

# REVENUE ASSUMPTIONS FOR THE FY 2010 ANNUAL OPERATING BUDGET

## INTRODUCTION

There are over two hundred revenue items in the General Fund Budget. This section summarizes the revenue categories and offers insight on the items that are the major producers of City income.

There are many economic and structural factors that determine amount of revenue that the City can expect to receive in any fiscal year. Economic variables that drive many of the revenues include short and long term interest rates, employment, personal income, consumer confidence, retail sales, and housing demand. Structural determinants include policies and formulas developed by the state to distribute educational, social service, and other funds as well as regulations it places on the establishment and administration of local taxes and fees.

The extraordinary strength of the national and local housing markets over the past six years has been reflected in the rapid rise in housing values and the attendant increase in single family real estate assessment revenue. This trend began to moderate in FY 2009 and preliminary assessment estimates for FY 2010 reveal a virtually flat residential market.

Likewise, strong consumer demand has resulted in increased yields from sales, meals, and lodging taxes and other retail oriented taxes over the past 15 years. Unfortunately, the current economic downturn has had a significant negative effect on these revenue sources.

The Department of Budget Department and Evaluation employs several techniques to forecast the amount of money a particular revenue source is likely to generate over the course of the fiscal year. These include:

- ▶ Historical trends over time - usually over no more than 18-24 months.
- ▶ Analysis of previous years' property tax delinquency patterns.
- ▶ State and Federal notification of amounts that are provided for particular programs.
- ▶ Projections of "usage" of a particular service that is fee-generating over the twelve month budget period.

## FY 2010 PROPOSED GENERAL FUND BUDGET

### Revenue Sources

General Property Taxes	\$230,074,612	54.6%
Other Local Taxes	86,055,478	20.4%
Categorical Aid	42,333,599	10.0%
Miscellaneous Revenue	16,971,693	4.0%
Recovered Costs	10,733,670	2.5%
Shared Expenses	10,363,997	2.5%
Non-Revenue Receipts	10,000,000	2.4%
Charges for Services	5,003,890	1.2%
Use of Money, Property	4,050,530	1.0%
Permits & Fees	2,980,721	0.7%
Fines, Forfeitures	1,943,763	0.5%
Payments from Other Funds	553,758	0.1%
Non-Categorical Aid	<u>293,289</u>	<u>0.1%</u>
	<b>\$421,359,000</b>	100.0%

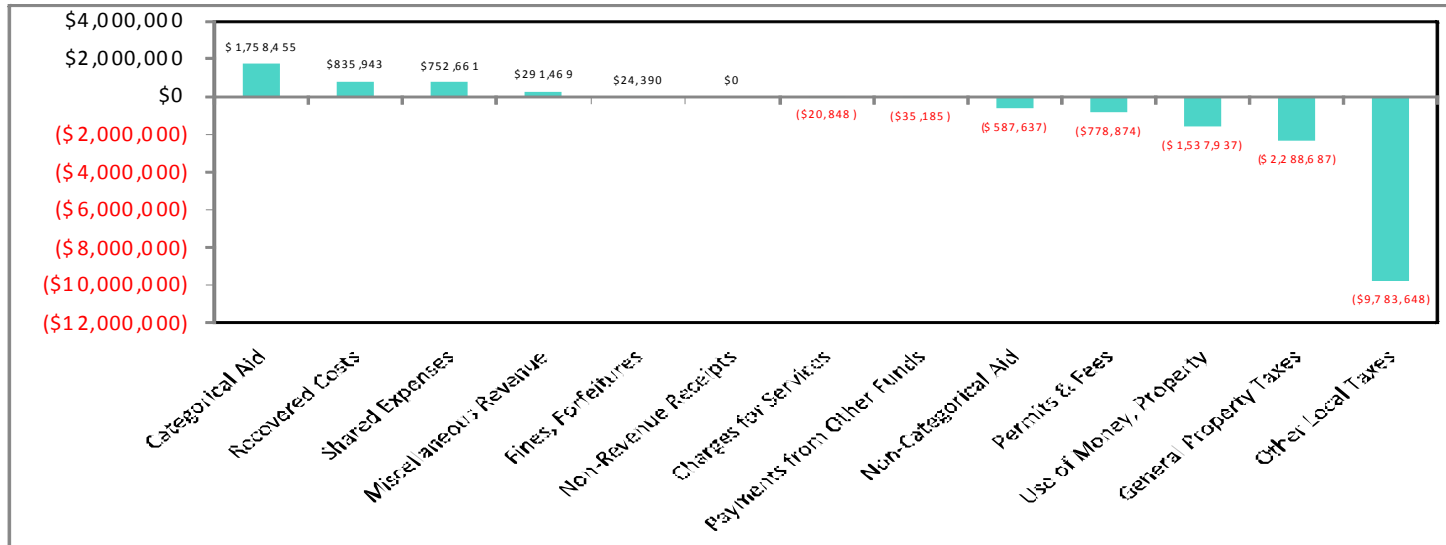
Over 75% of General Fund revenues come from taxes - 55% from property taxes and 20% from Other Local Taxes such as sales, meals and telecommunications taxes. The next largest revenue source is Categorical Aid (state revenue for human services programs). A complete analysis of all revenue sources is included under the General Fund Revenue tab in the budget document.

