



Town of Abingdon FY20/21 Proposed Budget

APRIL 20, 2020



Budget Development Process

- ▶ The Finance Committee has reviewed every department's line item budget through a process of department head meetings
 - ▶ March 31
 - ▶ April 9
- ▶ The Town Council will consider the advertised budget with a first reading and public hearing on May 18
- ▶ The second reading and adoption will be on June 15
- ▶ The Budget is effective July 1, 2020, through June 30, 2021

Key Priorities

- ▶ Protect and maintain the Town's Fund Balance
 - ▶ Maintain a minimum of \$5,000,000 balance in General Fund
 - ▶ Compliance with this policy ensures sufficient cash flow and reserves for Town operations
- ▶ Recognize and address revenue and expenditure impacts from COVID-19
 - ▶ Significant reductions to Meals and Lodging Taxes due to stay-at-home orders and non-essential business closings. Even if restrictions are lifted this summer, we expect a slow recovery so we have been conservative with revenue projections
 - ▶ Adjustments to the adopted budget can be made during FY21 if necessary

Structurally-Enhanced Budget

- ▶ In addition to budget and expenditure reductions, Town staff has restructured the budget to provide better transparency and accounting of the financial activities of the Town
 - ▶ Creation of a Capital Projects Fund to track capital projects funded through loan proceeds and pay-as-you-go cash contributions from the General Fund
 - ▶ Creation of a Street Maintenance Fund to track street improvements funded through VDOT revenue-sharing programs and pay-as you-go cash contributions from the General Fund
 - ▶ Capture all debt service expenditures, including lease purchase agreements, in one department in the General Fund

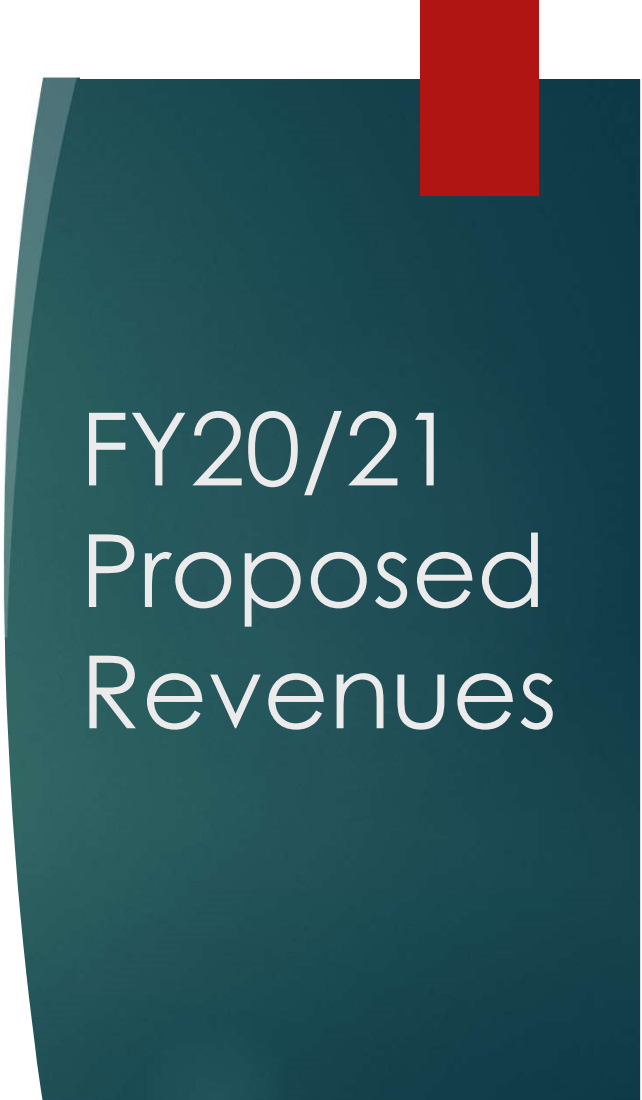
Revenues	FY 19/20 Adopted	FY20/21 Proposed	Variance
General Fund	13,698,821	10,874,582	-2,824,239
<u>Capital Projects Fund</u>	<u>7,688,183</u>	<u>8,485,880</u>	<u>797,697</u>
Subtotal General Fund	21,387,004	19,360,462	-2,026,542
Street Maintenance Fund	2,030,626	2,466,500	435,874
<u>Wastewater Fund</u>	<u>3,453,650</u>	<u>4,860,722</u>	<u>1,407,072</u>
Total Revenues	26,871,280	26,687,684	-183,596

