

# **City of Columbia Fiscal Year 2021 Budget**

---

Thursday, August 13, 2020

# COVID-19 Update

---

# COVID 19 Update

---

- Health Order - Began Step 3, Phase 2 on June 22, 2020. It has since been extended and/or modified.
  - Current version went into effect on August 10, and goes until August 31.
    - Changes include requirements for bar and restaurant patrons to be seated and details on submitting operational plans.

# COVID 19 Update

---

As of August 12, 2020:

- Number of new cases - 1,478
- Active COVID-19 cases - 228
- Cases released from isolation - 1,245
- Persons in quarantine - 526
- Total contacts identified to date - 3,522

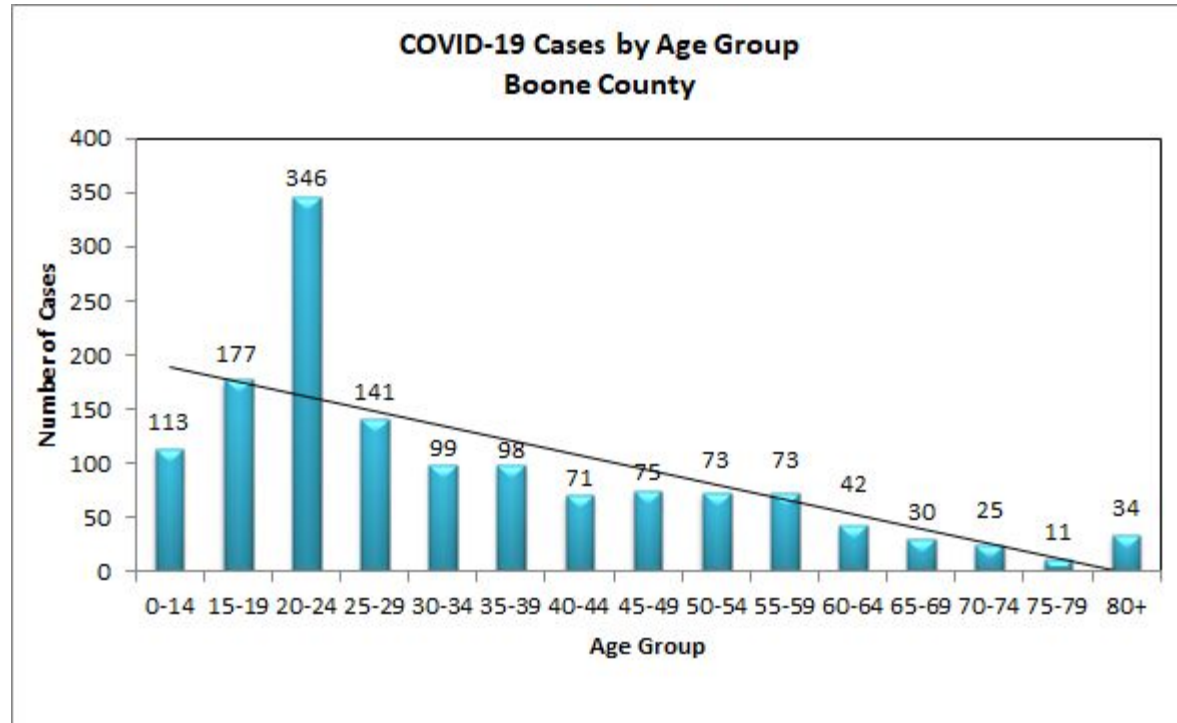
Increase in cases began the first week of July, shortly after all occupancy limits on business was lifted under Step 3.



# COVID 19 Update

Age	July 1, 2020	July 1, 2020 Case Rate per 100,000	August 12, 2020	August 12, 2020 Case Rate per 100,000
0-14	34	110.3	79	382.2
15-19	36	248.4	227	922.4
20-24	96	371.8	350	1,355.6
25-29	48	315.6	152	999.5
30-34	32	260.6	105	855.1
35-39	26	225.0	109	943.0
40-44	16	164.7	73	751.3
45-49	16	168.0	81	850.6
50-54	18	199.1	78	862.6
55-59	16	158.5	74	732.9
60-64	18	191.7	44	468.7
65-69	6	75.2	34	426.4
70-74	9	166.1	26	479.8
75-79	6	91.4	12	182.8
80+	13	255.0	34	666.8
Total	390	216.7	1,462	812.2

# COVID 19 Update



# COVID 19 Update

## Distribution by Race

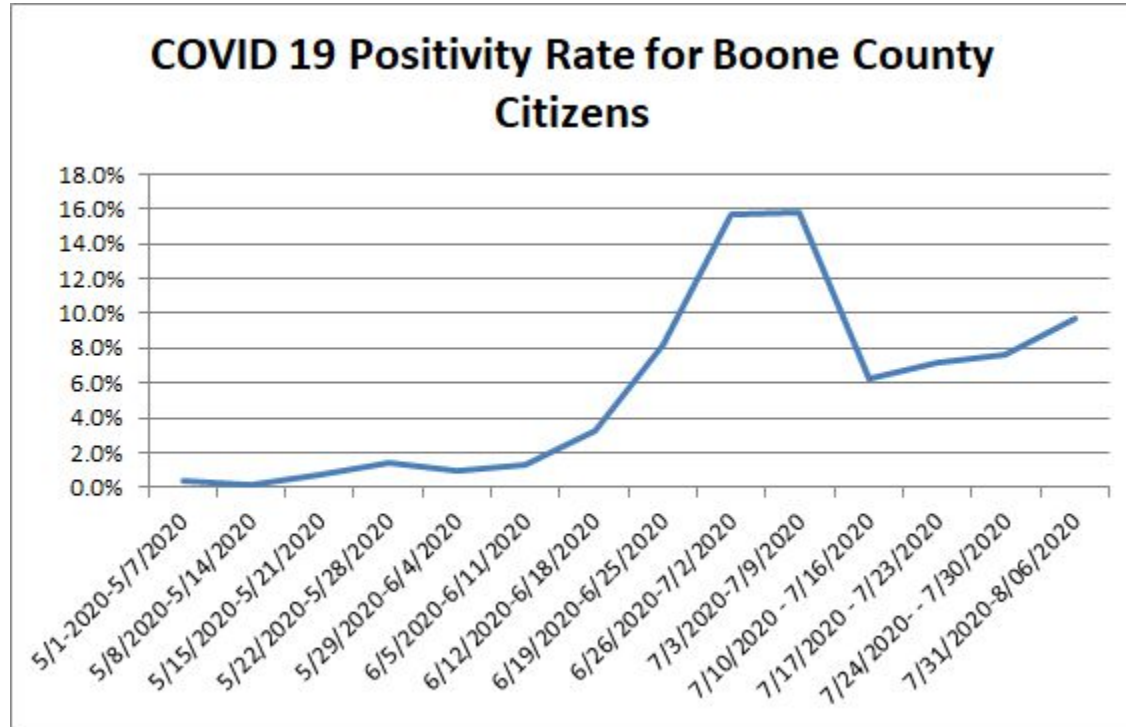
	July 1, 2020	August 11, 2020	Percentage of Boone County Population by Race
White	74.4%	70.2%	81%
African-American	21.5%	19.1%	9%
Asian	1.5%	1.8%	5%
Two or More Races	0.8%	0.4%	4%
Other/Unknown	1.8%	8.5%	1%

# COVID 19 Update

## Distribution by Source of Exposure

	July 1, 2020	July 1, 2020 Percentage of Positive Cases	August 11, 2020	August 11, 2020 Percentage of Positive Cases
Travel	36	9.2%	66	4.5%
Contact to a Known Case	217	55.6%	836	56.6%
Community Transmission	112	28.7%	442	29.9%
Unknown	25	6.4%	134	9.1%

# COVID 19 Update

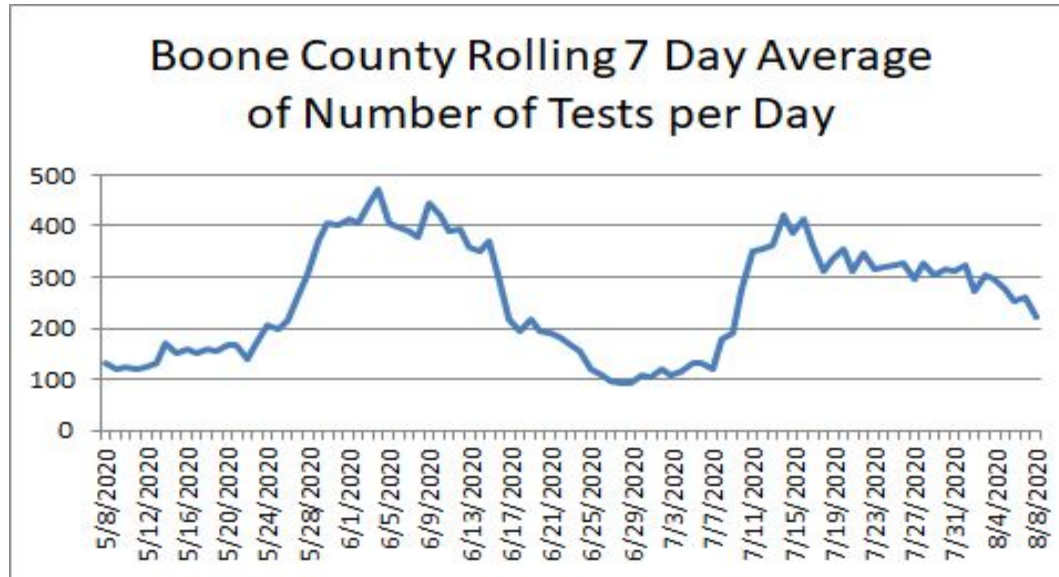


# COVID 19 Update

---

- In the process of hiring 40 positions with CARES Act Funding.
  - Case Investigators
  - Contact Tracers/Contact Tracer Team Leads
  - Health Educators
  - Data Analysts
- Remaining funds will be used to help test residents who do not have access to the current testing sites.

# COVID-19 Testing



# What we're watching

---

- We continue to closely monitor:
  - Healthcare capacity: ICU beds, ventilators, PPE, number of patients, and staffing
  - Testing availability and turnaround time
  - Contact tracing capacity



# COVID-19 Update

---

Questions?

# Direct COVID-19 Related Expenditures 8/7/20

Personnel Actual Expenditures	3,411,394
Other Actual Expenditures	778,898
<b>Total Actual Expenditures</b>	<b>\$4,190,292</b>
Obligated Expenditures	4,694
<b>Total COVID-19 Expenditures</b>	<b>\$4,194,986</b>

# Direct COVID-19 Related Expenditures by Department 8/7/20

Transit	1,513,087
Health and Human Services	723,184
Water & Light	567,574
Parks and Recreation	291,382
Sewer	146,953
Police	134,717
Utility Customer Service	98,053
Law	85,967
Streets	78,266
Fire	71,051
Solid Waste	60,045
Community Development	58,147
Other City Departments	361,019
<b>Total</b>	<b>\$4,189,445</b>

# **CARES Act and Coronavirus Emergency Funding**

---

# Airport Federal CARES Act Funding

---

- The FAA has explained that CARES Act funds may be used “for any purpose for which airport revenues may be lawfully used.” The general rule is that revenues generated by a public airport may only be expended for the capital and operating costs of: (1) the airport; (2) the local airport system; or (3) other facilities owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property. (See 49 U.S.C. §§ 47107(b)(1) and 47133(a).)

