

FY16 Proposed Budget

Eden Freeman
City Manager

April 28, 2015



FY2016 Budget Calendar

Month	Action
October	Budget discussions begin internally
November	Contribution request packages distributed to outside agencies
December	Deadline for agencies to submit contribution requests
February	Finance submits budget to City Manager for review City Manager reviews budgets with Department Directors
March	City Manager reviews budget options with City Council
April 28	City Manager submits the proposed budget
May	Advertisement submitted to newspaper for final budget hearing
May 26	Council adopts budget and Capital Improvement Plan (CIP)
July	Adopted Budget and CIP distributed

Mission and Vision

Mission

To provide a safe, vibrant, sustainable community while striving to constantly improve the quality of life for our citizens and economic partners.

Vision 2028

To be a beautiful historic city and a hometown for families with a vibrant downtown, growing economy, great neighborhoods with a range of housing options and easy movement.

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Goals

2014-2015

- Grow the Economy
- Create a more livable City for all
- Develop a high performing organization
- Continue Revitalization of Historic Old Town

2015-2016

- Encourage Sustainable Economic Growth and Partnerships through Business and Workforce Development
- Promote and Accelerate Revitalization of Targeted Areas throughout the City
- Advance Quality of Life for Winchester Residents
- Improve City Services and Advance the City's Strategic Plan Goals by Promoting a Culture of Transparency, Efficiency and Innovation

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Budget Principles

- Conservatively determine revenue and expenses.
 - Solid estimating effectively neutralizes pressures to inflate revenue estimates to cope with budgeting pressures.
- Do not use one-time revenue sources for ongoing expenses.
 - When a non-recurring source of revenue is used to fund an ongoing expense, an "automatic unfunded increase" is built into the budget for the following year.

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FY 2016 Budget - General Fund

- Results focused to accomplish Council's Goals
- Focus on Information Technology, Economic Development projects, public safety and education.
- Increased amount of funding for Judicial areas and Jail operational expenses.

Mary Blowe
Finance Director



Principles of Sound Financial Management

- Fund Balance is the cash reserve and working capital to cover the following:
 - Expenditures caused by unforeseen emergencies
 - Shortfalls caused by revenue decline
 - Eliminate short-term borrowing for cash flow purposes
 - City policy is 20% of General Fund Expenditures
 - \$16,623,000 for FY 2016
- Debt Policy
 - Net debt service as a percentage of general fund expenditures
 - Net debt as a percentage of assessed value
- Investment Policy
 - Various other policies governing operations such as procurement, payroll, etc.

Debt Policies

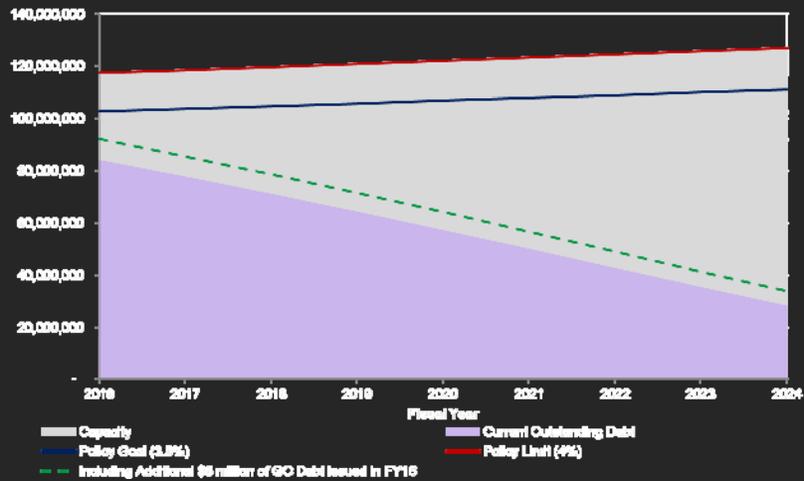
- Net Debt as a percentage of assessed value will not exceed 4% (target of 3.5%)
- General Obligation debt and capital lease payments as a percentage of general government expenditures will not exceed 15% (target of 12.5%)

