



# CITY OF ROANOKE

EQUITY. COMMUNITY. EMPOWERMENT.

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City Council Budget Briefing

February 6, 2023

# Agenda

- FY 2024 Budget Development Overview
  - Council and Administrative Priorities
  - Local Tax Revenue Projections
  - Net Local Tax Revenue Projection
  - Preliminary Priority Expenditure Estimates
    - Compensation and Benefits
    - Inflationary Cost and Other Increases
- Capital Improvement Program (CIP) Update and Discussion
- Next Steps

# Council and Administrative Priorities

- Continue to advance on strategic priorities
- Continue with ARPA investments
- Continue to strengthen equity efforts – departmental equity action plans, EEAB support, BFEEEO, etc.
- Partner Funding – Schools, Non-profits, etc.

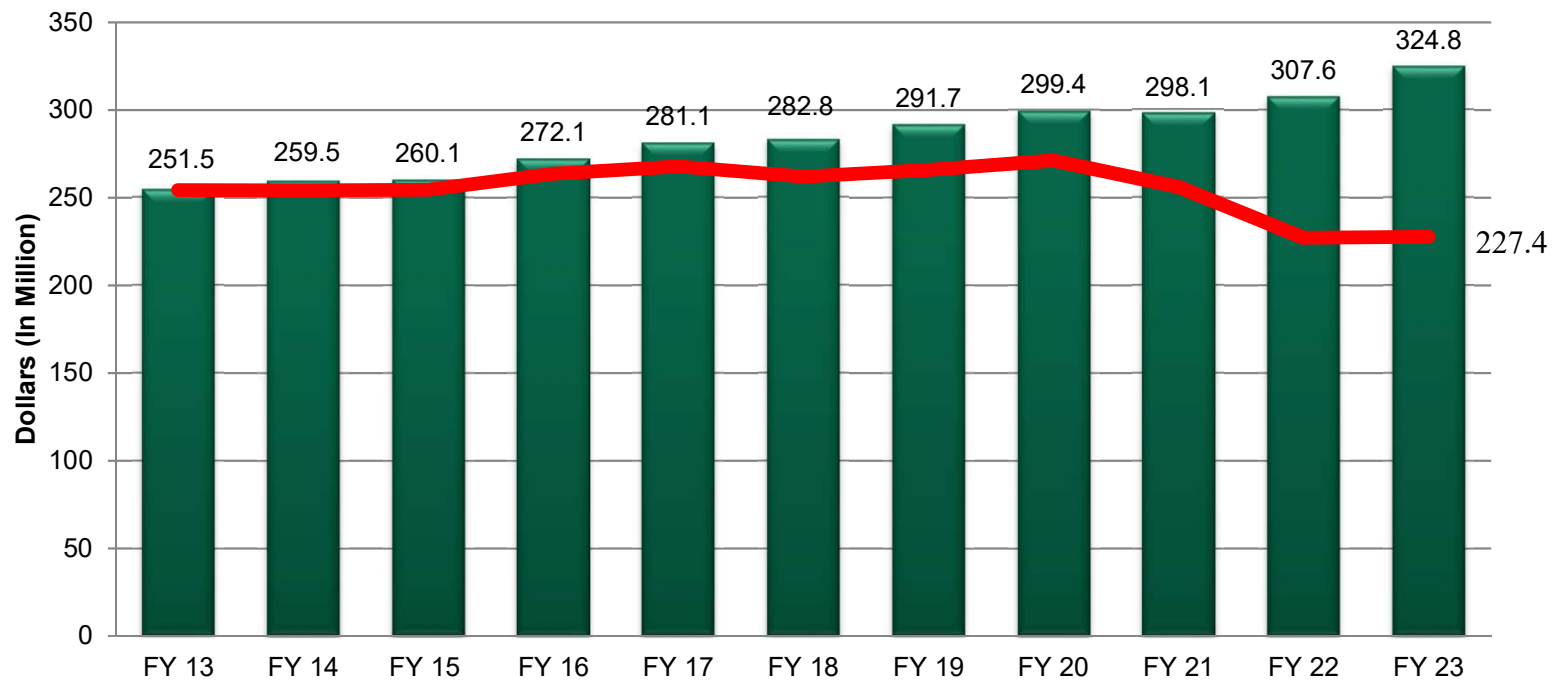
# FY 2024 Preliminary Local Tax Projections

