



# City of Bristol, Virginia

## City Manager's Recommended FY20-21 Budget

Randall Eads, City Manager



# Presentation Overview

- Statutory requirements
- Budget summary, all funds
- General fund summary
- Budget comparison and budget reduction summary
- Capital fund detail
- Financial policies and next steps



# Statutory requirements

Randall Eads, City Manager



- § 15.2-2503. Budgets.
  - *The governing body shall prepare and approve a budget for **informative and fiscal planning purposes only**, containing a complete itemized and classified plan of **all contemplated expenditures and all estimated revenues and borrowings for the locality for the ensuing fiscal year.***



There is no guidebook for local government budgeting during a global pandemic.

Contemplated expenditures and estimated revenues are based on the best data we have: but some things, like COVID-19, are unprecedented.



# Summary, All Funds

Randall Eads, City Manager



Total revenues, all funds: \$68,389,603

Total expenses, all funds: \$68,389,603

**General Fund: 76%**

**\$51,845,468**

**Capital Projects  
Fund: 14%**

**\$9,659,216**

**Solid Waste  
Disposal Fund: 8%**

**\$5,812,168**

**Community Development  
Block Grant Fund: 1%**

**\$368,785**

**Transit Fund: 1%**

**\$477,056**

**Asset Forfeiture Fund:  
<1%**

**\$101,310**

**Commonwealth Attorney  
Federal Revenue Sharing  
Fund**

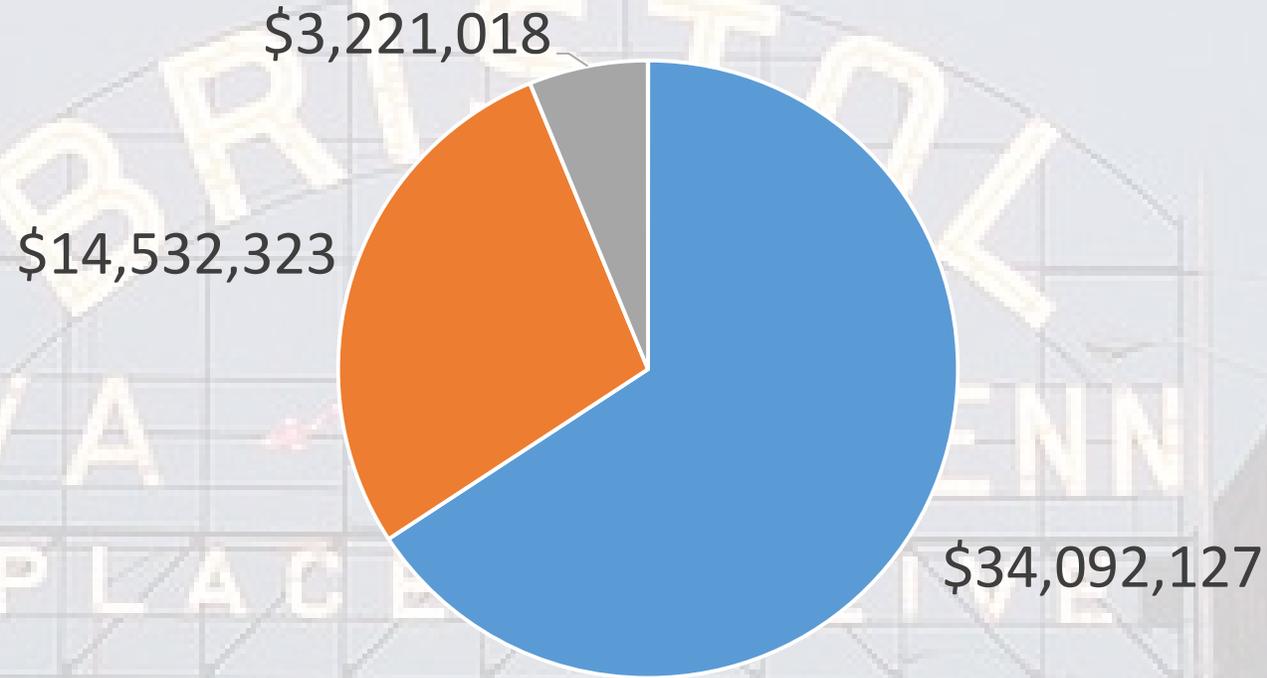
**<1%  
\$125,600**



# General fund summary

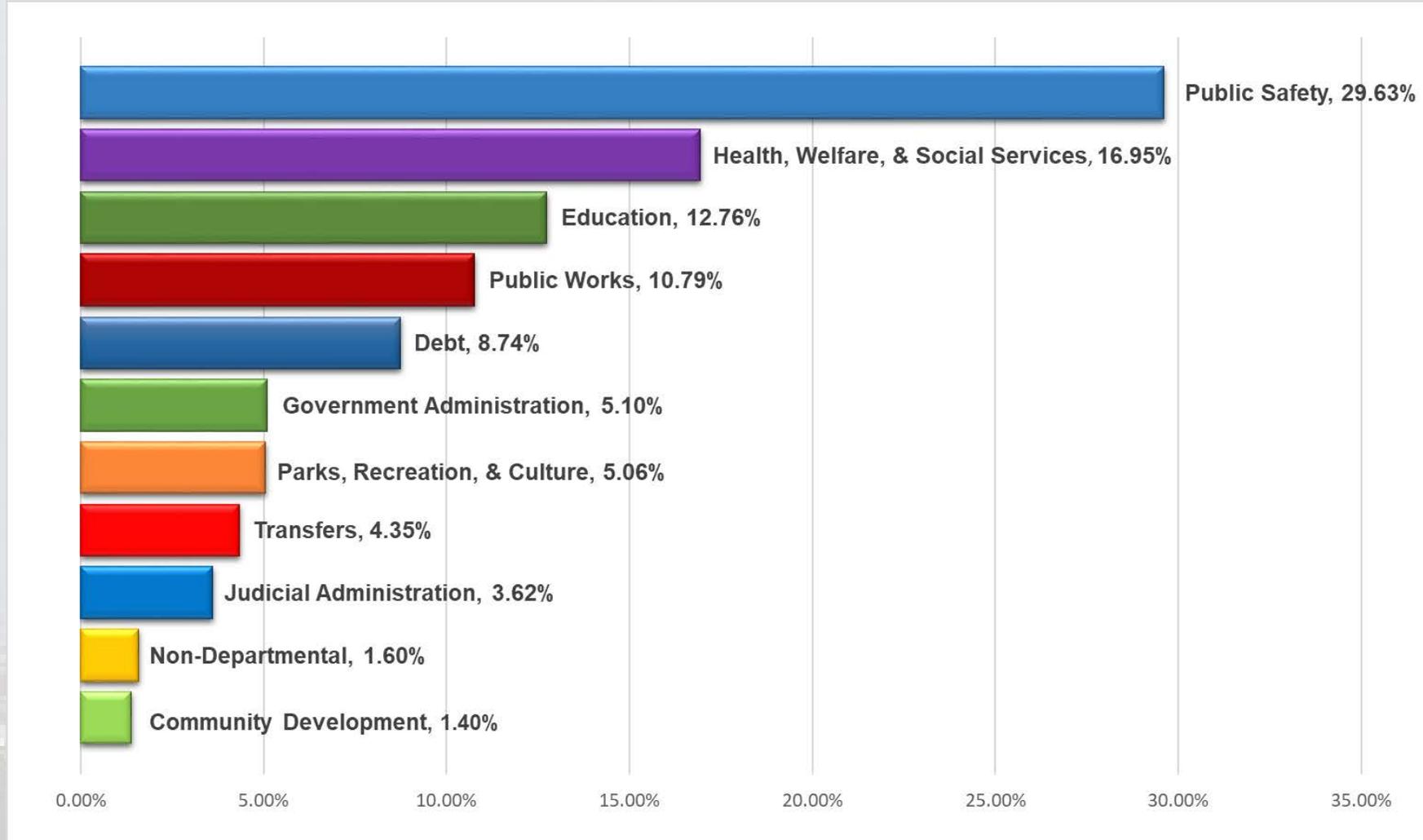
Randall Eads, City Manager

# Revenue Sources- General Fund:



- Revenue from Local Sources
- Revenue from Commonwealth of Virginia
- Revenue from Federal Government

# General Fund Expenditure Summary



Randall Eads, City Manager



# Budget comparison and reduction summary

Randall Eads, City Manager

# Budget Comparison: FY 20, FY21 Version 1 and FY 21 Final Recommended



Year	General Fund	Increase/(Decrease) \$ over FY 20	Increase/(Decrease) % over FY 20
FY 20 Original Budget	\$53,930,744		
FY 21 Recommended Version 1	\$54,690,671	\$759,927	1.4%
FY 21 Final Recommended	\$51,845,468	(\$2,085,276)	(3.86%)

