

CITY OF ST. JOSEPH



FOURTH QUARTER BUDGET REPORT

Year Ended June 30, 2014

TRANSMITTAL

TO: Mayor and City Council Members

THROUGH: J. Bruce Woody, City Manager 

FROM: Carolyn Harrison, Director of Administrative Services 

DATE: October 20, 2014

SUBJECT: FY2014 Year End Budget Report

Attached is the FY2014 Year End Budget Report. Readers may notice that the name of the report has been changed slightly from “financial” report to “budget” report. It’s to point out the difference between this year-end report and the later issued, official, Comprehensive Annual Financial Report (CAFR).

In the past there have been questions from rating agencies and other entities comparing information they may have obtained from this report to that in the CAFR. The CAFR is an audited financial report that meets Government Accounting Standards Board (GASB) requirements and can, for non-financial readers, seem a bewildering maze of numbers, with a few esoteric terms like “net investments”, “unamortized discounts” and “current outflows” thrown in for good measure. The dollar amounts themselves can appear artificially inflated (pension obligations based on long-term actuarial reports) or deflated (reducing actual capital expenditures in enterprise funds by depreciating them over time).

The intent of this year-end report is to provide City Council members and other readers with an analysis of how City finances (actual expenses and revenues) performed compared to the budgeted amounts adopted and/or amended over the past twelve months. Even more specifically, it focuses on the City’s “operating” budget and if the resources received to provide “boots on the ground” services to the public met projections.

These numbers are still preliminary pending final year-end adjustments and findings of the annual audit. There should be no material changes in total dollar amounts for the operating funds.

The report can be used to look at any level of detail desired – from a city-wide overview down to specific details of funds and departments.

The Executive Summary provides a discussion of the state of the City’s finances at the end of FY2014 in terms of three major indicators of fiscal health – operating surpluses or deficits, revenue to expenditure relationships, and status of available fund balances.

The next section of the report looks more closely at 10 year trends for revenues and expenditures on a city-wide basis.

Following are sections providing a more detailed analysis of each of the City’s budgeted funds’ performances in FY2014 compared to FY2013. As stated above, the report takes a look at how

revenues and expenditures compare to budget and to prior year's experience. The analysis is provided in narrative format, sprinkled with graphs, and ends with a spreadsheet of each fund's sources and uses of monies. Ending fund balances are separated into designated and available amounts.

After the funds' discussions are the sections usually provided in the normal quarterly reports.

- On a year-end basis - investments and cash balances, accounts & loan receivables, status of existing contracts & agreements, and updates on the City's economic development projects.
- On the fourth quarter basis - contracts executed between \$5-25K and routine budget transfers.

The final section consists of nine Tables that contain much of the numbers from which the report was developed as well as an Appendix with an assessed valuation/property tax discussion. As always, contact me if there are any questions.

Attachment

cc: Department Directors
Administrative Services

PURPOSE

This Budget (Financial) Report is for the twelve month period ended June 30, 2014. The purpose of the Report is to help users focus on major issues, conditions or events effecting fund balances, revenues and expenditures and to assist management and policy makers in gauging their impact on future operations of the City.

Amounts included in this report are based on preliminary closing figures for the Fiscal Year and may change as a result of the annual audit and final reconciliation of account balances. However, we don't expect there to be significant audit adjustments and we believe that amounts included in this report are substantially accurate in all significant respects.

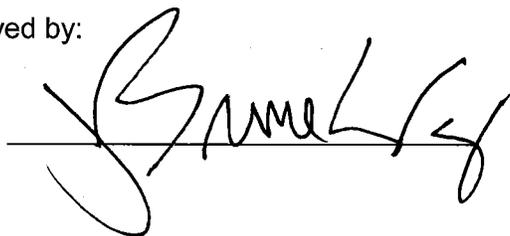
Please review the Report and contact the Administrative Services Department or City Manager's office if you have any questions.

Prepared by:

A handwritten signature in cursive script, appearing to read "Carolyn Harrison", written over a horizontal line.

Carolyn Harrison,
Director of Administrative Services
271-5526

Approved by:

A handwritten signature in cursive script, appearing to read "J. Bruce Woody", written over a horizontal line.

J. Bruce Woody,
City Manager
271-4610

FY2014 YEAR END BUDGET REPORT

TABLE OF CONTENTS

	Page
Executive Summary	2
City Wide Revenue & Expenditure Trends	9
General Governmental Activity Review	
General Fund	23
Special Revenue Funds	
Public Safety Tax	34
Street Maintenance	36
Parks Maintenance	38
CDBG	40
Gaming Funded Initiatives	42
Museum Tax	43
Special Allocation (TIF)	44
Business Type Activity Review	
Enterprise Funds	
Aviation	49
Public Parking	51
Water Protection	53
Fairview Golf Course	56
Mass Transit	59
Landfill	61
Capital Projects Fund Review	64
Supplemental Reports	
Investment Report & Cash Balances	67
Accounts & Loans Receivable	71
Contracts Executed - \$5,000 to \$25,000	76
Routine Budget Transfers	78
Status of Existing Contracts/Agreements	82
Economic Development Projects & TIF Updates	87
Supporting Tables:	
City Wide Overview	
1. Total Revenues	91
2. Total Expenditures	92
Operating Revenues & Expenses	
3. Operating Revenues by Category	93
4. Operating Revenues by Fund/Department	94
5. Operating Expenditures by Category	95
6. Operating Expenditures by Fund/Department	96
7. Comparison of Operating Revenue & Expenditure, FY13:FY14	97
Other Tables:	
8. CIP Revenues by Fund & TIF Revenues by Project	98
9. CIP Expenditures by Fund & TIF Expenditures by Project	99
Appendix: Six Year Look at City of St. Joseph Assessed Valuation	100

FY2014 YEAR END BUDGET REPORT

EXECUTIVE SUMMARY

The three most important indicators of financial health are adequate levels of ending fund balance, multi-year trends in which major sources of revenues keep up with or out-pace any increase in expenditures, and a positive revenue-to-expenditure relationship. A fund with lower than “ideal” fund balance, large deficit spending, and expenditure growth outstripping revenue growth is a fund that needs immediate attention.

The following matrix scores the funds which provide the City’s major services on these three factors. Two or more “negative” factors raise a red flag and the fund bears close attention. A more extensive discussion of each fund is provided in the remainder of this year-end report.

Major Service Providing Operating Funds	Did the Fund end the year with an operating Surplus or Deficit?	<u>Excluding transfers</u> , did the Fund end the year with revenue growth meeting or exceeding growth of expenditures?	Did the Fund end the year maintaining its target fund balance amount?
General Governmental fund:			
General	Surplus	Yes	Yes
Special Revenue funds:			
Public Safety	Surplus	Yes	Yes
Streets Maintenance	Deficit*	No	N/A
Parks Maintenance	Deficit	No	N/A
CDBG	N/A**	N/A	N/A
Enterprise funds:			
Aviation	Deficit	No	No
Parking	Deficit	No	Yes
Water Protection	Surplus	Yes	Yes
Golf	Deficit	No	No
Transit	Surplus	Yes	Yes
Landfill	Deficit	No	Yes

*A “deficit” in this fund meant additional transfers were needed from the General Fund in order to bring revenues into line with expenses allowing the fund to break even.

**CDBG expenditures are kept within the entitlement funds provided through the federal government.

The General Fund realized overall budget savings of 1%, and revenues came in 2% over the original budget resulting in a budget surplus of \$1,644,000.

Revenues were slightly lower than budgeted in the Parks Maintenance fund. Expenses were 8% higher than budgeted. However, Parks Maintenance came into the year with a surplus of \$166,000 from FY13 leaving a surplus it could carry over into FY2015.

No such revenue increase occurred in Streets Maintenance. And a 7% increase in expenses over budget resulted in total transfers to Streets Maintenance from the General Fund of \$2.4 million. This was \$312,000 more than anticipated when the budget was adopted. Gas tax revenue and the minimal amount of income from Utility Street Cuts provide only 54% of the money needed to support Street Maintenance expenditures – and this is after all personnel costs have already been moved out of the fund into the General Fund.

The new Public Safety Fund ended the year with a surplus. Of course, as it was only in existence for less than six months, actual annual revenue and expenditure history has yet to be established.

FY2014 YEAR END BUDGET REPORT

In the Enterprise Funds, Golf experienced breakeven status between revenues and expenditures only after a \$60,000 transfer from the General Fund occurred.

The Aviation Fund lost a major revenue source (ANG lease) two and a half years ago. The result was a major draw-down on existing fund balance. At the end of FY13, the City reached a mediated agreement with the ANG and a new lease was approved. The City received a check at the beginning of FY14, including back-pay for the prior year. With pro-rated back-pay applied to fiscal 2013 and a 9% savings in expenses due to vacancies, the Airport ended FY13 with a small surplus. However, the FY13 savings were a one-time event. And, although the AJUA lease has been reinstated, it comes with a much reduced level of revenue. The fund actually ended the year with a \$4,000 deficit, reduced from a \$14,000 deficit by eliminating the designated 27th payroll reserve. By the end of the current budget year the program must significantly cut expenditures or be re-categorized as a Special Revenue fund, supported by transfers from the General Fund.

City staff has had three years of actual experience managing the Municipal Golf course, and two years of responsibility for the Pro Shop operations. Revenues decreased slightly, \$18,000 less than FY13. Expenditures, on the other hand, increased 6% (\$45,000). The General Fund was required to transfer \$60,000 and the \$7,000 held as a designated reserve for the 27th payroll was released. This left the fund with a positive fund balance of only \$1,000.

Parking and Landfill continue to drain fund balances. Parking experienced a 2% budget savings spending 1.5% less than in FY13. However this didn't offset the 9% drop in revenue from the prior year. It was hoped the newly formed Downtown CID would take on downtown parking maintenance efforts. When that didn't happen, the fund's Enterprise Fund status requires review.

FY14 resulted in a significant budget deficit for Landfill. Revenues continue to decrease – 2% less in than FY13. Expenditures also decreased from the prior year. But FY14 revenues did not cover FY14 expenses. Most of the deficit came from the extensive capital improvements going on at the Landfill. Excluding those one-time expenditures, the budget deficit was \$257,000. While budget deficits and the drain of fund balance cannot continue, the good news is that the ending available balance, at over \$2.1 million, is almost four times more than the fund's target of \$531,000. This is not counting the \$5.1 million in the designated closure/post closure account.

The Transit and Water Protection funds maintain their gold stars in performances.

Financial health continues to depend on a combination of expenditure control; fees and charges-for-service that keep up with the cost of providing services; and, in the General Fund particularly, the performance of sales tax and property tax revenues.

Operating Surplus or Deficits

Operating surpluses occur when more revenues come in during a fiscal year than go out. While this is good, and definitely better than the reverse – expenses higher than revenues – a one-year surplus by itself doesn't indicate a fund in good fiscal health. An operating surplus can occur not because revenues are healthy, but because the expenses have been cut or deferred. If the cut is deep enough, services can suffer. It can also occur upon receipt of one-time revenues which help in the short-run, but do not reoccur.

Operating deficits can occur and not necessarily be “bad”. If it is due to a one-time set of circumstances (the monies used in Landfill to provide cell construction) and is not an ongoing issue, then occasional operating deficits can be overcome.

On-going deficits eventually lead to the depletion of fund balance. When that happens, services can be permanently cut or curtailed. A graph of the major operating funds and whether each has experienced operating deficits or surpluses and by how much in FY2014 compared to FY2013 is found below.

FY2014 YEAR END BUDGET REPORT

Surpluses are good. Shrinking surpluses and/or deficits are not so good. Excluded from both revenues and expenses are CIP projects, the riverfront development program and cell phone transactions.

“Surplus” in the Streets Maintenance and Parks Maintenance funds means additional transfers from the General Fund were not needed to make up for a decrease in budgeted revenue or increase in budgeted expenditures. “Deficit” in either of the two funds means money needed to be transferred from the General Fund to allow the fund to at least break even.

ACTUAL ANNUAL OPERATING SURPLUS OR DEFICIT

FUND	FY2013	FY2014
General Gov't		
General	S	S
	\$2.0M	\$1.6M
Public Safety	n/a	S
	-	\$542K
Streets Maintenance	D	D
	(\$1.255M)	(\$2.418M)
Parks Maintenance	S	D
	\$167K	(\$74K)
Enterprise		
Aviation	D	D
	(\$82K)	(\$13K)
Parking	D	D
	(\$41K)	(\$69K)
Water Protection	S	S
	\$10.6M	\$2.96M
Golf	S	D
	\$580.00	(\$60K)
Transit	S	S
	\$2.9M	\$2.6M
Landfill	D	D
	(\$997K)	(\$932K)

General Governmental Funds

Continuing operating deficits in the three general governmental funds existing in fiscal years 2008, 2009 and 2010 led to the need to eliminate positions in the FY2011 budget. That was avoided in FY2012 and increases in revenues allowed the City to avoid cuts in FY2013. With the passage of a new operating sales tax in 2013 for public safety and management of existing expenses, a compensation adjustment for employees was instituted in FY2014. The Public Safety Fund provides a safety net for providing police, fire and public health services.

The Parks Maintenance Fund, for the most part, continues to be able to operate without significant transfers from General Fund. It does still lean on Cell Phone monies to purchase major equipment replacements. The Streets Maintenance Fund definitely requires a separate, on-going source of revenue to provide increase maintenance activities and to decrease its drain on the General Fund.

Enterprise Funds

The on-going deficits in the Aviation and Parking funds have been concerns for several years. The Parking Fund manages to limp along on transfers from the Gaming Fund to make up for revenues lost to “free parking” provided to city-sponsored or community-benefit events downtown and to on-going vacancies. The Aviation Fund’s deficits are more recent and were not totally reversed by the recent mediated agreement with the Air National Guard to resume (lowered) AJUA payments. That fund still

FY2014 YEAR END BUDGET REPORT

receives transfers from Water Protection and, in FY2015, will most probably need a transfer from the General Fund as well.

The multi-year deficit spending in the Landfill Fund was finally addressed in the adopted FY2014 budget when City Council approved the first increase in the tipping fee in ten years. But, even with the modest fee increase, a decrease in tonnage means a continuation of the fund's downward trend. That may reverse itself once the current, major cell expansion project, is completed.

The Golf Fund continues to maintain the precarious position all enterprises find themselves in when there is no guaranteed source of income. The conditions affecting use of the golf course are many and almost none of them under the control of anyone but Mother Nature.

The remaining two enterprise funds (Water Protection and Transit) are operating in the black and with good fund balances.

Revenue-to-Expenditure Relationships

The best case scenario is when revenues increase more than expenditures (or while expenditures decrease and not just through deferred acquisitions, projects, or temporary salary savings).

An acceptable scenario exists if revenues decrease (as long as the fund has a comfortable fund balance or at least is not deficit spending) but expenditures go down an even bigger percentage.

A worst case scenario occurs when revenues decrease while expenditures increase, or when revenues drop faster than expenditures are reduced; especially if a fund is below its targeted fund balance amount to begin with.

When one-time cell phone, riverfront development, CIP and Special Allocation revenues, were excluded, City operating revenues ended the year 3% (\$2,722,000) over the original budget and right on projection. The majority of this \$2.7 million increase over budget was due to the influx of the new Public Safety Sales tax revenue.

Compared to FY13 there was a 15% increase in the overall sales tax category (which includes fuel, hotel/motel, cigarette and other specialty sales revenues) and a 1.3% increase in property tax revenue. Charts and graphs relating to property tax revenues and assessed valuations in the Appendix to this report provide more detail. It should be noted that the amount of property tax decrease in FY2013 relative to FY2012 is slightly misleading. FY12 had a larger than normal bump from the release of a significant amount of protested property tax monies. Without that one time increase, FY2014 property tax revenue still managed to climb back to the FY2012 level due to reassessment and to one of the larger tax abated projects coming back on the tax rolls.

Operating expenditures were 1% less than original budget and 4% less than projected overall.

The chart are the next page compares the percentage growth (or decline) of FY2014 revenues and expenditures compared to the prior year. Like the chart on page 4, this excludes cell phone revenues & expenditures, and capital projects in the operating funds

Specifics on changes in revenues and expenditures are discussed starting on page 9.

FY2014 YEAR END BUDGET REPORT

Percent Change from Prior Year Operating Revenues & Expenditures		
	Revenue	Expense
Fund	Increase/ (Decrease)	Increase/ (Decrease)
General	6%	14%
Streets Maintenance*	4%	9%
Parks Maintenance**	(11%)	4%
Gaming Initiatives	0.5%	(4%)
Museum Tax	8.5%	11%
Special Allocation	(47%)	(53%)
Capital Projects (all funds)	131%	287%
Aviation Operations	3%	16%
Parking Operations	(9%)	(1%)
Water Protection	5%	22%
Municipal Golf	5%	6%
Mass Transit	5%	(1%)
Landfill	(2%)	(3%)

*Revenue: excludes the transfers from the General Fund required to maintain balanced budget.

**Excludes the cell phone transfer for capital equipment purchases (and that expense).

(Table 7, page 97 provides the details on the percentages shown in the preceding chart.)

FY2014 YEAR END BUDGET REPORT

Fund Balance Goals

The Government Finance Officers Association lays out the recommended level of unassigned fund balance for non-enterprise funds as two months (60 days) of operating expenses. At the very least 5% is recommended. The City's adopted fund balance policy sets a goal of 10% for the General Fund. Factors for maintaining balances at the higher level include drains on resources due to financial difficulties, growing budgets, or an area with exposure to natural disasters (like tornados, floods, ice storms). At the end of FY14 three funds, Aviation, Parking and Municipal Golf, did not maintain a target fund balance although Parking was very close.

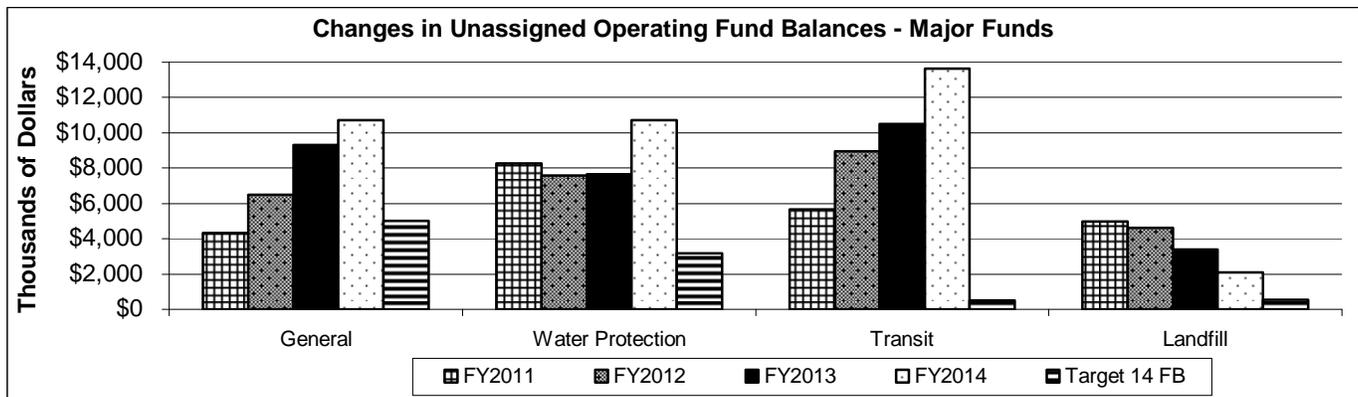
CHANGES IN OPERATING FUND BALANCES

Fund	Total Beginning*	FY14 Preliminary Actual		Designated Adjstmnt	Year End Projected Ending	Target Balance	Maintained Target FB
		Revenues	Expenditures				
General	\$14,006,000	\$50,654,000	\$49,010,000	(\$5,293,000)	\$10,357,000	\$4,901,000	Yes
Public Safety	\$0	\$2,697,000	\$2,155,000	(\$12,000)	\$530,000	\$215,500	Yes
Streets Maintenance	48,000	5,314,000	5,367,000	0	(5,000)	n/a	n/a
Parks Maintenance	166,000	1,349,000	1,423,000	0	92,000	n/a	n/a
Gaming Funded Initiatives	274,000	1,161,000	1,192,000	0	243,000	n/a	n/a
Museum Tax	86,000	423,000	422,000	(44,000)	43,000	\$42,200	Yes
Aviation	(1,000)	606,000	619,000	0	(14,000)	71,423	No
Public Parking	119,000	334,000	403,000	(9,000)	41,000	46,500	No
Water Protection	7,757,000	22,377,000	19,416,000	(126,000)	10,592,000	3,191,671	Yes
Municipal Golf	1,000	862,000	862,000	0	1,000	99,462	No
Mass Transit	11,066,000	7,675,000	5,098,000	(712,000)	12,931,000	490,192	Yes
Landfill	8,228,000	2,922,000	3,854,000	(5,195,000)	2,101,000	370,577	Yes
Total Operating	\$41,750,000	\$96,374,000	\$89,821,000	(\$11,391,000)	\$36,912,000		

*Includes designated fund balances

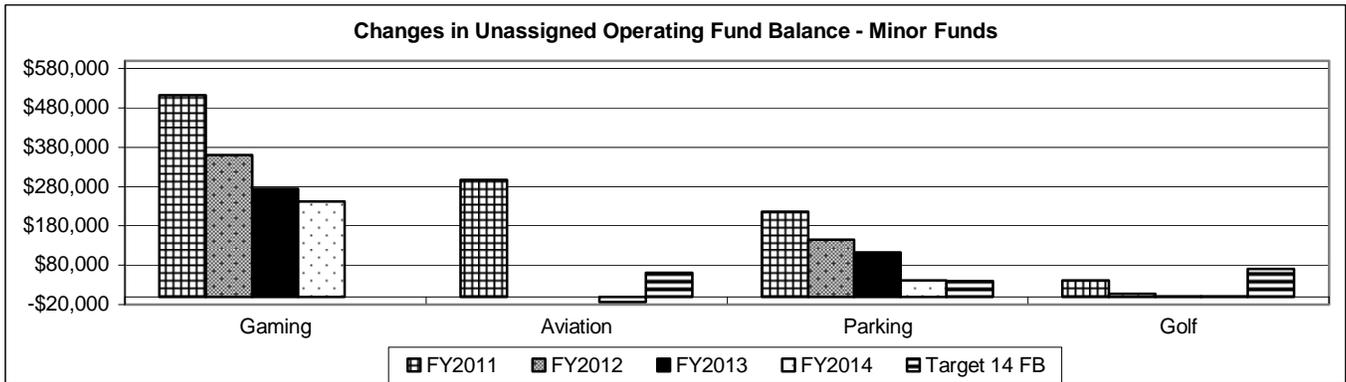
The table above provides the ending available fund balance increase or decrease compared to beginning fund balance and indicates if each fund managed to maintain its target unassigned ending balance amount. Inter-fund transfers have been included in this chart. As previously mentioned, there can be a surplus (i.e., no deficit spending) and a fund can still be below its targeted reserve. Deficit spending will result in a decrease in fund balance. However, a fund can still be within its target range. A fund is in need of corrective action when decreases become routine as they have been in Parking, Aviation, Golf and Landfill.

The graph below shows the changes in fund balance over the last four years for the larger operating funds.



The next graph shows the changes in fund balance over the last four years for the smaller operating funds. Because of their smaller dollar amounts, inclusion in the chart above would have obscured actual changes.

FY2014 YEAR END BUDGET REPORT



The chart below compares the beginning and ending fund balances for what this report terms “non-operating” funds, for CIP programs and for the designated revenues & expenditures in the operating funds (like cell phone and riverfront development monies in the General Fund), none of which have a fund balance “target”.

CHANGES IN NON-OPERATING AND DESIGNATED FUND BALANCES

<u>Fund Designated/CIP</u>	<u>Total Beginning</u>	<u>FY14 Preliminary Actual</u>		<u>Designated Adjstmnt</u>	<u>Year End Projected Ending</u>	<u>Preliminary Inc (Dec) in Fund Balance</u>
		<u>Revenues</u>	<u>Expenditures</u>			
Non-Operating Funds						
Special Allocation Fund	2,699,000	9,029,000	8,455,000	0	3,273,000	574,000
Capital Projects Fund	9,414,000	6,949,000	8,510,000	0	7,853,000	(1,561,000)
Special Purpose Designations						
General - Computer Escrow	\$526,000	\$63,000	\$247,000	\$0	\$342,000	(\$184,000)
General - Cell Phone	826,000	1,518,000	1,876,000	0	468,000	(358,000)
General - Riverfront ED Tax	747,000	428,000	0	0	1,175,000	428,000
General - Emergency Fnd	1,025,000	0	0	0	1,025,000	0
Mass Transit Bus Replcmnt	578,000	0	0	134,000	712,000	134,000
Landfill Closure/PostClsr	4,805,000	0	0	354,000	5,159,000	354,000
27th Payroll Designations						
General Fnd - 27th PY	1,589,000	0	0	333,000	1,922,000	333,000
Public Safety - 27th PY	0	0	0	12,000	12,000	12,000
CDBG - 27th PY	9,000	0	0	3,000	12,000	3,000
Aviation - 27th PY	8,000	0	0	(8,000)	0	(8,000)
Parking - 27th PY	7,000	0	0	2,000	9,000	2,000
Water Protection - 27th PY	105,000	0	0	21,000	126,000	21,000
Municipal Golf - 27th PY	7,000	0	0	(7,000)	0	(7,000)
Landfill - 27th PY	30,000	0	0	6,000	36,000	6,000
Operating Funds' CIP Programs						
Museum CIP	353,000	100,000	409,000	0	44,000	(309,000)
Aviation CIP*	347,000	130,000	515,000	0	(38,000)	(385,000)
Water Protection CIP	13,154,000	56,079,000	56,872,000	0	12,361,000	(793,000)
Municipal Golf CIP	0	23,000	23,000	0	0	0
Transit CIP*	(55,000)	15,000	5,000	0	(45,000)	10,000

*CIP deficits resulting from the lag in grant reimbursements for capital expenditures

FY2014 YEAR END BUDGET REPORT

CITY-WIDE REVENUE & EXPENDITURE TRENDS

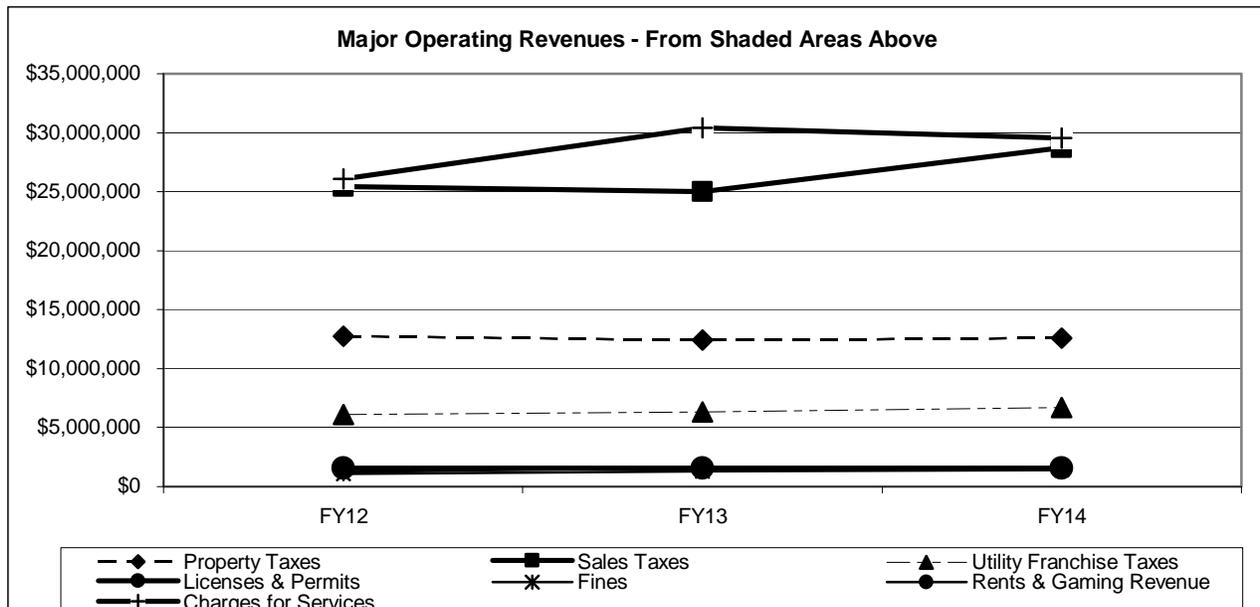
Problems, or opportunities, come to light when trends are examined. On the following pages, this report will look at the overall trends of various revenue and expenditure categories. Below is a look at the trends over the last three years of the major revenue sources for the departments that support city staff and provide the bulk of city services – Police, Fire, Health, Planning & Inspections, Parks & Recreation (excluding Golf), Public Works (excluding Parking, Airport, Landfill, Transit), and the general administrative departments.

COMPARISONS - FY2012:FY2014 BY MAJOR OPERATING REVENUE SOURCE

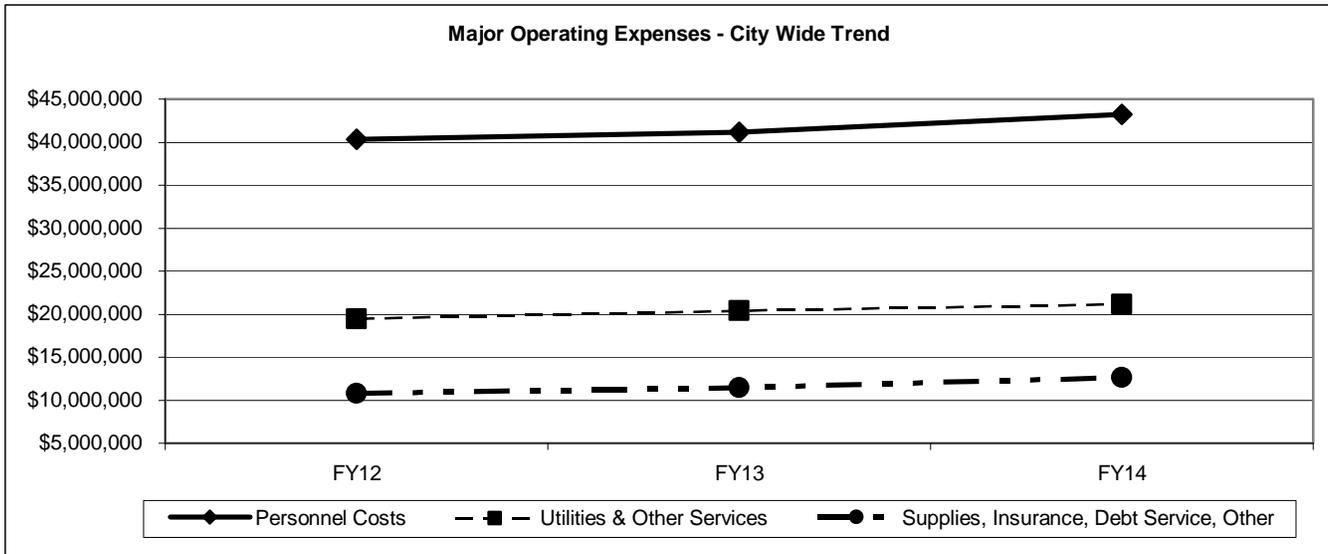
Type of Revenue	FY12 Actual	FY13 Actual	FY14 Actual	Over/(Under)		% of Total Revenue
	Revenues	Revenues	Revenues	Prior Year		
Property Taxes	\$12,734,000	\$12,448,000	\$12,608,000	\$160,000	1.29%	14.2%
Sales Taxes	25,446,000	25,012,000	28,753,000	3,741,000	14.96%	32.4%
Utility Franchise Taxes	6,122,000	6,323,000	6,688,000	365,000	5.77%	7.5%
Licenses & Permits	1,593,000	1,581,000	1,590,000	9,000	0.57%	1.8%
Fines	1,061,000	1,317,000	1,425,000	108,000	8.20%	1.6%
Rents & Gaming Revenue	1,243,000	1,601,000	1,432,000	(169,000)	-10.56%	1.6%
Charges for Services	26,113,000	30,402,000	29,562,000	(840,000)	-2.76%	33.3%
Interest Earnings & Other	1,376,000	1,333,000	1,570,000	237,000	17.78%	1.8%
Op Grants & Entitlements	7,069,000	6,246,000	5,059,000	(1,187,000)	-19.00%	5.7%
Total Operating Funds	82,757,000	86,263,000	88,687,000	\$2,424,000	2.81%	

Excluding interfund transfers, sales taxes (Special Allocation & CIP), cell phone franchise and Riverfront Economic Development taxes

Put in graph form, it's obvious that the major revenue sources for the city's operating funds remained flat over the three year period with two exceptions – sales tax and charges for services. Sales tax revenues, of course, realized an increase from the Public Safety Tax. Sewer revenues boosted FY13 charges-for-services category, which flattened in FY14. Revenues from Gaming, Fines and Licenses & Permits were practically identical and the three lines basically merged at the bottom of the chart.



FY2014 YEAR END BUDGET REPORT



Increases as a result of the implementation of the new Compensation and Classification Plan led to the significant increase in Personnel costs. Increases in pension and health insurance costs also contributed to that increase. Utilities, insurances, and maintenance & repair costs were up slightly. Increases in fuel and fuel-based supplies as well as debt service expenditures pushed those categories' costs up.

The series of graphs below chart revenue and expenditure trends for all funds combined over the last ten years. More specific information on how each revenue or expenditure type performed within separate funds can be found starting on page 24.

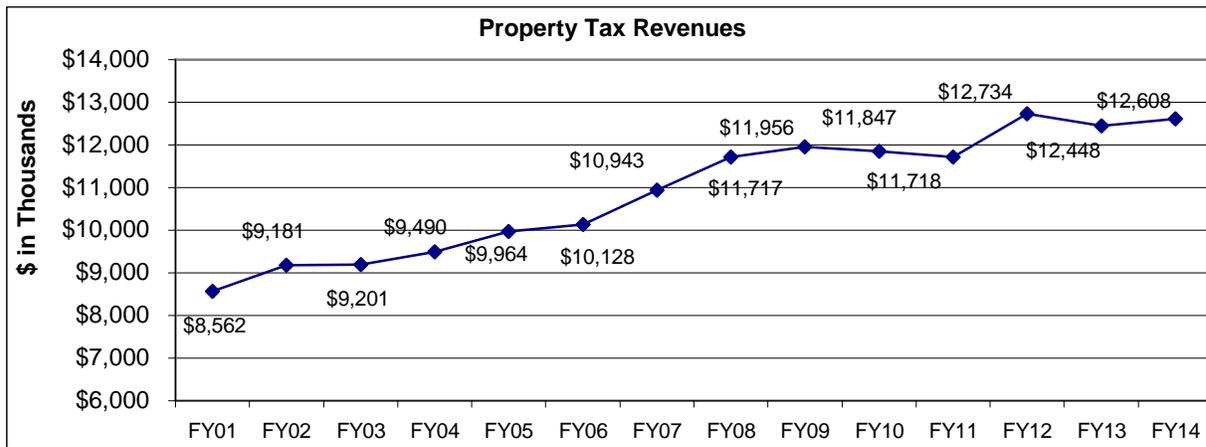
Property Taxes

As a result of SB711 and the depressed housing market, real property tax revenues (excluding the PILOTS generated by TIF projects) showed a two year decrease in FY10 (-1%) and FY11 (-2%). This trend showed a significant reversal in FY12 with an increase of almost 8%. A majority of the increase was due to tax year 2011 (FY12) being a reassessment year and from the release of a significant amount of protested taxes being held in escrow. Total current real property valuations were 1% (\$6.4 million) more than tax year 2011 (FY12). Total real property assessments have started to reflect a slow increase. FY13 assessments increased by 1% and FY14 increased by another 1%.

From tax year 2010 to 2012, total current personal property valuations decreased \$52.4 million (18%) with the adoption of a new depreciation schedule by the County Assessor. Revenues were somewhat bolstered in FY12 with the County Collector's release of prior year protested personal property taxes from four major industrial taxpayers. But with virtually no increase in assessed valuation, personal property tax revenues declined by \$491,000 (12.5%) from FY11 and showed no appreciable growth in FY13. FY14 experienced a modest increase.

Overall, total property tax operating revenue increased by 1.3% (\$160,000). Since property taxes were budgeted very conservatively, total operating property tax revenue was over the original budget amount by \$194,000. As in FY13, property taxes represented 14% of FY14 operating revenues.

FY2014 YEAR END BUDGET REPORT



[The above graph excludes the property tax revenues (PILOTS) recorded in the Special Allocation Fund.]

Sales Taxes

Overall, sales taxes had a significant increase 13.3% (\$4,162,000) from \$34,587,000 to \$39,199,000. Excluding the \$4,339,000 that went into various TIF programs in the Special Allocation Fund and \$5,646,000 of CIP Sales Tax revenue to the Capital Projects Fund, operating sales tax revenues increased 12.9%. Of course, the majority of the increase to operating revenues in this category is due to the almost \$3 million influx of Public Safety sales taxes. Excluding those new revenues, sales taxes still increased a healthy 2.5%.

City-wide this category reflects a combination of local general (gross sales), cigarette, CIP, EATS (the City's portion from TIFs), transit, motor vehicle, fuel, and hotel/motel taxes helping to fund six of the City's major funds. Potential Public Safety Tax revenues were not included in the adopted budget. As a result, actual revenues came in \$3.723 million or 10.5% more than originally budgeted. They also exceeded mid-year projections by \$1.3 million.

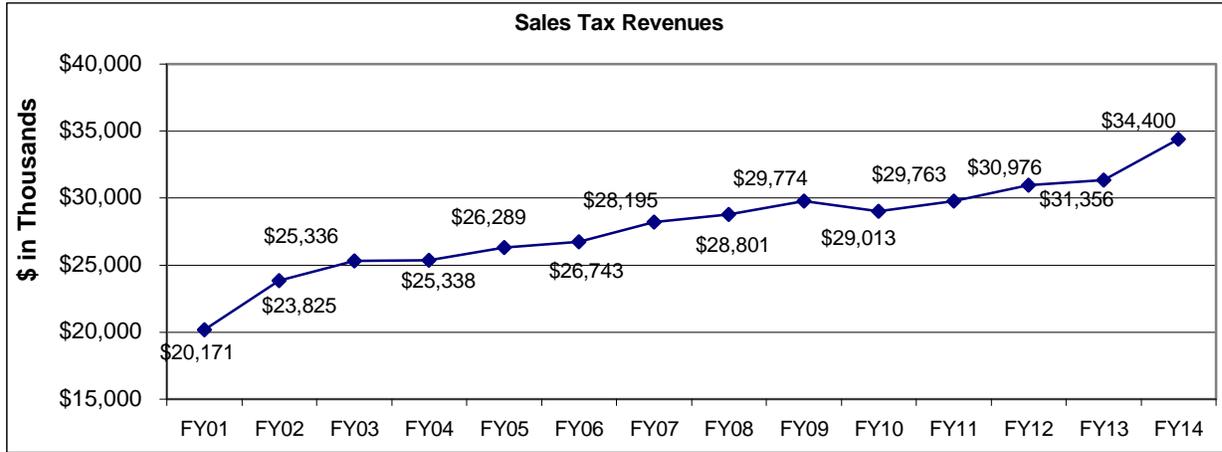
While taxes levied on gross sales did well, the other sales tax categories – cigarette, motor vehicle, fuel, hotel/motel - fell short of budget.

Cigarette tax revenue came in well behind FY13 levels. Even without the mid-year passage of the non-smoking measure by citizens, that revenue source has been falling. Hotel/motel taxes came in under budget, mainly as a result of a change of ownership in one of the hotels leaving taxes due of over \$60,000.

Not counting transfers in from the General Fund, fuel taxes are the major funding source for the Streets Maintenance Fund. Those revenues came in just 1.3% short of budget as the price per gallon for fuel continues to rise and miles driven continue to decline.

The various sales tax revenues account for approximately 32% of the City's operating funds and are the source of 50% of the funding for FY2014 capital improvement projects (excluding Water Protection projects). Staff monitors this revenue source closely.

