

City Council Budget Briefing FY 2018-2019

Monday, February 5, 2018

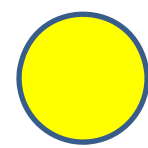


Agenda

- FY 2018 Update
- FY 2019 Operating Budget Development Update
 - Price of Government
 - Update on Offers
 - The Review Process and Next Steps
- Capital Planning

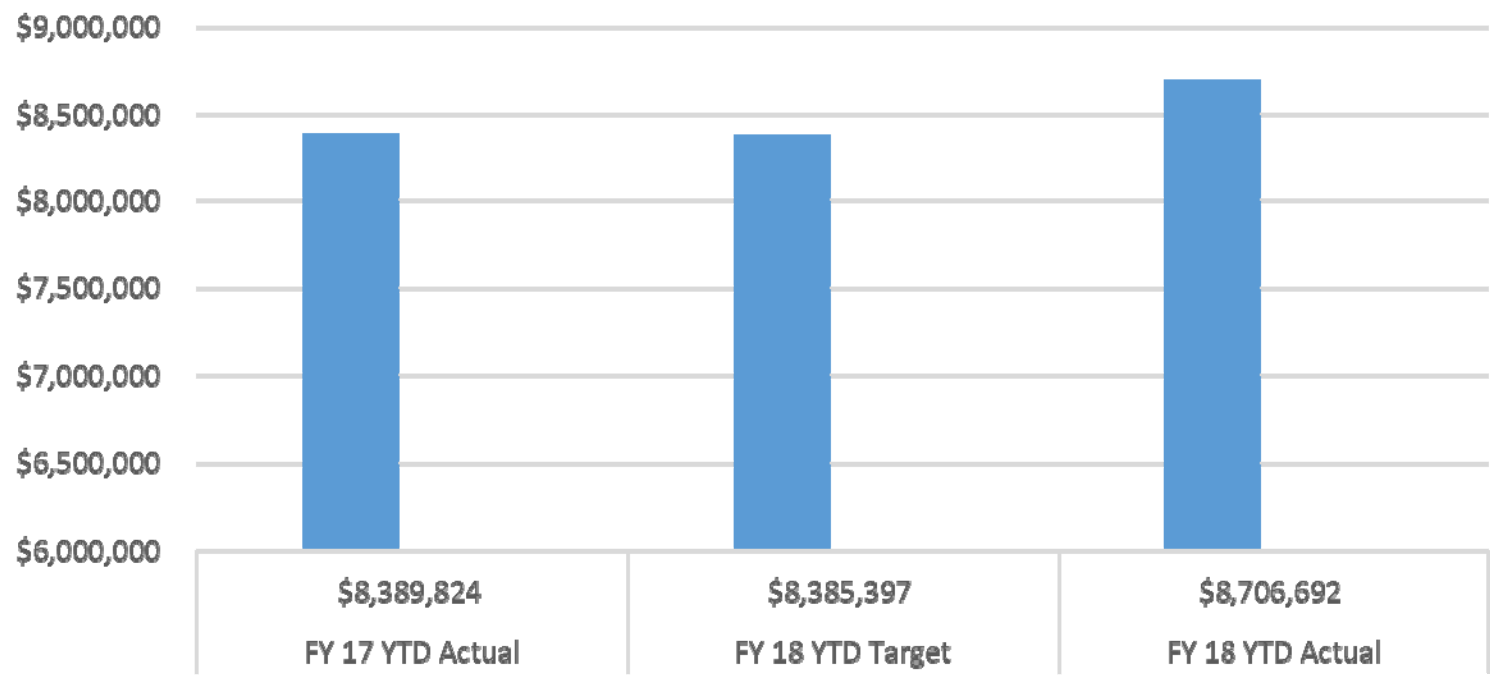
FY18 General Fund Overview

- The FY18 adopted budget is \$3.5 million or 1.25% higher than FY17 actual revenues.
 - FY 2018 adopted local taxes are \$2.9 million or 1.5% higher than FY 17 actual revenues.
- Through December, FY18 revenues have increased \$3.5 million or 3.4% compared to the same period FY17.
 - Through December, compared to the same period in FY17, local taxes are up \$2.3 million or 3.3%, mainly due to current Real Estate (3.3%), Sales (1.4%), Transient Occupancy (15.4%), Admissions (21.0%), Motor Vehicle License (13.9%) and Meals Tax (3.1%).
 - Through December, compared to the FY 18 budget, local taxes are \$1.1 million or 1.5% ahead.
- Expenditures and obligations through December increased approximately \$1.3 million or 0.8% compared to the same period last year, mainly due to the timing of contracts and payments.



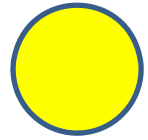
Sales Tax Revenue Through November

FY18 Revenue Estimate \$20.1 M

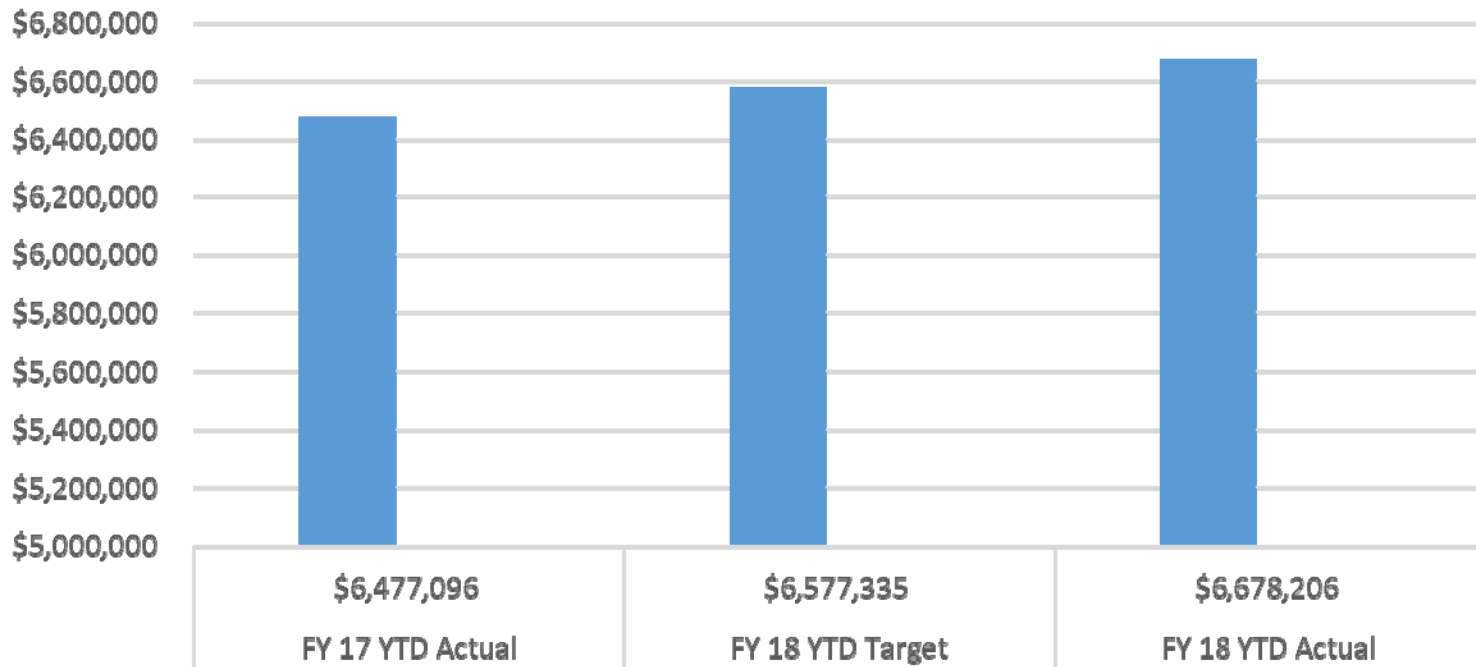


FY18 sales tax revenue increased 3.8% over same period of FY17, and is 4.3% ahead of YTD budget.

