

City of Branson, MO



# 2020 Fiscal Health Update

APRIL 2020

**PREPARED BY**  
Finance  
Department



# CITY OF BRANSON

## IMMEDIATE FISCAL RESPONSE TO COVID-19

The city's COVID-19 approach comes in two stages. First, all departments have worked diligently toward identifying immediate budget cuts. The budget cuts are identified on the next page in more detail. Detailed fund outlooks have been developed for the General, Transportation, Public Safety, Parks, Tourism and Water/Sewer Funds. Second, plans on how to re-establish fund reserve levels (if needed) and what items may be added back to the budget will be established as the economy reopens.

### 01 *Establish New 2020 Budgetary Assumptions*

- All Departments have reviewed their budgets and identified areas to reduce 2020 expenditures including areas of Personnel, Capital and Material and Contractor costs. See next page for detail.

### 02 *Develop Business Support*

- Extended due date for licenses, eliminating any penalties for late renewals through May
- Extended Liquor License renewal date two months per state guidance. No penalties will be assessed for two additional months.
- Set up extended payment plans for utilities as needed
- Assist businesses wishing to obtain SBA loans

### 03 *Create More Advantageous Inflows and Outflows of Cash*

- Re-establish our N30 terms for cash flow purposes
- Reduce or cut some services that are not a priority to our community goals (priority-based budgeting)

### 04 *Develop Fund Outlooks*

- Develop individual fund outlooks to determine fund balance reserve levels based on new 2020 budgetary assumptions.

### 05 *Executive Summary*



# Assumptions

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## *Revenues:*

- March thru July:
  - No Sales Tax Revenue
  - Equates to a 45% reduction in revenues for all tax funds
- All other, non-tax revenues assumed at a 45% reduction

## *Expenditures:*

- Reduce personnel costs
  - Hiring freeze on 22 unfilled positions
  - 10 part-time positions are furloughed
  - 68 seasonal positions on hold
  - No raises
- Cut all capital spending
  - No new vehicles
  - No large projects
- Reduce materials or contractor costs
  - All non-essential contracts are to be put on hold or terminated
  - No travel expenses
  - No meals/lodging expenses
  - No clothing or uniform expense
  - Reduce supplies expense
  - Reduce education and training
  - Reduce subsidies

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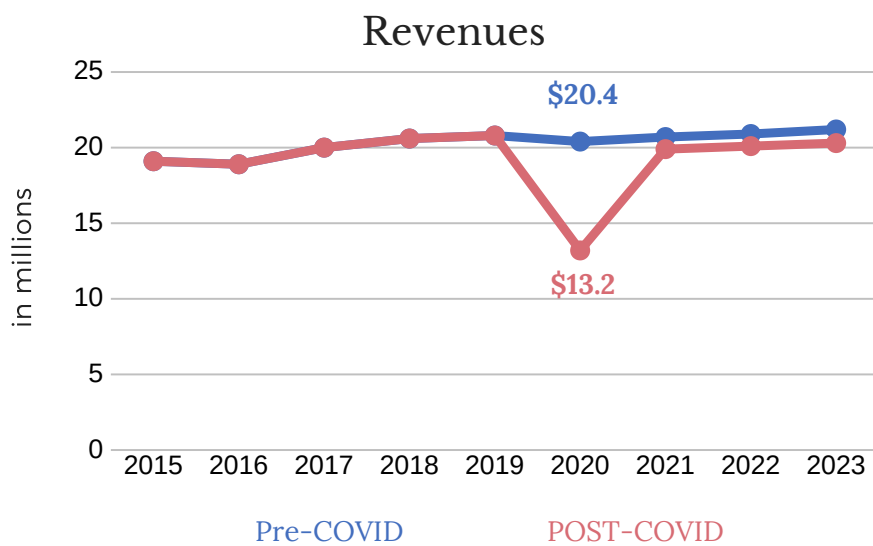
**\*For every month the quarantine is in effect, it will take the city approximately 6 months to reframe. So, for example, through July it would take the city between 20-24 months to reframe.**

# General Fund

The Assumptions on the previous page identify areas of expenditure cuts from all General Fund departments (Administration, Clerk & Court, Engineering, Finance, Human Resources, Information Technology, Legal, and Planning & Zoning, Planning & Development, part of Public Works).

