



Bertha Johnson, Budget & Management Services Director

FY 20-21 Proposed Budget - Revenues

Key Issues

- Revenue Loss:
 - Property Tax
 - Sales Tax
 - Powell Bill (Gas Tax)
 - Hotel Occupancy Tax
 - Program revenues
- No tax rate increase
- Significant use of fund balance

General Fund Revenue Changes

Revenue Source	FY 19-20 Adopted Budget	FY 19-20 Projected EOY	FY 20-21 Pre-COVID Projection	FY 20-21 Proposed Budget
Property Tax	\$107.2M	\$110.3M	\$110.8M	\$109.7M
Sales Tax	\$68.7M	\$67.7M	\$73.5M	\$64.2M
Occupancy Tax	\$3.0M	\$2.2M	\$3.2M	\$2.1M
Powell Bill	\$6.3M	\$6.2M	\$6.3M	\$4.7M

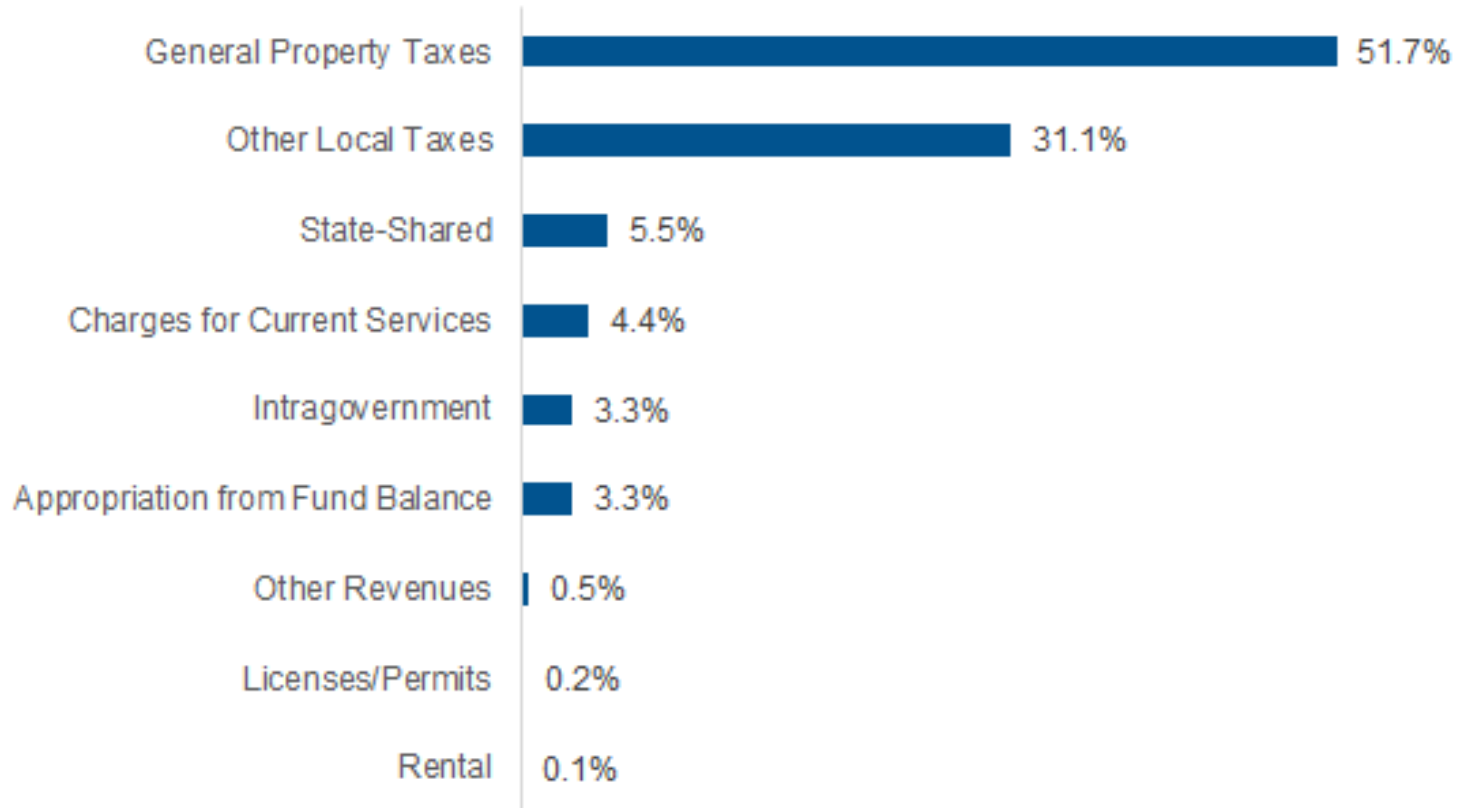
General Fund Revenue Summary

Budget to Budget

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Property Tax	\$ 93,184,096	\$ 98,310,069	\$ 108,465,141	\$ 110,987,559
Sales Tax	\$ 63,843,076	\$ 67,035,230	\$ 68,711,111	\$ 64,185,206
Other Local Taxes	\$ 2,923,503	\$ 3,106,174	\$ 3,352,717	\$ 2,516,402
State Shared Revenue	\$ 11,742,340	\$ 11,851,475	\$ 11,962,793	\$ 10,179,123
License and Permits	\$ 506,000	\$ 348,000	\$ 354,500	\$ 326,300
Charges for Services	\$ 8,037,822	\$ 8,930,425	\$ 9,278,748	\$ 9,355,717
Other Revenue	\$ 3,110,255	\$ 7,655,241	\$ 7,785,940	\$ 8,342,645
Total	\$ 183,347,092	\$ 197,236,614	\$ 209,910,950	\$ 205,892,952