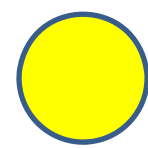
Meals Tax Revenue Through November



FY18 Revenue Estimate \$16.2 M

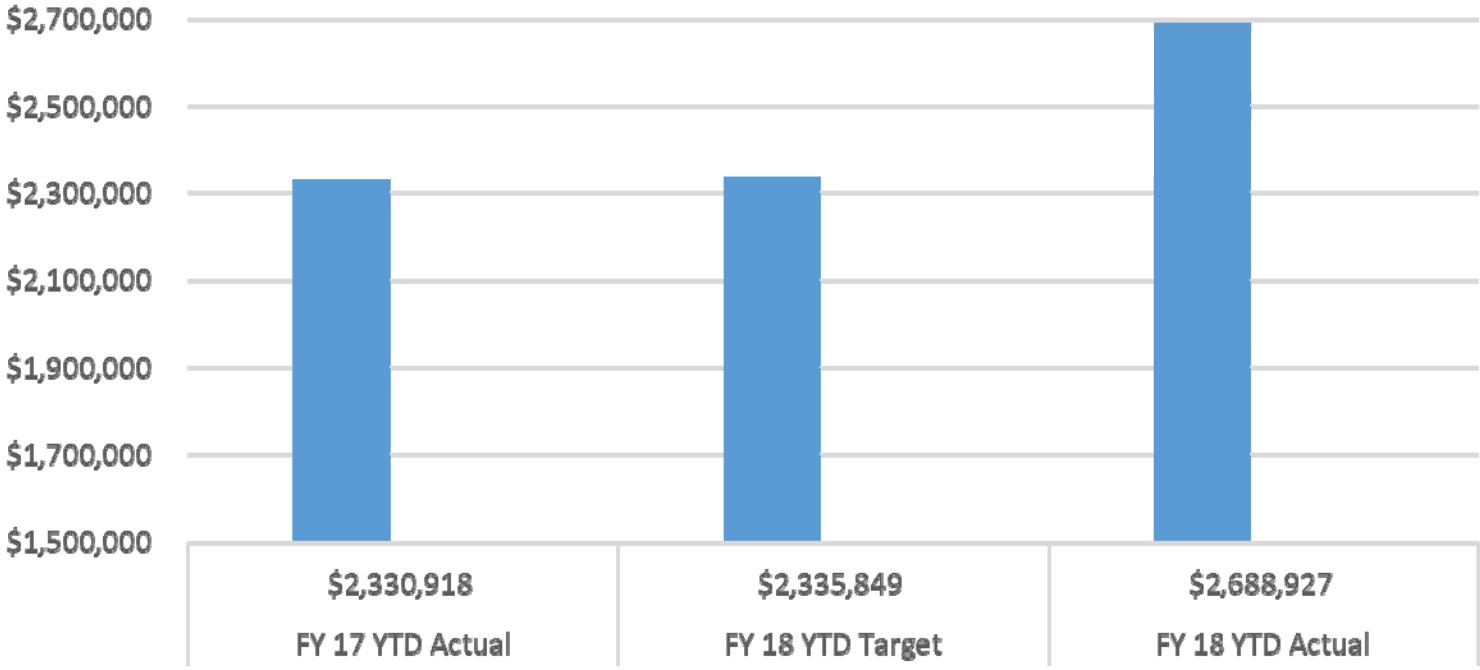


FY18 meals tax revenue increased 3.1% over same period of FY17, and is 1.4% ahead of YTD budget.

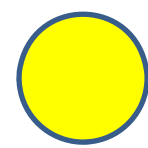


Lodging Tax Revenue Through December

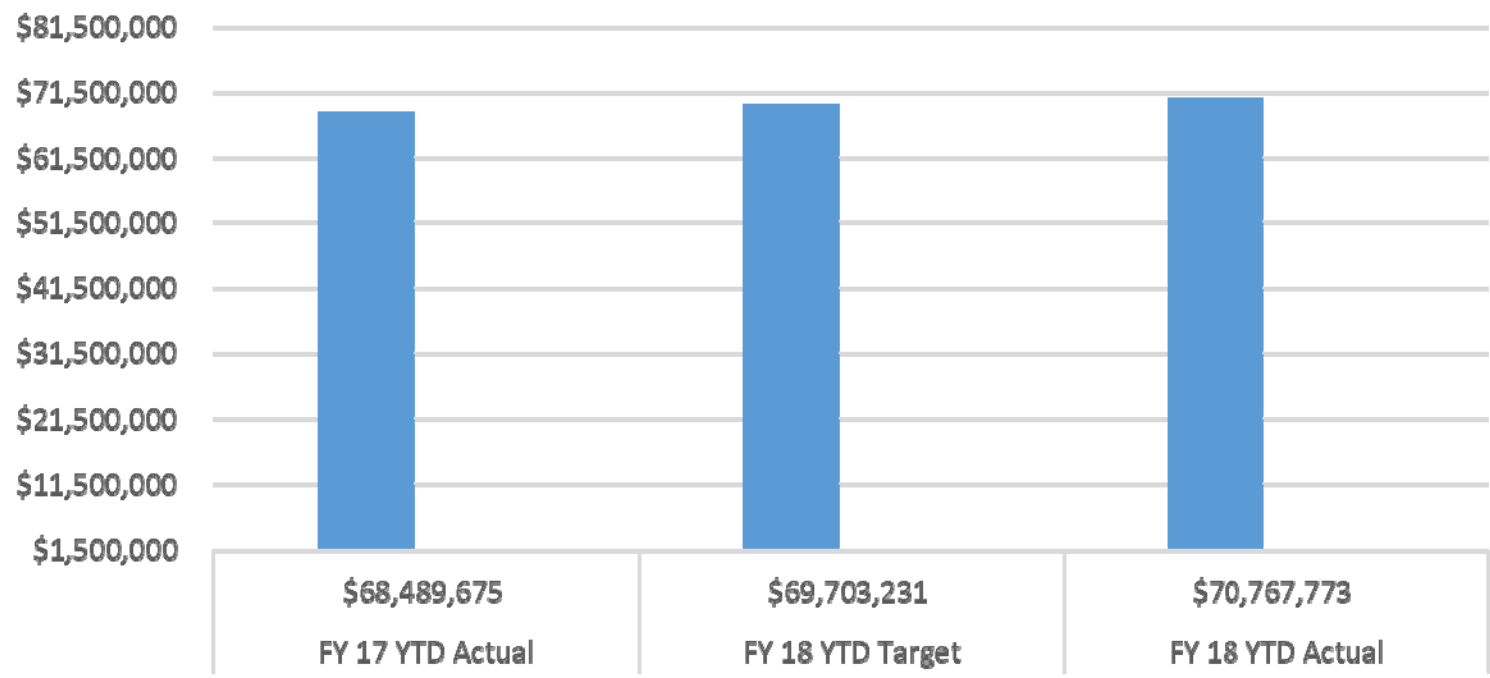
FY18 Revenue Estimate \$4.3 M



FY18 lodging tax revenue increased 15.4% over same period of FY17, and is 17.3% ahead of YTD budget.



