

**City Council – Budget Study
FY 2018-2019**

Monday, May 7, 2018



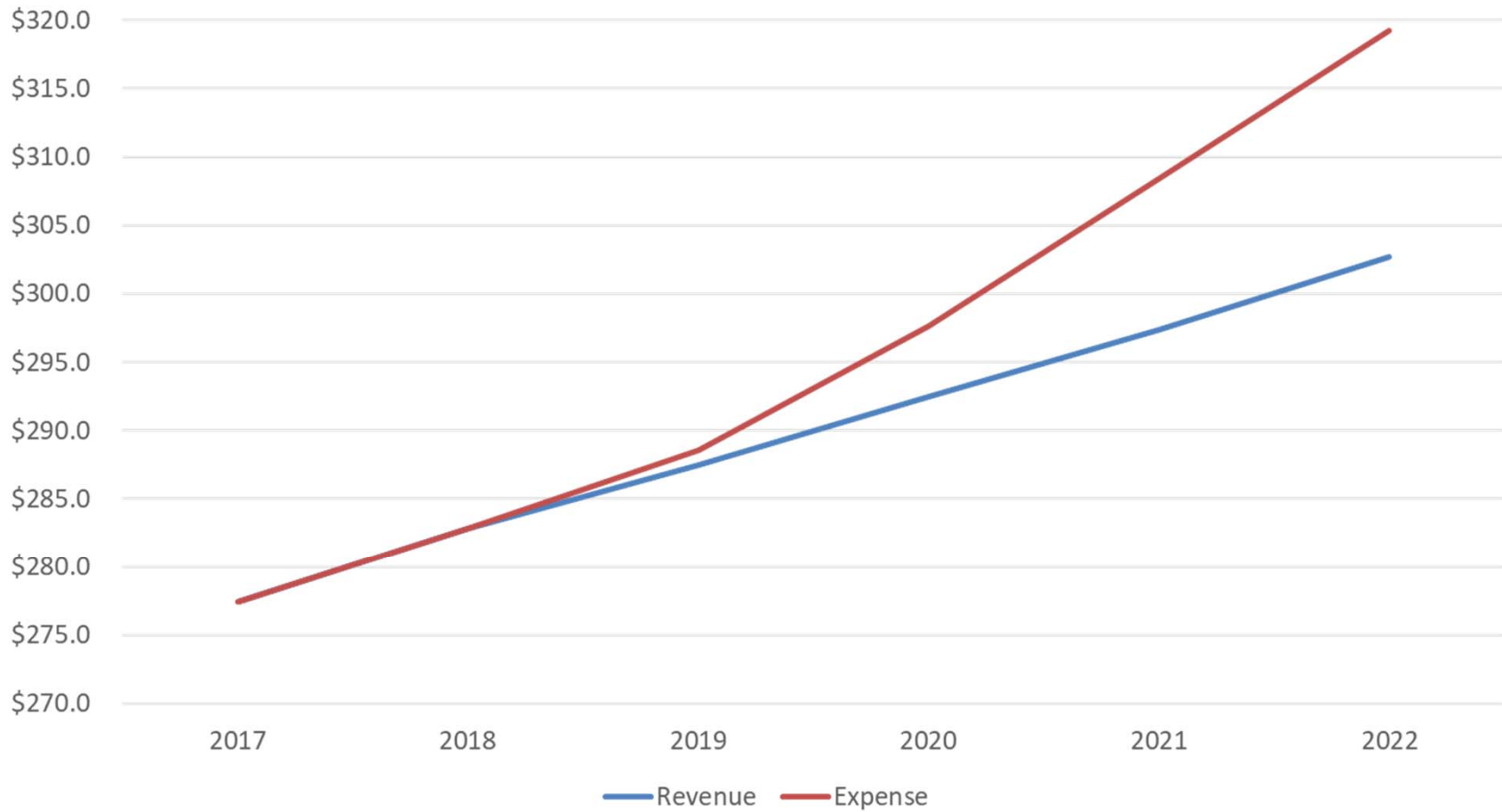
Agenda

- FY 2019 Recommended Budget Summary
- Five Year Operating Model
- Budget Adoption Order
- Looking Forward

FY 2019 Recommended Budget Summary

- Balanced at \$291,699,000
 - Increase of \$8.9 million or 3.15% over adopted FY 2018
- Local tax growth of 2.5%
- EMS Fees increase to reflect increase in Medicaid reimbursement
- Roanoke City Public Schools - \$81,246,526
 - Increase of \$1,654,326 over adopted FY 2018 allocation
- Includes funding for strategic initiatives in all priority areas, compensation and inflationary cost adjustments
- One-Time funding - \$1,640,559 for capital items

