

# City Council Budget Briefing FY 2016-2017

Monday, February 1, 2016



# Agenda

- BFO Process
- Price of Government
- Offers by Priority
- Strategies to Balance
- Capital Planning
- Next Steps

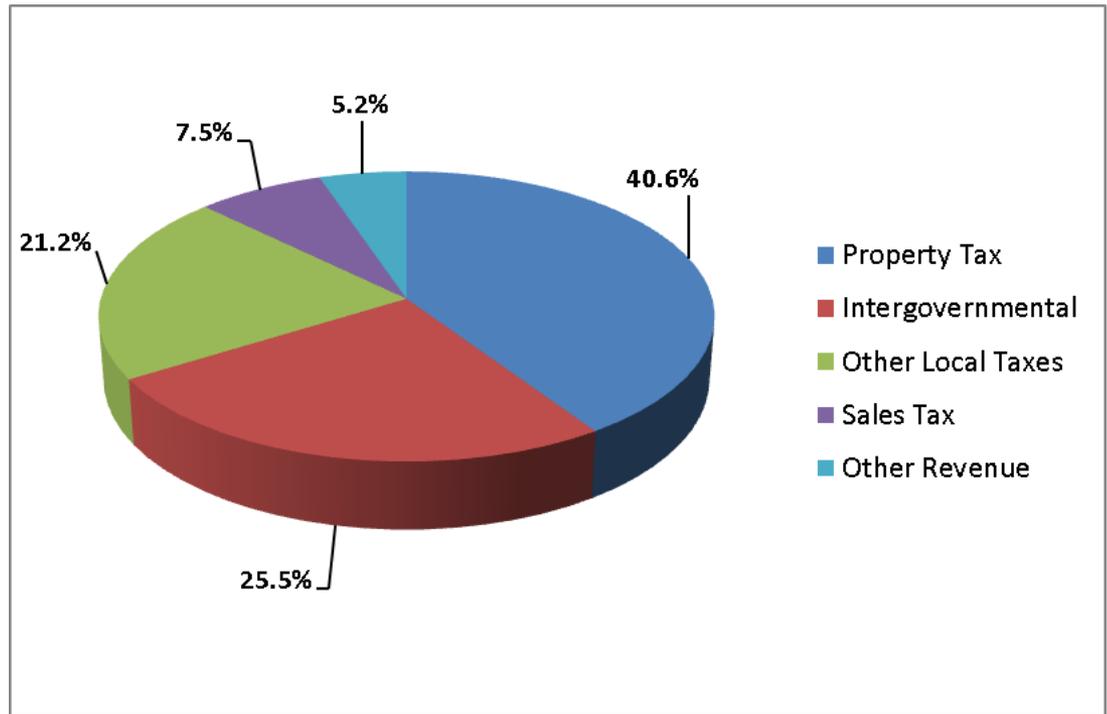
# BFO Process

- Where we have been
  - Offer development by Departments and Outside Agencies
  - DMB Staff review
- Where we are now
  - Priority Team reviews
- Next steps
  - Budget Committee review
  - Recommended budget development

# Price of Government Revenue Estimate by Major Category Fiscal Year 2017

(In Millions)

Property Tax \$	112.7
Intergovernmental	70.7
Other Local Taxes	58.7
Sales Tax	20.9
Other Revenue	14.3
<b>Total \$</b>	<b>277.3</b>



