



CITY OF OSAGE BEACH  
SPECIAL BOARD OF ALDERMEN MEETING

1000 City Parkway  
Osage Beach, MO 65065  
573/302-2000  
573/302-0528 Fax  
e-mail [www.osagebeach.org](http://www.osagebeach.org)

**TENTATIVE AGENDA**  
SPECIAL MEETING

**October 13, 2011 – 6:30 P.M.**

Call to Order  
Roll Call

1. Third Quarter Budget Review
2. Approval of Lump Sum Cost of Living Adjustment
3. Discussion of Reserves by Department

Adjourn



## City of Osage Beach Memorandum

**To:** Mayor, BOA, Nancy V, Diann W, Ed R, Karri B, Nick E, Todd D, Budd H, Rick K, Ron W, Cary P, Cindy L, Jim D, Brian W

**From:** Jeana Albertson, Asst. City Administrator 

**Date:** 10/06/11

**Re:** 2011 3<sup>rd</sup> Qtr Budget Reconciliation

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### 2011 Budget Reconciliation by fund as of September 30, 2011:

The opening balances for 2011 have been audited and are reconciled per the 2010 Comprehensive Annual Financial Report received in back in June.

Revenues and expenditures for January – September are actual expenditures, unaudited, per the Trial Balance and October – December are estimates based on the 2011 Annual Budget. We are early in the 2012 budget process and staff is currently working on their estimates for the final months of 2011. Those details will be available at the budget workshops during November.

The following are details as of today regarding the 2011 Annual Budget versus estimated 2011 Year End balances stated on the attached 2011 Budget Reconciliation by fund.

#### **General Fund – 10:**

- Beginning balances for 2011 were 6% (\$165,745) MORE than estimated.
- 2011 revenues and expenditures continue to be estimated as budgeted until further details become available from staff during the budget process.
- **Resulting in an estimated ending balance for 2011 of \$2,849,120, 6.0% (\$165,745) MORE than originally budgeted.**

#### **Capital Improvement Fund – 19 :**

- Beginning balances for 2011 were 1.0% (\$9,606) MORE than estimated.
- 2011 revenues and expenditures continue to be estimated as budgeted until further details become available from staff during the budget process.
- **Resulting in an estimated ending balance for 2011 of \$730,950, 1.0% (\$9,605) MORE than budgeted.**

#### **Transportation Fund – 20:**

- Beginning balances for 2011 were 10.0% (\$482,088) MORE than estimated.
- 2011 revenues are estimated as budgeted in addition to \$100k scheduled to be received from OBSRD for the Nichols Ramp project, not budgeted.
- 2011 expenditures have been adjusted to reflect budget amendments through September 30, 2011. All other expenditures continue to be estimated as budgeted until further details become available from staff during the budget process.
- **Resulting in an estimated ending balance for 2011 of \$1,994,820, 41.0% (\$582,088) MORE than budgeted.**

#### **Water Fund – 30:**

- Beginning balances for 2011 were 8.0% (\$243,069) MORE than estimated.
- 2011 revenues are adjusted to reflect MoDOT project reimbursement known to date. Additional MoDOT project reimbursements are expected to cover negative unrestricted cash balances shown on the attached, but those amounts are unknown at this time.
- 2011 expenditures have been adjusted to reflect budget amendments through September 30, 2011. All other expenditures continue to be estimated as budgeted until further details become available from staff during the budget process.
- **Resulting in an estimated ending balance for 2011 of \$2,522,895, 23.0% (\$477,601) MORE than budgeted.**

#### **Sewer Fund – 35:**

- Beginning balances for 2011 were -5.0% (-\$328,925) LESS than estimated.
- MoDOT project reimbursements are expected relating to the Connecting Sewer project. Reimbursements to cover negative unrestricted cash balances shown on the attached are expected from MoDOT, but those amounts are unknown at this time.
- 2011 revenues and expenditures continue to be estimated as budgeted until further details become available from staff during the budget process.
- **Resulting in an estimated ending balance for 2011 of \$3,271,454, -9.0% (-\$328,925) LESS than budgeted.**

#### **Ambulance Fund – 40:**

- Beginning balances for 2011 were 199.0% (\$11,831) MORE than estimated.
- 2011 revenues and expenditures continue to be estimated as budgeted until further details become available from staff during the budget process.
- **Resulting in an estimated ending balance for 2011 of \$25,993, 84.0% (\$11,831) MORE than budgeted.**

