



City of Hopewell, Virginia

FY 2016
Review of Proposed
Forecast
of Revenues
February 17, 2015

City of Hopewell

FY 2015-16 BUDGET CALENDAR

<u>DATE</u>	<u>ACTIVITY</u>	<u>COORDINATOR</u>
Jan 27, 2015	Overview/Forecast to City Council 2015-16 Budget to City Council	City Manager/Dir. of Fin.
Feb 10, 2015	Final 2015-16 School Budget Submitted by Superintendent of Schools	City Manager
Feb 17, 2015	1 st Budget Work Session City Budget Overall Review Discuss Real Estate Tax rate Request to set public hearing to discuss RE tax rate	City Manager/Dir. of Fin.
Feb 19, 2015 (Mar 5, 2015)	Submit 2015 Tax Levy Public Hearing Ad Alternate Dates for PH on March 24 th vs. March 10 th	
Feb 24, 2015 (Mar 10, 2015)	Schools Budget Presentation Advertise 2015-16 Tax Levy in Paper	Superintendent/Dir. of Fin. City Manager/Dir. of Fin.
Mar 3, 2015 (Mar 17, 2015)	2 nd Budget Work Session Advertise 2015-16 Tax Levy in Paper	City Manager/Dir. of Fin. City Manager/Dir. of Fin.
Mar 10, 2015 (Mar 24, 2015)	First reading of 2015 tax rate ordinance Public Hearing on 2015 Tax Levy	City Manager/Dir. of Fin.

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<u>DATE</u>	<u>ACTIVITY</u>	<u>COORDINATOR</u>
Mar 17, 2015	3 rd Budget Work Session	City Manager/Dir. of Fin.
Mar 19, 2015	Submit 2015-16 Budget Public Hearing Ad	
Mar 24, 2015	Advertise 2015-16 Budget in Paper	City Manager/Dir. of Fin.
Mar 31, 2015	Advertise 2015-16 Budget in Paper	City Manager/Dir. of Fin.
Apr 14, 2015	Second reading of 2015 tax rate ordinance Adoption of tax rate ordinance Public Hearing on 2015-16 City Budget	City Manager/Dir. of Fin.
April 21, 2015	4 th Budget Work Session (If needed)	City Manager/Dir. of Fin.
May 12, 2015	Adoption of 2015-16 School Budget (Required by May 16), Adoption of 2015-16 City Budget	

Goal

Balance

Re-occurring expenses



Re-occurring Revenues

with

City of Hopewell

Review of Fund Balance

Question: What is Fund Balance?

Answer: The net assets of an organization or in other words assets minus liabilities:

$$\text{Assets} - \text{Liabilities} = \text{Fund Balance}$$

Question: How does fund balance change?

Answer: Fund balance will change by the net of revenues and expenses in other words:

$$\text{Revenues} - \text{Expenses} = \text{Increase (Decrease) in Fund Balance}$$

Question: How does the City minimize use of fund balance?

Answer: Match Re-occurring expenses with re-occurring revenues in other words:

Re-occurring expenses



Re-occurring Revenues

Balanced with

Summary

General Fund Revenues	\$ 46,641,000
General Fund Expenditures	<u>\$ 46,641,000</u>
Use of Fund Balance	-0-

