

Introduced by: Mayor Babatunde Deinbo

AN ORDINANCE APPROVING THE BUDGET OF THE CITY OF BERKELEY, MISSOURI, FOR THE FISCAL YEAR COMMENCING JULY 1, 2023 AND CONCLUDING JUNE 30, 2024; APPROPRIATING THE SUMS THEREIN FOR THE PURPOSES AND OBJECTS THEREIN *(THE CITY COUNCIL HEREBY FIND AND DECLARE THAT AN EMERGENCY EXISTS WHICH REQUIRES THE IMMEDIATE PASSAGE OF THIS ORDINANCE FOR THE PRESERVATION OF THE WELFARE OF THE CITIZENS OF THE CITY OF BERKELEY.)*

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

- Section 1.** The budget of the City of Berkeley, Missouri for the fiscal year commencing July 1, 2023 and concluding June 30, 2024; as presented and attached hereto and made a part hereof as it is more fully set forth herein, is hereby approved and such sums contained herein are hereby appropriated for the purposes and objects therein.
- Section 2.** This measure is deemed distinctly, the City Charter requires the Council to approve a budget, not later than the fourth (4th) day prior to commencement of this fiscal year.
- Section 3.** The budget summary will be attached and will be hereby incorporated herein and made a part of this ordinance.
- Section 4.** This Ordinance shall be in full force and effect from and after its date of passage.
- Section 5.** The City Council hereby find and declare that an emergency exists which requires the immediate passage of this ordinance for the preservation of the welfare of the citizens of the City of Berkeley.

1st Reading this _____ day of _____ 2023
2nd Reading this _____ day of _____ 2023
3rd Reading, PASSED and APPROVED, this _____ day of _____ 2023

Babatunde Deinbo, Mayor

ATTEST:

Deanna L. Jones, City Clerk

Approved as to Form:
Donnell Smith, City Attorney

Final Roll Call:			
Councilwoman Verges	Aye	___	Nay ___ Absent ___ Abstain ___
Councilwoman Williams	Aye	___	Nay ___ Absent ___ Abstain ___
Councilman Hoskins	Aye	___	Nay ___ Absent ___ Abstain ___
Councilwoman Anthony	Aye	___	Nay ___ Absent ___ Abstain ___
Councilman Hindeleh	Aye	___	Nay ___ Absent ___ Abstain ___
Councilwoman-at-Large Crawford-Graham	Aye	___	Nay ___ Absent ___ Abstain ___
Mayor Deinbo	Aye	___	Nay ___ Absent ___ Abstain ___



City Managers' Budget Message FY23/24

June 30, 2023

Mayor Deinbo and Members of Council:

I am pleased to submit for your consideration the following budget for the fiscal year beginning July 1, 2023. My recommendations are based on a thorough review of our current financial standing in conjunction with the goals and priorities you have expressed for our community. I have also considered staff requests, infrastructure needs, and specific desires of the community. Without a doubt, this budget meets the needs of as City working to live up to its motto as a "Planned Progressive Community".

The budget was developed using the standards set forth by the Government Finance Officers Association (GFOA) and will be submitted to GFOA in anticipation of gaining the prestigious Distinguished Budget Presentation Award for the City's FY23/24 budget.

City Councils' Strategic Goals for FY23/24

The progress we make as a community is only possible through great teamwork and collaboration, both from within our organization and throughout the greater community. The City will continue to make progress and govern responsibly by maintaining focus on the strategic goals set by Mayor and Council leading our City into the future. These include the following, which were established for FY23/24:

- Fiscally sound and efficient City government,
- Economic Development,
- Invest in the City's infrastructure,
- Proactive Public Safety and Code Enforcement initiatives,
- Recreational and leisure opportunities for youth and seniors,
- Development of a new Civic Center, and
- Strategies to fully staff departments and retain quality employees.

FY23/24 Budget Overview and Highlights

The FY23/24 budget provides for the City to make long overdue investments in the community and organization. The residents will be able to see and benefit from these investments immediately. They are laid out in the appropriate section of the budget. However, some highlights include:

- \$250,000 continued investment in the Neighborhood Stabilization Program, bringing the two-year total to \$500,000.