#### **Lee C Fine Airport Fund – 45:**

- Beginning balances for 2011 were 1315.0% (\$152,379) MORE than estimated. This was due to the timing of grant funding between 2010 and 2011.
- 2011 revenues and expenditures continue to be estimated as budgeted until further details become available from staff during the budget process.
- **Resulting in an estimated ending balance for 2011 of \$164,878, 1219.0% (\$152,379) MORE than budgeted.**

**Grand Glaize Airport Fund – 47:**

- Beginning balances for 2011 were 3.0% (\$4,055) MORE than estimated.
- 2011 revenues and expenditures continue to be estimated as budgeted until further details become available from staff during the budget process.
- **Resulting in an estimated ending balance for 2011 of \$46,590, 10.0% (\$4,055) MORE than budgeted.**

**T.I.F – Prewitt's Point Fund – 60:**

- Beginning balances for 2011 were -1.0% (-\$51,376) LESS than estimated.
- 2011 revenues and expenditures continue to be estimated as budgeted until further details become available from staff during the budget process. **To date, an estimated ending balance for 2011 of \$3,301,309, -2.0% (-\$51,376) LESS than budgeted.**

*Jeana Albertson*

**2011 Quarterly Reconciliation  
General Fund - 10  
As of September 30, 2011**

**Opening Balance 01/01/11 - AUDITED**

	<u>2011 Budget</u>	<u>2011 To Date</u>	
Cash & Investments	<b>\$ 2,982,676</b>	<b>\$ 3,320,288</b>	
Restricted	\$ 31,425	\$ 38,547	
Unrestricted	\$ 2,951,251	\$ 3,281,741	
Less: Prior Year Payables		(171,867)	6%
Revenue FY 2011	<b>\$ 5,855,075</b>	<b>\$ 5,855,075</b>	
January - September Actuals		\$ 4,849,763	83%
October - December Estimated		\$ 1,005,312	17%
Expenditures FY 2011	<b>\$ (6,154,376) *</b>	<b>\$ (6,154,376)</b>	
January - September Actuals		\$ (4,558,776)	74%
October - December Estimated		\$ (1,595,600)	26%
<b>Ending Balance 12/31/11</b>			
Cash & Investments	<b>\$ 2,683,375</b>	<b>\$ 2,849,120</b>	6%
Restricted	\$ 31,425	\$ 39,000	
Unrestricted	\$ 2,651,950	\$ 2,810,120	

\*Includes 2011 Budget Adjustments through 09/30/2011 = \$9,707

**2011 Quarterly Reconciliation  
Capital Improvement Fund - 19  
As of September 30, 2011**

<b>Opening Balance 01/01/11 - AUDITED</b>	<u>2011 Budget</u>		<u>2011 To Date</u>		
Cash & Investments	<b>\$ 689,345</b>		<b>\$ 734,274</b>		
Restricted	\$ 678,624		\$ 661,716		
Unrestricted	\$ 10,721		\$ 72,557		
Less: Prior Year Payables			(35,323)		1%
Revenue FY 2011	<b>\$ 2,053,000</b>		<b>\$ 2,053,000</b>		
January - September Actuals			\$ 1,615,691		79%
October - December Estimated			\$ 437,309		21%
Expenditures FY 2011	<b>\$ (2,021,000)</b>		<b>\$ (2,021,000)</b>		
January - September Actuals			\$ (1,535,230)		76%
October - December Estimated			\$ (485,770)		24%
<b>Ending Balance 12/31/11 - Unaudited</b>					
Cash & Investments	<b>\$ 721,345</b>		<b>\$ 730,950</b>		1%
Restricted	\$ 707,587		\$ 665,025		
Unrestricted	\$ 13,758		\$ 65,925		