City of Hopewell

Analysis of Revenue - Four Year Revenue Review, Current Year and Next

For FY 2011 thru FY 2016

	Actual FY 10-11	Actual FY 11-12	Actual FY 12-13	Un-audited FY 13-14	Budget FY 14-15	Projections FY 14-15	Budget FY 15-16
M & T Tax	\$ 4,381,352	\$ 4,202,780	\$ 5,797,880	\$ 5,962,182	\$ 4,759,700	\$ 5,259,700	\$ 6,000,000
PSC Tax	3,412,983	3,420,799	3,391,300	3,800,112	3,797,000	3,797,000	4,026,000
PP Tax	2,598,537	2,184,808	2,452,885	2,528,550	2,944,970	2,644,970	2,656,970
PENALTY	291,913	308,682	686,760	241,145	300,000	300,000	300,000
Real Estate Tax	13,104,325	13,331,624	14,088,676	14,165,663	14,775,000	14,775,000	14,775,000
Total Taxes	\$ 23,789,110	\$ 23,448,693	\$ 26,417,501	\$ 26,697,652	\$ 26,576,670	\$ 26,776,670	\$ 27,757,970
Sales Tax	1,866,495	1,921,273	1,989,128	1,706,676	1,917,000	1,917,000	2,000,000
Local Tax	4,208,055	3,863,174	4,040,173	3,942,917	3,952,100	3,952,100	3,892,100
State	7,990,696	7,734,814	8,028,684	7,944,224	7,934,530	7,934,530	8,050,530
Federal	517,203	720,028	740,172	418,274	318,600	318,600	254,500
Transfer from Waste/Sewer			884,500	884,500	884,500	884,500	884,500
Misc \$	3,300,213	3,705,414	3,664,837	3,837,901	3,694,600	3,694,600	3,801,400
Use of Fund Balance							
Total re-occurring	\$ 41,671,771	\$ 41,393,396	\$ 45,764,995	\$ 45,432,144	\$ 45,278,000	\$ 45,478,000	\$ 46,641,000

City of Hopewell

Analysis of Revenues - Current Budget, Current Year Projections and 5 Year Look Forward

For FY 2015 thru FY 2020

	Budget FY 14-15	Projections FY 14-15	Budget FY 15-16	Projections FY 16-17	Projections FY 17-18	Projections FY 18-19	Projections FY 19-20	
M & T Tax	\$ 4,759,700	\$ 5,259,700	\$ 6,000,000	\$ 6,060,000	\$ 6,120,600	\$ 6,181,806	\$ 6,243,624	1%
PSC Tax	3,797,000	3,797,000	4,026,000	4,026,000	4,026,000	4,026,000	4,026,000	Flat
PP Tax	2,944,970	2,644,970	2,656,970	2,710,109	2,764,312	2,819,598	2,875,990	2%
PENALTY	300,000	300,000	300,000	300,000	300,000	300,000	300,000	Flat
Real Estate Tax	14,775,000	14,775,000	14,775,000	14,922,750	15,071,978	15,222,697	15,374,924	1%
Total Taxes	\$ 26,576,670	\$ 26,776,670	\$ 27,757,970	\$ 28,018,859	\$ 28,282,889	\$ 28,550,101	\$ 28,820,538	
Sales Tax	1,917,000	1,917,000	2,000,000	2,040,000	2,080,800	2,122,416	2,164,864	2%
Local Tax	3,952,100	3,952,100	3,892,100	3,931,021	3,970,331	4,010,035	4,050,135	1%
State	7,934,530	7,934,530	8,050,530	8,050,530	8,050,530	8,050,530	8,050,530	Flat
Federal	318,600	318,600	254,500	254,500	254,500	254,500	254,500	Flat
Transfer from Waste/Sewer	884,500	884,500	884,500	884,500	884,500	884,500	884,500	Flat
Misc \$	3,694,600	3,694,600	3,801,400	3,801,400	3,801,400	3,801,400	3,801,400	Flat
Use of Fund Balance								
Total re-occurring	\$ 45,278,000	\$ 45,478,000	\$ 46,641,000	\$ 46,980,810	\$ 47,324,950	\$ 47,673,482	\$ 48,026,467	

City of Hopewell

Analysis of Revenue and Expenditures - Four Year Review, Current Year and Next

For FY 2011 thru FY 2016

	Actual FY 10-11	Actual FY 11-12	Actual FY 12-13	Un-audited FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16
Recurring Revenue							
Local	\$ 33,163,872	\$ 32,938,554	\$ 36,996,139	\$ 37,069,646	\$ 37,024,870	\$ 37,224,870	\$ 38,335,970
State	7,990,696	7,734,814	8,028,684	7,944,224	7,934,530	7,934,530	8,050,530
Federal	517,203	720,028	740,172	418,274	318,600	318,600	254,500
Total Reoccurring	\$ 41,671,771	\$ 41,393,396	\$ 45,764,995	\$ 45,432,144	\$ 45,278,000	\$ 45,478,000	\$ 46,641,000
Recurring Expenses							
	\$ 40,374,798	\$ 41,392,838	\$ 44,030,350	\$ 47,090,207	\$ 46,057,000	\$ 46,073,000	\$ 46,641,000
Additional On-time Expenses							
						\$ 812,000	
Excess/(Deficit) Reoccurring	\$ 1,296,973	\$ 558	\$ 1,734,645	\$ (1,658,063)	\$ (779,000)	\$ (1,407,000)	\$ -

