



Roanoke City Council

FY16 Financial Report (Unaudited)

City of Roanoke

October 17, 2016



Comparison Of FY 2016 to FY 2015

- Strong local tax revenue growth at 4.2%
- Real Estate, Personal Property, Motor Vehicles License, Meals and Lodging Taxes all increased 3.0% or greater. Business License Tax Decreased 2.7%
- Maintained General Fund Reserve at 10.6% of Expenditures



Challenges Compared to Budget

- Started off with fluctuations, but improved with signs of growth
- Adjusted Revenue Budget to reflect improvement
- Personal Property Current \$1,700,000
- Delinquent Personal Property 200,000
- Public Service – Real Estate 500,000
- Sales Tax 300,000
- Lodging 100,000
- Total \$2,800,000



The Adjusted Revenue Budget Allowed For Increases In:

• Residential Juvenile Detention	\$ 146,955
• Fire Overtime	285,639
• Fire FLSA	83,463
• Fire Peak Ambulance	109,317
• Snow Removal	198,358
• Deer Culling	68,000
• Registrar	96,535
• Fleet Parts	<u>630,388</u>
• Total	\$ 1,618,655



FY 2016 Revenue Variance

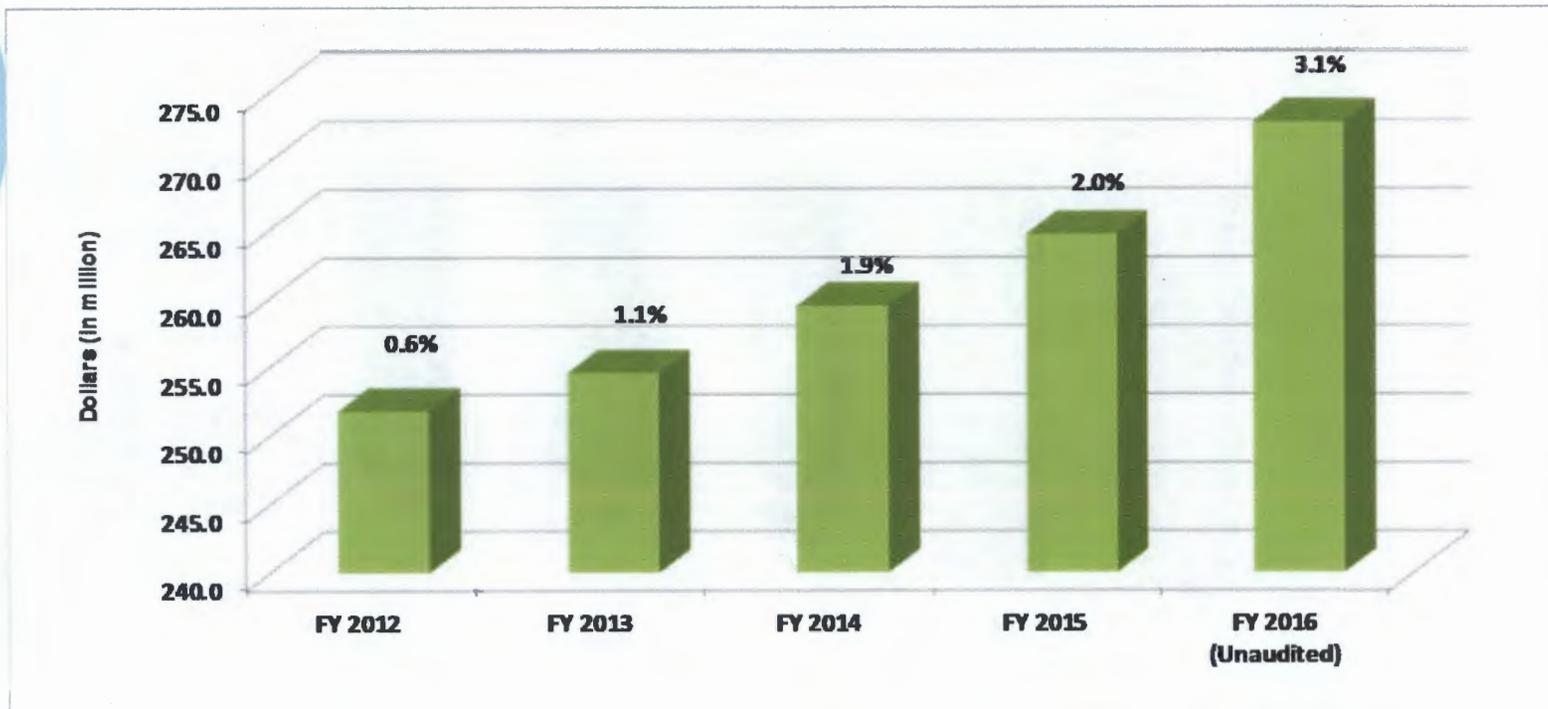
○ Overall Revenue Variance	(\$2,600,000)
○ Social Services	(\$1,900,000)
○ Sheriff Vacant Positions	(280,000)
○ Personal Property Taxes	900,000
○ Other Local Taxes	(400,000)
○ Fees & Licenses	(300,000)
○ Fines & Forfeitures	(270,000)
○ Charges for Services	(500,000)
○ Street Maintenance	150,000