All Local Tax Revenue Through December



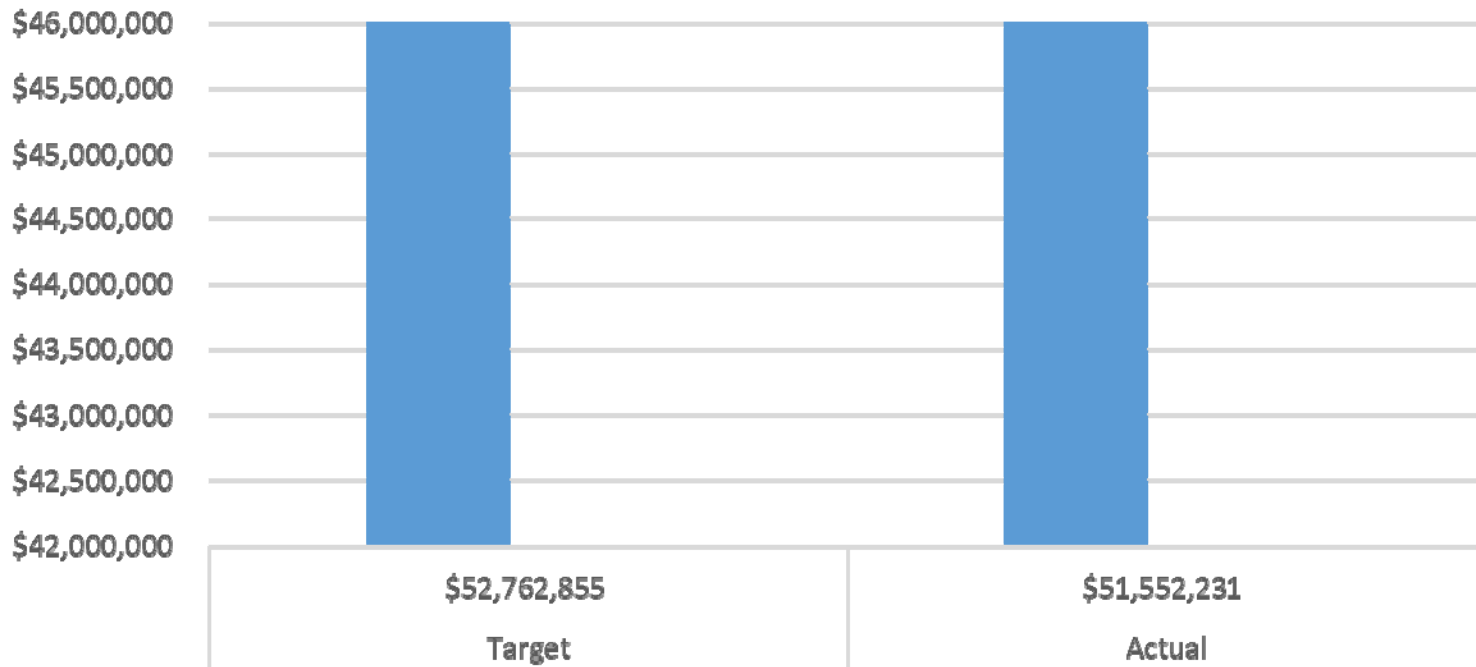
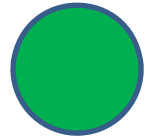
FY18 all local tax revenue increased 3.3% over same period of FY17, and is 1.5% ahead of YTD budget.

Projected Local Tax Revenue (gross)

Fiscal Year 2018

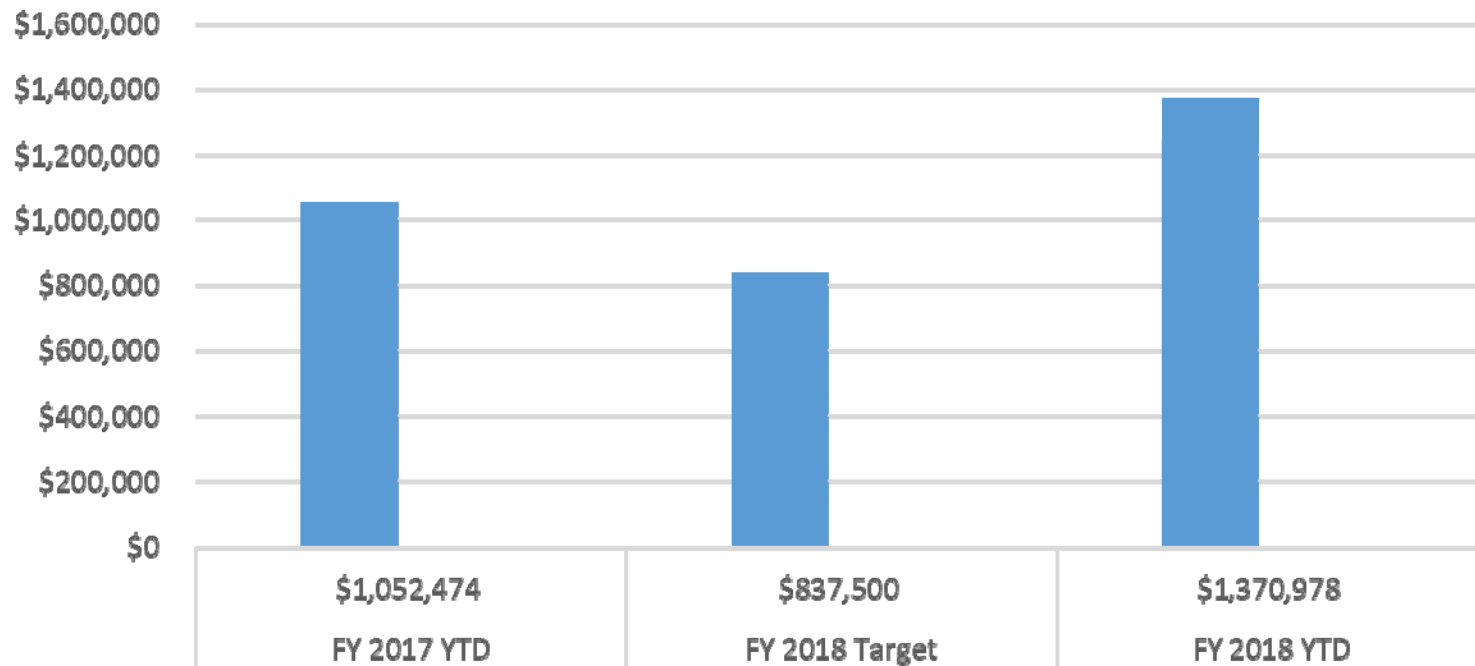
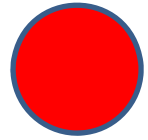
	FY 2018 Estimate for February 5th	FY 2018 Adopted Revenue Budget	Increase/ (Decrease)	%
Real Estate Tax	\$84,045,000	\$84,000,000	\$45,000	0.05%
Personal Property Tax	23,905,000	23,941,000	(36,000)	(0.15%)
Sales Tax	20,301,000	20,100,000	201,000	1.00%
Prepared Food & Beverage	16,380,180	16,218,000	162,180	1.00%
BPOL Tax	12,839,000	12,844,000	(5,000)	(0.04%)
Transient Occupancy Tax	4,644,000	4,300,000	344,000	8.00%
Other Local Taxes	33,096,000	32,579,000	517,000	1.59%
Total Local Taxes	\$195,210,180	\$193,982,000	\$1,228,180	0.63%

