

City Council Budget Briefing FY 2016-2017

Monday, April 4, 2016



Agenda

- Operating Budget Balancing
 - Revenue
 - Fee Adjustments
 - Strategic Investments
- One-Time Funding
- Capital Project Planning

Summary – March 7th

	Team Reviewed Offer Total
Education	\$1,836,069
Safety	\$68,411,409
Human Services	\$37,725,896
Infrastructure	\$22,896,399
Good Government	\$18,119,445
Livability	\$16,121,534
Economy	\$1,418,896
Outside Agencies	\$9,115,858
Budget Committee Review	\$5,435,940
Reserved Allocation (RCPS, Transfer to Debt, Transfer to Civic Center, Pay Raise)	\$105,939,139
TOTALS	\$287,095,585
Revenue Estimate – March 7	\$278,621,000
Variance	(\$8,474,585)

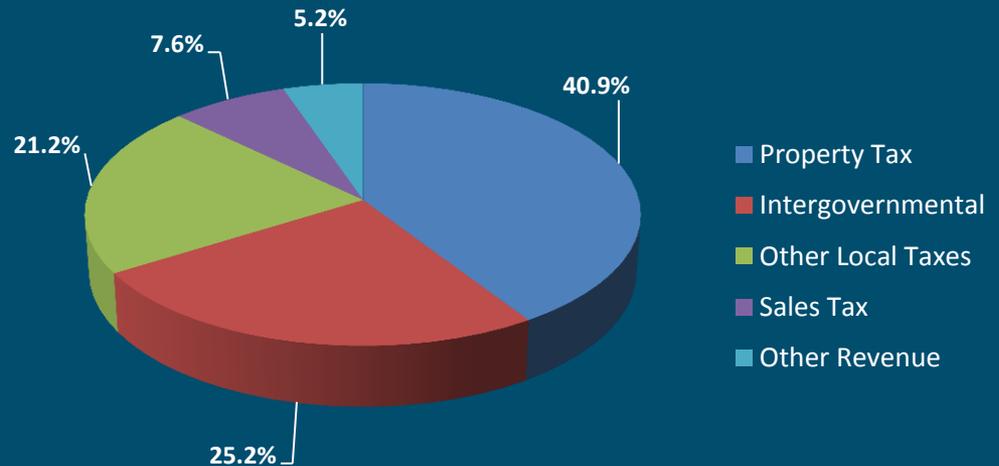
BFO Process Update

- Where We Are Now
 - Final reviews of all requests completed
 - Budget Committee preparing recommended budget
 - Budget Committee prepared preliminary capital budget recommendation
- Next Steps
 - Budget Committee balances Recommended Budget

Revenue Estimate by Major Category Fiscal Year 2017

(In Millions)

Property Tax	114.4
Intergovernmental	70.6
Other Local Taxes	59.3
Sales Tax	21.2
Other Revenue	14.5
Total \$	\$280.0



Growth of 2.9% when comparing FY17 estimate to the FY16 adopted budget

\$7.9 Million Increase in FY17 Revenues over FY16 Adopted Budget

	<u>FY 16 Adopted</u>	<u>3/7/2016 Revised Estimate</u>	<u>4/4/2016 Revised Estimate</u>	<u>\$ Growth/ (Decline) From FY 16 Adopted</u>	<u>% Growth/ (Decline) FY 16 Adopted</u>
General Property Tax	\$ 109,827,000	\$ 113,728,000	\$ 114,428,000	\$ 4,601,000	4.2%
Other Local Taxes	78,120,000	80,094,000	80,505,000	2,385,000	3.1%
Permits Fees and Licenses	1,195,000	1,147,000	1,147,000	(48,000)	(4.0%)
Fines and Forfeitures	1,284,000	1,284,000	1,284,000	-	0.0%
Revenue from Use of Money/Property	206,000	221,000	221,000	15,000	7.3%
Health and Welfare Funding from Commonwealth	29,177,000	29,785,000	29,772,000	595,000	2.0%
Other Funding from Federal and State	40,614,000	40,683,000	40,864,000	250,000	0.6%
Charges for Services	8,456,000	8,308,000	8,308,000	(148,000)	(1.8%)
Internal Services	2,520,000	2,738,000	2,832,000	312,000	12.4%
Other Revenues	652,000	633,000	628,000	(24,000)	(3.7%)
Total General Fund Revenues	\$ 272,051,000	\$ 278,621,000	\$ 279,989,000	\$ 7,938,000	2.9%

