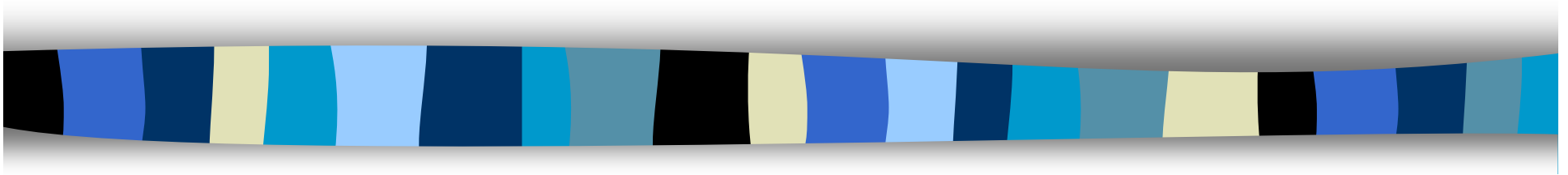


# **FY 2013 6 Month Financial Review and FY 2014 Budget Issues**



**Council Mini Retreat  
May 7, 2013**



# Our Fiscal Guiding Principles:

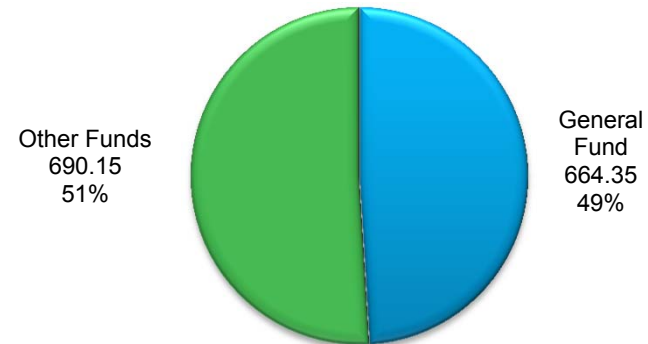
- Transparency
- Living Within Our Means
  - Budget revenues conservatively and anticipate actual revenues 2-5% over estimated budget
  - Budget expenditures at our maximum foreseen exposure and anticipate actual expenditures at 99% of budget for FY 2013 (*we will anticipate 100% will be spent for FY 2014*)

# The City's Budget At a Glance

**Total City Budget**  
\$413,482,183



**Total City Employees**  
1,354.50 FTE

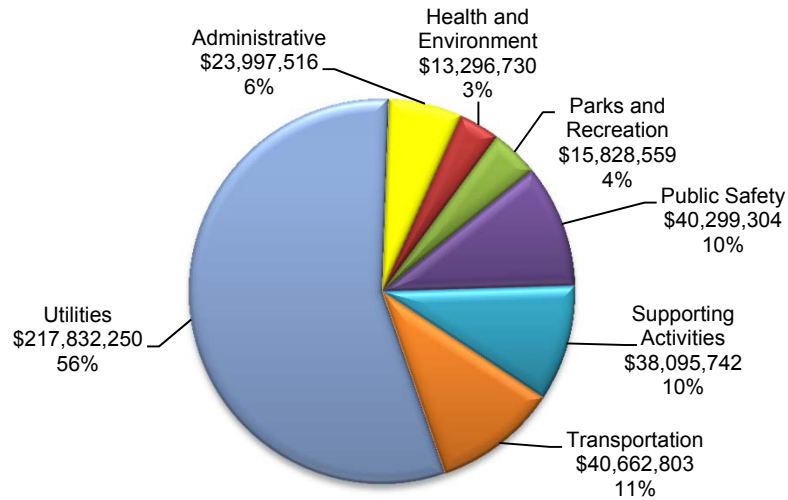


- 53 separate budgets, with 21 budgets in the General Fund
- 7 Different Types of Funds with different types of accounting rules (General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Fund, Trust Funds, Enterprise Funds, and Internal Service Funds)
- 7 Functional Groups:

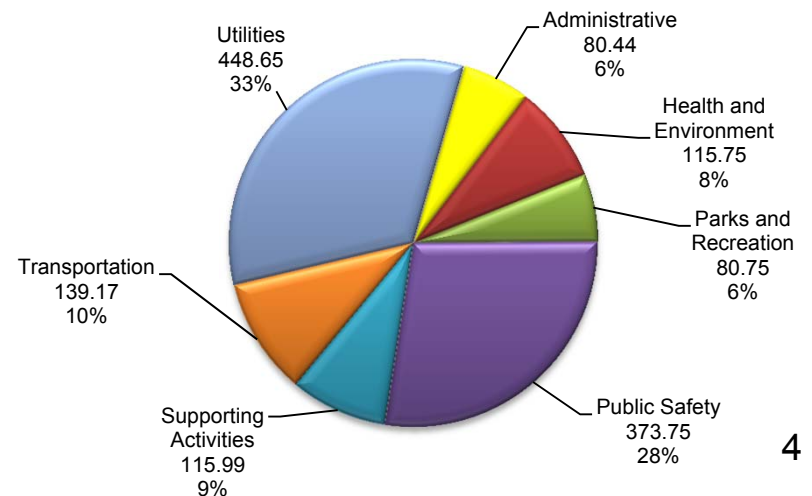
Administrative	Public Safety	Transportation
Health and Environment	Supporting Activities	Utility Departments
Parks and Recreation		
- Fiscal Year: October 1<sup>st</sup> – September 30<sup>th</sup>      Budget Process: January – September

# Budget and Personnel By Functional Group

## Budget By Functional Group



## Personnel By Functional Group





# Enterprise / Utility Operations

- Provides products and services to citizens on a user charge basis and are operated as a business
- Required by Section 27 of the city Charter to keep charges for all services performed by each enterprise separate from all other city accounts
- Enterprise/Utility operations include:
  - Utilities: Water, Electric, Sewer, Solid Waste, Storm Water
  - Transportation: Parking, Railroad, Transload Facility, Transit, Airport
  - Parks and Recreation: Recreation Services