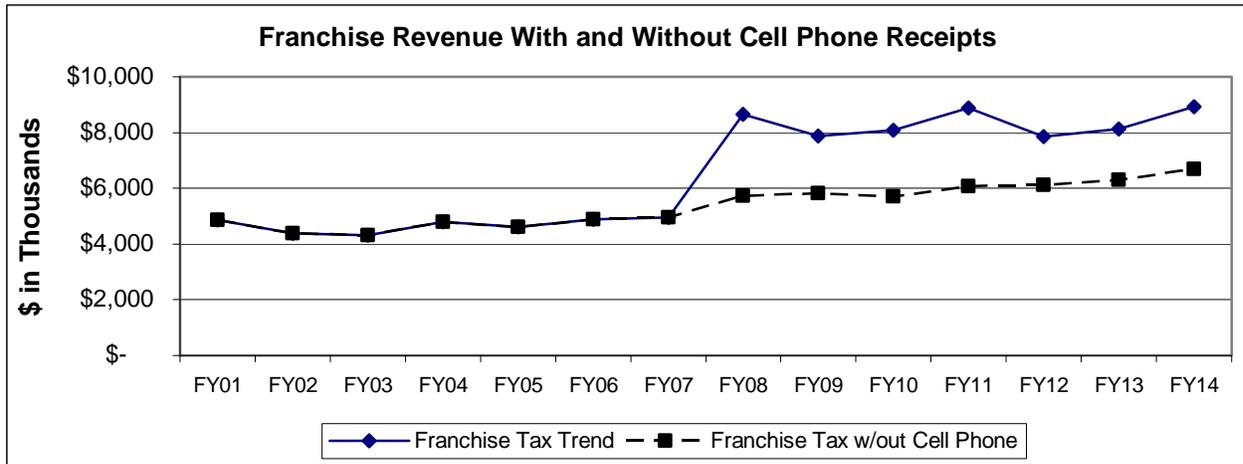
FY2014 YEAR END BUDGET REPORT



[The above graph excludes the sales tax revenues (EATS) recorded in the Special Allocation Fund TIFs.]

Utility Franchise Fees

Utility franchise fees are assessed on the gross receipts of utility companies who deliver or provide services to local residents and businesses (electric, water, natural gas, cable, communications). Cell phone revenues make up \$1,518,000 of FY14 franchise revenue. Excluding the cell phone revenue (which could be eliminated in the future if communications companies succeed in legislation to ban such taxes on the state or federal level), utility taxes represent 7.5% of the City's operating revenues. Franchise revenues are recorded in the General and Transit funds.



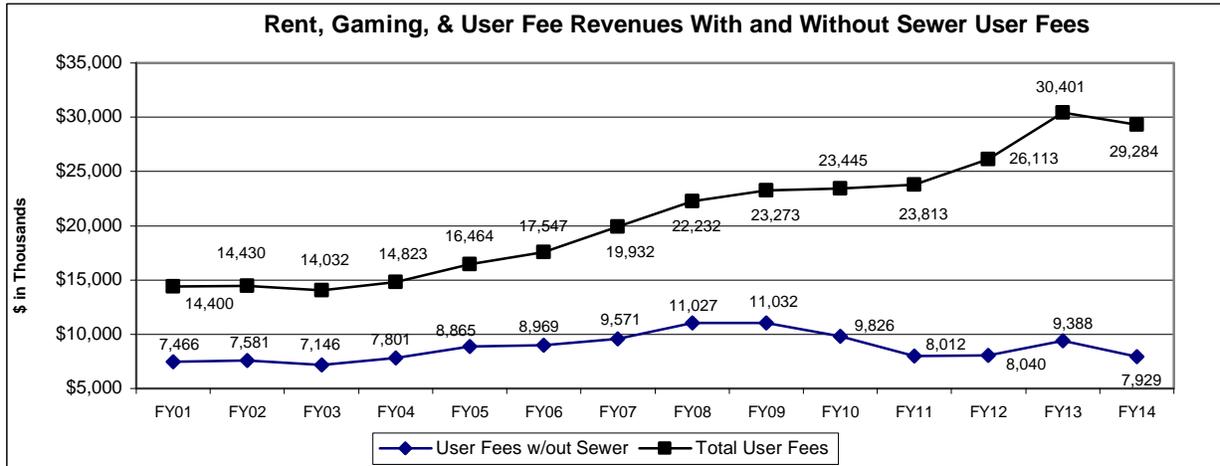
As can be seen in the above chart, excluding the revenues from the wireless services, franchise revenues remain fairly flat. There was a slight up-tick with an FY08 settlement with AT&T, compelling the land-line company to pay franchise taxes on services it previously excluded. But the various phone utilities continue to resist paying taxes through both court actions and through attempts to curtail municipalities' taxing authority through federal legislation.

Significant year-to-year fluctuations in the gas, electric and water franchise fee revenues frequently occur in response to unusual seasonal climates. Warm winters and cold/wet summers have a downward impact of gas, electric and water franchise fee revenues whereas the opposite is true for cold winters and hot/dry summers. During most years these climactic conditions average out producing no noticeable or significant volatility in revenues overall. However, the additional complication of constantly fluctuating rates themselves makes projections in this area extremely difficult. Actual FY14 revenues came in 2% (\$174,000) more than originally adopted, mostly as the result of increased electric service rates leading to higher than anticipated gross revenues for that utility.

FY2014 YEAR END BUDGET REPORT

User Fees

The City's twelve categories of user fees, rents, and gaming revenues totaled \$29,562,000 in FY14 and represents 33% of total City operating revenue. User fees include revenues from downtown parking; Gaming (casino admission and gaming taxes); health services; parks, recreation, and civic facility fees and concessions; golf fees; bus fares; sewer charges; landfill tipping fees; aviation rents; and other miscellaneous user fees including charges for street cut repairs, fire district contracts, and weed abatements. User charges are found in virtually every operating fund in one form or another.



Total user fee revenue decreased 3.7%, from the FY13 actual of \$30,401,000. Almost all of the increase in FY13 came from sewer user fees which increased \$4,100,000 as a result of the fee increases required to meet state and federal Clean Water mandates and from the one-year impact of the City taking back sewer billing services. In FY14, a large number of past-due sewer accounts had either been paid or sent to collections. On-going collections reached a more stable level.

The biggest percentage of user fee revenues comes from sewer and landfill charges. These are fairly reliable sources of revenue, although landfill receipts are more susceptible to market forces than sewer fees. In these two Enterprise funds, revenues can be more easily adjusted to meet the demands of the expenditures. Transit fees are a minor contributor to the overall support of the bus system, mainly operated with federal subsidies and the dedicated transportation sales tax.

Other user fees are dependent on factors beyond City control – user preference, other entertainment or recreation opportunities, etc. When fees are generated at outdoor venues (swimming, golf, ball fields) weather can have a big impact. It is in these areas that expenditures must be reviewed constantly in comparison with revenues generated. Although most of the services provided are not meant to be self-supporting, small fund balances mean that increasing cost of service levels must be met with some corresponding increase in revenues. Otherwise service levels will face cutbacks.

Licenses & Permits

License revenue is derived from business, liquor, animal, garage sale, trade exam licensing activities; from local vehicle fees (city stickers) billed annually with City property taxes; and from a variety of permits from building construction, septic tank installation, special events, dangerous buildings, special uses and more. Together these revenues generated \$1,590,000 or 1.8% of the City's operating revenues. There was an overall increase of \$9,000 from FY13. Actual revenues were 1% less than revised projections.

Fine Revenue

Fine revenue has increased for the last two years. FY13 realized an increase of 24% (\$256,000) for total fine revenue of \$1,317,000 and 8% (\$108,000) in FY14. Fine revenue represents 1.2% of the City's operating revenue; however, it has been a fairly important source for the General Fund (up to 3.5% of total

FY2014 YEAR END BUDGET REPORT

fund receipts in the past). With the FY14 increase, the revenue now provides 2.5% of General Fund revenues. Actual fine revenues came in below original budgets and right on projected budgets.

Interest Earnings

Interest earnings showed a slight increase for the first time in years although low interest rates generated city-wide total revenue of \$868,000 compared to FY13's \$836,000. Of this amount, \$551,000 is a result of bond interest flowing from refinancing in the Special Allocation Fund and \$189,000 in special assessment interest in the Water Protection Fund. That leaves only \$128,000 in interest earnings spread between all other funds. It is a \$32,000 increase from FY13. They now represent a negligible amount (0.5%) of all City revenues.

Grants

During FY2014, grant revenue decreased by \$2,850,000 to a total of \$5,702,000. Year-to-year fluctuations are not necessarily significant from an operational point of view. They result mostly from timing of capital improvement projects and other grant-funded activities. Operating grants in the General, CDBG and Transit funds accounted for most of the year's grant revenues (\$5,275,000). The remaining \$427,000 came through capital projects at the Airport and in the Capital Projects funds. Actual receipts were below the projected and budget amounts due to postponement of grant supported capital projects.

Donations, Bond Proceeds, and Other Revenues

Donations, bonds, and other revenues almost doubled in FY2014 from \$29,500,000 million to \$58,336,000. These revenues represented 34% of total City revenues. \$56 million of the total amount this year is attributable to bond proceeds recorded in the Water Protection Fund.

Besides the various bond proceeds, major contributors to the FY14 amount in this category were:

- \$481,000 of Sewer Reserve Charges. This is an annual payment from Triumph Foods which goes to pay the debt service on one of the TIF bonds issued for that project;
- \$322,000 "developer's contribution" which is Chapter 100 Personal Property PILOTs from Triumph Foods sent directly to the bond trustee;
- \$380,000 in Missouri BUILD tax credits in the Sewer Fund, funneled through Triumph Foods in order to support the MDFB Series C bond payments;
- \$100,000 from the casino as a contribution toward snow removal equipment in recognition of the work the Streets division did during the previous winter;
- \$57,000 in other donations across other departments, particularly Health, Parks & Recreation and the Golf Course;
- \$121,000 in receipts from the sale of fixed assets throughout the City. The major portion represented by the \$112,000 sale of equipment in the Streets Maintenance Division;
- \$58,000 in recycling revenues, \$39,000 from the Recycling Center and the remainder from the sale of scrap metal in other departments;
- Remaining \$817,000 a combination of insurance proceeds, various recovery/reimbursements, sales of oil & gas at the airport, non-refundable bid deposits, etc.

Except for the Triumph sewer reserve charges, BUILD tax credits, and PILOTS, sources such as these are very unpredictable and therefore rarely budgeted.

Fund Transfers-In

Transfers-in from other funds totaled \$8,548,000 or 5% of total City revenues. This is \$2.4 million more than the prior year total, \$6,170,000. A major factor for the increase was the \$1.5 million increase from the Public Safety Tax fund in order to cover the impact of increased compensation for the public safety employees. The other was the \$1.7 million increase in transfers from the General Fund to Streets Maintenance and Golf funds in order to avoid deficits in those two funds. These increases in transfer revenue were offset by lower transfers elsewhere.

The details behind these revenues are provided under the EXPENDITURES section, on page 21. The difference between fund transfers-in and fund transfers-out represent monies received by the CDBG fund

FY2014 YEAR END BUDGET REPORT

from off-budget sources such as the Revolving Loan Funds as reflected in the CDBG Fund chart on page 41.

EXPENDITURES

Salaries and Wages

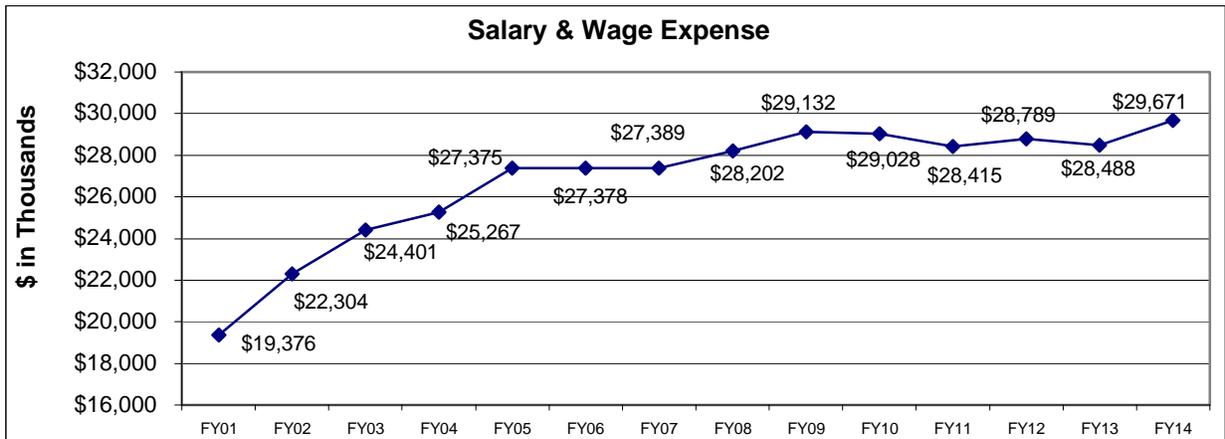
Salaries and wages were basically flat from FY05 to FY07 as can be seen on the chart on the next page. The cost of a 27th payroll in FY05 almost exactly matched the cost of the normal matrix salary increases in FY06. FY07 expenses reflect the fact there were no salary or wage increases. In fact, there was only an \$11,000 difference between FY05 and FY07 salary & wage expenses. Overtime costs incurred during the ice event and overall harsh winter also contributed to the 3% increase in expenditures in FY07. There was a 3% increase in salaries in FY09, but an actual decrease in FY10 expenses as a result of vacancy savings and a decreased use of overtime.

FY2011 wage & salary costs decreased another \$613,000, the result of vacancy savings as well as a 20 position reduction in order to balance the FY2011 budget. The \$374,000 increase in FY12 resulted from a one-time \$1,000 pay-for-performance checks to city employees (offset \$200,000 from position vacancy savings).

With no wage adjustments in FY13; with a close watch on overtime costs; and with various position vacancy savings overall costs in the area declined by \$301,000 from FY12.

With the mid-year implementation of a new compensation & classification plan, financed partially with the passage of the public safety sales tax which covered increases for public safety employees, salary and wage expenses increased \$1,183,000 in FY14.

Salaries and wages (including overtime, out-of-title pay, and wages for temporary/part-time employees) make up 33% of total City operating expenditures. Since money was set aside for possible wage adjustments (pending outcome of the public safety tax election), actual FY14 expenditures reflected a 2% savings from the original budget and finished the year 0.003% less than mid-year projections.

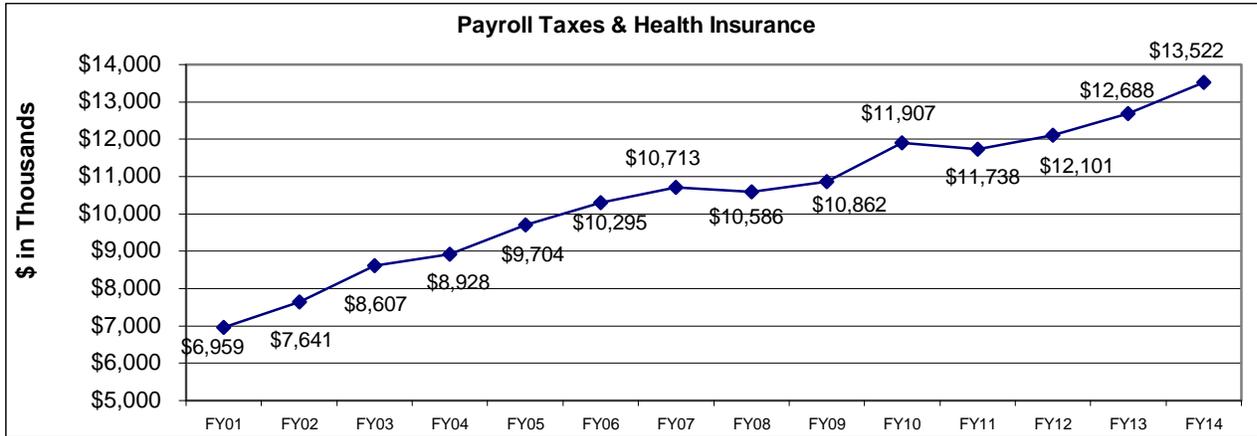


Employee Benefits

Employee “benefits” represent 15% of operating expenditures and cover payroll related taxes (social security), contributions to employee pension plans, contributions to health and dental coverage, life insurance, long-term disability coverage, workers compensation, mileage reimbursement and training/travel expenses. As can be seen in the chart on the next page, this category increased \$834,000 (almost 7%) in FY14 from \$12,688,000 to \$13,522,000. While the \$659,000 savings in salaries & wages translated to a corresponding savings in pension, social security, and other payroll related expenses those savings were offset by increases of the city’s contribution rates to all of the employee pension plans.

FY2014 YEAR END BUDGET REPORT

There was also a 7.9% increase in the cost of health insurance. Benefit expenses for FY14, were 3% under original budget and 4% under projections.



Materials & Supplies

Material and supply expenditures had an uptick in FY14, increasing \$358,000 (7%) from the prior year. In the General Fund the major increases were in safety equipment for police (\$30,000) and fuel costs for the streets divisions (\$71,000). The Streets Maintenance Fund had a \$92,000 increase in costs from street maintenance and traffic supplies. Parks Maintenance Fund had increases in fuel and in traffic lighting supplies, to the tune of \$22,000. Water Protection Fund contributed \$121,000 of the increase through costs of wastewater treatment chemicals and minor equipment purchases. Finally, Landfill's \$26,000 increase in this category came mainly from fuel costs.

As a category, materials & supplies represented 3% of the City's total expenditures. The year-end actual amount was 3% under the adopted budget and right at the projected expense.



Services (Utilities, Maintenance & Repairs, Professional Services, Contributions)

The cost of services paid for by the City increased \$6,191,000 (25%), from \$25,101,000 to \$31,292,000. Services represented 18% of the City's total budget. This category contains the most diverse types of expenditures. The major components of the city's "service" costs included:

- Professional Services* account increased by a net \$6.8 million. For FY14 professional services totaled \$11.2 million compared to FY13's \$4.4 million. Architectural, engineering, and design work for projects in the Capital Projects, Aviation, Landfill and Water Protection funds make up over \$10.1 million of that amount. The contract with Mass Transit's management company was \$243,000.

FY2014 YEAR END BUDGET REPORT

- *Utility payments* (communications, gas, electric, water, solid waste) totaled a combined \$4.844 million (an 8.6% increase from FY13). Largest single portion of the expense was the cost of the street and traffic lighting systems (\$1.725 million), a \$125,000 increase from FY13. A close second was electric service at the Water Protection Plant (\$1.365 million) which experienced a \$165,000 increase.

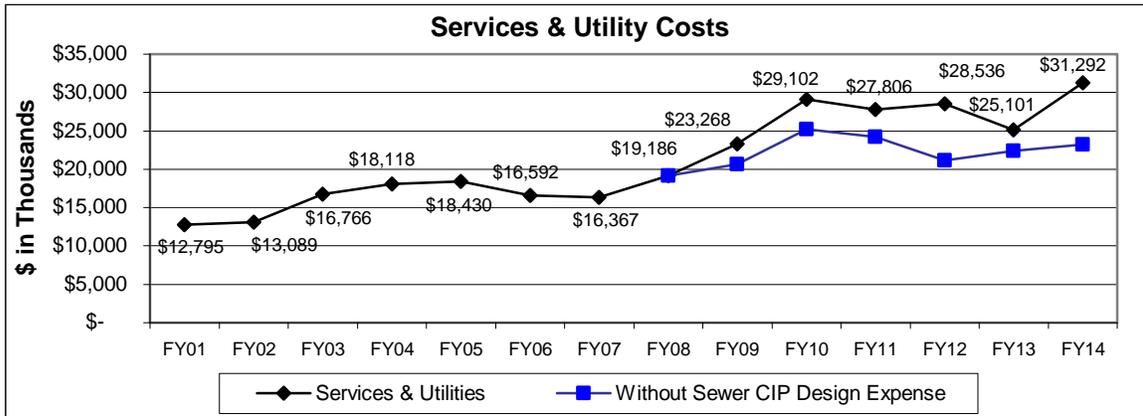
Utility expenses amounted to \$759,000 within the Parks & Recreation department for all of the electric/gas/water usage at their facilities, grounds and the parkway system. The final utility expense that hit the triple digit level was the \$160,000 cost in Police Communications for various emergency service communications;

- *Maintenance and repair of equipment, buildings, vehicles* at \$5.253 million, increased \$332,000 from last year. A major portion of the total costs was made up of \$1,256,000 for computers, software licenses and new/upgraded emergency communications equipment. Excluding those computer/communication expenses (where much of the increase occurred), maintenance & repair of buildings, vehicles and equipment totaled: \$1,800,000 in Water Protection Fund divisions (where over half of the increase in M&R costs occurred), \$855,000 in the Streets divisions, \$412,000 in all Parks & Recreation Department divisions, \$293,000 in the Transit division, \$137,000 in the Landfill divisions, \$322,000 in the Police & Fire departments and the remaining \$178,000 scattered among the other departments and divisions in the City;
- *Federal pass-through monies* in the CDBG Fund to various public service agencies and community development organizations and activities accounted for \$1.44 million a decrease of \$582,000 from last year's expenditures. Most of the additional monies in FY12 came from mid-year ARRA grant monies for slum/blight/neighborhood improvement efforts;
- *Gaming Fund* provided \$479,000 covering expenditures such as the contract with the Chamber of Commerce for economic development services, the contribution to MO-KAN, the Downtown Partnership contract, the match for the Downtown DREAM initiative, festival funding, etc;
- *Municipal tax* funds reimbursed St. Joseph Museum, Inc for their management of one of the City's museums, at Council direction \$30,000 more than the current contract, for a total of \$330,000;
- Use of *temporary work crews* in Property Maintenance, Water Protection, Parks & Recreation, and Streets departments totaled \$632,000;
- *TIF programs* generate \$731,000 in administrative and collection fees paid to the City and County for tax collection and administration of the TIF programs;
- "*Special Contributions*" and "*Other Services*" accounts contain expenditures such as the payments to the LEC for the City's space in that building and the contribution to the Social Welfare Board recorded in the Health department together totaling \$883,000. \$539,000 was paid to Buchanan County for collecting City property taxes;
- Cost of *postage* for mailing sewer utility bills was a significant amount at \$126,000 and *MoDNR Fees* accounted for \$224,000 in expense for the Water Protection fund and \$40,000 in Landfill.
- Finally, all of the *salaries, benefits, contractual service costs for the mass transit system* were expended in a "Services" line item and totaled \$3.615 million.
- That leaves less than \$1 million covering the other costs in this category – dues, advertising, printing, recording fees, recruitment costs, etc. in all departments.

Expenditures were 7% (\$2,185,000) over original budget due to accelerated projects in the Water Protection Fund. But they were 3% (\$836,000) under projected budgets. As detailed above, year-to-year fluctuations in service costs are mainly due to the number and magnitude of capital improvement projects (with their significant engineering/architectural design costs) and the amount of federal pass-through

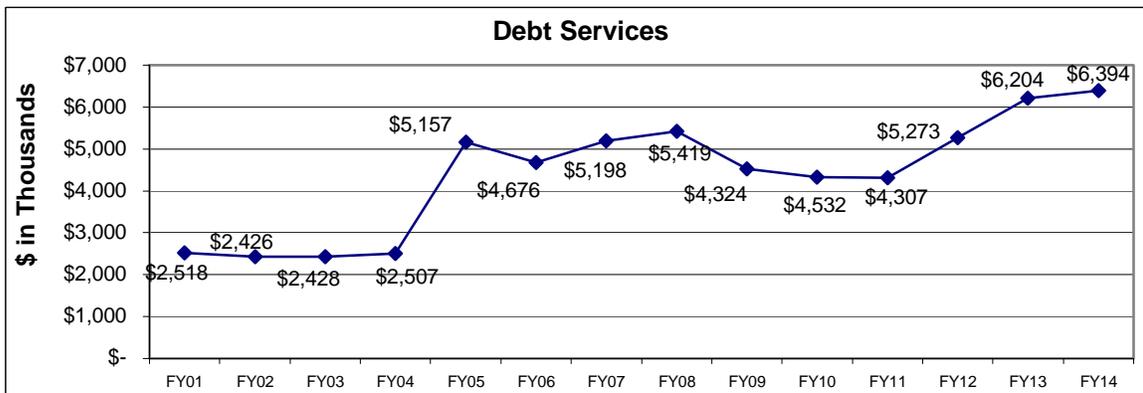
FY2014 YEAR END BUDGET REPORT

monies allocated in any one-year in the CDBG Fund. The graph below compares total expenses in this category with and without the addition of the design and engineering costs related to the massive sewer- and CSO-related projects the City has had to undertake. Such projects really began to affect costs beginning in FY2009.



Debt Service (excluding \$7.67 million in Special Allocation reimbursements & debt service)

Debt service expenditures (principal and interest payments on bonds and loans) stand at just over \$6.4 million. The Water Protection Fund accounts for \$6.1 million of that expense and all of the \$724,000 increase from last year. Debt service in that fund actually increased by \$1.4 million, but the retirement of the remaining PBA bonds offset the increase somewhat.



The \$7.67 million in Special Allocation which appeared as “debt service” was actually comprised of two types of expenditures in FY14. \$5.8 million represents actual principal & interest payments on bonds issued in three of the City’s TIFS. The remaining \$1.9 million represents payments to developers in pay-as-you-go TIFS and Sales Tax Redevelopment Agreements (STRA). GASB accounting standards insist on classifying these expenditures as “debt”, thus over stating the long-term payment commitments the City is obligated to make from its own revenues.

As a part of the various Redevelopment Agreements the City may have pledged to reimburse approved costs. However, with pay-as-you-go TIFS, if the project does not generate incremental revenues it gets no reimbursements. When the 23-year statute of limitations on a TIF is over, and the total amount has not been reimbursed, the developer loses it.

As a whole, the “debt service” category represented 8% of the FY14 city expenditures.

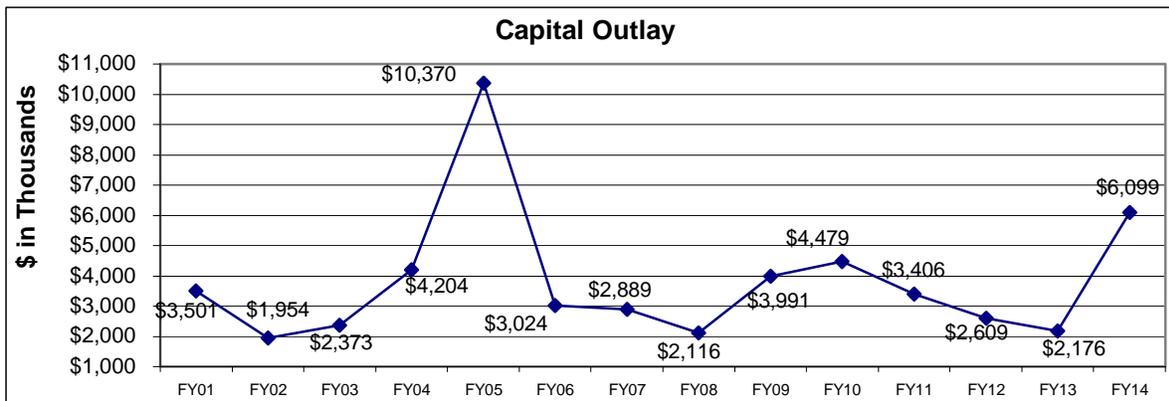
FY2014 YEAR END BUDGET REPORT

Insurance & Other Charges

The FY14 total for this category was \$1.044 million, a \$109,000 increase from FY13, mostly due to increases in insurance & liability coverage. Category costs included City elections at \$97,000; Transit vehicle liability insurance at \$143,000; City property and general liability insurance premiums of \$626,000 (a \$103,000 increase from the prior year), and City property damage and liability claims (\$178,000). Claims expenses were made up of: Water Protection for sewer back-ups (37%), Streets divisions (55%), Police Department (3%), Fire Department (1%), and Health divisions (2%) This expenditure category has historically been a minor portion of the whole. In FY14 it represented 0.006 of total expenditures.

Capital Outlay

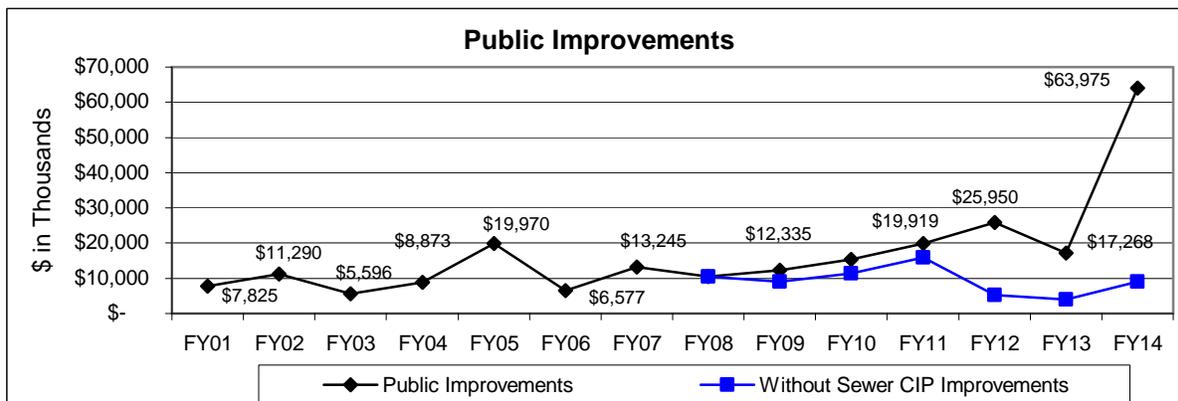
As can be seen in the graph below, capital outlay expenditures can fluctuate significantly from year-to-year depending on the City's capital equipment needs and whether capital equipment is funded by CIP sales tax funds or purchased with cell phone revenues. FY14 capital outlay increased from \$2,176,000 to \$6,066,000 (3.5% of total expenditures). The spike in capital outlay that occurred in FY05 resulted from the \$8 million purchase of the Public Safety Communication System.



Large capital purchases in FY14 included \$86,000 for new, upgraded or replacement hardware and software throughout the City; \$297,000 worth of police cars and \$307,000 for the SWAT vehicle; \$426,000 for Landfill equipment; \$1,155,000 in rolling stock and other equipment in the Streets Maintenance, Parks Maintenance and Water Protection divisions; \$491,000 in equipment needed at the Water Protection Plant in order to meet EPA and MDNR mandates; two fire pumpers for \$787,000; and \$2,391,000 in upgraded communications equipment, the majority (\$2,205,000) for the emergency communications system.

Public Improvements

Public improvement expenditures can, and usually do, fluctuate annually in response to the timing, nature and cost of projects outlined in the City's Six-Year CIP and the EPA/DNR mandated sewer system improvements. As with the Services graph, the chart below illustrates public improvement expenditures with and without the sewer system projects' costs.



FY2014 YEAR END BUDGET REPORT

FY05 was an example with an almost \$11.1 million dollar increase from FY04. The projects that year included the \$8.8 million Police Communications System upgrade and the capacity improvements at the Water Protection Plant totaling over \$11 million. The FY07 jump to \$13,245,000 included several unusually large projects: expansion of the LEC, Nature Center Construction, Felix Streetscape Phase One, start of construction at the site of the new Eastowne Business Park and continued improvements at the airport related to the MOANG expansion.

FY2009 began to see the use of the large, one-time cell phone settlement funds for projects as well as the large-scale projects at the Water Protection plant, bring total expenditures of \$12.335 million. FY2010 public improvement costs took another \$3 million jump for a total of \$15.3 million with Water Protection projects fueling the increase. FY2011 major improvement projects took a \$4.6 million hike to \$19.9 million. A third went to Capital Projects Fund projects, the largest of which was the \$4.5 million REC Center. Almost 40% constructed the first phase of the ANG Alpha Taxiway Rehab project. 20% covered WP Plant improvements.

FY2012 was no different with a \$6 million increase to \$25.950 million, the biggest portion the result of \$20.7 million in various projects relating to state & federal Clean Water and EPA mandates.

For the first time in four years, public improvement project costs decreased to \$17.260 in FY13. Public improvement projects made up 14% of the year's expenditures. The \$8.69 million decrease was the result of the slate of 2008 CIP Sales Tax projects nearing completion. It also reflected a one-year respite from mega-water protection projects. While the Water Protection fund expended \$13.3 million (77% of total public improvement expenditures) with the onset of the Whitehead Creek Stormwater Separation Conduit Design project, it was still a decrease from FY12's \$20.7 million output and much less than the anticipated \$82.4million for the construction phases of the EPA/MDNR mandated project(s) to come.

Total expenditures increased dramatically in FY2014 from \$17,268,000 to \$63,975,000 representing 37% of the City's total budget. The aforementioned EPA/DNR projects in the Water Protection Fund account for 89% of this cost. Major expenses in that fund included the construction contract for the Ammonia Removal project, \$53,445,000 and the resulting renovations needed to the Administration Building and Laboratory (\$2,601,000), as well as \$2,601,000 ROW and land acquisitions for on-going and upcoming projects.

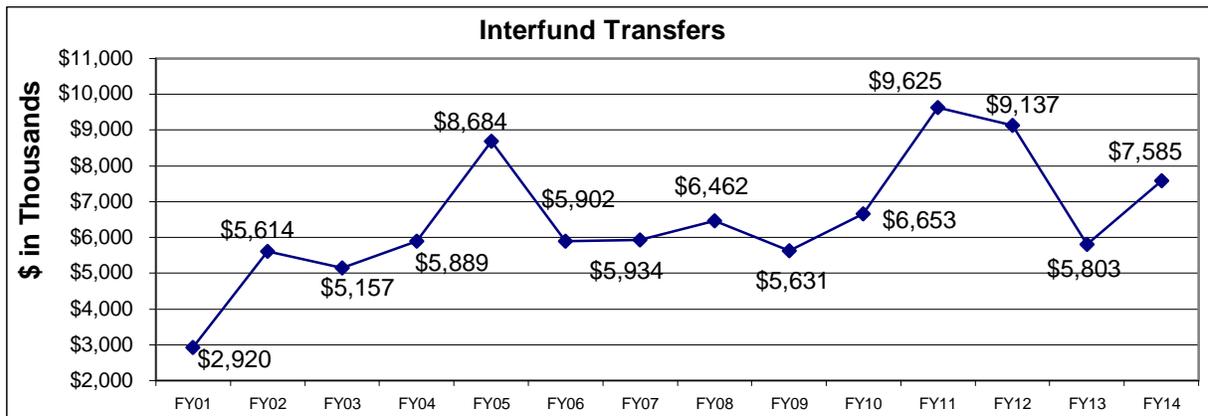
Over 70% of the remaining \$7.103 million of public improvement expenditures went to street maintenance projects: \$1,586,000 for the normal asphalt overlay projects; \$2,883,000 in additional concrete, asphalt and other street projects from the CIP sales tax revenues; and \$646,000 to extend and complete the main road within the Eastowne Business Park paid mainly with cell phone revenue.

Other major projects included \$209,000 in cell construction at the Landfill; \$358,000 for restorations for the exterior of the Wyeth-Tootle Mansion; \$560,000 in repairs and renovations in Patee Hall; over \$500,000 for several improvement projects at the Missouri Theater; and various fire station repairs at \$118,000.

Transfers-Out

FY14 saw a significant increase in transfers, from \$5.8 million to \$8.3 million. [The \$367,000 difference between fund transfers-in and fund transfers-out represent monies received by the CDBG fund from off-budget sources such as the HOME Revolving Loan Fund (\$341,000) and the Rehab Loan Fund (\$26,000).]

FY2014 YEAR END BUDGET REPORT



Transfers occur for several reasons.

- The *computer escrow transfers* increased slightly in FY14 from \$59,000 to \$63,000. Transfers for maintenance, upgrades and replacement of network components are calculated and adjusted annually depending on projected expenditures for the upcoming year;
- Transfers to cover General Fund support of departments' *administrative costs* from the Enterprise funded departments totaled just over \$2.8 million;
- Landfill provided \$500,000 in transfers to support the property maintenance function and \$325,000 to Streets Maintenance for 8.5 months support of the Alley Maintenance program;
- Transfers from one fund to another help cover *operating costs* and/or as a reimbursement for services: the General Fund transferred \$2.09 million to Streets Maintenance and \$60,000 to the Golf Fund to help those two funds break even; the Gaming Fund transferred \$6,500 to Parking to help offset loss of revenues from free parking granted to various events and \$60,000 to Aviation to offset the loss of ANG lease monies; \$50,000 went from the Museum Fund tax to help operations at the City-operated museum (Nature Center); Water Protection provided \$48,000 to Aviation to offset loss of rental property revenue to sludge deposits;
- The Gaming Fund transferred \$132,000 to various funds to support specific projects, purchases, or other operations; and
- Transfers to help fund *capital projects* – A total of \$706,000 was transferred for this in FY14, the majority of the transfers (\$679,000) were to the Capital Projects Fund. General Fund's cell phone program transferred \$428,000 for completion of the main drive within the new Eastowne Business Park, \$78,000 for additional renovations at Patee Market, and \$73,000 to cover the City's portion of the Community Park (YMCA) design contract. Gaming transferred \$50,000 for security fencing at the Parks Administration complex. And, the Museum Fund transferred \$50,000 for improvements at the Wyeth-Tootle Mansion.

The remaining \$27,000 transfer was from the General Fund to Gaming Initiatives Fund to match Gaming funds in completion of the hardware/software 911 communications upgrade.

The following sections provide a more detailed analysis of the City's budgeted funds' performance in FY2014 compared to FY2013. The report takes a look at how revenues and expenditures compare to budget and to prior year's experience. The analysis is provided in narrative format, sprinkled with graphs, and ends with a spreadsheet of each fund's sources and uses of monies. To meet the requirements of the GASB Statement No. 54, ending fund balances are separated into "assigned" and "unassigned" and "reserved".

GENERAL GOVERNMENTAL FUNDS

GENERAL FUND

SPECIAL REVENUE FUNDS

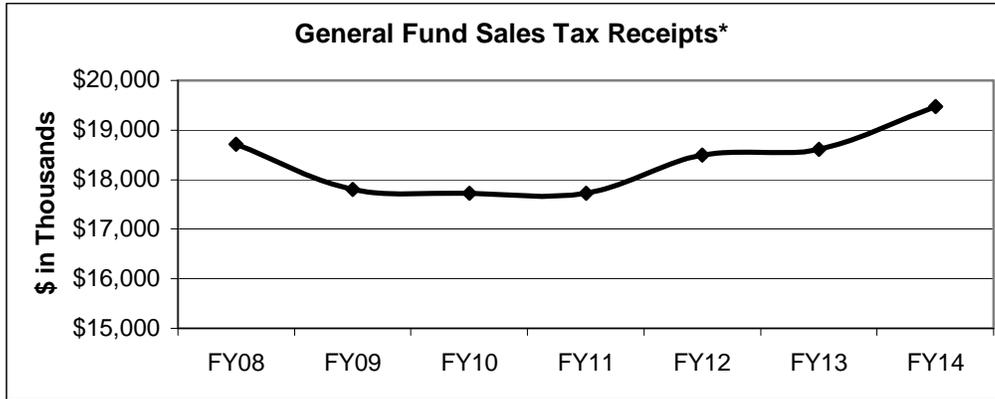
**PUBLIC SAFETY TAX
STREETS MAINTENANCE
PARKS MAINTENANCE
CDBG
GAMING INITIATIVES
MUSEUM TAX
SPECIAL ALLOCATION**

FY2014 YEAR END BUDGET REPORT

GENERAL FUND

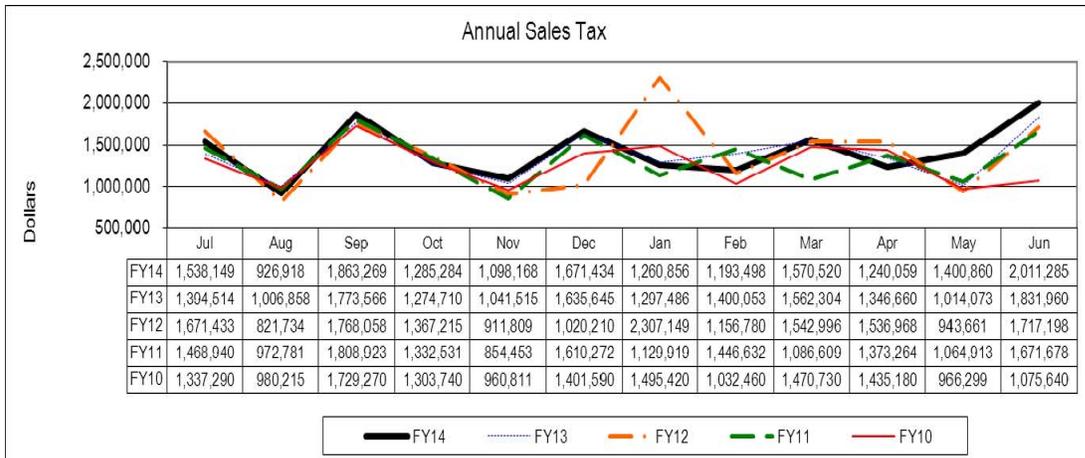
Revenues

As discussed in the opening sections, **general sales tax revenues** saw a decrease in this fund for two years in a row starting in FY2008. FY2012's local economy had a small turn-around and presented the City with a significant increase in FY2012. FY13 annual sales tax finished slightly above projections but \$212,000 less than FY12.