General Fund Revenue Summary

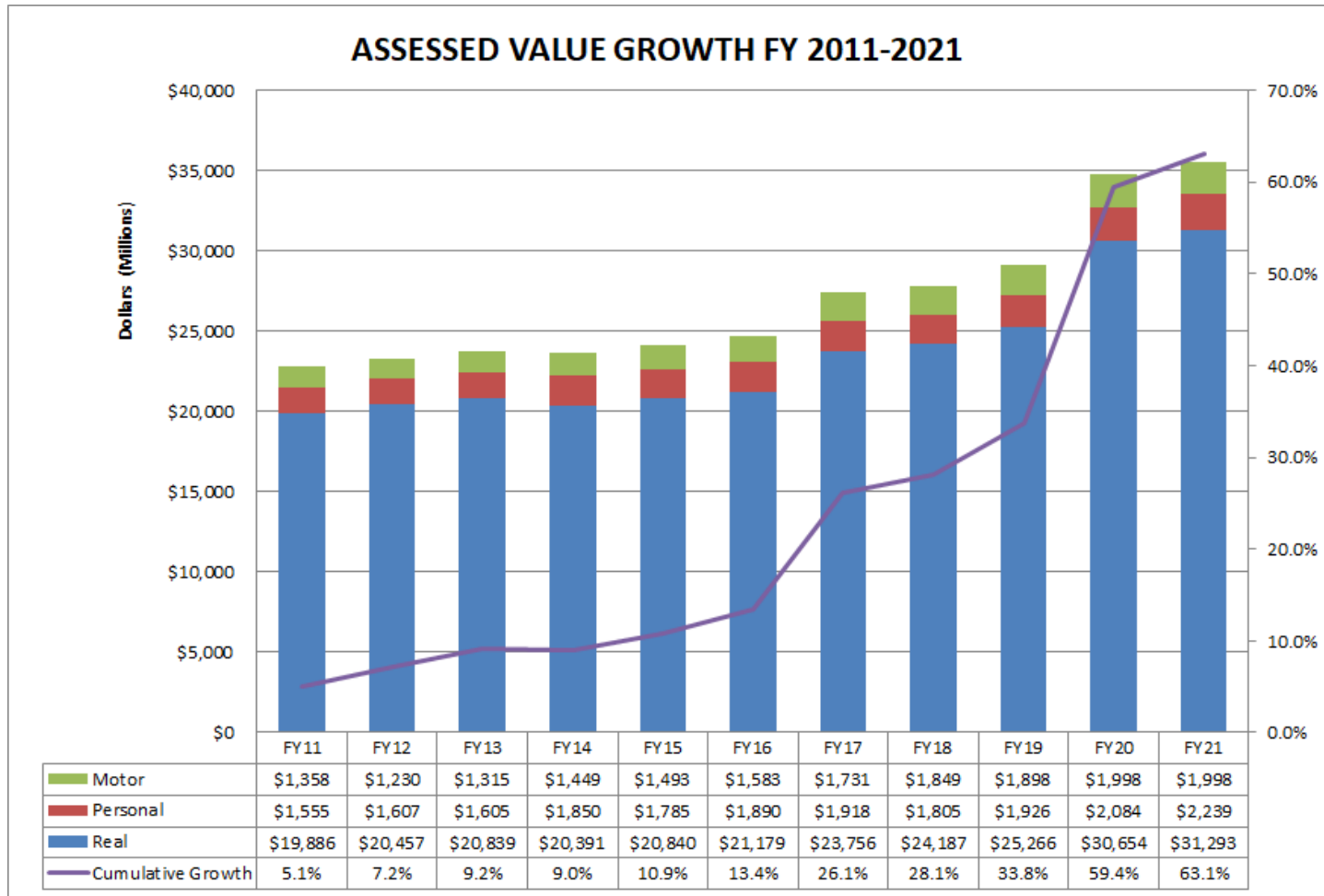
FY 2020-21 Revenue Sources



Property Tax Rate Allocation

Fund	Proposed
General Fund	30.83¢
Debt	11.0¢
Housing	2.0¢
Transit	3.75¢
Solid Waste	5.59¢
Total Rate (Per \$100)	53.17¢

