

Impact of COVID-19

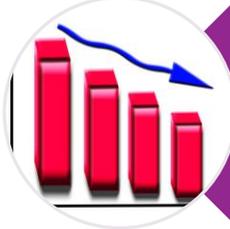
FY 2019-20 Budget Update and FY 2020-21 Budget Preview

FY 2020-21 Budget

Economic Impact of COVID-19



UNEMPLOYMENT
22 million unemployment claims filed in the last seven weeks, estimated Unemployment Rate 17% nationally



GDP
Estimated decline in GDP of 30% for Q2 2020



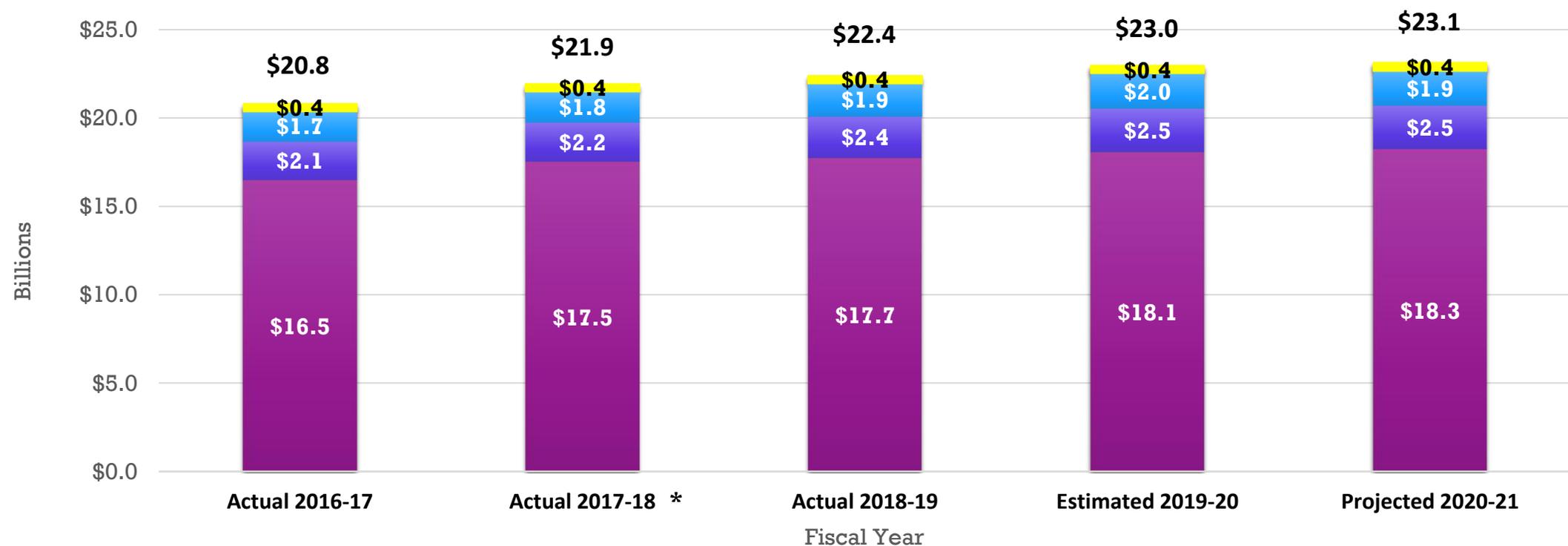
CONSUMER CONFIDENCE
General market volatility and uncertainty



FEDERAL STIMULUS
Expanded unemployment benefits, stimulus checks, small business relief, early tax credit

Property Tax Base

(General Fund, Debt Service, and Transit Funds)