Additionally, reductions in sales tax revenues also trigger reduced subsidies and transfers to other funds, including Parks and Public Safety funds.

The city's reserve policy states that operating reserves may only be used for emergency purposes, including an unexpected loss or reduction of a key revenue source. The General Fund's healthy reserve ensures that public service levels are not drastically reduced in nearly every city department, except as needed to prevent the spread of illness.

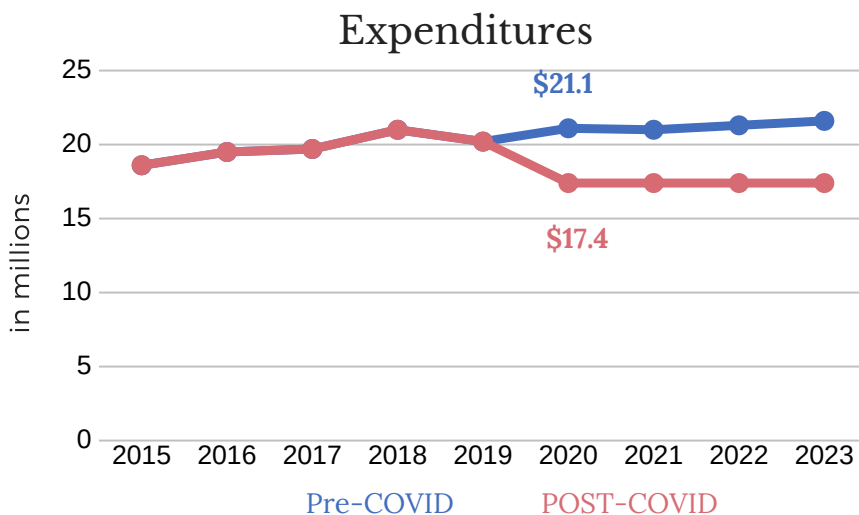


The graph at the left shows the expected impact of COVID-19 on General Fund revenues in 2020. We currently expect revenues to return to near normal levels later in 2020 into 2021.

**Expected unreserved fund balance of 23% at 2020 year-end.**

The graph at the right shows the spending cuts put in place in response to expected revenue decreases

*Future year budgets are expected to remain at 2020 levels until fund balances reach desired levels.*



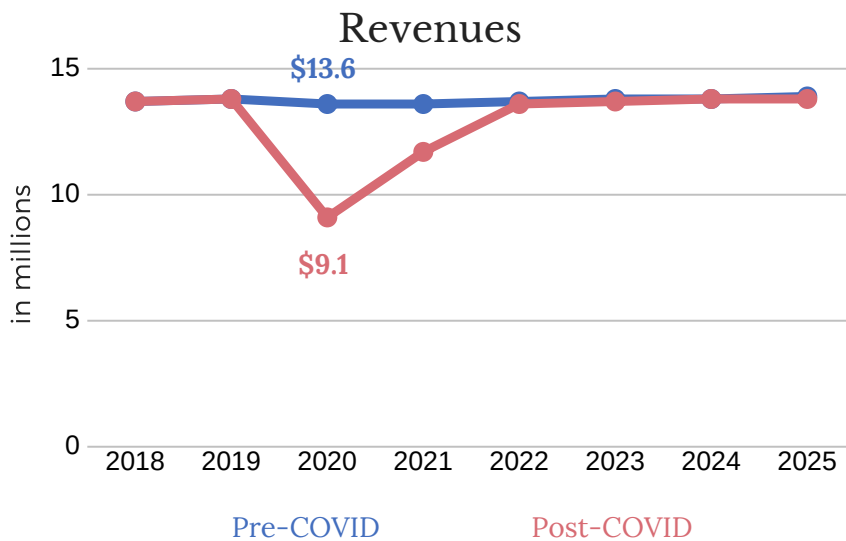
# Public Safety Fund

Revenues in the Public Safety Fund will be reduced as revenues for the Fund are mostly sales tax dependent. We forecast the Public Safety sales tax revenues to decrease at the same rate as the General Sales Tax. The Public Safety subsidy from the General Fund is subject to the same budgetary decrease in sales tax receipts as the General Fund, but has been limited to 25% decrease to maintain current service levels.

