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April 1, 2023

The Honorable City Council
City of Hopewell, Virginia

Dear City Council Members:

The support provided by City Council and Staff as I transitioned from Information Technology Director to Interim City Manager has been outstanding. With Council's and Staff support; services to our citizens, ongoing stewardship of public resources and community outreach (i.e., Trunk or Treat, Career and Job Fairs etc.) has continued with a spirit of excellence and great enthusiasm. It is indeed an honor to serve as Hopewell's Interim City Manager.

As we have proceeded since December 2022 implementing and accelerated FY 2024 budget calendar, I want to thank everyone (City Council, Staff and Schools) for the success thus far we have experienced during the budget development process.

Therefore, the attached proposed Fiscal Year 2023-2024 (FY 2024) Operating & Capital Budget has been prepared for Council's consideration. The FY 2024 budget addresses the operational and capital needs required for the operation of City services in the amount of \$197,269,655. The General Operating Fund is recommended for funding of \$61,431,781, an increase of \$4,018,362 or 7% over current FY 2022-2023. This increase is primarily due to City Council's approval of salary step increases for Public Safety & Public Works, a 5% COLA for non-step positions and essential service contracts. It should be noted that the proposed budget does not include any adjustment to current tax rates (Real Estate, Personal Property, Machinery & Tools and Meals Tax).

It is the hope of this Administration that in the Fall of this calendar year that we meet with Council to review areas that may require change in current budget practices to that of best practices and discuss those agreed upon ideas that will guide future budgets.

Guidelines

Constitutional Officers and Department Directors were provided guidelines for their submission, with the understanding the City has a set timeline to complete the FY 2024 budget, inclusive through adoption ascribed by state law. Specifically, FY 2024 proposed budget submission were to be based on the baseline budget equal to the amount of the department adopted budget for FY 2023. Expected expenditures exceeding the baseline required an explanation and justification to be included in the department's submission. Other matters guiding the

development of the proposed budget were that the City will continue the fiscally responsible practice of:

- adopting a structurally balanced budget that does not require a draw from Unassigned Fund Balance (UAFB) in order to address core service needs
- anticipating contingencies/litigation/risks/revenue decrease-stabilization and a financial plan to address the aforementioned, and
- ensuring the existing employee workforce are preserved & fiscally sustainable for their ongoing valued service they provide on behalf of the City to its citizens.

Highlights of the Proposed FY 2024 Budget

The proposed budget includes the following:

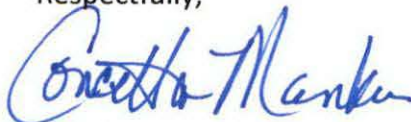
- No Health Care Cost Increase
- 5% COLA for Non-Step Positions
- Step Increases for Public Safety & Public Works
- 2 New Positions: Assistant City Manager & Deputy Fire Chief
- New City Vehicle Leasing Program
- School Operating Funding (Fund 014) of \$12,500,000 (FY 2023 baseline level)
- Mandated Services Funding (Social Services & CSA)

Also, prepared for your information and consideration are the following attachments:

- Proposed FY 2024 Budget Calendar
- Proposed Tax Rates
- City Manager's Revenue Committee
- Proposed Estimated Revenues & Appropriations by Fund

In summary, this proposed budget for FY 2024 provides adequate funding that will enable the City Departments to fulfill their mission in rendering of service to the citizens of Hopewell during this challenging time for our nation.

Respectfully,



Dr. Concetta Manker
Interim City Manager

Proposed City Budget Calendar for FY 2024 (Revised 3.31.23)

- December 1, 2022:** Notification & Instructions to Departments (Operating Budget Requests-Excel)
- January 6, 2023:** Deadline for Operating Budget Requests by Departments (Excel Version)
- January 10, 2023:** Notification & Instructions to Departments (Capital Budget Requests-Excel)
- January 27, 2023:** Deadline for Capital Budget Requests by Departments (Excel Version)
- January 30, 2023:** Notification & Instructions to Departments (Operating & Capital-MUNIS)
- February 10, 2023:** Deadline for MUNIS Entry of FY 2024 Budget Requests by Departments
- March 14, 2023:** Advertise Public Hearing (4-18-2023) on Tax Rate in Newspapers
- March 16, 2023:** Work Session on Department Requests/Presentations
- March 23, 2023:** Schools Presentation & Discussion of Outside Agency Requests
- March 28, 2023:** Notice of Public Hearing on Tax Rate (4-11-2023) on Consent Agenda
Notice of Public Hearing (4-25-2023) on FY 2024 School Division Budget on Consent Agenda
Notice of Public Hearing (4-25-2023) on City FY 2024 Budget on Consent Agenda
- April 1, 2023:** City Manager's Proposed FY 2024 Budget to City Council
- April 4, 2023:** Advertise Public Hearing (4-25-2023) on FY 2024 School Division Budget
Advertise Public Hearing (4-25-2023) on City Budget in Newspapers
- April 18, 2023:** Work Session on Revenue Projections & Adoption of the Tax Rate Resolution
- April 20, 2023:** Work Session on Expenditures & CIP
- April 25, 2023:** Public Hearing and Approval on 1st Reading of the FY 2024 School Division Budget
Public Hearing and Approval on 1st Reading of the FY 2024 City Budget
- May 5, 2023:** Begin Preparation of Tax Bills
- May 9, 2023:** Approval on Second Reading of the FY 2024 City Budget
Approval on Second Reading of FY 2024 School Division Budget
- May 12, 2023:** Tax Bill Mailing Date
- June 15, 2023:** Real Estate Tax Bill Payments Due

