



City Council Budget Briefing

February 3, 2020



Agenda

- FY 2020 Overview
- FY 2021 Development
- Capital Improvement Program (CIP)
- Next Steps

FY 20 General Fund Overview

- The FY20 adopted budget is \$299.4 and local taxes comprise approximately 68% of all revenue.
- Through December, total FY 20 revenues have increased approximately \$4.7 million or 4.4% compared to the same period of FY 19 due to Personal Property, Real Estate, Business License, Prepared Food and Beverage, Sales Taxes and revenue from the Commonwealth.
- Through December, FY 20 local taxes have increased approximately \$3.1 million or 4.3%% compared to the same period of FY 19.
- Expenditures and obligations through December increased approximately \$2.7 million or 1.7% compared to the same period last year, mainly due to the increased transfer to RCPS, Social Services, and the FY 2020 salary increase.

FY 2020 Key Local Tax Performance

Tax	Adopted	YTD (Dec) Actual	Year-End Projection	\$ Above/ (Below) Budget	% Above/ (Below) Budget
Real Estate	\$87,765,000	\$45,552,192	\$88,458,344	\$693,344	0.8%
Sales*	21,535,280	7,654,094	23,223,646	1,688,366	7.8%
Transient Occupancy	4,612,500	2,104,747	4,612,500	0.0	0.0
Prepared Foods & Beverage	16,500,000	6,730,989	16,394,400	(105,600)	(0.6)
Cigarette Tax	2,150,000	1,004,012	2,000,000	(150,000)	(7.0%)
Motor Vehicle License	3,000,000	699,910	3,000,000	0.0	0.0
Communications Tax	6,300,000	1,940,608	5,900,000	(400,000)	(6.3)
Personal Property	23,721,120	88,721	23,721,120	0.0	0.0
Business License	13,030,500	933,157	13,030,500	0.0	0.0
**Other	25,462,600	9,054,579	25,717,226	254,626	1.0
TOTAL	\$204,077,000	\$75,763,009	\$206,057,736	\$1,980,736	1.0%

*Sales Tax represents sales through October.

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

FY 2020 Net Local Tax Increase

	Adjustment	Total
Local Tax Growth		\$1,980,736
Downtown District Taxes	(0)	
Visit Virginia's Blue Ridge	(0)	
Net Local Tax Growth		1,980,736
RCPS Increase (40%)		792,294
City Increase (60%)		\$1,188,442

FY 2021 Local Tax Estimate

Tax	FY 2019 Actual	FY 2020 Adopted	FY 2020 Projection	FY 2021 Estimate	Growth (\$)	Growth (%)
Real Estate	\$85,587,303	\$87,765,000	\$88,458,344	\$91,914,900	\$4,149,900	4.7%
Sales	22,389,378	21,535,280	23,223,646	22,750,000	1,214,720	5.6
Transient Occupancy	4,564,108	4,612,500	4,612,500	4,612,500	0.0	0.0
Prepared Foods & Beverage	16,335,846	16,500,000	16,394,400	16,500,000	0.0	0.0
Cigarette Tax	2,108,069	2,150,000	2,000,000	2,000,000	(150,000)	(0.7)
Motor Vehicle License	2,914,811	3,000,000	3,000,000	3,000,000	0.0	0.0
Communications Tax	5,897,696	6,300,000	5,900,000	5,900,000	(400,000)	(0.6)
Personal Property	23,338,381	23,721,120	23,721,120	23,721,120	0.0	0.0
Business License	13,846,241	13,030,500	13,030,500	13,030,500	0.0	0.0
*Other	27,337,517	25,462,600	25,717,226	26,099,165	636,565	2.5
TOTAL	\$204,319,350	\$204,077,000	\$206,057,736	\$209,528,185	\$5,451,185	2.7%

*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		\$5,451,185
Downtown District Taxes	(18,128)	
Visit Virginia's Blue Ridge	(0)	
Performance Agreements	(132,024)	
Net Local Tax Growth		5,301,033
RCPS Increase (40%)		2,120,413
City Increase (60%)		\$3,180,620

Preliminary FY 2021 Expenditure Priorities

- Total Non-Discretionary Cost Increases: \$844,500
 - Medical - \$0
 - Dental - \$27,200
 - VRS - \$67,300
 - Reserves - \$250,000
 - Debt Service - \$250,000
 - Worker Compensation - \$250,000