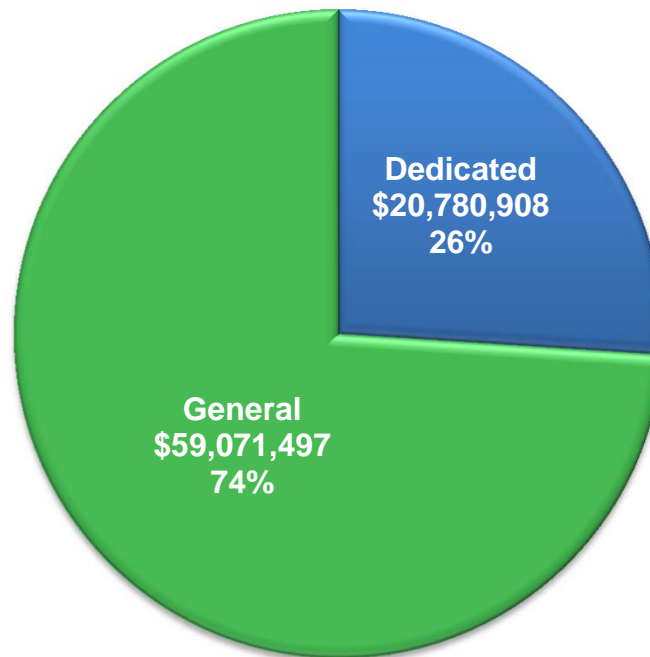
# General Fund Operations

- Provides basic governmental services such as police, fire, health, parks and recreation, public works, and administration
- Supported by tax revenue
- May charge some fees for services, but in general, most operations are not expected to be self-supporting
- Some tax revenues are dedicated for a specific use such as Transportation Sales Tax, Capital Improvement Sales Tax, Parks Sales Tax, grants, etc. A dedicated source cannot be used for any other use.

# Where The General Fund Money Comes From

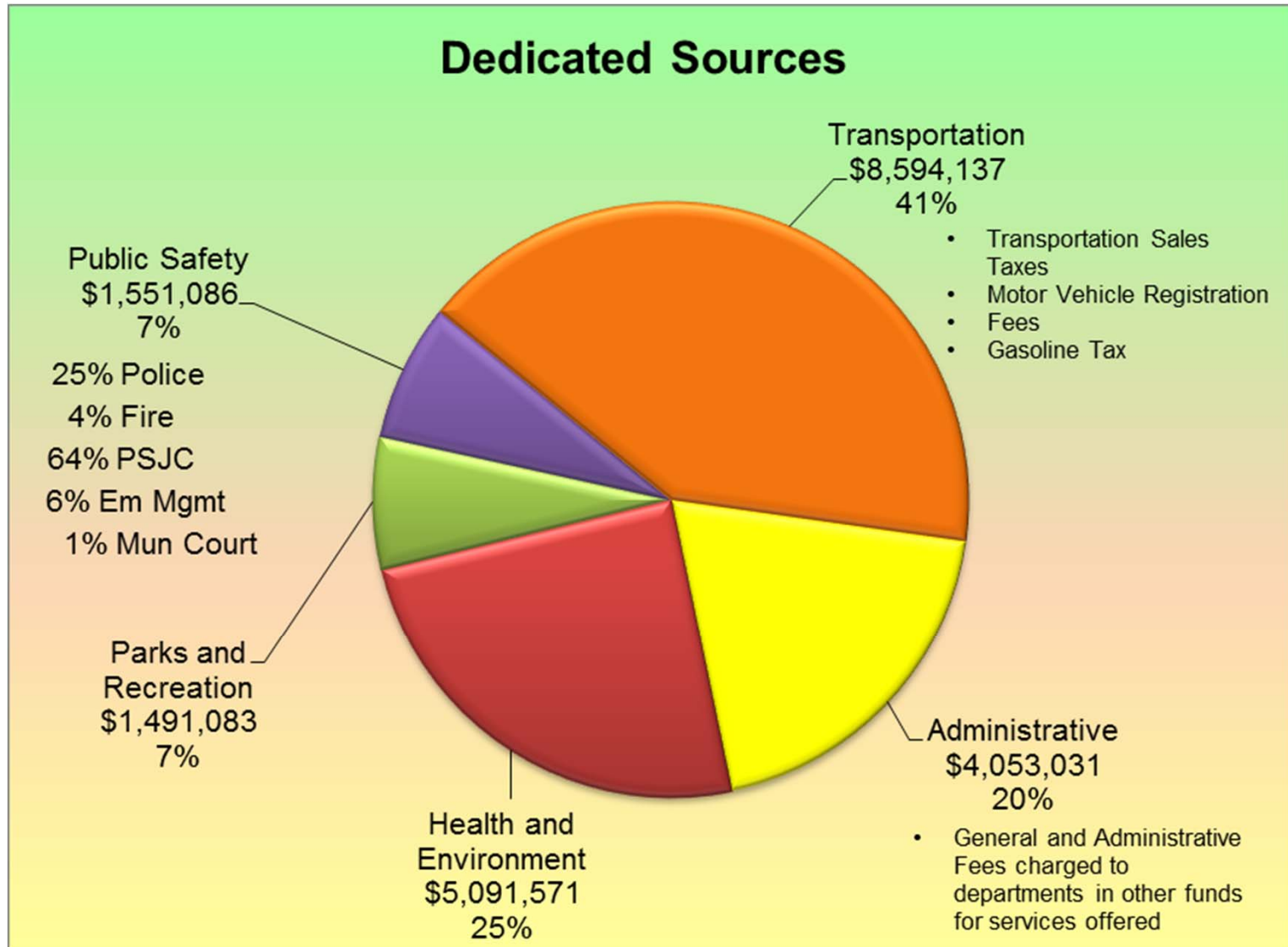
## General Fund Sources

\$79,852,405



**General Sources** can be reallocated from one department to another. **Dedicated Sources** are specifically allocated to a department.

