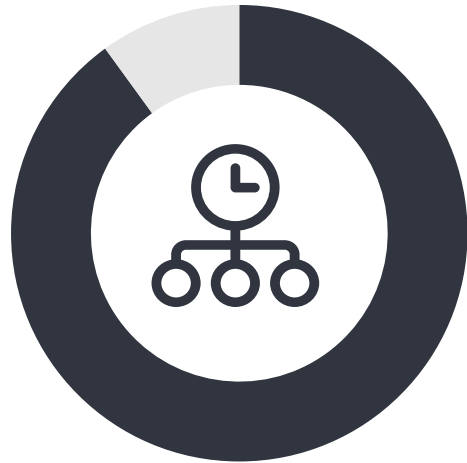


Budget Process Update & Financial Review

Presented: January 28, 2020

DISCUSSION TOPICS

Budget Process/Timeline



Discuss and review budget process/policy, roles/responsibilities, and timeline.

General Discussion

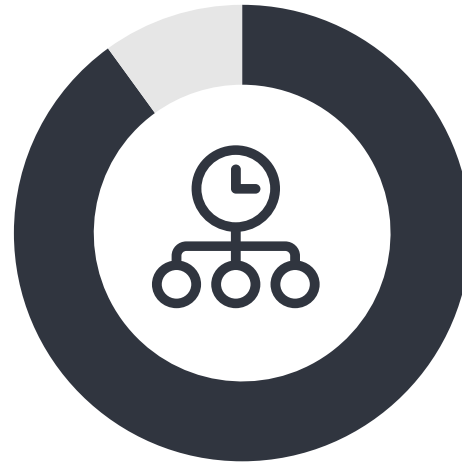


Discuss and review OLOST Fund and Pay/Compensation Survey.

Financial Snapshot



Review current financial snapshot for operating budget.



BUDGET PROCESS/TIMELINE

BUDGET PROCESS – Budgets of County Officers and Agencies

Part I Charter – Section 8-105 states:

- All elective officers such as the Sheriff, Tax Commissioner, Judge of Probate Court, Coroner and other Elective Officers, and all agencies not under the direct control and jurisdiction of the Council such as the Board of Health and Board of Family and Children Services, which receive appropriations from the Council, shall prior to the commencement of each fiscal year prepare and submit to the City Manager annual operating and capital budget requests for the ensuing fiscal year....

BUDGET PROCESS - City Manager's Role/Responsibility

Part I Charter – Section 4-307(3) states:

- The City Manager, under and subject to the direction of the Mayor shall:
 - Prepare and submit to the Mayor the annual operating and capital budget and capital improvement program;

Part I Charter – Section 7-401 (2) states:

- A proposed annual operating and capital budget for the ensuing fiscal year shall be prepared by the City Manager to be submitted by the Mayor to the Council on or before a date fixed by ordinance, but not less than 60 days prior to the beginning of the fiscal year

BUDGET PROCESS - Mayor's Role/Responsibility

Part I Charter – Section 4-201 (10) states:

- The Mayor shall have the power and the duty:
 - To submit to the Council the recommended annual operating and capital budget and capital improvement program as required by Article VII, Chapter 4 of this Charter;

Part I Charter – Section 7-401 (2) states:

- A proposed annual operating and capital budget for the ensuing fiscal year shall be prepared by the City Manager to be submitted by the Mayor to the Council on or before a date fixed by ordinance, but not less than 60 days prior to the beginning of the fiscal year. Such budgets shall be accompanied by a budget message from the Mayor containing explanations of general fiscal policies, explanations of major changes recommended for the next fiscal year, a general summary of the budgets, and other information deemed appropriate.

BUDGET PROCESS - Council's Role/Responsibility

Part I Charter – Section 7-401 (1) states:

- The Council shall prescribe by ordinance the procedures and requirements for the preparation, adoption and execution of an annual operating budget, a capital improvement program and a capital budget....

Part I Charter – Section 7-402 (1) states:

- The Council shall, upon receipt of the proposed budgets, schedule and hold one or more public hearings thereon....

BUDGET PROCESS - Council's Role/Responsibility

Part I Charter – Section 7-402(2) states:

- The **Council** may amend the proposed operating budget, except that the budget as finally amended and adopted must provide for all expenditures required by law or by other provisions of this Charter and for all debt service requirements for the ensuing fiscal year....

Part I Charter – Section 7-402 (3) states:

- The Council shall adopt the final annual operating budget for the ensuing fiscal year not later than the thirtieth day of June of each year and such budget shall be effective for the fiscal year beginning on July 1.....

BUDGET PROCESS - Council's Role/Responsibility

Part I Charter – Section 7-403(1) & (2) states:

- As the next order of business following the adoption of the operating and capital budgets:
- The Council shall levy by ordinance a general services district tax on **all real and personal property** within the general services tax district as provided by this Charter....
- The Council shall levy by ordinance a separate urban services **district tax on all real and personal property** within each urban services tax district established by this Charter or created by the Council.

