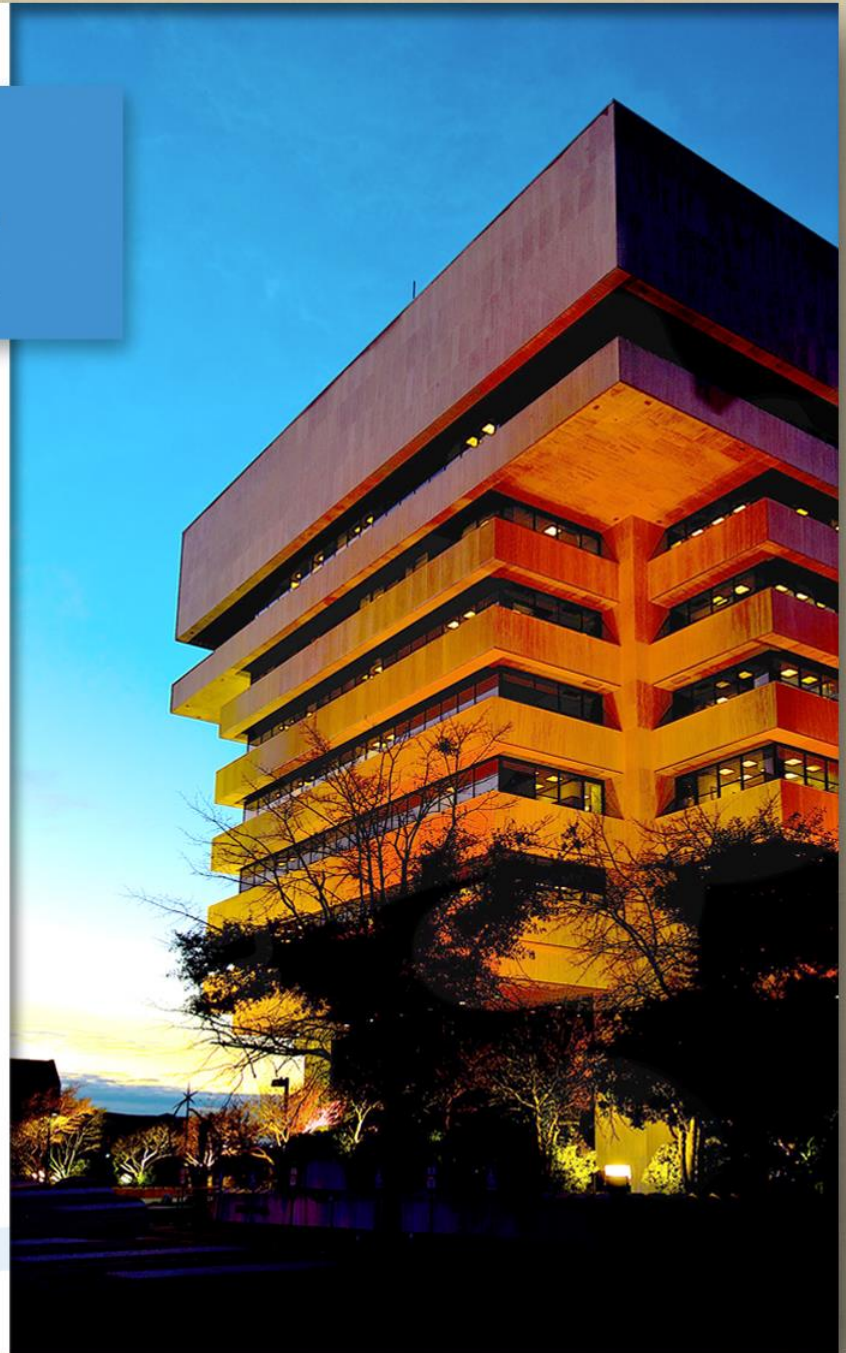


# HAMPTON VA

## **Preliminary Revenue Projections Fiscal Year 2021**



# Revenues: Review of Preliminary Projections for FY2021

## Total General Fund Revenues

	<u>FY2020</u>	<u>FY2021</u>	<u>Apprv VS Proj</u>	<u>Apprv VS Proj</u>
Recurring Revenues	\$ 346,258,566	\$ 357,497,947	\$ 11,239,381	3.2%
One-Time Revenues	\$ 6,339,513	\$ 4,301,960	\$ (2,037,553)	-32.1%
	<u>\$ 352,598,079</u>	<u>\$ 361,799,907</u>	<u>\$ 9,201,828</u>	<u>2.6%</u>

- **Increase in recurring revenues of \$11.2 Million or 3.2%**
- **Of the \$11.2 million increase in recurring revenues, \$8.8 million is available for general appropriations. The other \$2.4 million is committed for specific purposes.**
- **The major revenue drivers: general property taxes and local taxes (98% of the total increase in the revenue estimate).**

# Revenues: Review of Preliminary Projections for FY2021

## General Property Taxes

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 189,874	\$ 196,346	\$ 6,472	3.4%

## Real Estate Taxes

- **The Assessor is projecting that total taxable assessments will increase by 4.19% (weighted average).**
- **Translates to a \$5.7M increase in revenues - from \$ 131.2M to \$136.9M (represents 38% of the revenue budget).**
- **No change in collection rate - 98.4%**

# Revenues: Review of Preliminary Projections for FY2021

## General Property Taxes - continued

### Real Estate Taxes - continued

- Each penny = \$1,103,879
- Other cities are expecting: (Information not available at this time)

# Revenues: Review of Preliminary Projections for FY2021

## Other Local Taxes

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 81,599	\$ 86,158	\$ 4,559	6%

- **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 77% of the total other local taxes projection.



