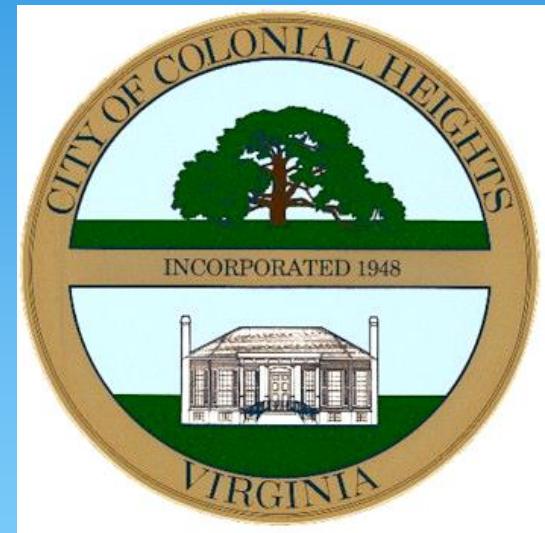


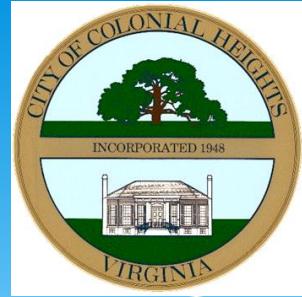
Colonial Heights City Council Special Meeting/ Work Session

April 19, 2016



Colonial Heights City Council Work Session

April 19, 2016

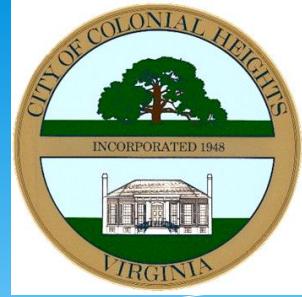


**Special Meeting and/or Work Session
for the Following Purposes:**

- 1. Call to Order**
- 2. Roll Call**
- 3. Declarations of Special Interest**

Colonial Heights City Council Work Session

April 19, 2016

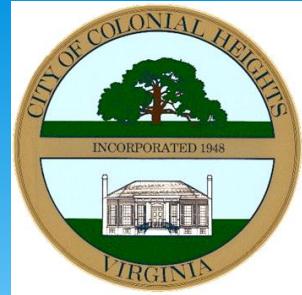


4. Special Meeting and/or Work Session for the Following Purposes:

A. Discussion of Draft Cable Franchise Agreement Between the City and Comcast of Connecticut/Georgia/Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC. The Agreement is a part of Ordinance No. 16-4, which is scheduled for first reading on May 10, 2016.

Colonial Heights City Council Work Session

April 19, 2016



4. Special Meeting and/or Work Session for the Following Purposes:

B. Discussion of the Proposed FY 2016-2017 City of Colonial Heights Annual Operating Budget

City of Colonial Heights

FINANCE REORGANIZATION

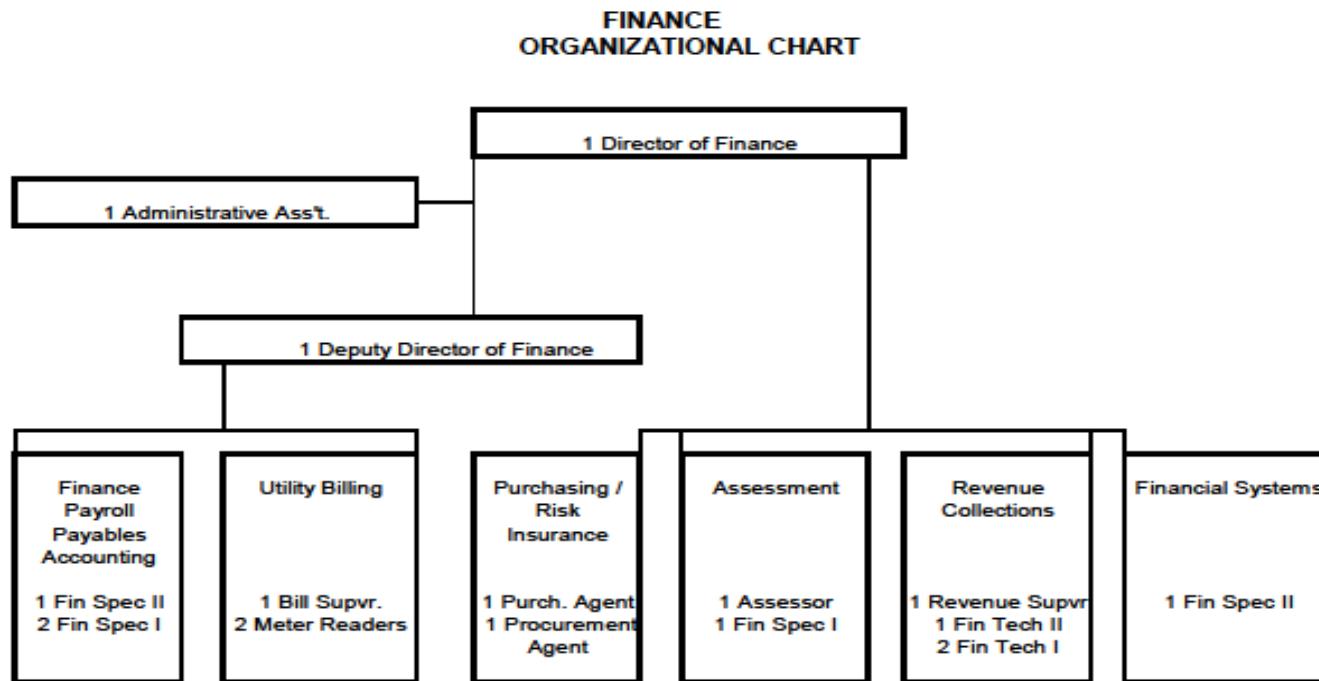
Financial Management Reorganization

- Finance will manage all functions relating to collection of local revenues previously collected by City Treasurer
- Operations will be performed professionally, with proper internal controls, economically and with accountability.
- Current dual processes will be analyzed & combined where appropriate. Current processes will be reviewed as software upgrades are installed.
- Allocation of Finance resources will be realigned with core function requirements.
- Reorganization provides for a pod financial function approach that will provide separation of duties for check & balances

Reorganizational Plan

- Establish separate Department of Billings & Collections to handle local revenue collections.
- Elected Treasurer's office will be established in current Utility Billing Office location.
- No changes are made to Commissioner of Revenue operations or responsibilities.
- Utility Billing operations will be moved in with new Department of Billings & Collections as separate enterprise operation. No structural changes, if any, will be made until processes are stabilized.
- Reorganization of Finance job descriptions to provide for uniform Financial Specialist/Financial Technician job descriptions for new revenue processes and Real Estate Assessor's office.

Reorganizational Plan



Reorganizational Plan

Financial Administration

- No position title changes
- Current Financial Specialists I will have expanded duties in data entry.
- Financial Specialist II who is responsible for current Financial System software operations will be more involved with software systems, coordination and review of revenue collection & reporting systems. Currently also involved in new software upgrades

Auditing – No anticipated changes

Purchasing – No anticipated changes

Assessor

- Office name changed to Real Estate Assessor.
- Assessor's Office Technician title changed to Financial Specialist I

Reorganizational Plan

Billing & Collections

- New Financial Technician I positions will handle basic collection and recording functions
- New Financial Technician II position will handle intermediate functions such as State debt setoff and DMV stops.
- New Revenue Supervisor will be responsible for daily supervision and operations. Will be utilized in review of current processes such as tax billings, online payment processing and eliminating dual processes.
- Tax collection reconciliations will be performed by Financial Administration as part of core responsibilities and strengthen internal controls.