BUDGET PROCESS – Budgetary Policy Revisions

Typically budgetary policy revisions are adopted as part of the annual operating budget ordinance unless a separate policy exists. Recent changes includes:

- FY2019 Revision of Section 37 of the Budget Ordinance states:
 - All requests for funding by agencies, boards, authorities, departments, or elected offices receiving grants or operating appropriations from the Columbus Consolidated Government must be made to Columbus Council during the annual budget process **unless such request is pursuant to Ordinance No. 13-39**. Nothing herein shall prevent the Mayor, City Manager or Finance Director from recommending mid-year budget amendments to the Council. In emergency situations, the Mayor, City Manager or Finance Director may also recommend to Council additional funding outside the budget process for various departments, agencies, boards, authorities or other entities associated with the city.

BUDGET PROCESS – Budgetary Policy Revisions

- FY2020 Addition of Section 38 of the Budget Ordinance which states:
 - Salary savings is the amount of salary expense saved when a position is vacant or filled at a lower salary level than the budgeted level. All salary savings achieved in FY2020 by any Department or Elected Office, of the Columbus, Georgia Consolidated Government or any Board, Commission and/or Authority created by the Columbus Council shall only be used to replenish fund balance reserves. Use of salary savings is hereby restricted for any other purpose unless expressly approved by Council.

BUDGET PROCESS TIMELINE

April 28th

Presentation of the Mayor's Recommended Budget to Council



May 5th, 12th, 19th, 26th

City Council Budget Review Sessions



June 9th

1st Reading of the Budget Ordinance



June 16th

2nd Reading of the Budget Ordinance, 1st Reading of the Millage Ordinance



June 23rd

2nd Reading of Millage Ordinance



GENERAL DISCUSSION

OLOST Fund Overview

Core Objective:

Funding the primary mission of Public Safety Departments within the Consolidated Government.

Funding Priorities:

Includes:

- Improve response time of emergency services.
- Increase Public Safety presence in community.
- Expand crime prevention programs.
- Improve non-emergency Public Safety services.
- Decrease length of time for adjudication of criminal cases.

OLOST Fund Overview

“Original” Definition: Public Safety

Includes:

- Police Department
- Fire and EMS Department
- Sheriff’s Office
- Marshal’s Office
- Muscogee County Prison
- Coroner
- District Attorney
- Public Defender
- Associated Court personnel
- Other Public Safety agencies, programs and functions

Note: Not all employees are Sworn Officers.

OLOST Fund Overview

“Revised” Definition: Public Safety

Includes:

- All of departments/offices/programs listed on previous slide.
- Additional Correctional Officers in other departments such as Public Works, Metra, and Parks and Recreation as approved by Council/Mayor per Ordinance No. 09-26.

OLOST Fund Overview

Public Safety Expenditures

Includes:

- Personnel costs including salary and benefits.
- Personal equipment such as clothing, weapons, cars, etc.
- Operating expenses of Public Safety departments.
- Capital expenditures associated with Public Safety functions.
- Funding allocated and administered by the City for community-based programs designed to reach young children, at-risk youth, and those who are returning to the community after serving time in prison.

OLOST Fund Overview

Fund Structure:

OLOST Fund is a sub-fund of the General Fund. However, sales tax proceeds are segregated from the General Fund with 70% of proceeds allocated to Public Safety and 30% allocated to Infrastructure per Resolution No. 226-08.

Key Dates:

May 13, 2008 – Council approved Resolution No. 226-08.

July 15, 2008 – Referendum to impose new tax was approved.

January 1, 2009 – Effective date of new Local Option Sales Tax.

OLOST Fund Overview

Definition: Infrastructure

Includes:

- Roads and bridges.
- Storm water and flood abatement projects.
- Technology.
- Capital projects to include construction, maintenance and renovation of buildings and facilities to support quality of life improvements and to house governmental operations.

OLOST Fund Overview

Infrastructure Improvements:

Includes:

- “Pay as you go” projects that are funded from proceeds of current sales tax collection to include road resurfacing, park maintenance and improvements, and government facilities maintenance and improvements.
- “Long term” projects that are funded from bonds using sales tax proceeds to pay debt service to include major road improvements, flood abatement, and construction of facilities such as the City Services Center, Natatorium, and Ice Rink.

CCG Pay/Compensation

	COLA	Pay Adjustment	Total Pay Adjustments
FY2012	.5%	-	0.5%
FY2013 ¹	.5%	2.0%	2.5%
FY2014 ²	.5%	2.0%	2.5%
FY2015	.5%	-	0.5%
FY2016	.5%	-	0.5%
FY2017	2.0%	-	2.0%
FY2018	.5%	-	0.5%
FY2018 ³	-	2.0%	2.0%
FY2019 ⁴	-	1.5%	1.5%
FY2019 ⁵	.5%	-	0.5%
FY2020 ⁶	1.0%	-	1.0%
FY2020 ⁷	-	1.0%	1.0%
Total	6.5%	8.5%	15%

^[1] FY2013 pay increases included a 2% offset for our pension reform adjustment.