* Category includes sales tax, City EATS, Cigarette Tax, Hotel/Motel Tax, Vehicle Fees

For FY14, annual sales tax had a strong finish in the final quarter and overall increased by 2.9% from the previous fiscal year. According to the graph below revenues had been up and down the first half of the year, steady during the third quarter, and on the rise since April. The June total amount collected surpassed \$2,000,000, the highest single month total in over two years. (This total does not include Public Safety tax revenues which go to support the public safety departments within the General Fund. Those are accounted for in the Public Safety Tax Fund and the revenues are recognized as transfers from that fund when received by the General Fund.) These fourth quarter numbers could indicate that the economy is on the mend resulting in higher consumer spending. However, going forward the growing issue will be the ever increasing use of online shopping (particularly during the holidays) which generates no sales tax.



Cigarette tax revenue came in below budget at 92%. This was a decrease of \$27,000 when compared to FY13. Cigarette sales continue to drop. In addition, citizens of St. Joseph passed a measure in April which placed a city-wide smoking ban on all public indoor businesses with the exception of the local casino. The ban went into effect June 7th. It will remain to be seen if this has a lasting effect on cigarette sales.

Motor vehicle sales tax revenues were above budget by \$100,000 (an increase of 18% from one year ago). The 2013 state legislative session produced HB184, which reinstated the sales tax on out-of-state

FY2014 YEAR END BUDGET REPORT

vehicle purchases, but requires those municipalities NOT having a use tax to take to the voters the question on whether such tax should be abolished or not. The City will have to hold such an election by November 2016, otherwise the city portion of the tax will be eliminated. (The County, with an approved use tax, will be able to continue charging the sales tax.) The City Council recently approved putting this initiative on the April 2015 ballot.

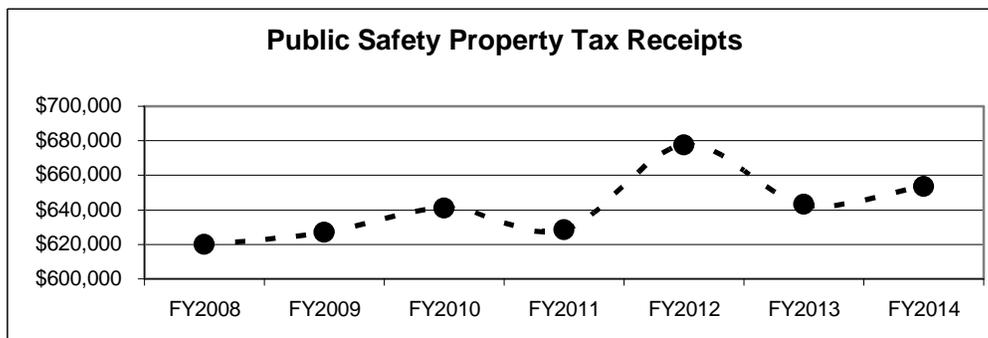
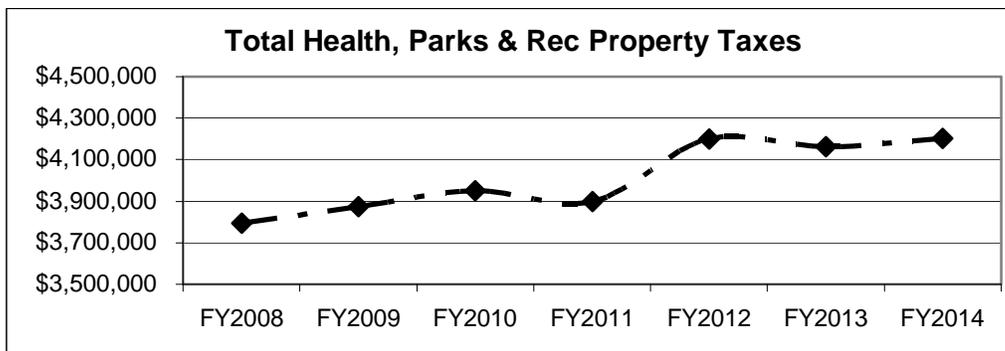
Hotel/Motel taxes completed the year below target by 11%, a decrease of \$15,000 compared to one year ago. In addition to taxes flat in general, one of the hotels changed ownership mid-year with the 1st and 2nd quarter hotel/motel taxes, totaling \$60,000, remained due at year end. Efforts continue by staff to collect for the delinquent balance.

Real and Personal Tax Revenues

Revenues for real estate for General Fund – Non Departmental topped budget by 1.3% (\$55,000). This was a slight increase of 0.6% compared to the prior fiscal year. Personal property for General Fund – Non Departmental was up 2.3% (\$38,000) from FY13. This was a much better result than a year ago when revenues were down 14% due to the revision of the Missouri state statute allowing accelerated depreciation on personal property. Prior Real Estate receipts were 4% less than the prior year, possibly the result of fewer taxes filed under protest and being paid on time. Prior Personal Property tax showed an even larger decline in revenues (down 18% compared to the previous year). Compared to recent years, fewer owners paid under protest which resulted in less carryover. It could also indicate that the tax paying public is becoming more diligent about paying personal property taxes on time. The County also began offering a prepayment of taxes in FY14. This plan contained a monthly prepaid remittance to the County that sits in the account until November, with the remaining balance due on December 31st.

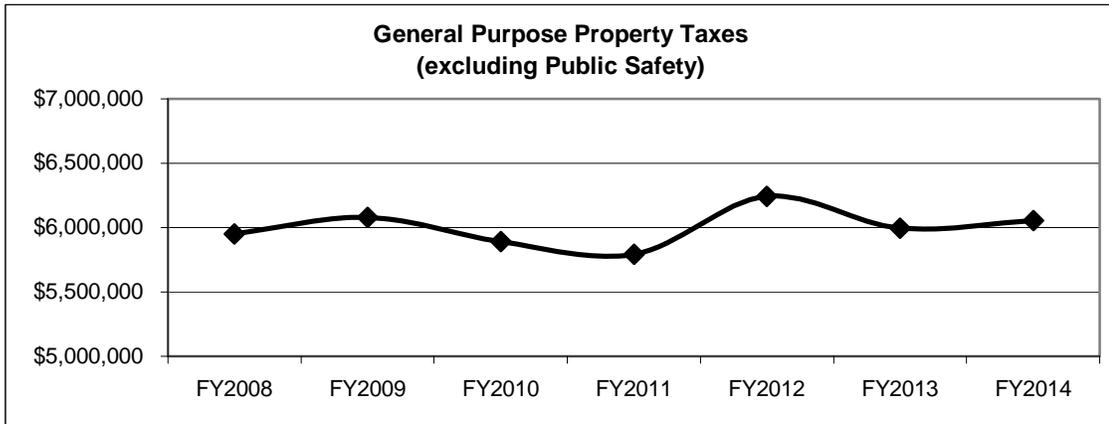
Real estate revenues for the other two property tax-supported departments in the General Fund, Parks and Health, each surpassed budget by 1.4% and improved marginally from the previous year. They also both had positive results for personal property, up 0.8% and 2.8% respectively. Health showed a more sizeable surplus.

The impact of receipts of the general purpose property taxes can be seen in the three charts starting below. Although each of them increased overall, each were below FY2012 levels due to depressed personal property receipts.



FY2014 YEAR END BUDGET REPORT

The third chart (excluding the public safety portion show above) illustrates the decrease in general purpose taxes in FY10, FY11 and FY13. The increase realized in FY12 while positive, didn't show as much rebound as in the tax sources not affected by SB711. By FY14, total revenues hadn't changed much from FY2008.

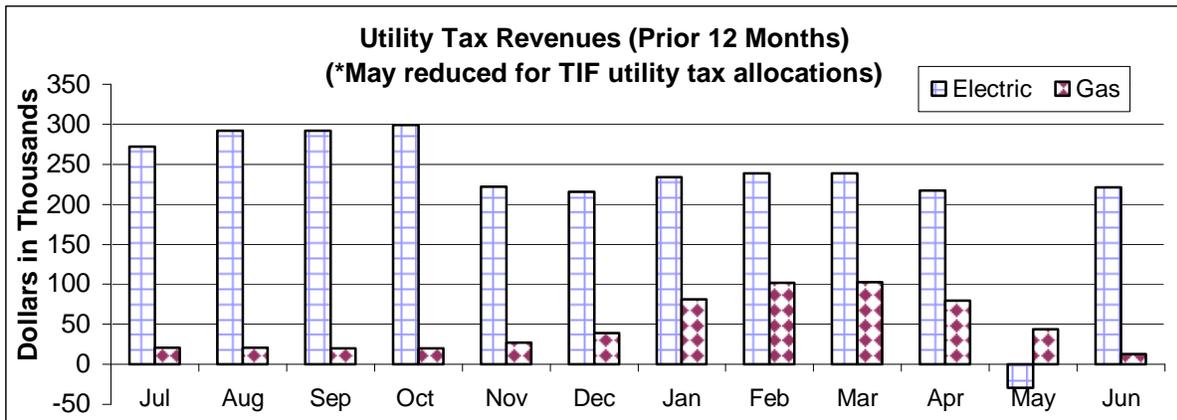


Utility Taxes

In total, revenues exceeded budget by 1.2%, up 6.0% from the previous fiscal year. A much colder than average winter had gas franchise revenues up 8% when compared to the previous year and \$36,000 above the total year budget. With the hike in electric service rates, electric franchise revenues were significantly above budget by \$221,000 and 5% more than the previous year's total. Combined, electric and gas revenues were \$175,000 more than FY13. As shown in the graph below, the relationship between gas and electric is cyclical. In the warmer months, electric is high and gas is low. In colder months, electric decreases and gas increases.

Water revenues had been ahead of projections for a majority of the year and finished above the mark by \$31,000. The total collected amount represented a rise of 7% when compared to the prior year. Cable utility taxes were just under budget at 96%. Market shares have continued to dwindle since Cablevision was bought out by Suddenlink during the summer of 2011. Revenues showed a decrease of 2% compared to FY13.

Telephone revenues met budget. A 1.7% increase compared to the previous year shows that the land line usage has leveled off after several months of reduced collection rates. Month to month remittances by the cell phone companies (program 0011) have been in a gradual slide the last two years. Revenues decreased by 9% (\$150,000) when compared to the previous year. The majority of telecom settlements were realized by the end of FY12. The class-action suit against the telecom doing business as Qwest/CenturyLink/et al could be concluded in FY15 although the settlement for St. Joseph will not be large.

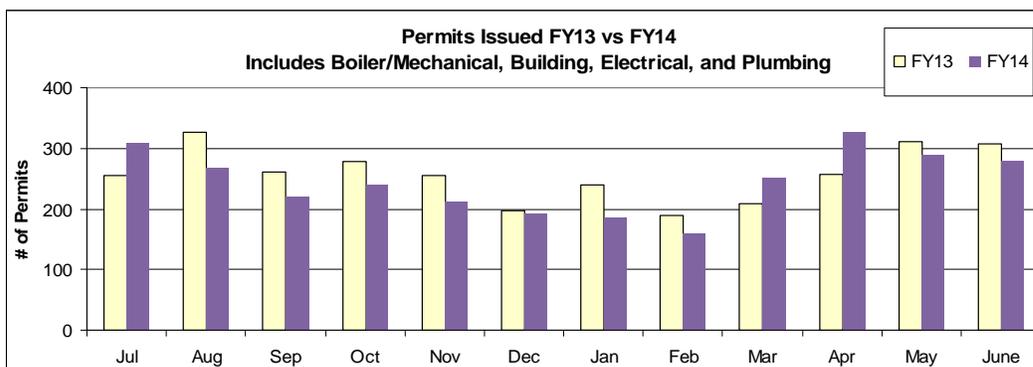


FY2014 YEAR END BUDGET REPORT

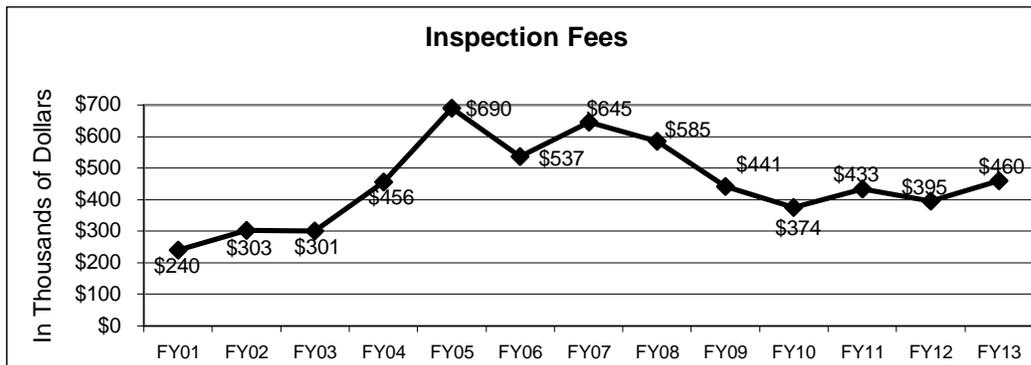
Municipal Court fine revenues fell short of the mark by \$10,000, down 3.1% from the previous year. It should be noted that the budget had been increased by 8% from FY13. Compared to last year, fewer tickets were written which resulted in less violations filed. The number of violations filed was down for all ticket-issuing departments across the board. In comparison to prior year, 8% (1,450) fewer citations had been filed from the Police Department. Code Enforcement was down 44% (329 less) and Animal Control decreased 6% (86 less citations filed). Parking Control also contributed to the shortcoming with a 28% decline (78 less citations filed). In total, violations filed by departments were down by almost 1,900. The harsh winter and staffing issues may have played a role in the decrease. Citations from the Police Department could increase once the public safety tax is in full effect and more officers are hired. In direct relation to lack of citations filed, total cases completed were down 680, a reduction of 3.4%. When compared to FY13, 750 fewer cases that were held before a judge or by jury were paid. With both court processing fees and cash bond forfeitures exceeding budget, the deficit for fines canceled out and Municipal Court program met its budgeted revenue target.

DWI enforcement revenues in the Patrol program surpassed budget by 21%. Steady grant funding throughout the year enabled the department to hold more check-point operations. **Police processing fees** doubled its original budget and increased 51% from the prior year due to the new warrant fee (increased to \$50.00 up front) approved by Council earlier this year. The **Red Light Camera** program only collected about a third of its budget and has been suspended since the fall, still awaiting state Supreme Court decisions. **Server licenses**, a fee for training servers of alcohol established in FY10, collected 33% more than its projected budget. Compared to FY13 this was an increase of \$5,400. The server license is a three-year license which means fluctuations will occur from year to year. This fiscal year was expected to be on the high side. All servers who received their licenses three years ago, when this program was implemented, would have been renewing them this year.

After a nice FY13 when most targets were met, **Building Development permits** were back down this year. As indicated by the graph below, revenues were down a majority of the months from the year before, most significantly during January, April, and June. The rough winter didn't help at all with Building permits, and revenues were cut in half compared to FY13 (a decrease of \$125,000). **Boiler permits** did meet budget, but declined 26% from the prior year. **Electrical permits** also met the mark and only experienced a minimal decrease of 3%. **Plumbing permits** finished under budget at 85% and showed a decline of \$8,500. **Trade Licenses** came up just short collecting 96% of the projected budget, down \$6,000 from FY13. It is hoped the down year was mostly weather related and will show much improvement for FY15.



FY2014 YEAR END BUDGET REPORT



Another long winter extending into spring caused **garage sale permits** to struggle for a second straight year. Despite a good final quarter, there was too much ground to make up and this revenue source collected only 70% of its budget. In the last two years revenues have decreased by more than \$5,000. For the fourth consecutive year, Council approved a four-day free garage sale weekend in August where the permit fee was waived.

Business Licenses and **Liquor Licenses** were billed in May and due June 30th. Business license revenue almost met budget at 96%, \$16,500 more than the previous year. This was due to several new businesses opening during the year. Liquor licenses were collected above projections by 1.5%, but showed a slight decrease of \$1,600 compared to the previous year.

Public Health Department charges for services overall were 2.5% above projections, but down \$12,000 from the previous year.

Animal Control revenues ended below target at 91%, a decrease of \$14,000 when compared to the prior year. This was in large part to fewer citations issued. As documented earlier in this report, the number of citations decreased by 86 compared to the previous year. In result, court fines were down 20% and finished below budget by \$8,000. Dog licenses were at trend as most licenses renewals were received during the final quarter. The total collected was 4.5% less than FY13. Shelter fees were also down from the last year (7%) and finished under trend by \$5,000. Microchip revenues and cremation services each were close to projections.

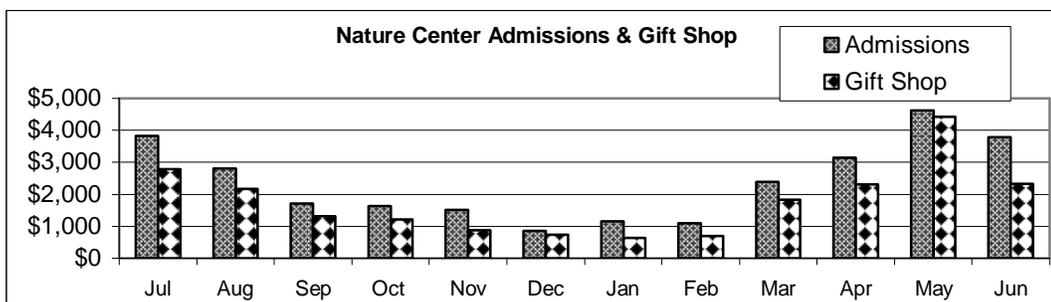
Birth & Death certificates exceeded expectations by 6.9%, nearly \$10,000 above budget. However, total collections were down \$6,000 from the previous year. This came as somewhat of a surprise. At the third quarter mark, revenues were \$1,500 ahead of FY13. Revenues for **food establishment permit renewals** arrived in and May and June and were 20% greater than expected (\$15,500 above projections).

A majority of the programs for **Parks, Recreation & Civic Facilities** under-performed and in total the department collected 85% of the revenue budgeted. This was a disappointment considering how much improvement had been made during FY13. When compared to the previous year, total revenues decreased by \$155,000.

- **Park Rentals** were down \$5,000 from FY13, but topped budgeted projections by 36%. Shelter Reservations took a step back at 90%, a decline of \$2,000. **Youth Sports** did well (\$12,000 over budget) with youth leagues for basketball, volleyball, and tennis. Revenues were increased by 10% compared to the previous year.
- League fee revenues for **Summer Softball** were flat and collected at 89%. These fees have not met budget since before the flood in 2011. **Fall Softball** had a better outcome by exceeding budget by 9%. There was also no change from a year ago for this line item.

FY2014 YEAR END BUDGET REPORT

- Cool summer months did not do any favors for the **Swimming** program. The less than ideal conditions impacted attendance and led to only a 66% collection rate of the projected revenues for the Aquatic Park. The Hyde and Krug pools were only open for about one month of the fiscal year (June 2013) and earned only 32% of their original budget. The two pools were not opened for FY14 season (July and August) due to lack of certified lifeguards. It has not yet been determined if they will reopen for the 2015 season. Punch cards and swim lessons didn't meet trend, but both did increase from the previous year (a combined total of \$4,000). Overall the program completed the year \$95,000 below budget, with revenues down by 6% compared to FY13. Weather is a huge factor with pool attendance.
- With a revenue budget decreased by 16%, The **Nature Center** was able to meet their targets and even surpass them. Altogether, the program finished above the mark by \$12,000, but still showed a decrease of 5% when compared to FY13. Admissions showed a sizeable drop with \$4,500 less collected than the prior year. **Gift shop** revenues decreased by 7%. As indicated by the graph below, the winter season is historically slow. Revenues are at their highest points in the spring and fall. April and May are typically the strongest with the combination of warm weather and school field trips. There were a couple bright spots within the program. **Meeting room rental** improved by 7% from the previous year. **Educational programs** for the Nature Center increased by 50% from FY13 and more than tripled original projections. Over the past couple of years, staff implemented several new programs including the very popular Mock Dig that would often have waiting lists to participate.

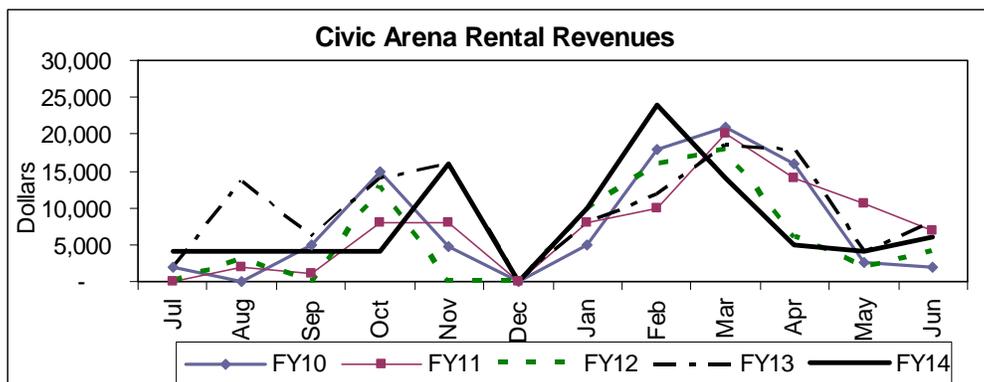


- The **Senior Center** was in good shape for most of the year and finished ahead of projections by \$3,000. After a slow winter, recreation fees showed improvement and topped budget by 29%. The cafeteria also did well with revenues up 29% from the previous year. Memberships were mostly collected during the third quarter and finished close to budget at 97%. The amount collected was just a slight decrease of 1% from the prior fiscal year. All but 4% of the budgeted donations from the Senior Foundation were received. In total, the program was up 6.6% from one year ago.
- By a wide margin, the **REC Center** was the most successful program in this department for FY14, surpassing its total original budget by \$60,500. Volleyball/basketball revenues were up \$24,000 more than FY13. Individual day passes were 12% less than last year, but still met budget. Memberships and fitness classes ended the year comfortably above projections by a combined \$48,000. The number of fitness classes offered has increased since its first year of business. Concessions displayed improvement from the previous year, up 9%. All segments of the program received an additional boost during the third quarter as the local Pound Plunge contest brought in an even higher volume of customers. In all, 6% more revenues were collected by the center, an increase of \$23,000 compared to the previous year.
- Even with its revenue budget reduced by 4%, the **Bode Recreation Complex** still did not come close to trend. The program was behind each quarter and fell short on the year by almost \$26,000. All facets of the complex produced a total of 7% less than the previous year. **Ice rink admissions** ended close to \$4,000 short of projections. Attendance for the arena had been well below trend during the first half of the year before picking up pace in December. Rental time for **hockey** teams has been on the decline for the last two years as revenues decreased overall by

FY2014 YEAR END BUDGET REPORT

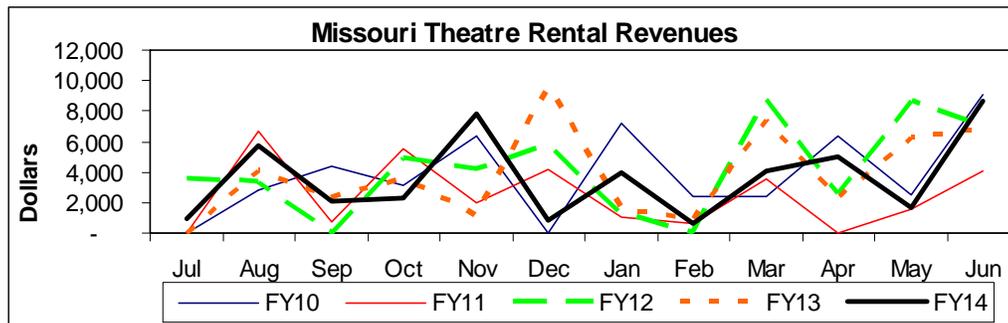
23% when compared to the previous year. With the decrease staff is considering an alternative rate schedule to improve revenue. **General ice rental** also struggled with 76% of the budget collected, a drop of \$7,600 from one year ago. Team rentals from outside the City were far less in FY14 than FY13. **Skating lessons** was the only area that met its budgeted goal (11% above projections). This was a rise of \$4,000 when compared to FY13. Revenues for figure skating ice rental were flat for the year.

- Parks Concessions** did not have favorable numbers for the fiscal year. Ball fields managed to collect just over half (57%) of the projected budget. This was a reduction of \$16,000 when compared to the previous year. It is becoming apparent that patrons are choosing to bring their own food & drink to the games, rather than purchasing concession items. **Pool concessions** were equally sluggish at 55% received. This was in direct relation to attendance being down at the Aquatic Center and the closure of the two smaller pools for two months of the swimming season, a total decline of \$8,600 compared to FY13. In total, concessions were \$136,000 below budget.
- While revenues for **Civic Arena** didn't measure up to the impressive standards set in FY13, collections were still higher than what the program was averaging prior to FY13. The arena collected 82% of budget (which was increased by 6.5% from the prior year). **Arena rental** received \$29,000 less than the previous year. As noted by the graph below, the first half of the fiscal year is typically the weakest for the Arena and the third quarter the strongest. This fiscal year was no exception as the third quarter brought in a total of \$48,000, nearly half of the year's total revenue. February was a busy month, bringing in \$24,000. An absence of major events scheduled (professional wrestling, ultimate fighting, concert) seemed to be the biggest difference with the success of FY13. The roller derby team continues to provide a steady flow of revenue for two-thirds of the year. In other areas, **equipment rental** topped its total year projection by 21%, \$9,000 above trend. **Moving fees** were down 9% from FY13. **Special promotions** didn't do well only collecting 44% of its budget, \$17,000 less than the previous year. In correlation with the lower volume of events, **concessions** too were well below trend (\$68,000 under budget). This was a major decline of 39%, \$62,500 less than the year before. If the larger events, missing in FY14, return to the Arena in FY15, so will higher revenues.



- The **Missouri Theatre** was well under the mark for most of the year. A very good fourth quarter for **theatre rental** (\$15,000 in total) got the program within striking distance of budget at 95%. Looking at the graph below, the downfall was the month of December. Less than \$1,000 was collected during the month which had received an average of \$6,000 the previous three fiscal years. Revenues were not too far off the pace of FY13, down 6.2%. The theatre was probably one or two events shy of achieving their target. **Office rental** was at budget as all spaces continued full occupancy.

FY2014 YEAR END BUDGET REPORT



The majority of programs in the Parks & Recreation department exist to provide citizens and visitors the opportunity to engage in sports, arts, entertainment, exercise, educational experiences. As revenues decrease and budgets tighten, policy makers and the citizenry will need to determine how much these amenities should be supported by the taxpayers and how much by the end-users.

The chart below compares program expenditures to the revenues it generates indicating its self-supporting status in FY12, FY13, and FY14 for comparison. The percent of cost not covered by self-generated revenues (paid by those who use the service) are paid for by the taxpayers.

Only the **Civic Arena, Civic Arena Concessions and Missouri Theater** (when considered as a group and when Hotel/Motel tax revenues are included) generate more revenue than expenditures. Without the Hotel/Motel tax, this set of programs generated 63% of revenue needed to cover expenses. **Fairview Golf Course** hit the break-even point only with a transfer from the General Fund. This past year the **Parks Concessions** program (which includes concessions at the pools and the ballparks) and the new **REC Center** programs covered at least 70% or more of their needs. The **Swimming** program suffered from cool weather in FY14, however the Aquatic Park would actually be a money-maker if the two, underutilized neighborhood pools were closed.

	FY2014 Actual		% Self-Supported (SS)	% SS in FY2013	% SS in FY2012
	Revenue	Expenditure			
Recreation	63,091	149,985	42.06%	43.26%	48.00%
Softball/Baseball	106,324	179,767	59.15%	41.80%	55.30%
Swimming	155,609	310,634	50.09%	48.40%	73.27%
Nature Center (1)	67,202	255,289	26.32%	33.18%	27.18%
Senior Citizens Center	87,900	245,120	35.86%	37.10%	39.22%
REC Center	414,718	565,381	73.35%	74.02%	10.41%
Bode Recreation Complex	189,821	373,715	50.79%	52.91%	70.03%
Parks Concessions	218,333	255,836	85.34%	87.94%	88.95%
Civic Arena, Concessions & MO Theater (2)	1,079,402	746,693	144.56%	119.90%	127.84%
Municipal Golf Course (3)	802,205	861,936	93.07%	100.00%	96.17%
	<u>3,184,605</u>	<u>3,944,356</u>	<u>80.74%</u>	<u>77.71%</u>	<u>80.42%</u>
Parks Maintenance (4)	1,349,086	1,423,007	94.81%	108.77%	48.22%
Restricted Parks	4,577	8,484	53.95%	80.00%	27.70%
Parks Administration & Prks Mnt Personnel	2,110,981	1,808,227	116.74%	126.11%	54.37%

(1) Excluding the transfers from the Museum & Gaming. With transfers, 65.5% of the expenses are covered.

(3) Revenues include the Hotel/Motel tax receipts. Without those revenues, the venues recover only 48% of expenses.

(4) Excluding the transfer from the General Fund. With the transfer, the fund broke even.

(5) Personnel costs are expensed in the General Fund. The Parks Maintenance Fund covers all other parks' maintenance operating costs.

Amount of General Fund operating revenue budget collected at year-end: 103%

FY2014 YEAR END BUDGET REPORT

Expenditures

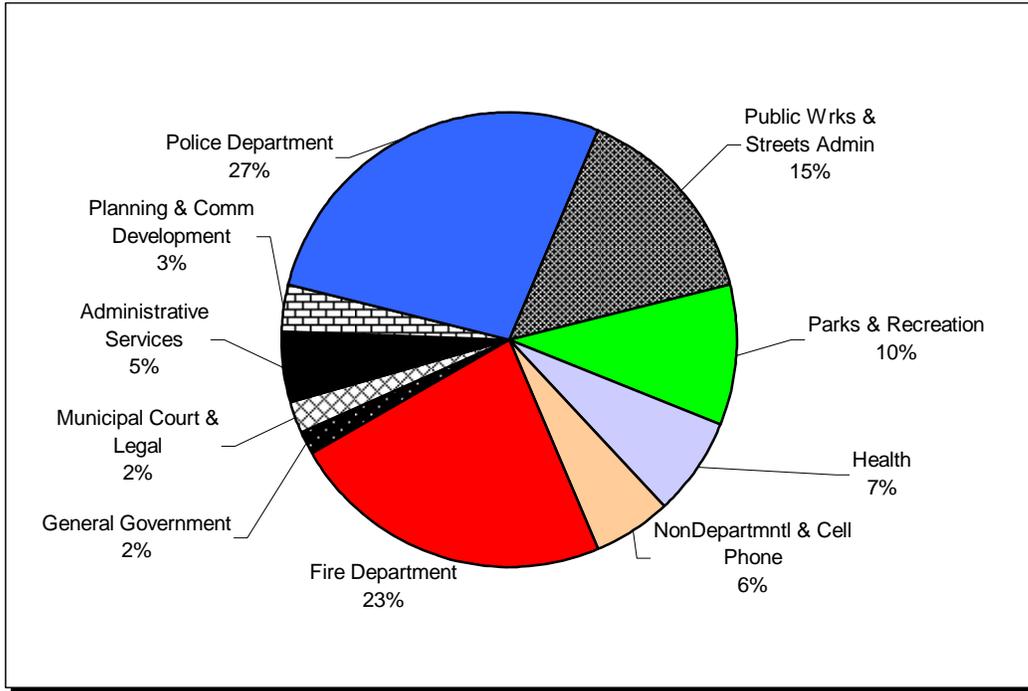
Budget deficits in any one category were covered by savings elsewhere.

- There were some issues with **personnel costs** throughout the fund at year end. Many programs showed increases to their salary & wages of an average of about 2% to 4% due to the market rate increases that took place in January, 2014. In 2013, a classification/compensation study was contracted out to determine if job positions within the city were being fairly compensated based on their job descriptions. These positions were then benchmarked against cities in comparable markets. Salary adjustments and the resulting impact on payroll-related taxes were covered in two ways. The increases in the departments for Police, Fire, and Health were covered by the half-cent public safety tax that went into effect January 1st. Approved by the voters in August 2013, it will be used to provide salary increases to public safety departments in the future; to hire additional police officers; and to purchase fire equipment. With the passage of the safety tax, existing general fund resources were available to accommodate increases to the non-public safety groups of employees.
- **Overtime** was a major expense for the Police and Fire departments. Patrol Operations was over budget by 30%, \$78,000 above the original budget. This was an increase of \$49,000 compared to FY13. Much of it was due to a number of vacancies created by retirements and military leave absences. As additional officers are added through the Public Safety tax, overtime budgets may be alleviated going forward. Fire Suppression also exhausted its overtime budget, but by an even wider margin of 65% (\$132,000). Suppression also went above budget on FLSA overtime by \$46,000.
- The **Parks & Recreation** department exhausted their Temporary/Part-Time wages by a combined \$35,000. The largest deficit (\$25,500) occurred in the REC Center. This was an even larger variance than in FY13 when they were \$19,000 in the hole. Both programs were over budget in total. Savings in Parks Concessions was used to cover the overages.
- The General Fund was over projections on **motor fuel & lubricants** by almost \$14,000. Police Maintenance and Public Works Equipment Support each exceeded their fuel budget by \$11,000. Savings in the administration programs for each department canceled out the extra expenses. The fund showed an increase of 9% in fuel expense when compared to the previous year.
- The **Outside Services** category includes such accounts as: Professional Services, Utilities, Maintenance & Repair, and Special/Other Contributions. Maintenance & Repair accounts (Equipment, Vehicles, and Buildings) combined to go over budget by \$161,000 within the fund. More than half of the overage belonged to Streets Equipment Support (\$81,000 above budget) due to countless motor vehicle repairs, up 9% from the prior year. Fire Maintenance also contributed \$43,000 to the deficit. The Nature Center doubled its M&R Building budget, exceeding trend by almost \$22,000, with emergency repairs to their heating/cooling system three separate times throughout the year. Emergency repairs to the refrigeration system and chilled water sensor had Bode Complex over their original \$5,000 budget for M&R Building by \$20,000.

Utility costs rose significantly on the year due to extreme temperatures in July and August added to utility rate hikes. Overall, the fund exceeded electric services budgets by a total of \$153,000, about a 4% increase from the previous year. Civic Arena, Bode Complex, Missouri Theatre, Street Maintenance Administration, and Building Maintenance (City Hall) combined for an overage of \$113,000. Savings in gas services of \$61,000 offset a portion of the high utility costs. Only one program (Bode Sports Complex) had any significant issues with water services when an underground leak resulted in a negative variance of \$16,000. Total utility costs increased by \$25,000 from the year before.

Amount of GF operating budget expended at year-end: 94.7%

FY2014 YEAR END BUDGET REPORT



The performance of each department (budget deficit or surplus) is shown on the following page.

General Fund (Revenue : Expenditure - \$50,654,000 : \$49,010,000)

The ending available unassigned fund balance amount of \$10,718,000 is above the target set in the City's financial policy, of ten percent of total budgeted expenditures (\$4.9 million), and is just over the GFOA recommended amount of 60 working days reserve (\$10.5 million).

FY2014 YEAR END BUDGET REPORT

GENERAL FUND

	2013-2014		%over/(under)	
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt Proj
Proj Beginning Unassigned FB:			\$9,293,000	
Computer Escrow FB:			526,000	
Cell Phone FB:			826,000	
27th Payroll FB:			1,589,000	
Riverfront Econ Dvlp Tax FB:			747,000	
Emergency Reserve:			1,025,000	
			<u>\$14,006,000</u>	
SOURCES				
Property Tax	11,230,000	11,416,000	11,477,000	0.02 0.01
Utility Franchise Fees	5,139,000	5,313,000	5,405,000	0.05 0.02
Cell Phone Franchise Fees	1,700,000	1,560,000	1,518,000	(0.11) (0.03)
Sales Tax	18,962,000	18,951,000	19,470,000	0.03 0.03
Licenses/Permits	1,412,000	1,404,000	1,397,000	(0.01) (0.00)
Fines	1,467,000	1,254,000	1,252,000	(0.15) (0.00)
Inspection Fees	384,000	386,000	303,000	(0.21) (0.22)
Charges for Service	4,261,000	3,704,000	3,470,000	(0.19) (0.06)
Other Revenue/Bond Proceeds/Tower Leases	172,000	314,000	340,000	0.98 0.08
Investment Earnings	13,000	14,000	21,000	0.62 0.50
Intergovernmental/Other Grants	1,620,000	1,785,000	1,597,000	(0.01) (0.11)
Transfers In	3,110,000	4,432,000	4,404,000	0.42 (0.01)
TOTAL SOURCES	<u>49,470,000</u>	<u>50,533,000</u>	<u>50,654,000</u>	0.02 0.00
USES BY CATEGORY				
Salaries & Wages	25,427,000	25,092,000	25,014,000	(0.02) (0.00)
Payroll Taxes & Insurances	12,024,000	12,163,000	11,784,000	(0.02) (0.03)
Materials & Supplies	1,868,000	1,935,000	1,873,000	0.00 (0.03)
Utilities, M&R, & Other Services	6,519,000	6,657,000	6,057,000	(0.07) (0.09)
Claims/Debt Service/Election Exp/Other	766,000	909,000	782,000	0.02 (0.14)
Transfers Out	2,504,000	3,291,000	3,357,000	0.34 0.02
Capital Equipment	362,000	52,000	143,000	(0.60) 1.75
TOTAL USES BY CATEGORY:	<u>49,470,000</u>	<u>50,099,000</u>	<u>49,010,000</u>	(0.01) (0.02)
USES BY DEPARTMENT				
Mayor/City Council	227,000	227,000	196,000	(0.14) (0.14)
City Clerk	269,000	272,000	249,000	(0.07) (0.08)
Municipal Court	456,000	448,000	444,000	(0.03) (0.01)
City Manager's Office	436,000	435,000	424,000	(0.03) (0.03)
Legal Services	528,000	514,000	528,000	0.00 0.03
Planning & Community Services	1,676,000	1,682,000	1,664,000	(0.01) (0.01)
Administrative Services	2,531,000	2,512,000	2,492,000	(0.02) (0.01)
Police Department	13,778,000	13,665,000	13,462,000	(0.02) (0.01)
Fire Department	10,901,000	11,286,000	11,310,000	0.04 0.00
Public Works Admin (inc. trf to Strt Mnt)	6,942,000	7,224,000	7,166,000	0.03 (0.01)
Parks & Recreation (inc. trf to Golf Course)	4,995,000	4,929,000	4,899,000	(0.02) (0.01)
Health	3,388,000	3,658,000	3,411,000	0.01 (0.07)
Non-Departmental (inc. Transfers Out)	1,343,000	808,000	889,000	(0.34) 0.10
Non-Departmental (Cell Phone)	2,000,000	2,439,000	1,876,000	(0.06) (0.23)
TOTAL USES BY DEPARTMENT	<u>49,470,000</u>	<u>50,099,000</u>	<u>49,010,000</u>	(0.01) (0.02)
Net Surplus (Deficit)			1,644,000	
Ending Unrestricted Fund Balance:			<u>\$15,650,000</u>	
Computer Escrow Reserve:			(342,000)	
Reserve for 27th PY (2016):			(1,922,000)	
Cell Phone Balance:			(468,000)	
Riverfront Econ Dvlp Tax:			(1,175,000)	
Emergency Reserve:			(1,025,000)	
Ending Unassigned Fund Balance: Goal=10% Exp	\$4,947,000		<u>\$10,718,000</u>	

FY2014 YEAR END BUDGET REPORT

PUBLIC SAFETY TAX FUND

Revenues

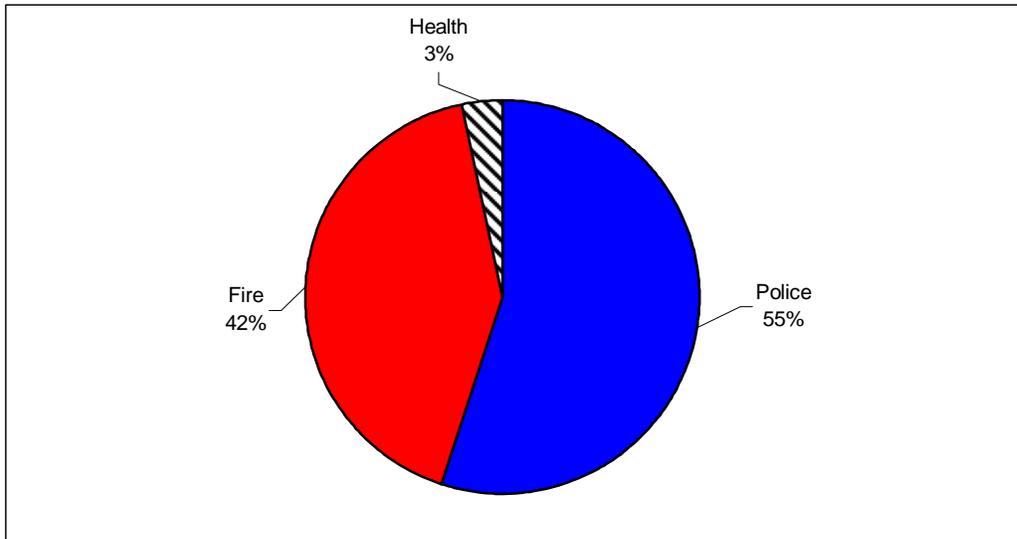
The newly established Public Safety tax collected a total of \$2,697,000. Passed by voters in August 2013, the half-cent sales tax went into effect January 1, 2014. Revenues collected will be used to provide salary increases to public safety departments, hire additional police officers, and purchase fire equipment. The tax will operate under a 20-year sunset clause. Revenues came in slightly above those projected in the mid-year budget amendment creating this fund.

