

STRATEGIC MAP



VISION :

What do we aspire to become?



MISSION :

What do we do?



CORE VALUES:

What do we believe in?



STRATEGIC GOALS:

What do we need to accomplish?



OBJECTIVES:

How will we accomplish it?



INITIATIVES:

What actions or tasks must be taken?





VISION



Our home, where everyone belongs and thrives, moving forward together.



MISSION



Providing exemplary municipal services for citizens and visitors in a collaborative and transparent manner, which honors the public's trust.



VALUES



- Provide excellent and innovative services
- Team focused
- Invest in people
- Do the right thing
- Equity and inclusion in all we do

STRATEGIC GOALS



Enhance Quality of Life



Improve Infrastructure



High Performing City



Create Culture of Equity



Economic Development



Safe and Vibrant City



Sustainability and Resiliency



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- So, what is next?
- How do these elements link to the budget and to activities?
- How do we track progress and know if we are moving towards a goal or away from it?
- The answer to these questions lies in developing appropriate objectives, initiatives, and performance targets.

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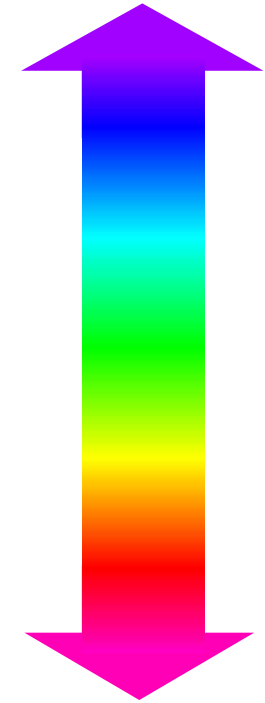


INITIATIVES:

What actions or tasks must be taken?



Policy



Management

Recommended Approach



1. Work with department staff to develop a small number of objectives and performance measurements for each goal.
2. Not about being adversarial or “gotcha mentality”
3. We can’t be afraid of bad news
4. Build-up an organizational culture of follow-up and regular check-ins.
5. Help our team move to *outcome-based* performance management.
6. Create an online performance management report for City Council and the public during FY 2020/2021

Strategic Goal

Safe and Vibrant City

Animal Services Objective

Maintain a best-in-class animal welfare facility that is focused on positive outcomes for the animals and people.

Initiatives

- Improve data analysis of animal intakes and outcomes
- Hire and retain at least one veterinarian

Performance Indicators

- Monthly Live-Exit rate greater than 90%
- Ensure daily occupancy rate at the shelter remains below __%

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INITIATIVES:

What actions or tasks must be taken?





DAILY REPORT CARD



| INTAKES | TOTAL | DOG | CAT |
|-----------------------------|-------|-----|-----|
| Other Jurisdictions - Field | 5 | 5 | 0 |
| Other Jurisdictions - OTC | 4 | 4 | 0 |
| Waco - Field | 13 | 11 | 2 |
| Waco - OTC | 11 | 11 | 0 |
| Intake Totals | 33 | 31 | 2 |

| OUTCOMES | TOTAL | DOG | CAT |
|-----------------|-------|-----|-----|
| Adoptions | 8 | 7 | 1 |
| Return to Owner | 2 | 2 | 0 |
| Foster | 2 | 2 | 0 |
| Others | 2 | 0 | 2 |
| Outcome Totals | 14 | 11 | 3 |



DAILY REPORT CARD



| INTAKES | TOTAL | DOG | CAT |
|-----------------------------|-----------|-----------|----------|
| Other Jurisdictions - Field | 5 | 5 | 0 |
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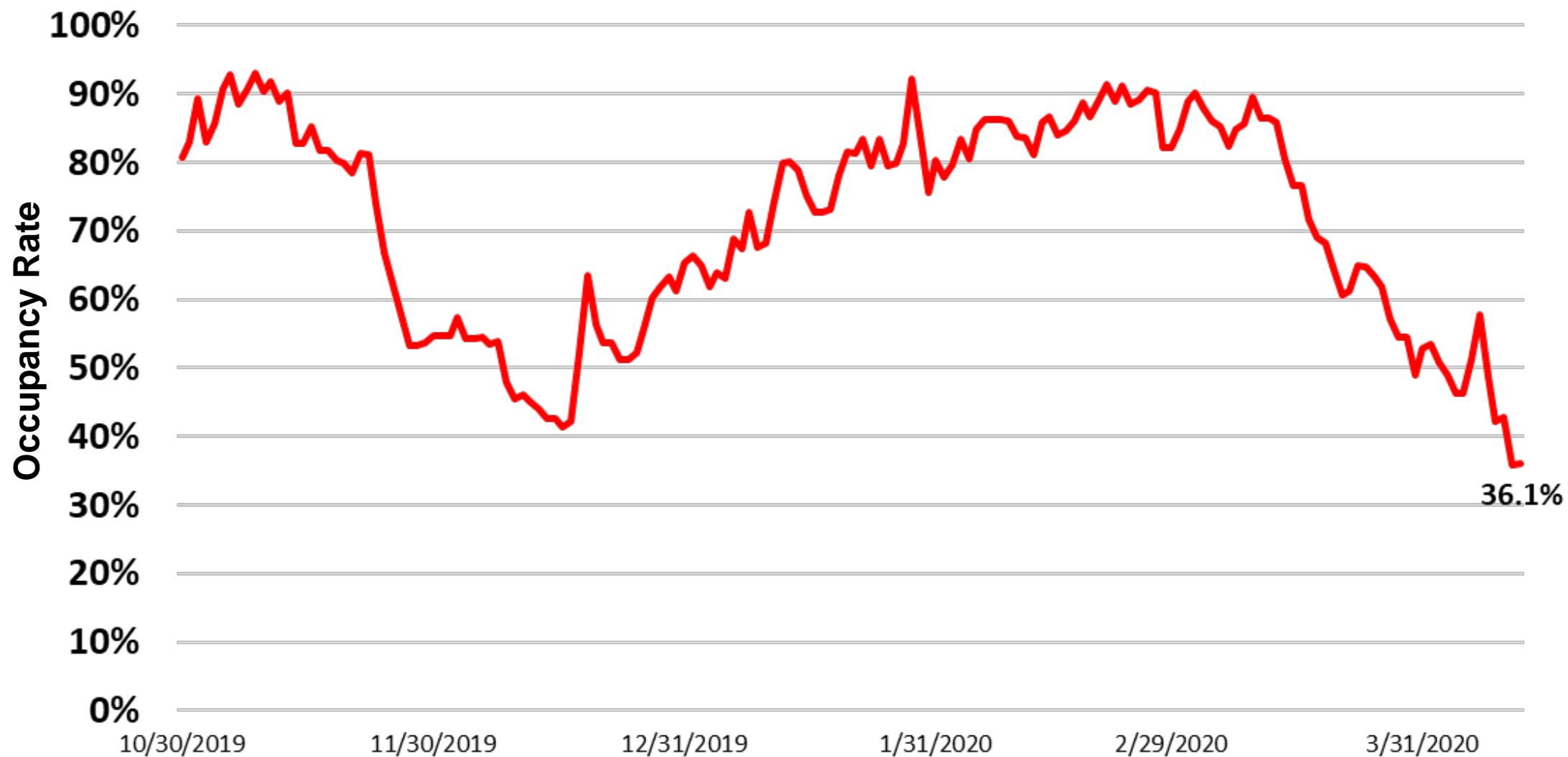
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| Others | 2 | 0 | 2 |
| Outcome Totals | 14 | 11 | 3 |

