

FISCAL YEAR 2013-14 BUDGET DISCUSSION POINTS

- **BUDGET STABILIZATION FUND:** The proposed budget includes the \$1,000,000 Budget Stabilization Fund. This will be the ninth year for the Fund. The Budget Stabilization Fund not only serves as a “rainy day fund” but is good as working capital throughout the year.
- **ESTIMATED BUDGET SURPLUS:** While we still have nearly five months remaining in the current fiscal year, we are not yet at this time projecting a surplus number for the end of the year. As we all know, because of the volatility in the economy, any number presented now could fluctuate. City Council, as part of the budget process, has the flexibility to appropriate an estimated surplus for any purpose including economic development, projects, equipment, employees, etc.
- **NO TAX INCREASES PROPOSED:** The proposed budget doesn’t include any proposed increases in taxes. Projected revenues are \$30,444,000.00 for Fiscal Year 2013-14 compared to \$30,217,862.00 for Fiscal Year 2012-13. In addition, \$200,000.00 is our beginning cash position each year, which raises both revenue figures by \$200,000.00, and this sets estimated revenues at \$30,417,862.00 for Fiscal Year 2012/13 and \$30,644,000.00 for proposed Fiscal Year 2013/14. Proposed expenditures are \$30,644,000.00 compared to \$31,230,402.00 in Fiscal Year 2012-13.

Last year’s carry-over was \$1,012,540.00. Also please note that the “in and out” of the \$1,000,000.00 Budget Stabilization Fund has increased the budget by \$1,000,000.00 each year in the past nine years.

Additionally, I think that it is important to note that \$2,953,000.00, or approximately 10% of the budget, is in effect a pass through. I’ve listed four of these areas and compared them to 2000.

2000 (Actual)	Agency	2013-14 (Proposed)
\$ 273,118.00	Wheeling Park Commission Levy	\$ 406,000.00
\$ 602,800.00	Transit Levy (OVRTA)	\$ 1,047,000.00
\$ 0.00	Track Video Lottery Police/ Fire Pension	\$ 500,000.00 *
\$ 0.00	Budget Stabilization Fund	\$ 1,000,000.00
<hr style="width: 100%; border: 0.5px solid black;"/> \$ 877,918.00	TOTAL	<hr style="width: 100%; border: 0.5px solid black;"/> \$ 2,953,000.00

*This number has been as high as \$1,365,000.00.

Significant expenditure increase items for Fiscal Year 2013-14:

Health Insurance	\$218,550.00	8.6%
Police/Fire Pension	\$235,000.00	(Automatic 7%/yr increase)

- **EMPLOYEE WAGES AND BENEFITS:** This proposed budget doesn’t include a wage increase for City employees. In addition, it proposes to maintain the current 80% (City)/20% (employee) monthly health insurance formula. As a result, the City paid cost of family coverage for a full-time employee would increase from \$971.00/month to \$1,054.61/month and the cost of single coverage would increase from \$348.84/month to \$378.84/month. The estimated additional cost to the City is \$3,575,043.00, which is distributed to all funds. The impact on the General Fund is estimated at \$2,761,550.00.

The insurance breakdown of the 80/20 for Fiscal Year 2013-14 is estimated as follows:

	City 80%	Employee 20%
Family	\$1,054.00/month	\$247.60 /month
Single	\$378.84/month	\$94.72 /month

- **CAPITAL PROJECTS:** As I mentioned in the cover letter, this proposed budget is an operating budget for Fiscal Year 2013-14 with no capital projects. To maintain a stable budget as well as stable City services, City Council has typically reviewed capital projects in accordance with the budget schedule at the July Finance Committee meeting when the *actual* budget surplus is known.

While the proposed Fiscal Year 2013-14 General Fund Budget currently doesn't include capital projects, the City continues to make a significant investment in upgrading and maintaining our infrastructure. Several projects are already funded or planned during the past two years. They include the following:

PROJECT	EST. COST	FUNDING SOURCE	FUNDING STATUS
Clator Sewer Separation	\$ 962,269.00	Wastewater Bonds	Construction Completed
Combine Sewer Connector Modifications	\$ 795,600.00	Wastewater Bonds	Construction Completed
Stamm's Lane Sewer Separation	\$ 661,555.00	Wastewater Bonds	Construction Completed
Alice Ave. Sewer Separation	\$ 247,397.00	Wastewater Bonds	Construction Completed
Main Street Sewer Cleaning	\$ 375,490.00	Wastewater Bonds	Construction Completed
41 st & 42 nd Street Sewer Cleaning	\$ 271,318.00	Wastewater Bonds	Construction Completed
39 th Street Storm Sewer	\$ 146,000.00	Water Pollution Funds/RCIP	Construction Completed
19 th Street Sanitary Sewer	\$ 22,803.00	Water Pollution Control Funds	Construction Completed
Virginia St./N. Wheeling Sidewalks	\$ 180,000.00	CDBG	Construction Completed
Water Pollution Control/ Warwood Pumpstation Plant	\$ 2,120,900.00	Wastewater Bonds	Construction Completed
Energy Savings Project	\$ 1,400,000.00	Various Energy Savings Line Items	Completed
TOTAL	\$ 7,183,332.00	For Fiscal Year 2011-12	

