

FY2020-2021 City Manager's Proposed Budget

Presentation to Council

April 14, 2020

Response to Current Economic Situation

- ▶ COVID-19 response will have a significant impact on remainder of FY20 and planning for FY21.
- ▶ Spending control measures in anticipation of reduced revenue for remainder of FY20
- ▶ Proposing “Flexible budgeting” in anticipation of FY21 impacts
 - ▶ Adopt FY21 budget at pre-COVID levels
 - ▶ Implement and adjust spending controls as revenue situation dictates.

Anticipated Revenue Shortfalls?

- ▶ 3 scenarios: Moderate, Difficult, Severe
 - ▶ Various levels of revenue loss for top 6 revenue sources:
 - ▶ Real Estate: Collection impacts only (1/1/20 book)
 - ▶ Personal Property: Collection impacts 2020, possible AV loss in 2021
 - ▶ Sales Tax: 20%, 30%, 40%
 - ▶ Meals tax: 20%, 40%, 60%
 - ▶ BPOL: FY20 no impact, FY21 30%, 40%, 50%
 - ▶ Lodging: 40%, 60%, 75%

Anticipated Revenue Shortfalls?

	FY20 Budget	FY20 Projections		
		Moderate	Difficult	Severe
Real Estate	\$20,066,538	\$20,166,593	\$19,864,094	\$19,268,171
Sales Tax	8,218,214	7,334,747	6,417,904	5,348,039
Meals Tax	6,953,362	6,625,244	5,521,037	4,140,778
BPOL	2,920,442	2,920,442	2,920,442	2,891,238
Personal Property	2,601,250	2,961,619	2,872,770	2,729,132
Lodging Tax	1,280,483	1,026,080	769,560	529,073
Total	\$42,040,289	\$41,034,725	\$38,365,807	\$34,906,431
Revenue Loss (From Budget)		(\$1,005,564)	(\$3,674,482)	(\$7,133,858)

Anticipated Revenue Shortfalls?

	FY21 Budget	FY21 Projections		
		Moderate	Difficult	Severe
Real Estate	\$20,919,203	\$20,500,819	\$20,082,435	\$19,664,051
Sales Tax	8,061,260	7,255,134	6,852,071	6,449,008
Meals Tax	7,285,359	6,556,823	5,828,287	5,099,751
BPOL	3,179,917	2,464,436	2,225,942	1,987,448
Personal Property	3,050,246	2,989,241	2,897,734	2,745,221
Lodging Tax	1,279,296	895,507	703,613	559,692
Total	\$43,775,281	\$40,661,960	\$38,590,082	\$36,505,171
Revenue Loss (From Budget)		(\$3,113,321)	(\$5,185,199)	(\$7,270,110)

FY20 Economic Response – Budgetary Controls

- ▶ Hiring freeze for vacant positions unless approved by City Manager on a case-by-case basis
- ▶ Freeze on unspent capital outlay in department budgets, unless approved by City Manager
- ▶ Non-essential spending freeze, unless approved by City Manager
- ▶ Hold on pavement preservation program
- ▶ Discussion with schools on revenue projections and anticipated adjustments to monthly transfers

FY21 Economic Response – Budgetary Control Options

- COLA raises moved to contingency \$420,000
- Additional Street maintenance to contingency 295,000
- Freeze on approved capital outlay 897,000
- Freeze on upgraded positions 43,000
- Freeze on General Fund transfer to CIP 220,000
- Base contingency amount 309,000
- Freeze certain new initiatives/contrib. to FY20 levels 44,000
- \$2,228,000

- Hiring freeze for vacant positions unless approved by City Manager on a case-by-case basis
- Non-essential spending freeze, unless approved by City Manager
- Hold on implementation of Pavement Preservation Program for FY 21

