City Council Budget Briefing
January 6, 2020
Agenda

• FY 2020 Overview
• Preliminary FY 2021 Expenditure Priorities
• Five Year Operating Model
• Next Steps
FY 20 General Fund Overview

- The FY20 adopted budget is $299.4 and local taxes comprise approximately 68% of all revenue.
- Through November, total FY 20 revenues have decreased approximately $1.2 million or 1.32% compared to the same period of FY 19 due to Social Services revenues.
- Through November, FY 20 local taxes have increased approximately $2.1 million or 3.15% compared to the same period of FY 19 due to real estate, sales tax and business license performance.
- Expenditures and obligations through November increased approximately $2.2 million or 1.64% compared to the same period last year, mainly due to the timing of expenditures.
All Local Taxes Revenue Through November

FY 20 Revenue Estimate $204.1 million

FY20 Local Tax revenue increased 3.15% over same period of FY19, and is 2.54% ahead of YTD budget.
Preliminary FY 2021 Expenditure Priorities

- Total Non-Discretionary Cost Increases: $844,500
  - Medical - $0
  - Dental - $27,200
  - VRS - $67,300
  - Reserves - $250,000
  - Debt Service - $250,000
  - Worker Compensation - $250,000
Preliminary FY 2021 Expenditure Priorities (continued)

- Other:
  - Compensation – for each 1% Increase - $979,200
  - Community Safety
  - Neighborhood Vitality
  - Comprehensive Plan
  - Capital Planning
  - Parks and Recreation Master Plan
  - Blue Ridge Behavioral Healthcare - $260,758
  - Tipping Fees - ?
  - Recycling - $234,000
  - General Assembly Action
Five Year Operating Model
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<td>Revenue</td>
<td>$290.9</td>
<td>300.2</td>
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<td>$304.6</td>
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<td>Expense</td>
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<td>295.5</td>
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<td>321.2</td>
<td>328.8</td>
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<td>Variance</td>
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<td>4.7</td>
<td>0.0</td>
<td>(2.2)</td>
<td>(4.0)</td>
<td>(5.9)</td>
<td>(8.1)</td>
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Assumptions:
- Real Estate Tax Growth – 2% in FY 21-24
- Personal Property Tax Growth – 1% in FY 21-24
- Prepared Food and Beverage Tax Growth – 1% in FY 21-24
- Most Other Revenue Growth – 2% in FY 21-24
- Operating Expenditure Growth – 2% in FY 21-24
- Salary Increases – 2 1/2% in FY 21-24
Next Steps

• Budget Staff, Director and Budget Committee Reviews

• Council Briefing – February 3, 2020
  – FY 20 Budget Performance
  – FY 21 Revenue Outlook
    • Local Tax Trends
    • Total Price of Government
  – FY 21 RCPS Estimate
  – FY 20 CIP Current Status
Dates to Watch for Refinement of Local Tax Estimates

• February 3 – appeal period ends for real estate
• Late Feb – real estate estimate refined
• February – NADA data available for vehicular values; personal property estimate updated
• March 1st – 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