

City Council – Action Request Form

Date: June 15, 2020

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager
Patrice Y. Toney, Budget and Evaluation Director

Council Action Requested:

Consideration of Fiscal Year 2020-2021 Budget-Related Items

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain the City's Financial Strength

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

On May 21, 2020, the City Manager distributed his budget proposal for fiscal year 2020-2021 to the Mayor and City Council. The proposed budget totaled \$470.6 million, which included \$362.3 million for operations, \$52.6 million for debt service, and \$55.7 million for capital. A budget preview shared with the Mayor and City Council on May 11, 2020, showed a gap between projected general fund revenues and expenditures of \$13.4 million, due to the economic impact of COVID-19. To balance the 2020-21 budget in these tough economic times, strategies are employed to decrease expenditures, such as, position vacancy deletions, hiring freezes (excluding those deemed essential or critical), deferral of all employee pay increases (i.e., merit, public safety supplemental pay), and capital equipment replacement deferrals (except for a limited number of the most critical replacement needs, primarily in public safety). Also, an additional use of general fund balance of \$3.4 million is budgeted, beyond the typical \$2 million in fund balance appropriation, due to a significant loss of projected revenue. The budget was balanced with no proposed property tax rate increase.

Highlights of the proposed budget included:

- No property-tax increase; tax rate remains 63.74 cents for every \$100 of value.
- \$5.4 million use of fund balance.

Committee _____

Action _____

For _____

Against _____

Remarks: _____

- \$4 million use of economic development project fund reserves.
- No merit increase for all employees.
- No public safety supplemental pay.
- No new or increased user fees.
- No reduction in services to households.
- Elimination of 24 vacant positions.
- \$707,900 for downtown improvements, financed through the 9-cent Business Improvement District levy on downtown businesses and residents.
- \$1.2 million in grants for community agencies.

The Finance Committee held three budget workshops and a public hearing on the City Manager's budget proposal in May and June.

At its final workshop on June 4, 2020, the Committee recommended no changes to the proposed budget.

Attachment 1 provides the Finance Committee's recommended funding for community agencies supported from general fund, occupancy tax, and housing fund revenues.

On June 15, 2020, the Mayor and City Council will conduct a final public hearing (**item G-1**), as required by State law, and will consider the following budget-related items:

- **Item G-2:** Resolution in Support of Reallocating \$1 Million of Proposed Fiscal Year 2020-2021 Police Appropriations For An Anti-Poverty Initiative, as recommended by Public Safety Committee
- **Item G-3:** Annual appropriation/tax levy ordinance for fiscal year 2020-2021, authorizing the City's annual operating appropriations and adopting the property tax rate of 63.74¢ per \$100 of assessed valuation and a property tax rate of 9.0¢ per \$100 of assessed valuation on property in the Downtown Winston-Salem Business Improvement District, as recommended by the Finance Committee
- **Item G-4:** Project budget ordinance for fiscal year 2020-2021, authorizing appropriations for certain special revenue funds, capital projects, enterprise capital projects, internal service capital projects, and capital equipment funds, as recommended by the Finance Committee
- **Item G-5:** Motion to Excuse Council Member Taylor from Items G-6 and G-7
- **Item G-6:** Annual appropriation/tax levy ordinance for fiscal year 2020-2021, authorizing the City's annual operating appropriations for anticipated revenues and expenditures for Marketing and Communications to include advertising, books,

magazines, and periodicals by fund, together with a financial plan for internal service funds, as recommended by the Finance Committee

- **Item G-7:** Project budget ordinance for fiscal year 2020-2021, authorizing appropriations for expenditures on advertising, books, magazines, and periodicals, and revenues for fiscal year 2020-2021 and thereafter for select Special Revenue funds, as recommended by the Finance Committee
- **Item G-8:** Resolution approving the capital plan for fiscal years 2020-2021 through 2025-2026 as a financial planning guide, as recommended by the Finance Committee
- **Item G-9:** Resolution authorizing an interlocal agreement between the City of Winston-Salem and Forsyth County for grant funds to support the District Attorney's Domestic Violence Unit, as recommended by the Finance Committee
- **Item G-10:** Resolution Amending Article II of the City of Winston-Salem Personnel Resolution to Adjust the Common Performance Evaluation Date, Add and Delete Certain Position Classifications, and Allow for Mid-year Merit Pay Adjustments if Federal and State Corona Virus Relief Funding is Received and Amending Article III to Increase the Number of Holidays that an Employee Can Carry over Each Calendar Year, to Eliminate the Number of Days to Use Accrued Holidays, and to Expand the Availability of Advanced Sick Leave for COVID-19 Related Circumstances, as recommended by the Finance Committee
- **Item G-11:** Resolution Prioritizing Uses Of Potential Federal And State Coronavirus Relief Funding, recommended by the Finance Committee
- **Item G-12:** Resolution Establishing Austerity Measures To Manage The FY 2020-2021 Budget, recommended by the Finance Committee