| Dog Kennels | Dogs in Shelter | Percent Full |
|-------------|-----------------|--------------|
| 202 | 73 | 36.14% |

| Cat Kennels | Cats in Shelter | Percent Full |
|-------------|-----------------|--------------|
| 49 | 11 | 22% |

Daily Animal Shelter Occupancy (Dogs)

Nov 2019 - Apr 2020



Recommended Approach



1. Work with department staff to develop a small number of objectives and performance measurements for each goal.
2. Not about being adversarial or “gotcha mentality”
3. We can’t be afraid of bad news
4. Build-up an organizational culture of follow-up and regular check-ins.
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General Fund Financial Update

Paul Cain, Assistant City Manager

April 14, 2020



Agenda

- FY2020 Trend Prior to COVID-19
- COVID-19 Assumptions and Financial Impact
- General Fund Balance and Assignments
 - Bond Rating View
- FY2021 Budget Strategy
- General Debt Capacity
- Council Priorities

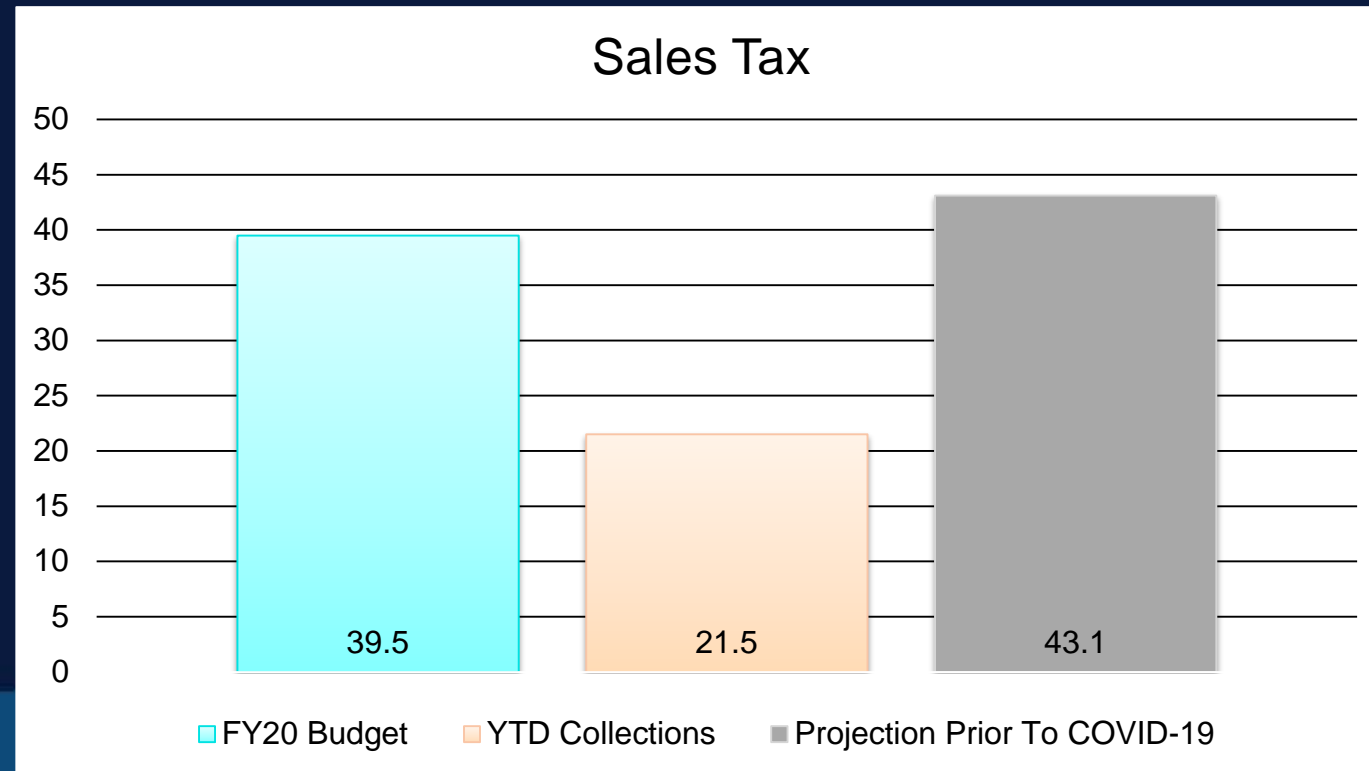


FY2020 Trend Prior to COVID-19

Revenues: Increase of \$3.6 M Sales Tax Collections

Expenses: \$2.2 M Savings

Fund Balance: \$5.8 M Increase to Offset the Budgeted Drawdown \$15.75 M (FY20 Original Budgeted Drawdown \$4.40 M + Approved Additional Drawdown \$11.35 M)



COVID-19 Assumptions and Financial Impact

“Rapid Resolution” Assumptions

- Economy will have the largest negative financial impact in April-May (e.g. ST down 35%)
- Economy will begin to slightly bounce back in June (e.g. ST down 20%)
- Economy will begin to stabilize in July and thereafter (e.g. ST down 15%)

“Slower Resolution” Assumptions

- Economy will have large lasting negative financial impacts through remainder of fiscal year (e.g. ST down 60% for remainder of year)

Tools and sources utilized

- ZacTax
- News Outlets
- Finance Department Analysis
- Financial Advisor
- Other Cities

| Sales Tax Estimated Percentage Loss | | |
|-------------------------------------|------------------|-------------------|
| Sales-Collections Month | Rapid Resolution | Slower Resolution |
| March Sales-May Collections | 16% | 54% |
| April Sales-June Collections | 35% | 75% |
| May Sales-July Collections | 35% | 75% |
| June Sales-August Collections | 20% | 50% |
| July Sales - September Collections | 15% | 50% |

