

City Council Budget Briefing

January 7, 2019



Agenda

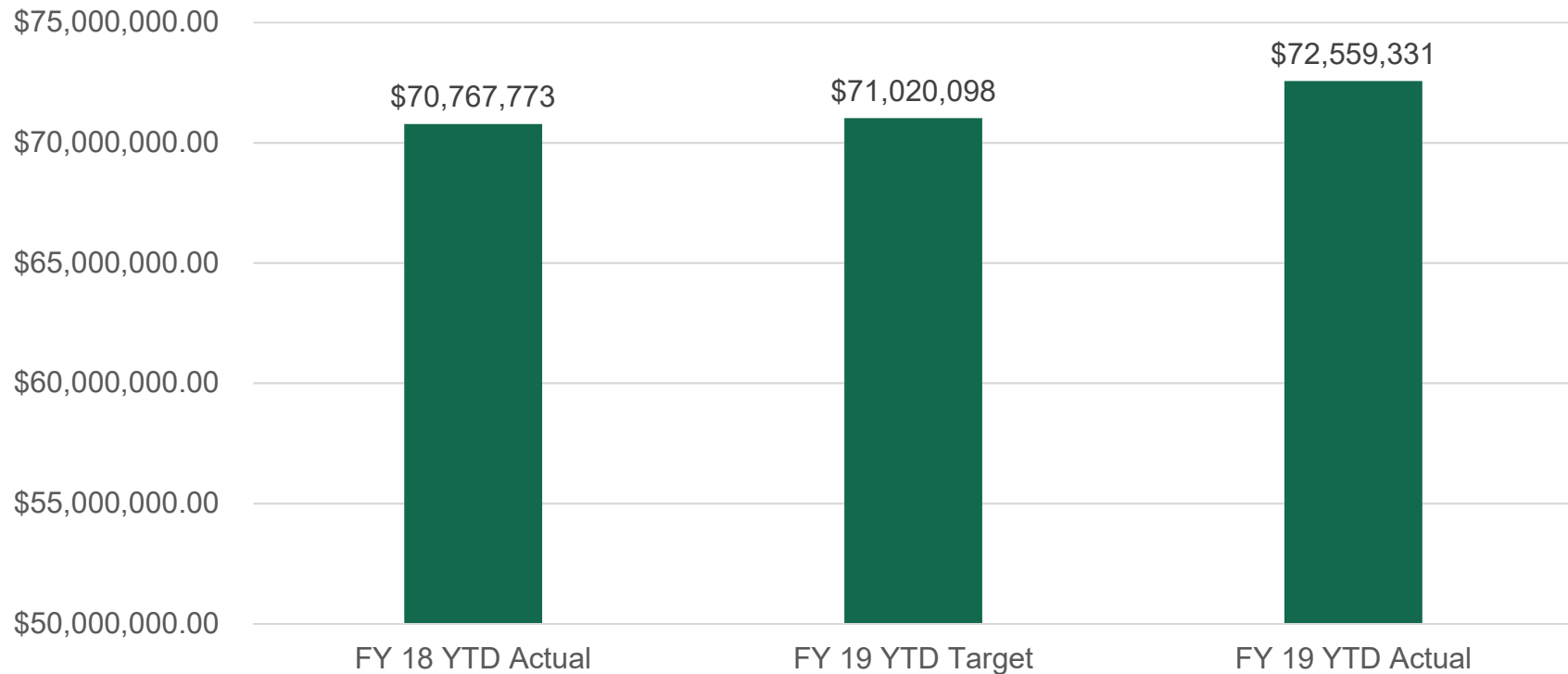
- FY 2019 Overview
- Preliminary FY 2020 Expenditure Priorities
- Five Year Operating Model
- Next Steps

FY 19 General Fund Overview

- The FY19 adopted budget is \$0.76 million or 0.26% higher than FY18 actual revenues.
- Through December, FY 19 revenues have decreased approximately \$689,000 or (0.64%) compared to the same period FY 18.
- Expenditures and obligations through December decreased approximately \$391,000 or (0.28%) compared to the same period last year, mainly due to the timing of CSA expenditures and transfers.

