

City of Charlottesville

Revenue Scenarios for FY 2021 Budget

(Projections Revised April 2021)

	<u>Adopted 2020-2021</u>	<u>January 2021 Forecast</u>	<u>\$ Change (from Adopted FY 21 to January Forecast)</u>	<u>Current Forecast</u>	<u>\$ Change (from Adopted FY 21 to Current Forecast)</u>	<u>Year to Date Actuals (as of 4-30-2021)</u>	<u>Year to Date Projections per Current Forecast</u>
Real Estate Taxes	\$ 78,353,270	\$ 78,075,000	(\$278,270)	\$ 78,075,000	(\$278,270)	\$ 40,144,826	\$ 39,334,534
City/County Revenue Sharing	\$ 14,589,313	\$ 14,589,313	\$0	\$ 14,589,313	\$0	\$ 14,589,313	\$ 14,589,313
Meals Tax	\$ 14,295,064	\$ 10,144,598	(\$4,150,466)	\$ 10,605,268	(\$3,689,796)	\$ 8,555,245	\$ 8,520,739
Sales & Use Tax	\$ 11,504,331	\$ 11,395,481	(\$108,850)	\$ 11,519,874	\$15,543	\$ 9,472,424	\$ 9,393,891
Personal Property Tax	\$ 9,800,000	\$ 9,550,000	(\$250,000)	\$ 9,550,000	(\$250,000)	\$ 5,227,623	\$ 5,588,660
Transient Room Tax	\$ 6,282,721	\$ 3,298,223	(\$2,984,498)	\$ 3,548,322	(\$2,734,399)	\$ 2,860,674	\$ 2,784,056
Business & Professional Licenses	\$ 6,225,000	\$ 6,225,000	\$0	\$ 7,000,000	\$775,000	\$ 7,255,880	\$ 7,000,000
Payment in Lieu of Taxes: Utilities	\$ 6,091,667	\$ 6,091,667	\$0	\$ 6,091,667	\$0	\$ -	\$ -
Utility Taxes	\$ 5,024,112	\$ 4,300,000	(\$724,112)	\$ 4,300,000	(\$724,112)	\$ 3,843,263	\$ 3,783,333
Recreation Income	\$ 1,335,824	\$ 635,060	(\$700,764)	\$ 635,060	(\$700,764)	\$ 261,406	\$ 242,825
Transfer from Parking Enterprise Fund	\$ 1,200,000	\$ 400,000	(\$800,000)	\$ 400,000	(\$800,000)	\$ -	\$ -
Other Local Taxes Subtotal	\$ 7,241,431	\$ 7,210,249	(\$31,182)	\$ 7,099,970	(\$141,461)	\$ 5,518,525	\$ 5,309,096
Other Licenses and Permits Subtotal	\$ 1,975,500	\$ 2,420,500	\$445,000	\$ 2,481,500	\$506,000	\$ 1,426,599	\$ 1,432,988
Other Intergovernmental Revenue Subtotal	\$ 12,984,420	\$ 13,158,609	\$174,189	\$ 13,198,432	\$214,012	\$ 10,746,257	\$ 10,736,310
Other Charges for Service Subtotal	\$ 5,596,604	\$ 5,196,604	(\$400,000)	\$ 5,161,604	(\$435,000)	\$ 3,302,602	\$ 3,404,998
Other Miscellaneous Revenue Subtotal	\$ 1,563,956	\$ 1,612,956	\$49,000	\$ 1,657,250	\$93,294	\$ 1,707,931	\$ 1,405,082
Transfers from Other Funds Subtotal	\$ 250,000	\$ 250,000	\$0	\$ 250,000	\$0	\$ -	\$ -
Other Designated Revenue	\$ 6,882,660	\$ 6,685,079	(\$197,581)	\$ 6,685,079	(\$197,581)	\$ 6,658,047	\$ 6,669,329
GENERAL FUND BUDGET TOTAL	\$ 191,195,873	\$ 181,238,338	(\$9,957,535)	\$ 182,848,338	(\$8,347,535)	\$ 121,570,614	\$ 120,195,154

