

FY 2021 Budget Workshop #2

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City Manager
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FY2021 Budget Process – Conceptual Framework

- We are in an emergency situation in terms of staff demands and financial uncertainty
 - Knowns:
 - By consensus, Country is now in a recession starting in March (must be 2 consecutive quarters of GDP contraction to be officially declared)
 - Wall Street bearish response
 - City must reevaluate FY2020 budget plans
 - FY2020's adjustments to directly feed FY2021 budget
 - Unknowns:
 - Severity of decline (estimates range from 10%-35% Q2 GDP contraction and 10%-25% unemployment)
 - Shape/length of recovery (V, Big V, L, etc.)
 - Length of social distancing measures
 - Structural vs. Cyclical economic changes
 - Impact of Stimulus and business failures
- **FY2021 will retain its linkage to City Council priorities and Work Plan metrics to the extent possible within funding realities**

FY2021 Budget Process – Conceptual Framework

- **FY2021 Budget will focus on:**
 - **Continuity of Operations**
 - **Public Safety and First Responders**
 - **Continuing to provide excellent day-to-day service to our community**
 - **Economic Development initiatives**
 - **Fulfilling the City's financial obligations (debt service payments)**
 - **Delivering on the City's Work Plan to the extent possible**
 - **Deferring Capital Projects and large purchases as needed**



City Council Priorities

Strengthening Our Community



- 1. Quality Growth** - Planning for balanced development that preserves the distinct character of Greenville
- 2. Environmental Sustainability** - Protecting our climate, green space, and natural resources
- 3. Public Safety** - Maintaining a safe and secure community
- 4. Affordable Housing** - Creating housing opportunities for all people regardless of income
- 5. Customer Focus** - Providing outstanding customer service and a welcoming, inclusive environment



- 6. Transportation Infrastructure** - Focusing on roadways, sidewalks, trails, and bike lanes
- 7. Public Transit** - Supporting a better public transit system
- 8. Public Facilities** - Investing in maintenance and enhancement of public buildings
- 9. Economic Development** - Strengthening our business environment and economy
- 10. Recreation and Events** - Providing diverse recreation, arts, and cultural experiences



FY 2021 Budget Calendar

Date	Item
February –April	Department Budget meetings / OMB Review
April 13	Budget Workshop #1
April 27	Budget Workshop #2
May 18	Budget Public Hearing, 1 st Reading of Ordinance
June 8	Adoption of Annual Operating Budget

- Work will continue on previously appropriated Capital Improvement Plan (CIP) projects to the extent the work can be completed without additional appropriations

Workshop Goals

- **To receive feedback and direction from City Council as we develop the FY 2021 Budget**
- **Update and Review FY 2021 planning assumptions**
- **Understand Public Safety, General Government and other priorities as part of the City's service delivery and capital programs**

Fund Balance Reserve

- **General Fund Reserve Policy established by City Council Resolution 2009-38 as 20% of expenditures**
 - **Adopted as Financial Policy (OMB-8)**
- **Fund Balance is the cash reserve and working capital to cover the following:**
 - **Expenditures caused by unforeseen emergencies**
 - **Shortfalls caused by revenue decline**
 - **Eliminates need for short-term borrowing for cash-flow purposes**

Projected General Fund Undesignated Fund Balance

Audited June 30, 2019 Fund Balance		\$ 28,781,505
	Budget (Amended)	Forecast
FY2020 Revenues	\$ 95,203,417	\$ 98,890,161
FY2020 Expenditures	(99,178,680)	(98,097,700)
Projected 6/30/20 Balance	24,806,242	29,573,966
Less 20% Reserve		(19,778,032)
Projected Undesignated Fund Balance	\$ 5,028,210	\$ 9,795,934

- Projected FY20 performance better than expected by \$4,767,724 due to revenues projected \$3,686,744 higher than budget and expenses projected \$1,080,980 under budget
- Funding for Bobby Pearse Center included in FY20 forecast

Projected General Fund Undesignated Fund Balance

Projected June 30, 2020 Fund Balance (previous slide)	\$ 29,573,966
FY2021 Budgeted Revenues	93,833,850
FY2021 Budgeted Expenses	(99,488,081)
Surplus/(Deficit)	(\$5,654,231)
Projected FY2021 Ending Fund Balance	23,919,735
Less 20% Reserve	(19,411,109)
Projected FY2021 Available Fund Balance	\$ 4,508,626

