

Budget Work Session

Wednesday, May 26, 2021

Agenda

- Mid Year Update
- Revenue Discussion
- Budget Process Improvements
- Payroll Budget Improvements
- CARES Act and the American Rescue Plan Funding
- FY 22 Revenue Outlook
- Wrap Up

Annual Report vs FMIS

	<u>Comprehensive Annual Financial Report</u>	<u>Financial Management Information Supplement</u>
Timing of Statements	Yearly	Quarterly
Presentation of Numbers	Only current numbers are presented	Comparative numbers from same time period of the prior year
Audit Status	Audited by independent audit firm yearly	Not Audited
Accounting and presentation	Prepared in accordance with Generally Accepted Accounting Principles (GAAP)	Not presented in the governmental reporting model – no footnotes
Information	Presented at a higher level	Easier to understand format
Time required	Entries required for GAAP accounting and presentation for GASB require extended period of time	Compiled in timelier manner

FMIS Breakdown

	Exhibit	Page Numbers
General Fund (Governmental)		
<ul style="list-style-type: none">General Fund	B	7-16
Special Revenue Funds (Governmental)		
<ul style="list-style-type: none">Non-Motorized GrantMid Mo Solid Waste Mgmt DistrictTransportation Sales TaxConvention and TourismCDBGPublic ImprovementCapital Improvement Sales TaxPark Sales TaxStadium TDD	C	18-30
Debt Service Funds (Governmental)		
<ul style="list-style-type: none">2016 Special Obligation Refunding BondsMo Transportation Finance CorporationRobert M Lemone Trust	D	32-35

FMIS Breakdown (Cont'd)

Exhibit Page Numbers

Capital Projects Fund (Governmental)

E 38-42

- General Fund Capital Projects

Enterprise Funds

- | | |
|-------------------------|-----------------------|
| • Electric | • Parking Facilities |
| • Water | • Recreation Services |
| • Sanitary Sewer | • Railroad |
| • Regional Airport | • Storm Water |
| • Public Transportation | • Transload |
| • Solid Waste | |

F 44-79

Trust Agency Funds

- | | |
|---|---|
| • Police and Firefighters' Retirement | • Contributions |
| • Other Post Employment Benefit (OPEB) Trust | • Agency (TIFs, Mo Foundation for Health) |
| • Designated Loan and Special Tax Bill Investment | |

H 93-104

FMIS Breakdown (Cont'd)

Exhibit

Page Numbers

Internal Service Funds

- IT
- Fleet
- Self Insurance Reserve
- Employee Benefit

G

82-91

Funds transferred from Internal Service Funds in FY21

- Custodial and Maintenance Services (General Fund)
- Community Relations (General Fund)
- Utility Customer Service (Enterprise Funds)
 - Water (25%)
 - Electric (42%)
 - Solid Waste (16%)
 - Sanitary Sewer (16%)
 - Storm Water (1%)

FMIS Summary

Each of these sections/exhibits will include:

- Consolidated Balance Sheet, Income Statement (Revenues, Expenses, and Changes in Retained Earnings) and Statement of Cash Flows

EXHIBIT F-1

CITY OF COLUMBIA, MISSOURI
ENTERPRISE FUNDS

COMPARATIVE COMBINING BALANCE SHEETS
March 31, 2021 and 2020

ASSETS	Electric Utility Fund		Water Utility Fund		Sanitary Sewer Utility Fund	
	2021	2020	2021	2020	2021	2020
CURRENT ASSETS:						
Cash and cash equivalents	\$42,393,038	\$40,686,162	\$8,636,520	\$6,773,573	\$ 15,423,738	\$ 12,617,197
Accounts receivable	11,497,036	11,876,515	2,068,719	1,943,701	941,860	1,183,505
Grants receivable	0	0	0	0	0	0
Accrued interest	60,956	97,740	33,503	46,875	42,595	70,943
Due from other funds	0	0	0	0	0	0
Advances to other funds	0	0	0	0	0	0
Loans receivable from other funds	87,158	83,926	0	0	0	0
Inventory	5,033,970	5,015,725	1,081,153	1,104,959	11,986	0
Other assets	0	0	0	0	0	0
Total Current Assets	59,072,158	57,760,068	11,819,895	9,869,108	16,420,179	13,871,645

- Individual Schedules of Operating Revenues and Expenses for each fund with more detail

EXHIBIT F-4

CITY OF COLUMBIA, MISSOURI
ELECTRIC UTILITY FUND

COMPARATIVE DETAIL SCHEDULES OF OPERATING REVENUES AND EXPENSES
(BY FEDERAL ENERGY REGULATORY COMMISSION CLASSIFICATIONS)
FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020

	2021	2020
OPERATING REVENUES:		
Residential sales	\$26,843,000	\$25,627,861
Commercial and industrial sales	25,463,362	26,234,549
Intragovernmental sales	601,918	618,868
Street lighting and traffic signs	34,433	4,441
Sales to public authorities	6,320,139	6,498,115
Sales for resale	1,813,847	421,798
Miscellaneous	1,439,499	1,012,056
TOTAL OPERATING REVENUES	62,516,198	60,417,688

General Fund Six Month Statements

GENERAL FUND SIX MONTH REVENUES AND OTHER SOURCES				
REVENUES BY TYPE:	<u>FY21</u>	<u>FY20</u>	<u>FY19</u>	<u>% Change FY21-FY19</u>
General Property Taxes	9,218,371	9,123,022	8,537,005	7.98%
Sales Tax	10,555,023	10,338,351	10,055,969	4.96%
Other Local Taxes	5,633,645	5,514,822	5,883,193	-4.24%
Payment in Lieu of Taxes (P.I.L.O.T.)	7,991,145	8,108,001	8,221,934	-2.81%
Licenses and Permits	161,457	89,410	94,808	70.30%
Fines	318,801	535,257	664,997	-52.06%
Fees and Service Charges	1,420,478	1,149,587	889,887	59.62%
Intragovernmental Revenue	4,923,217	2,537,546	2,887,432	70.51%
Revenue from Other Governmental Units	7,962,280	1,562,191	1,039,693	665.83%
Investment Revenue	-28,228	738,114	887,287	-103.18%
Miscellaneous	582,244	736,353	633,514	-8.09%
TOTAL REVENUES	48,738,433	40,432,654	39,795,719	22.47%
OTHER SOURCES:				
Transfers in	7,766,599	4,630,594	4,448,123	74.60%
TOTAL REVENUES AND OTHER SOURCES	56,505,032	45,063,248	44,243,842	27.71%

