



# TOWN OF VIENNA

## FY 20-21 PROPOSED BUDGET UPDATE

### TOWN COUNCIL WORKSESSION #4

*May 18, 2020*

**Analysis of Revenue Effects of COVID-19 - General Fund**

	Proposed Budget	Percent of Total	Scenario 2			Scenario 3				
			9/30/20 Revised Adjustments	Budget after Adjustments	Percent of Adjusted Total	12/30/20 Revised Adjustments	Budget after Adjustments	Percent of Adjusted Total		
REAL ESTATE TAXES	\$12,333,900	45.0%	\$ -	\$12,333,900	47.8%	\$ -	\$12,333,900	49.6%		
STATE AND FEDERAL REVENUES	\$3,312,000	12.1%	-\$300,000	\$3,012,000	11.7%	-\$400,000	\$2,912,000	11.7%		
OTHER LOCAL TAXES	\$2,866,500	10.5%	-\$120,000	\$2,746,500	10.6%	-\$180,000	\$2,686,500	10.8%		
BUSINESS LICENSE TAXES	\$2,560,000	9.3%	-\$350,000	\$2,210,000	8.6%	-\$650,000	\$1,910,000	7.7%		
STATE SALES TAX	\$1,675,000	6.1%	-\$200,000	\$1,475,000	5.7%	-\$250,000	\$1,425,000	5.7%		
PARKS AND RECREATION	\$1,180,000	4.3%	-\$400,000	\$780,000	3.0%	-\$600,000	\$580,000	2.3%		
FINES AND FORFEITURES	\$407,000	1.5%	-\$75,000	\$332,000	1.3%	-\$175,000	\$232,000	0.9%		
USE OF MONEY AND PROPERTY	\$411,700	1.5%	-\$50,000	\$361,700	1.4%	-\$140,000	\$271,700	1.1%		
PERMITS AND FEES	\$327,000	1.2%	-\$75,000	\$252,000	1.0%	-\$100,000	\$227,000	0.9%		
STREET CUT INSPECTION FEE	\$157,500	0.6%	-\$50,000	\$107,500	0.4%	-\$75,000	\$82,500	0.3%		
MISCELLANEOUS	\$149,300	0.5%	\$0	\$149,300	0.6%	\$0	\$149,300	0.6%		
USE OF PRIOR YEAR RESERVES	\$795,000	2.9%	\$0	\$795,000	3.1%	\$0	\$795,000	3.2%		
EQUIPMENT AND PEG	\$713,730	2.6%	\$0	\$713,730	2.8%	\$0	\$713,730	2.9%		
INTERFUND TRANSFERS	\$523,660	1.9%	\$0	\$523,660	2.0%	\$0	\$523,660	2.1%		
<b>TOTAL</b>	<b>\$27,412,290</b>	<b>100%</b>	<b>-\$1,620,000</b>	<b>\$25,792,290</b>	<b>-5.9%</b>	<b>100%</b>	<b>-\$2,570,000</b>	<b>\$24,842,290</b>	<b>-9.4%</b>	<b>100%</b>
<i>Change from Budget Public Hearing</i>			<b>-\$245,000</b>				<b>-\$245,000</b>			

**Revisions to 2020-21 Proposed Budget  
Based on Re-Open Time**

General Fund Proposed Revenue and Expenditures	Proposed 2021 Budget <u>\$27,412,290</u>	Scenario 2		Scenario 3	
		9/30/2020 Estimated Shortfall		12/31/2020 Estimated Shortfall	
		<b>REVISED</b>		<b>REVISED</b>	
<u>Estimated Revenue Shortfalls</u>		% Short		% Short	
Business License	\$2,560,000	\$350,000	14%	\$650,000	25%
Parks and Recreation Fees	\$1,185,000	\$400,000	34%	\$600,000	51%
State Revenues	\$3,253,000	\$300,000	9%	\$400,000	12%
Sales Tax	\$1,525,000	\$200,000	13%	\$250,000	16%
Planning and Zoning Fees	\$280,000	\$75,000	27%	\$100,000	36%
Court Fines	\$382,000	\$75,000	20%	\$175,000	46%
Street Cuts	\$157,500	\$50,000	32%	\$75,000	48%
Other Local Taxes	\$2,865,500	\$120,000	4%	\$180,000	6%
Use of Money and Property	\$200,000	\$50,000	25%	\$140,000	70%
<b>Total Revenues</b>		<b>\$1,620,000</b>	<b>5.9%</b>	<b>\$2,570,000</b>	<b>9.4%</b>