^[2] FY2014 pay increases included a 2% offset for our pension reform adjustment.

^[3] Due to the software conversion of our payroll system, Council approved a one-time 2% bonus for all employees in August of 2017, which was in FY2018.

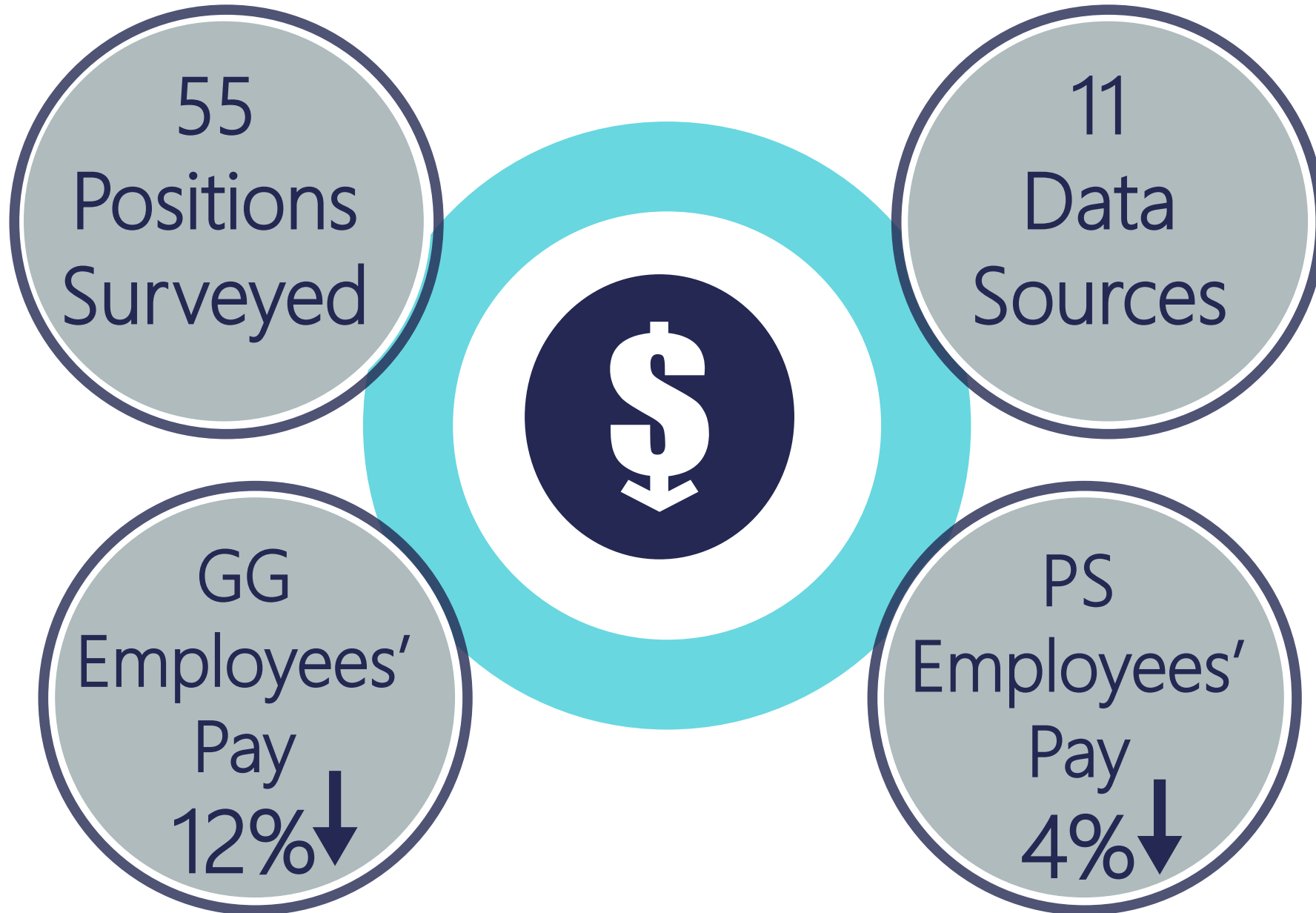
^[4] Included in the Adopted FY2019 Budget for all full-time employees to be paid in August 2018.

^[5] Included in the Adopted FY2019 Budget for all employees to be paid in August 2018.

^[6] Included in the Adopted FY2020 Budget for all employees effective January 2020.

^[7] Included in the Adopted FY2020 Budget for all full-time employees hired on or before 6/30/18 effective January 2020.

