

City Council Budget Planning Workshop

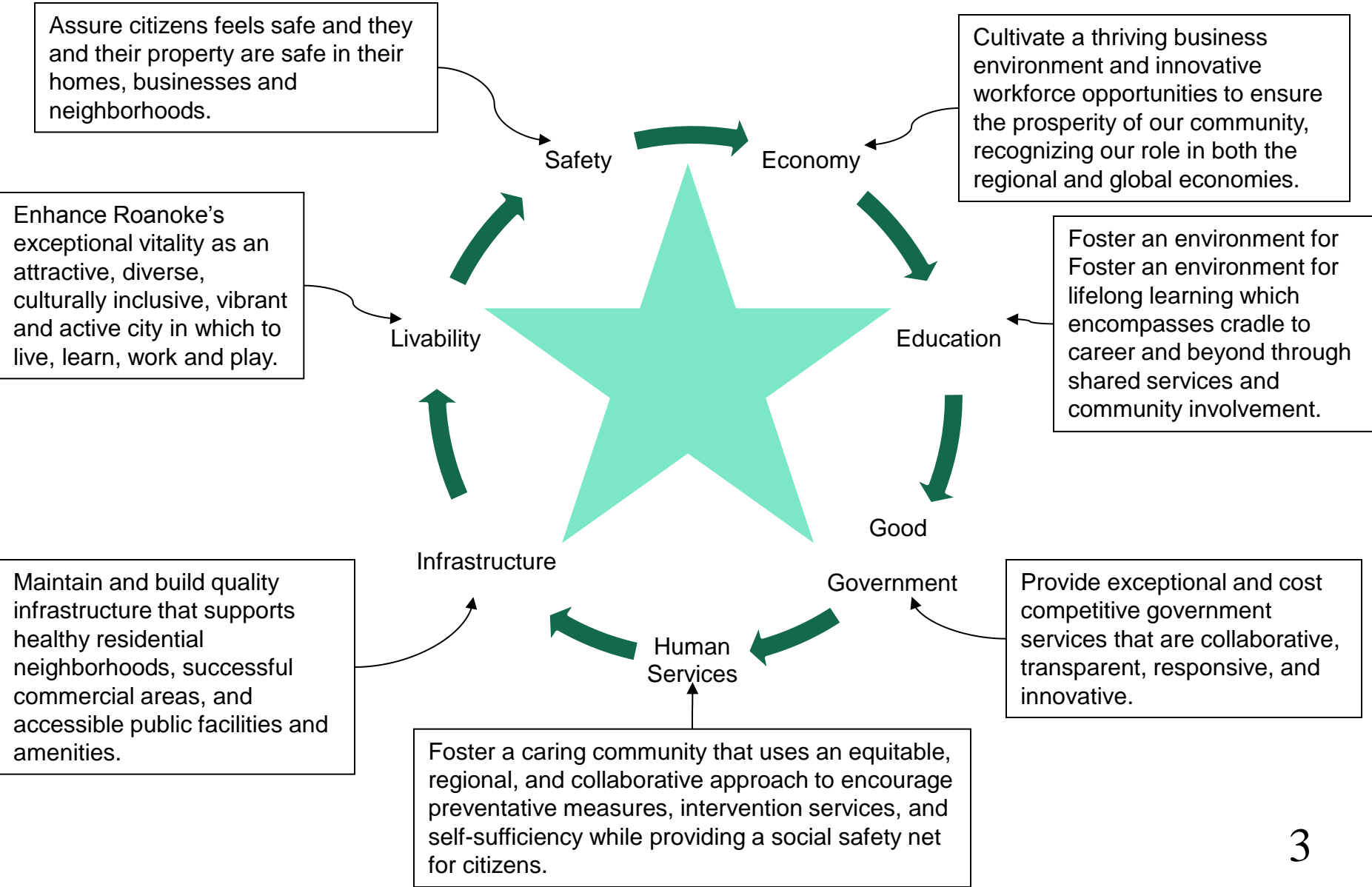
October 12, 2018
Raleigh Court Library
8:30 a.m. – 12:00 p.m.



Agenda

- Workshop Goals
- Strategic Plan
- FY 2018 Year End Status Update
- FY 2019 Highlights
- FY 2020 Strategic Approach

