City Council Budget Workshop
April 30, 2019

Proposed Annual Budget for
July 1, 2019 – June 30, 2020

Budget Workshop Schedule

1. Overview April 23
2. City Council Receives Budget April 26
3. Revenues April 30
4. Proposed Funding Priorities May 7
5. Proposed Funding Priorities Continued May 14
6. City Council First Reading May 20
7. City Council Second Reading June 3
Budget Workshop #2
April 30, 2019

Budget Workshop #2 provides a review of the General Fund revenue projections for fiscal year 2019-2020 (July 1, 2019-June 30, 2020) and explains all revenue sources identified for the creation of the budget.

Today’s Agenda:

Revenues
1. Reminder and questions from the last meeting
2. Total City Revenue Sources
3. General Fund Revenue Sources

About Our Budget

The annual budget is a financial proposal that directs the provision of public services and facilities. The services provided by the City are based on the available revenues (funds) from all sources as approved in our annual budget.

In 2018, the City of Springfield’s Finance Department received the Government Finance Officers Association (GFOA) Distinguished Budget Award for its budget presentation for a 13th consecutive year.

Reminder:
Where to Find Budget Details

- Throughout the budget workshop process (May 1 – June 30), the public has access to both the proposed budget and the later adopted budget online at Springfieldmo.gov/Budget and at Springfieldmo.gov/OpenData (our data portal).
- On both of these web pages, there are links to full line item detail reports in addition to helpful summaries.
- Printed copies of the proposed budget are available to the public at a cost of $45.44 (the cost of printing).
Questions from the Previous Meeting:

• Have we done an analysis on our buildings, their condition, and equipment? Have we analyzed that future expense?
• Why is the electric PILOT 3%?
• Information on the no-charge City facilities.

Today’s Agenda:

Revenue

1. Reminder and questions from the last meeting
2. Total City Revenue Sources
3. General Fund Revenue Sources
The City’s Revenue Sources

FY2020 TOTAL CITY RESOURCES
$381 Million

- Sales & Use Taxes 35.1% $133,825
- Intergovernmental 8.0% $30,674
- Charges & Fees 26.6% $101,324
- Property Taxes 5.8% $22,110
- Transfers 9.1% $34,494
- Other Resources 5.9% $22,344
- Other Taxes 7.5% $28,605
- Licenses & Fines 2.0% $7,523

- All amounts are expressed in thousands.
The City’s Revenue Sources

Sales and Use Tax make up 35.1% of all City resources

FY2011 was the first full year of the Police and Fire Pension Sales Tax

Total City and County-Wide Sales Tax

City Sales Tax
County Sales Tax


FY2020 Sales & Use Tax Revenue $133.8M

Capital Projects 12.8%
• 1/8-Cent Transportation
• 1/4-Cent Capital Improvements

General Fund 39.4%
• 1% Sales Tax
• Use Tax

Special Revenue 47.8%
• County Wide
• LEST
• Parks
• 911
• City
• P&F Pension
• Transportation Use Tax
The City’s Revenue Sources

FY2020 TOTAL CITY RESOURCES
$381 Million

- Sales & Use Taxes: 35.1% ($133,825)
- Intergovernmental: 8.0% ($30,674)
- Transfers: 9.1% ($34,404)
- Other Resources: 5.9% ($22,544)
- Property Taxes: 5.8% ($27,110)
- Other Taxes: 7.5% ($28,605)
- Charges & Fees: 26.6% ($101,324)
- Licenses & Fines: 2.0% ($7,523)

- All amounts are expressed in thousands.

Charges and Fees make up 26.6% of all City resources.

The City’s Revenue Sources

FY2020 Charges and Fees
$101.3M

- Special Revenue Funds: 14.3%
- Enterprise Funds: 79.7%
- Other
  - Internal Service Funds: 4.9%
  - Capital Projects Funds: 0.3%
  - General Fund: 0.6%
  - Debt Services Funds: 0.3%
The City’s Revenue Sources

FY2020 TOTAL CITY RESOURCES
$381 Million

- Sales & Use Taxes 35.1% $133,825
- Intergovernmental 8.0% $30,674
- Transfers 9.1% $34,404
- Other Resources 5.0% $22,344
- Property Taxes 5.8% $22,110
- Other Taxes 7.5% $28,605
- Charges & Fees 26.6% $101,324
- Licenses & Fines 2.0% $7,523

Intergovernmental make up 8% of all City resources
The City’s Revenue Sources

FY2020 TOTAL CITY RESOURCES
$381 Million

- **Sales & Use Taxes**: 35.1% ($133,825 million)
- **Charges & Fees**: 26.6% ($101,324 million)
- **License & Fines**: 2.0% ($7,523)
- **Transfers**: 9.1% ($34,494 million)
- **Other Resources**: 5.9% ($22,344)
- **Intergovernmental**: 8.0% ($30,674)
- **Property Taxes**: 5.8% ($22,110)
- **Other Taxes**: 7.5% ($28,605)

All amounts are expressed in thousands.