**2011 Quarterly Reconciliation  
Transportation Fund - 20  
As of September 30, 2011**

<b>Opening Balance 01/01/11 - AUDITED</b>	<u>2011 Budget</u>		<u>2011 To Date</u>	
Cash & Investments	<b>\$ 4,921,087</b>		<b>\$ 5,686,542</b>	
Restricted	\$ 1,711,078		\$ 1,711,078	
Unrestricted	\$ 3,210,009		\$ 3,975,464	
Less: Prior Year Payables			(283,367)	10%
Revenue FY 2011	<b>\$ 3,432,344</b>		<b>3,532,344 **</b>	
January - September Actuals		\$ 1,861,812		54%
October - December Estimated		\$ 1,570,532		46%
Expenditures FY 2011	<b>\$ (6,940,699) *</b>		<b>\$ (6,940,699)</b>	
January - September Actuals		\$ (2,695,393)		39%
October - December Estimated		\$ (4,245,306)		61%
<b>Ending Balance 12/31/11</b>				
Cash & Investments	<b>\$ 1,412,732</b>		<b>\$ 1,994,820</b> 41%	
Restricted	\$ 2,240,955		\$ 1,993,667	
Unrestricted	\$ (828,223)		\$ 1,153	

\*Includes 2011 Budget Adjustments through 09/30/2011 = \$832,284 (2010 c/o=\$536,828)

\*\*Includes \$100k from OBSRD for Nichols Ramp (Not Budgeted).



**2011 Quarterly Reconciliation  
Ambulance Fund - 40  
As of September 30, 2011**

<b>Opening Balance 01/01/11 - AUDITED</b>	<u>2011 Budget</u>		<u>2011 To Date</u>		
Cash & Investments		<b>\$ 5,944</b>		<b>\$ 24,319</b>	
Restricted	\$ -		\$ -		
Unrestricted	\$ 5,944		\$ 24,319		
Less: Prior Year Payables				(6,544)	199%
Revenue FY 2011		<b>\$ 505,000</b>		<b>505,000</b>	
January - September Actuals			\$ 415,521		82%
October - December Estimated			\$ 89,479		18%
Expenditures FY 2011		<b>\$ (496,782)</b>		<b>\$ (496,782)</b>	
January - September Actuals			\$ (368,047)		74%
October - December Estimated			\$ (128,735)		26%
<b>Ending Balance 12/31/11</b>					
Cash & Investments		<b>\$ 14,162</b>		<b>\$ 25,993</b>	84%
Restricted	\$ -		\$ -		
Unrestricted	\$ 14,162		\$ 25,993		

**2011 Quarterly Reconciliation  
Lee C Fine Airport Fund - 45  
As of September 30, 2011**

<b>Opening Balance 01/01/11 - AUDITED</b>	<u>2011 Budget</u>		<u>2011 To Date</u>	
Cash & Investments	<b>\$</b>	<b>11,590</b>	<b>\$</b>	<b>189,738</b>
Restricted	\$	-	\$	-
Unrestricted	\$	11,590	\$	189,738
Less: Prior Year Payables				(25,769) 1315%
Revenue FY 2011	<b>\$</b>	<b>875,377</b>		<b>875,377</b>
January - September Actuals	\$		708,085	81%
October - December Estimated	\$		167,292	19%
Expenditures FY 2011	<b>\$</b>	<b>(874,468)</b>	<b>\$</b>	<b>(874,468)</b>
January - September Actuals	\$		(649,547)	74%
October - December Estimated	\$		(224,921)	26%
<b>Ending Balance 12/31/11</b>				
Cash & Investments	<b>\$</b>	<b>12,499</b>	<b>\$</b>	<b>164,878</b> 1219%
Restricted	\$	-	\$	-
Unrestricted	\$	12,499	\$	164,878

**2011 Quarterly Reconciliation  
Grand Glaize Airport Fund - 47  
As of September 30, 2011**

	<u>2011 Budget</u>		<u>2011 To Date</u>		
<b>Opening Balance 01/01/11 - AUDITED</b>					
Cash & Investments	\$	<b>145,310</b>	\$	<b>39,033</b>	
Restricted	\$	-	\$	-	
Unrestricted	\$	145,310	\$	39,033	
Less: Prior Year Payables				(995)	
Add: Grants Rec'd - Prior A/R				111,327	3%
Revenue FY 2011	\$	<b>309,674</b>		<b>309,674</b>	
January - September Actuals	\$		\$	145,682	47%
October - December Estimated	\$		\$	163,992	53%
Expenditures FY 2011	\$	<b>(412,449)</b>	\$	<b>(412,449)</b>	
January - September Actuals	\$		\$	(282,123)	68%
October - December Estimated	\$		\$	(130,326)	32%
<b>Ending Balance 12/31/11</b>					
Cash & Investments	\$	<b>42,535</b>	\$	<b>46,590</b>	10%
Restricted	\$	-	\$	-	
Unrestricted	\$	42,535	\$	46,590	