<u>Forecast Date</u>	<u>Total Amount</u>	<u>Change from Original Adopted</u>
Original Adopted	\$191,195,873	\$0
January 2021	\$181,238,338	(\$9,957,535)
April 2021	\$182,848,338	(\$8,347,535)

General Fund Revenue Summary Narrative for Current Forecast (April 2021) column

Real Estate Tax revenue was slightly reduced from the original projection and September Forecast based upon the collection rate experienced for the December 2020 deadline, which was off by about 1.2%. This reduction isn't lost revenue, but the expectation is that all revenue may not materialize in the current fiscal due to slower payment rates.

The original **Meals Tax** revenue projections for FY21 were based upon projected recovery rates that exceeded the current rate of recovery. The Meals Tax revenue was continuing to improve through the beginning of FY21, but saw a sharp decline in revenue for the December payments. Meals Tax saw an increase revenue for the January through April payments, but this revenue is still not increasing at the rate projected in the original revenue projections or the revised September Forecast, but is projected to see slight increases over the January 2021 projections. Revised recovery rate projections do not anticipate returning to 100% of previous years collections until the after the beginning of FY22. A portion of this revenue, 1 cent or 1/6 of the total collected is dedicated to pay for debt service. The decrease in this designated portion (estimated at approximately \$685,026) will result in a corresponding expenditure decrease of the same amount in the Transfer to Debt Service.

Sales Tax initially performed better than anticipated for the beginning of FY21. Recent trends show a projection slightly above the January 2021 projections, but still have a recovery rate for the remainder of the fiscal year that is approximately 6% per month lower than was projected as part of the revised September Forecast.

Personal Property Tax based upon revised book values and the collection rate from the December 2020 deadline, this revenue projection has been reduced by \$250,000 from the original Adopted FY21 budget.

The original **Lodging Tax** revenue projections for FY21 were based upon projected recovery rates that exceeded the current rate of recovery. The occupancy rate and overall Lodging Tax revenue was continuing to improve through the beginning of FY21, but saw a sharp decline in revenue for the December payments. Lodging Tax saw an increase revenue for the January through April payments, but this revenue is still not increasing at the projected rate in the original revenue projections or the revised September Forecast. Current projections show slight increases over the January 2021 projections. Revised recovery rate projections do not anticipate returning to 60% of previous years collections until after the

Utility Tax revenue has continued to lag behind initial revenue projections that we are continuing to monitor. The impacts of COVID, UVA's modified school year and mild weather conditions continue to still be a factor in the performance of this revenue and the current forecast does not anticipate revenue amounts to reach the original projections for FY21.

Business and Professional Licenses is now projected to exceed the FY21 revised estimates by \$775,000.

General Fund Revenue Summary Narrative for Current Forecast (April 2021) column

Parks and Recreation Revenue is projected to see a decrease of approximately \$700,000 due to continued closure of facilities, as well as not offering the usual recreation class and instructional opportunities.

Parking Revenue is now projecting an \$800,000 decrease in the transfer from the Parking Fund, due to decreased revenue generation in the City owned parking facilities based upon decreased usage.

Other Licenses and Permits - the increase in projected revenue is due to continued strong performance in Building an Other Permit revenue.

Other Intergovernmental Revenue - the increase is due to slight increases in a some of the revenue sources that are received from the State.

Other Charges for Services - the decrease in the projections for Other Charges for Services Revenue can be explained by a decrease in the amount of Court Revenue projected as well as a decrease in the projected revenue from Reimbursable Public Safety Overtime, which should also show a corresponding decrease in expenditures.

Other Designated Revenue - the decrease in the projections for Other Designated Revenue can be explained by a decrease in the transfer to the CIP for Mall Vendor Fees, which will have a corresponding expenditure decrease for that project; and due to a decrease in the Pupil Transportation revenue that was to come from bus rentals and field trip revenue.

