



# FY 2016 Budget Update

January 26, 2015

# Revenue Categories - Background

- Undesignated Revenue – 88% of County Revenue
  - Real Estate
  - Personal Property
  - Sales and Use Tax
- Designated Revenue – 12% of County Revenue
- Prior Years = 80%/20% split
- State designated revenue reductions have required more local support.

# Projected Growth for FY 16

- Excluding the impact of the 2015 Reassessment, undesignated revenue growth for FY 2016 is estimated to provide \$1.2M.
  - Real Estate = \$0.4M
  - Personal Property – MV = \$0.7M
  - Other Current Property = \$0.3M
  - Sales Taxes = \$0.2M
  - Recordation = (\$0.3M)
  - Other Categories Undes. = (\$0.1M)
  - Total = \$1.2M

# Reassessment

- Real estate numbers presented are based on a revenue neutral real estate rate for the reassessment.
- The Board of Equalization will hold hearings over the next few weeks.
- Finalized reassessment numbers will be provided around the first week of March.
- Final revenue projections will be provided (along with a revenue neutral calculation for the reassessment) with the proposed budget in March.

# Revenue Growth Issues Looking Forward

- Our current growth patterns, are similar to prior years.
  - Last year, preliminary revenue projections provided a projection of \$1 million in growth.
- Over the last few years, the County has experienced and continues to experience:
  - Less construction growth
  - Motor vehicle value swings (used and new vehicles)
  - Recordation swings

# Revenue Growth Issues Looking Forward

- To help balance the budget over the past several years the County has:
  - Eliminated and froze positions
  - Deferred operating requests
  - Maximized revenue projections
  - Eliminated the Revenue Stabilization Fund
  - Changed the method of valuation on MV personal property
  - Increased the RE and PP tax rates

## Preliminary Revenue Projections FY 16

	FY 13 Actual	FY 14 Actual	FY 15 Estimate	FY 16 Estimate	Growth 15/16
<b>General Property Taxes</b>					
Real Estate June	\$29,708,243	\$30,176,052	\$30,503,109	\$30,712,099	\$208,990
Real Estate December	\$29,515,217	\$30,279,960	\$30,396,059	\$30,608,503	\$212,444
<b>Total Real Estate</b>	<b>\$59,223,460</b>	<b>\$60,456,011</b>	<b>\$60,899,168</b>	<b>\$61,320,602</b>	<b>\$421,434</b>
Regular Personal Property	\$6,051,289	\$6,567,076	\$7,026,081	\$7,709,341	\$683,260
Regular Personal Property Relief	\$4,754,279	\$4,754,279	\$4,754,279	\$4,754,279	\$0
Business Furn & Fixtures	\$2,227,404	\$2,675,449	\$2,673,968	\$2,730,141	\$56,173
Computer Equipment	\$293,277	\$341,602	\$342,822	\$366,099	\$23,277
Mobile Homes	\$182,613	\$194,671	\$196,861	\$198,506	\$1,645
<b>Total Personal Property</b>	<b>\$13,508,861</b>	<b>\$14,533,076</b>	<b>\$14,994,011</b>	<b>\$15,758,366</b>	<b>\$764,355</b>
Machinery & Tools	\$2,208,744	\$2,228,674	\$2,227,096	\$2,281,180	\$54,084
Merchants Capital	\$949,024	\$1,233,315	\$1,102,936	\$1,187,327	\$84,391
PSC - December RE & PP	\$904,618	\$1,120,656	\$1,012,825	\$1,011,645	(\$1,180)
PSC - June RE	\$822,281	\$1,003,961	\$999,562	\$1,000,043	\$481
<b>Total Other Current Property</b>	<b>\$4,884,667</b>	<b>\$5,586,606</b>	<b>\$5,342,419</b>	<b>\$5,480,195</b>	<b>\$137,776</b>
<b>Grand Total General Property Taxes</b>	<b>\$77,616,988</b>	<b>\$80,575,693</b>	<b>\$81,235,598</b>	<b>\$82,559,163</b>	<b>\$1,323,565</b>
<b>Other Categories Property Taxes</b>					
Roll Back Taxes	\$4,837	\$676	\$5,000	\$5,000	\$0
Prepaid Taxes	\$376,027	\$351,879	\$0	\$0	\$0
Air Craft Taxes	\$23,795	\$74,646	\$55,428	\$44,034	(\$11,394)
Taypayer Over/Short	\$687	\$681	\$0	\$0	\$0
Delinquent Property Taxes	\$1,705,668	\$1,929,387	\$2,082,617	\$2,154,518	\$71,901
Property Taxes Penalty	\$434,634	\$434,929	\$425,000	\$435,000	\$10,000
Property Taxes Interest	\$189,679	\$182,209	\$180,000	\$183,000	\$3,000
DMV Stop Fees	\$37,909	\$30,496	\$0	\$0	\$0
Sell Off Debt	\$52,575	\$58,350	\$0	\$0	\$0
Admin Fee Delinquent TP	\$16,495	\$13,361	\$15,000	\$15,000	\$0
<b>Total Other Cat. Property Taxes</b>	<b>\$2,842,306</b>	<b>\$3,076,614</b>	<b>\$2,763,045</b>	<b>\$2,836,552</b>	<b>\$73,507</b>
<b>Grand Total Property Taxes</b>	<b>\$80,459,294</b>	<b>\$83,652,307</b>	<b>\$83,998,643</b>	<b>\$85,395,715</b>	<b>\$1,397,072</b>