* Revaluation Year

■ Real Property

■ Personal Property

■ Registered Motor Vehicles

■ Public Service Companies

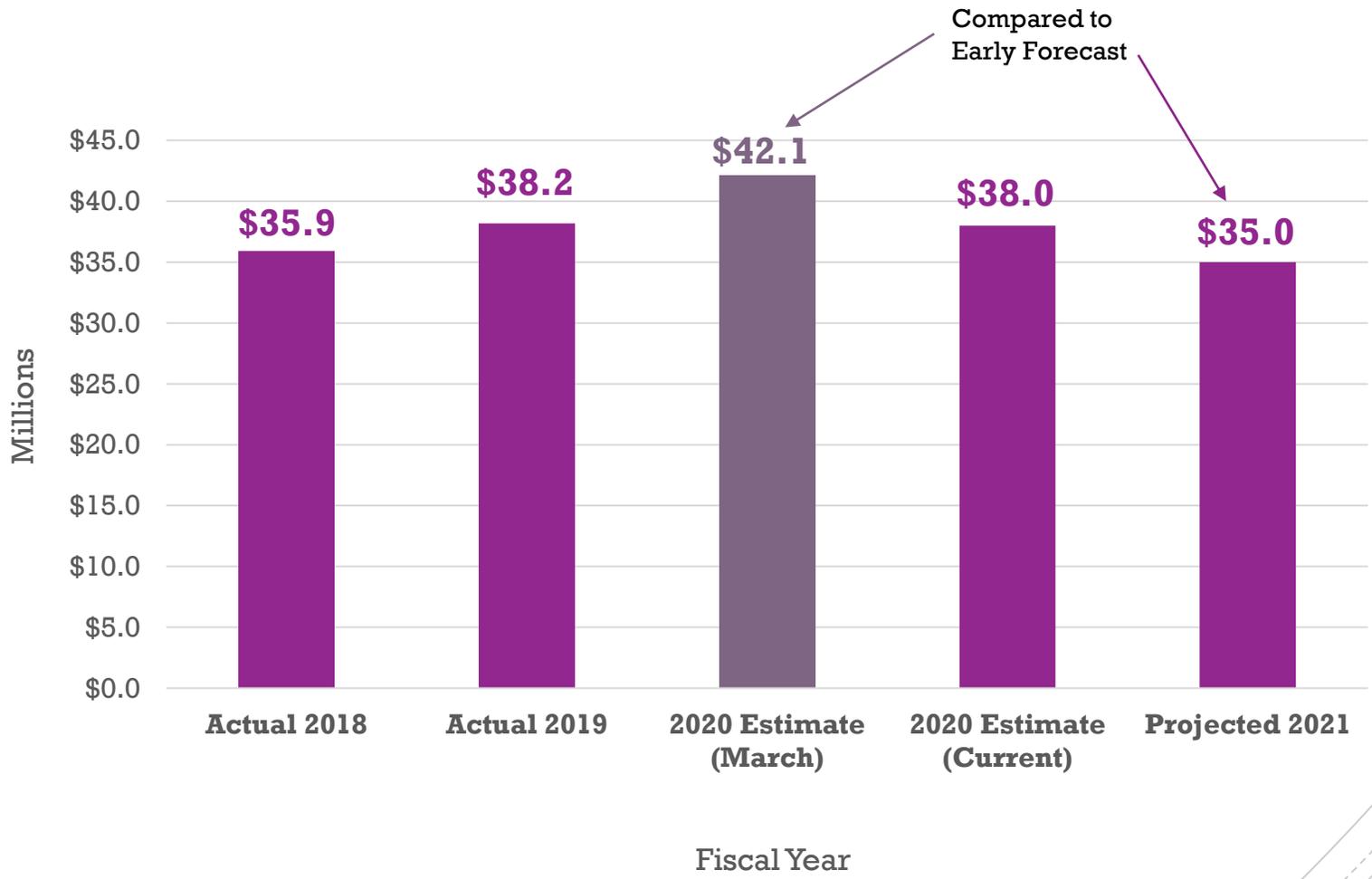
- FY 2020-21 Budget projects a .6% growth in the Tax Base (based on the May 1st Tax Office estimate)

