

City Council Budget Briefing

March 4, 2019



Agenda

- FY 2019 Overview
- FY 2020 Development
- Capital Improvement Program (CIP)
- Next Steps

FY 2019 General Fund Overview

- Revenues
 - Through January, FY 2019 revenues have increased approximately \$2.6 million or 2.2% compared to the same period of FY 18 .
- Expenditures
 - Through January, FY 2019 expenditures increased approximately \$1.86 million or 1.2% compared to the same period of FY18.

FY 2020 Local Tax Revenue Estimate

Tax	FY 2018 Actual	FY 2019 Adopted	FY 2020 Estimate	Growth (\$)	Growth (%)
Real Estate	\$82,708,548	\$84,560,866	\$87,227,000	\$2,666,134	3.15%
Sales	21,426,783	20,707,000	21,500,000	793,000	3.83
Transient Occupancy	5,375,713	4,500,000	4,600,000	100,000	2.22
Prepared Foods & Beverage	16,609,514	16,500,000	16,500,000	0	0.00
Cigarette Tax	2,152,811	2,272,500	2,200,000	(72,500)	(3.19)
Motor Vehicle License	2,955,266	2,860,000	2,900,000	40,000	1.40
Communications Tax	6,357,300	6,500,000	6,300,000	(200,000)	(3.08)
Personal Property	22,782,236	23,256,000	23,256,000	0	0
Business License	13,499,995	12,775,000	12,775,000	0	0
Other	25,329,516	25,093,000	25,282,600	189,600	0.76
TOTAL	199,197,682	199,024,366	202,540,600	3,516,234	1.77%

*Other: District Taxes, Public Service Corp, Penalties/Interest, Utilities Tax, Recordation and Probate, Admissions, Franchise Fees, Bank Stock, Delinquent Taxes

FY 2020 Total Revenue

	Growth	Estimated Total
Local Taxes	\$3,516,234	\$202,540,600
Permits, Fees and Licenses	31,800	929,800
Fines and Forfeitures	(5,650)	1,019,350
Revenue from Use of Property/Money	64,000	352,000
Intergovernmental	1,475,538	75,564,772
Charges for Services	770,808	16,513,208
Miscellaneous	8,326	640,326
Total Revenue Growth – 2.0%	\$5,861,056	\$297,560,056

FY 2020 Potential Fee Increases

- Parks & Recreation
 - Comprehensive recalibration of fee schedule
- Fire Department
 - Fire/EMS Re-inspection Fees
 - Fire Permit Fees

FY 2020 Non-Departmental Expenditure Enhancements

	Base		Inflationary/ Contractual	Supplemental	Total Enhancements
Debt Service	\$14,469,632		\$250,000	\$0	\$250,000
Civic Center Subsidy and Admissions Tax	2,800,721		(150,000)	0	(150,000)
GRTC	1,991,161		75,000	0	75,000
Compensation	0		0	1,946,000	1,946,000
Worker Compensation	1,900,000		0	0	0
Reserves	1,530,620		350,000		350,000
Contingency	1,421,512		78,488	0	78,488
Grants/Donations/ Claims Contingencies	165,442		0	0	0
Other	(580,825)		56,000	0	56,000
TOTALS	\$23,698,263		\$659,488	\$1,946,000	\$2,605,488

*Lapse, Line of Duty, OPEB, Dental, Extended Illness, Medical, Payroll Accrual, Reclass
Contingency, Termination Leave, Unemployment Wages

FY 2020 Expenditure Enhancements (continued)

Priority	Base	Inflationary/ Contractual	Supplemental	Total Enhancements
Community Safety	\$67,983,000	\$337,083	\$1,038,433	\$1,375,516
Economy	1,930,732	-	551,210	\$551,210
Education/RCPS	83,074,787	1,354,354	-	1,354,354
Good Government	18,526,844	177,287	166,893	344,180
Human Services	40,155,471	251,799	19,969	271,768
Infrastructure	28,835,550	16,627	1,121,545	1,138,172
Livability	17,552,525	282,888	402,432	685,320
Non-Departmental	23,698,263	659,488	1,946,000	2,605,488
Outside Agencies	9,738,014	244,298	0	244,298
TOTAL	\$291,495,186	\$3,323,824	\$5,246,482	\$8,570,306
March 4th Variance				(\$2,505,436)