All Local Taxes Revenue Through December

FY 19 Revenue Estimate \$199.0 million

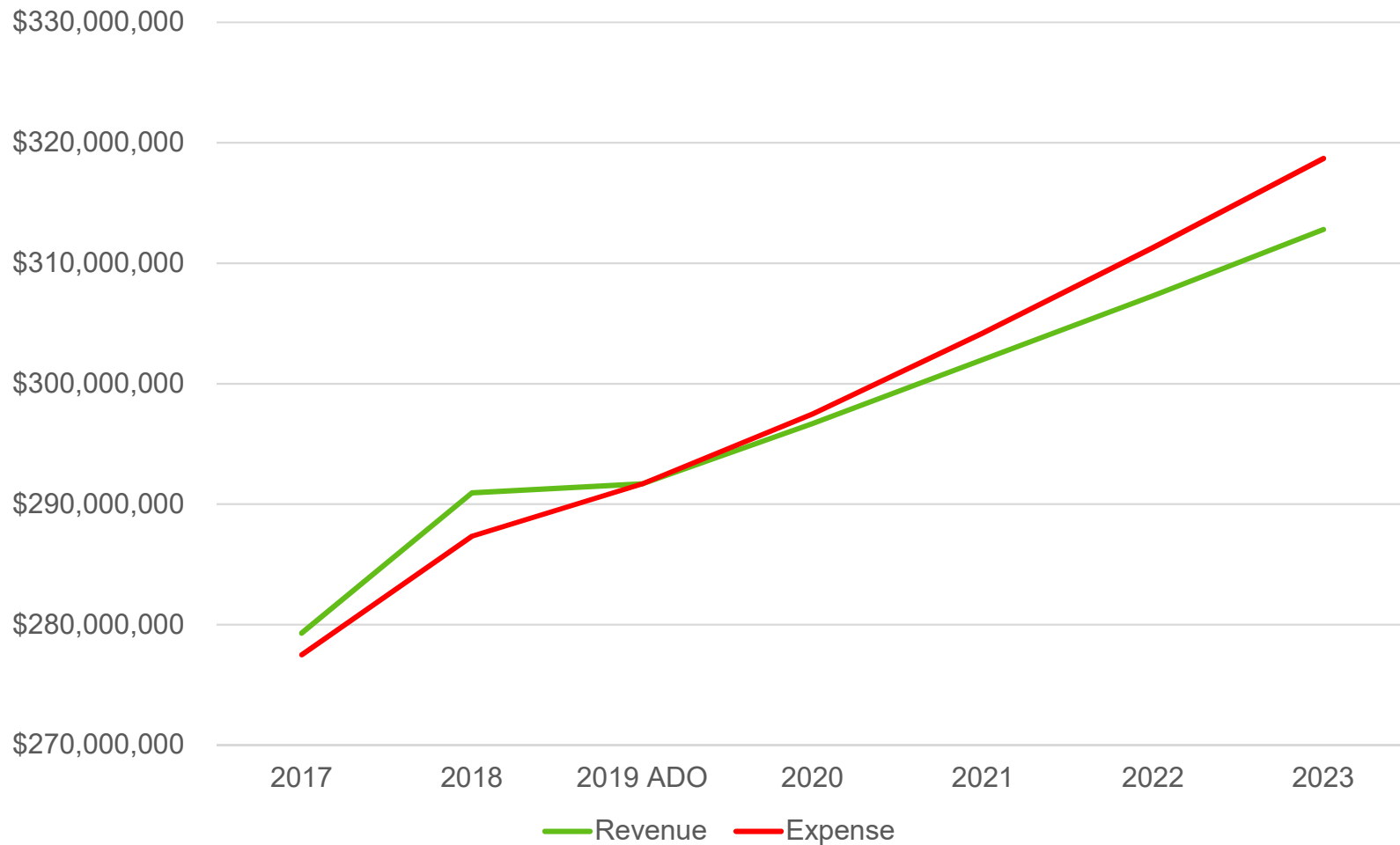


FY19 Local Tax revenue increased 2.53% over same period of FY18, and is 2.17% ahead of YTD budget.

Preliminary FY 2020 Expenditure Priorities

- Total Non-Discretionary Cost Increases: \$850,000
 - Medical/Dental - \$0
 - Retirement - \$0
 - Reserves - \$350,000
 - Debt Service - \$250,000
 - Worker Compensation - \$250,000
- Other:
 - Compensation – 1% Increase - \$973,000
 - Cash Funded Capital
 - Capital Building Maintenance
 - Fleet Replacement
 - Technology Capital
 - General Assembly Action

Five-Year Operating Model



(millions)	2017	2018	2019	2020	2021	2022	2023
Revenue	\$279.3	\$290.9	\$291.7	\$296.7	\$302.0	\$307.3	\$312.8
Expense	277.5	287.3	291.7	297.5	304.2	311.3	318.7
Variance	1.8	3.6	0.0	(0.8)	(2.2)	(4.0)	(5.9)

Assumptions:

- Real Estate Tax Growth – 1.75% in FY 20, 2% in FY 21-23
- Personal Property Tax Growth – 1.75% in FY 20-23
- Prepared Food and Beverage Tax Growth – 1% in FY 20-23
- Most Other Revenue Growth – 2% in FY 20-23
- Operating Expenditure Growth – predominantly 2% in FY 20-23
- Salary Increases – 2% in FY 20-23

Next Steps

- Budget Staff, Director and Budget Committee Reviews
- Council Briefing – February 4, 2019
 - FY 19 Budget Performance
 - FY 20 Revenue Outlook
 - Local Tax Trends
 - Total Price of Government
 - FY 20 RCPS Estimate
 - FY 19 CIP Current Status