



FY23 Budget Work Session

June 16th , 2022



Agenda

- Budgetary Priorities
- Budget Process
- Leadership and Changing the Mental Model
- Why Do We Budget?
- Use Tax & FY22 Estimates
- Upcoming Changes & Feedback

“Don’t tell me what you value. Show me your budget and I’ll tell you what you value.”

FY23 City Manager Priorities

- Employee Engagement and Compensation
- Social Services/Community Assistance
- Public Transportation
- Public Safety

FY23 Council Priorities

- Do these differ from the City Manager's?
- Is there anything to add?

Our Budget Process - Components

3 Components of Budgeting:

- 1) Plan - Identify a desired future state
- 1) Allocate - Divide the government's limited resources
- 1) Monitor - Ensure all commitments are maintained

Our Budget Process - Plan

- Similar to FY22, departments began with their core budget and any new spending that could not be reallocated was added as a New Decision Item needing City Manager approval.
 - Core Budget = Prior Fiscal Year original approved budget minus one-time expenditures.
- Not much was changed for FY23.
 - This is intentional so we can see what issues arise and make improvements for FY24.

Our Budget Process - Allocate

- Currently, departments must submit a New Decision Item (NDI) request for any spending above the core budget.
 - New Decision Item = Any spending request above the core budget.
- These were submitted early in the budget process and those requests were reviewed by Finance staff and the City Manager.
 - Items were either given preliminary approval or were held until departments had their budget meeting with the City Manager. During these meetings NDIs were discussed in more detail and either denied or given preliminary approval.

Our Budget Process - Allocate

- For FY23, departments submitted NDI requests for nearly \$41 million.
- Due to resource limitations, all these requests cannot be funded.
 - This means that departments need to clearly communicate their priorities.
- Although a request may be given preliminary approval, no NDI is officially approved until the budget is adopted by the City Council.
- The health of the fund must also be taken into consideration.

Our Budget Process - Monitor

- Beginning in FY22, the Budget Officer began sharing monthly reports for departments with accounts that have already reached a certain expense percentage.
- The budget amendment process will change during FY23 as all amendments will be taken to Council by Finance and it will **only** be done quarterly, unless the City Manager authorizes an emergency amendment.

Budget Reporting

- In FY22 an Enterprise Resource Planning (ERP) Administrator joined the Budget team.
 - A principal role for this position is to develop and maintain budget reports that can help with monitoring.
- Our ERP Administrator is currently working on reports to:
 - Compare YTD actuals history by category to current fiscal YTD
 - 4 year history report for fiscal year totals
 - Various payroll budget reports
 - Budget compared to actuals - less than certain percentage

What to Monitor?

- Revenues
- Expenditures
- Operations
- Capital
- Economic Trends
- Performance Measures