Personnel (Salary/Benefit) Lapse Through December



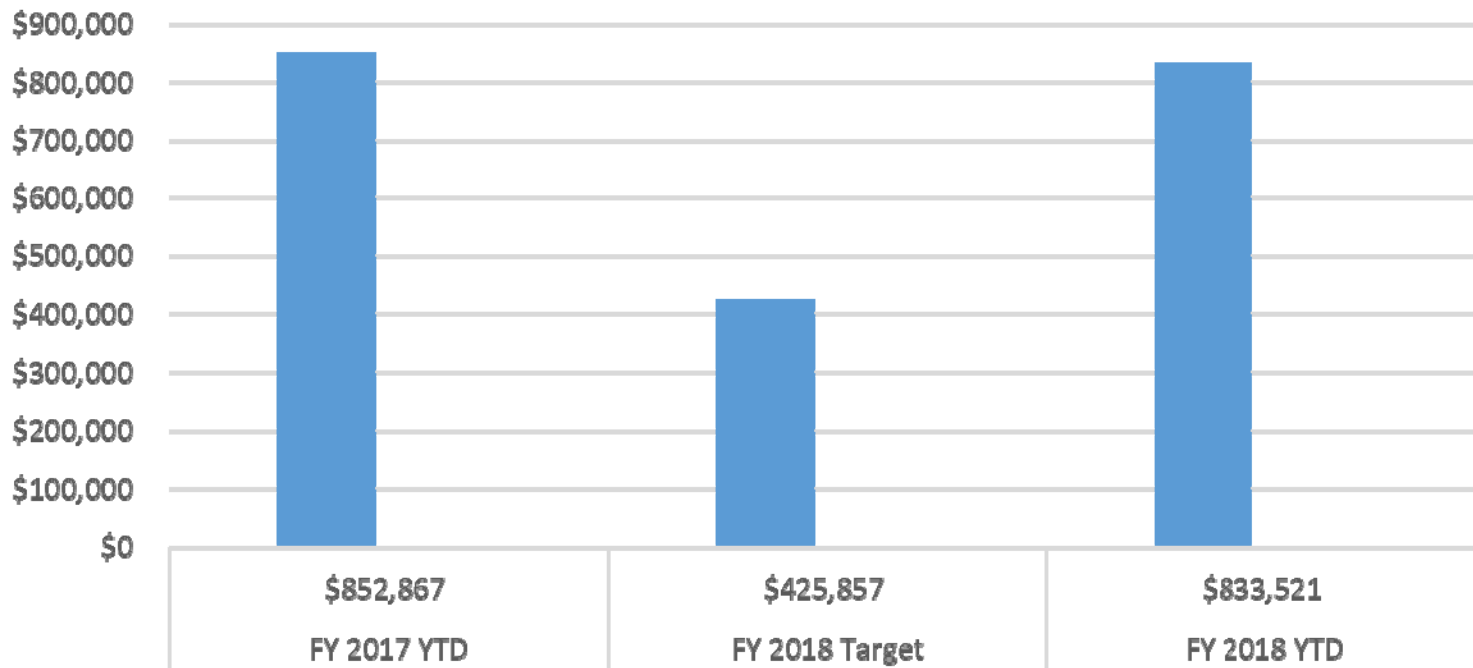
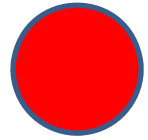
YTD expenditures are 2.29% or \$1.21 million below target.

Worker Compensation through December



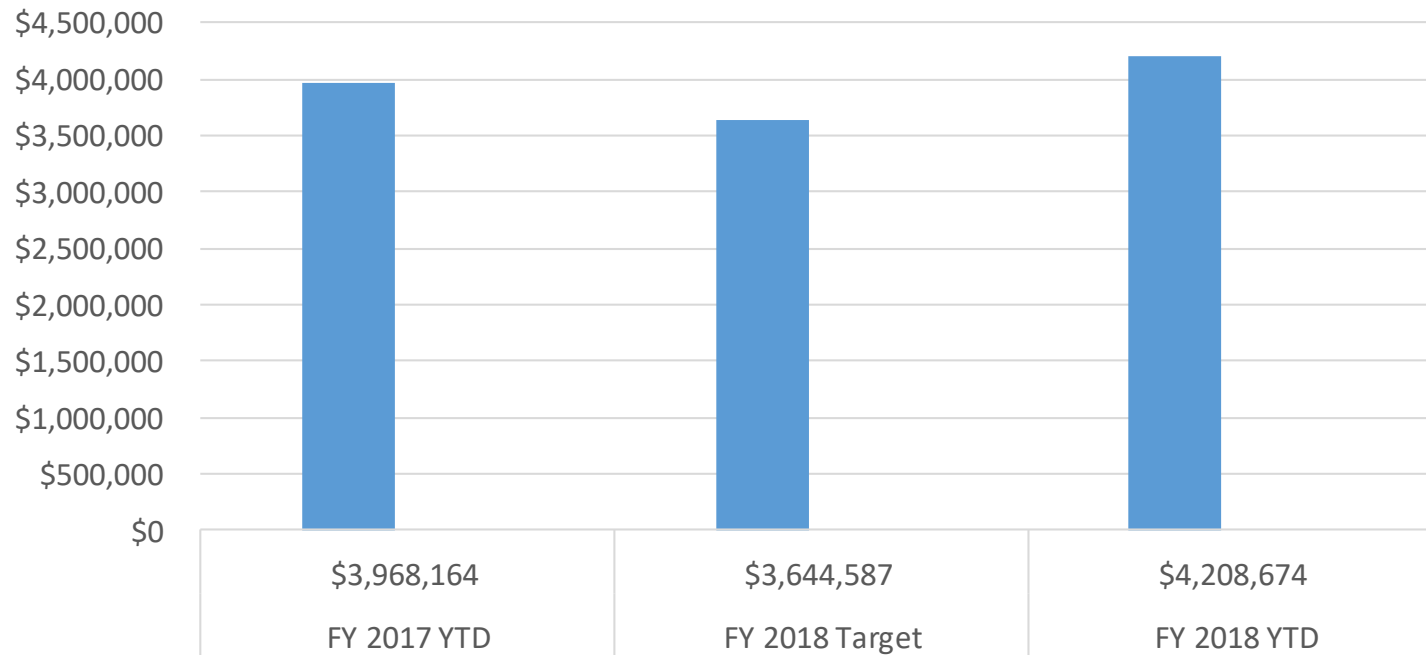
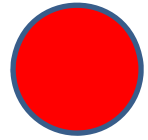
YTD expenditures are 63.7% or \$533k above target. YTD FY 2018 expenditures are 30.26% higher than prior YTD.