## Construction Commences April 2021 (8 mo. project approx.)

# Airport Federal CARES Act Funding

**Columbia Regional Airport Received \$18,763,287**

## **Operating Program**

Approved for **\$8 million for reimbursement of operational expenses**

Approximately \$2 million/year up to four years (as of January 20, 2020)

## **Development Program**

**Application pending for \$10,763,287**

Reimbursement for allowable construction costs for the new terminal project



# Department of Justice Coronavirus Emergency Supplemental Funding (CESF) Program

---

- Funding period: Jan 20,2020 - Dec 30, 2022
- City of Columbia **eligible for \$131,888 in funding** (Police = \$89,512 ; Fire = \$41,376)
- Grant acceptance in September 2020
- Funding approved for: Personal Protective Equipment (PPE), uniform cleaning and uniform replacement



# Public Health & Human Services CARES Act Funding

---

Total Project - \$1,799,004.64 (August 1 - December 31, 2020)

Personnel Costs (Temporary Employees) - \$939,004.64

- 12.0 FTE Disease Investigators

  - 3.0 FTE Contact Tracer Team Leads

- 15.0 FTE Contact Tracers

  - 2.0 FTE Communicable Disease Specialists

  - 3.0 FTE Health Educators

  - 3.0 FTE Data Extraction/Entry

  - 2.0 FTE Data Analysts

# Public Health & Human Services CARES Act Funding

---

Equipment - \$50,000

40 Laptops and Software

Testing - \$810,000

Up to 50 tests/day for uninsured @ \$150/test

Cost Reimbursement Agreement

Appropriation will be needed beyond January 1, 2021

# CDBG CARES Federal Act Funding

---

## Round 1: \$573,473 Total Awarded to the City of Columbia

- Rent assistance, microenterprise assistance, assistance for nonprofits serving unsheltered populations
- Temporary staff member
- Need to expend by December 31, 2021

## Round 2: \$17,956,792 Awarded to the State of Missouri

- City of Columbia may be able to apply for funds
- Still awaiting on information for application process/plans for use

## Round 3: HUD has until September 30, 2020 to Award

- Allocations based upon impact of COVID-19
- City of Columbia will likely see similar sized allocation as Round 1

# Convention & Visitors Bureau CARES Act Funding

---

**Potential availability of funds: \$534,348**

## **Approved uses for funds:**

- Implement marketing campaigns that speak to measure communities and attractions have taken to respond to COVID-19 and to re-open and resume economic activity.
- Reimbursement for any COVID-19 related expenses, which could include facility upgrades (CVB owned only) needed due to pandemic, any COVID-19 related purchases by CVB for general operations

## **Restrictions and guidelines for funds:**

- All marketing campaigns must be executed by December 31, 2020, with invoices turned in to state by November 2020.
- These are reimbursable funds
- These funds cannot be designated for use by anyone other than the CVB

# Transit Federal CARES Act Funding

---

- **\$6,505,074 awarded** in June 2020
- Funding will support operational and capital costs such as (but not limited to) personnel costs, cleaning, bus repair/replacement, transit facility costs, lost revenues from fares and any transit costs associated with the current COVID-19 pandemic
- Must be spent by December 2024

# Transit Federal CARES Act Funding

---

- In FY 2020 CARES funding will be used to pay for expenses after January 20, 2020 that are NOT Covid 19-related
- Covid-19 related expenses will be covered by the normal 5307 grant which has been changed to an emergency relief grant.
- In November, 2020, the City will amend the 2020 normal 5307 grant to cover capital expenses which require a 15%-20% match
- In FY 2021 CARES grant will cover 100% operating expenses and the 5307 grant will be used for capital expenses until the CARES funding has been depleted.

# Addressing Homelessness in Columbia

---

**Collaborating On A  
Resourceful Response to Our  
Unsheltered Homeless  
Residents During COVID**

# Current Stakeholders

---

- City staff
- City Council
- Not-for-Profits, Faith leaders
- Neighborhood leaders, residents and property owners
- Unsheltered homeless neighbors
- Parents, family members and caring adults
- Downtown business owners, property owners and residents
- Festival people and transferable skill sets
- Contractors and subcontractors, medical and mental health professionals



# Successful programs look like this:

---

- Transportation to and from
- Handwashing stations
- Toilet facilities
- Indoor spaces when the weather is poor
- Outdoor spaces when the weather is better
- Fresh drinking water dispensers
- Practice completing assignments
- Emphasis on reading as a pastime

# Successful programs look like this:

---

- Emphasis on recreational activity to build healthy habits
- Capacity for 400 individuals over three sites
- 3 nutritional meals a day
- Health screening
- MSW, LCSW to assist with services
- Organized activities geared towards interest and aptitude
- Lock in overnight accommodations Help with understanding public health norms and expectations

# Successful programs look like this:

---

- Help with understanding public health norms and expectations
- Acceptable behavior guidance and reminders
- Clothing, shoes, coats, toothbrushes, toothpaste
- Pens, paper, folders, notebooks
- Access to web enabled computing
- Service projects
- Job readiness practice
- Flexibility for the particular needs of individuals

# Sound too ambitious?

---

Boys and Girls Club went from not many resources in a crummy building to what they have now 11 years later.

# Here's our ask

---

# Convening a Meeting with Council Support and Attendance

---

- Large meeting room space
- Amplification so we might practice social distancing
- City staff bring their data and know how
- Not for profits bring their data and know how
- Neighbors who can confirm for us what's not working
- Fundraising skill sets and mentors
- Few external distractions
- WiFi for on the fly lookups and research
- Laptops, tablets, and chromebooks are welcome
- Roll up your sleeves, elbows on the table
- Identifying our collective capacities
- Willingness to negotiate
- Ability to disclose/identify resources we already have
- Desired outcome is to build an action plan

---

Thank you

# Budget Message

---



# Four Goals for FY 2021

---

- Use current available estimated revenue to **fund core and critical services**
- Adjust number of staff to meet our estimated revenue
- Develop a model to provide social/mental health services to shift certain responses from a police response
- Continue to address citizen and council priorities, such as community policing and street maintenance

# Total Budget for FY 2021

---

Total Revenues	\$416,741,718
----------------	---------------

Total Expenditures	\$456,880,406
--------------------	---------------

# Budget Reductions

---

Total citywide budget reductions \$18.2 million

Total General Fund reductions \$3.2 million

(Included in total citywide budget reductions)

**Even with these reductions, utility funds will fall below their targets in the next few years and the General Fund will face further reductions if revenues do not improve**

# Solid Waste Service Changes

---

- Permanently eliminate curbside recycling
- Stop providing Black Trash Bags and Blue Recycling Bags to Customers
- More information provided later in the presentation

# Parks and Recreation Changes

---

- Close Little Mates Cove facility at Twin Lakes Recreation Area
- Reduce Sprayground Availability by 61 days
- Eliminate 9 Emergency phones with parks and trails
- Reduce CARE program by 32 trainees
- Eliminate maintenance of downtown landscape planters (will continue to maintain trees)

# Increased Street Maintenance Funding

---

- \$2 million temporary increase for FY 2021 - FY 2024 from Transportation Sales Tax
- Will use CARES funding to replace the Airport subsidy and most of Transit Capital Project match funding for next three years
- Allows Streets to further pursue implementation of Pavement Management Plan - focus will be on mill and overlay work

# Organizational Changes

---

- Custodial and Building Maintenance Fund will be eliminated
  - Moving to General Fund
  - Renamed Facilities Management
  - No longer charging General Fund departments fees for services
  - Remaining balances at the end of FY 2020 will be moved into General Fund (*Estimated \$1.3 million*)

# Organizational Changes

---

- Community Relations Fund will be eliminated
  - Moving to General Fund
  - Will no longer charge General Fund departments fees for services
  - Remaining balances at the end of FY 2020 will be moved into General Fund (*Estimated \$1.19 million*)



# Organizational Changes

---

- Utility Customer Services Fund will be eliminated
  - Operation will be reallocated within the utility funds (water, electric, sewer, solid waste, storm water)
  - Will no longer charge fees to the utility departments
  - Remaining balances at the end of FY 2020 will be allocated to the utility funds (*Estimated \$2.3 million*)

# Organizational Changes

---

- Parking Enforcement will be moved to the Police Department
  - Increases community policing efforts downtown
  - Parking Fund will pay for the cost of enforcement through general and administrative fees
- Traffic Control will be moved to Streets and Engineering

# Organizational Changes

---

- Non-Motorized Grant Fund will be eliminated
  - Grant work is ending
  - Remaining personnel have been reallocated to Streets and Engineering
- Stadium TDD Fund will be eliminated
  - Debt will be paid off at the end of FY 2020

# Organizational Changes

---

- Supplier Diversity Program is moving from City Manager's Department to Economic Development
- Community Relations Specialist positions and Marketing Specialist positions will be reallocated from Community Relations back to the departments in which they perform the work

# Organizational Changes

---

- Improving Daniel Boone Building 1st floor Customer Experience
  - Moving all external operations to the 1st floor
  - Will also improve employee safety

# Workforce Impacts

---

(78.50) Full time equivalent employee positions cut

(11.0 of those positions currently filled – remaining are vacant)

15.00 FTE Core positions added

(8 Added in Health; 6 Added in Police; 1 Added in Utilities)

No pay adjustments recommended for employees at the beginning of the fiscal year.

# Utility Rate Changes

Utility Rate Changes Recommended for FY 2021	Average Monthly Customer Impact
Water - 3% Ballot Increase  Proposed to be brought forward in Jan. 2021 after current FY financials are closed and audited (will only be presented if determined to be needed to meet debt coverage requirements)	\$0.75
Electric - No Increase	\$0
Sewer - No Increase	\$0
Solid Waste - No Increase	\$0
Stormwater - No Increase	\$0
Total Average Monthly Customer Impact	\$0.75

# Challenges for FY 2021 and Beyond

---

FY 2021 will be a year of uncertainty. Uncertainty of our revenue in general, our business climate picture, the way we educate and the health of our community overall.



