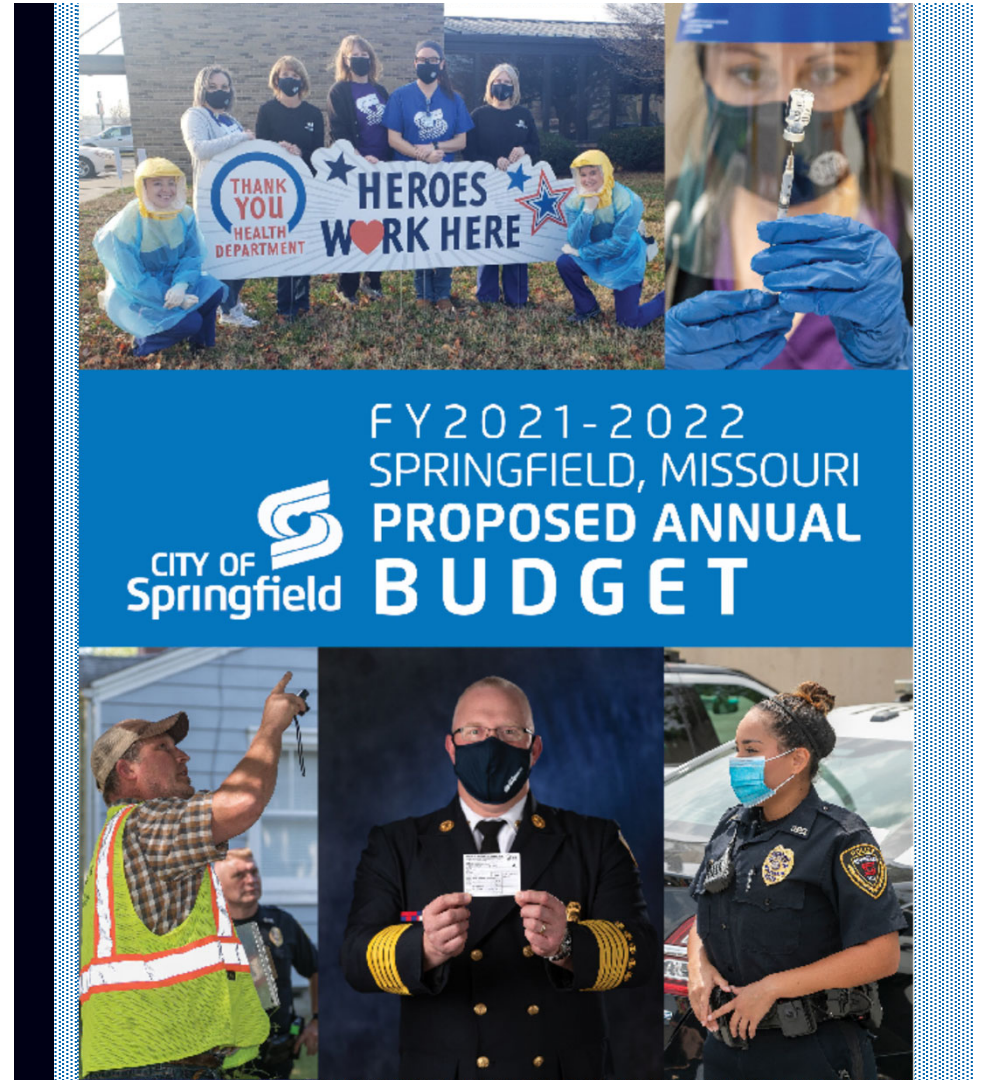


City Council Budget Workshop May 25, 2021



**Proposed Annual Budget for
July 1, 2021 – June 30, 2022**



FY 2021-2022
SPRINGFIELD, MISSOURI
**PROPOSED ANNUAL
BUDGET**



Budget Workshop Schedule



- ~~1. City Council Receives Budget April 30~~
- ~~2. Overview May 4~~
- ~~3. Revenues May 11~~
- ~~4. General Fund Budget Highlights May 18~~
- 5. Non-General Fund Budget Highlights May 25**
6. City Council First Reading June 1
7. City Council Second Reading June 14

Budget Workshop #4

May 25, 2021

Budget Workshop #4 provides a review of the City Manager's Non-General Fund funding priorities for fiscal year 2021-2022 (July 1, 2021- June 30, 2022).



Today's Agenda:

Funding Priorities

1. Questions from the last meeting
2. Non-General Fund Department Reviews

Questions?

- *Provided via email to Council members*

Budget Workshop #4

May 25, 2021

Budget Workshop #4 provides a review of the City Manager's Non-General Fund funding priorities for fiscal year 2021-2022 (July 1, 2021- June 30, 2022).



Today's Agenda:

