

Proposed FY 21 Operating & Capital Budget



Budget & Revenue Overview

**Hopewell, VA
City Council Meeting
April 23, 2020**

Proposed FY 21 Operating & Capital Budget



The purpose of today's City Manager's presentation is to:

- Provide City Council with an overview and highlights of the proposed FY21 Operating Budget and Revenues

- Conduct additional work sessions to discuss:
 - FY 21 Expenditures
 - FY 21 Capital Improvement Budget

Proposed FY 21 Operating & Capital Budget



The framework of the proposed FY 21 Operating & Capital Budget is:

- Neither aggressive – Not tax rate increase driven
- Nor passive – saying yes to budgetary inclusion that exceeds FY 20 levels
- Fiscally responsible – providing adequate funding to render services to the citizens of Hopewell, VA

Proposed FY 21 Operating & Capital Budget



The development of the proposed FY 21 Operating & Capital Budget deployed the four (4) pillar approach:

1. Assessment – Are we budget sound?
2. Analysis – Reviewed prior budget practices & trends.
3. Preservation – Will proposed revenues meet costs?
4. Status – Are we able to handle matters that may arise during FY 21 that are not budgeted for?

Proposed FY 21 Operating & Capital Budget



The outcome of deploying this fiscal stewardship approach :

1. Proposed Operational & Capital Budget– \$174,040,349
 - Total of 31 funds required for operation of City services
 - An increase of \$2,659,927 or 1.5% over FY 20
2. Proposed General Operating Fund recommended funding – \$52,619,876
 - A increase of \$316,847 or 0.61% over FY 20
3. Remain within the baseline budget equal to the adopted FY20 budget
4. NO tax rate adjustments for FY21
5. NO draw from Unassigned Fund Balance to balance the budget.
 - Continuation of maintaining a structurally balanced budget

Proposed FY 21 Operating & Capital Budget



The framework of the proposed FY 21 Operating & Capital Budget is:

- Health Care cost increase absorbed by the City
- No tax rate increases
- No new positions
- No new projects
- No new debt
- No use of fund balance
- School Funding consistent with FY 20 funding level

Proposed FY 21 Operating & Capital Budget



Proposed Tax Rates for the FY21 Budget/2020 Tax Year

Real Estate	\$1.13 per \$100 of Assessed Value
Personal Property	\$3.50 per \$100 of Assessed Value
Machinery & Tools	\$3.05 per \$100 of Assessed Value
Meals	6.0%

Proposed FY 21 Operating & Capital Budget



City Manager's Revenue Committee

- City Manager
- Assistant City Manager
- Commissioner of Revenue
- Treasurer
- Real Estate Assessor
- Finance Director
- Budget Analyst

Proposed FY 21 Operating & Capital Budget



City of Hopewell, Virginia					
General Fund					
	FY 21	FY 20			
	Proposed	Adopted	Dollar		Percent
REVENUES	Budget	Budget	Change		Change
Real Estate	\$ 15,487,893	\$ 15,238,989	\$ 248,904		1.63%
Public Service Corp	\$ 4,313,205	\$ 4,300,000	\$ 13,205		0.31%
Personal Property	\$ 6,000,000	\$ 5,700,000	\$ 300,000		5.26%
Machine & Tool	\$ 7,912,000	\$ 8,000,000	\$ (88,000)		-1.10%
Interest & Penalty	\$ 618,500	\$ 450,000	\$ 168,500		37.44%
Other Taxes	\$ 6,078,000	\$ 6,100,000	\$ (22,000)		-0.36%
Permits & Fees	\$ 299,700	\$ 251,000	\$ 48,700		19.40%
Use of Money	\$ 62,500	\$ 55,000	\$ 7,500		13.64%
Charges for Services	\$ 562,600	\$ 630,000	\$ (67,400)		-10.70%
Fines/Forfeitures	\$ 901,827	\$ 1,630,000	\$ (728,173)		-44.67%
Miscellaneous	\$ 330,085	\$ 330,500	\$ (415)		-0.13%
Local	\$ 923,500	\$ 930,000	\$ (6,500)		-0.70%
State	\$ 7,518,567	\$ 7,000,000	\$ 518,567		7.41%
Federal	\$ 220,000	\$ 200,000	\$ 20,000		10.00%
Transfers	\$ 1,391,500	\$ 1,487,540	\$ (96,040)		-6.46%
Total Revenues	\$ 52,619,877	\$ 52,303,029	\$ 316,848		0.61%

Proposed FY 21 Operating & Capital Budget



City of Hopewell, Virginia	
FY 21 Proposed Revenue Budget-All Funds	
General Fund	52,619,877
Social Services	6,233,910
CSA	3,109,140
Recreation	1,888,610
Marina	25,000
Anti-Litter	6,063
Economic Development	38,440
Self-Insurance	500,000
Cemetery	52,500
Healthy Families	295,225
School Operating	53,827,402
School Textbook	500,000
School Cafeteria	3,660,863
School Bldg/Bus Replacement	47,180
Solid Waste	2,465,233
Sewer System Operating	9,791,352
Sewer System Maintenance	8,434,981
Sewer System Bond	1,636,371
Storm Water 1	1,820,964
Storm Water 2	10,000
Water Renewal	20,710,116
Debt Service	5,167,125
Capital Projects	1,200,000
Total Revenue	174,040,349

Proposed FY 21 Operating & Capital Budget



Financial Management Update:

- FY 2016 CAFR – Completed
- FY 2017 CAFR – Completed
- FY 2018 CAFR – Auditor is currently reviewing the Financial Statements; awaiting Auditor direction on remote access
- FY2019 CAFR – City initiated work on the audit in February 2020

- Single Audits FY16, FY17 & FY18 – Staff has provided documents & reports to Auditor; awaiting Auditor direction on remote access

Proposed FY 21 Operating & Capital Budget



Next Steps:

- Adopt Tax Rate Ordinance – April 28, 2020
- FY21 Expenditure & CIP Work Session – April 30, 2020
- Future Worksessions – May 5, 2020, May 7, 2020, May 14, 2020, May 19, 2020 and May 21, 2020

- FY21 Budget Books are in City Council's mailboxes.

Proposed FY 21 Operating & Capital Budget



Closing Comments