COVID-19 Assumptions and Financial Impact

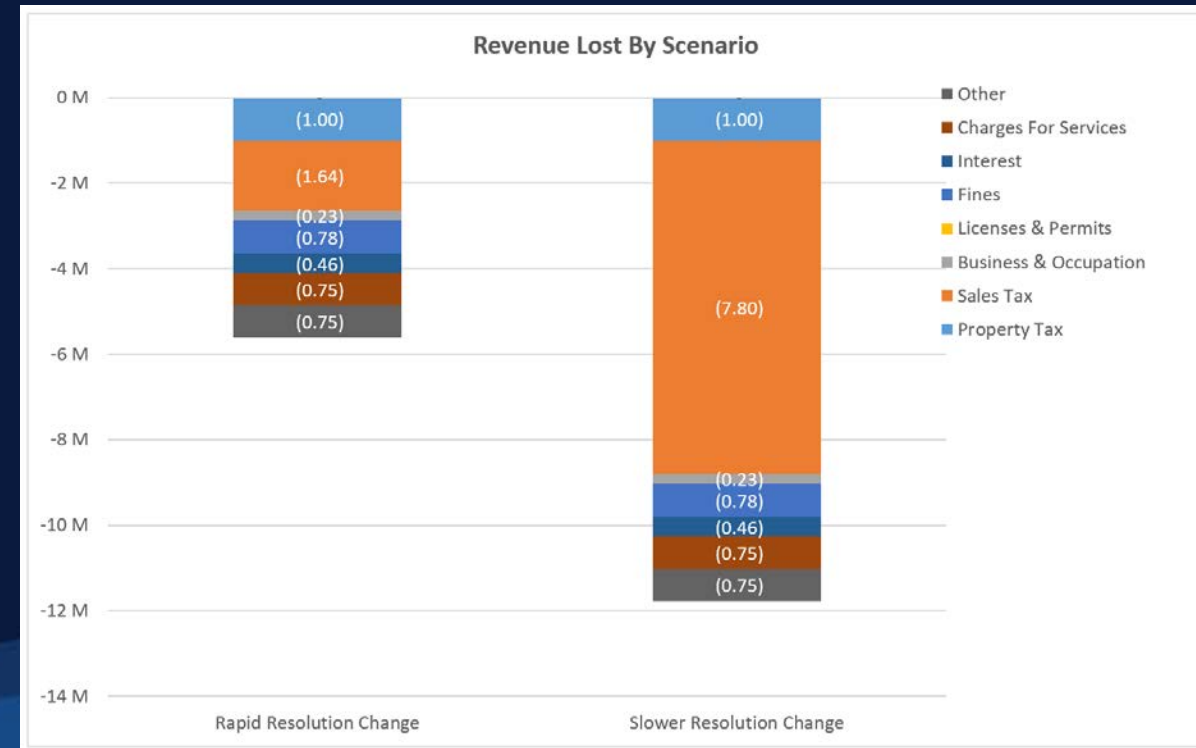
General Fund Revenues: COVID-19 Impact

Rapid Resolution Projection (\$5.61 M)

Slower Resolution Projection (\$11.77 M)

| Revenue | FY 20 Budget | FY 20 Rapid Resolution | Rapid Resolution Change | RR % Change | FY 20 Slower Resolution | Slower Resolution Change | SR % Change |
|----------------------------|------------------|------------------------|-------------------------|--------------|-------------------------|--------------------------|--------------|
| Property Tax | \$ 72.41 | \$ 71.41 | \$ (1.00) | -1.4% | \$ 71.41 | \$ (1.00) | -1.4% |
| Sales Tax | 39.02 | 37.38 | (1.64) | -4.2% | 31.22 | (7.80) | -20.0% |
| Business & Occupation | 14.22 | 13.99 | (0.23) | -1.6% | 13.99 | (0.23) | -1.6% |
| Licenses & Permits | 1.55 | 1.55 | - | 0.0% | 1.55 | - | 0.0% |
| Fines | 1.57 | 0.78 | (0.78) | -49.7% | 0.78 | (0.78) | -49.7% |
| Intergovernmental | 2.31 | 2.31 | - | 0.0% | 2.31 | - | 0.0% |
| Interest | 1.09 | 0.63 | (0.46) | -42.2% | 0.63 | (0.46) | -42.2% |
| Charges For Services | 1.77 | 1.02 | (0.75) | -42.4% | 1.02 | (0.75) | -42.4% |
| Other | 3.77 | 3.02 | (0.75) | -19.9% | 3.02 | (0.75) | -19.9% |
| Sub-Total Operating | 137.71 | 132.09 | (5.61) | -4.1% | 125.93 | (11.77) | -8.5% |
| Non-Operating | 11.79 | 11.79 | - | 0.0% | 11.79 | - | 0.0% |
| Total Operating | \$ 149.50 | \$ 143.88 | \$ (5.61) | -3.8% | \$ 137.72 | \$ (11.77) | -7.9% |
| Use of Fund Balance | | | | | | | |
| Planned Drawdown | 3.70 | 3.70 | - | - | 3.70 | - | 0.0% |
| Rollover Encumbrances | 2.55 | 2.55 | - | - | 2.55 | - | 0.0% |
| Assignments- Eco Dev | 0.17 | 0.17 | - | - | 0.17 | - | 0.0% |
| Assignments-Capital | 9.33 | 9.33 | - | - | 9.33 | - | 0.0% |
| Total Fund Balance | 15.75 | 15.75 | - | - | 15.75 | - | 0.0% |
| Revenue + Fund Bal. | \$ 165.25 | \$ 159.63 | \$ (5.61) | -3.4% | \$ 153.47 | \$ (11.77) | -7.1% |