The City’s Revenue Sources

Other Taxes make up 7.5% of all City resources

Other Taxes include: PILOTs, Gross Receipts, Hotel/Motel and Cigarette taxes.
The City’s Revenue Sources

FY2020 Hotel/Motel Tax

Convention and Visitors Bureau $2,777,000
Payment for Jordan Valley Park debt service $2,173,860
Landers & the Dickerson Park Zoo for debt service $209,025
Sports Commission for operations $88,000
Discovery Center for operations $69,675
Art Council for operations $58,080

Previous funding for the “American Fish and Wildlife Living Museum” now Wonders of Wildlife. Funds to be determined by the Hotel/Motel Tax Reallocation Committee $334,440

FY2020 TOTAL CITY RESOURCES $381 Million

- Property Taxes 5.8% $22,110
- Other Taxes 7.5% $28,605
- Charges & Fees 26.6% $101,324
- Licenses & Fines 2.0% $7,523
- Other Resources 5.9% $52,244
- Intergovernmental 8.0% $30,674
- Sales & Use Taxes 35.1% $133,625
- Transfers 9.1% $34,494

All amounts are expressed in thousands.
The City’s Revenue Sources

Property Taxes make up 5.8% of all City resources.
The City’s Revenue Sources

FY2020 TOTAL CITY RESOURCES
$381 Million

- Sales & Use Taxes: 35.1% $133,825
- Property Taxes: 5.8% $22,110
- Other Taxes: 7.5% $28,605
- Charges & Fees: 26.6% $101,324
- Licenses & Fines: 2.0% $7,523
- Other Resources: 5.9% $22,344

Other Resources make up 5.9% of all City resources

Other Resources include: Interest, special assessment tax bills, fund balance appropriations, misc. revenues.
The City’s Revenue Sources

FY2020 TOTAL CITY RESOURCES
$381 Million

- Sales & Use Taxes: 35.1% ($133,825)
- Property Taxes: 5.8% ($22,110)
- Intergovernmental: 8.0% ($30,674)
- Charges & Fees: 26.6% ($101,324)
- Transfers: 9.1% ($34,494)
- Other Resources: 5.9% ($22,344)
- Licenses & Fines: 7.5% ($7,523)
- Other Taxes: 7.5% ($28,605)

All amounts are expressed in thousands.

The City’s Revenue Sources

FY2020 Licenses & Fines
$7.5M

- General Fund: 93.1%
- Special Revenue Funds: 5.8%
- Other: 1.1%

Licenses & Fines make up 2% of all City resources.

Licenses and Fines include: Business licenses, building and Health Dept permits, and all municipal court activities.
Budget Workshop #2  
April 30, 2019

Budget Workshop #2 provides a review of the General Fund revenue projections for fiscal year 2019-2020 (July 1, 2019–June 30, 2020) and explains all revenue sources identified for the creation of the budget.

Today’s Agenda:

Revenue

1. Reminder and questions from the last meeting
2. Total City Revenue Sources
3. General Fund Revenue Sources
General Fund Revenue Sources

The General Fund has four major revenue sources: sales/use tax, payments in lieu of taxes (PILOTs), other taxes, licenses and fines.

*FY2019 Actuals are projected
Amounts are expressed in Millions
General Fund Revenue Sources

Amounts are expressed in Millions

The General Fund has four major revenues sources: sales/use tax, payments in lieu of taxes (PILOTs), other taxes, licenses and fines.
General Fund Revenue Sources

Payment in lieu of taxes received from CU:

- 4% of natural gas revenue
- 4% of water revenue
- 3% of electric revenue

Per City Charter 16.15

Questions from the Previous Meeting:

Section 16.15. - Payment into city treasury and services furnished.