# Where The Money Comes From

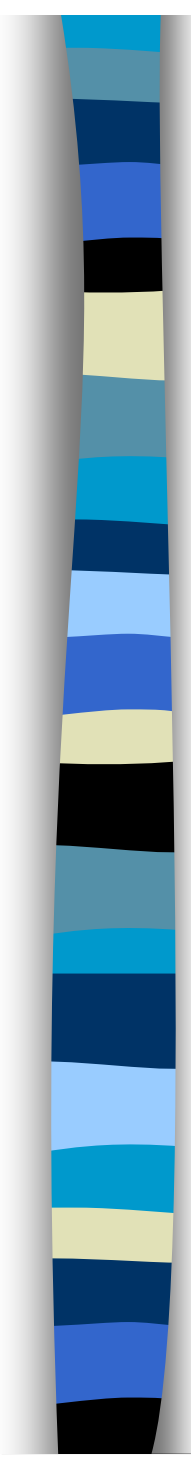






## So, how does all this impact the City's budget options?

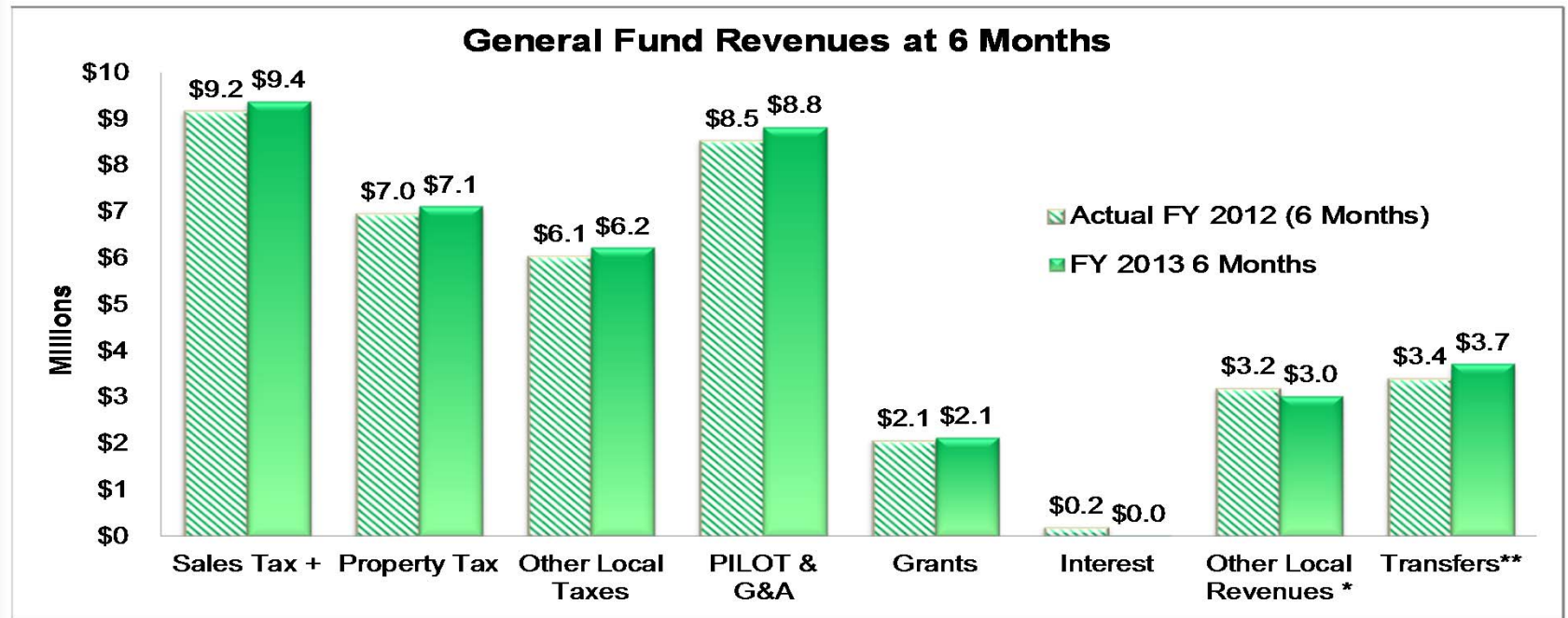
- The City does not have one big budget, but 53 smaller budgets that must stand alone
- As a rule of thumb, the City cannot take excess funds from one operation to support another operation.
- The City has many restrictions on how it can allocate tax dollars based upon their dedicated nature.
- Enterprise operations are expected to have revenue equal to the cost of service with four exceptions:
  - Railroad – receives a small subsidy from the Electric Utility because of the greater benefit to Columbia businesses
  - Transit, Airport, and Recreation Services are subsidized to support their operations due to the public benefit they provide.

- 
- Subsidies to Transit and Airport, from the dedicated Transportation Sales Tax, compete with street maintenance and improvements
  - Subsidy to Recreation Services, from the dedicated Parks Sales Tax, competes with parks programs/operations
  - There has been, and continues to be a gap between funding sources and funding uses in the General Fund. Management is recommending a plan to eliminate this gap in the FY 2014 budget.
  - Negative cash forecasted in Transit and Airport funds in future years



# Six Month Update

A complete version of the Six Month statements for the City are included the City's website under the Financial Reports Section