Finished the Year (2016)

- Maintaining the General Fund Reserve at 10.6%
- Increased funding for schools
- Prudent management of contingency and operational funding

Continued Increase in General Fund Revenues



FY 2016 General Taxes increased \$5.4 million and Other Local Taxes increased \$2.3 Million over FY 2015.

To enhance comparability, FY 12 data were adjusted for daycare revenues. Effective in January 2012, the Commonwealth began paying daycare services directly.

Source: City of Roanoke CAFR FY2012-FY2015 and Unaudited FY2016 Financial Statements

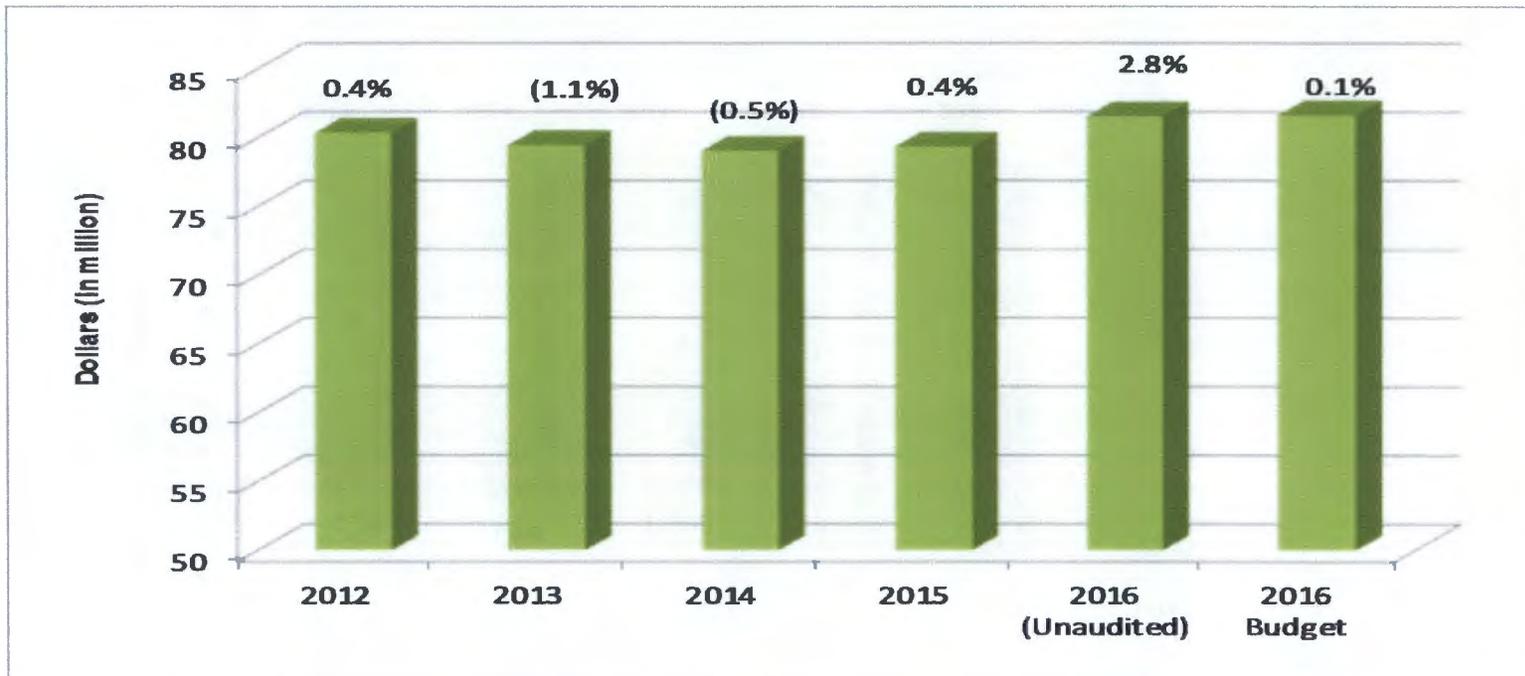
Total Local Taxes Increased for Fifth Year (Includes General Property and Other Local Taxes)



