

City of Charlottesville
Revenue Scenarios for FY 2021 Budget

(Projections Revised June 2021)

	Adopted 2020-2021	April 2021 Forecast	\$ Change (from Adopted FY 21 to Current Forecast)	Current Forecast	\$ Change (from Adopted FY 21 to Current Forecast)	Year to Date Actuals (as of 5-31-2021)
Real Estate Taxes	\$ 78,353,270	\$ 78,075,000	(\$278,270)	\$ 78,300,000	(\$53,270)	\$ 54,711,929
City/County Revenue Sharing	\$ 14,589,313	\$ 14,589,313	\$0	\$ 14,589,313	\$0	\$ 14,589,313
Meals Tax	\$ 14,295,064	\$ 10,605,268	(\$3,689,796)	\$ 10,761,631	(\$3,533,433)	\$ 9,748,027
Sales & Use Tax	\$ 11,504,331	\$ 11,519,874	\$15,543	\$ 11,848,121	\$343,790	\$ 10,612,177
Personal Property Tax	\$ 9,800,000	\$ 9,550,000	(\$250,000)	\$ 9,550,000	(\$250,000)	\$ 7,547,239
Transient Room Tax	\$ 6,282,721	\$ 3,548,322	(\$2,734,399)	\$ 3,676,187	(\$2,606,534)	\$ 3,255,014
Business & Professional Licenses	\$ 6,225,000	\$ 7,000,000	\$775,000	\$ 7,440,000	\$1,215,000	\$ 7,432,739
Payment in Lieu of Taxes: Utilities	\$ 6,091,667	\$ 6,091,667	\$0	\$ 5,822,319	(\$269,348)	\$ 5,822,319
Utility Taxes	\$ 5,024,112	\$ 4,300,000	(\$724,112)	\$ 4,450,000	(\$574,112)	\$ 3,970,153
Recreation Income	\$ 1,335,824	\$ 635,060	(\$700,764)	\$ 425,000	(\$910,824)	\$ 341,280
Transfer from Parking Enterprise Fund	\$ 1,200,000	\$ 400,000	(\$800,000)	\$ 400,000	(\$800,000)	\$ -
Other Local Taxes Subtotal	\$ 7,241,431	\$ 7,099,970	(\$141,461)	\$ 7,162,970	(\$78,461)	\$ 6,485,335
Other Licenses and Permits Subtotal	\$ 1,975,500	\$ 2,481,500	\$506,000	\$ 2,484,500	\$509,000	\$ 1,822,916
Other Intergovernmental Revenue Subtotal	\$ 12,984,420	\$ 13,198,432	\$214,012	\$ 13,114,777	\$130,357	\$ 11,194,798
Other Charges for Service Subtotal	\$ 5,596,604	\$ 5,161,604	(\$435,000)	\$ 5,161,604	(\$435,000)	\$ 3,860,283
Other Miscellaneous Revenue Subtotal	\$ 1,563,956	\$ 1,657,250	\$93,294	\$ 1,674,250	\$110,294	\$ 1,823,913
Transfers from Other Funds Subtotal	\$ 250,000	\$ 250,000	\$0	\$ 250,000	\$0	\$ -
Other Designated Revenue	\$ 6,882,660	\$ 6,685,079	(\$197,581)	\$ 6,662,079	(\$220,581)	\$ 6,660,074
GENERAL FUND BUDGET TOTAL	\$ 191,195,873	\$ 182,848,338	(\$8,347,535)	\$ 183,772,751	(\$7,423,122)	\$ 149,877,509

<u>Forecast Date</u>	<u>Revised Total Amount</u>	<u>Budget Change from Original Adopted</u>
Original Adopted	\$191,195,873	\$0
April 2021	\$182,848,338	(\$8,347,535)
June 2021	\$183,772,751	(\$7,423,122)

General Fund Revenue Summary Narrative for Current Forecast Column (June 2021)

Real Estate Tax - For the January and April 2021 projections this revenue was slightly reduced from the original budget projection based upon the collection rate experienced for the December 2020 deadline, which was off by about 1.2%. Real Estate Tax revenue has improved slightly over the course of the fiscal year and is now projected to come much closer to the original budget estimate for FY21.

