	2,000
Interest Income	2,889	1,648	2,500	2,000
Sales of Assets	-	3,014	-	-
Miscellaneous	1,647	999	-	-
Polar Vortex -- Loan	-	-	1,000,000	-
Reimbursed Expense	4,455	6,872	-	-
TOTAL	3,748,846	3,653,840	5,035,000	4,084,000
EXPENDITURES				
ADMINISTRATION				
Personal Services	10,701	-	50,000	68,000
Contractual Services	265,305	255,927	20,000	20,000
Commodities	5,124	998	1,000	1,000
Capital Outlay	862	217	-	-
Polar Vortex Loan Repayment	-	-	200,000	300,000
Polar Vortex Loan Reserve	-	-	800,000	500,000
ELECTRIC PRODUCTION				
Personal Services	93,618	83,700	100,000	62,693
Contractual Services	1,544,764	1,519,471	1,814,643	1,850,000
Commodities	48,815	11,449	65,800	125,000
ELECTRIC DISTRIBUTION				
Personal Services	273,126	285,017	300,000	323,447
Contractual Services	48,449	27,151	74,300	25,000
Commodities	71,661	34,775	65,000	49,000
Capital Outlay	88,668	108,618	9,000	20,000
Capital Lease - Utility Equip	-	6,322	-	-
TRANSFERS OUT				
General Fund	424,359	374,024	374,024	374,000
Electric Utility Debt Service Fund	432,501	434,100	450,000	450,000
Electric Generation Bond Account Fund	100,000	100,000	75,000	75,000
Employee Benefits Fund	87,636	97,085	110,000	125,000
Golf Course Fund	75,000	77,500	80,000	100,000
Special Parks and Recreation Fund	20,000	20,000	20,000	20,000
CIP General Fund	115,000	137,000	75,000	-
CIP Special Projects Fund	25,000	-	-	-
Tourism Fund	10,000	10,000	-	-
Public Safety Equipment Fund	10,000	-	-	-
Cash Basis Reserves	-	-	-	305,885
TOTAL	3,750,589	3,583,354	4,683,767	4,794,025
Revenues Over (Under) Expenditures	(1,743)	70,486	351,233	(710,025)
Ending Fund Balance 12/31	288,306	358,792	710,025	-

12/31/2021 \$800,000 in Reserves for Loan Repayment

12/31/2022 \$500,000 in Reserves for Loan Repayment

**City of Osawatomie
Sewer Fund
Summary
Fiscal Year 2022**

	Actual 2019	Actual 2020	Estimate 2021	Proposed Budget 2022
Fund Balance January 1	211,173	130,600	194,767	163,322
REVENUES				
Sewer Charges	863,834	914,318	924,500	975,000
Sales Tax	-	-	150	150
Late Fees	9,583	14,184	3,350	3,350
CDBG Proceeds			525,000	-
KDHE Revolving Loan			2,700,000	2,575,000
Reimbursed Expense	-	1,550	-	1,050
TOTAL	873,417	930,052	4,153,000	3,554,550
EXPENDITURES				
ADMINISTRATION				
Personal Services	-	-	75,000	75,000
COLLECTIONS				
Personal Services	137,926	147,388	165,000	134,869
Contractual Services	116,473	167,264	100,000	100,000
Commodities	18,905	19,048	20,000	20,000
Capital Outlay	6,845	1,908	-	6,000
DEBT SERVICE				
Principal	56,428	58,036	60,000	120,000
Interest	30,606	29,140	30,000	45,000
Service Fee	2,966	2,824	4,500	9,000
CAPITAL PROJECT				
Contractual Services	-	-	325,000	200,000
Capital Outlay	-	-	350,000	2,300,000
Project Reserve (2023)	-	-	2,575,000	75,000
TRANSFERS OUT				
General Fund	164,596	146,143	175,000	150,000
CIP Sewer Fund	50,000	75,000	-	-
Employee Benefits Fund	48,445	44,134	54,945	75,000
GOB Fund	320,800	175,000	250,000	250,000
Cash Basis Reserves	-	-	-	158,003
TOTAL	953,990	865,885	4,184,445	3,717,872
Revenues Over (Under) Expenditures	(80,573)	64,167	(31,445)	(163,322)
Ending Fund Balance 12/31	130,600	194,767	163,322	-

**City of Osawatomie
Golf Course Fund
Summary
Fiscal Year 2022**

	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Estimate 2021</u>	<u>Proposed Budget 2022</u>
Fund Balance January 1	17,094	1,829	93,030	12,180
REVENUES				
Charges for Services:				
Golf Course Sheds	1,820	2,352	2,500	2,500
Membership Fees	12,439	29,041	30,000	30,000
Green Fees	53,089	96,665	90,000	90,000
Golf Cart Fees	33,394	62,596	55,000	55,000
Sales Tax	8,856	11,953	12,000	12,000
Driving Range	4,463	5,832	5,000	5,000
Concessions	39,073	15,344	15,000	15,000
Tournaments	21,848	17,597	17,000	17,000
Pro Shop	7,766	36,586	30,000	30,000
Other Fees	3,131	4,199	3,350	3,350
Miscellaneous	365	346	300	300
Transfer from Electric Utility	75,000	77,500	77,500	100,000
Total	261,244	360,011	337,650	360,150
EXPENDITURES				
Personal Services	126,919	111,811	135,000	150,000
Contractual Services	59,351	67,068	65,000	65,000
Commodities	75,534	71,439	75,000	75,000
Capital Outlay	-	-	-	-
DEBT SERVICE				
Principal	12,030	13,641	14,000	14,000
Interest	2,675	4,851	4,500	4,500
CAPITAL PROJECT				
Clubhouse Project Reserve (2024)	-	-	125,000	62,500
Cash Basis Reserves	-	-	-	1,330
TOTAL	276,509	268,810	418,500	372,330
Revenues Over (Under) Expenditures	(15,265)	91,201	(80,850)	(12,180)
Ending Fund Balance 12/31	1,829	93,030	12,180	-