

FY 2020 Budget Development Revenue Projections and County Fee & Charges Compendium

Board of Supervisors Budget Work Session

February 12, 2019

Work Session Agenda

- FY 2020 Projected Revenue Overview
- Revenue Category Overview & Projections
- Tax Rate Information
- County Fee and Charges Compendium
- Next Steps

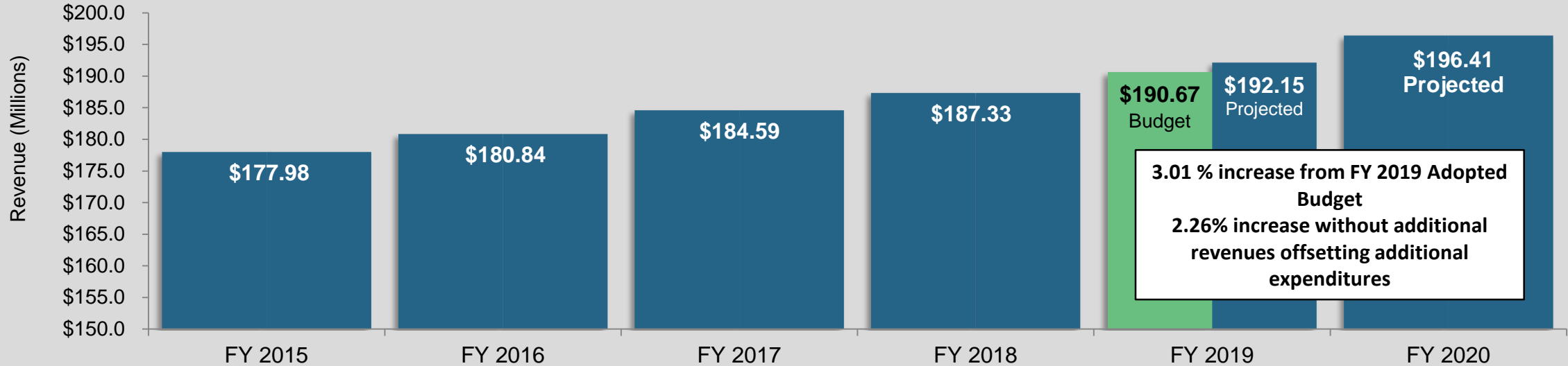
FY 2020 Projected Revenue Overview

FY 2020 Projected Revenue Overview

Category	FY 2019 Adopted	FY 2020 Projected	\$ Increase	% Increase
Total General Government Revenues (All)	\$190,670,835	\$196,408,908	\$5,738,073	3.01%
Revenues associated with Vinton Gain Sharing including use of Fund Balance		(\$1,017,000)		
Social Services Revenue (four positions added in FY 2019)		(\$203,000)		
Revenue from Schools (CSHS Security)		(\$60,000)		
Use of Fund Balance – 12% Policy		(\$150,967)		
Subtotal, Revenue Offsetting Additional Expenditures		(\$1,430,967)		
Total General Government Revenue (with Adjustments)	\$190,670,835	\$194,977,941	\$4,307,106	2.26%