Amount of Public Safety Tax Fund operating revenue budget collected at year-end: 110%

Expenditures

There was no budget originally adopted for this tax. The election was held several months after the FY14 budget was adopted. Once the tax passed and the results of the compensation/classification study known, a mid-year budget amendment was processed. Expenditures included the transfers to the General Fund public safety departments of Police, Fire and Health to cover the personnel costs incurred with implementation of the salary and wage study and resulting negotiations with the various employee unions. Purchase of a fire pumper (in addition to the pumper budgeted for through the CIP sales tax election) and of police vehicles were also budgeted.

Amount of Public Safety Tax Fund operating budget expended at year-end: 99.8%



FY2014 YEAR END BUDGET REPORT

PUBLIC SAFETY FUND

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt Proj	
Projected Fund Balance:			\$0		
SOURCES					
Sales Tax	0	2,461,000	2,697,000	-	0.10
TOTAL SOURCES	<u>0</u>	<u>2,461,000</u>	<u>2,697,000</u>		0.10
USES BY CATEGORY					
Salaries & Wages	0	0	0	-	
Payroll Taxes & Insurances	0	0	0	-	
Materials & Supplies	0	0	0	-	
Utilities, M&R, & Other Services	0	0	0	-	
Transfers Out	0	1,468,000	1,469,000	-	0.00
Capital Equipment	0	681,000	686,000	-	0.01
TOTAL USES BY CATEGORY:	<u>0</u>	<u>2,149,000</u>	<u>2,155,000</u>		0.00
USES BY PROGRAM					
Police	0	1,179,000	1,185,000	-	0.01
Fire	0	897,000	897,000	-	0.00
Health	0	73,000	73,000	-	0.00
TOTAL USES BY PROGRAM:	<u>0</u>	<u>2,149,000</u>	<u>2,155,000</u>		0.00
Net Surplus (Deficit)			542,000		
Ending Unrestricted Fund Balance:			\$542,000		
Fire Equipment Escrow:			0		
Reserve for 27th PY (2016):			(11,700)		
Transfer to GF for 27th PY (2016):			0		
Ending Unassigned Fund Balance:	Goal=10% Exp \$215,500		<u>\$530,300</u>		

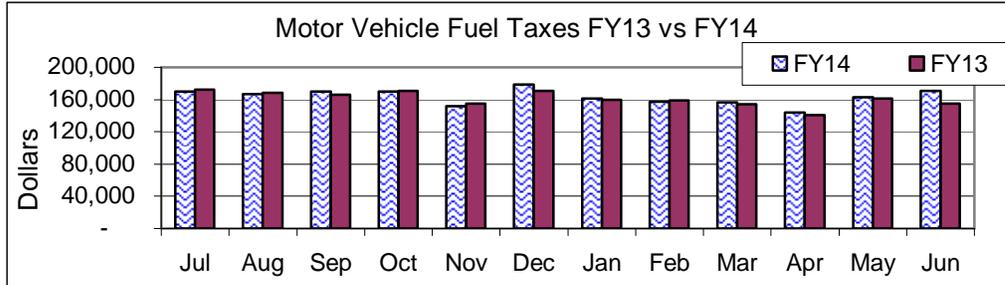
FY2014 YEAR END BUDGET REPORT

STREETS MAINTENANCE FUND

Revenues

Fuel prices began the year well under \$3.00 per gallon and gradually increased before remaining steady around \$3.25 to \$3.35 per gallon in the second half of the year. This undoubtedly influenced driving habits which, in turn, affected the amount of revenue the City received from the state as our share of the tax.

Motor vehicle fuel taxes fell just short of budget by 1.3%. As indicated by the following graph, each month during the first three quarters were nearly identical compared to FY13 with the exception of December which showed an increase of \$8,000. Revenues rose at a sizeable rate throughout the final quarter, collecting \$19,000 more than the fourth quarter of the previous year.



Road and Bridge tax was received from the county in May at \$11,000 more than budget. This was an increase of 2.5% when compared to FY13.

Transfers from the General Fund and Landfill Fund remain a significant revenue source for Streets Maintenance. In FY2014 a total of \$2,093,000 in General Fund revenues was transferred in addition to \$325,000 in alley maintenance support from Landfill. Cell phon represented \$890,000 of the general fund amounts for rolling stock and to help cover the cost of electric service for street lights and traffic signals.

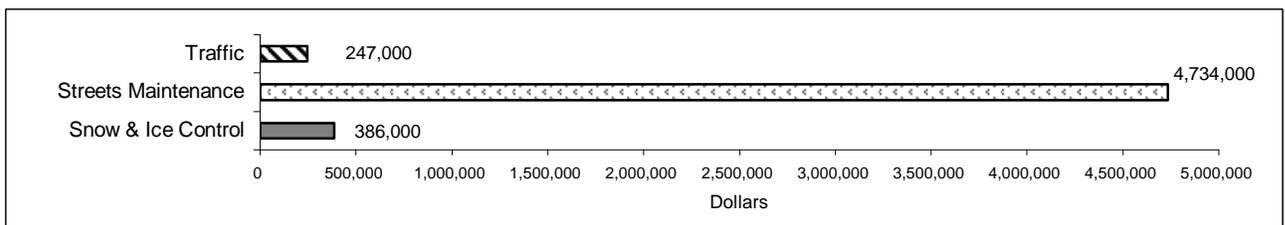
Amount of Streets Maintenance operating revenue budget (excluding transfers from the General Fund) collected at year-end: 101%

Expenditures

- Utilities had the biggest variance for the fund. **Electric services** for Street Maintenance exceeded its budget limit by 38%, an overage of \$426,000. The costs for the utility had grown by 15% (\$199,000) in comparison to FY13, following the electric utility rate hikes. This fund pays for the majority of street light expenses and all of the traffic light costs. Well after year end it was determined that a good portion of the electric service expense that should have been charged to Parks Maintenance for parkway lighting had been picked up by Streets Maintenance instead. (See Parks Maintenance expense discussion.)
- Traffic had a manageable deficit of \$6,000 for motor fuel & lubricants. This was a decrease of 19% from the prior year.

All budget deficits of specific line items within the fund were covered by significant savings in the Street Maintenance program with streets, curbs, and sidewalks.

Amount of Streets Maintenance operating budget expended at year-end: 77.1%



FY2014 YEAR END BUDGET REPORT

STREETS MAINTENANCE FUND

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt Proj	
Projected Fund Balance:			48,000		
SOURCES					
Sales Tax	2,657,000	2,645,000	2,642,000	(0.01)	(0.00)
Charges for Service (Utility Street Cuts)	200,000	200,000	124,000	(0.38)	(0.38)
Other Revenue	0	120,000	123,000	0.00	0.03
Investment Earnings	7,000	7,000	7,000	0.00	0.00
Intergovernmental/Other Grants	0	0	0	100.00	100.00
Transfers In	2,106,000	2,378,000	2,418,000	0.15	0.02
TOTAL SOURCES	<u>4,970,000</u>	<u>5,350,000</u>	<u>5,314,000</u>	0.07	(0.01)
USES BY CATEGORY					
Materials & Supplies	1,286,000	1,265,000	1,170,000	(0.09)	(0.08)
Utilities, M&R, & Other Services	1,645,000	1,956,000	2,013,000	0.22	0.03
Claims/Debt Service/Other	5,000	0	0	(1.00)	
Capital Equipment	489,000	585,000	598,000	0.22	0.02
Capital Improvements	1,604,000	1,604,000	1,586,000	(0.01)	(0.01)
TOTAL USES BY CATEGORY:	<u>5,029,000</u>	<u>5,410,000</u>	<u>5,367,000</u>	0.07	(0.01)
USES BY PROGRAM					
Streets Maintenance	4,429,000	4,791,000	4,734,000	0.07	(0.01)
Traffic	237,000	225,000	247,000	0.04	0.10
Snow/Ice Control	363,000	394,000	386,000	0.06	(0.02)
TOTAL USES BY PROGRAM:	<u>5,029,000</u>	<u>5,410,000</u>	<u>5,367,000</u>	0.07	(0.01)
Net Surplus (Deficit)			(5,000)		

Streets Maintenance Fund (Revenue (excluding General Fund transfers): Expenditure - \$2,864,000 : \$5,367,000)

To reduce the amount of transfers and to see what expenses could be supported with the revenues legally restricted to street maintenance efforts, all personnel costs were moved to the General Fund in FY13. At the end of the year, even \$1,000,000 in cell phone revenues transferred to support purchase of rolling stock and \$325,000 transferred from the Landfill to support alley maintenance efforts could not cover all costs. The General Fund transferred an additional \$255,000 to maintain a balanced budget. As can be seen, the deficit continued to grow leading to a total transfer in FY14 of \$2,093,000.

A dedicated funding source to cover and to expand the annual expenditure for concrete street repairs and asphalt overlays is being pursued by City Council. Options such as a City use tax, fuel tax, dedicated property tax, transportation tax are all being investigated.

FY2014 YEAR END BUDGET REPORT

PARKS MAINTENANCE FUND

Revenues

The Parks Maintenance revenues from the Parks Property Tax didn't show much change from FY13, and finished above budget by 1.2%. Overall revenues for the Parks Maintenance Fund came within \$4,000 of meeting its adopted budget for the year, collecting \$2,300 less than in FY13.

Revenue from the **Park Maintenance Trust** didn't appear on the books this fiscal year due to a double contribution that received in FY13. As projected in last year's annual report, this resulted in a budgeted shortfall of \$70,000 from that source.

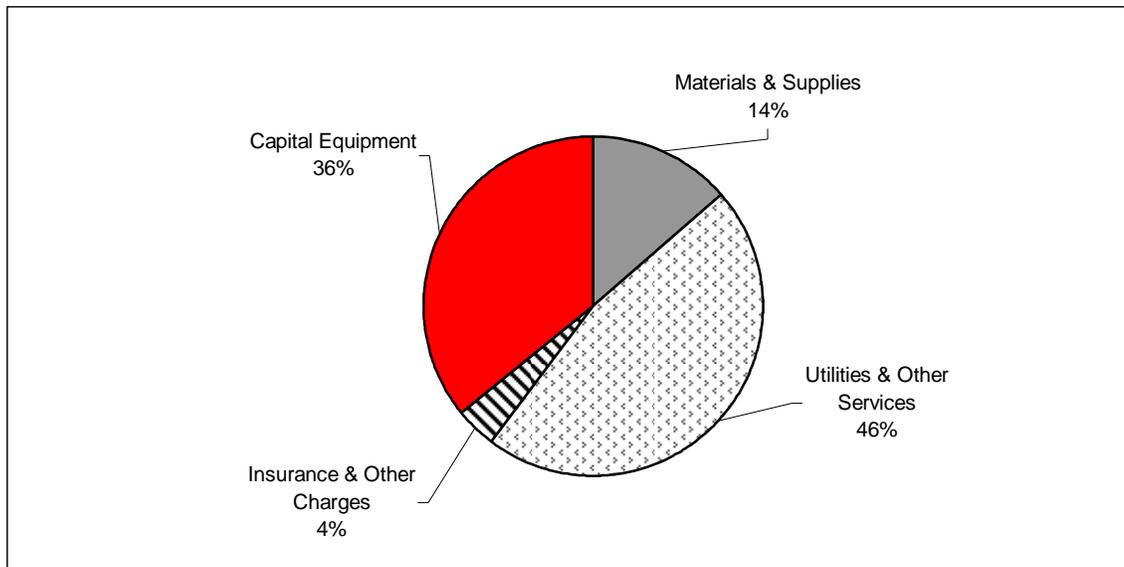
Horace Mann rent was significantly below budget at 64%. With Community Action Partnership vacating in August, revenue was down \$17,500 compared to this time in FY13. The fund could lose \$22,400 annually if the space remains vacant.

\$460,000 was transferred from the General Fund's cell phone account to help pay for badly needed rolling stock.

Amount of Parks Maintenance operating revenue budget collected at year-end: 99.7%

Expenditures

- **Employment Services** used a total \$179,000, \$22,000 more than FY13's \$157,000. The majority of the extra staffing was required for the summer and fall months.
- **M&R Buildings** was over budget by \$17,000 for the year due to an unanticipated need for silicone coating which added \$19,000 to the line item. **M&R Motor Vehicles** exceeded projections by \$12,000 and increased from FY13 by 29%. Savings from electric utility costs totaling \$242,000 and offset the overages within the fund. The portion of electric service representing street lights on the parkway was not booked against this program as budgeted – one of the reasons Streets Maintenance exceeded its budget for electric service.



Amount of Parks Maintenance operating budget expended at year-end: 98.3%

FY2014 YEAR END BUDGET REPORT

PARKS MAINTENANCE FUND

	2013-2014			%over/(under)	
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
SOURCES					
Projected FB:			166,000		
Special Parks Property Tax (on land only)	674,000	684,000	683,000	0.01	(0.00)
Licenses (City Sticker & Penalty)	96,000	96,000	95,000	(0.01)	(0.01)
Rents	53,000	39,000	34,000	(0.36)	(0.13)
Other Revenue	0	17,000	19,000	0.00	0.12
Investment Earnings	0	0	0	100.00	100.00
Intergovernmental/Other Grants	70,000	131,000	58,000	(0.17)	(0.56)
Transfers In	460,000	460,000	460,000	0.00	0.00
TOTAL SOURCES	<u>1,353,000</u>	<u>1,427,000</u>	<u>1,349,000</u>	(0.003)	(0.05)
USES					
Materials & Supplies	195,000	185,000	194,000	(0.01)	0.05
Utilities & Other Services	693,000	789,000	662,000	(0.04)	(0.16)
Insurance & Other Charges	3,000	4,000	57,000	18.00	13.25
Capital Equipment	460,000	521,000	510,000	0.11	(0.02)
TOTAL USES	<u>1,351,000</u>	<u>1,499,000</u>	<u>1,423,000</u>	0.05	(0.05)
Net Surplus (Deficit)			(74,000)		
Ending Fund Balance:			92,000		

Parks Maintenance Fund (Revenue : Expenditure - \$1,349,000 : \$1,423,000)

Since personnel expenses were moved to the General Fund in FY2013, Parks Maintenance expenditures (excluding major capital equipment purchases) have been supported by the revenue generated for that activity. The FY14 transfer from the General Fund was from the Cell Phone program allowing purchase of rolling stock.

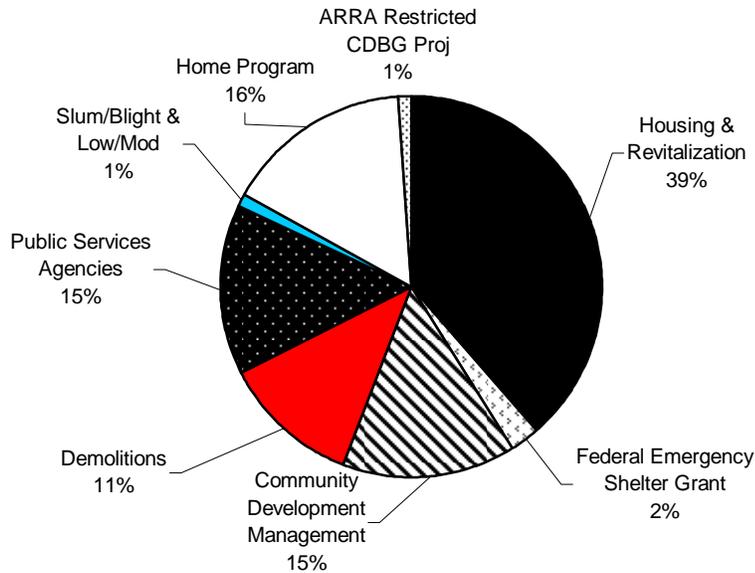
FY2014 YEAR END BUDGET REPORT

CDBG FUND

Revenues & Expenditures

There were no outstanding revenue issues for the end of the year. While money for administrative activities is limited by federal guidelines, large increases or decreases of federal grant funds can be accommodated by adjustments to grant funded activities.

There were no outstanding expenditure issues with the exception of **utility costs** above budget by \$12,000. The fund was well under budget in other areas and could easily cover the expense.



Amount of CDBG operating budget expended at year-end: 89%

FY2014 YEAR END BUDGET REPORT

CDBG FUND

	2013-2014			%over/(under)	
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
SOURCES					
Special Assessments/Interest Earnings	16,000	31,000	64,000	3.00	1.06
Intergovernmental/Other Grants	2,139,000	2,270,000	1,756,000	(0.18)	(0.23)
Other Revenue	0	36,000	88,000	0.00	1.44
Transfers In-frm Unbudgeted Funds	0	380,000	294,000	0.00	(0.23)
TOTAL SOURCES	<u>2,155,000</u>	<u>2,717,000</u>	<u>2,202,000</u>	0.02	(0.19)
USES BY CATEGORY					
Salaries & Wages	328,000	310,000	312,000	(0.05)	0.01
Payroll Taxes & Insurances	151,000	139,000	121,000	(0.20)	(0.13)
Materials & Supplies	13,000	9,000	5,000	(0.62)	(0.44)
Utilities, M&R	117,000	136,000	118,000	0.01	(0.13)
Contributions to Outside Agencies	1,335,000	1,673,000	1,441,000	0.08	(0.14)
Claims/Debt Service/Other	13,000	13,000	7,000	(0.46)	(0.46)
Transfers Out	198,000	198,000	198,000	0.00	0.00
TOTAL USES BY CATEGORY:	<u>2,155,000</u>	<u>2,478,000</u>	<u>2,202,000</u>	0.02	(0.11)
USES BY PROGRAM					
Housing & Revitalization	841,000	1,119,000	850,000	0.01	(0.24)
Community Development Management	351,000	340,000	327,000	(0.07)	(0.04)
ARRA Restricted CDBG Funds	0	17,000	22,000	0.00	0.29
Demolitions	316,000	311,000	253,000	(0.20)	(0.19)
Federal Emergency Shelter Grant	0	43,000	54,000	0.00	0.26
Slum/Blight & Low/Mod	20,000	20,000	22,000	1.00	0.10
Public Services Agencies	320,000	320,000	320,000	0.00	0.00
Home Program	307,000	308,000	354,000	0.15	0.15
TOTAL USES BY PROGRAM:	<u>2,155,000</u>	<u>2,478,000</u>	<u>2,202,000</u>	0.02	(0.11)
Net Surplus (Deficit)			0		
esignated Reserve for 27th PY (2016):			(11,700)		

FY2014 YEAR END BUDGET REPORT

GAMING INITIATIVES FUND

Revenues

For the second year in a row the gaming revenues from this fund fell below budgeted levels. The FY14 budget was adopted with no increase from FY13 and yet shortfall equaled \$49,000, down 4.7%. The fund has been on a downward trend since the flood in FY12.

Expenditures

With a mid-year contribution from the casino of \$100,000, the fund was able to purchase capital equipment items to help in future snow removal for the riverfront area and the fund ended the year 6% over the original budget and 2% over projections.

GAMING FUND

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Fund Balance:			274,000		
SOURCES					
Gaming Revenue	1,030,000	974,000	981,000	(0.05)	0.01
Donations/Grants/Transfers In	0	90,000	180,000		1.00
Interest Earnings	1,000	1,000	0	(1.00)	(1.00)
TOTAL SOURCES	<u>1,031,000</u>	<u>1,065,000</u>	<u>1,161,000</u>	0.13	0.09
USES BY CATEGORY					
Minor Equipment	12,000	20,000	39,000	2.25	0.95
Outside Services	868,000	905,000	893,000	0.03	(0.01)
Transfers Out	182,000	182,000	133,000	(0.27)	(0.27)
Capital Equipment	61,000	63,000	127,000	1.08	1.02
TOTAL USES BY CATEGORY:	<u>1,123,000</u>	<u>1,170,000</u>	<u>1,192,000</u>	0.06	0.02
Net Surplus (Deficit)			(31,000)		
Total Ending Fund Balance:			\$243,000		

FY2014 YEAR END BUDGET REPORT

MUSEUM TAX FUND

Revenues & Expenditures

As in the other property tax-supported funds the Museum Fund bested its property tax budget by 2.3%, up \$10,000 in comparison to the previous year. The levy remained the same for FY14 (tax year 2013) as FY13 (tax year 2012).

The general operations budget, covering County assessment and collection fees, public notices, administrative fees and a transfer to the city-run museum, the Nature Center, came in \$11,000 less than the projected budget.

The \$300,000 contractual payment to St. Joseph Museum Inc for management of the Wyeth-Tootle mansion was increased during the FY2014 budget hearings with City Council to \$330,000.

Capital improvements to the Wyeth-Tootle Mansion continued and a contract totaling \$409,000 re-appropriated much of the capital fund balance set aside for work on that facility. Rather than to continue to transfer monies to the Capital Projects Fund for these expenses, a Museum CIP program was set up within the Museum Tax fund mid-year. This will make it easier to keep track of monies designated for improvements versus those available for operational expenses at the City's direction.

MUSEUM FUND

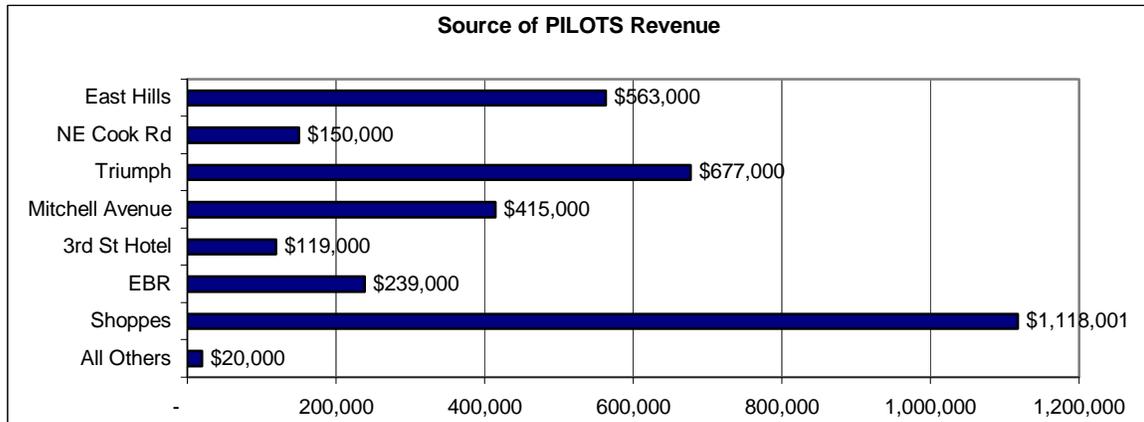
	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
rojected Beginning Ops Fund Balance:			86,000		
Wyeth-Tootle CIP Fund Balance:			353,000		
			439,000		
SOURCES					
Property Tax	511,000	519,000	523,000	0.02	0.01
Interest Earnings & Other Revenue	1,000	7,000	0	(1.00)	(1.00)
TOTAL SOURCES	512,000	526,000	523,000	0.02	(0.01)
USES BY CATEGORY					
Museum Tax Initiatives - Operations	105,000	103,000	92,000	(0.12)	(0.11)
Museum Tax - SJMI Contract	330,000	330,000	330,000	0.00	0.00
Museum Tax Initiatives - CIP	110,000	378,000	409,000	0.00	0.08
TOTAL USES BY CATEGORY:	545,000	811,000	831,000	0.52	0.02
Net Surplus (Deficit)	(33,000)	(285,000)	(308,000)		
Ending Operations Fund Balance:			\$100,000		
Ending CIP Fund Balance:			44,000		
Total Ending Fund Balance:			\$144,000		

FY2014 YEAR END BUDGET REPORT

SPECIAL ALLOCATION FUND

Revenues & Expenditures

In the Special Allocations fund, Payment in Lieu of Tax (**PILOT**) tax revenue was billed by the Buchanan County Collector in November, 2013. All funds were received during the third quarter of FY14. In total, PILOTs for the fund exceeded projections by 1.5% and increased from the year before by \$59,000. The only development that was not close to meeting budget was The Commons. Its vacant land was re-assessed at the agricultural rate which resulted in revenues down by almost \$4,000. The graph below indicates the amount of PILOTs generated by the TIF and STRA (Sales Tax Reimbursement Agreement) projects:



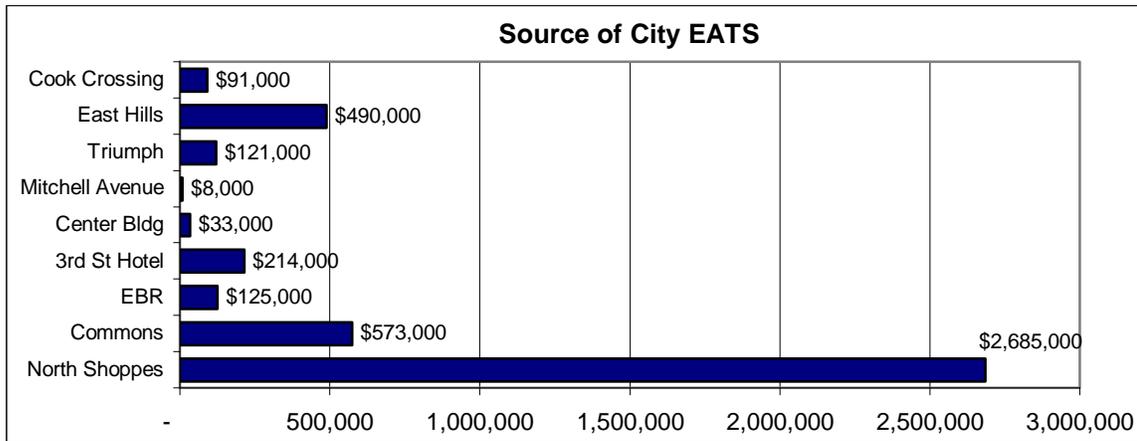
EATs (sales and franchise tax) revenues were steady for most of the TIF Plans. All TIF developments should get a boost going forward. Effective January 1st of this fiscal year, 50% of the Public Safety tax received within the developments will go back to the TIFs and STRAs. The County Ambulance tax, effective April, 2014, will also create an increase in FY15

- City EATS for **North Shoppes** exceeded budget and collected \$357,000 more than the previous fiscal year. This included \$17,000 of County Use Tax which was new for FY14. New tenants Kirkland's and Ulta Cosmetics together filled the empty pad once occupied by Borders. Sally Beauty and Small Cakes moved into the development towards the end of the fiscal year. Recently Planet Sub (replacing Coldstone Creamery) and Sports Clips signed on to establish business there as well.
- **EBR** TIF City EATS finished slightly over original budget at \$125,000, and received \$4,000 more than the prior year. The development stayed under projections throughout most of the year until a solid fourth quarter.
- The **Third Street Hotel** City EATS surpassed budget by 26.5% of budget, an increase of \$15,000 compared to the previous year. Until the final quarter revenues were nearly non-existent due to non-payment of sales tax. As a result of the increased hotel/motel tax rate, NIST taxes did well collecting \$11,000 more than projections. As a downtown economic development project, the hotel receives 100% of the hotel/motel tax revenue above the base to apply toward reimbursable costs.
- The **Commons** revenues were up 3.2% compared to the previous fiscal year. A new fitness center opened in the development during the year and there are plans for a restaurant as well. It doesn't appear that additional Menard's stores to the south are having an impact on the St Joseph location as the Development finished comfortably above budget by almost \$18,000.
- The **East Hills** TIF, \$15,000 under budget, reached its base in February and collected 4.4% less than FY13. Revenues were expected to slow a little as the prior year included ramped up business for major tenants: Gordman's, Victoria's Secret, and Rally House. The CID tax contribution was above budget by \$10,000 and had improved by 4.6% compared to the previous fiscal year. A new management group recently took over the mall. It will be interesting to see if they can continue to attract new businesses in FY15.

FY2014 YEAR END BUDGET REPORT

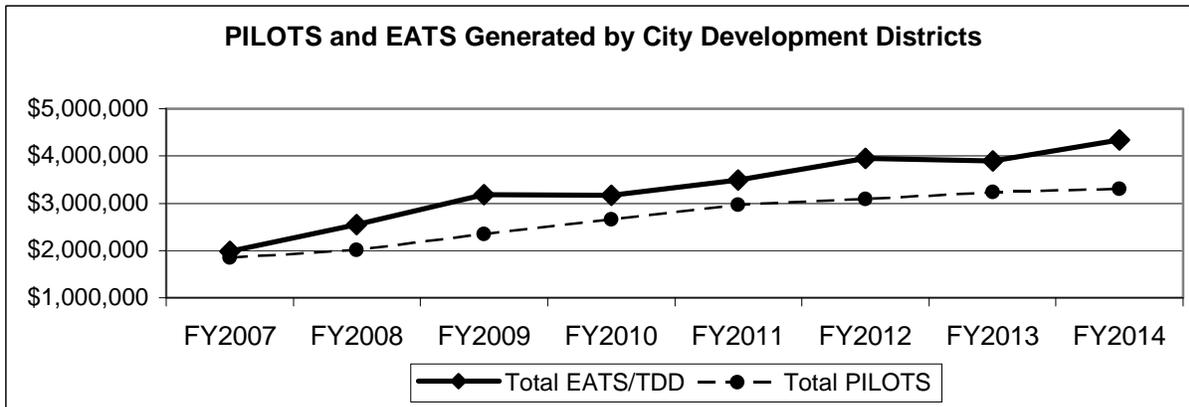
- City EATS for the downtown **Center Building** were about \$1,000 less than FY13. Construction, earlier in the year, on the parking lot serving the building had reduced the space to half for several months which hindered business somewhat (only collecting 93% of budget). The development was forced to play catch up for the rest of the year.
- The **Cook Crossing** development has done well since opening in late FY12. City EATS ended the year comfortably above budget by 30%. The development had generated \$15,000 more than FY13. Along with Dick's Sporting Goods, PetSmart and Aldi, the opening of Starbucks at the location has been a successful addition to the area.

The graph on below illustrates where EATs have been generated over the prior twelve months.



As can be seen in the chart below, EATS (the top trend-line) had an almost imperceptible decline from FY09 to FY10, but a healthy increase overall in FY11 and FY12, indicating the strong performance of the retail and restaurant establishments in the City's TIF districts. In FY13, the pace of the increase in revenues slowed followed in FY14 with another overall increase due to the contribution of new projects like Cook Crossing.

The other significant revenue generated by the TIF and economic development districts is their Payments-In-Lieu-Of-Taxes (PILOTS). TIF districts receive 100% of the real property taxes generated within the district above the base tax revenues received before the district was established. As additional TIFs are triggered, the amount of PILOTS received has increased. The smaller projects coming on line from FY10 to FY13 slowed the increase in PILOT revenue. When the PILOTS from Cook Crossing are received in FY15 that trend-line should be boosted more significantly.



TIF generated revenues deposited to their respective TIF districts are used in one of two ways:

FY2014 YEAR END BUDGET REPORT

Bonded TIFS: For the following TIFs, revenues are used to meet bonded debt issued to meet project eligible reimbursements.

- EATS for **North County Shoppes** finished \$375,000 more than its FY13 amount. With the PILOT payments, the TIF generated (\$3.5 million), sufficient to meet bond and professional service payments for the year (\$3.2 million).
- The major revenue sources for the bonds issued in the **Triumph Foods'** TIF are PILOTS and payments made directly by the developer to service the debt (Sewer Reserve Charges and PILOTS on Chapter 100 bonds issued to the company). Total revenues (\$2.09 million) were sufficient to meet debt service payments (\$1.6 million).
- **Mitchell Woods Corridor** TIF began as a pay-as-you-go TIF. However, bonds were issued and purchased by the developer (American Family) in FY09. Expenses now exist as debt service payments. The PILOTS and small amount of EATS generated by the district \$422,000 was sufficient to cover the budgeted amount of debt service - \$414,400. During the year an excess of bond revenue required the bank trustee to call \$540,000 worth of bonds paid for by appropriating the revenues from the TIF's fund balance.

Pay-as-you-go TIFS: The following economic development projects are pay-as-you-go. This means developers are reimbursed their approved TIF expenditures only the amount of EATS/PILOTS/Interest generated by their district during the year. Of the remaining ten TIFS and one STRA, the only ones generating any significant activity in FY14 were:

- A total of \$258,000 in EATS and PILOTS were received for the **EBR** TIF. After 30% of the additional revenues were deposited to a designated account by the City for future infrastructure improvements (up to \$1M as per the Redevelopment Agreement) and various legal and other expenses paid, \$190,000 was reimbursed to the development.
- The **Third Street Hotel** TIF, caught up on most of its taxes and the bank servicing the hotel's debt received \$323,000. If all taxes are remitted on time, this TIF should be closed out during FY2015.
- Sales tax revenues from **The Commons** development, an economic development district with a City-only sales and real property tax reimbursement agreement, had a small increase of 3%. On the representation that a major retail business would be moving into the development, the first agreement was amended three years ago and the City agreed to release the base amount of revenue received from Menards and consider all revenues as "incremental". FY12 EATS equaled \$582,000 versus the FY11 amount of \$380,700. However, FY14 EATS revenue did not reach the FY12 level and came in at \$573,000. Together with PILOTS, the bank servicing the Commons' debt received \$502,000.

Gaming Fund had to transfer monies to cover legal fees the City experienced due to the complications of the developer claiming a Chapter 11 bankruptcy initiated in the last quarter of FY13. The case drug through FY14 and was resolved in the first part of FY15. The bankruptcy judge rejected the developers' reorganization plan. As of October 6, 2014, the bank initiated its foreclosure proceedings.

- **East Hills** met its base of \$1.4 million and generated \$142,000 in EATS, \$9,000 less than the amount generated last year. The East Hills' Community Improvement District (CID) and its additional 1 cent sales tax on sales within the TIF generated \$356,000 (\$16,000 more than the prior year), pledged toward TIF reimbursement. Through the CID revenues, EATS, and the year's receipt of PILOTS a total of \$1,014,000 was reimbursed, \$16,000 more than in FY13. The developer hoped to issue bonds in FY14 and use future TIF and CID revenues to pay the debt service. However a change in management structure led to the development postponing the issuance. A phalanx of attorneys, bond counsels, financial advisors and market consultants for both the developer and the City are working on that possibility again now.

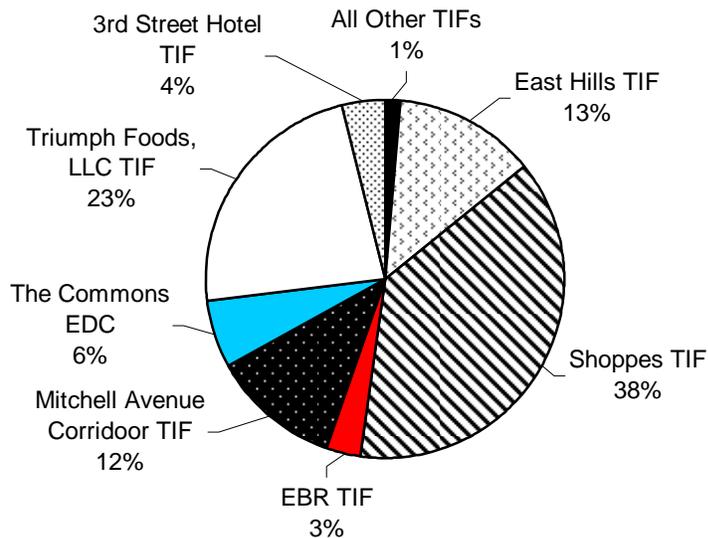
FY2014 YEAR END BUDGET REPORT

- As stated earlier, the **Center Building** TIF began to generate EATS and PILOTS again when a popular, established restaurant moved into the space. The project received \$36,000 in reimbursement.
- As the **North East Cook Road** residential TIF continues to develop, so does revenue from PILOTS and sewer system development fees. City retained TIF franchise revenues for the fund overall were significantly high in large part to Greystone as developers had completed more homes this year than the previous fiscal year.

The developer has been completely reimbursed. Revenues are now transferred to the Water Protection Fund, reimbursing the upfront expense of extending sewer service to the area. A little over \$150,000 was transferred for this reason in FY14.

- The newest TIF, **Cooks Crossing**, opened several additional businesses. While EATS have increased, PILOTs won't be received until FY15. As it was, a little over \$60,000 in reimbursements was distributed.

The remaining TIF projects (Uptown Redevelopment, Downtown Redevelopment, the new Gilmore Building TIF, Ryan Block, Fountain Creek, Tuscany Towers) generated little to no FY2014 activity.



FY2014 YEAR END BUDGET REPORT

SPECIAL ALLOCATION FUND

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Fund Balance:			2,699,000		
SOURCES					
PILOTS	3,242,000	3,289,000	3,300,000	0.02	0.00
EATS/TDD/NonIncremental Sales Tax	4,038,000	3,950,000	4,339,000	0.07	0.10
Bond Proceeds (Mitchell Woods fund balance)	0	0	540,000	0.00	0.00
Recovery/Reimbursement/Other Revenue	35,000	310,000	29,000	(0.17)	(0.91)
Refunds Prior Year Expenditure	0	0	0	-	0.00
Developer Contributions	809,000	809,000	322,000	(0.60)	(0.60)
Sewer System Development Fees	0	0	1,000	1.00	100.00
Interest Earnings	42,000	27,000	551,000	12.12	19.41
Sewer Reserve Charges	973,000	973,000	481,000	(0.51)	(0.51)
Transfers from Other Funds	6,000	6,000	6,000	0.00	0.00
TOTAL SOURCES	<u>9,145,000</u>	<u>9,364,000</u>	<u>9,569,000</u>	0.05	0.02
USES BY CATEGORY					
Professional Services	755,000	769,000	784,000	0.04	0.02
Debt Service, PAYGO Reimbursements	7,370,000	7,614,000	7,671,000	0.04	0.01
TOTAL USES BY CATEGORY:	<u>8,125,000</u>	<u>8,383,000</u>	<u>8,455,000</u>	0.04	0.01
USES BY PROJECT					
Center Building TIF	43,000	41,000	39,000	(0.09)	(0.05)
Gilmore Building TIF	0	3,000	3,000	0.00	0.00
Uptown Redevelopment TIF	1,000	6,000	6,000	5.00	0.00
Ryan Block TIF	0	0	0	0.00	0.00
Cooks Crossing TIF	70,000	70,000	61,000	(0.13)	(0.13)
Downtown Revitalization TIF	6,000	0	0	(1.00)	0.00
Mitchell Avenue Corridor TIF	434,000	739,000	978,000	1.25	0.32
The Commons Development (EDC)	563,000	522,000	523,000	(0.07)	0.00
North East Cook Road TIF	114,000	114,000	8,000	(0.93)	(0.93)
East Hills TIF	1,075,000	1,110,000	1,076,000	0.00	(0.03)
Shoppes at North Village TIF	3,219,000	3,210,000	3,224,000	0.00	0.00
EBR Development TIF	327,000	301,000	258,000	(0.21)	(0.14)
Triumph Foods, LLC TIF	1,940,000	1,940,000	1,940,000	0.00	0.00
Fountain Creek TIF	0	0	0	0.00	0.00
3rd Street Hotel TIF	333,000	327,000	339,000	0.02	0.04
Tuscany Towers TIF	0	0	0	0.00	0.00
TOTAL USES BY PROJECT:	<u>8,125,000</u>	<u>8,383,000</u>	<u>8,455,000</u>	0.04	0.01
Net Surplus (Deficit)	1,020,000	981,000	1,114,000		
Total Ending Fund Balance:			\$3,813,000		

More detailed information on the various TIF districts can be found in the Supplemental Reports section starting on page 87.