Funding Priorities

1. Questions from the last meeting
2. **Non-General Fund Department Reviews**

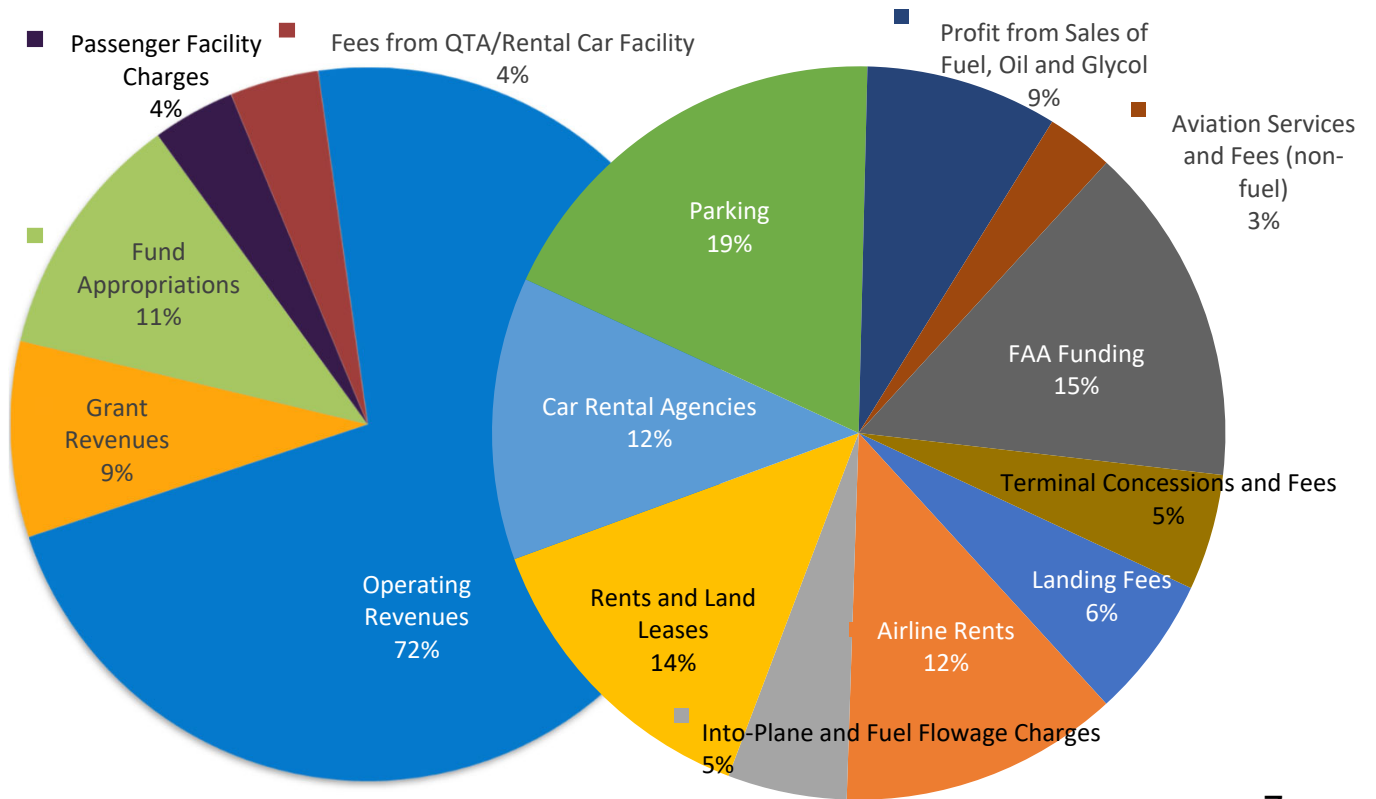
Springfield-Branson National Airport

Budget Workshop Airport

FY2022 Resources

All Resources
\$27,459,400

Operating Revenues
\$16,649,500

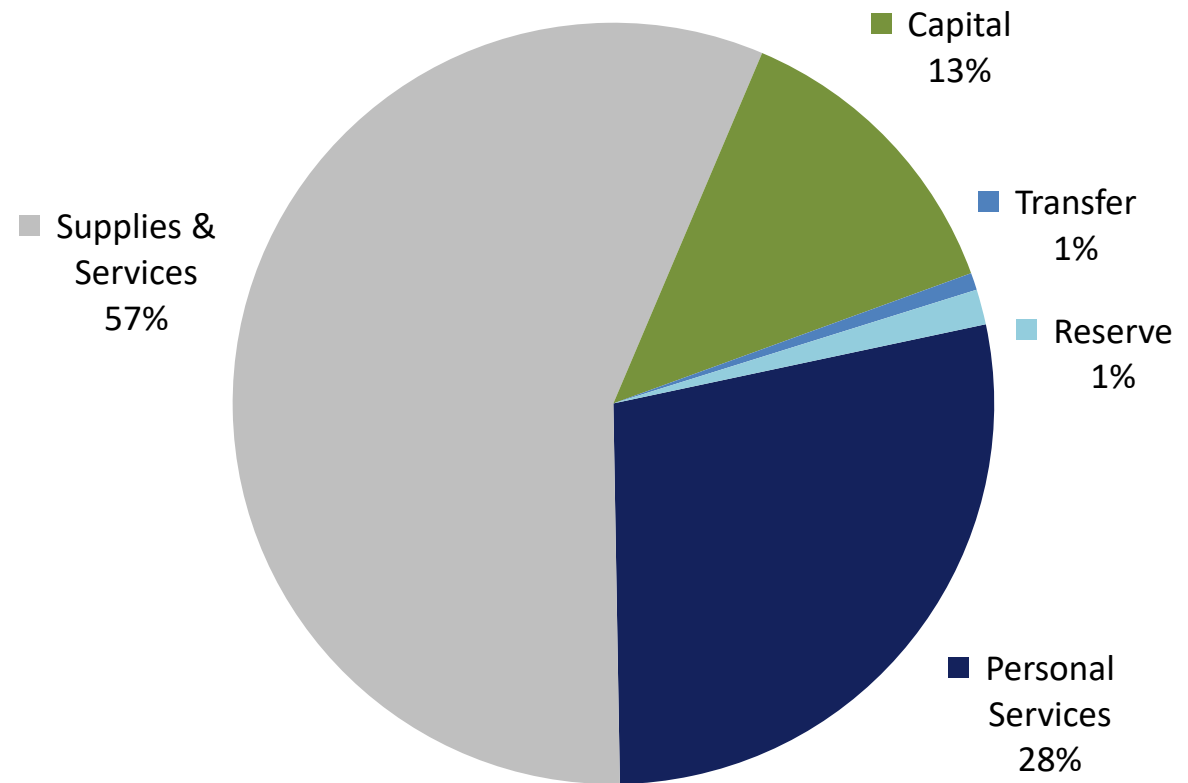


Budget Workshop Airport

29% of the Enterprise
Funds Budget

Funds 97 FTE's

FY2022 Appropriations \$27,459,400



Budget Workshop Airport

FY2020-21 Year End:

- Approx. 50% drop in passengers through calendar year 2020 compared with calendar year 2019
- The Airport expects an increase in passenger numbers over 2020 numbers
- CARES act funding has been used to help offset decreases in revenue

Budget Workshop Airport

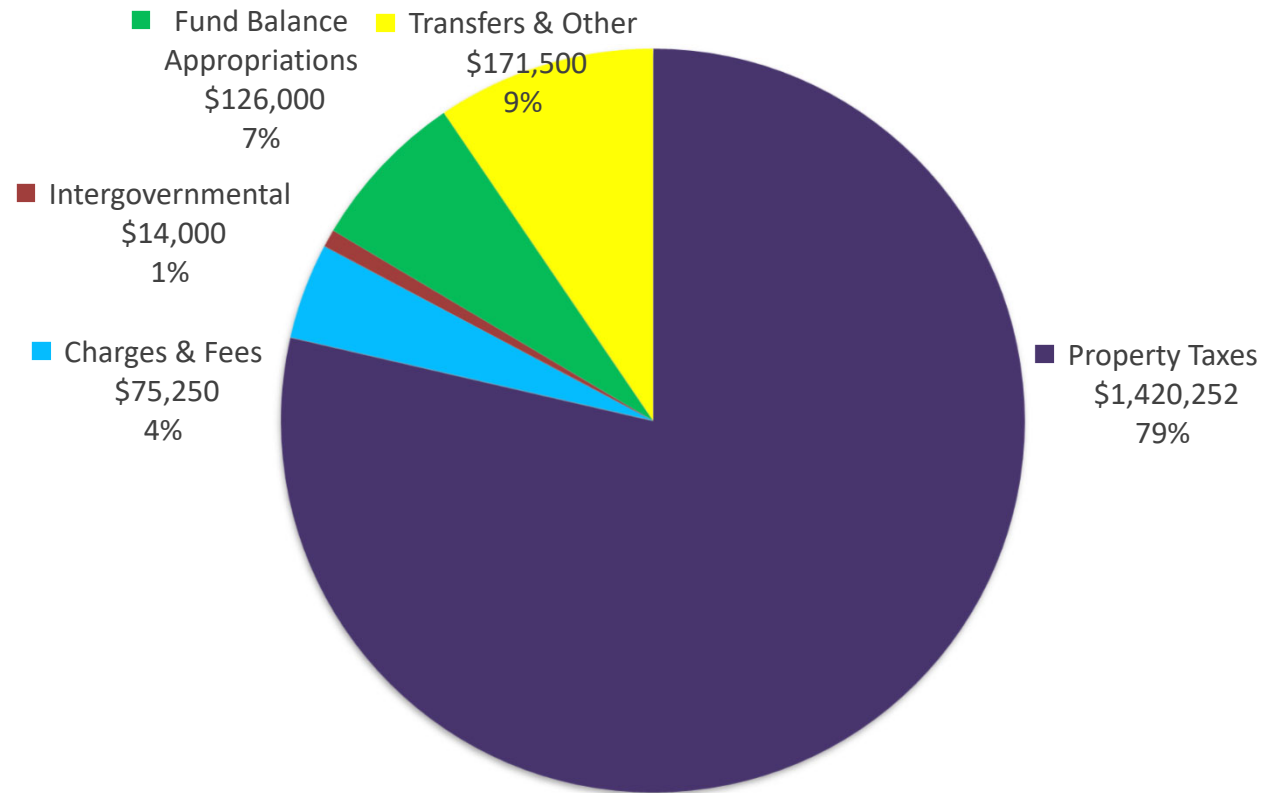
FY2021-22 Budget Highlights/Takeaways:

- The proposed operating budget of \$16.6M is up 22% from the prior year
- The proposed budget fully covers all airport related debt issuances
- The proposed budget includes capital equipment and capital assets budget cut from of the prior year