Property Tax Base Growth 2011-21

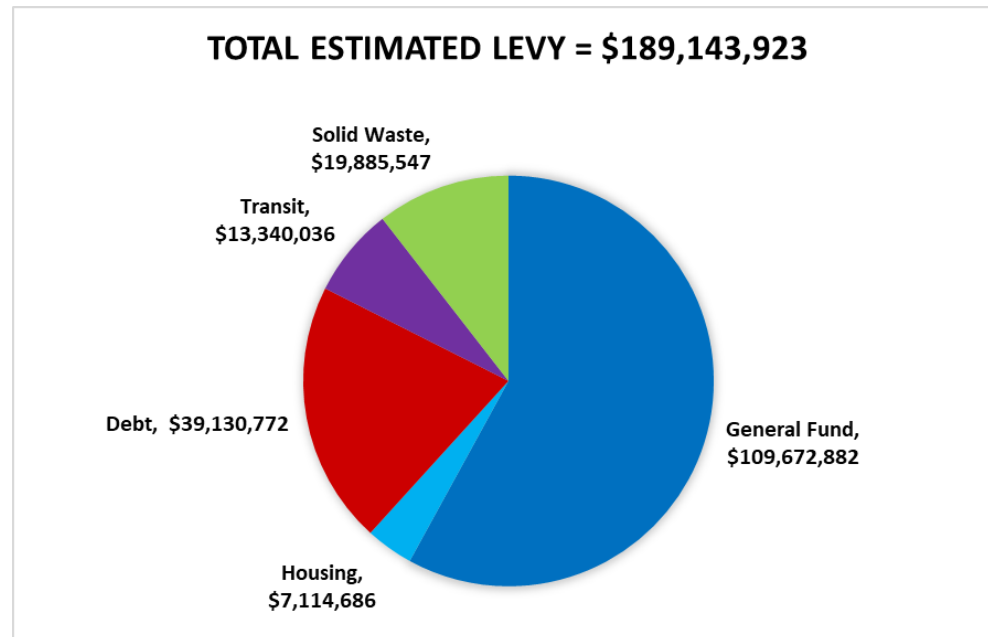


Property Tax Projections

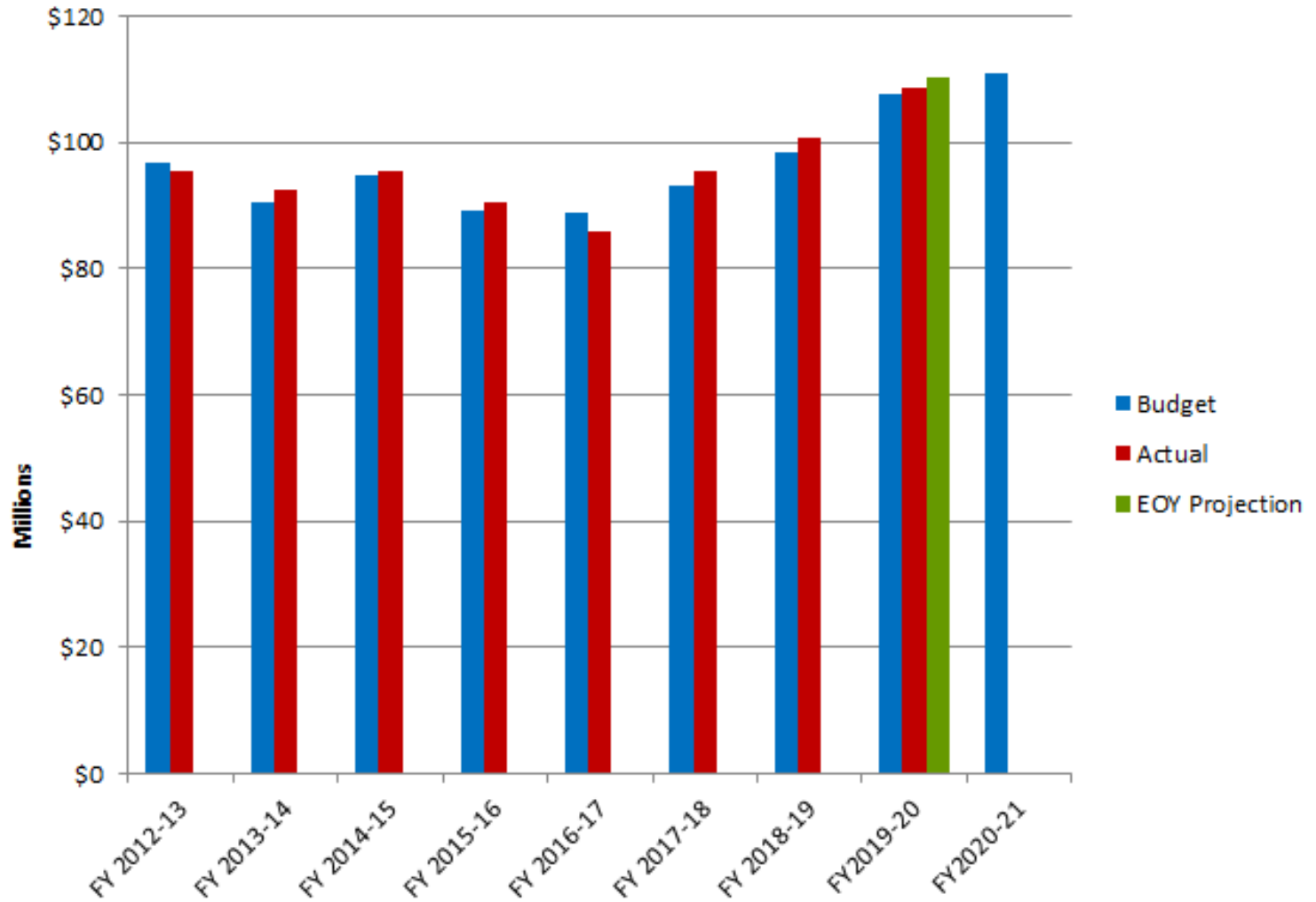
	Actual FY2018-19	Adopted FY2019-20	Estimated FY2019-20	Proposed FY2020-21	Percent Change
Assessed Value					
Real Property	\$ 25,535,758,240 ▼	\$ 30,654,398,252	\$ 31,271,500,299	\$ 31,293,492,005	2.08%
Personal Property	4,114,375,200	2,084,236,169	2,296,189,227	2,238,943,705	7.42%
Motor Vehicles	-	1,998,264,510	2,171,688,964	1,998,264,510	0.00%
Public Utility Property	384,064,703	383,171,621	403,035,014	402,056,579	4.93%
Assessed Valuation	\$ 30,034,198,143	\$ 35,120,070,552	\$ 36,142,413,504	\$ 35,932,756,799 ▼	2.31%
Tax Rate Per \$100 Valuation					
General Fund	\$ 0.3299	\$ 0.3083	\$ 0.3083	\$ 0.3083	
Dedicated Housing	0.0200	0.0200	0.0200	0.0200	
Transit Fund	0.0356	0.0375	0.0375	0.0375	
Solid Waste Fund	0.0629	0.0559	0.0559	0.0559	