CCG Pay/Compensation/Pay Study





FINANCIAL SNAPSHOT

FY20 OPERATING FUNDS SNAPSHOT AS OF DECEMBER 2019

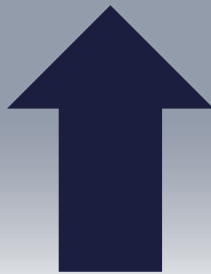


\$ 159,151,687

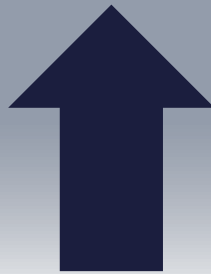
Operating Funds Revenue



FY20 vs FY19
Revenues

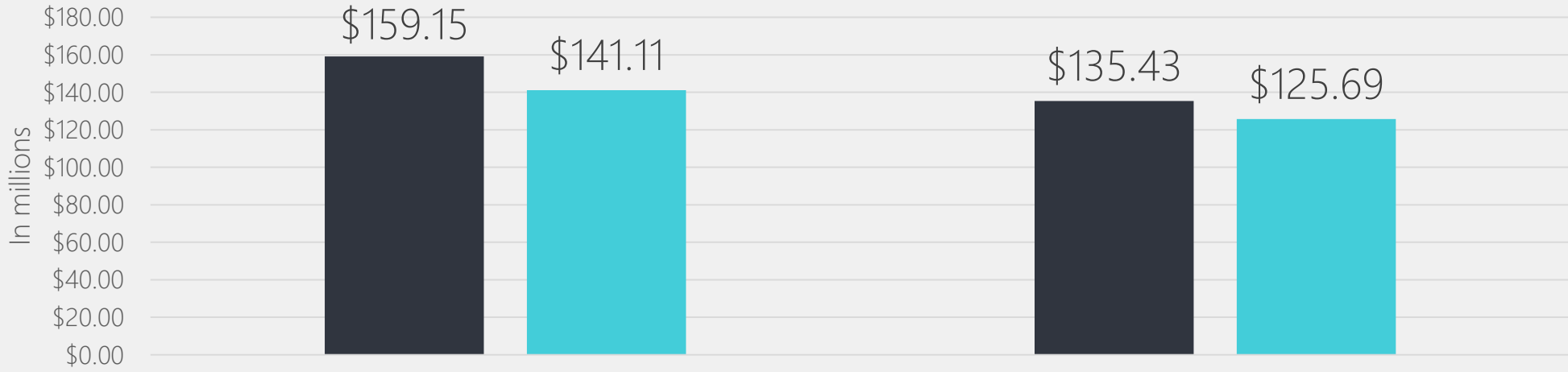


FY20 vs FY19
Expenses



\$ 135,430,027

Operating Funds Expenditures



FY2020 Revenue vs FY2019 Revenue

FY2020 Expenses vs FY2019 Expenses

OPERATING BUDGET REVENUES AS OF DECEMBER 2019

	FY20	FY19	% Change	Comments
General Fund	\$86,538,994	\$78,843,859	9.76%	Increases in various revenue sources
Other LOST	\$16,093,190	\$14,903,547	7.98%	Increase equates to \$1.2 million YTD
Stormwater	\$4,611,409	\$4,432,235	4.04%	Property taxes are up
Paving	\$12,671,196	\$12,262,280	3.33%	Property taxes are up
Medical Center	\$11,691,801	\$11,277,555	3.67%	Property taxes are up
Integrated Waste	\$5,852,725	\$4,699,917	24.53%	Timing difference on residential garbage fees
				Increase related to rate change for all lines and collections received from Cusseta-Chattahoochee
Emergency Telephone	\$1,373,913	\$1,262,579	8.82%	

OPERATING BUDGET REVENUES AS OF DECEMBER 2019

	FY20	FY19	% Change	Comments
Economic Development	\$1,948,633	\$1,879,593	3.67%	Property taxes are up Increase related to timing of bonds refunding
Debt Service	\$10,101,663	\$3,660,394	175.97%	Timing for grant reimbursements
METRA	\$3,879,507	\$3,960,749	-2.05%	Fluctuations related to timing of events
Trade Center	\$1,295,076	\$1,328,849	-2.54%	Increase in merchandise sales
Bull Creek	\$606,283	\$567,118	6.91%	
Oxbow Creek	\$122,174	\$121,887	0.24%	
Civic Center	\$2,365,124	\$1,910,094	23.82%	Fluctuations related to timing of events
Total Revenues	\$159,151,687	\$141,110,656	12.79%	