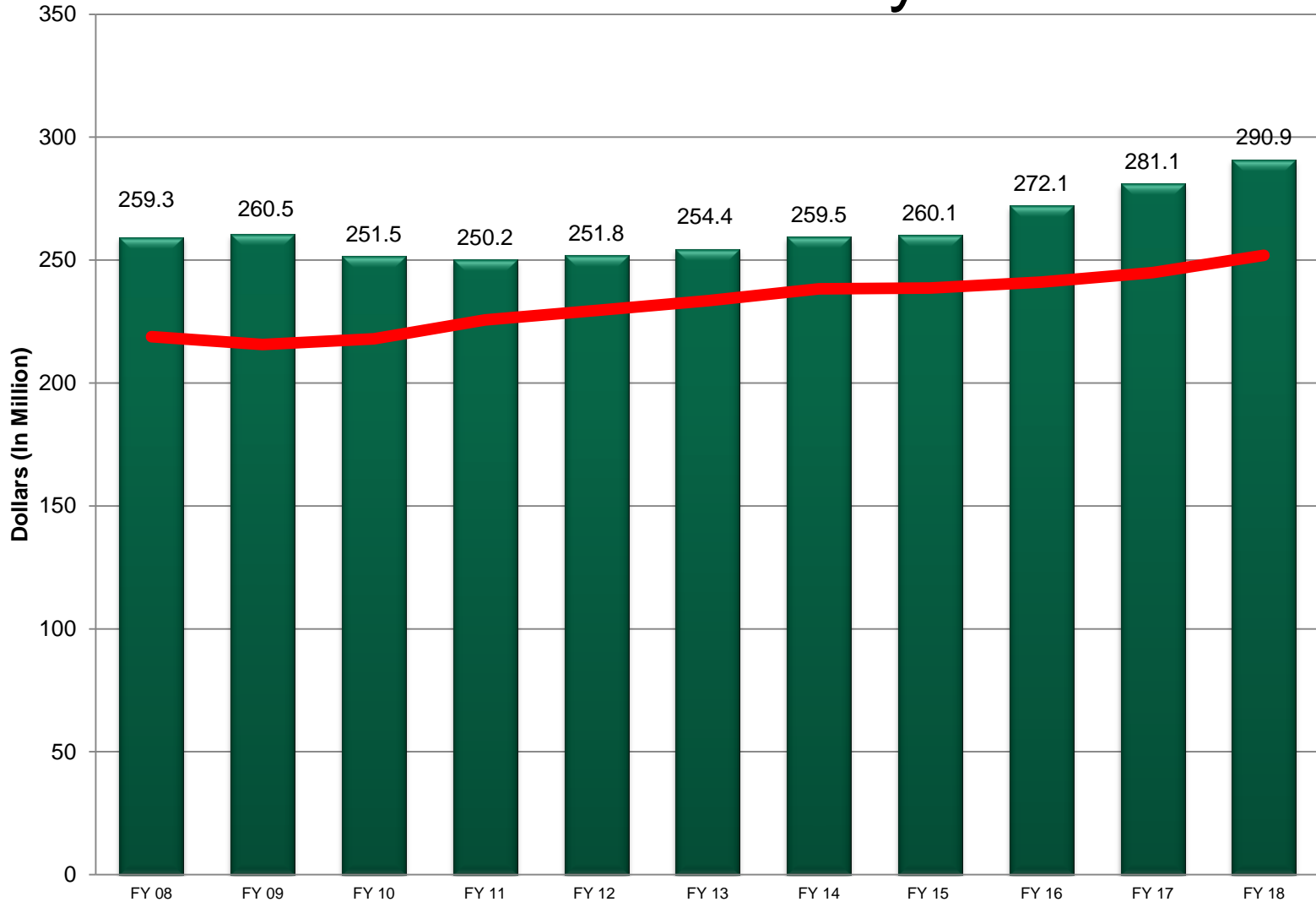
City of Roanoke Priorities



FY 18 Year End Status Update

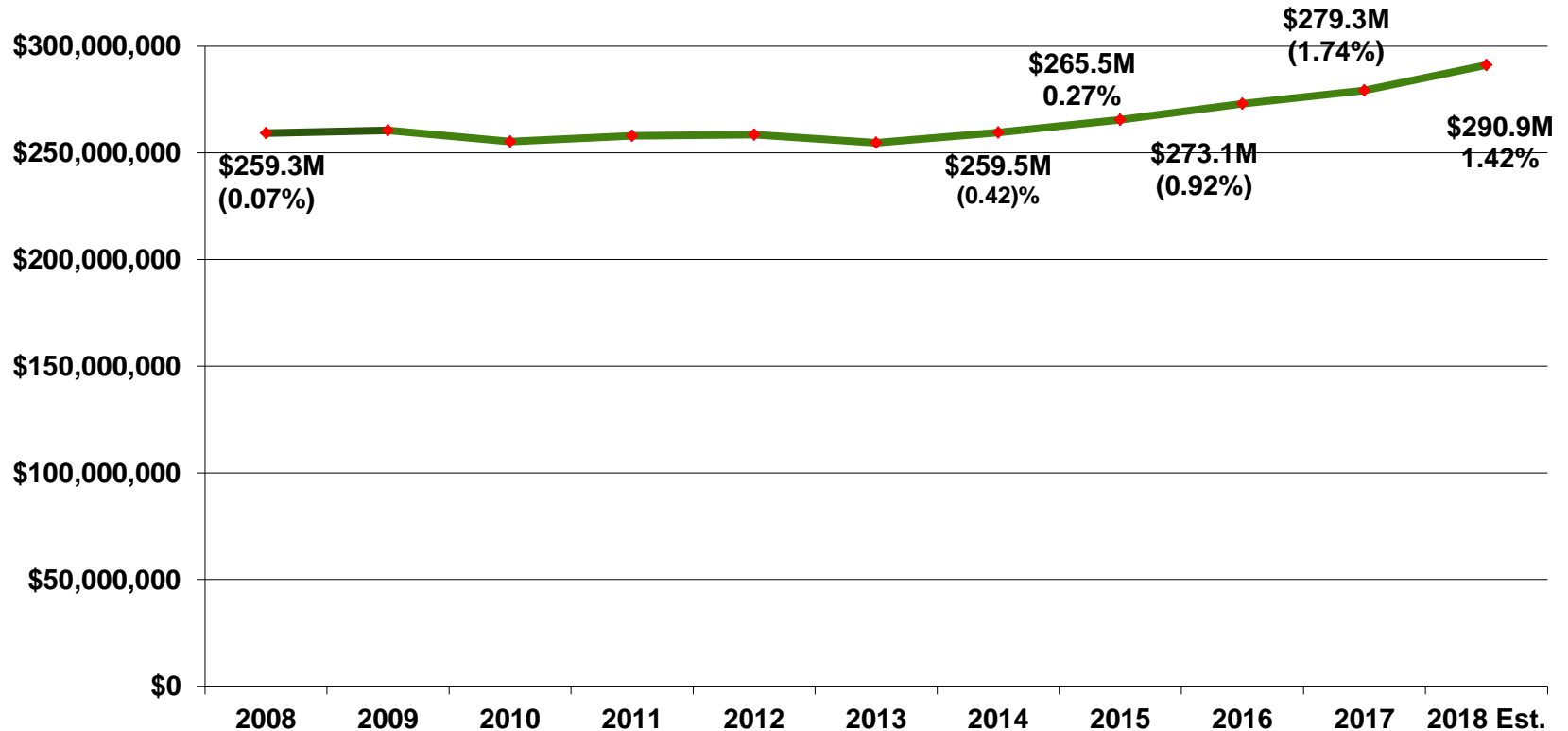
- Year end 13 revenue and expense adjustments being completed
- Remaining analysis of required contributions
 - RCPS
 - Unassigned Fund Balance
 - One-time capital
- Anticipated unaudited results to City Council in (November or December)

