

RE: Council Bill #2024-15 – Amending the 2024 Annual Budget for the Purpose of Funding the Purchase of Materials and Equipment for Nixa Utilities and Public Works Departments.

Background:

Passage of the attached Council Bill would authorize numerous line-item budget amendments for Nixa Utilities and Street Departments.

Analysis:

Detailed information supporting this brief narrative is included on the attached spreadsheet.

Over the last two years we have tried to obtain nearly a dozen trucks through our lease company, some for each of the departments and all of which have had orders cancelled or delayed indefinitely by manufacturers. Therefore, in the 2024 budget proposal, staff proposed estimated lease cost in the event these delays finally ended and we would receive some of the trucks. We did not, however, request budget authorization for the typical aftermarket equipment we use because we didn't know which make and models, we would be able to obtain.

We have recently taken delivery of a number of pickups and have a couple more on order that we believe will be delivered later this year. Now that we have the specifics of the trucks, we can complete outfitting them and are in need of budget authorization for the equipment.

Other budget amendment requests include a considerable increase in the Electric Equipment Repair line. Again, related to the delayed delivery of replacement equipment, we have incurred some significant repair costs and anticipate there could be more before years end.

Other larger budget adjustments are related to electric distribution materials needed for approved developments, some of which won't materialize until 2025 or early 2026. Because of supply chain issues extending lead times, we need to make these orders now even though they will be paid from a future budget year. Similarly, significant cost increases for transformers, underground electrical components, and poles contribute to the line items being short on spending authorization.

Recommendation:

Staff has reviewed all departmental budgets and other than missing an estimate on an item such as large CIP project yet to be bid, we believe these adjustments should get us through the year.

It is my intention to bring this back at your next meeting with a recommendation for passage. Until then, I am available to answer any questions you may have.

MEMO SUBMITTED BY:

Doug Colvin | Assistant City Administrator, Director Nixa Utilities and Public Works

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Vehicular/Equipment Related Line Adjustments

Department	Line Item No.	Line Item Title	Additional Spending Authorization Requested	Notes
Street	13-300-5451500-ST202403	Capital - Vehicles	\$45,000.00	Five (5) Snow Plows for new trucks
Street	13-300-5451500-ST202403	Capital - Vehicles	\$12,500.00	Aftermarket items for new lease trucks: safety lights, decals, first aid, fire ext. etc. (same 5 trucks as above)
Electric	01-700-5451500-E 2024 09	Capital - Vehicles	\$5,000.00	Aftermarket items for new lease trucks: safety lights, decals, first aid, fire ext. etc. (2 trucks)
Electric	01-700-5185000	Vehicle Maintenance	\$6,000.00	Current budget at 90% expended
Electric	01-700-5123000	Equipment Repairs	\$60,000.00	Already have 2 bucket truck repiars +/- \$30k and unknown for res of the year.
Water	02-800-5451500-W202402	Capital - Vehicles	\$2,500.00	Aftermarket items for new lease trucks: safety lights, decals, first aid, fire ext. etc. (1 truck)
Water	02-800-5451500-W2023-05	Capital	\$3,200.00	Proj. No. 0280054515 - Safety light package for new Service Truck (CIP)
Wastewater	03-900-5451500-WW202408	Capital - Vehicles	\$1,600.00	from below ↓
Fleet and PW Inspector Split S/E/W/WW (\$1,100 ea.)	will be included in projects above		\$4,400.00	Aftermarket items for new lease trucks: safety lights, decals, first aid, fire ext. etc. (2 trucks split)
Utility Billing/Meter Readers Split E/W/WW (\$500 ea.)	will be included in projects above		\$1,500.00	Aftermarket items for new lease trucks: safety lights, decals, first aid, fire ext. etc. (1 truck split)

Other/Material Related Line Adjustments

Department	Line Item No.	Line Item Title	Additional Spending Authorization Requested	Notes
Electric	01-700-5132500	Insurance and Bonds	\$4,000.00	Already overbudget by \$3,700
Electric	01-700-5147500	Subscriptions & Legal Ads	\$600.00	Over budget by \$205
Electric	01-700-5152500	Poles	\$20,000.00	Estimated under-budget thru 2024
Electric	01-700-5182500	Transformers	\$1,375,000.00	Transformers needed for anticipated development. Many of these have 2025 and 2026 delivery times.
Electric	01-700-5184000	Underground Electric	\$75,000.00	Need to order additional materials for anticipated development. Some of these have 2025 anticipated buiid/delivery times.