FY2014 YEAR END BUDGET REPORT

Rosecrans Airport (Aviation Fund)

Revenues

Revenues for Aviation finished below the projected budget by 15%. **Hangar rent** was short of budget by \$3,000. On average, two hangars were vacant on a monthly basis. The **FBO lease** met budget. The **sale of gas and oil** hit the mark and showed an increase of 15% when compared to FY13. The **Farm Land** and **Life Net lease** met projections. The airport café reopened mid-year and provided some added revenue to the fund (close to \$4,000).

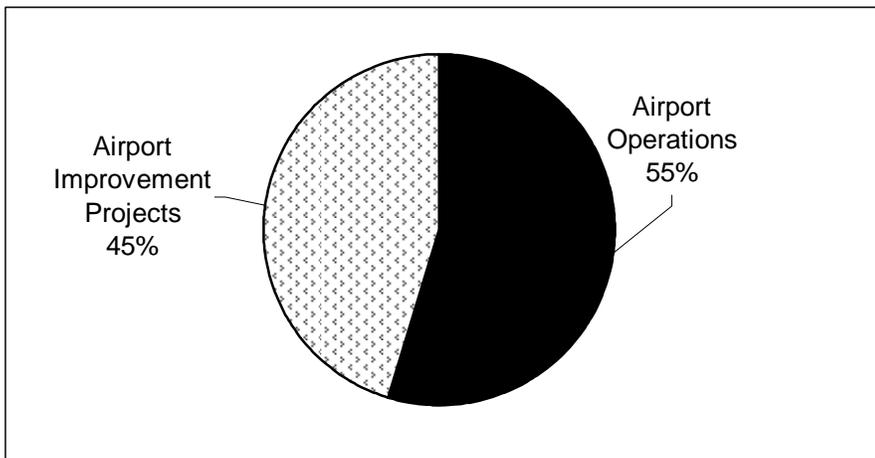
The **FAA lease** fell short by \$6,000, 92% of the budget. After payments from the Air National Guard stopped in FY13, an agreement was reached at the beginning of FY14 to resume payments but at a much lower rate. As a result, only 42% of the \$122,000 original budget was received for the year.

Amount of Aviation operating revenue budget collected at year-end: 85%

Expenditures

No major budget deficits for the year, even though total expenses did increase by 24% from FY13. However as a fund, operating expenditures have outstripped revenue and Aviation ended the year in a deficit position. Unless revenues drastically increase, or expenditures decrease, FY15 will require an (at this time) unbudgeted transfer from the General Fund. The negative fund balance for the CIP program is a function of timing in grant funded project expenditures and actual receipt of grant revenues.

Amount of Aviation operating budget expended at year-end: 90.1%



FY2014 YEAR END BUDGET REPORT

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Op Fund Balance:			(\$9,000)		
Designated 27th Payroll FB:			\$8,000		
			(\$1,000)		
Projected Beginning CIP Fund Balance:			\$347,000		
SOURCES					
Rents	440,000	465,000	362,000	(0.18)	(0.22)
Other Revenue	21,000	24,000	22,000	0.05	(0.08)
Investment Earnings	0	0	1,000		
Transfers In	221,000	221,000	221,000	0.00	0.00
Airport CIP Revenues	985,000	535,000	130,000	(0.87)	(0.76)
TOTAL SOURCES	<u>1,667,000</u>	<u>1,245,000</u>	<u>736,000</u>	(0.56)	(0.41)
USES BY CATEGORY					
Salaries & Wages	266,000	266,000	257,000	(0.03)	(0.03)
Payroll Taxes & Insurances	105,000	99,000	91,000	(0.13)	(0.08)
Materials & Supplies	54,000	34,000	33,000	(0.39)	(0.03)
Utilities, M&R, & Other Services	494,000	565,000	572,000	0.16	0.01
Claims/Insurance	16,000	16,000	23,000	0.44	0.44
Transfers Out	95,000	95,000	95,000	0.00	0.00
Capital Improvements	600,000	87,000	63,000	(0.90)	(0.28)
TOTAL USES BY CATEGORY:	<u>1,630,000</u>	<u>1,162,000</u>	<u>1,134,000</u>	(0.30)	(0.02)
USES BY PROGRAM					
Airport Operations	680,000	627,000	619,000	(0.09)	(0.01)
Airport CIP Improvements	950,000	535,000	515,000	(0.46)	(0.04)
TOTAL USES BY PROGRAM:	<u>1,630,000</u>	<u>1,162,000</u>	<u>1,134,000</u>	(0.30)	(0.02)
Net Surplus (Deficit)			(398,000)		
Operating Fund Balance:			(\$14,000)		
Designated Reserve for 27th PY (2016):			(10,000)		
Ending Available Op Fund Balance:	Target: \$71,423		<u>(\$24,000)</u>		
Ending CIP Fund Balance:			(38,000)		

Aviation Operations (Revenue : Expenditure - \$606,000 : \$619,000)

FY2014 Aviation operating fund balance began the year with a beginning deficit of \$1,000 even with the inclusion of the designated 27th payroll and ended with a deficit of \$14,000, a combined \$85,000 below the fund's target balance. While revenues in hangar rents and various leases have been going in a positive direction, the loss of lease revenues from ANG for almost two years bit deeply into reserves. Even with a supplemental transfer from the General Fund in FY12, the fund ended the year in a \$76,500 budget deficit even with significant budget savings.

In very early FY14 an agreement was reached with the ANG. Lease payments will continue. The amount received in July included \$139,000 owed for FY13. But even this infusion of revenue left a deficit when expenses exceeded revenue growth (mostly due to the increase in personnel costs following implementation of the new compensation plan).

FY2014 YEAR END BUDGET REPORT

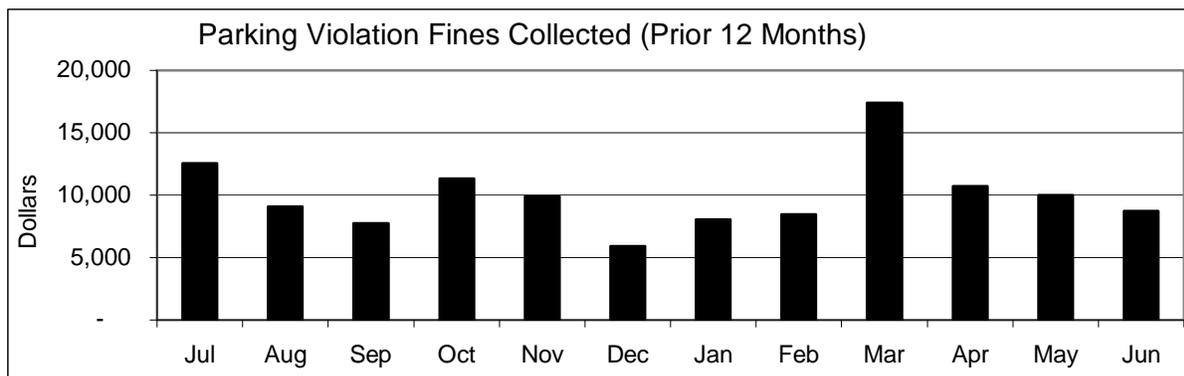
Public Parking Fund

Revenues

The Public Parking fund overall had a down year (\$27,000 below budget) mostly due to staff shortages leading to fewer tickets issued. The garage at 5th and Felix topped budget by 4.3%. The garage at 6th & Jules met projections and increased by \$4,000. This was the first positive year for the garage since Universal Guardian moved operations out of the downtown area in the fall of 2012. The lot at 9th & Felix finished under the mark at 88%. The lot located at 7th & Sylvania exceeded budget and was up 5% compared to the previous year. Collections for the 8th & Felix lot significantly decreased the second half of the year and ended the year at 66% of the budget. The lot had benefited greatly during the second quarter due to sales of discounted annual parking permits. Parking revenues for 5th & Edmond are no longer significant. The lot was remodeled early in the fiscal year and only a few permits have been issued going forward. In total, the garages and lots were in decent shape having collected 97% of their budgets.

Revenues for **Other Parking Permits/Fees** only managed to collect 57% of the projected budget due to lack of Ticketmaster events held at the Arena. This was a decline of almost \$5,000 from the year before. Revenue from **city sticker fees** was received in January and was right on target at 100% although slightly down (about \$2,000) from FY13.

Parking violation fine revenues were under budget at 85%, and decreased by \$25,500 when compared to the prior fiscal year. Parking Control staff shortages during the second and third quarters resulted in 2,400 fewer tickets issued. Significant snow events in late December and February also hindered staff from issuing tickets. Another factor could have been the change to timed parking downtown approved by Council April 2013. Cars could no longer be ticketed until 15 minutes had elapsed. This is an extension of 10 minutes from the previous ordinance. As indicated by the graph below, revenues did show improvement in March and in the final quarter. Legal letters were sent out in March, 2014 and Court summons submitted to Municipal Court in April. That revenue will show up in first quarter FY2015. Police officers increased their volume of tickets issued by 18% compared to FY13. Staffing issues in the police department have also been resolved and more tickets should be issued on a more consistent basis in FY15.



Amount of Public-Parking operating revenue projected budget collected at year-end: 97%

Expenditures

Only a couple minor budget issues for the program. **Utilities** were above budget by \$2,500. **M&R for Building** and **M&R Motor Vehicle** were above the mark by a combined total of \$2,500. **Motor fuel** was beyond budget by \$2,000, which was an increase of 16% from the previous year. Budget savings from temporary/part-time wages canceled out the overages.

Amount of Public-Parking operating budget expended at year-end: 84.4%

FY2014 YEAR END BUDGET REPORT

PARKING OPERATIONS FUND

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Proj Beginning Op Fund Balance:			\$112,000		
Designated 27th Payroll FB:			\$7,000		
			\$119,000		
SOURCES					
City Sticker/Penalty	95,000	97,000	95,000	0.00	(0.02)
Parking Fines	142,000	130,000	120,000	(0.15)	(0.08)
Parking Fees	117,000	111,000	112,000	(0.04)	0.01
Transfers In	7,000	7,000	7,000	0.00	0.00
TOTAL SOURCES	361,000	345,000	334,000	(0.07)	(0.03)
USES BY CATEGORY					
Salaries & Wages	149,000	145,000	145,000	(0.03)	0.00
Payroll Taxes & Insurances	65,000	64,000	61,000	(0.06)	(0.05)
Materials & Supplies	6,000	7,000	8,000	0.33	0.14
Utilities, M&R, & Other Services	62,000	61,000	64,000	0.03	0.05
Claims/Insurance/Debt Service	78,000	76,000	73,000	(0.06)	(0.04)
Transfers Out	52,000	52,000	52,000	0.00	0.00
TOTAL USES BY CATEGORY	412,000	405,000	403,000	(0.02)	(0.00)
Net Surplus (Deficit)			(69,000)		
Operating Fund Balance:			\$50,000		
esignated Reserve for 27th PY (2016):			(9,000)		
Ending Avlble Op Fnd Balance:	Target: \$46,500		\$41,000		

Public Parking Fund (Revenue : Expenditure - \$334,000 : \$403,000)

Ending available fund balance showed a decrease of \$78,000 from prior year. Ending fund balance is only slightly below target. It is above target when the amount designated for the 27th payroll is included. However an on-going operating deficit of the magnitude experienced in FY14 will more than eliminate the entire fund balance by the end of FY15.

FY2014 YEAR END BUDGET REPORT

Water Protection Fund

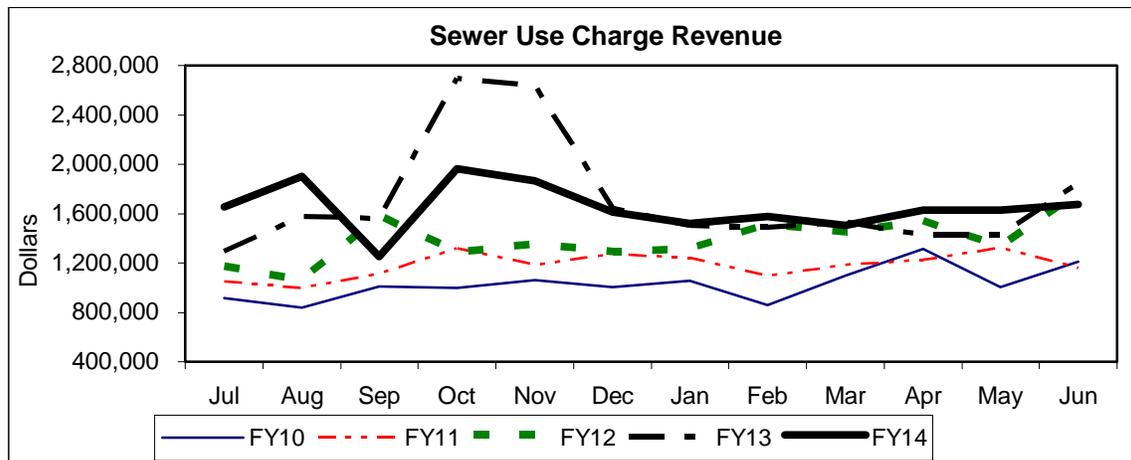
Revenues

Sewer billing revenues came in below original budget at 93% but \$50,000 above mid-year projections. There was an increase of \$845,000 compared to the prior year. A 12% rate increase went in to effect at the beginning of July, 2013. At the time the budget was developed it wasn't realized that FY13 included an extra month due to accelerated collection during the transition of Missouri American billings to City billings. This resulted in overstated projections for the original FY14 budget.

In October, 2012 (FY13), the city staff took over sewer billings, resulting in a timing issue with regard to revenues. The one month lag from Missouri American receipts was caught up and City billings immediately creating a more frequent cash flow for the fund (see graph below). When Missouri American Water Company was responsible for the billings there was a lag time of 45 to 60 days between billings and collections. Delinquent letters are sent out on a quarterly basis for balances past 90 days due. Accounts no longer active that remain past due are sent to Berlin Wheeler, the City's contracted collection agency.

The first water termination letters were sent out in June 2014, due July 2014, on active accounts with large outstanding balances. Customers with unpaid balances after due date face termination of water services per Termination Agreement with Missouri American Water. Payments received should begin to increase once customers realize the City is exercising the right (by State Statute) to have users' water disconnected for delinquent accounts.

The **South St. Joseph Sewer District** was significantly above budget (22.5%), an increase of \$219,000 compared to the previous year. Sewer service penalties were \$36,000 above total year projections, up 14% from FY13.



Amount of Water Protection operating revenue projected budget collected at year-end: 100%

Expenditures

Minor equipment for both Water Protection Plant and Laboratory were above their budgets by a total of \$59,000.

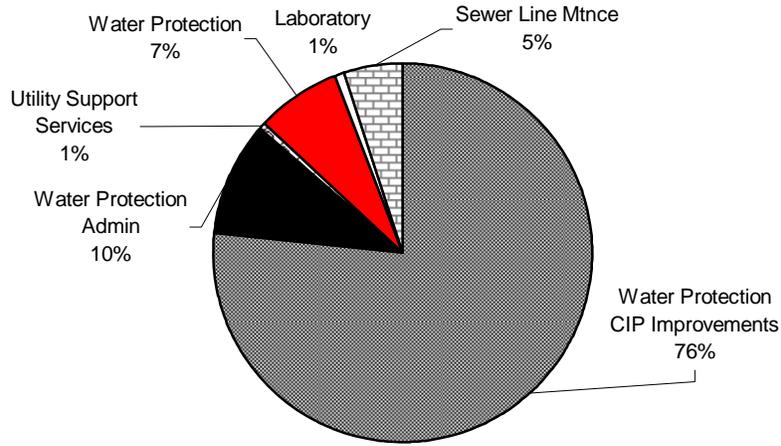
Utilities for the fund were, in total, \$68,000 above budget and a \$250,000 increase from FY13. As the new disinfection processes came on-line, the costs of electricity went up significantly.

Vehicle and equipment rental for Water Protection surpassed budget by \$49,000 as a result of numerous crane rentals. Overall the fund was well within budget and could cancel out any deficits.

The **Utility Support Services** program completed twelve months of actual operation. With more experience of actual annual expenditures, the margin between original budget and actual expense

FY2014 YEAR END BUDGET REPORT

narrowed. FY14 ended the year \$45,000 under original budget. Final expenses ran \$68,000 more than FY13 due to the onset of various maintenance contracts and software license fees that were included in the first year implementation costs.



Amount of Water Protection operating budget expended at year-end: 96.2%

FY2014 YEAR END BUDGET REPORT

WATER PROTECTION FUND

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Op Fund Balance:			\$7,652,000		
Designated 27th Payroll FB:			105,000		
			<u>\$7,757,000</u>		
Projected Beginning CIP Fund Balance:			\$13,154,000		
SOURCES					
Sanitary Sewer Charges	23,391,000	21,466,000	21,657,000	(0.07)	0.01
Missouri BUILD Tax Credits	388,000	388,000	380,000	(0.02)	(0.02)
Other Revenues/Code Penalties/Finance Fees	8,000	186,000	148,000	17.50	(0.20)
Interest Earnings/Special Assessments	277,000	284,000	189,000	(0.32)	(0.33)
Transfers In	3,000	3,000	3,000	1.00	0.00
CIP Revenues (Bond Proceeds, Anticipated)	86,237,000	60,730,000	56,079,000	(0.35)	(0.08)
TOTAL SOURCES	<u>110,304,000</u>	<u>83,057,000</u>	<u>78,456,000</u>	(0.29)	(0.06)
USES BY CATEGORY					
Salaries & Wages	3,058,000	2,873,000	2,859,000	(0.07)	(0.00)
Payroll Taxes & Insurances	1,220,000	1,181,000	1,093,000	(0.10)	(0.07)
Materials & Supplies	604,000	670,000	717,000	0.19	0.07
Utilities, M&R, & Other Services	10,066,000	12,219,000	12,514,000	0.24	0.02
Claims/Debt Service/Other	5,687,000	6,421,000	6,811,000	0.20	0.06
Transfers Out	1,759,000	1,631,000	1,605,000	(0.09)	(0.02)
Capital Equipment	2,506,000	1,163,000	683,000	(0.73)	(0.41)
Capital Improvements	87,633,000	59,773,000	56,872,000	(0.35)	(0.05)
TOTAL USES BY CATEGORY:	<u>112,533,000</u>	<u>85,931,000</u>	<u>83,154,000</u>	(0.26)	(0.03)
USES BY PROGRAM					
Water Protection Administration	7,558,000	8,100,000	8,023,000	0.06	(0.01)
Utility Support Services	515,000	537,000	470,000	(0.09)	(0.12)
Water Protection	6,656,000	6,783,000	6,173,000	(0.07)	(0.09)
Laboratory	568,000	566,000	605,000	0.07	0.07
Sewer Maintenance	4,887,000	4,215,000	4,145,000	(0.15)	(0.02)
Sewer CIP Improvements*	92,349,000	65,730,000	63,738,000	(0.31)	(0.03)
TOTAL USES BY PROGRAM:	<u>112,533,000</u>	<u>85,931,000</u>	<u>83,154,000</u>	(0.26)	(0.03)
Net Surplus (Deficit)			(4,698,000)		
Operating Fund Balance:			\$10,718,000		
Designated Reserve for 27th PY (2016):			(126,000)		
Ending Available Op Fund Bal:	Target: \$3,191,671		<u>\$10,592,000</u>		
Ending CIP Fund Balance:			\$ 5,495,000		

Water Protection Fund Operating (Revenue : Expenditure - \$22,377,000 : \$19,416,000)

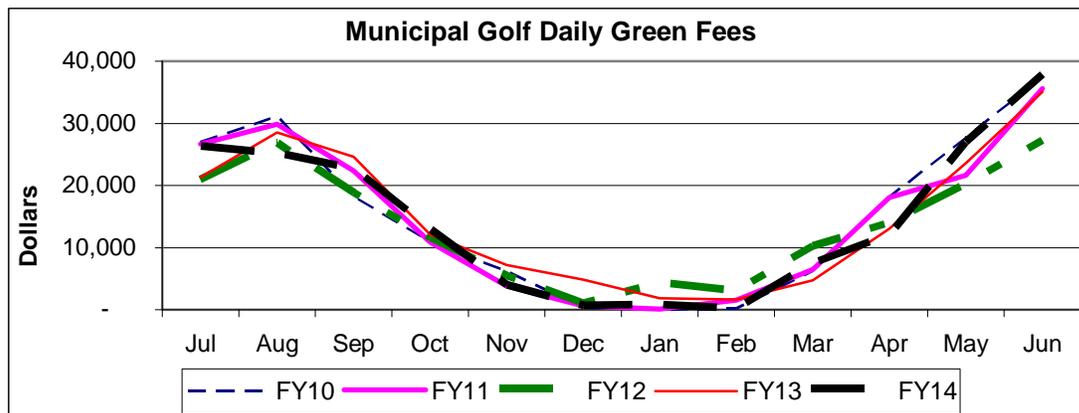
FY2014 operating fund balance increased significantly from FY2013 levels, easily meeting the 60 day reserve target. This large fund balance will decrease as the major capital expenditures for the required CMOM activities and operating expenses for the upcoming mandated processes continue to come on line.

FY2014 YEAR END BUDGET REPORT

Fairview Municipal Golf Course (Golf Fund)

Revenues

The Municipal Golf program ended the year short of budget at 92%, but revenues showed a small increase of 0.3% from FY13. **Daily green fees** were flat compared to prior year and only collected 84% of the budget, \$23,000 below projections. **Tournament fees** were below the mark by \$9,000, down 4% from FY13. As shown in the graph below, a brutal winter led to very little activity on the course December thru February. After a cold and rainy early spring, the conditions were mostly ideal for the remainder of the fiscal year. **The banquet/meeting room rental** met trend, but dropped 8% when compared to the prior year. **Driving range fees** were up by 7% compared to the year before. **Concessions** didn't measure up to projections (\$15,500 under budget). However, concessions revenues were up almost 2% from last year and have been a solid revenue generator since the renovations. **The Pro Shop** has been a success, ending the year at 17% above budget. A majority of the **annual membership and locker room fees** came in during the second half of the year and surpassed projections by \$8,000, an increase of 1.0% from the previous year. It was recently reported that, nation-wide, 665,000 golfers gave up the game last year, and business for golf retailers have dropped as much as 10% in some areas of the country. At least for now, that does not appear to be the case in this area.



Amount of Golf operating revenue budget collected at year-end*: 93%

* excluding transfer from General Fund

Expenditures

Temporary/Part-time wages were above budget by 7% (\$9,000) although it decreased by \$9,000 when compared to FY13.

Minor equipment ended the year over budget by 62% with a \$4,000 purchase of a set of green rollers.

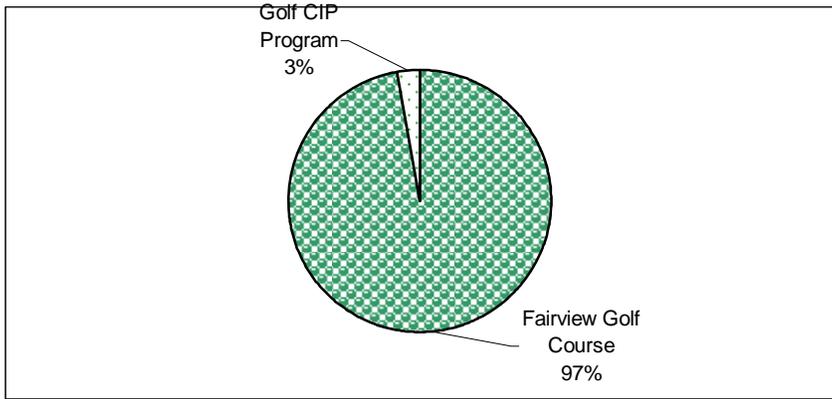
Materials for Resale was over budget as well by \$9,000. **MR Machinery & Equipment** surpassed projections by \$6,500 with several repairs.

Total **utility expenses** for the fund were \$10,000 above budget although expenses had actually decreased by \$2,000 from FY13.

Within the program, there was no one major deficit. However, each expense category seemed to have minor issues which added up to a major issue with the fund over budget in total by \$52,000 for the year.

The total revenues collected on the year were \$56,000 less than the total expenses. The fund would have ended the year in the red without a year-end transfer from the General Fund of \$60,000.

FY2014 YEAR END BUDGET REPORT



Amount of Golf operating budget expended at year-end: 106.6%

FY2014 YEAR END BUDGET REPORT

MUNICIPAL GOLF COURSE

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Op Fund Balance:			(\$6,000)		
Designated 27th Payroll FB:			<u>\$7,000</u>		
			\$1,000		
Projected Beginning CIP Fund Balance:			\$0		
SOURCES					
Golf Charges	838,000	770,000	772,000	(0.08)	0.00
Other Revenue	1,000	1,000	7,000	6.00	6.00
Investment Earnings	0	0	0		
Transfer from General Fund	0	35,000	60,000	100.00	0.71
Golf CIP Program	26,000	26,000	23,000	(0.12)	(0.12)
TOTAL SOURCES	<u>865,000</u>	<u>832,000</u>	<u>862,000</u>	(0.00)	0.04
USES BY CATEGORY					
Salaries & Wages	289,000	294,000	303,000	0.05	0.03
Payroll Taxes & Insurances	76,000	76,000	75,000	(0.01)	(0.01)
Materials & Supplies	205,000	206,000	219,000	0.07	0.06
Utilities, M&R, & Other Services	154,000	171,000	184,000	0.19	0.08
Claims/Insurance	5,000	4,000	5,000	0.00	0.25
Transfers Out	53,000	53,000	53,000	0.00	0.00
Capital Equipment	15,000	15,000	15,000	0.00	0.00
Capital Improvements	8,000	8,000	8,000	0.00	0.00
TOTAL USES BY CATEGORY:	<u>805,000</u>	<u>827,000</u>	<u>862,000</u>	0.07	0.04
USES BY PROGRAM					
Municipal Golf Course	781,000	803,000	839,000	0.07	0.04
Golf CIP Program	24,000	24,000	23,000	(0.04)	(0.04)
TOTAL USES	<u>805,000</u>	<u>827,000</u>	<u>862,000</u>	0.07	0.04
Net Surplus (Deficit)			0		
Operating Fund Balance:			\$1,000		
Designated Reserve for 27th PY (2016):			0		
Ending Available Op Fund Bal:	Target: \$69,917		<u>\$1,000</u>		
Ending CIP Fund Balance:			\$0		

Municipal Golf Fund (Revenue : Expenditure - \$862,000 : \$862,000)

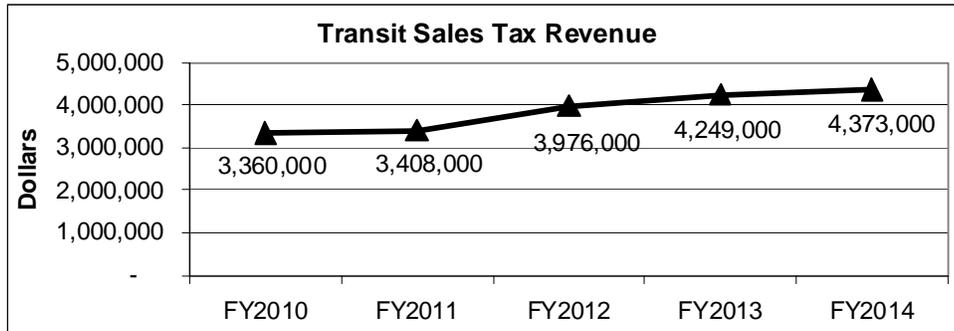
An end-of-the-year transfer of revenue from the General Fund left the Golf program at a basic break-even status. Eliminating the 27th payroll designation allowed operating fund balance of \$1,000. While the Golf Course seemed to be on its way into the black by the end of FY13, it took only one really bad year for golfing weather-wise to show what the combination of “elastic” revenues and relatively in-elastic expenditures can do to a fund.

FY2014 YEAR END BUDGET REPORT

Transit Fund

Revenues

With the high fuel prices encouraging bus ridership, the Transit fund had a steady year and finished 2% above revenue projections overall. Mass Transit **Sales Tax** completed the year above budget by 2% as well. The graph below shows that historically the revenue collected has been steadily increasing over the past five years. The increase in FY2012 reflects passage of an additional transportation sales tax for the benefit of the system.

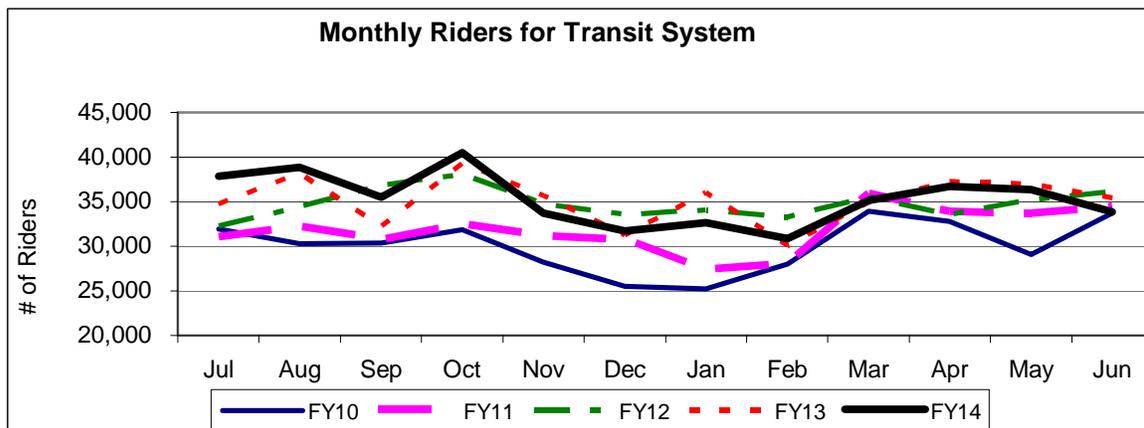


The Mass Transit fund **utility tax** revenues displayed similar trends as the General fund with the exception of electric which had a much larger increase at 18%. This was in large part due to consistently extreme temperatures experienced during the beginning of the fiscal year (July and August) combined with the utility's rate hike. As a result, the electric utility tax budget was exceeded by \$89,000.

Daily fare box revenues were identical to last year and met their budgets. The adult ticket sales were above expectations by \$5,000, up 4% when compared to FY13. Senior/Handicap tickets sales topped budget by nearly \$6,000, up 6% from the prior year. Youth ticket sales were under budget at 56% and have been in decline for multiple years now.

Advertising revenue dropped by 5% compared to one year ago and has fallen each year since FY12 when Houck Advertising changed from a monthly disbursement to a commission based disbursement. **Ticket sales commissions** were close to the mark at 97% and showed an increase of 7% from FY13. Combined, the two commission-based revenues finished a little short of budget at 94%.

In total, revenues were up 0.9% from the prior year. As shown in the graph below, the number of riders was very consistent throughout the fiscal year. Numbers dipped a bit December thru February due to weather, but were solid the other nine months. Total riders for the year increased by 1,700 compared to the prior year. Monthly ridership has not fallen below the 30,000 mark since FY11. The transit system continues to be a heavy utilized mode of transportation for the citizens of St. Joseph.



Amount of Transit operating revenue budget collected at year-end: 102%

FY2014 YEAR END BUDGET REPORT

Expenditures

The fund had very few line items with any kind of negative variance. No issues for the year. Once again the absence of federal funding for capital bus replacements left little in the way of expenditures in Transit's CIP program.

Amount of Transit operating budget expended at year-end: 92%

TRANSIT FUND

	2013-2014		%over/(under)	
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt Proj
Projected Beginning Op Fund Balance:			\$10,488,000	
Designated Reserve for Bus Rplcmnt:			\$578,000	
			\$11,066,000	
Projected Beginning CIP Fund Balance:			(\$55,000)	
SOURCES				
Utility Taxes	1,183,000	1,179,000	1,272,000	0.08 0.08
Sales Taxes	4,291,000	4,296,000	4,373,000	0.02 0.02
User Charges	307,000	313,000	312,000	0.02 (0.00)
Other Revenue	5,000	6,000	31,000	5.20 4.17
Investment Earnings	9,000	8,000	10,000	0.11 0.25
Intergovernmental/Other Grants	1,689,000	1,701,000	1,677,000	(0.01) (0.01)
Transit CIP Revenues	1,632,000	16,000	15,000	(0.99) (0.06)
TOTAL SOURCES	9,116,000	7,519,000	7,690,000	(0.16) 0.02
USES BY CATEGORY				
Training/Travel	7,000	7,000	6,000	(0.14) (0.14)
Materials & Supplies	730,000	546,000	551,000	(0.25) 0.01
Utilities, M&R	893,000	818,000	632,000	(0.29) (0.23)
Personnel Costs (via contract)	3,661,000	3,720,000	3,615,000	(0.01) (0.03)
Claims/Debt Service/Other	141,000	271,000	143,000	0.01 (0.47)
Transfers Out	151,000	151,000	151,000	0.00 0.00
Capital Equipment	2,040,000	5,000	5,000	(1.00) 0.00
Capital Improvements	0	0	0	
TOTAL USES BY CATEGORY:	7,623,000	5,518,000	5,103,000	(0.33) (0.08)
USES BY PROGRAM				
Transit Operations	5,583,000	5,513,000	5,098,000	(0.09) (0.08)
Transit CIP Improvements	2,040,000	5,000	5,000	(1.00) 0.00
TOTAL USES BY PROGRAM:	7,623,000	5,518,000	5,103,000	(0.33) (0.08)
Net Surplus (Deficit)	1,493,000	2,001,000	2,587,000	
Operating Fund Balance:			\$13,643,000	
Designated Reserve for Bus Rplcmnt:			(712,000)	
Ending Available Op Fund Bal:	Target: \$490,192		\$12,931,000	
Ending CIP Fund Balance:			\$ (45,000)	

Mass Transit Operating Fund (Revenue : Expenditure - \$7,675,000 : \$5,098,000)

The difference between the CIP expenditures and revenues is the lag between grant expenditures and receiving the grant revenues. The size of operating fund balance increases will decline as the system replaces its bus fleet.

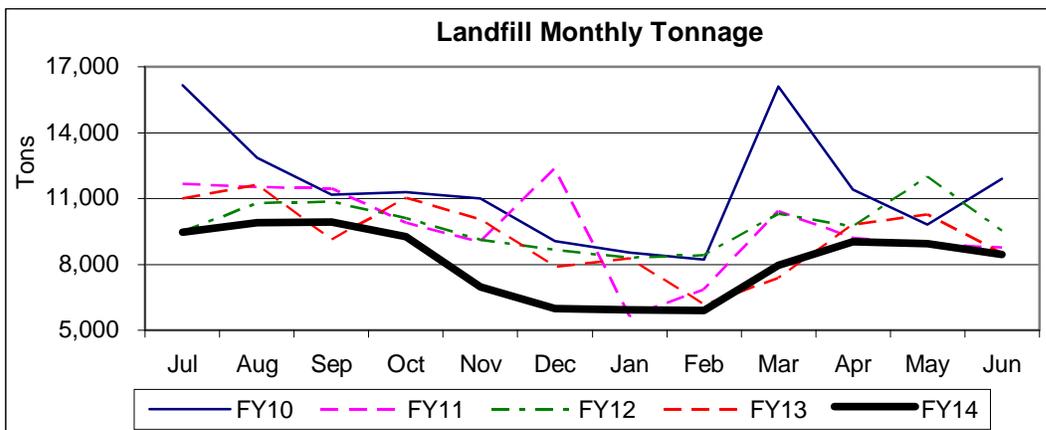
FY2014 YEAR END BUDGET REPORT

Landfill Fund

Revenues

Landfill revenues were still in decline in FY14, but not as drastically as in recent years. In total, revenues fell \$677,000 short at 81% of budget. On the somewhat bright side, this was only a decrease of 1% when compared to actual prior year revenues. In FY13, the fund had dropped by 13% in comparison to FY12.

Daily fees were under budget by \$671,000, but only a 0.7% decrease when compared to prior year actual revenue. Revenues have been in an overall decline with the economic conditions and after Deffenbaugh withdrew from their dumping agreement in FY09. City Council approved a \$4.00 per ton tipping fee increase that was recommended in the FY13 Tipping Fee Study. The increase went into effect October, 2013. In doing a quick comparison of Oct thru June of FY14 to the same time period of FY13, daily fees increased by \$84,000. The culprit, as it were, for the overall revenue decline is the loss of tonnage. As indicated by the graph below, tonnage was in decline November, 2013 to February, 2014. March showed a positive trend and leveled off the remainder of the year. Weather could have been a factor during that period.



Recycling revenue at landfill operations rebounded from FY13 and topped budget by 14%. This was a total increase of 36% when compared to the previous year. The main recycling site collected 94% of its budget, also showing a positive increase from the year before. With a new contract, revenues have grown significantly this year for the **recycling center** (an increase of 77%). Combined, both locations received \$13,000 more than the year before. Recycling revenues have climbed since the more accessible recycling center opened in FY11. **Gas to Energy** sales were under target at 94%, down \$23,000 from the previous fiscal year.

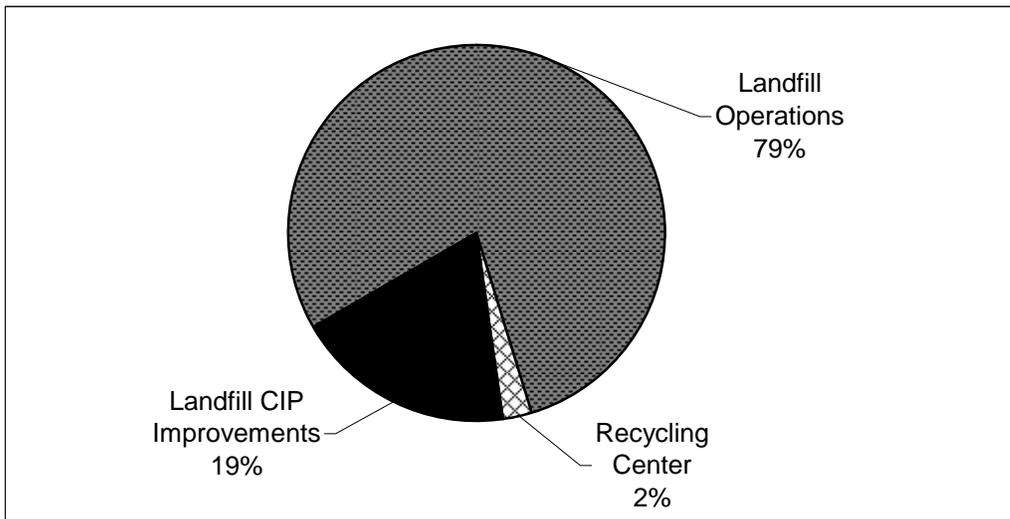
Amount of Landfill original operating revenue budget collected at year-end: 81.0%

Expenditures

Professional Services ended the year 2.5% above budget (\$6,000). This was an increase of \$63,000 when compared to the prior year. **Advertising** was also above the mark by \$6,000. Savings in salaries covered both deficits.

