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
Revenue | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  
---|---|---|---|---|---|---
$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
### Revenue, Expense, and Variance

<table>
<thead>
<tr>
<th>(millions)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$279.3</td>
<td>$282.8</td>
<td>$291.7</td>
<td>$296.7</td>
<td>$302.0</td>
<td>$307.3</td>
<td>$312.8</td>
</tr>
<tr>
<td>Expense</td>
<td>277.5</td>
<td>282.8</td>
<td>291.7</td>
<td>297.5</td>
<td>304.2</td>
<td>311.3</td>
<td>318.7</td>
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<tr>
<td>Variance</td>
<td>1.8</td>
<td>0.0</td>
<td>0.0</td>
<td>(0.8)</td>
<td>(2.2)</td>
<td>(4.0)</td>
<td>(5.9)</td>
</tr>
</tbody>
</table>

### 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