FY 2017 Revenue Growth

	FY 2017 Revenue Estimate
Revenue Increase from FY 16 Adopted Budget	\$ 7,938,000
Real Estate Tax Rate Increase	2,634,000
Food and Beverage Tax Rate Increase	1,449,000
Motor Vehicle License Fee Increase	789,000
FY 2017 Revenue from Growth	<u><u>\$ 3,066,000</u></u>

Real Estate - \$1.19 to \$1.22

Food and Beverage – 5.0% to 5.5%

Motor Vehicle License Fee - \$20 to \$28

Revenue Adjusted for Inflation

(FY 2008 \$22.7 Million Higher in Buying Power than FY 2017)



FY17 School Funding over FY16 Adopted Budget

Category	Adopted Budget FY 2016	3/7/16 Revised Estimate FY 2017	\$Growth (Decline) from 3/7 Estimate	4/4/16 Revised Estimate FY 2017	\$Growth (Decline) from Adopted FY16 Budget	FY17 Revised FY16 Adopted Estimate % Difference
Local Tax Estimate	\$ 187,947,000	\$ 193,822,000	\$ 1,111,000	\$ 194,933,000	\$ 6,986,000	3.7%
Personal Property Tax Relief Provided by Commonwealth	8,076,000	8,076,000	-	8,076,000	-	0.0%
Total Revenue Subject to Sharing with Schools	196,023,000	201,898,000	1,111,000	203,009,000	6,986,000	3.6%
<u>Deduct Dedicated Taxes:</u>						
Service District Taxes - Downtown and Williamson Road Districts	685,000	697,000	-	697,000	12,000	1.8%
Local Taxes Dedicated to Regional Tourism Marketing	533,000	563,000	12,000	575,000	42,000	7.9%
Local Taxes Dedicated to Ivy Market Performance Agreement	120,000	190,000	-	190,000	70,000	58.3%
Local Taxes Dedicated to Roanoke River Investments	-	170,000	-	170,000	170,000	0.0%
Local Taxes Dedicated to South Commonwealth Partners	-	221,000	-	221,000	221,000	0.0%
Local Taxes Dedicated to Cambria Suites Performance Agreement	200,000	-	-	-	(200,000)	(100.0%)
Total Deductions	1,538,000	1,841,000	12,000	1,853,000	315,000	20.5%
Adjusted Revenue Subject to Sharing with Schools	194,485,000	200,057,000	1,099,000	201,156,000	6,671,000	3.4%
Percentage Allocated to Schools	40.00%	40.00%	40.00%	40.00%	40.00%	
Funding of Schools	\$ 77,794,000	\$ 80,022,800	\$ 439,600	\$ 80,462,400	\$ 2,668,400	3.4%

Fee Adjustments

Fee	Current	Proposed
Rezoning Fee	\$500 - \$1,000 (varies)	\$1,000
Zoning Administrator Modification	None	\$250
Subdivision Plat Review (Minor)	\$50	\$150
Athletic Field Rental for Tournaments	\$125 per field per day	\$50 per field per day + \$10 per team

Summary – April 4th

	Team Reviewed Offer Total
Education	\$1,802,457
Safety	\$67,248,346
Human Services	\$37,513,530
Infrastructure	\$21,774,615
Good Government	\$17,867,905
Livability	\$15,377,786
Economy	\$1,418,896
Outside Agencies	\$8,486,218
Budget Committee Review	\$4,864,235
Reserved Allocation	\$104,169,886
TOTALS	\$280,343,874
Revenue Estimate – April 4	\$279,989,000
Variance	(\$354,874)