Unfunded CIP Needs

Project	Estimated Cost
Economic Development/Parking Projects	\$ 45,000,000 +
Public Safety/Law Enforcement Center	\$30,000,000
Downtown Conference Center	\$ 26,000,000 (capital only)
Stone Ave. Fire Station Replacement	\$ 5,500,000
Additional Affordable Housing Funding – 5 year commitment	\$ 4,000,000
Laurens Road SWT Bridges – Restore funding	\$ 3,000,000 - \$4,500,000 (cost not finalized)
Cultural Corridor Trail Construction	\$3,500,000
Parks & Recreation Maintenance Facility Upfit	\$2,750,000
Jackson Way Streetscape	\$2,250,000
Community Center Repairs/Upgrades	\$1,500,000
Transportation Management Center	\$1,500,000
Lion’s Den Additional Funding	\$1,000,000
Additional Zoo Capital Needs	\$55,000,000 +
Estimated Unfunded Capital Needs	\$183,500,000+

General Fund Revenue Comparison

Category	FY20 Budget (amended)	FY20 Forecast	Budget- Forecast Variance (\$)	Budget- Forecast Variance (%)	FY21 Proposed Budget	Budget- Forecast Variance (\$)	Budget- Forecast Variance (%)	Budget- Budget Variance (\$)	Budget- Budget Variance (%)
Property Taxes	42,031,230	45,134,650	3,103,420	7.4%	44,438,639	(696,011)	-1.5%	2,407,409	5.7%
Licenses & Permits	40,537,824	40,852,589	314,765	0.8%	36,162,340	(4,690,249)	-11.5%	-4,375,484	-10.8%
Intergovernmental	3,502,218	3,964,820	462,602	13.2%	3,957,470	(7,350)	-0.2%	455,252	13.0%
Fees and Charges	1,015,677	813,944	(201,733)	-19.9%	944,923	130,979	16.1%	-70,754	-7.0%
Fines and Costs	257,101	318,340	61,239	23.8%	318,339	(1)	0.0%	61,238	23.8%
Other Revenues	1,720,800	1,719,886	(914)	-0.1%	1,640,472	(79,414)	-4.6%	-80,328	-4.7%
Transfers In	6,138,567	6,085,933	(52,634)	-0.9%	6,371,667	285,734	4.7%	233,100	3.8%
Total Revenues	95,203,417	98,890,161	3,686,744	3.9%	93,833,850	(5,056,311)	-5.1%	-1,369,567	-1.4%

* Does not include \$1,144,000 FY21 Debt Proceeds for Lease-Purchase of Fire Apparatus

General Fund Expenditure Comparison

Category	FY20 Budget (amended)	FY20 Forecast	Budget- Forecast Variance (\$)	Budget- Forecast Variance (%)	FY21 Proposed Budget	Budget- Forecast Variance (\$)	Budget- Forecast Variance (%)	Budget- Budget Variance (\$)	Budget- Budget Variance (%)
General Government	16,757,124	16,593,797	(163,327)	-1.0%	18,265,996	1,672,200	10.1%	1,508,872	9.0%
Police Department	26,293,872	26,010,690	(283,182)	-1.1%	28,029,592	2,018,902	7.8%	1,735,720	6.6%
Fire Department	15,048,000	14,715,859	(332,141)	-2.2%	15,641,912	926,053	6.3%	593,912	3.9%
Public Works	10,158,544	10,155,860	(2,684)	0.0%	10,651,445	495,585	4.9%	492,901	4.9%
Parks & Recreation	9,037,839	8,185,660	(852,179)	-9.4%	9,511,763	1,326,103	16.2%	473,924	5.2%
Non-Departmental	3,099,926	3,111,066	11,140	0.4%	3,722,703	611,637	19.7%	622,777	20.1%
Capital	3,966,526	3,954,034	(12,492)	-0.3%	3,548,000	(406,034)	-10.3%	(418,526)	-10.6%
CIP	8,957,298	9,511,200	553,902	6.2%	4,833,445	(4,677,755)	-49.2%	(4,123,853)	-46.0%
Transfers-Out (Non-CIP)	4,166,307	4,166,307	0	0.0%	3,454,394	(711,913)	-17.1%	(711,913)	-17.1%
Debt Service	1,693,244	1,693,228	(16)	0.0%	1,828,832	135,604	8.0%	135,588	8.0%
Total Expenditures	99,178,680	98,097,700	(1,080,980)	-1.1%	99,488,081	1,390,381	1.4%	309,401	0.3%