General Fund Six Month Statements

GENERAL FUND SIX MONTH EXPENSES AND OTHER USES				
EXPENSES BY FUNCTION:	<u>FY21</u>	<u>FY20</u>	<u>FY19</u>	<u>% Change FY21-FY19</u>
Policy Development and Administration	3,736,033	4,305,796	4,898,562	-23.73%
Police (Public Safety)	11,665,693	11,527,290	11,172,625	4.41%
Fire (Public Safety)	10,011,282	9,483,607	8,766,052	14.21%
Public Safety Misc. (Public Safety)	926,275	1,170,066	1,007,516	-8.06%
Public Works	3,263,534	3,961,772	4,906,051	-33.48%
Health and Environment	6,467,237	4,841,388	4,797,234	34.81%
Personal Development	3,465,357	3,640,820	3,736,693	-7.26%
Supporting Activities	1,581,046	0	0	0.00%
Misc. Non-programmed Activities	82,281	159,773	197,742	-58.39%
Capital Outlay	1,499,329	159,175	137,788	988.14%
TOTAL EXPENSES	42,698,067	39,249,687	39,620,263	7.77%
OTHER USES:				
Transfers out	1,386,254	951,584	1,014,452	36.65%
TOTAL EXPENSES AND OTHER USES	44,084,321	40,201,271	40,634,715	8.49%
CHANGE IN FUND BALANCE	12,420,711	4,861,977	3,609,127	244.15%

General Fund Six Month Highlights

- Total taxes (Property, Sales, and Other Local Taxes) for the first six months came to \$25,407,039.
 - This is a 3.80% increase over the three year period.
- Intragovernmental Revenue
 - The increase of intragovernmental revenue is due to the inclusion of Community Relations and Custodial and Maintenance Services into the General Fund.
- Expenses by Function
 - Most of the functions had a decrease over the three year period, with the exception of Police, Fire and Health. The increases in those function largely came from COVID-19 related expenses.
 - Capital Outlay increase came from the purchase of several police cruisers, and vehicle purchases for Public Works

Other Local Taxes Detail

OTHER LOCAL TAXES:	<u>FY21</u>	<u>FY20</u>	<u>FY19</u>	<u>% Change FY21-FY19</u>
Gasoline tax	1,126,164	1,368,489	1,418,322	-20.60%
Cigarette tax	187,715	199,730	205,053	-8.46%
Motor vehicle tax	776,461	719,793	634,562	22.36%
Telephone	1,018,915	970,575	1,221,180	-16.56%
Natural gas	1,577,423	1,534,762	1,771,026	-10.93%
CATV franchise	308,066	103,352	114,262	169.61%
Electric	638,901	618,121	518,788	23.15%
	5,633,645	5,514,822	5,883,193	-4.24%
CATV franchise *	308,066	342,885	387,799	-20.56%
* Prior to FY21 CATV franchise was split between GF and Public Relations				

Utility Enterprise Funds

UTILITY ENTERPRISE FUNDS SIX MONTH REVENUES AND OTHER SOURCES				
CHARGES FOR SERVICES:	<u>FY21</u>	<u>FY20</u>	<u>FY19</u>	<u>% Change FY21-FY19</u>
Water	11,516,673	11,096,569	10,743,474	7.20%
Electric	62,516,198	60,417,688	60,880,013	2.69%
Solid Waste	11,768,496	11,152,440	11,706,688	0.53%
Sewer	12,283,562	11,810,252	11,246,560	9.22%
Storm Water	1,855,838	1,805,813	1,481,934	25.23%
TOTAL CHARGES FOR SERVICES	99,940,767	96,282,762	96,058,669	4.04%
NON-OPERATING REVENUE:				
Investment revenue	517,180	3,105,194	3,489,140	-85.18%
Revenue from other governmental units	11,148	0	-680	1739.41%
Miscellaneous revenue	904,246	871,470	931,611	-2.94%
OPERATING TRANSFERS:				
Operating transfers from other funds	1,771,031	0	1,132	156351.50%
TOTAL REVENUE FROM OTHER SOURCES	3,203,605	3,976,664	4,421,203	-27.54%
TOTAL REVENUE	103,144,372	100,259,426	100,479,872	2.65%

Utility Enterprise Funds

UTILITY ENTERPRISE FUNDS SIX MONTH EXPENSES AND OTHER USES				
OPERATING EXPENSES:	<u>FY21</u>	<u>FY20</u>	<u>FY19</u>	<u>% Change FY21-FY19</u>
Water	6,072,160	6,574,162	6,276,669	-3.26%
Electric	52,067,177	43,290,512	42,163,964	23.49%
Solid Waste	7,769,392	7,380,996	7,501,348	3.57%
Sewer	5,122,343	4,913,291	4,972,715	3.01%
Storm Water	390,072	505,915	491,786	-20.68%
TOTAL OPERATING EXPENSES	71,421,144	62,664,876	61,406,482	16.31%
Payment-in-lieu-of-tax	7,991,145	8,108,002	8,221,933	-2.81%
Depreciation	12,634,729	12,365,552	12,067,512	4.70%
	20,625,874	20,473,554	20,289,445	1.66%
NON-OPERATING EXPENSES:				
Interest expense	4,298,253	4,484,060	5,089,031	-15.54%
Loss on disposal of fixed assets	41,955	91,493	47,136	-10.99%
Miscellaneous expense	257,634	791,670	137,525	87.34%
OPERATING TRANSFERS:				
Operating transfers to other funds	790,897	582,898	584,205	35.38%
TOTAL EXPENSES FOR OTHER USES	5,388,739	5,950,121	5,857,897	-8.01%
TOTAL EXPENSES	97,435,757	89,088,551	87,553,824	11.29%
NET INCOME (LOSS)	5,708,615	11,170,875	12,926,048	-55.84%

Utility Enterprise Highlights

- Electric operating expense had a 23.49% increase over the three year period.
 - The cause of this increase came from power purchases due to the cold snap in February.
 - Power Purchase for the first six months of FY21 came in at \$35,682,424 a 31.48% increase over FY20.
 - On 4/8/21 and 4/9/21 two rebates were received from The Energy Authority totaling \$6,716,787.40.
 - If the rebate were to be included in the six month statements the Net Income for Utility Funds would have been \$12,425,402 more inline with the previous two year.