*In Millions



COVID-19 Assumptions and Financial Impact

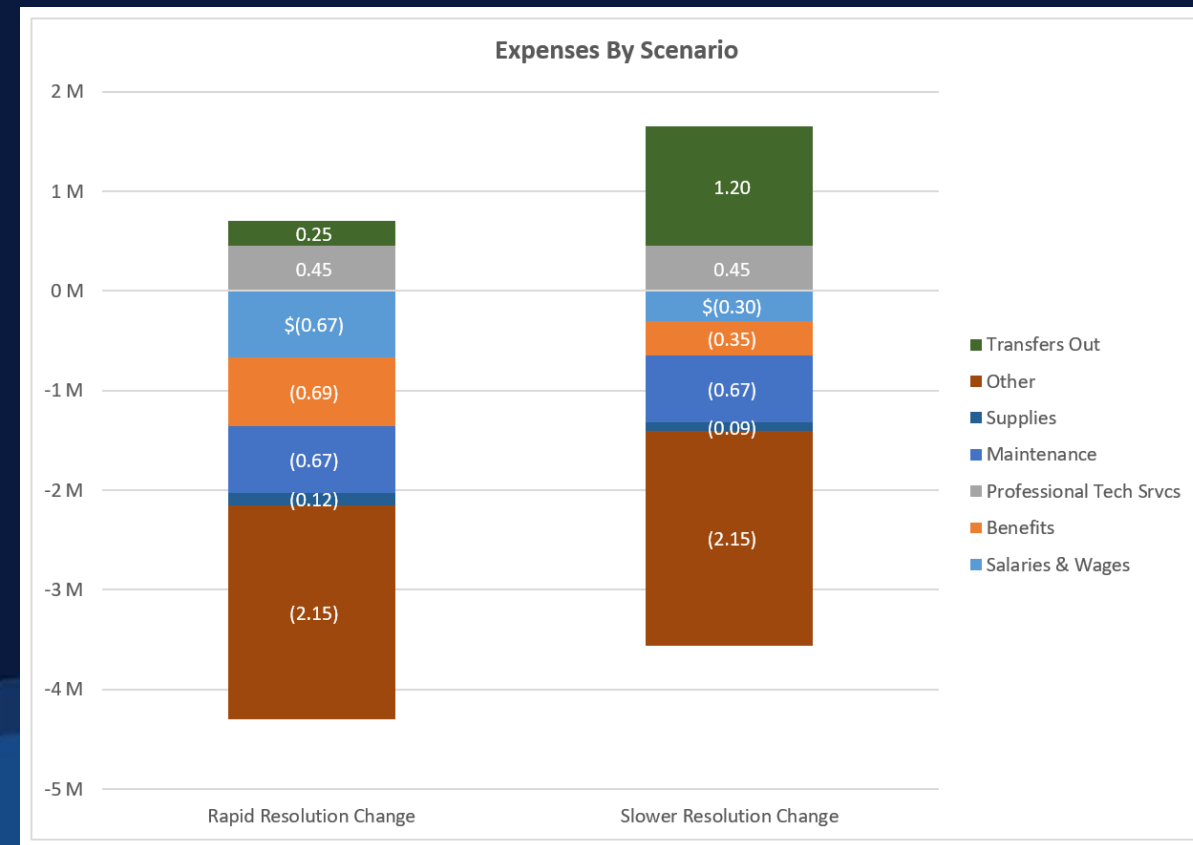
General Fund Expenses: COVID-19 Impact

Rapid Resolution Projection \$3.60 M (Savings)

Slower Resolution Projection \$1.91 M (Savings)

| Expenses | FY 20 Budget | FY 20 Rapid Resolution | Rapid Resolution Change | RR % Change | FY 20 Slower Resolution | Slower Resolution Change | SR % Change |
|------------------------|------------------|------------------------|-------------------------|--------------|-------------------------|--------------------------|--------------|
| Salaries & Wages | \$ 68.19 | \$ 67.53 | \$ (0.67) | -1.0% | \$ 67.89 | \$ (0.30) | -0.4% |
| Benefits | 25.33 | 24.64 | (0.69) | -2.7% | 24.99 | (0.35) | -1.4% |
| Professional Tech Svcs | 7.64 | 8.09 | 0.45 | 5.9% | 8.09 | 0.45 | 5.9% |
| Property Svcs | 1.42 | 1.42 | - | 0.0% | 1.42 | - | 0.0% |
| Maintenance | 9.02 | 8.35 | (0.67) | -7.4% | 8.35 | (0.67) | -7.4% |
| Other Purchased Svcs | 4.23 | 4.23 | - | 0.0% | 4.23 | - | 0.0% |
| Supplies | 8.18 | 8.06 | (0.12) | -1.5% | 8.09 | (0.09) | -1.1% |
| Other | 3.81 | 1.66 | (2.15) | -56.4% | 1.66 | (2.15) | -56.4% |
| Contracts w/ Other | 3.28 | 3.28 | - | 0.0% | 3.28 | - | 0.0% |
| Capital | 3.81 | 3.81 | - | 0.0% | 3.81 | - | 0.0% |
| Billing/Overhead | 2.05 | 2.05 | - | 0.0% | 2.05 | - | 0.0% |
| Transfers Out | | | | | | | |
| Cash CIP | 14.73 | 14.73 | - | 0.0% | 14.73 | - | 0.0% |
| Health Svcs | 3.86 | 3.86 | - | 0.0% | 3.86 | - | 0.0% |
| Demo/Lot Clearance | 0.18 | 0.18 | - | 0.0% | 0.18 | - | 0.0% |
| Equip Rplcmnt | 0.70 | 0.70 | - | 0.0% | 0.70 | - | 0.0% |
| Airport | 0.45 | 0.45 | - | 0.0% | 0.45 | - | 0.0% |
| TRHOF | 0.54 | 0.54 | - | 0.0% | 0.54 | - | 0.0% |
| Transit | 0.70 | 0.70 | - | 0.0% | 0.70 | - | 0.0% |
| Zoo | 2.70 | 2.70 | - | 0.0% | 3.40 | 0.70 | 25.9% |
| Eco Deve | 2.50 | 2.50 | - | 0.0% | 2.50 | - | 0.0% |
| Golf | 1.90 | 2.15 | 0.25 | 13.2% | 2.40 | 0.50 | 26.3% |
| Total Expenses | \$ 165.22 | \$ 161.63 | \$ (3.60) | -2.2% | \$ 163.32 | \$ (1.91) | -1.2% |

*In Millions



General Fund Balance (FB)