# FY 2010 PROPOSED GENERAL FUND BUDGET

## Changes in Revenue Sources

	<u>Adopted FY 2009</u>	<u>Revised FY 2009</u>	<u>Recommended FY 2010</u>	<u>Change</u>	<u>Percent</u>
Categorical Aid	\$40,575,144	\$40,575,144	\$42,333,599	\$1,758,455	4.3%
Recovered Costs	9,866,727	9,897,727	10,733,670	835,943	8.4%
Shared Expenses	9,946,336	9,611,336	10,363,997	752,661	7.8%
Miscellaneous Revenue	16,680,224	16,680,224	16,971,693	291,469	1.7%
Fines, Forfeitures	1,893,475	1,919,373	1,943,763	24,390	1.3%
Non-Revenue Receipts	10,000,000	10,000,000	10,000,000	0	0.0%
Charges for Services	5,024,738	5,024,738	5,003,890	(20,848)	(0.4%)
Payments from Other Funds	588,943	588,943	553,758	(35,185)	(6.0%)
Non-Categorical Aid	880,926	880,926	293,289	(587,637)	(66.7%)
Permits & Fees	3,759,595	3,759,595	2,980,721	(778,874)	(20.7%)
Use of Money, Property	5,588,467	5,588,467	4,050,530	(1,537,937)	(27.5%)
General Property Taxes	232,363,299	232,363,299	230,074,612	(2,288,687)	(1.0%)
Other Local Taxes	<u>95,839,126</u>	<u>95,839,126</u>	<u>86,055,478</u>	<u>(9,783,648)</u>	<u>(10.2%)</u>
<b>TOTAL</b>	<b>\$433,007,000</b>	<b>\$432,728,898</b>	<b>\$421,359,000</b>	<b>(\$11,369,898)</b>	<b>(2.6%)</b>

\* Revised FY 2009 General Fund Operating Budget reflects changes in revenue of **(\$340,102)**. The FY 2009 Adopted General Fund Budget was \$433,007,000. The change from Adopted FY 2009 to Recommended FY 2010 is **(\$9,918,000)** or **(2.3%)**.



## GENERAL PROPERTY TAXES

The General Property Taxes revenue category is estimated to increase by \$2.3 million or 1.0% in FY 2010.

Real Estate Tax revenue comprises over 74.0% of the revenue in this category and is estimated to increase by 3.0% or \$4,997,585. The majority of this increase is due to a modest growth in existing assessed valuations and the addition of newly constructed parcels to the assessment base.

Personal Property Taxes are estimated to decrease by (15.8%) or (\$7.8 million) during FY 2010, reflecting the budgeting for delinquent personal property tax collections at \$4.0 million.

The Machinery and Tools Taxes are estimated at a slight increase of \$241,334 or 1.8% higher than the current year, primarily due to projected expansion projects.

The General Property Tax revenue category comprises 55% of **all** revenue received by the General Fund.

### Major Revenue Sources General Property Taxes Category

Real Estate Taxes <sup>1</sup>	\$171,930,883
Personal Property Taxes	41,428,262
Machinery and Tool Taxes <sup>2</sup>	<u>13,541,334</u>
	\$226,900,479

These three sources comprise 54% of **all** General Fund Revenue.

<sup>1</sup>Includes Taxes on Public Service Corporations, Delinquencies, and Tax Relief

<sup>2</sup>Includes Delinquencies

*A detailed projection of revenue estimates for Real Estate and Personal Property Taxes are on the following two (2) pages.*

# REAL ESTATE TAX REVENUE

FISCAL YEAR	REVENUE*	DOLLAR CHANGE	PERCENT CHANGE
1999	\$81,537,579	-----	-----
2000	\$86,775,325	\$5,237,746	6.4%
2001	\$89,577,938	\$2,802,613	3.2%
2002	\$93,560,097	\$3,982,159	4.4%
2003	\$101,249,640	\$7,689,543	8.2%
2004	\$106,980,525	\$5,730,885	5.7%
2005	\$115,449,421	\$8,468,896	7.9%
2006	\$128,697,043	\$13,247,622	11.5%
2007	\$146,638,463	\$17,941,420	13.9%
2008	\$156,282,637	\$9,644,174	6.6%
<b>2009 Adopted</b>	<b>\$166,933,298</b>	<b>\$10,650,661</b>	<b>6.8%</b>
<b>2010 Estimate</b>	<b>\$171,930,883</b>	<b>\$4,997,585</b>	<b>3.0%</b>

\*(includes PSC/Tax Relief/Delinquencies)

## Real Estate Tax Rate

FY 2000 to 2002	\$1.24
FY 2003 to 2005	\$1.27
FY 2006	\$1.24
FY 2007	\$1.20
FY 2008 to 2009	\$1.10
<b>FY 2010 Proposed</b>	<b>\$1.10</b>

