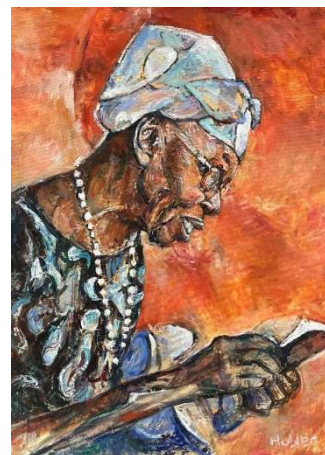




CITY OF ROANOKE

EQUITY. COMMUNITY. EMPOWERMENT.



City Council Budget Briefing

February 7, 2022

Agenda

- FY 2022 Overview
- FY 2023 Development
- Capital Improvement Program (CIP)
- Next Steps

FY 22 General Fund Overview

- The FY22 adopted budget is \$307.6 million and local taxes comprise approximately 68.3% of all revenue.
- Through December, FY 22 local taxes have increased approximately \$7.1 million or 9.9% compared to the same period of FY 21.
- Through December, total FY 22 revenues have increased approximately \$5.8 million or 5.5% compared to the same period of FY 21 due in large part to an increase in Real Estate, Sales Tax, Transient Occupancy, and Prepared Food and Beverage Tax.
- Expenditures through December increased approximately \$7.2 million or 5.3% compared to the same period last year, mainly due to the timing of transfers to GRTC, RCPS, Capital Projects and the Grant Fund.

FY 2022 Revenue Monitoring Dashboard

Local Taxes	FY22 Budget	A FY22 YTD Target	B FY22 YTD Actual	(B-A)/A Percentage Above or Below Target
Real Estate	94,669,000	48,435,561	48,947,481	+1.1%
Sales Tax (activity through November)	22,800,000	9,499,374	10,724,467	+13.3%
Business License Tax	14,600,000	405,308	233,612	-42.4%
Transient Occupancy Tax	2,730,000	1,380,320	2,067,020	+49.7%
Prepared Foods & Beverage Tax	14,800,000	6,417,463	7,680,135	+19.7%
All Local Taxes	210,018,711	76,778,516	80,986,294	+5.5%

*Target comparisons use the percent of revenue recognized for the prior 3 years (averages) through the same month (Dec).

FY 2022 Expenditure Monitoring Dashboard

Key Measurements Expenditures	FY22 Budget	A FY22 YTD Target	B FY22 YTD Actual	(B-A)/A Percentage Above or Below Target
Public Safety Overtime	\$987,856	\$493,928	\$1,269,606	+ 157.0%
Children Services Act	\$13,805,687	\$3,597,838	\$4,494,133	+ 24.9%
Solid Waste Costs	\$2,717,805	\$1,132,419	\$1,068,429	- 5.7%
Workers Comp	\$2,313,292	\$1,156,646	\$1,279,253	+ 10.6%
Operation Costs	\$84,230,183	\$42,115,092	\$31,883,250	- 24.3%
Total General Fund	\$311,320,908	\$155,660,454	\$143,046,841	- 8.1%
	Current Balance	Balance 1 year ago	Prior 3 Yr Avg	
Salary Lapse (Turnover Savings)	\$3,041,200	\$1,662,286	\$2,092,731	
Operating Contingency	\$680,368	\$1,486,032	\$1,386,702	

FY 2022 Key Local Tax Performance

Tax	Adopted	YTD (Dec) Actual	Year-End Projection	\$ Above/ (Below) Budget	% Above/ (Below) Budget
Real Estate	94,669,000	48,947,481	95,000,000	331,000	0.3%
Sales*	22,800,000	8,596,983	25,000,000	2,200,000	9.6%
Transient Occupancy	2,730,000	2,067,020	3,900,000	1,170,000	42.9%
Prepared Foods & Beverage	14,800,000	7,680,135	16,600,000	1,800,000	12.2%
Cigarette Tax	1,900,000	961,806	1,825,000	(75,000)	-3.9%
Motor Vehicle License	2,900,000	449,745	2,100,000	(800,000)	-27.6%
Communications Tax	4,900,000	1,694,327	4,900,000	-	0.0%
Personal Property	24,750,000	(576,530)	24,600,000	(150,000)	-0.6%
Business License	14,600,000	233,612	13,900,000	(700,000)	-4.8%
**Other	25,969,711	10,931,715	27,600,000	1,630,289	6.3%
TOTAL	210,018,711	80,986,294	215,425,000	5,406,289	2.6%

*Sales Tax represents sales through November.