Rapid Resolution Projection

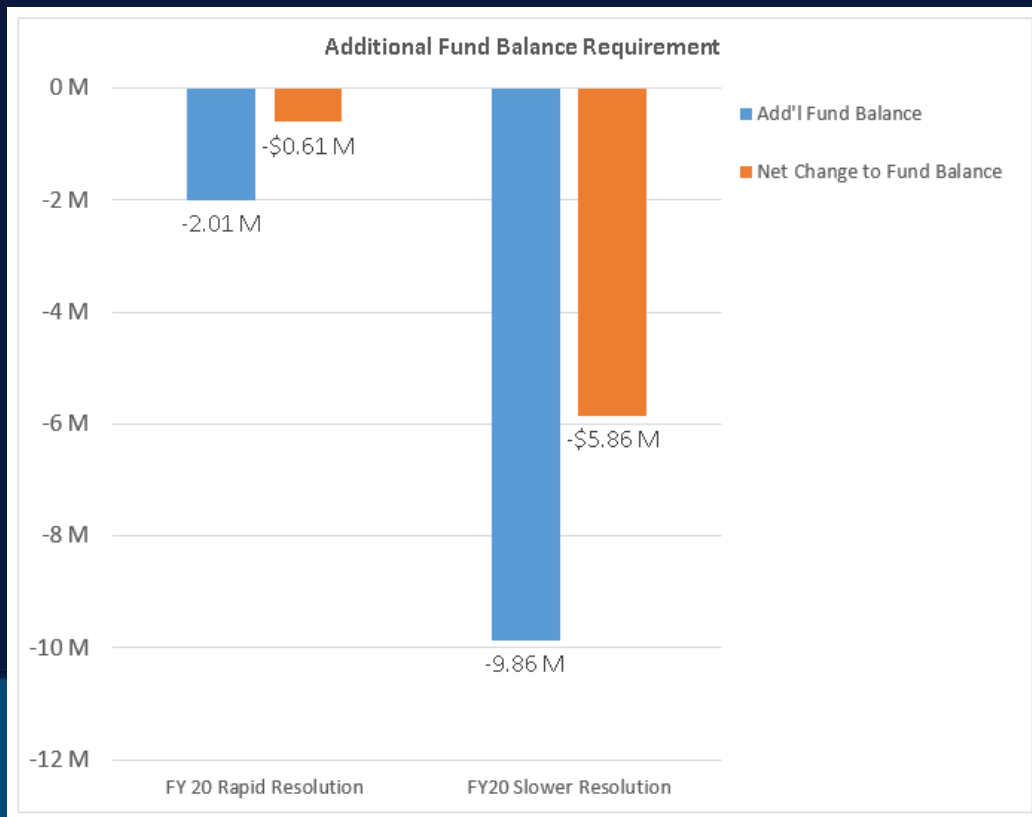
Additional FB: (\$2.01 M)

Net Change to FB: (\$0.61 M)

Slower Resolution Projection

Additional FB: (\$9.86 M)

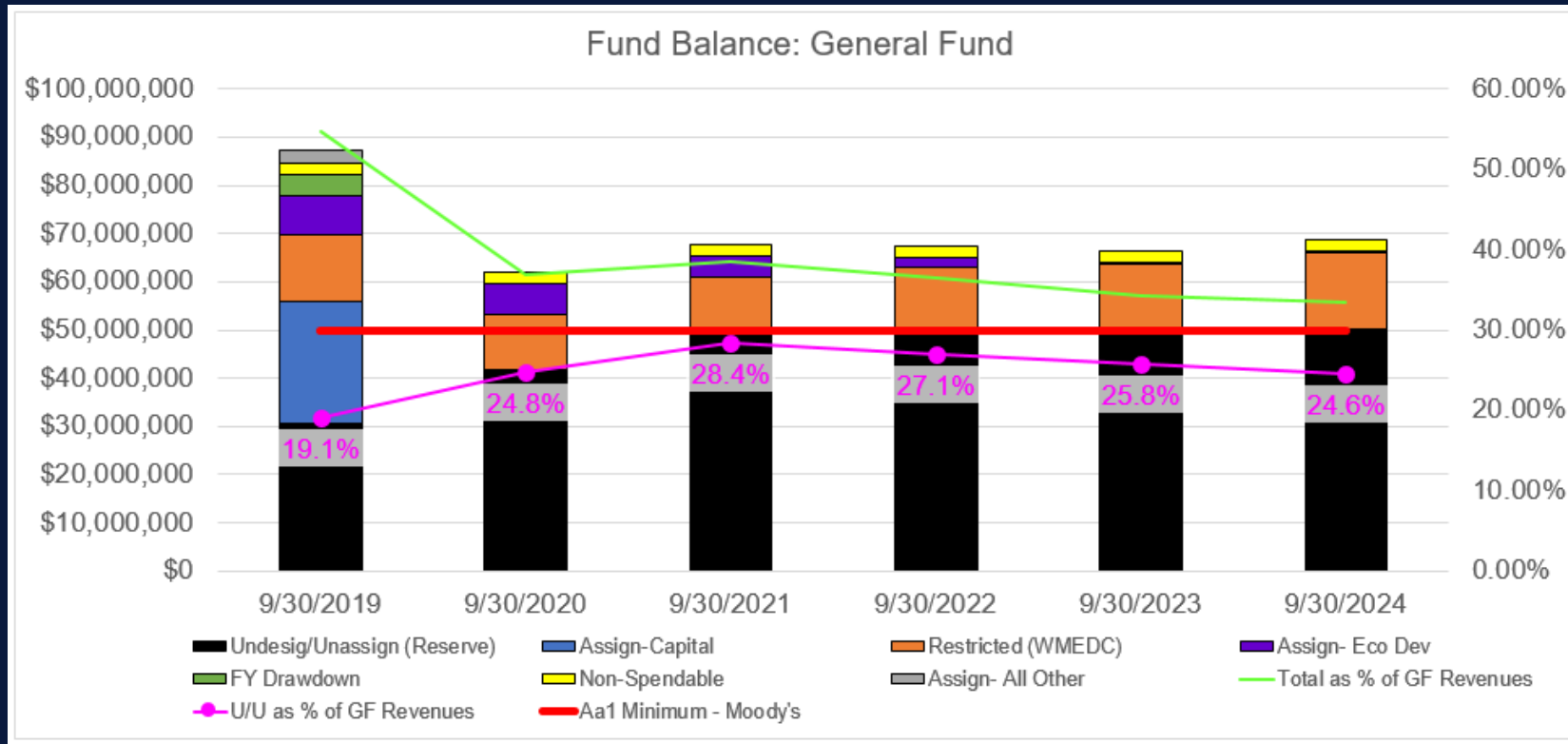
Net Change to FB: (\$5.86 M)



| | | | |
|--------------------------------------|------------------|------------------|------------------|
| Revenue + Fund Bal | \$ 165.24 | \$ 159.63 | \$ 153.47 |
| Expenses | (165.24) | (161.64) | (163.33) |
| Add'l Fund Balance | \$ (2.01) | \$ (9.86) | |
| Reductions | | | |
| Return FY18 GF Tfer to Rolling Stock | - | - | - |
| Postpone Tfer to Golf | - | 1.20 | 1.20 |
| Eliminate FY20 Tfer to Eq Rplc | - | - | 0.70 |
| Utilize PT refund accrual balance | - | - | 0.30 |
| Reduce Tfer to Engineering | - | 0.20 | 0.20 |
| Freeze Travel and Training | - | - | 0.20 |
| Delay FY20 Capital Purchases | - | - | 0.40 |
| Freeze Hiring (TBD) | TBD | TBD | TBD |
| Reduction Total | \$ - | \$ 1.40 | \$ 4.00 |
| Net Change to Fund Balance | \$ - | \$ (0.61) | \$ (5.86) |