Debt Service Fund	Proposed 2021 Budget	Scenario 2		Scenario 3	
		9/30/2020 Estimated Shortfall		12/31/2020 Estimated Shortfall	
		% Short		% Short	
<b>Debt Service Fund Meals Taxes</b>	<b>\$3,084,300</b>	<b>\$1,024,300</b>	<b>33%</b>	<b>\$1,534,300</b>	<b>50%</b>

The impact is expected to be minimal on the Water and Sewer and Stormwater funds; Debt Service revenue shortfalls will be made up from reserves.

## Potential Additional Areas for Cuts, 2021

Council Initiative	Department	Item	Total Proposed	Cut 9/30/20	Cut 12/30/20
Well governed community	Planning and Zoning	Additional consulting costs	\$ 50,000	\$ 45,000	\$ 50,000
Engaged community	Communications and Marketing	Vienna View Programming	29,000		4,600
Environmentally sustainable	Public Works	Suspend bulk pickup	25,000		
Safe community, Efficiently mobile	Public Works	Delay pavement condition survey one year	19,000	19,000	19,000
Well governed community	Communications and Marketing	National Community Survey	19,000		
Fiscally responsible	Public Works	Freeze fleet maintenance position 2 months	18,000		
Fiscally responsible, Well governed	Human Resources	Training, supplies	17,000	8,600	17,000
Safe community	Police	Freeze open traffic position 2 months	16,000	16,000	16,000
Safe community, Efficiently mobile	Public Works	Delay sidewalk maintenance	12,000		
Complete community, Engaged community	Parks Maintenance	Overtime for special events	11,000	11,000	11,000
Complete community, Engaged community	Public Works	Overtime for special events	10,000	10,000	10,000
Engaged community	Communications and Marketing	Town Calendar	10,000		
Economically prosperous	Economic Development	Decrease conference travel and promotion	9,200	4,000	9,200
Complete community, Engaged community	Police	Overtime for special events	8,400	8,400	8,400
Fiscally responsible	Police	Supplies	8,250	-	8,200
Well governed community	Public Works	Miscellaneous consulting fees	7,000	7,000	7,000
Fiscally responsible, Well governed	Finance	Training covered by conference credit	6,500	6,500	6,500
Safe community	Risk Management	Cut safety programs	5,300	-	5,300
Employee morale	Human Resources	Service awards / wellness programs	5,000	-	5,000
Engaged community	Communications and Marketing	PIO Advertising	5,000	-	5,000
Fiscally responsible	Information Technology	Supplies	5,000	1,000	5,000
Environmentally sustainable	Public Works	Street sweeping	4,500	-	
Fiscally responsible	Finance	Supplies	4,000	-	4,000
Well governed community	Public Works	Additional MWCOG dues	3,500	3,500	3,500
Fiscally responsible, Well governed	Information Technology	Training	3,000		3,000
Fiscally responsible	Parks Maintenance	Scout projects	2,500	2,000	2,500

**Potential Additional Areas for Cuts, 2021**

<b>Council Initiative</b>	<b>Department</b>	<b>Item</b>	<b>Total Proposed</b>	<b>Cut 9/30/20</b>	<b>Cut 12/30/20</b>
Employee morale	Human Resources	Holiday gift cards decrease	2,000	-	2,000
Fiscally responsible	Planning and Zoning	Supplies and capital outlay	1,800	-	1,800
Fiscally responsible	Town Clerk	Supplies	1,000	-	1,000
<b>TOTAL IDENTIFIED</b>			<b>\$ 317,950</b>	<b>\$ 142,000</b>	<b>\$ 205,000</b>
<b><u>Alternative:</u></b>		<b>Change Tax Rate 1/2 cent</b>	<b>\$270,000</b>		
		<b>Change Tax Rate 1/4 cent</b>	<b>\$135,000</b>		

