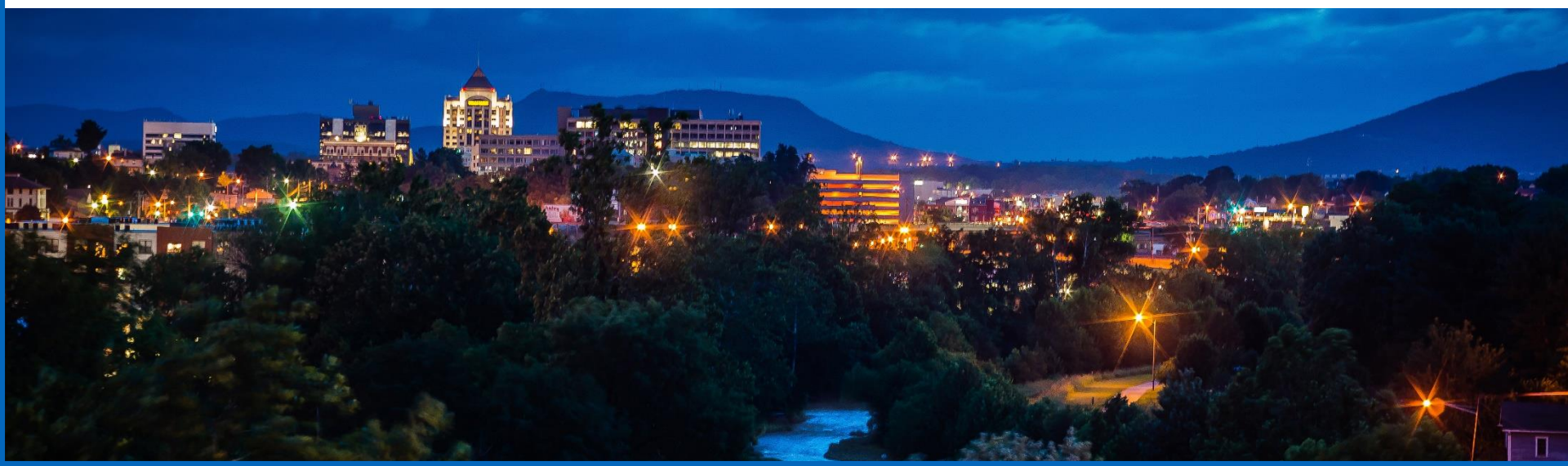


City Council Budget Briefing

January 6, 2020



Agenda

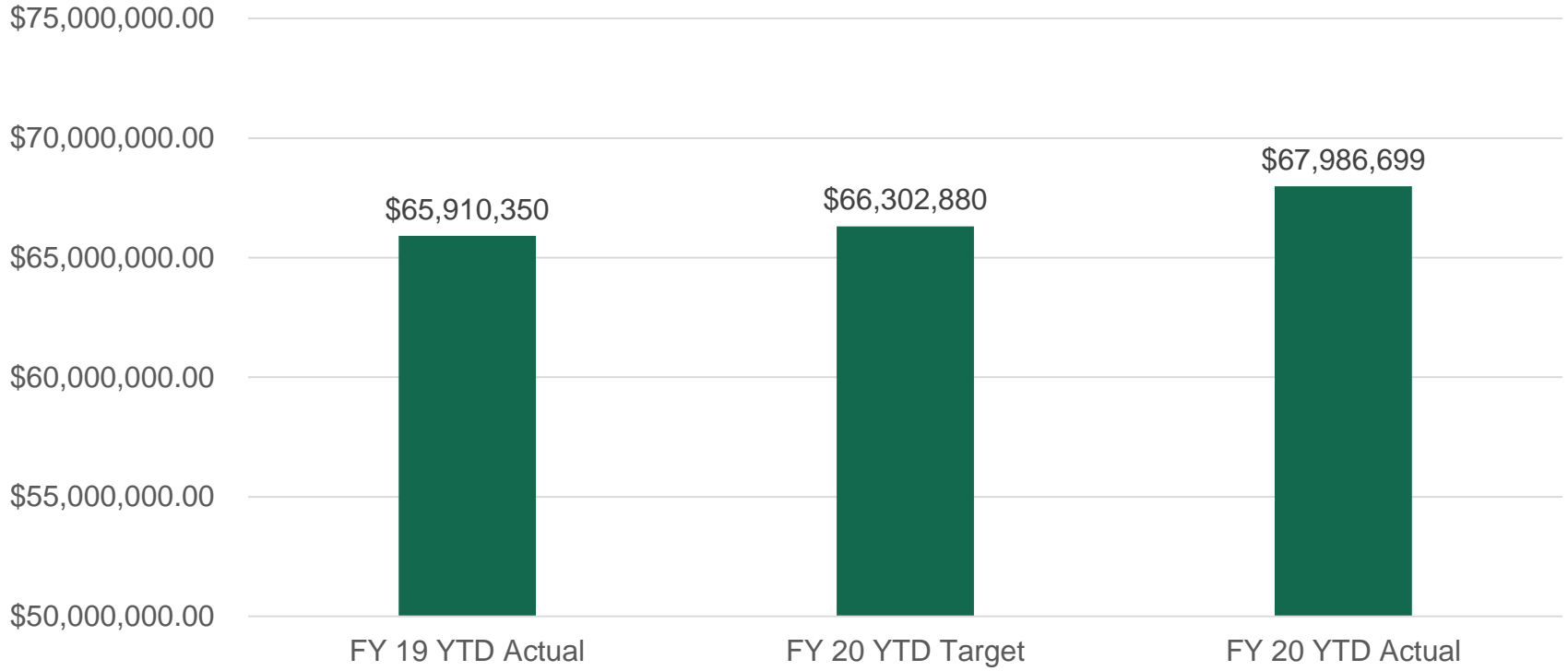
- FY 2020 Overview
- Preliminary FY 2021 Expenditure Priorities
- Five Year Operating Model
- Next Steps