Debt Reserve Fund	0.1302	0.1100	0.1100	0.1100	
Total Tax Rate	\$ 0.5786	\$ 0.5317	\$ 0.5317	\$ 0.5317	\$ -
Tax Levy	\$ 177,587,323 ▼	\$ 186,733,415	\$ 192,169,213	\$ 191,054,468	
Less: Uncollected Taxes	(582,338)	(1,867,334)	(1,921,692)	(1,910,545) ▼	
Estimated Collectable Levy	\$ 177,004,985	\$ 184,866,081	\$ 190,247,521	\$ 189,143,923	
Less: Discounts	-	-	-	-	
Estimated Collections	\$ 177,004,985	\$ 184,866,081 ▲	\$ 190,247,521	\$ 189,143,923	
Appropriated to:					
General Fund	\$ 100,569,613 ▼	\$ 107,192,426	110,312,790	109,672,882	2.31%
Dedicated Housing Fund	6,875,237 ▼	6,953,774	7,156,198	7,114,686	2.31%
Transit Fund	10,747,068 ▼	13,038,326 ▲	13,417,871	13,340,036	2.31%
Solid Waste Fund	18,988,969 ▼	19,435,798	20,001,573	19,885,547	2.31%
Debt Reserve fund	38,400,347 ▼	38,245,757	39,359,088	39,130,772	2.31%
*one cent equals	\$ 3,059,194.35	\$ 3,476,887	\$ 3,578,099	\$ 3,557,343	

