



# 2021 Fund Balance Discussion

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CITY OF CAMAS

# Goals for the Discussion

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Understanding of Current State and Future State of the City's General Fund Status

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Confirmation of the Fund Balance Policy and Goal

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ARPA Policy Guidance

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ERP Funding Preference

# City Policy

The General Fund will strive to maintain a fund balance of 17% of budgeted General Fund expenditures.

To mitigate current and future revenue shortfalls, unanticipated expenditures, and cash flow needs due to the General Fund dependence on property taxes, an adequate fund balance in the General Fund will be maintained. The projected fund balance at year end is expected to remain 17% of annual budgeted General Fund expenditures.

# Background

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Fund Balance = Reserves

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How many months of reserves are needed to help the City with unforeseen events or economic downturns?

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In 2000, Council's fund balance goal was 20% or just under 3 months

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The adopted policy of 17% represents approximately 2 months of expenditures

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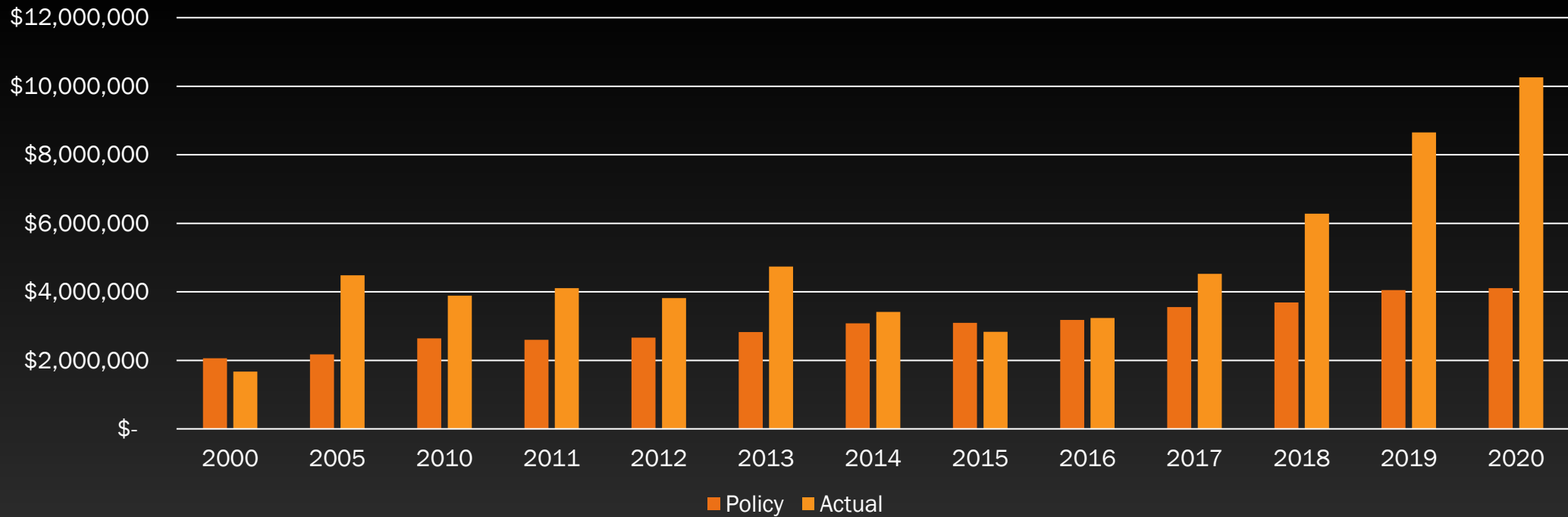
Government Finance Officer's Association's best practices is at least 17%

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Moody's Analytics encourages the City to maintain 20% - 30%

# History since 2000

Fund Balance – Policy to Actuals





# Decision to increase Fund Balance Goal

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Fund Balance builds when revenues exceed expenditures

Community Development revenue or Building fees can only be spent on Community Development