**Revisions to 2020-21 Proposed Budget  
Based on Re-Open Time**

	<b>Proposed 2021 Budget</b>	<b>Scenario 2 9/30/2020</b>	<b>Scenario 3 12/31/2020</b>
General Fund Proposed Revenue and Expenditures	<u>\$27,412,290</u>		
Permanent Transfers out of General Fund to Capital Project Fund		<b>REVISED</b>	<b>REVISED</b>
Subtotal		\$462,000	\$462,000
<b>Operating Costs to Defer</b>			
Compensation increase	\$322,000	\$100,000	\$322,000
Overtime	\$856,940	\$150,000	\$350,000
Related benefits	\$308,000	\$45,000	\$150,000
Position Freeze / Attrition	unknown		\$100,000
Subtotal Compensation		\$295,000	\$922,000
Parks and Recreation Contractors/Staff	\$530,450	\$200,000	\$350,000
Parks and Recreation Supplies and Other	\$268,400	\$150,000	\$200,000
Fireworks and Staff	\$51,000	\$51,000	\$51,000
Subtotal Parks and Recreation		\$401,000	\$601,000
Unfunded Priorities	\$150,000	\$150,000	\$150,000
Travel / Training / Tuition Remibursement	\$200,000	\$150,000	\$200,000
Snow Equipment Replacement	\$43,500	\$20,000	\$30,000
Other from list	\$317,950	\$142,000	\$205,000
Subtotal Other		\$462,000	\$585,000
<b>Use of Prior Year Surplus</b>		<b>\$0</b>	<b>\$0</b>
Subtotal Operating Costs		\$1,158,000	\$2,108,000
<b>Total Expenditures</b>		<b>\$1,620,000</b>	<b>\$2,570,000</b>

The impact is expected to be minimal on the Water and Sewer and Stormwater funds; Debt Service revenue shortfalls will be made up from reserves.

**ALL FUNDS - SECNARIO 2 - 9/30**

FUND	Adopted FY 19-20	Est. Actuals FY 19-20	Proposed FY 20-21	Net Change	Proposed Change from 2020 Budget
General	26,725,030	26,917,952	27,412,290	687,260	2.6%
Debt Service	4,665,270	4,665,270	5,533,140	867,870	18.6%
Water and Sewer	9,233,080	9,184,404	10,194,050	960,970	10.4%
Stormwater	530,000	609,784	437,720	(92,280)	-17.4%
<b>TOTAL</b>	<b>41,153,380</b>	<b>41,377,410</b>	<b>43,577,200</b>	<b>2,423,820</b>	<b>5.9%</b>

Scenario 2 - 9/30	Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed	
25,792,290	(1,620,000)	-5.9%
5,533,140	-	0.0%
10,194,050	-	0.0%
437,720	-	0.0%
<b>41,957,200</b>	<b>(1,620,000)</b>	<b>-3.9%</b>

Scenario 2 - 9/30		Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed		
25,792,290	(1,620,000)	-5.9%	-3.3%
5,533,140	-	0.0%	18.6%
10,194,050	-	0.0%	10.4%
437,720	-	0.0%	-17.4%
<b>41,957,200</b>	<b>(1,620,000)</b>	<b>-3.9%</b>	<b>2.0%</b>

**GENERAL FUND**

update

Revenues	Adopted FY 19-20	Est. Actuals FY 19-20	Proposed FY 20-21	Net Change	Proposed Change from 2020 Budget
Property Tax <i>(FY 20-21: Adopted \$.2250 per \$100 of assessed valuation)</i>	11,870,300	11,922,016	12,333,900	463,600	3.9%
Other Local Taxes	6,973,000	6,872,662	7,101,500	128,500	1.8%
Permits, Fees and Licenses	371,000	260,836	327,000	(44,000)	-11.9%
Fines and Forfeitures	395,000	336,512	407,000	12,000	3.0%
Use of Money and Property	399,000	377,093	411,700	12,700	3.2%
Parks and Recreation Fees	1,264,600	559,429	1,180,000	(84,600)	-6.7%
Special Services Fees	35,000	46,216	157,500	122,500	350.0%
Miscellaneous Revenues	115,800	226,433	149,300	33,500	28.9%
Categorical Aid	3,270,800	3,233,949	3,252,600	(18,200)	-0.6%
Non Categorical Aid	400	355	400	-	0.0%
Federal Revenues	85,000	76,191	59,000	(26,000)	-30.6%
Interfund Transfers	433,130	433,130	523,660	90,530	20.9%
Use of Prior Year Reserves	500,000	0	795,000	295,000	59.0%
Equip. Repl. Reserve/PEG	1,012,000	835,760	713,730	(298,270)	-29.5%
<b>TOTAL</b>	<b>26,725,030</b>	<b>25,180,582</b>	<b>27,412,290</b>	<b>687,260</b>	<b>2.6%</b>

