FY 2019-20 Proposed Amended Operating Budget

Embracing The Dawn of a New Day
KEY CONSIDERATIONS FOR BUDGET REDUCTIONS – COVID 19

EXTERNAL
Federal and State Potential Revenue Enhancements (CDBG, Transit, Health & Human Service, Stimulus Funds targeted for Cities)
Federal & State Policy Changes, Program Reduction & Elimination (Family First Corona Virus Response Act) Up to 80 hours of paid leave for Full-time and an average of hour worked for Part-Time Employees)
Delayed Income Tax (Federal Program possible delay)
Increased Consumer Spending on non-taxable Items
  Decreased overall Consumer Spending
Closure of Restaurants Temporary and Permanently (Lower Meals Tax)
  Fort Lee Lock-Down of Staff

INTERNAL
Limited Staff Available due to Health Issues and Child Care
  Reductions in Collection Rate
  Reduction in Summer Programs due to Quarantine Order
  Higher Home Utility Use due to Quarantine in Place Order
CoVID-19 Revenue Projections – Virginia First Cities

<table>
<thead>
<tr>
<th>TRI CITIES NEIGHBORING MUNICIPALITIES</th>
<th>POTENTIAL FY 2019-20 REVENUE LOSS</th>
<th>% OF TOTAL FY 2019-20 LOCAL REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PETERSBURG</td>
<td>1,689,461(*)</td>
<td>2.9%</td>
</tr>
<tr>
<td>HOPEWELL</td>
<td>1,492,602</td>
<td>3.3%</td>
</tr>
<tr>
<td>COLONIAL HEIGHTS</td>
<td>3,402,628</td>
<td>6.8%</td>
</tr>
<tr>
<td>DINWIDDIE</td>
<td>1,120,285</td>
<td>2.7%</td>
</tr>
<tr>
<td>CHESTERFIELD</td>
<td>15,716,955</td>
<td>2.4%</td>
</tr>
<tr>
<td>PRINCE GEORGE</td>
<td>1,429,122</td>
<td>3.0%</td>
</tr>
<tr>
<td>TOTAL IMPACT</td>
<td><strong>$34,218,497</strong></td>
<td></td>
</tr>
</tbody>
</table>

(*) Revenue amounts used by first Cities varied from the City of Petersburg Approved Amounts.
# CoVID-19 Revenue Projections – Virginia First Cities

<table>
<thead>
<tr>
<th>REVENUE CATEGORIES</th>
<th>FIRST CITIES PROJECTED IMPACT</th>
<th>CURRENT BUDGETED AMOUNT</th>
<th>FIRST CITY REDUCTION RECOMMENDATION</th>
<th>BUDGET AND PROCUREMENT PROJECTED SHORTFALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Property</td>
<td>1%</td>
<td>$21,638,872.00</td>
<td>$216,388.72</td>
<td>(1,569,424)</td>
</tr>
<tr>
<td>Personal Property</td>
<td>1%</td>
<td>$4,100,000.00</td>
<td>$41,000.00</td>
<td>(350,000)</td>
</tr>
<tr>
<td>Local Sales Tax</td>
<td>5%</td>
<td>$3,850,000.00</td>
<td>$192,500.00</td>
<td>(192,500)</td>
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<tr>
<td>Business License</td>
<td>2%</td>
<td>$2,900,000.00</td>
<td>$58,000.00</td>
<td>(245,075)</td>
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<tr>
<td>Lodging Taxes</td>
<td>25%</td>
<td>$550,000.00</td>
<td>$137,500.00</td>
<td>0</td>
</tr>
<tr>
<td>Meals</td>
<td>25%</td>
<td>$3,500,000.00</td>
<td>$875,000.00</td>
<td>(*) (109,170)</td>
</tr>
<tr>
<td>TOTAL IMPACT</td>
<td></td>
<td>$36,538,872.00</td>
<td>$1,520,388.72</td>
<td>$2,473,407</td>
</tr>
</tbody>
</table>

*Prior to COVID-19 we were experiencing higher than budgeted collections*
REVENUE & EXPENDITURE SUMMARY

Proposed Amendment, Organizational and Policy Changes
# FY 2019-20 General Fund Budget Summary Update

## Revenues

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</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>73,069,844</td>
<td>74,271,696</td>
<td>75,423,193</td>
<td>76,120,754</td>
<td>47,261,909</td>
<td>72,095,526</td>
<td>(4,025,232)</td>
<td>-5.29%</td>
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## Expenditures

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</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>65,860,973</td>
<td>69,788,800</td>
<td>73,206,195</td>
<td>76,120,754</td>
<td>57,279,945</td>
<td>71,284,769</td>
<td>(4,835,989)</td>
<td>-6.35%</td>
</tr>
</tbody>
</table>
REDUCTION IN SPENDING

PERSONNEL
- Non-Essential Hiring Freeze
- Reduction in Force (Layoffs)
- Furloughs
- Consolidation of Position/Functions
- Early Retirement Incentives

NON PERSONNEL
- Spending Freeze on all Non-Essential Expenditures
  - Supplies
  - Travel
  - Training
- Policy Adjustment
  - Leave
  - Collection Schedule
PERSONNEL

• Non-Essential Hiring Freeze ($2,031,771 in Vacancies)

• Reduction in Force (Layoffs)
  • Comprehensive Organizational Review & Evaluation (CORE)
  • 5 Layoffs Recommended thus far – ($334,038.53) Under Continuous Review

• Furloughs
  • One Day Represents $62,280 – Many Positions in the City of Exempt from our Authority

• Consolidations of Position/Functions

• Early Retirement Incentives

• 52 Employees have 20 Year Plus of Service Over All Payout $625,737.22
  • Over 25 Years of Service and Over Age of 50 (34 employees in the Category)
    • Total Leave Pay out $437,904.39
  • Over 20 Years of Service and Over Age of 60 (32 employees in the Category)
    • Total Leave Pay out $346,857.05
  • Leave Pay out Range from $300 – $23,365.92 with an Average of $12,836.70
GENERAL FUND REVENUE HIGHLIGHTS

REAL ESTATE TAX

The locality is authorized to levy an annual property tax on real property within the city. This tax is used to support the general fund operation and to fund long-term bonded indebtedness. The payments are due quarterly on September 30th, December 31st, March 30th and June 30th.

Recommended Adjustment: October 31st and March 31st

PERSONAL PROPERTY TAX

The City is authorized to levy a property tax on motor vehicles, trailers, semitrailers and boats which have been housed, stored or parked in the city in order to generate revenue for the city.

Payments are due bi-annually. The first is due February 28th of each year. The second is due June 10th of each year after being assessed by the Commissioner of Revenue. There are also monthly supplements due. These payments shall be sent to the office of Billing and Collections. Recommended Adjustment: February 28th (Hardship Payment Plan option for adding May 31st)
THANK YOU!