2017-2020 most of the growth in revenues is tied to construction

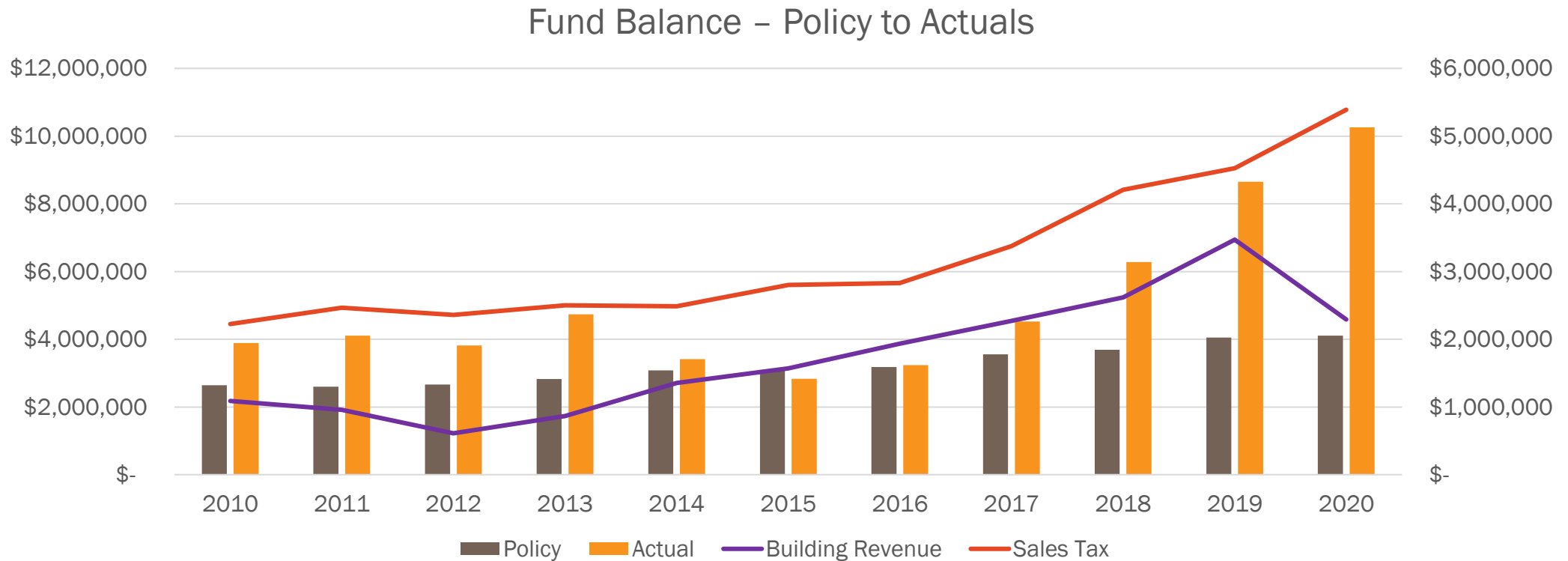
In 2018, Council decided to keep 17% as a policy and made a goal of 22% with the 5% reserve for Community Development and Engineering tied to Development



# Current Financial Position

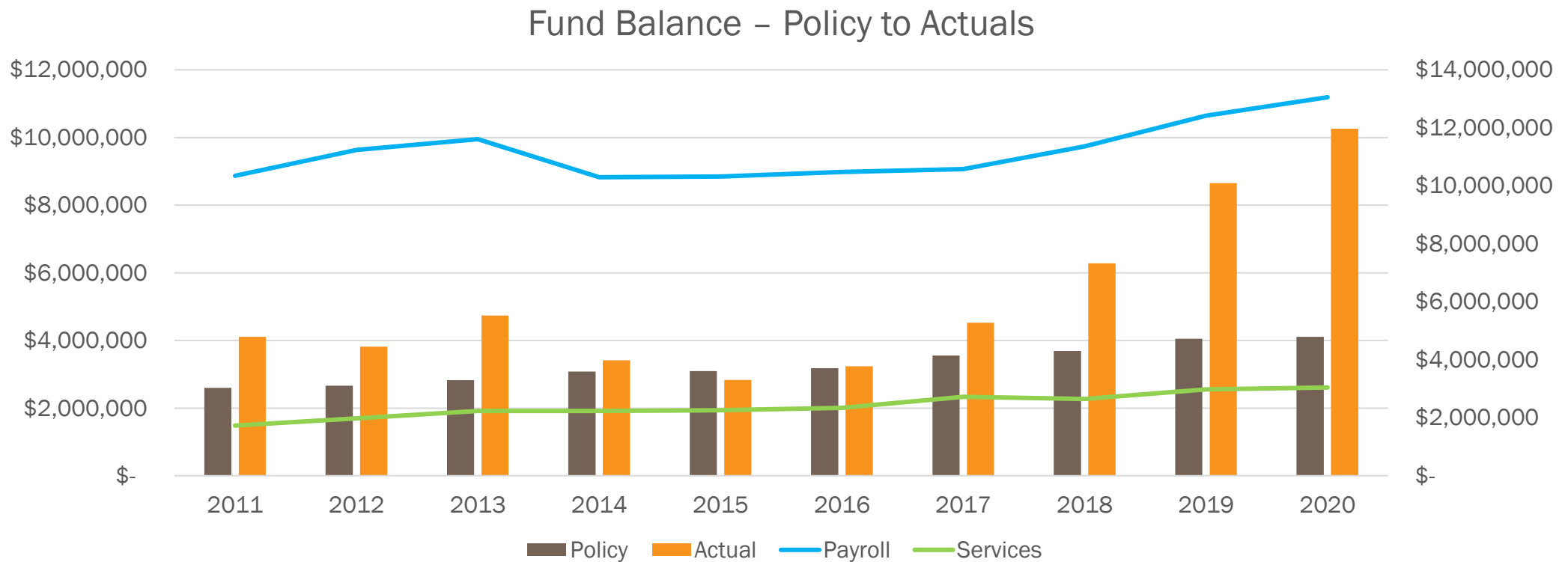
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# Why the growth? Revenue is one half of the equation