**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		\$5,406,289
Downtown District Taxes	(45,000)	
Visit Virginia's Blue Ridge	(431,250)	
Net Local Tax Growth		4,930,039
RCPS Increase (40%)		1,972,016
City Increase (60%)		\$2,958,023

FY 2023 Local Tax Estimate

Tax	FY 2021 Actual	FY 2022 Adopted	FY 2022 Projection	FY 2023 Estimate	Growth (\$)	Growth (%)
Real Estate	\$93,073,800	\$94,669,000	\$95,000,000	\$101,500,000	\$6,831,000	7.22%
Sales	24,115,939	22,800,000	25,000,000	24,350,000	1,550,000	6.80%
Transient Occupancy	2,767,280	2,730,000	3,900,000	4,000,000	1,270,000	46.52%
Prepared Foods & Beverage	15,466,191	14,800,000	16,600,000	16,850,000	2,050,000	13.85%
Cigarette Tax	1,818,865	1,900,000	1,825,000	1,795,000	(105,000)	-5.53%
Motor Vehicle License	3,214,542	2,900,000	2,100,000	2,700,000	(200,000)	-6.90%
Communications Tax	5,119,041	4,900,000	4,900,000	4,680,000	(220,000)	-4.49%
Personal Property	24,850,475	24,750,000	24,600,000	25,000,000	250,000	1.01%
Business License	13,949,251	14,600,000	13,900,000	14,200,000	(400,000)	-2.74%
*Other	27,881,376	25,969,711	27,600,000	27,916,650	1,946,939	7.50%
TOTAL	\$212,256,761	\$210,018,711	\$215,425,000	\$222,991,650	12,972,939	6.18%

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

FY 2023 Net Local Tax Increase

	Adjustment	Total
Local Tax Growth		\$12,972,939
Downtown District Taxes	(57,189)	
Visit Virginia's Blue Ridge	(476,250)	
Net Local Tax Growth		12,439,500
RCPS Increase (40%)		4,975,800
City Increase (60%)		\$7,463,700

Potential FY 2023 General Assembly Revenue Impacts

- Reduction in local share of Sales Tax on groceries
 - Impact on 40% share of local taxes with RCPS
- Transient Occupancy Tax restriction
 - Impact on 40% share of local taxes with RCPS
- Revenue related to Jail Inmates
- Tax relief on automobile values
 - Impact on 40% share of local taxes with RCPS

Preliminary FY 2023 Expenditure Priorities (continued)

- Employee Compensation
 - Each 1% pay raise increase – est. \$1,035,000
 - Public Safety Step Pay Plan – est. \$1,000,000
- Other:
 - Statutory Mandates
 - General Assembly Actions
 - Election equipment and ballot fraud security
 - Contractual Increases
 - Inflationary Impacts
 - Blue Ridge Behavioral Healthcare

Preliminary FY 2023 Expenditure Priorities

- Organizational Cost Increases: \$1,463,000
 - Medical* - \$0
 - Dental* - \$0
 - VRS - \$0
 - Reserves - \$250,000
 - Debt Service - \$963,000
 - Worker Compensation - \$250,000

*Currently budgeted amounts sufficient for anticipated calendar year 2023 expenditure growth

Next Steps in FY 2023 Budget Development Process

- Offers reviewed by staff
- Offers reviewed by Budget Committee
- External agency requests reviewed
- Budget Committee review and General Fund recommendation development
- Budget Committee review of fee adjustment requests
- March 7th Budget Briefing preparation

Capital Improvement Program

Desired characteristics

Transparent process

Awareness of the full scope of large investments regardless of funding

Tool to implement our master plans and comprehensive plan

Responsible and strategic use of resources through planning and priority-setting

Only items
requiring
debt funding

Scope

Projects and
assets over
\$100K

Any funding source

Full picture of the City's
investments

Items nominated
for inclusion

Entry



Plans as gateways
to the CIP

Master plans and asset
management strategies identify
what can be priorities for
inclusion in the CIP