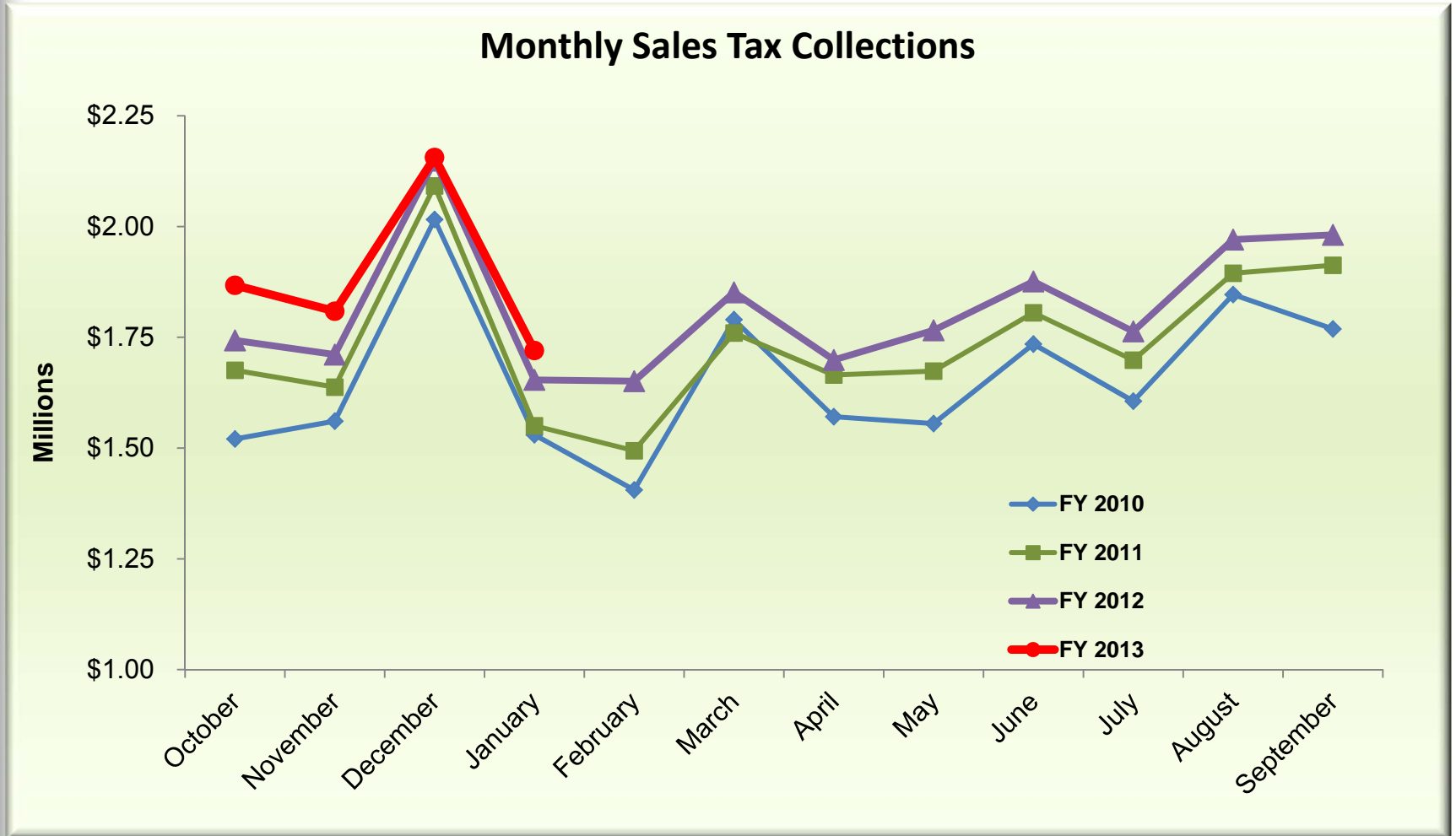


	Actual FY 2012 (6 Months)	FY 2012 Percent Received	FY 2013 Revised Budget @ 6 Months	FY 2013 6 Months	FY 2013 Percent Received	
Sales Tax +	\$9,173,503	46.01%	\$21,304,311	\$9,374,468	44.00%	●
Property Tax	\$6,964,084	101.28%	\$7,120,862	\$7,109,881	99.85%	●
Other Local Taxes	\$6,053,944	51.91%	\$11,666,335	\$6,217,703	53.30%	●
PILOT & G&A	\$8,533,161	46.81%	\$19,373,027	\$8,829,754	45.58%	●
Grants	\$2,073,436	38.18%	\$3,960,391	\$2,121,811	53.58%	●
Interest	\$192,789	29.16%	\$744,474	\$16,314	2.19%	●
Other Local Revenues *	\$3,195,023	52.94%	\$7,118,305	\$3,018,580	42.41%	●
Transfers**	\$3,413,155	42.59%	\$7,408,113	\$3,714,493	50.14%	●
<b>Total Financial Sources</b>	<b>\$39,599,095</b>	<b>51.56%</b>	<b>\$78,695,818</b>	<b>\$40,403,004</b>	<b>51.34%</b>	

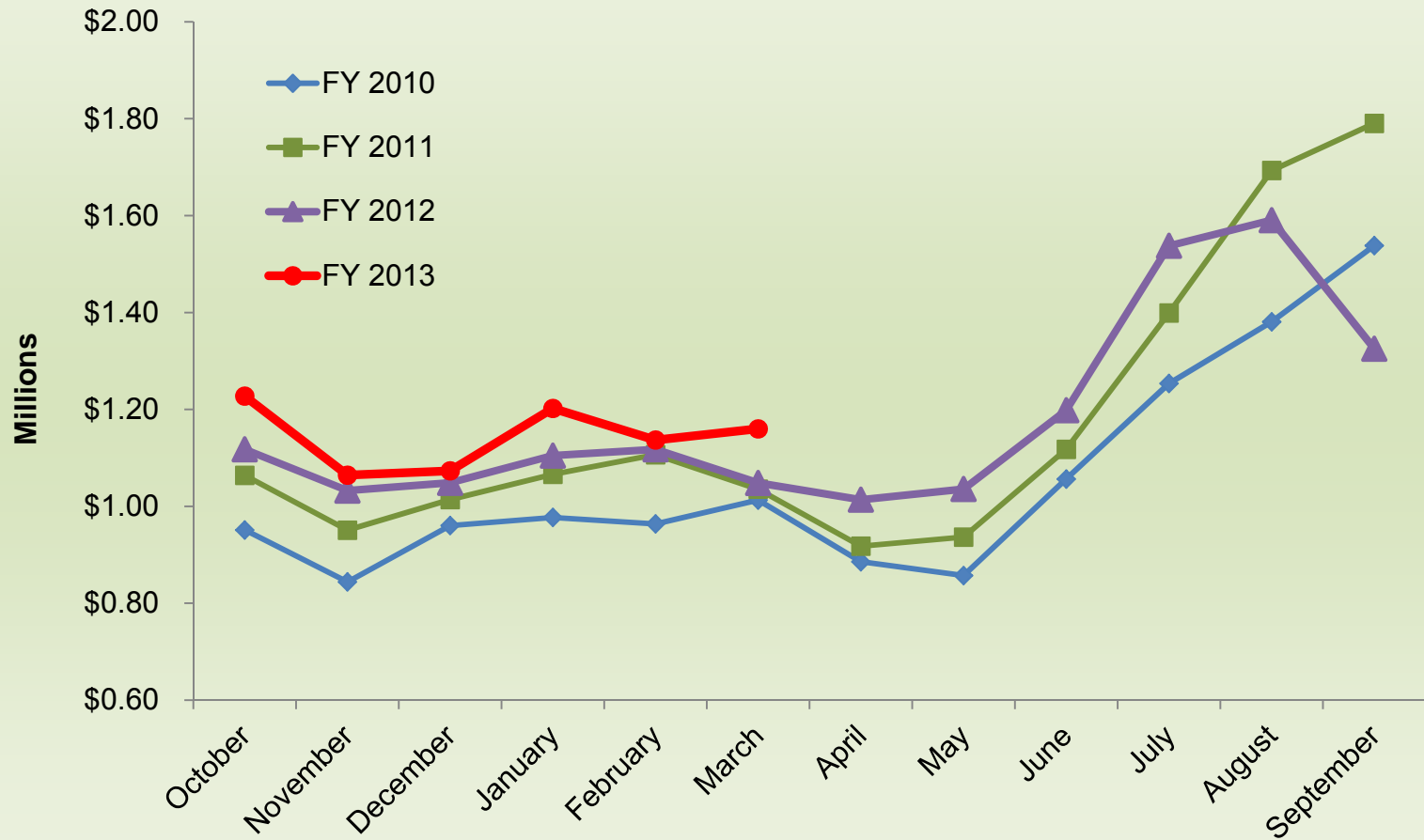
\* Other Local Revenues include Licenses and Permits, Fines, Fees, Miscellaneous Revenues, and Lease/Bond Proceeds.

