



**Issue:** First Reading Council Bill #2022-053 Budget Amendments for Utility Departments

**Date:** 04.28.2022

**Submitted By:** Doug Colvin  
Assistant City Administrator – Director, Nixa Utilities and Public Works

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### Background

To complete the purchase of the RDE Water System and Tuscan Hills Water and Sewer Systems, staff is requesting budget amendments to incorporate the appropriate spending authorization not included in the original 2022 Budget authorization. Staff is also requesting several adjustments to Electric Department expenditures to meet now anticipated development and price increases unknown at the time of the original 2022 Budget adoption.

### Analysis

In addition to and support of the attached Council Bill, there is attached an Exhibit A which includes the requested increases in budget authorization to meet anticipated expenses through the remainder of 2022 for the incorporation of the new water and sewer systems. As part of these expenses, there are a few unanticipated cost increases such as the Department of Natural Resources increase in Primacy Fees or increased cost of materials not anticipated six or seven months ago when the original budget was prepared. As noted, cost increases are the primary reason for the few electric department budget amendments.

To touch on the highlights, these budget adjustment requests include expenditures to purchase and operate the two systems including the initial purchases: \$2,500,000 for the RDE Water System and \$500,000 for the Tuscan Hills Water and Sewer Systems. These additions will of course necessitate adding three new personnel as well as capital investments for a service truck, related tools and equipment and a backhoe (no tools and equipment come with the sale). The bulk of the expenses include that which is typical for operations such as supplies and materials for repairs, meters, tower cleaning/painting, insurance, fuel, and utilities to name a few.

Overall, these adjustments represent an increase in electric department expenditures of \$285,700, an increase in the water department of \$4,142,177 and \$385,107 for the wastewater department.

Water revenues have also been adjusted to include new funds generated by the new water utilities. For the remainder of 2022, water sales revenues are estimated at \$250,000. Wastewater revenues are estimated much lower as there are only 87 customers, so no amendment is proposed at this time.



Recommendation

Staff plans to return with these requests for a second reading of the council bill with a recommendation for adoption. Until then, staff is available to answer any questions or address any concerns you may have.

1 **AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AMENDING THE 2022**  
2 **ANNUAL BUDGET TO REFLECT SEVERAL ADJUSTMENTS TO THE UTILITY**  
3 **DEPARTMENT FUNDS.**  
4 \_\_\_\_\_  
5

6 **WHEREAS** Section 67.040 RSMo. provides that after a budget has been approved  
7 no increase in the revenues or expenditures from any fund shall be made unless the  
8 governing body adopts a measure setting forth the facts and reasons making the increase  
9 necessary and authorizing the increase; and  
10

11 **WHEREAS** Section 8.7 of the City Charter authorizes the City Council to amend  
12 budgeted revenues and expenditures upon the request of the City Administrator; and  
13

14 **WHEREAS** the City Administrator has requested a budget amendment as  
15 reflected in “Council Bill Exhibit A” and for the purposes referenced therein; and  
16

17 **WHEREAS** the City Council desires to amend the City’s 2022 budget for the  
18 purposes identified herein.  
19

20 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**  
21 **NIXA, AS FOLLOWS, THAT:**  
22

23 **SECTION 1:** The City of Nixa’s 2022 Annual Budget is hereby amended in the  
24 accounts and the amounts as shown on “Council Bill Exhibit A,” which is attached hereto  
25 and incorporated herein by this reference.  
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27 **SECTION 2:** City Council finds that the budget amendment enacted by this  
28 Ordinance has been recommended by the City Administrator. The City Administrator is  
29 directed to cause the appropriate accounting entries to be made in the books and records  
30 of the City to reflect the budget amendment enacted by this Ordinance.  
31

32 **SECTION 3:** This Ordinance shall be in full force and effect from and after its final  
33 passage by the City Council and after its approval by the Mayor, subject to the provisions  
34 of section 3.11(g) of the City Charter.  
35

36  
37 **[Remainder of page intentionally left blank. Signatures follow on next page.]**  
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47 **ADOPTED BY THE CITY COUNCIL THIS \_\_\_\_ DAY OF \_\_\_\_\_ 2022.**

48

49 ATTEST:

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51 \_\_\_\_\_

52 CITY CLERK

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54 **APPROVED BY THE MAYOR.**

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56 ATTEST:

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58 \_\_\_\_\_

59 CITY CLERK

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61 APPROVED AS TO FORM:

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63 \_\_\_\_\_

64 CITY ATTORNEY

\_\_\_\_\_  
PRESIDING OFFICER

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
DATE OF APPROVAL

**City of Nixa, MO  
Budget Amendment**

<u>Electric Fund</u>	<u>Expense</u>	<b>Requested Budget Amendment</b>	<u>Revenue Source</u>
G/L Number	Description		
01-700-5174000	Street Lights	\$ 100,000	Current
01-700-5182500	Transformers	48,700	Current
01-700-5184000	Underground Electric	20,000	Current
01-700-5132500	Insurance and Bonds	21,000	Current
01-700-5182500	Transformers	96,000	Current
	Total	\$ 285,700	Current

**Explanation:** Electric Fund: To amend the current budget of the City of Nixa to appropriate additional funds due to rising costs of materials and additional insurance requirements by the lease agreements for the substations with MJMEUC.

<u>Water Fund</u>	<b>Requested Budget Amendment</b>	<u>Revenue Source</u>
Revenue	\$ 3,250,000	
<u>Expense</u>		
Personnel	\$ 118,327	Current
Operations	708,150	Current
Debt	330,200	Current
Capital	3,003,000	Current
Transfers	12,500	Current
Total	\$ 4,172,177	

**Explanation:** Water Fund: To amend the current budget of the City of Nixa to appropriate additional funds due to the acquisition of the RDE and Tuscany Hills systems.

<b>Requested Budget Amendment</b>		Revenue Source
<b>Wastewater Fund</b>		
Expense		
Operations	135,107	Current
Capital	250,000	Current
Total	\$ 385,107	

Explanation: Wastewater Fund: To amend the current budget of the City of Nixa to appropriate additional funds due to the acquisition of the Tuscany Hills system.

This proposed Budget Amendment has been approved and requested by the City Administrator, pursuant to City Charter section 8.7.

\_\_\_\_\_  
Jimmy Liles, City Administrator

Authorized by Passage of Ordinance No. \_\_\_\_\_

Date of Passage: \_\_\_\_\_

Total Budget Amendments by Department Year to Date:

Electric	
Water	
Wastewater	
Street	
General	
Admin	40,000
Police	100,329
Park	7,500
Planning/Dev	
TOTAL	<u>\$147,829</u>