



CITY OF SALEM, VIRGINIA
PROPOSED ANNUAL BUDGET
FISCAL YEAR 2016-2017

CITY OF SALEM, VIRGINIA PROPOSED BUDGET

**FOR FISCAL YEAR
2016-2017**

COUNCIL MEMBERS

**Byron R. Foley – Mayor
John C. Givens – Vice-Mayor
Jane W. Johnson
William D. Jones
James L. Chisom**

**Kevin S. Boggess – City Manager
James E. Taliaferro – Assistant City Manager
Rosemarie B. Jordan - Director of Finance**



CITY OF SALEM, VIRGINIA

114 NORTH BROAD STREET
OFFICE OF CITY MANAGER P. O. BOX 869 24153-0869
(540) 375-3016

March 14, 2016

Council of the City of Salem
P.O. Box 869
Salem, Virginia 24153-0869

Dear Council Members:

I am presenting for your consideration the budget for the fiscal year beginning July 1, 2016. This budget is in accordance with the provisions of Section 8.3 of the Charter of the City of Salem, and the applicable state laws.

The budget being presented shows an improvement in the economic conditions that have plagued the City for several years. As presented, this budget includes an increase in assessments, a 2.5% salary increase for full-time and part-time employees and a limited amount of capital outlay. This session of the General Assembly concluded on Friday, March 11. As of the time of presentation of the budget, we have not received final notification on any possible increases in funding from state sources. We will review any changes in funding during our work sessions.

The total of the General Fund budget is \$75,765,556 which is an increase of \$1,572,512 or 2.1% over the previous year.

The general fund budget includes a transfer of \$19,270,796 to Schools. It also includes a debt service payment for Schools of \$2,123,202, and an anticipated allocation from meals tax of \$449,903. This is a total transfer to Schools of \$21,843,901, or 28.8% of the General Fund budget.

Some other highlights of the budget are:

- The proposed budget includes a 2.5% increase for full-time and part-time employees. This will allow us to adjust all full-time employees by one step on the pay scale. This will begin to help us alleviate the compression issues that we are experiencing currently.

- The General Fund budget includes funding for a pay study. It has been approximately 11 years since the last study was completed. The results of the study will provide data for staff to use in developing a long-term plan on correcting any pay issues that may exist in the City.
- The General Fund budget includes a lump-sum amount of \$500,000 in funding for capital purchases. This amount for general fund capital purchases will be allocated to specific purchases as part of the budget work session.
- An increase in health and dental insurance costs of 5% is included in the proposed budget. This is an estimate at this point since we have not received our renewal data. The actual increase will not be available until we receive renewal data from Anthem in May. An update will be provided as soon as we receive our report.
- Electric rates will see a change in the power cost adjustment from 0.0015 per KWH to 0.0025 per KWH in the proposed budget. Electric consumption is projected to be flat for next year.
- The budget includes a 3% increase in water rates and a 0% increase in sewer rates to be effective on January 1, 2017, as proposed in the five-year rate plan from Draper Aden Associates.

We will be reviewing this proposed budget with you in work sessions during March and April.

Sincerely,



Kevin S. Boggess
City Manager

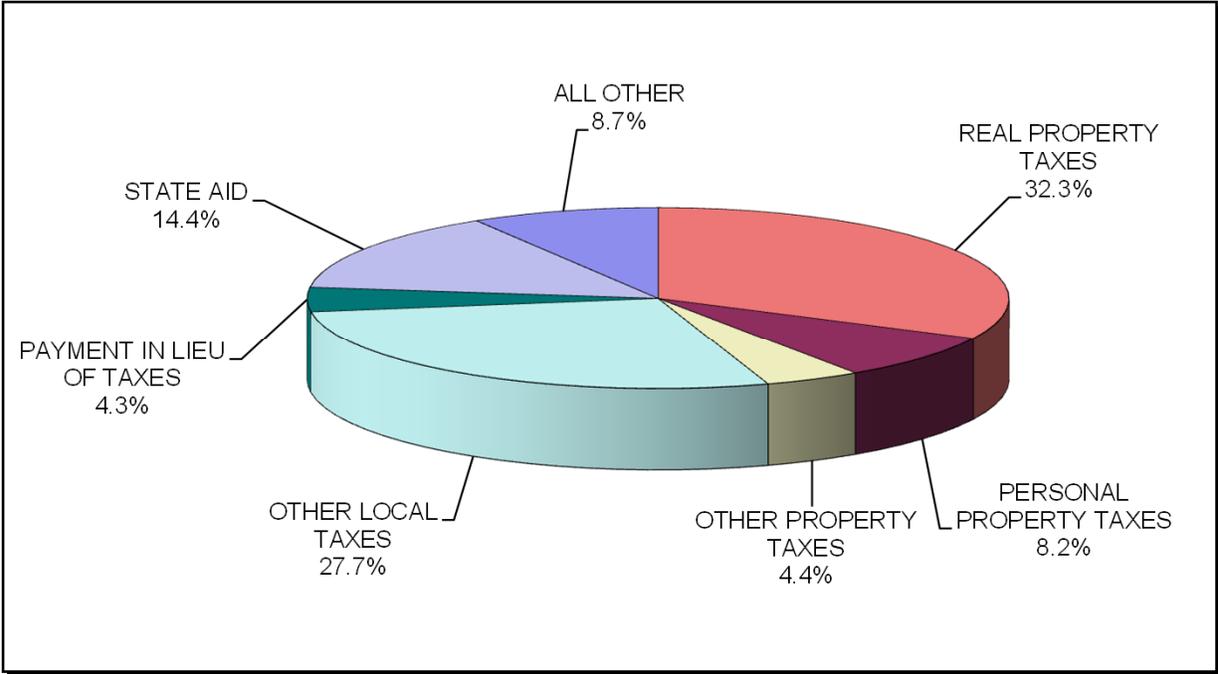
City of Salem, VA
Summary of Revenues and Expenses
All Funds

| | Actual FY2015 | Adopted FY2016 | Proposed FY2017 | Increase/ (Decrease) |
|--------------------------------|--------------------------|---------------------------|----------------------------|---------------------------------|
| Revenues: | | | | |
| General Fund | \$ 76,907,027 | \$ 74,193,044 | \$ 75,765,556 | \$ 1,572,512 |
| Component Unit Schools | 41,962,716 | 44,519,240 | 44,264,141 | (255,099) |
| Debt Service Fund | 6,052,664 | 3,887,867 | 3,971,520 | 83,653 |
| Water Fund | 6,634,282 | 6,780,000 | 6,744,105 | (35,895) |
| Sewer Fund | 7,195,010 | 7,181,000 | 7,161,000 | (20,000) |
| Civic Center Fund | 3,072,055 | 3,385,770 | 3,997,624 | 611,854 |
| Electric Fund | 39,863,540 | 40,179,300 | 39,761,250 | (418,050) |
| Catering Fund | 801,764 | 857,582 | 910,078 | 52,496 |
| Total All Funds | 182,489,058 | 180,983,803 | 182,575,274 | 1,591,471 |
| Less: Fund Transfers | (24,402,785) | (24,715,253) | (24,953,263) | (238,010) |
| Total, Net of Transfers | \$ 158,086,273 | \$ 156,268,550 | \$ 157,622,011 | \$ 1,353,461 |
| | | | | |
| Expenditures: | | | | |
| General Fund | \$ 70,728,891 | \$ 74,193,044 | \$ 75,765,556 | \$ 1,572,512 |
| Component Unit Schools | 41,139,583 | 44,519,240 | 44,264,141 | (255,099) |
| Debt Service Fund | 6,052,664 | 3,887,867 | 3,971,520 | 83,653 |
| Water Fund | 5,928,912 | 6,780,000 | 6,744,105 | (35,895) |
| Sewer Fund | 4,939,784 | 7,181,000 | 7,161,000 | (20,000) |
| Civic Center Fund | 4,036,574 | 3,385,770 | 3,997,624 | 611,854 |
| Electric Fund | 37,252,438 | 40,179,300 | 39,761,250 | (418,050) |
| Catering Fund | 854,934 | 857,582 | 910,078 | 52,496 |
| Total All Funds | 170,933,780 | 180,983,803 | 182,575,274 | 1,591,471 |
| Less: Fund Transfers | (24,402,785) | (24,715,253) | (24,953,263) | (238,010) |
| Total, Net of Transfers | \$ 146,530,995 | \$ 156,268,550 | \$ 157,622,011 | \$ 1,353,461 |