\*\* Transfers come from Parks Sales Tax Fund, Transportation Sales Tax Fund, Capital Projects Fund, Contributions Fund, and the Utility Customer Services Fund.

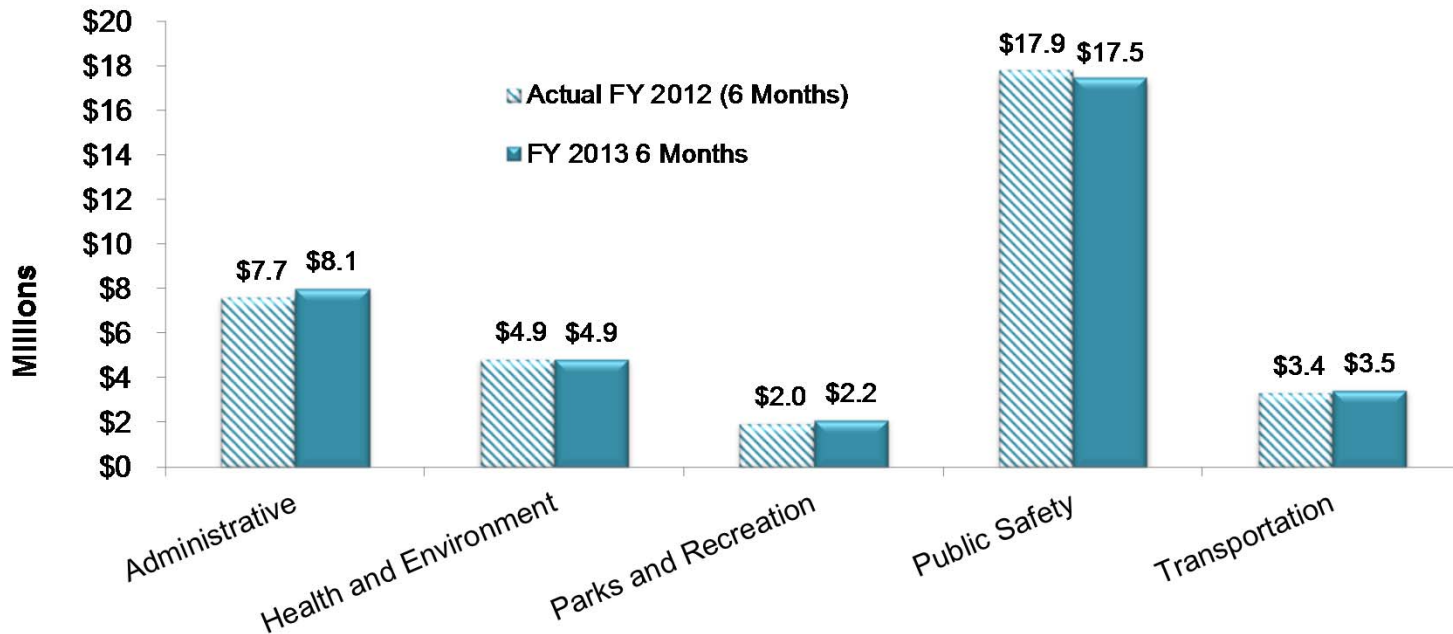
+ FY 2013 6 Month Sales Tax on a cash basis was 62% of budget; FY 2012 was 58%.



## Monthly PILOT Receipts



## General Fund Expenditures at 6 Months



	Actual FY 2012 (6 Months)	FY 2012 Percent Expended	FY 2013 Revised Budget @ 6 Months	FY 2013 6 Months	FY 2013 Percent Expended
Administrative	\$7,659,066	48.34%	\$16,171,555	\$8,096,053	50.06%
Health and Environment	\$4,926,404	43.89%	\$11,571,957	\$4,890,844	42.26%
Parks and Recreation	\$2,022,388	38.87%	\$5,528,430	\$2,188,406	39.58%
Public Safety	\$17,858,724	46.87%	\$39,148,035	\$17,496,685	44.69%
Transportation	\$3,392,082	34.00%	\$9,681,538	\$3,530,362	36.46%
<b>Total Expenditures</b>	<b>\$35,858,664</b>	<b>44.63%</b>	<b>\$82,101,515</b>	<b>\$36,202,350</b>	<b>44.09%</b>

Transfers to other funds include Recreation Services Fund (subsidy) , Special Business District, Debt Service Funds, Capital Projects Fund, Sustainability Fund and GIS Fund.





# Transportation Funds

Department	FY 2012 6 Month Increase/ (Decrease) to Cash	FY 2013 Projected Increase/ (Decrease) to Cash	FY 2013 6 Month Increase/ (Decrease) to Cash	Financial Sources % of Budget	Financial Uses % of Budget	Overall Rating
Transit	(\$170,595)	(\$554,899)	\$115,060	54.57%	47.64%	●
Airport	(\$102,494)	(\$5,027)	\$191,366	51.62%	42.31%	●
Parking	\$133,533	(\$150,800)	(\$279,275)	56.34%	62.01%	●
Railroad	(\$115,963)	(\$150,659)	(\$140,173)	34.86%	43.75%	●
Capital Improvement Sales Tax Fd	(\$841,286)	\$62,517	(\$795,066)	43.64% *	59.22%	●
Transportation Sales Tax Fd	(\$316,382)	\$518,586	(\$525,068)	43.81% *	51.26%	●
Public Improvement Fund	\$757,043	(\$80,606)	(\$24,556)	108.19% *	105.09%	●



\* On a cash basis, sales tax are at 62% of budget.