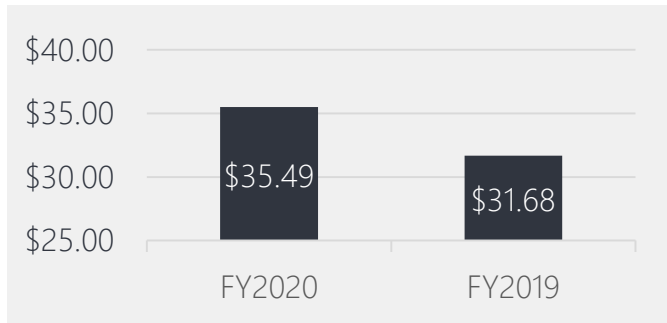
OPERATING BUDGET OBLIGATIONS AS OF DECEMBER 2019

	FY20	FY19	% Change	Comments
General Fund	\$69,157,955	\$67,791,032	2.02%	FY20 budget 1.41% more than FY19
Other LOST	\$12,747,350	\$13,764,794	-7.39%	Personnel and direct capital expenses lower. Capital expenses leased in FY20.
Stormwater	\$2,054,703	\$1,835,581	11.94%	Fluctuations are due to capital purchases.
Paving	\$6,717,344	\$7,079,552	-5.12%	Fluctuations are due to capital purchases.
Medical Center	\$11,430,616	\$11,419,525	0.10%	
Integrated Waste	\$5,929,725	\$5,429,004	9.22%	One-time capital expense for garbage trucks
Emergency Telephone	\$2,013,672	\$2,247,145	-10.39%	Change in state law related to enhanced 911 reimbursements

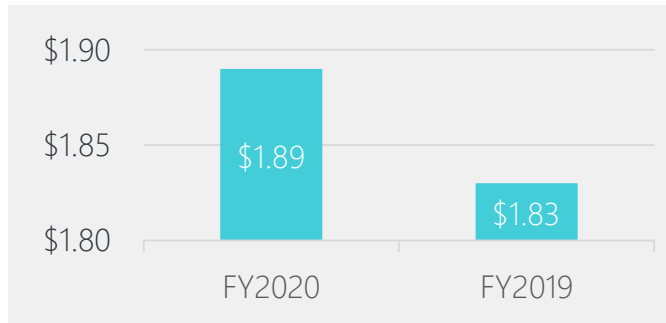
OPERATING BUDGET OBLIGATIONS AS OF DECEMBER 2019

	FY20	FY19	% Change	Comments
Economic Development	\$2,279,732	\$1,751,960	30.12%	Increase in expenses related to film fund contribution.
Debt Service	\$13,078,244	\$5,352,900	144.32%	Increase related to timing of bonds refunding
METRA	\$5,482,678	\$4,572,593	19.90%	Increase due to TSPLOST capital purchases
Trade Center	\$1,187,978	\$1,355,210	-12.34%	Fluctuations related to timing of events
Bull Creek	\$587,818	\$557,399	5.46%	Increase in merchandise sales
Oxbow Creek	\$164,695	\$168,852	-2.46%	
Civic Center	\$2,597,517	\$2,364,818	9.84%	Fluctuations related to timing of events
Total Expenditures	\$135,430,027	\$125,690,363	7.75%	

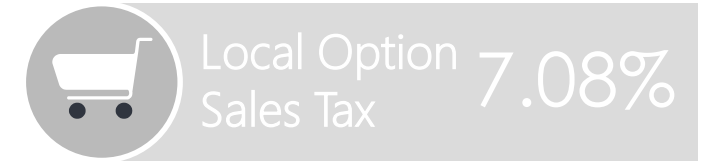
GENERAL FUND REVENUE SUMMARY AS OF DECEMBER 2019



* Increase largely due to TAVT revenue. Received \$2.5 million more YTD for TAVT.



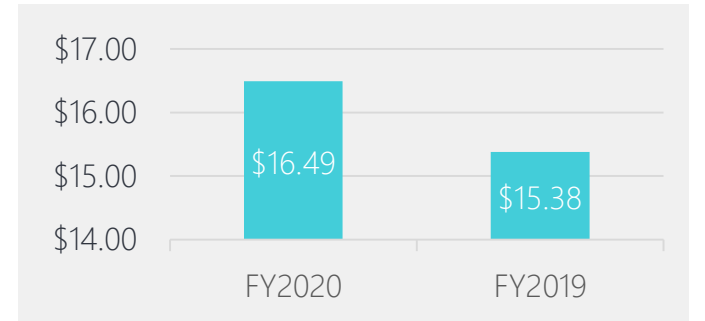
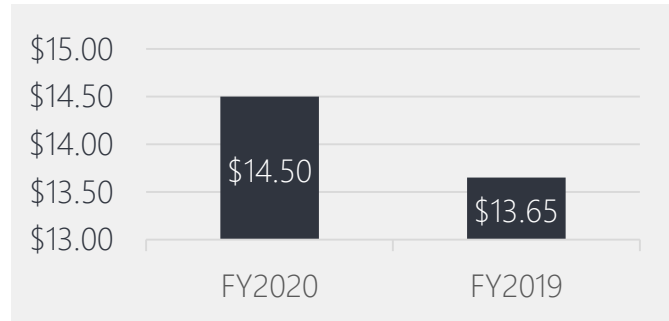
* Nominal increase.



* Increase amounts to approx. \$1 million.