April General Fund Expenditure Summary

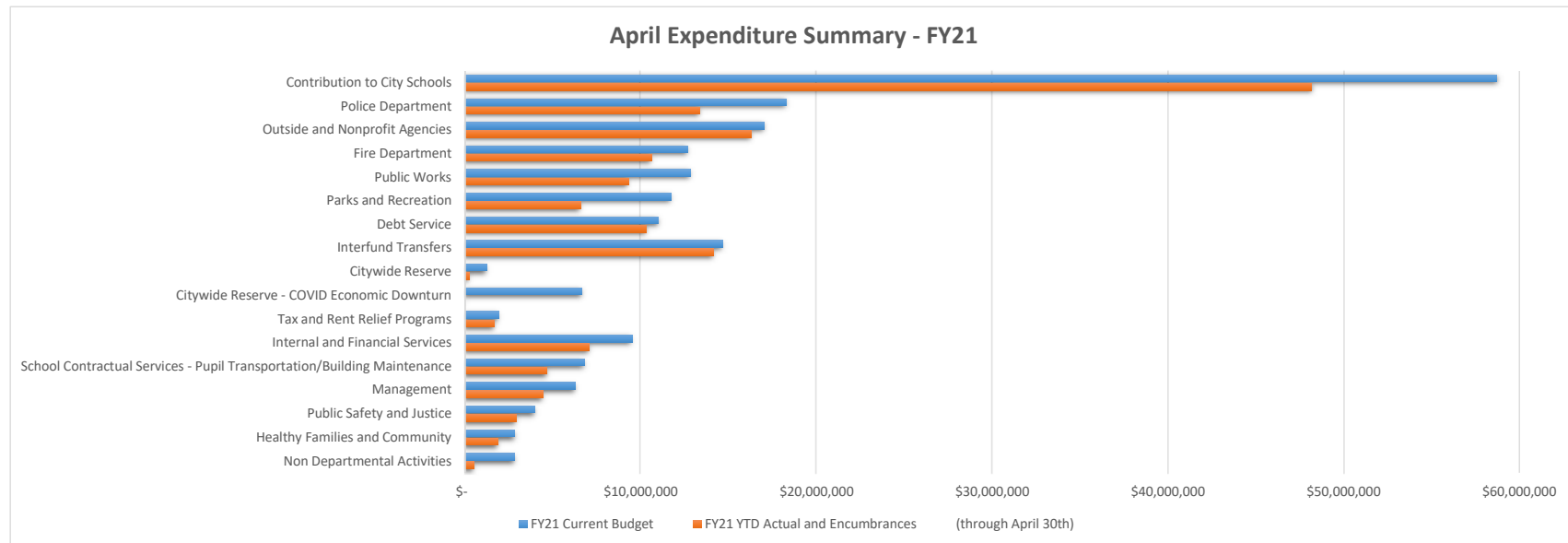
Fiscal Year 2020-21

Actuals through April 30th - Period 10 of 12 or 83.3% of fiscal year.