Property Tax Rate Allocation

	General Fund	Housing	Debt	Transit	Solid Waste	Total	BID
Assessed Value	\$ 35,932,756,799	\$ 35,932,756,799	\$ 35,932,756,799	\$ 35,932,756,799	\$ 35,932,756,799	\$ 35,932,756,799	\$ 1,759,703,658
Tax Rate Allocation	0.3083	0.0200	0.1100	0.0375	0.0559	0.5317	
Tax Rate BID							0.0700
Est Gross Tax Revenue	\$ 110,780,689	\$ 7,186,551	\$ 39,526,032	\$ 13,474,784	\$ 20,086,411	\$ 191,054,468	\$ 1,231,793
Uncollected Tax	\$ 1,107,807	\$ 71,866	\$ 395,260	\$ 134,748	\$ 200,864	\$ 1,910,545	\$ 12,318
Est. Collected Levy	\$ 109,672,882	\$ 7,114,686	\$ 39,130,772	\$ 13,340,036	\$ 19,885,547	\$ 189,143,923	\$ 1,219,475
Tax Collection Fee 1.15%	\$ 1,261,238	\$ 81,819	\$ 450,004	\$ 153,410	\$ 228,684	\$ 2,175,155	\$ 14,024
Est Net Tax Revenue	\$ 108,411,644	\$ 7,032,867	\$ 38,680,768	\$ 13,186,626	\$ 19,656,863	\$ 186,968,768	\$ 1,205,451