(in millions)

GENERAL FUND REVENUE SUMMARY AS OF DECEMBER 2019



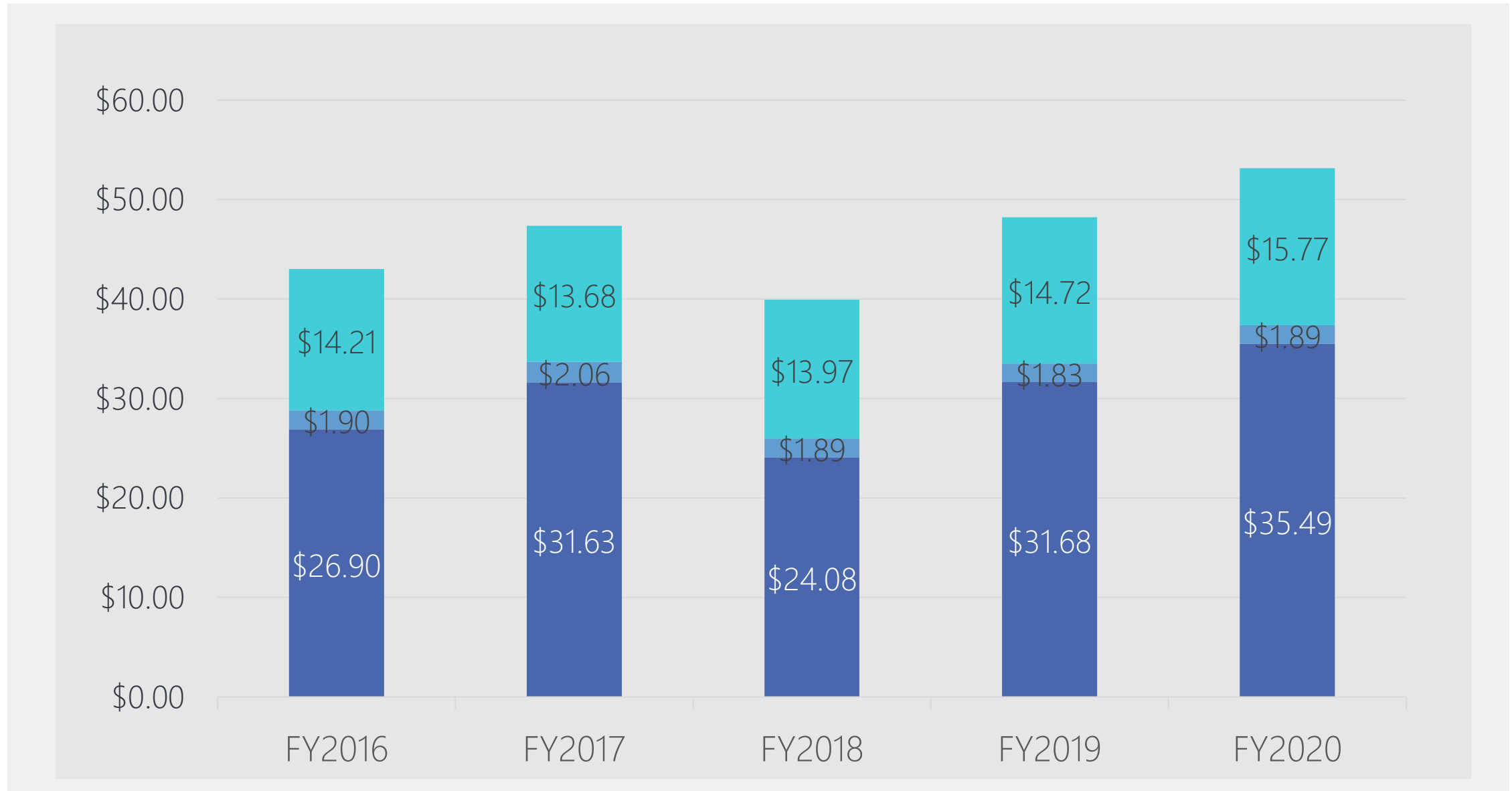
* Increase related to enforcement efforts for delinquent business licenses.

* Increase related to additional insurance premium received by the State.

* Other revenues include sale of fixed assets, investment income, jail pay phone fees, tax commissions, inmate subsidy, building permits, etc.

(in millions)