	FY 22 Actual	FY 23 Adopted	FY 23 Estimate	FY 24 Projection	FY 24 over FY 23 Increase/(Decrease)
Real Estate	\$ 97,023,065	\$ 104,182,000	\$ 104,685,000	\$ 114,100,000	\$ 9,918,000
Sales Tax	\$ 26,412,560	\$ 25,000,000	\$ 27,500,000	\$ 28,500,000	\$ 3,500,000
Business License Tax	\$ 15,762,154	\$ 15,340,000	\$ 15,801,000	\$ 16,090,000	\$ 750,000
Transient Occupancy Tax	\$ 4,746,104	\$ 4,220,000	\$ 4,850,000	\$ 5,120,000	\$ 900,000
Prepared Foods & Beverage Tax	\$ 19,248,569	\$ 17,372,000	\$ 19,525,000	\$ 19,950,000	\$ 2,578,000
Personal Property Tax	\$ 28,350,140	\$ 28,909,000	\$ 29,187,000	\$ 29,435,000	\$ 526,000
Other Local Taxes	\$ 33,086,338	\$ 32,476,600	\$ 33,954,538	\$ 33,607,500	\$ 1,130,900
<b>ALL LOCAL TAXES</b>	<b>\$ 224,628,930</b>	<b>\$ 227,499,600</b>	<b>\$ 235,502,538</b>	<b>\$ 246,802,500</b>	<b>\$ 19,302,900</b>

# FY 2024 Net Local Tax Revenue Increase

	Adopted FY 2022-2023	Growth/Allocation	FY 2023-2024
Visit Virginia's Blue Ridge	\$ 1,582,500	\$ 337,500	\$ 1,920,000
Roanoke City Public Schools	\$ 92,541,877	\$ 7,586,160	\$ 100,128,037
City of Roanoke	\$ 324,789,000	\$ 11,379,240	\$ 336,168,240
Total Preliminary Local Tax Growth Projection		\$ 19,302,900	

# INFLATION ADJUSTED GENERAL FUND ADOPTED BUDGET COMPARISON



- FY23 CPI is projected according to US Bureau of Labor Statistics.

# Preliminary FY 2024 Expenditure Priorities

- Organizational Cost Increases: estimated minimum \$13.9 million
  - Employee Compensation
    - General Employee Compensation Plan – Amount to be determined
      - Moving all General Employees to the minimum of “Meeting the Market” pay grade - \$4.7 million
      - General Employee Compensation Increase for those not impacted by Phase 1 – Amount to be determined
    - Public Safety Step Pay Plan Phase 3 – est. \$2.5 million
  - Pension – rate increase from 14.37% to 21.14% - \$5.48 million
  - Other Benefits \$625,000
    - Medical, Dental, Worker Compensation
  - Estimated Debt Service increase - \$1,000,000

# Preliminary FY 2024 Expenditure Priorities (continued)

- Other Cost Increases:
  - Statutory Mandates
  - General Assembly Actions
  - Supplemental Requests
    - Contractual Increases
    - Inflationary Impacts
  - External Partners
  - Reserves



# Next Steps in FY 2024 Budget Development Process

- Program Requests currently being reviewed by staff
- Program Requests reviewed by Budget Committee
- External agency requests reviewed
- Budget Committee review of fee adjustment requests
- March 6 Budget Briefing preparation and delivery