Non-Utility Enterprise Funds

NON-UTILITY ENTERPRISE FUNDS SIX MONTH REVENUES AND OTHER SOURCES				
CHARGES FOR SERVICES	<u>FY21</u>	<u>FY20</u>	<u>FY19</u>	<u>% Change FY21-FY19</u>
Airport	299,092	727,859	600,190	-50.17%
Public Transportation	811,578	867,092	941,376	-13.79%
Parking	2,038,621	2,369,576	2,694,473	-24.34%
Recreation Services	1,337,286	1,374,553	1,636,296	-18.27%
Railroad	188,508	112,765	178,398	5.67%
Transload	36,135	32,201	115,983	-68.84%
TOTAL CHARGES FOR SERVICES	4,711,220	5,484,046	6,166,716	-23.60%
NON-OPERATING REVENUE:				
Investment revenue	65,630	330,567	590,463	-88.90%
Revenue from other governmental units	2,475,667	3,276,395	2,037,788	21.50%
Miscellaneous revenue	58,059	94,561	534,633	-89.10%
OPERATING TRANSFERS:				
Operating transfers from other funds	2,063,640	5,276,745	5,518,218	-62.60%
TOTAL REVENUE FROM OTHER SOURCES	4,662,996	8,978,268	8,681,102	-46.29%
TOTAL REVENUE	9,374,216	14,462,314	14,847,818	-36.86%

Non-Utility Enterprise Funds

NON-UTILITY ENTERPRISE FUNDS SIX MONTH EXPENSES AND OTHER USES				
OPERATING EXPENSES:	<u>FY21</u>	<u>FY20</u>	<u>FY19</u>	<u>% Change FY21-FY19</u>
Airport	1,174,294	986,963	1,488,916	-21.13%
Public Transportation	2,464,428	2,934,045	3,515,610	-29.90%
Parking	928,450	650,992	675,411	37.46%
Recreation Services	2,363,875	2,645,200	2,609,313	-9.41%
Railroad	195,818	183,000	236,087	-17.06%
Transload	80,436	107,205	87,522	-8.10%
TOTAL OPERATING EXPENSES	7,207,301	7,507,405	8,612,859	-16.32%
Depreciation	2,464,057	2,146,919	2,250,142	9.51%
NON-OPERATING EXPENSES:				
Interest expense	420,542	288,310	546,509	-23.05%
Loss on disposal of fixed assets	47,557	1,800	0	0.00%
Miscellaneous expense	43,071	289	20,789	107.18%
OPERATING TRANSFERS:				
Operating transfers to other funds	141,965	1,231,902	230,309	-38.36%
TOTAL EXPENSES FOR OTHER USES	653,135	1,522,301	797,607	-18.11%
TOTAL EXPENSES	10,324,493	11,176,625	11,660,608	-11.46%
NET INCOME (LOSS)	-950,277	3,285,689	3,187,210	-129.82%

Non-Utilities Enterprise Highlights

- Charges for Services
 - Revenue from services was down over the three year period by 23.60%
 - Non-Utilities Funds were some of the hardest affected by COVID-19 especially; Airport, Transit, Parking, and Rec Services.
- Revenue from other Governmental Units
 - This revenue is largely from grants.
 - Transit is expected to receive a \$4 million CARES grant from the FTA.
 - A drawdown for this grant had yet to be made before the end of the first six months.
 - If the City were to have receive 6 months of the CARES grant the the Net Income would have been \$1,049,723

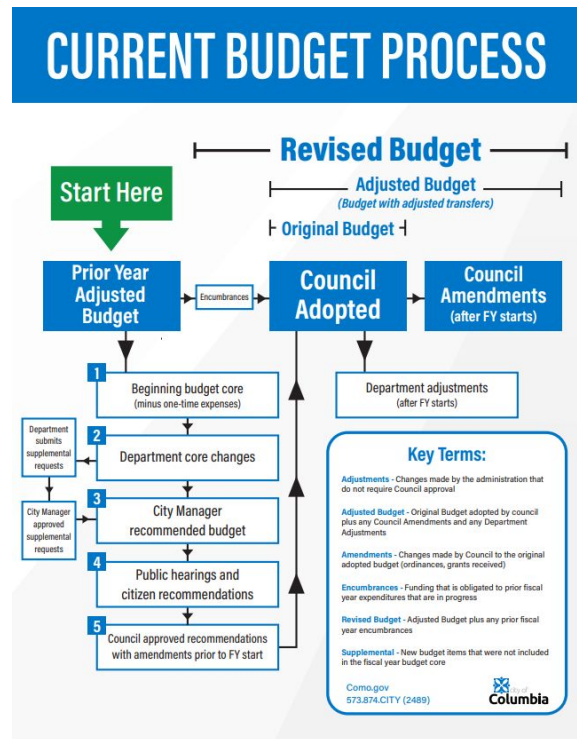
March 31, 2021 General Fund Reserves

FY20 Restricted Reserve	18,083,626
FY20 Above the Restricted Reserve	20,684,232
<u>FY20 Ending Fund Balance</u>	<u>38,767,858</u>
FY21 Total Revenues and Other Sources	56,505,032
FY21 Total Expenses and Other Uses	44,084,321
<u>FY21 Fund Balance at 3/31/21</u>	<u>51,188,569</u>
FY21 Restricted Reserve	18,830,166
FY21 Above the Restricted Reserve	32,358,403