Amount of Landfill budget expended at year-end: 91%

FY2014 YEAR END BUDGET REPORT



FY2014 YEAR END BUDGET REPORT

LANDFILL FUND

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Fund Balance:			\$3,393,000		
Designated Reserve for 27th PY (2016):			30,000		
Designated Closure/Post Closure:			4,805,000		
			<u>\$8,228,000</u>		
SOURCES					
Permits & Advertising Revenue	5,000	5,000	4,000	(0.20)	(0.20)
Rents	3,000	4,000	4,000	0.33	0.00
Daily Tipping Fees	3,401,000	2,700,000	2,730,000	(0.20)	0.01
Gas to Energy Sales	140,000	140,000	132,000	(0.06)	(0.06)
Other Revenue	0	5,000	5,000		0.00
Recycling Revenue	37,000	38,000	39,000	0.05	0.03
Investment Earnings	11,000	10,000	8,000	(0.27)	(0.20)
TOTAL SOURCES	<u>3,597,000</u>	<u>2,902,000</u>	<u>2,922,000</u>	(0.19)	0.01
USES BY CATEGORY					
Salaries & Wages	811,000	777,000	781,000	(0.04)	0.01
Payroll Taxes & Insurances	312,000	299,000	291,000	(0.07)	(0.03)
Materials & Supplies	416,000	337,000	412,000	(0.01)	0.22
Utilities, M&R, & Other Services	626,000	687,000	618,000	(0.01)	(0.10)
Claims/Debt Service/Other	33,000	33,000	41,000	0.24	0.24
Transfers Out	1,057,000	1,033,000	1,036,000	(0.02)	0.00
Capital Equipment	836,000	50,000	466,000	(0.44)	8.32
Capital Improvements	140,000	50,000	209,000	0.49	3.18
TOTAL USES BY CATEGORY:	<u>4,231,000</u>	<u>3,266,000</u>	<u>3,854,000</u>	(0.09)	0.18
USES BY DEPARTMENT					
Landfill Operations	3,147,000	2,944,000	3,078,000	(0.02)	0.05
Recycling Center	108,000	101,000	101,000	(0.06)	0.00
Landfill CIP Improvements	976,000	221,000	675,000	(0.31)	2.05
TOTAL USES BY PROGRAM:	<u>4,231,000</u>	<u>3,266,000</u>	<u>3,854,000</u>	(0.09)	0.18
Net Surplus (Deficit)			(932,000)		
Total Ending Available FB:			\$7,296,000		
Designated Reserve for 27th PY (2016):			(36,000)		
Designated Closure/Post Closure:			(5,159,000)		
Ending Available Fund Balance:	Target: \$531,313		<u>\$2,101,000</u>		

Landfill Fund Revenue : Expenditure - \$2,922,000 : \$3,854,000

With the decrease in revenue, with the designated 27th payroll reserve, and with the annual cost of adding to the Closure/Post Closure account, available reserves in this fund decreased by \$1,292,000 following a decrease of \$997,000 in FY13, a decrease of \$628,000 in FY12 and a decrease of \$500,000 in FY11.

These funds enable staff to do major improvements in-house and to replace major pieces of equipment without leasing which saves money in the long run. That availability is decreasing. At this rate, within four years fund balance will be down to target level and cash for large scale equipment and projects will be limited.

Accounting continues to work with Public Works to identify current costs of post-closure care on existing landfill so that can be charged against the post-closure reserve and relieve the impact on the operating budget to some extent.

FY2014 YEAR END BUDGET REPORT

CAPITAL PROJECTS FUND

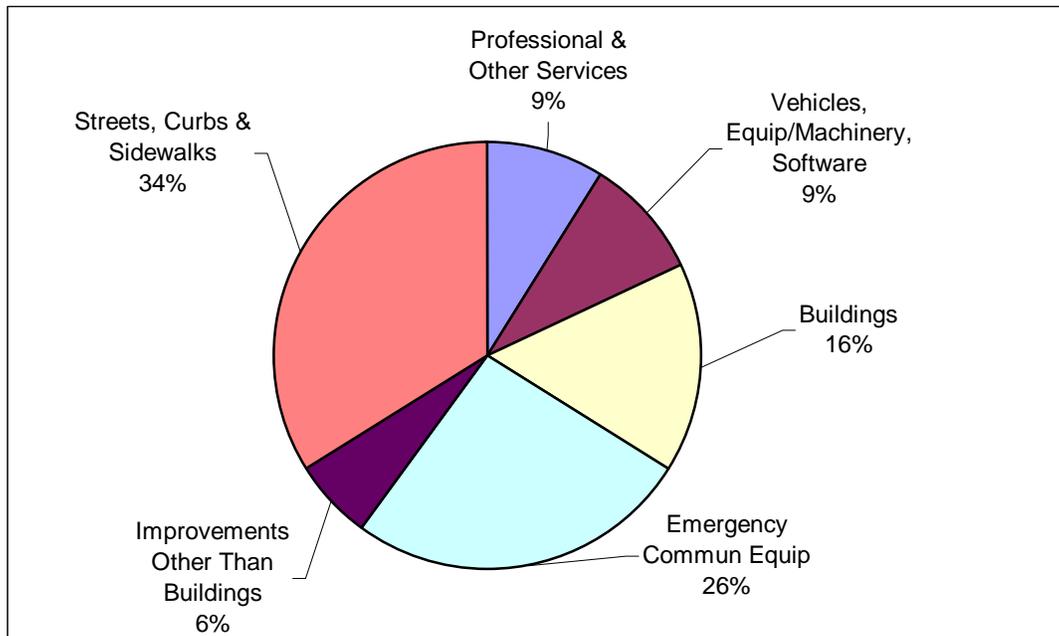
Revenues & Expenditures

CIP **Sales Tax** in the Capital Projects Fund increased over last year by 2.0%. The amount received was \$117,000 more than original budget.

A total of \$679,000 was received through transfers in FY14. General Fund's cell phone program transferred \$428,000 for completion of the main drive within the new Eastowne Business Park, \$78,000 for additional renovations at Patee Market, and \$73,000 to cover the City's portion of the Community Park (YMCA) design contract. Gaming transferred \$50,000 for security fencing at the Parks Administration complex. And, the Museum Fund transferred \$50,000 for improvements at the Wyeth-Tootle Mansion.

Grants and/or donations from other entities were received to pay portions of the cost for fitness equipment along the Hike/Bike trails, playground equipment at the new northeast Community Park, urban trail pavement improvements and the Felix Streetscape project. Heartland and Buchanan County paid their share (a combined \$359,000) of the 911 communications upgrade.

A few projects/equipment purchases originally slated for FY14 were deferred until FY15 so even with mid-year budget amendments to recognize originally unbudgeted projects; the fund ended 27% below original budget. Expenditures fell into six major categories as illustrated in the chart below.



FY2014 YEAR END BUDGET REPORT

CAPITAL PROJECTS FUND

	2013-2014		%over/(under)		
	Adopted Budget	Projected Budget	Preliminary Actual	Adopt	Proj
Projected Beginning Fund Balance:			9,414,000		
SOURCES					
Sales Tax	5,529,000	5,610,000	5,646,000	0.02	0.01
Interest Earnings, Donations & Other	20,000	418,000	161,000	7.05	(0.61)
Grants	124,000	1,015,000	475,000	2.83	(0.53)
Transfers In	310,000	725,000	667,000	1.15	(0.08)
TOTAL SOURCES	<u>5,983,000</u>	<u>7,768,000</u>	<u>6,949,000</u>	0.16	(0.11)
USES BY CATEGORY					
Materials & Supplies	-	7,000	7,000	0.00	0.00
Outside Services	880,000	636,000	764,000	0.00	0.20
Transfers Out	130,000	-	(7,000)	(1.05)	
Capital Outlay	1,207,000	2,971,000	2,972,000	1.46	0.00
Capital Improvements	9,382,000	3,089,000	4,774,000	(0.49)	0.55
TOTAL USES BY CATEGORY:	<u>11,599,000</u>	<u>6,703,000</u>	<u>8,510,000</u>	(0.27)	0.27
Net Surplus (Deficit)			(1,561,000)		

Capital Project Fund Revenue : Expenditure - \$6,949,000 : \$8,510,000

The most important issue facing this fund is that many projects see significant cost increases. Obviously, if CIP sales tax revenues do not keep pace with the increase in the cost of individual projects, then there will be one or more projects approved by the taxpayers not completed within the upcoming six-year life-cycle of the half-cent sales tax, renewed by voters in an August CIP tax election.

SUPPLEMENTAL REPORTS

	Page
Investment Report & Cash Balances	63
Accounts & Loans Receivable	67
Contracts Executed - \$5,000 to \$25,000	72
Routine Budget Transfers	74
Status of Existing Contracts/Agreements	78
Economic Development Projects & TIF Updates	83

FY2014 YEAR END BUDGET REPORT

INVESTMENT REPORT

COMMENTARY

The Investment Report is for the twelve month period ended June 30, 2014. The purpose of the report is to keep the reader informed of the diversification and status of the City's investment portfolio within a rolling twelve month period. The City's Investment Policy, adopted by the City Council on July 19, 1994 and revised on October 18, 2010, guides investment activities and ensures that City funds are invested in a manner which provides the highest investment return with maximum security while meeting the daily cash flow demands in accordance with all state and local laws.

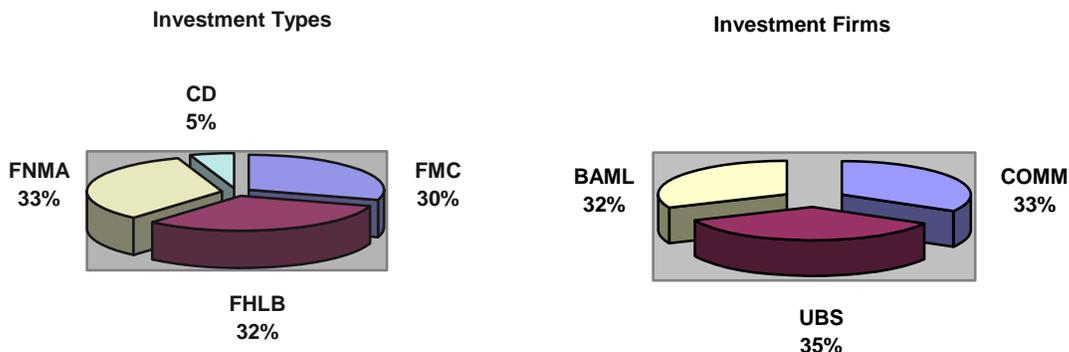
CASH INVESTMENTS

As of June 30, 2014, \$56,968,324 of the City's idle cash was invested in U.S. Treasury Bills, Agency Securities, Certificate of Deposits, and cash. The majority of the investments purchased were Agency Discount Notes with maturities of 180 days or less. Individual yields on the securities ranged from 0.03% to 0.30% with a maturity expected weekly. Most City investments are made in instruments of 180 days or less because: 1) the return on longer instruments is not significantly greater to offset the loss in liquidity; and 2) current low fund balances in most funds require that investments be very liquid.

According to City policy, the City may only invest in U.S. Treasury Obligations, U.S. Treasury Agency Obligations, Certificate of Deposits, Repurchase Agreements, Collateralized Public Deposits, Bankers' Acceptances, Commercial Paper, and Local Government Investment Pools. U.S. Treasury Obligations (T-Bills) are short-term obligations considered risk free and very liquid. They are backed by the full faith and credit of the U.S. Government. While considered the safest of all types of securities, Treasury Bills provide the lowest yield. Due to the low yield, the City prefers to invest in other, high-yielding, relatively risk-free U.S. Government Obligations.

Some Agency Discount Notes are guaranteed by the full faith and credit of the U.S. Government, but most carry only a "moral obligation" of Congress to protect investors. These notes usually have higher yields than Treasury Obligations, and include federal agencies such as the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Bank (FHLB) and Federal Farm Credit Bank (FMC).

Safety of principal is the foremost objective of the City's investment program. To achieve this objective, diversification is a necessity for securities and vendors. Investments are competitively bid and purchased from Bank of America Merrill Lynch, UBS, and Commerce Bank of Kansas City, maturing weekly for cash flow purposes. The City's guidelines for diversification provide for a goal of no more than 50% of the City's total investment portfolio be invested in a single security type or with a single financial institution.

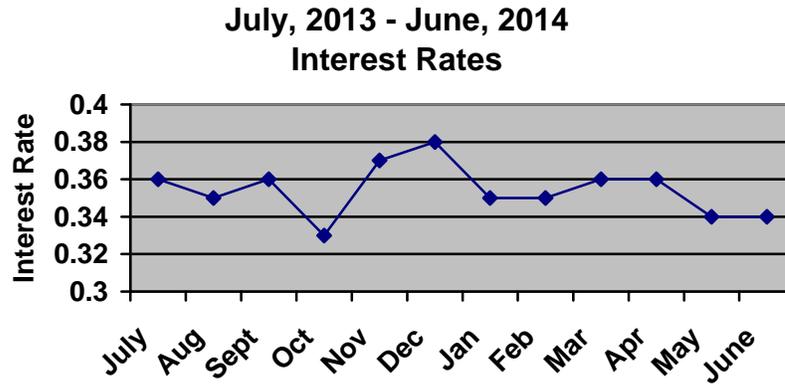


INTEREST INCOME

The City also receives interest income on cash balances in its checking account. Interest is distributed to each fund at the end of each month. The interest rate is equal to the average 91 day Treasury Bills plus .31 points on the City's average collected balance. The rate the City received for the month of June, 2014

FY2014 YEAR END BUDGET REPORT

was 0.34% compared to 0.35% in June, 2013. The fiscal year averaged around 0.35% a month. Because of collateral agreements with the banking institution insuring cash balances, this is as safe as investments in U.S. Treasury Bills.



Fiscal Year 2013/2014

Unrestricted cash deposits and investments of the City are pooled and include cash held in commercial bank checking accounts and investments held in United States Government Treasury and Agency securities. All funds with a cash balance carry an "Equity in Pooled Cash" balance on the financial statements equal to their respective cash deposit and investment portion of the pool. The individual funds "Equity in Pooled Cash" equals the \$63,780,872 the City records as unrestricted.

Restricted cash deposits and investments are restricted for legal purposes or purposes designated by City Administration. In accordance with bond transcripts, the Trustees of the bonds are legally required to hold reserves at their financial institution. Currently, the City has \$12,802,485 held at various locations as instructed by the bond transcripts.

The charts beginning on the next page show the June 30, 2014 status of city cash by type of investment, type of restriction and unrestricted cash balances.

FY2014 YEAR END BUDGET REPORT

CASH By Type of Investment June 30, 2014

Checking Account Balance:		\$6,812,548.32
U.S. Government and Agency Securities:		
Federal Natl Mortgage Association	\$18,995,842.37	
Federal Farm Credit Bank	16,996,345.84	
Federal Home Loan Bank	17,996,135.83	53,988,324.04
Certificate of Deposits		2,980,000.00
Cash and Investments		63,780,872.36
Bond Reserves (held at various institutions)		12,802,484.59
		\$76,583,356.95

CASH By Type of Investment June 30, 2014

Unrestricted Cash Balance:		
Cash	\$6,812,548.32	
Investments	56,968,324.04	
		\$63,780,872.36
Restricted Cash Balance:		
Bond Reserves (various institutions)		12,802,484.59
		\$76,583,356.95

The label “unrestricted cash” is deceiving. The cash is unrestricted only in the accounting sense of not being legally restricted to a certain use, like bond reserves. The cash is restricted in the sense of what fund it belongs to and what that fund can use it for.

The chart on the following page breaks down the \$64 million “unrestricted” cash figure above by fund and designated uses (if any).

FY2014 YEAR END BUDGET REPORT

CASH

UNRESTRICTED CASH BY FUND

June 30, 2014

General - Cash	\$5,496,315.18	
Emergency	1,125,000.00	
Escrows/Grants	112,269.73	
Public Nursing/Richardson Trust/CHIP/Med Res	213,736.33	
Senior Center Foundation/M/Morgan Trust	7,773.61	
Cell Phone/Downtown Economic Development	1,994,120.50	
Computer Reserve	702,941.04	\$9,652,156.39
<hr/>		
Street Maintenance- Cash		1,158,969.38
Parks, Recreation & Civic Facilities-Cash		126,290.65
Public Safety - Cash		(447,593.68)
CDBG- Cash		58,644.30
Special Allocation - Cash		1,766,711.03
Riverboat - Cash		384,341.56
Museum		478,852.51
Capital Projects - Cash		16,704,323.30
Aviation- Cash	427,243.97	
Escrows/Grants	8,815.00	436,058.97
<hr/>		
Parking - Cash	95,425.25	
Escrows	5,800.00	101,225.25
<hr/>		
Water Protection - Cash	3,923,478.67	
In House Bond Reserve/ Escrow	5,689,452.74	9,612,931.41
<hr/>		
Golf - Cash		(68,690.61)
Mass Transit - Cash		12,965,174.26
Landfill - Cash	3,226,327.21	
Post Closure	4,805,214.88	8,031,542.09
<hr/>		
Worker Compensation - Cash		1,181,415.19
Payroll - Cash		395,432.05
Library - Cash		4.70
St. Joseph Gateway TDD - Cash		50,341.62
Cooks Crossing CID - Cash		1,786.30
East Hills CID - Cash		924.27
Commons CID - Cash		0.00
Beck Road CID - Cash		5,000.00
CDBG Loan Funds - Cash		1,185,031.42
<hr/>		
		<u>\$63,780,872.36</u>
		<u><u>\$63,780,872.36</u></u>

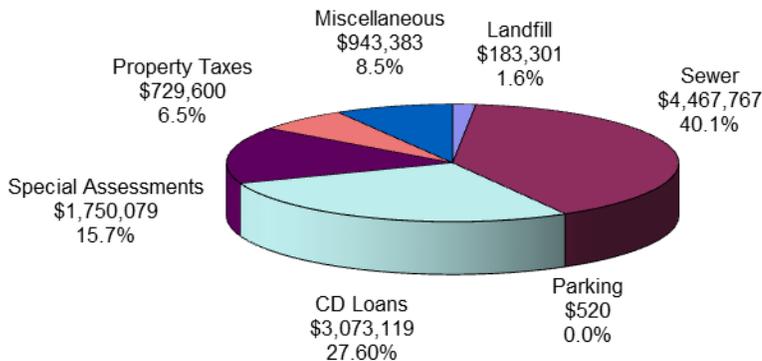
FY2014 YEAR END BUDGET REPORT

ACCOUNTS AND LOANS RECEIVABLE REPORT

COMMENTARY

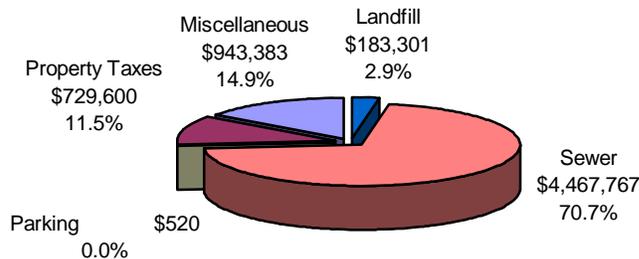
This Accounts and Loan Receivable Report covers the second quarter ended June 30, 2014. The purpose of this report is to identify the various types and amounts of receivables, discuss the City's various collection efforts and provide an estimate of receivable collectability. Total Accounts and Loans Receivable at June 30, 2014 are \$11,147,768, broken out as follows:

Accounts Receivable and Loan Receivable Report For Quarter Ended June 30 2014



Accounts Receivables are generated from routine services provided to City residents and from taxes, licenses and fees. Loans and Lien Receivables are special payment arrangements created for specific individuals within the community. Details of each type will now be discussed in detail by type.

Accounts Receivable For Quarter Ended June 30, 2014 (Excludes Loans and Special Assessments)



The Accounts Receivable pie chart above excludes CDBG loans and Special Assessments receivables due to the varying factors. CDBG loans are spread out over 30-40 years, leaving most of the receivable due into the future and not past due. Special Assessments are liens upon property which are assumed uncollectible at the point of issuance due to the nature of the lien.

City Sewer Fund receivables (70.7%), as shown below, include City billings to South St. Joseph Industrial District, sewer surcharges, septic load processing charges. Total sewer amounts due are \$4,467,767 as of March 30, 2014.

Collection Activity:

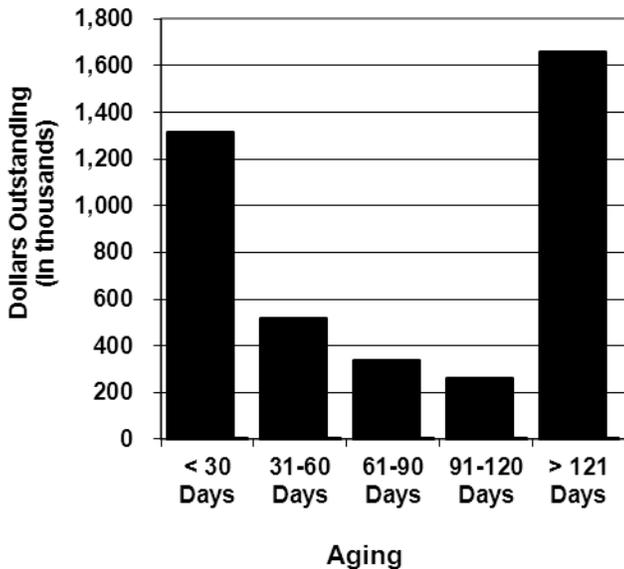
- City Council approved formal collection and shutoff policies via Resolution in April, 2014.
- Collection letters due February, 2014 for closed accounts with balances above \$375 were sent to Berlin Wheeler in April, 2014.

FY2014 YEAR END BUDGET REPORT

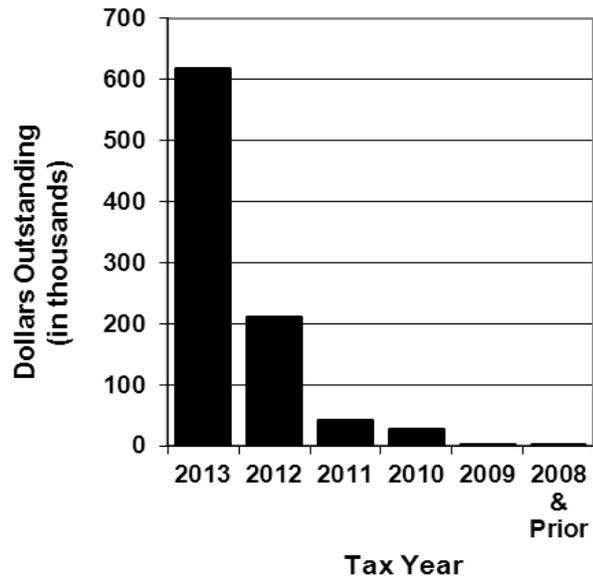
- Closed account balances were sent to Berlin Wheeler at the end of May, 2014.
- All active accounts were sent one final notice in April, 2014 and due May 30, 2014. Those over 90 days were reviewed and termination notices were sent out to the top 50 accounts, with full payment by cash or credit card accepted through the due date. A total of 13 accounts were shut off.
- Bi-weekly termination notices will be sent out, giving users 30 days to pay.

The sewer balances also include primary and secondary sewer surcharge customer user fees (\$497,448), Oak Mill lawsuit (\$93,600), Fines (48,000) and septic load processing charges (\$14,230). The SSJSD balance due (\$186,890) is current. Country Club Receivables also make up this amount due, but are due from their sewer customers (\$209,000).

**Sewer Account Aging
As of March 31, 2014**



**Property Taxes Receivable
as of March 31, 2014**



Property Tax Prior Property tax receivables (11.5%), (shown above totaling \$729,600) include the receivables for tax years 2013 & prior. County tax assessed valuations for tax year 2013 of \$968,096,910 project total current year revenues at \$11,031,464, compared to \$10,876,905 for all funds in fiscal year 2013, a one and four tenths (1.4%) percent **increase**. **Current Property Tax** receivables (69.1%) for fiscal year 2013 have been provided by the County Collector. A preliminary comparison of the current year valuations, provided by the Buchanan County Clerk's office on December 31, 2013, to 2012 tax year valuations reflects an overall **increase** in assessed valuation of \$13,563,788 or **increased current year tax revenues** of \$154,559 for all funds. Total personal property tax assessed valuations **decreased** from \$238,786,047 for tax year 2012 to \$238,273,971 in 2013 (-.2%). **Prior Property Tax** receivables (30.9%), (shown above) include the receivables for tax years 2012 & prior. County collections total \$444,553, compared to \$492,976 for all funds in fiscal year 2013, a nine and eight-tenths (9.8%) percent **decrease**.

The City 2014 tax levies (FY15) were set on August 18, 2014 at \$1.1395 per \$100 valuation, the same levy as tax years 2013 and 2012. The Hancock allowance (1.7%) increase was allowed, but valuations increased forcing the levy to remain the same.

Landfill Fund receivables (2.9%) include hauler accounts set up for monthly billing and land leases approved by contract. These are billed by the Administrative Services Department based upon reports provided by Landfill staff. Total billings to date are \$1,843,688, a **decrease** of \$149,995 or seven and five-tenths (-7.5%) percent over the same period in fiscal year 2013. Total tipping fee revenues of

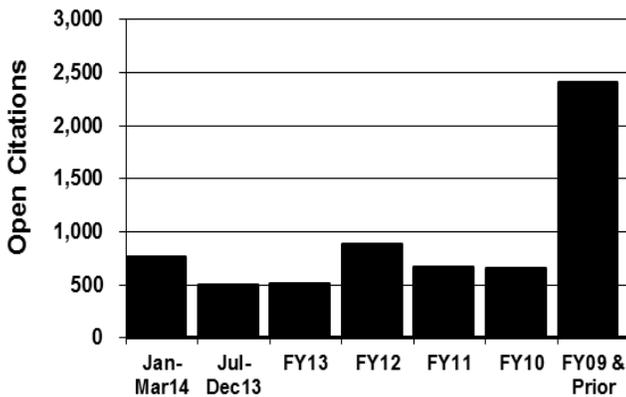
FY2014 YEAR END BUDGET REPORT

\$2,729,591 represent a slight **decrease** of seven-tenths (0.7%) percent from fiscal year 2013. Outstanding receivables, as of June 30, 2014, total \$183,301. Rates increased October 1, 2013 to \$34.00 per ton. It seems revenues have finally begun a comeback, even with the harsh winter 2013-2014.

Public Parking receivables (<1%) include parking permits billed for City garages. Other receivables include parking citations outstanding recorded in the Parking Access database, but amounts due remain uncertain due to requests for dismissal, those protested in Municipal Court, etc. A total of 7,130 parking citations have been written this fiscal year – 4,789 by public parking staff, 2,319 by police officers and 22 by firemen. Public Parking experienced staff shortages this fiscal year, causing a decrease in total number of citations issued.

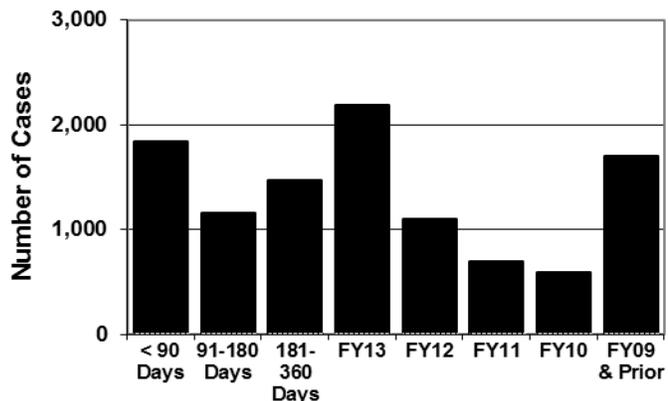
Most revenues collected in the Parking Fund are not included as a receivable due to the possibility of parking tickets being protested, requesting a trial in court, etc. Revenue is recognized when received. To date, total parking fine revenues are \$119,942, of which \$101,371 (84.5%) are fines remitted directly to the City and from collection letters generated by Administrative Services. Municipal Court summons have resulted in the remaining \$18,571 (15.5%). A total of 7,841 collection letters have been mailed out this fiscal year and 6,543 citations remain open as of June 30, 2014. The aging of citations (6,405 open citations) is shown in the table below.

**Aging Open Parking Citations
as of June 30, 2014**



Aging

**Municipal Court Open Cases
As of June 30, 2014**



Aging

Municipal Court receivables are recorded in the INCODE Court software. Open citations as of June 30, 2014 total 10,749, a decrease of 1,165 citations (9.8%) from the previous quarter. The table above shows the aging of open cases. As of June 30, 2014, court fines and fees collected total \$1,283,092, compared to \$1,313,907 for the same period in fiscal year 2013, a two and four tenths (2.4%) percent **decrease**. City retained Court revenues are \$1,096,449 compared to \$1,089,621 in fiscal year 2013, a six-tenths (.6%) percent **increase**. The citations filed for FY2014 total 18,936, compared to 20,808 for FY2013, a **decrease** of 1,872 citations from all Departments.

Miscellaneous Receivables (14.9%) of the Receivables above are billed by Administrative Services. Miscellaneous billings include:

General - LEC charges, fire district contracts, and Administrative fees for Chapter 100 bonds, Heartland Health, REMSA and Buchanan County shared expenses for maintenance of the communication system; franchise taxes and PILOT taxes due per Chapter 100 agreements; Hockey Club and Figure Skating Club ice rentals; Birth/Death certificate monthly billings, monthly pound fees for area cities, and Buchanan County Health Contract;

FY2014 YEAR END BUDGET REPORT

Streets Maintenance – Street/utility cuts, culvert pipe purchased for installation;
 Parks Maintenance – Horace Mann monthly leases,
 Special Allocation Fund – Invoices sent to Buchanan County for County portion of EATS sales tax;
 Aviation Fund – Monthly hangar leases, land leases, monthly Airport Café lease;
 Mass Transit Fund – Bus station lease, State of Missouri bus passes purchased; franchise taxes;
 Payroll Fund – Retiree and Cobra insurance billings.

Business Licenses/Permits are also miscellaneous receivables, but not included in the total. Most of these billings are unknown at the time of billing as many are based upon gross receipts unknown at the time of renewal.

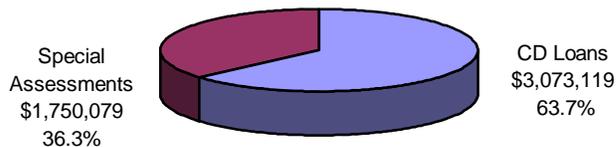
Annual licenses, permits and inspections for business activity are billed and collected by the Customer Assistance Department and recorded in Permits Plus Software when received. A total of 2,654 new and temporary business licenses and permits have been issued since May 1, 2013, the 2013-2014 billing cycle. The distribution of all new business permits and licenses issued are broken down by type as follows:

New Business Licenses and Permits By Type Fiscal Year 2014

Type	FY2014		YTD Revenue	
	New	Temporary	FY14	FY13
Alarm permits (Police/Fire)	214	16	\$53,976	\$51,555
Alcohol server licenses	859	670	\$30,570	\$25,170
Business licenses	304	46	\$876,729	\$860,321
Fire inspection permits	38	21	\$31,657	\$31,000
Health permits/inspections	78	128	\$100,912	\$93,157
Liquor licenses	24	131	\$96,974	\$98,650
Trade/Contractor licenses	124	1	\$78,217	\$84,568
Totals	1,641	1,013	\$1,269,034	\$860,321

Collection efforts for the expired business licenses include the original renewal application, a delinquent letter, Courtesy phone calls and finally a summons to Municipal Court. Collection letters for Fiscal Year 2015 renewals due on June 30, 2014 will go out by the end of July, 2014.

Loan & Special Assessment Accounts Receivable As of June 30, 2014



Lien & Special Assessment receivables (36.3%) total \$1,750,079 include demolition liens (\$749,501), general code violations for weed and trash liens (\$928,786), and street and sewer improvement/use liens (\$71,792). Demolition and weed and trash liens are billed and collected by the Customer Assistance Division, with payment arrangements available on demolition liens up to a ten (10) year period in which to pay back the City. Sewer Improvements and Street Special Assessments are billed and collected by the Administrative Services Department.

Accounts deemed to be collectable may be pursued through additional collection letters and, if necessary, lawsuits filed in Buchanan County Circuit Court as a personal debt of property owners.

FY2014 YEAR END BUDGET REPORT

Administrative Services began sending unpaid violators to Berlin Wheeler, the contracted third party collection agency in January, 2014. Collection agency progress should be more apparent in fiscal year 2015. Administrative Penalties remaining unpaid, but not liens also are turned over to the Berlin Wheeler.

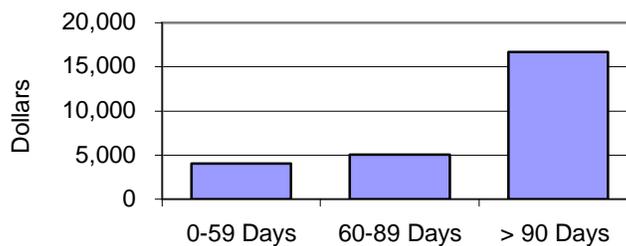
Inspectors continue to issue summons to Municipal Court for violations. The City requests restitution for any costs incurred in cleanup of the property. Amounts paid by the defendant include fines for non-compliance and any City restitution for that particular violation.

Fiscal Year 2014 collections for all liens total \$132,339, compared to \$110,467 or an increase of \$21,872 (19.8%) for the same period in fiscal year 2013.

Aging of Special Assessments - Amount Due			
Period	Dollars	Dollars (%)	#
Current (0-90 Days)	62,807	3.6%	291
Jan-Mar14 (91-180 Days)	12,190	0.7%	291
Jul-Dec13	167,468	9.6%	725
FY13	174,594	10.0%	828
FY12	234,457	13.4%	967
FY11	134,997	7.7%	536
FY10	224,956	12.9%	545
FY09 & Prior	738,610	42.2%	1,871
Total Outstanding	1,750,079	100.0%	6,054

Community Development (C.D.) Loan receivables (63.7%) are low-interest loans made to low and moderate income residents under regulations promulgated by the Federal Department of Housing and Urban Development (HUD). These loans vary in length from 15 to 40 years. Although total loans outstanding are \$3,073,119, less than one percent (0.7%) or \$25,812 are principal and interest past due.

**CDBG Loan Aging
As of June 30, 2014**



The Accounting Division, in the Administrative Services Department, bills and monitors these loan accounts. The C.D. Loan Committee, comprised of Administrative Services, Community Development and Legal staff, meet monthly to discuss accounts with balance portions greater than 30 days delinquent and decide upon the collection measures to be used, from general collection letters to foreclosure if necessary. The number outstanding accounts and loan amounts due vary by type and are listed below.

FY2014 YEAR END BUDGET REPORT

PURCHASE ORDERS (CONTRACTS) BETWEEN \$5,000 AND \$25,000 COMMENTARY

The City's purchasing policy allows the City Manager to approve contracts between the amounts of \$5,000 and \$25,000. The following lists those contracts** issued in the fourth quarter of Fiscal Year 2014 between those limits.

4/3/2014	Fitness Showcase	\$ 9,735.00	(2) Cybex 625T Treadmills; Delivery and Installation	Senior Cntr
4/3/2014	World Wide Technology Inc.	\$ 13,320.40	(20) HP 600PD TWR 13-4130 3.4G 4GB 500 GB DVDRW W7P 64 BIT	IT
4/3/2014	Jim Walters Construction	\$ 8,529.00	Change Order 4 - Additional Work at Fire Station 4	PW
4/8/2014	Love Envelopes	\$ 7,016.00	200,000 #9 Custom Enveopes; 200,000 #10 Custom Envelopes	Swr Billing
4/18/2014	Layne Christensen Company	\$ 5,250.00	Emergency Wet Well Repair at Remington Nature Center	Parks
4/23/2014	Out and About	\$ 20,740.00	Canopy System for Patio at Phi Welch Stadium; Missouri Professional Engineer Sealed Drawing	Parks
4/25/2014	Lee Grover Construction	\$ 24,341.00	Fire House Road New Drive Construction (Rosecrans ANG Base)	PW
5/6/2014	CDW Government Inc	\$ 19,737.19	(11) LVO TP X230T 15-3320M; LVO Topseller 3 Year ADP	IT
5/9/2014	Otis Elevator	\$ 5,785.00	Optiguard Door Protection System installed	Bldg Mtncce
5/20/2014	Shoop and Sons	\$ 7,218.00	Chain Link Fence Material	Parks Sewer Mtncce
6/2/2014	Seiler Instrument and Mfg.	\$ 11,670.00	Trimble GEO 7X Plus Software Update	
6/2/2014	Perkin Elmer	\$ 12,984.00	Annual Service for Continued Coverage on Optima5300DV and associate equipment	WPF Sewer Mtncce
6/3/2014	Buchanan County	\$ 14,276.00	1/2 Cost of New Aerial Photography	
6/5/2014	Miller Construction	\$ 5,750.00	Emergency Demolition, Removal and Cleanup of House, Retaining Wall and Garage at 2406 Mitchell Ave	PM
6/10/2014	Logan Contractors Supply Inc.	\$ 5,135.00	(80) Detectable Warning System Panels (ADA) - 2 pallets/40 panels per pallet includes delivery	Sewer Mtncce
6/17/2014	United Rentals North America	\$ 5,865.50	(4) 52" - 88" Single Shore; (5) 88/99 Single Shore 108-144" range; 7.5 Gallon Plastic Bucket Pump	Sewer Mtncce
6/17/2014	Flink Company	\$ 7,840.00	Snow Plow 1 ft x 36" Trip Edge, Built in Baffle	Streets
6/17/2014	Kranz of Kansas City	\$ 9,080.40	Henderson Direct Cast Spinner 201 SS Construction Separate Control to Control Spinner Speed and Direction	Streets
6/17/2014	R S Electric Corp	\$ 10,000.00	Emergency Repair to #1 Motor/Clutch at Plant Pump Station	WPF
6/20/2014	Central Power Systems	\$ 9,500.00	Transmission Repair to Unit 430	Transit
6/24/2014	K C Bobcat	\$ 6,596.80	Pavement Breaker	Streets
6/24/2014	Key Equipment and Supply Co	\$ 18,873.80	Hook and Dump System for Dump Truck	Streets
6/24/2014	Kranz of Kansas City	\$ 19,600.00	(2) Henderson Mark E Dump Bodies	Streets
6/24/2014	Flink Company	\$ 16,900.00	Salt Spreader w/Pre-wet System and Hook-and-Dump Skid	Streets
6/24/2014	B & B Hydraulics	\$ 8,700.00	Auto Lubrication System for Motor Grader	Streets
6/25/2014	World Wide Technology Inc.	\$ 12,842.00	(20) HP Prodesk 600 G1 Desktop Computers	IT
6/26/2014	Summit Truck Group	\$ 8,769.71	Engine Repair for Flusher	Landfill
6/30/2014	Trane	\$ 5,185.54	Addition of Controllers to 3 Existing VAV boxes	Health
6/30/2014	Alamar Uniforms	\$ 18,617.69	Uniforms for Fire Department Personnel	Fire

FY2014 YEAR END BUDGET REPORT

6/30/2014	Madget Demolition Inc.	\$ 7,400.00	Demolition, Removal and Clean up of House Structure at 420 N 16th St	PM
6/30/2014	Madget Demolition Inc.	\$ 5,570.00	Demolition, Removal and Clean up of House Structure at 2606 Olive St	PM
6/30/2014	J & K Miller Construction	\$ 8,750.00	Demolition, Removal and Clean Up of House Structure at 622-24 Mt Mora Rd	PM

** Does not include purchase orders issued for the following:

Community Development Rehab Loan Projects

Gasoline Purchases

Price Agreement

Purchases

Work Orders for Professional Services approved by a Master Agreement

FY2014 YEAR END BUDGET REPORT

ROUTINE BUDGET TRANSFERS COMMENTARY

Routine Budget Transfers are allowed under "Administrative Code Sec. 2-1052. Budget Transfers. (abridged & supplemented)" The following statement appears on the Routine Budget Transfer Form.

You Cannot Use This Form To:

1. Transfer funds to create full or regular part-time positions unless approved by Council.
2. Transfer (or use budgeted funds) to purchase a capital item/project (more than \$5,000) that has not been approved by the Council in the budget. EXCEPT – Once all budget approved capital items have been purchased, savings can be transferred.

FOR EITHER OF THE ABOVE – PREPARE AN ORDINANCE FOR COUNCIL APPROVAL.

The following report reflects routine budget transfers for the fourth quarter FY2014, sorted by Fund and Department. Most transfer forms contain several transactions. This is why there can be several lines of adjustments for each Transfer Number. The transfer number is an ID entered by staff when transfers are processed.

The major reason for the transfer is labeled with a short description. When there are multiple transfers per form, any amount over \$1,000 has a notation of the item being increased.