# Tightening spending during a pandemic is the other half of the equation



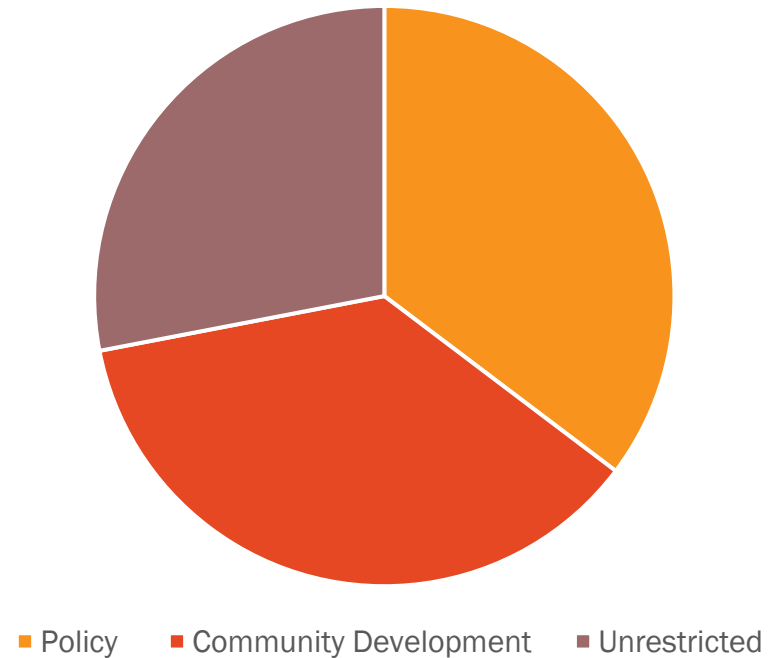
# What is today's fund balance and what does it consist of ?

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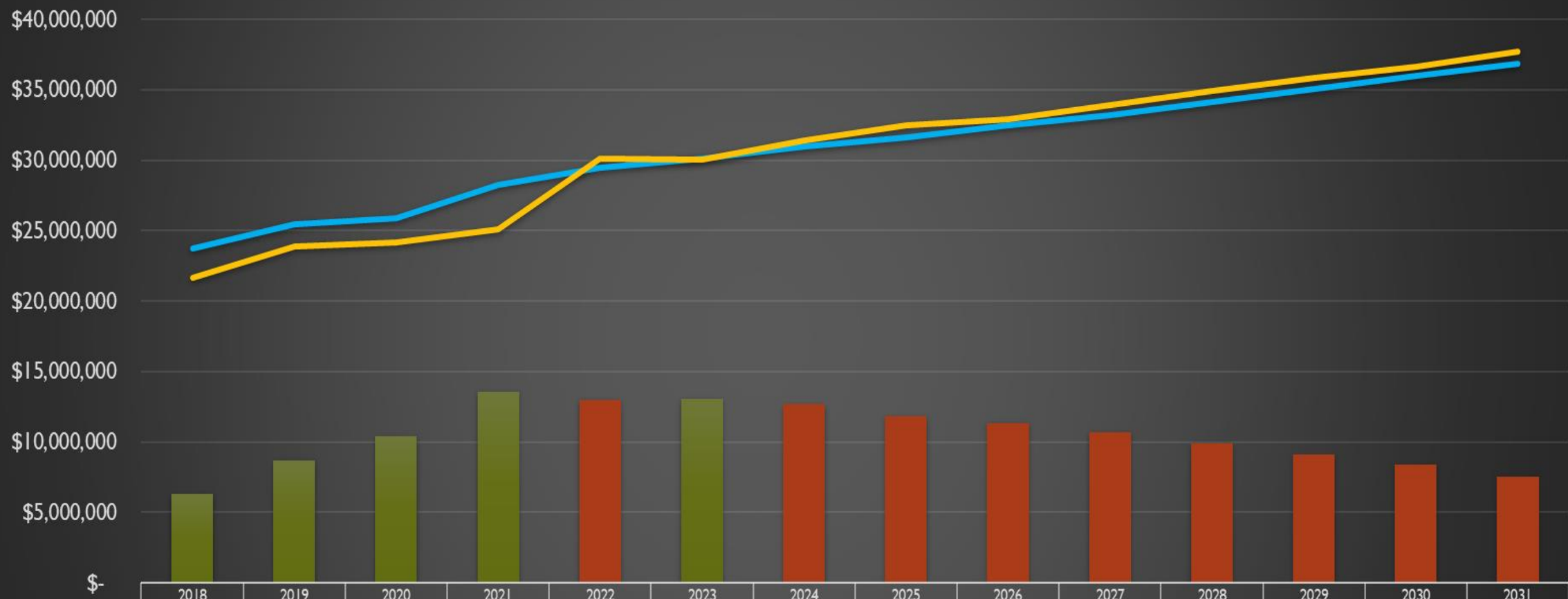
As of July 31, 2021

General Fund Balance:	\$12,044,236
17% Policy Balance:	(\$4,251,540)
Com. Dev. Reserve (est):	(\$4,417,576)
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<b>Unrestricted Fund Balance:</b>	<b>\$3,375,120</b>