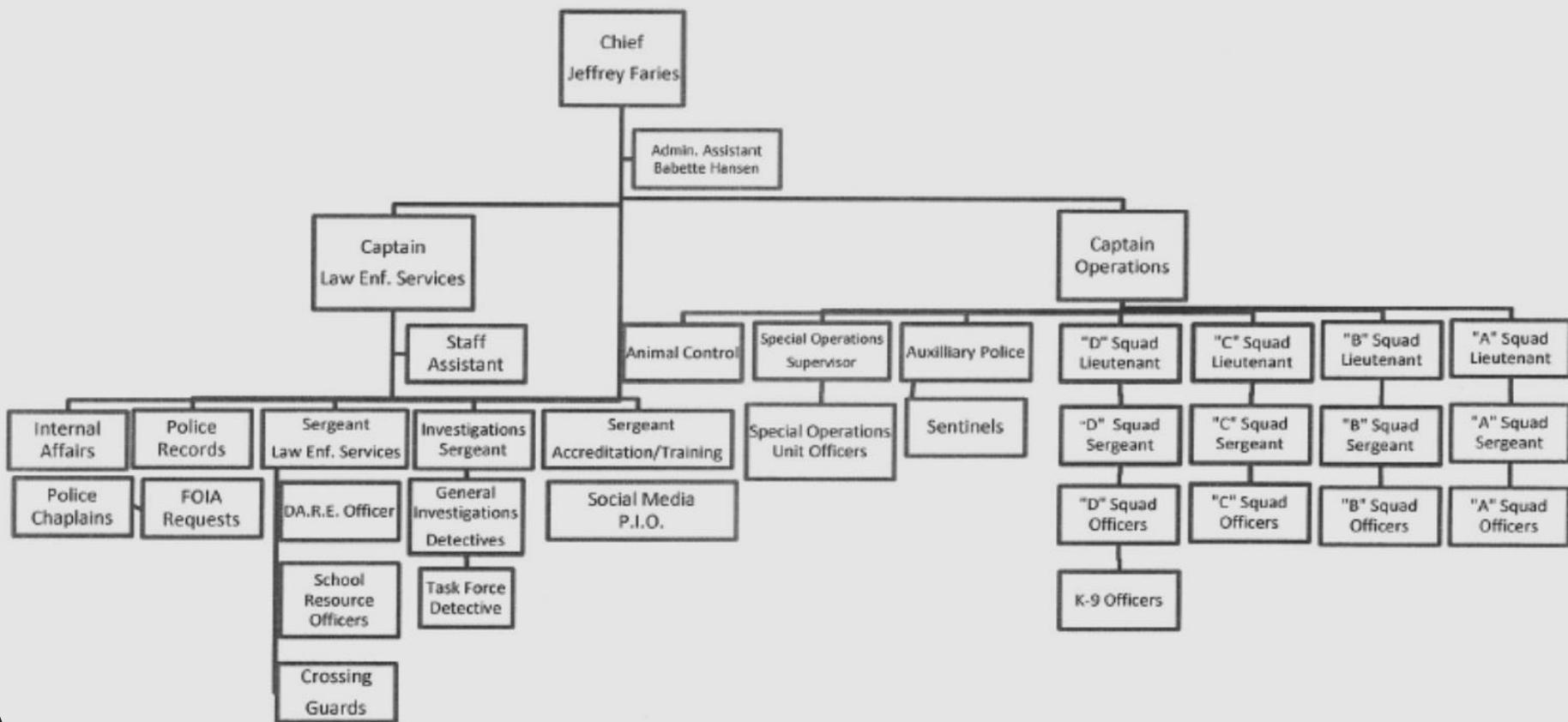
Reorganizational Plan

Utility Billing

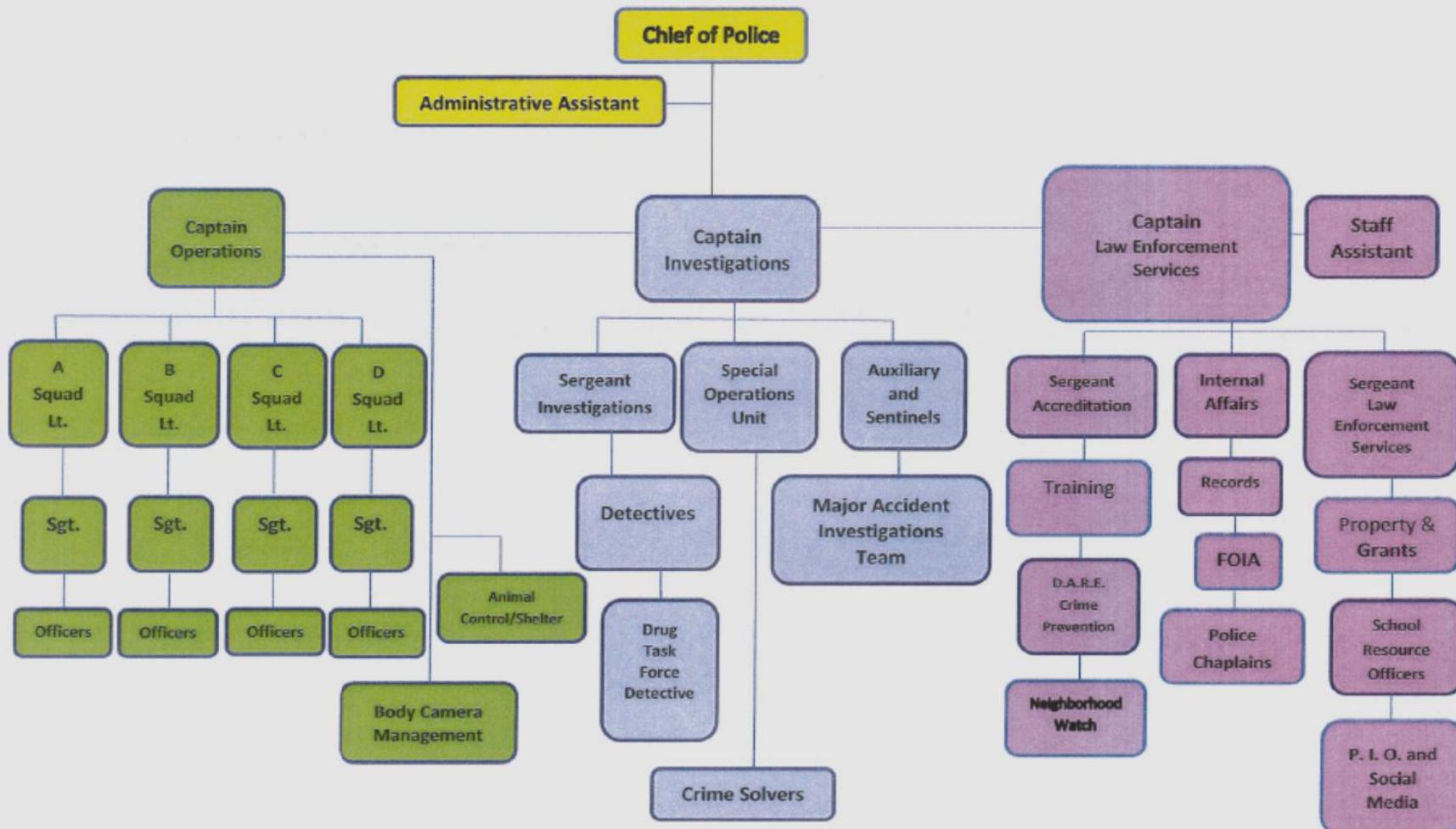
- New Utility Billing Supervisor position will replace Customer Service Representative. Will supervise daily operation of Meter Readers. Will be under general supervision of Deputy Director of Finance as in the past.
- Meter Reader job description reflects this new change in supervision.
- Current collection of dishonored checks and set-off debt will be combined with Billing & Collection processes.

		CITY OF COLONIAL HEIGHTS 2016-17 BUDGET						
ACCOUNT NAME - TREASURER						ACCOUNT NUMBER 1153		
ACCT		2015-16	2016-17	2016-17	2016-17	2015-16		%
		Treasurer	Treasurer	Treasurer	Local Collection	Combined		
#	Account Number	Budget	Budget	Budget Revised	Budget	Budget	Difference	Chg.
<u>PERSONAL SERVICES</u>								
5101	Salaries & Wages	\$203,710	\$203,710	\$75,459	\$136,758	\$212,217		
5103	Temporary & Seasonal Help	3,000	4,000		3,000	\$3,000		
5105	Overtime	1,000	2,000		500	\$500		
Total Personal Services		207,710	209,710	75,459	140,258	215,717	6,007	3.7%
<u>OPERATING EXPENSES</u>								
5201	Advertising	2,000	2,000		1,400	\$1,400		
5203	Professional & Special Services	2,000	2,500	100	1,600	\$1,700		
5206	Dues & Subscriptions	700	1,000	400	300	\$700		
5209	Maintenance - Electronics	2,400	2,500	200	2,100	\$2,300		
5216	Maintenance - Equipment	1,200	1,600	100	1,000	\$1,100		
5221	Postage	24,000	25,000	50	24,950	\$25,000		
5223	Telephone	4,450	5,000	1,900	2,500	\$4,400		
5224	Other Services & Charges	1,000	1,000	250	500	\$750		
5225	Travel & Vocational Training	2,886	3,000	1,500	1,500	\$3,000		
5242	Printing, Supplies, & Materials	9,000	10,000	500	9,000	\$9,500		
Total Operating Services		49,636	53,600	5,000	44,850	49,850	(3,750)	0.4%
<u>CAPITAL OUTLAY</u>								
5510	Office Equipment		2,000	600		\$600		
5516	Electronic Equipment	2,488	2,500		1,644	\$1,644		
Total Capital Outlay		2,488	4,500	600	1,644	2,244	(2,256)	-10.9%
TOTAL		\$259,834	\$267,810	\$81,059	\$186,752	\$267,811.00	1	3.0%