- Completion of all ARPA projects including road repaving, signage, and sidewalk repairs.
- An additional \$1.8 million in street repairs, for a two-year total over \$3 million dollars.
- An additional \$1 million in park improvements, for a total two-year commitment of close to \$2.5 million dollars.
- The acquisition and renovation of Airport Elementary School into a new Civic Center.
- Increased resources for City staff.
- Investing in our City's economic development including \$1 million for property acquisition, \$500,000 for site improvements, and \$250,000 for our Commercial Façade Improvement program.
- \$1.5 million for renovations at Fire Station #2.
- We are also planning to update our Comprehensive Plan.

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

As mandated by the City Charter, the FY23/24 budget represents a balanced budget. Total appropriations from each fund do not exceed estimated fund balances and revenues for each of the City's respective funds. The remainder of this transmittal letter details in general terms the operating and capital budgets, expenditures and revenues for each fund, and changes in the final balance.

FY23/24 Operating Budget

Operating expenses include all employee salaries and benefits, as well as those purchases that are not able to be capitalized. All services provided by the City in FY23/24 are approved at funding levels which permit the continuation of services at improved service levels.

FY23/24 Capital Budget

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

Total Expenditures

The FY23/24 annual budget for all funds totals \$29,809,683. The City has a total of fifteen (15) different funds. The expenditures breakdown is as follows:

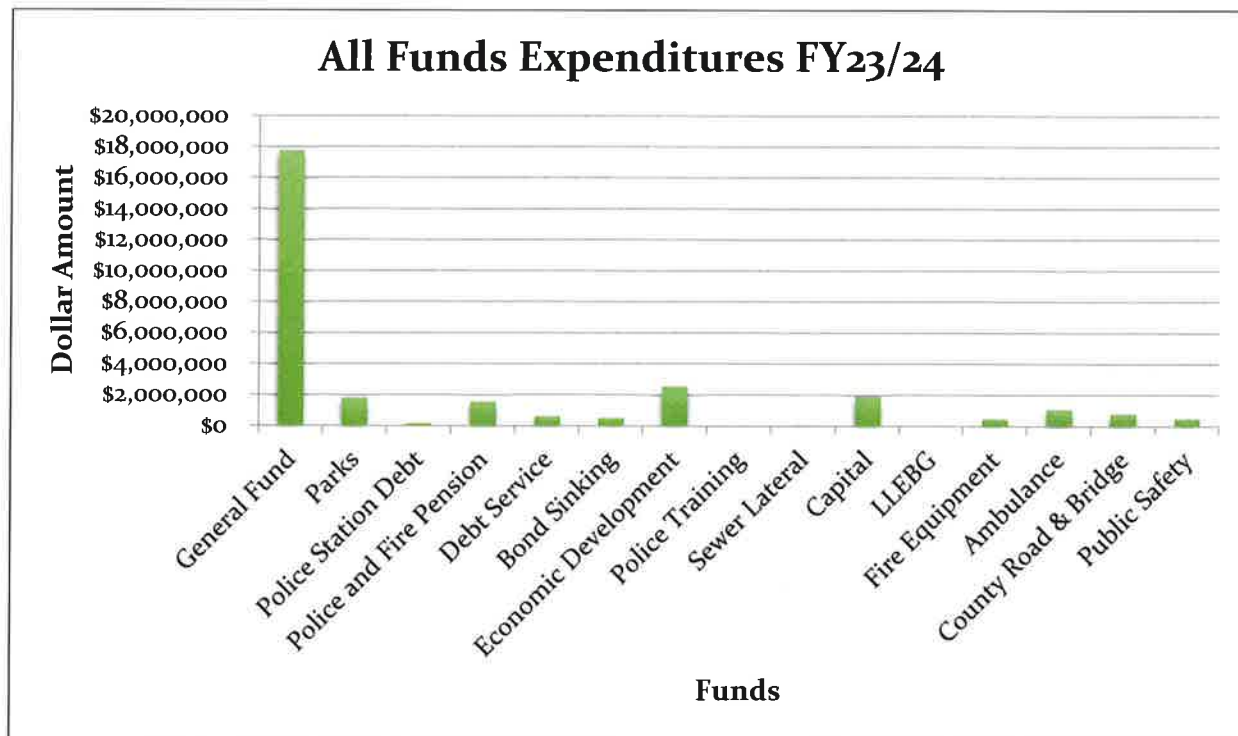


City of Berkeley

FY23/24 Annual Budget

- General Fund: \$17,767,176
- Parks: \$1,801,892
- Police Station Debt: \$163,944
- Police and Fire Pension: \$1,560,000
- Debt Service: \$621,036
- Bond Sinking: \$510,661
- Economic Development: \$2,553,244
- Police Training: \$0
- Sewer Lateral: \$70,000
- Capital: \$1,919,215
- LLEBG: \$0
- Fire Equipment: \$473,958
- Ambulance: \$1,068,507
- County Road & Bridge: \$800,000
- Public Safety: \$500,050

Below is a table illustrating the FY23/24 total uses by each fund. These figures include expenditures and inter-fund transfers.