Revenue Performance by Fiscal Year

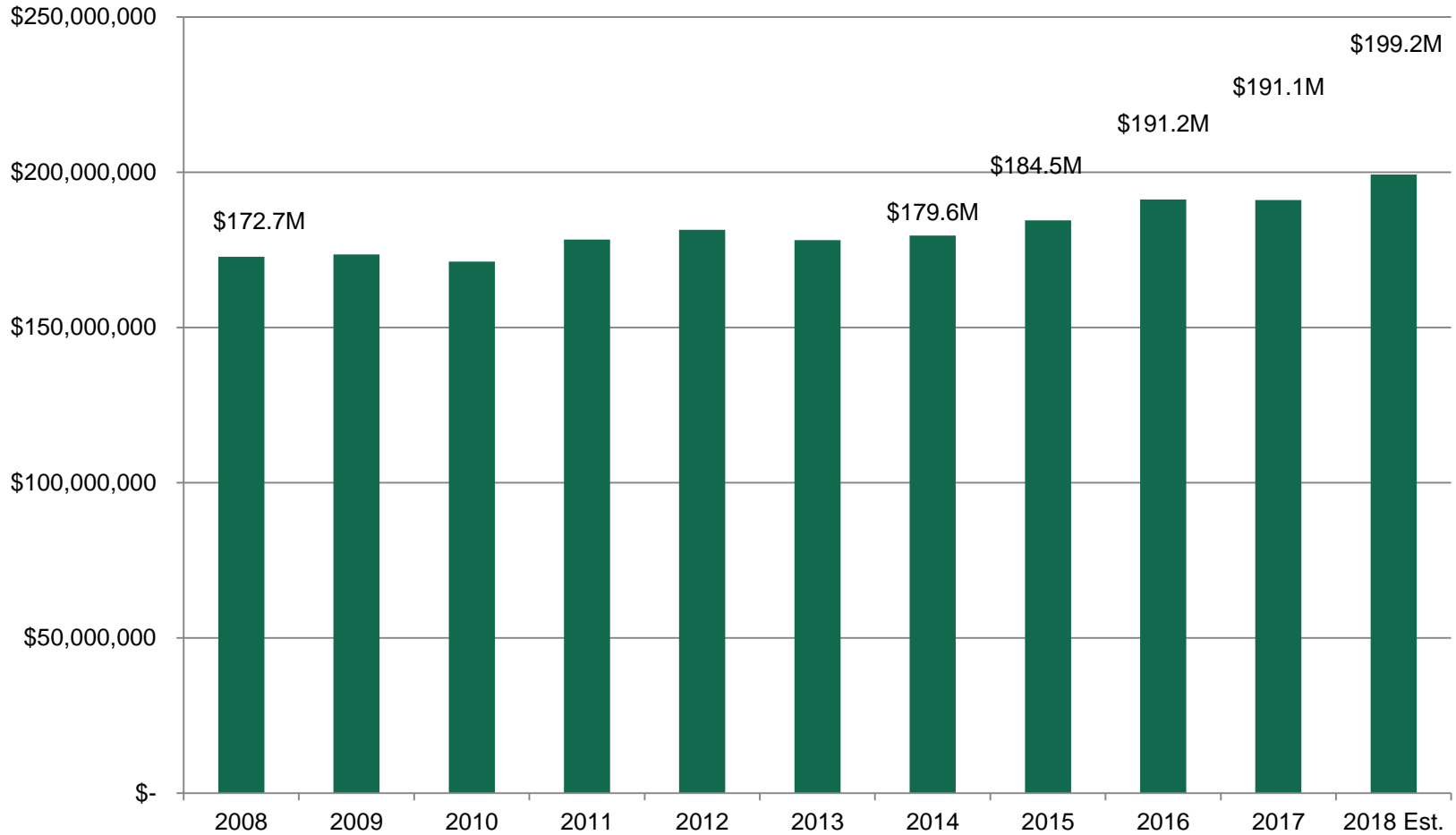


Net Present Value

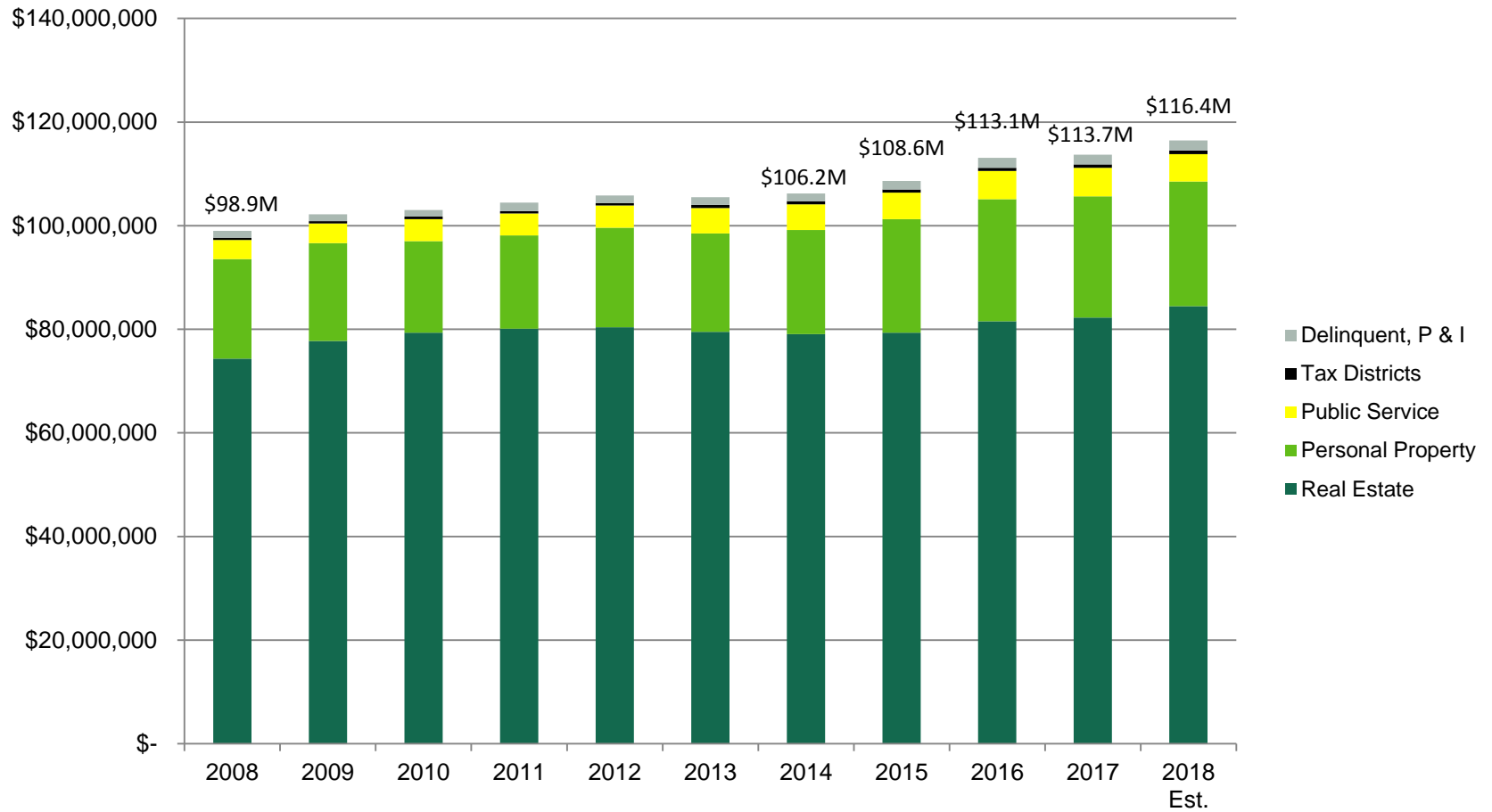
Revenue Performance to Budget



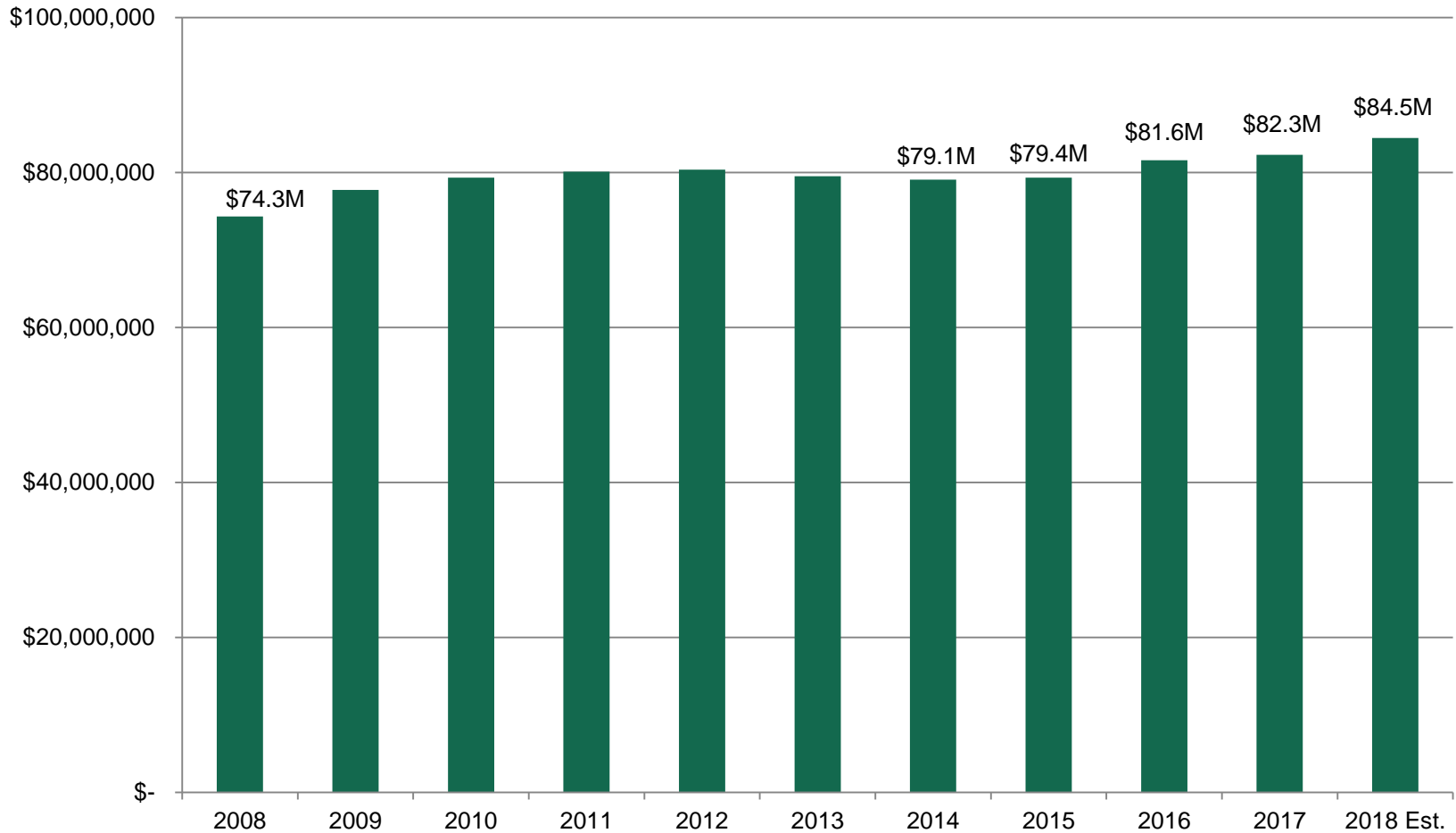
All Local Taxes



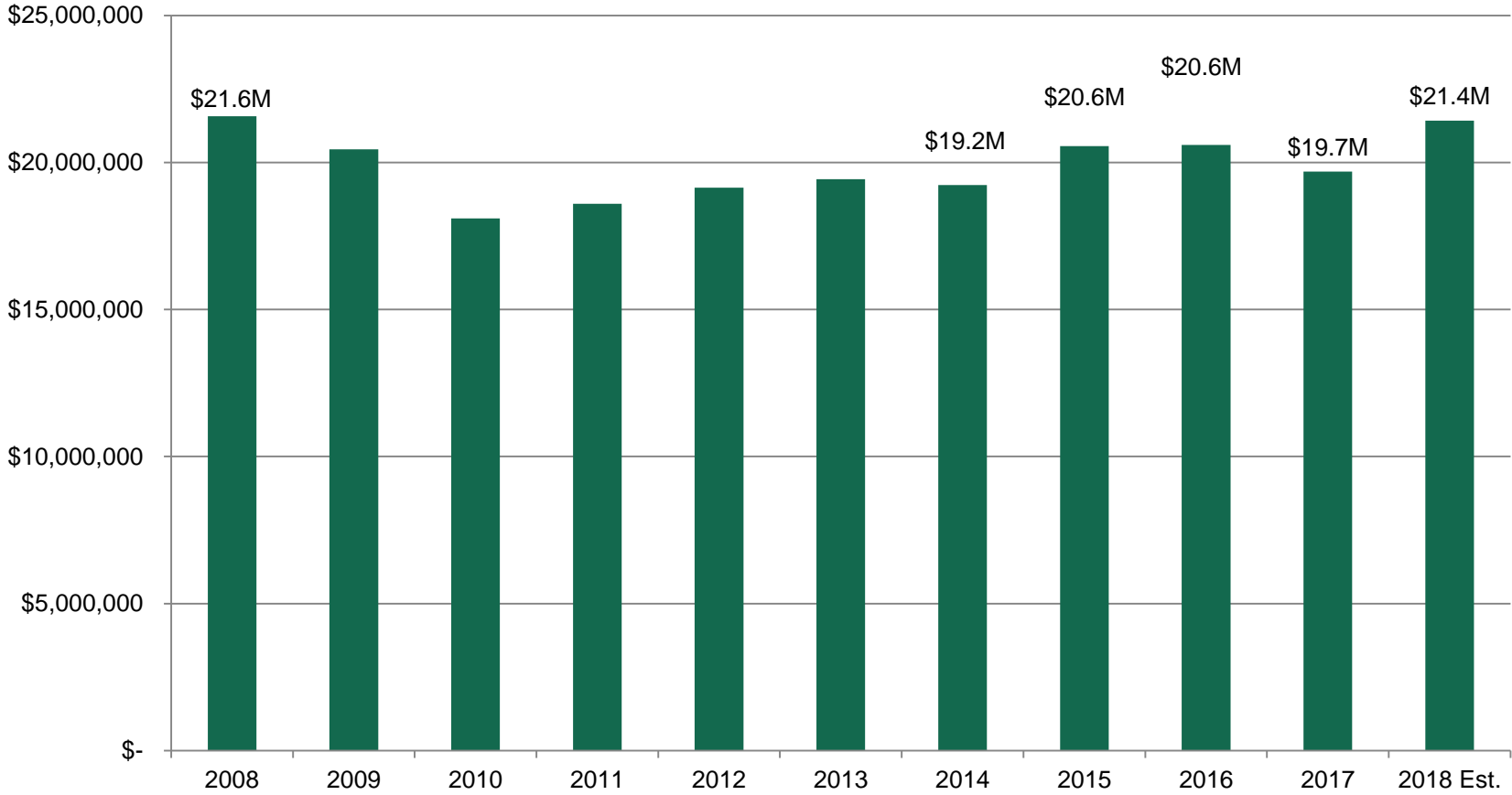
Property Tax Revenues



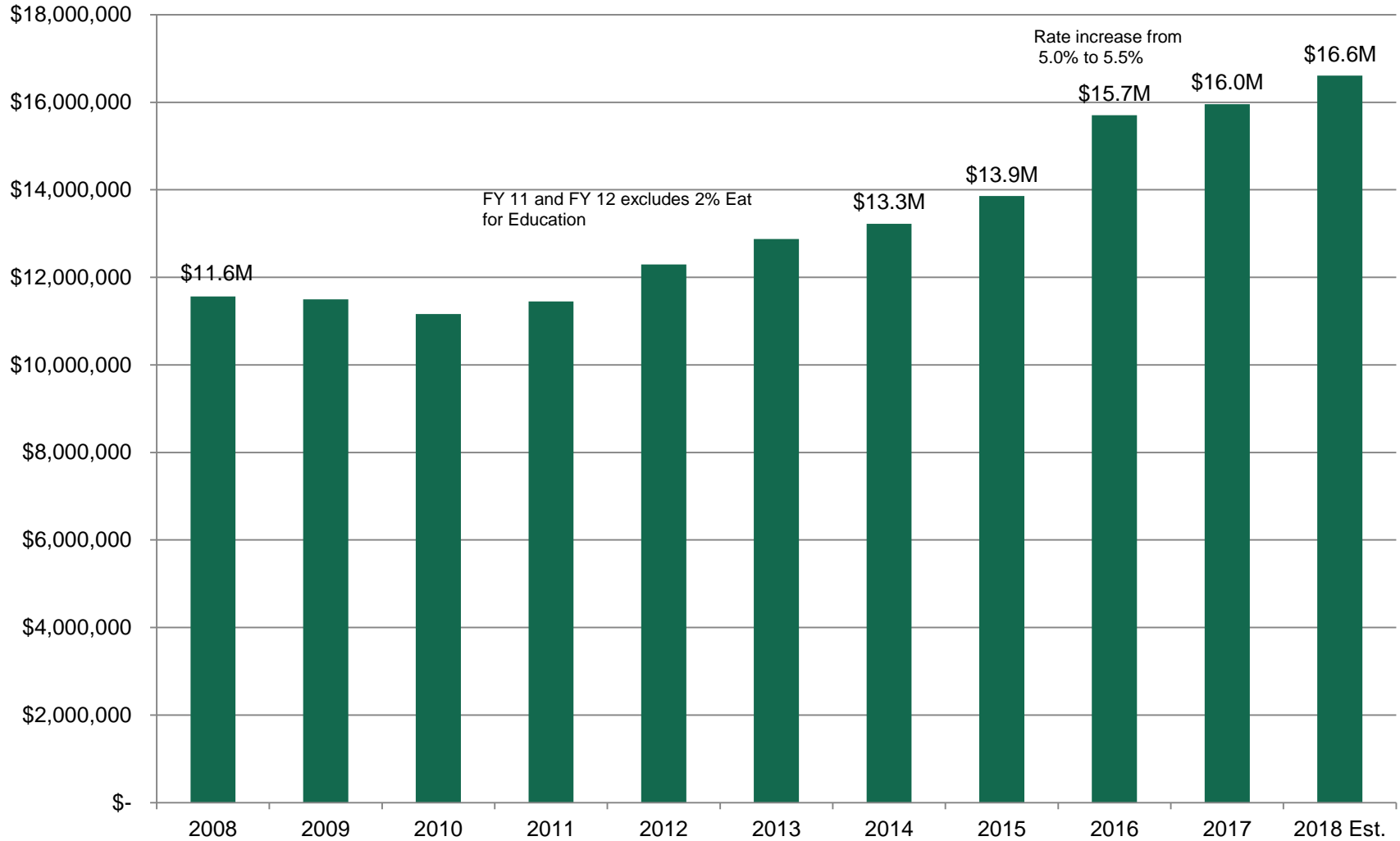
Real Estate Tax