Art Museum

Budget Workshop Art Museum

FY2022 Resources \$1,807,002

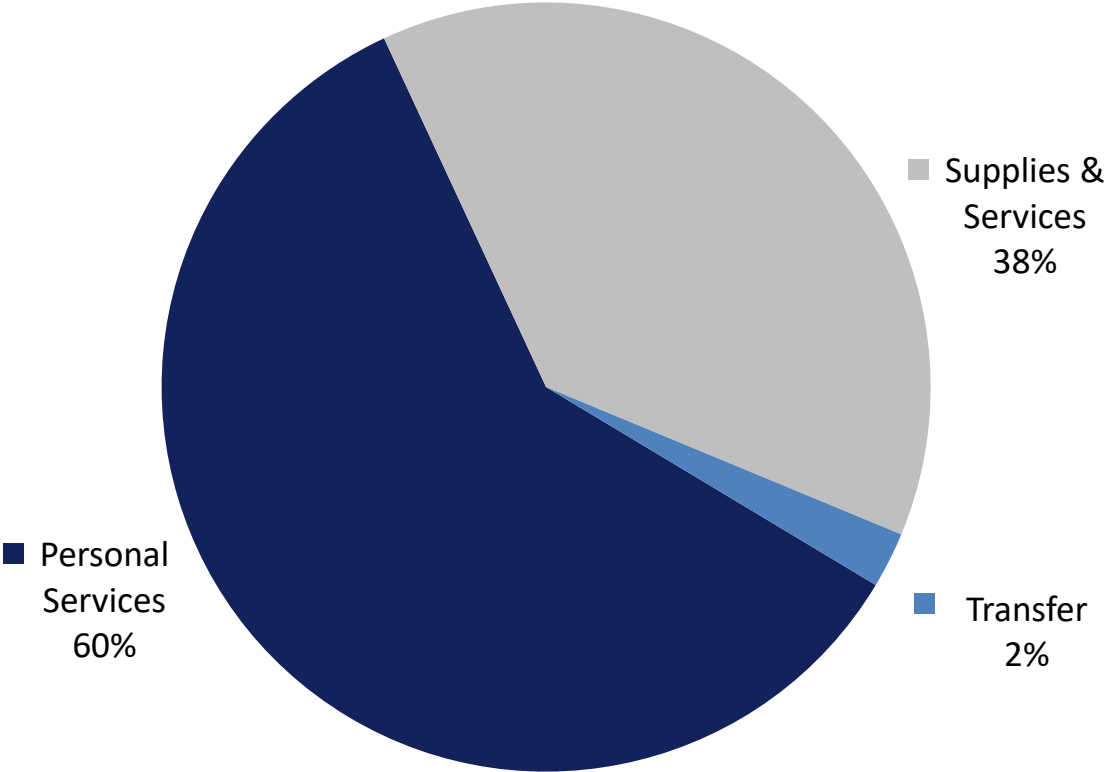


Budget Workshop Art Museum

1% of the Special Revenue
Funds Budget

Funds 16 FTE's

FY2022 Appropriations \$1,807,002



Budget Workshop Art Museum

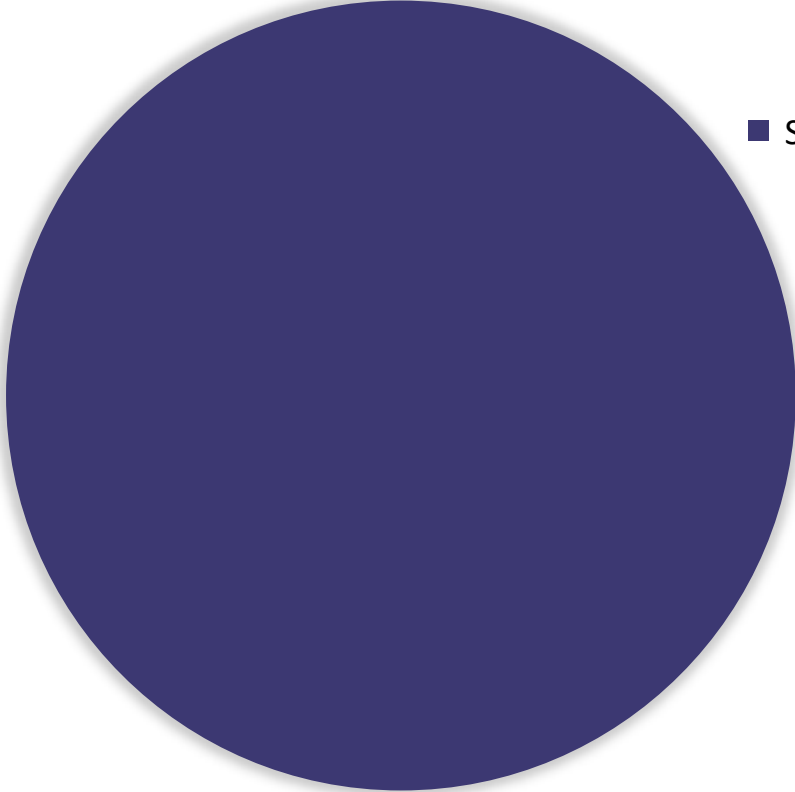
FY2021-22 Budget Highlights/Takeaways:

- Fund balance appropriations of \$126,000 is budgeted to cover one-time expenditures
- Hiring a second Museum Educator in the third quarter of FY2022
- Converted six part-time contract Gallery Attendants to six part-time FTEs

Emergency Communications

Budget Workshop
Emergency
Communications

CY2022 Resources
\$6,467,823



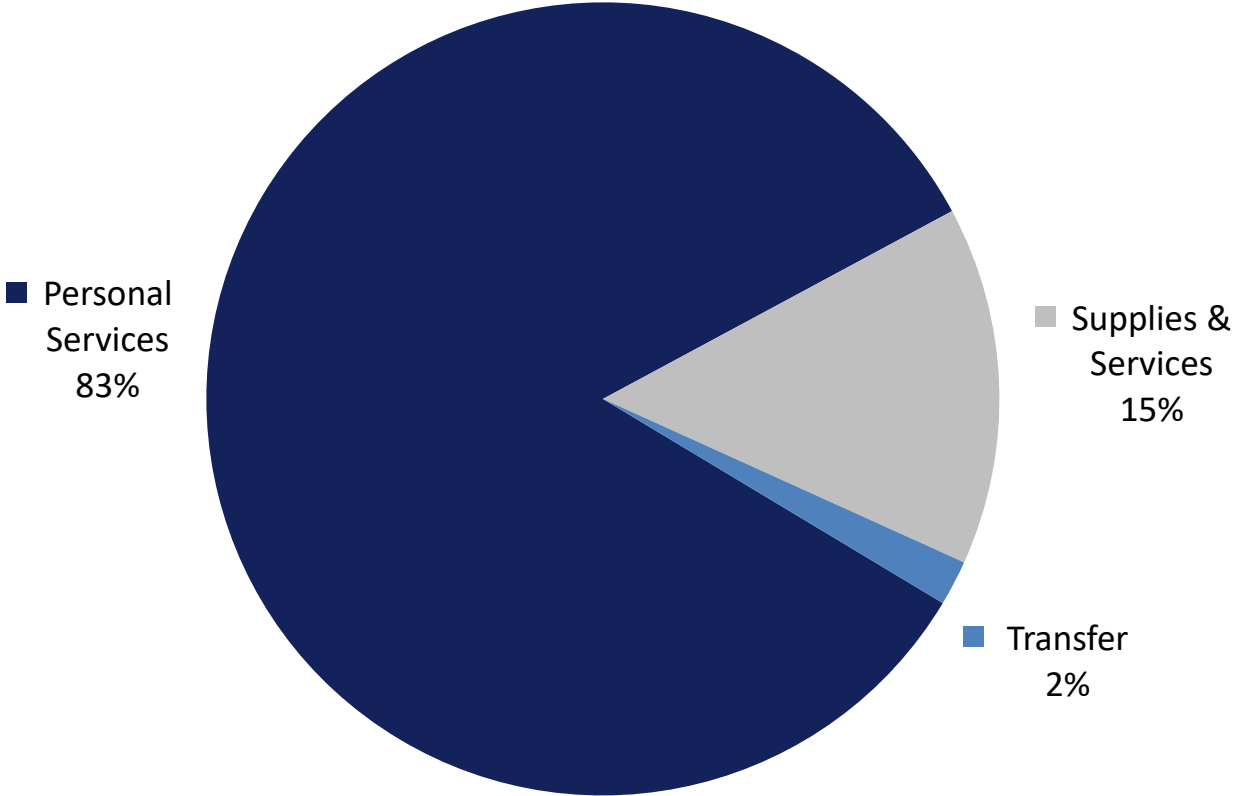
■ Sales Tax
100%

Budget Workshop
Emergency
Communications

5% of the Special Revenue
Funds Budget

Funds 83.5 FTE's

CY2022 Appropriations
\$6,467,823



Budget Workshop Emergency Communications

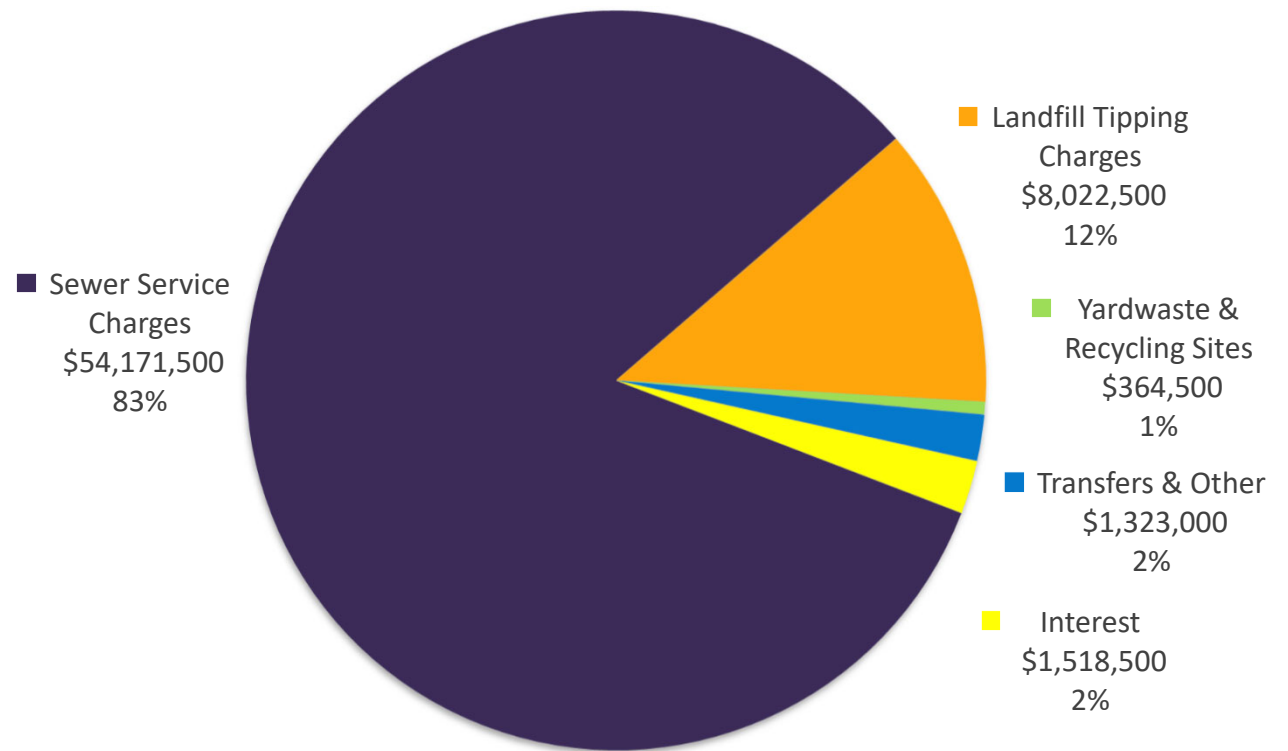
CY2021 Budget Highlights/Takeaways:

- Begin & implement Next Generation 9-1-1 technology upgrades
- Complete efforts for digital radio system upgrade countywide
- Replace training and operation computers

Environmental Services

Budget Workshop Environmental Services

FY2022 Resources \$65,400,000

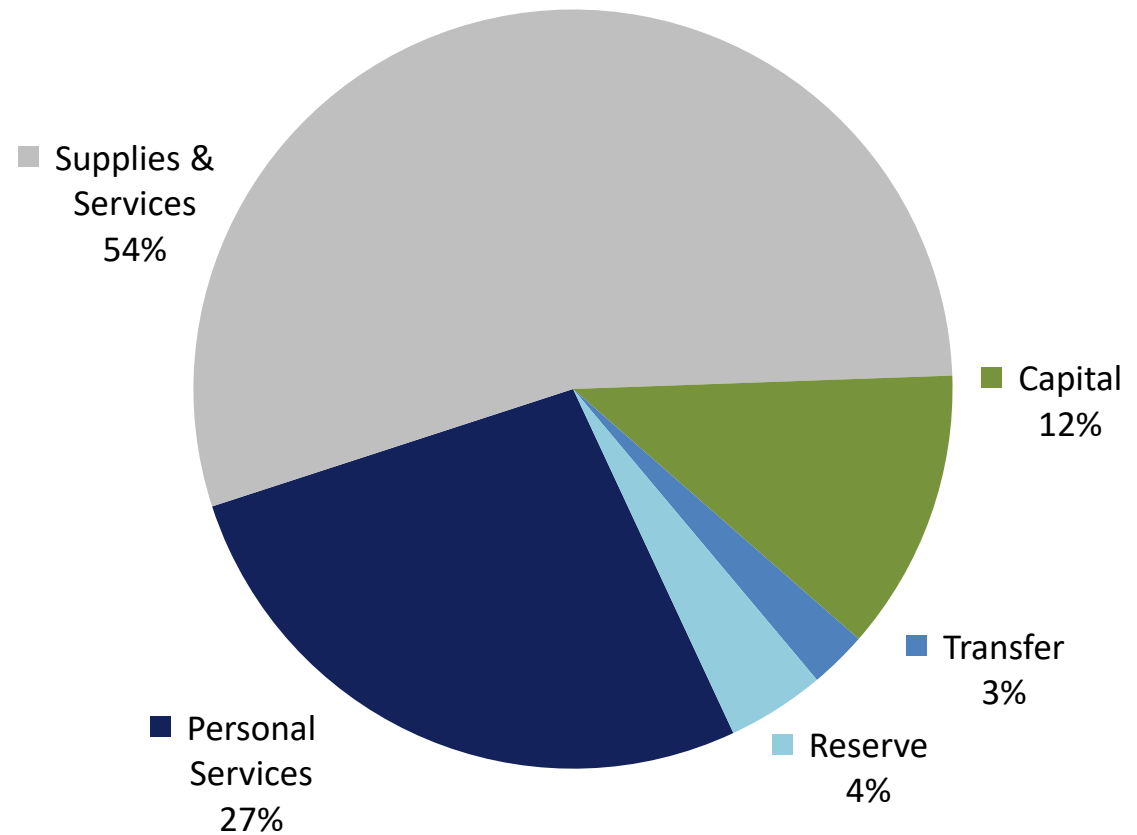


Budget Workshop Environmental Services

68% of the Enterprise
Funds Budget

Funds 234.9 FTE's

FY2022 Appropriations \$65,400,000



Budget Workshop Environmental Services

FY2021-22 Budget Highlights/Takeaways:

- Awarded State Revolving Fund loan in February 2021 for up to \$15,010,000 sewer rehabilitation projects per the (OCP)
- Added one senior street and sewer construction inspector within the construction inspection
- Added two collection system monitoring technicians to monitor increased number of metering devices
- Converted six contract positions to FTE

Budget Workshop Environmental Services

FY2021-22 Budget Highlights/Takeaways:

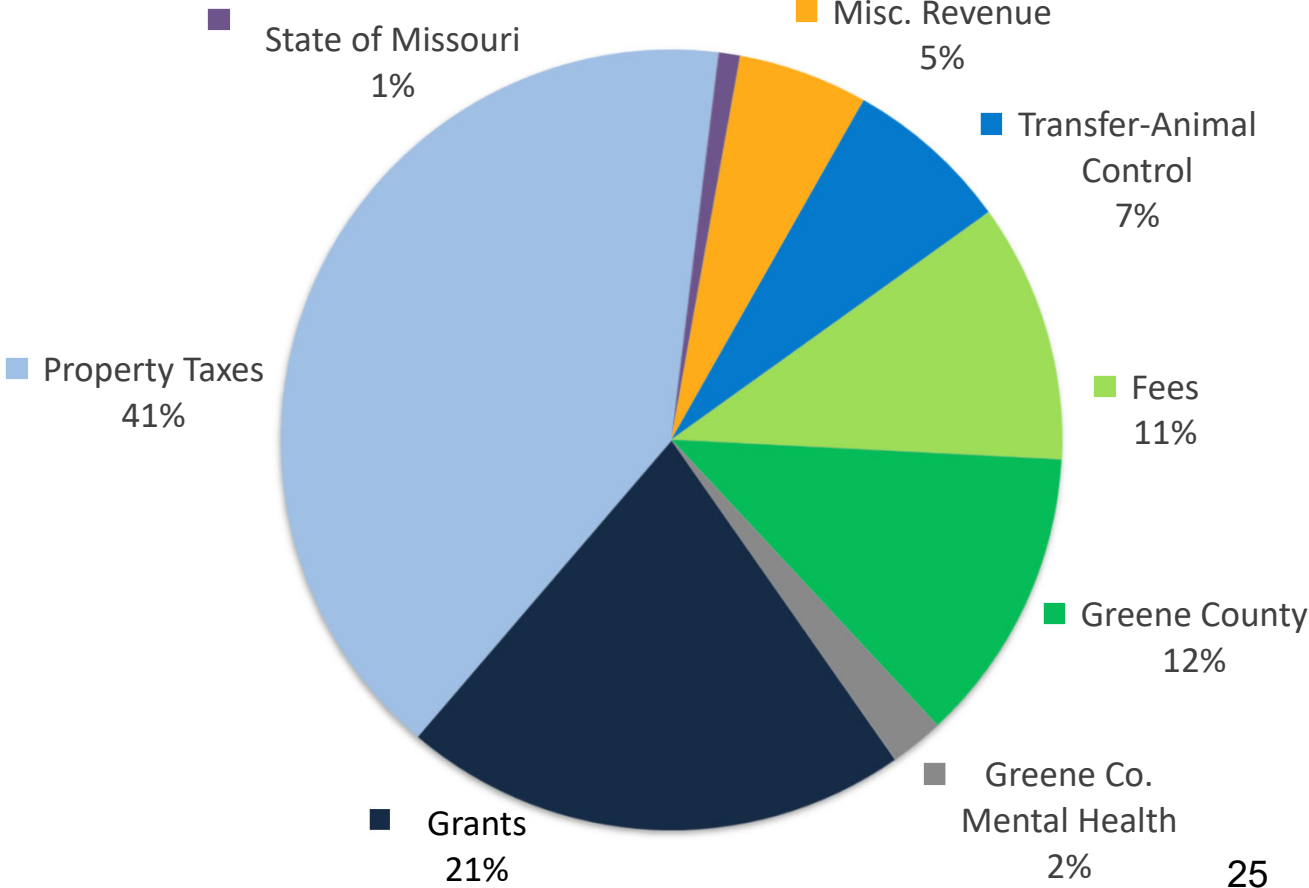
Solid Waste

- Increased FTEs for one Weighmaster and two Laborer positions for the landfill
- Converted three contract positions to FTE