Proposed Budget Highlights

PERSONNEL

- Full Year 2.5% COLA Increase for FT Employees (\$419,000)
- 2.5% Health Insurance Increase (\$61,000)
- VRS Employer rate increase from 13.48% to 14.39% (\$130,000)
- Three upgraded positions (\$43,000):
 - GIS Coordinator, IT (replacing professional services)
 - Legal Secretary, Comm Attny (PT to FT)
 - HR Specialist (Finance Admin Assist. to PT)
- SAFER grant year 2 match (Cigarette taxes, \$108,000)
- Additional staffing for community center (revenue funded, \$25,000)
- Increased funding for PT horticulture staff (\$9,000) & sheriff's deputies (\$8,000)

* Items in purple are subject to temporary hold in response to economic conditions

Proposed Budget Highlights

OPERATING- SERVICES

- ▶ Phase II RRJA increase
- ▶ Phase II Shared Services increase
- ▶ Increases estimate for CSA- now \$515,000 (\$65,000)
- ▶ Richmond Regional Tourism membership (\$20,000)
- ▶ Downtown Revitalization Study (\$18,000)
- ▶ Utilities for city buildings (\$11,400)
- ▶ Increases in insurance premiums (\$70,000)
- ▶ Outsourced assistance for buildings & grounds (\$20,000)
- ▶ Increase in Contributions, including Chamber of Commerce and Christmas Mother (\$7,600)
- ▶ Increased school funding per MOU (\$909,000)

* Items in purple are subject to temporary hold in response to economic conditions

Proposed Budget Highlights

EQUIPMENT/ CAPITAL

- Uses selected reserves & fund balances for specific capital projects in CIP
- Sharepoint/ Office 365 Upgrade (\$60,000)
- Technology Fund for computer purchases (\$30,000)
- Pavement inventory data collection (\$40,000)
- City Bridge Inspections (\$40,000)
- UPS power supply for traffic signals at Temple & Boulevard, Ellerslie & Boulevard, and Dimmock & Southpark (\$21,000)
- Shepherd Stadium Handrails (\$32,000)

* Items in purple are subject to temporary hold in response to economic conditions

Proposed Budget Highlights

EQUIPMENT/ CAPITAL (cont.)

- Courthouse carpet replacement (\$10,600)
- Courthouse Sally Port Gate replacement (\$10,600)
- Increased street maintenance (Cigarette taxes) (\$295,000)
- Equipment:
 - Council Audio equipment & recording software upgrades (\$23,000)
 - Balance of Steel Spreader Rack for Street Maintenance (\$55,000)
 - Front End Wheel Loader (Streets & Stormwater, \$75,000 each)
 - Community Center HVAC replacement (\$16,000)
 - Four jack stands for fleet maintenance (\$6,800)
 - Diesel Tractor, trailer & attachments for Parks & Grounds (\$30,000)

* Items in purple are subject to temporary hold in response to economic conditions

Proposed Budget Highlights

EQUIPMENT/ CAPITAL (cont.)

- ▶ Equipment:
 - ▶ LTRON crime scene system (\$12,000)
 - ▶ Fire Equipment (\$80,000) (largely grant funded)
- ▶ Vehicles:
 - ▶ Sheriff's Office Vehicle (\$41,000)
 - ▶ Police Vehicles (\$194,000)
 - ▶ Fire Staff Vehicle (\$47,000)
 - ▶ Code Enforcement Vehicle (\$21,000)