Operations

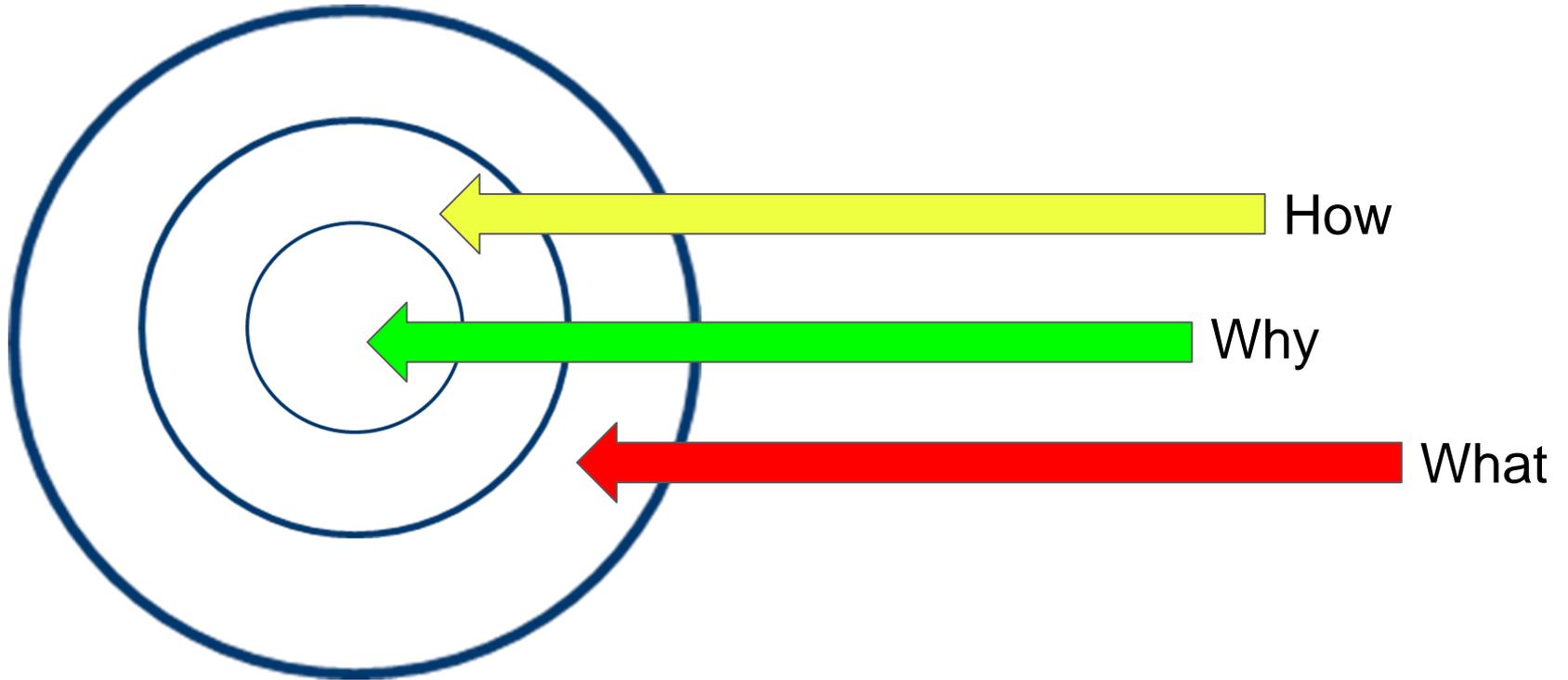
- Are services being provided as anticipated?
- Are any services being provided that were unanticipated?
- What trends are being observed that may impact whether or not spending remains on track?