Scenario 2 - 9/30	Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed	
12,333,900	-	0.0%
6,431,500	(670,000)	-9.6%
252,000	(75,000)	-20.2%
332,000	(75,000)	-19.0%
361,700	(50,000)	-12.5%
780,000	(400,000)	-31.6%
107,500	(50,000)	-142.9%
149,300	-	0.0%
2,952,600	(300,000)	-9.2%
400	-	0.0%
59,000	-	0.0%
523,660	-	0.0%
795,000	-	0.0%
713,730	-	0.0%
<b>25,792,290</b>	<b>(1,620,000)</b>	<b>-5.9%</b>

Scenario 2 - 9/30		Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed		
12,333,900	-	0.0%	3.9%
6,431,500	(670,000)	-9.6%	-7.8%
252,000	(75,000)	-20.2%	-32.1%
332,000	(75,000)	-19.0%	-15.9%
361,700	(50,000)	-12.5%	-9.3%
780,000	(400,000)	-31.6%	-38.3%
107,500	(50,000)	-142.9%	207.1%
149,300	-	0.0%	28.9%
2,952,600	(300,000)	-9.2%	-9.7%
400	-	0.0%	0.0%
59,000	-	0.0%	-30.6%
523,660	-	0.0%	20.9%
795,000	-	0.0%	59.0%
713,730	-	0.0%	-29.5%
<b>25,792,290</b>	<b>(1,620,000)</b>	<b>-5.9%</b>	<b>-3.3%</b>

**DEBT SERVICE FUND**

Revenues	Adopted FY 19-20	Est. Actuals FY 19-20	Proposed FY 20-21	Net Change	Proposed Change from 2020 Budget
Other Local Taxes	2,902,800	2,479,850	3,084,300	181,500	6.3%
Use of Money	120,000	168,000	90,000	(30,000)	-25.0%
Federal Revenues	33,000	33,000	33,000	-	0.0%
Interfund Transfers	1,609,470	1,609,462	2,325,840	716,370	44.5%
<b>TOTAL</b>	<b>4,665,270</b>	<b>4,290,312</b>	<b>5,533,140</b>	<b>867,870</b>	<b>18.6%</b>

Scenario 2 - 9/30	Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed	
2,060,000	(1,024,300)	-33.2%
90,000	-	0.0%
33,000	-	0.0%
3,350,140	1,024,300	44.0%
<b>5,533,140</b>	<b>-</b>	<b>0.0%</b>

Scenario 2 - 9/30		Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed		
2,060,000	(1,024,300)	-33.2%	-29.0%
90,000	-	0.0%	-25.0%
33,000	-	0.0%	0.0%
3,350,140	1,024,300	44.0%	108.2%
<b>5,533,140</b>	<b>-</b>	<b>0.0%</b>	<b>18.6%</b>

**ALL FUNDS - SCENARIO 3 - 12/30**

FUND	Adopted FY 19-20	Est. Actuals FY 19-20	Proposed FY 20-21	Net Change	Proposed Change from 2020 Budget
General	26,725,030	25,180,582	27,412,290	687,260	2.6%
Debt Service	4,665,270	4,290,312	5,533,140	867,870	18.6%
Water and Sewer	9,233,080	9,184,404	10,194,050	960,970	10.4%
Stormwater	530,000	609,784	437,720	(92,280)	-17.4%
<b>TOTAL</b>	<b>41,153,380</b>	<b>39,265,082</b>	<b>43,577,200</b>	<b>2,423,820</b>	<b>5.9%</b>

Proposed Change from 2020 Budget
2.6%
18.6%
10.4%
-17.4%
<b>5.9%</b>

Scenario 3 - 12/30		Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed	Proposed Budget	Budget
24,842,290	(2,570,000)	-9.4%	-6.8%
5,533,140	-	0.0%	18.6%
10,194,050	-	0.0%	10.4%
437,720	-	0.0%	-17.4%
<b>41,007,200</b>	<b>(2,570,000)</b>	<b>-5.9%</b>	<b>0.0%</b>