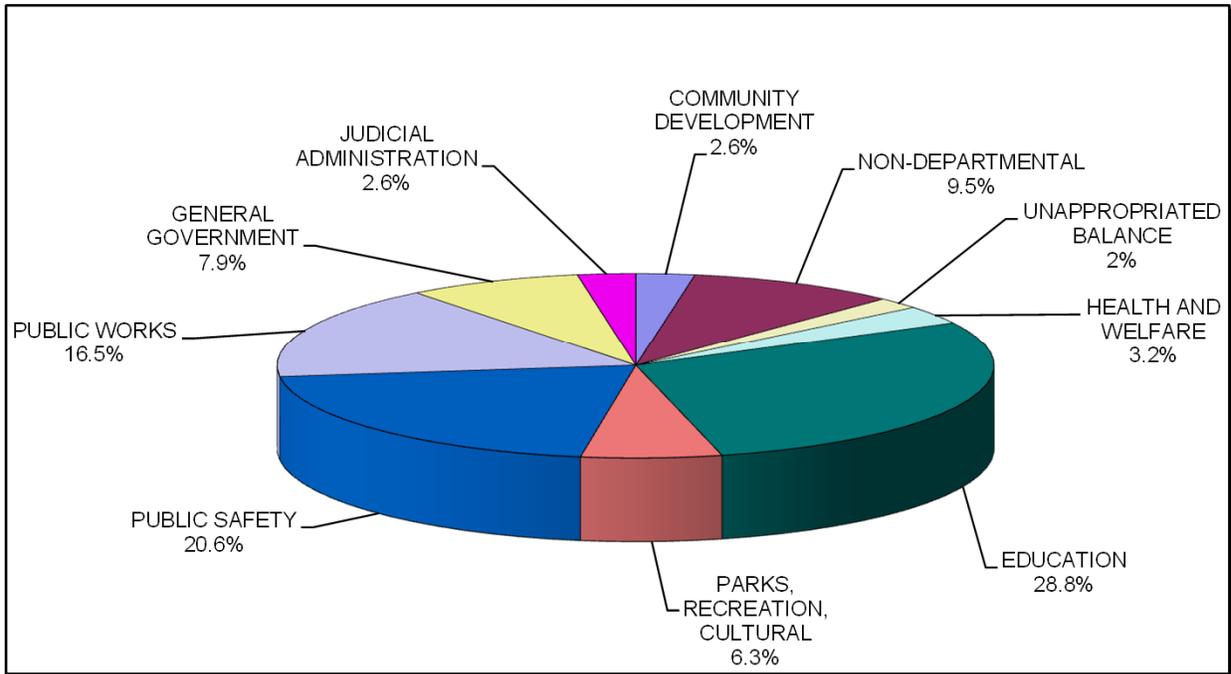
GENERAL FUND

City of Salem, VA
General Fund Summary of Revenues and Expenditures
For Fiscal Year 2016-2017

REVENUES



EXPENDITURES



City of Salem, Virginia
General Fund Revenue Summary
Adopted FY2015-2016 and Proposed FY2016-2017

| | Actual FY2014-2015 | Adopted Budget FY2015-2016 | Proposed Budget FY2016-2017 | Increase (Decrease) |
|------------------------------------|-----------------------|----------------------------------|-----------------------------------|------------------------|
| Real Property Taxes | \$ 24,133,618 | \$ 23,903,000 | \$ 24,469,309 | \$ 566,309 |
| Personal Property Taxes | 6,298,211 | 6,188,300 | 6,238,900 | 50,600 |
| Other Property Taxes | 3,309,445 | 3,135,000 | 3,345,000 | 210,000 |
| Local Sales Tax | 6,688,509 | 6,550,000 | 6,521,300 | (28,700) |
| Utility Consumer Tax | 1,217,299 | 1,155,000 | 1,165,000 | 10,000 |
| Business License Tax | 5,088,724 | 5,100,000 | 5,200,000 | 100,000 |
| Motor Vehicle License Tax | 587,073 | 520,000 | 535,000 | 15,000 |
| Bank Franchise Tax | 371,979 | 370,000 | 370,000 | - |
| Cigarette Tax | 763,024 | 685,000 | 750,000 | 65,000 |
| Lodging Tax | 1,015,079 | 1,100,000 | 1,116,000 | 16,000 |
| Meals Tax | 4,464,873 | 4,400,000 | 4,600,000 | 200,000 |
| Other Local Taxes | 760,066 | 680,500 | 710,800 | 30,300 |
| Permits, Fees & Licenses | 394,827 | 240,160 | 256,800 | 16,640 |
| Fines And Forfeitures | 127,002 | 110,000 | 114,500 | 4,500 |
| Use Of Money And Property | 511,473 | 433,028 | 436,016 | 2,988 |
| Charges For Services | 544,708 | 580,514 | 675,014 | 94,500 |
| Fire & Rescue Fee For Service | 808,997 | 810,000 | 850,000 | 40,000 |
| Waste Collection Fees | 4,237,058 | 4,145,000 | 4,145,000 | - |
| Miscellaneous Revenue | 700,505 | 84,500 | 95,633 | 11,133 |
| Payment in Lieu of Taxes | 3,397,068 | 3,290,000 | 3,290,000 | - |
| Commonwealth - Categorical | 8,403,547 | 7,866,235 | 8,034,477 | 168,242 |
| Commonwealth - Non-categorical | 2,926,618 | 2,842,907 | 2,842,907 | - |
| Federal | 157,324 | 3,900 | 3,900 | - |
| Total General Fund Revenues | \$ 76,907,027 | \$ 74,193,044 | \$ 75,765,556 | \$ 1,572,512 |

Summary of Expenditures

| | 2015 Actual Amount | 2016 Adopted Budget | 2017 City Manager Recommended | Increase/ (Decrease) |
|----------------------------------|------------------------|------------------------|----------------------------------|-------------------------|
| General Fund | | | | |
| Expenditures | | | | |
| General government | \$6,062,758.98 | \$6,106,425.00 | \$5,964,892.00 | (\$141,533.00) |
| Judicial administration | \$1,913,666.27 | \$1,982,482.00 | \$1,981,792.00 | (\$690.00) |
| Public safety | \$15,779,716.90 | \$15,943,717.00 | \$15,559,395.00 | (\$384,322.00) |
| Public works | \$10,954,464.27 | \$12,665,589.00 | \$12,510,116.00 | (\$155,473.00) |
| Health and welfare | \$2,900,388.82 | \$2,274,631.00 | \$2,434,020.00 | \$159,389.00 |
| Education | \$21,785,196.36 | \$22,119,957.00 | \$21,843,901.00 | (\$276,056.00) |
| Parks, recreation and culture | \$4,401,263.06 | \$4,600,294.00 | \$4,783,198.00 | \$182,904.00 |
| Community development | \$1,062,184.27 | \$1,127,333.00 | \$2,001,411.00 | \$874,078.00 |
| Non-departmental | \$5,869,252.01 | \$7,372,616.00 | \$8,686,831.00 | \$1,314,215.00 |
| Expenditure Grand Totals: | <u>\$70,728,890.94</u> | <u>\$74,193,044.00</u> | <u>\$75,765,556.00</u> | <u>\$1,572,512.00</u> |