# Capital Improvement Program

- Update on CIP development process
- FY23 CIP Key Project Updates

Capital  
Improvement  
Program

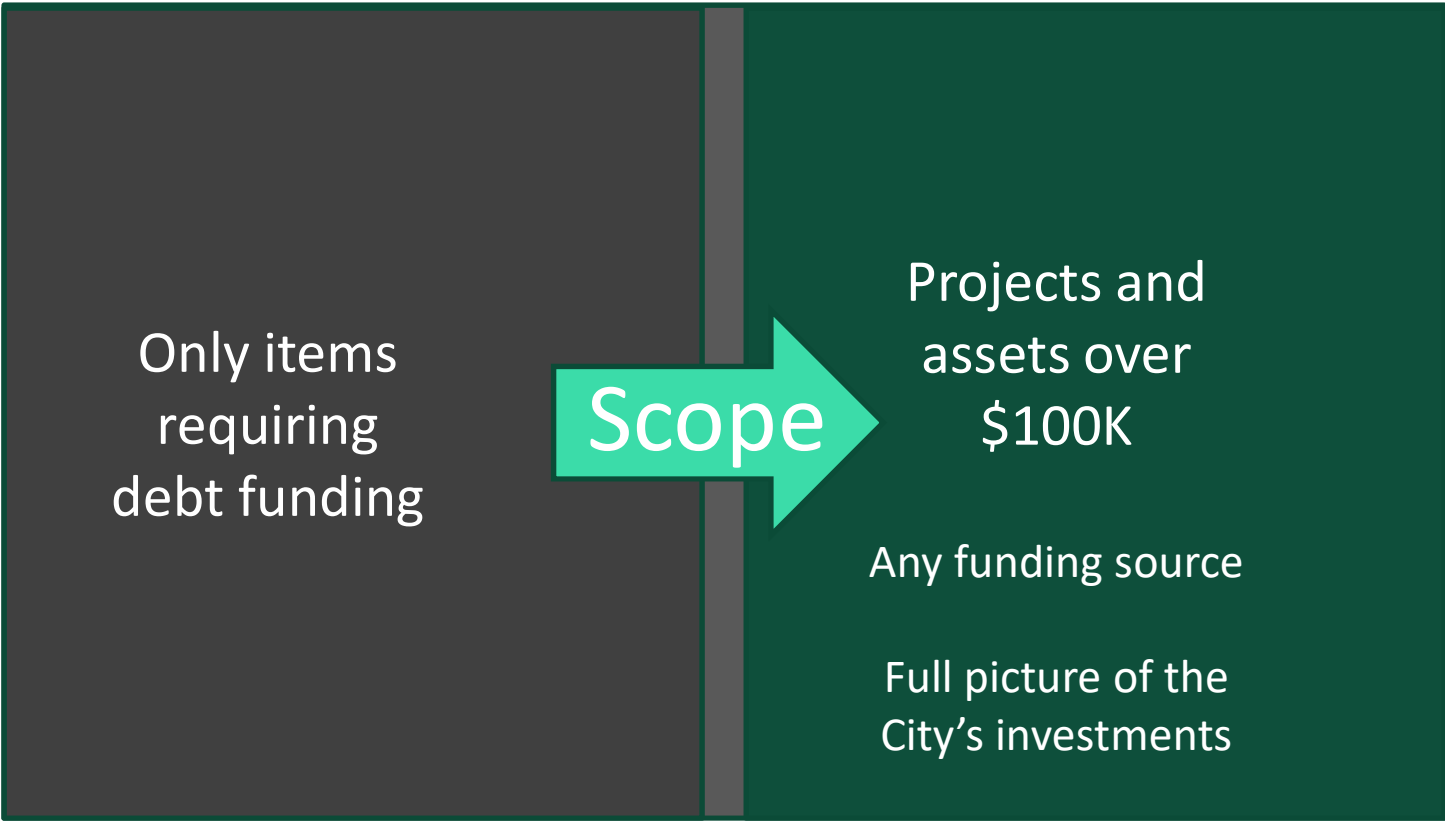
Desired  
