Agenda

• FY 2018 Update
• FY 2019 Local Tax Estimate
• FY 2019 Offer Status
• Priority Discussion
  – Council’s programmatic priorities
  – Allocation Percentages
• Next Steps
FY18 General Fund Overview

• The FY18 adopted budget is $3.5 million or 1.25% higher than FY17 actual revenues.
  – FY 2018 adopted local taxes are $2.9 million or 1.5% higher than FY 17 actual revenues.

• Through November, FY18 revenues have increased $1.7 million or 2% compared to the same period FY17.
  – Through November, compared to the same period in FY17, local taxes are up $1.7 million or 2.8%, mainly due to current Real Estate (2.9%), Sales (1.9%), Transient Occupancy (12.5%) and Meals Tax (3.0%).
  – Through November, compared to the FY 18 budget, local taxes are $.6 million or 1.0% ahead.

• Expenditures and obligations through November increased approximately $1.5 million or 1.2% compared to the same period last year, mainly due to the timing of contracts.
Sales Tax Revenue Through October

FY18 Revenue Estimate $20.1 M

FY18 sales tax revenue increased 1.4% over same period of FY17, and is 2.0% ahead of YTD budget.
Meals Tax Revenue Through October

FY18 Revenue Estimate $16.2 M

FY18 meals tax revenue increased 3.7% over same period of FY17, and is 1.2% ahead of YTD budget.
Lodging Tax Revenue Through November

FY18 Revenue Estimate $4.3 M

FY18 lodging tax revenue increased 9.1% over same period of FY17, and is 13.9% ahead of YTD budget.
YTD expenditures are 2.6% or $1.17 million below target.
Worker Compensation through November

YTD expenditures are 75.3% or $523k above target. YTD FY 2018 expenditures are 73.3% higher than prior YTD.
Public Safety Overtime Through November

YTD expenditures are 85.97% or $308,531 above target. Higher expenditures driven by Sheriff’s Department inmate transport requirements and Peak Time Ambulance staffing.
Childrens Services Act (CSA) through November

YTD expenses are 10.3% or $315,018 above target. There are currently 270 children in foster care.
YTD expenses are 18.7% or $71,306 below target.
Solid Waste Tipping Fees through November

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017 YTD</td>
<td>$888,112</td>
<td>FY 2017 YTD</td>
</tr>
<tr>
<td>FY 2018 Target</td>
<td>$712,501</td>
<td>FY 2018 YTD</td>
</tr>
<tr>
<td>FY 2018 YTD</td>
<td>$840,253</td>
<td>FY 2018 YTD</td>
</tr>
</tbody>
</table>

YTD costs are 17.9% or $127,752 above target.
FY18 YTD costs are 46.0% or $133,475 above target.
## Neighborhood Infrastructure and Arts Endowment

<table>
<thead>
<tr>
<th></th>
<th>FY 2016-2017</th>
<th>Reduction</th>
<th>FY 2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alley Maintenance</td>
<td>$428,282</td>
<td>($41,604)</td>
<td>$386,678</td>
</tr>
<tr>
<td>Sidewalk Repair &amp; Maintenance</td>
<td>462,319</td>
<td>(20,000)</td>
<td>442,319</td>
</tr>
<tr>
<td>Demolition</td>
<td>30,000</td>
<td>(10,050)</td>
<td>19,950</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Arts Endowment</td>
<td></td>
<td></td>
<td>$62,500</td>
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</table>
## Estimated Local Tax Revenue
### Fiscal Year 2019

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>FY 18 Adopted</th>
<th>FY 19 Preliminary</th>
<th>$ Growth/(Decline)</th>
<th>% Growth/(Decline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Tax</td>
<td>$84,000,000</td>
<td>$86,464,620</td>
<td>$2,464,620</td>
<td>2.93%</td>
</tr>
<tr>
<td>Personal Property Tax</td>
<td>23,941,000</td>
<td>23,431,600</td>
<td>(509,400)</td>
<td>(2.13%)</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>20,100,000</td>
<td>20,401,500</td>
<td>301,500</td>
<td>1.50%</td>
</tr>
<tr>
<td>Prepared Food &amp; Beverage</td>
<td>16,218,000</td>
<td>16,461,270</td>
<td>243,270</td>
<td>1.50%</td>
</tr>
<tr>
<td>BPOL Tax</td>
<td>12,844,000</td>
<td>12,844,000</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Transient Occupancy Tax</td>
<td>4,300,000</td>
<td>4,500,000</td>
<td>200,000</td>
<td>4.65%</td>
</tr>
<tr>
<td>Other Local Taxes</td>
<td>32,579,000</td>
<td>32,399,100</td>
<td>(179,900)</td>
<td>0.55%</td>
</tr>
<tr>
<td><strong>Total Local Taxes</strong></td>
<td><strong>$193,982,000</strong></td>
<td><strong>$196,502,090</strong></td>
<td><strong>$2,520,090</strong></td>
<td><strong>1.30%</strong></td>
</tr>
</tbody>
</table>
Dates to Watch for Refinement of Local Tax Estimates (update)

• February 2\textsuperscript{nd} – appeal period ends for real estate
• Late Feb – real estate estimate refined
• February – NADA data available for vehicular values; personal property estimate updated
• March 1\textsuperscript{st} – Business license tax due date
• Mid March - BPOL estimate refined
• Early April – Commissioner of the Revenue releases personal property levy
• Mid April – personal property estimate finalized
Preliminary FY 2018-2019
Cost Increases

Total Non-Discretionary Cost Increases: $920,000

• Medical - $420,000
• Reserves - $250,000
• Debt Service - $250,000

Other:
• Compensation – 2% increase - $1,950,000
Priority Discussion

- Outside Agencies: $8,804,474 (3%)
- Livability: $15,121,918 (5%)
- Infrastructure: $23,943,555 (8%)
- Safety: $66,756,087 (24%)
- Reserved Allocations: $29,863,168 (11%)
- Good Government: $18,071,561 (6%)
- Human Services: $37,257,614 (13%)
- Economy: $1,557,042 (1%)
- Education: $1,817,381 (1%)
- RCPS: $79,592,200 (28%)
Next Steps

- DMB Staff, Director and Budget Committee Reviews
- Council Briefing – February 5, 2018
  - Price of Government
  - Offers by Priority/Tier
  - Capital Planning
  - 5 Year Operating Planning