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 has continued to see an increase in revenue collections for the January through May 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 and April 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 has consistently performed better than anticipated for the majority of FY21. Recent trends show a projection slightly above the January and April 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 has continued to see an increase in revenue collections for the January through May payments, but similar to Meals Tax revenue 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 and April 2021 projections. Revised recovery rate projections do not anticipate returning to 60% of previous years collections until after the beginning of FY22.

Utility Tax revenue has continued to lag behind initial revenue projections, but has shown slightly better performance than the April 2021 projections. 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 \$1,215,000.

General Fund Revenue Summary Narrative for Current Forecast Column (June 2021)

Parks and Recreation Revenue is projected to see a decrease of approximately \$910,000 due to continued closure of facilities, as well as not offering the usual recreation class and instructional opportunities. This revenue projection has decreased by approximately \$210,000 from the January and April projections due to the opening of facilities a month later than originally anticipated and not fully opening all recreation facilities for FY21.

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 Local Taxes is showing a slightly decreased projection from the April 2021 projection due to a decrease in the Cigarette Tax revenue from what was in the FY21 Adopted Budget.

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.

May General Fund Expenditure Summary

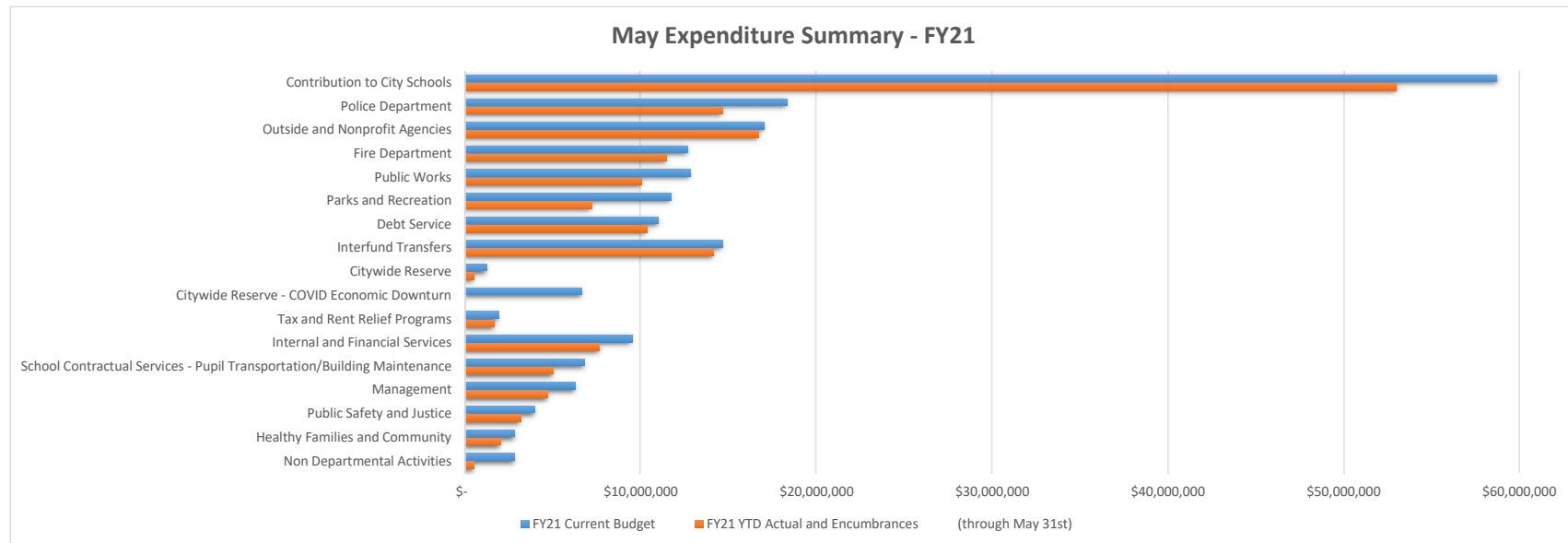
Fiscal Year 2020-21

Actuals through May 31st - Period 11 of 12 or 91.7% of fiscal year.