characteristics

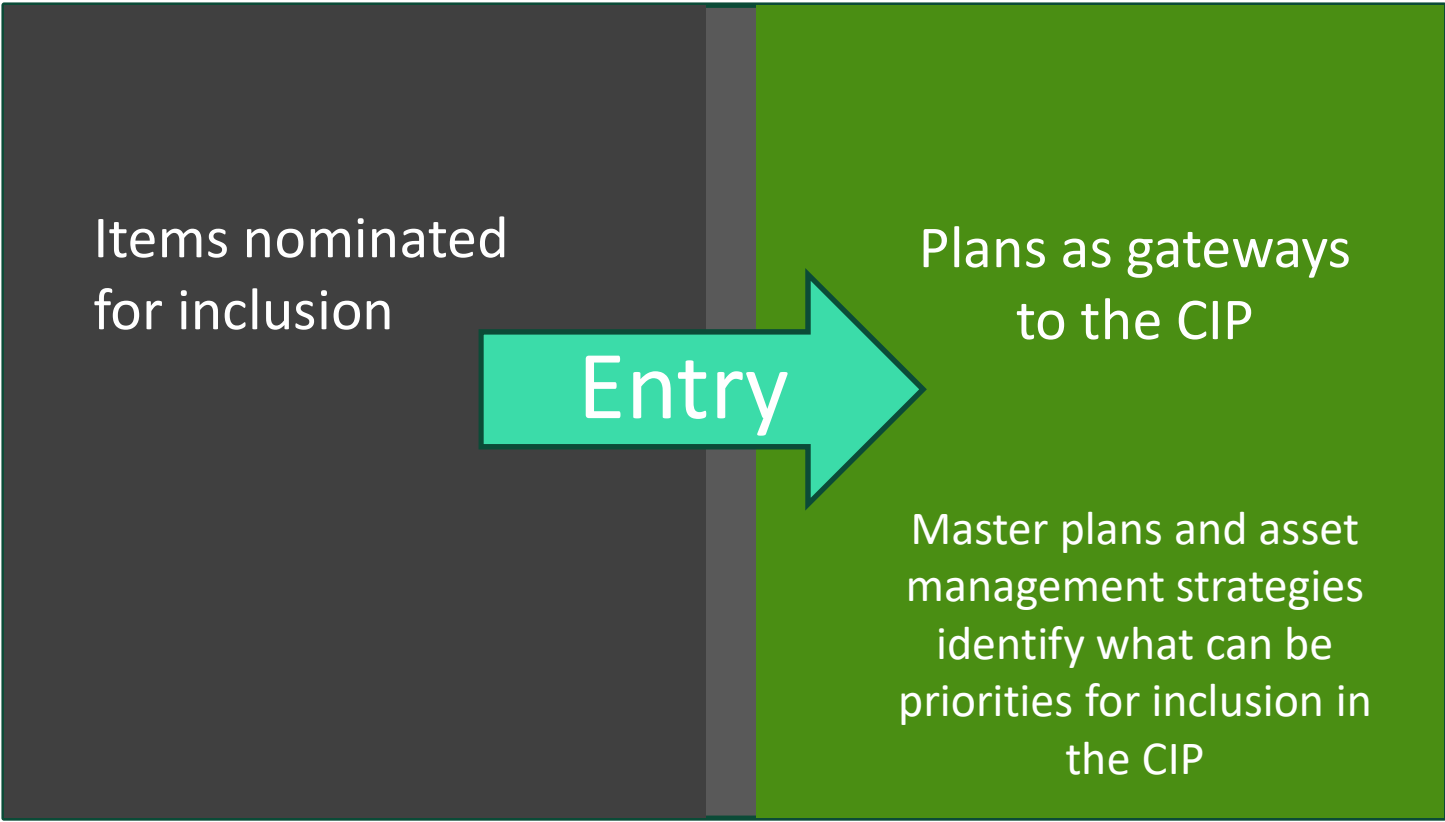
Transparent process

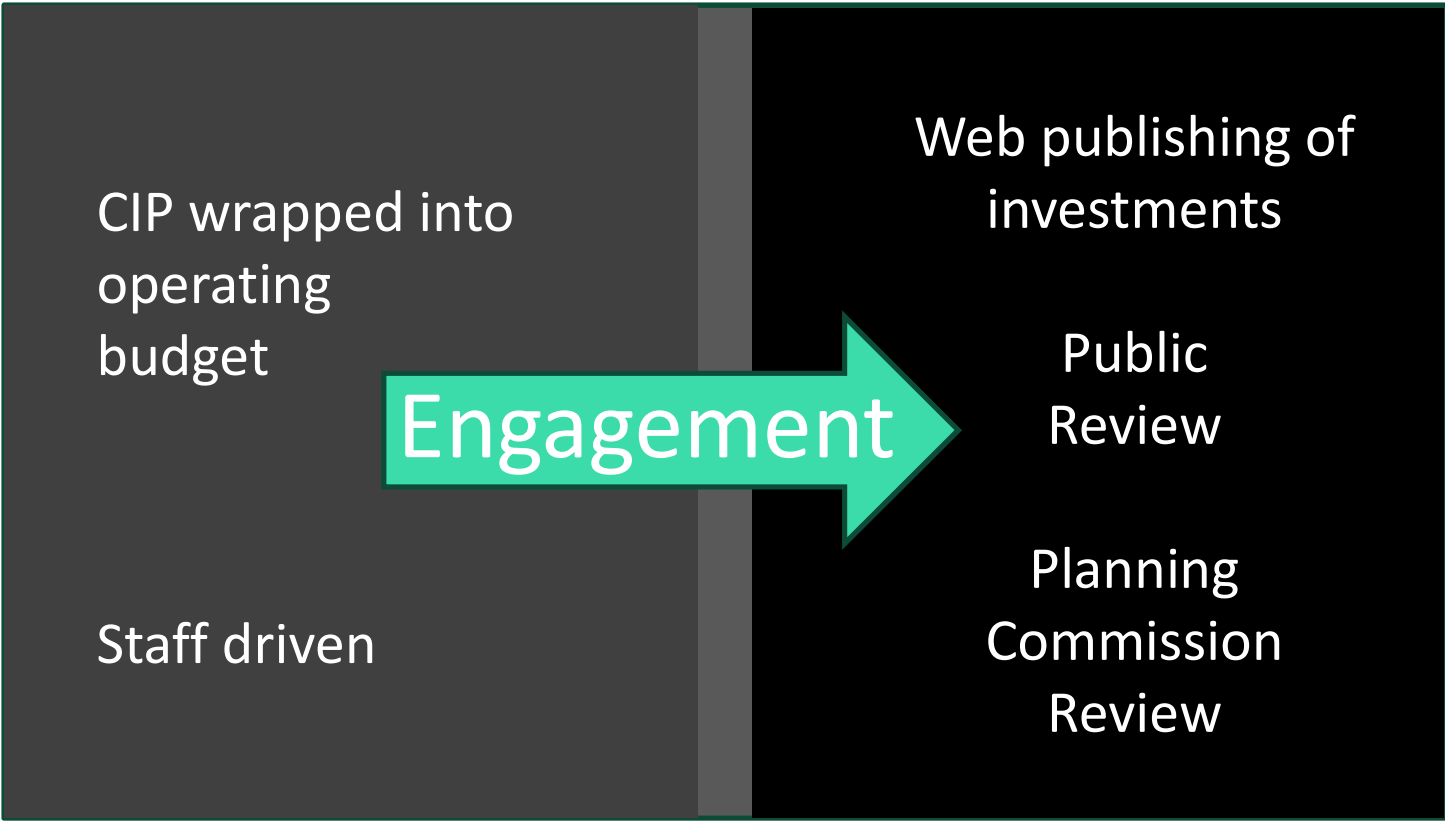
Awareness of the full scope  
of large investments  
regardless of funding