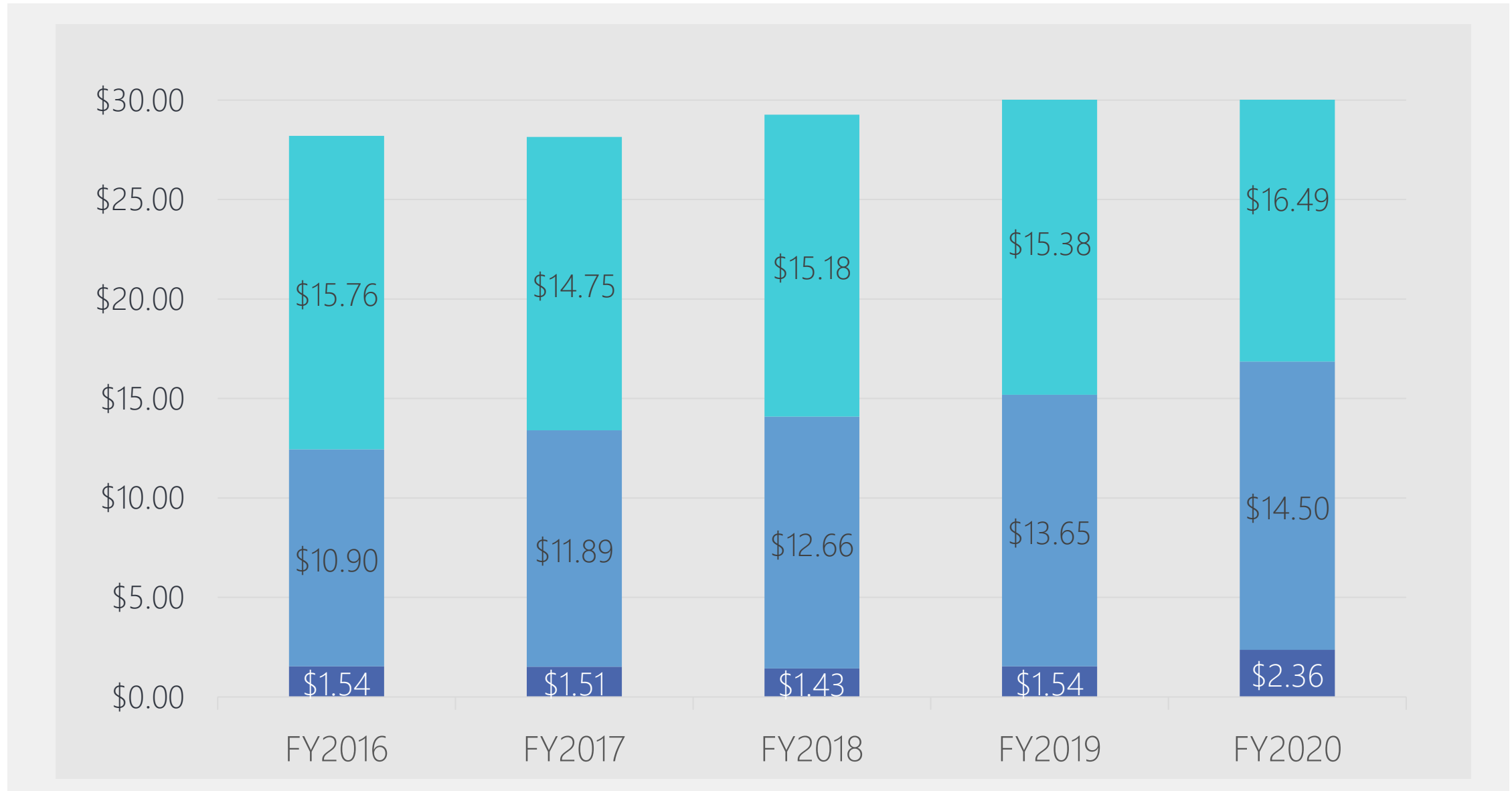
GENERAL FUND REVENUE TRENDS AS OF DECEMBER



(in millions)

■ General Prop Taxes ■ Franchise ■ L.O.S.T.

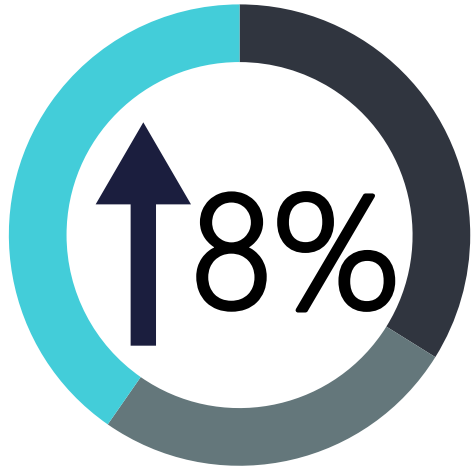
GENERAL FUND REVENUE TRENDS AS OF DECEMBER



(in millions)