Summary of Expenditures

| | 2015 Actual Amount | 2016 Adopted Budget | 2017 City Manager Recommended | Increase/ (Decrease) |
|--|------------------------|------------------------|-------------------------------------|-------------------------|
| Fund: 10 - General Fund | | | | |
| Expenditures | | | | |
| General government | | | | |
| 10-001-1100 - City Council | \$165,563.92 | \$158,521.00 | \$166,379.00 | \$7,858.00 |
| 10-001-1120 - Clerk of City Council | \$42,220.57 | \$92,657.00 | \$99,886.00 | \$7,229.00 |
| 10-002-1211 - City Manager | \$561,084.57 | \$586,021.00 | \$555,609.00 | (\$30,412.00) |
| 10-003-1212 - Communications | \$213,040.85 | \$218,127.00 | \$212,339.00 | (\$5,788.00) |
| 10-004-1221 - City Attorney | \$1,601.65 | \$2,325.00 | \$2,325.00 | \$0.00 |
| 10-006-1223 - Human Resources | \$504,655.99 | \$454,889.00 | \$553,919.00 | \$99,030.00 |
| 10-006-1224 - Employee Wellness & Clinic | \$9,941.11 | \$36,112.00 | \$33,112.00 | (\$3,000.00) |
| 10-007-1231 - Commissioner of Revenue | \$423,317.65 | \$436,019.00 | \$426,982.00 | (\$9,037.00) |
| 10-008-1232 - Real Estate Assessor | \$420,216.66 | \$474,828.00 | \$457,893.00 | (\$16,935.00) |
| 10-008-1233 - Board of Equalization | \$270.00 | \$2,822.00 | \$2,822.00 | \$0.00 |
| 10-010-1241 - Treasurer | \$472,182.27 | \$496,025.00 | \$498,874.00 | \$2,849.00 |
| 10-012-1242 - Finance | \$923,305.61 | \$990,288.00 | \$958,209.00 | (\$32,079.00) |
| 10-012-1244 - Purchasing | \$43,899.86 | \$48,608.00 | \$48,396.00 | (\$212.00) |
| 10-016-1251 - Technology Systems | \$1,459,675.65 | \$1,347,360.00 | \$1,225,757.00 | (\$121,603.00) |
| 10-018-1252 - City Garage | \$637,029.19 | \$526,445.00 | \$504,932.00 | (\$21,513.00) |
| 10-019-1320 - Registrar | \$172,858.17 | \$224,292.00 | \$205,310.00 | (\$18,982.00) |
| 10-019-1321 - Electoral Board | \$11,895.26 | \$11,086.00 | \$12,148.00 | \$1,062.00 |
| General government Totals: | \$6,062,758.98 | \$6,106,425.00 | \$5,964,892.00 | (\$141,533.00) |
| Judicial administration | | | | |
| 10-020-2110 - Circuit Court | \$70,357.38 | \$71,350.00 | \$71,350.00 | \$0.00 |
| 10-022-2112 - Combined District Courts | \$14,988.97 | \$35,127.00 | \$36,615.00 | \$1,488.00 |
| 10-022-2120 - General District Judges | \$702.02 | \$3,612.00 | \$3,925.00 | \$313.00 |
| 10-022-2160 - Juvenile District Judges | \$1,951.57 | \$3,345.00 | \$3,925.00 | \$580.00 |
| 10-024-2130 - Magistrate Office | \$2,593.94 | \$3,298.00 | \$3,298.00 | \$0.00 |
| 10-027-2170 - Clerk of Circuit Court | \$400,142.62 | \$419,847.00 | \$409,785.00 | (\$10,062.00) |
| 10-028-2180 - City Sheriff | \$863,413.33 | \$881,145.00 | \$878,114.00 | (\$3,031.00) |
| 10-029-2210 - Commonwealth Attorney | \$496,079.56 | \$498,425.00 | \$508,097.00 | \$9,672.00 |
| 10-029-2212 - Victim Witness Assistance Prog | \$62,625.77 | \$62,103.00 | \$62,453.00 | \$350.00 |
| 10-029-2214 - Cost Collections | \$811.11 | \$4,230.00 | \$4,230.00 | \$0.00 |
| Judicial administration Totals: | \$1,913,666.27 | \$1,982,482.00 | \$1,981,792.00 | (\$690.00) |
| Public safety | | | | |
| 10-012-3325 - Juvenile Detention | \$80,675.00 | \$200,000.00 | \$150,000.00 | (\$50,000.00) |
| 10-012-3530 - Medical Examiner | \$440.00 | \$500.00 | \$550.00 | \$50.00 |
| 10-018-3550 - Emergency Management | \$5,786.48 | \$20,000.00 | \$20,000.00 | \$0.00 |
| 10-028-3320 - Correction and Detention | \$2,101,344.49 | \$2,180,897.00 | \$2,069,251.00 | (\$111,646.00) |
| 10-030-3110 - Police Department | \$5,467,322.12 | \$5,518,288.00 | \$5,316,046.00 | (\$202,242.00) |
| 10-030-3140 - Communication Center | \$1,014,467.44 | \$1,055,767.00 | \$1,085,592.00 | \$29,825.00 |
| 10-030-3510 - Animal Control | \$684,240.41 | \$673,516.00 | \$685,281.00 | \$11,765.00 |
| 10-032-3210 - Fire Department | \$6,034,920.41 | \$5,849,506.00 | \$5,785,629.00 | (\$63,877.00) |
| 10-034-3230 - Salem Rescue Squad | \$67,447.52 | \$97,840.00 | \$98,072.00 | \$232.00 |
| 10-038-3330 - Probation Officer | \$1,238.25 | \$1,650.00 | \$2,150.00 | \$500.00 |
| 10-042-3410 - Building Inspections | \$321,834.78 | \$345,753.00 | \$346,824.00 | \$1,071.00 |
| Public safety Totals: | \$15,779,716.90 | \$15,943,717.00 | \$15,559,395.00 | (\$384,322.00) |
| Public works | | | | |
| 10-018-4001 - Primary Roads-Pavements | \$149,672.91 | \$567,732.00 | \$585,537.00 | \$17,805.00 |
| 10-018-4002 - Primary Roads-Shoulders | \$4,302.17 | \$72,500.00 | \$72,500.00 | \$0.00 |
| 10-018-4003 - Primary Roads-Roadsides | \$128,585.86 | \$196,000.00 | \$196,000.00 | \$0.00 |