Major Expenditure Categories	FY21 Original Budget	FY21 Current Budget	FY21 YTD Actual and Encumbrances (through May 31st)	FY21 Remaining Available Annual Budget (through May 31st)	% of FY21 Budget Utilized
Contribution to City Schools	\$ 58,709,623	\$ 58,709,623	\$ 53,015,072	\$ 5,694,551	90.30%
Police Department	\$ 18,017,555	\$ 18,322,595	\$ 14,645,664	\$ 3,676,931	79.93%
Outside and Nonprofit Agencies	\$ 16,798,273	\$ 17,040,773	\$ 16,701,319	\$ 339,454	98.01%
Fire Department	\$ 12,539,795	\$ 12,684,971	\$ 11,483,100	\$ 1,201,871	90.53%
Public Works	\$ 12,531,690	\$ 12,817,180	\$ 10,078,530	\$ 2,738,650	78.63%
Parks and Recreation	\$ 11,535,820	\$ 11,728,454	\$ 7,208,147	\$ 4,520,308	61.46%
Debt Service	\$ 11,013,359	\$ 11,013,359	\$ 10,354,393	\$ 658,966	94.02%
Interfund Transfers	\$ 10,638,085	\$ 14,648,995	\$ 14,157,090	\$ 491,905	96.64%
Citywide Reserve	\$ 250,000	\$ 1,238,730	\$ 521,147	\$ 717,583	42.07%
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	\$ 1,689,514	\$ 205,486	89.16%
Internal and Financial Services	\$ 9,458,988	\$ 9,495,351	\$ 7,634,548	\$ 1,860,804	80.40%
School Contractual Services - Pupil Transportation/Building Maintenance Management	\$ 6,788,910	\$ 6,800,332	\$ 5,023,034	\$ 1,777,298	73.86%
Public Safety and Justice	\$ 5,493,231	\$ 6,277,993	\$ 4,715,649	\$ 1,562,344	75.11%
Public Safety and Justice	\$ 3,705,176	\$ 3,978,943	\$ 3,164,520	\$ 814,423	79.53%
Healthy Families and Community	\$ 2,650,095	\$ 2,847,118	\$ 2,031,540	\$ 815,578	71.35%
Non Departmental Activities	\$ 2,495,302	\$ 2,841,872	\$ 518,028	\$ 2,323,844	18.23%
Total	\$ 191,195,873.00	\$ 199,016,260.19	\$ 162,941,294.19	\$ 36,074,966.00	81.87%

Notes:

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



May General Fund Expenditure Summary Narrative

(Actuals through May 31, 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 91.7% 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 \$658,966, 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.

May General Fund Expenditure Summary Narrative

(Actuals through May 31, 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

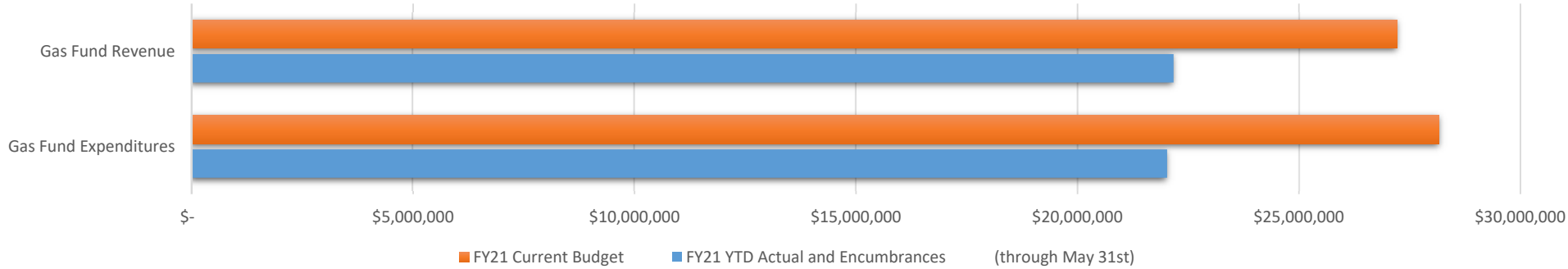
Actuals through May 31st - Period 11 of 12 or 91.7% of fiscal year.