**Every 1 cent = \$1,502,527**

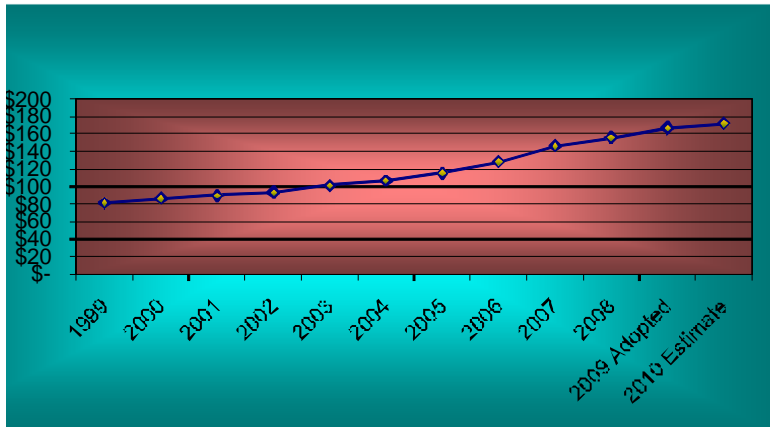
## Assessed Valuation

	Assessed Valuation	Growth
FY 2003	\$7,798,006,217	-----
FY 2004	\$8,228,478,042	5.52%
FY 2005	\$8,947,448,015	8.74%
FY 2006	\$10,221,104,649	14.23%
FY 2007	\$12,195,417,890	19.32%
FY 2008	\$14,149,000,000	16.02%
FY 2009	\$15,274,403,420	7.95%
FY 2010 est.	\$15,619,400,000	2.26%

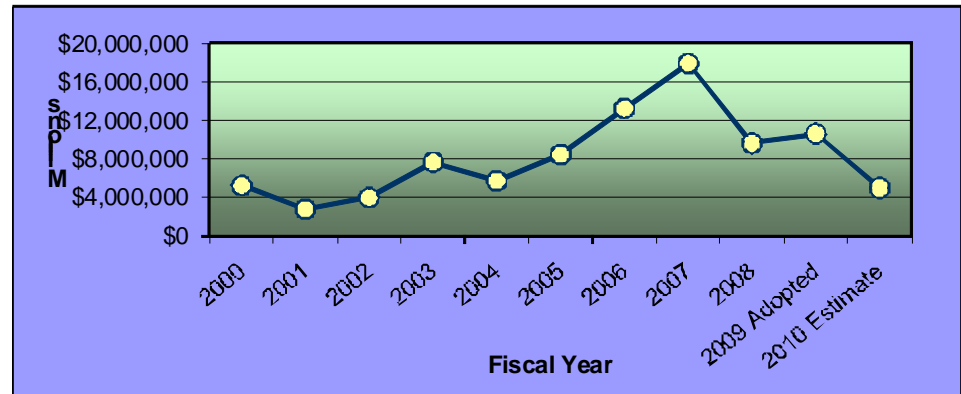
## Current Real Estate Tax Rates (Other Localities)

Portsmouth	\$1.21
Norfolk	\$1.11
<b>Newport News</b>	<b>\$1.10</b>
Suffolk	\$0.91
Hampton	\$1.04
Chesapeake	\$1.05
Virginia Beach	\$0.89

Amount of Tax Revenue



Dollar Change in Real Estate Tax Receipts



# PERSONAL PROPERTY TAXES

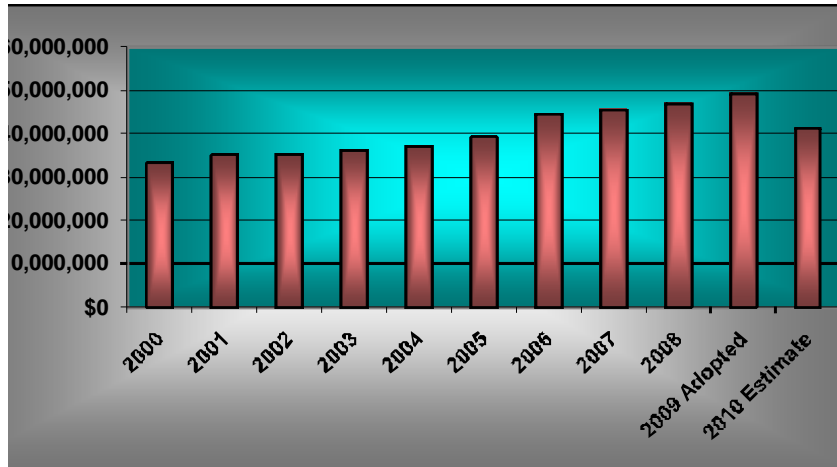
FISCAL YEAR	REVENUE	DOLLAR CHANGE	PERCENT CHANGE
1999	\$29,080,929	----	----
2000	\$33,300,863	\$4,219,934	14.5%
2001	\$34,986,026	\$1,685,163	5.1%
2002	\$35,131,377	\$145,351	0.4%
2003	\$36,264,254	\$1,132,877	3.2%
2004	\$37,154,638	\$890,384	2.5%
2005	\$39,206,454	\$2,051,816	5.5%
2006	\$44,707,571	\$5,501,117	14.0%
2007	\$45,569,148	\$861,577	1.9%
2008	\$46,982,822	\$1,413,674	3.1%
2009 Adopted	\$49,200,000	\$2,217,178	4.7%
2010 Estimate	\$41,428,262	-\$7,771,738	-15.8%