Fund Balance



Fund Balance Revenues Baseline Expenditures



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Fund Balance	\$6,283,139	\$8,655,192	\$10,353,305	\$13,550,183	\$12,964,477	\$13,013,919	\$12,620,539	\$11,774,963	\$11,326,675	\$10,653,368	\$9,867,837	\$9,056,055	\$8,385,686	\$7,511,946
Revenues	\$23,735,648	\$25,457,901	\$25,868,280	\$28,273,164	\$29,493,695	\$30,119,917	\$30,980,011	\$31,615,854	\$32,480,068	\$33,228,178	\$34,133,557	\$35,072,804	\$35,983,075	\$36,850,000
Baseline Expenditures	\$21,682,145	\$23,845,231	\$24,170,169	\$25,076,285	\$30,079,401	\$30,070,475	\$31,373,390	\$32,461,430	\$32,925,357	\$33,904,484	\$34,919,088	\$35,884,586	\$36,653,444	\$37,723,739

# Future State

## What does the forecast tell us?

- We have a Structural Deficit – the City's current expenditures will exceed the revenues. The \$3 million in unrestricted fund balance erodes over the 9-year period.

## Why will that happen?

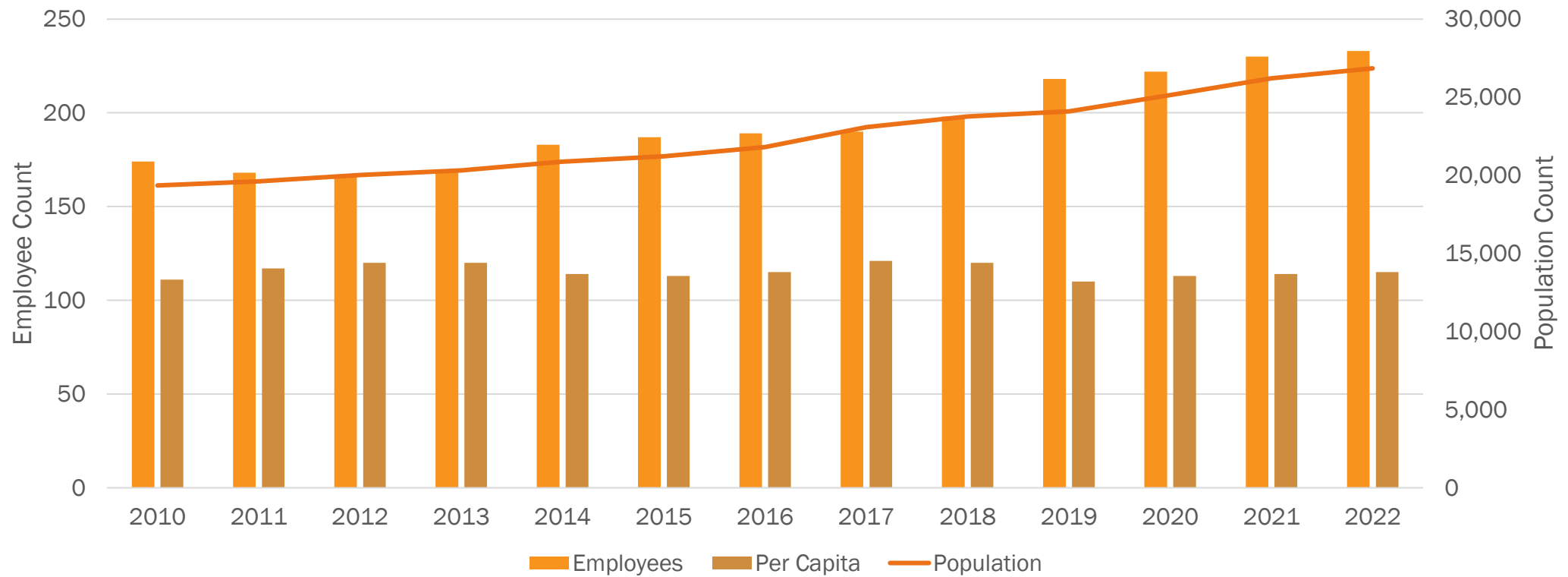
- Current labor costs will exceed revenue growth – construction boom will wane

A close-up photograph of a single, light-colored puzzle piece resting on a bright yellow surface. The piece is slightly offset from the others, casting a soft shadow. A dark, semi-transparent rectangular box is overlaid on the left side of the image, containing the text 'Other Considerations' in white. A thin orange horizontal line is positioned below the text.