The data includes 2% increase in meals tax in FY 2012, and 1% increase in transient tax in FY 2013. In FY 2016, increases of \$0.03 in real estate tax, 0.5% meals tax, and \$8.00 motor vehicle tax.

Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

Modest Growth In Real Estate Tax Revenues

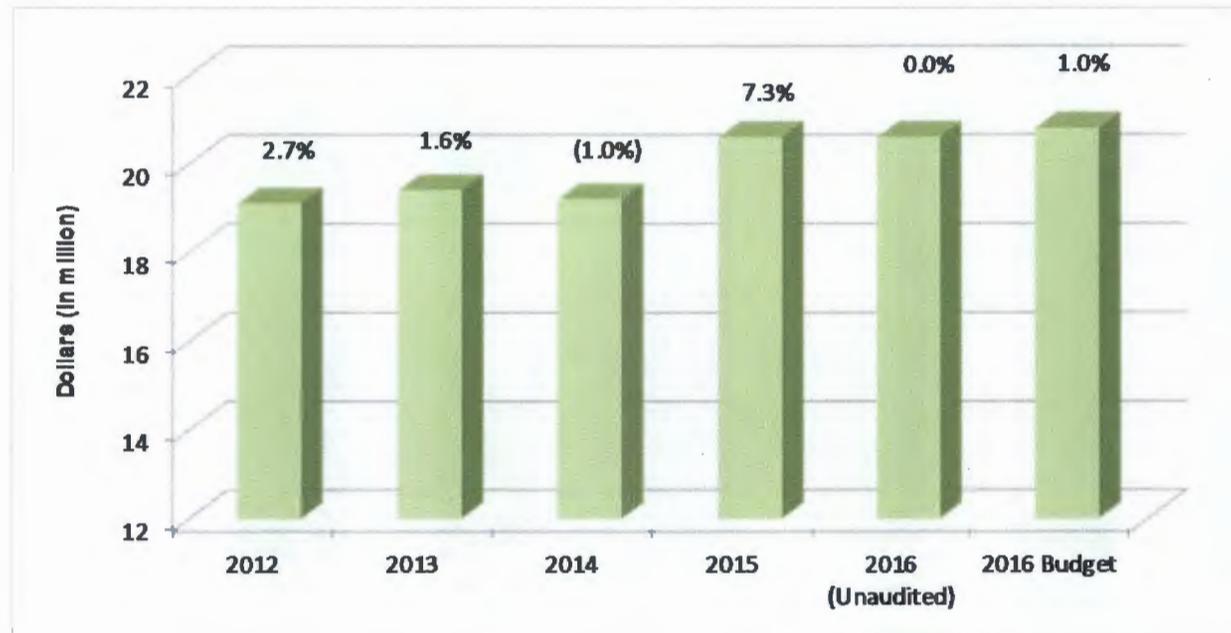


Current Year Real Estate Tax \$352K above budget offset by Delinquent of \$424K below budget

Note: Effective 7/1/2015, real estate tax increased \$0.03.

Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements.

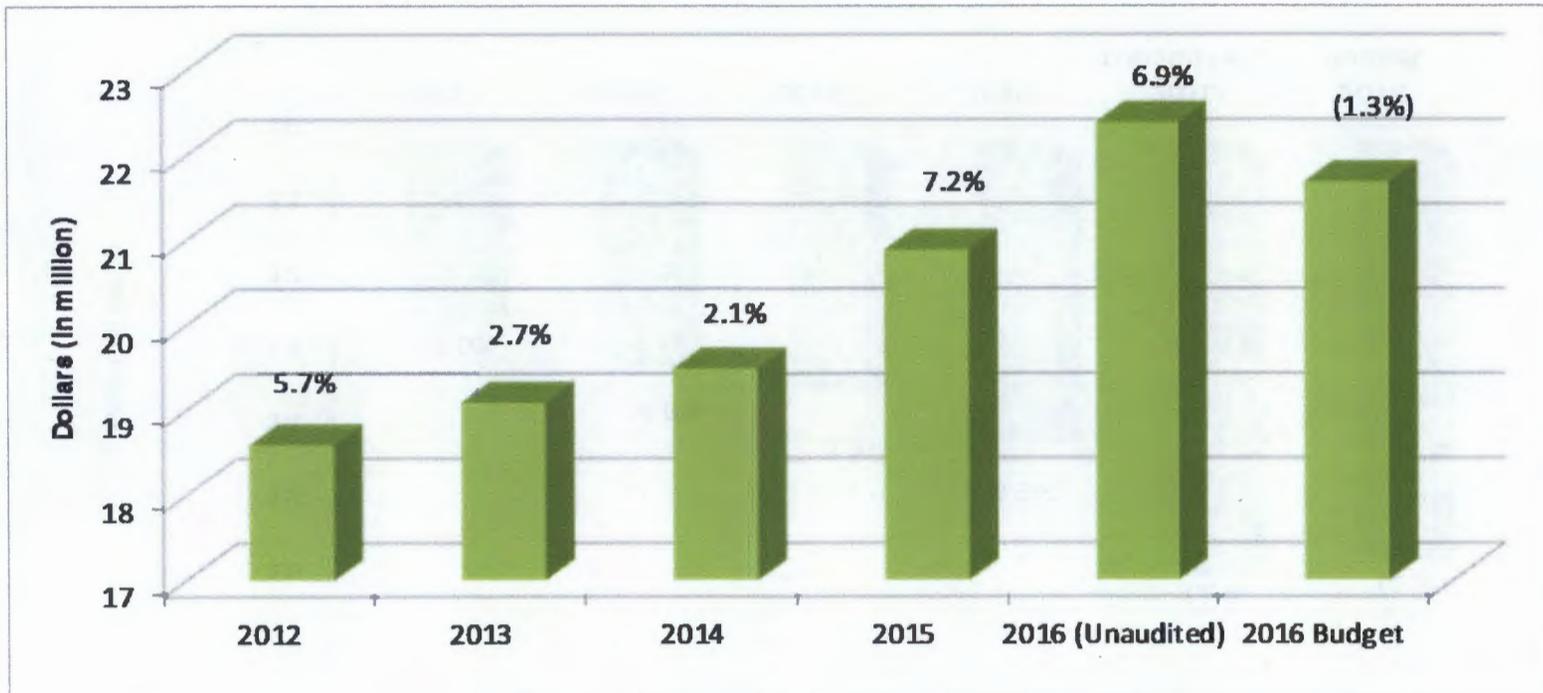
Sales Tax Stable in FY16



Sales Tax \$200K below budget with greatest decline in Quarter 4 (April – June)

Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

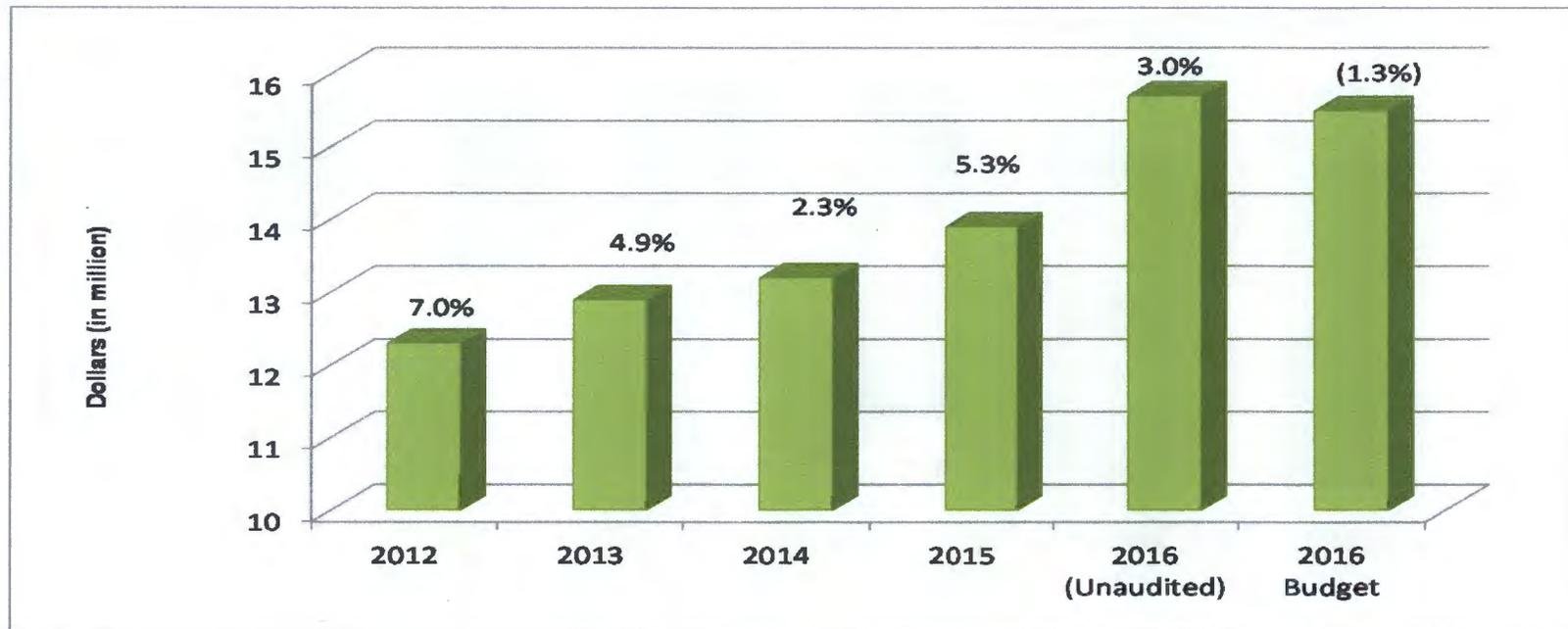
Current Year Personal Property Tax Growth in FY16



Current Personal Property Tax \$686K over budget

Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

Meals Tax Continues Strong Growth Pattern



To enhance comparability, data excludes 2% meals tax component for FY12. Rate changed from 5.0% to 5.5% in FY16.

Meals Tax \$229 over Budget with consistent growth during FY 2016.

Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

Current Business License Tax



Current Business License Tax in line with budget

Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

Strong Lodging Tax Growth Indicative of Roanoke Tourism Gains



To enhance comparability, FY13 was adjusted to remove the 1% increase effective January 1, 2013.

Lodging Tax slightly below budget (\$61K) due to unanticipated declines in Fourth Quarter.

Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

Commonwealth Funding

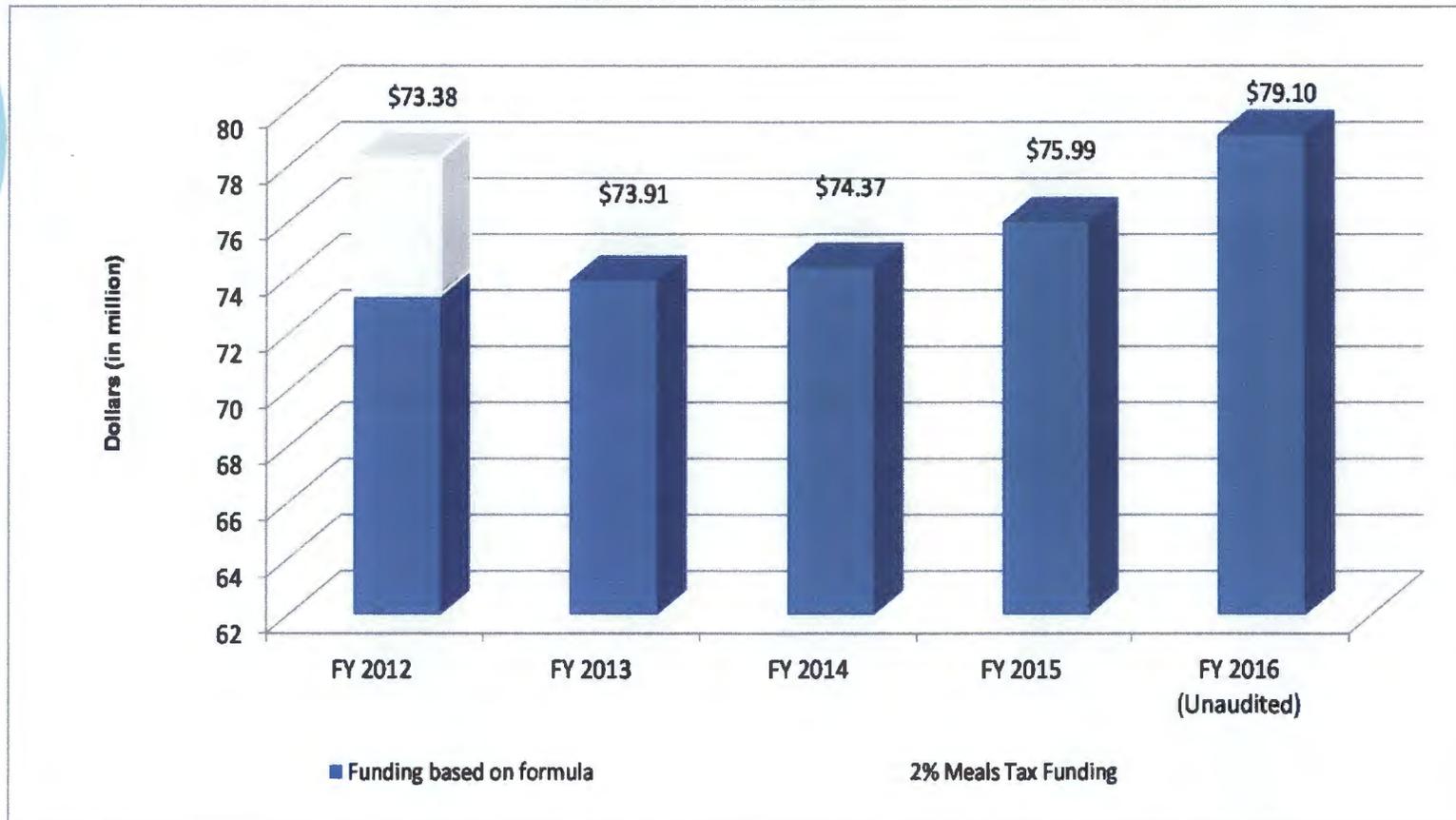


Local aid to the Commonwealth was eliminated in FY14, having a positive effect on revenues. Data excludes this impact in FY13 to enhance comparability.