Expenditures	FY 19/20 Adopted	FY20/21 Proposed	Variance
General Fund	13,698,821	10,874,582	-2,824,239
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FY20/21
Proposed
Revenues

FY20/21 Proposed General Fund Revenue

- ▶ Projected GF revenue decrease of \$2.8 million
- ▶ Some of this decrease is a result of reimbursements for grant-funded projects completed in FY19/20
- ▶ COVID-19 adjustments include projected decreases in taxes generated by local businesses such as Meals and Lodging Taxes

Revenues	FY19/20 Anticipated	FY20/21 Proposed	Variance
General Fund	13,698,821	10,874,582	-2,824,239

COVID-19 Adjustments		
Revenues	Reduction Amount	Reduction %
Sales Tax	-51,000	10%
Lodging Tax	-313,250	35%
Meals Tax	-1,106,700	35%
Business License Tax	-93,550	10%
CRC Membership Fees	-435,000	100%

FY20/21 Proposed Capital Projects Fund Revenue

- ▶ Created Capital Projects Fund to enhance transparency and facilitate the tracking of these expenses
- ▶ Projects expenses in various departments in the General Fund will be moved to the Capital Projects Fund
- ▶ Most revenue will come from loan proceeds and transfers from General Fund

Revenues	FY19/20 Anticipated	FY20/21 Proposed	Variance
Capital Projects Fund	7,688,183	8,485,880	797,697

Capital Projects Fund Revenue Reconciliation	
Loan Proceeds	586,817
Radio System – Short Term Loan	530,680
General Fund Transfer	455,200
Sports Complex Donations	-775,000
Change from FY19/20 to FY20/21	797,697

FY20/21 Proposed Street Maintenance Fund Revenue

- ▶ Created Street Maintenance Fund for transparency and to facilitate the tracking of these expenses
- ▶ Funds from VDOT restricted for street maintenance were previously deposited
- ▶ Most revenue will come from VDOT street maintenance funds, grants, and transfers from General Fund

Revenues	FY19/20 Anticipated	FY20/21 Proposed	Variance
Street Maintenance Fund	2,030,626	2,466,500	435,874

Street Maintenance Fund Revenue Reconciliation	
Park Street Project Grant Funds	360,957
VDOT Street Maintenance Funds	24,917
Transfer from General Fund (Main & Pecan)	50,000
Change from FY19/20 to FY20/21	435,874