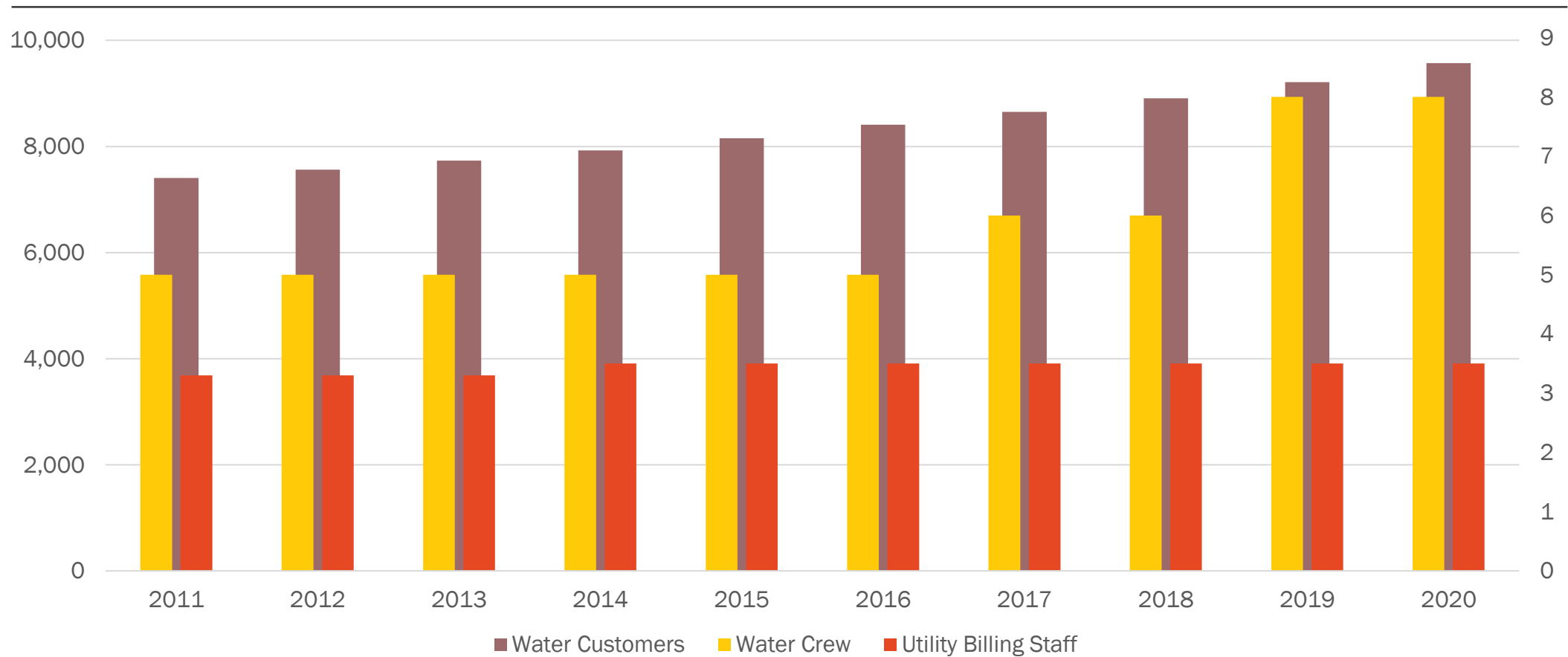
## Other Considerations

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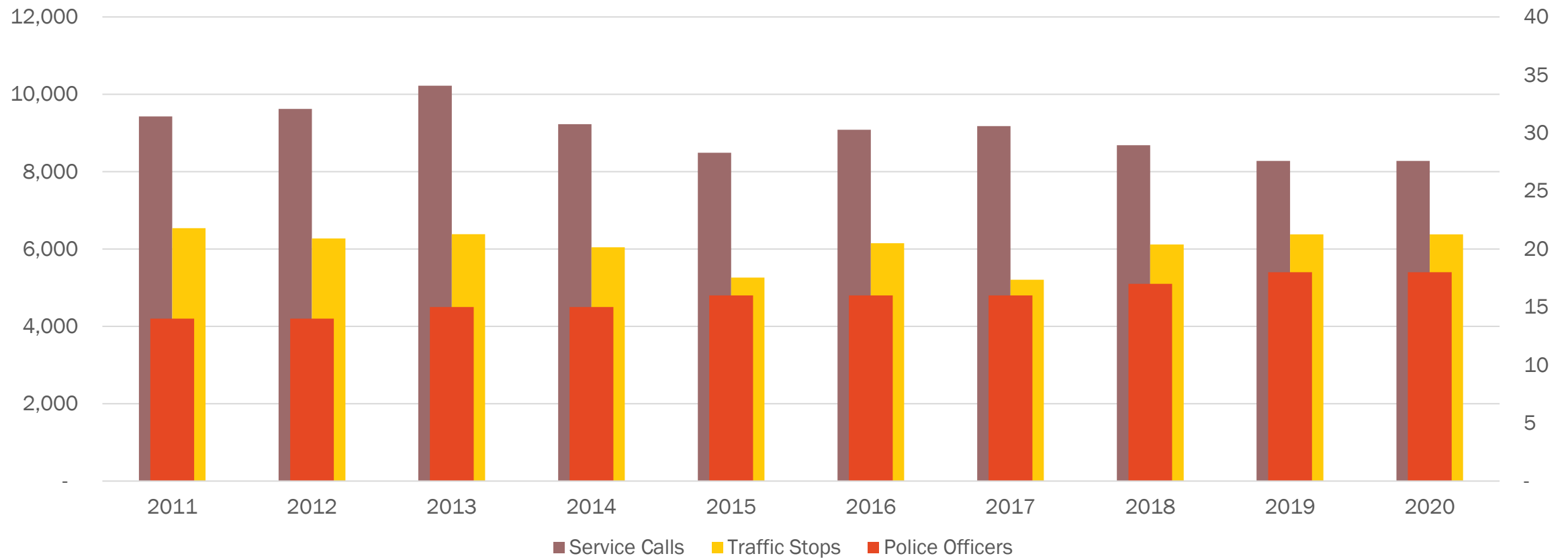
# Number of Citizens for Each Employee to Serve