General Government Revenue

General Government Revenue
FY 2015 through FY 2020

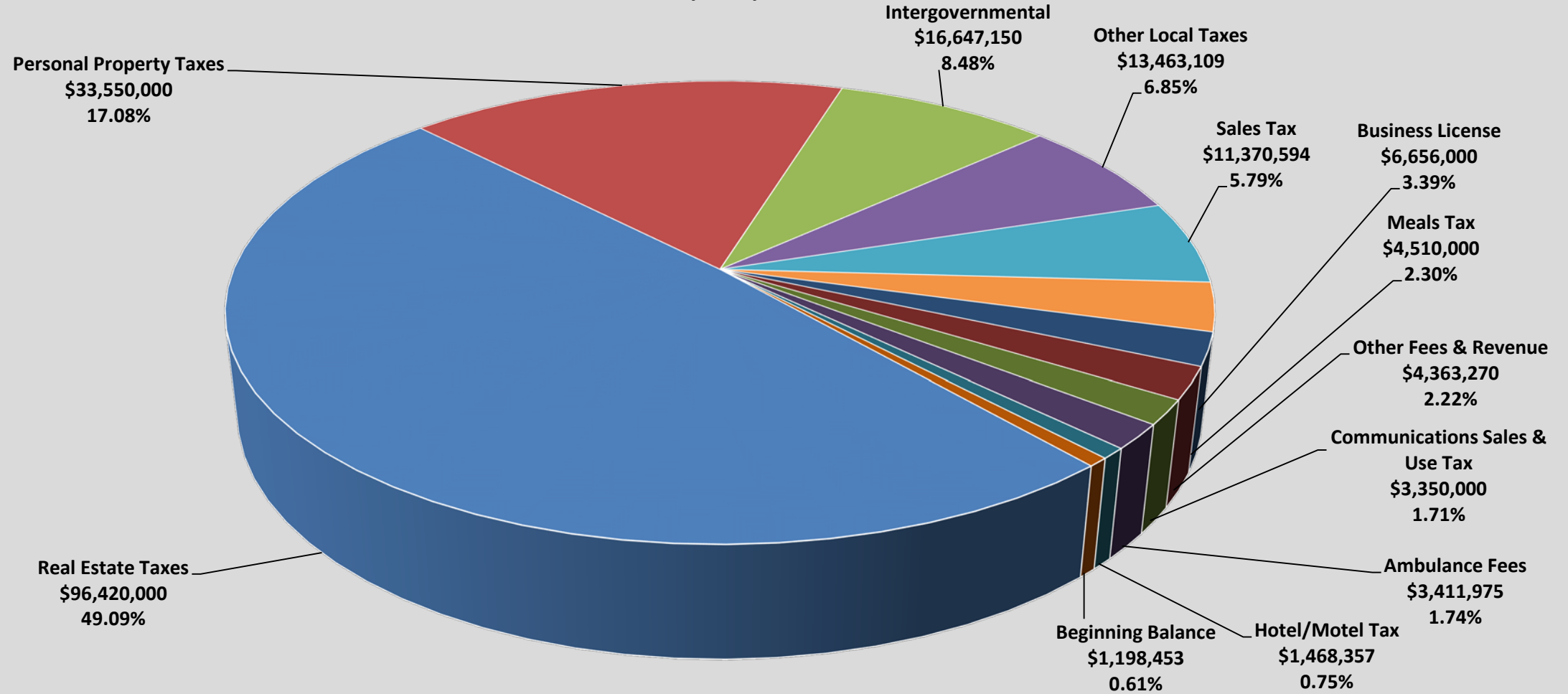


- Total General Government Revenue continues trend of moderate growth for FY 2020
- Growth primarily in the areas of Real Estate Tax, Intergovernmental Revenue, and Sales Tax but partially offset by declines in Communications Sales & Use Tax and Meals Tax

General Government Revenue	
Current Rates	Varies
Current Trend	Exceed budget
Future Outlook	Moderate Growth (2% to 3%)

FY 2020 Projected General Government Revenue

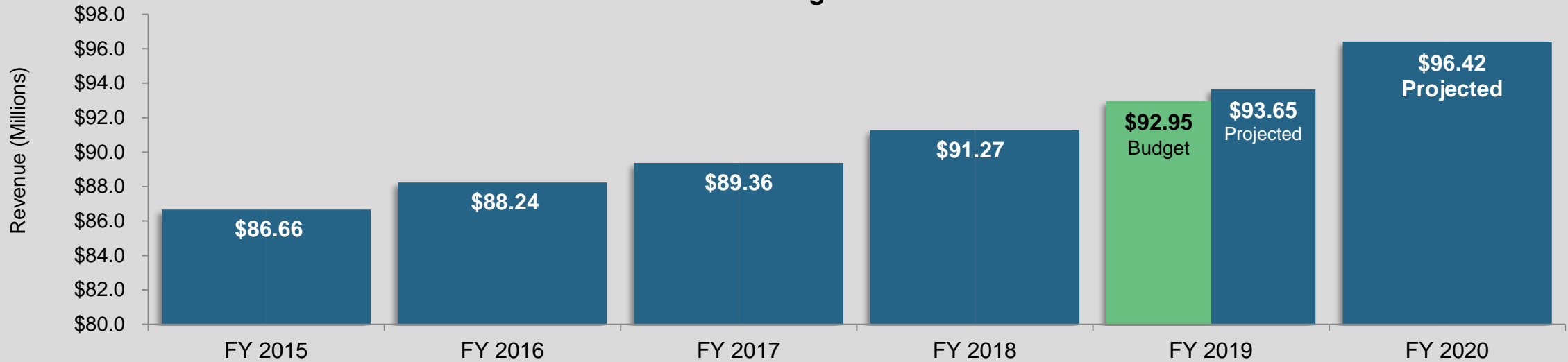
General Government Revenue
\$196,408,908



Revenue Category Overview

Real Estate

**Real Estate Revenue
FY 2015 through FY 2020**

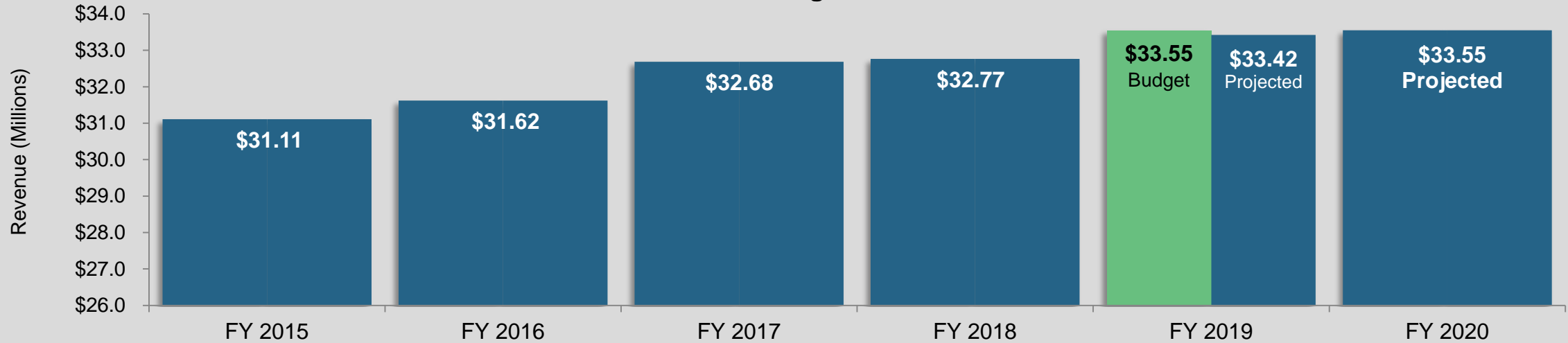


- Calendar Year (CY) 2019 reassessment projected at 3.19%
 - Growth in base – 2.46%; new construction 0.73%
 - FY 2019 revenue trend is to exceed budget
- 3.74% increase on Budget (\$3.47 million)
- 2.96% increase on Projections (\$2.77 million)
- Value of a penny on the tax rate +/- \$875,000

Real Estate Revenue	
Current Rate	\$1.09/\$100 assessed
Current Trend	Exceed budget
Future Outlook	Moderate Growth (2% to 3%)