■ *Early Forecast estimated a 1.9% Growth in the Tax Base; and 2.5% year-end*



FY 2020-21 Budget

**LOCAL
OPTION
SALES TAX
(GENERAL FUND)**

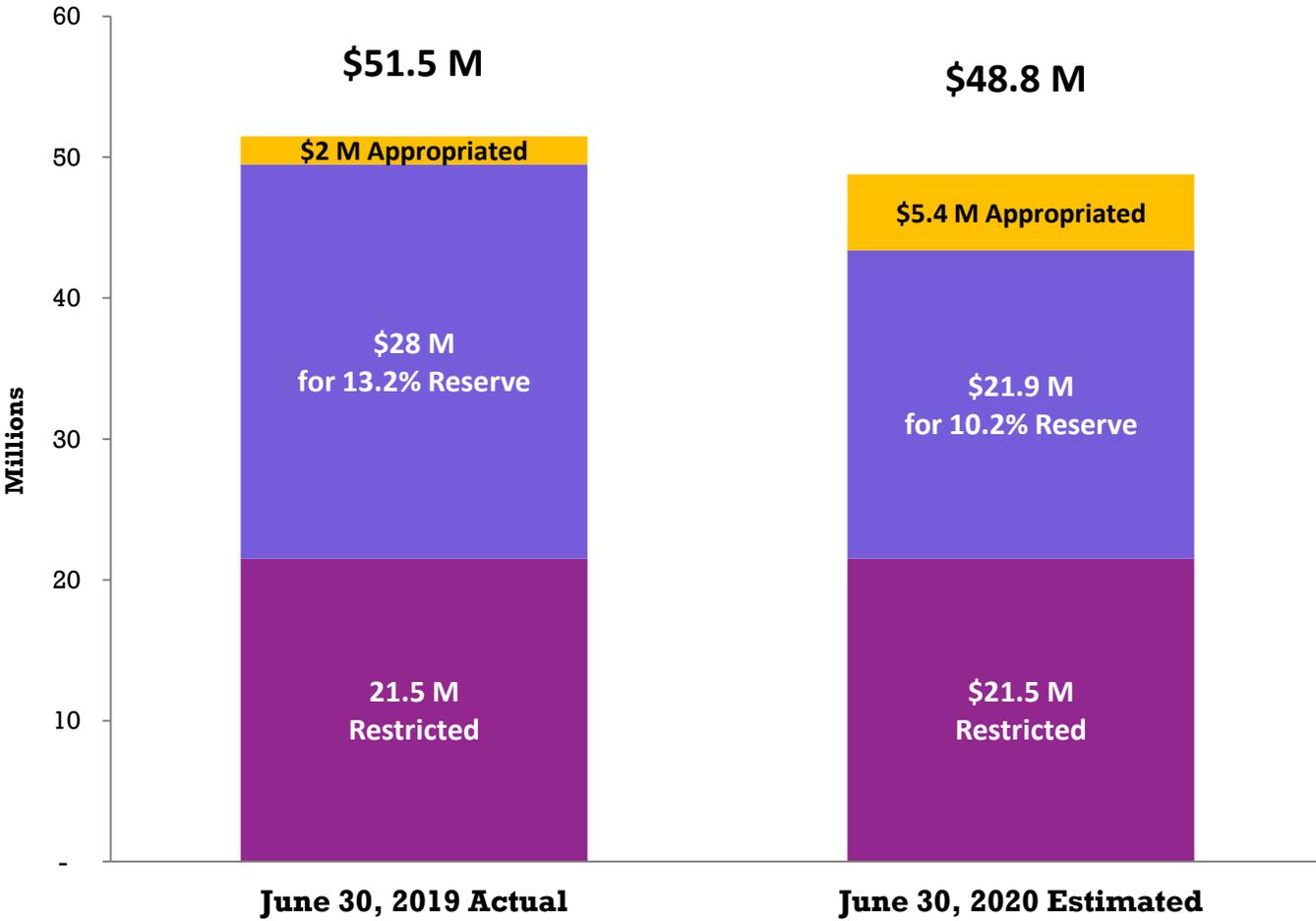


FY 2019-20 Year-end Estimate

General Fund Balance

FY 2019-20 Year-end Estimated Budget
\$210.5 M – Expenditures
\$207.9 M - Revenues
(\$2.6 M – Use of Fund Balance)