Key Ratio Comparison

Locality	Credit Rating			Unassigned Fund Balance as a % of GF Revenue	Direct Net Debt as % of AV ⁽¹⁾	Debt Service as % of Operating Exp.
	Mdys	S&P	Fitch			
Winchester	Aa2	AAA	-	21.0%	3.5%	10.4%
Charlottesville	Aaa	AAA	-	18.9%	2.2%	6.6%
Fredericksburg	Aa2	AA+	AA+	24.4%	2.5%	8.3%
Harrisonburg	Aa2	AA	-	27.3%	3.9%	9.8%
Lynchburg	Aa2	AA+	AA+	19.5%	2.5%	6.8%
Roanoke	Aa2	AA+	AA+	10.3%	3.1%	11.8%
Staunton	Aa2	AA-	-	6.8%	2.4%	5.9%
Suffolk	Aa2	AAA	AA+	25.4%	2.4%	11.2%

(1) Moody's defines Assessed Value as Total Taxable Assessed Value, including both Real and Personal Property. Moody's includes G.O. debt attributable to Utilities in their Direct Net Debt calculation. Source: Moody's MFRA data. Note: All data shown is for FY 2014.

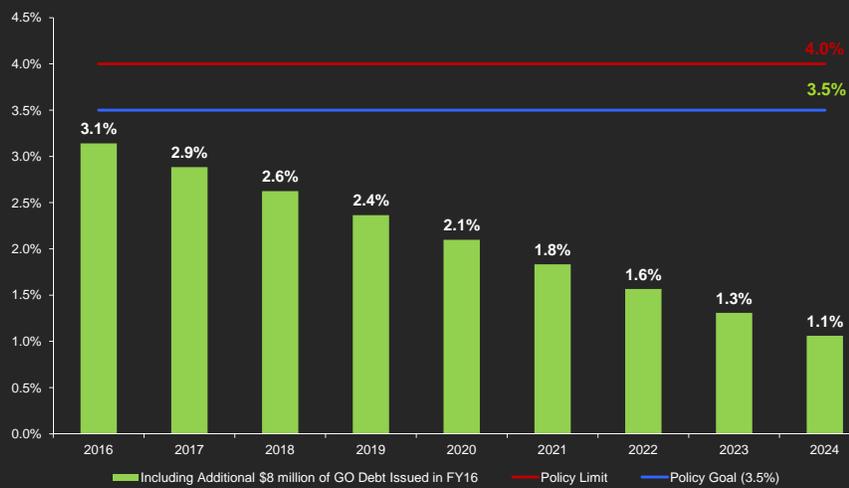
Debt as a % of Assessed Value



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Note: Assumes Real Property Assessed Value of \$2,927,847,600 for FY 2016 with 1% annual growth in AV thereafter. Current outstanding debt includes the issuance of \$8 million of bonds in FY 2016.

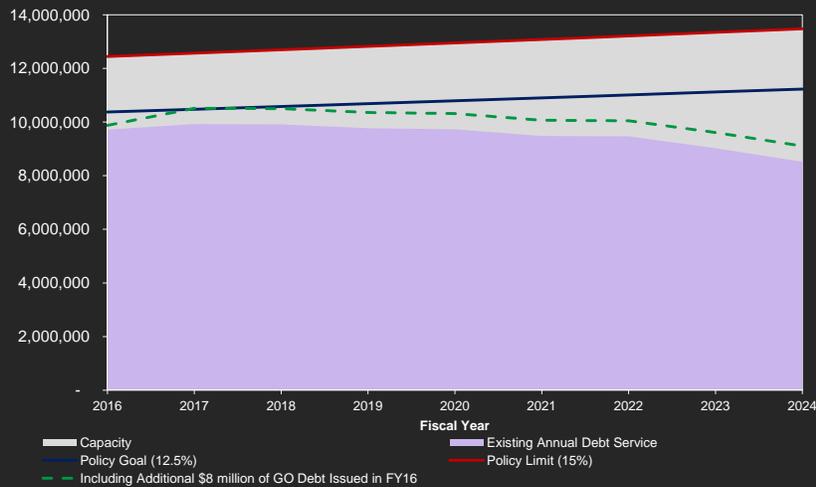
Debt as a % of Assessed Value



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Note: Assumes Real Property Assessed Value of \$2,927,847,600 for FY 2016 with 1% annual growth in AV thereafter. Current outstanding debt includes the issuance of \$8 million of bonds in FY 2016.