Personal Property

**Personal Property Revenue
FY 2015 through FY 2020**

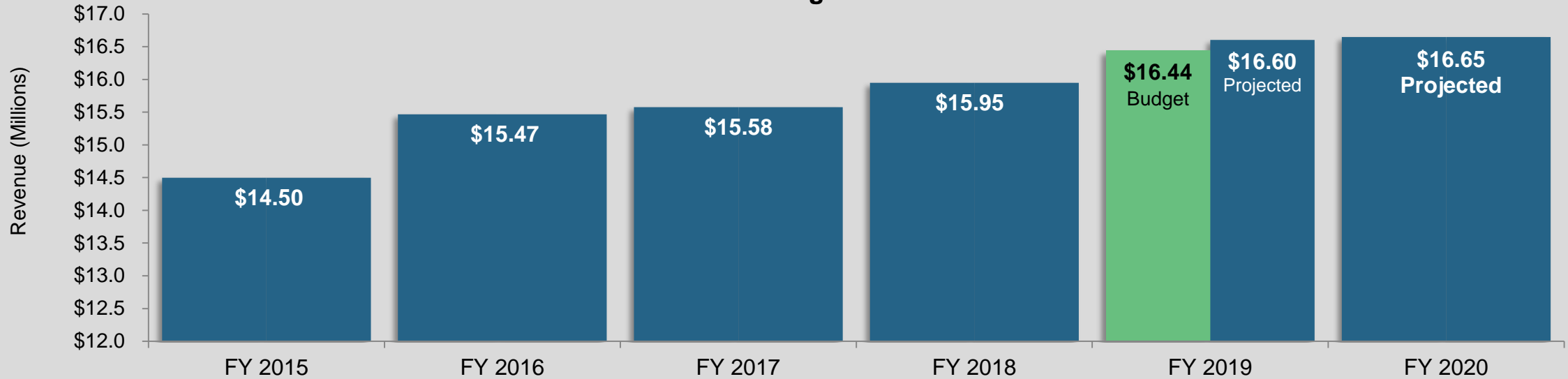


- Anticipate combined growth of 0.01% in FY 2019 & FY 2020
- January 2019 JD Power/NADA Report
 - Calendar year 2018 saw declines in values for some sectors but overall, JD Power/NADA projects 2.9% growth in vehicle values for calendar year ending 2018
 - JD Power/NADA forecast decline in used vehicle values and lower new vehicle prices in calendar year 2019

Personal Property Revenue	
Current Rates	Personal Property: \$3.50/\$100 Mach & Tools: \$2.85/\$100
Current Trend	Slightly below budget
Future Outlook	Flat

Intergovernmental

**Intergovernmental Revenue
FY 2015 through FY 2020**

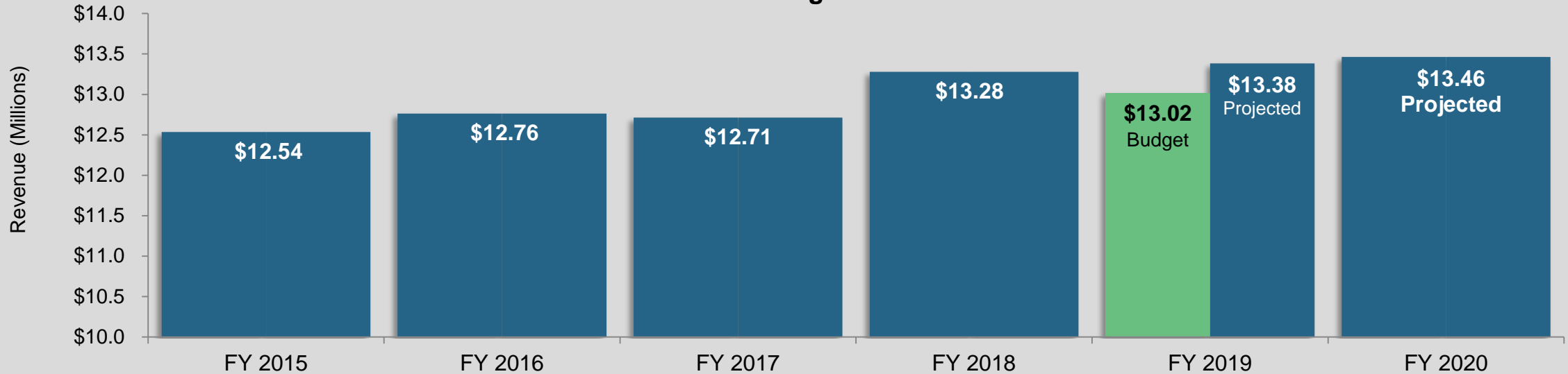


- Majority of revenue increase due to Social Services reimbursements (revenue pass-through)
- Social Services has seen consistent annual increases in reimbursable services (e.g. – adoption subsidy, foster care, etc.)
- Impacts of Commonwealth Budget on Constitutional Officers personnel and Police Funds (HB599) unknown at this time.