Major Expenditure Categories	FY21 Original Budget	FY21 Current Budget	FY21 YTD Actual and Encumbrances <i>(through April 30th)</i>	FY21 Remaining Available Annual Budget <i>(through April 30th)</i>	% of FY21 Budget Utilized
Contribution to City Schools	\$ 58,709,623	\$ 58,709,623	\$ 48,195,520	\$ 10,514,103	82.09%
Police Department	\$ 18,017,555	\$ 18,254,682	\$ 13,347,953	\$ 4,906,729	73.12%
Outside and Nonprofit Agencies	\$ 16,798,273	\$ 17,040,773	\$ 16,310,601	\$ 730,172	95.72%
Fire Department	\$ 12,539,795	\$ 12,658,000	\$ 10,605,593	\$ 2,052,407	83.79%
Public Works	\$ 12,531,690	\$ 12,817,180	\$ 9,306,336	\$ 3,510,844	72.61%
Parks and Recreation	\$ 11,535,820	\$ 11,728,454	\$ 6,570,777	\$ 5,157,678	56.02%
Debt Service	\$ 11,013,359	\$ 11,013,359	\$ 10,328,333	\$ 685,026	93.78%
Interfund Transfers	\$ 10,638,085	\$ 14,648,995	\$ 14,157,090	\$ 491,905	96.64%
Citywide Reserve	\$ 250,000	\$ 1,238,730	\$ 232,203	\$ 1,006,527	18.75%
Citywide Reserve - COVID Economic Downturn	\$ 6,674,971	\$ 6,674,971	\$ -	\$ 6,674,971	0.00%
Tax and Rent Relief Programs	\$ 1,895,000	\$ 1,895,000	\$ 1,688,599	\$ 206,401	89.11%
Internal and Financial Services	\$ 9,458,988	\$ 9,495,351	\$ 7,083,219	\$ 2,412,133	74.60%
School Contractual Services - Pupil Transportation/Building Maintenance Management	\$ 6,788,910	\$ 6,800,332	\$ 4,676,781	\$ 2,123,551	68.77%
Management	\$ 5,493,231	\$ 6,277,993	\$ 4,418,968	\$ 1,859,025	70.39%
Public Safety and Justice	\$ 3,705,176	\$ 3,978,943	\$ 2,903,521	\$ 1,075,422	72.97%
Healthy Families and Community	\$ 2,650,095	\$ 2,847,118	\$ 1,880,567	\$ 966,551	66.05%
Non Departmental Activities	\$ 2,495,302	\$ 2,841,872	\$ 505,769	\$ 2,336,103	17.80%
Total	\$ 191,195,873.00	\$ 198,921,376.09	\$ 152,211,828.72	\$ 46,709,547.37	76.52%

Notes:

Current Budget includes the Original FY21 Adopted Budget as well as FY20 carryovers.



April General Fund Expenditure Summary Narrative

(Actuals through April 30, 2021)

Outside and Nonprofit Agencies includes payments to all Vibrant Community fund Agencies, Arts and Culture Agencies, Contractual Agencies including JAUNT and JMRL, and all Organizational Memberships and Agency dues. Actuals to date are above 83.3% due to reflecting all 4 quarterly payments for most of the outside human service agencies.

Debt Service represents the General Fund transfer to the Debt Service Fund. The actuals contain the General Fund contribution to the City's annual debt service of \$8,560,788, and the portion of the Meals Tax revenue, 1 cent or 1/6 of the total collected, that is dedicated to pay for debt service. This portion of the transfer is now showing a reduction of \$685,026, due to the decrease in Meals Tax revenue projections. The designated Meals Tax portion of this revenue will be adjusted at the end of the fiscal year based upon the actual revenue that is collected.

Interfund Transfers contains all General Fund transfers to other funds including transfer to Transit, Transfer to Social Services and Human Services, Transfer to Capital Improvement Program, Transfer to Facilities Repair Fund, and Transfer to CSA. These transfers and payments are typically made as one time payments, and many are made at either the end of the second quarter or beginning of the third quarter and are adjusted at the end of the fiscal year if necessary.

Citywide Reserve includes \$250,000 for performance agreements, and \$988,730 in other reserve funding some of which is previously appropriated and designated for specific purposes.

Citywide Reserve - COVID Economic Downturn includes \$6.67M in COVID downturn reserve funding that was originally the cash transfer to the CIP from the General Fund.

Rent and Tax Relief includes all rent and tax relief programs for the City including the Charlottesville Housing Affordability Tax Grant Program (CHAP). Actuals to date include the Real Estate Tax Relief program allocations for FY21, and all of the CHAP program and Rent Relief program allocations for FY21.

Internal and Financial Services includes the General Fund portions of Finance and Information Technology, and the Office of the City Treasurer, Commissioner of Revenue's Office, and Human Resources.

