



City of Hopewell, Virginia

FY 2016

**Review of Advertised
City Manager's**

General Fund Budget

April 21, 2015

CITY OF HOPEWELL

NOTICE OF PUBLIC HEARING

The City Council of the City of Hopewell will hold a public hearing on Tuesday, April 21, 2015, at 7:30 PM in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia to receive public comments regarding the proposed FY 2015/2016 City Budget.

For additional information contact Cindy Ames, City Clerk, 541-2249.

	2014/15	2015/16		
	ADOPTED	PROPOSED	INCR	PERCENT
Fund	BUDGET	BUDGET	(DECR)	CHANGE
General Fund	\$ 46,057,000	\$ 48,032,000	\$ 1,975,000	4.11%
Recreation Fund	1,661,000	1,704,000	43,000	2.52%
Social Services Fund	3,816,000	3,884,402	68,402	1.76%
CSA Fund	2,990,000	3,684,000	694,000	18.84%
Self-Insurance Fund	290,000	500,000	210,000	42.00%
Cemetery Care Fund	35,000	35,000	-	0.00%
Anti-litter Fund	5,000	5,000	-	0.00%
Marina/Harbor Fund	14,400	14,400	-	0.00%
School Operating Fund	47,544,000	47,466,112	(77,888)	(0.16%)
School Textbook Fund	650,000	650,000	-	0.00%
School Cafeteria Fund	3,095,000	3,102,598	7,598	0.24%
Building & Bus Fund	610,000	702,950	92,950	13.22%
Solid Waste Fund	2,124,000	2,050,445	26,445	(3.59%)
Sewer Services Fund	6,297,000	8,601,130	2,304,130	26.79%
HRWIF Fund	17,126,000	48,346,067	31,220,067	64.58%
Capital Projects Fund	5,000,000	6,996,000	1,996,000	28.53%
Econ. Development Fund	-	-	-	(100.00%)
	\$ 137,314,400	\$ 175,774,104	\$ 38,559,704	
Interfund Transfers	(18,859,500)	(20,897,582)	(2,038,082)	9.75%
TOTALS	\$ 118,454,900	\$ 154,876,522	\$ 36,421,622	23.52%

EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

City of Hopewell

FY 2015-16 BUDGET CALENDAR

<u>DATE</u>	<u>ACTIVITY</u>	<u>COORDINATOR</u>
Mar 12, 2015	Submit 2015 Tax Levy Public Hearing Ad	City Manager/Dir. of Fin.
Mar 17, 2015	Advertise 2015-16 Tax Levy in Paper	City Manager/Dir. of Fin.
Mar 24, 2015	Advertise 2015-16 Tax Levy in Paper	City Manager/Dir. of Fin.
Mar 31, 2015	First reading of 2015 tax rate ordinance Public Hearing on 2015 Tax Levy Presentation of City Manager's Budget (GF)	City Manager/Dir. of Fin.
Apr 7, 2015	Budget Work Session	City Manager/Dir. of Fin.
Apr 9, 2015	Submit 2015-16 Budget Public Hearing Ad (1 week only)	
Apr 14, 2015	Second reading of 2015 tax rate ordinance Adoption of tax rate ordinance Public Hearing on 2015-16 City Budget Advertise 2015-16 Budget in Paper	City Manager/Dir. of Fin.
April 21, 2015	Public Hearing on 2015-16 City Budget	City Manager/Dir. of Fin.
April 28, 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

FY 2016 Budget Summary

General Fund Reoccurring Revenues	\$ 46,865,000
General Fund Use of Fund Balance	767,000
Use of Fire Equipment Reserves	400,000
Total Advertised Revenue Budget	\$ 48,032,000

General Fund Reoccurring Expenditures	\$ 46,865,000
One-time Special Capital Projects Funding	1,167,000
Total Advertised Expenditure Budget	\$ 48,032,000



City of Hopewell, Virginia

FY 2016
Advertised Forecast
of Revenues
April 21, 2015

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	\$ 6,081,000
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	15,034,000
Total Taxes	\$ 23,789,110	\$ 23,448,693	\$ 26,417,501	\$ 26,697,652	\$ 26,576,670	\$ 26,776,670	\$ 28,097,970
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	8,059,130
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	3,676,800
Total re-occurring	\$ 41,671,771	\$ 41,393,396	\$ 45,764,995	\$ 45,432,144	\$ 45,278,000	\$ 45,478,000	\$ 46,865,000

