

City Council Budget Study FY 2013-2014



May 6, 2013

Agenda

- Recommended Budget Summary
- Budget Study Items:
 - Virginia Cooperative Extension
 - Virginia Museum of Transportation
- Information:
 - Pension Plan Code Changes - Retirement Health Savings Plan
 - Retirement Benefits Changes
 - School Funding Policy
 - Insurance Review
- Measures to be Adopted

Recommended Budget Summary

- FY 2013-14 Recommended Budget is balanced and meets the priorities established by Council
- Recommended Budget Totals - \$260,033,000
 - Increase of \$7,113,000 or 2.81%
 - Includes no increase in real estate or other local tax rates

Budget Study Items

Virginia Cooperative Extension

- Adopted Budget Levels:
 - FY 2009: \$79,827
 - FY 2010: \$79,827
 - FY 2011: \$68,300
 - FY 2012: \$68,300
 - FY 2013: \$67,267
- FY 2014 Recommended Funding Level: \$57,267
 - Reduction of \$10,000 from FY 2012-2013 level
 - Funding reallocated to partially fund Roanoke Community Garden request

Virginia Cooperative Extension

- FY 2012-2013 Focus Areas: \$58,867**
 - Family and Consumer Sciences (FCS) - \$11,206 (0.50 FTE)
 - Educational programs in the areas of Health, Economic Stability, Food Safety, Family Nutrition
 - 4-H Youth Development - \$34,214 (1.00 FTE)
 - In-School Enrichment Program, Horticulture Workshop for Teachers, Residential and Day Camps, Other Miscellaneous Programs
 - Agriculture and Natural Resources (ANR) - \$13,447 (0.35 FTE)
 - Commercial – Program focusing on production and consumption of local food; education of producers on sustainable agriculture practices; pesticide training, grower meetings and one production short course
 - Residential – Answering citizen questions, “Water-Wise landscaping”, seasonal gardening workshops, 4-H garden project, master gardener program
 - Community Viability - \$0 (0.00 FTE)*
 - Creating innovative programs that allow citizens and local governments to respond to local issues. Programs deal with leadership, entrepreneurship and small business development, land use and community planning, and economic opportunity development.
- Additional Staffing:
 - Administrative Assistant, 2 Family Nutrition Program Assistants (Adult), Family Nutrition Program Assistant (Youth), Nutrition Outreach Instructor (Franklin County)
- Memorandum of Understanding in place

*Agent(s) providing Community Viability programming charged to other localities

**Focus Areas do not include \$8,400 paid to Roanoke County for custodial services

VCE in the FY 2013-2014 BFO Process

- Score of 20 out of a possible 100 points based on:
 - Description/Justification and Impact to Main Priority
 - Impact to Other Priorities
 - Percent of Funding Provided by City
 - Dependency on Outside Agency to Provide Service
 - Percent of Program Participants that are City Residents
 - Performance Measures
- Ranked 9th of 9 scored Outside Agency offers
- Ranked last of all offers across the 7 priorities and Outside Agencies

Application Components

- Education Priority Outcomes:
 - Agriculture and Natural Resources:
 - Lifelong Learning Opportunities
 - Family and Consumer Sciences:
 - Lifelong Learning Opportunities
 - 4-H Youth Development:
 - Successful Students
 - Families and Community Value and Support Learning
- Performance Measures
 - Identify the number and percentage of Roanoke City residents who participate in the 4-H programs
 - At least 50% of surveyed participants will report that the program attended increased their knowledge in a particular topic
 - At least 50% of extended learners indicate that they plan to make or have made positive changes based on what they learned

Jurisdiction Funding Levels

	FY 2011	FY 2012	FY 2013	FY 2014
Roanoke County	\$91,182	\$88,748	81,982	87,097
City of Roanoke	68,300	68,300	67,267	57,267
Botetourt County	10,195	10,195	10,195	18,702
Salem	17,000	17,000	17,000	17,000
Craig County	15,586	15,586	15,586	18,821
TOTAL LOCAL	\$202,263	\$199,829	\$192,030	\$198,887
State Funding	198,826	198,826	198,826	210,013
Federal Funding	89,207	89,207	89,207	89,207
TOTAL FUNDING	\$490,296	\$487,862	\$480,063	\$498,107