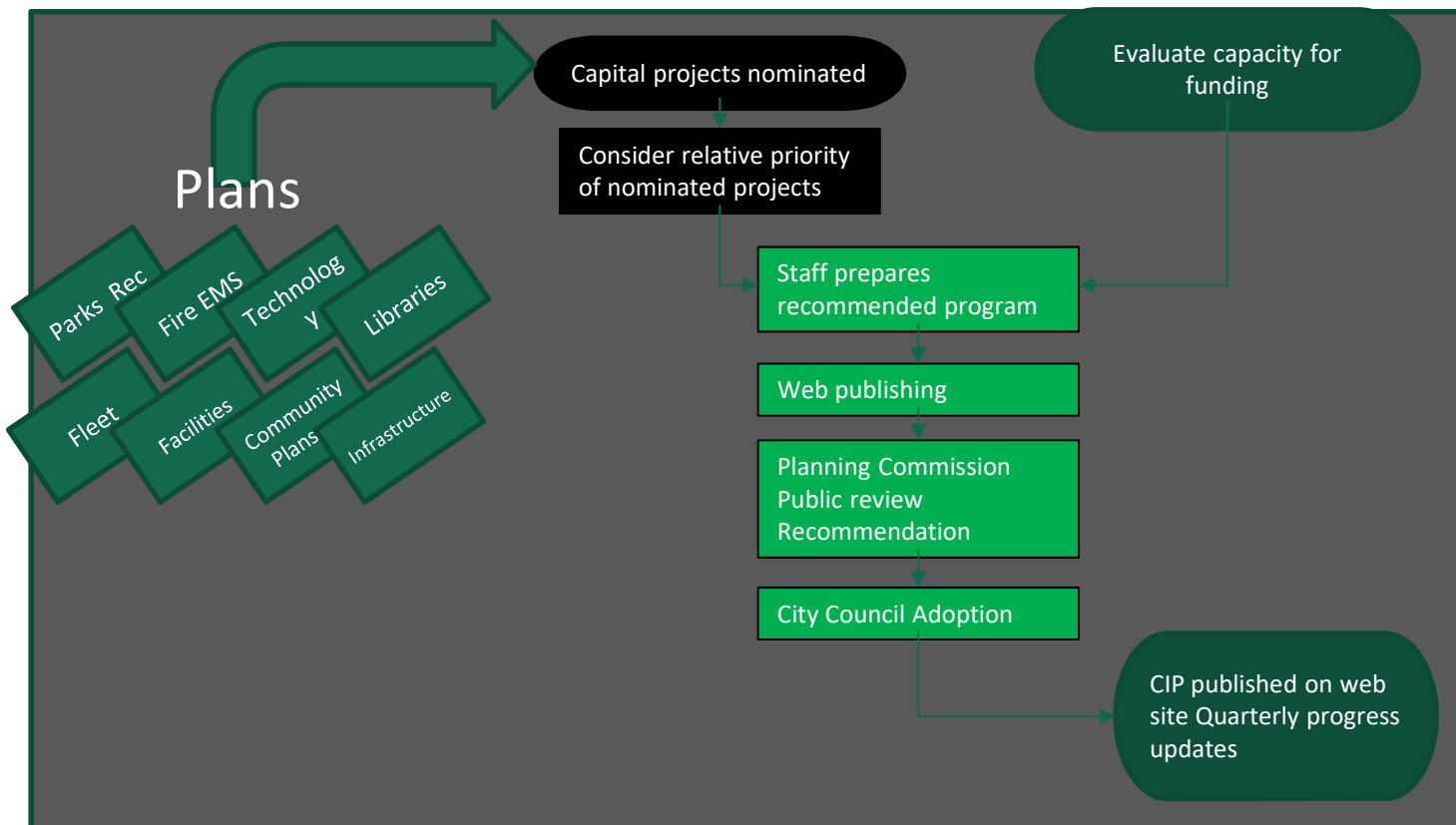
Tool to implement our  
master plans and  
comprehensive plan