**2011 Quarterly Reconciliation**  
**T. I. F. - Prewitt's Point Fund - 60**  
**As of September 30, 2011**

**Opening Balance 01/01/11 - AUDITED**

	<u>2011 Budget</u>		<u>2011 To Date</u>		
Cash & Investments	<b>\$ 3,433,735</b>		<b>\$ 3,385,755</b>		
Restricted	\$ 3,433,735	\$	3,385,755	\$	
Unrestricted	\$ -	\$	-	\$	
Less: Prior Year Payables			(3,396)		-1%
Revenue FY 2011	<b>\$ 2,227,000</b>		<b>2,227,000</b>		
January - September Actuals		\$	1,773,084		80%
October - December Estimated		\$	453,916		20%
Expenditures FY 2011	<b>\$ (2,308,050)</b>		<b>\$ (2,308,050)</b>		
January - September Actuals		\$	(1,445,894)		63%
October - December Estimated		\$	(862,156)		37%
<b>Ending Balance 12/31/11</b>					
Cash & Investments	<b>\$ 3,352,685</b>		<b>\$ 3,301,309</b>		-2%
Restricted	\$ 3,352,685	\$	3,301,309	\$	
Unrestricted	\$ -	\$	-	\$	

**Submission Date:** October 7, 2011  
**Submitted By:** City Administrator  
**Board Meeting Date:** October 13, 2011

**City of Osage Beach  
BOARD OF ALDERMEN  
AGENDA ITEM SUMMARY SHEET**

**Description of Item:**

At the request of Mayor Lyons this blue sheet is being submitted for approval from the Board to provide all full-time employees with a lump sum cost of living adjustment.

**Names of Persons, Businesses, Organizations affected by this action:**

Full Time City Employees

**Why is Board Action Required?**

Board approval required for items not currently budgeted.

**Type of Action Requested (Ordinance, Resolution, Motion):**

A motion to approve a lump sum cost of living for full-time employees.

**Are there any deadlines associated with this action?**

No.

**Comments and Recommendation of Department:**

Due to the 2011 salary freeze it is being requested that full-time employees receive a one time lump sum cost of living adjustment.

Specifics:

- One time lump sum cost of living increase received at review date.
- Review dates through October 21st will be included in the October 27<sup>th</sup> payroll.
- No residual effect – will not be included in future budget numbers because the amount is not included in base pay.

- Does not allow movement through pay plan structure. Employee base pay will remain in current quartile.
- Suggest that the Board elect to use 401 Forfeiture account funds to pay the pension amount.
- From January, 2011 to August 2011, the inflation rate is 2.95%. From August 2010 to August 2011, the inflation rate is 3.81%.

Calculations have been prepared for 3%, 2.5%, 2%, 1.5% and 1%. A summary is noted below for all funds, however, an itemized list is attached for your review:

Lump Sum Amount – 3.0%: \$135,421.53 (less \$7,149.40 pension) = \$128,272.13  
 Lump Sum Amount – 2.5%: \$112,851.28 (less \$5,957.83 pension) = \$106,893.45  
 Lump Sum Amount – 2.0%: \$ 90,281.02 (less \$4,766.27 pension) = \$ 85,514.75  
 Lump Sum Amount – 1.5%: \$ 67,710.77 (less \$3,574.70 pension) = \$ 64,136.07  
 Lump Sum Amount – 1.0%: \$ 45,140.51 (less \$2,383.13 pension) = \$ 42,757.38

### **City Administrator's Comments and Recommendation:**

At the time the 2011 Budget was finalized, Mayor Lyons broke a tie vote to freeze salaries. At that time, she indicated she hoped the Board would re-evaluate this at the end of six months. This was reviewed by the Board after the 2<sup>nd</sup> Quarter results were in and the Board voted to postpone the decision until we had our 3<sup>rd</sup> Quarter results.