**Growth of 1.9% when comparing the FY17 estimate to the FY16 Adopted Budget**

# Projected Revenue by Major Category Fiscal Year 2017

	FY16 Adopted	FY17 Estimate Preliminary	\$ Growth/ (Decline)	% Growth/ (Decline)
General Property Tax	\$ 109,827,000	\$ 112,728,000	\$ 2,901,000	2.6%
Other Local Taxes	78,120,000	79,694,000	1,574,000	2.0%
Permits Fees and Licenses	1,195,000	1,125,000	(70,000)	(5.9%)
Fines and Forfeitures	1,284,000	1,284,000	-	0.0%
Revenue from Use of Money/Property	206,000	217,000	11,000	5.3%
Health and Welfare Funding from Commonwealth	29,177,000	29,785,000	608,000	2.1%
Other Funding from Federal and State	40,614,000	40,873,000	259,000	0.6%
Charges for Services	8,456,000	8,308,000	(148,000)	(1.8%)
Internal Services	2,520,000	2,738,000	218,000	8.7%
Other Revenues	652,000	578,000	(74,000)	(11.3%)
<b>Total General Fund Revenues</b>	<b>\$ 272,051,000</b>	<b>\$ 277,330,000</b>	<b>\$ 5,279,000</b>	<b>1.9%</b>

# Reserved Allocations

Transfer to Schools	\$79,462,800
Transfer to Debt Service	\$14,219,256
Personnel Lapse (Salary, FICA, Retirement)	(\$2,258,633)
Budget Contingency	\$1,297,566
Other (Medical, Dental, Affordable Care Act, Civic Center Subsidy, GRTC Subsidy, Stormwater Utility, Grant Fund, W/C, Misc Contingencies, Reserves, OPEB, Line of Duty, CCAP)	\$10,889,341
Compensation Increase	\$1,900,000
Budgeting for Outcomes Contingency	\$250,000
<b>TOTAL:</b>	<b>\$105,760,330</b>

Increase from FY16: \$5,554,074

# Budget Committee Review

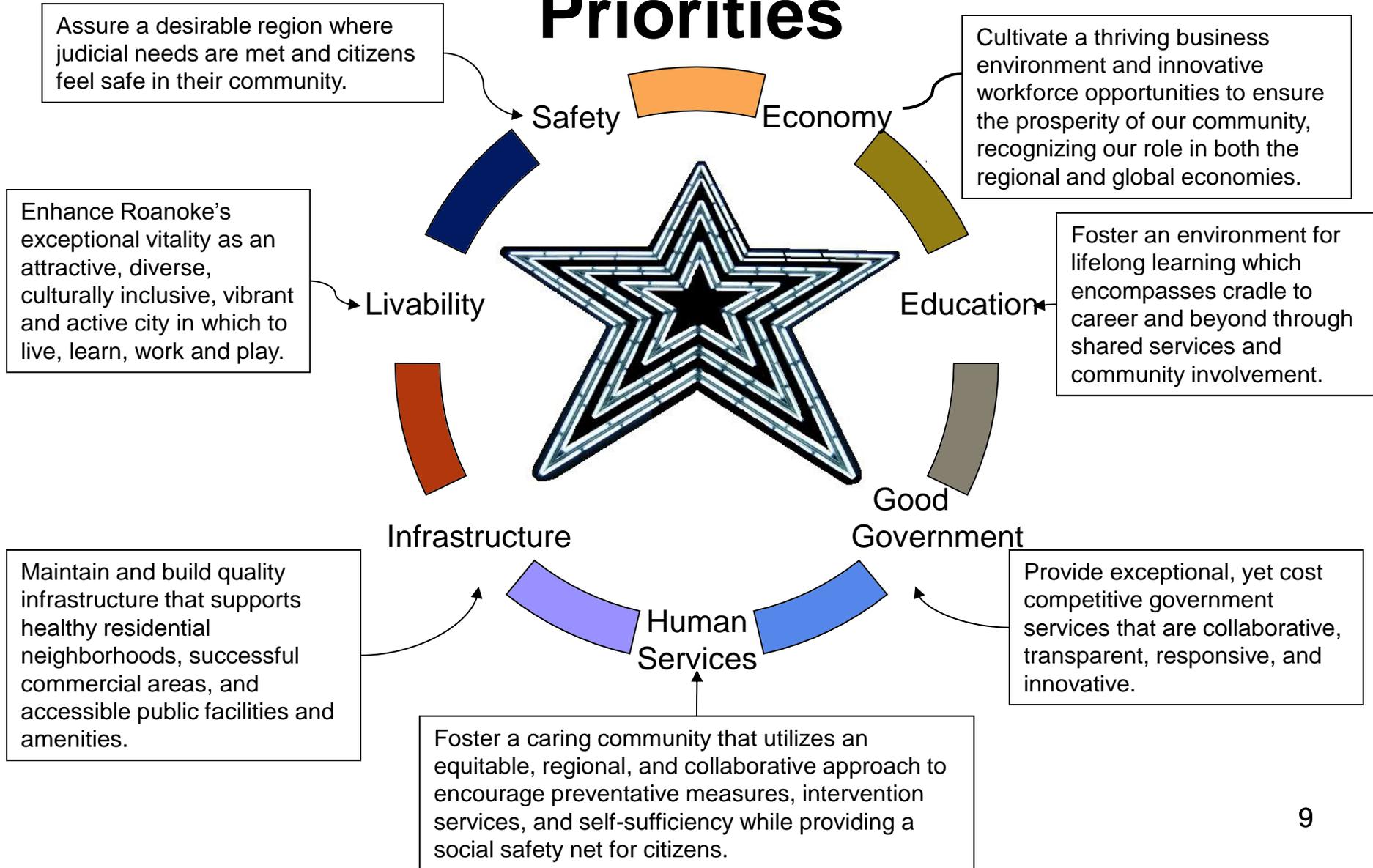
Technology Capital	\$1,500,000
Radio Capital	\$435,940
Fleet Capital	\$3,500,000
TOTAL:	\$5,435,940