Springfield-Greene County Health Department

Budget Workshop
Springfield-Greene
County Health
Department

FY2022 Resources
\$11,368,868

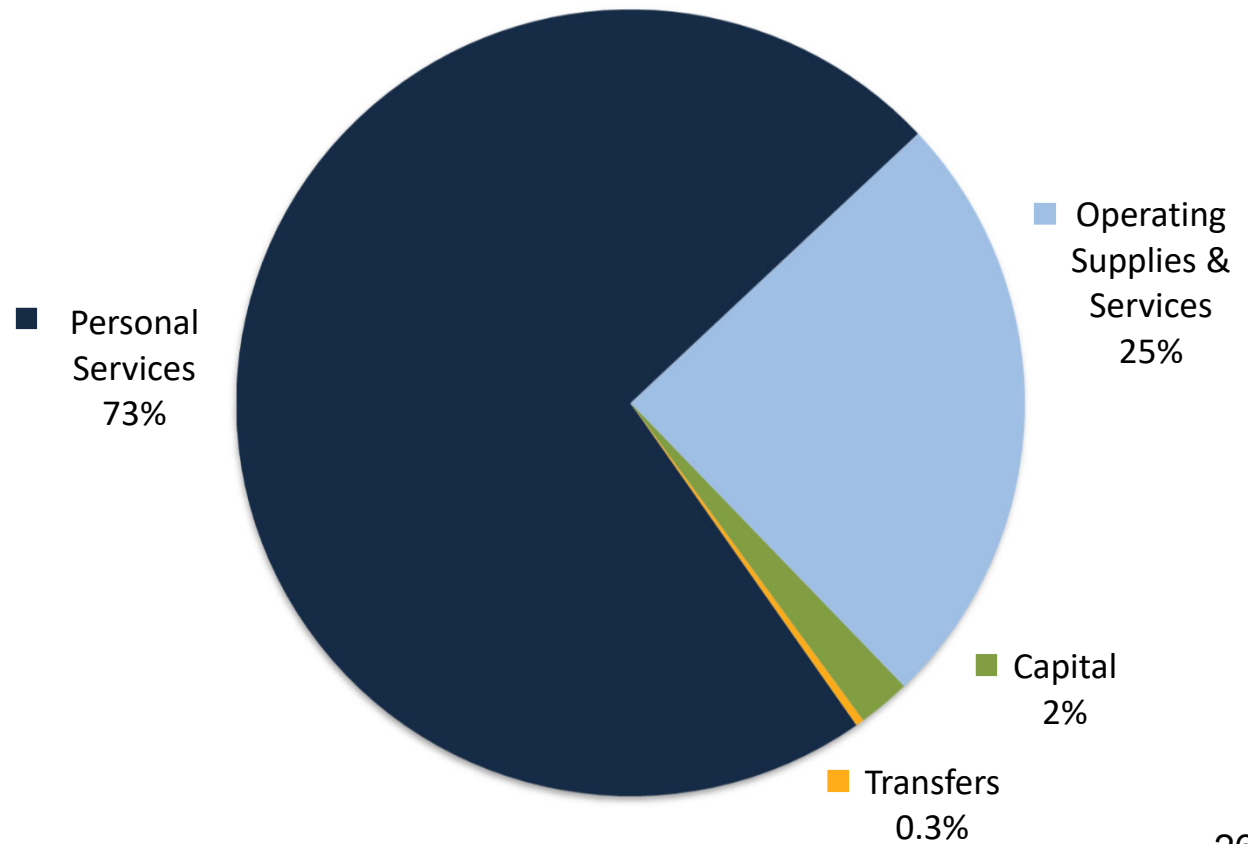


Budget Workshop
Springfield-Greene
County Health
Department

7% of Special Revenue
Funds Budget and 14% of
Grant Revenue Funds
Budget

Funds 112 FTE's

FY2022 Appropriations
\$11,354,992



Budget Workshop
Springfield-Greene
County Health
Department

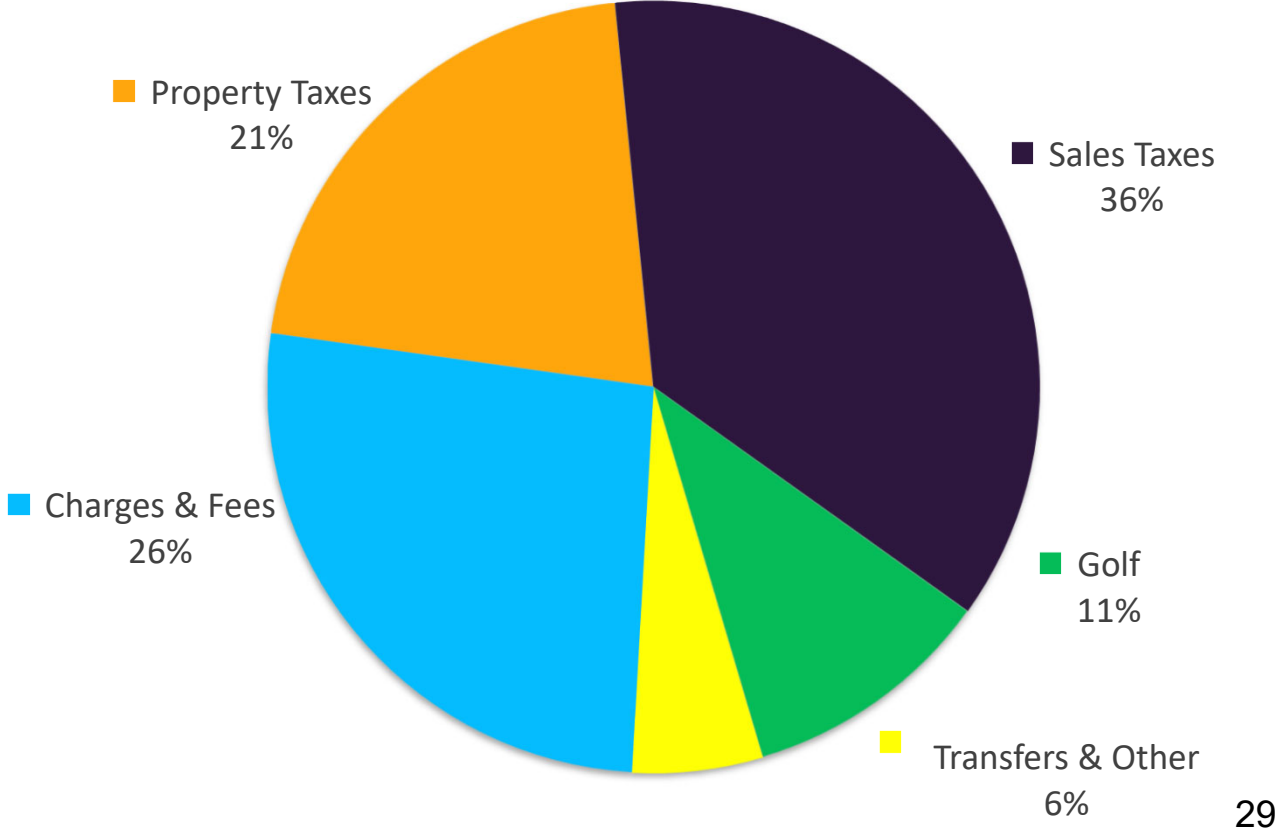
FY2021-22 Budget Highlights/Takeaways:

- Added .5 of an Animal Control Officer
- Convert a contract Coordinator of Epidemiological Services to Full time

Springfield-Greene County Park Board

Budget Workshop
Springfield-Greene
County Park Board

FY2022 Resources
\$31,993,437

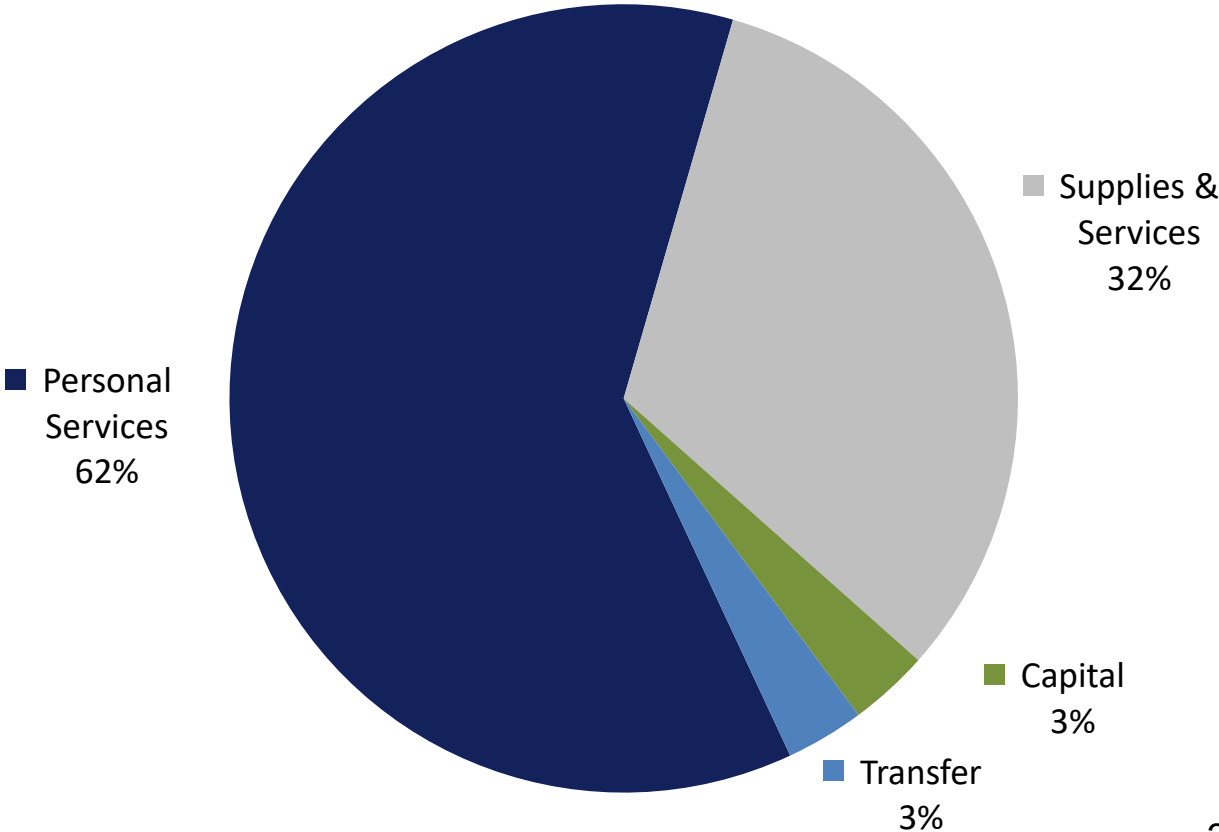


Budget Workshop
Springfield-Greene
County Park Board

21% of the Special
Revenue Funds Budget
and 3% of the Enterprise
Funds Budget

Funds 228 FTE's

FY2022 Appropriations
\$31,993,437



Budget Workshop Springfield-Greene County Park Board

FY2020-21 Year End:

- Sales tax revenues year-to-date through April 2021, are up over the prior fiscal year. This has offset any decreases in revenues due to fewer programs and events.
- Parks has been reimbursed \$469,050 to date in FY21 for expenditures associated with the COVID-19 pandemic.
- The Parks Reserve budgeted to increase \$100,000 to \$600,000 for FY 2021.

Budget Workshop Springfield-Greene County Park Board

FY2020-21 Year End:

- The Golf Enterprise Fund has had a strong year of growth in revenues. Projected revenue in excess of \$450,000 over FY 2020 totals is anticipated.
- This should allow Parks to reimburse the City for the Rivercut bridge loan earlier than anticipated.
- Parks is expecting to finish the FY 2021 budget year relatively strong and able to balance its departmental budget.

Budget Workshop
Springfield-Greene
County Park Board

FY2021-22 Budget Highlights/Takeaways:

- Convert ten (10) contract positions within the Park Operations and Recreation divisions to full-time equivalent (FTE) status.
- It is imperative that the Park Board identify and secure a long-term sustainable funding source for community needs and expectations.
- The recent increase in the State of Missouri minimum wage rate to \$10.30 per hour, increasing to \$11.15 per hour on January 1, 2022, will cost \$100,877 for Parks operating funds in FY2021-22.
- Parks will be going through the reaccreditation process for the CAPRA (Commission for Accreditation of Park and Recreation Agencies).

Budget Workshop
Springfield-Greene
County Park Board

FY2021-22 Budget Highlights/Takeaways:

- With financial support from both the City of Springfield and Lake Country Soccer, significant facility renovations are anticipated for a potential budget adjustment for the Cooper Park Soccer Complex.

Budget Workshop
Springfield-Greene
County Park Board

FY2021-22 Budget Highlights/Takeaways:

Golf Fund

- The recent increase in the State of Missouri minimum wage rate to \$10.30 per hour, increasing to \$11.15 per hour on January 1, 2022, will cost \$21,530 for Golf fund in FY2021-22.
- With assistance from the City of Springfield, continue to use the lease-purchase program of much-needed capital equipment.

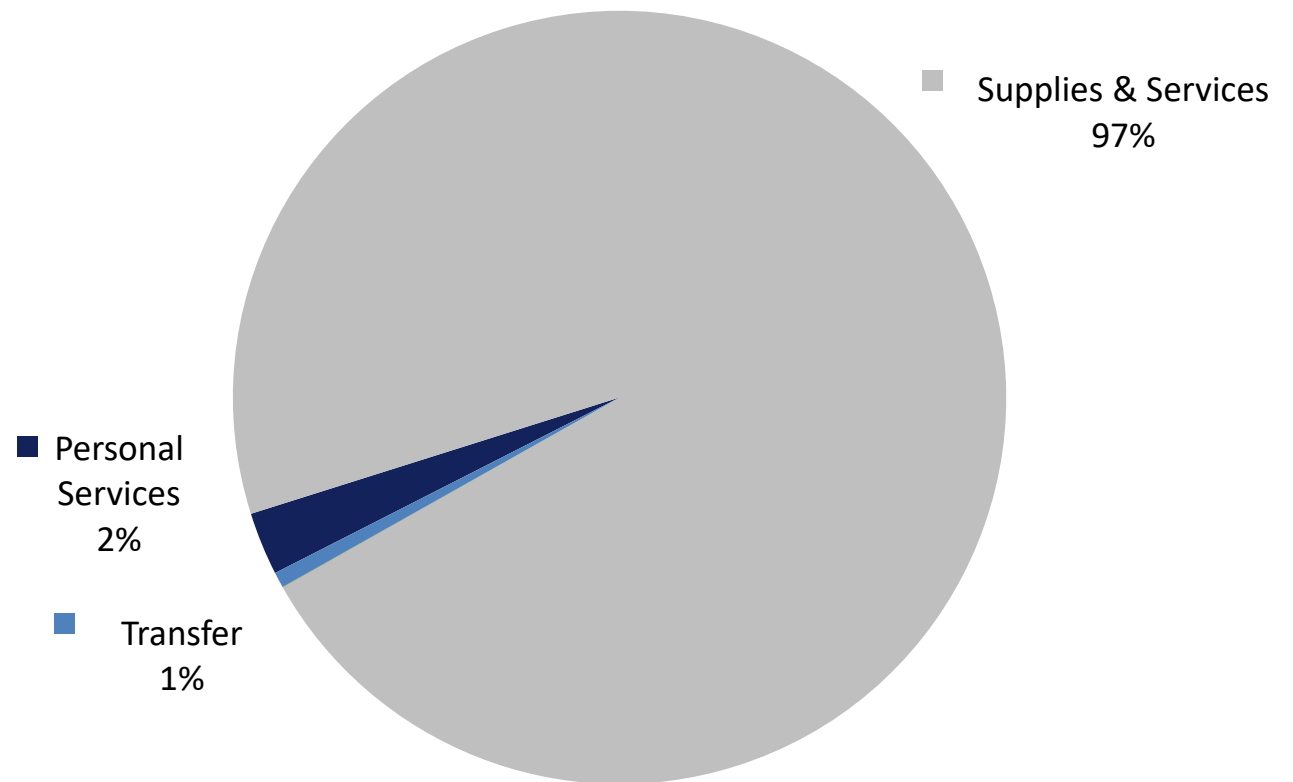
Risk Management

Budget Workshop Risk Management

82.7 % of the Internal
Service Funds Budget

Funds 6 FTE's

FY2022 Appropriations \$21,133,700



Budget Workshop Risk Management

FY2021-22 Budget Highlights/Takeaways:

- \$2.9 million of fund balance is appropriated for operations
- An actuarial study will be completed in FY22 to determine appropriate funding levels and rates

Budget Workshop Risk Management

Purpose: Protect the City from anticipated liabilities through insurance and self-insurance.

The Risk Management Program:

- ***Plan:***
 - *Purchase large deductible insurance for all departments*
 - *Self-Insurance Fund pays deductibles and un-insured losses*
 - *Risk Management administers the claims program*

- 1. ***Insurance:*** *\$550,000 deductible Workers' Compensation*
\$250,000 deductible General Liability
\$50,000 deductible Property

- 2. ***Self-Insurance Fund:***
 - Workers' Compensation*** – *Employee injuries.*
 - Liability*** – *Liability and property claims.*

- ***Funding:*** *All Departments (GF and Non-GF) contribute*
 - *Workers' Compensation: each payroll period*
 - *Liability Fund: lump sum allocation**(Allocations are determined actuarially.)*

Budget Workshop Risk Management

Self-Insurance Fund Balance Status:

Workers' Compensation Fund	Liability and Property Fund	Combined Funds		
Fund Balance: \$11.2M	Fund Balance: \$13.8M	Combined Balance: \$25.0M		
<div style="background-color: #d9ead3; padding: 5px; text-align: center;">\$6.7M</div> <div style="background-color: #d9ead3; padding: 5px; text-align: center;">Self-Insured (Un-insured) Exposures</div> <div style="text-align: center;">-</div> <div style="background-color: #d9d2e9; padding: 5px; text-align: center;">\$4.5M</div> <div style="background-color: #d9d2e9; padding: 5px; text-align: center;">Incurred but not reported (IBNR) Open Claims Reserves</div>	+	<div style="background-color: #d9ead3; padding: 5px; text-align: center;">\$6.4M</div> <div style="background-color: #d9ead3; padding: 5px; text-align: center;">Self-Insured (Un-insured) Exposures</div> <div style="text-align: center;">-</div> <div style="background-color: #d9d2e9; padding: 5px; text-align: center;">\$7.4M</div> <div style="background-color: #d9d2e9; padding: 5px; text-align: center;">Incurred but not reported (IBNR) Open Claims Reserves</div>	=	<div style="background-color: #d9ead3; padding: 5px; text-align: center;">\$13.1M</div> <div style="background-color: #d9ead3; padding: 5px; text-align: center;">Self-Insured (Un-insured) Exposures</div> <div style="text-align: center;">-</div> <div style="background-color: #d9d2e9; padding: 5px; text-align: center;">\$11.9M</div> <div style="background-color: #d9d2e9; padding: 5px; text-align: center;">Incurred but not reported (IBNR) Open Claims Reserves</div>