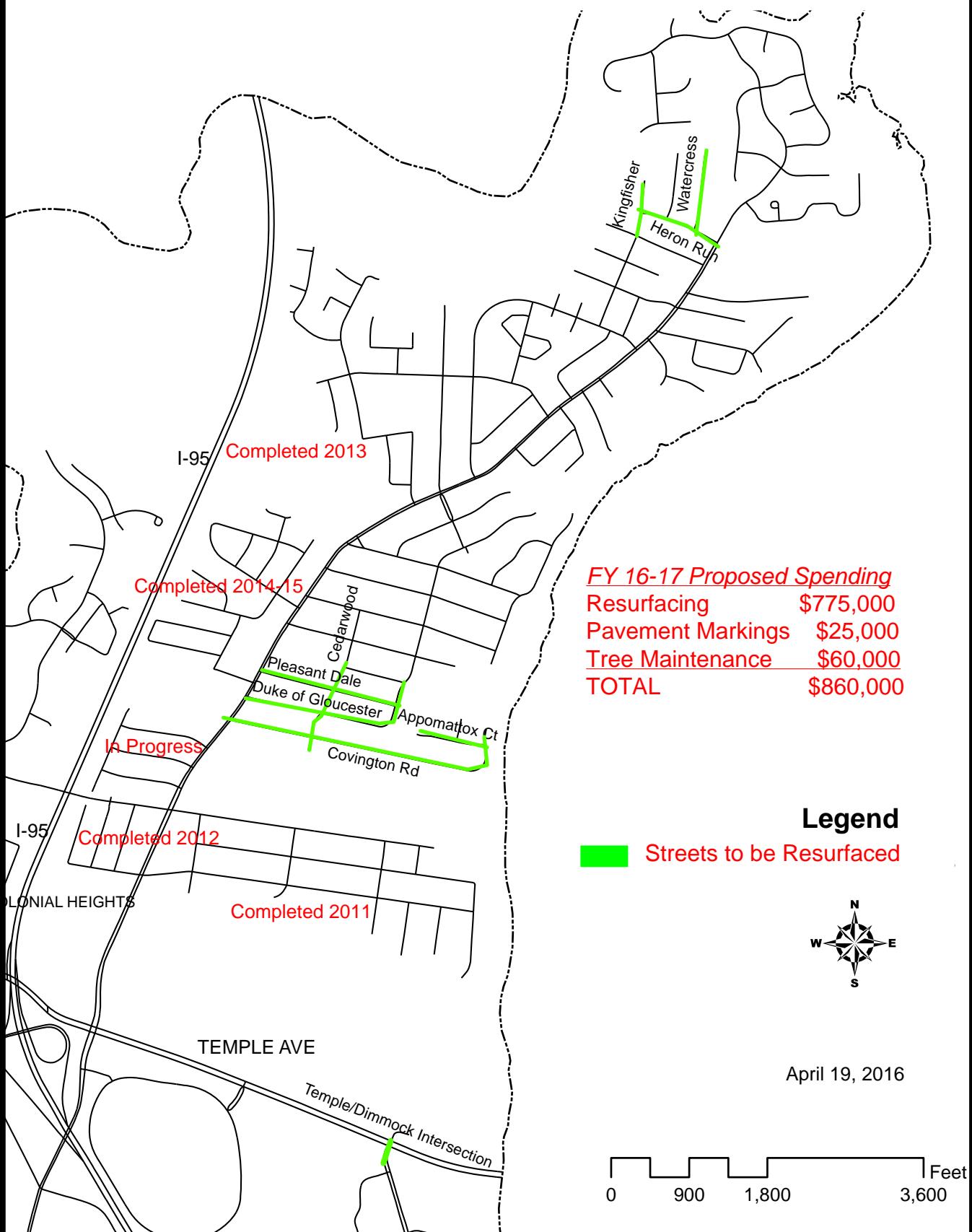
CHPD ORGANIZATIONAL CHART 2015



CHPD ORGANIZATIONAL CHART 2016



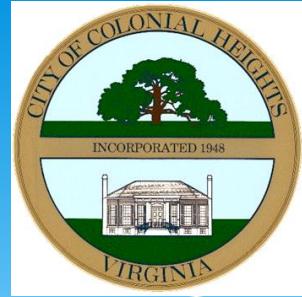
FY 2016-2017 SPENDING PLAN FOR CONTRACT STREET MAINTENANCE



Proposed Utility Increase					
Effective 7/1/2016					
			Bi-monthly		
			Current	Proposed	Increase
Usage 0 Cubit Feet					
Water		22.33	22.33	0.00	
Sewer		26.98	27.65	0.67	
Refuse		22.80	22.80	0.00	
Storm Water		4.00	4.00	0.00	
		76.11	76.78	0.67	
Usage 1,000 Cubit Feet					
Water		22.33	22.33	0.00	
Sewer		52.48	53.75	1.27	
Refuse		22.80	22.80	0.00	
Storm Water		4.00	4.00	0.00	
		101.61	102.88	1.27	
Usage 1800 Cubit Feet					
Water		35.17	35.21	0.04	
Sewer		72.88	74.63	1.75	
Refuse		22.80	22.80	0.00	
Storm Water		4.00	4.00	0.00	
		134.85	136.64	1.79	

Colonial Heights City Council Work Session

April 19, 2016, 2016



6. Adjournment

CITY OF COLONIAL HEIGHTS

FY2016-17

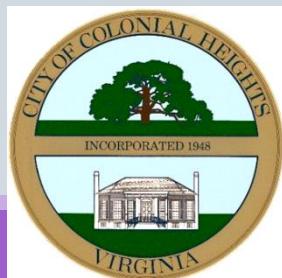
(PROPOSED)

ANNUAL OPERATING BUDGET

Thomas L. Mattis, City Manager

William E. Johnson, Director of Finance

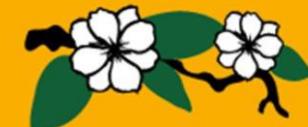
April 12, 2016



FY2016-17 ANNUAL OPERATING BUDGET

SHOP & DINE

Colonial
HEIGHTS
VIRGINIA



THOMAS L. MATTIS
CITY MANAGER

WILLIAM E. JOHNSON
DIRECTOR OF FINANCE

APRIL 12, 2016

CITY OF COLONIAL HEIGHTS

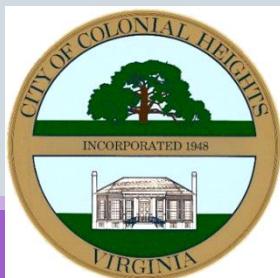
(PROPOSED)

FY2016-17

ANNUAL OPERATING BUDGET



- The proposed FY16-17 Annual Budget is a zero-based, balanced, and appropriately conservative plan wherein all operating costs are supported by revenue generated during the fiscal year.
- Created with input from department heads; includes comprehensive review of all existing programs, operations, and services.
- Includes continuation of all existing services and programs; and full-year funding of all existing staff and operations. While the primary goal of the proposed budget is to maintain existing service levels, the staff remains focused on enhancing service levels wherever possible while effectively controlling costs.

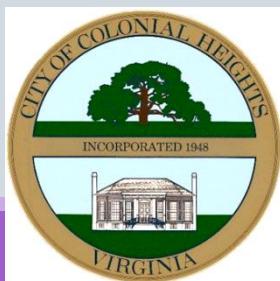


FY2016-17 ANNUAL OPERATING BUDGET

The *FY16-17 Annual Budget* as proposed is delineated into five (5) basic funds:

- General Fund
- School Fund
- Recreation Fund* –
- Stormwater Management Fund*
- Water and Sewer Fund*

The budget document is presented in a format consistent with prior years; preceding each departmental budget is a title page that includes a brief narrative with information as to departmental activities, duties, and responsibilities. Also on this page are “*Performance Indicators*” - statistical data providing general overview of that department’s volume of work; and a review of personnel resources.



FY2016-17 ANNUAL OPERATING BUDGET

Parks & Recreation

The City of Colonial Heights Department of Parks and Recreation strives to provide, develop, and maintain an array of parks, parks facilities, services and recreational opportunities for all citizens, aimed at improving the overall quality of life for the community. The Department provides a wide range of quality recreation and parks services through public awareness, utilization of resources, and being responsive to the community.

The Department of Parks and Recreation is organizationally structured into six operational divisions: Recreation, Parks, Community Center (Agency on Aging and Teen Center), Horticulture, Violet Bank Museum and Buildings & Grounds. All employees and operations within the Department are managed and directed by the Director of Parks and Recreation.

In addition to providing all required administrative support to parks and recreation services and programs, the Department is responsible for all maintenance at parks and park facilities, special events, and community activities.

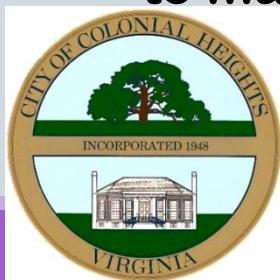
The Department promotes safe and healthy lifestyles; plans, coordinates, and implements recreational, cultural, historical, educational, and supportive activities, services, and facilities for all citizens of Colonial Heights.

Performance Indicators	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Projected	FY 13-14 Projected
Athletic Program Participants	2,662	3,178	3,100	3,100
Non-Athletic Program Participants	2,707	3,074	2,900	3,100
Senior Center Citizens Participants	32,167	32,812	33,200	33,200
Teen Center Attendance	4,832	4,568	5,000	4,750
Facility Rentals (Parks/Community Center)	619	590	615	615
Facility Attendance (Parks/Community Center/Violet Bank)	37,499	35,979	38,500	40,000

Personnel Resources

Classification Title	Status *	Hourly/ Salary	Authorized Positions		
			FY 2012-13	FY 2013-14 Proposed	Diff.
Director	FT	Salary	1.00	1.00	0.00
Recreation Staff	FT	Salary	3.00	3.00	0.00
Parks/B&G/Horticulture	FT	Salary	9.00	10.00	1.00
Community Center Staff	FT	Salary	5.00	5.00	0.00
Museum Curator	FT	Salary	1.00	1.00	0.00
Program Staff	PT	Hourly	55.00	55.00	0.00
FT = Full Time PT = Part Time			74.00	75.00	1.00

- Safety, education, and livability continue to be the primary policy – and budgetary – focus of the City in the coming fiscal year as is evidenced by the fact that two-thirds (2/3) of total appropriations projected for next year are devoted to **schools and public safety**
- As we look to the future, however, we continue to face unresolved financial issues. While the City has effectively controlled spending on day-to-day operations and steadily grown operational income, unfunded capital needs – for both the City and Colonial Heights Public Schools - continue to increase without a foreseeable solution. These costs are too great to reasonably anticipate funding for same will become available through existing revenue streams. As such, a property tax increase seems inevitable if the City is to make a significant step forward in addressing this issue.

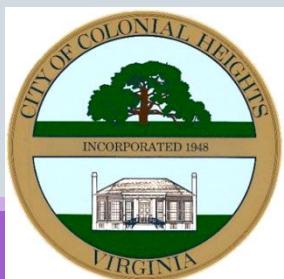


FY2016-17 ANNUAL OPERATING BUDGET

Total Proposed Expenditures for All Municipal Funds & Departments

\$78,037,047

(4% increase over prior year)



FY2016-17 ANNUAL OPERATING BUDGET

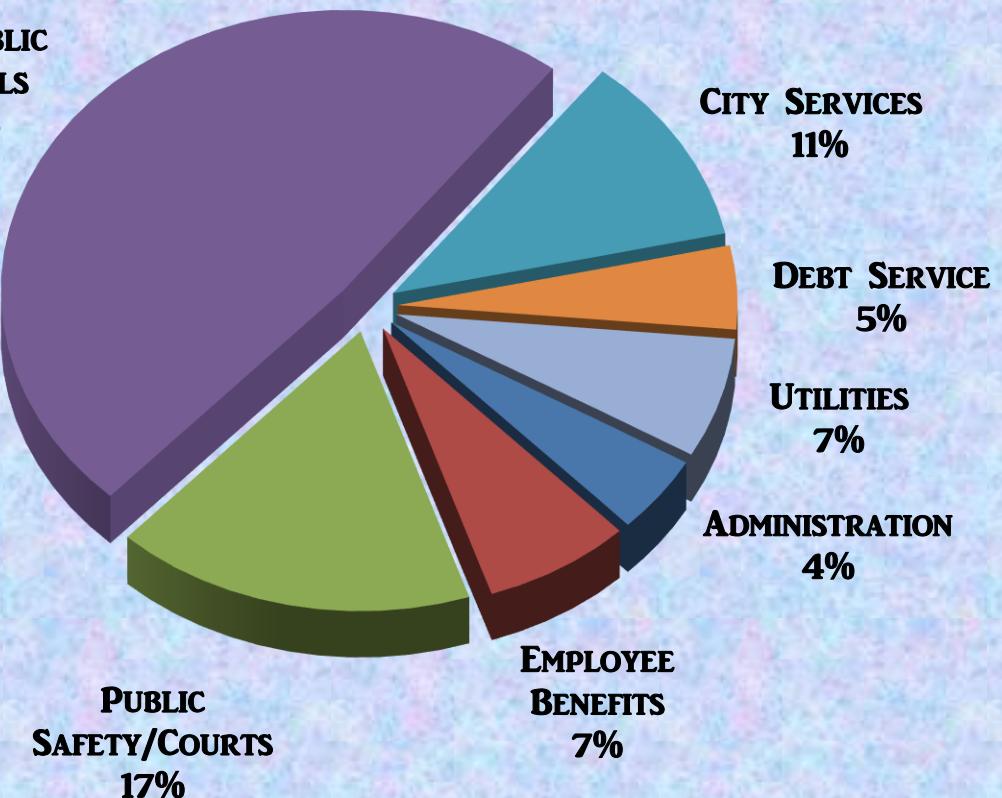
CITY OF COLONIAL HEIGHTS PROPOSED FY16-17 ANNUAL BUDGET DISTRIBUTION OF TOTAL APPROPRIATIONS