Increase from FY16: \$1,328,863

# Vision.....

The City of Roanoke is a safe, caring and economically vibrant community in which to live, learn, grow, play and prosper.

# City of Roanoke Priorities



# Economy

Total Offers: \$1,453,896

Total Number of Offers: 5

Increase from FY16: \$261,477

# Education

Total Offers: \$1,836,070

Total Number of Offers: 6

Increase from FY16: \$63,902

**Good Government**  
**Total Offers: \$18,384,247**

**Total Number of Offers: 55**  
**Increase from FY16: \$414,668**

# Human Services

Total Offers: \$37,728,441

Total Number of Offers: 13

Increase from FY16: \$895,855

# Infrastructure

Total Offers: \$23,103,158

Total Number of Offers: 33

Increase from FY16: \$1,655,052

## Livability

Total Offers: \$16,129,943

Total Number of Offers: 26

Increase from FY16: \$751,586

# Safety

Total Offers: \$68,467,634

Total Number of Offers: 28

Increase from FY16: \$1,840,062

**Outside Agencies**  
**Total Offers: \$8,624,060**

**Total Number of Offers: 29**  
**Increase from FY16: \$870,988**

# Summary

Priority	FY 17 Offer Total Including Increase from FY16	Total Recurring Requests
Economy	\$1,453,896	\$261,477
Education	\$1,836,070	\$63,902
RCPS	\$79,462,800	\$1,668,800
Good Government	\$18,384,247	\$414,668
Human Services	\$37,728,441	\$895,855
Infrastructure	\$23,103,158	\$1,655,052
Livability	\$16,129,943	\$751,586
Safety	\$68,467,634	\$1,840,062
Outside Agencies	\$8,624,060	\$870,988
Budget Committee Review	\$5,435,940	\$1,328,863
Reserved Allocation	\$26,297,530	\$3,885,274
<b>TOTALS:</b>	<b>\$286,928,719</b>	<b>\$13,636,527</b>
<b>Price of Government:</b>	<b>\$277,330,000</b>	N/A
<b>Variance</b>	<b>(\$9,598,719)</b>	N/A