Budget Process Improvements

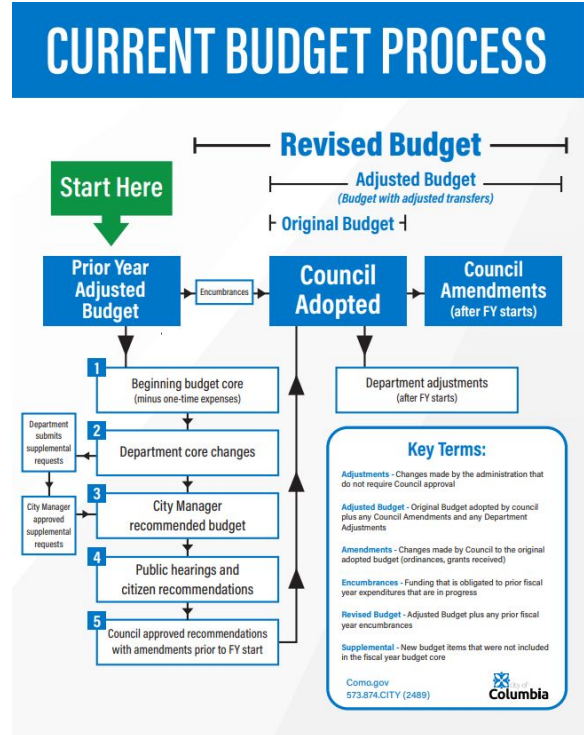
Former Process Overview

- We start with the Prior Year Adjustment Budget
 - This is the Budget that Council adopts *plus* any Council amendments or department adjustments
- This means any authority added to the budget in the current year may make it into the budget in the upcoming year



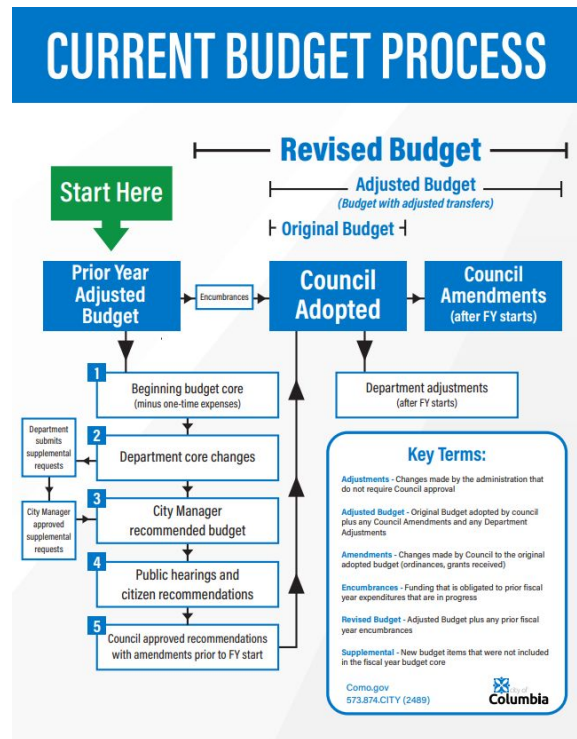
Former Process Overview

- Early in the budget process, departments make their core changes and submit supplemental requests.
- These requests are reviewed by the City Manager to determine whether they will make it into the City Manager's recommended budget.



Former Process Overview

- Once the budget is adopted, it is revised with any encumbrances, or prior fiscal year expenditures that are still in progress.



Challenges

- The main challenge with this system was that the prior year adjusted budget became the beginning budget.
- This made it difficult to track a department's “core” budget.

New Terminology

Core Budget

Budget Authority

Supplemental

New Decision Item

Core Budget

- The City utilizes an incremental budgeting process
 - This is a traditional approach commonly used by governmental agencies
- Each year we start with the prior fiscal year **original adopted** budget, less one-time expenditures, to create the beginning FY **Core Budget**

Budget Authority

- **Budget Authority** is the amount that has been permitted to be spent out of an account for an intended purpose
- This does not mean it is the amount of cash currently in the account, nor that there has to be cash to spend

Supplemental

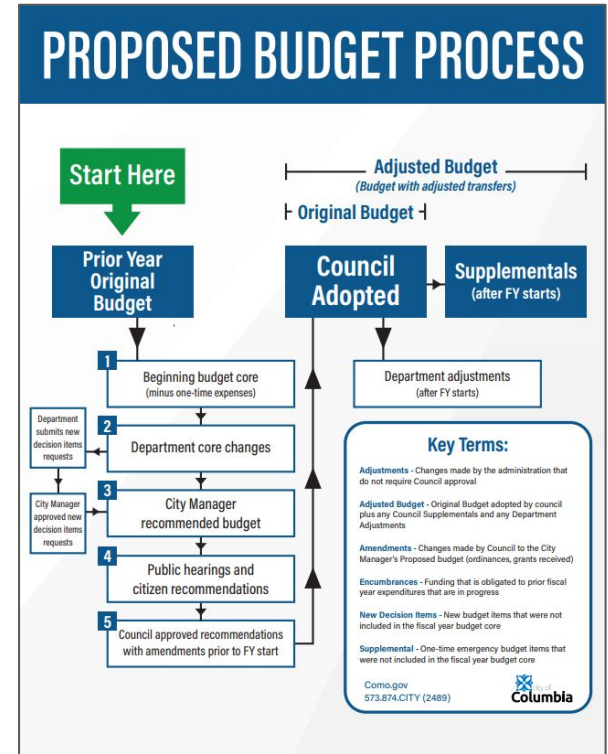
- Supplementals are any **emergency** budget changes that occur throughout the fiscal year
- Currently overused, this should be an indication to City Administration there is a problem
- As we transition we are trying to take supplementals to Council quarterly, but the City Manager may decide to take **emergency** supplementals at a different time

New Decision Item

- This is any spending request above the core budget
- Examples: new positions, new programs, fleet replacement, expansion, etc.

