

FISCAL YEAR 2012-13 BUDGET DISCUSSION POINTS

- **BUDGET STABILIZATION FUND:** The proposed budget includes the \$1,000,000 Budget Stabilization Fund. This will be the eighth 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 \$29,693,000.00 for Fiscal Year 2012-13 compared to \$29,180,190.00 for Fiscal Year 2011-12. In addition, \$200,000.00 is our beginning cash position each year, which raises both revenue figures by \$200,000.00 which includes \$29,893,000.00 for Fiscal Year 2012-13. Proposed expenditures are \$29,893,000.00 compared to \$30,375,000.00 in Fiscal Year 2011-12.

Last year’s carry-over was \$1,191,292.00. 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 seven years.

Additionally, I think that it is important to note that \$2,898,600.00, or 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	2012-13 (Proposed)
\$ 273,118.00	Wheeling Park Commission Levy	\$ 408,000.00
\$ 602,800.00	Transit Levy (OVRTA)	\$ 1,040,000.00
\$ 0.00	Track Video Lottery Police/ Fire Pension	\$ 500,000.00 *
\$ 0.00	Budget Stabilization Fund	\$ 1,000,000.00
\$ 877,918.00	TOTAL	\$ 2,948,011.00

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

Significant expenditure increase items for Fiscal Year 2012-13:

Health Insurance	\$233,072.00
Police/Fire Pension	\$205,149.00

- **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 cost of family coverage for a full-time employee would increase from \$832.26/month to \$915.59/month and the cost of single coverage would increase from \$317.45/month to \$351.59/month. The estimated additional cost to the City is \$320,352.00, which is distributed to all funds. The impact on the General Fund is estimated at \$240,792.00.

The insurance breakdown of the 80/20 for Fiscal Year 2012-13 is estimated as follows:

	City 80%	Employee 20%
Family	\$915/month	\$228/month
Single	\$351/month	\$88/month

Please note that these are estimated, as bidding on health insurance occurs in March and April.

- **CAPITAL PROJECTS:** As I mentioned in the cover letter, this proposed budget is an operating budget for Fiscal Year 2012-13 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 2012-13 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. 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 Underway
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 Underway
Heritage Trail Expansion	\$ 450,000.00	State/Local RCIP	Construction to begin in Summer, 2012
Water Pollution Control/Warwood Pumpstation Plant	\$ 2,120,900.00	Wastewater Bonds	Construction Underway
Energy Savings Project	\$ 1,400,000.00	Various Energy Savings Line Items	Completed
TOTAL	\$ 7,633,332.00	For Fiscal Year 2011-12	
Water Treatment Plant	\$ 37,000,000.00	State RLF	Proposed Rate Ordinance Enacted - PSC Review Underway - Construction to begin in November 2012

Demolition of 11 Block	\$ 700,000.00	TIF	Construction to Begin April 2012
Market Plaza Renovation	\$ 500,000.00	TIF	Construction to Begin October 2012
East Wheeling Sports Complex	\$ 2,500,000.00	Various Sources	Construction to Begin June 2012
Wetzel Street Sidewalk	\$ 40,000.00	CDBG	Construction to Begin June 2012
	\$ 40,740,000.00		

- 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 \$111,215.00 increase for Police and a \$108,294.00 increase for Fire for a total of \$219,509.00. The total General Fund budget contribution for Police and Fire Pension for Fiscal Year 2012-13 is \$3,355,358.00. 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.
- SANITATION FEES FOR SERVICE:** This budget proposes an increase in the monthly sanitation fees for garbage and recycling pick up from \$13.00 per month to \$14.50.
- 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 \$774,000.00 which means that the General Fund is contributing \$274,000.00 towards this Department. This proposed budget includes a \$110,000 increase from 9-1-1 fees this year and \$110,000.000 next 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 will be \$212,000 less than FY 2011-12 a 17% reduction. The revenue will be \$1,122,062. 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.