**Our 3<sup>rd</sup> Quarter results are finalized, and we now also have the October sales figures. Per the October sales report, we are \$213,482 ahead of our revenue projections.**

I would like to recommend that the Board approve a lump sum cost of living adjustment. Employees whose review dates have already passed would be paid out on the next paycheck; for those with review dates after October 21<sup>st</sup> would be paid out at the payroll following their review date.

I am also recommending that we use the forfeiture account to pay the pension portion of the cost of living increase (amounts shown above). Currently there is a balance of \$124,871.27 in the forfeiture account and as you know, these funds may only be used to pay for pension-related costs.

**2011 Lump Sum Cost of Living**

Dept.	Annual Wages	Fund	Annual Totals	Fund	3% lump sum	6% 401	FICA	TOTAL
1003	\$169,416							
1004	\$172,060							
1005	\$190,380							
1006	\$39,770							
1007	\$113,557							
1008	\$128,609							
1010	\$91,332							
1012	\$49,140							
1014	\$1,123,892							
1015	\$332,452							
1016	\$96,515							
1018	\$223,628							
1019	\$122,230	10	\$2,852,981	General	\$85,589.42	\$5,135.37	\$6,547.59	\$97,272.38
2000	\$256,246	20	\$256,246	Transportation	\$7,687.37	\$461.24	\$588.08	\$8,736.69
3000	\$159,187	30	\$159,187	Water	\$4,775.60	\$286.54	\$365.33	\$5,427.47
3500	\$336,559	35	\$336,559	Sewer	\$10,096.77	\$605.81	\$772.40	\$11,474.98
4000	\$170,159	40	\$170,159	Ambulance	\$5,104.76	\$306.29	\$390.51	\$5,801.56
4500	\$112,954	45	\$112,954	Lee C Fine	\$3,388.62	\$203.32	\$259.23	\$3,851.17
4700	\$83,804	47	\$83,804	Grand Glaize	\$2,514.11	\$150.85	\$192.33	\$2,857.29
Totals	\$3,971,888		\$3,971,888		\$119,156.65	\$7,149.40	\$9,115.48	\$135,421.53
<b>Dept.</b>	<b>Annual Wages</b>	<b>Fund</b>	<b>Annual Totals</b>	<b>Fund</b>	<b>2.5% lump sum</b>	<b>6% 401</b>	<b>FICA</b>	<b>TOTAL</b>
1003	\$169,416							
1004	\$172,060							
1005	\$190,380							
1006	\$39,770							
1007	\$113,557							
1008	\$128,609							
1010	\$91,332							
1012	\$49,140							
1014	\$1,123,892							
1015	\$332,452							
1016	\$96,515							
1018	\$223,628							
1019	\$122,230	10	\$2,852,981	General	\$71,324.52	\$4,279.47	\$5,456.33	\$81,060.31
2000	\$256,246	20	\$256,246	Transportation	\$6,406.14	\$384.37	\$490.07	\$7,280.58
3000	\$159,187	30	\$159,187	Water	\$3,979.66	\$238.78	\$304.44	\$4,522.89
3500	\$336,559	35	\$336,559	Sewer	\$8,413.98	\$504.84	\$643.67	\$9,562.48
4000	\$170,159	40	\$170,159	Ambulance	\$4,253.96	\$255.24	\$325.43	\$4,834.63
4500	\$112,954	45	\$112,954	Lee C Fine	\$2,823.85	\$169.43	\$216.02	\$3,209.31
4700	\$83,804	47	\$83,804	Grand Glaize	\$2,095.09	\$125.71	\$160.27	\$2,381.07
Totals	\$3,971,888		\$3,971,888		\$99,297.21	\$5,957.83	\$7,596.24	\$112,851.28

