



City Council Budget Briefing

March 2, 2020



Agenda

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

FY 2020 General Fund Overview

- Revenues
 - Through January, FY 2020 revenues have increased approximately \$3.5 million or 2.8% compared to the same period of FY 19. Local taxes have increased \$3.1 million or 3.8% compared to the same period of FY 19.
- Expenditures
 - Through January, FY 2020 expenditures increased approximately \$3.8 million or 2.2% compared to the same period of FY 19 due to increased funding to RCPS, timing of transfers and the compensation increase.

FY 2021 Local Tax Revenue Estimate

Tax	FY 2019 Actual	FY 2020 Adopted	FY 2021 Estimate	Growth (\$)	Growth (%)
Real Estate	\$85,587,303	\$87,765,000	\$91,914,000	\$4,149,999	4.7%
Sales	22,389,378	21,535,280	22,750,000	1,214,720	5.6%
Transient Occupancy	4,564,108	4,612,500	4,612,500	0	0%
Prepared Foods & Beverage	16,335,846	16,500,000	16,665,000	165,000	1.0%
Cigarette Tax	2,108,069	2,150,000	2,000,000	(150,000)	(7.0)
Motor Vehicle License	2,914,811	3,000,000	3,000,000	0	0%
Communications Tax	5,897,696	6,300,000	6,000,000	(300,000)	(4.8%)
Personal Property	23,338,381	23,721,120	23,721,120	0	0%
Business License	13,846,241	13,030,500	13,030,500	0	0%
*Other	27,337,517	25,462,600	26,234,380	770,781	3.0%
TOTAL	\$204,319,350	\$204,077,000	\$209,927,500	\$5,850,500	2.9%

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

FY 2021 Total Revenue

	Growth	Estimated Total
Local Taxes	\$5,850,500	\$209,927,500
Permits, Fees and Licenses	118,000	1,032,800
Fines and Forfeitures	(30,150)	1,019,200
Revenue from Use of Property/Money	14,000	491,000
Intergovernmental	(662,034)	75,086,100
Charges for Services	489,692	16,997,900
Miscellaneous	(10,608)	629,900
Total Revenue Growth – 2.0%	\$5,769,400	\$305,184,400

FY 2021 Expenditure Enhancements

Priority	Adjusted Base	Inflationary/ Contractual	Supplemental	Total Enhancements
Education/RCPS	\$85,214,841	2,286,092	-	2,286,092
Community Safety	70,714,689	\$619,074	\$862,320	\$1,481,394
Human Services	40,554,243	-	16,034	16,034
Infrastructure	29,223,099	119,868	177,580	297,448
Livability	18,372,067	403,053	171,247	574,300
Good Government	18,150,268	110,101	125,112	235,213
Economy	2,241,267	137,550	194,272	331,822
Non-Departmental*	23,753,315	-	3,047,481	3,047,481
External Agencies	10,039,903	-	362,146	362,146
BASE TOTAL	\$298,263,692	\$3,675,738	\$4,956,192	\$8,631,930
GENERAL FUND TOTAL				\$306,895,622

*Includes 2% compensation increase

March 2nd Balancing Status

Estimated FY 2021 Revenues	\$305,184,400
Preliminary FY 2021 Expenditures	306,895,622
March 2 nd Variance	(1,711,222)

FY 2021 Supplemental Enhancements

- Education/RCPS
 - RCPS funding determined by funding formula
- Community Safety
 - Jail medical contract
 - Mental health services
 - Release planner
 - Gun Violence Task Force support
 - 811/911 Center operating costs
 - Fire Safety Inspections, Advance Care Paramedicine
 - Police body-worn camera support
 - Public Safety overtime
 - Regional Juvenile Detention expenses
 - Traffic signal equipment

FY 2021 Supplemental Enhancements

- Human Services
 - Cremations funding right-sizing
- Infrastructure
 - Technology support
 - Facility maintenance support

FY 2021 Supplemental Enhancements

- Livability
 - Recycling fees
 - Tipping fees
 - Potential per ton increase of \$2
 - Cost recovery through Solid Waste Fee
 - Relocation of Campbell Court sealed trash compactor
 - Additional structure board-ups and emergency demolitions
 - Library maintenance and utilities to support branches
 - Library Associate to support expanded branches
- Good Government
 - Tax/Treasury System project support