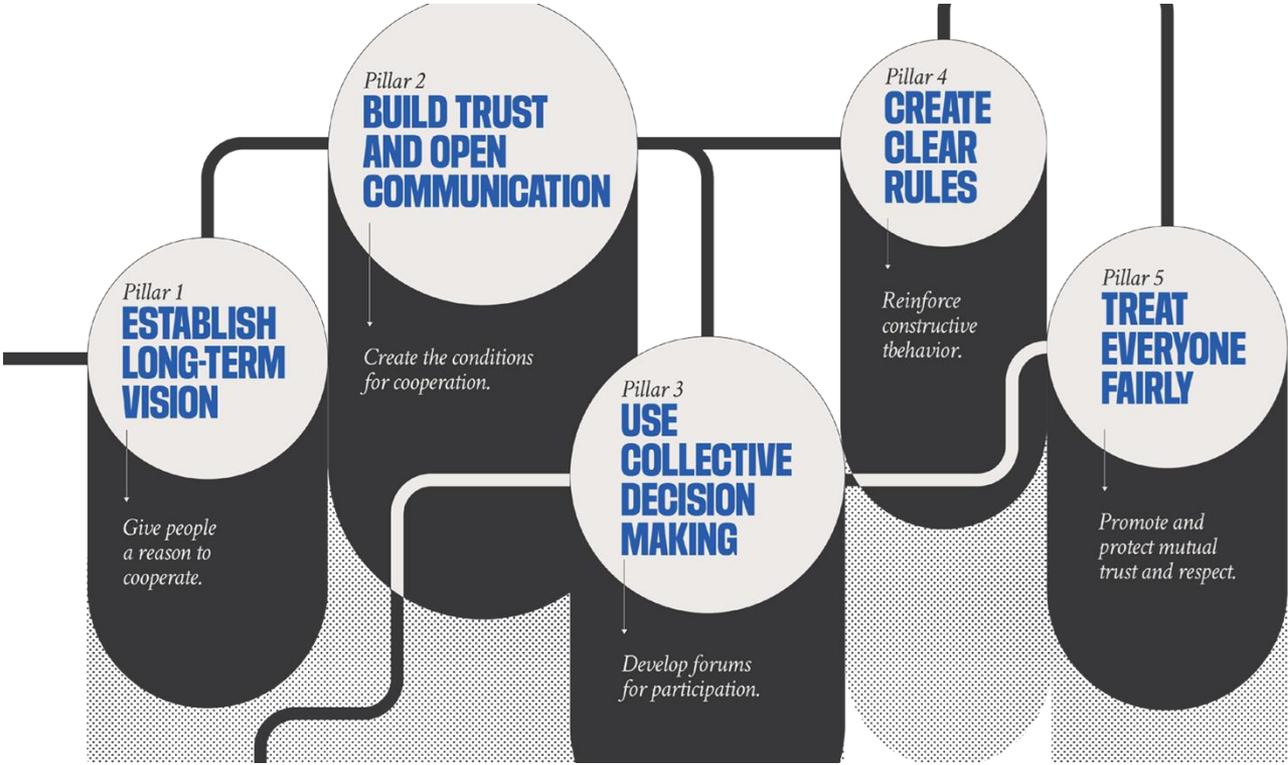
Performance Measures

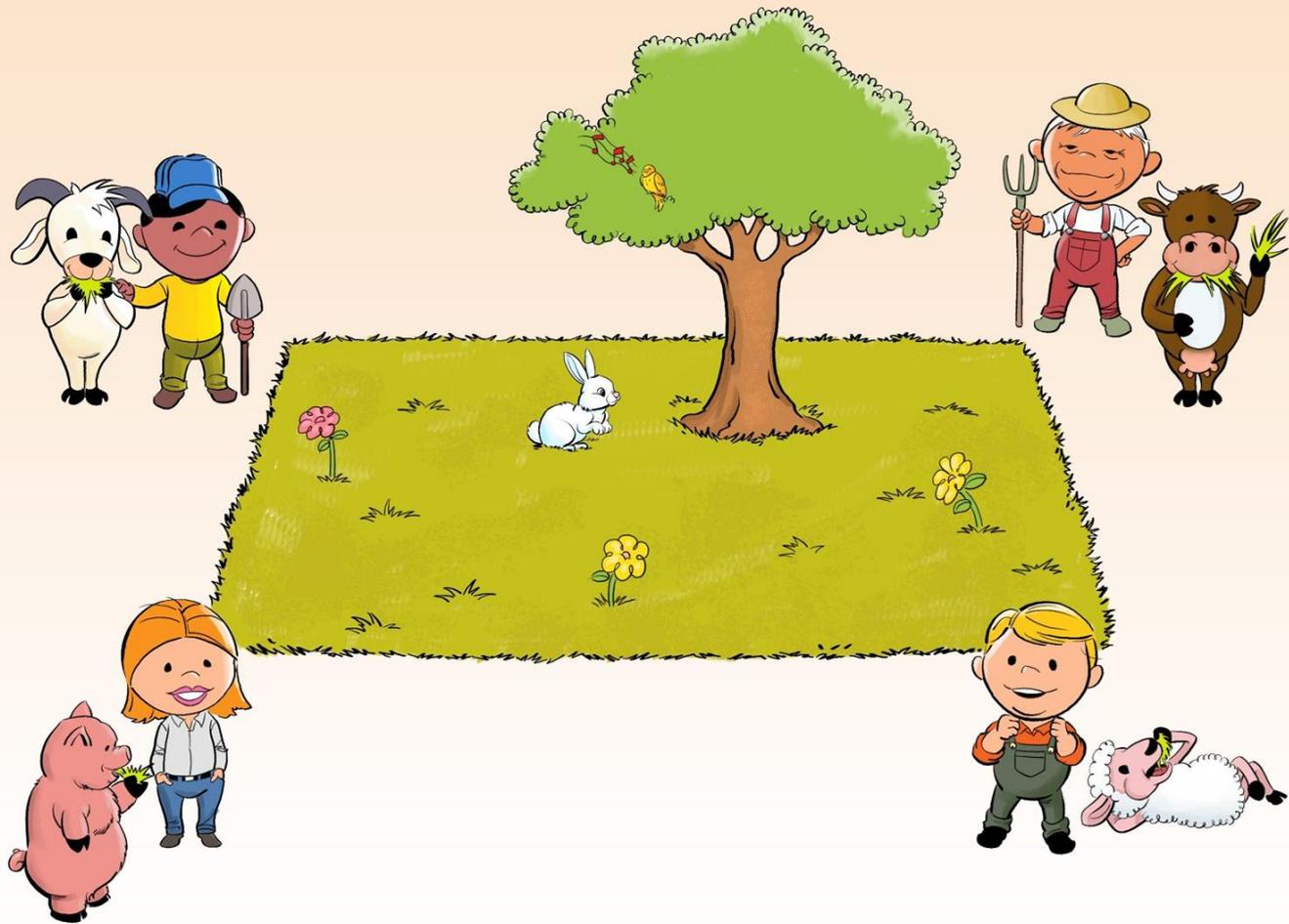
- Incorporate an examination of performance measures and linkages to financial outcomes.
- Analyze changes to goals/initiatives since budget adoption.
- Check to see if there are any new initiatives not initially included in the budget.

[Start with why -- how great leaders inspire action | Simon Sinek | TEDxPugetSound - YouTube](#)



