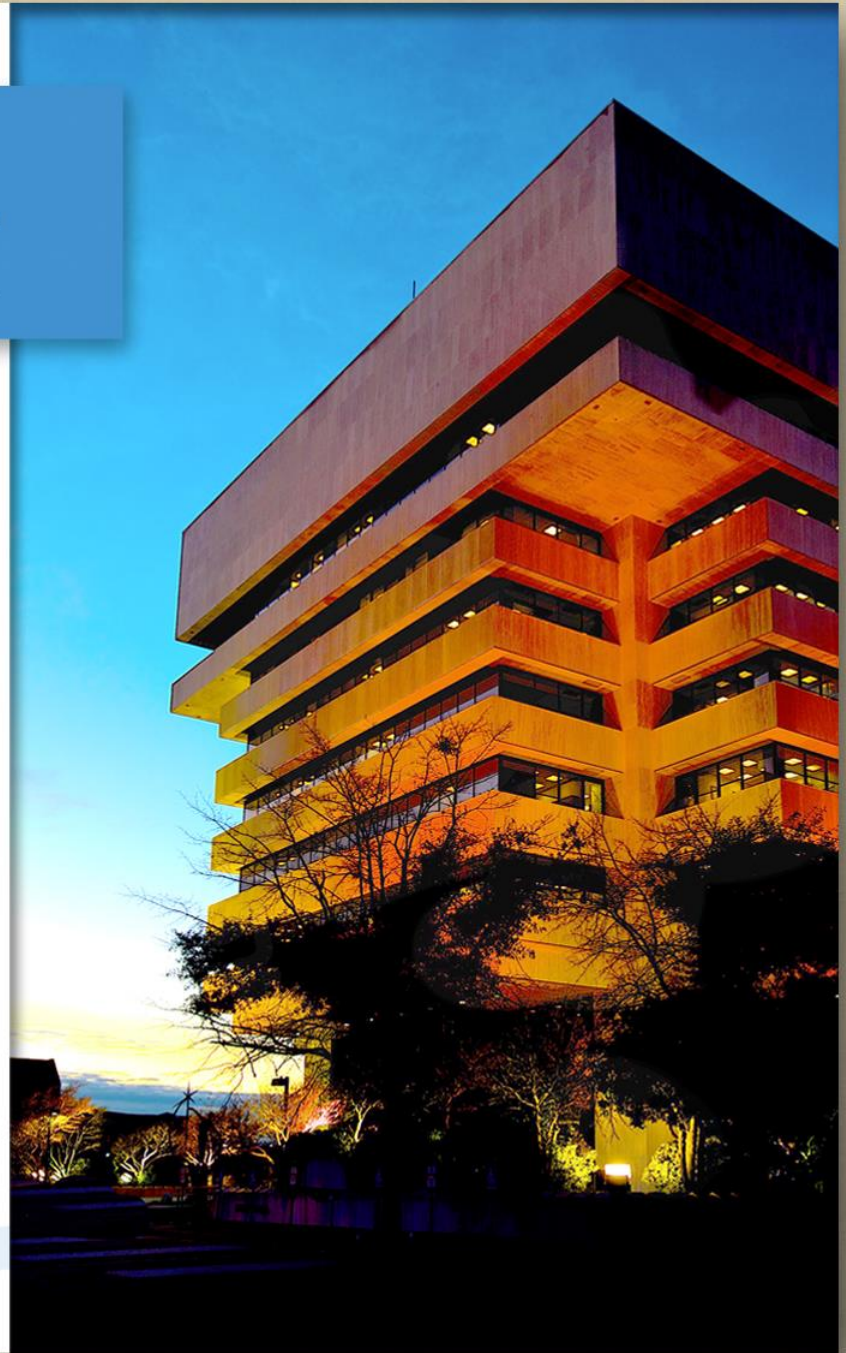


HAMPTON VA

Preliminary Revenue Projections Fiscal Year 2017



Revenues: Review of Preliminary Projections for FY2017

Total General Fund Revenues

	Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% % Incr/(Decr) Apprv VS Proj
Recurring Revenues	\$ 322,653,283	\$ 326,351,857	\$ 3,698,574	1.1%
One-Time Revenues	\$ 3,673,986	\$ 4,401,156	\$ 727,170	19.80%
	<u>\$ 326,327,269</u>	<u>\$ 330,753,013</u>	<u>\$ 4,425,744</u>	<u>1.4%</u>