Intergovernmental Revenue	
Current Rates	N/A
Current Trend	Slightly above budget
Future Outlook	Slight Growth (1% to 2%)

Other Local Taxes

Other Local Taxes
FY 2015 through FY 2020

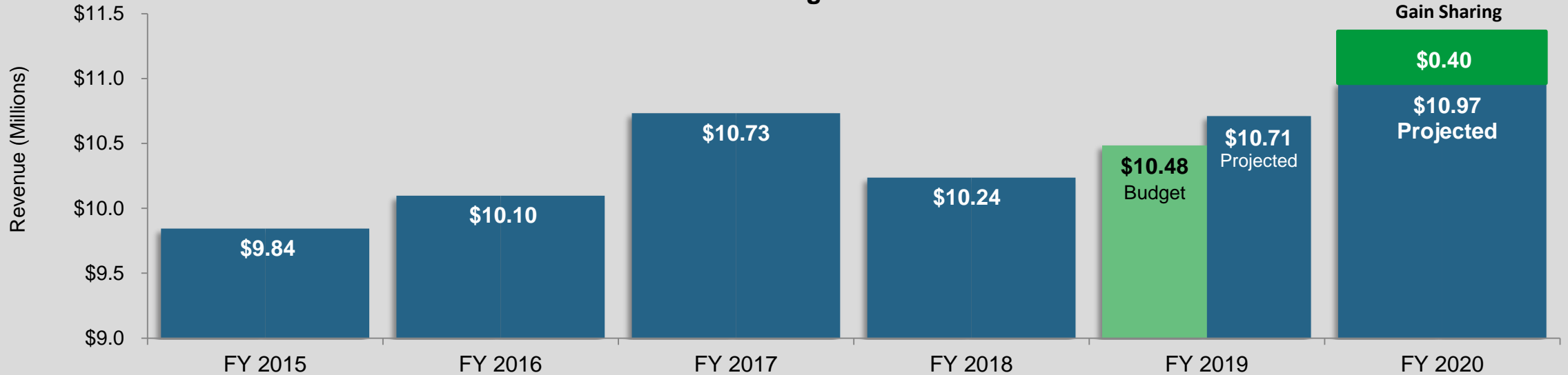


- Category includes Other Property Taxes, Consumer Utility, Bank Franchise, Motor Vehicle License, Recordation and Conveyance, Other Local Taxes
- Growth in this category primarily due to the Bank Franchise Fee (+\$170K), Other Property Taxes (+\$83K), Consumer Utility Tax (+\$50K), and Motor Vehicle License Fee (+\$48K)

Other Local Taxes and Fees	
Current Rates	Varies
Current Trend	Exceed budget
Future Outlook	High Growth (>3%)

Sales

**Sales Tax Revenue
FY 2015 through FY 2020**

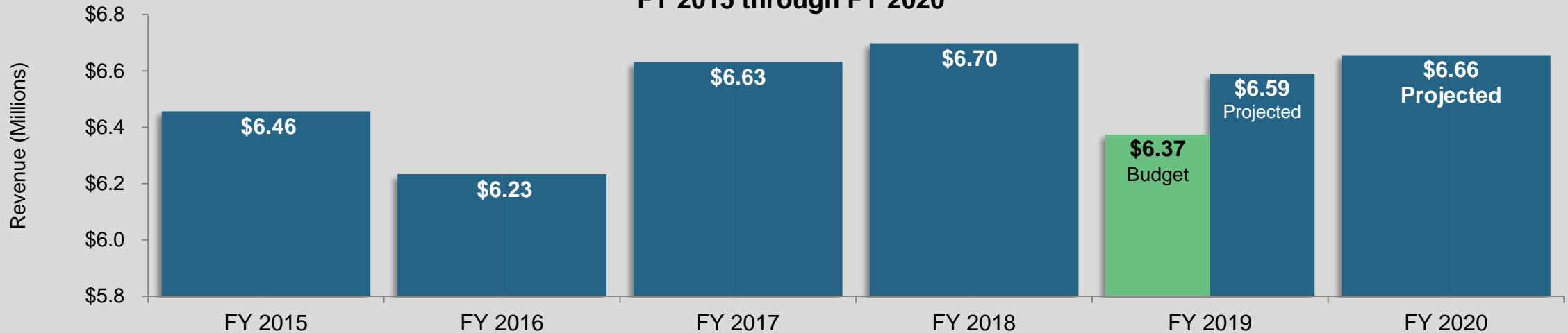


- Compared to first five months of FY 2018, collections up by \$340,000
- FY 2019 projection is up \$225,000 from budget
- Project 3.68% growth from FY 2019 budget and additional \$400,000 from new Town of Vinton Gain Sharing Agreement

Sales Tax Revenue	
Current Rates	4.3% State 1% Local
Current Trend	Exceed budget
Future Outlook	High Growth (>3%)

Business License

**Business License Revenue
FY 2015 through FY 2020**

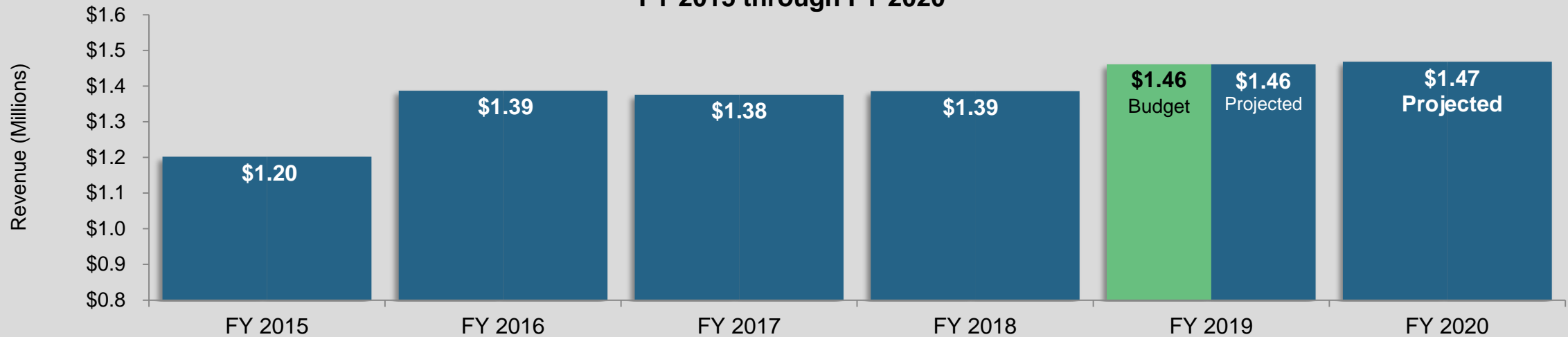


- Business License should have some one-time collections by year end and recurring revenues have trended higher in past years
- Trend of higher recurring revenues should continue in FY 2020
- Impact of increasing threshold for \$50 minimum yearly fee to \$125,000 in FY 2019 budget is unknown