City of Hopewell

Analysis of Revenue and Expenditures - Current Budget, Current Year Projections and 5 Year Look Forward

For FY 2015 thru FY 2020

	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Projections FY 16-17	Projections FY 17-18	Projections FY 18-19	Projections FY 19-20
Recurring Revenue							
Local	\$ 37,024,870	\$ 37,224,870	\$ 38,335,970	\$ 38,675,780	\$ 39,019,920	\$ 39,368,452	\$39,721,437
State	7,934,530	7,934,530	8,050,530	8,050,530	8,050,530	8,050,530	8,050,530
Federal	318,600	318,600	254,500	254,500	254,500	254,500	254,500
Total Recurring	\$ 45,278,000	\$ 45,478,000	\$ 46,641,000	\$ 46,980,810	\$ 47,324,950	\$ 47,673,482	\$48,026,467
Recurring Expenses							
	\$ 46,057,000	\$ 46,073,000	\$ 46,641,000	\$ 46,874,205	\$ 47,108,576	\$ 47,344,119	\$47,580,839
Additional On-time Expenses							
		\$ 812,000					
Excess/(Deficit) Recurring	\$ (779,000)	\$ (1,407,000)	\$ -	\$ 106,605	\$ 216,374	\$ 329,363	\$ 445,628

City of Hopewell

Analysis of Fund Balance - Four Year Review, Current Year and Next

For FY 2011 thru FY 2016

	Actual FY 10-11	Actual FY 11-12	Actual FY 12-13	Un-audited Actual FY 13-14	Budget FY 14-15	Projections FY 14-15	Budget FY 15-16
Beginning Fund Balance							
10% Rainy Day Balance	4,037,480	4,167,177	4,139,340	4,576,499	4,543,214	4,527,800	4,527,800
Fund Balance available	3,712,265	5,009,238	5,009,795	6,744,440	5,086,377	4,307,377	2,900,377
Total Fund Balance	\$ 7,749,745	\$ 9,046,718	\$ 9,047,275	\$ 10,781,920	\$ 9,123,857	\$ 8,344,857	\$ 6,937,857
Addition/Use of Fund Balance	\$ 1,296,973	\$ 558	\$ 1,734,645	\$ (1,658,063)	\$ (779,000)	\$ (1,407,000)	\$ -
Ending Fund Balance							
10% Rainy Day Balance	\$ 4,167,177	\$ 4,139,340	\$ 4,576,499	4,543,214	\$ 4,527,800	\$ 4,527,800	\$ 4,664,100
Fund Balance available	5,009,238	5,009,795	6,744,440	5,086,377	4,307,377	2,900,377	2,900,377
Total Fund Balance	\$ 9,046,718	\$ 9,047,275	\$ 10,781,920	\$ 9,123,857	\$ 8,344,857	\$ 6,937,857	\$ 6,937,857
Fund Balance as a Percentage (%) of GF Budget	22.4%	21.9%	24.5%	19.4%	18.1%	15.1%	14.9%

City of Hopewell

Analysis of Fund Balance - Current Budget, Current Year Projections and 5 Year Look Forward

For FY 2015 thru FY 2020

	Budget FY 14-15	Projections FY 14-15	Budget FY 15-16	Projections FY 16-17	Projections FY 17-18	Projections FY 18-19	Projections FY 19-20
Beginning Fund Balance							
10% Rainy Day Balance	4,543,214	4,527,800	4,527,800	4,664,100	4,698,081	4,732,495	4,767,348
Fund Balance available	5,086,377	4,307,377	2,900,377	2,900,377	3,006,982	3,223,357	3,552,719
Total Fund Balance	\$ 9,123,857	\$ 8,344,857	\$ 6,937,857	\$ 6,937,857	\$ 7,044,462	\$ 7,260,837	\$ 7,590,199
Addition/Use of Fund Balance	\$ (779,000)	\$ (1,407,000)	\$ -	\$ 106,605	\$ 216,374	\$ 329,363	\$ 445,628
Ending Fund Balance							
10% Rainy Day Balance	\$ 4,527,800	\$ 4,527,800	\$ 4,664,100	\$ 4,698,081	\$ 4,732,495	\$ 4,767,348	\$ 4,802,647
Fund Balance available	4,307,377	2,900,377	2,900,377	3,006,982	3,223,357	3,552,719	3,998,347
Total Fund Balance	\$ 8,344,857	\$ 6,937,857	\$ 6,937,857	\$ 7,044,462	\$ 7,260,837	\$ 7,590,199	\$ 8,035,827
Fund Balance as a Percentage (%) of GF Budget	18.1%	15.1%	14.9%	15.0%	15.4%	16.0%	16.9%