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
<u>Reoccurring Revenue</u>							
Local	\$ 33,163,872	\$ 32,938,554	\$ 36,996,139	\$ 37,069,646	\$ 37,024,870	\$ 37,224,870	\$ 38,551,370
State	7,990,696	7,734,814	8,028,684	7,944,224	7,934,530	7,934,530	8,059,130
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	\$ 46,865,000
<u>Reoccurring Expenses</u>							
	\$ 40,374,798	\$ 41,392,838	\$ 44,030,350	\$ 47,090,207	\$ 46,057,000	\$ 46,073,000	\$ 46,865,000
<u>Additional On-time Expenses</u>							
						\$ 812,000	\$ 1,167,000
Total Expenses	\$ 40,374,798	\$ 41,392,838	\$ 44,030,350	\$ 47,090,207	\$ 46,057,000	\$ 46,885,000	\$ 48,032,000
Excess/(Deficit) Reoccurring	\$ 1,296,973	\$ 558	\$ 1,734,645	\$ (1,658,063)	\$ (779,000)	\$ (1,407,000)	\$ (1,167,000)

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 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)	\$ (767,000)
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	\$ 4,686,500
Fund Balance available	5,009,238	5,009,795	6,744,440	5,086,377	4,307,377	2,900,377	2,133,377
Total Fund Balance	\$ 9,046,718	\$ 9,047,275	\$ 10,781,920	\$ 9,123,857	\$ 8,344,857	\$ 6,937,857	\$ 6,170,857
Fund Balance as a Percentage (%) of GF Budget	22.4%	21.9%	24.5%	19.4%	18.1%	15.1%	13.2%

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	\$ -
RR Tax		260,000	260,000
PSC Tax		229,000	229,000
PP Tax		(288,000)	(288,000)
M&T Tax		1,321,100	1,321,100
State Hwy Maint.		116,000	116,000
Various Revenues		(51,100)	(51,100)
Adjusted Budget	\$ 45,278,000	\$ 46,865,000	\$ 1,587,000
Use of GF Fund Balance FY 15	779,000		(779,000)
Use of GF Fund Balance FY 16		767,000	767,000
Use of Fire Equip. Reserve		400,000	400,000
Total FY 2016 Ad. Budget	\$ 46,057,000	\$ 48,032,000	\$ 1,975,000



City of Hopewell, Virginia

FY 2016
Advertised Forecast
of Expenditures
April 21, 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**

City of Hopewell

FY 2015 - 2016 Budget Highlights

- **Balanced budget by matching recurring expenditures with recurring revenues**
- **Increase a 2 penny increase in the real estate tax rate**
- **Increase funding for 3 reading teachers for School \$176,400**
- **Fully funding CSA mandated services increase of \$191,000**
- **Police career development funding of \$32,000**
- **Fire career development funding (pending further discussion)**
- **Bus route project funding of \$216,000**
- **Funding of 3 new City positions \$99,876**
- **No funding of COLA**

Con't

City of Hopewell

FY 2015 - 2016 Budget Highlights

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- **Level funding of operating cost for almost all departments**
- **Health care cost savings**
- **Include Debt Service for Communication system \$197,500**

City of Hopewell

FY 2015 - 2016 New Position Requests

Proposed Funded:

Department	Position	Salary	Benefits	Total
Fire	Fire Fighters (1)	\$ 38,594	\$ 10,804	\$ 49,398
	EMS Billing Clerk	34,500	18,288	52,788
CSA	Administrative Assistant (F/T)	34,500	13,490	47,990
Totals		<u>\$ 107,594</u>	<u>\$ 42,582</u>	<u>\$ 150,176</u>

Proposed Un-funded:

Finance	Accountant/Budget Analyst	\$ 55,000	\$ 17,392	\$ 72,392
Fire	Fire Fighters (3)	\$ 115,783	\$ 32,412	\$ 148,195
Public Works	Street Maintenance Specialist (2)	86,738	28,568	115,306
Park and Recreation	Youth Coordinator	40,000	14,537	54,537
Totals		<u>\$ 297,521</u>	<u>\$ 92,909</u>	<u>\$ 390,430</u>

* Billing currently contracted out for \$27,000

% Part-time position currently funded at \$23,300

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	\$ 514,500	
Increase in School Funding	176,400	
Increase in CSA Funding	191,000	
Budget Correction of Health Insurance	457,600	
Heath Care Savings	(248,000)	
Comprehensive Plan	(100,000)	
Combined Department Increase/(Decreases)	(183,500)	
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Net Change		\$ 808,000
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Proposed 2016 Reoccurring Expenditure Budget		<u><u>\$ 46,865,000</u></u>
One-time Capital Projects		1,167,000
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Total Advertised Expenditure Budget		<u><u>\$ 48,032,000</u></u>