Business License Tax Revenue	
Current Rates (per \$100 gross receipts)	Contractors: \$0.16
	Repair: \$0.36
	Professional: \$0.58
	Wholesale: \$0.05
	Retail: \$0.20
Current Trend	Exceed budget
Future Outlook	High Growth (>3%)

Hotel/Motel Tax

**Hotel/Motel Tax Revenue
FY 2015 through FY 2020**

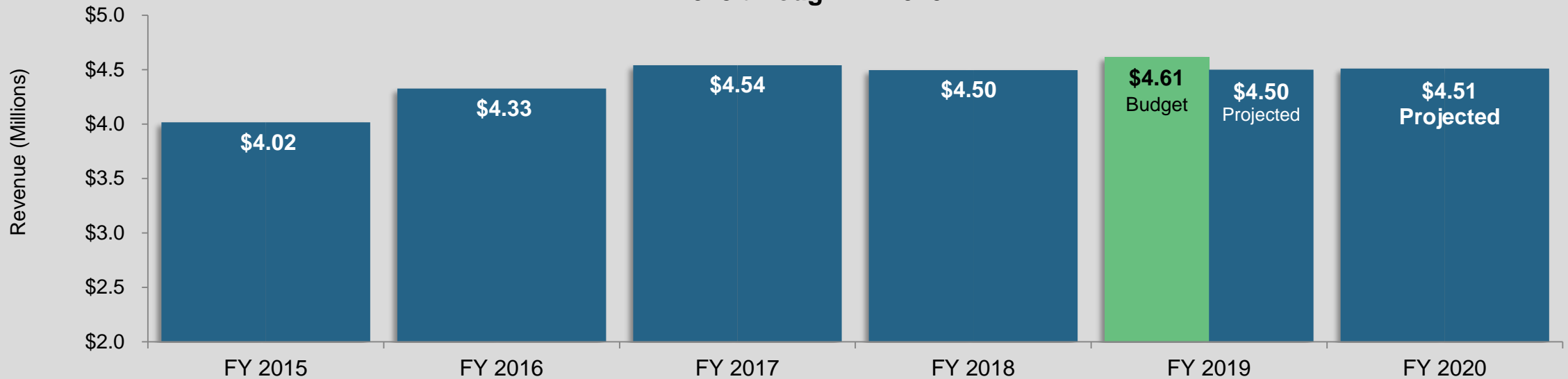


- Hotel/Motel Tax flattened from FY 2016 through FY 2018
- Projecting to meet budget as new hotel opened in the fall of 2018
- Projecting very slight growth compared to FY 2019 Budget
- 42.9% of collections go to fund Visit Virginia’s Blue Ridge based on Board Ordinance

Hotel/Motel Tax Revenue	
Current Rates	7% (3% to Visit Virginia’s Blue Ridge)
Current Trend	Meet budget
Future Outlook	Very Slight Growth (0% to 1%)

Meals

**Meals Tax Revenue
FY 2015 through FY 2020**

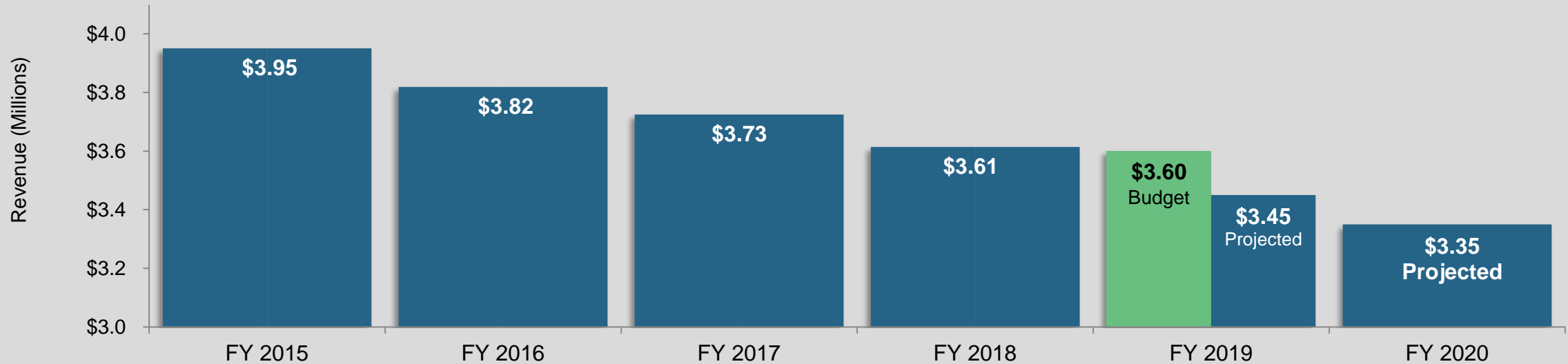


- FY 2019 projected to be below budget due to the closing or relocation of restaurants
- FY 2020 projected with very slight growth as year over year collections have increased during FY 2019
- 4% is the maximum rate per state code for counties

Meals Tax Revenue	
Current Rate	4%
Current Trend	Under budget
Future Outlook	Moderate Decline (-3% to -2%)