## Major cuts from Public Safety Expenditures:

- Capital Projects
- Overtime reductions
- Debt Service removed for new building
- Training
- Travel

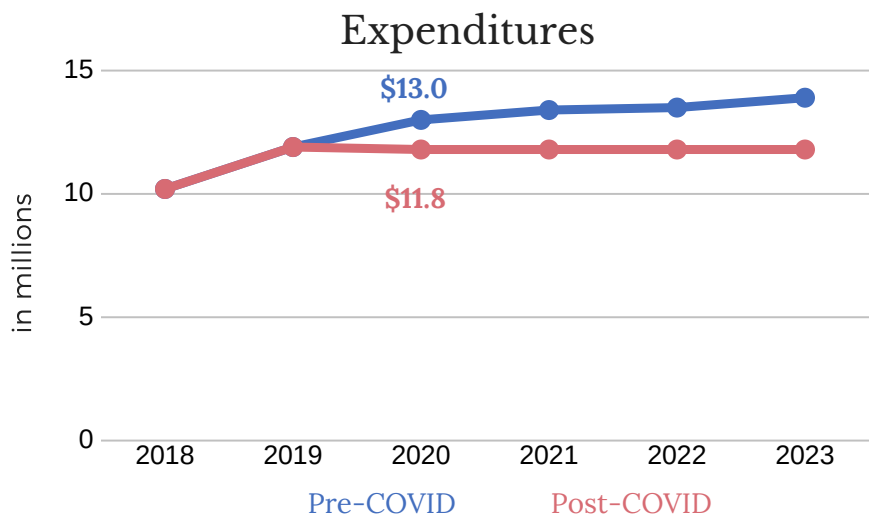
### FY2020 Year-End Unreserved Fund Balance is projected to be 23%.



The graph at the left shows the expected impact of COVID-19 on Public Safety Fund revenues in 2020. These decreases are mostly made up of reduced receipts from the Public Safety Sales Tax and the General Fund transfer (as a result of reduced General Sales Tax Receipts).

The graph at the right shows the spending cuts put in place in response to expected revenue decreases.

Future year budgets are expected to remain at 2020 levels until fund balances reach desired levels..



# Parks Fund

## Major cuts from Parks Expenditures:

*Reductions in Parks expenditures are based on services resuming August 1, 2020.*

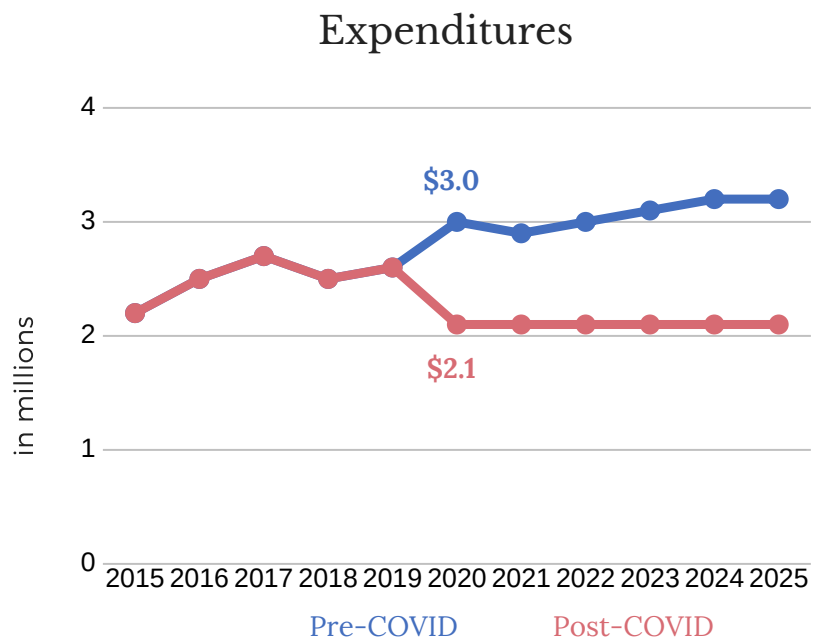
- Capital Projects
- Campground
  - Personnel Savings
  - Utility Expense Savings
- Pool
- Swim Team
- Youth Sports
- Day Camp
- Concessions
- Community Center
- Parks
  - Personnel Savings
  - Maintenance Contracts
  - Maintenance Supplies
- Recplex
  - Personnel Savings
  - Maintenance Grounds
  - Maintenance Supplies

*The General Fund budgeted subsidy transfer to the Parks fund will be reduced by \$250,000 in FY2020.*

## FY2020 Year-End Unreserved Fund Balance is projected to be 10%.

The graph to the right shows the spending cuts put in place in response to expected revenue decreases..