	FY21 Original Budget	FY21 Current Budget	FY21 YTD Actual and Encumbrances <i>(through May 31st)</i>	FY21 Remaining Available Annual Budget <i>(through May 31st)</i>	% of FY21 Budget Utilized
Gas Fund					
Gas Fund Revenue	\$ 27,081,999	\$ 27,208,068	\$ 22,166,111	\$ 5,041,957	81.85%
Gas Fund Expenditures	\$ 26,473,698	\$ 28,160,410	\$ 22,023,000	\$ 6,137,410	83.19%
Water Fund					
Water Fund Revenue	\$ 12,504,490	\$ 12,504,490	\$ 9,974,791	\$ 2,529,699	79.77%
Water Fund Expenditures	\$ 11,497,327	\$ 12,391,205	\$ 8,328,217	\$ 4,062,988	72.44%
Wastewater Fund					
Wastewater Fund Revenue	\$ 15,451,758	\$ 15,451,758	\$ 12,648,712	\$ 2,803,046	81.86%
Wastewater Fund Expenditures	\$ 15,203,764	\$ 15,880,005	\$ 10,643,721	\$ 5,236,284	70.01%
Stormwater Fund					
Stormwater Fund Revenue	\$ 1,944,572	\$ 1,944,572	\$ 2,087,445	\$ (142,873)	107.35%
Stormwater Fund Expenditures	\$ 1,844,572	\$ 1,884,286	\$ 1,558,566	\$ 325,720	84.49%

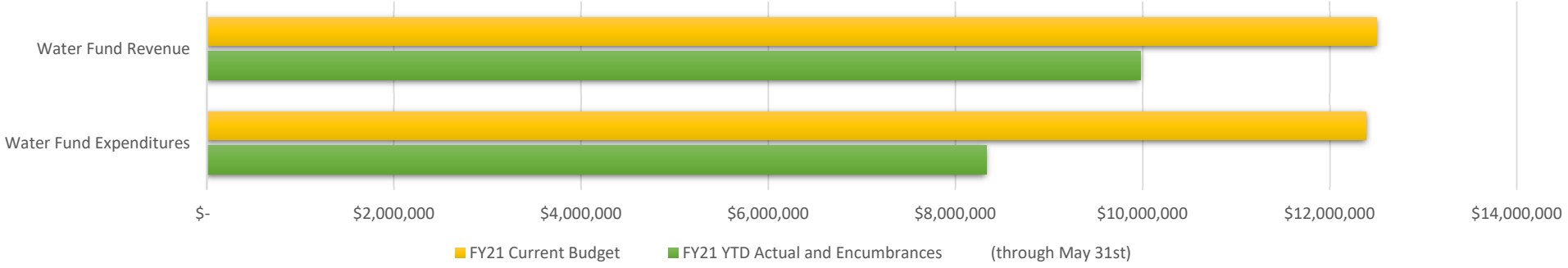
Notes:

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.

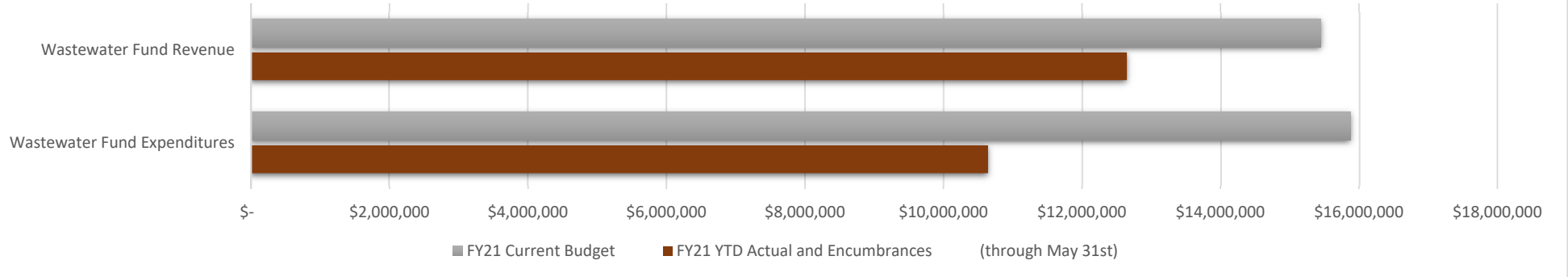
May Gas Utility Summary - FY21



May Water Utility Summary - FY21



May Wastewater Utility Summary - FY21



May Stormwater Utility Summary - FY21