SHOP & DINE

Colonial
HEIGHTS
VIRGINIA



CH PUBLIC
SCHOOLS
49%



Full-year funding for all existing and/or previously authorized positions

**360 Total City
Employees**

255-Full-time, 59-Part-time, & 46-Seasonal



FY2016-17 ANNUAL OPERATING BUDGET

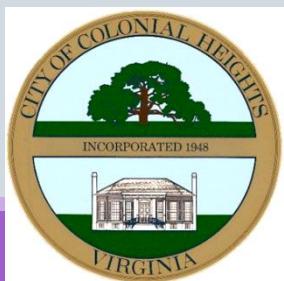
GENERAL FUND

Grand Total.....\$55,125,755

Less Transfers..... (20,561,697)

Net General Fund Operating

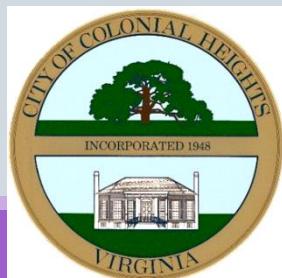
..... \$34,564,058



FY2016-17 ANNUAL OPERATING BUDGET

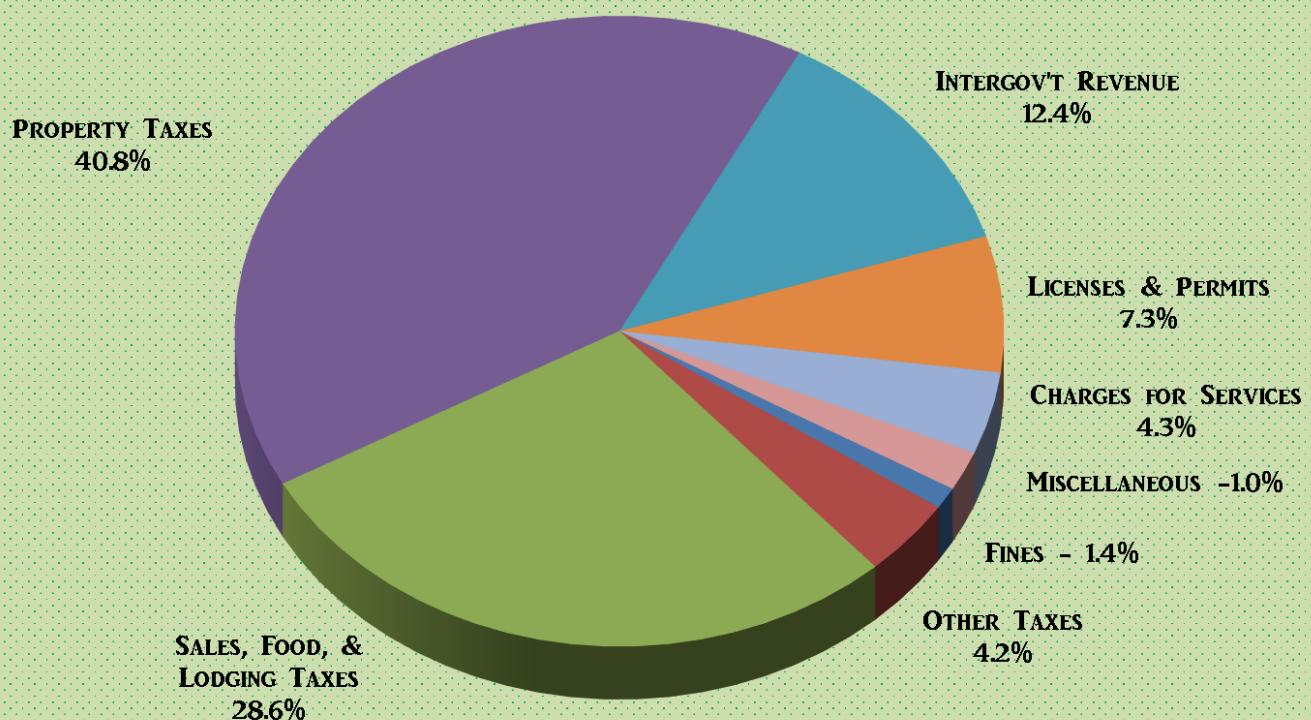
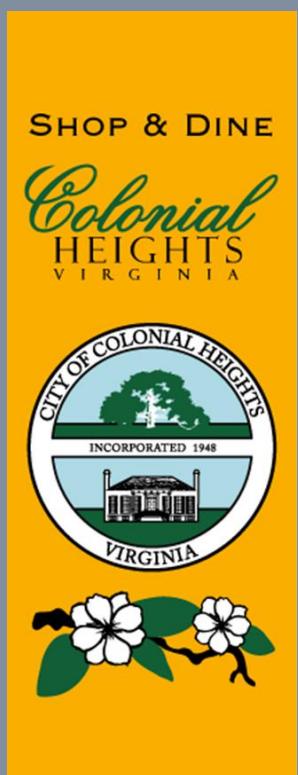
GENERAL FUND OPERATING REVENUE

- ★ Total General Fund revenue is anticipated to experience a 3.1% increase over the current-year budget. While the majority of this growth is related to the proposed issuance of debt to fund major capital projects, 'operating revenues' are also anticipated to grow by approximately \$800,000; which (under the terms of our agreement) will be essentially shared equally with Colonial Heights Public Schools and will be utilized to fund increased general operation costs.
- ★ **Real Estate Taxes** - Although the City's annual budget continues to be uniquely supported by our retail business community, Real Estate and/or Property Taxes still provide the basic foundation for revenue in support of the General Fund. This stable source of income provides assured funding each year for the most basic and essential city services – public safety, basic services, mobility, asset maintenance, schools, etc. *As it relates to Operations & Maintenance*, the proposed FY16-17 Annual Budget is predicated upon a continuation of the current real estate tax rate of \$1.14/\$100 valuation.



FY2016-17 ANNUAL OPERATING BUDGET

CITY OF COLONIAL HEIGHTS
PROPOSED FY16-17 ANNUAL BUDGET
GENERAL FUND OPERATING REVENUES



GENERAL FUND OPERATING REVENUE

Variable Local Taxes

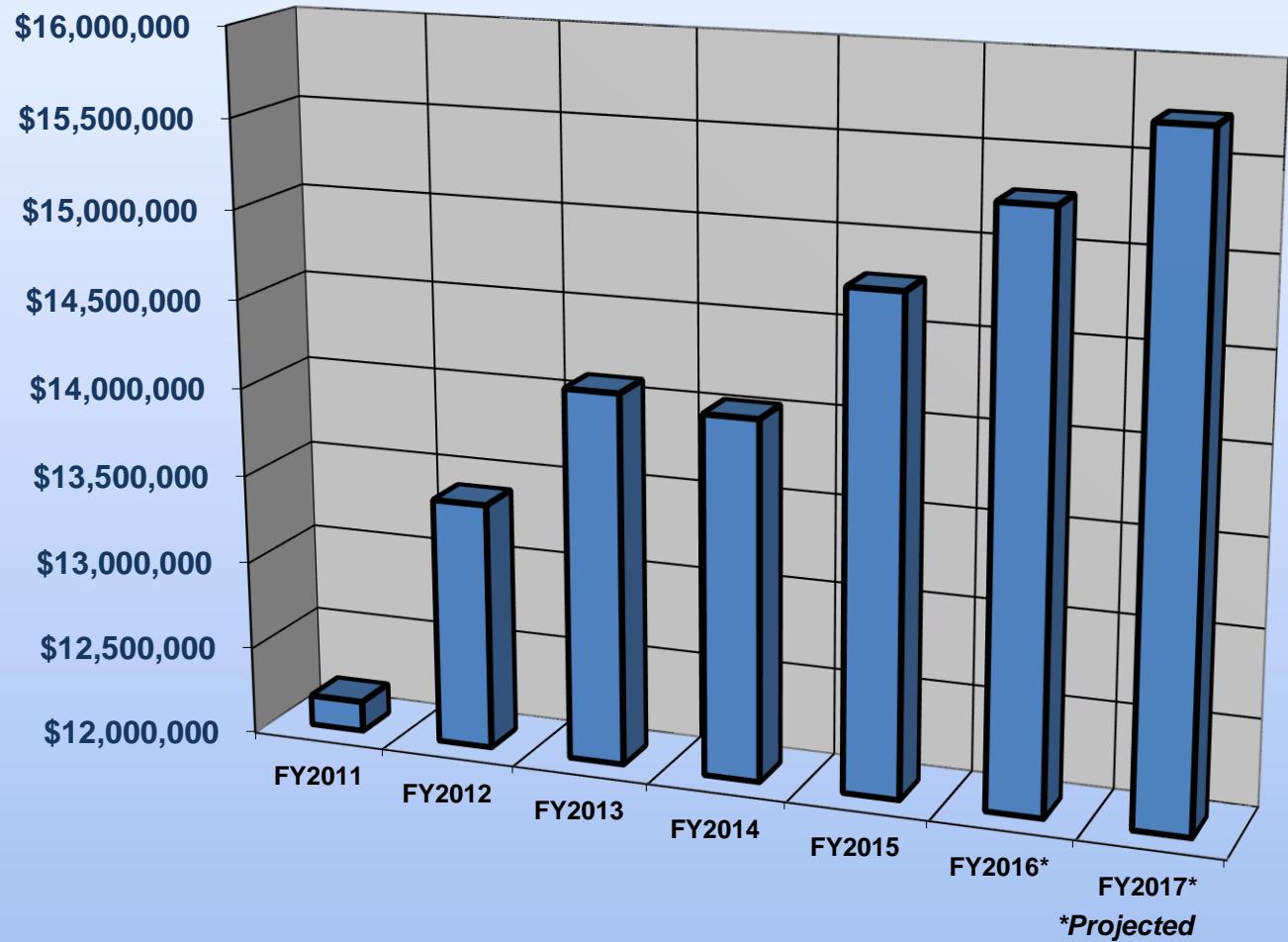
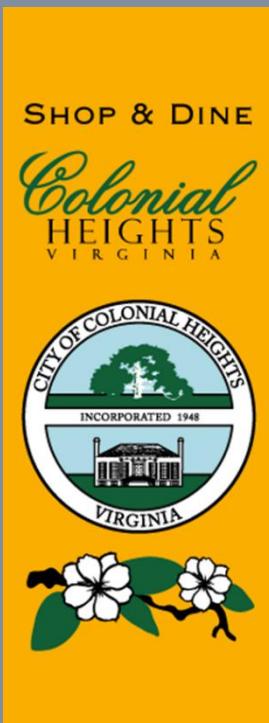
- ★ While property taxes provide financial stability in annual support of basic services, variable local taxes – primarily **Retail Sales & Use Tax, Food Tax, and Lodging Tax** – typically provide the City with funding opportunities for new and/or enhanced services or capital investment.
- ★ As the market center for the Tri-Cities Region and Fort Lee, such tax revenues are primarily driven by the retail business community located in the Southpark Mall area and along the Boulevard corridor. The City has typically ranked among the top Virginia localities for annual taxable sales per capita .
- ★ The City has continued to experience moderate, but steady growth in this combined revenue, having averaged an annual increase of 4.7% over the past five years. Looking forward to FY16-17, a conservative analysis of recent trends warrant an anticipated collective increase in these three categories of nearly 3%; projecting increased gross income of approximately \$450,000.