FY 2021 Supplemental Enhancements

- Economy
 - Performance agreements
 - Enterprise Zone annual support
 - Financial Stability Program
 - Microloan Program

FY 2021 Non-Departmental Expenditure Enhancements

	Adjusted Base	Enhancements
Debt Service	\$14,991,142	\$250,000
Civic Center Subsidy and Admissions Tax	2,619,789	127,882
GRTC	2,031,161	100,000
Compensation	0	1,958,400
Worker Compensation	1,900,000	163,291
Reserves	1,530,620	250,000
Contingency	1,500,000	0
Other*	(819,397)	197,907
TOTALS	\$23,753,315	\$3,047,481

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

FY 2021 External Agency Enhancements

- Blue Ridge Behavioral Healthcare
- Health Department
- Service District Taxes

Potential One-Time Items

- Elections
- Pool maintenance needs
- Fleet Facility Upgrades
- Median and Right of Way Landscape equipment
- Street paving
- Underground Bulk Fuel Storage Tanks

Items Not Yet Funded

- Additional Compensation (1%)
- Wage increase for temporary employees
- Technology capital support
- Fleet capital replacement
- Additional Rivers Edge Park Maintenance staff and equipment
- Cardiac Monitors and Defibrillators
- General Assembly actions

Balancing Next Steps

- Revenue estimate revisions
- Expenditure revisions
- April 6th Briefing update

FY 2021-2025 Capital Improvement Program

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

Debt Policies

Policy	FY 2018	FY 2019	FY 2020 Estimated
Net tax-supported debt as a percentage of the total taxable assessed value will not exceed 4%	2.49% In Compliance	2.42% In Compliance	2.43% In Compliance
Net tax-supported general obligation debt service shall not exceed 10% of General Fund expenditures	8.5% In Compliance	7.3% In Compliance	7.3% In Compliance
Not less than 60% of the outstanding tax-supported debt will be retired within 10 years	79.2% In Compliance	85.3% In Compliance	85.3% In Compliance

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
 - RCPS - \$5M
 - Stormwater Improvements - \$2.0M
 - Streetscape Improvements – \$500,000
 - Civic Center Improvements - \$1.5M

FY 2021-2025 Capital Improvement Program

- Existing Projects Requiring Additional Funding
 - Technology Capital
 - Financial system upgrade or replacement - \$1.5 million
 - Digital Radio - \$500,000
 - Bridge Renovation - \$8.0 million
 - Parks & Recreation Master Plan - \$100,000
 - Passenger Rail - \$TBD
 - Fire Facility Master Plan - \$669,500
 - Transit Facility - \$218,000

FY 2021-2025 Capital Improvement Program

- Projects Not Currently Programmed Nor Funded
 - Downtown Master Plan
 - Parking Garage
 - Technology Projects – Police Records System, In-Car Cameras, Technology Capital
 - Magistrate’s Office Expansion
 - Fire Regional Training Center

FY 2021-2025 CIP

Project	2021	2022	2023	2024	2025	Total
RCPS	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$25,000,000
Bridge Renovation	2,500,000	13,750,000	13,750,000			30,000,000
Library Master Plan						0
P&R Master Plan	100,000	3,000,000				3,100,000
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		1,869,000				1,869,000
Fleet Capital Replacements	600,000	600,000	900,000	600,000	600,000	3,300,000
Technology Capital	500,000			1,500,000	1,500,000	3,500,000
Fire Facility Master Plan					669,500	669,500
Public Works Service Center	1,500,000					1,500,000
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	7,478,000					7,478,000
TOTALS	\$28,178,000	\$30,719,000	\$26,150,000	\$13,600,000	\$14,269,500	\$112,916,500

- 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
 - Design and development stage underway
 - Once project costs more defined, estimates will allow for feasibility determination
 - Fee increase(s) extent to be determined
- Stormwater Fund
 - Maintaining the level of capital project funding and addressing future operational needs
 - Fee increase will be required

CIP Next Steps

- Further review of debt model
- April 6th Briefing update