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.

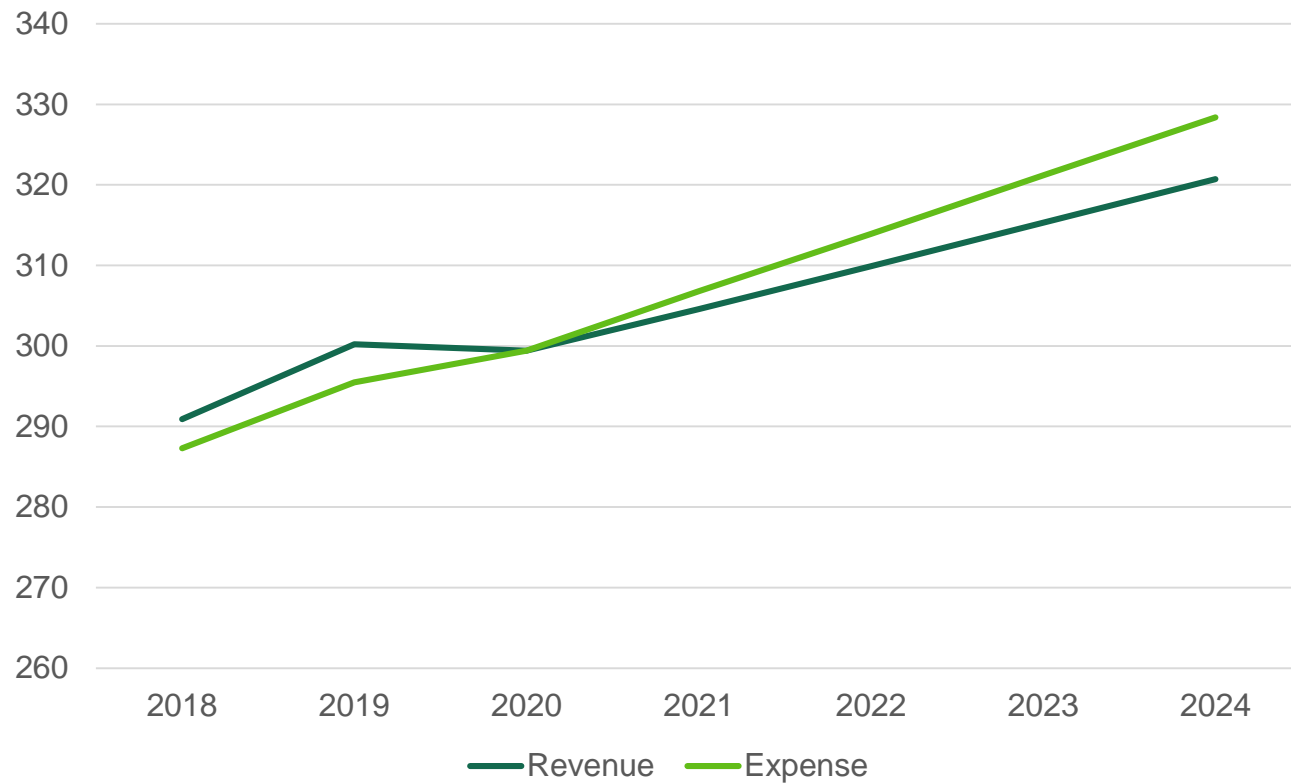
Preliminary FY 2021 Expenditure Priorities

- 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



(millions)	2018 Actual	2019 Actual	2020 Budget	2021 Projection	2022 Projection	2023 Projection	2024 Projection
Revenue	\$290.9	300.2	\$299.4	\$304.6	\$309.9	\$315.3	\$320.7
Expense	287.3	295.5	299.4	306.8	313.9	321.2	328.8
Variance	3.6	4.7	0.0	(2.2)	(4.0)	(5.9)	(8.1)

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