Due to state budget cuts, this local aid was reinstated in FY15. The impact to the City was \$682,000 revenue reduction which has been excluded for comparability.

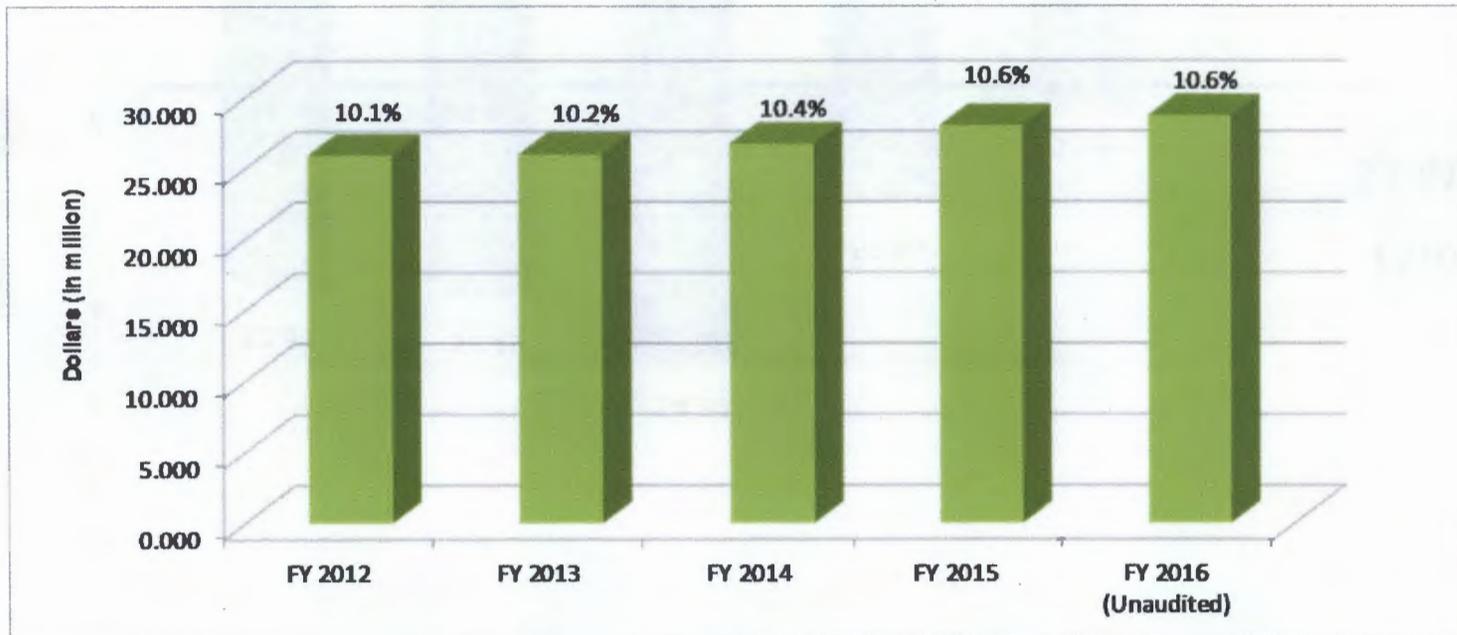
Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

Increase in City Funding of Schools



Source: School CAFR FY 2012- FY 2015 and Unaudited FY 2016 Financial Statements

City Unassigned General Fund Balance Exceeds Policy Target of 10%



Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

Economic & Community Development Reserve Remains Above Floor



Funded by proceeds from sale of property and interest income on the unspent capital funds.

Source: City of Roanoke CAFR FY 2012-FY 2015 and Unaudited FY 2016 Financial Statements

Pension Plan Funded Status



Source: Milliman Consultants and Actuaries, Cheiron Inc.;
Annual Pension Actuarial Valuations



In Conclusion

- FY16, although challenging, was another positive year
- Several revenues increased more than 3.0% compared to FY15
- Strong expenditure control
- Maintained reserve funding for General Fund
- City Pension Plan funded ratio decreased from 73.8% to 68.7%