## Personal Property Tax Rate

Virginia Beach	\$3.70
Norfolk	\$4.25
Chesapeake	\$4.08
Newport News	\$4.25
Hampton	\$4.25
Portsmouth	\$5.00
Suffolk	\$4.25

Every 1 cent = \$97,478

Amount of Tax Revenue



Dollar Change in Tax Revenue



# MACHINERY AND TOOLS TAXES

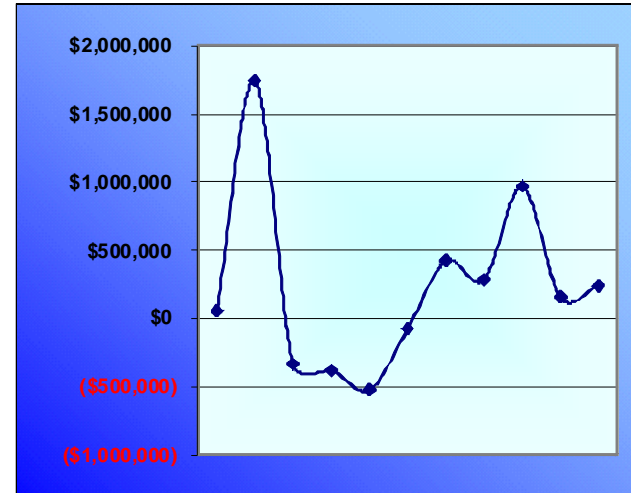
FISCAL YEAR	REVENUE	DOLLAR CHANGE	PERCENTAGE CHANGE
1999	\$10,975,886	----	----
2000	\$11,031,172	\$55,286	0.5%
2001	\$12,775,084	\$1,743,912	15.8%
2002	\$12,441,733	(\$333,351)	-2.6%
2003	\$12,062,608	(\$379,125)	-3.0%
2004	\$11,539,679	(\$522,929)	-4.3%
2005	\$11,462,803	(\$76,876)	-0.7%
2006	\$11,887,389	\$424,586	3.7%
2007	\$12,172,620	\$285,231	2.4%
2008	\$13,142,699	\$970,079	8.0%
2009 Adopted	\$13,300,000	\$157,301	1.2%
2010 Estimate	\$13,541,334	\$241,334	1.8%