**In Millions*

General Fund Balance (FB) & Assignments

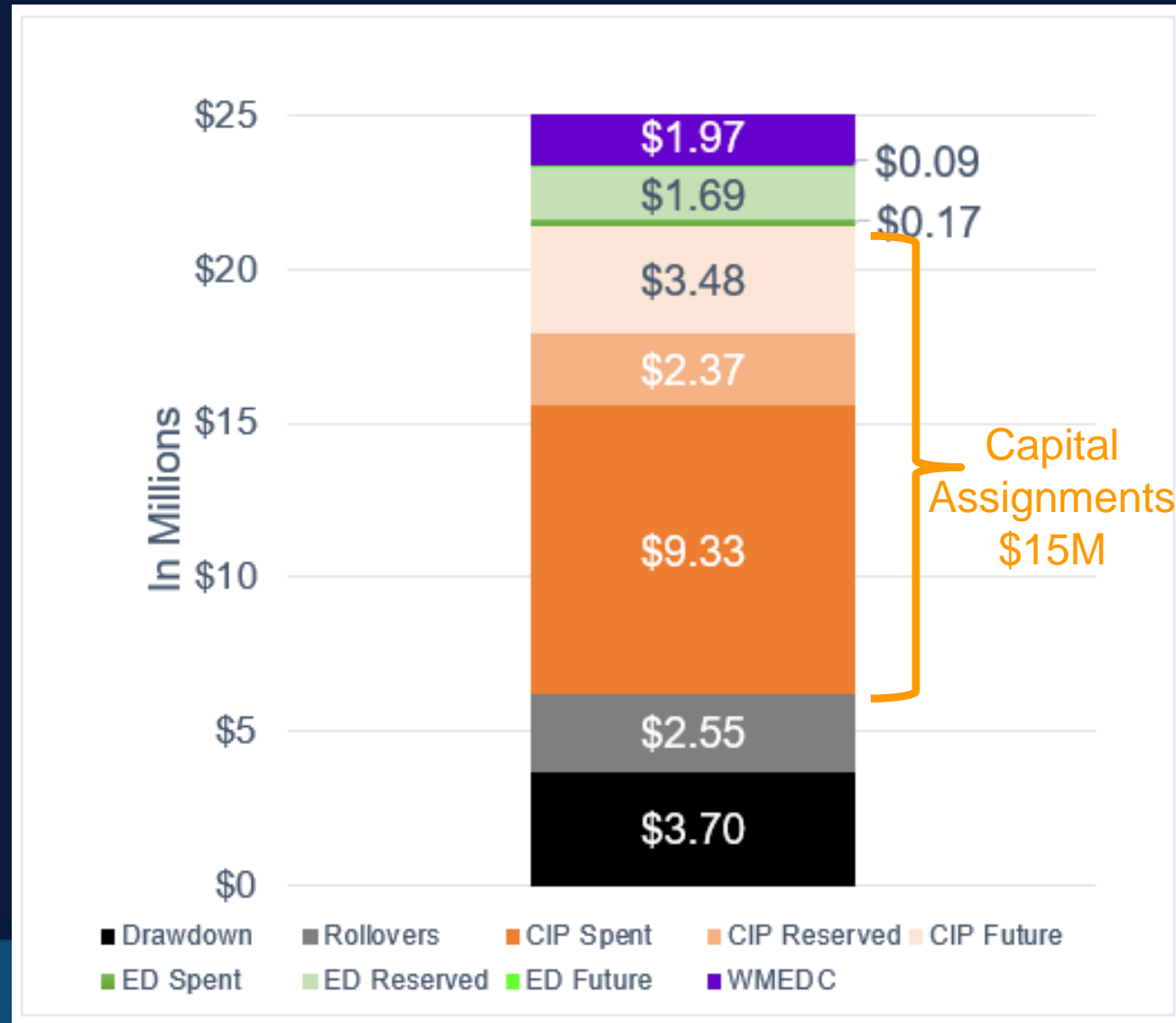


FUND BALANCE: GENERAL FUND

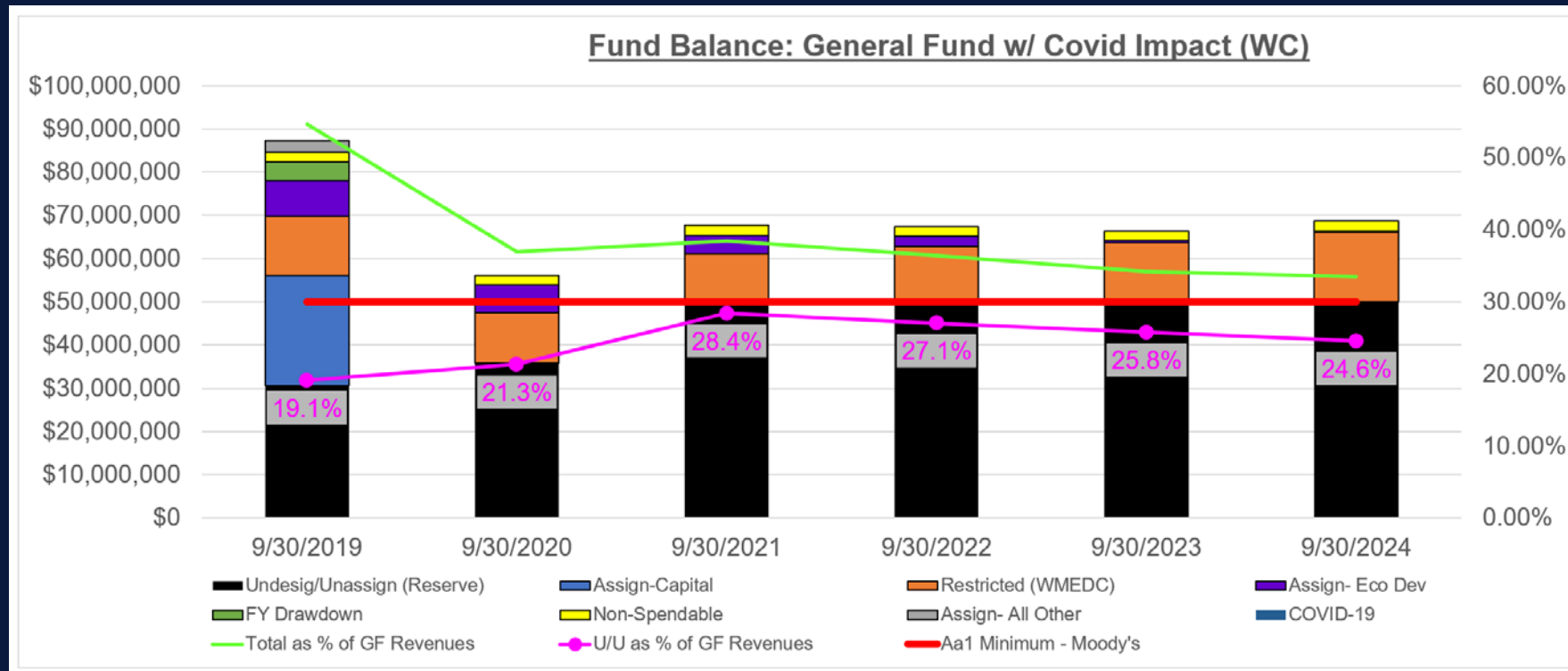
| | 9/30/2019 | 9/30/2020 | 9/30/2021 | 9/30/2022 | 9/30/2023 | 9/30/2024 |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Non-Spendable | \$ 2.29 | \$ 2.29 | \$ 2.29 | \$ 2.29 | \$ 2.29 | \$ 2.29 |
| Restricted (WMEDC) | 13.69 | 11.72 | 11.02 | 12.80 | 13.58 | 15.93 |
| Assign- All Other | 2.65 | - | - | - | - | - |
| Assign- Eco Dev | 8.27 | 6.33 | 4.30 | 2.32 | 0.47 | 0.47 |
| Assign-Capital | 25.48 | - | - | - | - | - |
| FY Drawdown | 4.40 | - | - | - | - | - |
| Undesig/Unassign (Reserve) | 30.54 | 41.64 | 50.05 | 50.05 | 50.05 | 50.05 |
| TOTAL | \$ 87.32 | \$ 61.98 | \$ 67.66 | \$ 67.46 | \$ 66.39 | \$ 68.74 |
| Total as % of GF Revenues | 54.7% | 37.9% | 39.3% | 37.3% | 35.0% | 34.5% |
| U/U as % of GF Revenues | 19.1% | 24.8% | 28.4% | 27.1% | 25.8% | 24.6% |
| Aa1 Minimum - Moody's | 30% | 30% | 30% | 30% | 30% | 30% |

FY20 Fund Balance
Drawdown \$25.35 M

FY20 \$25.35M Drawdown by Category



General Fund Balance & Assignments



| FUND BALANCE: GENERAL FUND (COVID-19 IMPACT "SLOWER RESOLUTION") | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 9/30/2019 | 9/30/2020 | 9/30/2021 | 9/30/2022 | 9/30/2023 | 9/30/2024 |
| Non-Spendable | \$ 2.29 | \$ 2.29 | \$ 2.29 | \$ 2.29 | \$ 2.29 | \$ 2.29 |
| Restricted (WMEDC) | 13.69 | 11.72 | 11.02 | 12.80 | 13.58 | 15.93 |
| Assign- All Other | 2.65 | - | - | - | - | - |
| Assign- Eco Dev | 8.27 | 6.33 | 4.30 | 2.32 | 0.47 | 0.47 |
| Assign-Capital | 25.48 | - | - | - | - | - |
| FY Drawdown | 4.40 | - | - | - | - | - |
| COVID-19 | - | - | - | - | - | - |
| Undesig/Unassign (Reserve) | 30.54 | 35.78 | 50.05 | 50.05 | 50.05 | 50.05 |