FY2016-17 ANNUAL OPERATING BUDGET

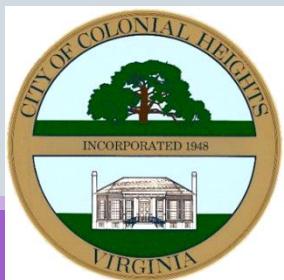
LOCAL VARIABLE TAX REVENUE

Sales, Food, and Lodging Taxes



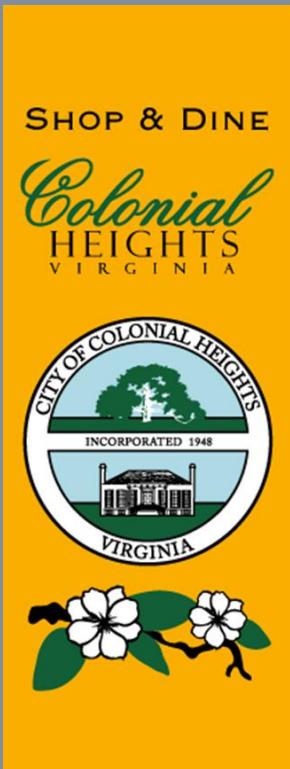
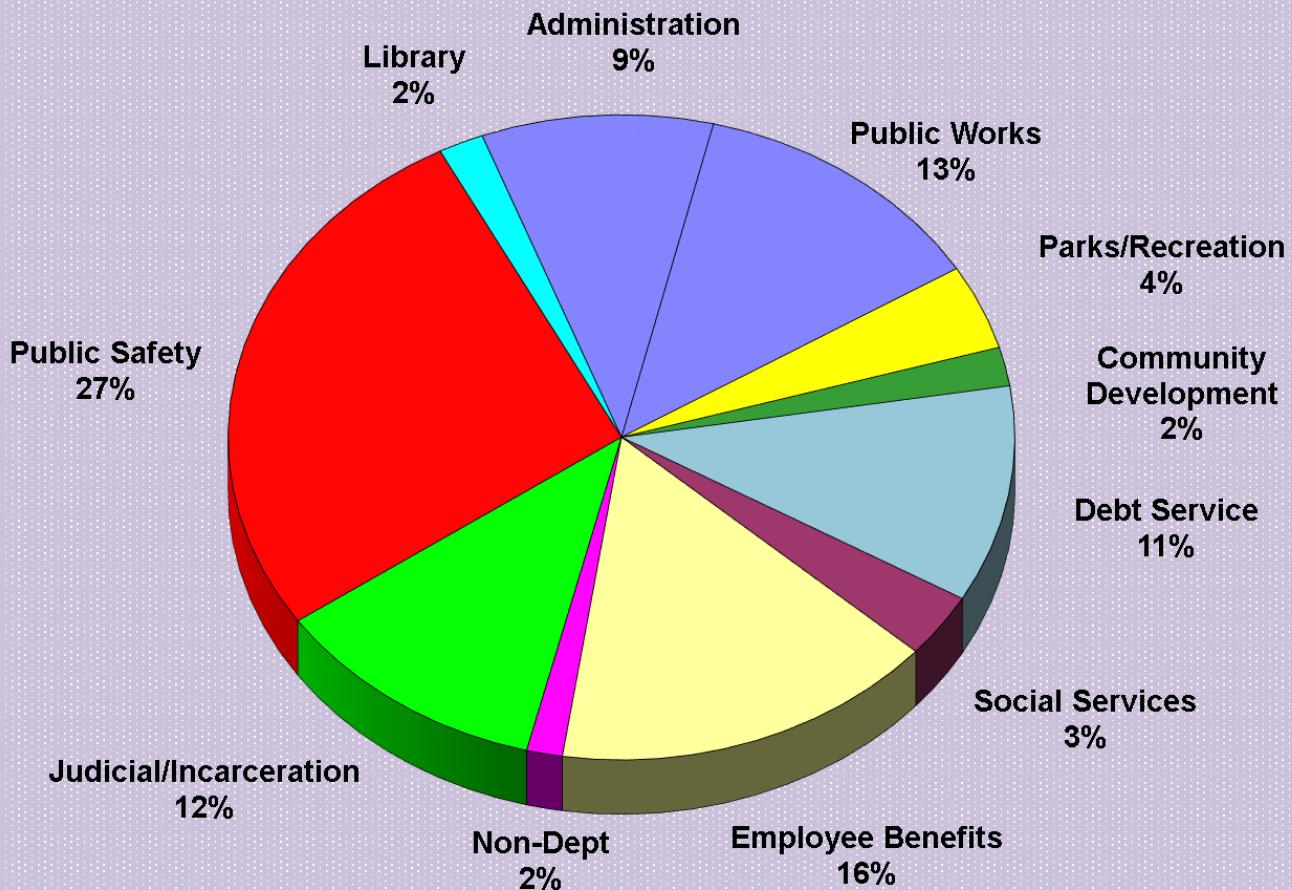
GENERAL FUND EXPENDITURES

- *No deficit spending or reserves for operating expense*
- *No layoffs, staffing reductions*
- *No unpaid holidays*
- *No reduction in services*
- *No major policy changes*
- *Consistent with 5YRCP*



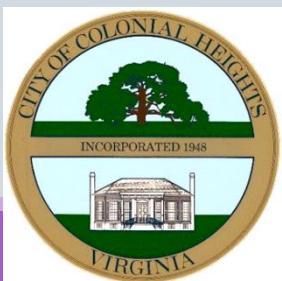
FY2016-17 ANNUAL OPERATING BUDGET

CITY OF COLONIAL HEIGHTS PROPOSED FY16-17 ANNUAL BUDGET GENERAL FUND OPERATING EXPENDITURES



CAPITAL IMPROVEMENT FUNDING FOR COLONIAL HEIGHTS PUBLIC SCHOOLS

- In recent years, the City Council and administration has encouraged Colonial Heights Public Schools (CHPS) to engage in a comprehensive planning effort to identify and address major capital improvements needs for school buildings and facilities.
- As a result, the CHPS Board and administration developed a “Five-Year Capital Improvement Plan” that has been shared with the City; and includes a prioritized list of **nine (9)** major capital projects representing the most urgent needs – estimated at total cost of **\$5.1M**. Unfortunately, CHPS has no funding available to address these needs nor do they anticipate that sufficient funding will become available to them in the foreseeable future.



FY2016-17 ANNUAL OPERATING BUDGET

CAPITAL IMPROVEMENT FUNDING FOR CH PUBLIC SCHOOLS

Capital Improvement Plan Projects:

1) High School Science Labs - \$121,687*

Renovation of existing science labs, adjacent classrooms, and fitness room into two (2) Science/Biology Labs, with a shared Lab Prep; existing general classrooms to be renovated into six (6) Science Classrooms with dedicated storage

Timing: Anticipated start of construction: May, 2016 Completion: January, 2017

2) 800MHz Radios - \$250,000

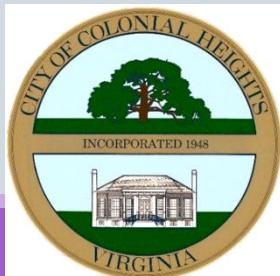
Upgrade of CHPS communication systems in conjunction with the Capitol Region Radio Project. Safety enhancement for CHPS system utilized in all student transportation vehicles & site radios for communication with transportation.

Timing: Anticipated radio acquisition and system upgrade – September, 2016

3) North Elementary Drive and Parking Lot - \$450,450

Redesign, construction, and expansion of student drop-off/pick-up area and parking lot at North Elementary School to enhance safety and provide greater efficiency in traffic flow.

Timing: Anticipated start of construction: January, 2017 Completion: April, 2017



FY2016-17 ANNUAL OPERATING BUDGET

CAPITAL IMPROVEMENT FUNDING FOR CH PUBLIC SCHOOLS

Capital Improvement Plan Projects:

4) High School Locker & Team Room Renovations - \$889,285

Renovation and upgrade of Locker Rooms and associated spaces at CH High School; current facilities are outdated, dysfunctional, and well past useful life.

Timing: Ant. start of construction: January, 2017 Completion: October, 2017

5) Roof at North Elementary & Middle School - \$266,200

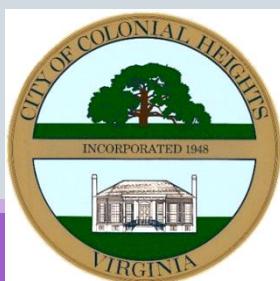
Recoating of exterior roofs at both North Elementary School and CH Middle School prior to current warranty expiration; proactive maintenance will reduce long-term costs, improve energy efficiency, and prevent leaks/damage/loss.

Timing: Anticipated start of construction: April, 2017 Completion: August, 2017

6) Middle School Cafeteria Addition and Renovation - \$1,986,150

Upgrade and expansion of cafeteria at CH Middle School; existing cafeteria is overcrowded, inefficient, and outdated; project will include expansion of dining area and service lines, as well as replacement/upgrade of kitchen equipment.

Timing: Ant. start of construction: January, 2017 Completion: January, 2018



FY2016-17 ANNUAL OPERATING BUDGET

CAPITAL IMPROVEMENT FUNDING FOR CH PUBLIC SCHOOLS

Capital Improvement Plan Projects:

7) High School Bleachers - \$210,000

Upgrade and modernization of CH High School Gymnasium bleachers; project will replace bleachers and motorized equipment that is over 30 years old; will improve aesthetics and seating comfort.

Timing: Ant. start of construction: January, 2017 Completion: August, 2017

8) Middle School Auditorium Renovation - \$585,000

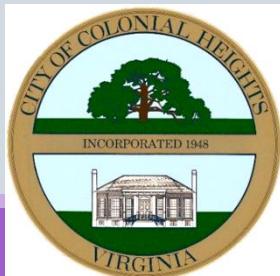
Complete renovation and upgrade of CH Middle School Auditorium; includes replacement of outdated seating, ceiling, lighting, stage lighting, and window curtains; upgrade in sound system and installation of wall panels.