← Rate increased from \$3.00 to \$3.50

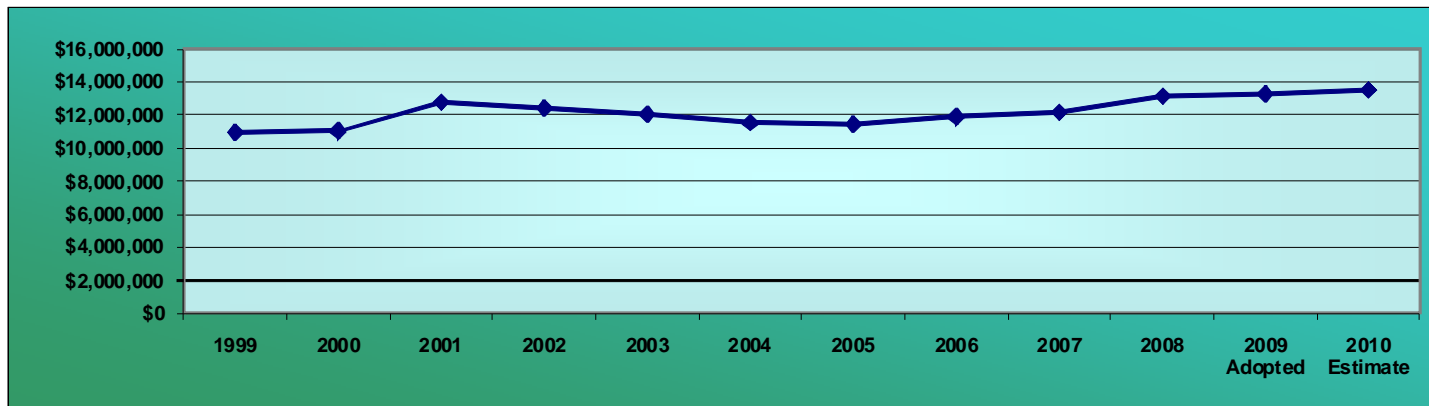
← Rate increased from \$3.50 to \$3.75

Every 1 cent = \$36,940

Dollar Change in Tax Revenue



Amount of Tax Revenue

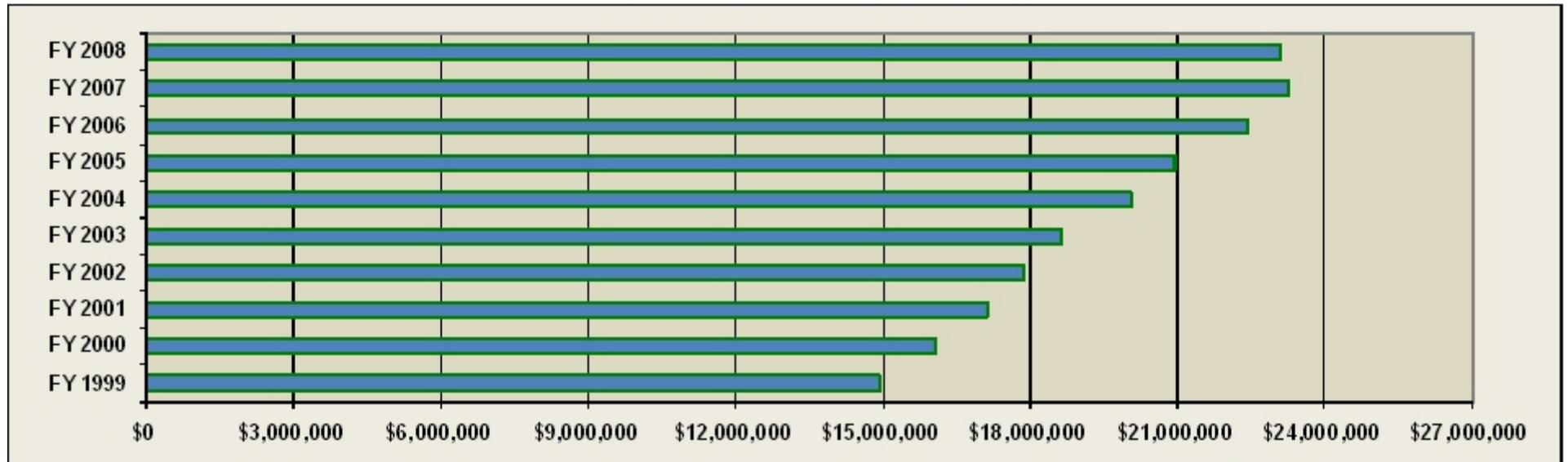


# SALES TAX RECEIPTS

FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009 JULY- DEC.
\$14,913,686	\$16,080,733	\$17,151,582	\$17,854,237	\$18,646,232	\$20,045,034	\$20,955,339	\$22,432,445	\$23,276,743	\$23,104,633	\$11,222,840

FY 2009 Adopted Budget = \$24,100,000
FY 2010 Budget Estimate = \$21,002,100

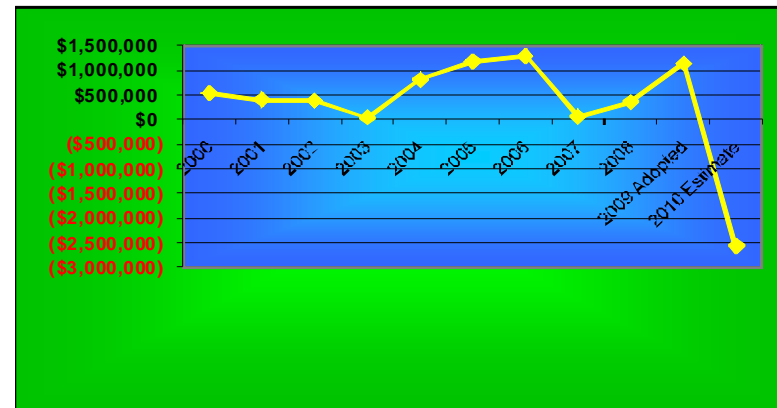
ANNUAL SALES TAX REVENUE



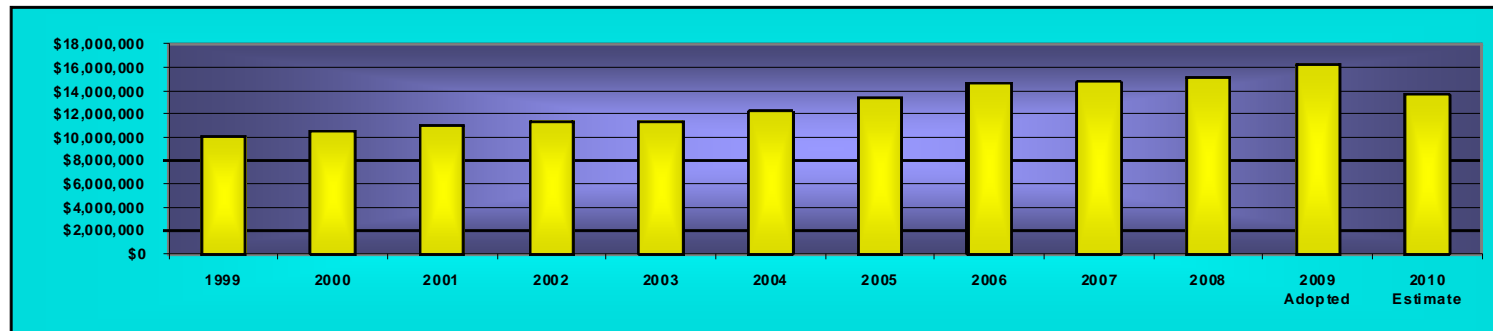
# BUSINESS, PROFESSIONAL, OCCUPATIONAL AND LICENSE TAXES (BPOL)

FISCAL YEAR	REVENUE	DOLLAR CHANGE	PERCENTAGE CHANGE
1999	\$10,034,068	----	----
2000	\$10,570,536	\$536,468	5.3%
2001	\$10,977,048	\$406,512	3.8%
2002	\$11,357,801	\$380,753	3.5%
2003	\$11,392,492	\$34,691	0.3%
2004	\$12,208,006	\$815,514	7.2%
2005	\$13,391,154	\$1,183,148	9.7%
2006	\$14,683,365	\$1,292,211	9.6%
2007	\$14,751,238	\$67,873	0.5%
2008	\$15,116,573	\$365,335	2.5%
<b>2009 Adopted</b>	<b>\$16,255,654</b>	<b>\$1,139,081</b>	<b>7.5%</b>
<b>2010 Estimate</b>	<b>\$13,694,706</b>	<b>-\$2,560,948</b>	<b>-15.8%</b>