The board of public utilities shall pay into the general revenue fund of the City each month, three percent of the gross operating revenue of any electric light or power plant or distribution system now or hereafter owned or operated by the City, and four percent of the gross operating revenues of any gas works or bus transportation system now or hereafter owned by the City, which said payments shall be in lieu of taxes. No change in such payments shall be made without being first submitted to a vote of the qualified voters of said city at a regular or special election held for that purpose and approved by a majority of the votes cast in such election. In addition to such payments, the public utilities shall continue to furnish without charge adequate lighting for all streets, alleys or public ways deemed necessary by the council to be lighted and may, without charge, at the request of the council, furnish electricity, gas and heat to all City-owned buildings and grounds as needed, on the same conditions (other than payment) under which such services are available to private users.
Payments and Services Provided to the City of Springfield in Lieu of Taxes
Fiscal Year Ended September 30, 2018

<table>
<thead>
<tr>
<th>Service</th>
<th>Electric</th>
<th>Natural Gas</th>
<th>Water</th>
<th>Total</th>
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<td>$262,532</td>
<td>$28,219</td>
<td>$11,712</td>
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<td>6,293</td>
<td>3,425</td>
<td>69,547</td>
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<td>Fire Department</td>
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<td>54,617</td>
<td>28,497</td>
<td>268,210</td>
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<td>Hazelwood Cemetery</td>
<td>7,619</td>
<td>651</td>
<td>2,882</td>
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<td>Police Station</td>
<td>134,844</td>
<td>4,195</td>
<td>5,811</td>
<td>144,850</td>
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<td>Dog Pound</td>
<td>9,255</td>
<td>2,677</td>
<td>884</td>
<td>13,016</td>
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<td>Municipal Court</td>
<td>19,579</td>
<td>2,130</td>
<td>1,298</td>
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<td>Manpower Human Resources</td>
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<td>5,101</td>
<td>1,661</td>
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<td>Traffic Signal Shops</td>
<td>9,825</td>
<td>1,566</td>
<td>864</td>
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<td>Service Center</td>
<td>129,151</td>
<td>31,226</td>
<td>35,474</td>
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<td>Parking Lots</td>
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<td>Parks</td>
<td>1,079,338</td>
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<td>Art Museum</td>
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<td>75,365</td>
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<td>Traffic Signal - City</td>
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<td>100,345</td>
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<tr>
<td>Park Central Square</td>
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<td>8,178</td>
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<td>Storm Warning</td>
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<td>23,075</td>
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<td>Communications Center</td>
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<td>18,621</td>
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<td>Street Lighting</td>
<td>4,036,255</td>
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<td>0</td>
<td>4,036,255</td>
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<tr>
<td>Unmetered Fire Hydrant</td>
<td>5,366,027</td>
<td>5,366,027</td>
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<tr>
<td>Total Utility Services</td>
<td>$6,316,621</td>
<td>$229,874</td>
<td>$5,470,870</td>
<td>$12,317,364</td>
</tr>
</tbody>
</table>

FY2020 GENERAL FUND RESOURCES

- **Sales & Use Taxes**: 60.9% ($52,393)
- **Transfers & Other**: 4.8% ($4,120)
- **Licenses & Fines**: 8.1% ($7,007)
- **Charges & Fees**: 0.7% ($604)
- **Other Taxes**: 7.0% ($6,037)
- **PILOTS**: 18.5% ($15,966)

*All amounts are expressed in thousands.*
General Fund Revenue Sources

Licenses and Fines

- **Occupational Licenses** – $4,336,000 (Business Licenses)
- **Permits** – $1,664,000 (Building and related permits generated by BDS)
- **Fines, forfeitures, court costs and recoupments** – $1,007,000 (Related to Municipal Court activities)
- **Total Licenses and Fines** $7,007,000 (8.1% of General Fund Resources)

The General Fund has four major revenues sources: sales/use tax, payments in lieu of taxes (PILOTs), other taxes, licenses and fines.
### General Fund Revenue Sources

**Other Taxes:**

**Gross Receipts** — a gross receipts tax on all telecommunications companies and cable television suppliers in the City. ($5,200,000)

**Cigarette Tax** — taxes imposed on the sale of cigarettes in the City. ($680,000)

**Room Tax** — tax derived from hotel and motel room rentals. ($157,000)

**Total Other Taxes $6,037,000**

(7% of General Fund Resources)

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**FY2020 GENERAL FUND RESOURCES $86,127**

- **Sales & Use Taxes**
  - 60.9%
  - $52,393

- **PILOTS**
  - 18.5%
  - $15,966

- **Other Taxes**
  - 7.0%
  - $6,037

- **Charges & Fees**
  - 0.7%
  - $604

- **Licenses & Fines**
  - 8.1%
  - $7,007

- **Transfers & Other**
  - 4.8%
  - $4,120

*All amounts are expressed in thousands.*

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The General Fund has four major revenue sources: sales/use tax, payments in lieu of taxes (PILOTs), other taxes, licenses and fines.