# City Manager's Recommended Budget, Version 1



- City Manager developed a recommended budget in early March 2020 with General Fund revenues and expenses of \$54,690,671. Balancing this recommendation required significant reductions, among them:
  - Sheriff's Dept Overtime and IT funding
  - Reduced inmate housing to \$1 million
  - Transfer to SWDF reduced to \$227,480
  - Reduced city attorney increase
  - Reduced tourism promotion agencies: CVB to \$100,000, BiB to \$15,000, and BCM to \$3,500



# Final Recommended Budget

- March 13 enacted Essential Purchases Only policy to address impacts of COVID-19 in current fiscal year.
- To address future fiscal year impacts, we estimated revenue reductions for full or half year and reduced expenditures accordingly.
- Departments were tasked with identifying reductions with a goal of 15%. City Manager and CFO reviewed the reductions and made further adjustments as needed to meet target.
- These reductions will have significant impacts on the types of services and the level of services that we provide to Bristol residents.



# COVID-19 revenue impacts

Partial Year

Lodging Tax 50%  
Meal Tax 50%  
Admission Tax 70%

Full Year

Local Sales and Use 10%  
Local Sales and Use 10%  
Business License 10%

Total Impact:  
\$2,593,000



# Changes in expenditures by function

Government Administration	(\$301,507)
Courts and Judicial Services	(\$85,862)
Public Safety	(\$624,787)
Public Works- Streets, Engineering, Fleet	(\$293,648)





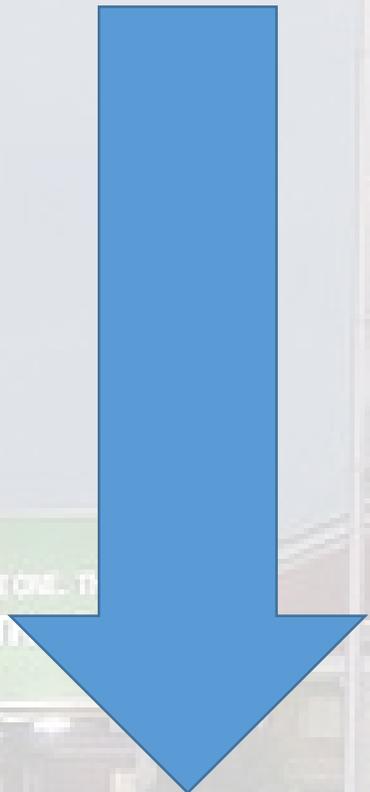
# Changes in expenditures by function

Social Services	(\$212,907)
Schools	(\$186,000)
Parks and Rec	(\$316,556)
Community and Economic Development	(\$383,285)
Transfers	(\$193,080)





# Changes in expenditures, FTE impact



Department	Impact
Information Technology	-0.5 FTE
Purchasing (restructured/combined)	-0.67 FTE
Judicial Alternative Sentencing	-1.0 FTE
Police Dept	-3.0 FTE
Fire Dept	-1.0 FTE
Animal Control	-0.5 FTE
Public Works (restructured)	-0.5 FTE
Social Services	-4.0 FTE
Parks and Rec programming	-2.5 FTE
Economic Development	-1.0 FTE
Community Development	-0.5 FTE
Code Compliance	-1.0 FTE



# Bristol Virginia Public Schools

	FY20 Budget	FY 21 Requested	FY 21 Version 1	FY21 Final Recommended
Schools Transfer- Operating	\$6,686,010	\$6,986,010	\$6,772,010	\$6,586,010
Schools Transfer- Capital	\$-			



# Tourism promotion program

	FY 20 Budget	FY21 Requested	FY21 Version 1	FY21 Final Recommended
Discover Bristol/CVB	\$125,000	\$175,000	\$100,000	\$50,000
Believe in Bristol	\$20,000	\$50,000	\$15,000	\$7,500
Birthplace of Country Music	\$5,000	\$125,000	\$3,500	\$1,750



# The Falls (Phase 2 and 3): Revenue Update

	FY 19 Budget	FY20 Budget	FY21 Budget
Total Falls Revenue	\$470,700	\$826,700	\$743,402
Total Debt Allocated to the Falls	\$1,804,863	\$2,043,241	\$2,323,241
Revenue Sharing Agreement	\$350,000	\$350,000	\$350,000
Deficit/Revenue Shortfall	\$(1,684,163)	\$(1,566,541)	\$(1,929,839)
FY Reduction of Deficit		\$117,622	\$(363,298)