Financial Foundations for Thriving Communities



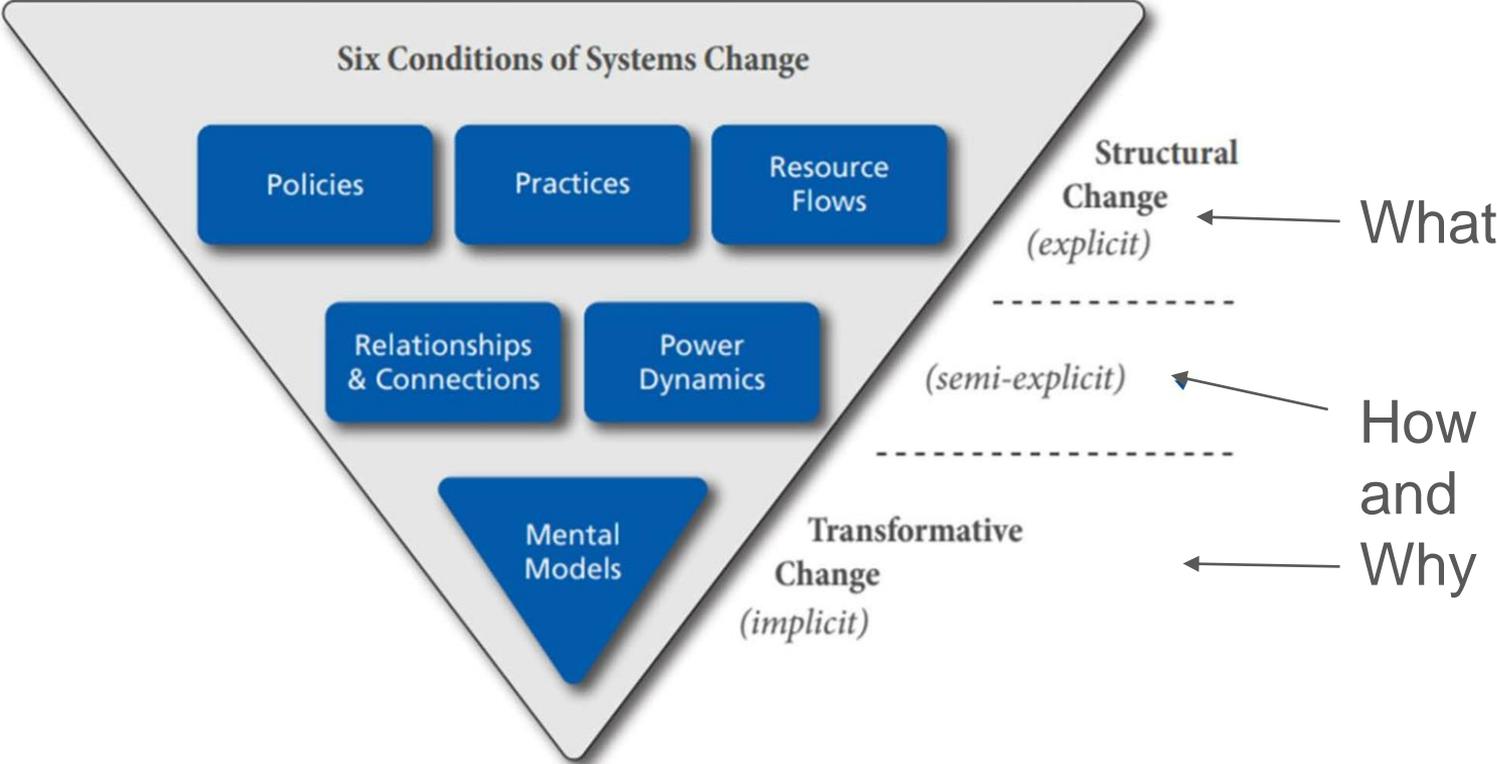


What do you see?



What has happened?
Why has it happened?
What can be done?

Changing the Mental Model



Role Clarity

- Citizens - End Users and Shareholders
- Council - Majority Shareholder Representatives
- City Manager - CEO
- City Staff
 - a. Central Administrative Activities - *Project Manager, Chief Investment Officer*
 - b. Department Administrative Activities - *Department Director*
 - c. Operational Activities - *Frontline Workers*
 - d. Supporting Activities - *Compliance, Recruitment, Purchasing, Communication*

Role Clarity

- Operational Activities - Provide direct programs and services to the City. *(Ex: Transit, Utilities, P&R)*
- Supporting Activities - Provide specialized internal services to assist in Operational and Administrative Activities and ensure compliance. *(Ex: IT, HR, Accounting)*
- Administrative Activities - Provide leadership, oversight, decision making, planning and communication to and between Operational and Supporting Activities. *(Ex: City Manager, Department Directors, Budget)*

Why Do We Budget...

- Limited resources and unlimited possibilities
- Prioritize and make decisions
- Set goals
- Develop a plan
- Communicate to stakeholders

Why Do We Budget - Limited Resources and Unlimited Possibilities

- Total Revenues
- Then, Operating Expenditures (Core Budgets)
- Then, Items labeled as Strategic Plan
- Then, New Decision Items

Current Standing

	Core Budget	New Decision Item Requests	Preliminarily Approved New Decision Items
General Fund	\$103,904,580 *	\$11,627,975	\$9,167,344
Non-General Fund	\$267,436,296 *	\$29,207,787	\$23,207,768
Total	\$371,340,876 *	\$40,835,762	\$32,375,112

*Does not include CIP, debt, or depreciation/amortization expenses

Why Do We Budget - Prioritize and Make Decisions

- Each department was asked to prioritize their NDIs.
- Decisions will be made once all revenues and expenses have been finalized in the preliminary budget.
- There will have to be reductions in NDIs as revenues will not cover them all.
- Departments are aware and will be continuing to prioritize their budgets.