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Gross Receipts received are:
- 6% on telecommunication companies and 5% of cable television services.
General Fund Revenue Sources

Charges and Fees
- **Charges for Services** – $529,000 (Zoning and economic development fees, engineering construction inspection, liquor investigation fees, Hazelwood Cemetery lot sales and grave openings)
- **Sale of Goods** – $75,000 (Sale of Surplus Equipment)

**Total Charges and Fees - $604,000**
(0.7% of General Fund Resources)

**Transfers and other** – The largest component of this section is the cost allocation transfer for administrative costs incurred by the General Fund for Non-General Funds, better known as the overhead charges.
(4.8% of General Fund Resources)

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### FY20 General Fund Revenue Summary

<table>
<thead>
<tr>
<th>General Fund Revenue Summary</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales &amp; Use Tax</strong></td>
<td></td>
<td></td>
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<tr>
<td>Actuals</td>
<td>$49,630,118</td>
<td>$49,140,000</td>
<td>$51,223,342</td>
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<td>Adopted Budget</td>
<td>$49,140,000</td>
<td>$49,140,000</td>
<td>$52,393,000</td>
</tr>
<tr>
<td>Projected Year-End</td>
<td>$51,223,342</td>
<td>$51,223,342</td>
<td>$51,223,342</td>
</tr>
<tr>
<td>Proposed Budget</td>
<td>$52,393,000</td>
<td>$52,393,000</td>
<td>$52,393,000</td>
</tr>
<tr>
<td><strong>PILOTS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Actuals</td>
<td>15,346,220</td>
<td>15,006,000</td>
<td>15,806,607</td>
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<tr>
<td>Adopted Budget</td>
<td>15,006,000</td>
<td>15,006,000</td>
<td>15,966,000</td>
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<tr>
<td>Projected Year-End</td>
<td>15,806,607</td>
<td>15,806,607</td>
<td>15,806,607</td>
</tr>
<tr>
<td>Proposed Budget</td>
<td>15,966,000</td>
<td>15,966,000</td>
<td>15,966,000</td>
</tr>
<tr>
<td><strong>Other Taxes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuals</td>
<td>6,166,568</td>
<td>5,742,000</td>
<td>6,747,193</td>
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<td>Adopted Budget</td>
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<td>6,037,000</td>
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<tr>
<td>Projected Year-End</td>
<td>6,747,193</td>
<td>6,747,193</td>
<td>6,747,193</td>
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<tr>
<td>Proposed Budget</td>
<td>6,037,000</td>
<td>6,037,000</td>
<td>6,037,000</td>
</tr>
<tr>
<td><strong>Licenses, Fines &amp; Fees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuals</td>
<td>7,642,746</td>
<td>7,621,500</td>
<td>7,594,954</td>
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<tr>
<td>Adopted Budget</td>
<td>7,621,500</td>
<td>7,621,500</td>
<td>7,611,000</td>
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<tr>
<td>Projected Year-End</td>
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<td>Proposed Budget</td>
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<tr>
<td><strong>Other Revenue</strong></td>
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<tr>
<td>Actuals</td>
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<td>Adopted Budget</td>
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<td>Projected Year-End</td>
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<td>765,000</td>
<td>765,000</td>
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<tr>
<td>Proposed Budget</td>
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<td>750,931</td>
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<tr>
<td><strong>Total Revenue</strong></td>
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<td>$78,268,973</td>
<td>$82,137,096</td>
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<tr>
<td><strong>Transfer from Other Funds</strong></td>
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<td></td>
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<tr>
<td><strong>Fund Balance Appropriations</strong></td>
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<tr>
<td><strong>Total GF Resources</strong></td>
<td>$83,538,204</td>
<td>$83,835,745</td>
<td>$85,700,096</td>
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</tbody>
</table>
Budget Workshop Highlights / Takeaways

- 2.28% increase is budgeted for Sales and Use Tax over FY19 projected year-end, and 1% increase for PILOTs.
- Given the uncertainty of the future economy over the next 16 months, we have taken a conservative approach to budgeting revenue for FY20 based on FY19 actuals.
- The City is maintaining a 20% reserve level in the General Fund and Moody’s high bond rating and other broad fiscal indicators illustrate that the City’s overall financial health is strong.

Budget Workshop Schedule

1. Overview April 23
2. City Council Receives Budget April 26
3. Revenues April 30
4. Proposed Funding Priorities May 7
5. Proposed Funding Priorities Continued May 14
6. City Council First Reading May 20
7. City Council Second Reading June 3
Questions?