

Preliminary FY 2021-22 Budget Development Update

May 11, 2021



FY 2021-22 Preliminary Budget Development

General Fund FY 2020-21 Projections

in millions

	Revised Budget	Projections
Revenue	\$303.10	\$308.10
Property Tax	\$178.70	\$179.60
Sales Tax	\$52.00	\$62.50
State Shared	\$25.20	\$24.20
Other	\$47.20	\$41.80
Fund Balance	\$4.30	\$4.30
Total including fund balance	\$307.40	\$312.40
Expenditures	\$307.40	\$301.70
Personal	\$191.70	\$188.70
M&O	\$77.30	\$74.50
Transfers	\$38.50	\$38.50
Projected Surplus		\$6.40

- Overall expenses are expected to be below budgeted amounts as the pandemic continues to impact operations
- Largest revenues are exceeding budget, especially sales taxes, while programmatic revenues continue to be impacted
- Current year revenue projections include \$3.3 million in CARES Act and FEMA reimbursement funds.

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General Fund

Total Preliminary General Fund Budget

\$327.7 million

- \$20.2 million, or 6.6% increase over FY 20-21 revised budget
- Maintains General Fund Tax Rate – 62.06 cents (total tax rate remains 66.25 cents)

Primary Cost Drivers

- Reinstating reductions adopted to balance FY 20-21 budget
 - Almost \$5 million in operating reductions
- Additional Police positions and compensation improvements - \$1.96 million
- Retirement contribution increase - \$2 million
- Service Enhancements - \$1.8 million
 - 12 FTEs in FY 21-22, 6 additional in FY 22-23
- General employee step plan implementation - \$100,000
- Behavioral Health Response Team - \$180,000

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General Fund Service Enhancements

Minority and Women Business Enterprise \$75,947

- MWBE Specialist – 1 FTE in FY 21-22
 - additional FTE in FY 22-23

Human Rights \$183,378

- Investigation Specialist – 1 FTE
 - support expanded nondiscrimination ordinance
- Commission Administrator – 1 FTE
 - Increase commission and committee staff support

Field Operations \$80,000

- Tree maintenance contracts – \$80,000
 - Provide additional funding for specialized and weather event response

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General Fund Service Enhancements

Fire \$496,218

- Shift Safety Officers – 3 FTEs
 - Provide dedicated incident safety officers for each shift
- Fire stations #7 and #56 on-going maintenance - \$75,000

Transportation \$201,188

- Signal Utility Locator – 1 FTE
 - Ensure timely response to required utility location services and signals maintenance
- Signs & Marking Rosters – \$89,000
 - Provide for additional maintenance, repairs, and safety issues

Parks & Recreation \$432,535

- Assistant Community Center Supervisors – 3 FTEs FY 21-22
 - 2 additional FTEs FY 22-23
- Greenway Maintenance Support Team – 2 FTEs FY 21-22
 - 3 additional FTEs FY 22-23

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General Fund Service Enhancements

Police Positions \$1.4 million

- 7 FTEs added in December 2020
 - 5 Homicide Detectives, 1 Victims Advocate, 1 Crime Analyst
- 8 FTEs additional Police Officers - \$960,000
 - 8 additional officers planned for FY 22-23
 - total on-going cost of \$1.7 million

Police Compensation \$1 million

- Total compensation increases - \$1 million
 - Phase 1 - Increases minimum to \$40,212
 - Phase 2 - restructure steps, move current officers 2 steps to address compression
 - Phase 3 – address compression for lieutenants and above

Police Service Enhancements \$315,000

- Tenured psychological evaluation program - \$250,000
- Mental wellness counselling sessions - \$65,000

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General Fund Revenues

Property Tax **\$182.4 million**

- \$3.7 million and 2.1% higher than current year revised budget
- Projected valuation of \$29.4 billion, 1.52% increase over current year estimates

Sales Tax **\$67.6 million**

- \$15.6 million, or 30%, higher than revised current year budget
 - \$3.6 million, or 6.1% higher than current year estimates
 - General Fund will retain \$2.5 million transferred to support Transit

State Shared Revenues **\$23 million**

- \$2.2 million decrease from current year revised budget
- Electric utility, natural gas, and others projected to have limited or negative growth
 - Continued impact pandemic and weather impacts

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General Fund Expenditures

Salaries & Benefits \$201.5 million

- \$9.8 million, or 5.1%, increase over FY 20-21
 - 3% general employee compensation increase - \$1.4 million
 - Fire and Police step increases - \$1.1 million
 - General employee step - \$100,000
 - police compensation changes - \$1.1 million
 - Retirement contributions – \$2 million
 - Workers Compensation - \$900,000

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General Fund Expenditures

Maintenance & Operations \$82.7 million

- \$5.7 million, or 7.3%, higher than revise FY 20-21 budget
 - Reinstatement of FY 20-21 reductions
 - Service enhancement related expenses
 - 3rd year of contracted recycling costs increases - \$750,000

Debt Service \$27.4 million

- \$2.6 million, or 10.5%, increase over FY 20-21
 - Issuance of remaining 2016 Bonds totaling \$36 million

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General Fund

Operating Deficit

- Total preliminary expenditures exceed preliminary revenues
 - FY 21-22 = **\$9.7** million deficit
 - *FY 22-23 = \$14.2 million deficit*

Fund Balance Use

- Appropriated fund balance of \$5.3 million
 - About 1.6% of expenditures
 - In-line with fund balance use goal of 1.5% of expenditures
 - Anticipated reduction of fund balance use in FY 22-23

American Rescue Plan Funds

- Used to offset remaining deficit based on lost revenues and other eligible expenses
 - FY 21-22 = \$4.4 million

Appropriated Fund	\$5.3 million
ARPA Funds	\$4.4 million
Deficit offset	\$9.7 million

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Other Fund Highlights

Water Resources \$140.8 million

- \$1.6 million, or 1.2%, higher than FY 20-21 budget
 - 4.5% rate increases for inside and outside customers
- 3 additional FTEs – asset coordinator, lab specialist, and cross-connection program tech

Coliseum and Tanger

- Preliminary General Fund budget includes \$2.9 million transfer
 - \$500,000 decrease from current year
- Events and booking projections limited due to continued impacts of pandemic
- Coliseum staff developing projected budget based on anticipated operations at full capacity by September

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Other Fund Highlights

Transit \$25.1 million

- \$585,000, or 2.3%, higher than FY 20-21 budget
- GTA has received direct federal funding in both relief packages that will continue to help offset operational costs

Parking Operations \$4.6 million

- Eugene Street deck is open, February One deck construction moving forward
- Operations impacted significantly by pandemic
- FY 21-22 includes a reduced transfer to the parking capital projects fund of \$200,000
 - Current year budget included \$1.6 million transfer

Equipment Services \$21.2 million

- Adds a maintenance technician, 1 additional FTE

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Next Steps

May 18 – Manager's Recommended Budget Presentation

Mid-May through early June – Council Budget Work Sessions

June 1 – Budget Public Hearing

June 15 – Budget Adoption