Summary of Expenditures

| | 2015 Actual Amount | 2016 Adopted Budget | 2017 City Manager Recommended | Increase/ (Decrease) |
|---|------------------------|------------------------|-------------------------------------|-------------------------|
| 10-018-4004 - Primary Roads-Structures | \$65,913.40 | \$290,000.00 | \$370,000.00 | \$80,000.00 |
| 10-018-4005 - Primary Roads-Traffic Control | \$258,276.47 | \$319,000.00 | \$319,000.00 | \$0.00 |
| 10-018-4006 - Primary Roads-Other Costs | \$117,090.56 | \$125,000.00 | \$125,000.00 | \$0.00 |
| 10-018-4010 - Collector Streets-Pavements | \$390,459.03 | \$818,368.00 | \$779,773.00 | (\$38,595.00) |
| 10-018-4011 - Collector Streets-Shoulders | \$240,245.68 | \$234,000.00 | \$234,000.00 | \$0.00 |
| 10-018-4012 - Collector Streets-Roadsides | \$167,605.99 | \$302,400.00 | \$302,400.00 | \$0.00 |
| 10-018-4013 - Collector Streets-Structures | \$0.00 | \$16,000.00 | \$25,000.00 | \$9,000.00 |
| 10-018-4014 - Collector Streets-Traffic Ctrl | \$26,209.01 | \$175,000.00 | \$175,000.00 | \$0.00 |
| 10-018-4015 - Collector Streets-Other Costs | \$352,273.65 | \$115,000.00 | \$115,000.00 | \$0.00 |
| 10-018-4200 - Street & Highway Administration | \$1,171,072.73 | \$1,378,674.00 | \$1,318,999.00 | (\$59,675.00) |
| 10-018-4220 - Street and Road Cleaning | \$112,591.78 | \$107,153.00 | \$115,091.00 | \$7,938.00 |
| 10-018-4230 - Refuse Collection | \$1,089,727.64 | \$1,148,117.00 | \$1,124,313.00 | (\$23,804.00) |
| 10-018-4240 - Containers | \$100,568.40 | \$125,471.00 | \$124,968.00 | (\$503.00) |
| 10-018-4310 - Building Maintenance | \$571,963.89 | \$627,771.00 | \$538,819.00 | (\$88,952.00) |
| 10-018-4320 - City Hall Building Maintenance | \$266,146.83 | \$282,842.00 | \$172,370.00 | (\$110,472.00) |
| 10-018-4321 - Courthouse Building Maintenance | \$170,594.33 | \$171,733.00 | \$177,447.00 | \$5,714.00 |
| 10-018-4322 - Engineering Building | \$0.00 | \$0.00 | \$108,810.00 | \$108,810.00 |
| 10-042-4110 - Engineering | \$773,334.37 | \$763,401.00 | \$760,643.00 | (\$2,758.00) |
| 10-048-4400 - Transfer Station | \$4,229,705.23 | \$4,231,427.00 | \$4,101,446.00 | (\$129,981.00) |
| 10-048-4401 - Closed Landfill | \$8,051.86 | \$11,500.00 | \$14,750.00 | \$3,250.00 |
| 10-048-4402 - Mowles Spring Park | \$0.00 | \$0.00 | \$6,750.00 | \$6,750.00 |
| 10-054-4007 - Primary Roads-Traffic Signals | \$544,933.78 | \$569,500.00 | \$629,500.00 | \$60,000.00 |
| 10-054-4014 - Collector Streets-Traffic Ctrl | \$15,138.70 | \$17,000.00 | \$17,000.00 | \$0.00 |
| Public works Totals: | \$10,954,464.27 | \$12,665,589.00 | \$12,510,116.00 | (\$155,473.00) |
| Health and welfare | | | | |
| 10-012-5100 - General | \$539,718.24 | \$551,974.00 | \$546,974.00 | (\$5,000.00) |
| 10-012-5300 - Contract - Roanoke County | \$604,860.80 | \$665,000.00 | \$692,449.00 | \$27,449.00 |
| 10-012-5350 - Community Policy Management | \$1,689,151.31 | \$984,282.00 | \$1,122,282.00 | \$138,000.00 |
| 10-012-5355 - VJCCCA Grant | \$50,627.03 | \$53,911.00 | \$52,851.00 | (\$1,060.00) |
| 10-012-5360 - Family Preservation Grant | \$16,031.44 | \$19,464.00 | \$19,464.00 | \$0.00 |
| Health and welfare Totals: | \$2,900,388.82 | \$2,274,631.00 | \$2,434,020.00 | \$159,389.00 |
| Education | | | | |
| 10-012-6100 - Payments to School Division | \$19,151,270.11 | \$19,270,796.00 | \$19,270,796.00 | \$0.00 |
| 10-012-6101 - Payments for Debt Service | \$2,633,926.25 | \$2,849,161.00 | \$2,573,105.00 | (\$276,056.00) |
| Education Totals: | \$21,785,196.36 | \$22,119,957.00 | \$21,843,901.00 | (\$276,056.00) |
| Parks, recreation and culture | | | | |
| 10-018-7215 - Longwood Park | \$24,825.91 | \$27,250.00 | \$27,250.00 | \$0.00 |
| 10-018-7218 - Lake Spring Park | \$135,861.42 | \$26,700.00 | \$30,700.00 | \$4,000.00 |
| 10-018-7220 - Other Parks | \$109,392.36 | \$127,300.00 | \$124,040.00 | (\$3,260.00) |
| 10-018-7225 - Golf Course | \$32,118.38 | \$34,100.00 | \$34,100.00 | \$0.00 |
| 10-018-7230 - East Hill Cemetery | \$27,318.98 | \$20,216.00 | \$20,216.00 | \$0.00 |
| 10-018-7235 - Greenway Maintenance | \$44,720.18 | \$34,500.00 | \$39,500.00 | \$5,000.00 |
| 10-018-7240 - Salem Rotary Dog Park | \$11,144.50 | \$17,848.00 | \$17,848.00 | \$0.00 |
| 10-018-7250 - Salem Beautification Program | \$186,011.31 | \$235,183.00 | \$229,548.00 | (\$5,635.00) |
| 10-018-7251 - Farmers Market | \$49,718.68 | \$55,904.00 | \$54,407.00 | (\$1,497.00) |
| 10-053-7205 - Salem Memorial Park | \$243,192.44 | \$293,165.00 | \$294,592.00 | \$1,427.00 |
| 10-053-7210 - Salem Stadium | \$217,656.13 | \$214,164.00 | \$221,621.00 | \$7,457.00 |
| 10-070-7110 - Parks & Recreation Admin | \$271,646.90 | \$279,157.00 | \$472,617.00 | \$193,460.00 |
| 10-070-7111 - Athletic Fields | \$273,180.79 | \$318,649.00 | \$309,382.00 | (\$9,267.00) |
| 10-070-7114 - Kiwanis | \$184,443.06 | \$200,003.00 | \$197,187.00 | (\$2,816.00) |