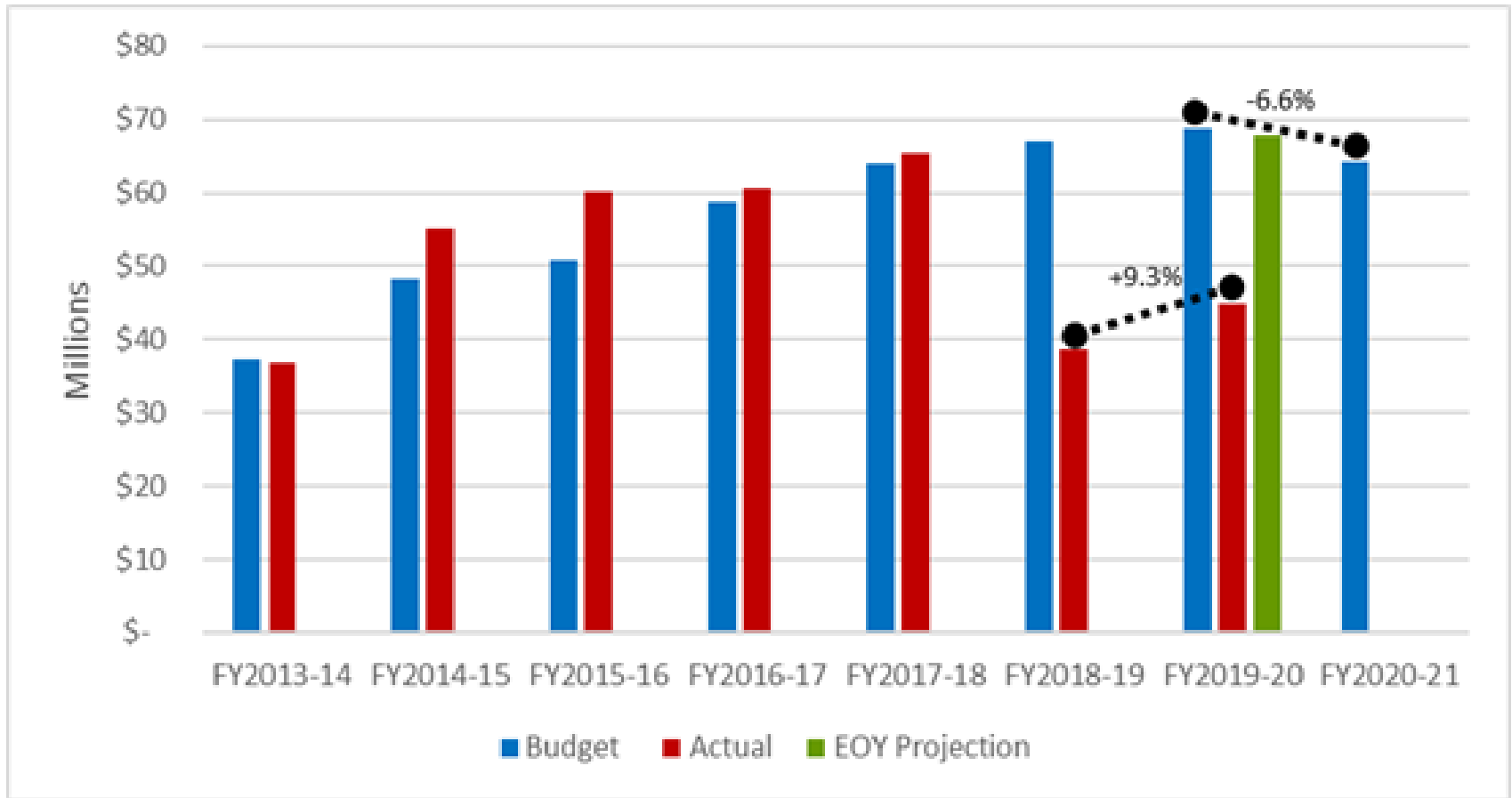
Property Tax – Budget to Actual



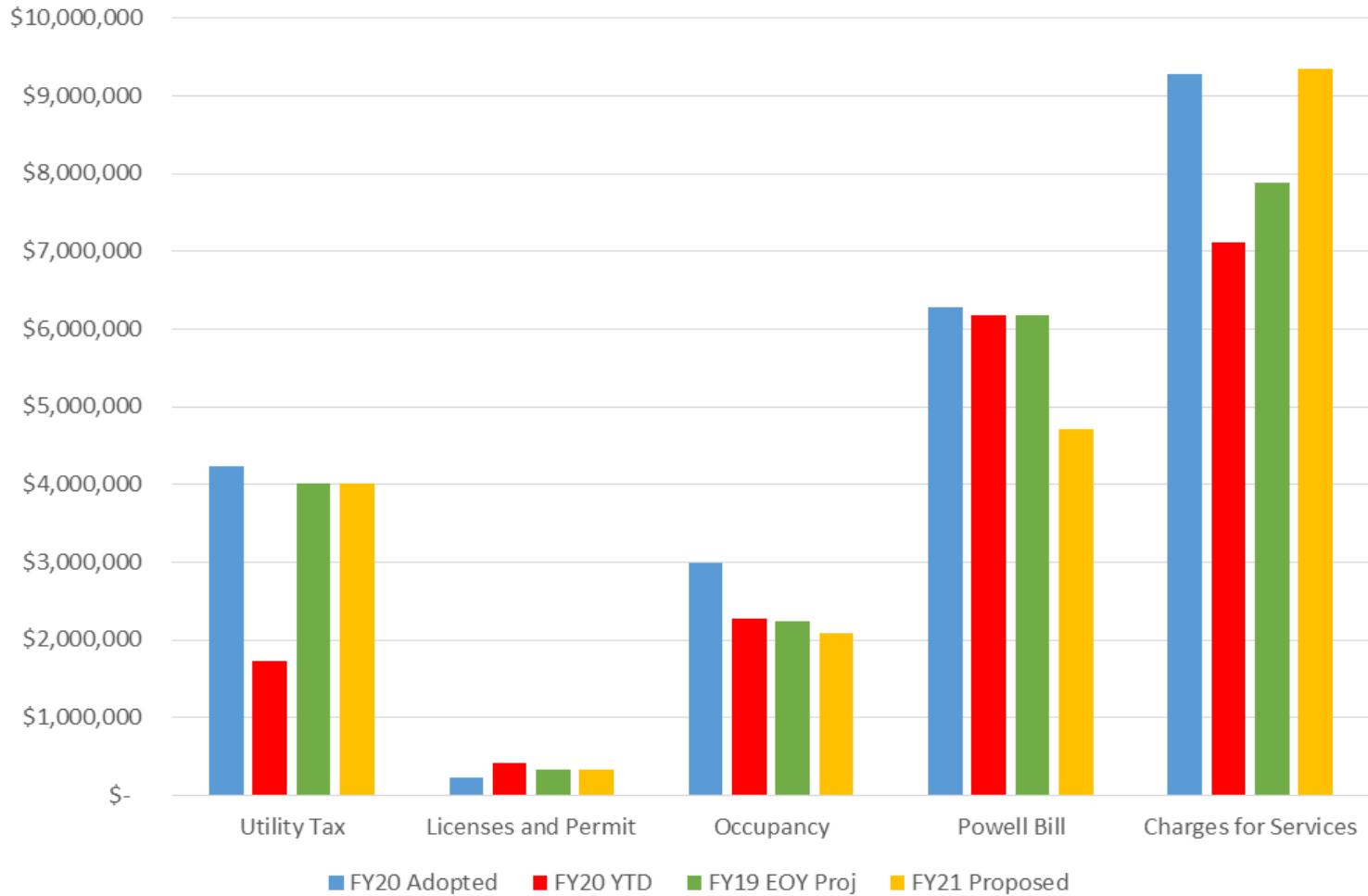
Sales Tax Collections

- Actual FY 2019-20
 - **Up** 9.3% (\$6.2M) from prior year collections.
 - Increasingly strong sales and abnormal refund distribution during FY19
 - EOY Projection is \$67.7M, which is 1.4% (\$968K) **less than** budget.
 - Assumes 20% drop in Q4 due to COVID-19
- Projected FY 2020-21
 - \$64.2M proposed budget
 - 12.7% (\$9.3M) **decrease** from pre-COVID-19 projection
 - 6.6% (\$4.5M) **decrease** from FY20 adopted
 - New ILA with Durham County provides City 44% of pooled articles (**up** from previous 42%); up to \$2.4M additional revenue based on FY19 actuals

Sales Tax – Budget to Actual



Other General Fund Revenues



Fund Balance

Projected FY20 EOY –20.7%	\$42.5M
16.7%	\$34.2M
12%	\$24.6 M
FY21 Projected Use of Fund Balance	
One-time Items	\$95K
Revenue losses due to COVID-19	\$8.7M
Remaining Fund Balance	
FB amount	\$33.5M
FB %	16.3%