## Preliminary Revenue Projections FY 16

Other Undesignated Revenues	FY 13 Actual	FY 14 Actual	FY 15 Estimate	FY 16 Estimate	Growth 15/16
Local Sales and Use Tax	\$7,986,545	\$7,939,087	\$8,648,368	\$8,833,416	\$185,048
Consumer Utility Tax	\$651,885	\$653,777	\$655,000	\$650,000	(\$5,000)
Consumer Utility Tax 177	\$18,369	\$18,243	\$18,000	\$18,000	\$0
Telecommunications Tax	\$181,676	\$1,016,523	\$1,048,174	\$1,027,377	(\$20,797)
Utility License Tax	\$17,759	\$17,157	\$18,000	\$17,000	(\$1,000)
Consumption Tax	\$103,731	\$108,368	\$100,000	\$108,000	\$8,000
Consumption Tax 177	\$6,130	\$6,072	\$6,000	\$6,000	\$0
Motor Vehicle License	\$664,650	\$662,591	\$700,000	\$680,000	(\$20,000)
Bank Stock	\$27,859	\$28,184	\$28,000	\$28,000	\$0
Recordation Tax	\$772,827	\$792,332	\$750,000	\$460,000	(\$290,000)
Additional Tax on Deeds	\$162,635	\$221,578	\$160,000	\$140,000	(\$20,000)
Transient Occupancy Tax	\$4,111	\$631	\$4,000	\$600	(\$3,400)
Transient Occupancy Tax 177	\$37,354	\$20,164	\$37,000	\$20,000	(\$17,000)
Food and Beverage Tax	\$247,605	\$230,425	\$220,000	\$230,000	\$10,000
Land Transfer Fee	\$2,137	\$2,078	\$1,800	\$2,000	\$200
Court Fines and Forf.	\$145,959	\$128,769	\$120,000	\$130,000	\$10,000
Interest on Checking	\$205,325	\$157,347	\$185,000	\$140,000	(\$45,000)
Rental of Property	\$224,678	\$315,698	\$119,984	\$171,984	\$52,000
Sale of Surplus	\$8,707	\$35,581	\$0	\$0	\$0
Sale of Real Estate	\$0	\$292,962	\$0	\$0	\$0
Returned Check Fee	\$1,085	\$1,523	\$0	\$0	\$0
Recovered Costs	\$11,096	\$8,950	\$0	\$0	\$0
Motor Vehicle Carrier Tax	\$146,109	\$159,617	\$160,000	\$145,487	(\$14,513)
Mobile Home Titling Tax	\$51,924	\$45,115	\$55,000	\$45,000	(\$10,000)
4% Car Rental Tax	\$36,724	\$45,324	\$40,000	\$40,000	\$0
Payment in Lieu of Taxes	\$16,661	\$20,368	\$15,000	\$15,000	\$0
Mineral Royalties	\$575	\$442	\$0	\$0	\$0
<b>Total Other Undesignated Revenues</b>	<b>\$11,734,117</b>	<b>\$12,928,906</b>	<b>\$13,089,326</b>	<b>\$12,907,864</b>	<b>(\$181,462)</b>
<b>Total Undesignated</b>	<b>\$92,193,410</b>	<b>\$96,581,214</b>	<b>\$97,087,969</b>	<b>\$98,303,579</b>	<b>\$1,215,610</b>

# Governor's Budget Highlights

- According to the schools, additional state funding for schools is estimated at \$64,078 (excluding \$213,600 for the e-backpack initiative).
- State Flexible Cuts are back for FY 15 and FY 16.
  - Impact to County revenues is **(\$159,844)**
- Includes funds to support increasing the compensation board's entry level salaries of deputies – Impact is \$19,862
  - The County's entry level salaries are significantly higher than the Compensation Board; therefore, this will be additional revenue for the County.
    - Entry County Deputy Salary = \$35,334
    - Entry Comp Board Salary w Inc. = \$31,009
    - County entry is \$4,325 or 14% higher

# Governor's Budget Highlights

- Additional funding is provided to replace voting equipment statewide.
  - The Governor's Budget includes \$29.6 million statewide to replace voting machines.
  - The General Assembly would have to approve this initiative for the County to receive any revenue.
  - The County committed to a three-year replacement program and \$234,000 to replace voting machines.
    - \$78,000 was provided in FY 14 and FY 15 – for a total of \$156,000
    - \$143,428 has been spent to date and a total of 24 machines have been replaced.
    - An additional 12 machines are planned to be purchased in FY 16.

# FY 2016 Budget – Next Steps

- Analyze Budget Requests as Received.
- Presentation of Proposed School Budget on February 9.
- Presentation of Proposed County FY 16 Budget on March 9.
- Establish Advertised Tax Rate and Budget on March 23.
- Public Hearing on Tax Rate and Budget on April 9.
- Adopt Tax Rate and Budget on April 20.