| TOTAL | \$ 87.32 | \$ 56.12 | \$ 67.66 | \$ 67.46 | \$ 66.39 | \$ 68.74 |
| Total as % of GF Revenues | 55% | 37% | 38% | 36% | 34% | 33% |
| U/U as % of GF Revenues | 19% | 21% | 28% | 27% | 26% | 25% |
| Aa1 Minimum - Moody's | 30% | 30% | 30% | 30% | 30% | 30% |

*In Millions

With COVID-19 Fund
Balance Drawdown

FY2021 Budget Strategy

- Only base adjustment requests submitted
- Recurring and one-time requests excluded
 - dependent on status of pandemic response/recovery



General Debt Review

Bond Capacity

| Tax Year | Fiscal Year | TAV Actual | Forecasted TAV | Tax Growth | 02-20 Debt Payment | 02-21 Debt Payment | 02-22 Debt Payment | 02-23 Debt Payment | 02-24 Debt Payment | Total | Total Net Debt Service | Calculated I&S Tax Rate |
|--------------------|-------------|------------|----------------|------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------|------------------------|-------------------------|
| Bond Amount | | | | | 28.60 M | 39.71 M | 33.00 M | 37.00 M | 40.00 M | | | |
| 2014 | 2015 | 7.05 Bn | | | | | | | | | | |
| 2015 | 2016 | 7.50 Bn | | 6.31% | | | | | | | | |
| 2016 | 2017 | 8.12 Bn | | 8.30% | | | | | | | | |
| 2017 | 2018 | 8.76 Bn | | 7.90% | | | | | | | | |
| 2018 | 2019 | 9.57 Bn | | 9.25% | | | | | | | | |
| 2019 | 2020 | 10.16 Bn | | 6.15% | | | | | | | 11.28 M | 0.1110 |
| 2020 | 2021 | | 10.46 Bn | 3.00% | 1.76 M | | | | | 1.76 M | 13.12 M | 0.1254 |
| 2021 | 2022 | | 10.93 Bn | 4.50% | 1.76 M | 2.58 M | | | | 4.34 M | 15.25 M | 0.1395 |
| 2022 | 2023 | | 11.48 Bn | 5.00% | 1.76 M | 2.58 M | 2.54 M | | | 6.88 M | 17.53 M | 0.1527 |
| 2023 | 2024 | | 12.05 Bn | 5.00% | 1.76 M | 2.58 M | 2.54 M | 2.97 M | | 9.85 M | 20.30 M | 0.1684 |
| 2024 | 2025 | | 12.63 Bn | 4.75% | 1.76 M | 2.58 M | 2.54 M | 2.97 M | 3.35 M | 13.20 M | 23.46 M | 0.1858 |