Fund balance reported May 2020		
Fund Balance \$15M	Fund Balance: \$13.8M	Combined Balance: \$28.8M

Workforce Development

Budget Workshop Workforce Development

MWA - Missouri Works Assistance Program

TANF - Temporary Assistance for Needy Families

WIOA - Workforce Investment and Opportunities Act

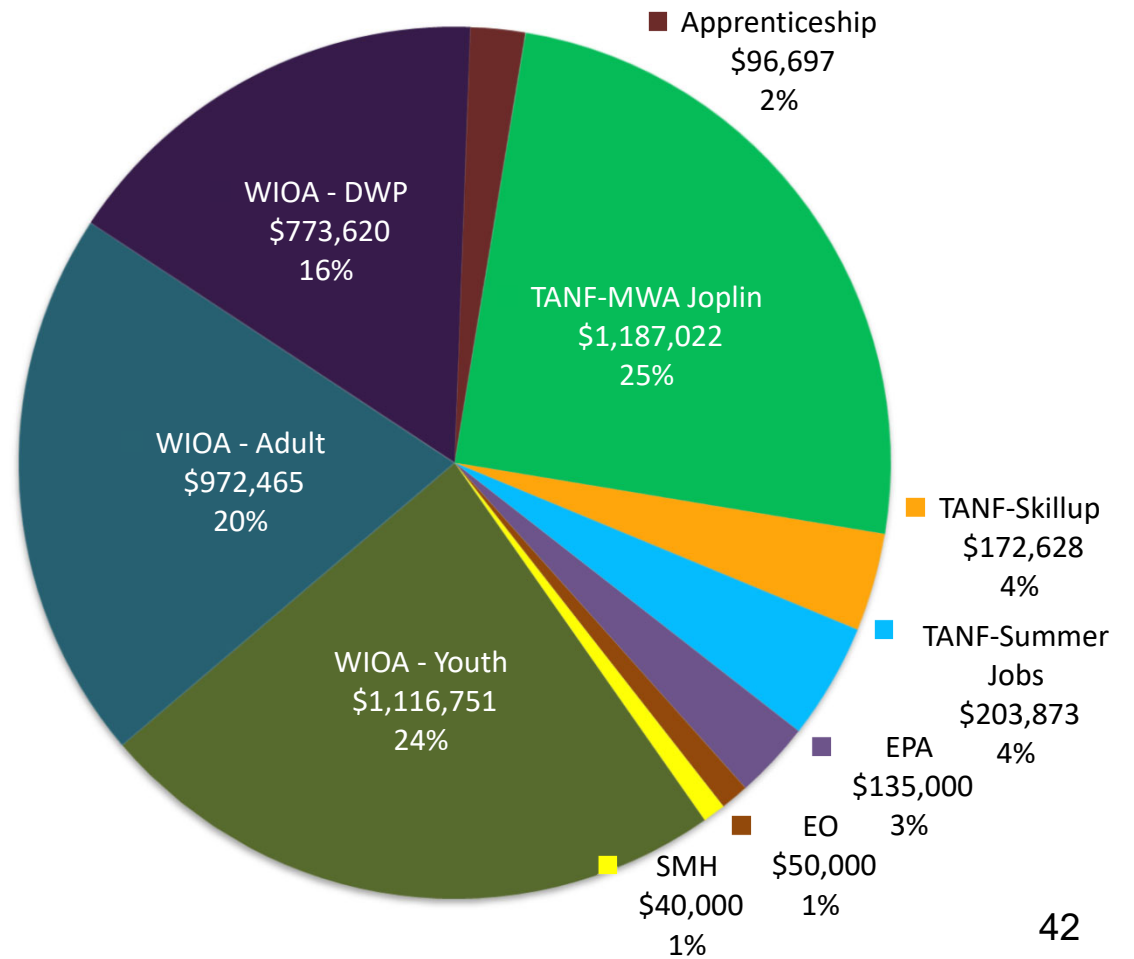
DWP – Dislocated Worker Program

EPA-Environmental Protection Agency

EO-Equal Opportunities

SMH-Show Me Heroes

FY2022 Resources \$5,143,752

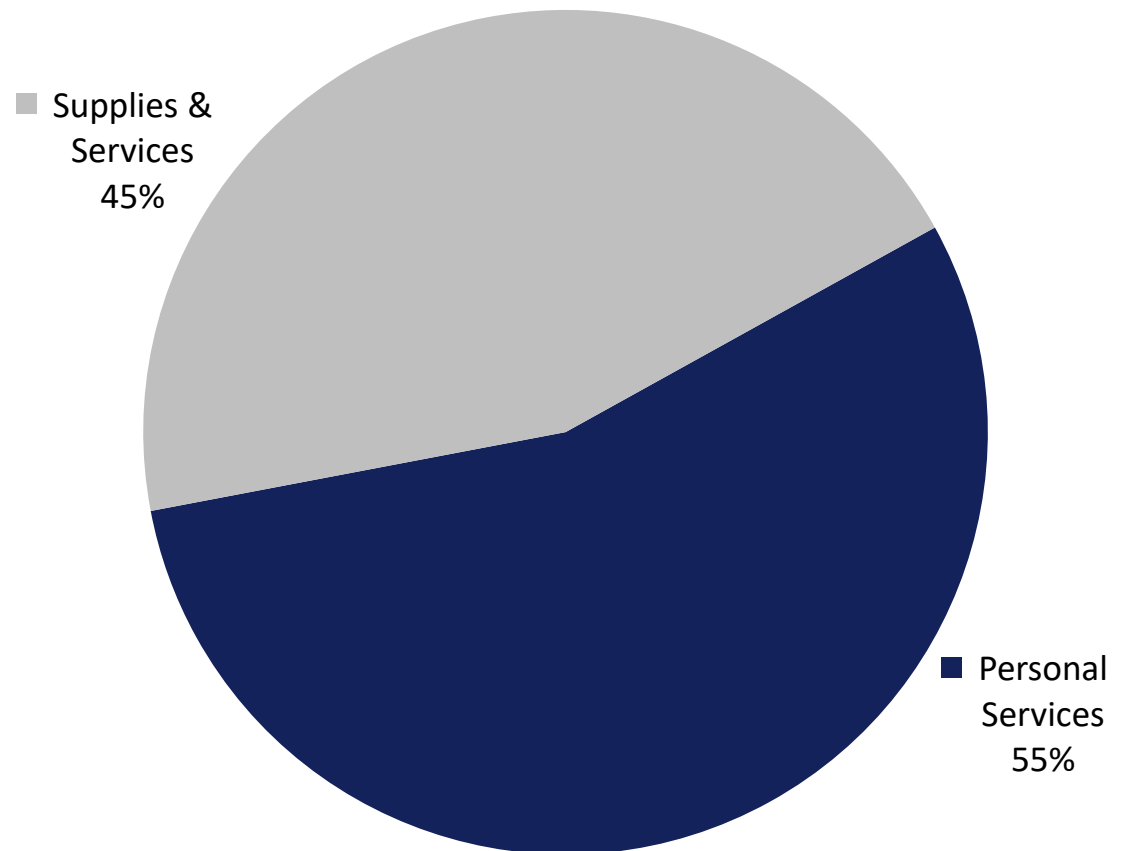


Budget Workshop Workforce Development

35% of Grant Funds
Budget

Funds 46 FTE's

FY2022 Appropriations \$5,143,752



Budget Workshop Workforce Development

FY2021-22 Budget Highlights/Takeaways:

- Applications for additional funding sources will continue
- Customized training opportunities are planned in the manufacturing, stainless steel, construction, transportation, healthcare, and information technology fields
- Continue to improve regional partner and employer partnerships according to the strategic plan and WIOA legislation through One-Stop-Operator functions
- Increase representation at community events, conferences, learning capacity building events
- The FY22 administrative cost will increase if utilized for the Ozark Region Workforce Development Board (ORWDB). Amount unknown, estimated between \$50K-\$216K