Preliminary FY 2021 Expenditure Priorities (continued)

- Other:
 - Compensation – each 1% Increase - \$979,200
 - Tipping Fees - \$385,000 - \$10 increase per ton
 - Recycling - \$234,000
 - Budget Planning Workshop categories
 - Community Safety
 - Neighborhood Vitality
 - Comprehensive Plan
 - Capital Planning
 - Parks and Recreation Master Plan
 - General Assembly Action

Next Steps in FY 2021 Budget Development Process

- Offers reviewed by staff
- External agency requests reviewed
- Budget Committee review and General Fund recommendation development
- Budget Committee review of fee adjustment requests
- March 2nd Budget Briefing preparation

Capital Improvement Program

- Maintain Current Capital Assets and Infrastructure Investment for Livability and Economic Development
 - Bridge Program
 - Curb, Gutter and Sidewalk
 - Streetscape Projects
 - Stormwater Improvements
 - Civic Center
 - School Maintenance
- Targeted Livability Investments
 - Parks and Recreation Master Plan
 - Transit
 - Fire/EMS Facility Upgrades

Investments made within parameters of debt policy.

FY 2020-2024 CIP Projects

- **Buildings**
 - 811/911 Center – new facility will be complete in the spring of FY 2020
 - Campbell Court Redevelopment – FY 2021 Project
 - Capital Building Maintenance – major HVAC , electrical and lighting needs
 - Fire Facility Master Plan – Station 7 to be complete
 - Library Master Plan – South Roanoke e-branch
 - Public Works Service Center – covered storage, large vehicle washhouse, drainage improvements, fencing, parking lot facilities, security camera system, fuel island canopy (over 3 years)
 - Transit Facility – construction of a new transfer facility with staff offices, ticketing facilities and passenger waiting rooms.
- **Fleet Capital Replacement**
 - Fire and Solid Waste vehicles
- **Parks and Recreation Master Plan**
 - Rehabilitating and/or replacing amenities
 - Greenways
- **School Improvements**
 - Identified building upgrades

FY 2020-2024 CIP Projects

- Streets, Sidewalks, Bridges and Other Infrastructure
 - Bridge Renovation/Replacement Program –Main Street (Wasena) Replacement, Garst Mill over Mud Lick Rehabilitation
 - Curb, Gutter and Sidewalk Program – 80% for new sidewalks and 20% for maintenance
 - Passenger Rail Station – construction (rehabilitation of existing building)
 - Streetscape Project Improvements – Melrose Avenue
- Technology Improvements
 - Digital Radio and Advantage upgrade
 - Revenue System (PCI) Implementation project
- Stormwater Capital Improvements – various projects
- Berglund Center Renovations - Continued improvements

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			1,793,000			1,793,000
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
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.

FY 2021-2025 Capital Improvement Program

- Existing Projects Requiring Additional Funding
 - Inflationary impacts on cost estimates
 - Bridge Renovation – Wasena Bridge
 - Parks and Recreation Master Plan
 - Passenger Rail Station
 - Public Works Service Center – wash house upgrade
 - Technology Improvements – Advantage Upgrade
 - Transit Facility

FY 2021-2025 Capital Improvement Program

- Continuation of Funding in FY 2025 for Existing Projects
 - Capital Building Maintenance - \$1M
 - Curb, Gutter & Sidewalk - \$1.5M
 - Fleet Capital Replacements - \$600,000
 - Technology Capital - \$TBD
 - RCPS - \$5M
 - Stormwater Improvements - \$2.0M
 - Streetscape Improvements – \$500,000
 - Civic Center Improvements - \$1.5M

FY 2021-2025 Capital Improvement Program

- Projects Not Currently Programmed or Funded
 - Downtown Master Plan
 - Parking Garage
 - Technology Projects – Police Records System, In-Car Cameras
 - Magistrate’s Office Expansion
 - Fire Regional Training Center
 - Street Maintenance Funding
 - Fire Facility Master Plan – Fire/EMS Station #2

Council Discussion

- FY 2021-2025 Priority Projects
- March 2nd Capital Update
- Financial Advisor - Capital Funding Strategies Update