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









# FY 2023 CIP Projects

- Buildings
- Fleet Capital Replacements
- Parks and Recreation Master Plan
- School Improvements
- Streets, Sidewalks, Bridges and Other Infrastructure
- Technology Improvements
- Stormwater Capital Improvements
- Berglund Center Renovations



# FY 2023 CIP

Project	FY2023 Authorized (Debt)	FY2023 (Cash)	FY2023 (Grants)	Total
Morningside Elementary (expand instructional space and replace aging modulares), new school construction to replace Preston Park elementary (year 1)	\$ 12,750,000			\$ 12,750,000
Bridge Annual Maintenance		798,686		798,686
Wasena Bridge - Phase 2 Construction	13,750,000			13,750,000
Belmont Branch - Phase 2 Construction	300,000			300,000
Eureka Recreation Center		5,000,000	8,000,000	13,000,000
Washington Park Pool	750,000			750,000
Richardson Wayland	500,000			500,000
River's Edge Phase II	1,500,000			1,500,000
Civic Center - Berglund Center Improvements (BPAT restroom remodel, conversion of parking lot lights to LED, and replacement of BPAT roof)	1,500,000	21,550		1,521,550
Stormwater Improvements - A wide range of work including initial projects to reduce flooding in downtown (1st Street and Salem Ave., Jefferson/Shenandoah Tunnels), neighborhood drainage projects (Melrose Ave. crossing project, West End drainage projects), continued acquisition of flood prone properties and conversion back to flood plain (Peters Creek wetland), water quality/stream restorations (Garnand Branch, Peters Creek), and various flood mitigation and small construction projects.	4,000,000	1,525,000		5,525,000
Curb, Gutter and Sidewalk (CGS) - New	2,000,000			2,000,000
Curb, Gutter and Sidewalk (CGS) - Maintenance	335,000	335,419		670,419
Streetscapes Improvements	500,000			500,000
Street Paving and ADA Ramps	1,000,000	4,239,924		5,239,924
Fleet Capital Replacements	1,600,000	1,580,972		3,180,972
Advantage System	600,000			600,000
Records Management System (RMS)/Jail Management System (JMS)	2,030,000			2,030,000
Network Cabling	700,000			700,000
Fire Station #2 - A&E, Land Acquisition, Construction	500,000			500,000
PWSC - Women's Locker Room Renovation - A&E and Construction	430,000			430,000
Capital Building Maintenance - HVAC and Structural projects	1,405,000	375,000		1,780,000
Magistrate Office Renovation - A&E and Construction	100,000			100,000
Information Technology Committee (ITC)		1,500,000		1,500,000
<b>TOTAL</b>	<b>\$ 46,250,000</b>	<b>\$ 15,376,551</b>	<b>\$ 8,000,000</b>	<b>\$ 69,626,551</b>

- Excess debt service may be available in some years for one-time capital needs, the Undesignated Fund Balance and the Stabilization Reserve.

Questions?