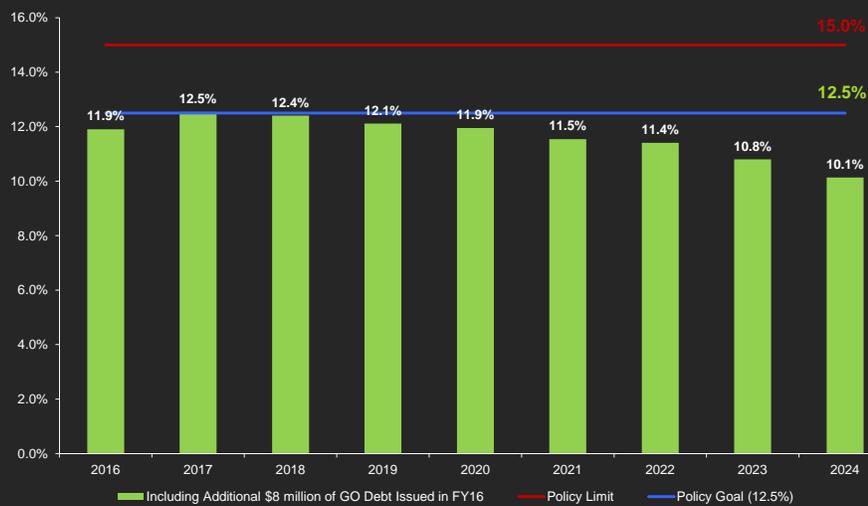
Debt Service as a % of General Fund Expenditures



Note: Assumes \$82,965,000 GF Expenditures in FY 2016 and 1% annual growth in GF Expenditures thereafter and debt issuance of \$8 million in FY 2016.

(13)

Debt Service as a % of General Fund Expenditures



Note: Assumes \$82,965,000 GF Expenditures in FY 2016 and 1% annual growth in GF Expenditures thereafter and debt issuance of \$8 million in FY 2016.

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Projected Undesignated Fund Balance

June 30, 2014 General Fund Balance	\$ 22,241,458
Add: FY15 Projected Revenues	79,340,000
Less: FY15 Projected Expenditures	74,643,900
Less: Projected Use of Fund Balance	5,473,000
Total Expenses	80,116,900
PROJECTED FUND BALANCE AT JUNE 30, 2015	\$ 21,464,558

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Revenue FY15 vs. FY16

	2015 Budget	2016 Proposed Budget	Variance
General Property Taxes	\$ 37,632,000	\$ 39,617,000	\$ 1,985,000
Other Local Taxes	28,953,000	29,503,000	550,000
Permits, Privilege Fees	271,400	259,400	(12,000)
Fines and Forfeitures	153,000	153,000	-----
Use of Money/Property	227,500	210,000	(17,500)
Charges for Services	1,348,000	1,463,000	115,000
Miscellaneous Revenue	1,094,500	1,020,500	(74,000)
Recovered Costs	737,500	693,500	(44,000)
Non-Categorical Aid	3,003,100	3,024,100	21,000
Shared Expenses	1,646,000	1,726,000	80,000
State Categorical Funds	1,271,000	1,326,100	55,100
Federal Revenue	358,000	775,400	417,400
Non-Revenue Receipts	5,372,000	3,344,000	(2,028,000)
TOTAL GENERAL FUND	\$ 82,067,000	\$ 83,115,000	\$ 1,048,000

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Expenditures FY15 vs. FY16

	2015 Budget	2016 Budget	Variance	Variance
City Council	125,800	200,500	74,700	59.4%
Clerk of Council	37,400	37,700	300	0.80%
City Manager	359,000	411,100	52,100	14.5%
City Attorney	350,900	293,500	(57,400)	-16.4%
Independent Auditors	80,000	70,000	(10,000)	-12.5%
Human Resources	534,100	544,100	10,000	1.9%
Commissioner of Revenue	527,100	536,900	9,800	1.9%
Treasurer	427,600	437,600	10,000	2.3%
Finance	716,600	702,700	(13,900)	-1.9%
Information Technology	1,800,900	2,047,000	246,100	13.7%
Electoral Board	51,000	51,200	200	0.39%
Registrar	138,200	138,900	700	0.51%
Circuit Court	83,600	91,700	8,100	9.7%
General District Court	29,100	31,500	2,400	8.2%
J&D Relations District Court	51,400	54,400	3,000	5.8%
Clerk of the Circuit	503,700	509,700	6,000	1.2%
City Sheriff	1,035,600	1,169,300	133,700	12.9%
Courthouse Security	174,300	172,900	(1,400)	-0.80%
Juror Services	26,000	26,000	----	0.0%
Commonwealth Attorney	1,131,300	1,335,400	204,100	18.0%
Victim Witness	144,600	146,700	2,100	1.5%