Some of the decreases to Parks Department programs will also result in decreased revenues. For example, there will be no pool admission fees, youth sports sponsorships or fee collections for youth sports.



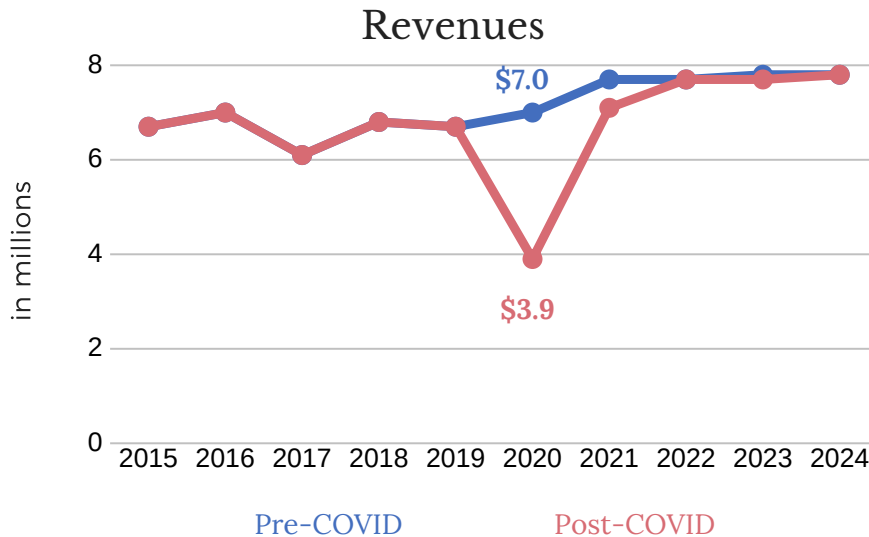
# Transportation Fund

Revenues in the Transportation Fund are tax-driven, including the Transportation Sales Tax and transfers in from the Tourism Fund.

Multiple capital items are on hold for FY2020 that will save both the Transportation Fund and the General Fund Operating Budget.

## Major cuts from Transportation Expenditures:

- Cut mill and overlay, microsurfacing and paint striping projects
- Capital Items
- Reduced fuel costs
- Contractual goods
- Personnel expenses
  - freeze on open positions
  - no part-time or seasonal positions

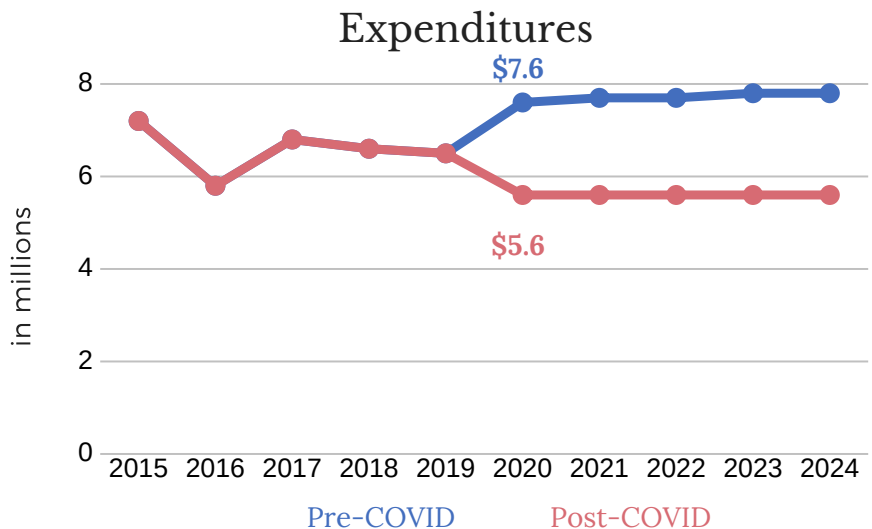


The graph at the left shows the expected impact of COVID-19 on Transportation Fund revenues in 2020. These decreases are mostly made up of reduced receipts from the Transportation Sales Tax.