# Water Service Example

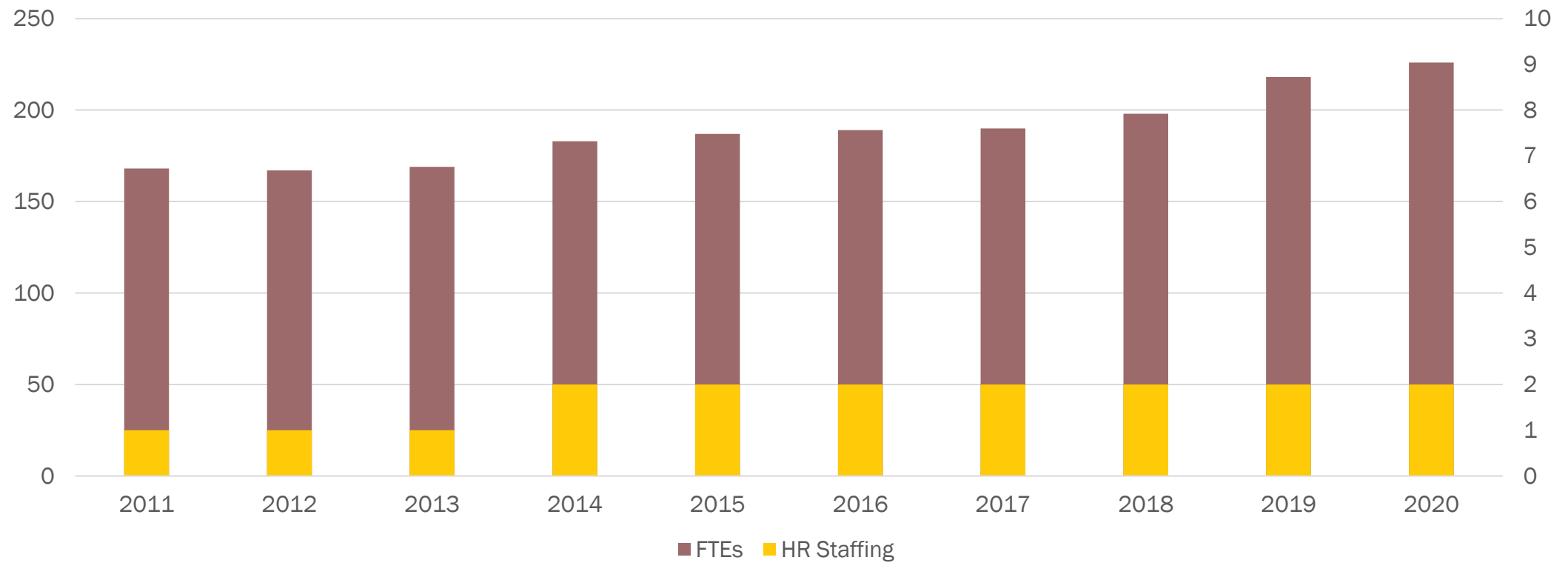


# Police Example





# Human Resources Example



# Staff with no more capacity

Higher volumes of service calls

Loss of experience with higher retirements

Demand for higher level of service

More governmental and technical requirements:

- New Legislation
- Changing technical requirements and regulations
- Lack of sufficient technology
- Need for higher precautions

# Immediate Staffing Needs

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HR Generalist

Financial Assistant

Senior Accountant

Procurement Specialist

Asset Management Coordinator

GIS Coordinator





# More Capacity + Resources =

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- Better Customer Service
- Monthly Utility Billing
- Centralized and Consistent procurement practices with bids, contracts, and terms
- More Accurate and Proactive Asset Management
- Expertise and Inhouse Financial Reporting and Analysis
- Leverage for the Long-Term with Technology

# Discussion

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Staffing  
needed for  
implementation

Fall Omnibus or  
2022  
Readoption

# American Rescue Plan Act (ARPA)

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# What is ARPA?

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ARPA was signed into law on March 11, 2021

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Provides direct relief to all municipalities with \$350 billion for the Coronavirus State and Local Fiscal Recovery Funds.

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Camas was allocated per capita calculation of \$6,816,235

First Tranche \$3,408,118 received in June and Second will be June, 2022

# US Treasury Guidance

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Public Health  
Emergency/Negative Impacts

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Premium Pay for essential  
workers in COVID-19

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Revenue Loss

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Water, Sewer or Broadband  
Infrastructure



# Possible Policy Guidance Principles

- Supporting Recovery
- Reconnecting Community
- Building Resiliency
- Maximizing Partnerships
- Enhancing Public Spaces for Health and Safety
- Providing electronic services
- Addressing Cybersecurity
- Protecting water, sewer and stormwater infrastructure
- Supporting economic efforts
- Providing community assistance

What would you choose?