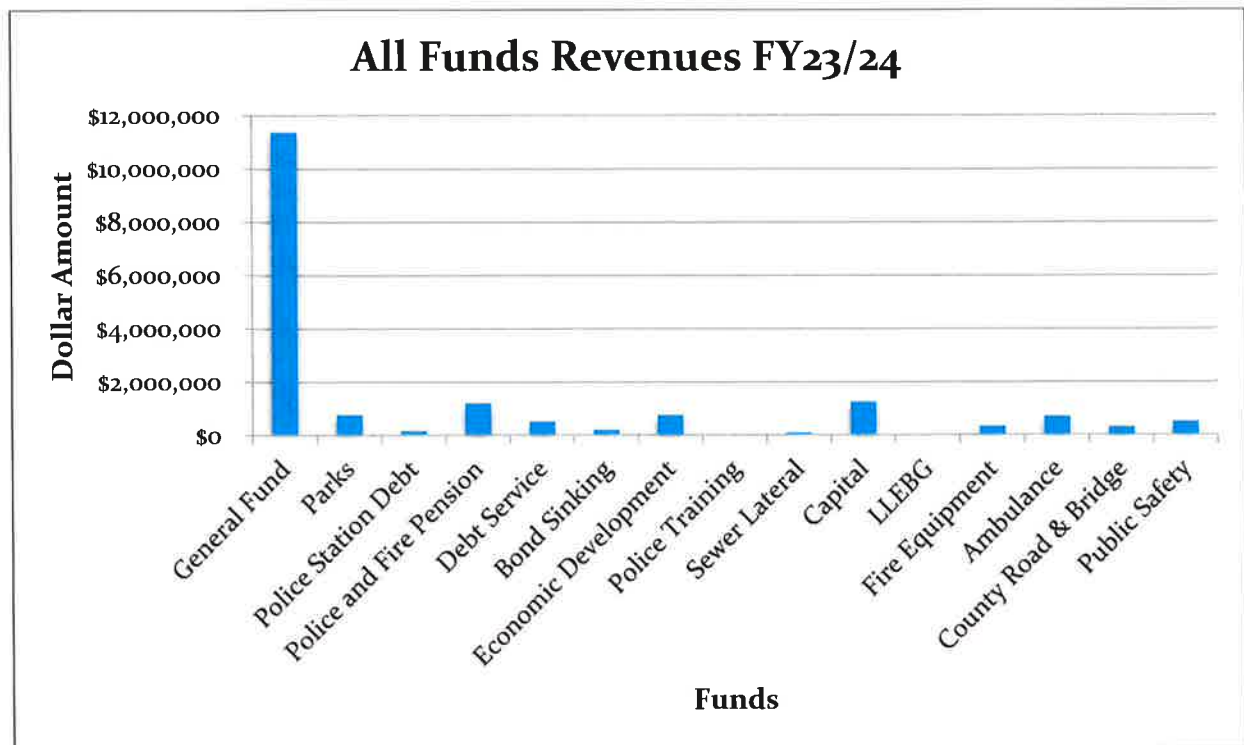


Total Revenues

The City of Berkeley has a diverse revenue base. We continue to work to stabilize and further diversify that base. Total revenues for FY23/24 are \$18,112,933. The revenues breakdown by fund is as follows:

- General Fund: \$11,375,210
- Parks: \$765,350
- Police Station Debt: \$163,944
- Police and Fire Pension: \$1,195,072
- Debt Service: \$510,661
- Bond Sinking: \$198,500
- Economic Development: \$750,300
- Police Training: \$1,000
- Sewer Lateral: \$85,000
- Capital: \$1,250,050
- LLEBG: \$200
- Fire Equipment: \$325,100
- Ambulance: \$692,396
- County Road & Bridge: \$300,100
- Public Safety: \$500,050

Below is a chart depicting the total revenues for all funds for FY23/24.