## Expected unreserved fund balance of 18% at 2020 year-end.

The graph at the right shows the spending cuts put in place in response to expected revenue decreases.

Future year budgets are expected to remain at 2020 levels until fund balances reach desired levels.



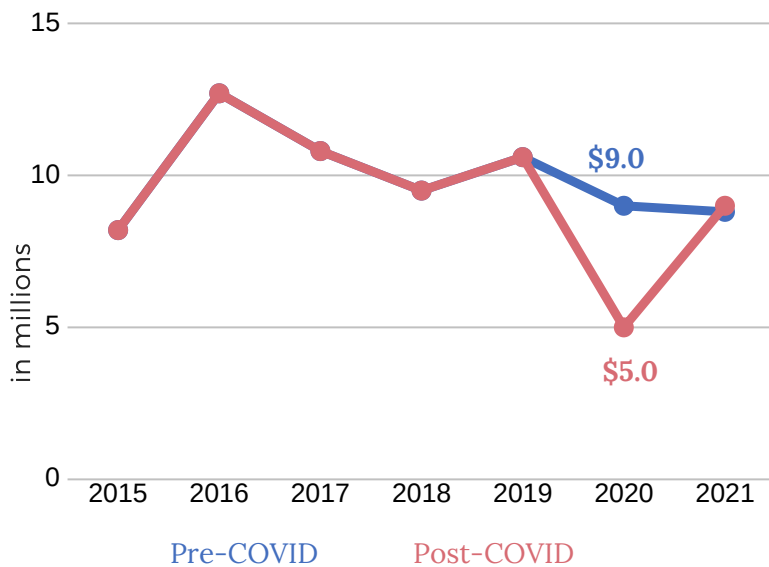
# Water/Sewer Fund

## Major cuts from Water/Sewer Fund:

- Capital Items
- Water tower painting funds & 2020 planned maintenance
- General Maintenance
- Electricity - reduction in production & treatment
- Biosolids drying

Many of the reductions in Water/Sewer expenditures will be realized through reduced demand levels. Reduced demand will also reduce departmental revenues for water and sewer service.

## Revenues



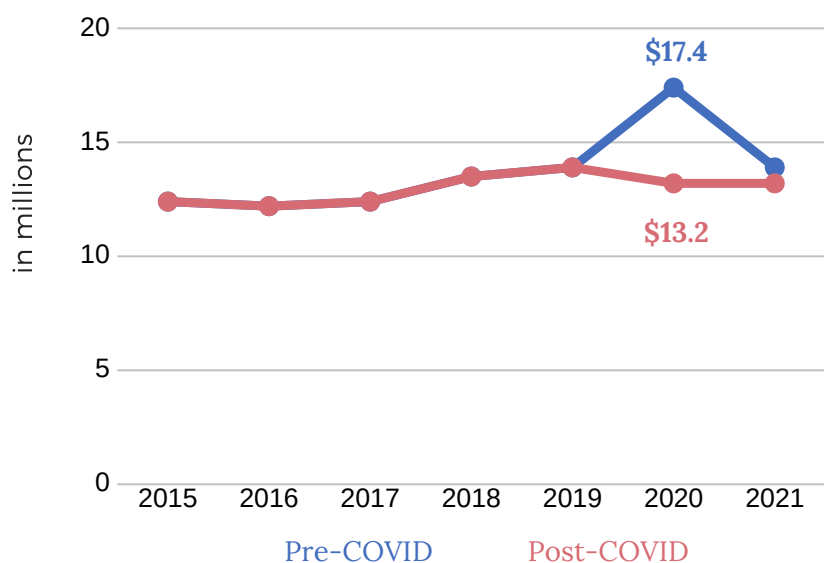
The graph to the left shows the expected decrease in Water/Sewer revenues, mostly due to decreased usage.

**The 2020 Unrestricted Fund balance is expected to be 16%.**

The graph to the right shows the spending cuts put in place in response to expected revenue decreases.

Future year budgets are expected to remain at 2020 levels until fund balances reach desired levels.