Funding Option and Parameters

- Mechanism to Fund: Reduce Budget Contingency
- Strengthen planned outcomes
- Develop Memorandum of Understanding

Virginia Museum of Transportation

- Recommendation: \$500,000
 - \$100,000 annually for 5 years
 - Contingent upon certification of securing equal funding from combination of other local governments, corporate or private/individual donations excluding Norfolk Southern

Information

Pension Plan Code Changes

Retirement Health Savings Plan

- Establishes Defined Contribution Board authority
- Requires affirmative election by participating employers
- Requires election by supplement-eligible member upon rehire
- Establishes term lengths for designated Defined Contribution Board members

Retirement Benefits Changes

- Retirement Health Savings Account (7/1/13)
 - 1% member contribution with equal salary increase as offset
- Pension Plan Member Contributions (7/1/14)
 - 5% member contribution with equal salary increase as offset
- City Council pay impact – 7/1/14
 - Tax implications result in net pay decrease

School Funding Policy

- Last revision May 2011
- May 2013 update:
 - Incorporates 1/8th Lodging Tax devoted to Convention and Visitors Bureau
 - Removes reference to Meals Tax component sunset June 30, 2012

Insurance Review

- Annual review of insurance provisions
- Self-insured for auto, general liability and workers' compensation
- Risk Management: all auto and general liability claims administration and loss control
- Third Party Administrator (TPA): workers' compensation program with Risk Management oversight

Insurance Review (continued)

- Property and Boiler Coverage:
 - Virginia Municipal League
 - \$25,000 deductible per occurrence
- Excess Liability:
 - States Risk Retention Group
 - \$10 million policy; Self-Insured Retention (SIR): \$1 million
- Pollution Remediation Coverage:
 - XL Insurance Company
 - \$5 million limit; SIR: \$100,000

Insurance Review (continued)

- Excess Workers' Compensation:
 - Safety National Insurance Company
 - Statutory coverage – policy pays full settlement
 - Stop loss coverage: amounts that exceed SIR of \$1 million per occurrence
- Employee Dishonesty Coverage:
 - Travelers Insurance Company
 - \$1 million coverage; SIR= \$10,000
- Volunteers
 - CIMA Companies
 - Liability: \$1 million per occurrence; Accident: \$50,000 per occurrence; Accidental Death: \$2,500

Insurance Review (continued)

- Court-Ordered Community Service Program
 - Mutual of Omaha
 - Maximum of 60 participants
 - Liability: \$25,000; Accidental Death: \$10,000; no deductible

Other Discussion

Budget Adoption

Monday, May 13

2:00 p.m.

Special Session

City Council Chamber

Measures to be Adopted

- Certification of Funding
- Amendments of the City's Fee Compendium
- Adoption of annual fund appropriations
- Adoption of Pay Plan Ordinance
- Approval of Capital Improvement Program
- Appropriation for Enterprise Zone
- Approval of Annual Update to HUD Consolidated Plan
- Approval of CDBG/HOME/ESG Funding Recommendations
- Amendment to School Funding Policy
- Code Amendments:
 - Ordinance to transfer delinquent collection responsibility to City Treasurer
 - Pension Plan – Retirement Health Savings Account (RHSA)
 - Real Estate Affidavit and List of Heirs

End of Presentation

Funding Levels and Number Served

	FY 2012 # Served	% of Total	FY 2013 Funding Level	% of Local Funding	FY 2014 Proposed Funding Level	% of Local Funding
Roanoke County	3,433	29.8%	\$81,982	42.5%	\$87,097	43.8%
City of Roanoke	6,781	58.9%	67,267	35.1%	57,267	28.8%
Botetourt County*	215	1.9%	10,195	5.4%	18,702	9.4%
Salem	712	6.2%	17,000	8.9%	17,000	8.5%
Craig County	0	0%	15,586	8.1%	18,821	9.5%
Other	374	3.2%	0	0%	0	0%
TOTAL LOCAL	11,515	100%	\$192,030	100.0%	\$198,887	100.0%
State Funding			\$198,826		\$210,013	
Federal Funding			\$89,207		\$89,207	
TOTAL FUNDING			\$480,063		\$498,107	

*Additional funding provided by Botetourt County to Fincastle Extension Office