Dept.	Annual Wages	Fund	Annual Totals	Fund	2% lump sum	6% 401	FICA	TOTAL
1003	\$169,416							
1004	\$172,060							
1005	\$190,380							
1006	\$39,770							
1007	\$113,557							
1008	\$128,609							
1010	\$91,332							
1012	\$49,140							
1014	\$1,123,892							
1015	\$332,452							
1016	\$96,515							
1018	\$223,628							
1019	\$122,230	10	\$2,852,981	General	\$57,059.61	\$3,423.58	\$4,365.06	\$64,848.25
2000	\$256,246	20	\$256,246	Transportation	\$5,124.91	\$307.49	\$392.06	\$5,824.46
3000	\$159,187	30	\$159,187	Water	\$3,183.73	\$191.02	\$243.56	\$3,618.31
3500	\$336,559	35	\$336,559	Sewer	\$6,731.18	\$403.87	\$514.94	\$7,649.99
4000	\$170,159	40	\$170,159	Ambulance	\$3,403.17	\$204.19	\$260.34	\$3,867.70
4500	\$112,954	45	\$112,954	Lee C Fine	\$2,259.08	\$135.54	\$172.82	\$2,567.44
4700	\$83,804	47	\$83,804	Grand Glaize	\$1,676.08	\$100.56	\$128.22	\$1,904.86
Totals	\$3,971,888		\$3,971,888		\$79,437.77	\$4,766.27	\$6,076.99	\$90,281.02
Dept.	Annual Wages	Fund	Annual Totals	Fund	1.5% lump sum	6% 401	FICA	TOTAL
1003	\$169,416							
1004	\$172,060							
1005	\$190,380							
1006	\$39,770							
1007	\$113,557							
1008	\$128,609							
1010	\$91,332							
1012	\$49,140							
1014	\$1,123,892							
1015	\$332,452							
1016	\$96,515							
1018	\$223,628							
1019	\$122,230	10	\$2,852,981	General	\$42,794.71	\$2,567.68	\$3,273.80	\$48,636.19
2000	\$256,246	20	\$256,246	Transportation	\$3,843.68	\$230.62	\$294.04	\$4,368.35
3000	\$159,187	30	\$159,187	Water	\$2,387.80	\$143.27	\$182.67	\$2,713.73
3500	\$336,559	35	\$336,559	Sewer	\$5,048.39	\$302.90	\$386.20	\$5,737.49
4000	\$170,159	40	\$170,159	Ambulance	\$2,552.38	\$153.14	\$195.26	\$2,900.78
4500	\$112,954	45	\$112,954	Lee C Fine	\$1,694.31	\$101.66	\$129.61	\$1,925.58
4700	\$83,804	47	\$83,804	Grand Glaize	\$1,257.06	\$75.42	\$96.16	\$1,428.64
Totals	\$3,971,888		\$3,971,888		\$59,578.32	\$3,574.70	\$4,557.74	\$67,710.77

Dept.	Annual Wages	Fund	Annual Totals	Fund	1% lump sum	6% 401	FICA	TOTAL
1003	\$169,416							
1004	\$172,060							
1005	\$190,380							
1006	\$39,770							
1007	\$113,557							
1008	\$128,609							
1010	\$91,332							
1012	\$49,140							
1014	\$1,123,892							
1015	\$332,452							
1016	\$96,515							
1018	\$223,628							
1019	\$122,230	10	\$2,852,981	General	\$28,529.81	\$1,711.79	\$2,182.53	\$32,424.13
2000	\$256,246	20	\$256,246	Transportation	\$2,562.46	\$153.75	\$196.03	\$2,912.23
3000	\$159,187	30	\$159,187	Water	\$1,591.87	\$95.51	\$121.78	\$1,809.16
3500	\$336,559	35	\$336,559	Sewer	\$3,365.59	\$201.94	\$257.47	\$3,824.99
4000	\$170,159	40	\$170,159	Ambulance	\$1,701.59	\$102.10	\$130.17	\$1,933.85
4500	\$112,954	45	\$112,954	Lee C Fine	\$1,129.54	\$67.77	\$86.41	\$1,283.72
4700	\$83,804	47	\$83,804	Grand Glaize	\$838.04	\$50.28	\$64.11	\$952.43
Totals	\$3,971,888		\$3,971,888		\$39,718.88	\$2,383.13	\$3,038.49	\$45,140.51



## **Memo from City Administrator**

**Date:** October 7, 2011

**To:** Mayor and Board of Aldermen

**Re:** Discussion on Reserves by Department

During the 2<sup>nd</sup> Quarter Budget Workshop, the Board asked Staff to come up with some figures on what revenue would be required to run the City for anywhere from three to six months, as well as ideas on what might need to occur during some type of catastrophe such as Joplin dealt with following the tornado.

Attached is a summary of the 2011 O&M and Fund Reserves showing the equivalent months of operating revenue. Noted below the chart are some comments that pertain to these figures and options in the event of a recession/depression versus a disaster such as Joplin experienced.