City of Salem, VA

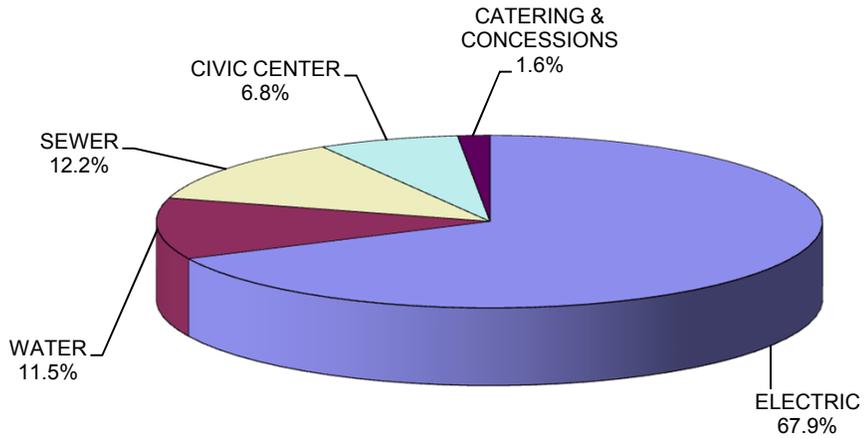
Summary of Expenditures

| | 2015 Actual Amount | 2016 Adopted Budget | 2017 City Manager Recommended | Increase/ (Decrease) |
|--|------------------------|------------------------|-------------------------------------|-------------------------|
| 10-070-7117 - Moyer Sports Complex | \$381,429.92 | \$402,089.00 | \$406,061.00 | \$3,972.00 |
| 10-070-7123 - Skateboard Park | \$2,378.74 | \$2,700.00 | \$3,000.00 | \$300.00 |
| 10-070-7126 - Spartan Field | \$85,709.65 | \$98,353.00 | \$96,796.00 | (\$1,557.00) |
| 10-070-7129 - Athletic Programs | \$384,314.17 | \$406,604.00 | \$410,144.00 | \$3,540.00 |
| 10-070-7130 - Adult Athletic Programs | \$10,977.42 | \$20,499.00 | \$20,499.00 | \$0.00 |
| 10-070-7132 - Recreation Programs | \$381,190.81 | \$394,425.00 | \$400,741.00 | \$6,316.00 |
| 10-070-7135 - Senior Citizen Center | \$237,864.33 | \$245,770.00 | \$267,725.00 | \$21,955.00 |
| 10-070-7138 - Youth Sports Office | \$7,136.71 | \$8,000.00 | \$8,000.00 | \$0.00 |
| 10-076-7300 - Library | \$1,099,030.27 | \$1,137,715.00 | \$1,097,224.00 | (\$40,491.00) |
| Parks, recreation and culture Totals: | \$4,401,263.06 | \$4,600,294.00 | \$4,783,198.00 | \$182,904.00 |
| Community development | | | | |
| 10-002-8151 - Planning Commission | \$8,308.51 | \$7,278.00 | \$7,649.00 | \$371.00 |
| 10-012-8115 - VPI Extension Contract | \$19,128.00 | \$19,000.00 | \$18,500.00 | (\$500.00) |
| 10-012-8150 - Regional Economic Development | \$684,922.49 | \$679,916.00 | \$1,403,479.00 | \$723,563.00 |
| 10-042-8120 - Planning and Zoning | \$0.00 | \$0.00 | \$159,340.00 | \$159,340.00 |
| 10-053-8170 - Tourism | \$0.00 | \$0.00 | \$76,760.00 | \$76,760.00 |
| 10-080-8110 - Economic Development | \$349,825.27 | \$421,139.00 | \$335,683.00 | (\$85,456.00) |
| Community development Totals: | \$1,062,184.27 | \$1,127,333.00 | \$2,001,411.00 | \$874,078.00 |
| Non-departmental | | | | |
| 10-012-9100 - Transfers to Other Funds | \$1,134,201.54 | \$1,238,552.00 | \$1,261,044.00 | \$22,492.00 |
| 10-012-9102 - Debt Service | \$1,486,641.22 | \$1,429,044.00 | \$1,848,318.00 | \$419,274.00 |
| 10-012-9103 - Bank Charges | \$46,745.56 | \$15,000.00 | \$15,000.00 | \$0.00 |
| 10-012-9104 - Fringe Benefits | \$1,782,587.82 | \$2,318,992.00 | \$2,695,458.00 | \$376,466.00 |
| 10-012-9106 - Other Insurance | \$313,996.00 | \$347,500.00 | \$278,500.00 | (\$69,000.00) |
| 10-012-9107 - Contributions to Other Orgs | \$1,105,079.87 | \$1,061,791.00 | \$1,087,024.00 | \$25,233.00 |
| 10-012-9110 - Contingency | \$0.00 | \$961,737.00 | \$1,501,487.00 | \$539,750.00 |
| Non-departmental Totals: | \$5,869,252.01 | \$7,372,616.00 | \$8,686,831.00 | \$1,314,215.00 |
| Expenditure Grand Totals: | \$70,728,890.94 | \$74,193,044.00 | \$75,765,556.00 | \$1,572,512.00 |

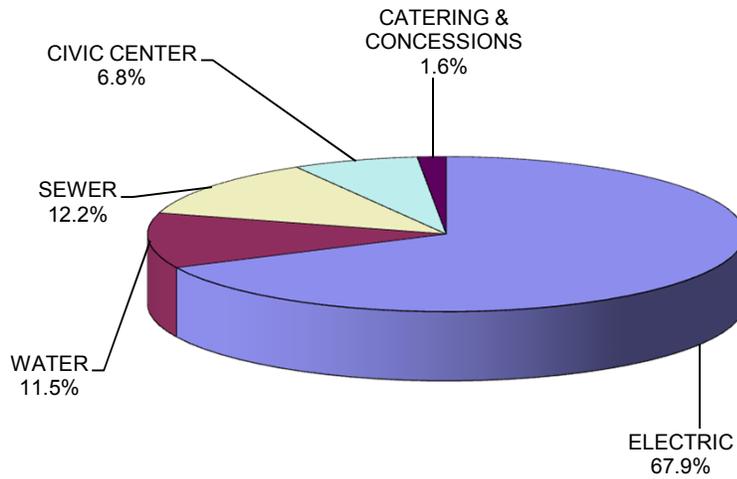
ENTERPRISE FUNDS

**City of Salem, VA
Enterprise Funds
Summary of Revenues and Expenses
For Fiscal Year 2016-2017**

REVENUES



EXPENSES



**City of Salem, Virginia
Enterprise Funds
Summary of Revenues and Expenses
For Fiscal Year 2016-2017**

| Revenues: | Actual FY2015 | FY2015-2016 Budget | FY2016-2017 Proposed Budget | Increase/ (Decrease) |
|------------------------------|----------------------|-------------------------------|--|---------------------------------|
| Water | \$ 6,634,282 | \$ 6,780,000 | \$ 6,744,105 | \$ (35,895) |
| Sewer | 7,195,010 | 7,181,000 | 7,161,000 | (20,000) |
| Civic Center | 3,072,055 | 3,385,770 | 3,997,624 | 611,854 |
| Electric | 39,863,540 | 40,179,300 | 39,761,250 | (418,050) |
| Salem Catering & Concessions | 801,764 | 857,582 | 910,078 | 52,496 |
| Total Revenues | \$ 57,566,651 | \$ 58,383,652 | \$ 58,574,057 | \$ 190,405 |
| Expenses: | | | | |
| Water | \$ 5,928,912 | \$ 6,780,000 | \$ 6,744,105 | \$ (35,895) |
| Sewer | 4,939,784 | 7,181,000 | 7,161,000 | (20,000) |
| Civic Center | 4,036,574 | 3,385,770 | 3,997,624 | 611,854 |
| Electric | 37,252,438 | 40,179,300 | 39,761,250 | (418,050) |
| Salem Catering | 854,934 | 857,582 | 910,078 | 52,496 |
| Total Expenses | \$ 53,012,642 | \$ 58,383,652 | \$ 58,574,057 | \$ 190,405 |

DEBT SERVICE FUND

**City of Salem, VA
Debt Service Fund
Revenue and Expenditure Summary**

| | <u>Actual FY2015</u> | <u>Adopted FY2016</u> | <u>Proposed FY2017</u> | <u>Increase (Decrease)</u> |
|---------------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------|
| Revenue and Transfers: | | | | |
| Proceeds from Refunding | \$ 1,932,097 | \$ - | \$ - | \$ - |
| Transfers from General Fund - City | 4,120,567 | 3,887,867 | 3,971,520 | 83,653 |
| Total Revenues | <u>\$ 6,052,664</u> | <u>\$ 3,887,867</u> | <u>\$ 3,971,520</u> | <u>\$ 83,653</u> |
| Expenditures: | | | | |
| City Debt Service Payments | | | | |
| Principal | \$ 993,136 | \$ 1,015,368 | \$ 1,254,375 | \$ 239,007 |
| Interest | 493,505 | 413,675 | 593,943 | 180,268 |
| Payment to refunded bond escrow agent | 1,921,720 | - | - | - |
| Bond issuance costs | 10,377 | - | - | - |
| Total Debt Service - City | 3,418,738 | 1,429,043 | 1,848,318 | 419,275 |
| School Debt Service Payments | | | | |
| Principal | 2,025,602 | 1,939,121 | 1,660,887 | \$ (278,234) |
| Interest | 608,324 | 519,703 | 462,315 | (57,388) |
| Total Debt Service - Schools | 2,633,926 | 2,458,824 | 2,123,202 | (335,622) |
| Total Expenditures | <u>\$ 6,052,664</u> | <u>\$ 3,887,867</u> | <u>\$ 3,971,520</u> | <u>\$ 83,653</u> |