# One-Time Funding Requests

Total: \$1,040,044

Percent for Art	\$ 21,500
Equipment:	\$512,874
Presidential Election Expenses:	\$ 42,689
Departmental Building Upgrades:	\$ 48,031
Technology Server Room Upgrades:	\$113,000
One-time Training Needs:	\$ 15,100
Market Building Capital Improvements:	\$ 75,000
Classification & Compensation Study:	\$200,000
Other Requests:	\$ 11,850

To be funded from one-time sources

# Strategies to Balance

- Utilize Guiding Principles
- Efficiencies, employ Lean Six Sigma methodologies
- Cost reductions without service reductions
- Refine existing revenue estimates

# Council Discussion And Feedback

# Next Steps

- Priority teams reviewing offers
- Budget Committee review
- March 7, 2016:
  - Update on Price of Government
  - Offer Rankings
  - Balancing Strategies
  - Capital Planning
- April 4, 2016: Budget Balancing Status
- April 18, 2016: Recommended Budget presented to City Council
- April 28, 2015 (Thursday): Budget Public Hearing
- May 5, 2016 (Thursday): Budget Study
- May 9, 2016: FY 2016-2017 Budget Adoption

# Capital Project Planning

- Maintain Current Capital Assets
- Infrastructure Investment for Livability and Economic Development
  - Bridge Renovation/Replacement
  - Curb, Gutter and Sidewalk
  - Streetscape Projects
  - Storm Drains
  - Civic Center
  - School Maintenance
- Targeted Livability Investments
  - Parks and Recreation Master Plan
  - Libraries

Investments made within parameters of debt policy.