Demolition of 1100 Block	\$ 712,000.00	TIF	95% Complete
Demolition of JB Chambers East Wheeling Recreation Park Area	\$ 450,000.00	RCIP	Completed
Street Paving	\$ 437,000.00	CDBG/Gen Fund	Completed
Wetzel Street Sidewalks	\$ 40,000.00	CDBG	Completed
Isabelle Avenue Waterline	\$ 50,000.00	Water	March 2013
Total	\$ 1,689,000.00	Fiscal Year 2012-13	
Water Treatment Plant	\$ 34,500,000.00	Water Revenue Bonds	Proposed for July/August Construction
Market Plaza Renovation	\$ 500,000.00	TIF	Proposed July Construction
J B Chambers East Wheeling Recreation Park	\$ 1,700,000.00	Various Sources	Proposed Summer 2013
Elks Playground Project	\$ 400,000.00	CDBG	August 2013
1100 Block Restoration	\$ 400,000.00	TIF	June 2013
	\$ 37,500,000.00	Fiscal Year 2013-14	

- POLICE AND FIRE PENSIONS:** In accordance with the State required solvency schedule, the City's contribution to the Police and Fire Pension Funds increased again by 7%. This represents a \$119,000.00 increase for Police and a \$116,000.00 increase for Fire for a total of \$235,000.00. The total General Fund budget contribution for Police and Fire Pension for Fiscal Year 2013-14 is \$3,590,233.00. For comparison purposes, in 2002 the total overall General Fund contribution to Police and Fire Pensions was \$1,594,107. Please note that these figures don't include the Track Video Lottery funds as they are a pass through.
- STORMWATER MANAGEMENT:** As you know, City Council enacted a Stormwater Management Ordinance. As we move along, it is becoming clear that the West Virginia Department of Environmental Protection is going to require a substantial effort and program regulating the various aspects of stormwater management. The budget for our current program, which is in its infancy, remains the same as the current fiscal year, however as we work our way through this calendar year, we will be presenting a much more comprehensive approach which could necessitate the need for a stormwater utility component in Public Works.
- 9-1-1 COMMUNICATIONS CENTER:** Currently the County passes \$500,000.00 through to the City from landline and cellular 9-1-1 charges paid by users in Ohio County. However the current budget for 9-1-1 is \$763,657.00 which means that the General Fund is contributing \$263,657.00 towards this Department. This proposed budget includes a \$100,000 increase from 9-1-1 fees this year. Another possibility would be a recommendation that the County assume operations of the Center. Currently the City of Wheeling is the only city in West Virginia that operates a county wide 9-1-1 Center.

- **FEDERAL GRANTS:** Year in and year out the City receives federal grants for various purposes including Police, Fire, CDBG, First Time Homebuyer Funds, etc. The federal grant revenue can vary from year to year depending on our success in competitive grants. It is important to note that the standard grants such as CDBG and the Home Funds have been cut dramatically over the past two years (34% CDBG; 40% Home). In FY 2012-13 the City's CDBG Program was \$212,000 less than FY 2011-12 a 17% reduction. The revenue will be \$1,122,062. We have not been notified of the Fiscal Year 2013-14 CDBG Entitlement, but it could be cut by an additional 8%. While the CDBG Budget is a separate budget process, you will see changes in the City Departments that receive Block Grant Funds that reflect these reductions. In addition, the Cops Fast Grants from the Federal Stimulus Program have expired.
- **PROPOSED CDBG ENTITLEMENT:** I've enclosed a preliminary proposed CDBG Budget for Fiscal Year 2013-14. It goes under the assumption that the City will receive the same allocation as Fiscal Year 2012-13 at \$1,122,062.00. The proposed budget does include a change in funding levels as it pertains to public agencies. In the current fiscal year Wheeling Health Right and the Soup Kitchen did not receive CDBG funding. For the upcoming fiscal year I am recommending that both agencies receive funding and that the Wheeling Human Rights Commission receive a reduction in funding.
- In addition, the cost of the upcoming Comprehensive Plan Update, which is estimated to be \$100,000.00, would be funded from the "Administrative" line item. I am also recommending the \$400,000.00 be allocated to the Elks Playground Renewal Project. This historic Playground was built in part with federal funds and the City is required to maintain it as a public playground in perpetuity. These funds would only be utilized for the Playground and would be used for construction of restrooms, playground site work and lighted basketball court.