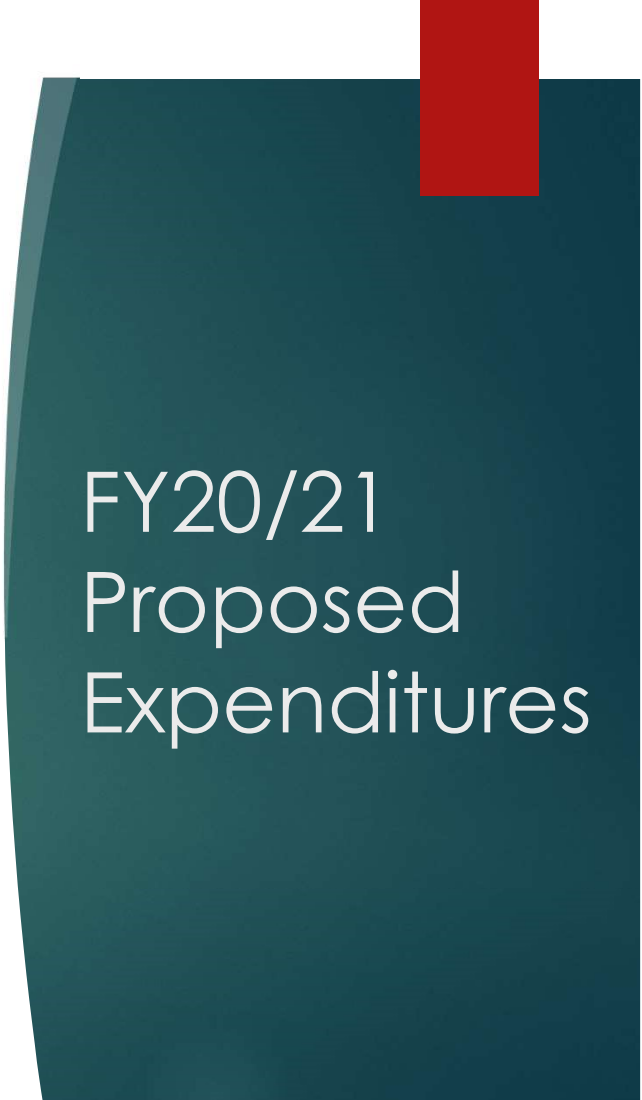
FY20/21 Proposed Wastewater Fund Revenue

- ▶ Majority of loan proceeds are to fund system improvements related to I & I
- ▶ Revenue from sewer service projected to be steady despite no proposed rate increase
- ▶ Rates will be re-evaluated later in fiscal year based on the timing of planned capital expenses and condition of economy

Revenues	FY19/20 Anticipated	FY20/21 Proposed	Variance
Wastewater Fund	3,453,650	4,860,722	1,407,072

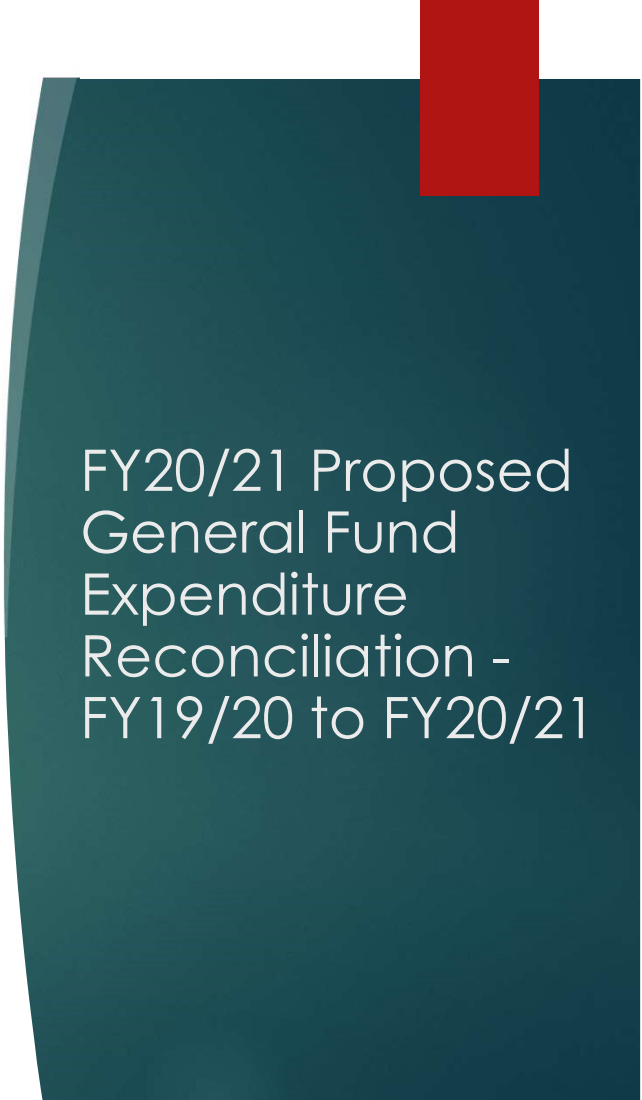
Wastewater Fund Revenue Reconciliation	
Loan Proceeds	1,301,674
Sewer Service	92,098
Other Revenue	13,300
Change from FY19/20 to FY20/21	1,407,072