CIP wrapped into
operating budget

Staff driven

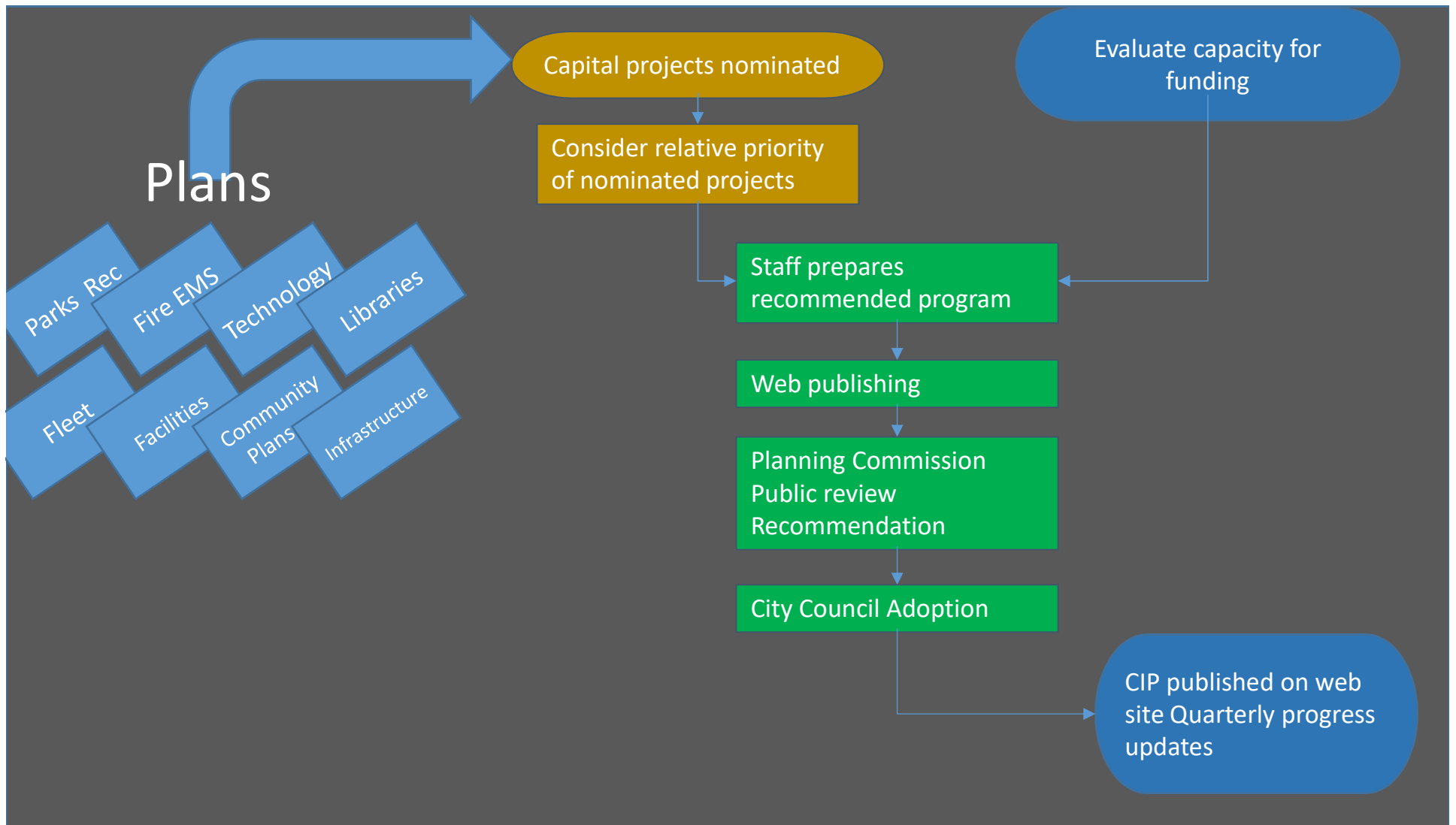
Engagement



Web publishing of
investments

Public
Review

Planning
Commission Review



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
 - Library Master Plan
 - Parks and Recreation Master Plan
 - Transit
 - Fire/EMS Facility Upgrades

Investments made within parameters of debt policy.

FY 2022-2026 CIP Projects

- Buildings
 - Campbell Court Redevelopment – FY 2022 Project
 - Capital Building Maintenance – major HVAC, electrical and lighting needs
 - Fire Facility Master Plan – Station 2
 - Library Master Plan – Belmont Library
 - Transit Transfer Facility Construction
 - Juvenile and Domestic Court Renovations
- Fleet Capital Replacement
 - Fire apparatus and Solid Waste vehicles
- Parks and Recreation Master Plan
 - Greenways – Roanoke River Bridge The Gap and Tinker Creek
 - Recreation Center and Pool
 - Rehabilitating and/or replacing amenities
- School Improvements
 - Morningside, Preston Park and Breckinridge