City of Hopewell, VA
FY 2023-2024
Proposed Tax Rates

- Real Estate Tax Rate -- **\$1.13** per \$100 of assessed value
- Personal Property Tax Rate -- **\$3.50** per \$100 of assessed value
- Machinery & Tools Tax Rate -- **\$3.10** per \$100 of assessed value
- Meals Tax Rate -- **6.0%**
- Lodging Tax Rate -- **8.0%**

City of Hopewell, VA
FY 2023-2024 Proposed Budget
City Manager's Revenue Committee

- City Manager
- Commissioner of Revenue
- Treasurer
- Real Estate Assessor
- Finance Director
- Budget Analyst

PROPOSED BUDGET FISCAL YEAR 2023-24

General Fund-011:

Estimated Revenues:

From Local Sources

General Property Taxes.....	\$41,604,997
Other Local Taxes.....	6,475,000
Licenses, Permits, Fees.....	908,100
Fines & Forfeitures.....	860,500
Use of Money/Property.....	65,000
In-Lieu of Taxes.....	1,257,500
Other Local Revenues.....	418,994

From Other Agencies

State Sources.....	8,279,190
Federal Sources.....	171,000

Cost Recovery & Reserves

Cost Recovery from Social Services-012.....	507,000
Cost Recovery from Solid Waste-030.....	502,000
Cost Recovery from Sewer Services-041.....	382,500
Use of Reserve Funds.....	0
Total Revenues.....	\$61,431,781

Appropriations:

General Government:

City Council.....	186,526
City Clerk.....	170,112
City Attorney.....	420,271
City Manager.....	1,500,136
Information Technology.....	1,782,254
Human Resources.....	560,314
Finance Department.....	2,358,530
Development Department.....	1,301,536
Non-Departmental.....	759,418

Courts:

Circuit Court.....	132,348
General District Court.....	140,768
Court Services.....	7,000
VJCCCA Grant.....	172,929
Crater Detention Facility.....	411,000

Regional Jail.....	2,550,000
Constitutional Offices:	
Clerk of Circuit Court	567,562
Commonwealth Attorney.....	962,327
Commissioner of Revenue.....	689,919
Sheriff	2,132,395
Treasurer	715,372
Voter Registrar.....	330,023
Victim Witness.....	184,256
Police Department.....	9,949,058
Fire Department	6,495,688
Public Works Department.....	6,137,479
Outside Agencies	2,150,690
Operating Transfers	18,543,870
Contingency	<u>120,000</u>
Total General Fund	\$61,431,781

Social Services Fund-012:

Estimated Revenues:	
From State Sources	\$2,813,463
From Federal Sources	3,129,978
Transfer from General Fund-011	<u>1,090,217</u>
Total Revenues	\$7,033,658

Appropriations:	
Administration	1,164,041
Eligibility	<u>5,869,617</u>
Total Social Services Fund	\$7,033,658

Children's Services Act Fund-015:

Estimated Revenues:	
From State Sources	\$2,874,496
Transfer from General Fund-011	<u>1,009,957</u>
Total Revenues.....	\$3,884,453

Appropriations:	
Administration	184,453
Direct Services	<u>3,700,000</u>
Total Children's Services Act Fund.....	\$3,884,453

Recreation Fund-035:

Estimated Revenues:

Fees & Charges	\$161,050
Transfer from General Fund-011	<u>1,934,760</u>
Total Revenues.....	\$2,095,810

Appropriations:

Recreation Center Div.....	699,701
Community Div	273,840
Athletics Div	148,350
Seniors Div.....	156,116
Pool Div	180,437
Parks Div.....	<u>637,366</u>
Total Recreation Fund.....	\$2,095,810

Marina Fund-038:

Estimated Revenues:

Rentals.....	<u>\$25,000</u>
Total Revenues.....	\$25,000

Appropriations:

Insurance	3,250
Operating Expenses	<u>21,750</u>
Total Marina Fund	\$25,000

Self-Insurance Fund-076:

Estimated Revenues:

Transfer from General Fund-011	<u>\$600,000</u>
Total Revenues.....	\$600,000

Appropriations:

Property/Liability Insurance Premiums	<u>600,000</u>
Total Self Insurance Fund.....	\$600,000

Cemetery Fund-003:

Estimated Revenues:

Interest Income.....	\$15,000
Grave Site Sales	<u>20,000</u>
Total Revenues.....	\$35,000

Appropriations:

Operating Supplies.....	2,500
Grass Cutting	30,000
Utilities.....	<u>2,500</u>
Total Cemetery Fund	\$35,000