Management includes City Council, Council Strategic Initiatives, City Manager's Office, Redevelopment and Housing, Economic Development, Communications, City Attorney, and the Office of the General Registrar.

April General Fund Expenditure Summary Narrative

(Actuals through April 30, 2021)

Public Safety and Justice includes the operations for Circuit Court, General District Court, Juvenile and Domestic Relations Court, Commonwealth Attorney, and City Sheriff.

Healthy Families and Community includes Neighborhood Development Services and Office of Human Rights.

Non Departmental Activities include Citizen Engagement, Police Civilian Review Board, Participatory Budgeting, Strategic Planning, Employee Compensation and Training, and grant matches for the Food Equity Program and Virginia Juvenile Community Crime Control Act.

Utility Fund Revenue and Expenditure Summary Fiscal Year 2020-21

Actuals through April 30th - Period 10 of 12 or 83.3% of fiscal year.

Gas Fund	FY21 Original Budget	FY21 Current Budget	FY21 YTD Actual and Encumbrances (through April 30th)	FY21 Remaining Available Annual Budget (through April 30th)	% of FY21 Budget Utilized
Gas Fund Revenue	\$ 27,081,999	\$ 27,208,068	\$ 20,911,820	\$ 6,296,248	77.22%
Gas Fund Expenditures	\$ 26,473,698	\$ 28,160,410	\$ 16,512,165	\$ 11,648,245	62.37%

Water Fund	FY21 Original Budget	FY21 Current Budget	FY21 YTD Actual and Encumbrances (through April 30th)	FY21 Remaining Available Annual Budget (through April 30th)	% of FY21 Budget Utilized
Water Fund Revenue	\$ 12,504,490	\$ 12,504,490	\$ 8,916,339	\$ 3,588,152	71.31%
Water Fund Expenditures	\$ 11,497,327	\$ 12,391,205	\$ 6,798,998	\$ 5,592,208	59.14%

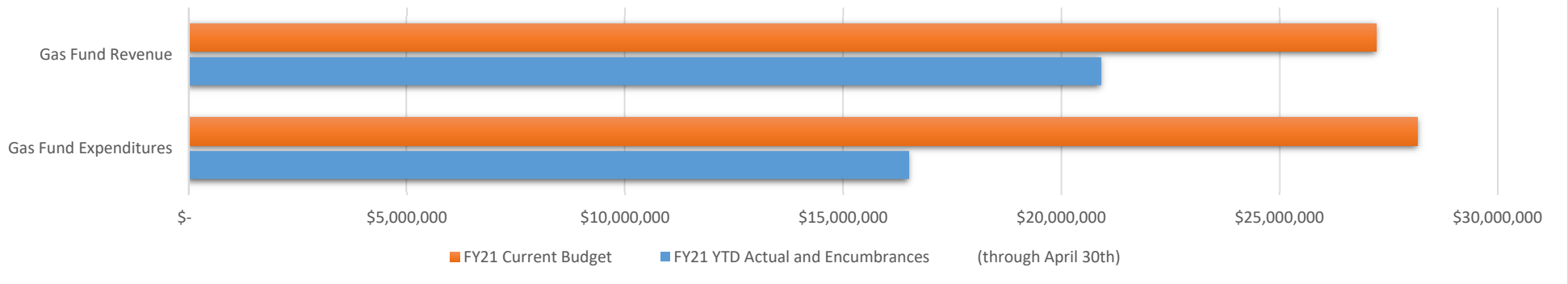
Wastewater Fund	FY21 Original Budget	FY21 Current Budget	FY21 YTD Actual and Encumbrances (through April 30th)	FY21 Remaining Available Annual Budget (through April 30th)	% of FY21 Budget Utilized
Wastewater Fund Revenue	\$ 15,451,758	\$ 15,451,758	\$ 11,823,072	\$ 3,628,686	76.52%
Wastewater Fund Expenditures	\$ 15,203,764	\$ 15,880,005	\$ 8,855,556	\$ 7,024,449	58.25%