Bn = Billions

M = Millions

- Taxable Assessed Value (TAV) 5 Year Historical Average: 7.58%
- Projecting FY20-21 3% Growth
- Debt Capacity Dependent on TAV, interest rates, ability to shift rate from O&M to DS (status of operating revenue)

FY 19-20 Council Priorities

- Infrastructure
- Compensation
- Benefits
- Public Safety
- Code Enforcement
- Strategic Economic Development
- Equitable Practices



Questions



City of Waco Veterans Day Holiday

Missie Pustejovsky, HR Director
April 14, 2020



City of Waco Focus Group

- 10 cross department focus groups
 - 12/16/19 – 1/6/20
 - 76 (5% employee population) participated
 - Feedback regarding future at the City of Waco
- Observance of Veterans Day suggested



Veterans Day

City of Waco observes 10 holidays

New Year's Day

Spring Holiday

Independence Day

Thanksgiving Day

Christmas Eve

MLK Day

Memorial Day

Labor Day

Day After Thanksgiving

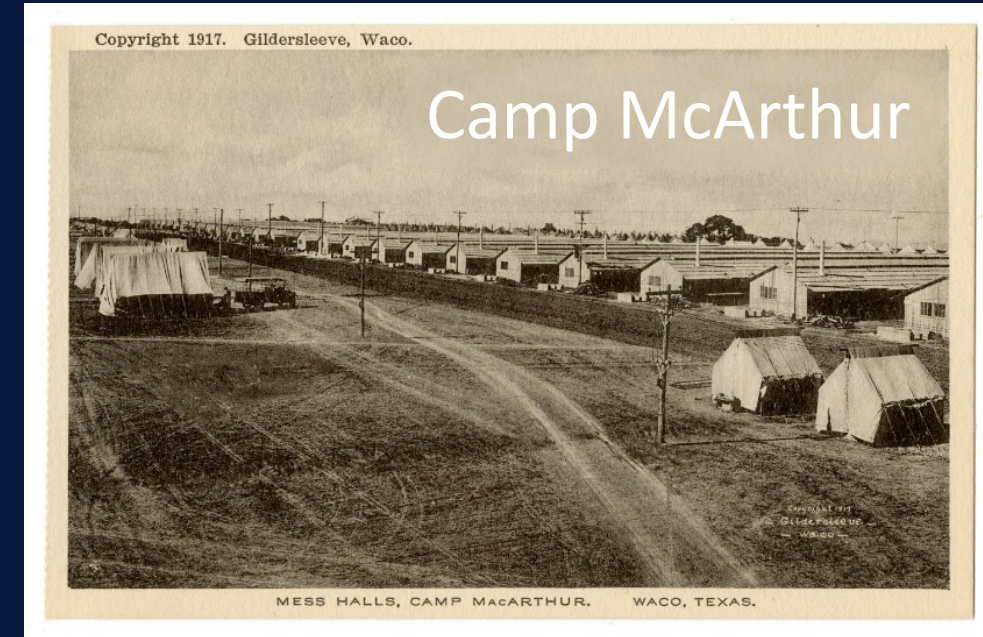
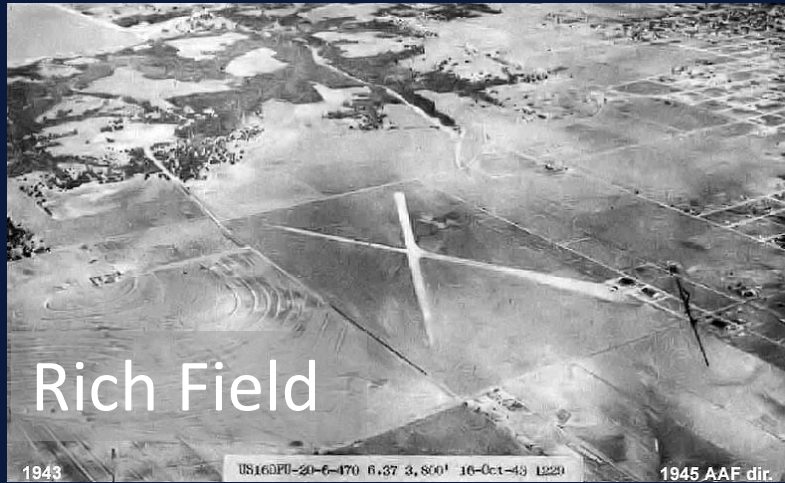
Christmas Day



Peer Cities

- 9 of 11 peer cities observe 11 or more holidays
- 6 of 11 Peer Cities observe Veterans Day

Waco History



Waco Convention Center Visitors Bureau Governance Update

Deidra Emerson, Assistant City Manager
April 14, 2020



Presentation Overview

- Process Background
- Model Recommendations
- Actions to Date
- Next Steps



Process Background

- 2015 - Jones, Lang, LaSalle (JLL), engaged to perform marketing and operational assessment of WCC and CVB
- 2016 – JLL conducted stakeholder interviews and worked with the task force on governance options



Process Background

- 2017 – JLL presented final report and recommendations
- 2018 – City Council dissolved the Advisory Board and created the Waco Convention Center and Visitors Bureau Commission



Model Recommendations

- Option 1:
 - Non-Profit Organization for CVB with publicly managed Convention Center
- Option 2:
 - Non-Profit Organization for CVB with privately managed Convention Center
- Option 3:
 - Current Model with enhanced Advisory Board



Actions to Date

- Creation of Waco Convention Center and Visitors Bureau Commission
- Revised Booking Policy
- Developed SOPs
- Enhanced Marketing Efforts
- Developed a Capital Plan
- Reviewed Pay Structure



Next Steps

- Finalize Food and Beverage Policy
- Finalize Pay Structure
 - Incentive Pay
- Finalize Operational Policies and Procedures



Questions?

Waco Convention Center and Visitors Bureau Governance Update

Deidra Emerson



National League of Cities Service Line Warranty Program

Ashley Nystrom, Executive Coordinator
April 14, 2020



NLC Service Line Warranty Program

- Repair and replacement plans for private side water and sewer lines, including interior plumbing
- Administered by Utility Service Partners, a HomeServe Company
- No cost to the City
 - Some staff time involved, twice a year campaigns
 - Company would like to utilize City endorsement on outreach/marketing materials
 - Some Cities participate in revenue sharing



NLC Service Line Warranty Program

- References from participating Texas cities
 - San Angelo
 - Killeen
 - Lancaster
 - Bryan
 - Midland
 - Texarkana
 - Waxahachie



Questions