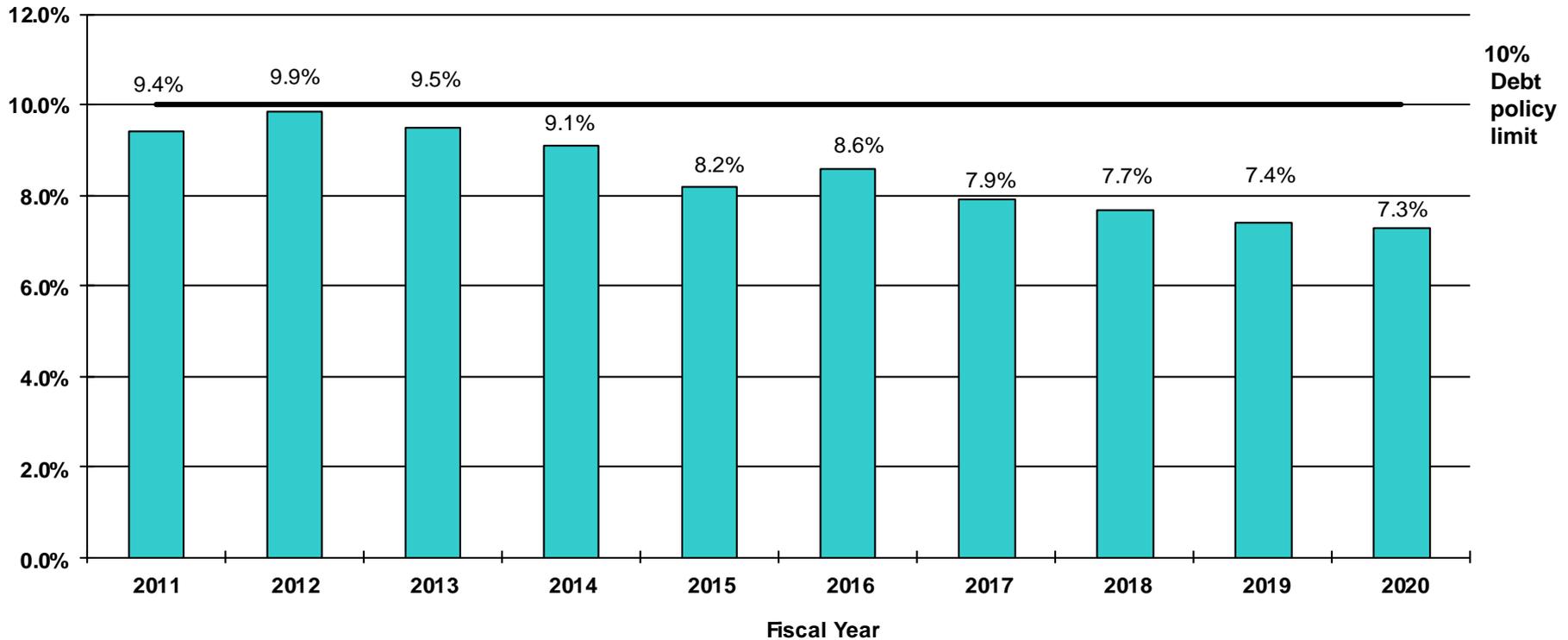
# Current Debt Issuance Plan

## FY 2016-2020

Project	2016	2017	2018	2019	2020	Total
RCPS	\$ 8,500,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 28,500,000
Bridge Renovation	5,650,000	6,900,000	3,100,000	3,250,000	4,500,000	23,400,000
Library Master Plan	3,577,000	2,845,000	2,769,000	550,000	5,000,000	14,741,000
P&R Master Plan	1,000,000	2,500,000	2,500,000	2,500,000	2,500,000	11,000,000
Civic Center	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Stormwater management	1,920,000	1,120,000	1,120,000	1,120,000	1,120,000	6,400,000
Curb, Gutter and Sidewalk	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Street Scapes	500,000	500,000	500,000	500,000	500,000	2,500,000
Fire Facility Master Plan	-	-	810,000	5,400,000	645,000	6,855,000
911 Center	-	-	-	1,500,000	10,000,000	11,500,000
Passenger Rail Infrastructure	2,500,000	-	-	-	-	2,500,000
<b>Total</b>	<b>\$ 26,147,000</b>	<b>\$ 21,365,000</b>	<b>\$ 18,299,000</b>	<b>\$ 22,320,000</b>	<b>\$ 31,765,000</b>	<b>\$ 119,896,000</b>

FY 16 represents the adopted Capital Improvement Program. Adjusted planned issuance totals \$21.197M.

# Debt Service as a % of Total Expenditures



- FY 2015 through 2020 updated for actual issuance in 2015
- Assumes 0% increase in expenditures FY 2018 through 2020 using FY 2017 projected expenditures as the base year
- Includes planned Debt Issuance FY 2016 through 2020

# Schools

- School Improvements
  - Project Funding:
    - Debt Issuance:
      - FY 2016: \$8,500,000
      - FY 2017: \$5,000,000
      - FY 2018: \$5,000,000
      - FY 2019: \$5,000,000
      - FY 2020: \$5,000,000
    - Continued commitment of \$5,000,000 of debt capacity reserved for school projects
    - Planned spending includes renovation/expansion of several schools, classroom improvements, HVAC improvements, window replacements and lighting enhancements



# Bridge Maintenance, Repair and Renovation Program

- Project Funding
  - Debt Issuance:
    - FY 2016: \$5,650,000
    - FY 2017: \$6,900,000
    - FY 2018: \$3,100,000
    - FY 2019: \$3,250,000
    - FY 2020: \$4,500,000
- Ongoing maintenance, repair and renovation of bridge structures such as
  - Franklin Road over NS Railway
  - Gilmer Avenue over Trout Run
  - Brandon Avenue over Murray Run
  - Wasena (Main Street) over Roanoke River
  - Dale Avenue over Tinker Creek
  - Berkley Road over Glade Creek
- Additional funding need of \$4.5M identified for bridge rehabilitation and replacement in FY 2021
- \$500,000 annual cash funding in current operating budget
- Total funding used to match decreasing state revenue sharing funds