Estimated Fund Balance at June 30, 2020 compared to June 30, 2019 Actual



FY 2020-21 Budget

Proposed General Fund Budget

\$13.4 million Gap

	FY 20 Adopted	FY 21 Proposed	% Change
REVENUES			
Property Taxes	\$110,285,730	111,484,120	1%
Sales Taxes	39,378,500	34,990,090	-13%
Other Taxes	347,660	360,000	3%
Licenses and Permits	6,327,430	6,047,170	-5%
Intergovernmental	27,070,720	26,667,170	-2%
Charges for Service	18,144,940	17,743,360	-2%
Other Revenues	5,126,110	4,305,290	-19%
Transfers In	3,210,660	3,113,360	-3%
Fund Balance	2,000,000	2,000,000	0%
Revenues Subtotal	\$211,891,750	\$206,710,560	-3%
EXPENDITURES			
Personnel	\$150,140,180	154,760,570	3%
Operating	54,798,250	57,893,950	5%
Capital Outlay	-	-	0%
Leasing	7,596,980	8,096,980	6%
Interdepartmental	-7,035,330	-7,416,940	-5%
Transfers Out	6,391,670	6,740,310	5%
Expenditures Subtotal	\$211,891,750	\$220,074,870	4%
Surplus/(Deficit)	\$0	(\$13,364,310)	

FY 2020-21 Budget

**Proposed Budget
Balancing Options
to Close the
\$13.4 M Gap**

Budget Principles

- Protect existing employees
- No enhancements or new programs
- Minimize impact to current services

Balancing Adjustments	\$
Eliminate average 2% merit of all employees	\$2,664,030
Postpone minimum hourly increase to FY 22	333,300
Eliminate 20 vacant positions	900,000
Eliminate public safety supplement	729,260
Reduce I.S. charges	150,000
Eliminate transfer to Parking Fund	500,000
Limited equipment replacement	696,510
Uncommitted Economic Development revenues	4,000,000
Additional fund balance appropriation	3,391,210
Total	\$13,364,310



FY 2019-20 Year-end

Current Year Impact of COVID-19 on Other Funds

Occupancy Tax

- 25% reduction in occupancy tax receipts
- The occupancy tax fund balance will be nearly depleted.

Debt Service

- Minimal impact to the financial projection
- Revenues in FY 19 were higher than expected which has helped offset potential decreases in revenues for FY 20.
- Refinancing of debt issues in FY 20 have decreased future debt service expenses.

WSTA

- Eligible up to \$12.4 million in CARES Act Funds

Stormwater

- Stormwater revenues are trending 3.5% less than last year.
- At this point, no material effect on the fund due to COVID-19.

Water and Sewer

- Projected revenues expected to be \$5 million less than budget.
- Debt service expenses are decreased due to refinancing of debt, and operations are expected to be less than budget.
- Staff will closely monitor revenues and adjust capital spending as needed.

Fairgrounds

- Projected to use \$479,000 in reserves, mainly due to a \$280,000 subsidy for Bowman Gray Stadium.
- 25% estimated reduction in Carolina Classic Fair revenue for 2020.

Date	FY 2020-21 Budget Review Calendar (via WebEx)
Thursday, May 21 3:00 p.m.	Presentation of Proposed Budget to the Mayor and City Council <i>Budget Overview, Budget Document, and 2020-21 Capital Plan</i>
Thursday, May 28 4:00 p.m.	Finance Committee Budget Workshop and Public Hearing <i>Community Agencies Highlights</i>
Thursday, June 4 4:00 p.m.	Finance Committee Budget Workshop <i>Consideration of a recommended budget and property tax rate</i>
Monday, June 15 7:00 p.m.	FY 2020-21 Budget Adoption <i>2nd Public Hearing and Budget Adoption</i>