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Proposed Budget Highlights

REVENUE CHANGES

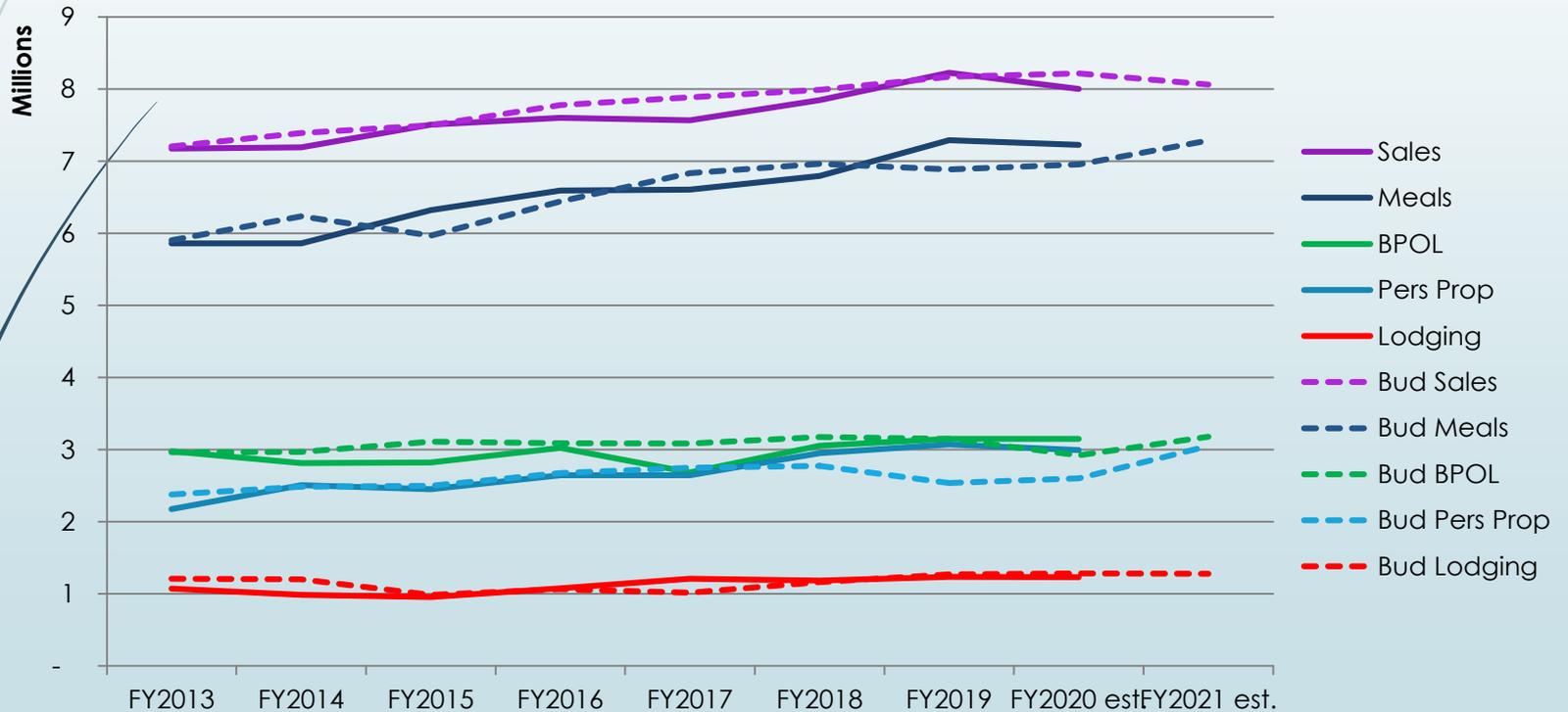
- ▶ 5% Increase in Utility Rates & Restructuring

DEPARTMENTAL ORGANIZATIONAL CHANGES

- ▶ Fleet Maintenance moved under Public Works as a Division
- ▶ Office on Youth moved under Recreation and Parks as a Division
- ▶ Economic Development moved under the City Manager's Office as a Division