Springbrook V7

Tools My Menu User Settings Window Help

Customer Lot Scheduled 146 Tasks 200 Reports Batches Exit Help

GL Display

File Window Help

Refresh 0 Attachments Exit Help Dock in MDI

Search Criteria

Fiscal Year: 2021

Account: 001-00-1

Status: Active

Account Type:

ALFRE: (All)

Drag a column header here to...

Chart of Accounts Maintenance

General Balance Budget History POs Graphs Visual Reporting Extended Budgeting Tag

Show: Committed Only

Beginning Balance: \$9,935,804.55

Activity: \$2,231,157.01

Budget: \$0.00

YTD: \$12,166,961.56

Available: \$0.00

Available: 0.00%

Invoices without PO's: \$0.00

Pre-Encumbrance: \$0.00

Uncommitted PO's: \$0.00

Encumbered: \$0.00

Total: \$0.00

YTD with Encumbrance: \$12,166,961.56

Available with Encumbrance: \$0.00

Available with Encumbrance: 0.00%

Period	Month	Debit	Credit	Balance	Budget	YTD Balance
1	January	\$1,214,386.37	\$2,410,977.23	(\$1,196,590.86)	\$0.00	\$8,739,213.69
2	February	\$1,250,517.38	\$1,987,099.59	(\$736,582.21)	\$0.00	\$8,002,631.48
3	March	\$2,440,472.02	\$2,012,754.93	\$427,717.09	\$0.00	\$8,430,348.57
4	April	\$6,593,812.31	\$2,153,621.45	\$4,440,190.86	\$0.00	\$12,870,539.43
5	May	\$2,120,838.92	\$1,922,434.46	\$198,404.46	\$0.00	\$13,068,943.89
6	June	\$1,518,287.57	\$2,038,331.29	(\$520,043.72)	\$0.00	\$12,548,900.17
7	July	\$1,581,212.10	\$2,079,798.90	(\$498,586.80)	\$0.00	\$12,050,313.37
8	August	\$491,359.30	\$374,711.11	\$116,648.19	\$0.00	\$12,166,961.56
9	September	\$0.00	\$0.00	\$0.00	\$0.00	\$12,166,961.56
10	October	\$0.00	\$0.00	\$0.00	\$0.00	\$12,166,961.56
11	November	\$0.00	\$0.00	\$0.00	\$0.00	\$12,166,961.56
12	December	\$0.00	\$0.00	\$0.00	\$0.00	\$12,166,961.56
13	Audit Adj.	\$0.00	\$0.00	\$0.00	\$0.00	\$12,166,961.56
14	Audit Adj.	\$0.00	\$0.00	\$0.00	\$0.00	\$12,166,961.56
15	Audit Adj.	\$0.00	\$0.00	\$0.00	\$0.00	\$12,166,961.56

Tylertown - Live

Home Search

Tylertown

Alerts 0 Notifications 8 Approvals 6

Invoices: What needs to be paid?

Invoice Number	Invoice Date	Vendor Name	Status	Description	Invoice Total
100LMS	9/13/2016	One Time Vendor	Approved		\$5.00
5670	6/4/2009	ABC SUPPLY COMPANY	On Hold		\$65,000.00
5666	7/27/2009	DEF SUPPLY COMPANY	Approved		\$100.00
5667	7/27/2009	DEF SUPPLY COMPANY	Approved		\$1,000.00
5668	7/27/2009	DEF SUPPLY COMPANY	Approved		\$1,200.00
5669	7/27/2009	DEF SUPPLY COMPANY	Pending Approval		\$1,500.00
5666	7/27/2009	DEF SUPPLY COMPANY	Approved		\$100.00
5667	7/27/2009	DEF SUPPLY COMPANY	Approved		\$1,000.00
5668	7/27/2009	DEF SUPPLY COMPANY	Approved		\$1,200.00
5669	7/27/2009	DEF SUPPLY COMPANY	Pending Approval		\$1,500.00
0904	7/24/2013	MILKEN	Approved	ITEMS	\$50.00
0911	7/24/2013	FORD MOTOR COMPANY	Approved	CAR IMPROVEMENT	\$1,000.00

Content Pages

- Asset Maintenance
  - Asset Performance Analysis
  - CPM Level of Service
  - TEAM Analytics Center
  - Manage Billings
  - Request Planning
  - Work Order Queue
- Financial Management
  - Budget Monitoring
  - Home
  - Inventory
  - Invoice Monitoring
  - Invoice Processing
  - Invoice Tracking
  - Encumbrance Activities
- Human Capital Management
  - Employee Review
  - Jobing
  - Special Training
  - Workforce Trending
- Citizen Services and Revenue
  - Receipt Monitoring

Favorites

- Financials
  - Accounting Entries
  - General Journal Entry Proof
  - Purchase Order Entry
  - Requisitions
- Recent Activity