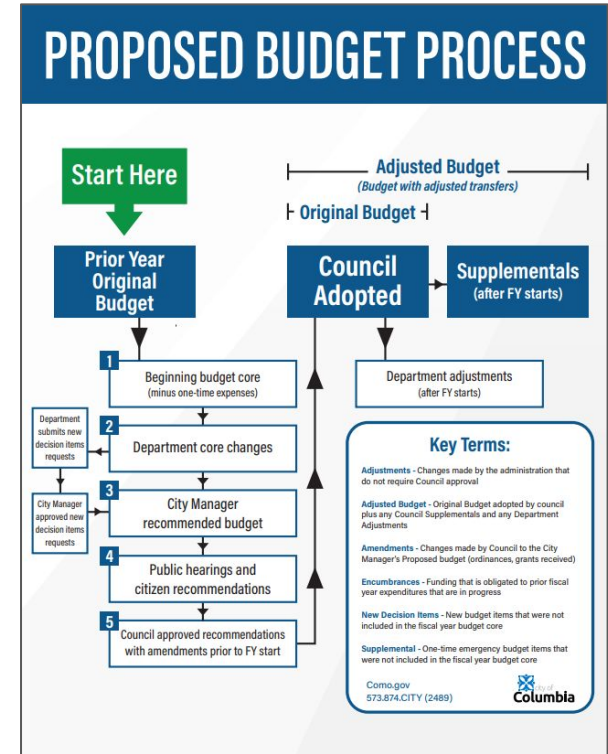
New Process Overview

- Unlike the former process, our new budget process starts with the prior year original budget, rather than the prior year adjusted.
- The original budget is the prior year Council adopted budget while the prior year adjusted includes all the amendments and supplementals adopted throughout the fiscal year.



New Process Overview

- With so much focus on the core budget, we've introduced process changes to track core reallocations, reductions, and corrections.
- We've also made changes to the process to request new spending. These New Decision Items (NDIs) were previously called supplemental requests.



New Decision Items

- Any spending above the core budget is considered a New Decision Item.
 - Previously, supplemental requests only included new personnel or programs, fleet replacement, and any spending above \$5,000
- This will allow for better tracking of changes in department needs and spending.

New Decision Items

What items should be included in NDI requests?

- * Additional Positions
- * Requests to convert temporary help or overtime dollars into a permanent position
- * Fleet Replacements - replacing a fleet item because it meets the FOC replacement guidelines OR because the item needs to be replaced due to mechanical issues.
- * Requests for new or upgrades to software
- * Operating items that are a part of a set maintenance schedule but do not have enough authority in the core to cover
- * Anticipated grants (even if they have not been awarded yet)
- * Any item over the core budget
- * Any new program
- * Increases to personnel accounts such as overtime or temporary help over the core budget
- * Requests to add to the fleet count for the department

What items should NOT be included in NDI requests?

- * Requests for positions to be reclassified or upgraded - those have to be submitted directly to HR
- * Increases that are reallocated

Challenges Addressed

- The main challenge with the former system was that it was difficult to track a department's core budget.
- The process changes we have made put more emphasis on the department's core and allows for better tracking of a department's changing needs and spending.

Payroll Budget Improvements

Payroll Budget Improvements

- All employees are now being budgeted to their midpoint.
 - In prior years, we budgeted payroll to each employee's current salary.
- This allows managers more flexibility in hiring decisions.
- This will be a budget increase but not an expenditure increase. We will be showing the anticipated expenditures for personnel.

Payroll Budget Improvements - Anticipated Expenditures

- For example, if a division with all employees budgeted at midpoint is \$100,000, but the actual salaries of those employees only amounts to \$75,000 annually, then the anticipated expenditures would reflect that \$75,000.
- The budget document will have the budgeted amount (\$100,000) and it will also show the anticipated expenditure amount (\$75,000).

Finance - Summary						
<i>Appropriations (Where the Money Goes)</i>						
	FY 2020	FY 2020	FY 2021	FY 2022	FY 2022	% Change
	Revised	Actuals	Original	Proposed	Anticipated Expenditures	in Original & Proposed
Personnel Services	\$3,718,983	\$3,461,229	\$3,463,059	\$3,774,189	\$3,449,710	9.0%
Supplies & Materials	\$103,313	\$62,451	\$61,020	\$58,211	\$58,211	(4.6%)
Travel & Training	\$57,138	\$12,628	\$28,783	\$33,692	\$33,692	17.1%
Intragov. Charges	\$545,796	\$483,336	\$275,304	\$275,304	\$275,304	0.0%
Utilities, Services & Misc.	\$345,688	\$250,501	\$299,507	\$291,953	\$291,953	(2.5%)
Capital	\$0	\$0	\$0	\$0	\$0	
Other	\$0	\$0	\$0	\$0	\$0	
Total	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%
Operating Expenses	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%
Non-Operating Expenses	\$0	\$0	\$0	\$0	\$0	
Debt Service	\$0	\$0	\$0	\$0	\$0	
Capital Additions	\$0	\$0	\$0	\$0	\$0	
Capital Projects	\$0	\$0	\$0	\$0	\$0	
Total Expenses	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%
<i>Funding Sources (Where the Money Comes From)</i>						
Transfers	\$0	\$0	\$0	\$0	\$0	
Other Local Revenues	\$260	\$2,138	\$50	\$50	\$50	(97.7%)
Intragov. Revenues (G&A, F&E)	\$1,422,360	\$1,425,314	\$1,431,991	\$1,458,430	\$1,458,430	2.3%
Dedicated Sources	\$1,422,620	\$1,427,452	\$1,432,041	\$1,458,480	\$1,458,480	2.2%
General Sources	\$3,348,298	\$2,842,693	\$2,695,632	\$2,974,869	\$2,650,390	4.6%
Total Funding Sources	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%

Payroll Budget Improvements - Anticipated Expenditures

- Finance has a proposed budget of \$3,774,189 in Personnel Services. This includes budgeting all employees to their midpoint.
- Not all employees in Finance are at their midpoint. In fact, some are above it and some are below it.

Finance - Summary

Appropriations (Where the Money Goes)

	FY 2020	FY 2020	FY 2021	FY 2022	FY 2022	% Change in Original & Proposed
	Revised	Actuals	Original	Proposed	Anticipated Expenditures	
Personnel Services	\$3,718,983	\$3,461,229	\$3,463,059	\$3,774,189	\$3,449,710	9.0%
Supplies & Materials	\$103,313	\$62,451	\$61,020	\$58,211	\$58,211	(4.6%)
Travel & Training	\$57,138	\$12,628	\$28,783	\$33,692	\$33,692	17.1%
Intragov. Charges	\$545,796	\$483,336	\$275,304	\$275,304	\$275,304	0.0%
Utilities, Services & Misc.	\$345,688	\$250,501	\$299,507	\$291,953	\$291,953	(2.5%)
Capital	\$0	\$0	\$0	\$0	\$0	
Other	\$0	\$0	\$0	\$0	\$0	
Total	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%
Operating Expenses	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%
Non-Operating Expenses	\$0	\$0	\$0	\$0	\$0	
Debt Service	\$0	\$0	\$0	\$0	\$0	
Capital Additions	\$0	\$0	\$0	\$0	\$0	
Capital Projects	\$0	\$0	\$0	\$0	\$0	
Total Expenses	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%