Communications Sales & Use Tax

Communications Sales & Use Tax Revenue FY 2015 through FY 2020

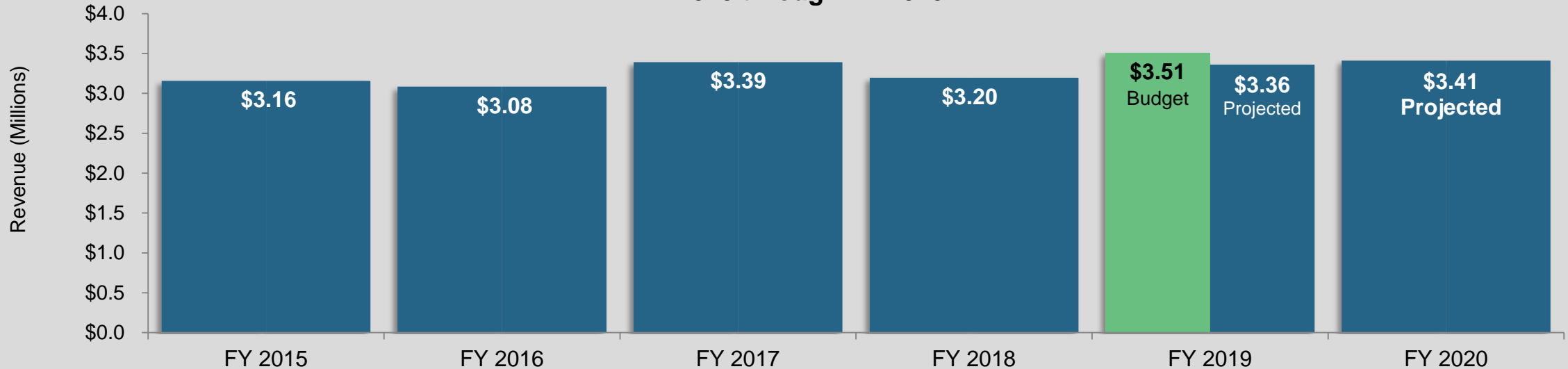


- FY 2019 projections projected to be under budget by (\$150,000)
- Category has been trending down since FY 2012; trend expected to continue in FY 2020
- Continuing trend of consumers eliminating land line telephone and cable television services

Communications Tax Revenue	
Current Rate	\$0.75 per line
Current Trend	Under Budget
Future Outlook	High Decline (>-3%)

Ambulance Fees

**Ambulance Fee Revenue
FY 2015 through FY 2020**

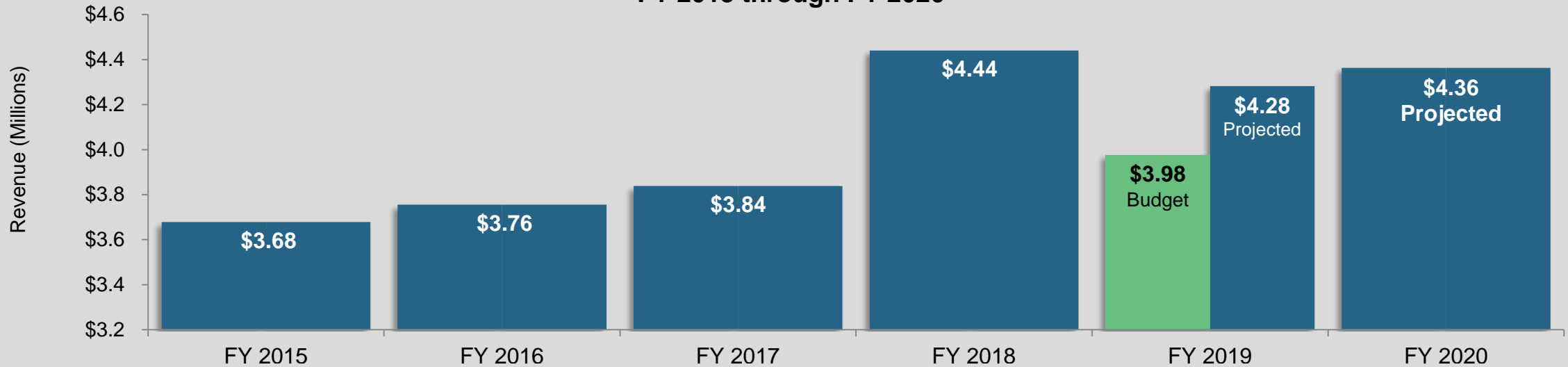


- County fees adjusted to maximize reimbursements from Medicare rates in FY 2018
- Anticipated increased revenues with fee adjustments but contractor experienced billing issues beginning in May 2018
- Fire & Rescue working with contractor to address collections which have begun to improve in recent months
- FY 2019 and FY 2020 projected lower due to decreased collections

Ambulance Fees	
Current Rates / Proposed Rates	BLS: \$390 ALS I: \$450 ALS II: \$685 Mileage: \$11
Current Trend	Under budget
Future Outlook	Moderate decline (-3% to -2%)

Other Fees and Revenue

Other Fees and Revenue
FY 2015 through FY 2020



- Category includes Permits, Fees, & Licenses, Fines and Forfeitures, Use of Money, Charges for Services, Recovered Costs, and Miscellaneous Revenue
- Projected to increase in FY 2019 and FY 2020 compared to FY 2019 budget due to increased revenue from Tower Rentals and Interest on Investments

Other Fees and Revenues	
Current Rate	Varies
Current Trend	Exceed budget
Future Outlook	High Growth (>3%)