DOLLAR CHANGE IN TAX REVENUE



Amount of Tax Revenue



## OTHER LOCAL TAXES

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 <u>Recommended</u></b>	<u>Variance</u>	<u>Percent</u>
Other Local Taxes	\$95,839,126	<b>\$86,055,478</b>	<b>(\$9,783,648)</b>	<b>(10.2%)</b>
Adopted FY 2009	\$95,839,126			

The revenues collected in the Other Local Taxes category reflects economic activity and fluctuates with changes in economic conditions.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Amount</u>	<u>Percent</u>
Sales Tax	\$24,100,000	\$21,002,000	(\$3,098,000)	(12.8%)
BPOL Taxes	16,255,654	13,694,706	(2,560,948)	(15.8%)
Telecommunications Tax	12,500,000	12,077,014	(422,986)	(3.4%)
Other Utility Taxes	7,340,214	7,256,316	(83,898)	(1.1%)
Motor Vehicle License	4,000,000	3,500,000	(500,000)	(12.5%)
Cigarette Tax	4,225,000	4,225,000	0	0.0%
Lodging Tax	3,716,000	3,052,264	(663,736)	(17.9%)
Meal Tax	18,780,000	17,800,000	(980,000)	(5.2%)
Amusement Tax	558,000	560,916	2,916	0.5%
All Other Local Tax Revenues	<u>4,364,258</u>	<u>2,887,262</u>	<u>(1,476,996)</u>	<u>(33.8%)</u>
<b>Total</b>	<b>\$95,839,126</b>	<b>\$86,055,478</b>	<b>(\$9,783,648)</b>	<b>(10.2%)</b>

## PERMITS, FEES, AND LICENSES

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 <u>Recommended</u></b>	<u>Variance</u>	<u>Percent</u>
Permits, Fees, and Licenses	\$3,759,595	<b>\$2,980,721</b>	( <b>\$778,874</b> )	( <b>20.7%</b> )
Adopted FY 2009	\$3,759,595			

A sharp decline in Engineering Fee revenues is expected due to a significant reduction in sanitary sewer connection fees, which are directly related to the continuing decline in new construction. Other revenues in this category are projected to remain fairly stable.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Amount</u>	<u>Percent</u>
Building Permit Fees	\$1,214,157	\$1,082,277	(\$131,880)	(10.9%)
Engineering Fees	1,212,910	572,275	(640,635)	(52.8%)
Right-of-Way Use Fee	720,000	720,000	0	0.0%
Police/Fire False Alarms & Permits	317,079	310,443	(6,636)	(2.1%)
All Other Permits Revenues	<u>295,595</u>	<u>295,726</u>	<u>277</u>	<u>0.1%</u>
<b>Total</b>	<b>\$3,759,595</b>	<b>\$2,980,721</b>	<b>(\$778,874)</b>	<b>(20.7%)</b>

**PERMITS, FEES, and LICENSES, Continued**

Sanitary Sewer Connection Fees are estimated at \$227,600, which is primarily based on requests from subdivisions, various site plans and other miscellaneous receipts. Collections in the current year are \$233,552 through March 18, 2009. Proposed for FY 2010 are slight changes in the rate structure, as noted below.

<b>Sewer Connection Fees</b>	<b>Current Rate</b>	<b>Proposed FY 2010 Rate</b>	<b>Amount Change</b>
<i>Assessed:</i>			
Front Footage per linear foot	\$47.00	\$49.00	\$2.00
Subdivision Front Footage per lot	\$7.70	\$8.00	\$0.30
<i>Single Family</i>			
Within first twelve months payment	\$280.00	\$291.00	\$11.00
After twelve months payment	\$561.00	\$583.00	\$22.00
<i>Not Assessed:</i>			
Single Family	\$2,808.00	\$2,920.00	\$111.00
Plus a lateral installation	\$1,123.00	\$1,168.00	\$45.00
Multifamily	\$393.00	\$409.00	\$16.00
Commercial first lateral installation	\$561.00	\$583.00	\$22.00
Commercial each additional installation	\$393.00	\$409.00	\$16.00
Industrial	\$561.00	\$583.00	\$22.00
Mobile Homes	\$393.00	\$409.00	\$16.00
Hotels	\$393.00	\$409.00	\$16.00

## FINES AND FORFEITURES

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 <u>Recommended</u></b>	<u>Variance</u>	<u>Percent</u>
Fines and Forfeitures	\$1,919,373	<b>\$1,943,763</b>	\$24,390	1.3%
Adopted FY 2009	\$1,893,475			