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Expenditures FY15 vs. FY16

	2015 Budget	2016 Budget	Variance	Variance
Police Department	7,590,100	7,817,700	227,600	3.0%
Police Grants	26,600	27,300	700	2.6%
Fire Department	5,199,600	5,510,800	311,200	6.0%
Fire Grants	171,100	661,400	490,300	286.6%
Probation Office	3,500	106,500	103,000	2942.9%
Inspections Department	504,500	483,000	(21,500)	-4.3%
Animal Warden	145,800	139,400	(6,400)	-4.4%
Emergency Services	140,000	134,800	(5,200)	-3.7%
Hazardous Material	61,700	61,900	200	0.3%
Emerg Communications Center	1,056,300	962,900	(93,400)	-
Streets	22,600	30,600	8,000	35.4%
Storm Drainage	35,000	73,200	38,200	109.1%
Loudoun Mall	78,700	93,900	15,200	19.3%
Refuse Collection	1,532,600	1,400,500	(132,100)	-8.6%
Joint Judicial Center	663,400	657,600	(5,800)	-0.9%
Facilities Maintenance	1,235,600	1,182,100	(53,500)	-4.3%
Real Estate Tax Relief	270,000	250,000	(20,000)	-7.4%
Parks Supervision	603,400	468,900	(134,500)	-22.3%
Special Events Trolley	14,400	14,500	100	0.7%
Parks Maintenance	847,800	926,350	78,550	9.3%

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*Project

Expenditures FY15 vs. FY16

	2015 Budget	2016 Budget	Variance	Variance
Community Recreation Programs	16,800	15,950	(850)	-5.1%
Outdoor Swimming Pool	118,700	158,500	39,800	33.5%
Indoor Swimming Pool	259,600	269,400	9,800	3.8%
War Memorial Building	395,170	408,800	13,630	3.4%
School Age Child Care	193,500	198,300	4,800	2.5%
Athletic Programs	211,900	214,100	2,200	1.0%
Apple Blossom Festival	29,300	-	(29,300)	-100.0%
Planning Department	276,700	253,700	(23,000)	-8.3%
Re devel & Housing (CDBG)	23,000	28,500	5,500	23.9%
Zoning Department	216,700	215,700	(1,000)	-0.5%
Economic Redevelopment	717,400	700,500	(16,900)	-2.4%
Old Town Winchester	407,100	460,200	53,100	13.0%
GIS	88,500	89,500	1,000	1.1%
Other	476,945	683,699	206,754	43.3%
Outside Agencies	338,938	288,938	(50,000)	-14.8%
Regional Agencies	5,177,995	5,782,461	604,466	11.7%
Transit	283,000	269,000	(14,000)	-4.9%
Social Services	1,448,000	1,478,000	30,000	2.1%
CSA	840,000	807,000	(33,000)	-3.9%
Parking Authority	-	-	-	0.0%

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*Project

Expenditures FY15 vs. FY16

	2015 Budget	2016 Budget	Variance	Variance
Schools Operating	27,699,102	28,649,102	950,000	3.4%
Schools Other	16,200	16,200	-	0.0%
Schools Capital Improvement	50,000	-	(50,000)	-100.0%
Tourism	100,500	100,500	-	0.0%
Highway Maintenance	1,466,600	590,000	(876,600)	-59.8%
Capital Improvements	2,335,000	1,500,000	(835,000)	-35.8%
City Debt Service	2,232,650	2,287,700	55,050	2.5%
Debt Refunding	-	-	-	0.0%
Schools Debt Service	8,116,800	7,637,100	(479,700)	-5.9%
TOTAL GENERAL FUND	\$ 82,067,000	\$ 83,115,000	\$ 1,048,000	1.3%