<u>Number</u>	<u>Object</u>	<u>Decrease</u>	<u>Object</u>	<u>Increase</u>	<u>Comments</u>
<u>001- GENERAL FUND</u>					
Mayor & City Council					
BT141	1498	(1,608.00)	1305	1,608.00	MAYORS OFFICE YEAR END CLEAN UP
BT142	1498	(1,221.00)	1110	1,221.00	
City Clerk					
BT125	1160	(600.00)	1110	3,446.00	SALARY INC COVERED BY SAVINGS IN BENEFITS
	1225	(1,337.00)	1130	180.00	
	1227	(231.00)	1390	462.00	
	1265	(820.00)			
	1448	(462.00)			
	1220	(638.00)			
Municipal Court					
BT118	1110	(6,025.00)	1405	6,025.00	TEMP HELP AND TRANSLATOR EXP COVERED BY SALARY SAVINGS
	1365	(920.00)	1410	6,410.00	
	1390	(240.00)			
	1473	(5,250.00)			
BT130	1110	(1,469.00)	1305	542.00	TRANSLATOR COVERED BY OTHER SAVINGS
	1130	(1,275.00)	1410	2,005.00	
	1246	(8.00)	1435	254.00	
	1405	(1,683.00)	1445	355.00	
	1440	(16.00)	1448	564.00	
			1448	8.00	
			1460	292.00	
			1470	1.00	
		1498	430.00		
City Manager					
<u>BT136</u>	1460	(3,682.00)	1110	3,408.00	SALARY INC COVERED BY SAVINGS IN PRINTING
			1365	274.00	

FY2014 YEAR END BUDGET REPORT

Legal

BT123	1220	(2,925.00)	1110	4,215.00	SALARY INC COVERED BY SAVINGS IN BENEFITS
	1225	(635.00)	1445	170.00	
	1227	(150.00)			
	1243	(125.00)			
	1246	(270.00)			
	1265	(280.00)			
BT110	1410	(1,035.00)	1305	800.00	LEGAL OFFICE SUPPLIES
	1448	(300.00)	1365	535.00	
BT139	1305	(40.00)	1448	40.00	SUBSCRIPTION CLEAN-UP

Planning & Community Services

BT131	1235	(2,000.00)	1110	5,100.00	SALARY INC COVERED BY SAVINGS IN BENEFITS
	1220	(3,100.00)	1110	2,700.00	
	1220	(1,200.00)			
	1220	(1,500.00)			
BT132	1498	(4,525.00)	1355	4,525.00	COMMUNITY DVLPMNT YEAR END CLEAN UP

Administrative Services

BT128	1265	(6,632.00)	1110	6,632.00	SALARY INC COVERED BY SAVINGS IN BENEFITS
BT124	1305	(405.00)	1445	405.00	TECHNOLOGY YEAR END CLEAN UP
	1473	(3,550.00)	1365	3,550.00	COMPUTER PURCHASE COVERED BY M&R SAVINGS
BT092	1410	(60.00)	1265	30.00	MILEAGE AND LAWN MOWER FUEL
			1355	20.00	
			1460	10.00	

Police

BT122	1495	(5,000.00)	1515	5,000.00	LIABILITY CLAIM
BT126	1110	(30,750.00)	1355	30,000.00	SALARY SAVINGS COVERED FUEL
			1515	750.00	
					VARIOUS SAVINGS TO COVER MATERIALS PURCHASES
BT109	1265	(2,631.00)	1390	10,556.00	
	1305	(137.00)			
	1365	(2,005.00)			
	1440	(322.00)			
	1478	(300.00)			
	1498	(5,161.00)			
BT094	1498	(2,822.00)	1365	4,691.00	PATROL LAPTOPS
	1460	(869.00)			
	1320	(300.00)			
	1324	(700.00)			
BT091			1120	500.00	YOUTH DWI ENFORCEMENT GRANT REVENUE AND EXPENDITURE
			5698	500.00	
BT095			1120	3,000.00	CLICK IT OR TICKET GRANT REVENUE AND EXPENDITURE
			5698	3,000.00	
BT093	1610	(99.00)	1365	99.00	GARAGE FURNITURE
	1478	(500.00)	1390	1,010.00	
	1480	(510.00)			
BT105			1365	4,700.00	RADAR RECORDER GRANT REVENUE AND EXPENDITURE
			5698	4,700.00	

Fire

BT121	1111	(95,961.00)	1220	95,961.00	INCREASES TO SALARY AND M&R VEHICLES
BT143	1111	(47,732.00)	1515	452.00	
			1220	780.00	
			1498	,500.00	

Parks, Recreation and Civic Facilities

BT129	1130	(41,625.00)	1475	41,625.00	OVERTIME SAVINGS TO COVER M&R BLDGS
BT135	1130	(8,603.00)	1501	8,603.00	OVERTIME SAVINGS TO COVER LIABILITY CLAIM

Public Health

BT119	1345	(27,170.00)	1390	4,795.00	SAVINGS IN MEDICAL SUPPLY TO COVER OTHER
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FY2014 YEAR END BUDGET REPORT

	1410	(875.00)		1365	2,173.00	MATERIALS AND MINOR EQUIPMENT PURCHASES
				1410	9,650.00	CHIP / HIS REIMBURSEMENT
				1475	1,427.00	M&R BUILDING
BT137	1498	(6,000.00)		1495	6,000.00	EXPENSE BUDGETED IN 1498 PAID OUT OF 1495
Public Works						
BT134	1110	(13,359.00)		1515	13,359.00	SALARY & BENEFIT SAVINGS TO COVER LIABILITY
	1110	(9,919.00)		1355	9,919.00	CLAIM, FUEL AND M&R EXPENSES
	1235	(66,063.00)		1480	66,063.00	
Non-Departmental						
BT101	1498	(26,372.00)		1730	26,372.00	ECONOMIC DEVELOPMENT SAVINGS FOR THE PHIL WELCH CANOPY
<u>101 - Streets Maintenance FUND</u>						
BT149	1375	(79,770.00)		1465	141,831.00	VARIOUS SAVINGS TO COVER ELECTRIC SERVICE EXP
	1630	(3,087.00)				
	1740	(18,248.00)				
	1380	(5,017.00)				
	1515	(5,000.00)				
	1375	(30,709.00)				
<u>105 - Parks Maintenance FUND</u>						
BT150	1355	(1,024.00)		1513	43,504.00	VARIOUS SAVINGS TO COVER INSURANCE PREMIUMS
	1465	(31,620.00)				
	1620	(10,860.00)				
<u>140 - Community Development FUND</u>						
BT133	1220	(1,100.00)		1110	2,500.00	HOUSING YEAR END CLEAN UP
	1220	(800.00)		1110	800.00	
	1220	(1,400.00)				
BT152	1265	(5,630.00)		1495	10,635.00	CDBG YEAR END CLEAN UP
	1305	(1,125.00)				
	1513	(3,880.00)				
<u>150 - Special Allocation FUND</u>						
BT156				5070	3,095.00	ADN'L REVENUE RECOGNIZED TO COVER EXP BELOW
				1410	2,560.00	
				1453	535.00	
				5070	5,100.00	ADN'L REVENUE RECOGNIZED TO COVER EXP BELOW
				1410	4,625.00	
				1453	475.00	
	1517	(2,181.00)				SAVINGS TO COVER EXPENDITURES BELOW
				1265	66.00	
				1410	630.00	
				1498	1,485.00	
				2210	95.00	ADN'L REVENUE RECOGNIZED TO COVER EXP BELOW
				1498	95.00	
<u>170 - Gaming Initiatives FUND</u>						
BT100	1587	(50,000.00)		1730	50,000.00	SECURITY FENCING FRM BUDGET FOR LIVING HISTORY
<u>190 - St Joseph Museums FUND</u>						
BT106	1587	(378,026.00)		1720	378,026.00	CREATED A MUSEUM CIP PROGRAM INSTEAD OF TRF MONIES TO CP PROJ FND MANSION IMPVMNTS
	2010	75,000.00				
	5999	268,200.00				
BT157	1720	(50,925.00)		1453	385.00	COVERED PART OF PROJECT ALREADY EXPENSED TO CP PROJ FUND
				1587	50,540.00	
<u>400 - Aviation FUND</u>						
BT138	1475	(7,276.00)		1513	7,276.00	M&R SAVINGS TO COVER INSURANCE PREMIUM
BT102	1730	(15,700.00)		1410	15,700.00	ENGINEERING EXP FOR AVIATION RUNWAY PROJ

FY2014 YEAR END BUDGET REPORT

410 - Public Parking FUND

BT146	1130	(3,876.00)		1355	1,996.00
	1515	(465.00)		1465	2,345.00

SAVINGS IN PT WAGES TO COVER FUEL & ELECTRIC SRV

420 - Water Protection FUND

BT145	1630	(172,428.00)		1513	29,462.00
				1350	113,399.00
				1475	29,567.00
BT153	1630	(577,518.00)		1501	577,518.00

EQUIP SAVINGS TO COVER INSURANCE, M&R BUILDING, & WASTEWATER CHEMICAL COSTS

EQUIP SAVINGS TO COVER BAD DEBT EXPENSE

430 - Municipal Golf FUND

BT151	1220	(1,269.00)		1385	1,450.00
	1515	(181.00)			

BENEFIT SAVINGS TO COVER RESALE SUPPLIES

460 - Mass Transit FUND

BT147	1484	(2,096.00)		1513	2,096.00
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MAJOR M&R SAVINGS TO COVER INSURANCE PREMIUM

470 - Landfill FUND

BT148	1305	(2,020.00)		1513	10,365.00
	1494	(8,345.00)			

SAVINGS IN OFFICE SUPPLIES & DNR FEES TO COVER INSURANCE PREMIUM

FY2014 YEAR END BUDGET REPORT

**VENDOR SERVICE CONTRACTS BY DEPARTMENT
COMMENTARY**

The report below lists all of the existing vendor contracts with the City. Unless otherwise noted, they are local vendors. List is in order of current year expiration date.

Service	Service Provider	Orig Contract Periods	Orig Ext Periods	# of Ext. Left	CY Contract Ext Expires	Final Ext Expires	Advertise Date Approx.	Date RFP Due Approx.	Dept
Land Lease Agreement Rosecrans Airport	Life Net Air Medical Service	1	4	0	Jun-2014	Jul-2014	Feb-2014	Mar-2014	AV
Legal Services Regulatory Issues	William D. Steinmeier, P.C. Jefferson City	7	0	0	Jun-2014	Jul-2014	Feb-2014	Mar-2014	L
Emergency Sewer Repairs	Lewis Backhoe	1	5	4	Jul-2014	Jul-2018	Apr-2018	May-2018	PW
Emergency Sewer Repairs	Sprague Excavating Co	1	5	4	Jul-2014	Jul-2018	Apr-2018	May-2018	PW
Bridge Design and Structural Analysis Assistance	HDR, Inc. Kansas City, MO	1	4	1	Aug-2014	Aug-2015	Feb-2015	Mar-2015	PW
Landfill Engineering Services	SCS Engineers /Aquaterra OP, KS	1	4	1	Aug-2014	Aug-2015	Feb-2015	Mar-2015	PW
Major Concrete Pavement Repairs	Auxier Construction	1	5	5	Aug-2014	Aug-2019	Mar-2019	Mar-2019	PW
Major Concrete Pavement Repairs	JD Bishop Construction	1	5	5	Aug-2014	Aug-2019	Mar-2019	Mar-2019	PW
Sewer Line Chemical Root Control	Elite Root Control LLC	1	5	5	Sep-2014	Sep-2019	May-2019	May-2019	PW
City-wide Trash Service	K.I.C., Inc. dba Keep It Clean, Inc.	1	2	0	Sep-2014	Sep-2014	Mar-2014	Apr-2014	AD SVS
Transit vehicle and General Liability Ins.	Crane Agency, Broker for Travelers Chesterfield, MO	1	0	0	Sep-2014	Sep-2014	Jul-2014	Aug-2014	MT
Transit Life & AD&D Insurance	OCHS, Inc. Broker for Minnesota Life St. Paul, MN	3	0	0	Sep-2014	Sep-2014	Jul-2014	Aug-2014	MT
On Call - Professional	Burns & McDonnell Engineering Co KCMO	1	4	3	Oct-2014	Oct-2017	Jun-2017	Jul-2017	PW
Asphalt Milling & Overlay	Keller Construction	1	5	2	Oct-2014	Oct-2016	Jul-2016	Aug-2016	PW
Elevator Maintenance at Joyce Raye Patterson Senior Center	Kone, Inc. KCMO	1	3	3	Nov-2014	Nov-2017	Aug-2017	Aug-2017	PR
Collection of Past Due Obligations for Municipal Court	Capital Recovery Systems, Inc. Columbus, OH	1	4	3	Nov-2014	Nov-2014	Aug-2017	Sep-2017	AD SVS

FY2014 YEAR END BUDGET REPORT

Collection of Past Due Obligations for Sewer and Other Billings	Berlin Wheeler Receivables Management Jefferson City	1	4	3	Nov-2014	Nov-2014	Aug-2017	Sep-2017	AD SVS
Geographic Information Services (GIS)	Midland GIS Solutions	1	4	3	Nov-2014	Nov-2014	Aug-2017	Sep-2017	AD SVS
Surveying Services	Midland Surveying, Inc.	1	4	3	Nov-2014	Nov-2014	Aug-2017	Sep-2017	AD SVS
Farmland Lease	Bryan Paden Wathena, KS	5	0	0	Dec-2014	Dec-2014	Sep-2014	Oct-2014	AV
Transit Dental Insurance	CBIZ/BCK&W Agent for Delta Dental Insurance	2	0	0	Dec-2014	Dec-2014	Oct-2014	Nov-2014	MT
Property Insurance Policy	MOPERM; CBIZ BCKW	1	Subject to Annual Renewal	Subject to Annual Renewal	Dec-2014	Dec-2014	None	None	HR
Liability Insurance	MOPERM; CBIZ BCKW	1	Subject to Annual Renewal	Subject to Annual Renewal	Dec-2014	Dec-2014	None	None	HR
Realty Services	Reese & Nichols Ide Capital Realty	2	3	3	Jan-2015	Jan-2018	Dec-2017	Dec-2017	CW
Self-Service Fueling Station at Rosecran	Express Flight, Inc	5	0	0	Jan-2015	Jan-2015	Oct-2014	Oct-2014	AV
Consultant	CBIZ/BCK&W	3	Optional Annual Renewal	Optional Annual Renewal	Jan-2015	Jan-2015	Oct-2014	Nov-2014	HR
Softball Officiating Services	St. Joseph Umpires and Scorekeepers Association	1	4	3	Jan-2015	Jan-2018	Nov-2017	Dec-2017	PR
On Call Design Services for Wastewater Facility	Burns & McDonnell Engineering Co Kansas City, MO	1	4	4	Jan-2015	Jan-2019	Oct-2018	Oct-2018	PW
On Call Design Services for Wastewater Facility	HDR Engineering	1	4	4	Jan-2015	Jan-2019	Oct-2018	Oct-2018	PW
On Call Design Services for Wastewater Facility	Snyder & Associates, Inc.	1	4	4	Jan-2015	Jan-2019	Oct-2018	Oct-2018	PW
On Call Design Services for Wastewater Facility	Black and Veatch Corp	1	4	4	Jan-2015	Jan-2019	Oct-2018	Oct-2018	PW
On Call Design Services for Wastewater Facility	George Butler & Associates	1	4	4	Jan-2015	Jan-2019	Oct-2018	Oct-2018	PW
Professional Title Services	First American Title	1	4	0	Feb-2015	Feb-2015	Nov-2014	Nov-2014	PW
Transportation Planning Services	URS Corporation Minneapolis, MN	1	4	2	Feb-2015	Feb-2017	Oct-2016	Nov-2016	PW
Lease of Approx 25 Acres to Plant & Harvest- former Mi-Ho Property	William L. Rotterman	1	3	2	Feb-2015	Feb-2017	Dec, 2016	Jan, 2016	PL
Design, Testing and Planning for the Landfill	Blackstone Environmental	1	4	4	Feb, 2015	Feb, 2019	Oct-2018	Nov-2018	PW

FY2014 YEAR END BUDGET REPORT

Uniforms, Mat, Mop Rental & Laundry Svcs	UniFirst Corp KCMO	2	1	1	Mar-2015	Mar-2016	Sep-2015	Oct-2015	FS
Towing Services	R&W Tow and Recovery, Inc.	1	2	2	Mar-2015	Mar-2017	Sep-2016	Sep-2016	AD SVS
Design, Testing and Planning for the Landfill	Burns & McDonnell Engineering	1	4	4	Mar-2015	Mar-2019	Oct-2018	Nov-2018	PW
Copier Rental	ProServ	1	3	0	Apr-2015	Apr-2015	Nov-2014	Dec-2014	AS
Postage Machine Lease	Lineage, Inc.	1	3	0	Apr-2015	Apr-2013	Dec-2014	Dec-2014	AS
On Call- Architectural	Riverbluff Architects	1	4	0	Apr-2015	Apr-2015	Dec-2014	Jan-2015	PW
On Call- Architectural	Ellison Auxier Architects	1	4	0	Apr-2015	Apr-2015	Dec-2014	Jan-2015	PW
On Call- Architectural	Goldberg Architects	1	4	0	Apr-2015	Apr-2015	Dec-2014	Jan-2015	PW
On Call- Architectural	Creal Clark & Siefert	1	4	0	Apr-2015	Apr-2015	Dec-2014	Jan-2015	PW
City Cemetery Mowing	Hughes Lawn Service	1	3	1	May-2015	May-2016	Feb-2016	Feb-2016	PH
Backfill and Repair of Street Cuts	JD Bishop Construction	1	3	1	May-2015	May-2016	Jan-2016	Feb-2016	PW
Employee Health	Blue Cross Blue Shield of KC	1	2	0	Jun-2015	Jul-2015	Jan-2015	Apr-2015	HR
Financial Advisor	Piper Jaffray	1	5	2	Jun-2015	Jun-2017	Feb-2017	Mar-2017	AS
Banking	Citizen's Bank and Trust	1	4	3	Jun-2015	Jun-2018	Feb-2018	Mar-2018	AS
Procurement Cards	U. S. Bank	1	4	3	Jun-2015	Jun-2018	Feb-2018	Mar-2018	AS
Merchant Card Services	U. S. Bank	1	4	3	Jun-2015	Jun-2018	Feb-2018	Mar-2018	AS
Backfill & Repair of Street Cuts	JD Bishop Construction	1	3	1	Jun-2015	Jun-2016	Feb-2016	Mar-2016	PW
Lockbox Processing Services	Citizens Bank & Trust	1	4	3	Jun-2015	Jun-2018	Mar-2018	Apr-2018	AD SVS
Recycling Services	RSP, Inc.	2	3	2	Jun-2015	Jun-2017	Feb-2017	Apr-2017	PW
Exclusive, Non-Alcoholic Beverage Sponsorship for Fairview Golf Course Construction and Design Related Issued	Pepsi Beverages Co	5	0	0	May-2015	May-2015	Feb-2015	Feb-2015	PR
Auditing	Seigfreid, Bingham, Levy, Selzer & Gee, P.C. KCMO	5	0	0	Jun-2015	Jun-2015	Feb-2015	Mar-2015	L
Employee Assistance Program	Cochran, Head Heartland Counseling Services	2	1	1	Jun-2015	Jun-2015	Dec-2014	Jan-2015	AD SVS
Bond Counsel	Gilmore and Bell KCMO	5	0	0	Jun-2015	Jun-2015	Mar-2015	Mar-2015	MT
Workers' Compensation Third Party Administrator	Thomas McGee, L.C. KCMO	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2015	Jun-2015	None	None	AD SVS

FY2014 YEAR END BUDGET REPORT

Workers' Compensation Bond	Safety National Casualty Co. Brokered by Thomas McGee	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2015	Jun-2015	None	None	HR
Workers' Compensation Excess Insurance Greater than \$350,000 per claim	Safety National Casualty Co. Brokered by Thomas McGee	1	Subject to Annual Renewal	Subject to Annual Renewal	Jun-2015	Jun-2015	None	None	HR
OPEB GASB 45 Actuarial Services	Clarity in Numbers LLC	1	5	3	Jun-2015	Jun-2018	Mar-2018	Apr-2018	AS
Exclusive Beverage Sponsorship - Bode Ice Arena/Sports Complex	7UP/Snapple Group	5	0	0	Aug-2015	Aug-2015	Apr-2015	Apr-2015	PR
Sanitary Sewer Rehabilitaiton Services using Cured-In-Place Pipe	SAK Construction, LLC O'Fallon, MO	1	Subject to Annual Renewal	Subject to Annual Renewal	Oct-2015	Oct-2015	None	None	PW
Transit Drug Screen	OHS - COMPCARE	3	0	0	Dec-2015	Dec-2015	Oct-2015	Nov-2015	MT
Design Services	Cook, Flat & Strobel Engineers, P.A.	1	4	1	Feb-2015	Feb-2016	Oct-2015	Nov-2015	PW
Design Services	Snyder & Associates, Inc.	1	4	1	Feb-2015	Feb-2016	Oct-2015	Nov-2015	PW
Legal Services Environmental Issues	B W Law Group	5	0	0	Jun-2016	Jun-2016	Mar-2016	Mar-2016	L
Transit Advertising Signs	Houck Transit Advertising St. Paul, MN	5	0	0	Oct-2016	Oct-2016	Jun-2016	Jul-2016	MT
Patee Market Snow Removal	Jesse Kincaid dba Kincaid Company	3	0	0	Oct-2016	Oct-2016	Jul-2016	Aug-2016	PH
Transit Pension Actuarial Services	CBIZ Benefits & Insurance Cumberland, MD	3	0	0	Dec-2016	Dec-2016	Oct-2016	Nov-2016	MT
Automated Vending Services - St. Joseph Transit Properties	Acme Music & Vending	3	0	0	Apr-2017	Apr-2017	Jan-2017	Feb-2017	MT
Legal Services Labor and Employment Law	The Lowenbaum Partnership, LLC St. Louis	5	0	0	Jun-2017	Jun-2017	Mar-2017	Apr-2017	L
Lease of Landfill Property for Farming	Bill Bywaters	5	0	0	Jun-2017	Jun-2017	Mar-2017	Apr-2017	LF
Exclusive, Non-Alcoholic Beverage Products at St. Joseph Rec Center	Pepsi Beverages Company	5	0	0	Jul-2017	Jul-2017	Mar-2017	Apr-2017	PR
Lawn and Lot Care Services for Transit	Mark's Law Mowing	3	0	0	Oct-2017	Oct-2017	Nov-2017	Nov-2017	MT
Aviation Plannng and On-Call Design Services	Jviation, Inc. Jefferson City	5	0	0	Jan-2018	Jan-2018	Sep-2017	Oct-2017	AV
Transit Management Services	First Transit Cincinnati, OH	5	0	0	Jun-2018	Jun-2018	Jan-2018	Mar-2018	MT

FY2014 YEAR END BUDGET REPORT

Legal Services Plannng and Zoning Issues	Williams & Campo, P.C. Lee's Summit	5	0	0	Jun-2018	Jun- 2018	Feb-2018	Mar- 2018	L
Legal Services Plannng and Zoning Issues	Cunningham, Vogel I& Rost, P.C. St. Louis	5	0	0	Jun-2018	Jun- 2018	Feb-2018	Mar- 2018	L
Lease Space at Horace Mann Community Center	Community Action Partnership	6	0	0	Aug-2018	Aug- 2018	May-2018	Jun- 2018	CD
Lease Space at Horace Mann Community Center	Community Action Partnership	6	0	0	Aug-2018	Aug- 2018	None	None	PR
Exclusive Non-Alcoholic Beverage Sponsorship for Products sold at the St Joseph Civic Arena	Pepsi Beverages, Inc.	5	0	0	Nov-2018	Nov- 2018	Sep-2018	Sep- 2018	
Provide Service on the Infrastructure of the Public Safety Radio System at All Sites	Motorola, Inc.	6	0	0	Dec-2019	Dec- 2019	None	None	Police
Lease for Restaurant Space at Rosecrans Memorial Airport	Cheryl Green dba the Diner at Rosecrans	1	9	9	Oct-2014	Oct- 2023	Jul-2023	Jul-2023	AV
Herzog Contracting Company Land Lease	Flight Department	50	0	0	Jul-2043	Jul-2043	None	None	AV
BMS Land Lease	Dan Bayer 100 N. Airport Rd	99	0	0	Oct-2067	Oct- 2067	None	None	AV
C-1 Aircraft Hangar	Bill Brown	Month to Month Lease	0	0	Month to Month Lease	Month to Month Lease	None	None	AV

TIF PROJECT UPDATES
for Quarter Ended
June 30, 2014

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		BUDGET	ACTUAL	BUDGET	ACTUAL	
North Shoppes - Phases 1 & 2 of North County TIF district. Approved August 2003. Developers-Bob Johnson, RED Development, Buchanan County	IDA Issued Bonds - Paid off in 2028	646,000 square foot shopping center. Except for one pad site, center is complete and fully operational. Buchanan County still has several projects to complete - sidewalks, Green Acres cul-de-sac, etc. Reimbursable costs included Northridge Sewer extension, four lane parkway through the development, sidewalks and landscaping throughout the project, façade enhancements, extraordinary grading to prepare the site, stormwater lagoon, Green Acres repaving and cul-de-sac, pedestrian sidewalks on and off-site.	\$24,285,415	\$25,522,391	\$35,884,772	\$38,217,335	\$34,086,629	\$1,148,025	\$1,118,393	\$2,411,685	\$2,685,413	\$244,096
				Added a portion of Phase 2 into Phase 1 for Theater		Cover additional County costs in Phases 1 & 2.	RED reimbursed \$28,194,202 County reimbursed \$6,380,207 and has \$65,424 to be disbursed on a Pay as You Go when all bond payments have been made. City reimbursed \$996,008 for our share of Northridge sewer.		Includes Penalty/Interest assessed for late payment of taxes	Includes City and County local sales tax, County Use tax and Franchise Tax incremental EATS	County Use tax added in FY14.	Sales tax to date down 17.4% from FY2013. FY14 new tenants - Ulta and Kirklands. Sleep Number and Sports Clips newest tenants.
Stockyards Redevelopment (Triumph Foods, LLC). Approved October 2003.	MDFB Issued Bonds - Paid off in 2025	550,000 square foot pork processing facility. Total investment approximately \$130 million. Fully operational. Current employment - 2,722.	\$7,000,000				\$6,766,097	\$678,120	\$676,487	\$113,930	\$121,027	\$5,464
							Developer completely reimbursed the approved \$5,600,000 for property acquisition, demolition, and site improvements. City reimbursed \$1,166,097 for improvements to Stockyards Expressway.			Includes City, County and Franchise Tax incremental EATS.	Also includes cafeteria tenant sales taxes, not previously budgeted.	Triumph donated \$100,000 to SJSD for first five years; \$25,000 to SJPD for three years; \$50,000 annually to United Way. Keep their headquarters in SJ or pay City \$1 million.
3rd Street Hotel Development (Holiday Inn) Approved January 2004. Developer: HISJ Holdings LLC	105145 Developer created TDD to help generate revenues.	Renovation of 170-room hotel to regain Holiday Inn franchise; restaurant conversion for nationally franchised restaurant; landscaping improvements; parking & exterior lighting improvements. Completed except for exterior façade improvements.	\$2,700,000 \$2,500,000 certified. \$200,000 withheld for façade.				\$2,304,210	\$114,944	\$118,869	\$218,400	\$215,039	\$564
									Includes Penalty/Interest assessed for late payment of taxes		Includes add'l Hotel/Motel taxes, 1% TDD tax, and 1/2 of (.5%) Downtown CID Sales Tax. Also contributing to the increase is increased H/M tax rate.	
Tuscany Towers - Phase 1 TIF Plan only Approved September, 2005. Project yet to be approved. Developer: JSC Development	Pay-as-you-go 23 years after revenue generation begins	Phase 1 - development of 175,000 sq feet of restaurant, hotel, bank/office, and lifestyle retail use. Reimbursement for new lift station and extension of force mains along east side of I-29 to Cook, extended to Corinth subdivision; extending water service and other utilities; stormwater system; and US169 road/intersection improvements. Much of the infrastructure work complete. No buildings constructed or tenants announced as yet.	\$5,549,042				\$0	\$0	\$0	\$0	\$0	N/A
									No PILOTS anticipated			

TIF PROJECT UPDATES
for Quarter Ended
June 30, 2014

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		BUDGET	ACTUAL	BUDGET	ACTUAL	
EBR/HHS Development Approved October 2005 Developers: EBR Enterprises & HHS Properties	Pay-as-you-go	13.2 acres at intersection of Blackwell Rd & Belt Highway. A mixture of retail and office space. Reimbursable expenses for retaining walls, storm water detention, street lighting, sidewalks, Cronkite Road improvements, landscaping, etc. Three restaurants and office/medical bldg now open. HHS Properties now leasing.	\$3,297,232	\$5,529,620			\$1,014,382	\$120,250	\$148,651	\$124,350	\$125,042	\$29,093
				Add'l phases plus overages on site work. Approved SO 7045-3/26/07			Costs certified to date - \$4,484,898.42 EBR - \$2,757,896.24 HHS - \$ 1,727,002.18				Total EATS (70%) per Agreement, 30% to City Public Infrastructure	City infrastructure (30%) - \$90,171
Uptown Redevelopment District - Project A Approved March 2005 Developer: St. Joseph Redevelopment Corp.	Pay-as-you-go 23 years	Demolition of old Heartland Hospital west in order to provide a developable area. Discussions with developer - demolition costs as well as costs related to developing the plan would be reimbursed, however no formal written agreement exists as yet to this effect. Amount would be approx. \$3,072,071 minus any federal grants received for this phase.	See cell under project status description				\$0	\$0	\$0	\$0	\$0	\$0
									No PILOTS anticipated			No reimbursement request has been submitted. Approved by TIF Commission for activation, awaiting Council vote in November.
Mitchell Avenue Corridor Approved June 2006 Developer: American Family Insurance Company	Pay-as-you-go 23 years	In order to serve an expanded AFI building and to improve access to the entire TIF district, a new gravity flow sewer was installed and improvements to Mitchell Avenue are being completed. Improvements benefit AFI, Mo Western University, and any future development along Mitchell Avenue Corridor.	\$3,974,270	\$5,272,673			Pay As You Go Completed - \$162,673. Bonds - \$4,495,370.12	\$392,205	\$414,690	\$9,165	\$7,507	\$20,827
				Approved by SO 7224 on 12/3/07/bond issuance per SO7361 on 5/19/08.							Franchise Tax and EATS Sales tax from cafeteria within American Family facility.	
Uptown Redevelopment - Ryan Block Project Approved December 2006 Developer: Olin Cox	Pay-as-you-go 23 years	The first project within the Frederick Avenue TIF District established under the Uptown Redevelopment umbrella. The developer intends to rehab two buildings, 1137-1141 Frederick into 3300 sq ft of commercial space below and 6,600 sq ft of apartments on top two floors. The bldg at 1125 Frederick will be demolished to provide a parking lot. Reimbursable costs include lot paving, upgrades to renovations, & facade improv.	\$317,767				\$0	\$791	\$1,557	\$10	\$0	\$756
							In addition to the \$1m grant reimbursed during the demolition of the hospital, a request was submitted and approved in FY14 totalling \$241,500			No activity.	Franchise taxes only on utility usage by upstairs tenants.	No reimbursement requests have been submitted.

TIF PROJECT UPDATES
for Quarter Ended
June 30, 2014

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		BUDGET	ACTUAL	BUDGET	ACTUAL	
East Hills Redevelopment Project - TIF Approved Dec, 2007 - Redevelopment Agreement Approved 1/3/08	Currently Pay As You Go Proposed Bond Issuance.	Project to include remodel exterior of JC Penney's, Sears and Dillards. Also includes remodel of three mall entrances, lifestyle center, a new big box store, renovation of existing tenant spaces. Public infrastructure improvements includes traffic signals at Belt & Frederick, Frederick & Sherman. crosswalk signals, upgrade existing right-of-way, public bus stop. The project also will address underground storm water concerns.	Total Reimbursable Costs - \$45,113,678 Per SO7242 passed 1/3/08.	Total Reimbursable Costs - \$46,539,416 TIF - \$30,897,042 CID - \$15,642,374 Per SO7279 passed 2/11/08.			Total CID Revenue - \$3,768,164.42 CID Disbursed to date: \$ 1,856,950.63 TIF Costs Certified to Date: \$22,118,296 CID Costs Certified to Date: \$14,796,999	\$570,950	\$562,562	\$504,480	\$506,176	(\$6,692) New construction - Five Guys, Great Clips, and Pancheros. Notable new tenants - Victoria's Secret and Rally House. FY2012 first fiscal year in which base surpassed.
Cook Road Corridor Redevelopment Project Approved March 24, 2008 Developer: Greystone Partners Land Development, LLC	Sewer Revenue Bonds/ Sewer Connection Fees	Project to include: (1) residential subdivision on approximately 185 acres of land into over 350 single family and townhouse housing units; (2) construction improvements to Cood Road resulting in three-lane section, concrete curb and gutter, stormwater drainage and raised grass medians; (3) construction of sanitary sewer system improvements sewer lines, a new pump station and gravity sewer main and (4) construction of 12 inch water line from Cook Road to Woodbine Road.	\$4,781,786				Sewer Improvements - \$2,378,839.65 Pay As You Go - \$80,500 \$2,463,930.29- Certified to Date	\$113,675	\$150,327	\$0	\$1,026	\$37,678 Other revenue source - \$500 sewer connection fee assessed per property.
Center Building Redevelopment Project Approved January 25, 2010 Developer: Mid-City Partnership, Inc.	Pay As You Go	Project includes development listed at 613 Edmond St. and 119-123 S. 6th St. Renovation includes removal of the 1961 sheet metal façade and the restoration of the remaining exterior building elements. Building encompasses 19,060 sq. ft and will be divided into one 15,250 sq. ft unit for restaurant/banquet facilities with three planned retail/office units at 609, 611 and 613 Edmond St. for a total of 3,810 sq. ft, office/retail space. The Brazilian Steakhouse is currently under construction. To date - Aqua Vital Salon and 2 Trendy LLC have	\$1,355,097				\$109,889 \$1,197,597.00- Certified to Date	\$12,158	\$12,090	\$30,540	\$32,624	\$2,016 Now includes 50% Downtown CID Sales - \$1,088.72 Ground Round opened June, 2012. Also includes 50% of Downtown CID Sales taxes received within this TIF. New tenant - Rabbit Hole, July, 2014.

TIF PROJECT UPDATES
for Quarter Ended
June 30, 2014

TIF PROJECT NAME	TYPE	PROJECT STATUS	TOTAL APPROVED REIMBURSABLE COSTS				AMOUNT REIMBURSED TO DATE	PROPERTY TAX PILOTS		SALES TAX EATS		MORE THAN/ (LESS THAN) TREND
			ORIGINAL	1ST AMENDED	2ND AMENDED	3RD AMENDED		BUDGET	ACTUAL	BUDGET	ACTUAL	
Developer Agreement - The Commons Approved July, 2007 Developer: Earthworks Excavation Company Earthworks declared bankruptcy. Their reorganization plan was rejected by the bankruptcy judge. Their bank instituted foreclosure process 10/5/14.	CID Bonds	Project to include development of 612,780 square feet of retail and office space upon 73 acres of land at intersection of Interstate 29 and South 169 Highway. Under construction.	\$6,503,977				\$2,864,030	\$8,092	\$3,932	\$555,170	\$573,343	\$14,012
		Commons Community Improvement District (CID) Cooperation Agreement approved per SO7256 (1/14/08). Yet to establish CID tax rate. Approval of bond issuance approved per SO 7257 (1/14/08). Special Ordinance No. 8124 (12/13/10) amended Developer Agreement to forego calculated base effective (1/14/08).	City reimbursable \$5,754,977.36 CID tax to pay \$749,000.00 per SO7255 (1/14/08).				All approved reimbursable costs have been submitted and approved. As of this date, CID Bonds have not been issued. CID remains inactive. Interest reimbursed up to 8 1/2%.		Tax year 2013 - land assessed as Agricultural on undeveloped land.		City Sales Tax EATS Only.	FY12 - Base \$250K eliminated per Second Amended Agreement starting July 11.
Developer Agreement - Fountain Creek Approved July, 2008 Developer: SDG Developments, LLC & Partners	Pay As You Go	Mixed Use Project including approximately 68 acres of both commercial and residential development with a projected market value of \$45,000,000 upon development at the intersection of Mason Road and South 22nd Street.	City reimbursable \$1,815,454 per Special Ordinance No. 7420, passed 7/28/08.				\$0	\$0	\$2,021	\$0	\$0	To date residential homes only constructed. No sales tax anticipated yet. No reimbursement requests have been submitted.
Developer Agreement - Cook Crossings Approved April, 2011 Developer: St. Joseph Partners, LLC	Pay As You Go	Approximately 12.15 acres of commercial use development with a capital investment of \$13.65 million at the intersection of Cook Road and North Belt Highway. Phase I completion date tentatively set as September 30, 2012. Phase 2 completion date tentatively set as October 31, 2012. CID sales tax also to be initiated - 1% sales tax and .a special assessment of \$.40 per square foot upon the tenants annually. Distribution 50% of City General Sales taxes only.	City reimbursable \$900,000, plus interest - SO8195, passed 4/18/11. SO8196, passed 4/18/11				Certified to Date: CID - \$6,054,791.57 STRA - \$644,964.22 CID - \$3,600,048 CID Special Assessments - \$1,906,890; STR (.75%) - \$1,290,521	\$0	\$0	\$70,000	\$90,865	Dick's Sporting Goods, Aldi's, Pet Smart, Verizon, Starbucks, and Dental Clinic are open. Also produced \$197,932 in CID sales taxes and \$155,666 in PILOTS Special Assessments CID own entity, with none of the proceeds going to development itself.

SUPPORTING TABLES

Table		Page
1	Total Revenues – City Wide	91
2	Total Expenditures – City Wide	92
3	Operating Revenues – by Category	93
4	Operating Revenues – by Fund and Department	94
5	Operating Expenses – by Category	95
6	Operating Expenses by Fund & Department	96
7	Comparison of Operating Revenues & Expenditures, FY2012:FY2013	97
8	CIP Revenues by Fund & TIF Revenues by Project	98
9	CIP Expenditures by Fund & TIF Expenditures by Project	99

Table 1

Fourth Quarter Report - June 30, 2014

REVENUES - ALL FUNDS (NO EXCLUSIONS)

Type	Actual Versus Adopted				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted* Budget	FY14 Actual Revenue	Revenue over (less) than Actual	% Over (Under)	FY14 Projected Budget	FY14 Actual Revenue	Revenue over (less) than Proj.	% Over (Under)
Property Taxes	\$15,656,000	\$15,983,000	\$327,000	0.021	\$15,907,000	\$15,983,000	\$76,000	0.005
Utility Franchise Fees	8,022,000	8,196,000	174,000	0.022	8,053,000	8,196,000	143,000	0.018
Sales Taxes	35,476,000	39,199,000	3,723,000	0.105	37,913,000	39,199,000	1,286,000	0.034
Licenses & Permits	1,605,000	1,590,000	(15,000)	(0.009)	1,600,000	1,590,000	(10,000)	(0.006)
Fines	1,609,000	1,425,000	(184,000)	(0.114)	1,452,000	1,425,000	(27,000)	(0.019)
Rents & Gaming Revenues	1,564,000	1,432,000	(132,000)	(0.084)	1,533,000	1,432,000	(101,000)	(0.066)
Parking Fees	119,000	113,000	(6,000)	(0.050)	113,000	113,000	0	0.000
Inspections Fees	384,000	303,000	(81,000)	(0.211)	385,000	303,000	(82,000)	(0.213)
Health Fees	382,000	309,000	(73,000)	(0.191)	374,000	309,000	(65,000)	(0.174)
Recreation Fees	1,820,000	1,528,000	(292,000)	(0.160)	1,596,000	1,528,000	(68,000)	(0.043)
Golf Charges	864,000	795,000	(69,000)	(0.080)	796,000	795,000	(1,000)	(0.001)
Transit Charges	318,000	322,000	4,000	0.013	324,000	322,000	(2,000)	(0.006)
Sewer Charges	23,391,000	21,658,000	(1,733,000)	(0.074)	21,467,000	21,658,000	191,000	0.009
Landfill Charges	3,540,000	2,862,000	(678,000)	(0.192)	2,840,000	2,862,000	22,000	0.008
Other Charges for Service	1,647,000	1,697,000	50,000	0.030	1,876,000	1,697,000	(179,000)	(0.095)
Other Rev	2,447,000	2,336,000	(111,000)	(0.045)	3,624,000	2,336,000	(1,288,000)	(0.355)
Bond & Loan Proceeds*	86,237,000	56,000,000	(30,237,000)	(0.351)	60,730,000	56,000,000	(4,730,000)	(0.078)
Special Asmnts & Interest	396,000	868,000	472,000	1.192	405,000	868,000	463,000	1.143
Grants & Entitlements	8,129,000	5,702,000	(2,427,000)	(0.299)	7,447,000	5,702,000	(1,745,000)	(0.234)
Interfund Transfers - In**	6,353,000	8,548,000	2,195,000	0.346	8,662,000	8,548,000	(114,000)	(0.013)
	\$ 199,959,000	\$ 170,866,000	\$ (29,093,000)	(0.145)	\$177,097,000	\$170,866,000	\$ (6,231,000)	(0.035)

Amounts throughout are rounded to the nearest \$1,000.