# Revenue Update

---

# FY20 3rd Quarter Revenue Comparison (GF)

Revenue	FY19 Actuals	FY20 Actuals
Property tax	806	40,826
Sales tax	5,662,021	5,559,150
Other local taxes	2,618,259	2,251,146
Payments in lieu of taxes	3,779,136	3,702,499
Licenses and permits	810,046	236,306
Fines	287,572	95,490
Fees and service charges	867,736	541,713
Revenue from Other governmental units	910,786	686,264
Investment revenue	536,555	86,383
Other revenue sources	4,254,872	3,870,557
Totals	19,727,790	17,070,334

# FY20 3rd Quarter Year to Date Revenue Comparison (GF)

Revenue	FY19 Actuals	FY20 Actuals
Property tax	8,537,811	9,163,848
Sales tax	15,717,990	15,897,501
Other local taxes	8,501,452	7,765,969
Payments in lieu of taxes	12,001,070	11,810,500
Licenses and permits	904,854	325,715
Fines	952,569	630,748
Fees and service charges	1,757,623	1,691,300
Revenue from Other governmental units	1,950,479	2,248,454
Investment revenue	1,423,842	824,497
Other revenue sources	12,223,943	11,781,349
Totals	63,971,633	62,139,881

# FY21 General Fund Projections

Revenue	FY21 Proposed
Property tax	9,176,073
Sales tax	22,608,660
Other local taxes	10,306,968
Payments in lieu of taxes	17,335,076
Licenses and permits	1,044,290
Fines	1,287,090
Fees and service charges	4,803,178
Intragovernmental	7,907,547
Revenue from Other governmental units	3,888,747
Other revenue sources	15,252,086
Total	93,609,715

# FY 2021 All Funds Projections

Revenue	FY21 Proposed
Property tax	9,176,073
Sales tax	45,147,084
Other local taxes	13,549,959
Payments in lieu of taxes	17,335,076
Licenses and permits	1,044,290
Fines	1,287,090
Fees and service charges	262,347,901
Intragovernmental	7,907,547
Revenue from Other governmental units	12,683,341
Other revenue sources	46,263,357
Total	416,741,718

# General Fund Cash Reserves

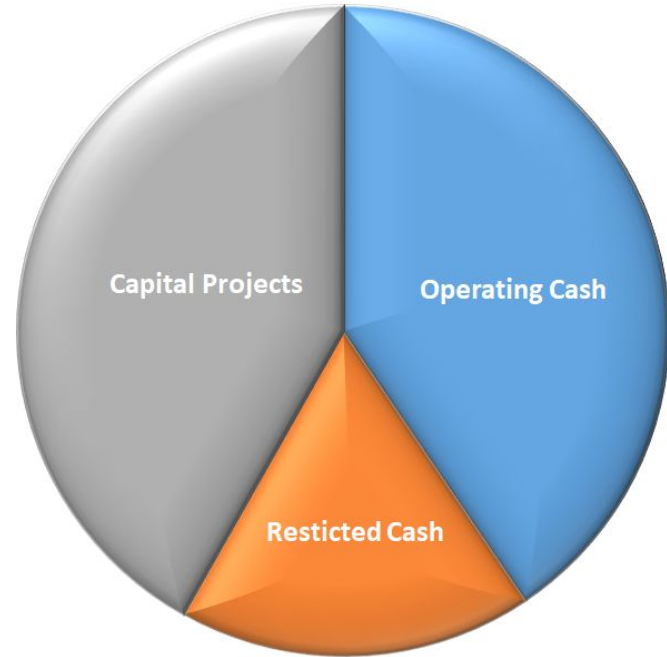
	<b>Total Reserves</b>	<b>Restricted Reserve Target</b>	<b>Amount Above Target</b>
End of FY 2019	\$38,256,946	\$17,004,641	\$21,252,305
Estimated FY 2020	\$35,459,864	\$17,004,641	\$18,455,223
FY 2021	\$34,927,972	\$18,716,503*	\$16,211,469

- It is estimated that the City will use \$2.8 million in reserves by FY 2020 year end
- Facilities Management and Community Relations moved to the General Fund in FY21 increasing the restricted reserve target

# Cash Balance

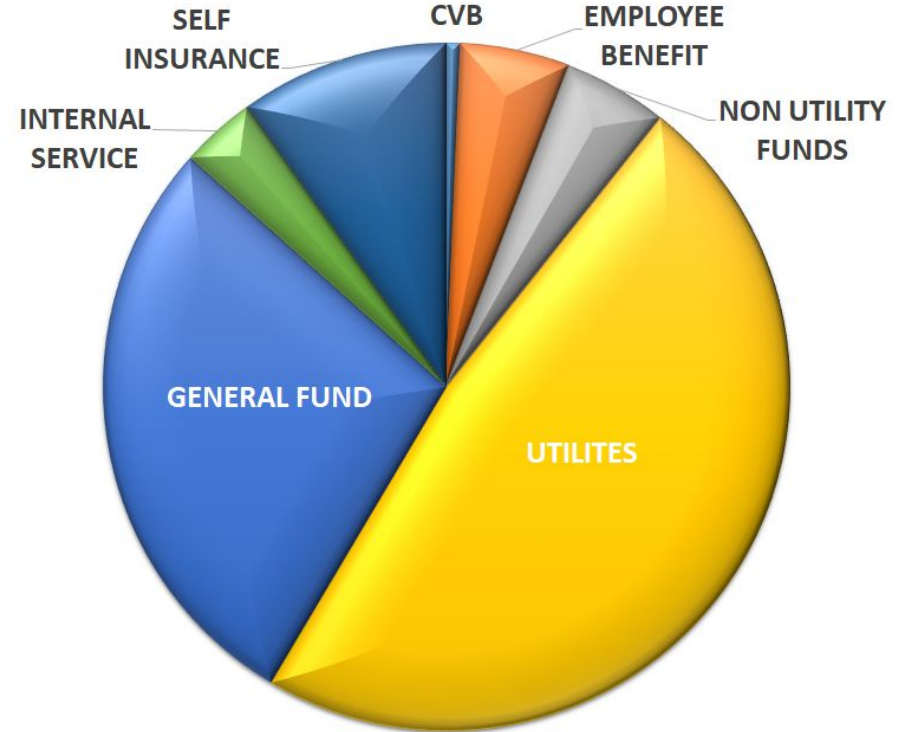
At the end of period 9 (6-30-20) the City of Columbia had an approximate cash balance of \$410,622,187

- \$166,408,148 In Operating Cash
- \$72,488,958 In Restricted Cash
- \$171,725,081 In Capital Projects (CIP)
  - Of that amount \$49,948,746 is from bond proceeds



# Operating Cash Breakdown

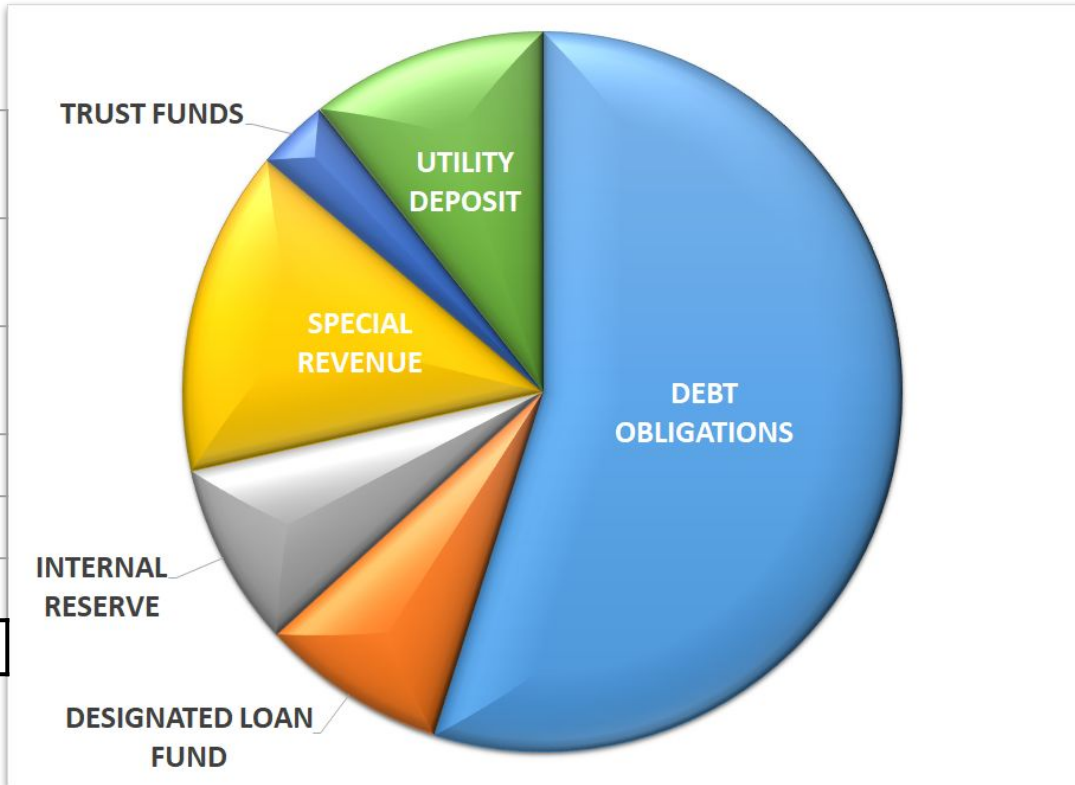
CVB	1,092,273	0.7%
EMPLOYEE BENEFIT	8,553,717	5.1%
NON UTILITY FUNDS	8,161,949	4.9%
UTILITIES	79,603,802	47.8%
GENERAL FUND	46,706,245	28.1%
INTERNAL SERVICE	5,874,020	3.5%
SELF INSURANCE	16,416,141	9.9%
TOTAL	166,408,148	





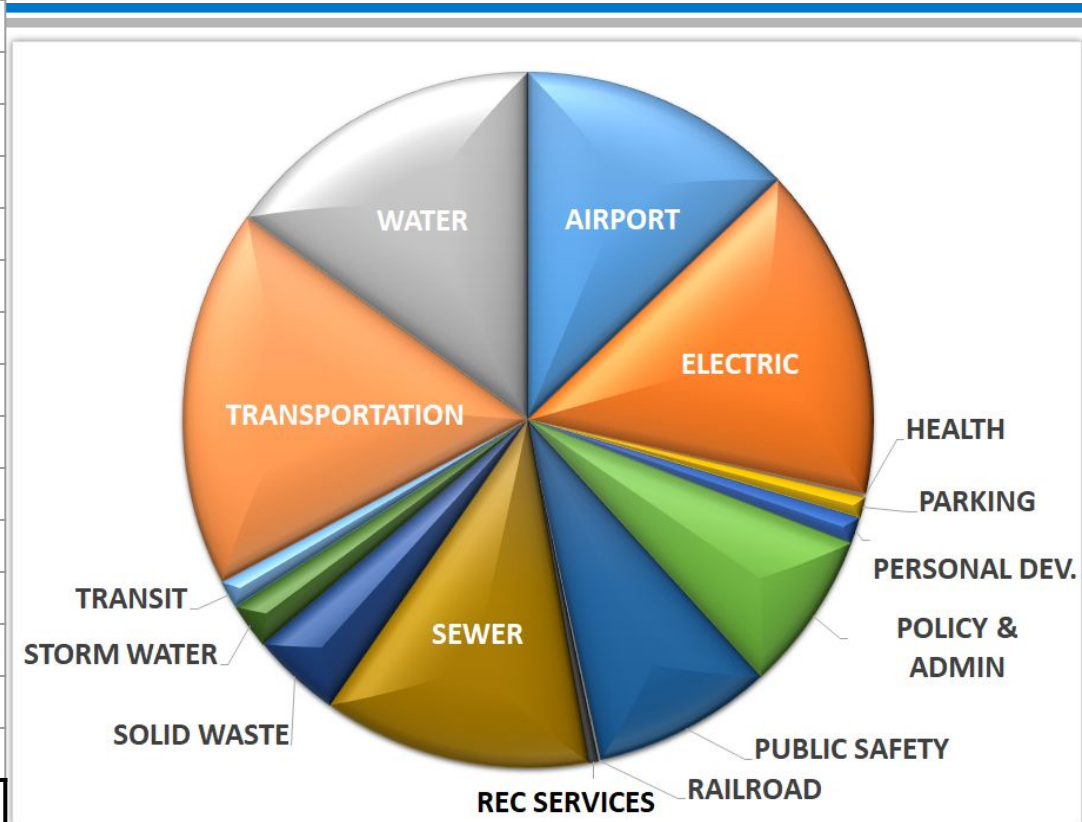
# Restricted Cash Breakdown

DEBT OBLIGATIONS	39,789,602	54.9%
DESIGNATED LOAN FUND	6,039,857	8.3%
INTERNAL RESERVE	5,984,273	8.3%
SPECIAL REVENUE	10,629,212	14.7%
TRUST FUNDS	2,336,916	3.2%
UTILITY DEPOSIT	7,704,098	10.6%
TOTAL	72,483,958	