**GENERAL FUND**

Update

Revenues	Adopted FY 19-20	Est. Actuals FY 19-20	Proposed FY 20-21	Net Change	Proposed Change from 2020 Budget
Property Tax <i>(FY 20-21: Adopted \$.2250 per \$100 of assessed valuation)</i>	11,870,300	11,922,016	12,333,900	463,600	3.9%
Other Local Taxes	6,973,000	6,872,662	7,101,500	128,500	1.8%
Permits, Fees and Licenses	371,000	260,836	327,000	(44,000)	-11.9%
Fines and Forfeitures	395,000	336,512	407,000	12,000	3.0%
Use of Money and Property	399,000	377,093	411,700	12,700	3.2%
Parks and Recreation Fees	1,264,600	559,429	1,180,000	(84,600)	-6.7%
Special Services Fees	35,000	46,216	157,500	122,500	350.0%
Miscellaneous Revenues	115,800	226,433	149,300	33,500	28.9%
Categorical Aid	3,270,800	3,233,949	3,252,600	(18,200)	-0.6%
Non Categorical Aid	400	355	400	-	0.0%
Federal Revenues	85,000	76,191	59,000	(26,000)	-30.6%
Interfund Transfers	433,130	433,130	523,660	90,530	20.9%
Use of Prior Year Reserves	500,000	0	795,000	295,000	59.0%
Equip. Repl. Reserve/PEG	1,012,000	835,760	713,730	(298,270)	-29.5%
<b>TOTAL</b>	<b>26,725,030</b>	<b>25,180,582</b>	<b>27,412,290</b>	<b>687,260</b>	<b>2.6%</b>

Proposed Change from 2020 Budget
3.9%
1.8%
-11.9%
3.0%
3.2%
-6.7%
350.0%
28.9%
-0.6%
0.0%
-30.6%
20.9%
59.0%
-29.5%
<b>2.6%</b>

Scenario 3 - 12/30		Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed	Proposed Budget	Budget
12,333,900	0	0.0%	3.9%
6,021,500	(1,080,000)	-15.5%	-13.6%
227,000	(100,000)	-27.0%	-38.8%
232,000	(175,000)	-44.3%	-41.3%
271,700	(140,000)	-35.1%	-31.9%
580,000	(600,000)	-47.4%	-54.1%
82,500	(75,000)	-214.3%	135.7%
149,300	-	0.0%	28.9%
2,852,600	(400,000)	-12.2%	-12.8%
400	-	0.0%	0.0%
59,000	-	0.0%	-30.6%
523,660	-	0.0%	20.9%
795,000	-	0.0%	59.0%
713,730	-	0.0%	-29.5%
<b>24,842,290</b>	<b>(2,570,000)</b>	<b>-9.4%</b>	<b>-6.8%</b>

**DEBT SERVICE FUND**

Revenues	Adopted FY 19-20	Est. Actuals FY 19-20	Proposed FY 20-21	Net Change	Proposed Change from 2020 Budget
Other Local Taxes	2,902,800	2,479,850.0	3,084,300	181,500	6.3%
Use of Money	120,000	168,000.0	90,000	(30,000)	-25.0%
Federal Revenues	33,000	33,000.0	33,000	-	0.0%
Interfund Transfers	1,609,470	1,609,462.0	2,325,840	716,370	44.5%
<b>TOTAL</b>	<b>4,665,270</b>	<b>4,290,312</b>	<b>5,533,140</b>	<b>867,870</b>	<b>18.6%</b>

Proposed Change from 2020 Budget
6.3%
-25.0%
0.0%
44.5%
<b>18.6%</b>

Scenario 3 - 12/30		Adjusted Change from Proposed Budget	Adjusted Change from 2020 Budget
Adj Proposed FY 20-21	Change from Proposed	Proposed Budget	Budget
2,060,000	(1,024,300)	-33.2%	-29.0%
90,000	-	0.0%	-25.0%
33,000	-	0.0%	0.0%
3,350,140	1,024,300	44.0%	108.2%
<b>5,533,140</b>	<b>-</b>	<b>0.0%</b>	<b>18.6%</b>

# Next Steps

- July 24, 2020
  - Review 2020 results; memo to Council; adjust 2021 spending if necessary
- September 14, 2020 Council Meeting
  - Review first two months 2021 results; adjust 2021 spending if necessary
- October 26, 2020 Council Meeting
  - Review first quarter 2021 results; adjust 2021 spending if necessary
- December 14, 2020 Work Session
  - Review results through November, 2020; determine if more spending cuts are required; may take formal budget action in January