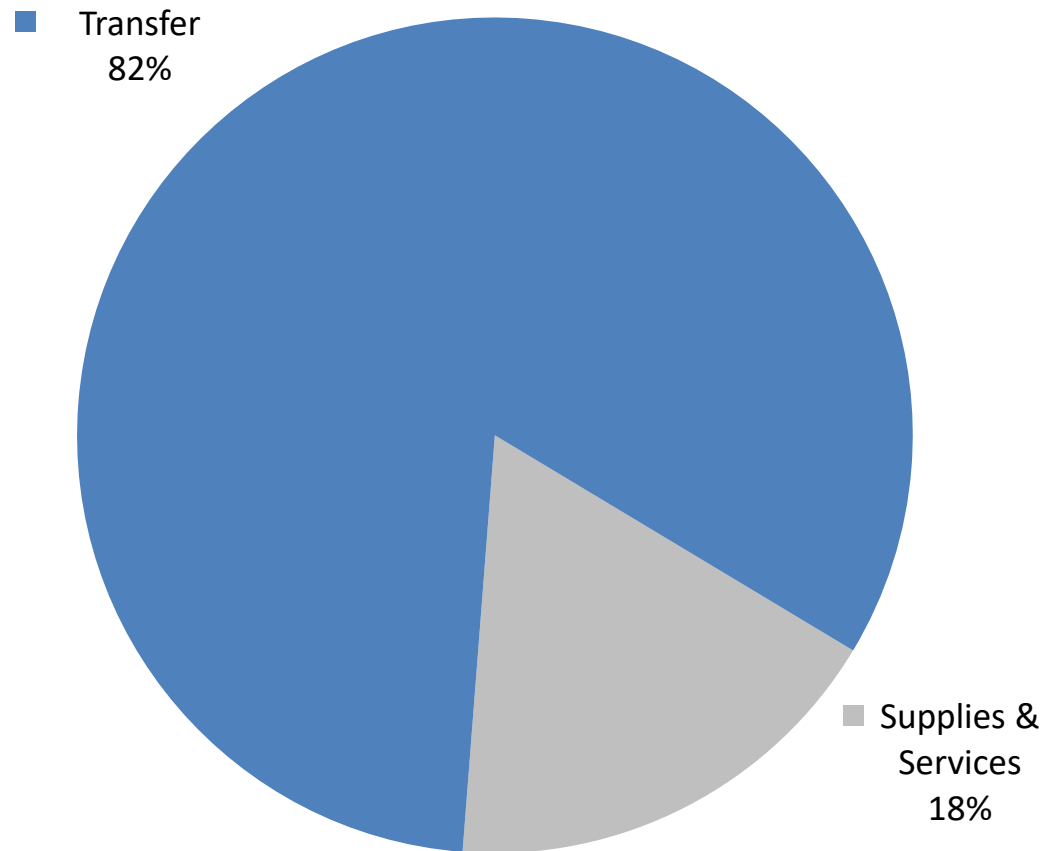
Other

Budget Workshop Hotel/Motel

3% of Special Revenue
Funds Budget

Funds No FTE's

FY2022 Appropriations \$3,397,000

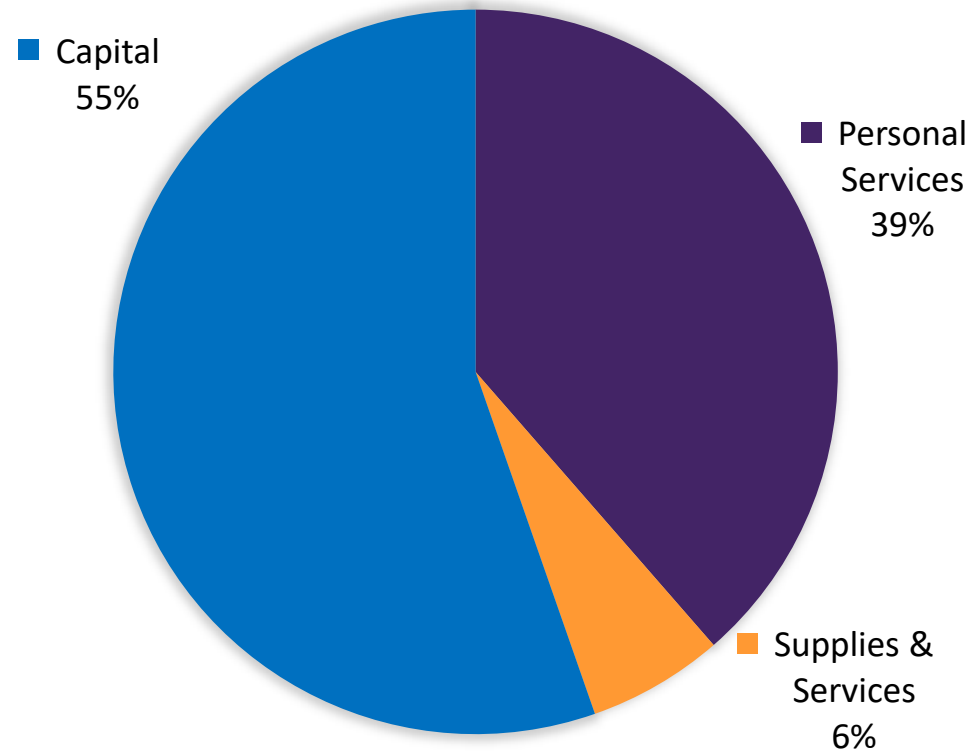


Budget Workshop Level Property Tax

This represents the Special
Revenue Fund for Level
Property Tax

\$4.5M in Debt Service for LPT
is reflected in the Debt
Service Funds

FY2022 Appropriations \$6,243,273



Budget Workshop - Level Property Tax

9.11 Fire FTEs
0 Information Systems FTEs

FY2021-22 Budget Highlights/Takeaways:

- Continue to implement the \$18.5M in proceeds for first round bond projects, approved by City Council.

Fire - LPT

- Continued funding of the Fire capital life-cycle replacement plan of fire apparatus.

Information Systems – LPT

- Continued funding of the Information Systems capital life-cycle replacement plan of computer infrastructure.

Budget Workshop - Level Property Tax

22 Police FTEs
1 Public Works FTE
32.11 Total LPT FTEs

FY2021-22 Budget Highlights/Takeaways:

Police – LPT

- Continued funding of the Police capital life-cycle replacement plan and payment of the Greene County Jail agreement.

Public Works - LPT

- Continued funding of the Public Works capital life-cycle replacement plan.

Budget Workshop Highlights / Takeaways

- The City Charter Section 5.8 dictates the process for City Manager to deliver a balanced budget.
- Priorities in the proposed budget are employee recruitment and retention, public safety, fiscal sustainability, and quality of place.
- The City has a light debt load and maintained Aa1 bond rating.
- The fund balance of the General Fund (which contains the City's "rainy day" fund) remains within the Council established reserve goal of 20% of the operating revenue.
- FY2020 General Fund revenues ended 3% below budget due to sales tax and PILOTs.
- FY2021 total General Fund revenues are expected to end the year 6.3% above budget due to the FY20 COVID-19 budget impact.
- American Rescue Plan Act funding will be brought to City Council in a separate bill from the budget process.

Budget Workshop Highlights / Takeaways

- The financial impact of COVID-19 on FY21 was not as severe as anticipated due to the influx of federal relief funds to citizens and sales and use tax performed better than projected.
- FY22 revenues are a return to a normal operations for most activities after FY21 budget reductions.
- Sales tax revenue is currently at pre-pandemic levels with modest growth. We budgeted an additional 2.5% growth on top of FY21 projected year-end.
- PILOT revenues, absent the one-time weather event funds received, we budgeted minor growth based on CU's estimates for PILOT revenue.
- FY22 General Fund revenues see an 8% increase over the FY21 budget; which was a 6% reduction from the FY20 budget.

Budget Workshop Highlights / Takeaways

General Fund Takeaways

- Full year cost of the mid-year pay plan improvements implemented in January 2021 - \$2.6M
- We are currently meeting with the collective bargaining union groups. On-going funding has been set-aside for pay plan improvements
- Restored ½ of the reduction to the workers' compensation fund - \$610K
- Restored a traffic service officer, street and sewer construction inspector, and 3 municipal court clerk positions
- Restored department reductions for travel, training, and the employee wellness program

Budget Workshop Highlights / Takeaways

- Airport - The Airport expects to continue to see an increase in passenger numbers over 2020 numbers. They will continue to use Federal aid funding to help offset decreases in revenue. Specifically, those revenue sources that are driven by passenger use fees, parking, concessions, PFCs, etc. are seeing the biggest hit.
- Art Museum - Hiring a second Museum Educator in the third quarter of FY2022 and converting six part-time contract Gallery Attendants to six part-time FTEs.
- Emergency Communications – Complete efforts for digital radio system upgrade and countywide Next Generation 9-1-1 technology upgrades.
- Environmental Services – Continue the sewer rehabilitation projects per the (OCP). Requesting six new FTEs and converting nine from contract to FTE for Clean Water Services and Solid Waste.

Budget Workshop Highlights / Takeaways

- Springfield Greene County Health – Anticipates a return to normal operations. One contract to FTE and .5 of an FTE are requested.
- Parks – Expected to finish FY2021 better than anticipated. Parks will be converting ten contract positions to FTE and absorbing the minimum wage increase. It is imperative the Park Board secures a long-term sustainable funding source for community needs and expectations.
- Risk Management - \$2.9 million of fund balance is appropriated for operations. An actuarial study will be completed in FY22.
- Workforce Development –Seeking additional funding sources will continue and increase customized training opportunities as needed.

Budget Workshop Highlights / Takeaways

- Level Property Tax – The LPT life-cycle replacement plan and bond # 1 projects will proceed as expected. Projects will be closely monitored for higher costs due to the recent increase in construction costs.

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