



GENERAL FUND'S FY 2021 FUND BALANCE IN EXCESS OF 22%

DS-22-058

May 3, 2022

Background

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- The audit results for FY 2021 were presented to City Council on April 19, 2022
- The operational results for the General Fund were positive, driven largely by sales tax growth
- The Financial Governance Policy requires the General Fund to maintain a fund balance between 18-22%
 - ▣ Fund balance in excess of 22% is transferred to the Capital Projects Fund
 - ▣ Estimated fund balance in excess of 22% is \$8.25 million
- The City Manager's Office has identified two projects to present to City Council for consideration

ERP System

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- Enterprise Resource Planning (ERP) Systems
 - ▣ Critical component to Citywide operations
 - ▣ Automate and manage day-to-day business processes
 - ▣ Payroll, paying invoices, purchasing process, accounting, financial reporting, utility collections, etc.
- CentralSquare – City's current ERP system, since 1999
 - ▣ System has changed hands multiple times
 - ▣ Credit rating: non-investment grade, junk bond status
 - ▣ Poor customer service
 - ▣ Manual workarounds to semi-automate processes

ERP System

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□ Financial Impact

- ▣ Approximately \$4.0 million to replace all suites

- ▣ Phased approach

- Phase 1: payroll, paying invoices, purchasing process, accounting, financial reporting, etc. - \$2.5 million (current request)
- Phase 2: utility collections - \$1.5 million (future request)

New Fire Station

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- A recent Fire Department Master Plan identified the need for an additional fire station in the south-central area of the city where significant growth and expansion are being experienced
- Land has been identified for the future station and a purchase agreement will be forthcoming at a future city council meeting
- City council identified the need for a new fire station in this area as one of their top strategic planning priorities