INTERNAL SERVICE FUND

**City of Salem, Virginia
Health Insurance Fund**

| | FY14 Actual | FY15 Actual | FY16 Actual (Partial Year) | FY16 Adopted Budget | FY17 Proposed Budget | Increase (Decrease) |
|---------------------------|----------------------|----------------------|-------------------------------|------------------------|-------------------------|------------------------|
| Revenue | | | | | | |
| Premiums Paid by City | \$ 5,196,430 | \$ 5,690,182 | \$ 3,619,919 | \$ 6,015,780 | \$ 5,633,000 | \$ (382,780) |
| Premiums Paid by School | 4,457,932 | 4,574,843 | 2,953,374 | 5,284,000 | 4,690,000 | (594,000) |
| Premiums Paid by Retirees | 725,244 | 682,993 | 478,991 | 715,000 | 735,000 | 20,000 |
| Interest Earnings | 5,961 | 10,513 | 6,601 | 5,500 | 11,900 | 6,400 |
| Miscellaneous | 900 | - | 80 | - | - | - |
| | \$ 10,386,467 | \$ 10,958,531 | \$ 7,058,965 | \$ 12,020,280 | \$ 11,069,900 | \$ (950,380) |
| Expenses | | | | | | |
| Claims | \$ 9,600,080 | \$ 10,617,187 | \$ 5,396,802 | \$ 11,496,406 | \$ 10,520,733 | \$ (975,673) |
| Employee Health Clinic | 390,227 | 383,345 | 274,178 | 407,274 | 416,547 | 9,273 |
| Consulting Services | 35,832 | 32,503 | 18,192 | 59,300 | 72,300 | 13,000 |
| ACA Fees | - | 107,982 | 60,296 | - | 50,320 | 50,320 |
| Miscellaneous | 40,251 | 2,610 | - | 57,300 | 10,000 | (47,300) |
| | \$ 10,066,390 | \$ 11,143,627 | \$ 5,749,468 | \$ 12,020,280 | \$ 11,069,900 | \$ (950,380) |

CAPITAL OUTLAY

City of Salem, VA
Capital Outlay Summary for Fiscal Year 2016-2017

| | Capital Outlay Funded |
|-------------------------|-----------------------------------|
| <u>General Fund</u> | |
| Reserve for Capital | \$ 500,000 |
| Total General Fund | <u>\$ 500,000</u> |
| | |
| <u>Enterprise Funds</u> | |
| Water | \$ 381,000 |
| Sewer | 415,000 |
| Electric | 500,000 |
| Total Enterprise Funds | <u>\$ 1,296,000</u> |
| Total City-Wide | <u><u>\$ 1,796,000</u></u> |

COMMUNITY SERVICE AGENCIES

CITY OF SALEM, VIRGINIA

Summary of Contributions Human and Community Service Agencies For Fiscal Years 2006-07 through 2016-17

| 2016-17 | \$ |
|----------------|------------------|
| 2015-16 | 1,283,447 |
| 2014-15 | 1,226,123 |
| 2013-14 | 1,251,494 |
| 2012-13 | 1,201,642 |
| 2011-12 | 1,147,169 |
| 2010-11 | 1,114,887 |
| 2009-10 | 1,169,619 |
| 2008-09 | 1,383,783 |
| 2007-08 | 1,126,619 |
| 2006-07 | 1,272,719 |

**CITY OF SALEM, VIRGINIA
HUMAN AND COMMUNITY SERVICE AGENCIES
(LINE ITEMS IN GENERAL FUND BUDGET)
FISCAL YEAR 2016-2017**

| AGENCIES RECEIVING FUNDS (SHOWN AS <u>LINE ITEM IN GENERAL FUND BUDGET</u>): | 2015-2016 <u>APPROPRIATION</u> | 2016-2017 <u>REQUEST</u> | 2016-2017 <u>APPROPRIATION</u> |
|--|-----------------------------------|-----------------------------|-----------------------------------|
| Blue Ridge Behavioral Healthcare | \$ 103,500 | \$ 151,001 | \$ |
| Bradley Free Clinic | 3,000 | 2,850 | |
| Child Health Investment Partnership (CHIP) | 38,000 | 38,000 | |
| Roanoke Valley-Alleghany Regional Commission | 20,250 | 22,797 | |
| Roanoke Valley Convention & Visitors Bureau (Contractual) | 373,501 | 418,734 | |
| Roanoke Valley Economic Development Partnership | 54,916 | 55,044 | |
| Roanoke Valley Greenway Commission | 10,940 | 10,940 | |
| Salem Education Foundation | 105,000 | 10,500 | |
| Salem Fine Arts Commission | 7,500 | 7,500 | |
| Salem Museum & Historical Society | 50,000 | 50,000 | |
| Salem Post Prom Committee | 4,000 | 4,000 | |
| Salem Rescue Squad | 97,840 | 98,072 | |
| Salem Visitors Center | 45,000 | 45,000 | |
| Salem/Roanoke County Chamber of Commerce | 10,000 | 10,000 | |
| Salem/VWCC Scholarship Program | 0 | 0 | |
| Valley Metro Star Route (based on ridership) | 130,000 | 110,000 | |
| Valley Metro Fixed Route (based on ridership) | 50,000 | 50,000 | |
| | \$ <u>1,103,447</u> | \$ <u>1,084,438</u> | \$ <u>0</u> |

