

# Fiscal Year 2019-2020 Budget Process

Covington City Council Budget Work Session March 26, 2019

Revenue Projections

“Opportunities to Plan a Sustainable Future”



# Revenue Projections **General Fund** FY 19-20

- Presentation Criteria of No Tax Increase
- Presentation Criteria of No **General Fund** Fee Increase
- Does not include any new major source of revenue
- Based on conservative projections of outside revenue
- Major driver of increased revenue is a state reimbursement for services provided not a true revenue increase
- Presentation does not include water, sewer, or solid waste revenues

# FY 18-19 to FY 19-20 Revenue Comparison

## **FY 18-19 General Fund Revenue Budget**

- \$17,420,670 (Begin FY 18-19)

## **FY 19-20 General Fund Revenue Budget**

- \$18,629,763 (Total Projected)

- Appears to be Increase of \$1,209,093

- Not a true revenue gain!

# Details of Increased Revenue

- To provide apples to apples comparison based on original FY 19 Original Revenue Budget to FY 20 Projected Revenue Budget a revenue related to Health & Welfare expenditures and reimbursement needs to be considered
- In the Health & Welfare functional area, the budget has a request for \$2,555,303 which is \$1,051,413 more than the current FY 19 original budget of \$1,503,872
- Of the additional \$1,051,413 in requested expenditures, there is an additional projected revenue of \$788,589 that is included in the FY 20 revenue projection (also there is an additional estimated \$262,824 local cost component as a result as well that will have to be paid for the in General Fund Budget)

# A 2<sup>nd</sup> Look at the Revenue Comparison Current FY 19 vs FY 20 that we are Building

- \$1,209,093 (dollar comparison difference)
- -\$788,589 (additional revenue to pay for a specific service)
- -\$256,100 (additional state highway funds for specific use)
- -\$262,824 (additional expenditure cost as noted previous slide)
- **-\$98,420** ( = less dollars than FY 19 for General Fund )
- As you can see, any projected local gain in local tax revenue and sales tax is offset greater than the gain and we have projected decreases based on trends in Business License Tax, Telecommunications, and “Soft Billing” as well

# Paving a Way to Build a Sustainable Balance and Identify Priorities

- FY 20 Paving Program (5 streets and 2 additional street considerations) Projected Cost \$240,000 vs current \$175,000
- Marked improvement and budgeted effort to improve over the last 3 fiscal years approximately \$500,000 local dollars
- Utilization of \$1,333,458 in State of Good Repair money (100% grant) to date
- Realization of future needs
- Discussion

# The Bridges to Future Opportunities

- Rayon Bridge - Looking at full replacement 2022-2023 start that will require \$410,000 of city funds that are not currently in place and will need to be designated for this project only
- Hawthorne Street – Required deck repairs in the amount of approximately \$213,000
- 220 North Dry Run - \$70,700 for needed work/repair
- Durant Road Over Jackson River (Wendy's) – repairs approximately \$78,000

# The Bridges to Future Opportunities (continued)

- Route 18 Over Jackson River (Whitey's) – Expansion Joints necessary repair approximate cost of \$302,000, option of painting while working \$750,000, Option deck waterproofing \$70,000
- Route 18 Over Railroad near Edgemont Drive – Repairs 221,000 and option of epoxy overlay \$78,000
- Route 18 Culvert at Whitey's – Mill Branch needed work \$26,000
- Route 18 Culvert at Pitzer's Ridge – Mill Branch needed work \$32,000
- **Total Opportunity** - \$1,840,700 Repair & \$410,000 Rayon Bridge Replacement Contribution
- Discussion



# Navigating the Storms

- 5 Storm water drainage projects have been put out to bid at a total of approximately \$192,000
- What does our watershed look like, and is an analysis of downstream storm water drainage needs necessary for proper planning?
- Estimate for watershed planning \$120,000
- Current identified areas are: Alleghany Ave (Church to Pine), N. Lincoln Ave/Beech St, East Phillip Street, N. Greenbrier Ave, S. Royal Ave
- Does not include Maple & Riverside and Oak St (CSX railroad)
- Discussion

# CSA - Children's Services Act

- Comparative analysis and trends
- Private Day School Costs
- Where are the majority of dollars spent?
- Impact to city expenditures
- Mandatory Services
- Areas for opportunity
- Discussion

# Driving Safely and for Public Safety

- Discussion topics include:
- Departmental Needs with aging trucks in the day to day fleet and 35 year old tractor with parts difficult to find (Public Works and Parks & Rec)
- Police vehicles and required equipment that now includes cameras and specialized computer technology that is utilized in court legal proceedings as well protects our employees
- Service truck for garage that goes and makes all necessary on site repairs
- Rescue vehicles aging fleet and repair costs
- Crash truck for local and interstate use
- Fire trucks that have relatively close purchase dates of 25-30 years ago
- Discussion

# Where Are We Today In the Process?

- Approximate Projected General Fund Revenues - \$18,629,763
- Approximate Request General Fund Expenditure Needs - \$19,607,200
- Approximate Opportunity to Balance Priorities - \* \$977,437
  
- \*Please note does not include possible joint service request increases in Judicial and Law Enforcement/Jail – based on level funding to date
- \*Does not include \$50,000 to \$100,000 of Information Technology needs related to server(s)/email related to hardware and or cloud technology

# Questions and Info

- Next Budget Meeting Date – April 2, 2019 5:00 p.m. Prior to City Council Work Session
- [www.covington.va.us](http://www.covington.va.us)
- Please remember that these are not exact final numbers, and they will be changed by the both of us in this process.