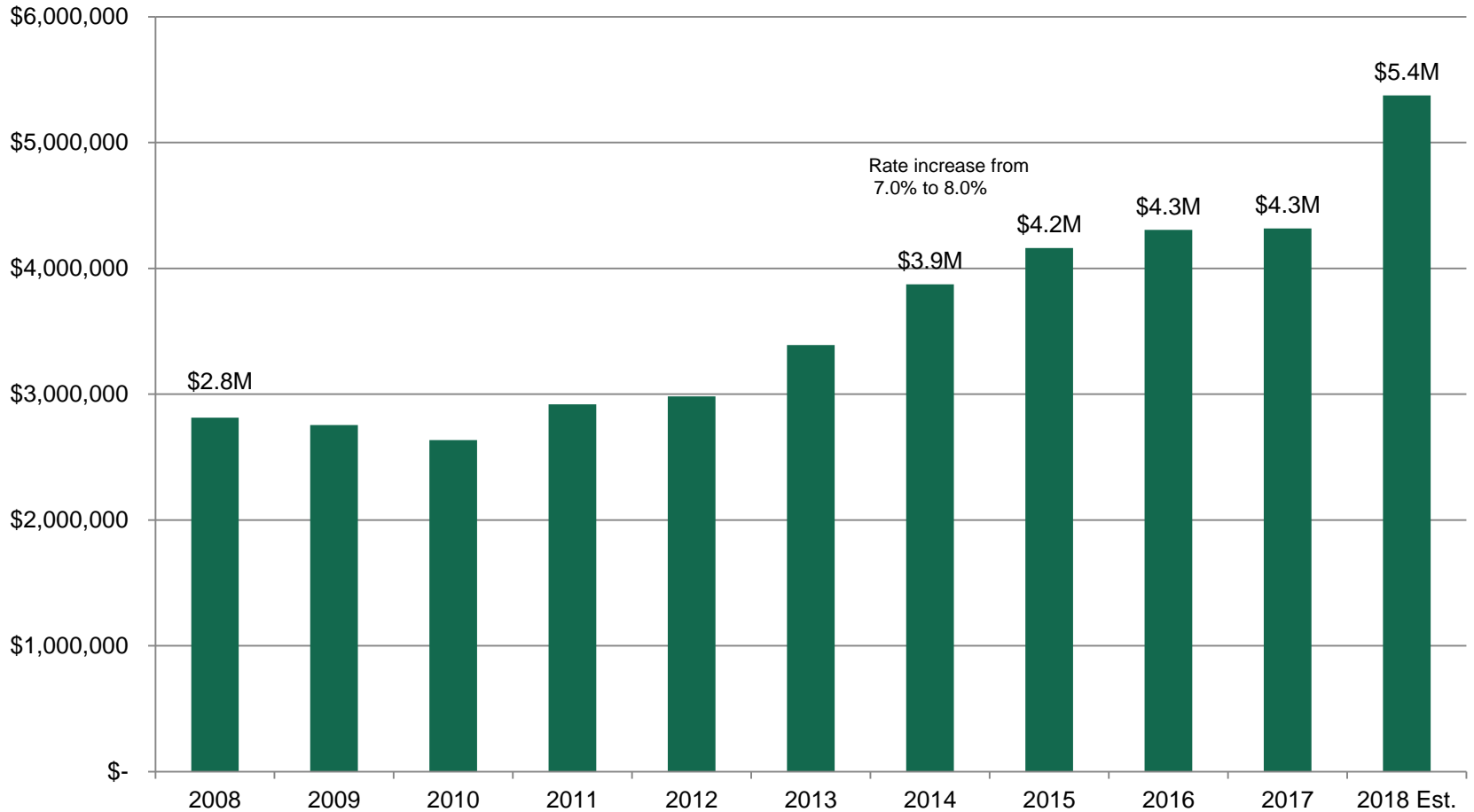
Sales Tax



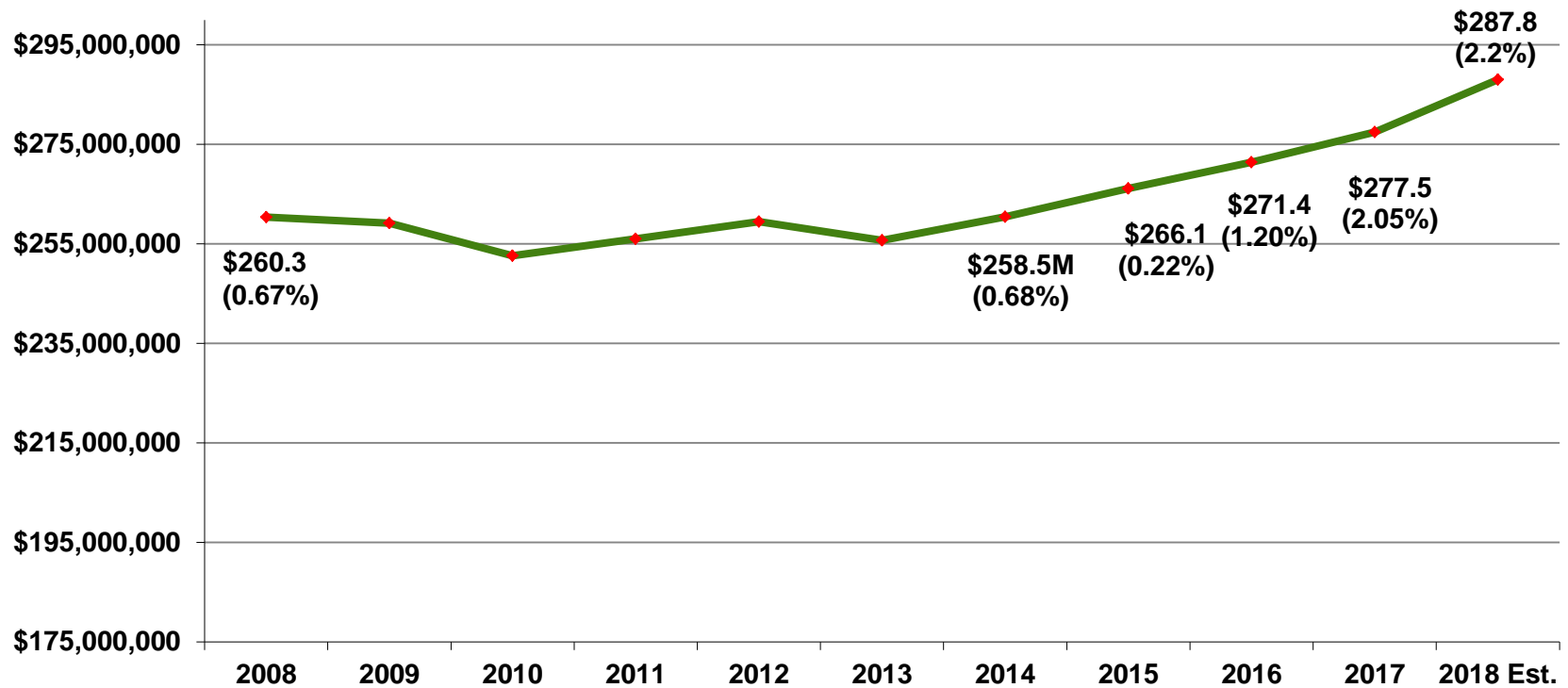
Meals Tax



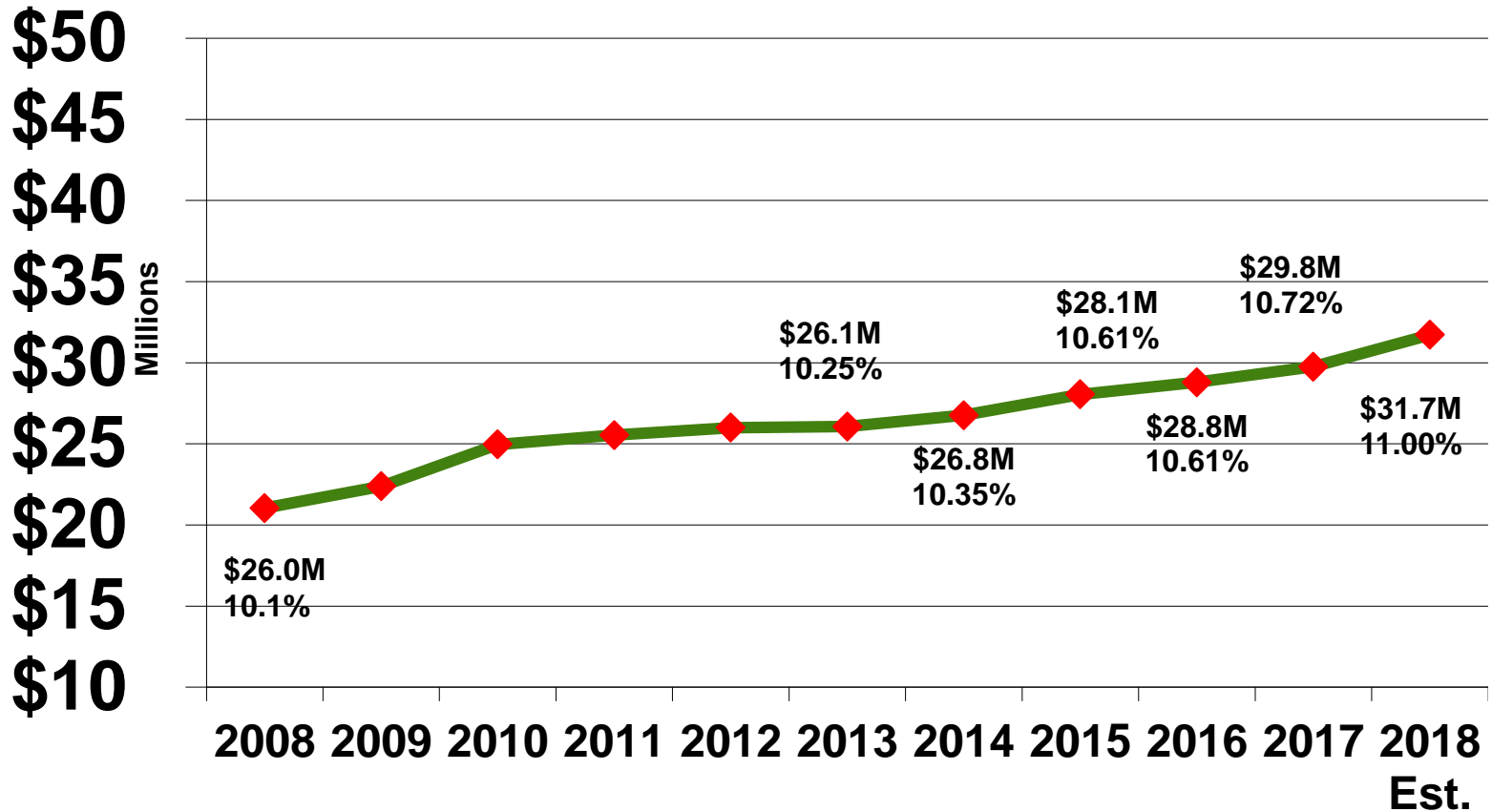
Lodging Tax



Expenditure Performance to Budget



Fund Balance



Performance Indicator Highlights

- Economy
 - Jobs in the City of Roanoke: down 1.5%
 - Average Wage in the City of Roanoke: up 1.5%
 - Changes in occupancy/vacancy rates, absorption rate and rental rates: up 1%
 - Number of hotel stays: up 5.8%
- Education
 - All schools accredited
 - Graduation Rates up 0.3%, now 90%
 - Number of participants in adult learning programs: up 31.7%
- Good Government
 - Maintained number of accredited departments at 7
 - Employee turnover rate: decreased by 5.34%
 - Social media:
 - Website visits: 920,642
 - Pageviews: 2,206,731
 - Downloads: 468,721

Performance Indicator Highlights (continued)

- Human Services
 - Unemployment Rate: decreased 1.1%
 - SNAP recipients: increased 7.8%
 - TANF recipients: increased 9.6%
- Infrastructure
 - Bridge inventory rated structurally deficient: decreased 1.5% to 0%
- Livability
 - Blighted properties: decreased by 6.1%
 - Code violations: increased by 0.08%
 - Increase in number of new building starts: increased by 106.1%
 - Number of regional and national publications recognizing Roanoke: increased by 17.8%
- Safety
 - Part I crimes report per 1,000 population: increased 5.8%
 - Fire-EMS met response time targets