City of Hopewell

ANALYSIS OF SCHOOL'S LOCAL GOVERNMENT FUNDING

	School's Operating			School's Debt Service		School's Total Funding		Local Funding Analysis	
	Adopted Budget	Increase in City Funding	Cumulative Increase	Debt Payments	Increase in City Funding	Operating & Debt	Total Increase in City Funding	Total GF Budget	School's as % of GF
FY 2012	11,500,000	-	-	-	-	11,500,000		41,673,575	
FY 2013	11,800,000	300,000	300,000	n/a	n/a	11,800,000	300,000	44,030,350	n/a
FY 2014	12,420,000	620,000	920,000	2,083,243	n/a	14,503,243	2,703,243	45,826,000	31.65%
FY 2015	13,100,000	680,000	1,600,000	2,057,623	(25,620)	15,157,623	654,380	46,057,000	32.91%
FY 2016	13,276,400	176,400	1,776,400	2,482,621	424,998	15,759,021	601,398	46,865,000	33.63%

City of Hopewell

City of Hopewell

Capital Projects Fund (071) Request for FY 2016

		<u>Requests FY 2016</u>	<u>Proposed FY 2016</u>
<u>Revenues:</u>			
Fund 071 Revenues		\$ 2,875,500	\$ 2,875,500
Grant Funds		52,000 *	52,000
Transfer from GF(011)		2,106,000	2,106,000
Transfer from GF(Fire)		160,000	160,000
Grant Funds	Gateway Project	300,000 #	300,000
Grant Funds	East Broadway Bridge	300,000 %	300,000
Grant Funds	Hummel Ross Traffic Signal	167,000 &	167,000
Transfer from GF Fund Balance for Matching Funds		767,000	767,000
 Total Revenues		 <u><u>\$ 6,727,500</u></u>	 <u><u>\$ 6,727,500</u></u>

City of Hopewell

Expenditures:

Debt Service			\$ 3,975,000	\$ 3,975,000
IT		Servers, PC and Other Equipment	50,000	50,000
Human Resources		Wage and Salary Study	40,000	40,000
Clerk of Courts		Furniture	1,250	1,250
Sheriff		Vehicles (4) \$33,500 each	134,000	100,500
Police	Admin	Vehicles (2) \$23,000 each		
	Patrol	Vehicles (4) \$35,000 each	140,000	140,000
Fire		Truck	160,000	160,000
		Machinery and Equipment (Fire Hose)	4,000	4,000
		Communication Equipment	8,500	8,500
		Machinery and Equipment	22,000 *	22,000
		Vehicles	30,000 *	30,000
Public Works		Pavement Repair	350,000	350,000
		Street Lighting Improvements	20,000	20,000
		Dump Truck	130,000	1
		Work Van	19,500	2
		Low Boy Trailer	-	3
		Stainless Steel Spreader	23,000	4
		Steel permanent Structure-DPW	75,000	5
		ADA Master Plan for City Facilities	25,000	6

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City of Hopewell

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	VDOT Grant 20% Safe School Routes	30,000	7	
	Start ADA Compliance Master Plan	10,000	8	
	City Hall Con't Renovation Floors 2 & 3	30,000	9	
	Public Works Office Renovation	10,000	10	
	Modify elevator ADA requirements	10,000	11	
	Gateway Project	600,000	#	600,000
	East Broadway Bridge	600,000	%	600,000
	Hummel Ross Traffic Signal	334,000	&	334,000
Recreation	Mathis Field	56,000		56,000
	Vehicles (2)	54,539		
	Arlington Park Restroom	18,000		18,000
	Arlington Park Shelter	15,000		15,000
	Atwater Park Restroom	35,000		
	Atwater Park Shelter	20,000		20,000
Treasurer	Dual Monitors (3)	2,400		2,400
	Scanners (4)	4,000		4,000
	Credit Card Machines (3)	3,000		3,000
	Cash Drawers (4)	800		800
	Replace Plexglass (4)	2,000		2,000
	Chairs/Stools (3)	600		600
	Remodel Cashier Stations	11,400		11,400

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City of Hopewell

Con't

Other		D/T Partnership Funding	70,000	70,000
		Chapter 18 Violations	25,000	25,000
Neighborhood Services	Code	Demolition Bldgs	50,000	50,000
Sub-total of Projects			\$ 3,223,989	\$ 2,738,450
Total Expenditures			<u>\$ 7,198,989</u>	<u>\$ 6,713,450</u>
Surplus/(Deficit)			(471,489)	14,050

End of Presentation