Fines and Forfeitures revenues consist of funds received for various court fines and fees, parking fines and the courthouse maintenance fee. Major changes include increases to parking ticket revenue, Technology Trust Fund monies and Court Security Assessment fees and a decrease to traffic court fines.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Amount</u>	<u>Percent</u>
Court Fees & Fines	\$1,700,573	\$1,650,975	(\$49,598)	(2.9%)
Parking Fines	150,000	233,988	83,988	56.0%
Courthouse Maintenance Fee	60,000	50,000	(10,000)	(16.7%)
All Other Fines Revenues	<u>8,880</u>	<u>8,800</u>	<u>0</u>	<u>0.0%</u>
<b>Total</b>	<b>\$1,919,373</b>	<b>\$1,943,763</b>	<b>\$24,390</b>	<b>1.3%</b>

## REVENUE FROM USE OF PROPERTY AND MONEY

	<u>Revised FY 2009 Budget</u>	<u>FY 2010 Recommended</u>	<u>Variance</u>	<u>Percent</u>
Revenue from Use of Property/Money	\$5,588,467	<b>\$4,050,530</b>	( <b>\$1,537,937</b> )	( <b>27.5%</b> )
Adopted FY 2009	\$5,588,467			

This category is primarily composed of revenue sources from interest earned on bank deposits, fees charged for participation in City-sponsored recreational activities (\$419,604), the Health Building Rent (\$457,763), and rent at the Seafood Industrial Park (\$397,376). Approximately 54% of the revenue in this category is interest earned on cash balances of City funds.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Amount</u>	<u>Percent</u>
Interest-Bank Deposits	\$3,700,000	\$2,200,000	(\$1,500,000)	(40.5%)
City Parks/Rec Activities	419,604	401,181	(18,423)	(4.4%)
Health Building Rent	453,108	475,763	22,655	5.0%
Seafood Industrial Park Rent	397,376	397,376	0	0.0%
Radio Tower Rents	173,465	181,367	7,902	4.6%
Downtown Eng Bldg Rent	95,638	101,166	5,528	5.8%
Copier Fees	85,250	83,500	(1,750)	(2.1%)
Circuit Court Clerk Repurchase Agree	48,000	8,000	(40,000)	(83.3%)
All Other Use of Money Revenues	<u>216,026</u>	<u>202,177</u>	<u>(113,849)</u>	<u>(6.4%)</u>
<b>Total</b>	<b>\$5,588,467</b>	<b>\$4,050,530</b>	<b>(\$1,537,937)</b>	<b>(27.5%)</b>

## CHARGES FOR SERVICES

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 Recommended</b>	<u>Variance</u>	<u>Percent</u>
Charges for Services	\$5,024,738	<b>\$5,003,890</b>	<b>(\$20,848)</b>	<b>(0.4%)</b>
Adopted FY 2009	\$5,024,738			

The Charges for Services revenue category is expected to decrease by (\$20,848). The revenues in this category consist of user fees the City charges for specific services. Two major revenue sources that generate 77%, or \$3,850,000 of the revenue in this category are Clerk of Court Fees and EMS Fees.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Amount</u>	<u>Percent</u>
Clerk of Court Fees	\$1,500,000	\$1,450,000	(\$50,000)	(3.3%)
EMS Fees	2,500,000	2,400,000	(100,000)	(4.0%)
Animal Services Fees	59,043	57,478	(1,565)	(2.6%)
P/R Tennis/Ach Dream Tennis Fees	42,383	21,871	(20,512)	(48.4%)
SIP Pier & Mooring Fees	461,295	486,664	25,369	5.5%
Library Fines & Fees	58,000	65,000	7,000	12.1%
All Other Charges Revenues	<u>404,017</u>	<u>522,877</u>	<u>118,860</u>	<u>29.4%</u>
<b>Total</b>	<b>\$5,024,738</b>	<b>\$5,003,890</b>	<b>(\$20,848)</b>	<b>(0.4%)</b>

## MISCELLANEOUS REVENUE

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 <u>Recommended</u></b>	<u>Variance</u>	<u>Percent</u>
Miscellaneous Revenue	\$16,680,224	<b>\$16,971,693</b>	\$291,469	1.7%
Adopted FY 2009	\$16,680,224			

Miscellaneous Revenues are expected to total \$16,971,693 in FY 2010, which is an increase of 1.7%. This category includes Street and Highway Maintenance Funds, Payment in Lieu of Taxes from enterprise activities and other entities, and the CDBG - Sidewalk Extension Program. The reimbursements for School Resource Officers (formerly known as Liaison and DARE) have historically been realized as a revenue from Schools; however, beginning in FY 2010 the value of the Resource Officers will be deducted from the General Fund Payment to Schools.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Amount</u>	<u>Percent</u>
Street/Highway Maintenance Fees	\$13,072,658	\$13,662,209	\$589,551	4.5%
Payment in Lieu of Taxes (PILT) <sup>1</sup>	2,692,880	2,728,745	35,865	1.3%
School Resource Officers	355,654	0	(355,654)	(100.0%)
CDBG Sidewalk Extensions	10,000	10,000	0	0.0%
City Farm Canteen Fund	63,168	63,950	782	1.2%
All Other Misc Revenues <sup>2</sup>	<u>485,864</u>	<u>506,789</u>	<u>20,925</u>	<u>4.3%</u>
<b>Total</b>	<b>\$16,680,224</b>	<b>\$16,971,693</b>	<b>\$291,469</b>	<b>1.7%</b>

*Notes:*

<sup>1</sup>Payment in Lieu of Taxes for FY 2010 includes revenue from Waterworks (\$1,650,000), Shipyard Properties (\$885,464), VA Port Authority (\$132,343), and Enterprise Zones (\$60,938).