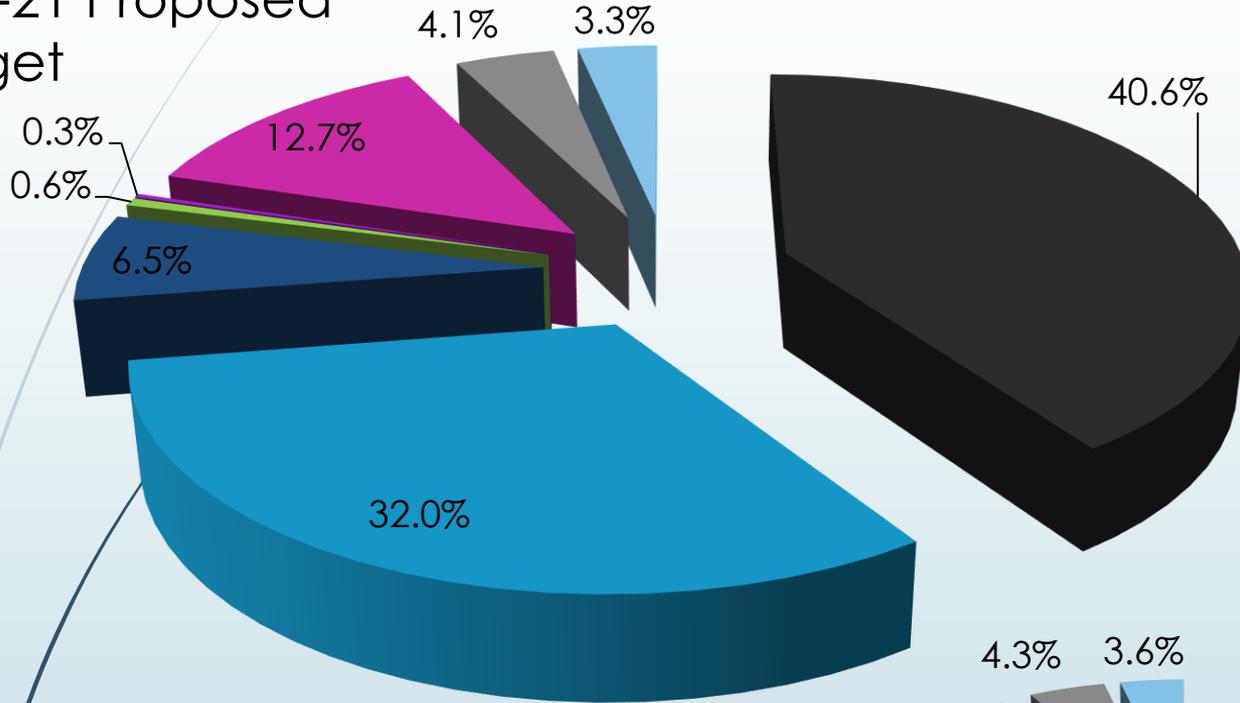
General Fund Revenue Trends

**Five Largest Revenue Sources (Excl. RE Tax)
FY2013 - FY2021 Budget & Actual (FY20,FY21 Est.)**



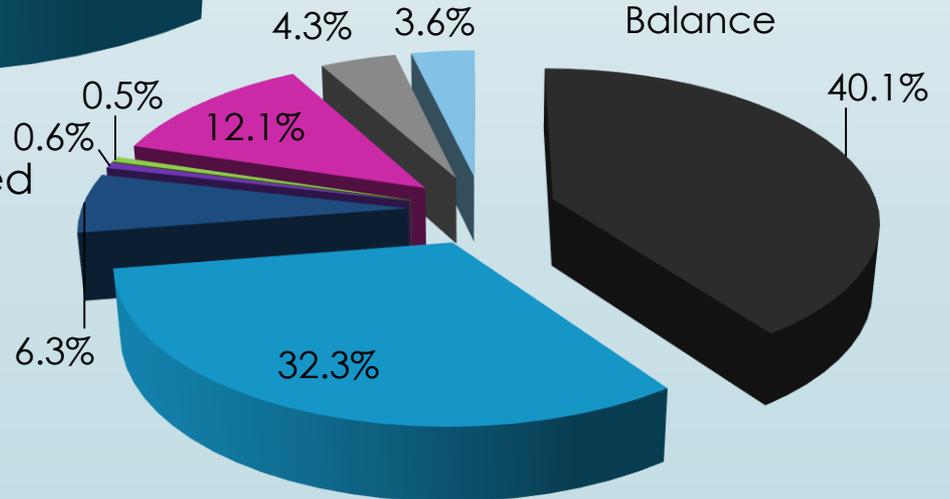
General Fund Revenue

FY20-21 Proposed Budget

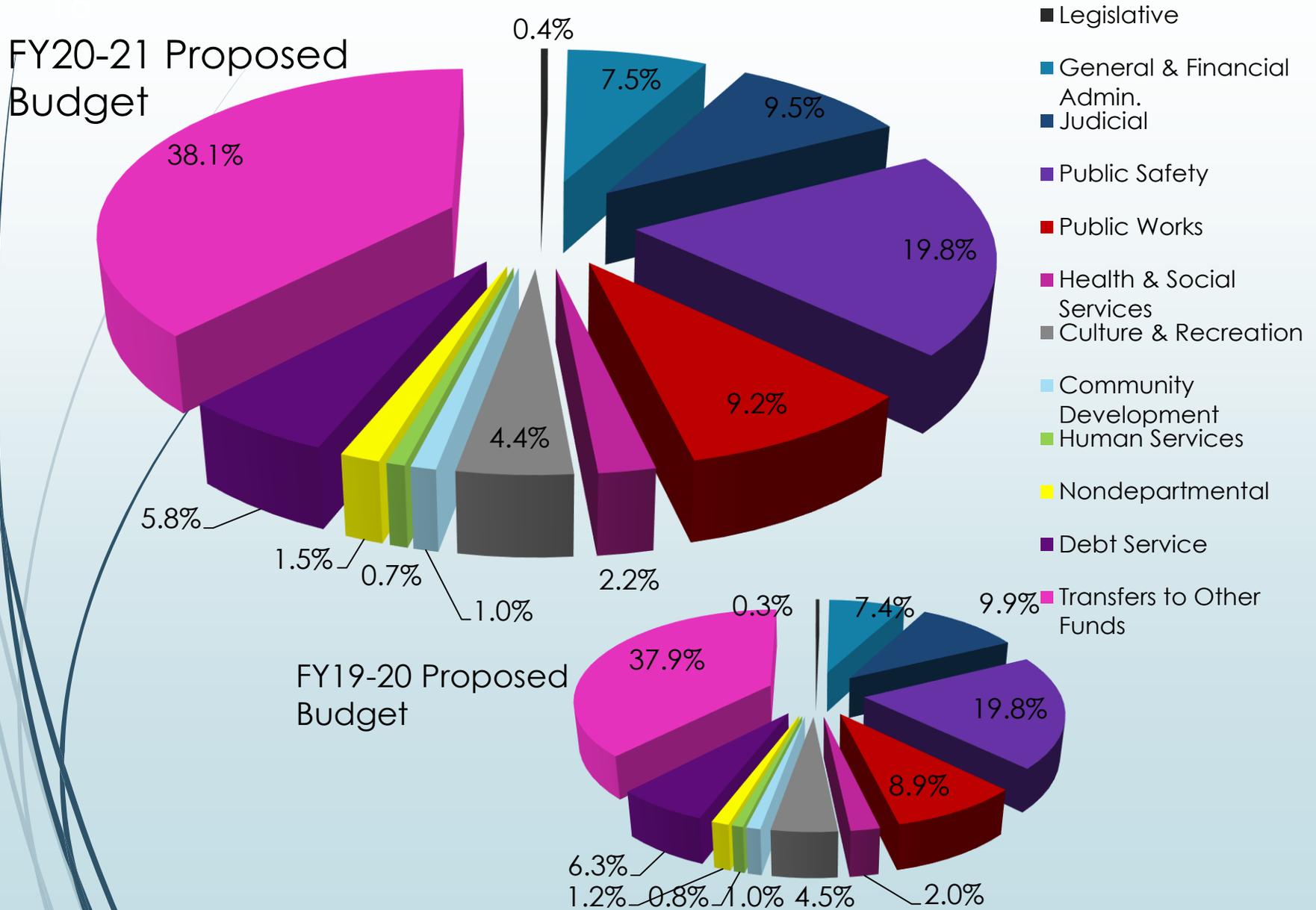


- General Property Taxes
- Other Local Taxes
- Licenses, Permits & Fees
- Fines & Forfeitures
- Use of Money & Property
- Intergovernmental Revenues
- Charges for Current Service
- Miscellaneous/Fund Balance

FY19-20 Proposed Budget



General Fund Expenditures



Chesterfield Shared Services

Service	FY20 Adopted Budget	FY21 Chesterfield Request	FY21 Proposed Budget	Difference
Child Advocacy Center	\$10,000	\$10,000	\$10,000	\$0
Community Corrections	\$207,350	\$309,300	\$306,000	\$3,300
CSA Administration	\$57,500	\$60,000	\$60,000	\$0
Circuit Court	\$31,018	\$31,000	\$31,949	-\$949
Drug Courts	\$62,700	\$85,800	\$64,581	\$21,219
Juvenile Detention Home	\$67,500	\$76,300	\$67,500	\$8,800
Social Services	\$387,849	\$415,700	\$400,000	\$15,700