# Real Estate Rate Impact on \$152,600 Median Assessed Value Home

Tax Rate	Annual Tax	Citizen Impact	RCPS Impact	City Impact
\$1.22/\$100	\$1,862	\$0	\$0	\$0
\$1.21/\$100	\$1,846	\$16	\$(367,213)	\$(550,820)
\$1.20/\$100	\$1,831	\$31	\$(734,426)	\$(1,101,639)
\$1.19/\$100	\$1,816	\$46	\$(1,101,639)	\$(1,652,459)

# Impact on \$100,000 Value Home

Tax Rate	Annual Tax	Citizen Impact	RCPS Impact	City Impact
\$1.22/\$100	\$1,862	\$0	\$0	\$0
\$1.21/\$100	\$1,846	\$16	\$(367,213)	\$(550,820)
\$1.20/\$100	\$1,831	\$31	\$(734,426)	\$(1,101,639)
\$1.19/\$100	\$1,816	\$46	\$(1,101,639)	\$(1,652,459)

\*Single family residences only

# RE discounts

# FY 2024-2028

## Capital Improvement Program

- Continuation of Bond Funding in FY 2028 for Existing Projects
  - School Improvements - \$5.0 M
  - Berglund Center Improvements - \$1.5 M
  - Stormwater Improvements - \$3.0 M
  - Curb, Gutter & Sidewalk (New) - \$2.0 M
  - Curb, Gutter & Sidewalk (Maintenance) - \$500,000
  - Streetscape Improvements - \$500,000
  - Street Paving and ADA Ramps - \$1.0 M
  - Capital Building Maintenance - \$1.0 M

# FY 2024 CIP Debt and Cash Requests

Project	2024	2024 new/adjusted request (bonds)	2024 new request (cash)	2024 Total
New school construction to replace Preston Park Elementary (year 2), Lincoln Terrace Elementary (HVAC, roof replacement), Patrick Henry (regrade practice field), Hurt Park Elementary (new playground)	\$12,855,000			\$12,855,000
Wasena Bridge - Phase 2 Construction		4,125,000		4,125,000
13th Street SW over NSRW - Construction	2,000,000	(2,000,000)		
Wiley Drive Low Water Bridge		1,500,000		1,500,000
Washington Park Pool	2,400,000			2,400,000
Richardson Wayland - New Operations Hub/Parks & Rec HQ		500,000		500,000
Eureka Recreation Center			475,000	475,000
Civic Center - Berglund Center Improvements (BPAT restroom remodel, conversion of parking lot lights to LED, and replacement of BPAT roof)	1,500,000			1,500,000
Stormwater Improvements - A wide range of work including initial projects to reduce flooding in downtown (1st Street and Salem Ave., Jefferson/Shenandoah Tunnels), neighborhood drainage projects (Melrose Ave. crossing project, West End drainage projects), continued acquisition of flood prone properties and conversion back to flood plain (Peters Creek wetland), water quality/stream restorations (Garnand Branch, Peters Creek), and various flood mitigation and small construction projects.	3,000,000		500,000	3,500,000
Curb, Gutter and Sidewalk (CGS) - New	2,000,000			2,000,000
Curb, Gutter and Sidewalk (CGS) - Maintenance	335,000	165,000		500,000
Streetscapes Improvements	500,000			500,000
Street Paving and ADA Ramps	1,000,000			1,000,000
Traffic Signal Modernization (upgrades to City's 158 traffic signals)			300,000	300,000
Passenger Rail Amtrak Station	1,865,000	(1,865,000)		-
Fleet Capital Replacements (Fire Ladder truck, Hazmat trucks/trailer, Ambulances, Police and Sheriff vehicles)	600,000	1,436,042	1,205,121	3,241,163
Advantage System	1,900,000			1,900,000
Global HR Migration, Global Payroll, Talent Management		700,000		700,000
Fire Station #2 - A&E, Land Acquisition, Construction	850,000	1,000,000		1,850,000
PWSC - Wash House/Refueling Station - A&E and Construction	345,000	1,170,000		1,515,000
Capital Building Maintenance - HVAC and Structural projects	1,220,000	(220,000)		1,000,000
Magistrate Office Renovation - A&E and Construction	655,000	196,000		851,000
Commonwealth Attorney's Law Library - A&E and Construction	200,000			200,000
Hotel Roanoke Loggia (Concrete Walkway)			150,000	150,000
Underground Storage Tank (UST) Replacement		170,000		170,000
Solid Waste-West End Downtown Sealed Compactor (new sealed compactor and site to lease)			325,000	325,000
<b>TOTAL</b>	<b>\$ 33,225,000</b>	<b>\$ 6,877,042</b>	<b>\$ 2,955,121</b>	<b>\$ 43,057,163</b>
New, adjusted, and increased requests				

- Excess debt service may be available in some years for one-time capital needs, the Undesignated Fund Balance and the Stabilization Reserve.