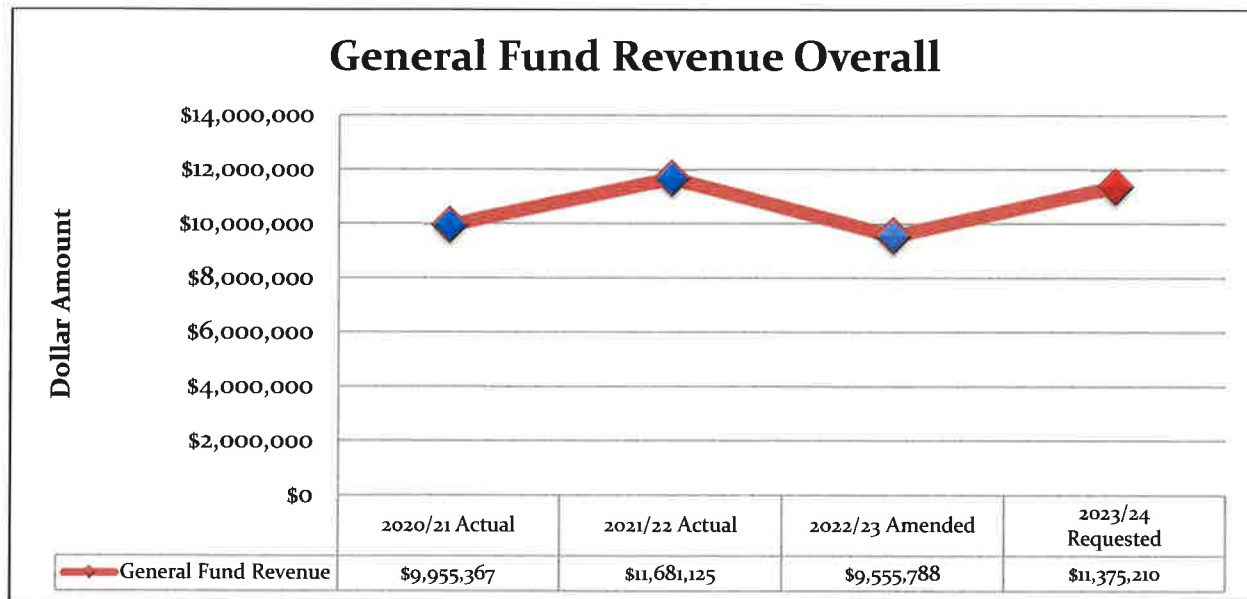


The General Fund is used as the chief operating fund and to account for all resources which are not accounted for in another fund. Most functions of the City are financed within this fund, such as maintenance and operations (M&O), and salaries and benefits. By definition, there can only be one General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

General Fund Revenues

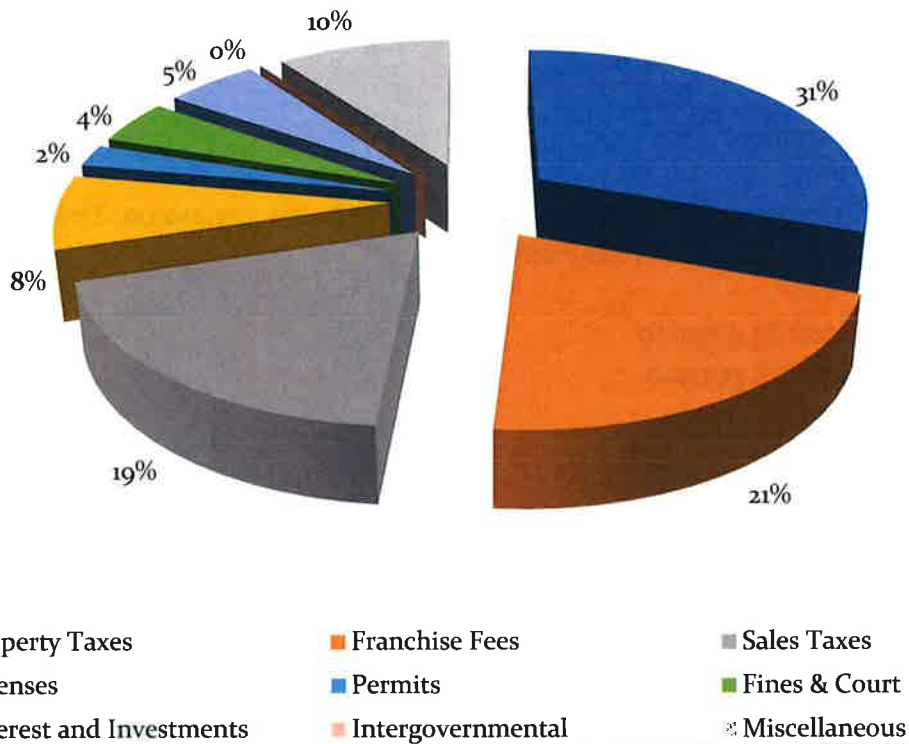
Total General Fund revenue for FY23/24 is estimated to be \$11,375,210.00. The City's General Fund is made up of 9 different revenue streams:

- Property Taxes: \$3,475,000
- Franchise Fees: \$2,355,500
- Sales Taxes: \$2,156,000
- Licenses: \$855,080
- Permits: \$252,000
- Fines & Court: \$509,000
- Interest & Investments: \$606,230
- Intergovernmental: \$1,200
- Miscellaneous: \$1,142,200





General Fund Revenues by Type



General Fund Expenditures

The total for all General Fund expenditures for FY23/24 is estimated to be \$17,767,176. The expenditures for FY23/24 by department are as follows:

City Council: \$408,935
Administration: \$6,543,774
City Clerk: \$136,633
Code Enforcement and Inspections: \$520,047
Municipal Court: \$188,342
Moline Court: \$67,469
Facilities Maintenance: \$170,170
Finance: \$438,501
Fire: \$3,135,041
Fleet: \$341,584
IT: \$218,945
Police: \$3,785,559
Streets: \$1,812,176

**Parks Fund - Revenues and Expenditures**

The Parks Fund accounts for the receipts of the City's ½ cent sales tax. These receipts are to be used for park and stormwater activities. It also receives other park related revenues. FY23/24 revenues are estimated at \$765,350, while expenditures are estimated at \$1,801,892.

Police Station Debt Fund - Revenues and Expenditures

In August 2015, the City issued \$3,000,000 in General Obligation Bonds (Series 2015) to provide funds for the construction of a new Police Station. These G.O. bonds are funded by an additional sales tax and paid by a transfer into this fund. Revenues and expenditures for FY23/24 are estimated to be \$163,944. The amounts vary annually.

Police and Fire Pension Fund - Revenues and Expenditures

This fund collects and disburses all revenues and expenditures for the City's private Police and Fire Pension. FY23/24 revenue is estimated at \$1,195,072, while expenditures are estimated at \$1,560,00.

Debt Service Fund - Revenues and Expenditures

This fund receives revenues as transfers in from other funds. They are then used to pay the bond payment for the City's municipal complex (City Hall and Fire Station #1). The funds which make up the transfer(s) can differ annually. For FY23/24 revenues are estimated at \$510,661, while expenditures are estimated at \$621,036.

Bond Sinking Fund - Revenues and Expenditures

This fund receives revenues as part of our overall taxes from varied sources. The funds are used to help pay the City's bonds. Revenues in FY23/24 are estimated to be \$198,500, while expenditures are estimated at \$510,661.

Economic Development Fund - Revenues and Expenditures

The Economic Development Fund is used to account for the Economic Development Sales Tax, which is required to be used for economic development within the City. We are estimating receipts of \$750,300 in FY23/24 and expenditures of \$2,553,244.

Police Training Fund - Revenues and Expenditures

The Police Training Fund provides funding for necessary in-service training for police department personnel. It receives revenue from a surcharge on tickets. Revenues are estimated to be \$1,000 for FY23/24, while no expenditures are currently planned.

**Sewer Lateral Fund - Revenues and Expenditures**

The Sewer Lateral Fund provides funding for all sewer lateral projects in the City. It is funded by a tax on all properties in the City. Revenues for FY23/24 are estimated at \$85,000, while expenditures are estimated at \$70,000.

Capital Fund - Revenues and Expenditures

The Capital Fund provides funding for all capital improvement projects relating to the construction, maintenance, and repair of physical infrastructure, primarily financed through the City's ½ cent sales tax for capital improvement. Revenue for FY23/24 is estimated at \$1,250,050; expenditures are estimated at \$1,919,215.