Public Safety Overtime Through December



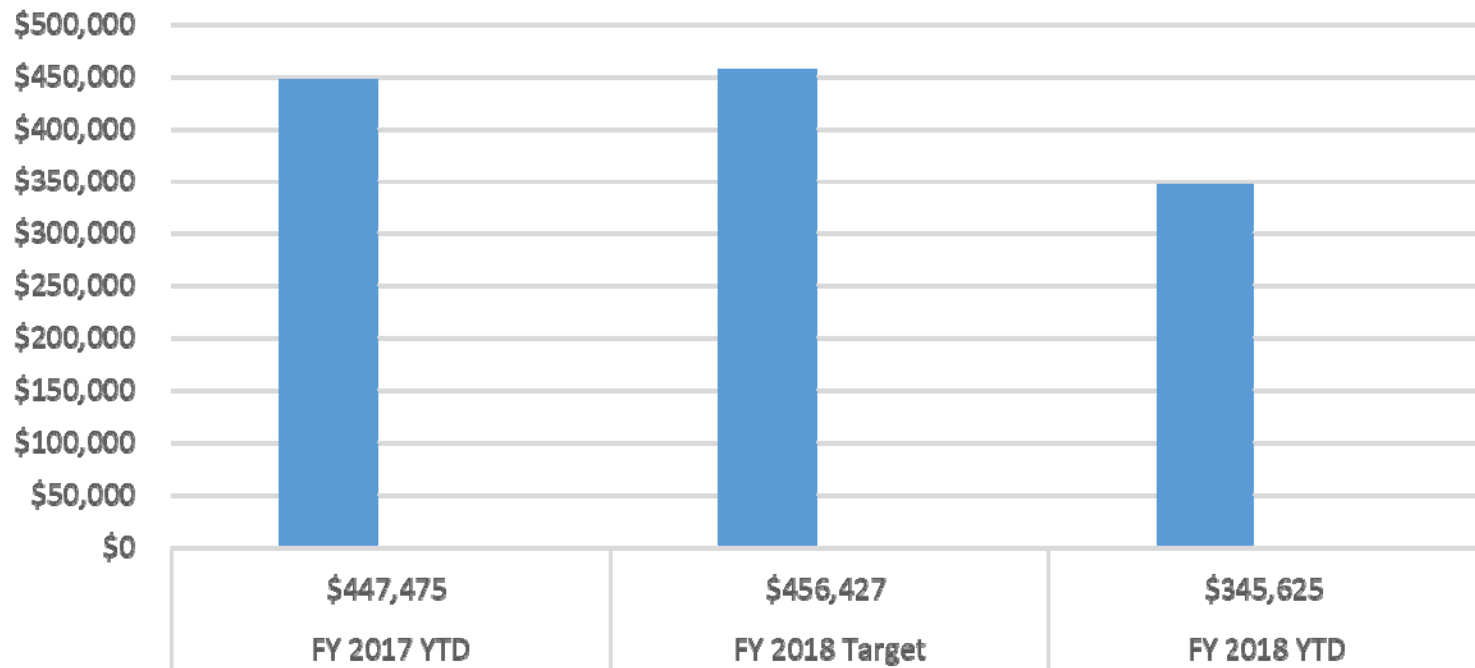
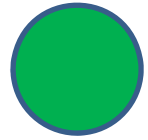
YTD expenditures are 95.73% or \$407,664 above target. Higher expenditures driven by Sheriff's Department inmate transport requirements and Peak Time Ambulance staffing.

Children's Services Act (CSA) through December



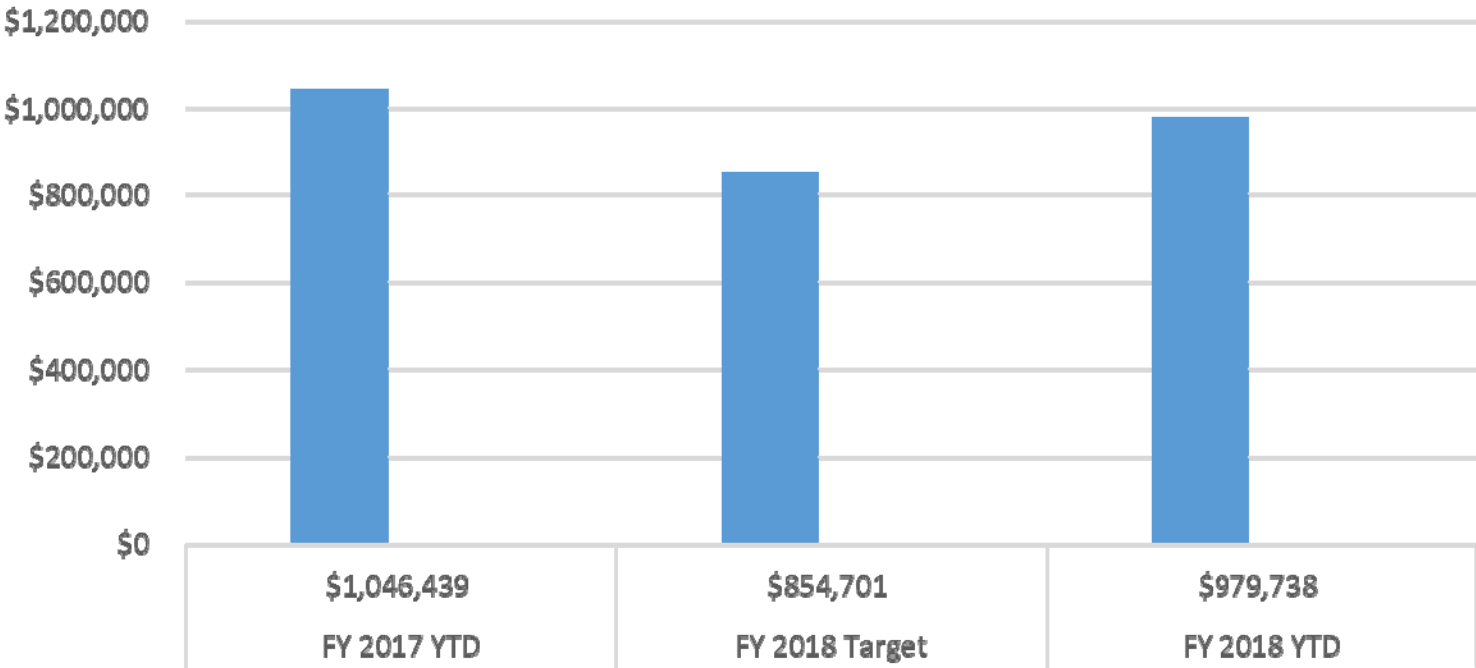
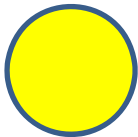
YTD expenses are 15.4% or \$564,087 above target. There are currently 249 children in foster care.