Prior Five-Year Operating Model

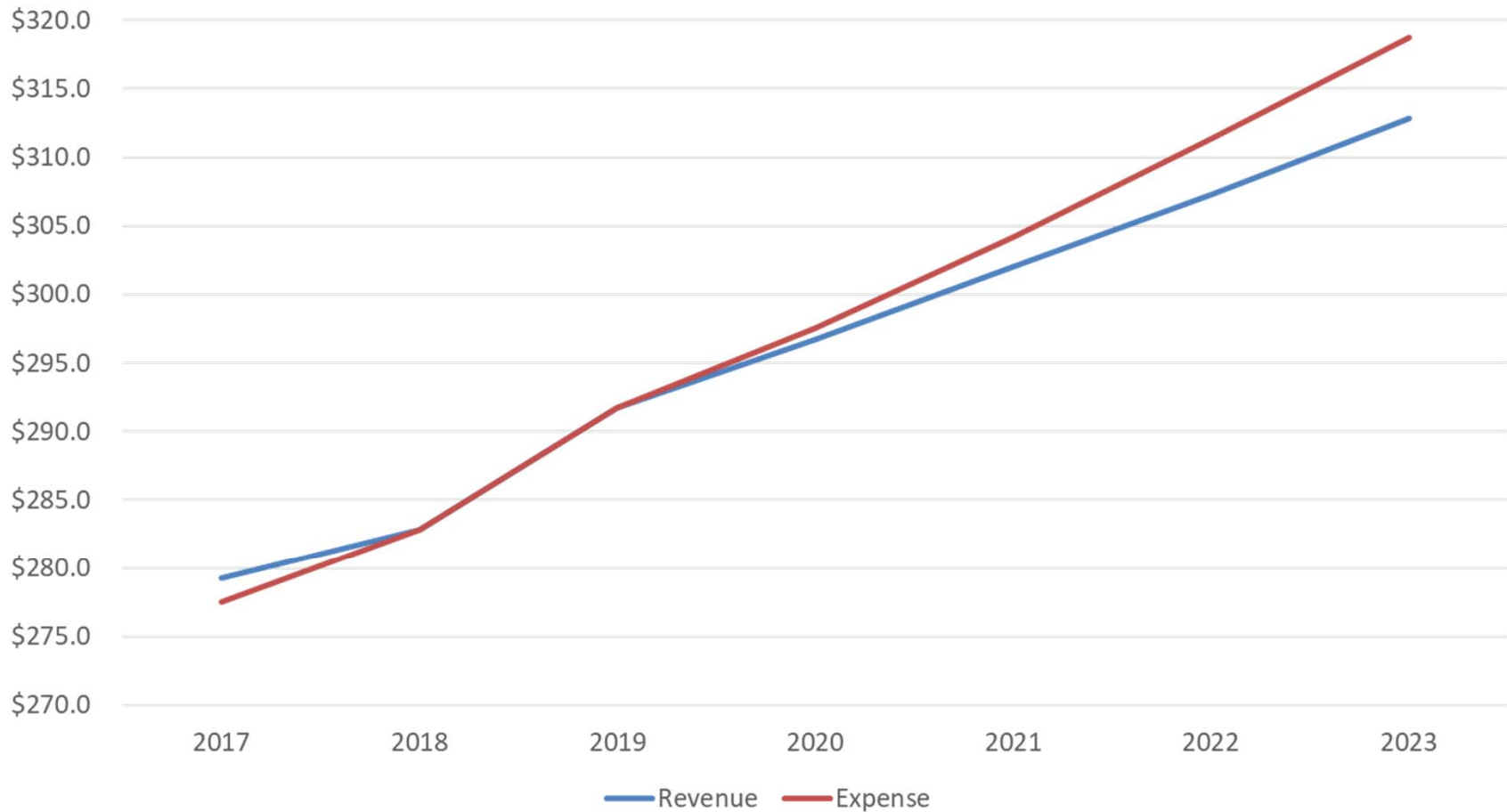


(millions)	2017	2018	2019	2020	2021	2022
Revenue	\$277.4	\$282.8	\$287.5	\$292.5	\$297.4	\$302.7
Expense	277.4	282.8	288.6	297.6	308.4	319.4
Variance	0.00	0.00	(1.1)	(5.1)	(11.0)	(16.5)

Assumptions:

- Real Estate Tax Growth – 1%-2% in FY 19-22
- Personal Property Tax Growth – 2% in FY 19-22
- Prepared Food and Beverage Tax Growth – 1% in FY 19-22
- All Other Revenue Growth – 2% in FY 19-22
- Operating Expenditure Growth – 1.5%-2% in FY 19-22
- Salary Increases – 2% in FY 19-22

Revised Five-Year Operating Model



(millions)	2017	2018	2019	2020	2021	2022	2023
Revenue	\$279.3	\$282.8	\$291.7	\$296.7	\$302.0	\$307.3	\$312.8
Expense	277.5	282.8	291.7	297.5	304.2	311.3	318.7
Variance	1.8	0.0	0.0	(0.8)	(2.2)	(4.0)	(5.9)

Assumptions:

- Real Estate Tax Growth – 1.75% in FY 20, 2% in FY 21-23
- Personal Property Tax Growth – 1.75% in FY 20-23
- Prepared Food and Beverage Tax Growth – 1% in FY 20-23
- Most Other Revenue Growth – 2% in FY 20-23
- Operating Expenditure Growth – predominantly 2% in FY 20-23
- Salary Increases – 2% in FY 20-23

Budget Adoption Order

- Certification of Funding
- FY 2019 Amendment of Fee Compendium
- Amendment to School Funding Policy
- Budget Ordinance (General, Stormwater Utility, Civic Facilities, Parking, Risk Management, School General, School Food Services, Grant Funds, State Asset Sharing Program)
- Capital Improvement Program Update (FY 2019-2023)
- 2018-2019 HUD Annual Plan
- Pay Plan

Looking Forward

- July/August
 - Council Strategic Planning Retreat
 - 1 day retreat focused on identifying/refining strategic plan document
- September/October
 - Council Budget Planning Retreat
 - ½ day retreat focused on approving the Strategic Plan
 - FY 2018 and FY 2019 Revenue/Expense Update
 - FY 2020 budget development planning