LLEBG Fund - Revenues and Expenditures

The Local Law Enforcement Block Grant Fund (LLEBG) receives any federal or state government grant revenue for law enforcement. No new grants are anticipated this fiscal year. We anticipate revenues of \$200, and no expenditures are planned.

Fire Equipment Fund - Revenues and Expenditures

The Fire Equipment Sales Tax Funds account for all the receipts of the City's ¼ cent sale tax. These receipts are to be used for equipment for the Municipal Fire Department. FY23/24 revenues are estimated at \$325,100, and expenditures are estimated at \$473,958.

Ambulance Fund - Revenues and Expenditures

The Ambulance Fund collects revenues from various tax sources dedicated to the operation of the City's ambulances. It does not include revenues from services; those go to the General Fund. This fund provides relief for salaries and operational costs. FY23/24 revenues are estimated at \$692,396, and expenditures are estimated at \$1,068,507.

County Road & Bridge Fund - Revenues and Expenditures

This fund received revenues from Berkeley's portion of the St. Louis County road and bridge revenues. It is used for funding road infrastructure projects and improvements. We estimate FY23/24 revenues at \$300,100, and expenditures estimated at \$800,000.

Public Safety Fund - Revenues and Expenditures

This fund receives revenue from the City's Public Safety Sales Tax. They are used to provide relief to the General Fund for Police salaries. Revenues and expenditures for FY23/24 are estimated at \$500,050.

**General Fund - Fund Balance and Reserve**

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

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

Total Fund Balances

The following chart shows the City's estimated total fund balances at the end of FY23/24:



FY23/24 Annual Budget

City of Berkeley

<u>Fund Number</u>	<u>Name</u>	<u>Beginning Fund Balance</u>	<u>FY23/24 Estimated Revenues</u>	<u>FY23/24 Estimated Expenditures</u>	<u>Change in Fund Balance</u>	<u>Ending Fund Balance</u>
1	General Fund	\$13,880,366	\$11,375,210	\$17,767,176	(\$6,391,966)	\$7,488,400
2	Parks	\$2,089,107	\$765,350	\$1,801,892	(\$1,036,542)	\$1,052,565
3	Police Station Debt	\$0	\$163,944	\$163,944	\$0	\$0
9	Police and Fire Pension	\$16,881,229	\$1,195,072	\$1,560,000	(\$364,928)	\$16,516,301
11	Debt Service	\$110,375	\$510,661	\$621,036	(\$110,375)	\$0
12	Bond Sinking	\$479,521	\$198,500	\$510,661	(\$312,161)	\$167,360
14	Economic Development	\$5,668,409	\$750,300	\$2,553,244	(\$1,802,944)	\$3,865,465
15	Police Training	\$0	\$1,000	\$0	\$1,000	\$1,000
17	Sewer Lateral	\$985,290	\$85,000	\$70,000	\$15,000	\$1,000,290
25	Capital	\$2,028,545	\$1,250,050	\$1,919,215	(\$669,165)	\$1,359,380
27	LLEBG	\$124,449	\$200	\$0	\$200	\$124,649
29	Fire Equipment	\$579,873	\$325,100	\$473,958	(\$148,858)	\$431,015
31	Ambulance	\$376,111	\$692,396	\$1,068,507	(\$376,111)	\$0
35	County Road & Bridge	\$854,970	\$300,100	\$800,000	(\$499,900)	\$355,070
37	Public Safety	\$333,164	\$500,050	\$500,050	\$0	\$333,164
Total		\$44,391,409	\$18,112,933	\$29,809,683	(\$11,696,750)	\$32,694,659

Conclusion

This FY23/24 Annual Budget is submitted to the Mayor and Council with the confidence that this document will assist citizens in evaluating approved budgetary and service levels. It also is intended to assist Mayor and Council in setting policy and establishing an overview of operations and City staff in accomplishing our stated goals and objectives while always remaining financially responsible. We all strive to live up to our motto of being a "Planned Progressive Community".



City of Berkeley

FY23/24 Annual Budget

I would like to thank the Mayor and Council for providing direction in order to assist in the development of this FY23/24 budget document. Additionally, several staff members have worked diligently on this budget, and without their help this document would not have been possible. To all who have worked to produce this document, I wish to express my very sincere gratitude.

Respectfully submitted,

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

Nathan Mai-Lombardo
City Manager