# Utility Funds

Department	FY 2012 6 Month Increase/ (Decrease) to Cash	FY 2013 Projected Increase/ (Decrease) to Cash	FY 2013 6 Month Increase/ (Decrease) to Cash	Financial Sources % of Budget	Financial Uses % of Budget	Overall Rating
<b>Water and Electric Fund</b>	<b>(\$2,730,047)</b>	<b>(\$7,396,983)</b>	<b>(\$9,569,359)</b>	<b>44.68%</b>	<b>48.63%</b>	
<b>Sewer</b>	<b>\$1,047,254</b>	<b>(\$699,540)</b>	<b>\$843,438</b>	<b>48.06%</b>	<b>42.29%</b>	
<b>Solid Waste</b>	<b>\$301,150</b>	<b>(\$5,482,419)</b>	<b>(\$527,591)</b>	<b>48.21%</b>	<b>38.77%</b>	
<b>Storm Water</b>	<b>\$333,171</b>	<b>\$76,426</b>	<b>\$331,732</b>	<b>57.69%</b>	<b>35.19%</b>	

# Parks and Recreation Funds

Department	FY 2012 6 Month Increase/ (Decrease) to Cash	FY 2013 Projected Increase/ (Decrease) to Cash	FY 2013 6 Month Increase/ (Decrease) to Cash	Financial Sources % of Budget	Financial Uses % of Budget	Overall Rating
<b>Parks Sales Tax Fund</b>	<b>(\$94,081)</b>	<b>\$221,923</b>	<b>(\$217,731)</b>	<b>43.81% *</b>	<b>50.00%</b>	
<b>Recreation Services Fund</b>	<b>\$89,244</b>	<b>(\$227,271)</b>	<b>\$95,130</b>	<b>41.41%</b>	<b>38.72%</b>	

\* On a cash basis, sales tax are at 62% of budget.

# Supporting Activity Funds

Department	FY 2012 6 Month Increase/ (Decrease) to Cash	FY 2013 Projected Increase/ (Decrease) to Cash	FY 2013 6 Month Increase/ (Decrease) to Cash	Financial Sources % of Budget	Financial Uses % of Budget	Overall Rating
Employee Benefit Fund	(\$160,192)	(\$510,500)	\$8,605	48.61%	46.68%	●
Self Insurance Fund	(\$567,302)	(\$28,725)	\$97,104	49.77%	47.49%	●
Custodial and Building Maintenance Fd	\$105,368	(\$169,240)	\$51,119	50.07%	42.17%	●
Fleet Operations Fund	\$138,959	\$97,615	\$216,822	48.99%	47.09%	●
Public Communications Fund	\$15,393	(\$456,015)	(\$64,447)	46.37%	38.04%	●
Information Technologies Fund	(\$1,195,397)	(\$374,409)	(\$169,659)	49.38%	49.05%	●
GIS Fund	\$38,261	(\$15,613)	(\$2,529)	48.57%	47.39%	●
Utility Customer Services Fund	(\$274,486)	\$4,022	\$98,610	49.74%	45.58%	●



# **FY 2014 Budget Issues**



# **FY 2014 Budget Issues**

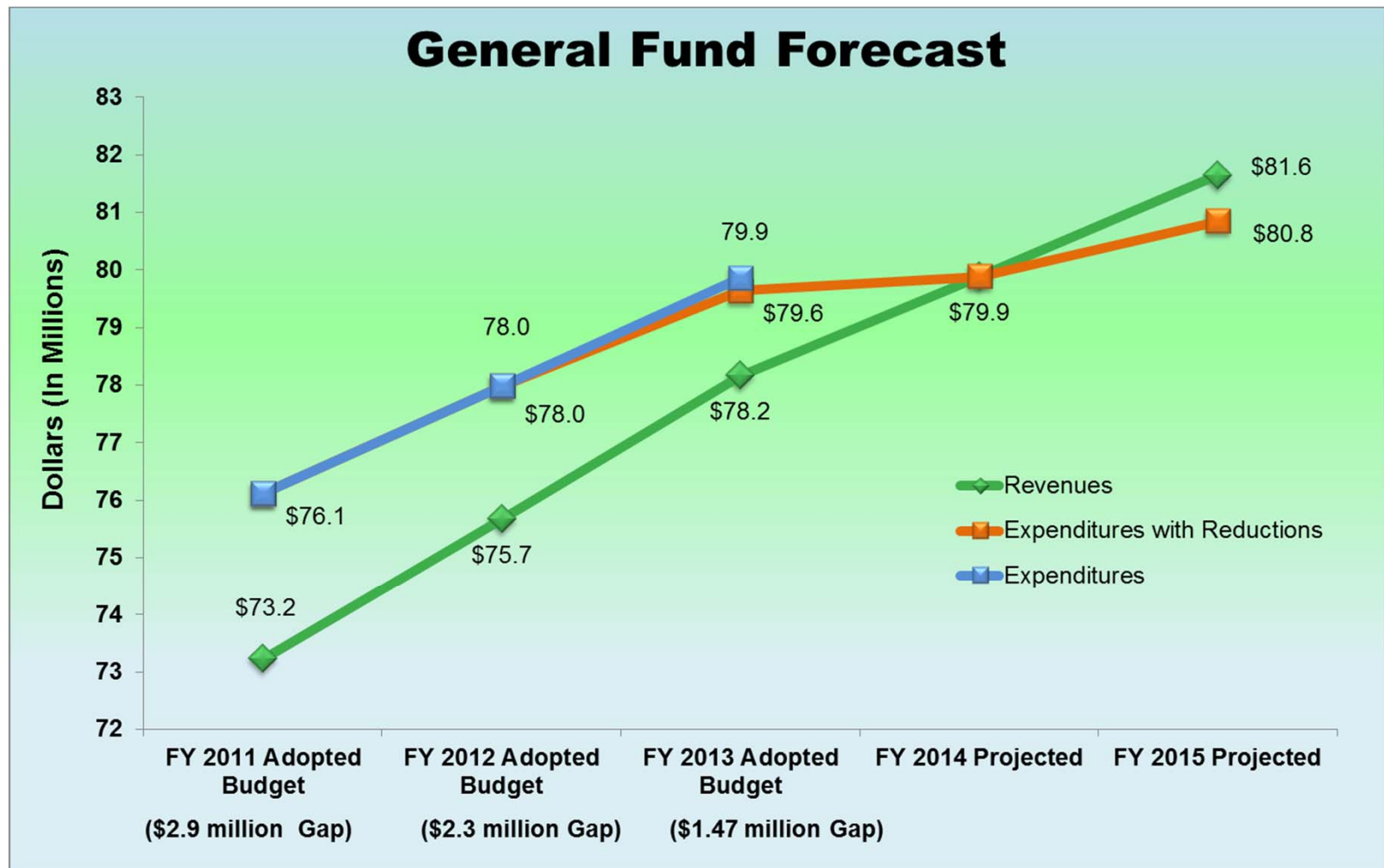
- **Close the gap in the General Fund**
- **Transition PSJC and Emergency Management operations to the County during FY 2014**
- **Street Resurfacing Needs**
- **Transit Operation**



## **FY 2014 Budget Issues - Continued**

- **Salaries (Pay Compression)**
- **Future Ballot Planning (1-2 Years)**
- **Health Care Reform Costs**
- **COFERS Project**