School Operating Fund-014:

Estimated Revenues:	
From State Sources	\$38,516,284
From Federal Sources	13,375,373
Other Revenues.....	3,012,149
Transfer from General Fund-011	<u>12,500,000</u>
Total Revenues.....	\$67,403,806
Appropriations:	
Non-Categorical.....	<u>67,403,806</u>
Total School Operating Fund.....	\$67,403,806

School Textbook Fund-056:

Estimated Revenues:	
From State Sources	<u>\$500,000</u>
Total Revenues.....	\$500,000
Appropriations:	
Textbook Purchases	<u>500,000</u>
Total School Textbook Fund	\$500,000

School Cafeteria Fund-057:

Estimated Revenues:	
From State Sources	\$25,958
From Federal Sources	2,400,000
Other Revenues.....	<u>244,450</u>
Total Revenues.....	\$2,670,408
Appropriations:	
Operating Expenses	<u>2,670,408</u>
Total School Cafeteria Fund	\$2,670,408

School Bldg/Bus Replacement Fund-063:

Estimated Revenues:	
Other Revenues.....	<u>\$47,180</u>
Total Revenues.....	\$47,180
Appropriations:	
Appropriations	<u>47,180</u>
Total School Bldg/Bus Replacement Fund.....	\$47,180

Solid Waste Fund-030:

Estimated Revenues:	
Fees & Charges	<u>\$2,962,609</u>
Total Revenues.....	\$2,962,609
Appropriations:	
Curb-Side Pickup	2,744,264
Convenience Center	<u>218,345</u>
Total Solid Waste Fund	\$2,962,609

Sewer Operations Fund-040:

Estimated Revenues:	
Charges for Services	<u>\$8,191,033</u>
Total Revenues.....	\$8,191,033
Appropriations:	
Transfer to Sewer Maintenance Fund-041	6,554,662
Transfer to Sewer Bond Fund-043.....	<u>1,636,371</u>
Total Sewer Operations Fund	\$8,191,033

Sewer Maintenance Fund-041:

Estimated Revenues:	
Transfer from Sewer Operations Fund-040	\$6,554,662
Interest Income.....	<u>235,000</u>
Total Revenues.....	\$6,789,662
Appropriations:	
Maintenance & Inspections.....	1,651,571
City Pump Stations	4,418,091
Capital	<u>720,000</u>
Total Sewer Maintenance Fund	\$6,789,662

Sewer Bond Fund-043:

Estimated Revenues:	
Transfer from Sewer Operations Fund-040	<u>\$1,636,371</u>
Total Revenues.....	\$1,636,371
Appropriations:	
Bond Principal	630,000
Bond Interest.....	<u>1,006,371</u>
Total Sewer Bond Fund	\$1,636,371

Storm Water Fund #1-048:

Estimated Revenues:	
Storm Water Fees.....	<u>\$904,000</u>
Total Revenues.....	\$904,000

Appropriations:	
Operating Expenses	<u>904,000</u>
Total Storm Water Fund #1	\$904,000

Storm Water Fund #2-049:

Estimated Revenues:	
Storm Water Fees.....	<u>\$10,000</u>
Total Revenues.....	\$10,000

Appropriations:	
Operating Expenses	<u>10,000</u>
Total Storm Water Fund #2	\$10,000

Hopewell Water Renewal Fund-032:

Estimated Revenues:	
Industrial User Charges.....	<u>\$24,270,477</u>
Total Revenues.....	\$24,270,477

Appropriations:	
Operating Expenses	16,524,206
Capital	<u>7,746,271</u>
Total Hopewell Water Renewal Fund.....	\$24,270,477

Debt Service Fund-070:

Estimated Revenues:	
Food Tax	\$2,600,000
Lodging Tax.....	950,000
Fund 070 Revenue	153,424
Transfer from General Fund-011	<u>1,136,017</u>
Total Revenues.....	\$4,839,441

Appropriations:	
Debt Service.....	<u>4,839,441</u>
Total Debt Service Fund	\$4,839,441

Capital Projects Fund-071:

Estimated Revenues:

From State Sources	\$1,000,000
Transfer from ARPA Funding	<u>119,547</u>
Total Revenues.....	\$1,119,547

Appropriations:

Engineering-VDOT Projects.....	1,000,000
Fire-Ladder Truck Lease Payment.....	<u>119,547</u>
Total Capital Projects Fund	\$1,119,547

Economic Development Fund-075:

Estimated Revenues:

Transfer from General Fund-011	<u>\$20,000</u>
Total Revenues.....	\$20,000

Appropriations:

Operating Expenses	<u>20,000</u>
Total Economic Development Fund	\$20,000

Healthy Families Fund-090:

Estimated Revenues:

Donations	\$139,500
From State Sources	407,000
Transfer from General Fund-011	<u>252,918</u>
Total Revenues.....	\$799,418

Appropriations:

Operating Expenses	<u>799,418</u>
Total Healthy Families Fund	\$799,418

Total Budget **\$197,269,655**