1 **AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AMENDING THE 2024**
2 **ANNUAL BUDGET FOR THE PURPOSE OF FUNDING THE PURCHASE OF**
3 **MATERIALS AND EQUIPMENT FOR THE NIXA UTILITY AND PUBLIC WORKS**
4 **DEPARTMENTS.**

5 _____
6

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

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

14
15 **WHEREAS** the City Administrator has requested a budget amendment in the
16 amount of \$1,614,700.00, as reflected in "Council Bill Exhibit A," for the purposes
17 referenced therein; and

18
19 **WHEREAS** the City Council desires to amend the City's 2024 budget for the
20 purposes identified herein.

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

24
25 **SECTION 1:** The City of Nixa's 2024 Annual Budget is hereby amended in the
26 accounts and the amounts as shown on "Council Bill Exhibit A," which is attached hereto
27 and incorporated herein by this reference.

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29 **SECTION 2:** City Council finds that the budget amendment enacted by this
30 Ordinance has been recommended by the City Administrator. The City Administrator is
31 directed to cause the appropriate accounting entries to be made in the books and records
32 of the City to reflect the budget amendment enacted by this Ordinance.

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

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39 **[Remainder of page intentionally left blank. Signatures follow on next page.]**
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47 ADOPTED BY THE COUNCIL THIS ____ DAY OF _____, 2024.

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ATTEST:

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PRESIDING OFFICER

CITY CLERK

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55 APPROVED BY THE MAYOR THIS _____ DAY OF _____, 2024.

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ATTEST:

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MAYOR

CITY CLERK

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63 APPROVED AS TO FORM:

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CITY ATTORNEY

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City of Nixa, MO
Budget Amendment

<u>Budget Amendment Amount</u>	<u>Fund</u>	<u>G/L Description</u>	<u>G/L Line #</u>	<u>Revenue Source</u>
58,600.00	13 – Streets	Capital - Vehicles	13-300-5451500-ST202403	Curr. Rev
6,600.00	01 - Electric	Capital - Vehicles	01-700-5451500-E 2024 09	Curr. Rev
6,000.00	01 – Electric	Vehicle Maintenance	01-700-5185000	Curr. Rev
4,000.00	01 – Electric	Insurance	01-700-5132500	Curr. Rev
600.00	01 – Electric	Subscriptions	01-700-5147500	Curr. Rev
20,000.00	01 – Electric	Poles	01-700-5152500	Curr. Rev
1,375,000.00	01 – Electric	Transformers	01-700-5182500	Curr. Rev
75,000.00	01 – Electric	Underground Electric	01-700-5184000	Curr. Rev
60,000.00	01 – Electric	Equipment Repairs	01-700-5123000	Curr. Rev
4,100.00	02 – Water	Capital - Vehicles	02-800-5451500-W202402	Curr. Rev
3,200.00	02 – Water	Capital – Vehicles	02-800-5451500-W2023-05	Curr. Rev
1,600.00	03 - Wastewater	Capital – Vehicles	03-900-5451500-WW202408	Curr. Rev

Explanation: To amend the current budget of the City of Nixa to adjust related to lead times, product costs, and vehicle-related expenses. Totals by Fund as follows:

Electric Fund: \$1,547,200
 Water Fund: \$7,300
 Wastewater Fund: \$1,600
 Street Fund: \$58,600
 Total: \$1,614,700

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	34,650.00
Water	
Wastewater	30,000.00
ARPA	
Admin	
Legal	
Economic Development	
Police	50,000.00
Street	316,500.00
Park	
Planning & Development	
TOTAL	<u>431,150.00</u>