# Solid Waste Disposal Fund

Collection Rate	Remains at \$33 (no increase)
Liner Accrual	\$0 (eliminated due to reduced GF transfer)
Closure and Post-Closure Accrual	\$146,510
General Fund Transfer	\$106,410

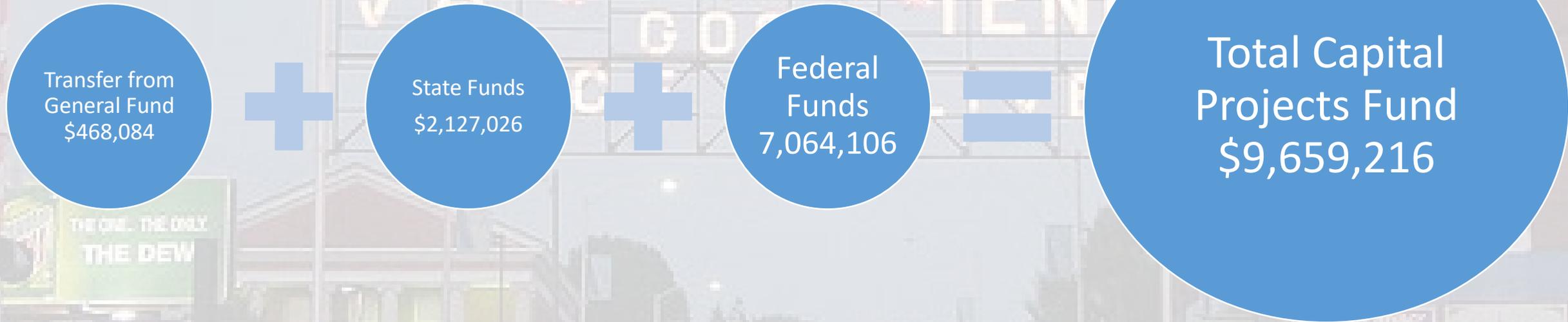


# Capital Projects Fund

Randall Eads, City Manager



# Capital Projects Fund: Sources





# Capital Projects Fund: Detail

Sheriff's Office: Fleet Rotation, Vehicles	\$90,000	
	Local \$90,000	<b>Total Sheriff's Office \$90,000</b>
Police: Fleet Rotation- Vehicles	\$220,000	
Police: Audio Recorder	\$30,000	
	Local \$250,000	<b>Total Police \$250,000</b>
Fire: Personal Protective Equipment	\$30,000	
	Local \$30,000	<b>Total Fire \$30,000</b>



# Capital Projects Fund: Detail

Capital: Lee Highway Phase 1B	\$5,687,189
Capital: Shared Use Path, Overhill to Clover	\$192,916
Capital: Goodson Street Bridge Rehab	\$392,850
Capital: Drainage Improvements	\$45,000
Capital: Shared Use Path, Bonham Road	\$786,578
Capital: Euclid-Bob Morrison Signal	\$416,348
Capital: MLK Bridge Rehab	\$712,023
Capital: Fairview Street Bridge Rehab	\$267,153
Capital: Lee Highway-Old Airport Intersection	\$306,647
Capital: Oak St Bridge Replacement	\$482,512
Local \$98,084    State \$2,127,026    Federal \$7,064,106	<b>Total Capital \$9,659,216</b>



# Financial policies and next steps

Randall Eads, City Manager



# Financial policies

- General Obligation Debt as a Percentage of Assessed Value

Policy Goal	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Projected	FY21 Projected
5%	8.37%	8.38%	8.15%	8.10%	7.95%

- Debt as a Percentage of Operating Expenditures per Fund

	Policy Goal	FY 17 Actual	FY18 Actual	FY19 Actual	FY20 Projected	FY21 Projected
Operating Fund	8%	5.7%	5.7%	6.18%	7.18%	8.92%
SWDF	8%	25.54%	33.91%	32.17%	28.29%	36.52%

- Unassigned Fund Balance

Policy Goal	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Projected	FY21 Projected
18%	13.37%	24.3%	27.46%	23.08%	27.07%



# What's next

- May 26 – Public Hearing; Council may make changes to budget presentation after the Public Hearing
- May 27 & 28 – Two on Two with Council members to discuss the budget in detail
- Week of June 1- potential workshops if needed
- June 9 – First Reading of Budget Ordinance
- June 23 – Second Reading & Passage of Budget Ordinance