* Does not include FY21 \$1,144,000 Lease-Purchase of Fire Apparatus

FY2021 GF Operating Assumptions

Assumption	Cost	Council Priority Area
GTA Funding (Including Trolley and GHA Pass-through)	\$1,419,973	7
Health Insurance Increase 7.5% (January 2021)	\$1,100,000 GF (\$1,710,358 all funds)	N/A
Risk Management Fees Increase 7%	\$163,699 GF (\$246,609 all funds)	N/A
Capital Equipment – General Replacement	\$1,500,000	8
Capital Equipment – Fire Apparatus	\$1,144,000 (Lease-Purchase)	3
Capital Equipment – IT Technology	\$634,000	8
Capital Equipment – Traffic Response Vehicles (TRV)	\$270,000	3, 5
Customer Service Center contract	\$250,000	5
City Hall Security contract	\$120,000	3
Police Extra Duty Incentive	\$160,000	3
Police AED Purchase	\$190,000	3
Police Equipment and Technology Improvements	\$150,000	3
Parks & Recreation – Small Engine Replacement Program	\$75,000	8
Human Resources Technology Improvements	\$50,000	5
Green Source Advantage – Carbon Reduction Program	\$50,000	2

FY2021 GF Operating Assumptions

- **60% of General Fund revenues are not realized until February/March**
 - **In light of this revenue timing, a measured approach to expenditures is necessary. The following expenses are impacted:**
 - **Capital/Rolling-Stock purchases will be deferred until 3Q/4Q**
 - **CIP projects (new money) will be deferred until 3Q/4Q**
 - **Compensation adjustments, except for employees receiving their first anniversary performance evaluation, may be considered in the latter half of the Fiscal Year following a review of City's fiscal capacity.**

FY2021 GF CIP Assumptions

Assumption	Cost	Council Priority Area
Street Resurfacing	\$800,000	6
NSTEP (New Sidewalks)	\$750,000	6
One-Stop Permitting Center	\$750,000	1, 5
Neighborhood Parks Program	\$565,898 (County IGA)	10
Fire Station Improvements	\$549,860 (corralled millage)	3
Intersection Safety Improvements	\$500,000	6
Police Body Cameras	\$371,093	3
ED Fund –Viola	\$296,594 (corralled millage)	9
Additional Traffic Calming	\$250,000	6
Total General Fund CIP	\$4,833,445	

Tourism Funds



FY2021 Tourism Funds

Hospitality Tax	Amount
Projected FY2020 Ending Fund Balance	\$ 3,865,146
Projected FY2021 Revenues	7,053,772
Projected FY2021 Expenses	(9,249,803)
Surplus/Deficit	(2,782,703)
Projected FY2021 Ending Fund Balance	1,669,115
Less Required Debt Service Reserve	(1,620,688)
Projected FY2021 Available Fund Balance	\$ 48,427

- Assumes nearly \$5M in CIP reductions from existing projects: \$3m from Laurens Road SRT Bridges, \$1.8m from Greenways and Trails, \$120k from SRT Bridge Maintenance
- Expenses include:
 - Support for Lake Conestee Nature Park (\$152,500)
 - Support for VisitGreenvilleSC (\$560,000)
 - Debt Service (\$2,940,941)
 - **General Fund Transfer (\$4,194,738)**
 - CIP – SC Children’s Theatre (\$300,000) and Public Safety Cameras (\$200,000)
 - **Greenville Convention Center Subsidy (\$997,993) – assumes normal-ish operations**
 - **Greenville Zoo Subsidy (\$490,303)**

FY2021 Tourism Funds

State Accommodations Tax	Amount
Projected FY2020 Ending Fund Balance	\$ (279,491)
Projected FY2021 Revenues	1,742,483
Projected FY2021 Expenses	(1,472,483)
Surplus/Deficit	269,864
Projected FY2021 Available Fund Balance	\$ (9,627)

- Expenses include:
 - Statutory General Fund Set-Aside (\$110,374)
 - Statutory VisitGreenvilleSC Set-Aside (\$512,245) – a decrease of **\$335,255** from FY20 budget
 - Support for Tourism Projects/Promotions (\$850,000) – a decrease of **\$1,150,000 (57.5%)** from FY20 budget

FY2021 Tourism Funds

Local Accommodations Tax	Amount
Projected FY2020 Ending Fund Balance	\$ 658,185
Projected FY2021 Revenues	1,970,706
Projected FY2021 Expenses	(2,313,541)
Surplus/Deficit	(342,835)
Projected FY2021 Ending Fund Balance	315,349
Less 8% Fund Balance Reserve	(157,656)
Projected FY2021 Available Fund Balance	\$ 157,693

- Expenses include:
 - Pass-through to VisitGreenvilleSC (\$551,338)
 - Greenville Arena District Debt (\$1,307,371)
 - BSW Arena Operating Assistance Contract (\$225,000)
 - Transfers-out (\$229,832)