Why Do We Budget - Set Goals

- Strategic Plan
- CAAP Plan
- CIP Plan



Strategic Plan Goals

- On July 6th, 2021, the City Council adopted the [2021 Strategic Plan](#).
- This plan is organized into 5 strategic priority areas:
 - **Organizational Excellence**
 - **Safe Neighborhoods**
 - **Reliable Infrastructure**
 - **Inclusive Community**
 - **Resilient Economy**



Strategic Plan Goals

- Each priority area has performance measures and action items.
- Staff should familiarize themselves with these performance measures and be able to communicate how the department fits into the Strategic Plan.
 - We did a bit of this in FY22, but we want to make it more uniform for FY23.



Strategic Plan Goals

- Department budget pages already include headers such as **Description, Department Objectives, Highlights/Significant Changes.**
- In FY23, we will also add **Strategic Plan Alignment.**
 - This section should be a narrative of how the department is meeting the goals.



Strategic Plan Goals

- This section should not be a list of related priority areas, but should include how the department supports the Strategic Plan.
- This can be how New Decision Items will help us realize the outlined action items or the work the department is doing to help achieve the listed performance measures.



Strategic Plan...

- Items currently listed in the FY23 Budget

Inclusive Community	Public Health & Human Services	Social Services Clinic Specialist
Inclusive Community	Public Health & Human Services	Shared Eligibility Campaign
Inclusive Community	Utility Customer Service	Utility Assistance Program
Inclusive Community	IT	Granicus BangTheTable (BeHeard)
Inclusive Community and Reliable Infrastructure	Utility Services	Funding to install solar PV for low-income housing development
Inclusive Community	City Manager	REAL Toolkit
Inclusive Community	Creative Services	Social Media Management Software
Inclusive Community	OCA	Columbia Values Diversity Celebration 30th Anniversary
Organizational Excellence	Utility Customer Services	2 FTE Utility Customer Service Representative I
Organizational Excellence and Inclusive Community	Utility Customer Services	Customer Interaction Routing System
Organizational Excellence	IT	ChatBot
Organizational Excellence	City Council - Boards and Commissions	Disabilities Commission - Marketing efforts on services available to community and ADA training for commission

Strategic Plan...

- Items currently listed in the FY23 Budget

Organizational Excellence	City Clerk - City Clerk	Transcription Services for Council Meeting Minutes
Organizational Excellence	HR	Engagement Survey
Organizational Excellence and Inclusive Community	Finance - Treasury	Kiosk
Resilient Economy	Transit	Transit study
Reliable Infrastructure	Electric Production	Overhaul and modify Columbia Energy Center unit #4.
Reliable Infrastructure	Community Development	Metropolitan Transportation Plan
Reliable Infrastructure	IT	2 FTE Cyber Security Analyst
Reliable Infrastructure	Sewer - WWTP Maintenance	Lift Station Monitoring System
Resilient Economy	CVB	Visitor Guide
Safe Neighborhoods	Police - Spec Svcs	FUSUS Real Time Crime Center System
Safe Neighborhoods	Public Health & Human Services	Winter overnight warming center services
Safe Neighborhoods and Reliable Infrastructure	Community Development	Consultant to assist with citywide Comp. Plan

Strategic Plan...

