



City of Columbia, Missouri

Meeting Minutes

City Council

Monday, October 1, 2018
5:00 PM

Pre-Council

Conference Room
1A/1B
Columbia City Hall
701 E. Broadway

I. CALL TO ORDER

The City Council met on October 1, 2018 at approximately 5:05p.m. in Conference Room 1A/1B of City Hall, 701 E. Broadway, Columbia, Missouri. Council Members Skala, Thomas, Pitzer, Peters, Treece, Ruffin (arrived at 5:22 p.m.), and Trapp were present.

Present: 7 - Ruffin, Trapp, Thomas, Peters, Treece, Skala, and Pitzer

This item is open to the public: Motion for the City Council of the City of Columbia, Missouri, to meet on Monday, October 1, 2018, in Conference Room 1A and 1B of City Hall, 701 East Broadway, Columbia, Missouri, for a Closed Meeting to discuss the hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded as authorized by Section 610.021(3) RSMo, and to discuss individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment as authorized by Section 610.021(13) RSMo.

At approximately 5:05 p.m., Mayor Treece made a motion for the City Council of the City of Columbia, Missouri, to immediately go into a closed meeting in the conference Room 1A/1B of City Hall, 701 E. Broadway, Columbia, Missouri, to discuss the hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded as authorized by Section 610.021(3) of the Revised Statutes of Missouri, and individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment as authorized by Section 610.021(13) of the Revised Statutes of Missouri. The motion was seconded by Mr. Skala.

The vote was recorded as follows: VOTING YES: SKALA, THOMAS, PITZER, PETERS, TREECE, and TRAPP. VOTING NO: NO ONE. ABSENT: RUFFIN.

Yes: 6 - Trapp, Thomas, Peters, Treece, Skala, and Pitzer

Absent: 1 - Ruffin

This item is closed to the public: See notice of closed meeting.

Attachments: [Notice of Closed Meeting](#)

At approximately 5:06 p.m., the City Council went into closed session pursuant to RSMo Sections 610.021(3) and (13). The closed portion of the meeting adjourned at

approximately 5:54 p.m. and the meeting was re-opened to the public.

This item is open to the public: Priority Based Budgeting

Attachments: [Corrected Priority Based Budgeting presentation](#)
[Priority Based Budgeting presentation](#)

Mr. Matthes introduced Chris Fabian, founder of Resource X. Mr. Fabian stated that Resource X is a company that was created to provide priority based budgeting tools and training. He added that he has three objectives for tonight: why we might consider a move to priority based budgeting (PBB), how it works, and discussion/Q&A.

Mr. Fabian stated that they have over 200 communities in the country and Canada that have moved to PBB, some of which are in mid-Missouri. PBB was developed in 2008 in the height of the recession, so it was born out of need and was invented as a new set of tools to understand what all of your options are. Most communities can anticipate new needs, programs, etc. and this helps to determine how to fund them with limited resources. There are two basic levers to fund new needs: generate new revenues and/or free up and reallocate resources. Communities spend a lot of time freeing up existing resources, but today's cities are doing better community partnerships to free up resources. So sourcing, efficiencies, and service levels are all looked at in order to free up and reallocate resources. On the revenue generation side, fees and charges are reviewed, in-sourcing and grant funding are considered, and taxes and other rates are looked at.

Traditional approaches to budgeting include across the board budget cuts, but since rolling this out in 2008, there are entirely new focused conversations on results instead of budgets. PBB Level 1 is a rational tool to stabilize the budget to see how each line item is contributing to the results. He provided examples from Boise, Idaho and Branson, Missouri, where their resources are aligned with their strategic plan framework. Every dollar in the budget is allocated to a result to ensure that proper investment aligns with expected results. Mr. Fabian stated that he has briefly reviewed our Missouri Quality Award feedback report which is a process some of his other clients have also applied for and received awards for. Every program in PBB is scored against results. Quartile 1 results have the highest impact, all the way down to Quartile 4 where there are fewer resources allocated toward lower priority programs and services. Level 2 of PBB is to reallocate resources to the higher priority programs based on quartile placement. Level 3 is to fuel resources toward the challenges of tomorrow. This can include tackling massive issues such as poverty, homelessness, or any future you want to create including transportation, environmental sustainability, unfounded pension liability, etc.

Mr. Fabian stated that when revenues are growing at a small pace there are no viable ways to fund new programs. But with PBB, some communities have freed up over 10% of their budgets for higher priority needs. Mr. Fabian stated that he has reviewed our strategic plan and there are objectives in social equity, infrastructure, etc. but there may be budget constraints to achieve the outcomes. PBB can help reallocate resources from lower quartile (or lower priority pursuits) to those strategic priorities. Level 4 is leveraging all of our community resources. This level looks at partnerships for organizations offering similar services.

Councilman Pitzer asked how this process is specifically done. Mr. Fabian replied that many of these are things this City is already doing (partnering, cost of service studies, etc.), but there are some additional comparison capabilities to where everything has a cost allocation for personnel or other cost analysis. There are rigorous scoring metrics on whether a program or service is in a charter or state requirement, city council ordinance, etc., all of which are considered. This is a rigorous process to eventually rank and score

programs, which then are categorized into one of the four quartiles. This process takes place over 3-6 months to work on service inventory, costing, scoring, etc. This is done with the assistance of an implementation team from Resource X. Council's critical role is to define the results expected so it's clear where resources should be aligned. When it comes to program inventory, staff typically develop those and can be run through council for approval or review.

Councilman Skala explained that we have been utilizing an Incentive Based Budgeting (IBB) program here, which is similar, but not as complex as this. He asked if Mr. Fabian has an opinion on the success of an IBB program. Mr. Matthes stated that he has not discussed IBB with Mr. Fabian. Mr. Fabian added that it is common that in the first year, a department head might reallocate resources from Q4 to fund an FTE in order to grow a program in another area. Mr. Pitzer asked how much room there typically is for shifting resources. Mr. Fabian stated that another city has set a goal to reallocate 10% of their budget, which is substantial.

Mr. Matthes stated that this is a compelling idea worthy of exploration and may also be a valuable tool in communicating the budget. The cost for first year implementation is \$60,000, and \$20,000 after that. IBB could fund that start-up cost of \$60,000. He added that department heads have mixed reviews on this approach. Council has the decision on what gets funded regardless of our approach. This could align the budget with MQA and the Strategic Plan in ways we have not been able to do.

Mr. Skala likes this as a data-driven approach to see what programs are most and least important, whether we use this program or not. Mr. Matthes added that this doesn't have any set outcome and is a framework for how we talk about our budget. Mr. Fabian added that different communities handle the process in different ways when it comes to citizen engagement. Some want a fully engaged citizen process and some other do a process based mostly on a strategic plan that's already in place.

II. ALL OTHER ITEMS THE COUNCIL MAY WISH TO DISCUSS

None.

III. ADJOURNMENT

The meeting adjourned at approximately 6:55 pm.