Residential Juvenile Detention through December

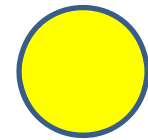


YTD expenses are 24.28% or \$110,802 below target.

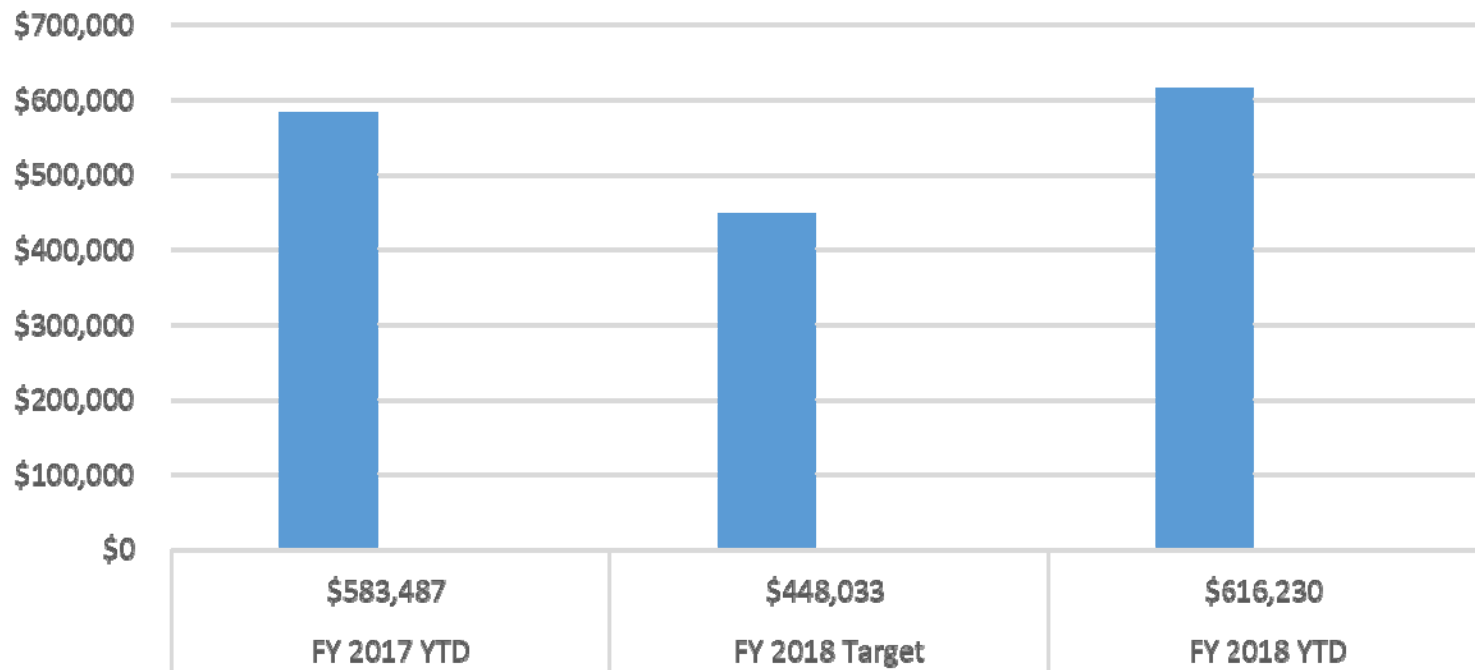
Solid Waste Tipping Fees through December



YTD costs are 14.6% or \$125,037 above target.