## Expenditures



Pre-COVID

Post-COVID



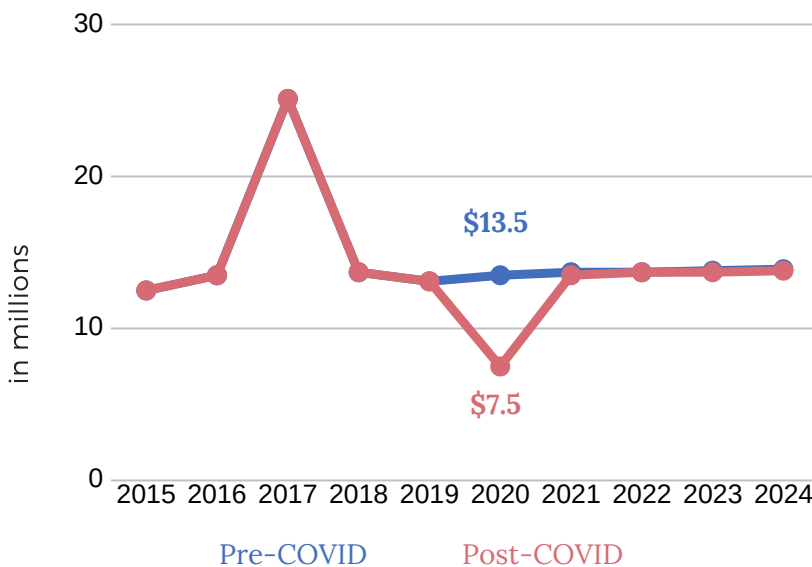
# Tourism Fund

## Major cuts from Tourism Fund:

- Capital Items
- Marketing Expense

Revenues in this fund are required to be split 75% between infrastructure projects and 25% marketing. Reduced tax receipts will result in cuts to both types of expenditures.

### Revenues



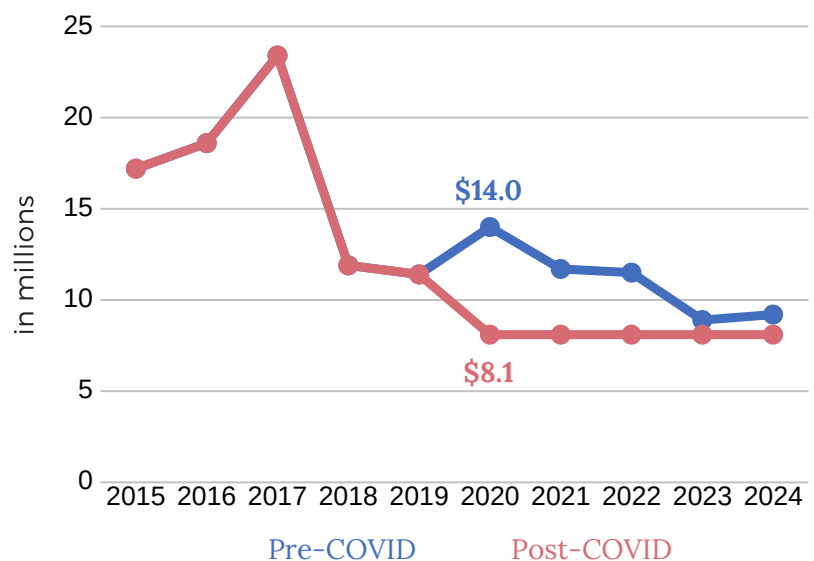
The graph to the left shows the expected decrease in Tourism Fund revenues, due to decreased visitation from Mid-March through May.

**The 2020 Unrestricted Fund balance is expected to be 41%.**

### Expenditures

The graph to the right shows the spending cuts put in place in response to expected revenue decreases.

Future year budgets are expected to remain at 2020 levels until fund balances reach desired levels.



# Executive Summary

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This budget is a short term financial plan that has been created as a road map for the City of Branson to sustain the ongoing operations of the community during this time of uncertainty regarding the COVID19 Pandemic. As a result of the City of Branson maintaining healthy reserves in all of the funds and all of the departments working together as a team to develop budget cuts we are able to stabilize our financial position in the short term without causing large long term effects for every major fund. As previously stated it is important to understand that for every month the quarantine is in effect it will take the City approximately 6 months to reframe our position. We will look to the budget planning for FY2021 and FY2022 as our road back to a fully viable City.

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