Funding Sources (Where the Money Comes From)

Transfers	\$0	\$0	\$0	\$0	\$0	
Other Local Revenues	\$260	\$2,138	\$50	\$50	\$50	(97.7%)
Intragov. Revenues (G&A, F&E)	\$1,422,360	\$1,425,314	\$1,431,991	\$1,458,430	\$1,458,430	2.3%
Dedicated Sources	\$1,422,620	\$1,427,452	\$1,432,041	\$1,458,480	\$1,458,480	2.2%
General Sources	\$3,348,298	\$2,842,693	\$2,695,632	\$2,974,869	\$2,650,390	4.6%
Total Funding Sources	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%

Payroll Budget Improvements - Anticipated Expenditures

- Finance will not likely spend the full \$3,774,189. In fact, they'll likely only spend \$3,449,710 in Personnel Services during the fiscal year. This number has been estimated based on current employee salaries, including vacant positions.
- This is their anticipated expenditure.

Finance - Summary

Appropriations (Where the Money Goes)

	FY 2020	FY 2020	FY 2021	FY 2022	FY 2022	% Change
	Revised	Actuals	Original	Proposed	Anticipated Expenditures	in Original Proposed
Personnel Services	\$3,718,983	\$3,461,229	\$3,463,059	\$3,774,189	\$3,449,710	9.0%
Supplies & Materials	\$103,313	\$62,451	\$61,020	\$58,211	\$58,211	(4.6%)
Travel & Training	\$57,138	\$12,628	\$28,783	\$33,692	\$33,692	17.1%
Intragov. Charges	\$545,796	\$483,336	\$275,304	\$275,304	\$275,304	0.0%
Utilities, Services & Misc.	\$345,688	\$250,501	\$299,507	\$291,953	\$291,953	(2.5%)
Capital	\$0	\$0	\$0	\$0	\$0	
Other	\$0	\$0	\$0	\$0	\$0	
Total	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%
Operating Expenses	\$4,770,918	\$4,270,145	\$4,127,673	\$4,433,349	\$4,108,870	3.8%
Non-Operating Expenses	\$0	\$0	\$0	\$0	\$0	
Debt Service	\$0	\$0	\$0	\$0	\$0	
Capital Additions	\$0	\$0	\$0	\$0	\$0	
Capital Projects	\$0	\$0	\$0	\$0	\$0	
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Budget Authority Example

A department has an employee leave their position. That employee was making the minimum of their pay grade. The department identifies an excellent candidate. As this candidate is very qualified, the department needs to offer above the minimum of the pay grade to make a competitive offer.

How have we handed this in the past?

Budget Authority Example

In the past: Personnel was budgeted to the individual, with vacant positions budgeted to the minimum.

- The department only had the minimum salary budgeted for that position because the prior employee was at their minimum on the pay grade.
- The department would need to go to Council to increase their authority for personnel if they don't have any excess due to vacancies.
- The department might also have held the position open until the vacancy from the prior employee saved enough funds to pay the new position at the higher rate through the end of the fiscal year.

Budget Authority Example

Improvement: All positions are now budgeted to their midpoint.

- The department is now able to have more flexibility in hiring candidates.
- If a department is replacing an employee who was making minimum, they will now have additional authority built in.
- HR still oversees the process to ensure our policies and procedures regarding starting pay are followed.

Intragovernmental Fees

- Intragovernmental fees are charges from one department to another for services provided.
 - e.g. IT fees, Parking fees, Custodial fees
- All departments pay some or all of these fees.

Intragovernmental Fees

- Adjusting the methodology so that all relatable fees are using the same process to figure
 - i.e. personnel based services all use the same process for fees
 - Data driven
 - Easy to explain and understand
- Minor changes in FY 22
- Building the framework for more changes in FY 23
 - Adopting processes for data collection and analysis
- Setting a structure for consistent fees year to year

CARES Act and the American Rescue Plan Funding

Federally Awarded CARES Act Funding

<u>Program</u>	<u>Award</u>
Airport Federal CARES Act Funding	18,763,287
CDBG	573,473
DOJ CESF Program	131,888
CVB CARES Act Funding	534,348
<u>Transit CARES Act Funding</u>	<u>6,505,074</u>
Total Awards	26,508,070

Federally Awarded CARES Act Funding

<u>Program</u>	<u>Received</u>
Airport Federal CARES Act Funding	2,820,032
CDBG	346,545
DOJ CESF Program	-
CVB CARES Act Funding (State Pass Through)	252,649
<u>Transit CARES Act Funding</u>	<u>4,364,386</u>
Total Awards	8,458,611