Timing: Ant. start of construction: January, 2017 Completion: January, 2018

9) Lakeview Elementary Windows - \$307,250

Design, acquisition, and installation of ninety (90) exterior windows at Lakeview Elementary School; upgrade will enhance overall building appearance, reduce maintenance, and improve energy efficiency.

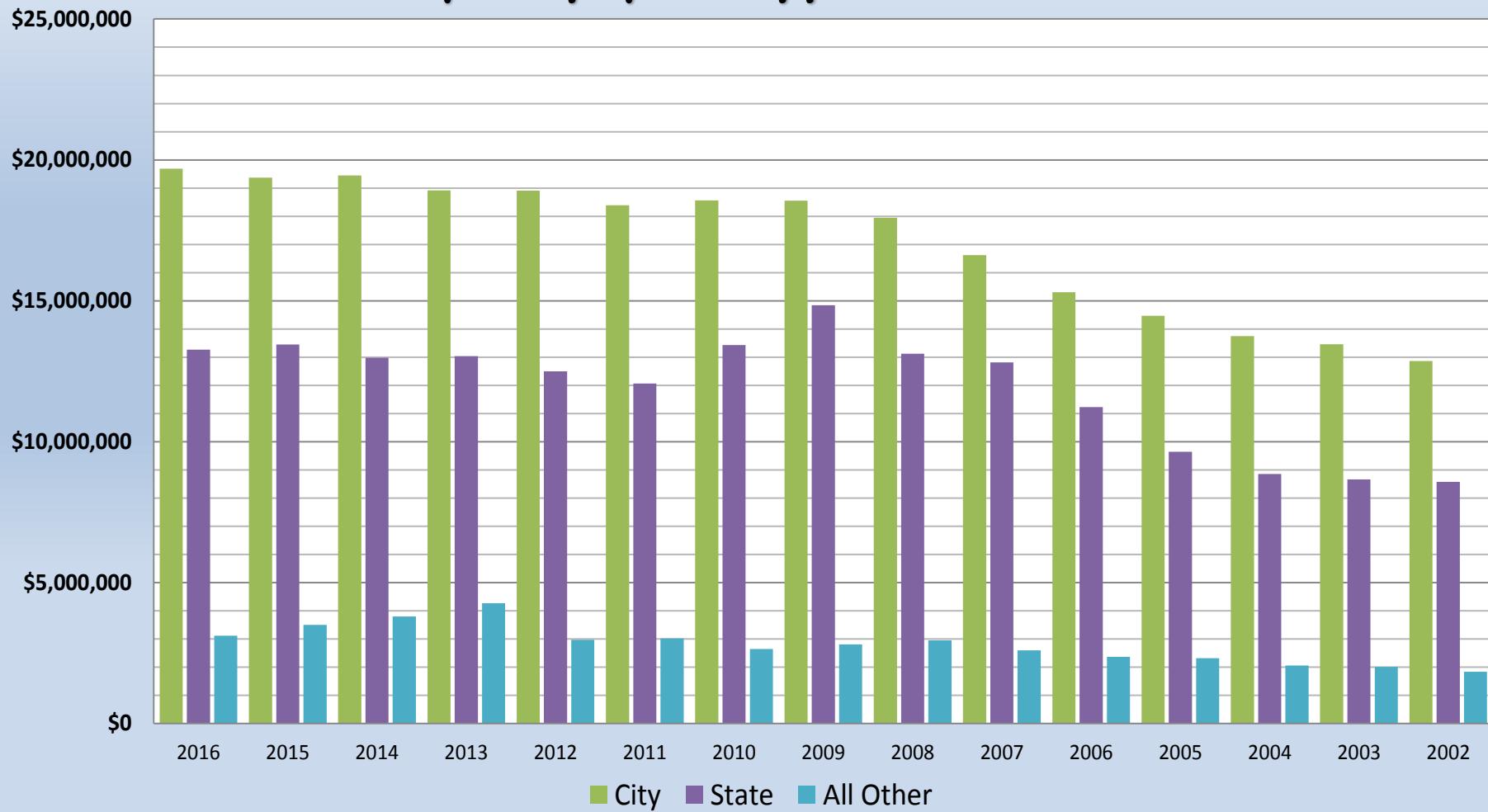
Timing: Ant. start of construction: January, 2017 Completion: September, 2017



FY2016-17 ANNUAL OPERATING BUDGET

Historical Funding - Colonial Heights Public Schools

City Taxpayer Support 2002-16



HISTORICAL FUNDING – COLONIAL HEIGHTS PUBLIC SCHOOLS

City Taxpayer Support 2002-16

Over the past 14 years:

- ✓ CHPS funding from city tax dollars has increased an average of **\$487,739** per year, every year
- ✓ The high one-year increase of **\$1.3M** (2008 & 2009); and the low “increase” of **(\$179,000)** (2011)
- ✓ Total annual funding has increased by **\$6.23M** (46%) (from **\$13.46M**-2003 to **\$19.69M**-2016)



FY2016-17 ANNUAL OPERATING BUDGET

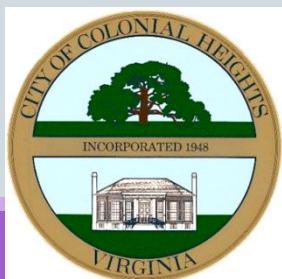
CHPS FEDERAL ARRA STATE FISCAL STABILIZATION FUNDING

8 Bard heat pumps Tussing Elementary	\$ 57,880
Roof renovation/recoating-Lakeview Elementary	\$ 59,750
Roof renovation/recoating-CHHS	\$149,203
Roof renovation/recoating-Tech Center	\$237,806
Energy Management Control System-Tussing Elementary	\$ 55,982
Classroom renovation/conversion-Tech Center	\$ 89,035
Window installation project-Tussing Elementary	\$247,433
Lighting & electrical upgrades	<u>\$ 10,256</u>
	<u>\$907,345</u>

**CHPS
SELF-FUNDED
CAPITAL
SINCE 2006**

CHPS – CAPITAL IMPROVEMENT PROJECTS – RESERVE FUNDING

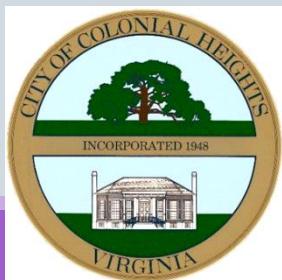
Window installation project-Tussing Elementary	\$ 175,000
Maintenance Facility	\$ 832,000
Lakeview Renovation	\$ 973,406
Lakeview Air conditioning project (cafeteria, stage, kitchen)	\$ 446,186
Paving project-School Bus Lot	\$ 69,993
Financial & Human Resource Software System	\$ 110,000
Athletic Facility - Press Box Renovation	\$ 162,803
Rooftop A/C units-North Elementary	\$ 55,000
Rooftop A/C units-CHHS Math Wing	\$ 125,000
CHHS Science/Biology Labs & Fitness Center (Bid Scheduled February 2016)	<u>\$ 761,800</u>
	<u>\$3,711,188</u>



FY2016-17 ANNUAL OPERATING BUDGET

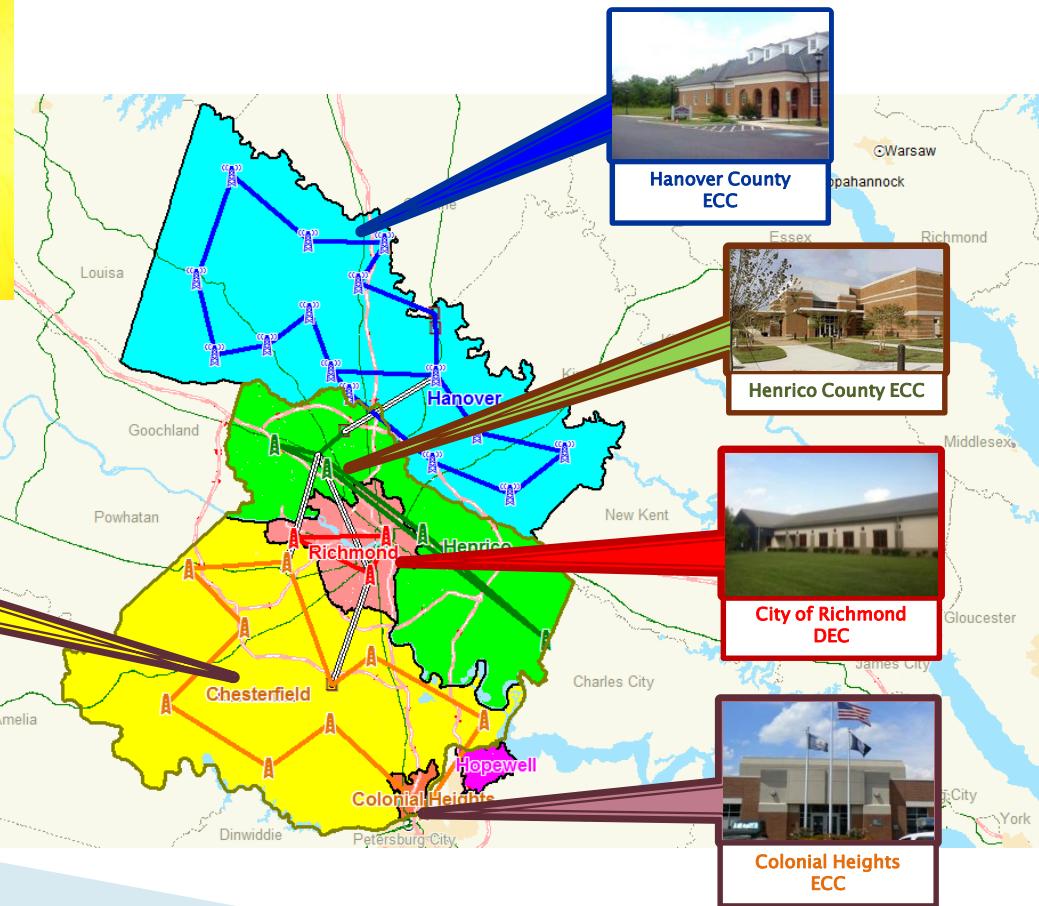
CAPITAL IMPROVEMENT FUNDING FOR COLONIAL HEIGHTS PUBLIC SCHOOLS

- Nearly all of the proposed projects and/or improvements are focused on extending the useful life of CHPS' largest fixed assets through a long-term investment in school facilities and buildings. Without the proposed enhancements, maintenance costs will continue to increase and future replacement costs will likely be higher. *Service levels, educational opportunities, and community pride will suffer if these needs continue to go unaddressed.*
- To appropriately addressed these overdue capital needs and preserve important CHPS assets, **the proposed FY16-17 Annual Budget is recommended with a \$.06 increase in the real estate tax rate**, specifically to fund these important and necessary capital improvements for Colonial Heights Public Schools. It is currently estimated that this tax increase will provide sufficient annual revenue to service a \$5.1M debt issuance over a 15-year period.