Radio Shop	\$200,000	\$220,300	\$200,000	\$20,300
Total	\$1,023,917	\$1,208,400	\$1,140,030	\$68,370

City estimates based on anticipated actual expenditures in each service;
County request based on County's proposed budget.

Overview – All Funds

	FY19-20 Adopted	FY20-21 Proposed	Change	Percent
General Fund (net)	37,704,731	39,224,519	1,519,788	4.0%
Economic Dev. Auth.	31,250	32,780	1,530	4.9%
Recreation Fund	342,300	170,300	(172,000)	-50.2%
Schools Fund	41,904,863	41,904,863	-	0.0%
Capital Projects	3,512,075	4,349,251	837,176	23.8%
Stormwater Fund	696,996	1,076,555	379,559	54.5%
Utilities Fund	5,151,083	5,196,565	45,482	0.9%
Total (net of school transfer)	89,343,298	91,954,833	2,611,535	2.9%

Year to Year Change- General Fund

General Fund Increase

\$2.4M

■ CIP Transfer (230k Operating, 774 FB)	100,000
■ Transfer to schools	909,000
■ 2.5% COLA(in contingency)	419,000
■ CSA Direct Costs	125,000
■ New Equipment	164,000
■ Upgraded Personnel	43,000
■ Health Insurance Increase	61,000
■ VRS Increase	130,000
■ Street Maint. (Cigarette Taxes)	295,000
■ Chesterfield Shared Services	<u>68,000</u>

\$2.3M

Year to Year Change- Other Funds

Recreation Fund Decrease \$(172,000)

- ▶ CIP (one time use of reserves in FY20)

Capital Projects Increase 837,176

- ▶ Large one-time projects funded through assigned fund balances & state assistance

Year to Year Change- Other Funds

21

Stormwater Increase

379,559

- Use of Fund Balance for TMDL remediation & Ridge Road culvert
- 50% of cost of wheel loader (split with streets)

Utilities Increase

45,482

- 5% increase in rates
- Decrease in sewer charges from Chesterfield
- Water tank inspections
- Pickup truck

Unfunded Requests

General

- ▶ Stand alone Economic Development website
- ▶ Salary supplements for General District and Juvenile Courts
- ▶ Asphalt hot box for streets
- ▶ Pickup truck for streets
- ▶ Sedan for Office on Youth

Utility Funds

- ▶ Insta-valve for water line for Southpark Water Tower
- ▶ Dump truck for wastewater transmission

Questions