Enterprise Funds



FY2021 Enterprise Funds

Stormwater Fund	Amount
Projected FY2020 Ending Fund Balance	\$ 1,452,924
Projected FY2021 Revenues	6,202,614
Projected FY2021 Expenses	(6,654,105)
Surplus/Deficit	(451,491)
Projected FY2021 Ending Fund Balance	1,001,432
Less 16% Fund Balance Reserve	(958,679)
Projected FY2021 Available Fund Balance	\$ 42,754

- Expenses include:
 - Operations & Maintenance (\$3,625,452)
 - Debt Service Payments (\$821,523)
 - General Fund Transfer (\$475,716)
 - Capital Equipment (\$456,414) – to be deferred until 2nd Quarter
 - CIP (\$1,275,000) – Floodplain Buyout (\$725,000), Culvert Improvements (\$400,000), Asset Management and Modeling (\$150,000)

FY2021 Enterprise Funds

Wastewater Fund	Amount
Projected FY2020 Ending Fund Balance	\$ 5,366,722
Projected FY2021 Revenues	7,978,430
Projected FY2021 Expenses	(9,267,235)
Surplus/Deficit	(1,288,805)
Projected FY2021 Ending Fund Balance	4,077,917
Less 16% Fund Balance Reserve	(1,014,604)
Projected FY2021 Available Fund Balance	\$ 3,063,313

- Expenses include:
 - Operations & Maintenance (\$2,625,110)
 - Debt Service Payments (\$2,113,895)
 - General Fund Transfer (\$400,830)
 - Capital Equipment (\$377,400) – to be deferred until 2nd Quarter
 - CIP (\$3,750,000) – Wastewater System Rehab. Partially cash funded (\$2,250,000) partially bond funded (\$1,500,000)

FY2021 Enterprise Funds

Parking Fund	Amount
Projected FY2020 Ending Fund Balance	\$ 7,227,989
Projected FY2021 Revenues	8,308,414
Projected FY2021 Expenses	(9,086,358)
Surplus/Deficit	(777,944)
Projected FY2021 Ending Fund Balance	6,450,045
Less 16% Fund Balance Reserve	(1,268,426)
Projected FY2021 Available Fund Balance	\$ 5,181,619

- Expenses include:
 - Operations & Maintenance (\$3,861,289)
 - Debt Service Payments (\$4,212,805)
 - General Fund Transfer (\$664,764)
 - Capital Equipment (\$97,500) – to be deferred until 2nd Quarter
 - CIP (\$250,000)

FY2021 Enterprise Funds

Zoo Fund	Amount
Projected FY2020 Ending Fund Balance	\$ 873,796
Projected FY2021 Revenues	2,935,589
Projected FY2021 Expenses	(3,492,760)
Surplus/Deficit	(557,171)
Projected FY2021 Ending Fund Balance (No Reserve)	\$ 316,625

- FY20 Zoo Performance severely impacted by COVID-19. Fund Balance reduced by \$576,600 to fund operations due to revenue loss
- Revenue includes \$490,303 transfer from Hospitality Tax. No additional funding available to address revenue shortfalls.
- Expenses include:
 - Operations & Maintenance (\$3,486,319)
 - Debt Service Payments (\$6,441)
 - Assumes zoo is open and operating at 85% of normal capacity. No additional funding for Lion's Den (beyond \$1.8m already appropriated) or any other maintenance/code needs.

FY2021 Enterprise Funds

Solid Waste Fund	Amount
Projected FY2020 Ending Fund Balance	\$ 574,955
Projected FY2021 Revenues	6,441,834
Projected FY2021 Expenses	(6,988,646)
Surplus/Deficit	(546,812)
Projected FY2021 Available Fund Balance	\$ 28,143

- Revenue includes General Fund Transfer of \$3,361,233, or 52.2% of revenues
 - Increase of \$300,000 (9.8%) over FY20
- Expenses include:
 - Operations & Maintenance (\$5,447,135)
 - Debt Service Payments (\$914,061)
 - Capital Equipment (\$627,450) – to be deferred until 2nd Quarter

TIF Funds



FY2021 TIF Funds

TIF Funds	Amount
Projected FY2020 Ending Fund Balance	\$ 9,638,438
Projected FY2021 NET Revenues (CBD)	\$2,357,264
Projected FY2021 Revenues (West End)	\$1,804,900
CIP	(800,000)
Projected FY2021 Available Fund Balance	\$ 13,000,602

- Chart above shows net revenues of TIF funds after debt service, operating expenses and rebates to other taxing agencies
- CIP Includes increased support for Economic Development initiatives (\$250,000), Economic Development Marketing (\$250,000) and Job Creation Grant (\$250,000), and annual funding for Main Street Tree rehab. No other Public-Private partnerships funded.

Discussion

