

BPAC RETREAT

Quick explanation of some City budget concepts and how they intersect with the BPAC





Beautification

- BPAC guides and advises on two separate financial “Funds”.
- Beautification receives 20% of the BBB. It is more robust.
- Some funding transfers out immediately to pay for maintenance of previous projects and litter pickup.
- Ordinance says it modifies the urban physical environment to increase pleasure to the senses or pleasurable exalt the mind or spirit or strengthen the urban design framework of the City.



Art and Sciences

- Arts and Sciences receives 9.5% of the BBB. It is smaller and a significant portion is allocated to the Creative Flagstaff contract.
- Ordinance says: Support for Flagstaff arts, scientific and cultural activities, events and organizations to provide direct and indirect citizen participation and enhancement of the overall quality of life and community image including support for public art.



Structure of the Funds

- Positions and fixed costs are split between the funds (for example, one position is 80% Beautification and 20% Arts and Science)
- The two funds are separated by ordinance
 - We can use Beautification funding to support other Beautification projects, but not Arts & Science projects and vice versa



Introduction



Programmatic Financial Approach (Program speak is not always the same as Finance speak)

Two major types of expenditures

- **Ongoing/Recurring – Refills every year until changed**
 - Unused funds drop to fund balance in Special Revenue Funds unless previously encumbered
- **1 time – approved to be available once**
 - Can be carried over into future years





Ongoing/Recurring Funding

- Examples include staff training, travel for staff and commission members, equipment, office supplies, meeting advertisements, sales tax collection, etc
- Also includes Beautification in Action grants, Heritage Preservation grants, holiday decorations, Creative Flagstaff contract, and flowers
- Changes to ongoing funding must be requested through a budget process and justified – Ongoing funds are usually the toughest to have approved



1X (One-time)



- Some non-project examples of 1X funding include office setup for new staff, special travel requests, etc
- Most 1X funding allocations for Beautification and Arts/Sciences are dedicated to projects. We refer to these as Capital Projects (now also including larger scale maintenance and renewal.
- Capital Project allocations are mostly done through the 5-year plan
 - 5-year plans in other sections are usually fairly rigid and stable
 - The BPAC 5-year plan had been more aspirational and flexible
 - Guidance from Finance on seeking more realism than aspiration
 - Time capacity as a guiding tool
 - Stability can be beneficial





5-year plans



- **5-year plans have been easier to change than Recurring funding**
- **Funding can be pulled from one project to support another for adjustments to timing and cost changes.**
 - **Those funds would need to be replenished in future years from fund capacity or from projects no longer intended for completion.**
- **Projects can roll into future fiscal years.**
- **Dollars remaining after a project is completed, or after a project is de-obligated, return to the fund balance.**



Thank you!



QUESTIONS?