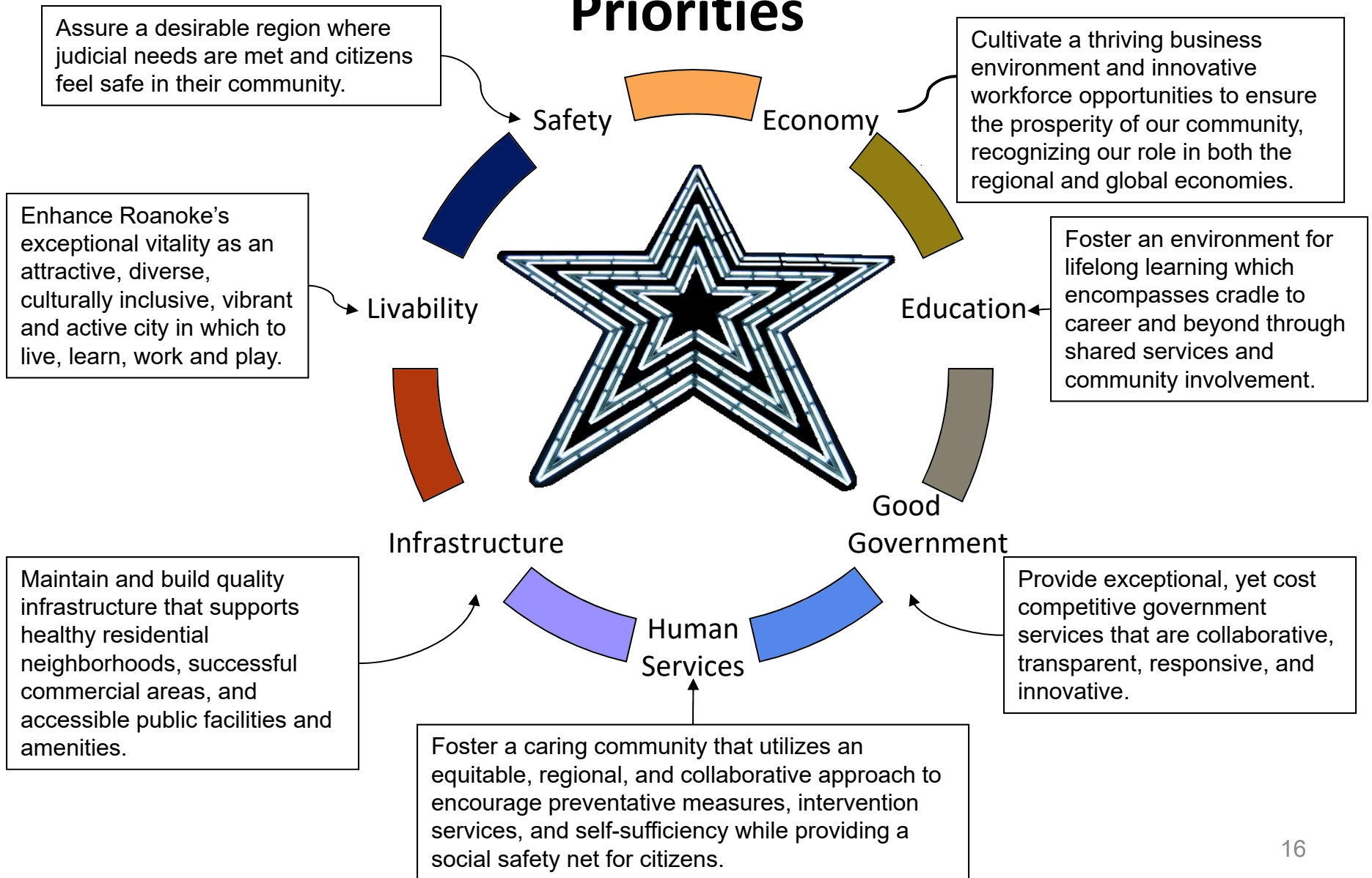


Fleet Parts through December



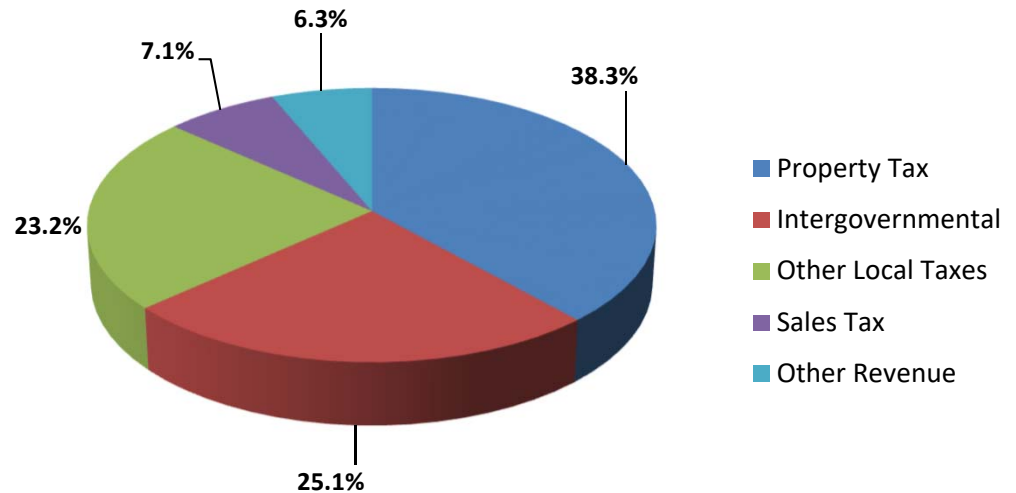
FY18 YTD costs are 37.5% or \$168,196 above target.

City of Roanoke Priorities



Price of Government Revenue Estimate by Major Category Fiscal Year 2019

Property Tax	110,388,120
Intergovernmental	72,299,500
Other Local Taxes	66,873,480
Sales Tax	20,502,000
Other Revenue	18,158,900
Total	288,222,000
	\$ 288,222,000



Increase of 1.9% when comparing the FY19 estimate to the FY18 Adopted Budget

Price of Government

Projected Revenue by Major Category

Fiscal Year 2019

	FY 2018 Adopted	FY 2019 Preliminary Estimate	Increase/ (Decline) From FY 2018 Adopted	Increase/ (Decrease)
Real Estate Tax	84,000,000	86,483,120	2,483,120	3.0%
Personal Property Tax	23,941,000	23,905,000	(36,000)	(0.2%)
Sales Tax	20,100,000	20,502,000	402,000	2.0%
Prepared Food and Beverage Tax	16,218,000	16,461,280	243,280	1.5%
Business License Tax	12,844,000	12,829,000	(15,000)	(0.1%)
Transient Occupancy Tax	4,300,000	4,400,000	100,000	2.3%
Other Local Taxes	32,579,000	33,183,200	604,200	1.9%
Permits Fees and Licenses	911,000	899,300	(11,700)	(1.3%)
Fines and Forfeitures	1,027,000	1,025,000	(2,000)	(0.2%)
Revenue from Use of Money/Property	216,000	291,000	75,000	34.7%
Health and Welfare Funding from Commonwealth	72,247,000	72,246,500	(500)	(0.0%)
Other Funding from Federal and State	53,000	53,000	-	0.0%
Charges for Services	12,860,000	14,459,500	1,599,500	12.4%
Other Revenues	1,489,000	1,484,100	(4,900)	(0.3%)
Total General Fund Revenues	282,785,000	288,222,000	5,437,000	1.9%

Net FY2019 Local Tax Growth

Local Tax Revenue Growth	\$3,781,600
RCPS share	(\$1,358,940)
CVB share of Lodging Tax	(\$37,500)
District Taxes share	(\$28,700)
NET IMPACT	\$2,356,460

Dates to Watch for Refinement of Local Tax Estimates (update)

- February 2nd – appeal period ends for real estate
- Late Feb – real estate estimate refined
- February – NADA data available for vehicular values; personal property estimate updated
- March 1st – Business license tax due date
- Mid March - BPOL estimate refined
- Early April – Commissioner of the Revenue releases personal property levy
- Mid April – personal property estimate finalized

Current Steps in Budget Development Process

- ✓ Recognition of approximately \$1M of known cost increases and planned 2% compensation increase
- ✓ Offers developed and submitted
- ✓ Inflationary cost increases and new supplementals submitted separately
- ✓ Non-essential costs separated by departments
- ✓ Analysts review at object code level by department
- ✓ Director teams currently reviewing all offers to rank and make funding recommendations
- ✓ Initial revenue estimate developed
- ✓ External agency requests submitted by January 25th being reviewed

Balancing Summary

Priority	Base Budget	Supplemental Requests	Total
Economy	1,564,482	396,184	1,960,666
Education	1,880,662	88,803	1,969,465
RCPS (40% of adjusted local taxes)	79,592,200	1,176,540	80,768,740
Good Government	18,063,292	594,621	18,657,913
Human Services	37,623,979	779,232	38,403,211
Infrastructure	23,618,798	716,957	24,335,755
Livability	15,684,158	800,607	16,484,765
Safety	67,506,676	2,778,965	70,285,641
Outside Agencies (base does not yet reflect any reductions)	8,804,474	407,175	9,211,649
Reserved Allocations	26,952,426	2,871,348	29,823,774
TOTALS:	\$281,291,147	\$10,610,432	\$291,901,579
Price of Government			\$288,222,000
Variance			(\$3,679,579)

FY19 One-Time Requests

Priority	
Economy	-
Education	\$ 32,000
Good Government	30,507
Human Services	-
Infrastructure	53,000
Livability	71,362
Safety	812,647
Outside Agencies	-
Reserved Allocations	-
TOTALS:	\$999,516

Next Steps

- Budget Staff, Director and Budget Committee Reviews
- Council Briefing – March 5, 2018
 - Price of Government update
 - Offers by Priority
 - External Partners
 - Capital Planning
 - 5 Year Operating Planning

Capital Project Planning

- Maintain Current Capital Assets and Infrastructure Investment for Livability and Economic Development
 - Bridge Program
 - 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.