City of Hopewell

Analysis of Revenues FY 2015 Budget vs. FY 2016 Budget

	Budget FY 14-15	Budget FY 15-16	Difference
Revenues - Reoccurring	\$ 45,278,000	\$ 45,278,000	\$ -
PSC Tax		229,000	229,000
PP Tax		(288,000)	(288,000)
M&T Tax		1,240,300	1,240,300
State Hwy Maint.		116,000	116,000
Various Revenues		64,600	64,600
Revenues - Reoccurring Adjusted	<u>\$ 45,278,000</u>	<u>\$ 46,639,900</u>	<u>\$ 1,361,900</u>
Use of Surplus	779,000		(779,000)
Total Revenue Budget	<u><u>\$ 46,057,000</u></u>	<u><u>\$ 46,639,900</u></u>	<u><u>\$ 582,900</u></u>



City of Hopewell, Virginia

FY 2016
Proposed Forecast
of Expenditures
February 17, 2015

Budget Process

- ▶ The Director of Finance reviews each line item in the budget requests from departments and makes recommendations to the City Manager
- ▶ Criteria for the Director of Finance recommendations:
 - 1) Were increases in budget requests justified?
And
 - 2) Were increases in line with 6 months current year actuals and two years prior actuals?
- ▶ The City Manager and I will meet with some departments to discuss further their request for increase funding.

City of Hopewell

FY 2015 - 2016 Program Priorities

- 1. Maintaining Financial Integrity**
- 2. Housing and Neighborhood Assistance (Code Enforcement)**
- 3. Investing in Employees**
- 4. Public Safety Building**
- 5. Regional Communications System**
- 6. Storm Drainage Utility**
- 7. MIS Software**
- 8. Recycling**
- 9. HRWTF – Phase II**
- 10. Economic Development**
- 11. Teen/Family Resource Center**

FY 2015 - 2016 Budget Highlights

- **Balanced budget by matching recurring expenditures with recurring revenues**
- **Level funding for Schools**
- **Maintain level funding for CSA mandated services**
- **Police career development funding of \$32,000**
- **Fire career development funding (pending further discussion)**
- **Bus route project funding of \$216,000**
- **Funding of 2 new positions \$120,382**
- **No funding of COLA**

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FY 2015 - 2016 Budget Highlights

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- **Level funding of operating cost for almost all departments**
- **No funding of COLAs**
- **No funding for increase in health care cost**

City of Hopewell

FY 2015 - 2016 New Position Requests

Proposed Funded:

Department	Position	Salary	Benefits	Total
Finance	Accountant/Budget Analyst	\$ 55,000	\$ 17,392	\$ 72,392
CSA	Administrative Assistant (F/T)	34,500	13,490	47,990
Totals		<u>\$ 89,500</u>	<u>\$ 30,882</u>	<u>\$ 120,382</u>

Proposed Un-funded:

Fire	Fire Fighters (3)	\$ 115,783	\$ 32,412	\$ 148,195
Public Works	Street Maintenance Specialist (2)	86,738	28,568	115,306
Totals		<u>\$ 202,521</u>	<u>\$ 60,980</u>	<u>\$ 263,501</u>

City of Hopewell

Summary of Budget Changes from FY 2015 to FY 2016

FY 2015 Reoccurring Expenditures Budget		\$ 46,057,000
Increase in Debt Services	\$ 302,700	
Budget Correction of Health Insurance	457,600	
Comprehensive Plan	(100,000)	
Combined Department Increase/(Decreases)	(76,300)	
Net Change		584,000
Proposed 2016 Expenditure Budget		<u>\$ 46,641,000</u>

Systems Generated Budget Reports (Separate from Powerpoint)

- **Summary of expenditures by department**
- **Summary of expenditures by division**
- **List of expenditures by account code**

Next Meeting - Budget Workshop

March 3, 2015

Questions?