# Cash Restricted for CIP Breakdown

AIRPORT	22,129,132	12.9%
ELECTRIC	26,658,964	15.5%
HEALTH	232,909	0.1%
PARKING	1,655,653	1.0%
PERSONAL DEV.	2,175,583	1.3%
POLICY & ADMIN	12,793,252	7.4%
PUBLIC SAFETY	14,371,232	8.4%
RAILROAD	237,696	0.1%
REC SERVICES	756,406	0.4%
SEWER	21,534,996	12.5%
SOLID WASTE	7,104,496	4.1%
STORM WATER	3,678,540	2.1%
TRANSIT	2,242,843	1.3%
TRANSPORTATION	30,215,487	17.6%
WATER	25,937,891	15.1%
TOTAL	\$171,725,081	



# Alternative Revenue

---

- **Gasoline Tax** - Mo Con. Art. IV Sec. 30 (a) #3 allows for a tax, excise, license or fee on motor vehicle fuel with the approval by a vote of the people of any city, town or village subsequent to the adoption of this section. The passage of such a tax requires the submission and approval of a two-thirds majority of the voters.
  - All funds collected shall be used solely for construction, reconstruction, maintenance, repair, policing, signing, lighting, and cleaning roads and streets and for the payment and interest on indebtedness incurred on account of road and street purposes.

# Alternative Revenue

---

- **Parks/Recreation Levy** – Sections 67.750-67.780 RSMo allow for a tax levy of up to \$0.20 on every \$100 of assessed value for park and recreation purposes. The passage of such a levy requires the submission and approval of a two-thirds majority of the voters.
- **Health/Solid Waste/Museums Levy** – Section 94.400 RSMo allows Constitutional charter cities the authority to establish levies not to exceed \$0.20 on every \$100 of assessed value for hospitals, public health, solid waste and museum purposes.

# Alternative Revenue

---

- **Local Use Tax** – The local use tax (Sections 144.757-144.761 RSMo) is applied in lieu of the local sales tax on transactions that individuals and businesses conduct with out-of-state vendors including catalog, Internet and direct market sales. The use tax must be approved by a simple majority of the voters before it can be implemented.
  - The rate of the use tax is applied at the same rate as the local sales tax, and items that are exempt from the sales tax also are exempt from the use tax. There is no compounding of these taxes, one can not be charged a sales tax and a use tax for the same transaction.

# Other Alternative Revenue

---

- **Fire Protection Sales Tax** – Section 321.242 RSMo allows for a sales tax of up to one fourth of 1 percent on all retail sales for fire protection purposes. Funds from the tax must be deposited in a special trust fund and are to be used solely for the operation of the municipal fire department.
- **Economic Development Sales Tax** – Section 67.1305 RSMo allows for a sales tax of up to one-half of 1 percent for the purpose acquiring land, installing and improving infrastructure and public facilities relating to a long term economic development project. Funds from the tax can not be used for any retail development project, unless the project is a redevelopment of a downtown area or historic district. Funds also may be used for marketing.

# Personnel Changes

---

# 78.50 FTE Positions Deleted

1.00	City Clerk
1.00	City Manager
2.50	Finance
2.00	Law
0.25	Public Works Admin
4.50	Community Development
2.00	Parks and Recreation
2.00	Municipal Court
3.25	Streets and Engineering
5.00	Parking Enforcement

**23.50 Total General Fund**

15.50	Water Fund
11.00	Electric Fund
3.45	Sewer Fund
13.45	Solid Waste Fund
0.10	Storm Water Fund
2.00	Recreation Services Fund
1.10	Custodial and Building Maintenance Fund
2.00	Fleet Operations Fund
2.00	Information Technology Fund
4.00	Community Relations Fund
0.10	Transit Fund
0.30	Parking Fund

**55.00 Total Other Funds**



# 15.00 FTE Positions Added

7.00 Health - Mental Health Collaboration Unit

1.00 Health - Health Educator position - Converted from Temporary Positions

## **8.00 Total Public Health & Human Services Department**

2.00 Police Officers for Traffic (one is grant funded)

1.00 Information Specialist - to assist with parking enforcement

1.00 Airport Safety Officer

1.00 Patrol Administrative Supervisor - will allow existing Police Sergeant to return to work that requires police training

1.00 Community Outreach Supervisor

## **6.00 Total Police Department**

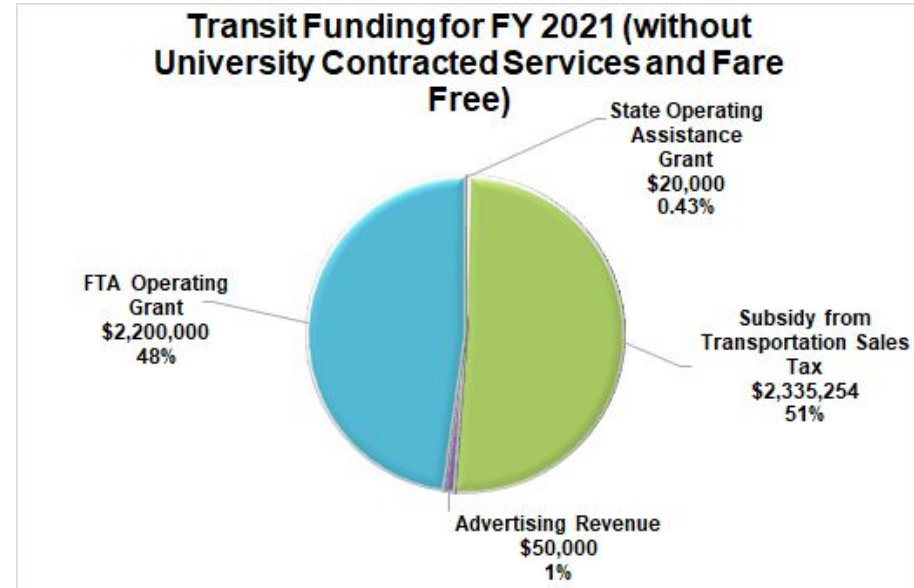
1.00 Utility Customer Services Manager - split between the utility funds as utility customer services will fall under the utilities beginning in FY 2021

# Transit Funding

---

# FY 2021 Transit Funding (without University Contracted Services and Fare Free)

- FTA Operating Grant
- State Operating Assistance Grant
- Subsidy from Transportation Sales Tax
- Advertising Revenue *(from ads on outside of buses)*



# Transit Funding - FTA Operating Grant

---

- Each year Transit applies for and receives an FTA Operating Grant which requires a local match amount equal to the amount awarded
- Amount awarded depends on:
  - Federal Amount Available to Allocate
  - Last Year's Ridership Numbers
  - Last Year's Eligible Expenses (for Fixed Route and Paratransit operating expenses)

# Transit Funding - FTA Operating Grant

---

- We find out in June each year what is the current year's awarded amount
- What Counts Toward the Local Match?
  - Fares, passes, auction revenue, Medicaid reimbursement for Paratransit
  - State Operating Assistance Grant
  - Subsidy from Transportation Sales Tax
  - Advertising Revenue

# Financial Considerations with Fare Free Transit

---

- Do we have the local match needed for the operating grant without fares?
- What to do if increased demand for Paratransit services occurs because service is fare free? *(Federal mandate to provide service within 24 hours of request - may require additional vans/bus drivers)*
- What is the Financial Condition of the Fund (Reserves vs Target)?

# Financial Considerations with Fare Free Transit

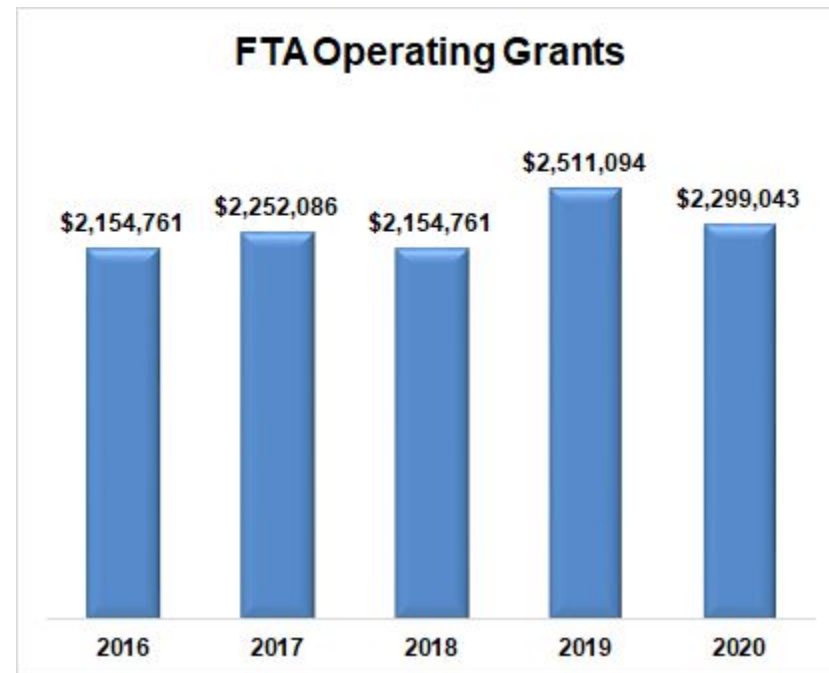
---

- Do we have sufficient Transportation Sales Tax to make up the difference? *(Transportation Sales Tax is also used to fund street maintenance, Airport operations, and Transit and Airport capital projects)*
- If the City is awarded a larger FTA Operating Grant Amount, will we have the local match amount needed?
- If we make changes to the system to increase frequency and/or change hours, do we have sufficient funding to stay fare free?