- Items currently listed in the FY23 Budget

Safe Neighborhoods	Public Health & Human Services	Live Well Boone County Community Health Assessment and Community Health Improvement Plan processes
Safe Neighborhoods	Public Health & Human Services	Narcan for community distribution at educational events
Safe Neighborhoods	Police	Records Management System
Inclusive Community	City Manager	Mentorship/Internship Program
Inclusive Community	City Manager	Citizen's Academy
Inclusive Community	Muni Court	Supportive Services
Inclusive Community	Public Health	Income Eligibility Process

Incorporating CAAP Goals

- Similarly to the Strategic Plan, we also want to highlight how departments are working towards meeting the goals outlined in the [Climate Action & Adaptation Plan \(CAAP\)](#)

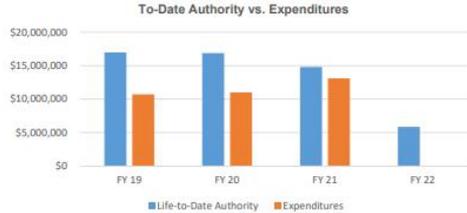
CAAP Action Implementation Table

Implementing the CAAP requires motivating staff, finding funding for strategies, involving community members to make key changes and sustaining momentum. Columbia has already taken steps to improve community sustainability. The implementation of the CAAP strategies is a priority for Columbia. The table below provides all of the CAAP strategies in a format to allow for ease of tracking progress on implementation.

	ENERGY	
	HOUSING, BUILDING AND DEVELOPMENT	
	TRANSPORTATION	
	WASTE	
	HEALTH, SAFETY & WELL-BEING	
	NATURAL RESOURCES	
	CROSS-CUTTING STRATEGIES AND ACTIONS	

Capital Improvement Plan & Reporting

General Government Capital Projects Fund 44008810



Capital Projects Authority

	Actual FY 2019	Actual FY 2020	Anticipated FY 2021	Proposed FY 2022
Total Life to Date Authority	\$16,976,005	\$16,880,321	\$14,800,321 *	\$5,835,489 ***
Prior Year Expenditures	\$10,491,343	\$10,641,827	\$10,975,186	
Current Year Expenditures	\$204,362	\$355,362	\$2,132,979 **	
Encumbrances	\$93,426	\$87,100	\$66,667 *	
Total Remaining Authority	\$6,186,874	\$5,796,032	\$1,625,489	

* This is current as of September 2021

** Estimate from department

*** Includes FY 22 budget request of \$2,383,000

Note: Capital Projects are budgeted Life-to-Date. This means funding appropriated in one year may be spent in another.

Fiscal Impact

Projects planned in FY 22 are funded through the Public Improvement Fund, Capital Improvement Sales Tax, and Convention & Visitor's Bureau.



- Last year, the Capital Improvement Plan document underwent several big changes, including a new cover sheet and report.
- The purpose of those changes was to provide the public with more detailed information about planned projects as well as their financing.

Capital Improvement Plan & Reporting

- In FY 22, we also created a new report that provides additional information for each project with funding planned during the next five years.
- This report shares the description of the project, as well as planned and actual spending.
- It also provides a field for departments to note if any unanticipated changes.

Other General Government							
Grissum Site & Buildings Renovations 00659				1-2 Years		1821	
Description: Renovations to the Public Works Fleet, Street, Traffic & Transit Operations on the Grissum Site. Renovations including, but not limited to, Building replacement & or Improvements, Structural repairs, Roof systems, HVAC systems, and other building components at end of useful life.				Ward	Begin Design	Begin Construction	
				1	2021	2023	
Current Status: 02/22/2022: Planning with Klingner				Eligible for Percent for Arts? No			
				Current Funding Request:		\$1,892,649	
				Total Appropriated:		\$2,935,041	
				Total City Project Cost:		\$4,827,690	
				Total Spent To Date:		\$109,774	
Justification for Changes:				Remaining Authority To Date:		\$2,825,267	
Classification: System Maintenance_Replacement							
Funding Source	Prior Year Funding	Current Year Budget	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Cap Imp S Tax - 2015 Ballot	\$4,970,000	\$1,000,000	\$1,892,649				
Miscellaneous Revenues	\$149,272						
MoDot	\$178,418						
PYA 2015 CIST - Grissum Bldg Reno- 00659	\$-3,362,649						
						Future Funding:	\$0
						Future Unfunded:	\$0

Capital Improvement Plan & Reporting

- This year, we would like to improve the CIP Narratives - currently, the CIP Narratives include categories such as **Planning**, **Funding**, and **Major Projects**.
- We want to do a better job explaining future projects, providing updates on current ones, as well as tying these projects to our citywide plans.