You will note that in order for the Ambulance Fund and the Grand Glaize Airport Fund to have a reserve even close to six months, it would mean providing an additional subsidy from General Fund. This would not really make much sense to transfer even larger subsidies from General Fund to have a larger year-end balance on the books for these two funds.

To address the issue of a disaster such as Joplin experienced, a staff meeting was held and this topic was discussed at length. Some comments that were made by Staff included:

- Keep in mind that the City is self funded for unemployment, therefore, when/if we lay employees off, we will still incur costs for unemployment.
- During Joplin's disaster, FEMA/SEMA provided considerable aid, along with numerous donations from individuals, assistance from the Red Cross, etc.
- It was mentioned that rather than laying off employees, Joplin actually had to increase its staff following the tornado, even though some of the employees' duties may have shifted.

- Also keep in mind that some employees that are affected by the disaster may have to relocate and wouldn't be available to work at all and may use up their paid leave time to handle personal issues.
- Numerous emergency management personnel from other areas volunteered to assist in Joplin as well as other individuals from agencies that assist in disasters (such as one of our inspectors helping to ensure the safety of buildings).
- If a disaster struck Osage Beach, ALL construction contracts would be delayed and no additional funds would be expended.
- Self-restricted funds could be used in other areas as necessary due to the emergency conditions. For example, you might use depreciation and repair funds to pay staff, and then replenish those accounts at a later date.
- Insurance would pay for most of the damage incurred by the City.

**In conclusion, Staff felt that we could budget for a recession (the three to six months on hand), but could not actually budget for a disaster. In those cases, there are so many variables that there was no way to accurately plan financially, nor did anyone think with the government assistance that cities receive that it would be necessary. The City would still have a considerable amount of cash on hand to get us through the first few months of a disaster. One last comment was there is always a two month lag on sales figures, so the first two months after a disaster, we would still continue to receive funds from the State.**



## City of Osage Beach Memorandum

**To:** Mayor, BOA, Nancy V, Diann W, Karri B

**From:** Jeana Albertson, Asst. City Administrator

**Date:** 10/06/11

**Re:** 2011 O & M and Fund Reserves

The following is a snapshot of O & M expenditures and reserve balances based on 2011 expenditures and activity to date. Each department was asked to provide the necessary expenditures that would be needed in a case where an event occurred that would temporarily halt city-wide activity. This scenario did NOT include a major catastrophe, but rather an event that would cause an isolated event, i.e., a decrease in sales tax temporarily or something of that nature.

### 2011 Analysis of O & M and Reserve Balances

Fund	Expenditures	Less: Operating & Expansion Capital	Net O & M (For Reserve Purposes-per Mgmt)	Y/E Reserve Balances (includes self- restricted \$)	Equip Operating Months of Reserves
General	6,154,376	(587,622)	5,566,754	2,522,895	5.4
Transportation	6,940,699	(6,020,087)	920,612	1,993,666	26.0
Water	4,588,820	(3,780,254)	808,566	624,798	9.3
Sewer	6,315,789	(4,751,813)	1,563,976	733,064	5.6
Ambulance	496,782	(26,310)	470,472	25,993	0.7
L C F	874,468	(648,970)	225,498	164,878	8.8
Grand Glaize	412,449	(223,779)	188,670	46,590	3.0

**Operating and Expansion Capital** excluded from the O & M calculation includes cars, computers, equipment, furniture, construction projects, etc.

**Net O & M** for each fund *includes*:

Personnel Expenditures, less training and uniforms.

O & M Expenditures include items such as electric, maintenance/support and repair items, some professional services (trash, legal, etc), fuel, financial and insurance items, communication items, and various other items that would be necessary for basic services to be furnished; excludes non-essential items such as books and subscriptions, memberships, miscellaneous supplies, etc.

**Y/E Reserve Balances** were calculated beginning with the 2011 year-end estimates per the 2011 activity to date. It also includes the self-restricted funds for the Transportation, Water, and Sewer Funds, as those are not held by legal restrictions. It would be assumed in this scenario that the self-restricted balances would have to be replenished once normal operations resumed, especially for Water and Sewer since those self-restricted funds represent future repair and maintenance of the systems as each system ages.

*Jeana Albertson*