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*Project

New Proposed Positions

Department	Position	Amount
Finance	Accounting Analyst	\$ 38,500
Sheriff	Deputies (2)	103,280
Police	Officer - Downtown	55,100
Fire & Rescue	Firefighters (2)	99,800
Emergency Management	Radio Communications Manager (1/2 year)	24,862
Facilities Maintenance	Custodians (1.5)	54,600
Parks and Recreation	Maintenance Tech I	40,300
Economic Redevelop.	Econ. Develop. Assist.	49,725
Utilities	Storm Drainage Engineer (3/4 year)	35,475
Equipment Fund	Automotive Mechanic	50,600
TOTAL (all funds):	13 new positions, 4 unfunded, net increase of 9 positions	\$ 552,242

(21)

Proposed Enhancements

- 2% COLA for City employees, implementation of Employee Incentive Program for superior performance
- Reclassification of administrative positions under the Career Development Plan
- Reclass and realignment of some existing positions
- Additional ALS Incentive implementation
- Fuel for volunteer fire companies
- Turnout gear for new firefighters and new hose
- Increase in supplies for Police
- Increase in jail costs, rent for Commonwealth Attorney and JD&R Court Services, additional expenses for new judges
- Increase for Parks fields maintenance
- Pool repairs at Jim Barnett Park

(22)

New Information Technology Projects

	FY 2016
CAMRA Replacement	120,000
ArcGIS for land records	5,000
Card readers, ID badge software, social media archiving, Elec. Files to VRS, dog tag SAAS service	11,450
GOV QA (Mobile App, Knowledgebase)	6,900
Touch Screen for City Hall (Directional Signage)	4,980
EOC Polycom (Multiline), ECC printer	6,660
HR Software (Adobe and Visio)	900
Accela (Agenda Management, Boards and Commissions and Minutes)	21,600
OpenGov (Budget Transparency)	11,000
TOTAL	\$ 188,490

(23)

Recommended Equipment Requests

Department	Equipment	Funded
Sheriff	Sheriff Vehicle	\$31,600 (1)
Police	Vehicles	\$244,100 (9)
Fire & Rescue	Physio Control LifePak 15(3)	\$62,100 \$62,100 Grant Match
Fire & Rescue	Self Contained Breathing (SCBA)	\$48,100 \$432,600 Grant Match
Parks & Recreation	Snow Plow	\$6,100
Highway Maint./Streets	Pickup truck	\$30,000(1)
Highway Maint./Streets	1-Ton Dump truck	\$60,000 (1)
Equipment	Lift	\$30,000
Transit	Buses	\$45,000 (2) \$405,000 Other
Total General Fund	\$527,000	\$1,456,700 (all sources)

(24)

CIP Projects New Bond Proceeds

PROJECT	AMOUNT
JJC Improvements	\$ 3,700,000
City Hall Repairs and HVAC Replacement	1,315,000
Valley Avenue/Whitlock Drainage	385,000
Meadow Branch Extension	600,000
JKES Furniture and Fixtures	1,000,000
TOTAL	\$ 7,000,000

(25)

Outside Agencies and Regional Agencies

See pages 62 and 63

All Funds Summary

Fund	FY 2015	Proposed FY 2016
General	\$ 82,067,000	\$ 83,115,000
Social Services	7,231,000	7,329,000
Highway Maintenance	5,326,000	4,028,000
Transit	1,275,000	1,442,000
EMS	1,018,000	1,074,000
Tourism	272,000	280,000
Law Library	50,000	50,000
Parking Authority	2,127,000	1,256,000
CIP	19,055,000	15,000,000
Utilities Operating	20,720,000	21,504,000
Utilities CIP	425,000	5,500,000
Employee Benefits	673,000	1,138,000

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All Funds Summary

Fund	FY 2015	Proposed FY 2016
Equipment	1,460,000	1,515,000
OPEB	459,000	480,000
NW Reg Jail Const. Fund	1,064,000	1,219,000
FWSA	4,379,000	4,444,000
NRJDC	2,707,000	2,786,000
Total (City):	\$150,308,000	\$ 152,160,000
City Schools:	59,471,268	70,475,993
Total City & Schools:	\$209,779,268	\$ 222,635,993

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Discussion

