



Source: City Manager

Agenda Item No: REP 43-13

To: City Council  
From: City Manager and Staff

Council Meeting Date: Mar 18, 2013

Re: Incentive Based Budgeting

**EXECUTIVE SUMMARY:**

For fiscal year 2012 the City of Columbia revenues exceeded expenditures in the General Fund by \$1,903,482. This was accomplished primarily by City departments managing their budgets to tightly control spending.

**DISCUSSION:**

The City has established a reserve policy that it shall maintain a minimum unassigned fund balance equal to 20% of the General fund budgeted expenditures for any given year. At the end of Fiscal Year 2012 the unassigned General Fund Balance was more the 32% of the Fiscal Year 2013 budget General Fund expenditures.

**FISCAL IMPACT:**

Because of the two factors discussed above the city has the opportunity to use the \$1,903,482 for one time improvements. Since the City departments were instrumental in saving this money, I recommend we allocate 50% of this savings which is \$951,741 back to the departments in direct proportion to their General Fund savings for Fiscal Year 2012. This incentive is aimed at creating a financial reason for program managers across the city to spend less than the budget allows if possible. This money can be used for one time purchases and cannot be used to fund ongoing operations because this type of savings may not recur in Fiscal Year 2013. A list of the business units (Departments, Divisions, and Offices) which would receive these funds is attached.

This leaves the remaining \$951,741 savings to fund other one time improvements to the City. One of these proposed allocations is \$475,954.41 to restore the interior of the Blind Boone Home. I believe we will be able to complete the restoration for less than that figure, however that is the amount called for in the current plan.

In addition, I propose using up to \$100,000 to construct a number of projects recommended by the Disabilities Commission. These projects will accelerate a number of items to increase the accessibility of our community including:

- Additional accessible street level parking in the downtown.
- A pilot project to extend paratransit services for weekday evening hours to attend City Council and other City related meetings.
- Auditory pedestrian signals at College and Broadway and Providence and Broadway
- Poured rubber or rubber tiles in place of mulch at the playground in Lions-Stephens Park.

A third proposed allocation is \$150,000 to establish a revolving loan fund within REDI to fund economic development investments. If supported by Council, I will ask REDI to transmit a proposed plan for how that loan fund might work and what other funding could be leveraged with this initial investment.

With the remaining \$200,000 I recommend we conduct an internet-based citizen's poll to determine which of the following capital improvement projects the citizens would most prefer to be funded. The most urgently needed but unfunded projects in our Capital Improvements Plan currently are:

- Stephens College Bridge - add ADA accessible ramp on west side
- Sidewalk project - West Blvd., Ash to Worley
- Sidewalk project - Oakland Gr., Blue Ridge to Edris
- Sidewalk project - Oakland Gr., Vandiver north to Grizzley Ct.
- Sidewalk project - 7th St., Broadway south to Alley

- Sidewalk project - Clark Ln., in front of Steak & Shake
- Brick Street Project - repairs to Cherry Street
- Resurface 1 additional mile of street in the coming Summer.
- I also recommend we allow for an open item to see what projects the community would like that are not already in the CIP.

**VISION IMPACT:**

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

**SUGGESTED COUNCIL ACTIONS:**

If Council concurs, staff will begin to implement the foregoing recommendations in the forthcoming FY2013 budget amendment process.

<b>FISCAL and VISION NOTES:</b>					
<b>City Fiscal Impact</b> Enter all that apply		<b>Program Impact</b>		<b>Mandates</b>	
City's current net FY cost	\$0.00	New Program/ Agency?		Federal or State mandated?	
Amount of funds already appropriated	\$0.00	Duplicates/Expands an existing program?		<b>Vision Implementation impact</b>	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?		Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		<b>Resources Required</b>		Vision Impact?	
One Time	\$0.00	Requires add'l FTE Personnel?		Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	\$0.00	Requires add'l facilities?		Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?		Fiscal year implementation Task #	

## Allocation of FY 2012 General Fund Savings Back to Departments

	FY 2012 Amount Under Budget	Encumb. 9/30/12	Project Roll Forward 9/30/12	Adjusted FY 2012 Amount Under Budget	Percent of Total Savings	FY 2012 Savings Allocated Back to Departments
City Council	\$88,296	\$410		\$87,886	2.32%	\$22,080
City Clerk and Elections	\$126,923	\$17		\$126,906	3.36%	\$31,978
City Manager	\$55,838	\$6,712		\$49,126	1.30%	\$12,373
Finance	\$411,400	\$133,364	\$48,927	\$229,109	6.06%	\$57,676
Human Resources	\$106,225	\$181		\$106,044	2.80%	\$26,649
Law Department	\$66,630	\$56		\$66,574	1.76%	\$16,751
Public Works Administration	\$52,160	\$40		\$52,120	1.38%	\$13,134
Public Health and Human Services	\$1,257,218	\$456,117	\$162,188	\$638,913	16.89%	\$160,749
Community Development	\$348,239	\$36,083		\$312,156	8.25%	\$78,519
Economic Development	\$1,474	\$0		\$1,474	0.04%	\$381
Cultural Affairs	\$46,008	\$4,997		\$41,011	1.08%	\$10,279
Parks and Recreation	\$355,698	\$114,313		\$241,385	6.38%	\$60,721
Police	\$846,371	\$131,522	\$79,329	\$635,520	16.80%	\$159,892
Fire	\$551,782	\$113,676		\$438,106	11.58%	\$110,212
Emergency Management	\$71,949	\$5		\$71,944	1.90%	\$18,083
Public Safety Joint Communications	\$297,176	\$28,870	\$19,558	\$248,748	6.58%	\$62,625
Municipal Court	\$75,197	\$550		\$74,647	1.97%	\$18,749
Engineering	\$212,777	\$31,690		\$181,087	4.79%	\$45,588
Non-Motorized Grant	\$539,498	\$110,885	\$428,613	\$0	0.00%	\$0
Streets and Sidewalks	\$589,894	\$413,747		\$176,147	4.66%	\$44,351
Parking Enforcement	\$2,941	\$0		\$2,941	0.10%	\$951
<b>Total Savings</b>	<b>\$6,103,694</b>	<b>\$1,583,237</b>	<b>\$738,614</b>	<b>\$3,781,843</b>	<b>100.00%</b>	<b>\$951,741</b>

Total Added to General Fund Balance      \$1,903,482  
**1/2 To be Allocated Back to Depts      \$951,741**