GF Multi-Year Financial Plan

Fiscal Year	2021	2022	2023	2024	2025	2026
Revenues						
General Property Taxes	\$ 109,672,882	\$ 112,963,069	\$ 116,351,961	\$ 119,842,520	\$ 123,437,795	\$ 127,140,929
Taxes: Prior Year Levy/Interest	1,314,677	1,252,997	1,299,640	1,324,972	1,350,928	1,377,524
Other Local Taxes	66,701,608	67,364,374	68,033,768	68,709,855	69,392,704	70,082,381
State-Shared Revenues	10,179,123	10,179,123	10,288,422	10,399,907	10,513,621	10,629,609
Licenses and Permits	326,300	328,200	330,138	332,115	334,131	336,188
Rental Income	117,001	117,001	117,001	117,001	117,001	117,001
Charges for Current Services	9,355,718	9,536,521	9,668,207	9,802,843	9,940,505	10,081,266
Intragovernmental Services	7,050,644	7,240,590	7,535,703	7,818,511	8,149,909	8,199,695
Other Revenues	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Additional Revenues	8,718,861	4,608,099	4,000,000	4,608,099	4,000,000	4,608,099
Total Revenues	\$ 214,611,814	\$ 214,764,974	\$ 218,799,840	\$ 224,130,823	\$ 228,411,594	\$ 233,747,692
Appropriations						
Personal Services	\$ 168,190,125	\$ 172,561,318	\$ 177,521,218	\$ 182,027,039	\$ 186,799,799	\$ 191,848,309
Operating	37,748,238	39,538,130	40,352,232	42,276,594	44,294,459	42,134,616
Capital Outlay	992,275	1,030,897	1,071,064	1,112,838	1,156,283	1,201,465
Others	941,935	641,935	641,935	641,935	641,935	641,935
Transfers to Other Funds	6,739,241	10,741,454	10,743,777	10,746,217	10,748,779	10,751,470
Total Appropriations	\$ 214,611,814	\$ 224,513,734	\$ 230,330,226	\$ 236,804,624	\$ 243,641,257	\$ 246,577,798
Property Taxes Needed	\$ 109,672,882	\$ 122,711,829	\$ 127,882,347	\$ 132,516,321	\$ 138,667,458	\$ 139,971,035
Projected Levy	109,672,882	112,963,069	116,351,961	119,842,520	123,437,795	127,140,929
Surplus/(Shortfall)	\$ (0)	\$ (9,748,760)	\$ (11,530,386)	\$ (12,673,801)	\$ (15,229,663)	\$ (12,830,106)
One Cent on Tax Rate Projected	\$ 3,557,343	\$ 3,664,063	\$ 3,773,985	\$ 3,887,205	\$ 4,003,821	\$ 4,123,935
Tax Rate (General Fund Only)	0.3083	0.3083	0.3083	0.3083	0.3083	0.3083
Additional GF Tax Rate / Surplus	0.0000	0.0266	0.0306	0.0326	0.0380	0.0311
Total GF Tax Rate Equivalent	0.3083	0.3349	0.3389	0.3409	0.3463	0.3394

FY2020-21 Priorities

- Monitor revenues and expenditures quarterly and amend budget, if needed.
- Continue to refine multi-year financial plans to improve projections
- Continue to develop strategies to address multi-year gaps and strategic plan priorities
- Continue to assess departmental needs.

Summary

- Property Tax

- Proposed tax rate at 53.17 cents per \$100.
- FY21 Budget is a \$4.3M increase over FY20 Budget and a \$1.9M decrease over Pre-COVID Projection.

Fund	FY20 Budget to FY21 Budget	% change	Pre-COVID to FY21 Budget	% change
General	\$2.5M	2.31%	-\$1.1M	-1%
Dedicated Housing	\$161K	2.31%	-\$72KK	-1%
Transit	\$301K	2.31%	-\$135K	-1%
Solid Waste	\$450K	2.31%	-\$201K	-1%
Debt	\$885K	2.31%	-\$395K	-1%
Total	\$4.3M	2.31%	-\$1.9M	-1%

Summary

- GF revenue loss approximately \$12.7M compared to Pre-COVID projection.
- Fund balance \$8.7M vs. \$5.9 prior year.
- Additional revenue loss of \$1.5M for Powell Bill addressed using FB. This increases the GF loss to \$14.2 M.
- Further reductions may be required after July 1.