# Transit Funding - FTA Operating Grant

## Local Match For FY 2021

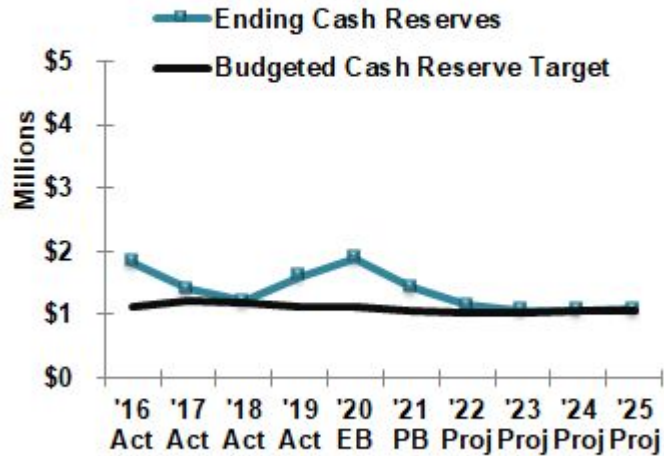
\$20,000	State Operating Assistance
\$2,335,254	Subsidy from Transportation Sales Tax
\$50,000	Advertising Revenue
<b>\$2,405,254</b>	<b>Total Local Match</b>
\$2,200,000	Estimated FTA Operating Grant for FY 2020
\$205,254	Local Match Amount Above FTA Grant Amount





# Transit Fare Free - Five Year Forecast

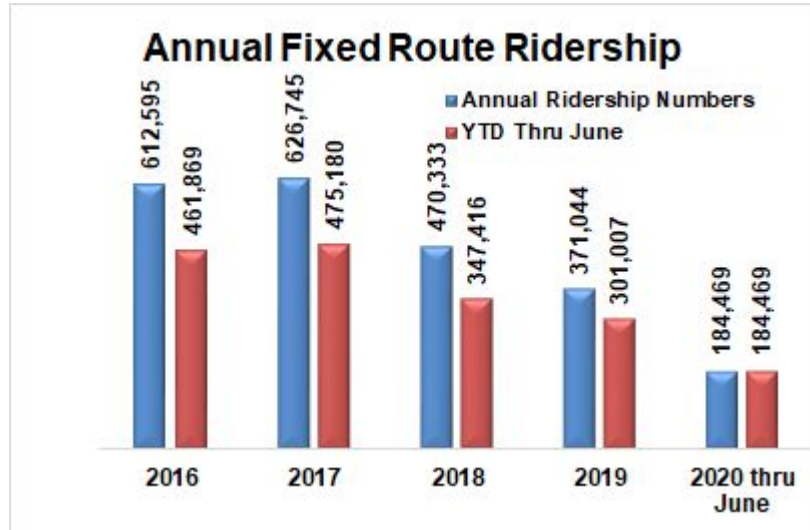
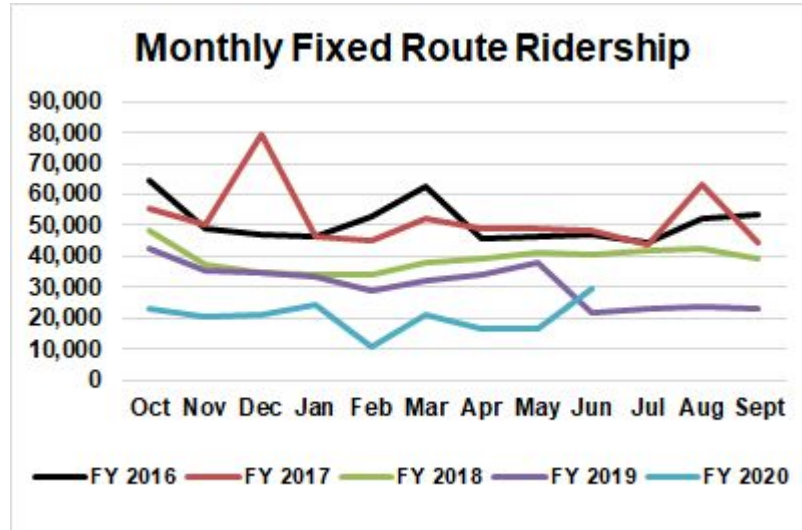
Ending Cash Reserves



Assuming NO changes in FTA operating grant funding level or changes in service:

- FY 2020: Transit is above the Target
- FY 2021: Use down \$483,814 in reserves
- FY 2022: Increase TST Subsidy \$200,000
- FY 2023: Increase TST subsidy \$275,000
- FY 2024: Increase TST subsidy \$150,000
- FY 2025: Increase TST subsidy \$77,000

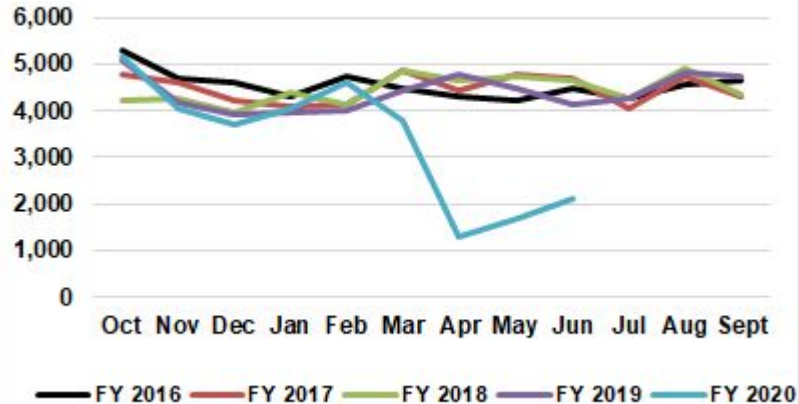
# Fixed Route Ridership Numbers



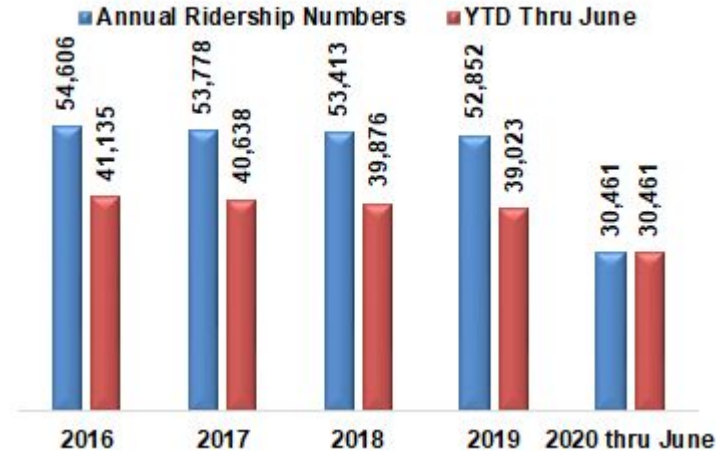
The City made changes to the Transit system in June 2019

# Paratransit Ridership Numbers

## Monthly Paratransit Ridership



## Annual Paratransit Ridership



# Utility Overview

---

# Utility Budget Operating Increases for FY 2021

---

- At the May budget work session, Council provided direction - no rate increases for utilities for FY 2021. As a result, the FY 2021 budget does not include any operating rate increases.
- Significant budget cuts were done in order to make this happen:
  - Water - \$1.3 million in budget cuts to operations (15.50 FTE positions cut)
  - Electric - \$8.6 million in budget cuts to operations (11.00 FTE positions cut)
  - Sewer - \$1.4 million budget cuts to operations (3.45 FTE positions cut)
  - Solid Waste - \$1.9 million in budget cuts to operations (13.45 FTE positions cut)

# Utility Budget Forecast Trends

## WATER

<b>Fiscal Year</b>	<b>Cash Above/(Below) Restricted Reserve Target</b>	<b>Ending Cash</b>	<b>Debt Coverage Ratio (w/PILOT)</b>	<b>Debt Coverage Ratio (w/o PILOT)</b>
2021	\$1,503,824	\$7,998,906	0.99	1.51
2022	(\$435,632)	\$6,086,650	0.89	1.33
2023	(\$2,226,974)	\$4,850,790	0.91	1.39
2024	(\$4,793,051)	\$3,638,685	1.03	1.64
2025	(\$6,612,201)	\$519,927	0.98	1.62

# Utility Budget Forecast Trends

## ELECTRIC

<b>Fiscal Year</b>	<b>Cash Above/(Below) Restricted Reserve Target</b>	<b>Ending Cash</b>	<b>Debt Coverage Ratio (w/PILOT)</b>	<b>Debt Coverage Ratio (w/o PILOT)</b>
2021	\$4,541,701	\$35,693,583	1.10	1.43
2022	(\$6,862,502)	\$24,548,131	1.30	1.64
2023	(\$8,359,297)	\$23,029,821	1.44	1.79
2024	(\$11,508,896)	\$22,235,664	1.53	1.92
2025	(\$11,597,794)	\$19,912,234	1.73	2.06

# Utility Budget Forecast Trends

## SEWER

<b>Fiscal Year</b>	<b>Cash Above/(Below) Restricted Reserve Target</b>	<b>Ending Cash</b>	<b>Debt Coverage Ratio</b>
2021	\$5,677,473	\$13,949,625	1.48
2022	\$234,335	\$9,016,782	1.50
2023	(\$1,118,907)	\$7,297,992	1.55
2024	(\$3,643,493)	\$5,295,447	1.53
2025	(\$5,324,190)	\$2,956,371	1.53



# Utility Budget Forecast Trends

## SOLID WASTE

Fiscal Year	Cash Above/(Below) Restricted Reserve Target	Ending Cash
2021	\$2,500,477	\$10,199,654
2022	(\$2,213,843)	\$5,089,945
2023	(\$3,668,831)	\$1,479,310
2024	(\$14,910,074)	\$463,708
2025	(\$20,159,837)	(\$12,434,417)

# Potential Water Revenue Increase

- August 2018 voter approved water ballot issue: \$42,845,000
  - 3% increase FY 2019 (implemented)
  - 3% increase FY 2020 (delayed until FY 2021 due to being above cash reserve target at end of FY 2019)
  - 3% increase FY 2021 (delayed until FY 2022)
  - 2% increase FY 2022 (delayed until FY 2023)
- Water bonds sold (2019A) in May 2019: \$15,150,000
- Anticipate next water bond sale of \$27,695,000 in early FY 2022 when WTP upgrade project is ready to be bid
- Potential water revenue increase will be brought forward to Council in January/February 2021 after the current fiscal year financials are closed and audited if it is needed to meet debt coverage requirements.

# Integrated Management Plan

- The Columbia Wastewater and Stormwater and Integrated Management Plan (IMP) was adopted by Council in December 2018 (Resolution 198-18).
- The Missouri Department of Natural Resources (MDNR) issued a renewed Missouri State Operating Permit for the City's sewer system on July 1, 2020. This permit includes Special Condition 19 addressing the IMP. MDNR has agreed to use the IMP when making future regulatory decisions affecting the City. The City is required to annually report on progress toward implementation of the 5-year action plan included in the report.
- The majority of items in the 5-year action plan are included in the operating budget or the CIP.
- **Additional annual revenue of \$3,340,000 is needed** to fund the following:
  - System Renewal - \$2,700,000 per year
  - Private Common Collector Elimination - \$640,000 per year

# Integrated Management Plan

- Using existing bond funding and enterprise revenue in the following voter approved projects would provide the necessary funding and meet the 20% reserve target without any revenue increases through FY 2025:
  - 100 Acre Point Sewers - \$700,000 (\$560,000 bond funds, \$140,000 enterprise revenue) (No requests since 2013 ballot approval).
  - North Grindstone Phase III - \$1,175,093 (enterprise revenue) (The driving shovel site for this project constructed and onsite no discharge sewer system. This sewer should be constructed by development possibly using differential payment).
  - Henderson Branch - \$3,746,571 (enterprise revenue \$1,400,000, bond \$2,346,571) (The project was not approved following the public hearing).
- Bonding authority still exists should these projects need to be pursued in the future.
- Utilizing a forecast model, the following revenue increases would provide the funding and maintain the 20% reserve requirement:
  - FY 2022 - 3%
  - FY 2023 - 3%
  - FY 2024 - 2%
  - FY 2025 - 1%

# Solid Waste System Cost to Automate Curbside Collection

- Garbage:  
8 routes would require 11 trucks (3 reserve for maintenance and repair) at \$270,000 each and 36,000 carts at \$55 each.  
Trucks - \$2,970,000  
Carts - \$1,980,000  
Total - \$4,950,000
- Recycling:  
5 routes would require 7 trucks (2 reserve for maintenance and repair) at \$330,000 each and 72,000 carts at \$55 each.  
Trucks - \$2,310,000  
Carts - \$3,960,000  
Total - \$6,270,000

**Total equipment costs to implement automated collection of both approximately \$12,000,000** (allowing for 7% change from current quotes).