County CARES Act Funding

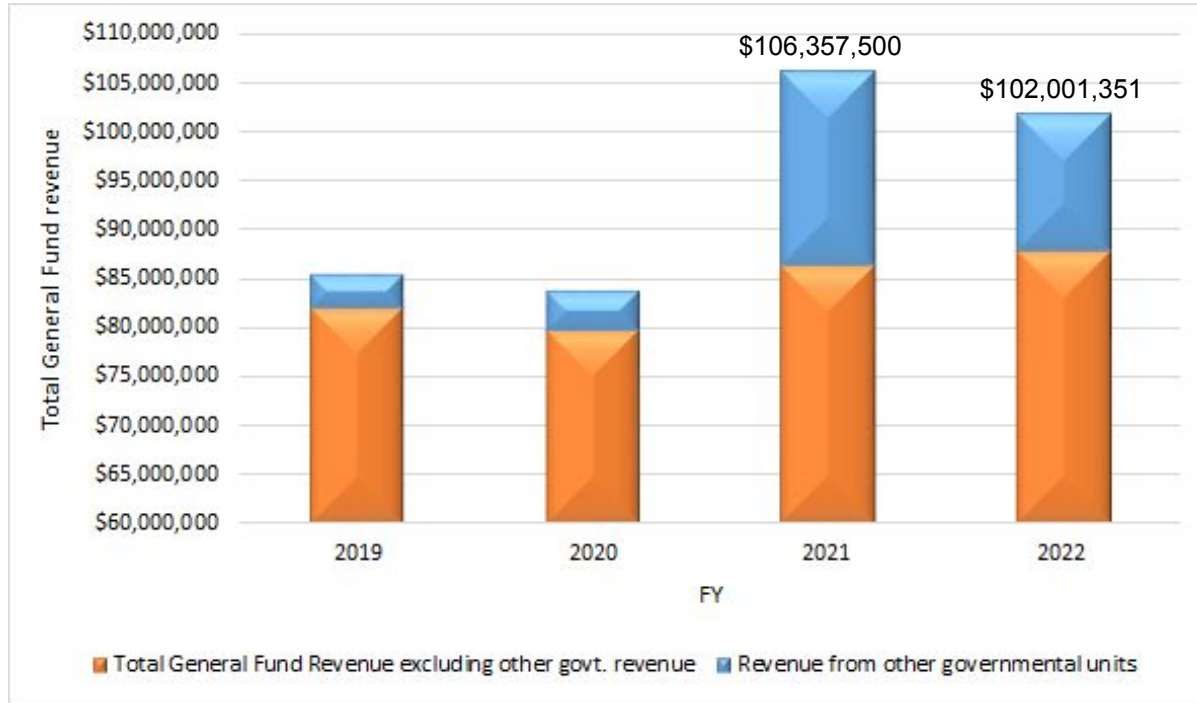
<u>Expense Type</u>	<u>Received</u>
General Public Health	2,452,894
Public Health Contract Tracing	1,799,005
Public Safety	4,240,206
<u>CDBG</u>	<u>674,000</u>
Total Awards	9,166,105

American Rescue Plan

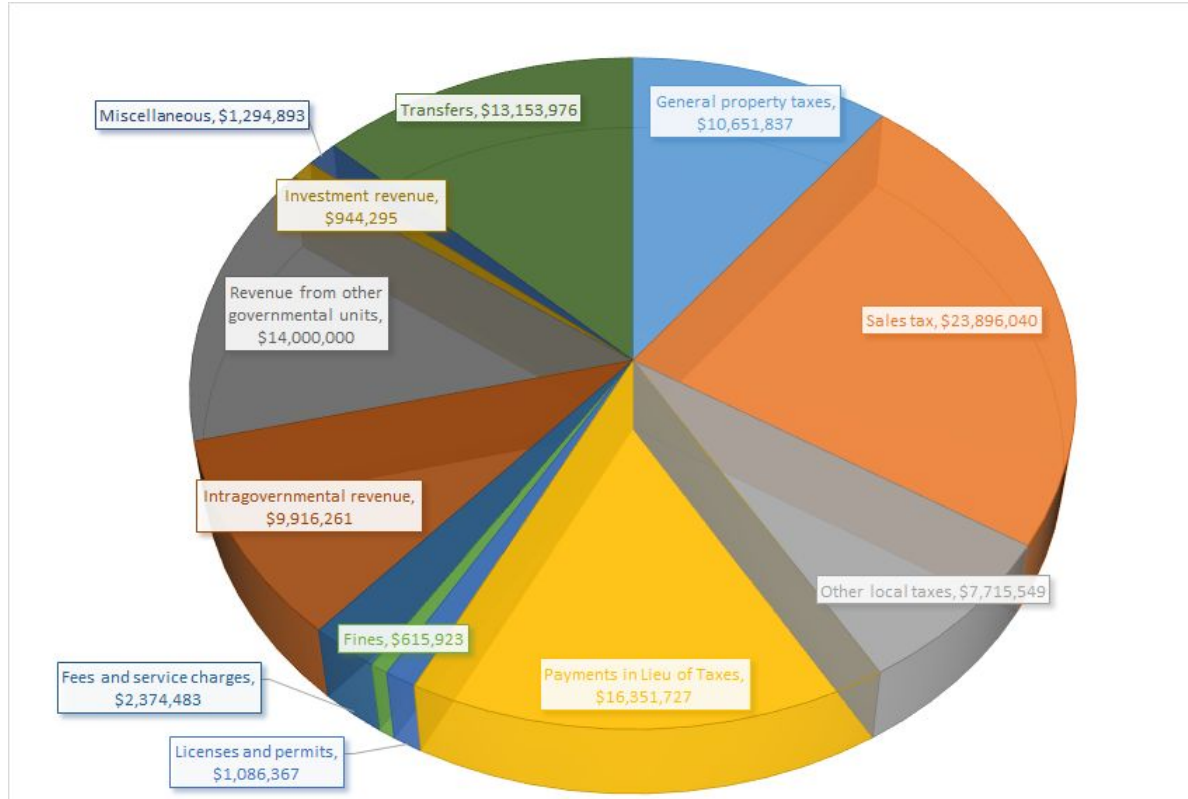
- The City of Columbia has been awarded \$25,284,624
 - \$12,642,312 has been received
 - The City will receive the additional \$12,642,312 one year from the initial payment

