

Proposed FY 21 Operating & Capital Budget



Expenditure & CIP Overview

Hopewell, VA
City Council Meeting
April 30, 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



City Council's Requests/Questions

- Thomas Brothers/Open Finance Status
- Departmental Justifications
- Outside Agency Letters
- Expenditures to Date
- Definition of Revenue Terms
- Hopewell Water Renewal – Outside Revenue
- Joint Worksession with School Board – May 14, 2020

Proposed FY 21 Operating & Capital Budget



Definition of Revenue Terms:

- **Use of Money** – Interest Income and Rent of Property (ARLS)
- **Charges of Services** – Circuit Court Clerk Fees, Sheriff Fees, Law Library Fees, Courthouse Maintenance Fees, Jail Admission Fees, Police Record Checks, EMS Billing, and E-Summons Fees
- **Miscellaneous** – Donation/Private Grants, Sale of Real Estate Data, Tax Exemption Program Fees, Insurance/FEMA Refunds, Keep Hopewell Beautiful, FOIA Fees, Toter Replacement Fees, Employee Misc. Reimbursement, Vendor Misc. Reimbursement
- **Local** – Payment in Lieu of Taxes, Community Attorney Drug & Seizure; Police Drug & Seizure, and Sheriff Drug & Seizure
- **Transfers** – (Cost Recovery) Sewer Service Fund, Solid Waste Fund, and Dept. of Social Services

Proposed FY 21 Operating & Capital Budget



Hopewell Water Renewal – Outside Revenue:

Fiscal Year	Outside Treatment Revenue
FY16	\$2,074,198
FY17	\$2,364,653
FY18	\$1,200,933
FY19	\$7,868,753
FY20	\$5,042,717 (as of April 28, 2020)

Proposed FY 21 Operating & Capital Budget



City of Hopewell, Virginia General Fund

	FY 21 Proposed Budget	FY 20 Adopted Budget	Dollar Change	Percent Change
EXPENDITURES				
City Council	\$ 283,683	\$ 282,689	\$ 994	0.35%
City Clerk	\$ 160,730	\$ 165,947	\$ (5,217)	-3.14%
City Attorney	\$ 413,538	\$ 352,287	\$ 61,251	17.39%
City Manager	\$ 1,297,700	\$ 1,087,760	\$ 209,939	19.30%
Human Resources	\$ 452,656	\$ 428,109	\$ 24,547	5.73%
Finance	\$ 1,568,888	\$ 1,548,991	\$ 19,897	1.28%
Voter Registration	\$ 236,781	\$ 230,269	\$ 6,513	2.83%
Comm of Revenue	\$ 542,181	\$ 483,618	\$ 58,563	12.11%
Treasurer	\$ 535,809	\$ 549,344	\$ (13,535)	-2.46%
Information Tech	\$ 1,359,967	\$ 1,218,513	\$ 141,454	11.61%
Circuit Ct-Clerk	\$ 479,310	\$ 461,150	\$ 18,160	3.94%
Commonwealth Atty	\$ 661,817	\$ 630,745	\$ 31,072	4.93%
Victim Witness	\$ 188,508	\$ 181,492	\$ 7,016	3.87%
Sheriff	\$ 1,593,361	\$ 1,569,410	\$ 23,951	1.53%
Circuit Ct-Law Intern	\$ 111,596	\$ 111,116	\$ 480	0.43%
General District Ct	\$ 149,781	\$ 138,666	\$ 11,115	8.02%
Police	\$ 7,957,928	\$ 7,768,260	\$ 189,668	2.44%
Fire	\$ 5,104,683	\$ 4,973,939	\$ 130,744	2.63%
Crater Detention	\$ 306,207	\$ 363,000	\$ (56,793)	-15.65%
Riverside Jail	\$ 2,441,220	\$ 2,278,840	\$ 162,380	7.13%
Court Services	\$ 7,000	\$ 7,000	\$ -	0.00%
VJCCA	\$ 158,971	\$ 157,515	\$ 1,456	0.92%
Public Works	\$ 5,190,173	\$ 5,160,034	\$ 30,140	0.58%
Development	\$ 1,043,894	\$ 1,021,392	\$ 22,502	2.20%
Non-Departmental	\$ 932,500	\$ 952,394	\$ (19,894)	-2.09%
Outside Agencies	\$ 1,907,557	\$ 1,941,558	\$ (34,001)	-1.75%
Transfers	\$ 17,533,436	\$ 18,238,991	\$ (705,555)	-3.87%
Total Expenditures	\$ 52,619,877	\$ 52,303,029	\$ 316,847	0.61%

Proposed FY 21 Operating & Capital Budget



City of Hopewell, Virginia

FY 21 Proposed Expenditure Budget-All Funds

General Fund	52,619,877
Social Services	6,233,910
CSA	3,109,140
Recreation	1,888,610
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Water Renewal	20,710,116
Debt Service	5,167,125
Capital Projects	1,200,000
Total Expenditures	174,040,349

Proposed FY 20 Operating & Capital Budget



Highlights of the Proposed FY 21 Budget:

- Health care cost absorbed by City – NO increase to Employees
- Mandated Services Funding (Social Services, CSA, etc.)
- NO new positions – 67 requested, Totaling \$4 million in Total Cost

Proposed FY 21 Operating & Capital Budget



Notable Changes:

City Attorney	\$61,251	Legal Assistant
City Manager	\$209,939	Incentive Payments
Commissioner of Revenue	\$58,563	Increases in Service Contracts and Use of DMV Revenue
Information Technology	\$141,454	Operating Costs Previously Budgeted as Capital, Increases in Service Contracts & Benefit Changes

Proposed FY 21 Operating & Capital Budget



Notable Changes:

Police	\$189,668	Increases in Service Contracts & Benefit Changes
Fire	\$130,744	Increases in Service Contracts & Benefit Changes
Crater Detention	\$(56,793)	Decreases in Service Contracts
Riverside Regional Jail	\$162,380	Increases in Service Contracts
Transfers	\$(705,555)	Decreases in Transfers to Capital & Debt Service
Various Departments	\$\$	Increases and Decreases in Benefits & Service Contracts

Proposed FY 20 Operating & Capital Budget



Highlights of the Proposed FY 21 Budget:

- Hopewell Public Schools –

\$14,834,720 Requested

\$12,242,921 Budgeted

\$1,136,069 Year-End Transfer (July 2020)

\$13,378,990 Total Funding

\$1,455,730 Difference

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Capital Improvement Program (CIP):

- Total 5-Year CIP Requests - \$32,000,000
- FY 2021 CIP Requests – \$18,043,263
- FY 2021 CIP Funding – \$1,200,000

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Recommended FY 2021 CIP Projects:

- Information Technology for PD/EMS Software – \$20,580
- Fire Dept. Radio & Hose Expense – \$12,500
- Fire Truck Lease Payment – \$162,414
- VDOT Project Match – \$1,004,506

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Financial Management Update:

- FY 2016 CAFR – Completed
- FY 2017 CAFR – Completed
- FY 2018 CAFR – Auditor is currently reviewing the Financial Statements; Auditor is utilizing 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; Auditor is utilizing remote access

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Next Steps:

- **Future Worksessions –**

 - May 5, 2020

 - May 7, 2020

 - May 14, 2020 – Joint Worksession with HPS

 - May 19, 2020

 - May 21, 2020

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

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Closing Comments