# Solid Waste System Cost to Automate Curbside Collection Potential Cost Offsets

- Potential offset of costs:
  - Smaller or multiple size carts, this is approximately \$5 per cart in size
  - Approximately \$180,000 - \$360,000 for refuse
  - Approximately \$360,000 - \$720,000 for recycling, probably larger since recycling is not required and participation is voluntary.
  - Anticipated reduction in temporary staffing of approximately \$500,000 - \$700,000 annually.
  - Anticipated offset due to not replacing trucks currently included in scheduled replacement and the potential trade in for newer trucks that will no longer be needed. The offset in replacements for both refuse and recycling through 2026 is approximately \$2,700,000.
  - Trade in of trucks as part of the purchase of replacement trucks, value unknown at this time but should be significant.
  - Injuries to staff would be expected to decrease with a decrease in worker compensation claims however, this cannot be quantified.

# Solid Waste System Cost to Automate Curbside Collection Potential Cost Offsets

---

- Potential offset of costs:
  - Currently there are 28 positions in curbside collections. This could be reduced to approximately 19 positions if collection is automated. This will allow sufficient staffing to cover absences and to have personnel for bulky item collection. Bulky item collection would have to be scheduled for this scenario to work. The cost savings for this reduction in personnel are generally included in the proposed FY 2021 budget as part of the proposed elimination of curbside recycling collection. Approximately \$500,000 annually.
- What is presented here is an initial investigation of the potential costs and offsets. If Council desires, staff can perform a detailed analysis to help define the actual costs for implementation of automated collection at the curb.

# **Solid Waste Revenue Required to Pay \$20.00 Per Hour for Curbside Refuse Collection Staff**

---

Request from Council to know the rate increase necessary to increase wages for CDL driver to a minimum of \$20 per hour.

Below is the cost of providing only the 28 positions associated with curbside collection in the FY 2020 budget:

Current starting rate of pay \$17.00 per hour, moving to \$20.00 per hour is a \$3.00 per hour increase. The following is based on providing each employee a \$3.00 per hour increase.

- \$7,718 per employee annually
- 28 employees for curbside collections is approximately \$216,104 annually.
- This would require an increase to residential curbside rate of approximately \$0.51 per month. However the current rate structure would need to be modified so that residents of apartments would not also pay this increase.
- If the increase was \$5.00 per hour the expense would be \$12,863 per employee or \$360,164 annually. This would require an increase to residential curbside rate of approximately \$0.85 per month. However the current rate structure would need to be modified so that residents of apartments would not also pay this increase.



# **Solid Waste Revenue Required to Pay \$20.00 Per Hour for Curbside Refuse Collection Staff**

---

If the \$3.00 per hour increase were applied to all refuse collector positions it would be approximately \$455,000 annually.

If the \$5.00 per hour increase were applied to all refuse collector positions it would be approximately \$760,000 annually.

If an increase in the rate of pay is provided, it is recommended it be set up as some type of shift pay that only applies when staff works curbside collection on the back of the truck and not apply to all collections or to other CDL required positions in the City.

# Solid Waste Recycling Expense and Revenue

	Res. tons	Res. expense	Res. Per ton	Comm/d rop off tons	Comm./ Drop off expense	Comm Per ton	Comm Revenue	MRF Expense	MRF Revenue	Unaccounted for Expense
FY16	6712	\$2,095,652	\$312	9892	\$926,821	\$94	\$358,161	\$1,407,202	\$1,035,241	\$3,036,273
FY17	4981	\$1,564,692	\$314	9968	\$1,028,194	\$103	\$361,139	\$1,421,589	\$1,604,238	\$2,049,098
FY18	4917	\$1,543,468	\$314	10674	\$899,241	\$84	\$484,576	\$1,405,458	\$1,086,309	\$2,277,282
FY19	4704	\$1,892,070	\$402	8848	\$953,894	\$107	\$662,435	\$1,591,787	\$825,876	\$2,949,440
FY20*	3359	\$1,496,656	\$445	6624	\$951,294	\$143	\$550,097	\$1,136,787	\$508,688	\$2,525,952

\* To date expense and revenue for FY 2020

\*\* Unaccounted for Expenses are recovered by excess charges to all other segments of the utility.

**Recycling costs approximately \$2,200,000 per year more than identified revenues.**

# Fund Financial Summaries

---

# Storm Water

DEPARTMENT: Storm Water  
 FUND NAME: Storm Water Fund  
 FUND NUMBER: 558\*  
☒ Charter Article V Section 27  
☐ Ordinance \_\_\_\_\_

## City of Columbia Fund Financial Summary

☐ Internal Service Fund  
☒ Enterprise Fund  
☐ Administratively Created  
☒ Interest Deposited To Fund

	FY 2019 Revised Budget	FY 2019 Actual	FY 2020 Original Budget	FY 2020 Department Estimated Actual	FY 2021 Department Estimate
<b>FUND OPERATIONS</b>					
BEGINNING CASH BALANCE	2,820,676	2,820,676	4,574,311	4,574,311	6,523,430
RECEIPTS:					
REVENUE (Cash Basis: Oct 1 - Sept 30)	3,054,040	3,179,376	3,656,449	3,731,247	3,759,827
TRANSFERS IN	0	1,132	0	0	22,598
TOTAL RECEIPTS	3,054,040	3,180,508	3,656,449	3,731,247	3,782,425
<b>TOTAL RESOURCES AVAILABLE</b>	<b>5,874,716</b>	<b>6,001,184</b>	<b>8,230,760</b>	<b>8,305,558</b>	<b>10,305,855</b>
EXPENSES:					
OPERATING APPROP	1,752,135	1,236,104	1,653,125	1,572,367	1,386,351
TRANSFER APPROP	117,198	117,198	137,685	125,823	138,160
CAPITAL IMPROVEMENTS APPROP	2,369,709	73,571	2,534,822	83,938	5,795,918
DEBT SERVICE PRINCIPAL	0	0	0	0	0
TOTAL APPROPRIATIONS	4,239,042	1,426,873	5,316,666	1,782,128	7,320,429
<b>BUDGET BALANCE</b>	<b>1,635,674</b>	<b>4,574,311</b>	<b>2,914,094</b>	<b>6,523,430</b>	<b>2,985,426</b>
UNEXPENDED APPROPRIATION *	2,296,138	0	3,229,765	0	4,857,081
OTHER ADJUSTMENTS	0	0	0	0	0
<b>ENDING CASH BALANCE</b>	<b>3,931,812</b>	<b>4,574,311</b>	<b>6,143,859</b>	<b>6,523,430</b>	<b>7,842,507</b>
<b>FUND OBLIGATIONS</b>					
<b>ENDING CASH BALANCE</b>	<b>3,931,812</b>	<b>4,574,311</b>	<b>6,143,859</b>	<b>6,523,430</b>	<b>7,842,507</b>
OTHER OBLIGATIONS					
ONGOING CIP BOND FUNDED	0	0	0	0	0
ONGOING CIP ENTERPRISE REV	1,755,941	1,755,941	1,755,941	2,443,768	2,443,768
OUTSTANDING PROJECTS TOTAL	1,755,941	1,755,941	1,755,941	2,443,768	2,443,768
OTHER ADJUSTMENTS	0	0	0	0	0
CASH RESERVE TARGET	1,343,120	1,343,120	2,189,026	2,189,026	2,658,888
TOTAL FUND OBLIGATIONS	3,099,061	3,099,061	3,944,967	4,632,794	5,102,656
<b>UNASSIGNED CASH RESERVES</b>	<b>832,751</b>	<b>1,475,250</b>	<b>2,198,892</b>	<b>1,890,636</b>	<b>2,739,851</b>

\* May include outstanding projects

DEPARTMENT: Sanitary Sewer

FUND NAME: Sewer Fund

FUND NUMBER: 555\*

☒ Charter Article V Section 27  
☐ Ordinance \_\_\_\_\_

**City of Columbia**  
**Fund Financial Summary**

☐ Internal Service Fund  
☒ Enterprise Fund

☐ Administratively Created  
☒ Interest Deposited To Fund

# Sewer

	FY 2019 Revised Budget	FY 2019 Actual	FY 2020 Original Budget	FY 2020 Department Estimated Actual	FY 2021 Department Estimate
<b>FUND OPERATIONS</b>					
BEGINNING CASH BALANCE	45,809,791	45,809,791	47,518,292	47,518,292	44,017,386
RECEIPTS:					
REVENUE (Cash Basis: Oct 1 - Sept 30)	24,210,498	23,663,661	24,037,807	24,233,368	24,118,200
TRANSFERS IN	0	0	0	0	361,569
TOTAL RECEIPTS	24,210,498	23,663,661	24,037,807	24,233,368	24,479,769
<b>TOTAL RESOURCES AVAILABLE</b>	<b>70,020,289</b>	<b>69,473,452</b>	<b>71,556,099</b>	<b>71,751,660</b>	<b>68,497,155</b>
EXPENSES:					
OPERATING APPROPS	18,080,059	13,468,533	17,506,409	16,111,342	16,816,139
TRANSFER APPROPS	17,150	17,150	7,815	7,815	97,240
CAPITAL IMPROVEMENTS APPROPS	37,307,024	2,165,577	25,916,790	5,741,117	24,619,129
DEBT SERVICE PRINCIPAL	5,738,900	6,303,900	5,874,000	5,874,000	5,730,100
TOTAL APPROPRIATIONS	61,143,133	21,955,160	50,005,014	27,734,274	47,262,608
<b>BUDGET BALANCE</b>	<b>8,877,156</b>	<b>47,518,292</b>	<b>21,551,085</b>	<b>44,017,386</b>	<b>21,234,547</b>
UNEXPENDED APPROPRIATION *	35,141,447	0	20,175,673	0	20,863,755
OTHER ADJUSTMENTS	0	0	0	0	0
<b>ENDING CASH BALANCE</b>	<b>44,018,603</b>	<b>47,518,292</b>	<b>41,726,758</b>	<b>44,017,386</b>	<b>42,098,302</b>
<b>FUND OBLIGATIONS</b>					
<b>ENDING CASH BALANCE</b>	<b>44,018,603</b>	<b>47,518,292</b>	<b>41,726,758</b>	<b>44,017,386</b>	<b>42,098,302</b>
OTHER OBLIGATIONS					
ONGOING CIP BOND FUNDED	12,329,210	12,329,210	12,329,210	9,823,232	9,823,232
ONGOING CIP ENTERPRISE REV	13,829,324	13,829,324	13,829,324	11,018,440	11,018,440
OUTSTANDING PROJECTS TOTAL	26,158,534	26,158,534	26,158,534	20,841,672	20,841,672
OTHER ADJUSTMENTS	4,462,746	4,462,746	13,677,862	13,677,862	13,677,862
CASH RESERVE TARGET	7,953,035	7,953,035	5,598,433	5,598,433	8,272,152
TOTAL FUND OBLIGATIONS	38,574,315	38,574,315	45,434,829	40,117,967	42,791,686
<b>UNASSINGED CASH RESERVES</b>	<b>5,444,288</b>	<b>8,943,977</b>	<b>(3,708,071)</b>	<b>3,899,419</b>	<b>(693,384)</b>

