

Effective Date: 04/13/2020

Approval: _____

CITY OF STILLWATER
PANDEMIC PREPAREDNESS PLANNING

SECTION: BUDGET

TOPIC: BUDGET REDUCTION RESPONSE

EFFECTIVE: April 13, 2020 through September 30, 2021

I. DIRECTIVE

The City of Stillwater is comprised of the following units: the City of Stillwater (COS), Stillwater Utilities Authority (SUA) and Stillwater Economic Development Authority (SEDA), collectively referred to as the City in this document. It is the intent of the City to be fiscally responsive to emergency/disaster situations. Guidance should be provided to City departments for making budget adjustments due to a drop in revenue as a result of a quick and dramatic slowing of the economy.

II. PROCEDURE

The City looks at emergencies within the context of temporary decline (12-18 months), sustained decline (less than 5 years) and significant decline (greater than 5 years) in revenues. If the emergency is deemed to be temporary in nature, the City will control spending within departments looking to defer purchases and minimize costs in order to weather the downturn. Use of operating reserves will be evaluated by the City Manager and Finance Department in conjunction with the following options and in accordance with the *Government Finance Officers Association best practice for reserves, which state that a city will maintain General Fund unreserved fund balances at a level adequate to provide for unanticipated expenditures of a nonrecurring nature and to meet unexpected increases in service delivery costs*. If determined to be appropriate, the City Manager will recommend to the Council/Trustees the use of reserves in a specified amount for the current and/or upcoming fiscal year.

A. Eliminate or defer current year capital project funding/one-time expenditure purchases.

1. The City's Director of City Engineering, along with the Departments, will evaluate capital projects that are already under construction or design to determine if and when future phases should be delayed. Capital projects not yet begun should be evaluated for deferment by the Director of City Engineering and the Department.
2. The City of Stillwater's transfer policy (Resolution SUA-2016-5) designates certain SUA funds as exempt from the transfer to the general fund. Deferral of capital projects within these funds, along with the adoption of a resolution by the Trustees, would make additional surplus SUA funds available for transfer to the general fund.
3. All purchases will require the approval of the Finance Director and possibly City Manager's Office prior to being purchased. Only essential items will be approved. An example of an essential item would be a repair needed at a facility.

- B. All position vacancies will be placed on hold. If a Department has an existing vacant position or new position request they deem essential, a justification letter should be submitted to the Human Resources Director for consideration. Temporary reallocations of positions may occur to fill essential functions as well.
- C. A freeze or reduction in commodity, contractual service, supply accounts, overtime, training and travel, etc. will be instituted where feasible. These modifications will be reviewed by department heads, City Manager's Office and the Finance Director.
- D. Councilors/Trustees, City Manager's Office, and department heads will review programs and services provided by the City to identify those not considered core programs. These are services that could be eliminated or suspended.
 - 1. This review shall occur at the program level. Department heads offering programs classified as core or non-core should maintain a prioritized list of programs by classification for review. Examples would include specific programs and activities such as possibly eliminating Boomer Blast, which is budgeted in the Events budget.
 - 2. In general accounts, items such as training and travel, overtime, etc. are not considered to be program based; however, if a department has a training request they deem essential, a justification letter should be submitted through their City Manager's Office representative to the Deputy City Manager for approval. Examples of essential training might include CLEET officer training, fire protection training, Northwest Lineman College and professional licensure.
- E. All travel will be placed on hold. If a department has a travel request they deem essential, a justification letter should be submitted through their City Manager's Office Representative to the Deputy City Manager for approval.
- F. Reduce funding of computer, equipment and vehicle replacement programs.
 - 1. During the development of the upcoming fiscal year budget all funding will be reviewed for possible deferment or elimination. However, replacement funding will be maintained for essential vehicles so that they are able to be replaced when required. Departments will submit a justification letter, which includes a recommendation for replacement from the Fleet Maintenance Division through their City Manager's Office representative to the Deputy City Manager for approval. Essential vehicles include vehicles used by core service providers such as public safety, utility work, and distribution crews.
- G. Budget recommendations for the current and upcoming fiscal years.
 - 1. An evaluation of fiscal impact will be conducted by the Finance Department. Based on that evaluation, Departments will prepare amended budgets for the current and upcoming fiscal years including reductions in revenue, capital spending, operation and maintenance expenditures and payments to community partners, which will be presented to the Council/Trustees for consideration and possible action.

III. GENERAL PROVISIONS

The City of Stillwater reserves the right to change, modify, amend, revoke, or rescind all or part of this directive at any time.