



City Council Budget Briefing

May 3, 2021

Agenda

- FY 2021 Overview
- FY 2022 Development
- Compensation

FY 2021 General Fund Overview

- Revenues
 - Through March, FY 2021 local taxes are 6.2% ahead of target, mainly due to performance of Real Estate, Transient Occupancy and Sales taxes.
 - Through March, FY 2021 revenues have increased approximately \$173k or 0.08% compared to the same period of FY 2020. Local taxes have increased \$2.29 million or 1.6% compared to the same period of FY 2020 due primarily to higher performance of Real Estate, Sales Tax and the timing of Public Service taxes off-set by lower Prepared Foods and Beverage Tax.
 - Through March, FY 2021 other revenues have decreased approximately \$1.9 million or 3.2% compared to the same period of FY 2020 due primarily to the timing of revenue from the Commonwealth of Virginia and Charges for Services.
- Expenditures
 - Through March, FY 2021 expenditures decreased approximately \$3.85 million or 1.82% compared to the same period of FY 2020 due to decrease in expenditures that are tied to revenues such as RCPS and Visit Virginia Blue Ridge. It is also due to departmental cost reductions steps taken as a result of COVID-19 and timing of expenditures.

FY 2021 Monitoring Dashboard

Local Taxes	Target Comparison	Key Measurements Expenditures	% Budget Expended	Over/Under Expectation
Real Estate	+7.7%	Public Safety Overtime	169.9%	+93.0%
Sales Tax (January)	+9.3%	Children Services Act	53.3%	-3.9 %
Business License Tax	+1.3%	Solid Waste Costs	71.9%	+ 5.2 %
Transient Occupancy Tax	+49.4%	Workers Compensation	66.6%	- 8.4 %
Prepared Foods & Beverage Tax	-7.4%	Operation Costs	62.6%	- 12.4 %
All Local Taxes	+6.2%	Total General Fund	69.0%	- 6.0%

*Does not include additional CARES Act relief funding

	Current Balance	Balance 1 Year Ago
Salary Lapse	\$2,354,102	\$2,566,059
Contingency	\$1,310,946	\$1,265,128
COVID-19 Contingency*	\$1,774,653	N/A

FY 2021 Key Local Tax Performance

Tax	Adopted	YTD (March) Actual	Year-End Projection	\$ Above/ (Below) Budget	% Above/ (Below) Budget
Real Estate	\$90,685,562	\$81,826,022	\$92,000,000	\$1,314,538	1.4%
Sales*	21,146,000	15,465,165	22,870,700	1,724,700	8.2%
Transient Occupancy	1,414,617	1,519,465	2,260,000	845,383	59.8%
Prepared Foods & Beverage	14,645,000	9,439,027	14,500,000	(145,000)	(1.0%)
Cigarette Tax	2,000,000	1,341,000	1,850,000	(150,000)	(7.5%)
Motor Vehicle License	2,900,000	1,123,526	3,000,000	100,000	3.4%
Communications Tax	5,700,000	3,042,830	5,016,000	(684,000)	(12%)
Personal Property	23,683,489	1,494,958	24,359,730	676,241	2.9%
Business License	13,662,000	12,847,263	14,120,000	458,000	3.4%
**Other	25,900,300	16,909,191	26,383,360	483,060	1.9%
TOTAL	\$201,736,968	\$145,008,447	\$206,359,790	\$4,622,822	2.3%

*Sales Tax represents sales through February.

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

FY 2021 Net Local Tax Increase

	Adjustment	Total
Local Tax Growth		\$4,622,822
District Taxes	(126,060)	
Visit Virginia's Blue Ridge	(418,268)	
Net Local Tax Growth		4,078,494
RCPS Increase (40%)		\$1,631,398
City Increase (60%)		\$2,447,096