# Library Master Plan

- Project Funding:
  - Debt Issuance:
    - FY 2016: \$3,577,000
    - FY 2017: \$2,845,000
    - FY 2018: \$2,769,000
    - FY 2019: \$550,000
    - FY 2020: \$5,000,000
- Branch expansion and renovations for Williamson Road, Melrose, Countryside, South Roanoke e-branch as well as the completion of the Main Library renovations



# Parks and Recreation Master Plan



- Project Funding:
  - Debt Issuance:
    - FY 2016: \$1,000,000
    - FY 2017: \$2,500,000
    - FY 2018: \$2,500,000
    - FY 2019: \$2,500,000
    - FY 2020: \$2,500,000
- Parks and Rec Master Plan update to be presented during future briefing.

# Stormwater Management



- Stormwater operating funding:
  - FY 2016: \$500,000
  - FY 2017: \$1,000,000

- Project Funding:
  - Debt Issuance:
    - FY 2016: \$1,920,000
    - FY 2017: \$1,120,000
    - FY 2018: \$1,120,000
    - FY 2019: \$1,120,000
    - FY 2020: \$1,120,000
- Addressing drainage problems throughout the city
- Allocation of \$1.62M in FY 2017 and \$1.1M thereafter annually in addition to revenue generated by Stormwater Fee to address prioritized projects
- Total funding used to match state revenue sharing funds

# Curb, Gutter and Sidewalk Program

- Project Funding
  - Debt Issuance:
    - FY 2016: \$1,000,000
    - FY 2017: \$1,000,000
    - FY 2018: \$1,000,000
    - FY 2019: \$1,000,000
    - FY 2020: \$1,000,000
- Total funding used to match state revenue sharing funds



# Streetscape Projects

- Project Funding:
  - Debt Issuance:
    - FY 2016: \$500,000
    - FY 2017: \$500,000
    - FY 2018: \$500,000
    - FY 2019: \$500,000
    - FY 2020: \$500,000
- Projects support needs identified in neighborhood plans and to support private development



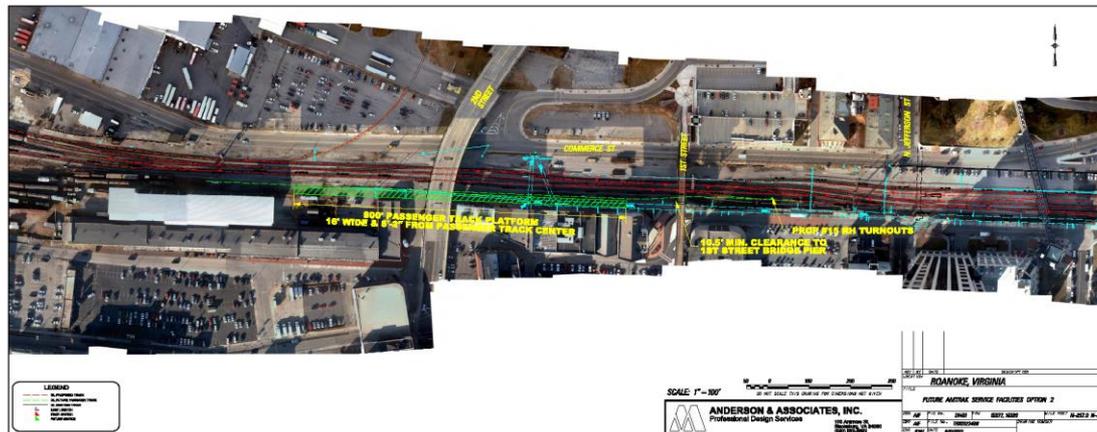
# Fire Facility Master Plan

- Project Funding:
  - Debt Issuance:
    - FY 2018: \$810,000
    - FY 2019: \$5,400,000
    - FY 2020: \$645,000
- Funding to conduct A&E, locations, etc.
  - Station 7 -Memorial Ave. SW - \$5.4 million
  - Station 2 - Noble Ave - \$7.9 million
  - Station 8 - Crystal Spring Ave. SW - \$5.2 million