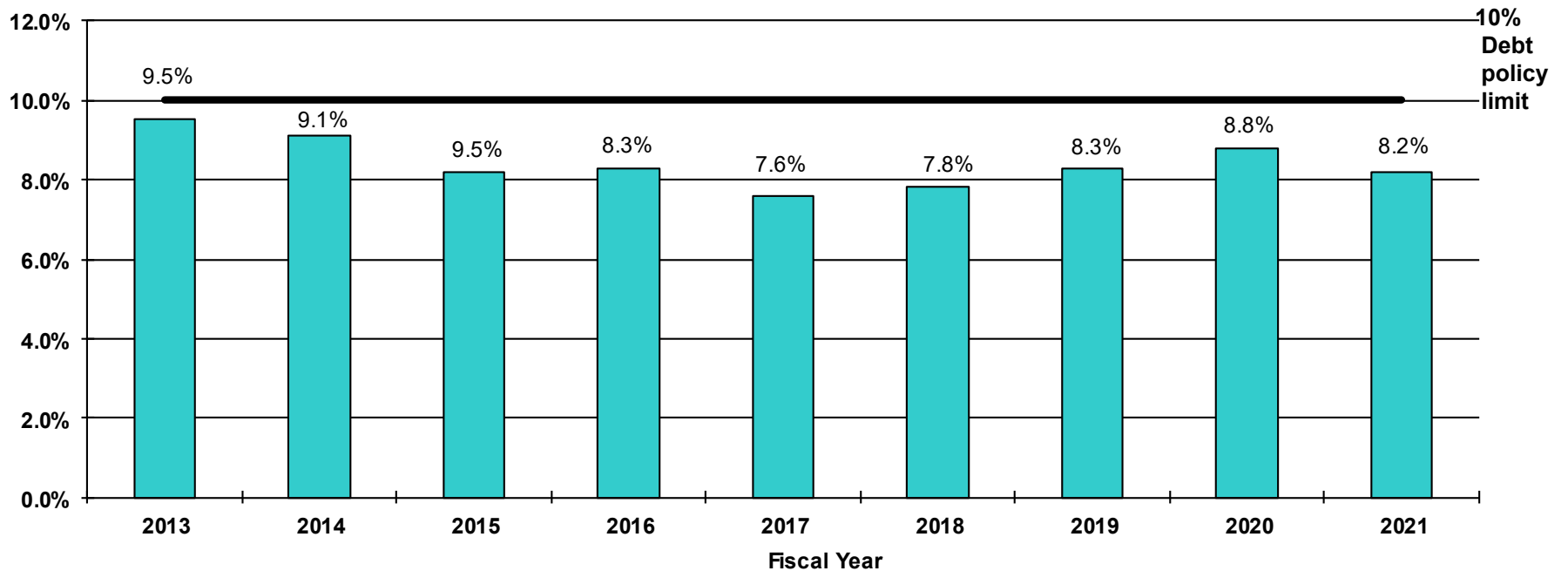
Current Debt Issuance Plan

FY 2018-2022

Project	2018	2019	2020	2021	2022	Total
RCPS	\$12,700,000	\$12,700,000	\$5,000,000	\$5,000,000	\$5,000,000	\$40,400,000
Bridge Renovation				11,000,000	11,000,000	22,000,000
Library Master Plan	4,156,000	670,000	500,000	5,310,000	2,399,000	13,035,000
P&R Master Plan	2,500,000	2,500,000	1,000,000	1,000,000	1,000,000	8,000,000
Civic Center	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	7,000,000
Stormwater Management	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Curb, Gutter and Sidewalk	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Streetscapes Improvements		500,000	500,000	500,000	500,000	2,000,000
Fire Facility Master Plan	375,000	5,025,000			645,000	6,045,000
Fire/EMS Airpacks	1,400,000					1,400,000
911 Center		7,500,000				7,500,000
Street Improvements	700,000					700,000
RCIT Improvements	600,000	900,000				1,500,000
Passenger Rail					2,500,000	2,500,000
Fleet Capital Replacements	3,500,000	1,700,000	1,600,000	600,000	600,000	8,000,000
Technology Capital	1,775,000	2,160,000	1,545,000			5,480,000
	32,206,000	38,655,000	15,145,000	28,410,000	28,644,000	143,060,000

- Adding \$250,000 each year to have sufficient debt service funding for current CIP

Debt Service as a % of Total Expenditures



- Assumes 0% increase in operating expenditures FY 2019 through 2022 using FY 2018 projected expenditures as the base year
- Includes planned Debt Issuance FY 2018 through 2022

FY 2019-2023 CIP Needs

Project	2019	2020	2021	2022	2023	Total
RCPS	\$12,700,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$32,700,000
Bridge Renovation			11,000,000	11,000,000		22,000,000
Library Master Plan	670,000	500,000	5,310,000	2,399,000		8,879,000
P&R Master Plan	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	6,500,000
Civic Center	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Stormwater Management	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Curb, Gutter and Sidewalk	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Streetscapes Improvements	500,000	500,000	500,000	500,000	500,000	2,500,000
Fire Facility Master Plan	5,025,000			645,000		5,670,000
Fire/EMS Airpacks						0
911 Center	7,500,000					7,500,000
Street Improvements						0
RCIT Improvements	900,000					900,000
Passenger Rail				2,500,000		2,500,000
Fleet Capital Replacements	1,700,000	1,600,000	600,000	600,000		4,500,000
Technology Capital	2,160,000	1,545,000				3,705,000
	38,655,000	15,145,000	28,410,000	28,644,000	11,500,000	122,354,000

Existing Projects Requiring Additional Funding

- Fire Facility Master Plan
 - Station #2 - \$7.86 million for construction and property acquisition
- Technology – Radio Replacements
 - Additional funding of \$500,000 in 2021
- Passenger Rail
 - Initial estimate based on Amtrak requirements
 - Updated cost estimate for multi-modal station - \$11.1 million
 - Existing funding - \$1.5 million
 - Planned Debt Issuance - \$2.5 million
 - Remaining funding need - \$7.1 million
- Fleet Capital Replacements
 - Multi-year approach for Solid Waste and Fire-EMS vehicular replacements – FY 2023 - \$900,000
- Parks and Recreation
 - Tinker Creek - \$2.1 million
 - Revenue sharing application of \$2.1 million
 - Bridge the Gap – Roanoke River - \$1.5 million
 - Revenue sharing application of \$1.5 million

Projects Not Funded

- Public Works Service Center
 - \$5.3 million with \$0.9 million for Stormwater Utility
- Capital Building Maintenance
 - \$1 million per year to support capital building improvements
- Downtown Master Plan
- Williamson Road Street Improvements
 - Additional stakeholder outreach to be done by WRABA

Projects Identified but Not Programmed

- Market Square Pedestrian Bridge
- Parking Garage
 - FY 2019 or FY 2020

Potential FY 2019 Capital Projects (Cash Funded)

Project	Amount
Bridge Maintenance	440,131
Virginia Museum of Transportation (5 th of 5 allocations)	100,000
Jefferson Center (5 th of 5 allocations)	100,000
TOTALS	\$640,131

Next Steps

- March 5th:
 - Follow-Up Information
 - Update on Capital Project Planning
 - Financial Policies