# Close the Gap Between Revenues and Expenses in the General Fund





# **PSJC Transition to the County During FY 2014**

- **City will budget costs for PSJC for 6 months of FY 2014** *(October, 2013 – March 31, 2014)*
- **City will fund costs and bill user agencies for their share of PSJC costs**  
*(October, 2013 – December 31, 2013)*
- **Operational transition to the County**  
*(January 1, 2014)*
- **City will fund costs and County will reimburse City for 100% of costs**  
*(January, 2014 – March 31, 2014)*





# **Emergency Management Transition to the County During FY 2014**

- **Boone County Fire Protection District will continue to handle management function and bill the City for a share of the costs**  
*(October, 2013 – December 31, 2013)*
- **Operational and financial transition to the County** *(January 1, 2014)*



# Other Public Safety Issues

- **Additional Fire Fighters**

- *5 added in FY 2013 and will be paid for with FEMA Homeland Security grant funding for 2 years*
- *City will fund 100% of these costs in FY 2015*

- **Additional Police Positions**

- *FY 2015 will include 2 positions*

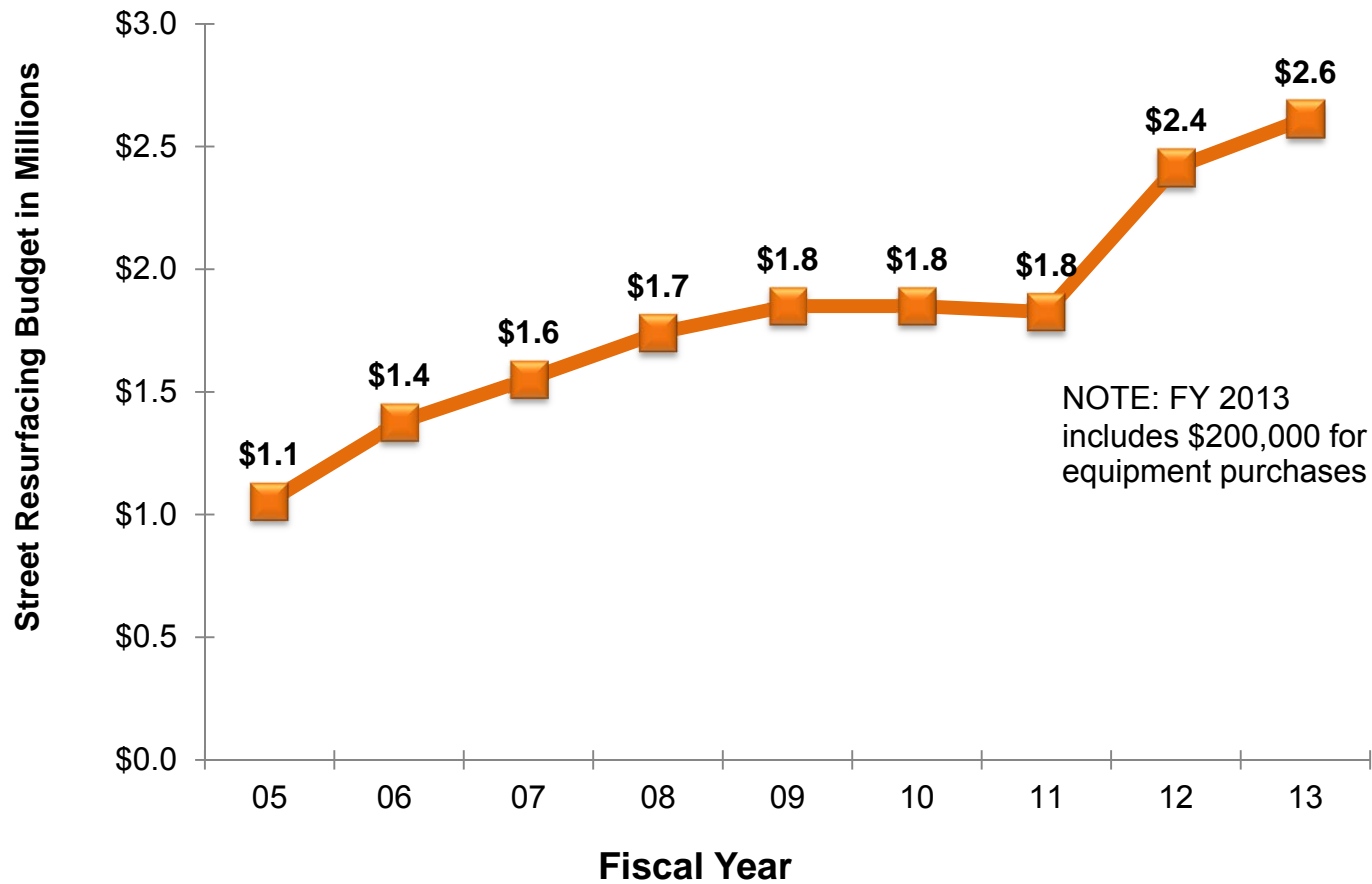


## Street Resurfacing Needs

- **Street maintenance funding comes from Transportation Sales Tax funds. Airport, Transit, and street operations all compete for these limited funds**
- **FY 2014 budget will increase street resurfacing funding by \$204,298 of general sources freed up from CEC PILOT payment**