# FY 2024

## Capital Improvement Program

- All New and Increased FY 2024 Requests
  - Wasena Bridge Phase II Construction - \$4,125,000
  - Wiley Drive Low Water Bridge - \$1,500,000
  - Bridge Maintenance - \$418,686 (cash)
  - Richardson Wayland – New Parks&Rec Operations Hub - \$500,000
  - Eureka Recreation Center - \$475,000 (cash)
  - Stormwater Improvements - \$500,000 (cash)
  - Curb, Gutter and Sidewalk Maintenance - \$165,000
  - Traffic Signal Modernization - \$300,000 (cash)
  - Fleet Capital Replacements - \$1,436,042, \$150,000 (cash), \$1,055,121 (one-time)
  - DOT – Global HR Migration, Global Payroll, Talent Management - \$700,000
  - Fire Station #2 - Land Acquisition - \$1,000,000
  - PWSC Wash House/Refueling Station - \$1,170,000
  - Magistrates Office Renovation - \$196,000
  - Hotel Roanoke Loggia – Concrete Walkway - \$150,000 (cash)
  - Underground Storage Tank Replacement - \$170,000
  - West End Downtown Sealed Compactor - \$25,000 (cash), \$300,000 (one-time)

# FY 2024-2028 Capital Improvement Program

- Next Steps / Funding Strategies
  - Prioritization of unfunded requests and determine affordability
  - Discussions with Municipal Advisors
  - Seek to cash fund using one-time allocation from FY22 year-end surplus or excess debt service budget



# Council Discussion

- FY 2024-2028 Priority Projects
- March 6<sup>th</sup> Capital Update
- Financial Advisor - Capital Funding Strategies Update

# Capital Improvement Program

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

Investments made within parameters of debt policy.

# FY 2023-2027 CIP Projects

- **Buildings**
  - Library Master Plan – Belmont Library
  - Fire Facility Master Plan – Station 2
  - PWSC – Women’s Locker Room Renovation
  - Capital Building Maintenance – major HVAC, electrical and lighting needs
  - Magistrate Office Renovation
- **Fleet Capital Replacement**
  - Fire apparatus, ambulances, and Solid Waste vehicles
- **Parks and Recreation Master Plan**
  - Washington Park Pool
  - Richardson Wayland
  - River’s Edge Phase II
  - Skate Park
  - Rehabilitating and/or replacing amenities
- **School Improvements**
  - Morningside, Preston Park, and Westside

# FY 2023-2027 CIP Projects

- **Streets, Sidewalks, Bridges and Other Infrastructure**
  - Bridge Renovation/Replacement Program – Wasena Replacement, 13<sup>th</sup> St SW over NSRW Renovation, Melrose over Peters Creek
  - Curb, Gutter and Sidewalk Program – new sidewalks and maintenance
  - Streetscape Project Improvements
  - Street Paving and ADA Ramps
  - Passenger Rail Station – construction (rehabilitation of existing building)
- **Technology Improvements**
  - Financial System (Advantage) upgrade and Jail Management System (RMS/JMS)
  - Network Cabling
  - Global HR Migration, Global Payroll, Talent Management
- **Stormwater Capital Improvements**
  - Flood mitigation and drainage projects: downtown (1<sup>st</sup> Street and Salem Ave., Jefferson/Shenandoah Tunnels, Melrose Ave., West End)
  - Acquisition of flood prone properties and conversion back to flood plain (Peters Creek wetland)
  - Water quality/stream restorations (Garnand Branch, Peter Creek)
- **Berglund Center Renovations**
  - BPAT restroom remodel and roof replacement
  - Parking lot lights conversion to LED

# Briefing Purpose and Objectives

- To provide clarity on projected revenues as of November month-end and estimated “Top-Line” FY 2023-2024 expenditures

# FY 2024 Preliminary Local Tax Estimate

	FY 22 Actual	FY 23 Adopted	FY23 Estimate	FY 24 Estimate	FY24 over FY23 Increase/ (Decrease)
Real Estate	\$97,023,065	\$104,182,000	\$104,685,000	\$114,100,000	\$9,918,000
Sales Tax (through September)	26,412,560	25,000,000	27,500,000	28,500,000	3,500,000
Business License Tax	15,762,152	15,340,000	15,801,000	16,090,000	750,000
Transient Occupancy Tax	4,746,104	4,220,000	4,850,000	5,120,000	900,000
Prepared Foods & Beverage Tax	19,248,569	17,372,000	19,525,000	19,950,000	2,578,000
Personal Property Tax	28,350,140	28,909,000	29,187,000	29,435,000	526,000
Other Local Taxes	33,086,340	32,476,600	33,954,538	33,607,500	1,130,900
All Local Taxes	\$224,628,930	\$227,499,600	\$235,502,538	\$246,802,500	\$19,302,900

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