FY 2020-2021 Budget			
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FY20/21
Proposed
Expenditures

General Fund Budget Expense	Variance	Note
Building Inspections	-125,409	Reclassified some expenses to Facilities Maint.
Capital Projects	455,200	
Street Capital Projects – General Fund	50,000	
Non-Departmental Allocations	-372,090	All have been eliminated
Contractual Services – Town Administration	-40,604	
Creeper Trail Project	-794,595	Offset with revenue
Facilities Maintenance Department	256,841	Creation of new department
Finance	-50,000	
Fleet Vehicle Reductions	-17,400	
Green Springs Road Realignment	-479,672	Offset with revenue
Historic Properties	-200,000	
Muster Grounds	-102,737	
Public Works & Streets	-55,318	
Recreation Reductions	-1,015,602	Reductions in services and operating expenses
Tipping Fees – Solid Waste Management	46,000	Due to loss of recycling
Tourism Reductions	-671,573	Reductions in services and operating expenses
Travel	-45,011	
Zoning and Subdivision Code Update	80,000	
Lease Payments	111,376	Reclassification to debt service
Restricted Contingency Funds	195,322	
Miscellaneous Adjustments to All Depts.	-48,967	
Change from FY19/20 to FY20/21	-2,824,239	



FY20/21 Proposed
General Fund
Expenditure
Reconciliation -
FY19/20 to FY20/21

FY20/21 Proposed Capital Projects Fund Expenditure Reconciliation – FY19/20 to FY20/21

- ▶ IT expenses increase with new public safety radios
- ▶ Police Department to purchase 3 patrol vehicles partially with asset forfeiture funds (0 purchased FY19/20)
- ▶ Fields-Penn House project second phase comprised of interior renovations and site improvements

	FY19/20 Adopted	FY20/21 Proposed	Variance
Capital Projects Fund	7,688,183	8,485,880	797,697

Capital Projects Fund Expenditure Reconciliation	
Information Technology Projects	586,817
Police Dept. Projects	135,685
Solid Waste Management Projects	31,238
Facility Maintenance Projects	-9,300
Parks & Playgrounds Projects	-34,150
Coomes Recreation Center Projects	30,500
Sports Complex	97,958
Fields-Penn House	125,000
Reclassify Lease Payments to Debt Service	-82,414
Change from FY19/20 to FY20/21	797,697

FY20/21 Proposed Street Maintenance Fund Expenditure Reconciliation – FY19/20 to FY20/21

- ▶ VDOT-funded street maintenance increase due to accumulated surpluses of these restricted funds
- ▶ Park Street project will be completed with 98% grant reimbursement from VDOT
- ▶ Main & Pecan project expenses from General Fund contribution

Revenues	FY19/20 Adopted	FY20/21 Proposed	Variance
Street Maintenance Budget	2,030,626	2,466,500	435,874

Street Maintenance Fund Expenditure Reconciliation	
Street Maintenance (VDOT Funds)	49,183
Park Street Project	336,691
Main & Pecan Preliminary Engineering	50,000
Change from FY19/20 to FY20/21	435,874

FY20/21 Proposed Wastewater Fund Expenditure Reconciliation – FY19/20 to FY20/21

- ▶ Most projects consist of wastewater collection system improvements due to I & I
- ▶ Operating expenses for treatment plant similar to FY19/20
- ▶ Debt service increases modestly but will be higher in FY21/22 due to loan proceeds received in FY20/21 to fund capital projects

Revenues	FY19/20 Adopted	FY20/21 Proposed	Variance
Wastewater Budget	3,453,650	4,860,722	1,407,072

Wastewater Fund Expenditure Reconciliation	
Wastewater Collection Projects	1,217,723
Wastewater Treatment Plant Projects	187,000
Miscellaneous Adjustments	-62,749
Debt Service	65,098
Change from FY19/20 to FY20/21	1,407,072



Next Steps and Questions