

*City of Petersburg*  
VIRGINIA



# **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



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



(\*) Revenue amounts used by first Cities varied from the City of Petersburg Approved Amounts

# CoVID-19 Revenue Projections – Virginia First Cities



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

\*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

FUND	2016-2017 ACTUALS	2017-2018 ACTUALS	2018-2019 UNAUDITED	2019-2020 ADOPTED	2019-2020 YTD	2019-2020 PROJECTED	VARIANCE	PERCENT CHANGE
General Fund	73,069,844	74,271,696	75,423,193	76,120,754	47,261,909	72,095,526	(4,025,232)	-5.29%

## EXPENDITURES

FUND	2016-2017 ACTUALS	2017-2018 ACTUALS	2018-2019 UNAUDITED	2019-2020 ADOPTED	2019-2020 YTD	2019-2020 PROJECTED	VARIANCE	PERCENT CHANGE
General Fund	65,860,973	69,788,800	73,206,195	76,120,754	57,279,945	71,284,769	(4,835,989)	-6.35%



# 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 30<sup>th</sup>, December 31<sup>st</sup>, March 30<sup>th</sup> and June 30<sup>th</sup>

**Recommended Adjustment: October 31<sup>st</sup> and March 31<sup>st</sup>**



## 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 28<sup>th</sup> of each year. The second is due June 10<sup>th</sup> 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 28<sup>th</sup> (Hardship Payment Plan option for adding May 31<sup>st</sup>)**



**THANK YOU!**

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