FY 2020 Supplemental Enhancements

- Community Safety
 - New 811/911 Center operating expenses
 - Jail Operations and Police support
 - Overtime
 - Mental Health services in Jail facility
 - Fire/EMS reserve apparatus storage (lease) and safety inspections
- Economy
 - Performance agreements
 - Enterprise Zone annual support
 - EDA match funding

FY 2020 Supplemental Enhancements (Continued)

- Education/RCPS
 - RCPS funding determined by funding formula
 - DARE program funding reimbursed by RCPS
- Good Government
 - Summer internship program
 - Utilities for Registrar's office

FY 2020 Supplemental Enhancements (Continued)

- Human Services
 - Reallocation of CSA funding for children requiring specialized attention and for increased placements in residential facilities
 - Cremations funding increase
- Infrastructure
 - Additional trash container replacements
 - Paving program and accessible curb ramps
 - Replacement of landscaping and mowing equipment
 - Additional operating support for Facilities

FY 2020 Supplemental Enhancements (Continued)

- Livability
 - Tipping fees
 - Support for Library teen services
 - Greenway and trail maintenance
 - Parks maintenance
 - Code Enforcement weeds and trash contracting services

Balancing Next Steps

- Revenue growth estimate review
- Expenditure growth revisions
- April 1st Briefing update

FY 2020-2024 Capital Improvement Program

- Investments made within the parameters of the debt policy with consideration of required debt service

Debt Policies

Policy	FY 2017	FY 2018	FY 2019 Estimated
Net tax-supported debt as a percentage of the total taxable assessed value will not exceed 4%	2.65% In Compliance	2.44% In Compliance	2.43% In Compliance
Net tax-supported general obligation debt service shall not exceed 10% of General Fund expenditures	7.9% In Compliance	8.5% In Compliance	7.3% In Compliance
Not less than 60% of the outstanding tax-supported debt will be retired within 10 years	80.1% In Compliance	79.2% In Compliance	85.27% In Compliance

FY 2020-2024

Capital Improvement Program

- Continuation of Funding in FY 2024 for Existing Projects
 - Capital Building Maintenance - \$1.0 million
 - Curb, Gutter & Sidewalk - \$1.5 million
 - Fleet Capital Replacements - \$600,000
 - RCPS
 - \$5.0 million annual allocation
 - Energy Efficiency project
 - Stormwater Improvements - \$2 million
 - Streetscape Improvements – \$500,000

FY 2020-2024 Capital Improvement Program

- Existing Projects Requiring Additional Funding
 - Technology Capital – Financial system upgrade or replacement - \$1.5 million
 - Library Master Plan - Belmont Branch upgrades - \$500,000
 - Parks & Recreation Master Plan - \$3.0 million

FY 2020-2024 Capital Improvement Program

- Projects Not Currently Programmed or Funded
 - Transit Facility
 - Campbell Court Infrastructure
 - Downtown Master Plan
 - Williamson Road Street Improvements
 - Market Square Pedestrian Bridge Escalator Replacement
 - Bridge the Gap
 - Parking Garage
 - Stormwater Capital Improvements expansion

FY 2020-2024 CIP

Project	2020	2021	2022	2023	2024	Total
RCPS	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$25,000,000
Bridge Renovation			11,000,000	11,000,000		22,000,000
Library Master Plan	500,000					500,000
P&R Master Plan			3,000,000			3,000,000
Civic Center	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Stormwater Improvements	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
Passenger Rail			1,763,000			1,763,000
Fleet Capital Replacements	1,600,000	600,000	600,000	900,000	600,000	4,300,000
Technology Capital	1,500,000	500,000			1,500,000	3,500,000
Fire Facility Master Plan						
Public Works Service Center	1,500,000	1,500,000				3,000,000
Capital Building Maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Campbell Court		4,000,000				4,000,000
Transit Facility	800,000	530,000	7,260,000			8,590,000
TOTALS	\$17,400,000	\$18,630,000	\$35,123,000	\$23,400,000	\$13,600,000	\$108,153,000

- Excess debt service may be available in some years for one-time capital needs, the Undesignated Fund Balance and the Stabilization Reserve.

Capital Improvement Program Enterprise Fund Considerations

- Parking Fund
 - Pending Project
 - Fee increase(s) necessary
 - Pending plan
- Stormwater Fund
 - Increasing the level of capital project funding and addressing future operational needs
 - Fee increase will be required