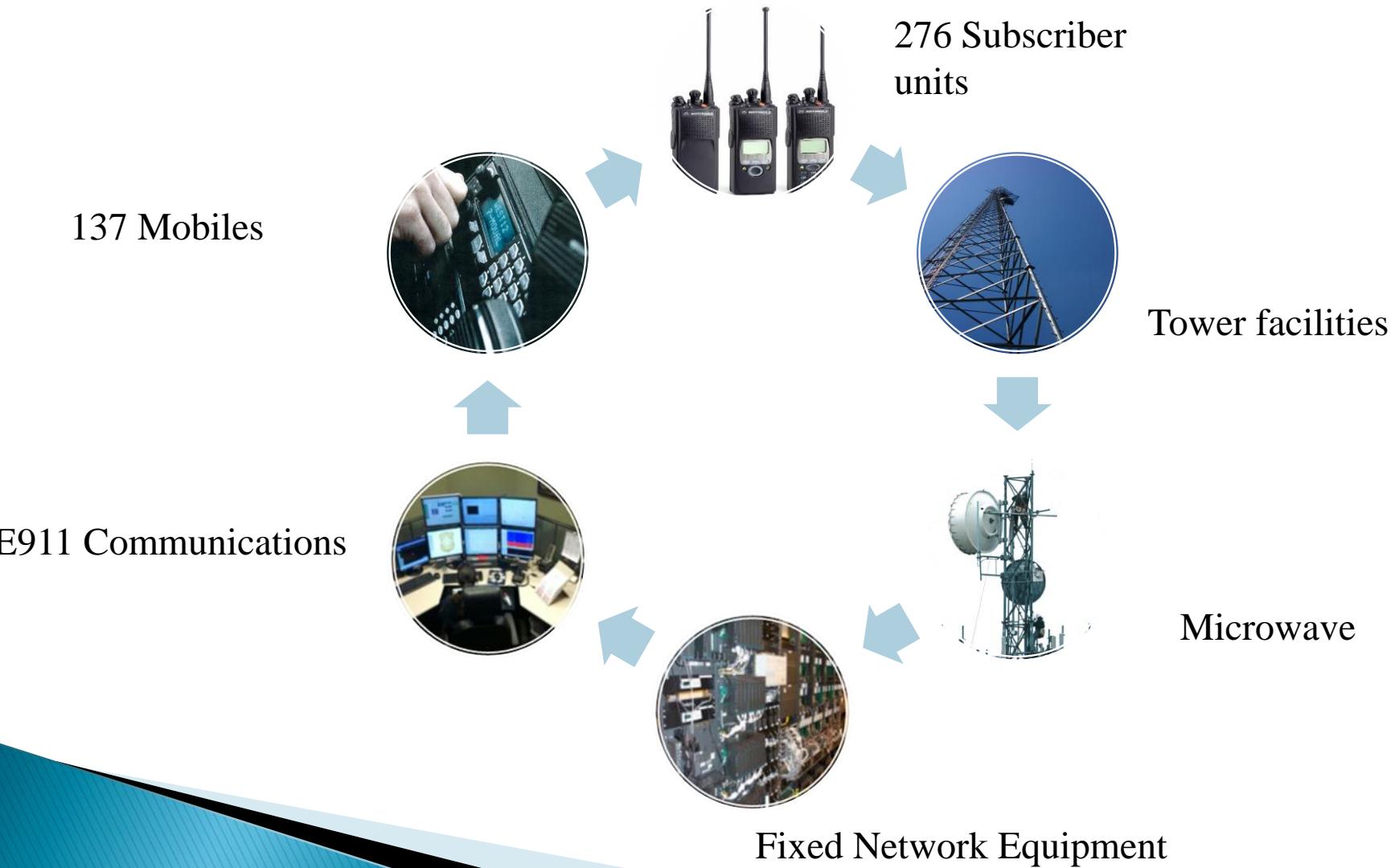


FY2016-17 ANNUAL OPERATING BUDGET

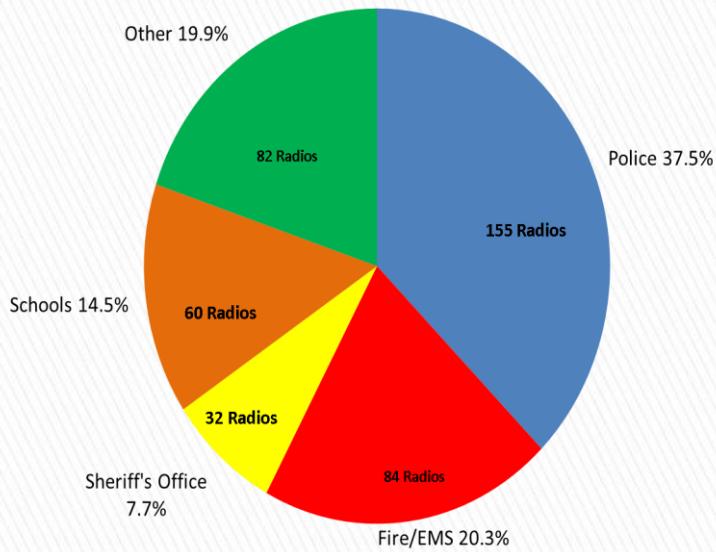
CAPITAL REGION PUBLIC SAFETY RADIO AND FIRE STATION ALERTING PROJECT



COMPONENTS OF CITY RADIO SYSTEMS



CAPITAL REGION PUBLIC SAFETY RADIO AND FIRE STATION ALERTING PROJECT



- City faced with issues of continued operability of the current system platform. Vendor support for network and radios is waning. By 2017, the primary system vendor will no longer service equipment as replacement parts will no longer be manufactured.

- Major risk to network public safety operations who rely on these mission-critical systems. Since February 2014, CHFD has been working diligently with its Capital Region partners on a competitive procurement process to upgrade the Capital Region Radio System. The City's share of the costs for this significant upgrade is currently estimated at \$6M.
- The City does not have reserves to fund this project nor can it be absorbed within the existing annual budget without adversely affecting other services or operations. The \$.06 increase in the real estate tax rate as proposed, however, will provide sufficient annual revenue to service the required debt issuance to fund both the CHPS CIP as described and the Capital Region Radio Project.

Annual Impact of Property Tax Rate Increase on SF-Homes

(Current Rate - \$1.14 per \$100 valuation)

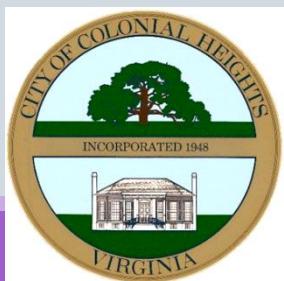
	<u>\$100,000 Valuation</u>	<u>\$144,416* Valuation</u>	<u>\$200,000 Valuation</u>
\$.01 Increase (0.9%)	\$10.00	\$14.44	\$20.00
\$.03 Increase (2.6%)	\$30.00	\$43.32	\$60.00
\$.06 Increase (5.3%)	\$60.00	\$86.65	\$120.00
\$.11 Increase (9.65%)	\$110.00	\$158.86	\$220.00
\$.12 Increase (10.5%)	\$120.00	\$173.30	\$240.00

**2016 Average SF-Home Value*

CITY OF COLONIAL HEIGHTS PROPERTY TAX RATE HISTORY SINCE 1969

1969 – 1974.....	\$1.30	2008.....	\$1.15
1975 - 1976.....	\$1.15	2009 – 2012.....	\$1.10
1977 – 1997.....	\$1.25	2013 - 2016.....	\$1.14
1998 – 2005.....	\$1.20	2017 (proposed)	\$1.20
2006 – 2007.....	\$1.18		