■ Occ Tax ■ Insurance Prem ■ Other

OTHER LOCAL OPTION SALES TAX FUND REVENUE SUMMARY



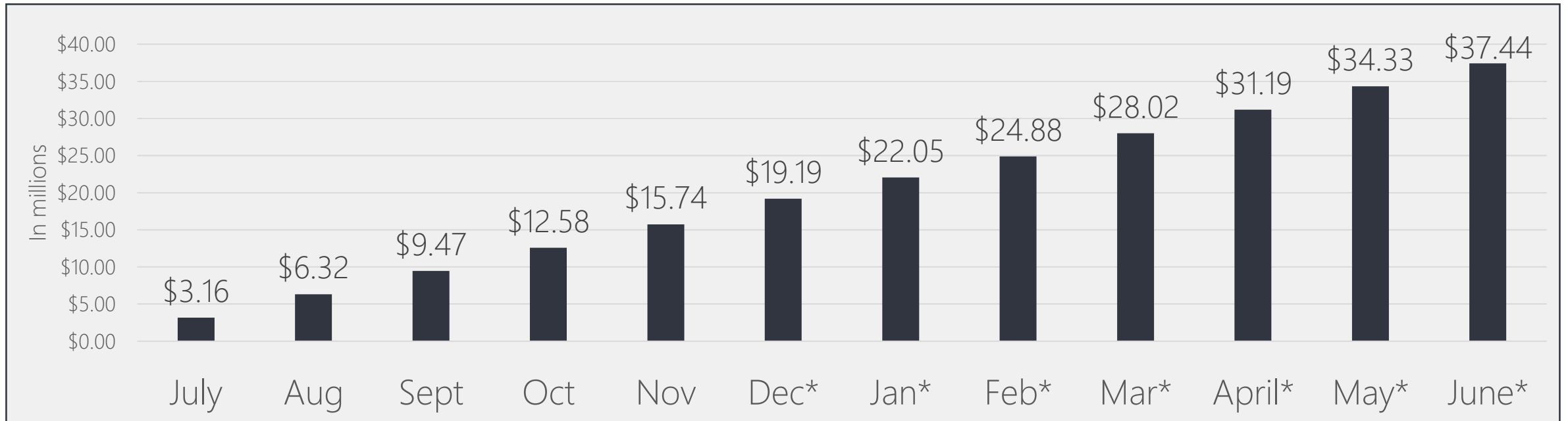
\$16,093,190

Public Safety (70%)	\$11,284,209
Infrastructure (30%)	\$4,808,981

REVENUE BUDGET

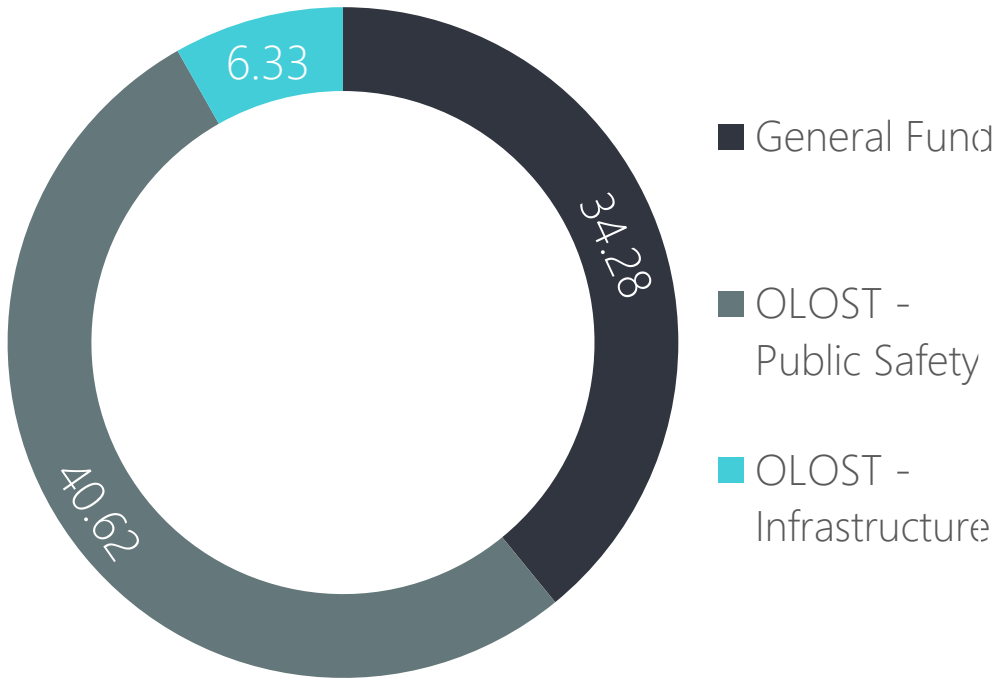
\$34,845,000

Public Safety	\$24,391,500
Infrastructure	\$10,453,500



*Projected if collections are the same as last year (excludes investment income)

FUND BALANCE RESERVES



GENERAL FUND 34.28 days

OLOST – Public Safety 40.62 days

OLOST - Infrastructure 6.33 days

Ending Balance - FY19 81.23 days

FY20 Budgeted Use of Reserves (3.38) days

Initial FY20 Projected Reserves 77.86 days

COLUMBUS CONSOLIDATED GOVERNMENT FINANCIAL SUMMARY AS OF DECEMBER 2019

- Good operating surplus i.e. Fund Balance Reserves.
- Strong budgetary performance i.e. Revenues vs Expenses.
- Diversity in revenue source increases.
- Bond rating of Aa2 (Moody's) and AA+ (S&P) was reaffirmed in September 2019.



CCG has a strong, healthy financial profile.