Includes requests received as of 3-11-16

**CITY OF SALEM, VIRGINIA
HUMAN AND COMMUNITY SERVICE AGENCIES FUNDING REQUESTS
FOR FISCAL YEAR 2016-2017**

| <u>AGENCY REQUESTS</u> | <u>2015-16 APPROPRIATION</u> | <u>2016-17 REQUEST</u> | <u>2016-17 APPROPRIATION</u> |
|---|----------------------------------|----------------------------|----------------------------------|
| Adult Care Center of Rke Valley, Inc. | \$ 4,950 | \$ - | \$ |
| Big Brothers/Big Sisters | 3,150 | 5,000 | |
| Blue Ridge Legal Services, Inc. | 500 | 2,693 | |
| Brain Injury Services of SW VA | 2,000 | 2,000 | |
| Center in the Square (Annual Campaign) | 10,000 | 20,000 | |
| Children's TRUST | 9,000 | | |
| Committee to Advance the TransDominion Express | 0 | | |
| Conflict Resolution Center | 0 | | |
| Council of Community Services (2-1-1 VA-SW Regional Program) | 1,000 | 2,000 | |
| Family Promise of Greater Roanoke (formerly Interfaith Hospitality Network) | 6,000 | 6,500 | |
| Family Services of Roanoke Valley | 2,160 | | |
| Feeding America (formerly SW VA Second Harvest Food Bank) | 0 | 8,000 | |
| Food Pantry (formerly Salem Food Pantry) | 15,000 | 15,000 | |
| F.R.E.E. (Foundation for Rehabilitation Equipment & Endowment) | 0 | | |
| Greenvale School | 0 | | |
| Habitat for Humanity | 0 | | |
| Junior Achievement | 2,000 | | |
| LOA Area Agency on Aging | 9,056 | 9,679 | |
| Mental Health America of Roanoke Valley | 500 | 500 | |
| Mill Mountain Theatre | 1,500 | 2,500 | |
| Mill Mountain Zoo (operational / educational) | 5,000 | | |
| Miss Virginia Organization | 0 | | |
| Rke Regional Small Business Development Ctr. | 2,500 | 4,200 | |
| Roanoke Area Ministries | 2,000 | 5,000 | |
| Roanoke River Basin Association | 0 | | |
| Roanoke Symphony Orchestra | 15,000 | | |
| Roanoke Valley Speech & Hearing Center | 2,500 | | |
| Roanoke Valley Transportation Planning Organization | n/a | 3,791 | |
| Salem Area Ecumenical Ministries | 5,000 | | |
| Salem Choral Society | 0 | NSR | |
| Salvation Army | 0 | | |
| Science Museum of Western VA | 10,000 | | |
| Southwest Virginia Ballet | 1,000 | | |
| TAP - Permanent Supportive Housing | 14,065 | 16,065 | |
| Total Action Against Poverty - HEADSTART | 21,000 | 21,000 | |
| Trust House | 4,050 | | |
| VA Amateur Sports - Coventry Commonwealth Games of VA | 15,000 | | |
| VA Museum of Transportation (operating) | 4,000 | | |
| VA Museum of Transportation (capital "Fire Up 611") | 0 | | |
| VWCC - Scholarship | 0 | | |
| Western VA EMS Council | 5,972 | 5,972 | |
| Appropriation Reserve | 6,097 | | |
| | <u>\$ 180,000</u> | <u>\$ 180,000</u> | <u>\$ -</u> |

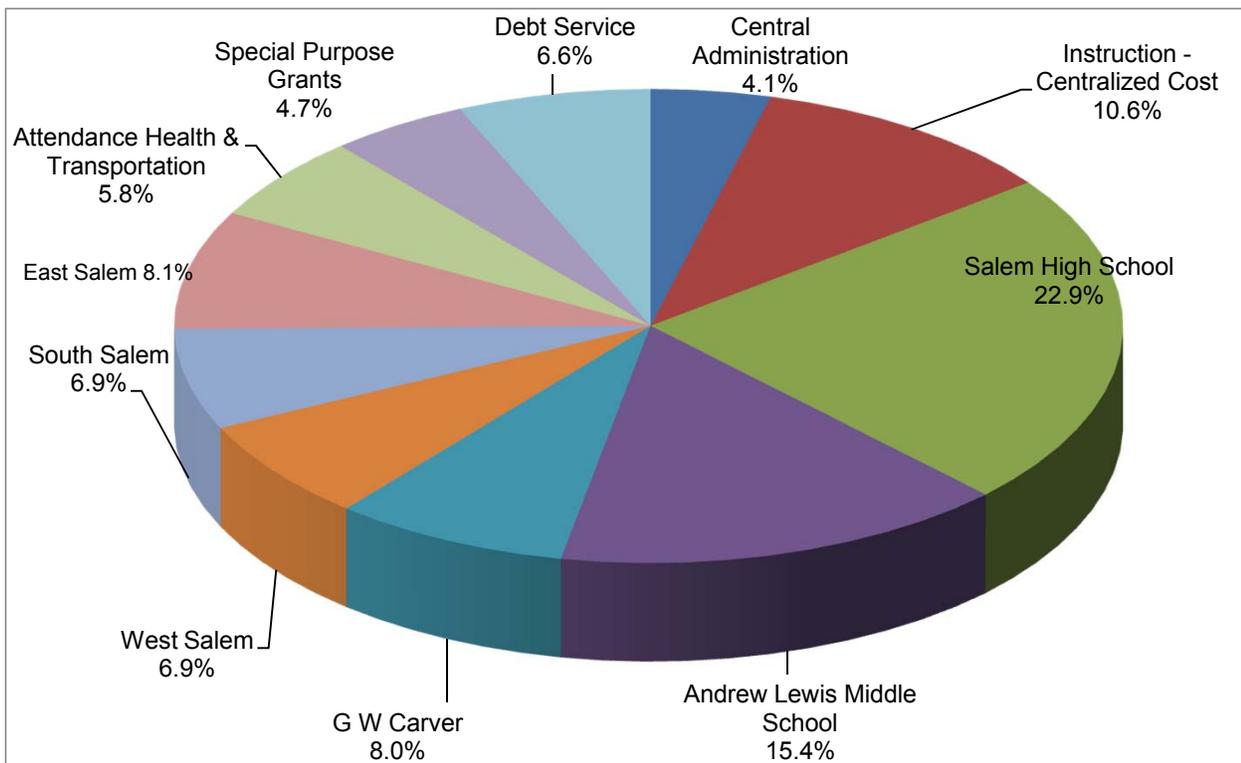
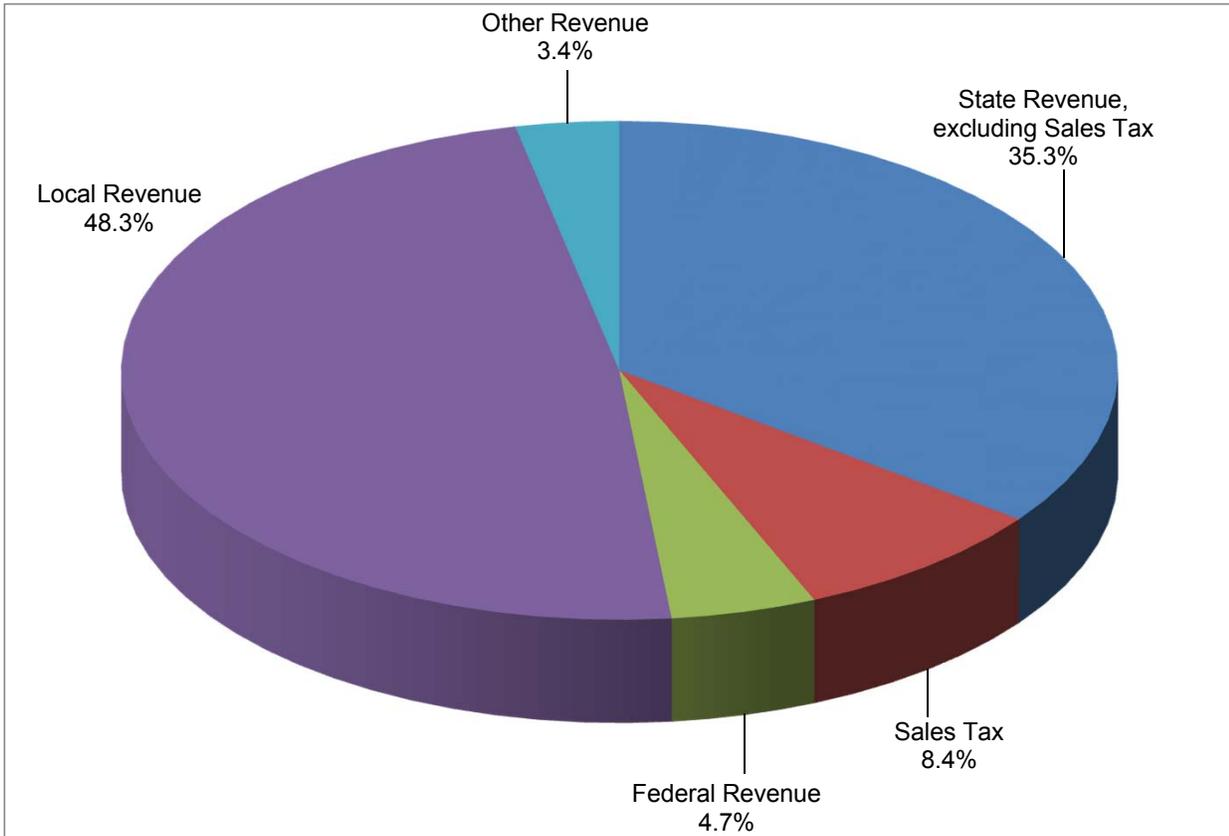
* NR (No Request Submitted)