FY 2022 Local Tax Estimate

Tax	FY 2020 Actual	FY 2021 Adopted	FY 2022 Estimate	Growth (\$)	Growth (%)
Real Estate	\$88,595,881	\$90,685,562	\$94,669,000	\$3,983,438	4.4%
Sales	22,191,888	21,146,000	22,800,000	1,654,000	7.8
Transient Occupancy	3,210,638	1,414,617	2,730,000	1,315,383	93.0
Prepared Foods & Beverage	13,274,739	14,645,000	14,800,000	155,000	1.1
Cigarette Tax	1,967,912	2,000,000	1,900,000	(100,000)	(5.0)
Motor Vehicle License	2,630,898	2,900,000	2,900,000	0	0.0
Communications Tax	5,763,219	5,700,000	4,900,000	(800,000)	(14.0)
Personal Property	23,928,478	23,683,489	24,750,000	1,066,511	4.5
Business License	14,635,195	13,662,000	14,600,000	938,000	6.9
*Other	28,107,755	25,900,300	25,969,711	69,411	2.2
TOTAL	\$204,306,603	\$201,736,968	\$210,018,711	\$8,281,743	4.1%

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

FY 2022 Net Local Tax Increase

	Adjustment	Total
Local Tax Growth		\$8,281,743
District Taxes	(213,411)	
Visit Virginia's Blue Ridge	(564,519)	
Performance Agreements	(55,004)	
Net Local Tax Growth		7,448,809
RCPS Increase (40%)		2,979,524
City Increase (60%)		\$4,469,285

FY 2022 Total Revenue

	Growth	Estimated Total
Local Taxes	\$8,281,743	\$210,018,711
Permits, Fees and Licenses	94,500	1,119,300
Fines and Forfeitures	16,300	1,035,500
Revenue from Use of Money/ Property	82,500	548,500
Intergovernmental	(15,041)	75,911,798
Charges for Services	803,391	17,883,955
Miscellaneous	191,607	1,002,236
Total Revenue Growth – 3.17%	\$9,455,000	\$307,520,000

Includes adjustments for Solid Waste Fee, Downtown Compactor Fee, Fire Fees

May 3rd Balancing Status

Estimated FY 2022 Revenues	\$307,520,000
Preliminary FY 2022 Expenditures	303,473,170
May 3 rd Variance	\$4,046,830

Compensation

- Address Public Safety and general employee compensation to enhance competitive stance and retention
 - Public Safety strategy to be implemented over multiple years
- Address Compensation Board approved position adjustments partially off-set by additional revenue

Proposed Public Safety Compensation Plan

- Classification and compensation system for sworn personnel
- Based off of tenure and promotional practices
- Equitable and predictable pay structure to attract and retain employees
- Assist in the elimination of pay compression

Sample Step Plan

Gallagher	Range Min											
Police Dept Positions	0	1	2	3	4	5	6	7	8	9	10	
Title VI								\$80,258.84	\$82,299.32	\$84,339.79	\$86,380.27	
Title V							\$68,015.96	\$69,790.29	\$71,564.62	\$73,338.95	\$75,113.28	
Title IV					\$56,058.53	\$57,601.42	\$59,144.32	\$60,687.21	\$62,230.11	\$63,773.00	\$65,315.90	
Title III				\$49,559.66	\$50,962.30	\$52,364.93	\$53,767.56	\$55,170.19	\$56,572.82	\$57,975.46	\$59,378.09	
Title II			\$43,779.12	\$45,054.24	\$46,329.36	\$47,604.48	\$48,879.60	\$50,154.72	\$51,429.84	\$52,704.96	\$53,980.08	
Title I		\$38,640.00	\$39,799.20	\$40,958.40	\$42,117.60	\$43,276.80	\$44,436.00	\$45,595.20	\$46,754.40	\$47,913.60	\$49,072.80	
	\$38,640.00											
This example is not representative of any City of Roanoke public safety agency.												

Compensation

Compensation Board Increases* (Sheriff/Jail, Treasurer, Commissioner of Revenue, Commonwealth Attorney)	\$450,000
Public Safety Adjustments to New Step Levels	\$2,230,000
Advance Public Safety Employees to Targeted Salary Step Level	\$3,720,000
General employee 2.5% to 3.0% increase	\$1,600,000
TOTAL	\$8,000,000

* Only includes portion above general employee raise of 2.5%-3%. Anticipated revenue increase from Compensation Board already included in revenue estimate is \$467,855.

Balancing Next Steps

- Revenue estimate revisions
- Compensation
- Expenditure revisions
- May 17th Recommended Budget Presentation

Questions?