# Passenger Rail Infrastructure

- Project Funding:
  - Debt Issuance:
    - FY 2016: \$2,500,000 (not issued)
- Brick and mortar station not required at this time
- Funding appropriated sufficient for Norfolk Avenue street improvements



# Civic Center Improvements

- Project Funding:
  - Debt Issuance:
    - FY 2016: \$1,500,000
    - FY 2017: \$1,500,000 (FY16 issue)
    - FY 2018: \$1,500,000
    - FY 2019: \$1,500,000
    - FY 2020: \$1,500,000
- Completed projects:
  - HVAC, electrical system and lighting improvements
  - Plaza roof repairs
  - Coliseum seat risers and seat replacements
  - Roanoke Performing Arts Theatre carpet replacement
  - Exterior door replacements
- Future projects:
  - Ice Rink Refrigeration System
  - Coliseum scoreboard/sound system
  - Coliseum restroom renovations
  - Replace BPAT stage
  - BPAT restroom renovations



# Adopted FY 2016 Capital Projects (Cash Funded )

Project	Amount
Bridge Maintenance	500,000
Greenways*	0
YMCA* (4 <sup>th</sup> of 5 allocations)	100,000
Virginia Museum of Transportation* (3 <sup>rd</sup> of 5 allocations)	100,000
Jefferson Center* (3 <sup>rd</sup> of 5 allocations)	100,000
TOTALS	\$800,000

\*Funded through one-time cash

# Debt Issuance Planning FY 2017-2021

<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
RCPS	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
Bridge Renovation	8,950,000	5,000,000	3,250,000	4,500,000	4,500,000	\$ 26,200,000
Library Master Plan	2,845,000	2,769,000	550,000	5,000,000	-	\$ 11,164,000
P&R Master Plan	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	\$ 12,500,000
Civic Center	-	1,500,000	1,500,000	1,500,000	1,500,000	\$ 6,000,000
Stormwater Management	1,620,000	1,120,000	1,120,000	1,120,000	1,120,000	\$ 6,100,000
Curb, Gutter and Sidewalk	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$ 5,000,000
Street Scapes	500,000	500,000	500,000	500,000	500,000	\$ 2,500,000
Fire Facility Master Plan	-	810,000	5,400,000	645,000	7,255,000	\$ 14,110,000
911 Center	-	-	1,500,000	10,000,000	-	\$ 11,500,000
<b>Total</b>	<b>\$ 22,415,000</b>	<b>\$ 20,199,000</b>	<b>\$ 22,320,000</b>	<b>\$ 31,765,000</b>	<b>\$ 23,375,000</b>	<b>\$ 120,074,000</b>

# Projects Not Currently Included in Capital Improvement Program

- Fire Facility Master Plan
  - Station #8 - \$5.2M
- Greenways
  - FY 19, 20 and 21 - \$5.0M
- Passenger Rail Multi-Modal Facility
  - Cost unknown
- Public Works Service Center
  - \$1.2M over multiple fiscal years
- Street Improvements
  - Colonial Avenue - \$5.5M
  - Williamson Road

**Council Discussion:**

**Current CIP and Capital Plan**

**FY 2017-2021 Priority Projects?**

# Next Steps

- March 7th:
  - Follow-Up Information
  - Update on Capital Project Planning

# Guiding Principles

- Operate with a long-range view on resiliency and community impacts
- Adhere to sound fiscal policies and procedures
- Maintain current assets
- Engage in partnerships that advance the region
- Invest in initiatives to grow the community and region
- Invest in employee development and compensation
- Engage the community in long-range planning
- Utilize best practices in decision making

# Colonial Avenue



CONCEPT REVIEW

SFCS