# Revenues: Review of Preliminary Projections for FY2021

## Other Local Taxes - continued

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 81,599	\$ 86,158	\$ 4,559	6%

- **Meal tax is tracking approximately 7.4% over the prior fiscal year. We expect this revenue to trend near the 3% average growth for the past three years – driven by the national trend of Americans dining out including carryout, drive-thru, delivery, curbside and food trucks. Therefore, we have projected it to increase to \$23.5 million, an increase of approximately \$1.9 million.**

# Revenues: Review of Preliminary Projections for FY2021

## Other Local Taxes - continued

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 81,599	\$ 86,158	\$ 4,559	6%

- **Year-to-date sales tax collections are tracking 6% over the FY20 Actual budget estimate and 6.7% over FY19 actual. The positive growth in sales tax is driven primarily by internet sales.**
- **Based on the current trend, we are increasing the sales tax revenue estimate by \$1.3 million for a total of \$17.1 million.**

# Revenues: Review of Preliminary Projections for FY2021

## Other Local Taxes - continued

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 81,599	\$ 86,158	\$ 4,559	6%

- **We're seeing growth in the professional and service industries, as well as growth from activity at Langley and NASA. Therefore, we're increasing the business license tax estimate to \$13 million – an increase of \$1 million over the FY19 estimate.**



# Revenues: Review of Preliminary Projections for FY2021

## Other Local Taxes - continued

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 81,599	\$ 86,158	\$ 4,559	6%

- **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 a public right-of-way use fee of \$1.11 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 FY2021

## Other Local Taxes - continued

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 81,599	\$ 86,158	\$ 4,559	6%

- **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 \$444,000 to a projection of approximately \$7.5 million.**
- **Utility taxes - Electric and Gas are expected to be flat at \$5 million.**

# Revenues: Review of Preliminary Projections for FY2021

## Other Local Taxes - concluded

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
<u>\$ 81,599</u>	<u>\$ 86,158</u>	<u>\$ 4,559</u>	<u>6%</u>

- **We have budgeted \$1.2 million (an increase of \$700,000 over FY19) in Pari-Mutuel license tax revenues for the first full fiscal year of the off-track betting facility.**

# Revenues: Review of Preliminary Projections for FY2021

## License, Permits and Privileged Fees

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS proj
\$ 1,365	\$ 1,461	\$ 96	7%

- **Based on current trends and the projects we anticipate to take place for fiscal year 2021, we're expecting the building permit activity and values to increase for fiscal year 2021.**

# Revenues: Review of Preliminary Projections for FY2021

## Fines and Forfeitures

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 1,463	\$ 1,176	\$ (287)	-20%

- **Court fine collections have been impacted by the Governors Budget Amendment #33 which ceased the suspension of someone's driver's license for unpaid fines and court costs.**

# Revenues: Review of Preliminary Projections for FY2021

## Revenues from Use of Money & Property

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
\$ 2,764	\$ 2,767	\$ 3	0%

- **This revenue category is primarily composed on interest income that we earn on cash balances and investments.**
- **While we experienced increases in the Federal Reserve short-term interest rate during fiscal year 2019, they have decreased the interest rate three times during fiscal year 2020.**
- **Therefore, we're maintaining the interest income estimate flat for FY21 at \$2.5 million.**



# Revenues: Review of Preliminary Projections for FY2021

## Charges for Services

(In Thousands)

Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
<u>\$ 9,521</u>	<u>\$ 9,881</u>	<u>\$ 360</u>	<u>4%</u>

- **In FY18, City Council approved the Fire Division’s request to start billing residents for applicable co-pay and deductible amounts for the EMS transport fees. We’re experiencing an increase in collections (as well as from the Treasurer's collection of delinquent EMS billings). EMS transport fees are estimated at \$4.5 M – an increase of \$248,000.**

# Revenues: Review of Preliminary Projections for FY2021

## Miscellaneous Revenue

(In Thousands)

Approved Budget FY2020	Projection FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% Incr/(Decr) Apprv VS Proj
<u>\$ 5,096</u>	<u>\$ 5,132</u>	<u>\$ 36</u>	<u>1%</u>

- **\$30,000 increase in reimbursements from schools.**

# Revenues: Review of Preliminary Projections for FY2021

## State/Federal Revenues

	<u>FY2020</u>	<u>FY2021</u>	<u>Apprv VS Proj</u>	<u>Apprv VS Proj</u>
Recovered Costs	\$ 8,661	\$ 8,661	\$ -	0%
Shared Expenses-State	9,882	9,882	-	0%
Non-Categorical-State	830	830	-	0%
Categorical-State\Fed	33,173	33,173	-	0%
Federal	31	31	-	0%
	<u>\$ 52,577</u>	<u>\$ 52,577</u>	<u>\$ -</u>	<u>0%</u>

- **State and Federal funding will be updated when the state budget has been approved.**

# Revenues: Review of Preliminary Projections for FY2021

## Transfers and Fund Balance

	Approved Budget FY2020	Projections FY2021	\$ Amount Incr/(Decr) Apprv VS Proj	% % Incr/(Decr) Apprv VS proj
Fund Balance	\$ 6,340	\$ 4,302	\$ (2,038)	-32%
Transfer from School Op Fund	\$ 2,000	\$ 2,000	\$ -	0%
	<u>\$ 8,340</u>	<u>\$ 6,302</u>	<u>\$ (2,038)</u>	<u>-24%</u>

- **Plan to use \$3.5 million from unassigned fund balance (savings account) for the 2021 CIP – a decrease of \$1.2 million from FY20.**
- **Plan to use \$354,588 for the PC replacement program.**
- **No longer funding the Citizen Satisfaction Bonus from Fund Balance - Budget Savings . Plan to use recurring revenues.**

# Revenues: Review of Preliminary Projections for FY2021

## Total General Fund Revenues

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