Capital Improvement Plan & Reporting

- With these changes in mind, we have asked departments to think about the projects their departments have in the future and be able to respond to the questions below.
 - *How would you explain the need for these projects to an average citizen?*
 - *How do these projects help advance the City towards our Strategic Plan or CAAP goals?*

Capital Improvement Plan & Reporting

DEPARTMENT Capital Projects

A Look Ahead

This section will describe projects currently planned to take place over the next five years. This should discuss how these projects were selected, how they relate to any citywide plan, such as the Strategic Plan or Climate Action & Adaptation Plan (CAAP), and how they are beneficial.

Current Projects

This section will discuss the current projects for the department. It should provide a brief status update on any major projects as well as highlight any successes or note any challenges.

Funding Sources

This section should describe how projects for this department are funded.

Why Do We Budget - Develop a Plan

- Set goals earlier in the year.
- Budget work session in the fall instead of the spring.
 - Specifically discuss the Strategic Plan and what projects should be a priority.
- Start budget work earlier in the year.

Why Do We Budget - Communicate to Stakeholders

Example of how the Budget Process works:

Arlington, Texas

<https://www.youtube.com/watch?v=OtSC1MX-NIQ>



Why Do We Budget - Communicate to Stakeholders

Example of the Budget Presentation:

Hamilton, Ontario

<https://www.youtube.com/watch?v=UC2Qzt1RL8E>



Use Tax

- A use tax was approved by the citizens of Columbia on April 5, 2022.
- The City will start to receive revenue from the use tax as early as July 2022.
- Finance projects the Use Tax to be around 10% of sales tax.
- The distribution of of the Use Tax will mirror the distribution of the Sales Tax:
 - 48% - General Fund
 - 25% - Transportation
 - 12.5% - Capital Improvements
 - 12.5% Parks
 - 2% Public Improvements

Use Tax

- Finance projects the Use Tax revenue be around \$5.8 million per year. The first full year will be received in FY24.
- This allocation of each of the funds would be estimated at:
 - General Fund - \$2,784,000
 - Transportation - \$1,450,000
 - Capital Improvements - \$725,000
 - Parks - \$725,000
 - Public Improvements - \$116,000

Projected FY 22 Ending - General Fund

	2019	2020	2021	Projected 2022
Sales Tax	23,184,765	23,668,382	26,295,876	27,280,177
Revenue	82,191,382	79,904,723	94,839,495	89,284,489
Grant Revenue	3,429,636	4,060,183	11,705,842	14,688,538
Totals	85,621,018	83,964,906	106,545,337	103,973,027

One Time General Fund Expenses

Items funded from Reserves in FY22 at the request of the City Council:

- Phase II of the Parks, Sports Field House - \$3.3 Million
- Purchase of the Turner Jones Building - \$3 Million
- Employee Retention Pay - \$1.8 Million

Identified Changes for FY24

- New Decision Items
- Intragovernmental Fees
- Budget Retreat to Start Process
- Citizen's Academy
- Strategic Plan Incorporation Earlier in Process

Prepping for Next Year

After-Budget Review:

- What worked well?
- What did not work well?
- Feedback

What would Departments like to do differently?

- Any new steps?
- Updates to plans?

Any major, unexpected changes to financial projections or revenues that will have a significant impact on the budget?

Final Thoughts & Wrap Up