# ERP Solution

# Why now?

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Data Security

People expect online access 24/7

# ERP Cost over 5 Years

Module Costs	2022	2023	2024	2025	2026	Total
Financials	\$ 263,039	\$ 99,439	\$ 99,439	\$ 99,439	\$ 99,439	\$ 660,795
Human Capital	\$ 91,848	\$ 67,080	\$ 36,464	\$ 36,464	\$ 36,464	\$ 268,320
Utility Billing		\$ 155,288	\$ 45,998	\$ 36,062	\$ 36,062	\$ 273,410
Productivity	\$ 75,925	\$ 90,751	\$ 52,788	\$ 52,788	\$ 52,788	\$ 325,040
Energov/Reporting/EAM		\$ 467,251	\$ 246,325	\$ 151,642	\$ 151,642	\$ 1,016,860
<b>Module Costs</b>	<b>\$ 430,812</b>	<b>\$ 879,809</b>	<b>\$ 481,013</b>	<b>\$ 376,395</b>	<b>\$ 376,395</b>	<b>\$ 2,544,425</b>
Less Tyler Discount:	\$ (46,319)	\$ (46,319)	\$ (46,319)	\$ (46,319)	\$ (46,319)	\$ (231,595)
<b>Net 5 Year Module Costs</b>	<b>\$ 384,493</b>	<b>\$ 833,490</b>	<b>\$ 434,694</b>	<b>\$ 330,076</b>	<b>\$ 330,076</b>	<b>\$ 2,312,830</b>
Forms Library	\$ 54,500	\$ 5,100				\$ 59,600
Installation Fees	\$ 2,800					\$ 2,800
Setup Assistance	\$ 42,000	\$ 42,000				\$ 84,000
Executive Insights Implementation	\$ 8,400					\$ 8,400
VPN Device	\$ 4,000					\$ 4,000
Third Party Hardware Software	\$ 4,052					\$ 4,052
Project Management	\$ 213,300	\$ 55,200	\$ 57,400			\$ 325,900
<b>Total Other Services/Third Party</b>	<b>\$ 329,052</b>	<b>\$ 102,300</b>	<b>\$ 57,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 488,752</b>
<b>Grand Total</b>	<b>\$ 713,545</b>	<b>\$ 935,790</b>	<b>\$ 492,094</b>	<b>\$ 330,076</b>	<b>\$ 330,076</b>	<b>\$ 2,801,582</b>

Current 2021-2022 Budget included \$1.5 million of the original bid of \$2.66 million

# Possible Funding Options

Replacement Costs

ARPA Funding

One-Time Reserves such as Community Development Reserves, CARES Act Reserves

Utility Rates (assumptions were built into models – no increase to rates)

General Fund Reserves

Reduction  
due to  
Ongoing  
System  
Replacement  
Costs

Springbrook	\$(52,212)
Paymentus	\$(34,500)
CRM Accela	\$(4,917)
XC Backflow	\$(1,685)
Total	\$(93,315)

Other savings would include server costs and ongoing maintenance

# One Proposed Use of ARPA Funding

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Cybersecurity and Direct  
Access to Citizens, Vendors  
and Employees

Direct Access funding is based  
on costs of front facing Tyler  
module costs

Cybersecurity funding is based  
on approximately half of the  
liability found in the Water  
System Risk and Resiliency  
Study.

	2022	2023	2024	2025	2026	Total
ARPA - Direct Access	\$ (174,444)	\$ (140,488)	\$ (140,488)			\$ (455,420)
ARPA - Cybersecurity	\$ (500,000)	\$ (250,000)	\$ (250,000)			\$ (1,000,000)

**Council could elect to use more or less of the  
ARPA funding**

<b>Grand Total Funding Allocation</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
General Fund Fund Balance	\$ 35,927	\$ 57,921	\$ 0	\$ 74,705	\$ 74,705	\$ 243,259
Community Development Reserves	\$ (0)	\$ 155,844	\$ 98,823	\$ 74,467	\$ 74,467	\$ 403,600
Street Fund Balance	\$ 3,443	\$ 741	\$ 0	\$ 5,674	\$ 5,674	\$ 15,531
CWFD Fund Balance (CARES Act)	\$ 7,538	\$ 2,061	\$ 0	\$ 16,820	\$ 16,820	\$ 43,240
Stormwater Rates	\$ (0)	\$ 8,126	\$ 0	\$ 6,297	\$ 6,297	\$ 20,720
Solid Waste Rates	\$ (0)	\$ 25,693	\$ (0)	\$ 19,687	\$ 19,687	\$ 65,066
Water Rates	\$ 19,487	\$ 12,259	\$ (0)	\$ 21,678	\$ 21,678	\$ 75,102
Sewer Rates	\$ 0	\$ 985	\$ (0)	\$ 6,042	\$ 6,042	\$ 13,069
<b>Grand Total Funding</b>	<b>\$ 66,394</b>	<b>\$ 263,631</b>	<b>\$ 98,823</b>	<b>\$ 225,369</b>	<b>\$ 225,369</b>	<b>\$ 879,586</b>

# Net Funding Proposed

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A network diagram consisting of several brass pins of varying heights on a dark blue, textured surface. The pins are interconnected by thin, light-colored wires, forming a complex web of connections. The background is a blurred grid of similar pins and wires, suggesting a larger network structure.

# Discussion on ERP Funding Preferences

# Summary

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