Stormwater Fund	FY21 Original Budget	FY21 Current Budget	FY21 YTD Actual and Encumbrances (through April 30th)	FY21 Remaining Available Annual Budget (through April 30th)	% of FY21 Budget Utilized
Stormwater Fund Revenue	\$ 1,944,572	\$ 1,944,572	\$ 2,065,841	\$ (121,269)	106.24%
Stormwater Fund Expenditures	\$ 1,844,572	\$ 1,884,286	\$ 1,453,505	\$ 430,781	78.80%

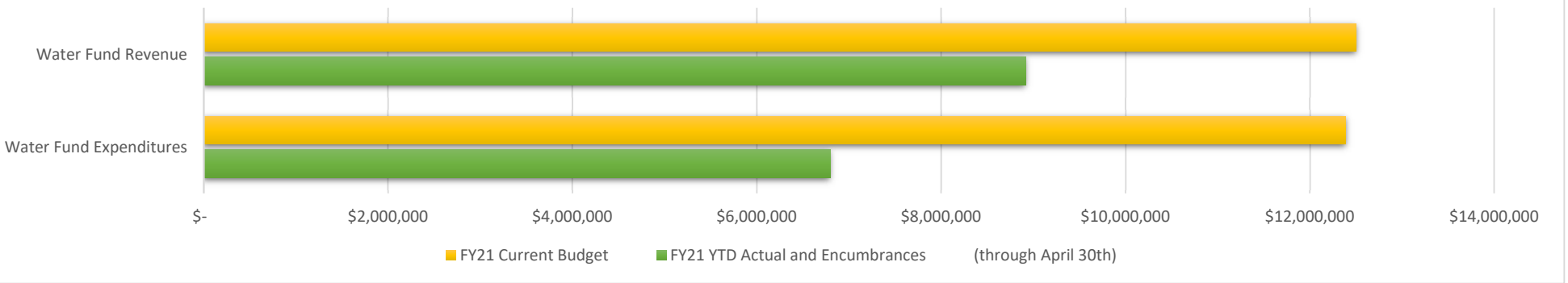
Notes:

These figures represent the Operating Budgets only. CIP and Debt have been omitted for clarity. Current Budget includes the Original FY21 Adopted Operating Budget as well as all non-capital FY20 carryovers.

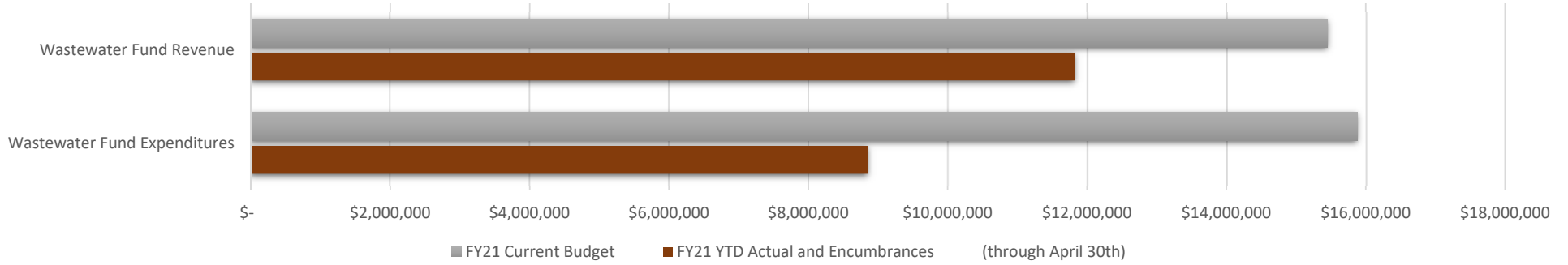
April Gas Utility Summary - FY21



April Water Utility Summary - FY21



April Wastewater Utility Summary - FY21



April Stormwater Utility Summary - FY21