*The amount of \$56,000,000 represents the SRF bond issue project amount, not necessarily the amount received to date.

**Difference between transfers in & transfers out in Table 2 is the result of CDBG transfers in from unbudgeted HOME loan & Rehab Revolving loan funds

Table 2

Fourth Quarter Report - June 30, 2014

EXPENDITURES - ALL FUNDS (NO EXCLUSIONS)

<u>Type</u>	Actual Versus Adopted				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted*	FY14 Actual	Expenditures over (less) than Budget	% (Under) Over	FY14 Projected	FY14 Actual	Expenditures over (less) than Proj.	% (Under) Over
Salary & Wages	\$30,330,000	\$29,671,000	(\$659,000)	(0.02)	\$29,758,000	\$29,671,000	(\$87,000)	(0.00)
Payroll & Health Ins Costs	13,959,000	13,522,000	(437,000)	(0.03)	14,027,000	13,522,000	(505,000)	(0.04)
Materials & Supplies	5,387,000	5,226,000	(161,000)	(0.03)	5,221,000	5,226,000	5,000	0.00
Services	29,134,000	31,292,000	2,158,000	0.07	32,128,000	31,292,000	(836,000)	(0.03)
Debt Service*	13,167,000	14,573,000	1,406,000	0.11	14,216,000	14,573,000	357,000	0.03
Insurance & Other Charges	956,000	1,044,000	88,000	0.09	1,150,000	1,044,000	(106,000)	(0.09)
Capital Outlay	7,944,000	6,099,000	(1,845,000)	(0.23)	6,057,000	6,099,000	42,000	0.01
Public Improvements	99,399,000	63,975,000	(35,424,000)	(0.36)	64,659,000	63,975,000	(684,000)	(0.01)
Interfund Transfers - Out	6,353,000	8,318,000	1,965,000	0.31	8,594,000	8,318,000	(276,000)	(0.03)
	\$ 206,629,000	\$ 173,720,000	\$ (32,909,000)	(0.16)	\$175,810,000	\$173,720,000	\$ (2,090,000)	(0.01)

Amounts throughout are rounded to the nearest \$100 or \$1,000.

*Includes Pay-As-You-Go reimbursable payments to TIF developers.

Table 3

Fourth Quarter Report - June 30, 2014

Operating Revenues by Category

Type	Actual Versus Adopted				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted* Budget	FY14 Actual Revenue	Revenue over (less) than Actual	% Over (Under)	FY14 Projected Budget	FY14 Actual Revenue	Revenue over (less) than Proj.	% Over (Under)
Property Taxes	\$12,414,000	\$12,608,000	\$194,000	0.016	\$12,618,000	\$12,608,000	(\$10,000)	(0.001)
Utility Franchise Fees	6,322,000	6,688,000	366,000	0.058	6,493,000	6,688,000	195,000	0.030
Sales Taxes	25,509,000	28,753,000	3,244,000	0.127	27,908,000	28,753,000	845,000	0.030
Licenses & Permits	1,605,000	1,590,000	(15,000)	(0.009)	1,600,000	1,590,000	(10,000)	(0.006)
Fines	1,609,000	1,425,000	(184,000)	(0.114)	1,452,000	1,425,000	(27,000)	(0.019)
Rents & Gaming Revenues	1,564,000	1,432,000	(132,000)	(0.084)	1,533,000	1,432,000	(101,000)	(0.066)
Parking Fees	119,000	113,000	(6,000)	(0.050)	113,000	113,000	0	0.000
Inspections Fees	384,000	303,000	(81,000)	(0.211)	385,000	303,000	(82,000)	(0.213)
Health Fees	382,000	309,000	(73,000)	(0.191)	374,000	309,000	(65,000)	(0.174)
Recreation Fees	1,820,000	1,528,000	(292,000)	(0.160)	1,596,000	1,528,000	(68,000)	(0.043)
Golf Charges	839,000	772,000	(67,000)	(0.080)	770,000	772,000	2,000	0.003
Transit Charges	318,000	322,000	4,000	0.013	324,000	322,000	(2,000)	(0.006)
Sewer Charges	23,390,000	21,657,000	(1,733,000)	(0.074)	21,466,000	21,657,000	191,000	0.009
Landfill Charges	3,540,000	2,861,000	(679,000)	(0.192)	2,840,000	2,861,000	21,000	0.007
Other Charges for Service	1,647,000	1,697,000	50,000	0.030	1,876,000	1,697,000	(179,000)	(0.095)
Other Revenues	630,000	1,278,000	648,000	1.029	1,053,000	1,278,000	225,000	0.214
Special Asmnts & Interest	330,000	292,000	(38,000)	(0.115)	354,000	292,000	(62,000)	(0.175)
Grants & Entitlements	5,518,000	5,059,000	(459,000)	(0.083)	5,882,000	5,059,000	(823,000)	(0.140)
Interfund Transfers - In	5,907,000	7,882,000	1,975,000	0.334	7,932,000	7,882,000	(50,000)	(0.006)
	\$ 93,847,000	\$ 96,569,000	\$ 2,722,000	0.029	\$ 96,569,000	\$ 96,569,000	\$ -	0.000

Table 4

Fourth Quarter Report - June 30, 2014
Operating Revenues by Fund and Department

<u>Fund/Department*</u>	Actual Versus Adopted				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted Budget	FY14 Actual Revenue	Revenue over (less) than Actual	% Over (Under)	FY14 Projected Budget	FY14 Actual Revenue	Revenue over (less) than Proj.	% Over (Under)
Municipal Court	\$ 846,000	\$ 844,000	(2,000)	(0.00)	\$ 845,000	844,000	(1,000)	(0.00)
Legal	-	-	-	-	-	0	0	-
Planning & Comm Devlpmnt	1,202,000	1,092,000	(110,000)	(0.09)	1,216,000	1,092,000	(124,000)	(0.10)
Administrative Services	16,000	20,000	4,000	0.25	17,000	20,000	3,000	0.18
Police	1,698,000	2,447,000	749,000	0.44	2,516,000	2,447,000	(69,000)	(0.03)
Fire	442,000	987,000	545,000	1.23	992,000	987,000	(5,000)	(0.01)
Parks & Recreation	4,553,000	4,598,000	45,000	0.01	4,405,000	4,598,000	193,000	0.04
Health	3,758,000	3,918,000	160,000	0.04	4,125,000	3,918,000	(207,000)	(0.05)
Public Works-GF	6,358,000	6,585,000	227,000	0.04	6,367,000	6,585,000	218,000	0.03
Non-Departmental	27,929,000	28,217,000	288,000	0.01	28,039,000	28,217,000	178,000	0.01
General Fund**	46,802,000	48,708,000	1,906,000	0.04	48,522,000	48,708,000	186,000	0.00
Streets Maintenance Fund	4,970,000	5,313,000	343,000	0.07	5,351,000	5,313,000	(38,000)	(0.01)
Parks Maintenance Fund	1,350,000	1,349,000	(1,000)	(0.00)	1,427,000	1,349,000	(78,000)	(0.05)
Public Safety Fund	-	2,697,000	2,697,000	-	2,461,000	2,697,000	236,000	0.10
CDBG Fund	2,155,000	2,153,000	(2,000)	(0.00)	2,717,000	2,153,000	(564,000)	(0.21)
Gaming Fund	1,031,000	1,161,000	130,000	0.13	1,065,000	1,161,000	96,000	0.09
Museum Tax Fund*	512,000	448,000	(64,000)	(0.13)	526,000	448,000	(78,000)	(0.15)
Aviation Fund*	678,000	591,000	(87,000)	(0.13)	696,000	591,000	(105,000)	(0.15)
Parking Fund	362,000	334,000	(28,000)	(0.08)	345,000	334,000	(11,000)	(0.03)
Water Protection Fund*	24,066,000	22,378,000	(1,688,000)	(0.07)	22,247,000	22,378,000	131,000	0.01
Golf Fund*	841,000	839,000	(2,000)	(0.00)	806,000	839,000	33,000	0.04
Transit Fund*	7,483,000	7,676,000	193,000	0.03	7,504,000	7,676,000	172,000	0.02
Landfill Fund	3,597,000	2,922,000	(675,000)	(0.19)	2,902,000	2,922,000	20,000	0.01
Total Op Revenues	\$ 93,847,000	\$ 96,569,000	\$ 2,722,000	0.03	\$ 96,569,000	\$ 96,569,000	\$ -	0.00

* Excluding Fund Specific CIP Programs and TIF Programs

**General Fund Revenues exclude cell phone revenues and Riverfront Economic Development Tax

Table 5

Fourth Quarter Report - June 30, 2014

Operating Expenditures by Category

<u>Type</u>	Actual Versus Adopted				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted*	FY14 Actual	Expenditures over (less) than Budget	% (Under) Over	FY14 Projected	FY14 Actual	Expenditures over (less) than Proj.	% (Under) Over
Salary & Wages	\$30,330,000	\$29,671,000	(\$659,000)	(0.02)	\$29,758,000	\$29,671,000	(\$87,000)	(0.00)
Payroll & Health Ins Costs	13,959,000	13,522,000	(437,000)	(0.03)	14,027,000	13,522,000	(505,000)	(0.04)
Materials & Supplies	5,388,000	5,217,000	(171,000)	(0.03)	5,211,000	5,217,000	6,000	0.00
Services	21,041,000	21,148,000	107,000	0.01	22,106,000	21,148,000	(958,000)	(0.04)
Debt Service	5,796,000	6,395,000	599,000	0.10	6,528,000	6,395,000	(133,000)	(0.02)
Insurance & Other Charges	957,000	1,044,000	87,000	0.09	1,150,000	1,044,000	(106,000)	(0.09)
Capital Outlay	2,674,000	2,895,000	221,000	0.08	2,861,000	2,895,000	34,000	0.01
Public Improvements	3,699,000	3,800,000	101,000	0.03	3,464,000	3,800,000	336,000	0.10
Interfund Transfers - Out	4,723,000	6,433,000	1,710,000	0.36	6,666,000	6,433,000	(233,000)	(0.03)
	\$ 88,567,000	\$90,125,000	\$ 1,558,000	0.02	\$ 91,771,000	\$ 90,125,000	\$ (1,646,000)	(0.02)

* Excluding Fund Specific CIP Programs (except Landfill) and TIF programs

**General Fund expenditures excludes cell phone & Riverfront ED expenditures and \$1,004,000 in transfers to Streets Mnt and Aviation funds

Table 6

Fourth Quarter Report - June 30, 2014

Operating Expenditures by Fund and Department

Department/Fund*	Actual Versus Adopted 6/30/2014				Actual Versus Projected 6/30/2014				
	FY14 Adopted*	FY14 Preliminary	Expenditures over (less)	% (Under) Over	FY14 Projected	FY14 Preliminary	Expenditures over (less)	% (Under) Over	
	Op. Budget	Actual	than Budget		Op. Budget	Actual	than Proj.		
Mayor & Council	\$ 227,000	\$ 196,000	(31,000)	(0.137)	\$ 227,000	\$ 196,000	(31,000)	(0.137)	
City Clerk	269,000	249,000	(20,000)	(0.074)	272,000	249,000	(23,000)	(0.085)	
Municipal Court	456,000	444,000	(12,000)	(0.026)	448,000	444,000	(4,000)	(0.009)	
City Manager	437,000	424,000	(13,000)	(0.030)	435,000	424,000	(11,000)	(0.025)	
Legal	528,000	528,000	0	0.000	514,000	528,000	14,000	0.027	
Planning & Comm Dvlpmnt	1,676,000	1,664,000	(12,000)	(0.007)	1,682,000	1,664,000	(18,000)	(0.011)	
Administrative Services	2,531,000	2,492,000	(39,000)	(0.015)	2,513,000	2,492,000	(21,000)	(0.008)	
Police	13,778,000	13,462,000	(316,000)	(0.023)	13,665,000	13,462,000	(203,000)	(0.015)	
Fire	10,901,000	11,310,000	409,000	0.038	11,285,000	11,310,000	25,000	0.002	
Parks & Recreation	4,995,000	4,899,000	(96,000)	(0.019)	4,891,000	4,899,000	8,000	0.002	
Health	3,388,000	3,411,000	23,000	0.007	3,657,000	3,411,000	(246,000)	(0.067)	
Public Works-GF	5,159,000	7,166,000	2,007,000	0.389	5,170,000	7,166,000	1,996,000	0.386	
Non-Departmental	1,342,000	889,000	(453,000)	(0.338)	808,000	889,000	81,000	0.100	
Op budget savings, target % :		Op budget savings, actual %:							
General Fund**	(0.01)	45,687,000	47,134,000	1,447,000	0.032	45,567,000	47,134,000	1,567,000	0.034
Streets Maintenance Fnc	(0.04)	5,029,000	5,367,000	338,000	0.067	5,410,000	5,367,000	(43,000)	(0.008)
Parks Maintenance Fund	(0.01)	1,350,000	1,423,000	73,000	0.054	1,499,000	1,423,000	(76,000)	(0.051)
Public Safety Fund	(0.05)	0	2,155,000	2,155,000	0.000	2,149,000	2,155,000	6,000	0.003
CDBG Fund	N/A	2,155,000	2,202,000	47,000	0.022	2,477,000	2,202,000	(275,000)	(0.111)
Gaming Fund	N/A	1,123,000	1,192,000	69,000	0.061	1,170,000	1,192,000	22,000	0.019
Museum Fund*	N/A	435,000	422,000	(13,000)	(0.030)	433,000	422,000	(11,000)	(0.025)
Aviation Fund*	(0.05)	680,000	619,000	(61,000)	(0.090)	627,000	619,000	(8,000)	(0.013)
Parking Fund	(0.05)	412,000	403,000	(9,000)	(0.022)	405,000	403,000	(2,000)	(0.005)
Water Protection Fund*	(0.01)	20,185,000	19,417,000	(768,000)	(0.038)	20,201,000	19,417,000	(784,000)	(0.039)
Golf Fund*	(0.01)	782,000	839,000	57,000	0.073	803,000	839,000	36,000	0.045
Transit Fund*	(0.01)	5,583,000	5,098,000	(485,000)	(0.087)	5,512,000	5,098,000	(414,000)	(0.075)
Landfill Fund inc CIP	(0.10)	4,231,000	3,854,000	(377,000)	(0.089)	3,386,000	3,854,000	468,000	0.138
Total City Expenditures		\$ 87,652,000	\$ 90,125,000	\$ 2,473,000	0.028	\$ 89,639,000	\$ 90,125,000	\$ 486,000	0.005

* Excluding Fund Specific CIP Programs, and TIF programs

**General Fund expenditures excludes cell phone and Riverfront ED expenditures

Table 7

Fourth Quarter Report - June 30, 2014

COMPARISONS - FY2013 TO FY2014 BY FUND TYPE

Fund	OPERATING FUNDS							
	FY13 Actual				FY14 Actual			
	Revenues	Revenues	Over/(Under)		Expenditures	Expenditures	Over/(Under)	
General	\$46,141,000	\$48,708,000	\$2,567,000	5.56%	\$41,346,000	\$47,134,000	\$5,788,000	14.00%
Streets Maintenance	4,339,000	\$5,313,000	974,000	22.45%	4,928,000	\$5,367,000	439,000	8.91%
Parks Maintenance	1,005,000	\$1,349,000	344,000	34.23%	924,000	\$1,423,000	499,000	54.00%
Public Safety	0	\$2,697,000	2,697,000	100.00%	0	\$2,155,000	2,155,000	100.00%
CDBG	3,426,000	2,153,000	(1,273,000)	-37.16%	3,184,000	2,202,000	(982,000)	-30.84%
Aviation	572,000	591,000	19,000	3.32%	532,000	619,000	87,000	16.35%
Public Parking	367,000	334,000	(33,000)	-8.99%	409,000	403,000	(6,000)	-1.47%
Water Protection	21,335,000	22,378,000	1,043,000	4.89%	15,911,000	19,417,000	3,506,000	22.04%
Municipal Golf	797,000	839,000	42,000	5.27%	794,000	839,000	45,000	5.67%
Mass Transit	7,291,000	7,676,000	385,000	5.28%	5,170,000	5,098,000	(72,000)	-1.39%
Landfill (inc CIP)	2,981,000	2,922,000	(59,000)	-1.98%	3,974,000	3,854,000	(120,000)	-3.02%
Total Operating Funds	\$88,254,000	\$94,960,000	\$6,706,000	7.60%	\$77,172,000	\$88,511,000	\$11,339,000	14.69%

Excluding most CIP programs' revenues & expenditures, cell phone and Riverfront ED Tax transactions

	OTHER FUNDS OR PROGRAMS							
	FY13 Actual				FY14 Actual			
	Revenues	Revenues	Over/(Under)		Expenditures	Expenditures	Over/(Under)	
Cell Phone Program (GF)	1,660,000	1,518,000	(\$142,000)	-8.55%	2,384,000	1,876,000	(\$508,000)	-21.31%
Riverfront Econ Dvlpmnt (GF)	441,000	428,000	(\$13,000)	-2.95%	10,000	0	(\$10,000)	-
Gaming Funded Initiatives	1,155,000	1,161,000	\$6,000	0.52%	1,243,000	1,192,000	(\$51,000)	-4.10%
Museum Tax	412,920	448,000	\$35,080	8.50%	381,000	422,000	\$41,000	10.76%
Capital Projects (all funds*)	27,526,000	63,620,000	\$36,094,000	131.13%	18,920,000	73,199,000	\$54,279,000	286.89%
Special Allocation	17,187,000	9,072,000	(\$8,115,000)	-47.22%	18,132,000	8,454,000	(\$9,678,000)	-53.38%
Total Other Funds	\$46,280,920	\$74,301,000	\$28,020,080	92.93%	\$38,676,000	\$83,267,000	\$44,591,000	240.17%

*Except Landfill, included in operating side

Table 8

Fourth Quarter Report - June 30, 2014
**REVENUES - CIP PROGRAMS, SPECIAL ALLOCATION & CELL PHONE & RIVERFRONT ED
 CAPITAL PROJECTS & CELL PHONE PROGRAM, RIVERFRONT ECONOMIC DEVELOPMENT PROGRAM**

Fund*	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted Budget	FY14 Actual Revenue	Revenue over (less) than Actual	% Over (Under)	FY14 Projected Budget	FY14 Actual Revenue	Revenue over (less) than Proj.	% Over (Under)
Cell Phone (General)	1,703,000	1,518,000	(185,000)	(0.11)	1,565,000	1,518,000	(47,000)	(0.03)
Riverfront ED Tax (General)	400,000	428,000	28,000	1.00	445,000	428,000	(17,000)	(0.04)
Capital Projects	5,983,000	6,949,000	966,000	0.16	7,768,000	6,949,000	(819,000)	(0.11)
Museum CIP	100,000	409,000	309,000	3.09	409,000	409,000	0	0.00
Aviation CIP	985,000	145,000	(840,000)	(0.85)	535,000	145,000	(390,000)	(0.73)
Water Protection CIP	92,349,000	56,079,000	(36,270,000)	(0.39)	60,810,000	56,079,000	(4,731,000)	(0.08)
Golf CIP	26,000	23,000	(3,000)	(0.12)	26,000	23,000	(3,000)	(0.12)
Transit CIP	2,040,000	15,000	(2,025,000)	(0.99)	15,000	15,000	0	0.00
Total CIP Revenues	\$ 103,586,000	\$ 65,566,000	\$ (38,020,000)	(0.37)	\$ 71,573,000	\$ 65,566,000	\$ (6,007,000)	(0.08)

*Reported separately from Operating budgets if grants or other specified funding sources exist

SPECIAL ALLOCATION FUND

TIF Development	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted Budget	FY14 Actual Revenue	Revenue over (less) than Actual	% Over (Under)	FY14 Projected Budget	FY14 Actual Revenue	Revenue over (less) than Proj.	% Over (Under)
Center Building TIF	\$43,000	\$45,000	2,000	0.05	\$41,000	\$45,000	4,000	0.10
Gilmore Building TIF	-	3,000	3,000	0.00	3,000	3,000	0	0.00
Uptown Redevelopment	1,000	7,000	6,000	0.00	6,000	7,000	1,000	0.17
Ryan Block	1,000	2,000	1,000	1.00	2,000	2,000	0	0.00
Cook Crossing Rdlvpmnt	70,000	91,000	21,000	0.30	75,000	91,000	16,000	0.21
Downtown Redvlpmnt	6,000	0	(6,000)	(1.00)	0	0	0	0.00
Mitchell Avenue Corridor	436,000	422,000	(14,000)	(0.03)	433,000	422,000	(11,000)	(0.03)
The Commons	563,000	583,000	20,000	0.04	576,000	583,000	7,000	0.01
North East Cook Road	114,000	152,000	38,000	0.33	151,000	152,000	1,000	0.01
East Hills	1,076,000	1,071,000	(5,000)	(0.00)	1,144,000	1,071,000	(73,000)	(0.06)
North County - Shoppes	3,560,000	3,862,000	302,000	0.08	3,415,000	3,862,000	447,000	0.13
EBR Development TIF	327,000	364,000	37,000	0.11	339,000	364,000	25,000	0.07
Triumph Foods	2,616,000	2,092,000	(524,000)	(0.20)	2,571,000	2,092,000	(479,000)	(0.19)
Fountain Creek	0	2,000	2,000	1.00	0	2,000	2,000	1.00
Third Street Hotel	333,000	376,000	43,000	0.13	333,000	376,000	43,000	0.13
Tuscany Towers	0	0	0	0.00	0	0	0	0.00
Total TIF Revenues	\$9,146,000	\$9,072,000	(\$74,000)	(0.01)	\$9,089,000	\$9,072,000	(\$17,000)	(0.00)

Table 9

Fourth Quarter Report - June 30, 2014

EXPENDITURES - CIP PROGRAMS, SPECIAL ALLOCATION & CELL PHONE & RIVERFRONT ED

CAPITAL PROJECTS & CELL PHONE PROGRAM & RIVERFRONT ECONOMIC DEVELOPMENT PROGRAM

Fund*	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted Budget	FY14 Actual Expenditure	Expenditures over (less) than Actual	% (Over) Under	FY14 Projected Budget	FY14 Actual Expenditure	Expenditures over (less) than Proj.	% (Over) Under
Cell Phone (General)	1,500,000	1,876,000	376,000	0.25	1,928,000	1,876,000	(52,000)	(0.03)
Riverfront ED Tax (General)	-	-	0		-	0	0	
Capital Projects	11,598,000	8,510,000	(3,088,000)	(0.27)	6,703,000	8,510,000	1,807,000	0.27
Museum CIP	110,000	409,000	299,000	2.72	378,000	409,000	31,000	0.08
Aviation CIP	950,000	515,000	(435,000)	(0.46)	535,000	515,000	(20,000)	(0.04)
Water Protection CIP	92,349,000	63,738,000	(28,611,000)	(0.31)	65,729,000	63,738,000	(1,991,000)	(0.03)
Golf CIP	24,000	22,000	(2,000)	(0.08)	24,000	22,000	(2,000)	(0.08)
Transit CIP	2,040,000	5,000	(2,035,000)	(1.00)	5,000	5,000	0	0.00
Total CIP Expenditures	\$ 108,571,000	\$ 75,075,000	\$ (33,496,000)	(0.31)	\$ 75,302,000	\$ 75,075,000	\$ (227,000)	(0.00)

*Reported separately from Operating budgets if grants or other specified funding sources exist for CIP projects

SPECIAL ALLOCATION FUND

TIF Development	Actual Versus Adopted & Amended				Actual Versus Projected			
	6/30/2014				6/30/2014			
	FY14 Adopted Budget	FY14 Actual Expenditure	Expenditure over (less) than Actual	% Over (Under)	FY14 Projected Budget	FY14 Actual Expenditure	Expenditure over (less) than Proj.	% Over (Under)
Center Building TIF	\$43,000	\$39,000	(\$4,000)	(0.09)	\$41,000	\$39,000	\$ (2,000)	(0.05)
Gilmore Building TIF	0	3,000	3,000	1.00	3,000	3,000	0	0.00
Uptown Redevelopment	1,000	6,000	5,000	1.00	6,000	6,000	0	0.00
Ryan Block	0	0	0		0	0	0	0.00
Cook Crossing Rdvlpmnt	70,000	61,000	(9,000)	(0.13)	70,000	61,000	(9,000)	(0.13)
Downtown Redvlpmnt	6,000	0	(6,000)	1.00	0	0	0	0.00
Mitchell Avenue Corridor	434,000	978,000	544,000	1.25	739,000	978,000	239,000	0.32
The Commons	563,000	523,000	(40,000)	(0.07)	522,000	523,000	1,000	0.00
North East Cook Road	114,000	8,000	(106,000)	(0.93)	114,000	8,000	(106,000)	(0.93)
East Hills	1,075,000	1,076,000	1,000	0.00	1,110,000	1,076,000	(34,000)	(0.03)
North County - Shoppes	3,219,000	3,221,000	2,000	0.00	3,210,000	3,221,000	11,000	0.00
EBR Development TIF	327,000	258,000	(69,000)	(0.21)	301,000	258,000	(43,000)	(0.14)
Triumph Foods	1,940,000	1,940,000	0	0.00	1,940,000	1,940,000	0	0.00
Fountain Creek	0	0	0	0.00	0	0	0	0.00
Third Street Hotel	333,000	341,000	8,000	0.02	327,000	341,000	14,000	0.04
Tuscany Towers	0	0	0	0.00	0	0	0	0.00
Total TIF Expenditures	\$8,125,000	\$8,454,000	\$329,000	0.04	\$8,383,000	\$8,454,000	\$ 71,000	0.01

FY2014 YEAR END BUDGET REPORT

APPENDIX A

**SIX YEAR HISTORY
ASSESSED VALUATION AND
PROPERTY TAX REVENUE**

FY2014 YEAR END BUDGET REPORT

ASSESSED VALUATION AND PROPERTY TAX REVENUE

Frequent questions come up about the City's property taxes – their basis as well as their increase/decrease over the years. The following is a brief tutorial on the subject.

Setting the Stage

It is a long established fact that property taxes are a more stable, more reliable, revenue source than sales taxes. It also means, unless you live in an area undergoing a residential, commercial, or industrial boom, those revenues aren't going to increase much from year to year.

Whether the revenues increase at all depend on several factors, most of which the City has no control over. They include the rate at which property can be assessed – State statute determines the percentage at which different types of property are assessed once a market value is determined; the market value of a property – determined by the County Assessor; and the maximum amount of tax that can be levied against a property – controlled by the State and by the voters within a jurisdiction.

The only impacts the City can have directly are, in effect, negative ones. For example, the City can offer tax abatements to specific businesses within specific areas to spur development on the theory that economic development will lead to growth in tax revenues overall. Or, the City can set tax levies lower than that allowed by State Statute for political reasons. Or, the City can forgive tax liens for various reasons.

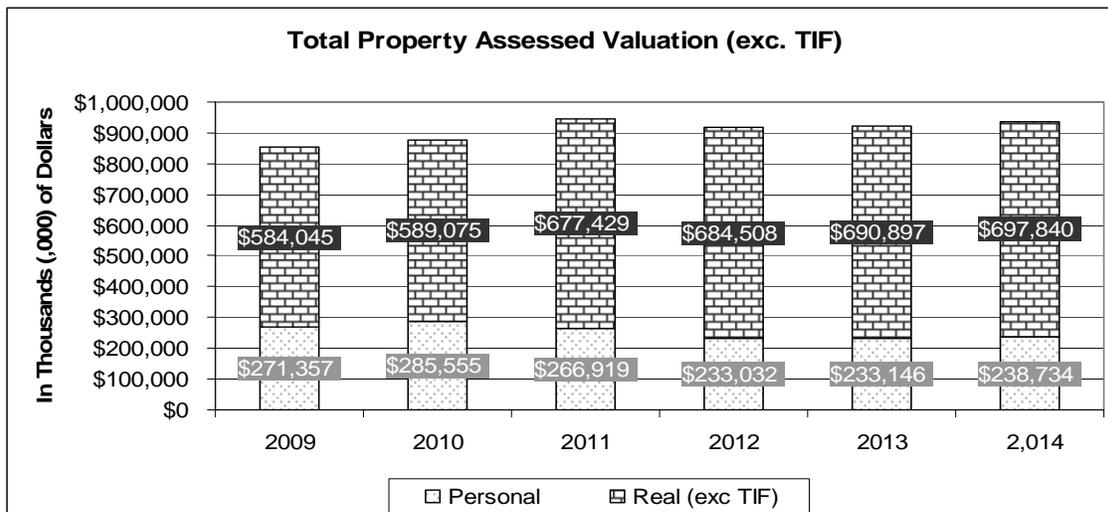
One of the strongest influences on the eventual amount of tax revenue the City will receive is the assessed value of the property being taxed.

Assessed Valuation

Real property taxes are levied against land and structures. The tax is on an "assessed valuation", a set percentage, of the market value of a property as set by the County Assessor. In Missouri, residential property is assessed at 19% of market value, commercial property at 32%, and agricultural property at 12%.

Personal property taxes are levied against "movable" property. For individuals this usually means their vehicles, boats, RV's etc. For businesses it means equipment and fixtures not an integral part of a structure. Assessed value is for all these items is 33 1/3% of the NADA value.

The chart below shows a six year history of the amount of the City's assessed valuation by type of property, excluding the TIF valuations.

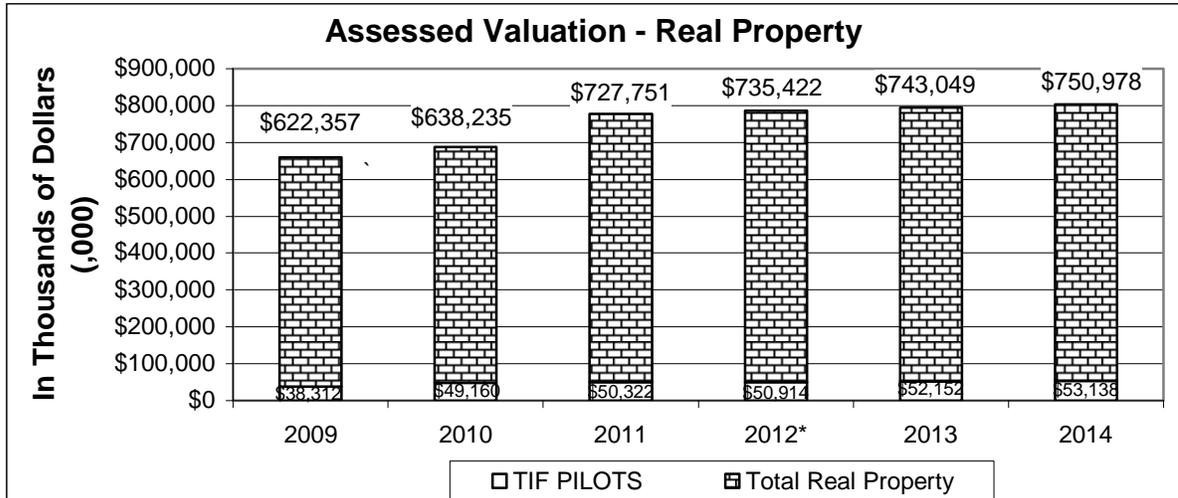


FY2014 YEAR END BUDGET REPORT

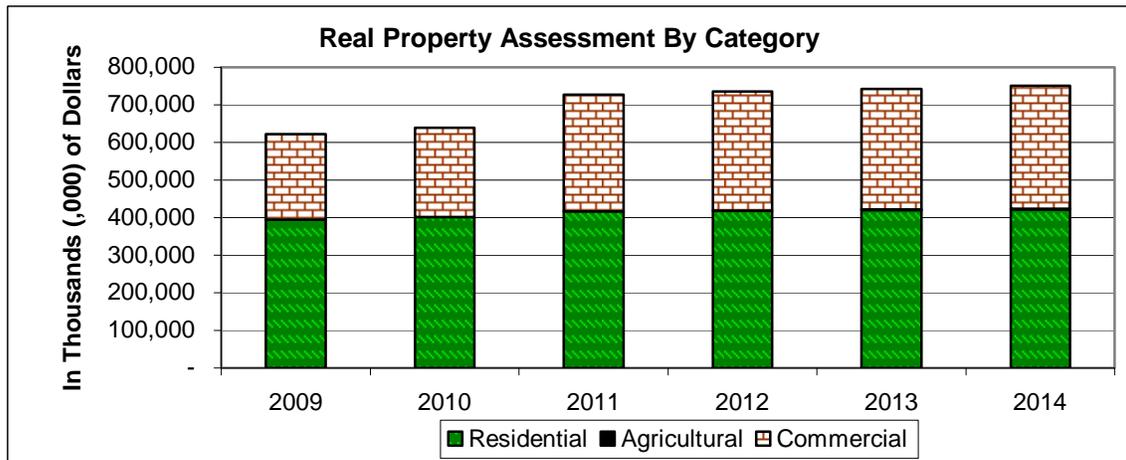
Real property valuations have slowly increased. With the County Assessor's implementation of an accelerated depreciation schedule for personal property those valuations showed a marked decrease in FY2012 and FY2013 with only a marginal increase in FY2014.

The next two graphs look at real and personal property separately.

The real property graph includes the amount of assessed valuation excluded from regular real property taxation and, instead, paid as payments-in-lieu-of-taxes (PILOTs) in TIFs. The percentage of assessed valuation "lost" to TIFs (7%) is small in the overall scheme of things.



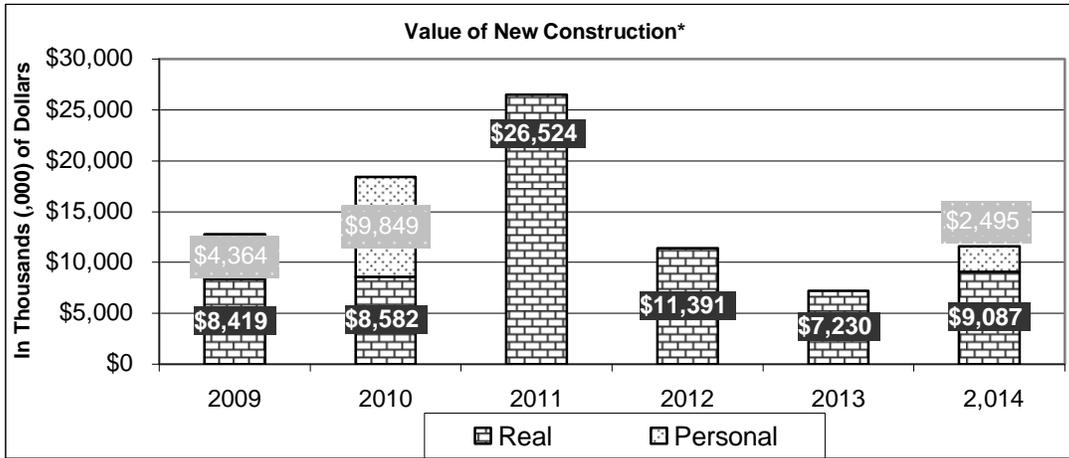
The next graph illustrates the categories making up real property in the City – residential, commercial and agricultural.



Residential valuations have scarcely budged over the last five years. The commercial sector, on the other hand, has increased steadily. Since commercial property is assessed at a much higher rate – 32% versus 19% of value – it contributes more tax revenue than the residential sector. The agricultural sector within the City is so small as to be indistinguishable in the graph.

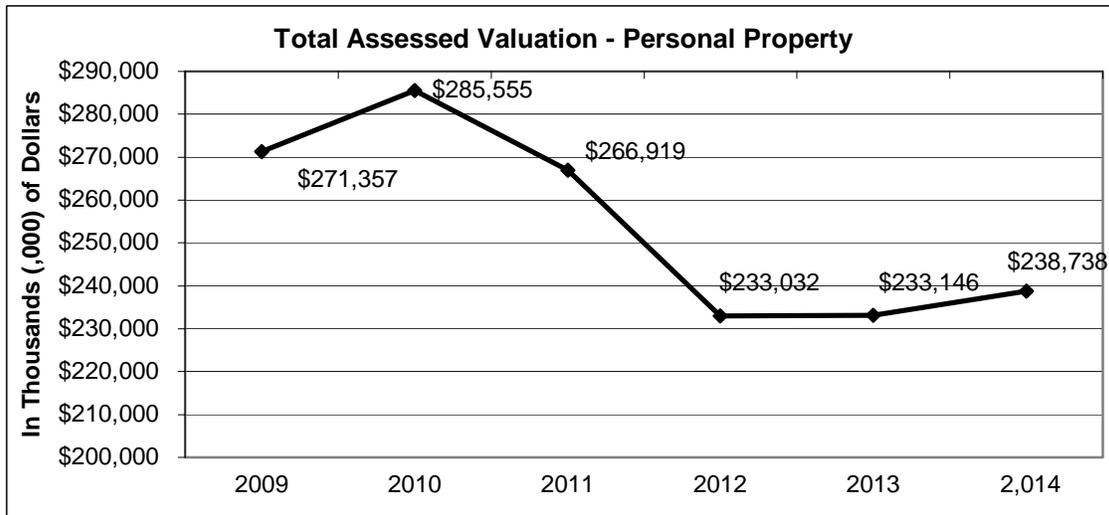
An extremely important category of assessment is that of New Construction. While the Hancock Amendment limits the amount of revenue the City can collect to roughly the amount collected in a prior year, that cap does not include new construction within that tax year. The following graph shows these new values for the past five tax years. New construction values are, of course, folded into "current valuations" in the following year.

FY2014 YEAR END BUDGET REPORT



* New construction also includes that property coming back on tax rolls.

While real property assessments have shown a small, but steady, increase; personal property valuations had a marked drop in 2012 as shown below.

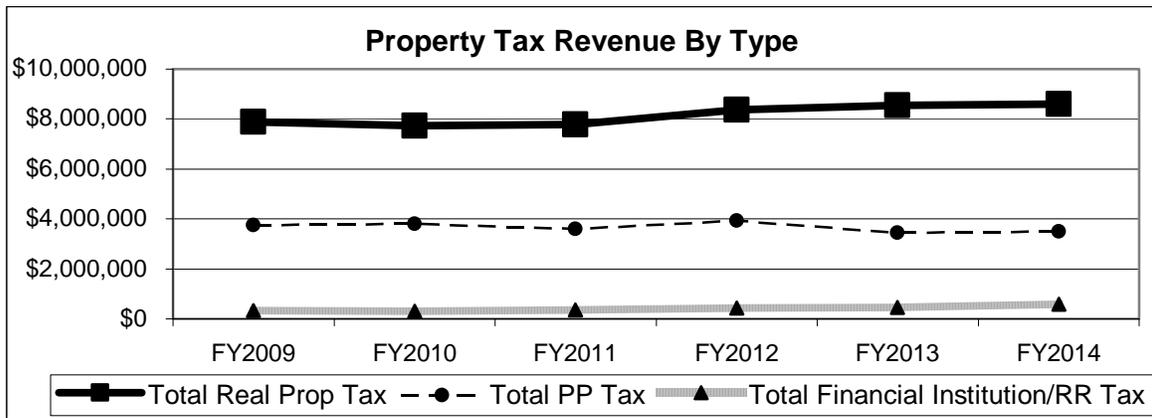


The 2010 spike occurred when the 1999 tax abatements awarded Boehringer Ingelheim Vetmedica came back on the tax rolls. This correlates to the “New Construction” portion of real and personal property discussed on the previous page and illustrated in the previous graph. Personal property assessed valuations dropped 18% from 2010 with the County Assessor’s adoption of a new depreciation schedule (required by State statute), which accelerated rates of depreciation.

Property Tax Revenue

Valuations and tax levies are one side of the revenue equation, collections are the other. Here again the City has marginal control since, by contract, the County collects and distributes City taxes. In addition, collections are influenced by economic conditions (can taxpayers afford to pay), number and success rate of tax protests, and the rigor with which the City pursues scofflaws.

FY2014 YEAR END BUDGET REPORT



As seen in the graph above, revenues from real property taxes have increased slightly in the last five years. This has been offset by with a drop in revenues on the personal property side. With virtually no increase in assessed valuation for the FY12 tax year, personal property tax revenues declined by \$491,000 (12.5%) from the prior year. (This decrease is slightly distorted since revenues were bolstered in FY12 with the County Collector’s release of prior year protested personal property taxes from four major industrial taxpayers.)

The Financial Institution Tax and Railroad Tax are personal property taxes based on factors other than the assessed valuation matrix applied to other tax-payers. Funds are paid to and allocated from the State. The amount the City receive are so minimal, they have been left out of this discussion.