General Government Revenue Projections

As of February 7, 2019

Category	Actual FY 2018	FY 2018 - 2019			Projected FY 2020	Adopted FY 2019 to Projected FY 2020 Change
		Adopted FY 2019	Adjustments FY 2019	Projected FY 2019		
Revenue Estimate Categories						
Real Estate Taxes	\$91,271,186	\$92,945,661	\$704,339	\$93,650,000	\$96,420,000	\$3,474,339
Personal Property Taxes	\$32,766,500	\$33,546,384	(\$124,554)	\$33,421,830	\$33,550,000	\$3,616
Intergovernmental	\$15,947,686	\$16,436,069	\$165,571	\$16,601,640	\$16,647,150	\$211,081
Other Local Taxes ¹	\$13,277,772	\$13,015,896	\$366,338	\$13,382,234	\$13,463,109	\$447,213
Sales Tax	\$10,235,781	\$10,484,945	\$225,000	\$10,709,945	\$10,970,594	\$485,649
Sales Tax Town of Vinton Gain Sharing	\$0	\$0	\$0	\$0	\$400,000	\$400,000
Business License	\$6,697,713	\$6,372,700	\$217,300	\$6,590,000	\$6,656,000	\$283,300
Meals Tax	\$4,496,145	\$4,616,011	(\$116,011)	\$4,500,000	\$4,510,000	(\$106,011)
Other Fees & Revenue ²	\$4,440,661	\$3,976,185	\$305,525	\$4,281,710	\$4,363,270	\$387,085
Communications Sales & Use Tax	\$3,614,158	\$3,600,000	(\$150,000)	\$3,450,000	\$3,350,000	(\$250,000)
Ambulance Fees	\$3,196,177	\$3,511,552	(\$150,000)	\$3,361,552	\$3,411,975	(\$99,577)
Hotel/Motel Tax	\$1,385,751	\$1,461,052	\$0	\$1,461,052	\$1,468,357	\$7,305
Non-Revenue/Transfer	\$0	\$0	\$0	\$35,595	\$0	\$0
Beginning Balance	\$0	\$447,486	\$0	\$447,486	\$1,198,453	\$750,967
CSA Transfer/One-Time FY 2019 Funding	\$0	\$256,894	\$0	\$256,894	\$0	(\$256,894)
Total Revenue Projections	\$187,329,528	\$190,670,835	\$1,443,508	\$192,149,938	\$196,408,908	\$5,738,073

¹Other Local Taxes includes: Other Property, Consumer Utility, Bank Franchise, Motor Vehicle License, Recordation and Conveyance, Other Local Taxes

²Other Fees and Revenue includes: Permits, Fees, & Licenses, Fines and Forfeitures, Use of Money, Charges for Services, Recovered Costs, and Miscellaneous Revenue

FY 2020 New Revenue for County Service Delivery

FY 2019-2020	Amount
FY 2020 Total General Government Projected Revenue	\$196,408,908
FY 2019 Adopted Revenue	\$190,670,835
FY 2020 General Government Projected Revenue Increase	\$5,738,073
FY 2020 General Government Projected Expenditure Savings	\$636,000
Info. from Slide #4 plus Exp. Savings to offset Vinton Gain Sharing costs	(\$1,670,967)
School Revenue Sharing Calculation (per Board adopted policy)	(\$1,594,438)
Regional Jail (increased use, per diem increase)	(\$798,000)
CORTRAN & Tax Relief for Elderly/Disabled Veterans	(\$290,000)
RVRA / Recycling	(\$225,000)
Transfer for Children's Services Act	(\$400,000)
Transfer for Capital / Economic Development Incentives	(\$456,353)
Projected Remaining Revenue for FY 2020 General Government Operations	\$939,315

Schools Revenue Sharing

Category	FY 2019 Approved Budget	FY 2020 Projected Budget	\$ Increase	% Increase
Total General Government Revenues	\$190,670,835	\$196,408,908	\$5,783,073	3.01%
General Government Adjusted Revenues	\$190,670,835	\$194,977,941	\$4,307,106	2.26%
Schools Revenue Sharing	\$68,844,764	\$70,439,202	\$1,594,438	2.32%