- **Increase in recurring revenues of \$3.7 Million or 1.1%**
- **Increase in use of one-time revenues (use of fund balance) of \$.7 million.**
- **The major revenue drivers: general property taxes and other local taxes (75% of the total increase).**

Revenues: Review of Preliminary Projections for FY2017

General Property Taxes

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 177,269	\$ 179,642	\$ 2,373	1.3%

Real Estate Taxes

- The Assessor is projecting that total taxable assessments will increase by 1.1% (weighted average).
- Translates to a \$1.6 M increase in revenues - from \$123.3 M to \$124.9 M (represents 38% of the revenue budget).
- No change in collection rate - 98.4%

Revenues: Review of Preliminary Projections for FY2017

General Property Taxes - continued

Real Estate Taxes - continued

- Each penny = \$1,007,499
- Other cities are expecting:
 - 1.43% James City County
 - 3.2% Virginia Beach

Revenues: Review of Preliminary Projections for FY2017

General Property Taxes - continued

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 177,269	\$ 179,642	\$ 2,373	1.3%

Personal Property Taxes

Factors impacting FY17

- **New car registrations in Hampton increased by approximately 1.8% from CY2014 to CY2015.**
- **Used car values experienced a slight increase from 2014 to 2015.**
- **Used car sales have been steady and set a record for 2015 (5.7% increase).**

Revenues: Review of Preliminary Projections for FY2017

General Property Taxes - concluded

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 177,269	\$ 179,642	\$ 2,373	1.3%

Personal Property Taxes

- Reduced the collection rate to 95% - a decrease of .5%
- Projecting FY17 personal property taxes to be \$39.2 million, an increase of \$.8 million (represents 12% of the revenue budget).

Revenues: Review of Preliminary Projections for FY2017

Other Local Taxes

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 77,515	\$ 78,460	\$ 945	1%

- **The Largest Five Other Local Taxes:**

- 1) Meal tax
- 2) Sales and use tax
- 3) Business license tax
- 4) Communications sales tax
- 5) Utility taxes – Electric and Gas

- Represents approximately 78% of the total other local taxes projection.

Revenues: Review of Preliminary Projections for FY2017

Other Local Taxes - continued

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 77,515	\$ 78,460	\$ 945	1%

- **Meal Tax is tracking approximately 2.7% over the prior fiscal year. Therefore, we have projected it to increase to \$20.1 million, an increase of approximately \$722,000.**
- **An increase in sales tax revenue estimate to be \$15.6 million (an increase of \$473,000 or 3.1%).**
- **Business license tax estimate will remain the same as last year at \$11.9 million.**

Revenues: Review of Preliminary Projections for FY2017

Other Local Taxes - continued

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 77,515	\$ 78,460	\$ 945	1%

- **The state communication taxes became effective on January 1, 2007.**
- **It is composed of a 5% tax on all communication services, state E-911 tax of \$.75 per access line and public right-of-way use fee of \$.97 per cable subscriber per month.**
- **Replaced the City's utility tax on telephone, local E-911 service tax, utility tax on cable service and cable franchise fee. For fiscal year 2006, these taxes generated approximately \$9.9 million for the City.**

Revenues: Review of Preliminary Projections for FY2017

Other Local Taxes - concluded

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 77,515	\$ 78,460	\$ 945	1%

- **The City's communication taxes under the state program has not exceeded what we were collecting under our local taxes.**
- **Communication taxes are expected to decline by \$291,000 for a projection of approximately \$8.9 million.**
- **Utility taxes-Electric and Gas are expected to be flat at \$5 million.**

Revenues: Review of Preliminary Projections for FY2017

Other Local Taxes - concluded

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 77,515	\$ 78,460	\$ 945	1%

- **Boat license fee (new fee in FY16) is tracking significantly under the \$402,000 revenue estimate. We expect to collect \$200,000 for FY16 – therefore, we have reduced the FY17 projection by \$202,900.**
- **Based on current trends, we expect lodging taxes to grow to \$3.1 M in FY17 – an increase of \$130,000.**