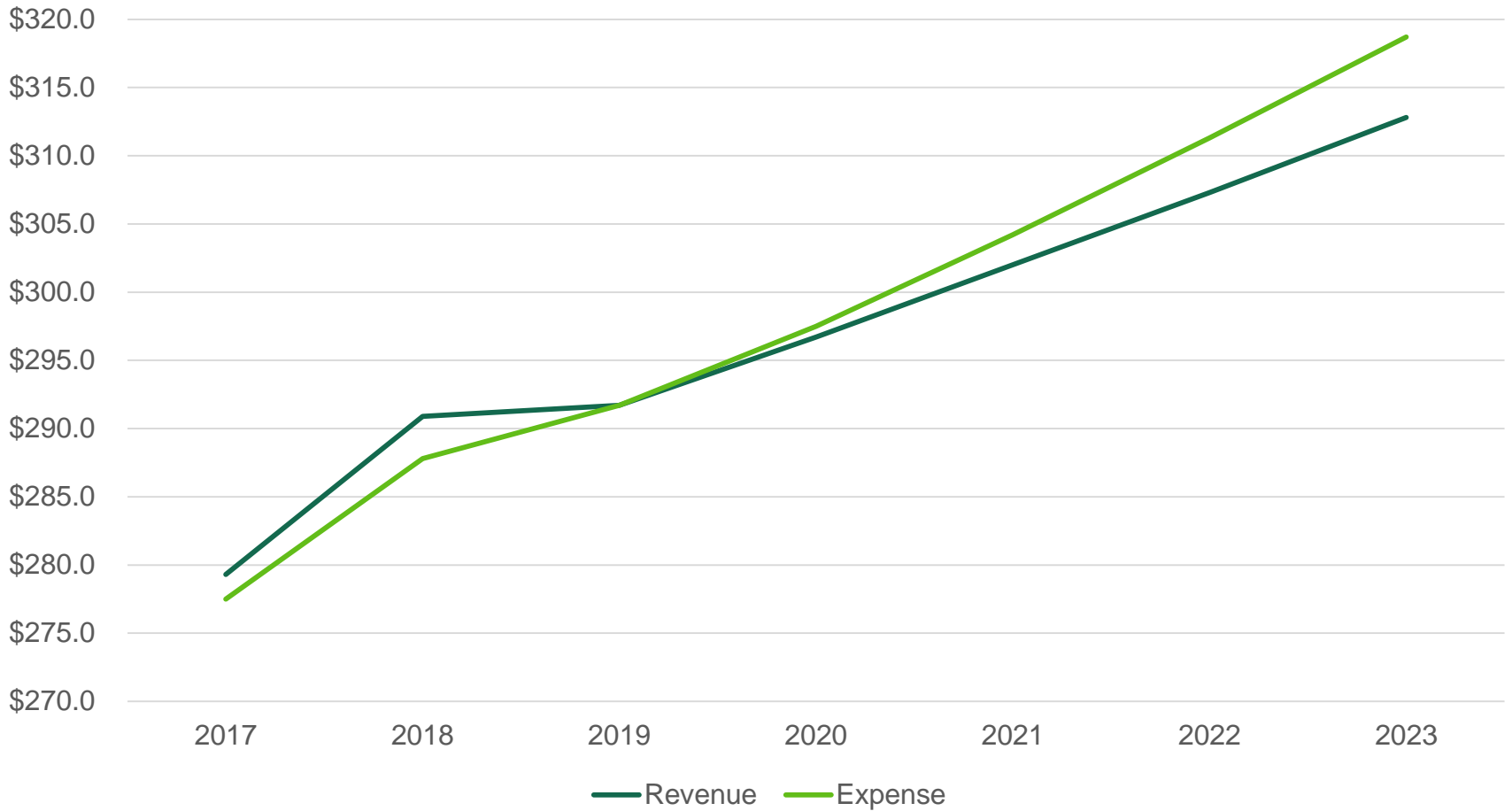
FY 19 Highlights

- Budget totals - \$291,699,000
 - Increased budget by \$8.9 million, an increase of 3.15%
 - Includes funding for strategic investments in all priority areas, compensation and inflationary cost increases
 - Includes additional funding to further address support of school safety, Children's Services Act needs, Emergency Relief to help prevent homelessness, alley maintenance, neighborhood activities, EMS response, jail mental health services, mental and physical health services, tourism, arts and transportation.
 - Monthly revenue monitoring on-going with first reporting in January

FY 19 Highlights

Non-Discretionary \$4.4 million	Discretionary \$4.5 million
<p>RCPS Health Department HRCCC Sales Tax Remittance Regional Center for Animal Control and Protection Visit Virginia's Blue Ridge Performance Agreements</p> <p>Medical Reserves Worker Compensation Solid Waste – tipping fees</p>	<p><u>Libraries</u> – early literacy, core service, utilities and cleaning <u>Fire-EMS</u> – medic unit, peak staff, supplies <u>Planning</u> – weed and trash abatement, demolition of derelict structures <u>Police</u> – staffing, deer culling, vet services, overtime <u>Sheriff</u> – DARE program, staffing, career development, mental health unit, contracts, utilities <u>Transportation</u> – signs, supplies, electricity, signal maintenance/equipment, paving, alley maintenance <u>Human Services</u> – Emergency Relief/homelessness, CSA, adoption, staffing <u>Fleet Management</u> – fuel, parts and repairs <u>Parks and Recreation</u> – facility cleaning, special event coordination <u>Cultural Endowment</u> <u>Compensation Increase</u></p>

Five-Year Operating Model



(millions)	2017	2018	2019	2020	2021	2022	2023
Revenue	\$279.3	\$290.9	\$291.7	\$296.7	\$302.0	\$307.3	\$312.8
Expense	277.5	287.8	291.7	297.5	304.2	311.3	318.7
Variance	1.8	3.1	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

FY 19 Issues and Funding Sources

- Issues
 - Public Safety Overtime
 - September weather event
 - Snow
 - Worker Compensation
- Sources
 - General Fund Contingency
 - Vacancy Savings (monitored monthly)
 - If available, local tax revenue in excess of budget (monitored monthly)

FY 20 Development Strategic Approach

- We will focus on addressing what we must, what we committed to and then taking care of the “business” needs of the organization. We then turn to enhancing service levels and support to our community partners.
 - Use FY19 as Base but continue pursuit of “right-sizing” of expenditures
 - Increased Expenditures (as result of savings realized from reductions and increased revenue projections)
 - Legal/Formula obligations - CSA, RCPS, Regional Planning District, Health Department, etc.
 - Policy – Reserves, Pension/OPEB, etc.
 - Contractual/Operations – Programmed Operations Increases, Utilities, Insurance, Overhead, etc.
 - Capital – Facilities and Equipment
 - Operations – Service Level Adjustments/Enhancements, New Services, etc.
 - External – Cultural Endowment, Enhanced Support to Social Service Agencies, etc.

FY 20 Development Strategic Approach (continued)

- Indicator and Performance Measure Improvements
 - Periodic review and improvement of indicators and measures
 - Better indicators of success with strategic improvements
 - Tools for communication of efficacy of resource utilization

FY 20 Development Strategic Approach (continued)

- Tax Rates/Fee Structure Reviews

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Meals	5%	7%	7%	5%	5%	5%	5.5%	5.5%	5.5%
Lodging	7%	7%	7%	7%	8%	8%	8%	8%	8%
Motor Vehicle	\$20	\$20	\$20	\$20	\$20	\$20	\$25	\$25	\$25
Real Estate	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.22	\$1.22	\$1.22
Stormwater Fee	N/A	N/A	N/A	N/A	N/A	\$0.30	\$0.60	\$0.90	
Solid Waste Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$96
Parking Rates			All locations				All locations		Selected locations

FY 20 Development Council Interaction Plan

- Monthly Briefings (January-April)
 - Revenue performance updates
 - Strategic Issues discussions
- Budget Public Hearing (April)
- Budget Study (May)
- Budget Adoption (May)