FY 2022-2026 CIP Projects

- **Streets, Sidewalks, Bridges and Other Infrastructure**
 - Bridge Renovation/Replacement Program – Main Street (Wasena) Replacement, 13th St SW over NSRW Renovation
 - Curb, Gutter and Sidewalk Program – new sidewalks and maintenance
 - Passenger Rail Station – construction (rehabilitation of existing building)
 - Streetscape Project Improvements
- **Technology Improvements**
 - Financial System (Advantage) upgrade and Jail Management System (RMS/JMS)
 - Revenue System (PCI) Implementation project
- **Stormwater Capital Improvements**
 - PWSC Pole Barns
 - Various drainage projects
- **Berglund Center Renovations**
 - BPAT restroom remodel and roof replacement
 - Parking lot lights conversion to LED

FY 2022-2026 CIP

Project	FY2022 - Authorized	FY2023	FY2024	FY2025	FY2026	FY2023-26 TOTAL
School Facility Maintenance and Improvements	5,000,000	12,750,000	12,855,000	5,000,000	5,000,000	\$ 35,605,000
Bridge Renovation	13,750,000	13,750,000				\$ 13,750,000
Library Master Plan						\$ -
Parks and Recreation Master Plan	3,000,000	4,000,000	2,300,000			\$ 6,300,000
Berglund Center Improvements	900,000	1,500,000	1,500,000	1,500,000	1,500,000	\$ 6,000,000
Stormwater Management	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	\$ 12,000,000
Curb, Gutter and Sidewalk Program - New	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	\$ 6,800,000
Curb, Gutter and Sidewalk Program - Maint.	635,000	635,000	635,000	635,000	635,000	\$ 2,540,000
Streetscape Improvements	500,000	500,000	500,000	500,000	500,000	\$ 2,000,000
Passenger Rail			1,869,000			\$ 1,869,000
Fleet Capital Replacements	1,300,000	1,600,000	600,000	1,325,000	1,700,000	\$ 5,225,000
Technology Capital Improvements	770,000	1,860,000	1,870,000	1,500,000		\$ 5,230,000
Fire Facility Master Plan			850,000	1,000,000	8,300,000	\$ 10,150,000
Capital Building Maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$ 4,000,000
	\$ 31,555,000	\$ 42,295,000	\$ 28,679,000	\$ 17,160,000	\$ 23,335,000	\$ 111,469,000

- Table only shows planned debt issues. It does not show cash or grant funded capital improvements such as ARPA funds for Shuttered Venue or Parks and Rec nor does it show \$4.5 million in cash investments for Technology, Building Maintenance, Fleet, Bridge Maintenance and Stormwater Improvements.
- Excess debt service may be available in some years for one-time capital needs, the Undesignated Fund Balance and the Stabilization Reserve.

FY 2023-2027 Capital Improvement Program

- Continuation of Bond Funding in FY 2027 for Existing Projects
 - School Improvements - \$5.0 M
 - Berglund Center Improvements - \$1.5 M
 - Stormwater Improvements - \$3.0 M
 - Curb, Gutter & Sidewalk - \$2.335 M
 - Streetscape Improvements – \$500,000
 - Capital Building Maintenance - \$1.0 M

FY 2023-2027 Capital Improvement Program

- Existing Projects Requiring Additional Funding
 - Inflationary impacts on cost estimates
 - Bridge Renovation – 13th St SW over NSRW
 - Curbs, Gutter and Sidewalk - Maintenance
 - Technology Improvements – Earlier timeline for Advantage System
 - Fire Facility Master Plan – Station #2 Land and A&E
 - Capital Building Maintenance – Faster timeline for HVAC and Structural projects

FY 2023-2027 Capital Improvement Program

- Projects Not Currently Programmed or Funded
 - New Bridge Renovations – Melrose over Peters Creek
 - New Library Projects – Belmont
 - Streetscapes Improvements – Street Paving, ADA Ramp, Traffic Signal Modernization
 - New Technology Capital Improvements - Network Cabling, Regional Radio Antennas, Expanded Global HR/Payroll/Talent Management, Internet Ring Expansion, Public Safety Mobile Radios

FY 2023-2027

Capital Improvement Program

- Projects Not Currently Programmed or Funded (continued)
 - Fire Facility Master Plan – Fire Station #6 Expansion
 - Public Works Service Center – Women’s Locker Room, Wash House/Refueling Station, New Employee Parking Lot
 - Magistrate Office Renovation
 - Commonwealth Attorney’s Office – Conversion of former Law Library

FY 2023-2027 Capital Improvement Program

- Next Steps / Funding Strategies
 - Prioritization of unfunded requests and determine affordability
 - Discussions with Financial Advisors (Davenport)
 - Seek to cash fund using one-time allocation from FY21 YE surplus

Council Discussion

- FY 2023-2027 Priority Projects
- March 7th Capital Update
- Financial Advisor - Capital Funding Strategies Update