Revenues: Review of Preliminary Projections for FY2017

License, Permits and Privileged Fees

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS proj
\$ 1,296	\$ 1,296	\$ -	0%

- **Building permit fees are currently tracking about \$99,000 less than the budget for FY16.**
- **Expect permit activity to increase in FY2017 .**
- **We are still evaluating the estimate for building permit fees.**

Revenues: Review of Preliminary Projections for FY2017

Fines and Forfeitures

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 2,087	\$ 1,554	\$ (533)	-26%

- **Traffic Penalties and Court Fines are tracking 42% and 34%, respectively, less than the budget. Decline is due to a decrease in the number of vehicle stops and court cases (reduction of \$437,000).**
- **General Assembly approved language to allow the Treasurer for Hampton (along with 5 other treasurers) to contract with the Commonwealth's Attorney for the collection of the State's delinquent court fines through June 30, 2018. However, collections in excess of the Treasurer's collection costs must be split 50/50 between the State and Hampton (impact of \$95,000).**

Revenues: Review of Preliminary Projections for FY2017

Revenues from Use of Money & Property

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
<u>\$ 369</u>	<u>\$ 371</u>	<u>\$ 2</u>	<u>1%</u>

- **Increase is from lease of property.**

Revenues: Review of Preliminary Projections for FY2017

Charges for Services

(In Thousands)

Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 8,889	\$ 8,933	\$ 44	0%

- **Based on current trends, EMS transport fees (\$3.9 M), Parks and Recreation Fees (\$1.1) and Landfill Host Fees (\$800,000) are expected to remain flat for FY17.**
- **Fees for School Age program increased by \$25,045.**

Revenues: Review of Preliminary Projections for FY2017

Miscellaneous Revenue

(In Thousands)

Approved Budget FY2016	Projection FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
<u>\$ 4,374</u>	<u>\$ 4,478</u>	<u>\$ 104</u>	<u>2%</u>

- **\$39,139 increase in reimbursements from schools.**
- **\$58,000 increase in administrative fees for delinquent collections.**

Revenues: Review of Preliminary Projections for FY2017

State/Federal Revenues

	Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% % Incr/(Decr) Apprv VS Proj
Recovered Costs	\$ 8,286	\$ 8,286	\$ -	0%
Shared Expenses-State	9,274	9,274	-	0%
Non-Categorical-State	798	798	-	0%
Categorical-State\Fed	30,465	31,229	764	3%
Federal	31	31	-	0%
	<u>\$ 48,854</u>	<u>\$ 49,618</u>	<u>\$ 764</u>	<u>2%</u>

- **Staff has not adjusted the state revenues (except for state and highway maintenance funds) since the state budget has not been approved.**
- **An increase of \$764,425 in State and Highway Maintenance Funds (\$15.9M).**

Revenues: Review of Preliminary Projections for FY2017

Transfers and Fund Balance

(In Thousands)

	Approved Budget FY2016	Projections FY2017	\$ Amount Incr/(Decr) Apprv VS Proj	% % Incr/(Decr) Apprv VS proj
Fund Balance	\$ 3,674	\$ 4,401	\$ 727	20%
Transfer from School Op Fund	\$ 2,000	\$ 2,000	\$ -	0%
	<u>\$ 5,674</u>	<u>\$ 6,401</u>	<u>\$ 727</u>	<u>13%</u>

- **Plan to use \$3.7 million from unassigned fund balance (savings account) for the 2017 CIP which is approximately \$899,000 more than what we used in the FY15 budget.**
- **We're using the balance of \$159,300 from Committed Fund Balance-ATF Funds for Youth, Violence and Prevention (\$171,702 less than FY16).**

Revenues: Review of Preliminary Projections for FY2017

Net Recurring Revenues Available for the Budget

Net increase in recurring revenues	<u>\$ 3,698,574</u>
<u>Net Change in Committed/Dedicated Revenues</u>	
2+2 meals and lodging taxes dedicated to Conv Ctr	\$ 225,367
PTC incremental tax revenues	(1,326)
State & Highway maintenance funds	624,425
School funding formula	359,193
Net Increase	<u>\$ 1,207,659</u>
Net recurring revenues available for the budget	<u>\$ 2,490,915</u>

Revenues: Review of Preliminary Projections for FY2017

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