Strategic Investments for FY 2017 and Beyond

	Current Base Adjustment
RCPS	\$2,668,400
<u>Public Safety</u>	
Juvenile Detention	\$50,000
Sheriff Career Enhancement (27) and Deputy positions (5)	\$232,436
Jail inmate medical and utilities	\$206,928
Temporary Fire Inspector	\$48,002
Police body cameras and ammunition	\$59,500
Convention and Visitors Bureau (by formula)	\$124,875
<u>Human Services</u> – CSA (30% local share), Auxiliary Grant Program (80%), Outstationed Worker (30%), Security Enhancements (30%)	\$677,109
<u>Economic Development</u>	
Broadband	\$378,177
Performance Agreements	\$260,600
<u>Libraries</u>	
Books and Materials	\$10,000
<u>Capital Adjustments</u>	
Fleet Replacement	\$364,432

Strategic Investments for FY 2017 and Beyond

	Current Base Adjustment
<u>Transportation</u>	
Street Paving	\$115,245
Asset Management System Technician	\$40,350
Median and Right of Way Landscape Maintenance	\$11,665
Route Optimization for Snow	\$10,000
<u>Park Maintenance</u>	
2 Maintenance Tech I workers	\$59,818
Temporary wages	\$20,000
<u>Solid Waste Management</u>	
Central Business District Sealed Compactor Expansion	\$135,417
<u>Technology</u>	
Technology Maintenance Contracts and After Hours Support	\$67,271
<u>Fleet Management</u>	
Additional funds for parts and contracted services	\$184,433
<u>Risk Management</u>	
Third Party Claims Administration	\$30,000
<u>Treasurer</u>	
Treasurer Clerk I position	\$27,986
<u>Commissioner of the Revenue</u>	
Tax Systems Analyst	\$48,545

Strategic Investments for FY 2017 and Beyond

	Current Base Adjustment
<u>Human Resources</u>	
Learning Specialist	\$26,545
Employee Tuition Assistance	\$20,000
Employee Recognition Program	\$10,000
Lean/Six Sigma Coordinator	\$76,011
<u>Competitive Pay and Benefits</u>	
Salary Increase	2,011,000

One-Time Funding

Total: \$1,744,726

Jefferson Center (4 th of 5)	\$100,000
Virginia Museum of Transportation (4 th of 5)	\$100,000
YMCA (5 th of 5)	\$100,000
Percent for Art	\$ 21,500
Arts Endowment	\$125,000
Capital Project Contingency	\$912,609
Other Requests:	\$385,617
Election Staffing	\$ 26,385
Police (Body cameras and equipment)	\$ 29,790
Libraries (PC replacement)	\$ 21,000
Parks & Recreation (Park Maintenance Equip)	\$ 34,200
Transportation (Signal Controllers)	\$125,000
Software and Equipment	\$ 74,242
Market Building Capital Maintenance	\$ 75,000

To be funded from one-time sources

Capital Project Planning

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.

Debt Issuance Planning FY 2017-2021

Project	2017	2018	2019	2020	2021	Total
RCPS	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
Bridge Renovation	8,050,000	-	-	-	11,000,000	19,050,000
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	1,000,000	1,000,000	9,500,000
Civic Center	-	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Stormwater Management	1,620,000	2,000,000	2,000,000	2,000,000	2,000,000	9,620,000
Curb, Gutter and Sidewalk	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	7,000,000
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
Colonial Avenue Street Improvements	2,500,000	-	-	-	-	2,500,000
10th Street Improvements	1,000,000	1,000,000	-	-	-	2,000,000
Total	\$ 26,515,000	\$ 27,579,000	\$ 18,950,000	\$ 16,500,000	\$ 23,145,000	\$ 112,689,000

Debt Capacity

7.88%

7.69%

7.44%

7.27%

6.61%

Council Discussion

FY 2016-2017 Balancing

Draft 2017-2021 CIP and Capital Plan

Operating and Capital Budget Development Next Steps

- Recommended Budget Presentation – April 18, 2016
- Public Hearing – April 28, 2016
- Council Briefing/Budget Study – May 5, 2016
- Budget Adoption – May 9, 2016