\* May include outstanding projects

DEPARTMENT: Water and Light  
 FUND NAME: Water Fund  
 FUND NUMBER: 550\*  
☒ Charter Article V Section 27  
☐ Ordinance \_\_\_\_\_

City of Columbia  
 Fund Financial Summary

☐ Internal Service Fund  
☒ Enterprise Fund  
☐ Administratively Created  
☒ Interest Deposited To Fund

# Water

	FY 2019 Revised Budget	FY 2019 Actual	FY 2020 Original Budget	FY 2020 Department Estimated Actual	FY 2021 Department Estimate
<b>FUND OPERATIONS</b>					
BEGINNING CASH BALANCE	29,473,373	29,473,373	45,995,009	45,995,009	49,499,462
RECEIPTS:					
REVENUE (Cash Basis: Oct 1 - Sept 30)	27,165,380	26,902,177	28,926,689	27,053,212	28,098,481
TRANSFERS IN	0	0	0	0	564,953
TOTAL RECEIPTS	27,165,380	26,902,177	28,926,689	27,053,212	28,663,434
<b>TOTAL RESOURCES AVAILABLE</b>	<b>56,638,753</b>	<b>56,375,550</b>	<b>74,921,698</b>	<b>73,048,221</b>	<b>78,162,896</b>
EXPENSES:					
OPERATING APPROPS	17,839,258	16,333,229	14,300,919	12,917,703	13,419,911
TRANSFER APPROPS	4,833,869	4,779,082	5,088,349	4,974,516	5,265,974
CAPITAL IMPROVEMENTS APPROPS	40,751,780	1,404,226	24,428,507	2,064,040	46,779,467
DEBT SERVICE PRINCIPAL	3,447,520	3,014,004	3,592,500	3,592,500	3,936,100
TOTAL APPROPRIATIONS	66,872,427	25,530,541	49,835,275	23,548,759	69,401,452
<b>BUDGET BALANCE</b>	<b>(10,233,674)</b>	30,845,009	25,086,423	49,499,462	8,761,444
UNEXPENDED APPROPRIATION *	39,347,554	0	22,364,467	0	26,483,816
OTHER ADJUSTMENTS	15,150,000	15,150,000	0	0	0
<b>ENDING CASH BALANCE</b>	<b>44,263,880</b>	<b>45,995,009</b>	<b>47,450,890</b>	<b>49,499,462</b>	<b>35,245,260</b>
<b>FUND OBLIGATIONS</b>					
<b>ENDING CASH BALANCE</b>	<b>44,263,880</b>	<b>45,995,009</b>	<b>47,450,890</b>	<b>49,499,462</b>	<b>35,245,260</b>
OTHER OBLIGATIONS					
ONGOING CIP BOND FUNDED	16,887,089	16,887,089	16,887,089	16,305,792	16,305,792
ONGOING CIP ENTERPRISE REV	8,940,133	8,940,133	8,940,133	8,632,390	8,632,390
OUTSTANDING PROJECTS TOTAL	25,827,222	25,827,222	25,827,222	24,938,182	24,938,182
OTHER ADJUSTMENTS	7,847,263	7,847,263	7,847,263	7,847,263	7,847,263
CASH RESERVE TARGET	5,587,705	5,587,705	7,423,219	7,423,219	6,495,082
TOTAL FUND OBLIGATIONS	39,262,190	39,262,190	41,097,704	40,208,664	39,280,527
<b>UNASSINGED CASH RESERVES</b>	<b>5,001,690</b>	<b>6,732,819</b>	<b>6,353,186</b>	<b>9,290,798</b>	<b>(4,035,267)</b>

\* May include outstanding projects

# Solid Waste

DEPARTMENT: Solid Waste  
 FUND NAME: Solid Waste Fund  
 FUND NUMBER: 557\*  
☒ Charter Article V Section 27  
☐ Ordinance \_\_\_\_\_

## City of Columbia Fund Financial Summary

☐ Internal Service Fund  
☒ Enterprise Fund  
☐ Administratively Created  
☒ Interest Deposited To Fund

	FY 2019 Revised Budget	FY 2019 Actual	FY 2020 Original Budget	FY 2020 Department Estimated Actual	FY 2021 Department Estimate
<b>FUND OPERATIONS</b>					
BEGINNING CASH BALANCE	20,383,436	20,383,436	26,316,567	26,316,567	25,814,715
RECEIPTS:					
REVENUE (Cash Basis: Oct 1 - Sept 30)	23,503,295	24,823,891	23,735,513	22,738,498	22,640,750
TRANSFERS IN	0	0	0	0	361,569
TOTAL RECEIPTS	23,503,295	24,823,891	23,735,513	22,738,498	23,002,319
<b>TOTAL RESOURCES AVAILABLE</b>	<b>43,886,731</b>	<b>45,207,327</b>	<b>50,052,080</b>	<b>49,055,065</b>	<b>48,817,034</b>
EXPENSES:					
OPERATING APPROPS	22,776,067	17,434,692	21,906,972	20,877,701	21,360,583
TRANSFER APPROPS	300,224	300,224	293,473	293,331	279,300
CAPITAL IMPROVEMENTS APPROPS	5,632,462	229,787	5,847,675	1,111,351	10,339,991
DEBT SERVICE PRINCIPAL	926,057	926,057	954,967	957,967	856,611
TOTAL APPROPRIATIONS	29,634,810	18,890,760	31,406,754	23,240,350	32,836,485
<b>BUDGET BALANCE</b>	<b>14,251,921</b>	<b>26,316,567</b>	<b>18,645,326</b>	<b>25,814,715</b>	<b>15,980,549</b>
UNEXPENDED APPROPRIATION *	5,402,675	0	6,979,584	0	7,314,074
OTHER ADJUSTMENTS	0	0	0	0	0
<b>ENDING CASH BALANCE</b>	<b>19,654,596</b>	<b>26,316,567</b>	<b>25,624,910</b>	<b>25,814,715</b>	<b>23,294,623</b>
<b>FUND OBLIGATIONS</b>					
<b>ENDING CASH BALANCE</b>	<b>19,654,596</b>	<b>26,316,567</b>	<b>25,624,910</b>	<b>25,814,715</b>	<b>23,294,623</b>
OTHER OBLIGATIONS					
ONGOING CIP BOND FUNDED	114,448	114,448	114,448	155,326	155,326
ONGOING CIP ENTERPRISE REV	3,489,967	3,489,967	3,489,967	4,736,495	4,736,495
OUTSTANDING PROJECTS TOTAL	3,604,415	3,604,415	3,604,415	4,891,821	4,891,821
OTHER ADJUSTMENTS	16,400,000	16,400,000	16,400,000	16,400,000	16,400,000
CASH RESERVE TARGET	6,293,990	6,293,990	8,728,097	8,728,097	7,699,177
TOTAL FUND OBLIGATIONS	26,298,405	26,298,405	28,732,512	30,019,918	28,990,998
<b>UNASSINGED CASH RESERVES</b>	<b>(6,643,809)</b>	<b>18,162</b>	<b>(3,107,602)</b>	<b>(4,205,203)</b>	<b>(5,696,375)</b>

\* May include outstanding projects

DEPARTMENT: Water and Light  
 FUND NAME: Electric Fund  
 FUND NUMBER: 551\*  
☒ Charter Article V Section 27  
☐ Ordinance \_\_\_\_\_

City of Columbia  
 Fund Financial Summary

☐ Internal Service Fund  
☒ Enterprise Fund  
☐ Administratively Created  
☒ Interest Deposited To Fund

# Electric

	FY 2019 Revised Budget	FY 2019 Actual	FY 2020 Original Budget	FY 2020 Department Estimated Actual	FY 2021 Department Estimate
<b>FUND OPERATIONS</b>					
BEGINNING CASH BALANCE	75,962,627	75,962,627	81,845,513	81,845,513	74,766,692
RECEIPTS:					
REVENUE (Cash Basis: Oct 1 - Sept 30)	134,941,382	131,748,629	131,562,956	131,562,956	131,562,956
TRANSFERS IN	0	0	0	0	0
TOTAL RECEIPTS	<u>134,941,382</u>	<u>131,748,629</u>	<u>131,562,956</u>	<u>131,562,956</u>	<u>131,562,956</u>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>210,904,009</b>	<b>207,711,256</b>	<b>213,408,469</b>	<b>213,408,469</b>	<b>206,329,647</b>
EXPENSES:					
OPERATING APPROPS	113,421,155	101,084,983	121,445,836	111,387,811	112,575,149
TRANSFER APPROPS	13,427,527	12,785,779	13,254,134	12,681,596	13,055,274
CAPITAL IMPROVEMENTS APPROPS	36,733,038	5,630,831	25,452,207	7,984,870	27,987,337
DEBT SERVICE PRINCIPAL	6,292,480	6,364,150	6,587,500	6,587,500	6,483,900
TOTAL APPROPRIATIONS	<u>169,874,200</u>	<u>125,865,743</u>	<u>172,479,677</u>	<u>138,641,777</u>	<u>160,101,660</u>
<b>BUDGET BALANCE</b>	<b>41,029,809</b>	<b>81,845,513</b>	<b>40,928,792</b>	<b>74,766,692</b>	<b>46,227,987</b>
UNEXPENDED APPROPRIATION *	31,102,207	0	17,467,337	0	15,241,619
OTHER ADJUSTMENTS	0	0	0	0	0
<b>ENDING CASH BALANCE</b>	<b>72,132,016</b>	<b>81,845,513</b>	<b>58,396,129</b>	<b>74,766,692</b>	<b>61,469,606</b>
<b>FUND OBLIGATIONS</b>					
<b>ENDING CASH BALANCE</b>	<b>72,132,016</b>	<b>81,845,513</b>	<b>58,396,129</b>	<b>74,766,692</b>	<b>61,469,606</b>
OTHER OBLIGATIONS					
ONGOING CIP BOND FUNDED	14,734,752	14,734,752	14,734,752	13,434,818	13,434,818
ONGOING CIP ENTERPRISE REV	11,032,330	11,032,330	11,032,330	10,059,033	10,059,033
OUTSTANDING PROJECTS TOTAL	<u>25,767,082</u>	<u>25,767,082</u>	<u>25,767,082</u>	<u>23,493,851</u>	<u>23,493,851</u>
OTHER ADJUSTMENTS	13,482,234	13,482,234	13,677,862	13,677,862	13,677,862
CASH RESERVE TARGET	<u>31,932,063</u>	<u>31,932,063</u>	<u>33,794,565</u>	<u>33,794,565</u>	<u>31,151,882</u>
TOTAL FUND OBLIGATIONS	<u>71,181,379</u>	<u>71,181,379</u>	<u>73,239,509</u>	<u>70,966,278</u>	<u>68,323,595</u>
<b>UNASSIGNED CASH RESERVES</b>	<b>950,637</b>	<b>10,664,134</b>	<b>(14,843,381)</b>	<b>3,800,414</b>	<b>(6,853,989)</b>

\* May include outstanding projects



# Public Safety Mental Health Collaboration

---

# Background

---

- Many previous and current efforts to address mental health in justice system (e.g. CIT, CMHL, treatment courts, street outreach team)
- Indicated in Justice System Sequential Intercept Mapping as top priority for community
- Current City funding for mental health is \$135,118
- Growing community interest in rethinking public safety

# Options for Consideration

---

- Co-responder
- Case management team
- Mobile crisis team
- 911 Diversion
- Tailored approach

# Mental Health Collaboration Unit

---

- \$621,541 allocated in FY21 Public Health & Human Services budget
- Placeholder positions developed:
  - 1.00 FTE Social Work Supervisor
  - 6.00 FTE Clinical Social Workers

# Next Steps

---

Recommend a process to bring stakeholders together to determine the best model that fits the needs of our community.