Tax Rate Information

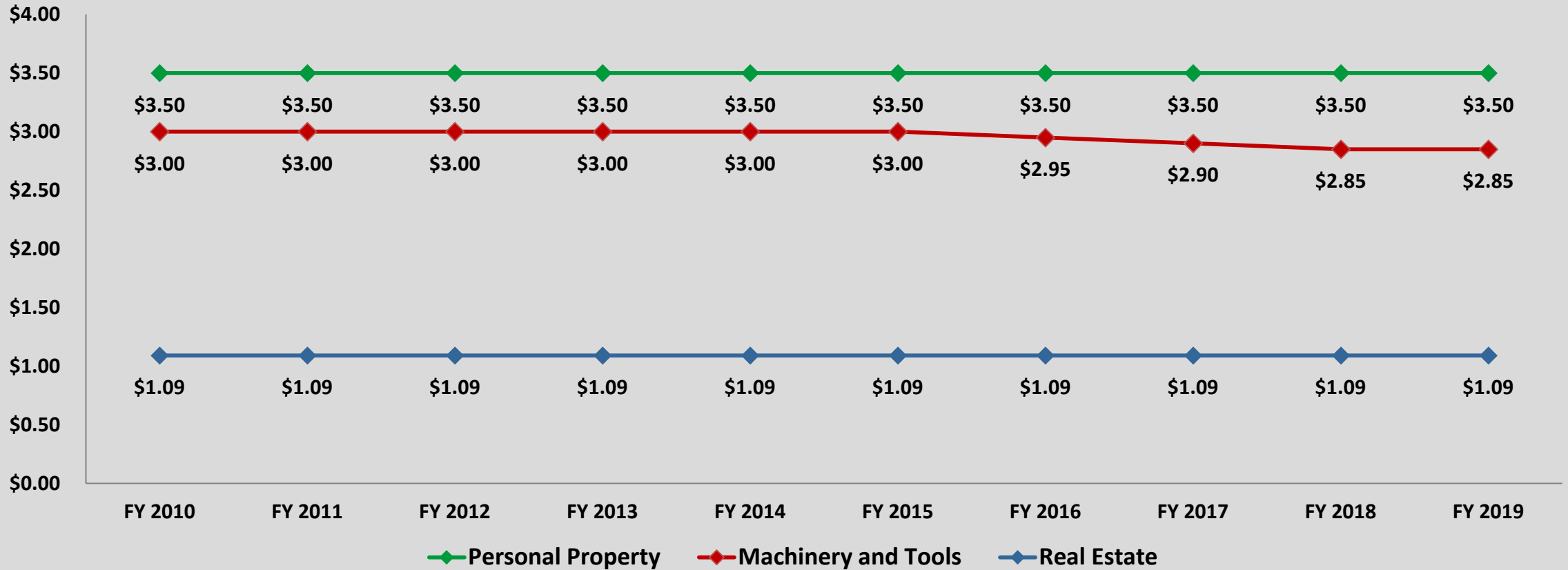
Taxes – Current Property Taxes

Tax	Current Rate (FY 2019 Budget)	Proposed Rate (FY 2020 Budget)	Value of a Penny on Tax Rate
Real Estate	\$1.09/\$100 of Assessed Value	\$1.09/\$100 of Assessed Value (No Change)	\$875,000 / Penny
Personal Property	\$3.50/\$100 of Assessed Value	\$3.50/\$100 of Assessed Value (No Change)	\$88,300 / Penny
Machinery and Tools	\$2.85/\$100 of Assessed Value	\$2.85/\$100 of Assessed Value (No Change)	\$9,300 / Penny

A change in tax rates impacts both current year and FY 2020 for the County but only FY 2020 for the Schools

Tax Rate History – FY 2010 to FY 2019

Tax Rate History



*Real Estate Tax Rate was lowered from \$1.13 to \$1.12 in FY 2001, to \$1.11 in FY 2006, and to \$1.09 in FY 2007

County Fee and Charges Compendium

County Fee and Charges Compendium

- Roanoke County Comprehensive Financial Policy states that a Fee Compendium will be produced by County staff to be adopted by the Board of Supervisors at the same time as adoption of the Annual Budget Ordinances
- The Fee and Charges Compendium will:
 - List all fees and charges imposed by the County for providing specialized programs and services
 - Provide a central reference for departments and citizens concerning all fees and charges imposed by the County
 - Improve transparency

County Fee and Charges Compendium

- The Fee and Charges Compendium will contain:
 - County department responsible for assessing the fee
 - Details on the type of fee or charge
 - Authority to levy the fee or charge
 - Effective date of fee or charge
 - Current Fees and Charges
 - A summary of changes to fees and charges approved as part of the annual budget process

County Fee and Charges Compendium

Treasurer			
Dog Tags			
Legislative Authorization	Code of the County of Roanoke, Virginia: (Chapter 5, Article 2, Divisions 1 - 2). Ordinance No. 072605-7.		
Fee	Effective Date	Description	Fee Amount
Dog Tag, 1 Year	July 26, 2005	License for dogs of owners who reside within Roanoke County. Fees are per dog and must be accompanied by proof of rabies vaccination. Limit of 3 dogs per dwelling without a multiple dog permit.	\$10, \$5 if neutered
Dog Tag, 3 year	July 26, 2005	License for dogs of owners who reside within Roanoke County. Fees are per dog and must be accompanied by proof of rabies vaccination. Limit of 3 dogs per dwelling without a multiple dog permit.	\$27, \$13.50 if neutered
Multiple Dog permit, up to 20	July 26, 2005	License for up to 20 dogs of owners who reside within Roanoke County. Fees are per dog and must be accompanied by proof of rabies vaccination.	\$25 per year or \$67.50 for 3 years
Multiple Dog permit, up to 50	July 26, 2005	License for up to 50 dogs of owners who reside within Roanoke County. Fees are per dog and must be accompanied by proof of rabies vaccination.	\$35 per year or \$94.50 for 3 years

County Fee and Charges Compendium

- Next Steps for Fee and Charges Compendium
 - Departments have provided information on their fees and charges
 - Working with County Attorney's office to review information and verify legislative authorization
 - Staff will review fees and note any proposed fee changes
 - Completed Fee and Charges Compendium will be presented to the Board of Supervisors for adoption with Annual Budget Ordinances

Next Steps – Work Sessions

Work Session Topic	2019 Date
FY 2018-2019 Mid-Year Revenue/Exp. Update	January 22
FY 2019-2020 Revenue Outlook and County Fees & Charges Compendium	February 12
FY 2020-2029 Capital Improvement Program Discussion	February 26
FY 2019-2020 Total Compensation, Outside Agencies, Revenue (if necessary)	March 26
FY 2019-2020 Departmental Budgets and Other General Fund Budgets	April 9
FY 2019-2020 Schools Budget, Capital Improvement Program, Debt, and Other Follow-Up Items	April 23

Note: Additional work sessions may be added if necessary

Next Steps – Tax Rate and Budget Items

Item	2019 Date
County Administrator's Recommended FY 2020-2029 CIP	January 22
County Administrator's Recommended FY 2019-2020 Operating Budget	March 12
Public Hearing: Effective Tax Rate Public Hearing: Maximum Tax Rate Adoption of Maximum Tax Rate	March 26
Public Hearing: Tax Rate Adoption Public Hearing: Operating and Capital Budgets (first of two) Adoption of 2019 Tax Rates	April 9
Public Hearing: Operating and Capital Budgets (second of two) 1 st Reading of FY 2019-2020 Operating and Capital Budget Ordinances	May 14
2 nd Reading and Adoption of FY 2019-2020 Operating and Capital Budget Ordinances	May 28

Questions and Comments