



CITY OF ROANOKE

EQUITY. COMMUNITY. EMPOWERMENT.



City Council Budget Briefing

April 3, 2023

Agenda

- Enterprise Fund Considerations
- Municipal Advisors Update
 - Fixed Cost Policy
 - Debt Strategies

Enterprise Fund Considerations

- Stormwater Fund
- Civic Facilities Fund
- Parking Fund

Stormwater Highlights for FY24 Budget

| Fee Parameter | Fiscal Year | | | | | | |
|------------------------|-------------|----------|----------|----------|-----------|-----------|-----------|
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Monthly/Billing Unit | \$ 0.90 | \$ 1.05 | \$ 1.20 | \$ 1.35 | \$ 1.45 | \$ 1.55 | \$ 1.60 |
| Change/Year | \$ - | \$ 0.15 | \$ 0.15 | \$ 0.15 | \$ 0.10 | \$ 0.10 | \$ 0.05 |
| Avg. Residential/Month | \$ 5.40 | \$ 6.30 | \$ 7.20 | \$ 8.10 | \$ 8.70 | \$ 9.30 | \$ 9.60 |
| Avg. Residential/Year | \$ 64.80 | \$ 75.60 | \$ 86.40 | \$ 97.20 | \$ 104.40 | \$ 111.60 | \$ 115.20 |

- Second year of a 6-year phased increase in the Stormwater Utility Fee. Fee increases from \$1.05/billing unit/month to \$1.20 billing unit/month.
- Revenue increased by approximately \$1.1 million primarily due to the rate change (and some expected fluctuation in impervious surface due to development activity).

Stormwater Highlights for FY24 Budget

- Planned to transfer \$500,000 from annual operating budget to be applied to capital projects (goal is to transfer \$500,000 annually based on the fee increase and the increased cost to fund capital projects). Current trend shows achieving FY23's goal of committing \$550,000 in the current year's budget to capital project.
- Debt service is expected to increase in the next year per Finance projections.
 - Because supply chain delays and revenue sharing decreases, the bond issuance for FY22 was dropped to \$2 million with \$4 million issued for FY23.
 - Plan to continue to request at \$3 million rate for FY24 and beyond.
 - With acceleration of VDOT Revenue Sharing projects, we are monitoring the need to adjust bond issuances/project schedules in upcoming FY's.
- A transfer of roughly \$365,000 from annual operating account to capital accounts for ongoing research work - includes:
 - Working with USGS on evaluating rainfall, flow and water quality information
 - Work with the University of Maryland Baltimore County on evaluation of PCBs in our watersheds
- Backlog of total projects exceed \$300,000,000

Civic Facilities Fund

- Operating Subsidy Increased \$258,651 to \$771,738.
 - Filling vacant positions to pre-COVID levels
 - Utilities increasing by \$85k
 - Operations expense increased due to deferred maintenance
 - Compensation: Pay increase and retirement rate increase
 - Adding HVAC Specialist position
 - Operating subsidy does not include the \$250,000 supplemental request to purchase more diverse artists and shows.
- Facility and Parking Fees to cover Contracted Security \$163,000
- Debt Service increased \$150,377
- Total Civic Facilities budget is about \$14.064 million which is an increase over FY23 of about \$1.620 million.
- Concert tours are beginning to increase, but costs have risen significantly. The same can be said for comedy, Broadway, and trade/consumer shows.
- The Bella Vista Room (4th floor of Annex) will open in Fall, 2023. Anticipating \$300,000 in revenue the first year.
- Berglund Center assumed management and operations of the Star City Café on the first floor of the municipal building. Revenues and expenses are a wash as our goal for the first year is to breakeven.

Parking Fund

- Daily operations are stabilizing
 - Increased daily activity
 - Increase to monthly parking fee (to cover Armed Security Expense of 186K)
- Expenditures
 - Experiencing inflationary increases
 - New parking contractor
 - Increase to Management Fee
 - Investment of New technology to enhance customer experience
 - Maintenance upgrades to facilities
 - Parking office renovation

Parking Fund (Cont'd)

Capital Maintenance Projects

– Completed

- Power Washing and Painting at Tower & Center in the Square Garages
 - Interior walls/deck (both)
 - Stairwells (painting)
 - Columns (power washing)
 - Ceilings (painting)
- LED upgrade Tower Garage (by end of April)
- Elevator modernization- Shared Wells Fargo Tower

– Planned

- Elevator modernization Center in the Square Garage
- Final year of 5 year Structural and Restoration Plan for 7 Garages
- Purchased M30 Sweeper/Scrubber

Parking Fund (Cont'd)

Future Outlook

- Uptick in revenues due to post COVID recovery and increased traffic in downtown business district
 - In 2023, parking operators project up to 15% growth
- Preventative Restoration and Maintenance repairs
 - RFP for Structural Engineering Firm to go out Spring FY24
 - FY24-FY29 CIP to be developed with the new firm
- Anticipated New Parking Study in 2024
- Debt Service to decrease 300k by FY27

Municipal Advisor

Davenport & Company LLC

David Rose – Senior Vice President