**NSR (no specific amount included in request)

Amounts shown per letters of request received through 3-11-16

SCHOOL COMPONENT UNIT

**Salem City Schools
Summary of Revenue and Expenditures
For Fiscal Year 2016-2017**



| Salem City Schools | | | | | | | | |
|--|--|------------------------|--|---|-----------------------|--------------|--|--------|
| Summary of Proposed Budget As of March 8, 2016 | | | | | | Attachment D | | |
| FY 2017 | | | | | | | | |
| Note: This page is shown for general comparison of totals only. This schedule is based on the original adopted budget whereas the detailed budget shows any budget amendments year to date which may differ | | | | | | | | |
| School Operating Fund Budget | | FY 2016 Adopted Budget | FY 2017 Proposed Budget as of 3/8/2016 | Increase (Decrease) of FY 17 from FY 16 Adopted | Increase (Decrease) % | | | |
| Revenue | | | | | | | | |
| State Revenue, excluding Sales Tax (1) | | \$15,458,619 | \$15,574,523 | \$115,904 | 0.7% | (1) | | 35.2% |
| Sales Tax | | 3,617,064 | 3,724,133 | 107,069 | 3.0% | (2) | | 8.4% |
| Subtotal-All State Revenue | | \$19,075,683 | \$19,298,656 | \$222,973 | 1.2% | | | 43.6% |
| Federal Revenue | | 2,232,128 | 2,089,190 | (142,938) | -6.4% | (3) | | 4.7% |
| Local Revenue | | 21,729,620 | 21,393,998 | (335,622) | -1.5% | (4) | | 48.3% |
| Other Revenue | | 1,481,809 | 1,482,297 | 488 | 0.0% | (5) | | 3.3% |
| Total School Fund Revenue Budget | | \$44,519,240 | \$44,264,141 | (\$255,099) | -0.6% | | | 100.0% |
| Expenditures | | | | | | | | |
| Central Administration | | \$1,648,315 | \$1,803,202 | \$154,887 | 9.4% | (6) | | 4.1% |
| Instruction-Centralized Cost | | 4,601,499 | 4,682,154 | 80,655 | 1.8% | (7) | | 10.6% |
| Salem High School | | 10,175,467 | 10,156,114 | (19,353) | -0.2% | (8) | | 22.9% |
| Andrew Lewis Middle School | | 6,830,463 | 6,824,456 | (6,007) | -0.1% | (8) | | 15.4% |
| G. W. Carver | | 3,801,815 | 3,538,789 | (263,026) | -6.9% | (8) | | 8.0% |
| West Salem | | 3,176,521 | 3,050,544 | (125,977) | -4.0% | (8) | | 6.9% |
| South Salem | | 3,157,376 | 3,051,096 | (106,280) | -3.4% | (8) | | 6.9% |
| East Salem | | 3,590,483 | 3,585,443 | (5,040) | -0.1% | (8) | | 8.1% |
| Attendance and Health | | 1,015,504 | 1,039,215 | 23,711 | 2.3% | (8) | | 2.3% |
| Transportation | | 1,320,481 | 1,539,158 | 218,677 | 16.6% | (8) | | 3.5% |
| Special Purpose Grants | | 2,232,128 | 2,089,190 | (142,938) | -6.4% | (3) | | 4.7% |
| Non Departmental (Incl Debt Service) | | 2,969,188 | 2,904,780 | (64,408) | -2.2% | (9) | | 6.6% |
| Total School Fund Expenditure Budget | | \$44,519,240 | \$44,264,141 | (\$255,099) | -0.6% | | | 100.0% |
| Budget Shortfall | | | \$0 | | | | | |
| (1) State revenue in FY 17 changes due to estimated rebenchmarking and sales tax increases | | | | | | | | |
| (2) Sales tax is budgeted using local estimate (i.e. State's estimate less \$100,000) | | | | | | | | |
| (3) Reflects decreases of the PEP grant in its entirety and the addition of the Virginia Preschool Initiative grant | | | | | | | | |
| (4) Reflects net change in debt service | | | | | | | | |
| (5) Various small revenue changes | | | | | | | | |
| (6) Increases due to retirements in current year and increase in software costs | | | | | | | | |
| (7) Reflects staffing changes and retirements from prior year, funding for one grade level of Chromebooks \$115,000, increases in instructional software programs such as Jumprope and APEX along with an increase in Interent bandwidth | | | | | | | | |
| (8) Reflects changes in salaries due to changes in personnel. Transportation reflects the funding for the purchase of 2 buses | | | | | | | | |
| (9) Temporary accounts for Salary increase \$435,910 and VRS Pension increase \$10,046 to be spread later, while reducing Health Insurance increase needed from prior year | | | | | | | | |

| | | | | Increase (Decrease) of FY 17 from FY 16 Adopted | Increase (Decrease) % | |
|---|--|-----------------------------------|---|--|--------------------------|--------|
| Cafeteria Fund Budget | | FY 2016 Adopted Budget | FY 2017 Proposed Budget as of 3/8/2016 | | | |
| Revenue | | | | | | |
| Salem High School | | \$543,027 | \$508,272 | (\$34,755) | -6.4% | 31.9% |
| Andrew Lewis Middle School | | 397,241 | 381,382 | (15,859) | -4.0% | 23.9% |
| G W Carver | | 196,736 | 176,690 | (20,046) | -10.2% | 11.1% |
| West Salem | | 184,674 | 195,269 | 10,595 | 5.7% | 12.2% |
| South Salem | | 182,589 | 167,281 | (15,308) | -8.4% | 10.5% |
| East Salem | | 182,520 | 166,368 | (16,152) | -8.8% | 10.4% |
| | | \$1,686,787 | \$1,595,262 | (\$91,525) | -5.4% | 100.0% |
| Expenditures | | | | | | |
| Salem High School | | \$501,242 | \$491,874 | (\$9,368) | -1.9% | 30.8% |
| Andrew Lewis Middle School | | 371,196 | 354,495 | (16,701) | -4.5% | 22.2% |
| G W Carver | | 201,687 | 199,966 | (1,721) | -0.9% | 12.5% |
| West Salem | | 187,948 | 195,878 | 7,930 | 4.2% | 12.3% |
| South Salem | | 230,548 | 239,540 | 8,992 | 3.9% | 15.0% |
| East Salem | | 194,166 | 113,509 | (80,657) | -41.5% | 7.1% |
| Total Cafeteria Fund Budget | | \$1,686,787 | \$1,595,262 | (\$91,525) | -5.4% | 100.0% |
| | | | | | | |
| Total Proposed School Budget (School Operating, Grant and Cafeteria) | | \$46,206,027 | \$45,859,403 | (\$346,624) | -0.8% | |
| | | | | | | |
| Difference in Revenue and Expenditure Cafeteria Budgets by School | | | | | | |
| Salem High School | | | \$16,398 | | | |
| Andrew Lewis Middle School | | | \$26,887 | | | |
| G W Carver | | | (\$23,276) | | | |
| West Salem | | | (\$609) | | | |
| South Salem | | | (\$72,259) | | | |
| East Salem | | | \$52,859 | | | |
| Total-Balanced Budget Overall | | | \$0 | | | |