



Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: September 5, 2017

Re: Appropriation of one half of FY 2016 General Fund savings

Executive Summary

Staff has prepared for Council consideration an ordinance appropriating 50% of the FY 2016 General Fund savings back to departments based on their proportion of the total savings for FY 2016.

Discussion

The Council approved an Incentive Based Budgeting initiative in March, 2013 to provide an incentive for general fund departments to not spend all of their budget each year. In years when there are savings in the general fund, one half of the savings will go back to departments based on the proportion of the savings they generated. These savings can only be spent on one-time expenses since the savings may not occur in future years. The other half of the general fund savings is allocated by the City Council. The funds are set up in project accounts which allow funds to be carried into the next year if they are not completely spent. There were general fund savings allocated in FY 2012 and FY 2014. There were not savings to allocate in FY 2013 and FY 2015.

The General Fund savings for FY 2016 is \$4,407,894, of which 50% of that savings, \$2,203,947, goes back to the departments for one time purchases.

Fiscal Impact

Short-Term Impact: The General Fund reserve will be reduced for FY 2017, but it will still be significantly above the 20% policy

Long-Term Impact: None.

Strategic & Comprehensive Plan Impacts

Strategic Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Legislative History

Date	Action
03/18/2013	REP43- 13 Incentive Based Budgeting

Suggested Council Action

Staff recommends passage of this ordinance.