



Legislation Text

File #: 200962., **Version:** 1

Financial Modeling and Forecasting Services (B)

The City of Gainesville's Strategic Plan's Action Agenda for Goal 5 "*Best in Class*" *Neighbor Services* requires the development of a ten (10) year financial model in order to provide expense and revenue forecasting for all City funds with the ability to create scenario based comparisons in order to identify short-term and long-term impacts of financial decisions, provide a framework for scenario evaluation and sensitivity tests, and consider future cost requirements/events to ensure financial sustainability.

Forecasting factors include, but are not limited to: millage rate, property tax growth, fire assessment, inter local agreements, state revenue sharing estimates, annual required pension contributions, collective bargaining agreements, capital investments including renewal and replacement, general fund transfers (GFT), debt service obligations, CPI, and maintaining reserve requirements. Additionally, the model will allow for real time adjustments of economic conditions to project budget impacts on city services and staffing.

Funds that will be evaluated as part of this model include:

- ☐ General Fund
- ☐ Solid Waste Fund
- ☐ Stormwater Fund
- ☐ RTS Fund
- ☐ Building Code Fund
- ☐ Wild Spaces Public Places Fund
- ☐ Tree Mitigation Fund
- ☐ Roadway Fund

A Notice of Intent to Purchase Sole Source/Single Source Products and/or Services was posted on DemandStar by the Procurement Division from January 21, 2021 through February 3, 2021, indicating the City's intent to purchase proprietary financial modeling and forecasting services and/or related software from Stantec. No responses indicating bona fide competition exists were received from other vendors prior to the expiration of the notice. The quote for services from Stantec is included as back-up to this item.

Per the proposal received, the initial phase of model development will cover the first five funds listed above and the last three funds will be added to the financial model in the second year.

This item is connected to Goal 5 "Best in Class" Neighbor Services.

Initial one-time implementation costs total \$149,835 (\$106,473 in FY 2021 and \$43,362 in year FY 2022. Ongoing maintenance costs total \$40,906 in year 1 (FY 2022) and \$57,792 in year 2 (FY 2023). These costs will be proportionally shared by the General Fund, Solid Waste Fund, Stormwater Fund, Regional Transit System Fund, Building Code Fund, Wild Spaces Public Places Fund, Tree Mitigation Fund, and the Roadway

Fund. Funding is available in the FY 2021 budget and would need to be appropriated via budget amendment resolution. Funding for FY 2022 and FY 2023 is contingent on City Commission approval.

City Commission approve award of financial forecasting and modeling services to Stantec.