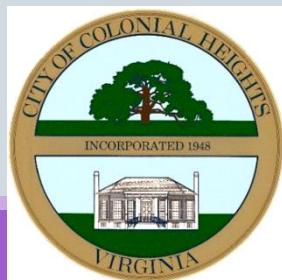
*Per \$100 Valuation



FY2016-17 ANNUAL OPERATING BUDGET

ANNUAL STREET MAINTENANCE

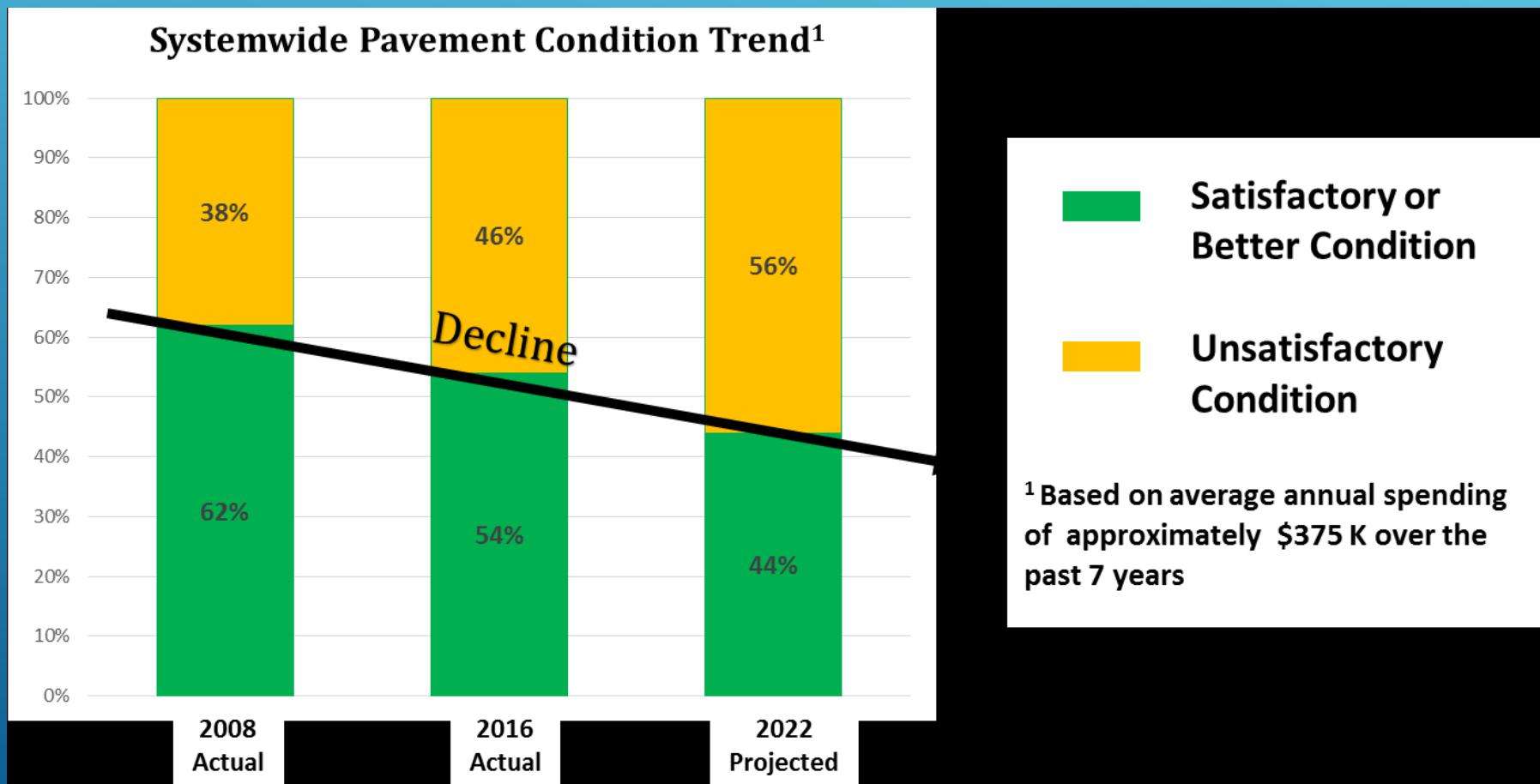
- Another challenge the City continues to face is the effective and timely maintenance and resurfacing of city streets. Although major street reconstruction projects have been completed in recent years (and similar projects are slated for the near future), resurfacing of existing streets continues to be plagued by limitations on available resources; and recent analysis by the staff indicates a future adverse trend in this regard unless more aggressive corrective action is taken
- City staff deploys a systems approach to managing street pavement assets and it is our goal to complete a pavement survey every three years to collect data on pavement conditions citywide. The last survey was performed in 2011, but was deferred starting until 2014 due to fiscal constraints.



FY2016-17 ANNUAL OPERATING BUDGET

“Resources for pavement preservation have been inadequate to arrest the decline in system-wide condition. Conclusion is that annual funding would have to average 3 times more than what the city has historically spent to bring the overall condition to “Good.”

The following graph illustrates the trend in pavement asset condition, which clearly is one of decline. If the trend continues, more than half of all city street pavement will be in unsatisfactory condition within a few years and fall below 50% by the year 2022.”



ANNUAL STREET MAINTENANCE

- A 50/50 split between *Satisfactory* and *Unsatisfactory* conditions is considered a point of instability in asset management. A system-wide level below 50% requires increased funding, since it's more expensive to restore the asset to a better condition later in its service life than it is to avert a loss of service life in earlier years – which is why a preventive approach to pavement management is the most cost effective.
- To initiate an effort to reverse this trend, the FY16-17 Annual Budget as proposed includes **\$400,000 in additional funding for Street Maintenance and/or Re-paving** – *essentially double the amount traditionally budgeted each year* for this purpose. While completely reversing this trend will require a long-term commitment, this new funding will start the City's system moving in the right direction.



FY2016-17 ANNUAL OPERATING BUDGET

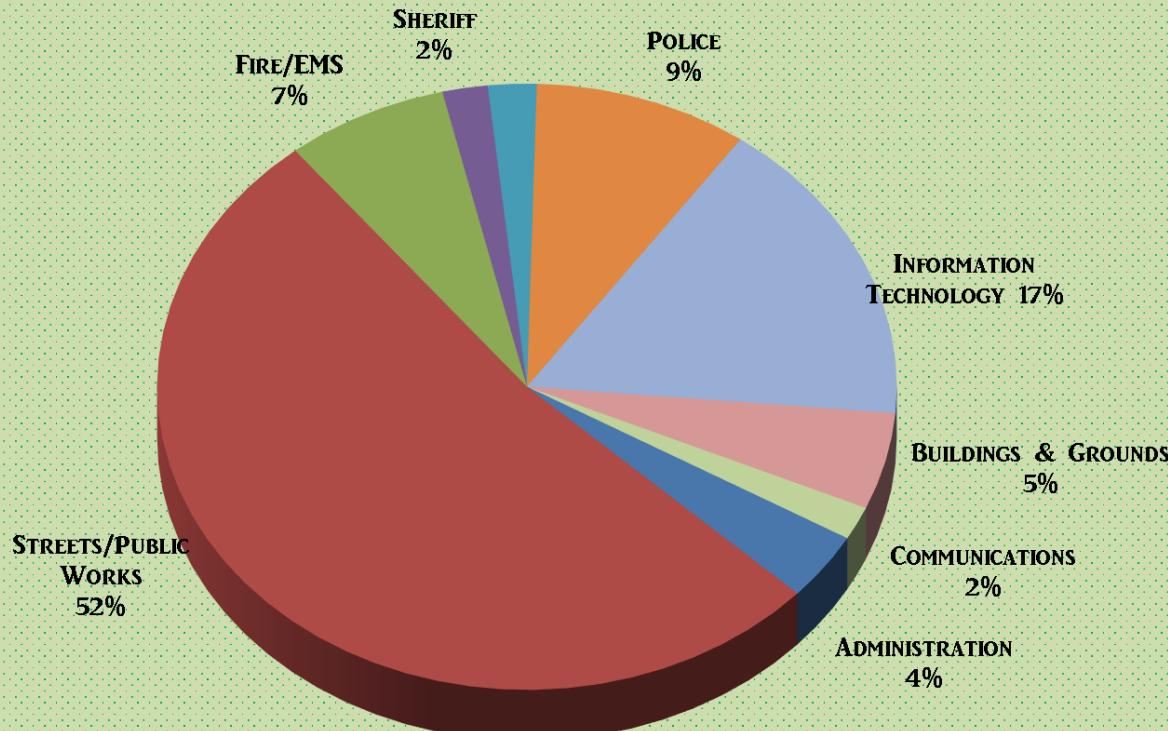
ANNUAL STREET MAINTENANCE

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FY2016-17 ANNUAL OPERATING BUDGET

CITY OF COLONIAL HEIGHTS
PROPOSED FY16-17 ANNUAL BUDGET
GENERAL FUND CAPITAL OUTLAY



FY2016-17 ANNUAL OPERATING BUDGET

MISCELLANEOUS ITEMS

- ***Employee Compensation*** - The proposed *FY16-17 Annual Budget* includes a Cost of Living Adjustment (COLA) of **2.0%** in base salaries or rates of pay for all full-time city employees.
- ***Finance Department Reorganization*** – As a result of the recent amendment to the City Charter, the Finance Department will now manage all functions relating to the collection of city revenues that were previously the responsibility of the City Treasurer. While **there will be no net increase in funding** associated with this reorganization, a ‘Revenue & Billing Office’ will be created to replace functions eliminated in Treasurer’s Office.
- ***Public Safety Building Roof and Sprinkler System at Fire Station No. 2*** – The coming fiscal year will be the second in a three-year plan to complete a total roof repair/replacement that is currently projected at a total cost of \$80,000. The automatic fire suppression/sprinkler system at CHFD Station No. 2 at Dunlap Farms is dysfunctional, obsolete, and must be replaced in the coming twelve months. As a preliminary cost control measure, the proposed *FY16-17 Annual Budget* includes total funding of **\$65,000** to address these issues. The sprinkler system, will be fixed; and whatever funding remains will be devoted to the Phase 2 effort to replace the roof at the Public Safety Building.

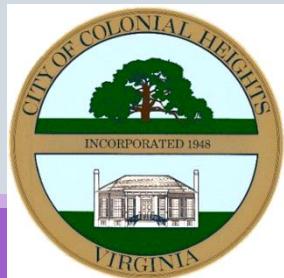


FY2016-17 ANNUAL OPERATING BUDGET

BUDGET ADOPTION CALENDAR

- Tuesday, April 19** City Council Budget Review
(Regular Work Session)

- Tuesday, April 26** Public Hearing on Proposed
(Special Council Meeting) FY16-17 Annual Budget
..... First Reading-School Division
Annual Budget
..... First Reading – Appropriations
Ordinance/City Budget
..... City Council Budget Review



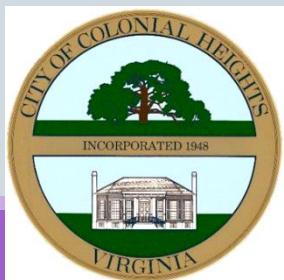
FY2016-17 ANNUAL OPERATING BUDGET

BUDGET ADOPTION CALENDAR

- Tuesday, May 3**City Council Budget Review
(Special Work Session) - *if necessary*

- Tuesday, May 10**Second Reading and Final
(Regular Council Meeting) Adoption of FY16-17
School Division Annual
Budget

.....Second Reading-Appropriations
Ordinance & Final Adoption
of FY2016-17 City Annual
Operating Budget

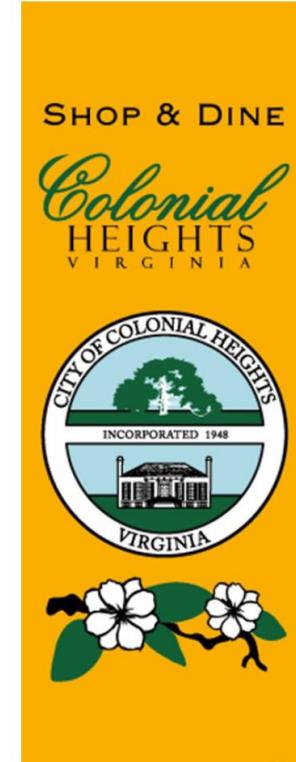


FY2016-17 ANNUAL OPERATING BUDGET

QUESTIONS?



FY2016-17 ANNUAL OPERATING BUDGET



THOMAS L. MATTIS
CITY MANAGER

WILLIAM E. JOHNSON
DIRECTOR OF FINANCE

APRIL 12, 2016

CITY OF COLONIAL HEIGHTS (PROPOSED) FY2016-17 ANNUAL OPERATING BUDGET