# Performance Audit Overview

---

# Finance and Utilities Performance Audit

---

The objectives of the Finance and Utilities Performance Audit are:

1. Independently examine the management systems and procedures in place for the Finance and Utilities departments and determine if they are operating effectively; and
2. Evaluate business processes within Finance and Utilities for operating efficiencies and use of best practices.

# Finance and Utilities Performance Audit

---

## **Scope**

This audit will include activity for the period January 1, 2019 to June 30, 2020.

## **Audit objectives**

1. Interviews with personnel in the Finance and Utilities departments responsible for financial reporting, budgeting, capital project management, and operations and maintenance activities.



# Finance and Utilities Performance Audit

---

## Audit Objectives

2. Evaluation of the following areas to determine whether controls over these areas are operating effectively and identify opportunities for improvement:

- Daily cash reconciliation
  - Utility level
  - Roll-up to process to Finance
  - Tracking of pooled cash as part of the reconciliation
- Month/quarter/year end accounting close activities, including financial reporting to Executive Management and the City Council

# Finance and Utilities Performance Audit

---

## **Audit Objectives Cont.**

- Allocation of revenue and expense to related operating units
- Annual department budget process
- Periodic budget-to-actual reporting
- Purchasing and contract management
- Operation and maintenance project management
- Capital project management to include:
  - Construction-in-Process accounting
  - Project closing process
- Selection of three major construction projects to review end-to-end process and project accounting
- Utility rate structure and cost of service process

# Finance and Utilities Performance Audit

---

## Audit Schedule

July 28	Planning Meeting
August 17	Fieldwork week #1
August 31	Fieldwork week #2
September 11	Estimated closing meeting
September 25	Estimated closing audit process
October 1	Estimated final report issued

# Transforming Government

---

**Over the next couple of years we will be redesigning  
how we administrate and communicate government  
from the inside out.**

# What does this have to do with the Budget and Budget Process?

---

The Budget is the main **Decision Making Process** and most important tool the City has. The Budget is a blueprint that should establish:

- The **Core Framework** for the operations of City departments, programs, and services by the City Administration.
- Define the **Workflow, Roles and Controls**.
- Provide **Transparency** and **Data** that is used to promote **Trust** and understanding in the efficiency and effectiveness of programs and services provided.

# Known Issues

---

## Reactive Decision Making

- Issues
  - Task Management
  - Lack of Prioritization
  - Data Collection
  - Budget Controls
- Effects
  - Decisions are more likely to be based off intuition and interpersonal relationships instead of data and analysis
  - Added Stress
  - Unclear use of funds

# Known Issues

---

## Ineffective Communication

- Issues
  - Workflow
  - Administrative Chain of Command
  - Uncertainty of Ownership
  - Prioritization
  - Standardized Reporting
- Effects
  - Mistrust
  - Reduced Productivity
  - Low Morale

# Known Issues

---

## Lack of Cohesive Governance

- Issues
  - Siloing
  - Lack of Workflow
  - Ineffective Communication
  - Budget Controls and Framework
- Effects
  - Inefficiency
  - Duplicative Effort
  - Waste
  - Mistrust



# Back to Basics

---

- During the budget process “Hundreds if not thousands of decisions are made along the way, with fewer decision points at each subsequent step. Modern budgeting systems can provide quality information that help local leaders exercise judgment.”
- The annual operating budget of bureaucratic organizations determines resource allocation of programs and services.
- The budget also serves as their most significant **policy document** and set the annual bureaucratic operating **structural framework**.

# Back to Basics

---

1. Role Clarity
2. Core Framework
3. Trust
4. Decision Making Process and Workflow

# Role Clarity

---

1. Citizens - End Users and Shareholders
2. Council - Majority Shareholder Representatives
3. City Manager - CEO
4. 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

---

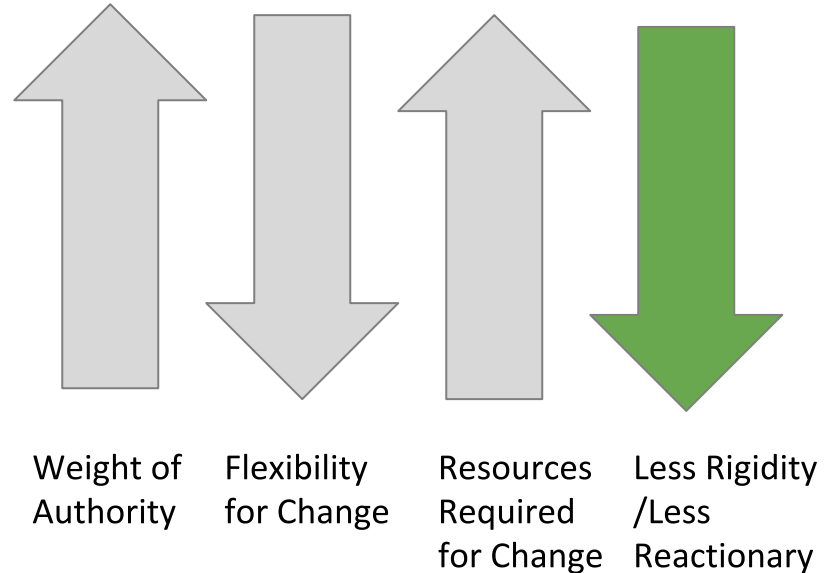
## Operational, vs Supporting, vs Administrative Activities

- 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)

# Core Framework

## Guardrails and Framework Structures

1. Federal/State Law
2. Charter
3. Ordinance - Code
4. Ordinance - Budget
5. Administrative Policy
6. Management Practices
7. Culture



# Core Framework

**State and Federal Law - State and Federal Officials**  
**City Charter - Citizens (Shareholders)**

**City Ordinance - City Council**

**Administrative Policy - City Manager**

**Management Practices - Directors and Managers**

**Culture - City Staff**

**Delivery of Services - Citizens (End Users)**

## What is “Trust” and why does it matter?

- “Governments...exist to produce trust: trust in fellow citizens, trust in contracts and the rule of law, and trust that governments will meet their responsibilities to serve and protect.”
- Trust in Government and the Bureaucracy “maximizes efficiency. Efficiency maximizes productivity. Productivity maximizes success. Maximized bureaucratic success starts with trust.”

# Investing in Trust

---

## How do we invest in Trust?

- Create consistent channels of formal and informal communication.
- Institutionalize and communicate standardized workflow and role clarity.
- Promote a culture of error acknowledgement and learning from our mistakes.
- Institutionalize policies and procedures that reduce the cost of transparency, data collection, and enforcement.



# Outcome

---

City transformation to a bureaucracy that recognizes Trust is a Public Good that grows stronger with use.

Investing in trust:

- Increases Cohesion and Solidarity
- Decreases Rigidity
- Increases Efficiency and Effectiveness
- Reduces Waste

# Decision Making Process

---

Incremental Budgeting Process - the budget is prepared by taking the current and prior years budget actual performance as a base, with incremental amounts then being added or subtracted for the new budget year

Needs:

1. Priority and Data Driven Decision Making
2. Institutionalized Data Collection Methods
3. Standardized Terminology and Reporting
4. Consistent “Data Checkpoints”

# Decision Making Process

---

- Our goal should be to move from reactionary decision making to proactive contingency decision making.
- Core framework at each level should strive to find a healthy balance between rigidity of guidance and flexibility of execution.
- Data collection and analysis should provide a transparent indication of the health of city programs and services we provide and assist decision makers in identifying what changes need to be made in our core framework and resource allocation.

# What does this have to do with the Budget and Budget Process?

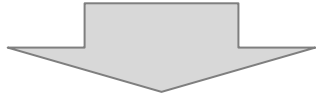
---

The Budget is the main **Decision Making Process** and most important tool the City has. The Budget is a blueprint that should establish:

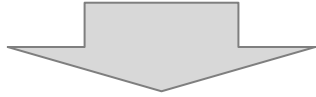
- The **Core Framework** for the operations of City departments, programs, and services by the City Administration.
- Define the **Workflow, Roles and Controls**.
- Provide **Transparency** and **Data** that is used to promote **Trust** and understanding in the efficiency and effectiveness of programs and services provided.

# Budget Workflow

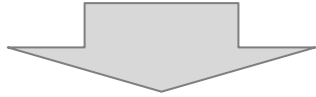
Department Needs



Department Admin Analysis and Recommended Changes

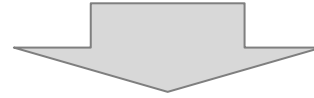


Central Admin Analysis and Recommended Changes

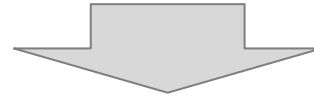


City Manager Recommendation

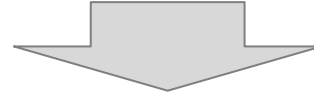
Council Review and Analysis



Public Input



Council Changes



Council Approved Budget

# Key Example

---

**Our current core framework puts an imbalance of weight at the Ordinance Code Level that should be handled at a lower level such as policies and procedures.**

- Example: 19-107 (b) An employee required to wear standard dark blue denim jeans on the job shall be eligible to receive additional compensation in the amount of three hundred thirty-six dollars (\$336.00) per fiscal year for the purchase of jeans. The compensation will be paid on the second payroll check of each quarter in the amount of eighty-four dollars (\$84.00)....

# Key Example

---

**The more rigid our core framework is, the more reactionary our decision making and communication is.**

## **Example: Parking Gate Arms**

- 2017 - \$930,000 cost estimate and 1 year project implementation
- Poor communication and controls between Public Works, Finance, IT, and Administration
- Additional hardware, software and vendors were required
- 4 Years - \$973,682 not including staff time
-

# Other Budget Related Items

---