FY22 Revenue Outlook

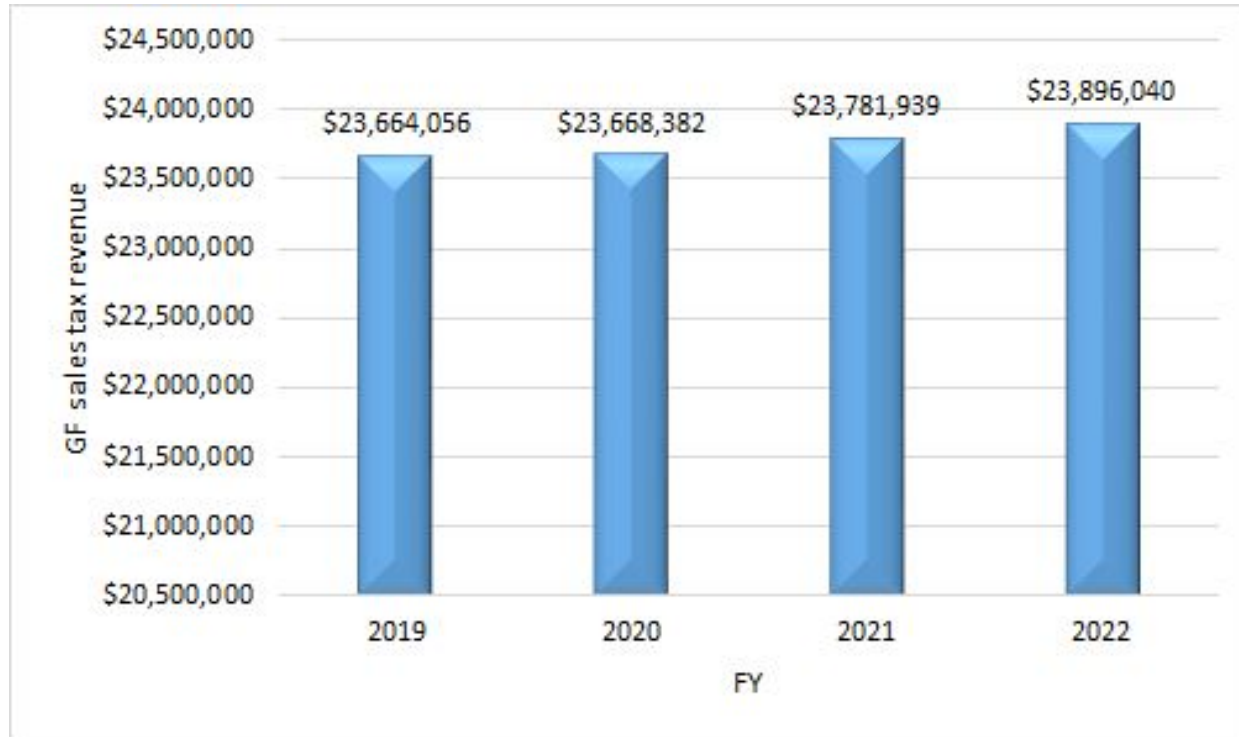
General Fund Estimates: Preliminary



General Fund Revenue Estimates: 2022 Preliminary



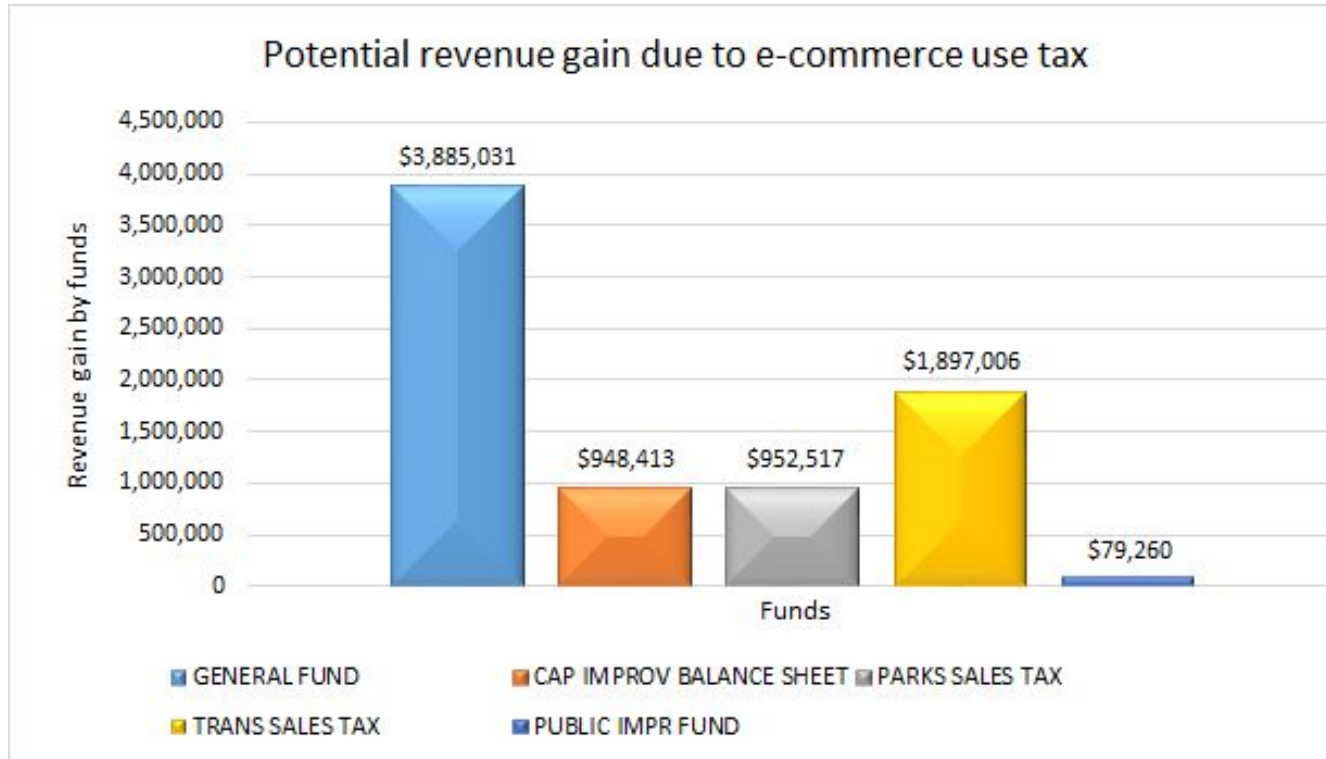
General Fund Sales Tax Estimates: Preliminary



Wayfair Decision Impact

- If a use tax is approved by the voters, we are estimating \$3,885,031 in General Fund revenue.
- The use tax would have the same breakdown as the current sales tax and would impact the following funds: General Fund, Transportation Sales Tax, Parks Sales Tax, Capital Improvement Sales Tax, and Public Improvement Fund.

Wayfair Decision Impact



Estimated Year End General Fund Reserves

<u>Estimated FY21 Ending Fund Balance</u>	<u>\$53,684,796</u>
FY21 Restricted Reserve	(18,830,166)
<u>Balance Above the Restricted Reserve</u>	<u>34,854,630</u>
American Rescue Plan	(12,642,312)
Remaining Restricted Reserve	\$22,212,318

Setting Our Priorities

- Employee Compensation (City Manager Priority)
- Employee Benefits (City Manager Priority)
- Council Priorities?

Final Thoughts & Wrap Up