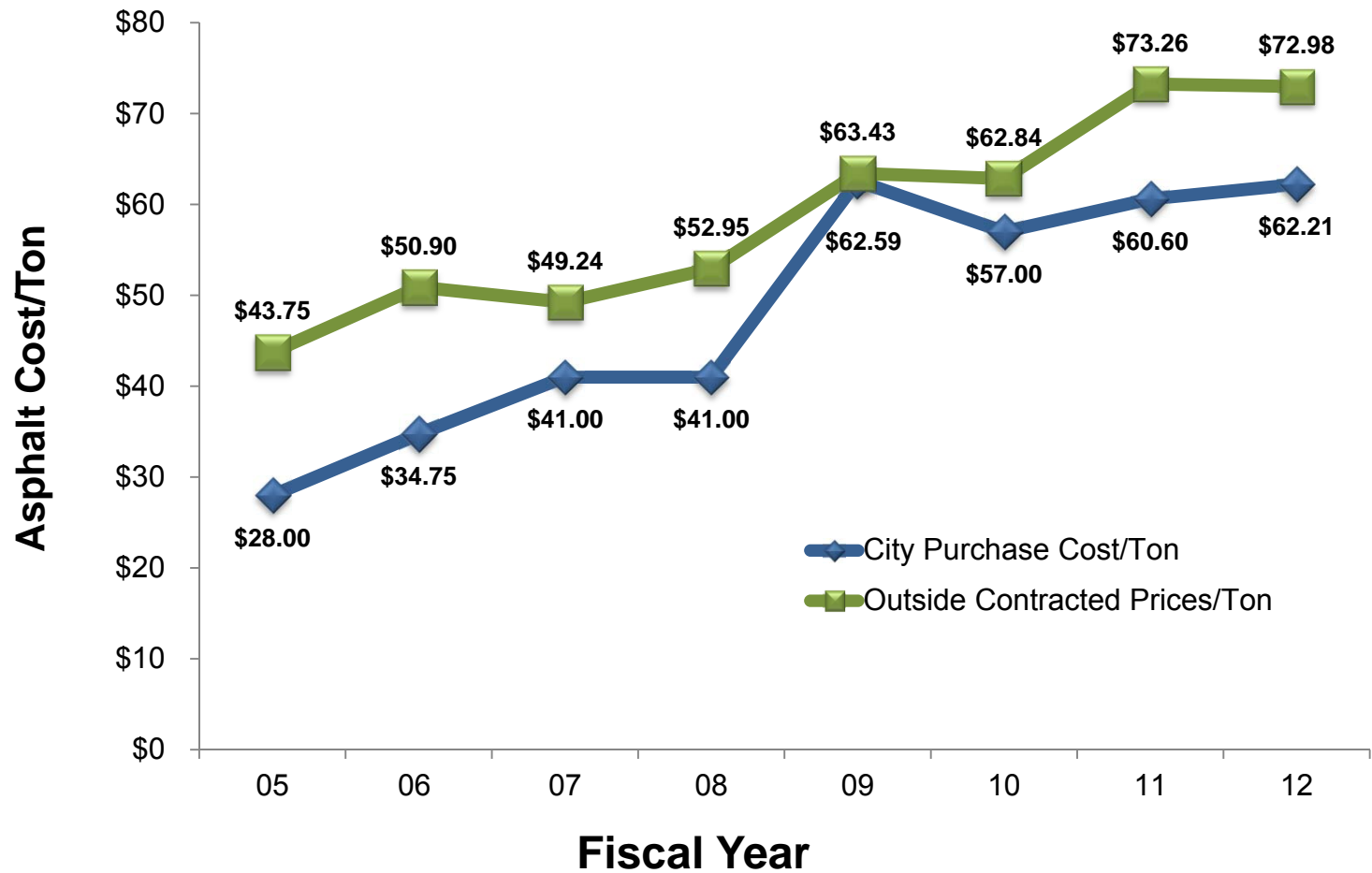
# Street Resurfacing Needs

## Street Maintenance Resurfacing Budget



# Street Resurfacing Needs

## Asphalt Cost/Ton





# Transit System

- **Additional funding from Transportation Sales Tax will be required to continue Transit in FY 2014**
- **Negative cash flows beginning in FY 2015**
- **Council Worksession planned May 22<sup>nd</sup> at 3:00 PM in the Council Chambers**
  - **Complete redesign of entire transit system**
  - **Route changes would begin in August, 2014**



## **Changes to Fast Cat Service Beginning August, 2013**

- **Sunday – No service**
- **Monday – Wednesday 6:30 AM – 6:30 PM**
- **Thursday – Friday 6:30 AM – 1:30 AM**
- **Saturday 7:30 AM – 1:30 AM**
- **15 minute intervals during peak times**
- **30 minute intervals during off-peak times**



## Salaries (Pay Compression)

- May – Consultant review of job assignments, market pay data and recommendations to the city
- June - City review and provide feedback to consultant
- July - City to determine impact of implementation and salary structure on FY 2014 budget
- Ongoing – Develop implementation plan, review compensation policies and classification administration





# Future Ballot Planning (1-2 Years)

**Sewer Ballot Issue**  
(Utility rate increase required)

**November 2013**

**Additional Temporary 1/8<sup>th</sup> Cent Sales Tax for 5 Years (or \$.18 property tax) for Storm Water (NEW)**

**November 2013**

**Additional Temporary 1/4<sup>th</sup> Cent Public Safety Sales Tax for 5 Years (NEW)**  
(For buildings and replacement fire trucks)

**August 2014**

**Electric Ballot Issue**  
(includes transmission lines – utility rate increase required)

**August/November 2014**

**Extend 1/4th Cent Capital Sales Tax for 10 Years (For Streets and Public Safety - Expires 12/31/15)**

**August/November 2015**

**Extend 1/8<sup>th</sup> Cent Parks Sales Tax For 5 Years (Expires 3/31/16)**

**November 2015**



# Health Care Reform

- Health insurance offered to temporary employees *(work an average of 30 or more hours per week)*
- Plan Development by January, 2014 *(re-evaluate workloads where possible, affordable for employees and meet minimum coverage levels)*
- Per member per month fees *(Transitional reinsurance fee \$5.25/participant/month and Patient Centered Outcomes Research fee \$2/participant/month) Fees will change each year*
- Departments Significantly Impacted *(Transit, Parks and Recreation, Streets, Solid Waste, Water and Electric)*



## COFERS Project Update

- May, 2013 Due Diligence Follow up with vendors
- June, 2013 On Site Visits and vendor selection
- June – July, 2013 Contract negotiation with vendor
- October, 2013 Implementation to begin
- Project will take several years to complete and will most likely be divided into three phases
- Additional funding will be required *(use General Fund, Water, and Electric Fund balances)*



# FY 2014 Budget Process Calendar

## April

- Draft CIP document prepared
- Budget guidelines prepared and distributed to Departments.
- Budget training provided to Departments.
- Departments begin to prepare their budget requests.

## May

- Council Mini-Retreat - review 6 month numbers and CIP draft document
- Additional forecasting prepared
- Departments prepare and submit budget requests to Finance for review
- Planning & Zoning Commission reviews draft CIP document and provides feedback to council

## June

- Council Retreat – to meet with Department heads and set guidelines for next year's budget
- City Manager presents State of the City/Annual Performance Report
- City Manager meets with each Department head to review their budget requests and tie to the strategic plan goals, progress and funding considerations

## July

- City Manager makes final budget decisions
- Department review budget document with City Manager recommendations
- City Manager's Proposed Budget Document prepared and submitted to Council

## August

- Scheduled Public hearings and department work sessions held on budget.
- City Council works on budget amendments

## September

- City Council adopts budget
- After budget is adopted, document is prepared and released to the public