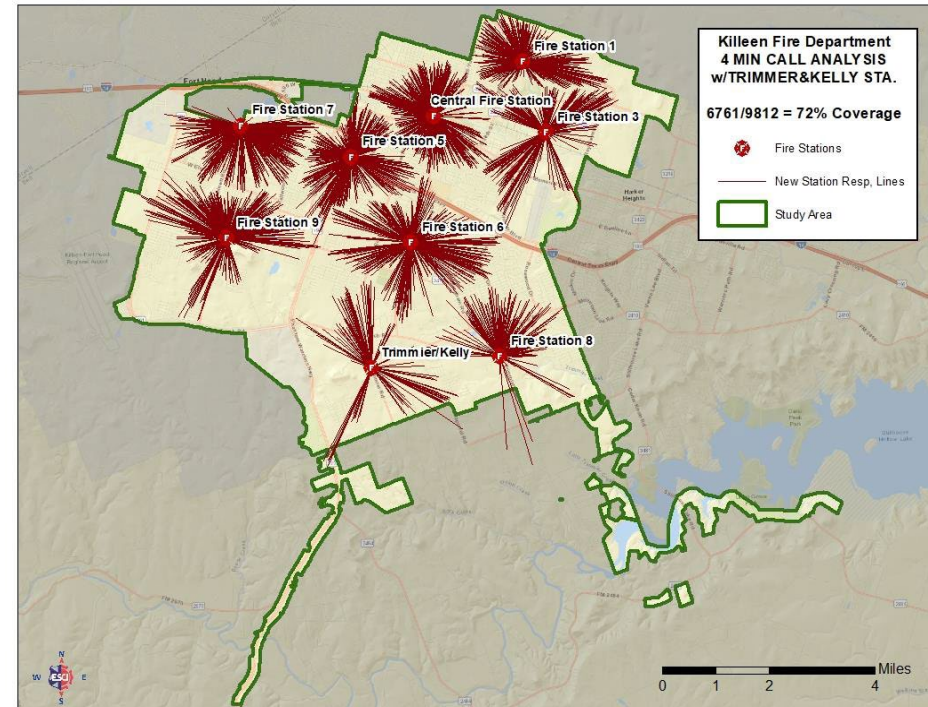
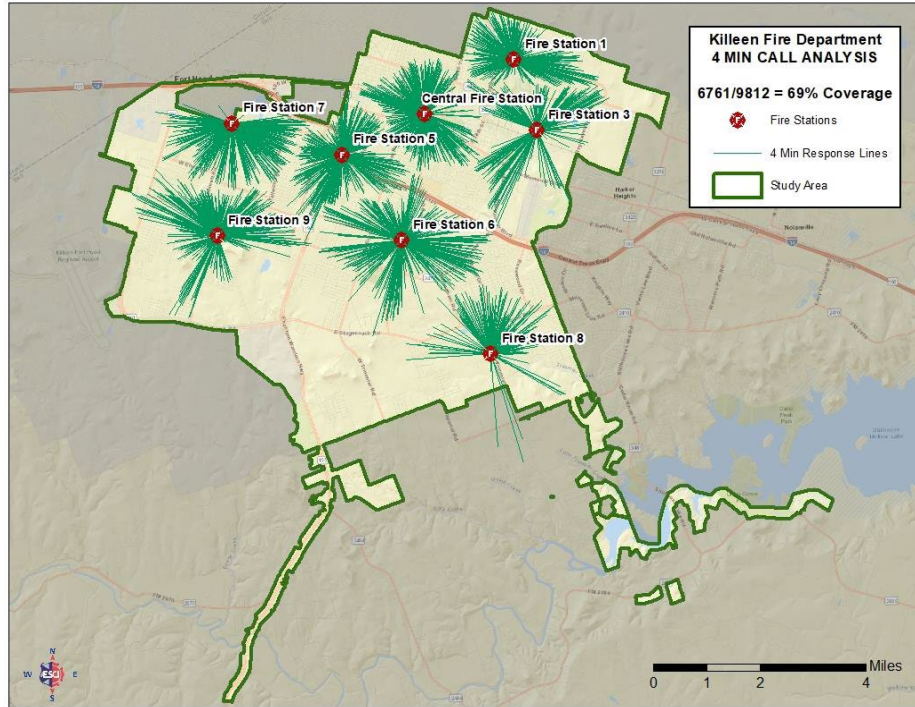
New Fire Station

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- The construction and opening of a fire station in the identified area will help to improve response times, maintain our ISO rating, and add much needed resources to the city fire department

New Fire Station

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New Fire Station

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- The fire department has applied for 3 FEMA grants since January 1, 2022 in response to the needs addressed in the Fire Department Master Plan.
 - ▣ Assistance to Firefighters Grant (AFG)
 - Request \$919,802 for a new Fire Engine to be placed in the newly built station
 - 10% match with city funds
 - ▣ Staffing for Adequate Fire & Emergency Response Grant (SAFER)
 - Request \$5,657,562 for 21 new firefighters to be placed in the newly built station
 - Covers salary and benefits for 3 years at 100%. No city match during the 3-year period
 - ▣ Fire Prevention & Safety Grant (FP&S)
 - Request \$92,378 for a new fire inspector position to build/maintain annual fire safety inspection program
 - 5% match with city funds.
 - This is for one year of funding only. Additional funding can be requested each year but there is no guarantee of funding being awarded
- Awards will be announced by FEMA between June & September

New Fire Station

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- Financial Impact

- ▣ New Fire Station Construction – \$5.7 million

Recommendation

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- City Council approve the use of the General Fund's FY 2021 fund balance in excess of 22% to replace the City's enterprise resource planning system and construct a new fire station

Discussion

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- ❑ Questions from City Council on:
 - ▣ ERP System
 - ▣ New Fire Station Construction
- ❑ Receive direction from City Council on use of the General Fund's FY 2021 fund balance in excess of 22%:
 - ▣ ERP Software
 - ▣ New Fire Station Construction