<sup>2</sup>All Other Revenue includes Bad Check Fees, Weed Cutting Fees, Set-Off Debt Recovery, Sale of Salvage/Surplus, Rebate-Office Supply Contract, Rebates for PCard Transactions and other miscellaneous revenues.

# RECOVERED COSTS

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 <u>Recommended</u></b>	<u>Variance</u>	<u>Percent</u>
Recovered Costs	\$9,897,727	<b>\$10,733,670</b>	\$835,943	8.4%
Adopted FY 2009	\$9,866,727			

Recovered Costs are revenue reimbursements for local government expenditures for services provided on behalf of the State, and for services provided to other entities. This revenue category has several elements that are directly affected by State budget deliberations and reductions taken in the past several years. The most recent State projections were used in this category. The following data shows significant increases in Juvenile Services revenue due to a steady and prolonged increase in juvenile population for nearly every program provided at the facility. In addition, indirect costs paid to the General Fund by other funds for utilizing services such as the Purchasing Department, Department of Human Resources, Building Services and other assistance has increased for FY 2010. Revenues for the Office on Children, Youth and Families has moved to the Categorical Aid revenue category with the other Human Services related programs.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Difference</u>	
			<u>Amount</u>	<u>Percent</u>
Health Department	\$ 46,089	\$ 48,152	\$ 2,063	4.5%
Juvenile Services	3,465,881	4,334,658	868,777	25.1%
Court Services - Mileage Reimbursement	7,500	7,500	0	0.0%
City Farm Reimb & Fees	1,474,590	1,073,690	(400,900)	(27.2%)
City Jail Reimb & Fees	2,089,268	1,073,690	(342,417)	(16.4%)
Office on Children, Youth, & Fam Dev	123,744	0	(123,744)	(100.0%)
Information Technology Charges	1,176,871	1,319,504	142,633	12.1%
Indirect Costs	1,459,784	2,160,315	700,531	48.0%
Sewer Assessments	29,000	18,000	(11,000)	(37.9%)
Emergency Management Reimbursements	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>0.0%</u>
<b>Total</b>	<b>\$9,897,727</b>	<b>\$10,733,670</b>	<b>\$835,943</b>	<b>8.4%</b>

## NON-CATEGORICAL AID

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 Recommended</b>	<u>Variance</u>	<u>Percent</u>
Non-Categorical Aid	\$880,926	<b>\$293,289</b>	<b>(\$587,637)</b>	<b>(66.7%)</b>
Adopted FY 2009	\$880,926			

The revenues in this category are levied by the Commonwealth of Virginia and have been shared, historically, on a proportional basis with localities. The most recent State projections were used in this category and reflect the State's plan to continue to retain 100% of ABC Profits, Wine Taxes, Motor Home Titling revenue, and State Rebate on Recording Tax.

<u>Source</u>	<u>FY 2009 Adopted Estimate</u>	<u>FY 2010 Estimate</u>	<u>Difference</u>	
			<u>Amount</u>	<u>Percent</u>
ABC Profits	\$ 0	\$ 0	\$ 0	0.0%
Wine Taxes	0	0	0	0.0%
Motor Vehicle Railroad	0	45,289	45,289	100.0%
Motor Home Titling	0	0	0	0.0%
Grantors Tax on Deeds	450,000	248,000	(202,000)	(44.9%)
State Rebate on Recording Tax	<u>430,926</u>	<u>0</u>	<u>(430,926)</u>	<u>(100.0%)</u>
<b>Total</b>	<b>\$880,926</b>	<b>\$293,289</b>	<b>(\$587,637)</b>	<b>(66.7%)</b>

## SHARED EXPENSES

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 Recommended</b>	<u>Variance</u>	<u>Percent</u>
Shared Expenses	\$9,611,336	<b>\$10,363,997</b>	\$752,661	7.8%
Adopted FY 2009	\$9,946,336			

Shared expenses are reimbursements from the Commonwealth for a portion of operating expenses incurred in the Constitutional Officer's Offices and the Voter Registrar's Office. The State Compensation Board is responsible for determining and disbursing the monthly reimbursements.

The following table shows the estimated reimbursements along with the FY 2010 Recommended Budget amount for each Constitutional Officer and the Voter Registrar/Electoral Board. Also shown is the City cost for each Constitutional Officer and the Voter Registrar/Electoral Board.

<u>Department</u>	<u>FY 2010 Estimated Shared Revenues</u>	<u>FY 2010 Recommended Budget</u>	<u>City Cost as an Amount of Recommended Budget</u>	<u>FY 2010 City Cost as a % of Recommended Budget</u>	<u>FY 2009 City Cost as a % of Revised Budget</u>
Comm Attorney	\$ 1,787,120	\$ 3,670,174	\$ 1,833,054	51.3%	49.6%
Sheriff*	7,633,845	18,674,623	11,040,778	59.1%	62.8%
Comm of Revenue	439,105	2,851,250	2,412,145	84.6%	81.9%
Treasurer	422,890	2,166,046	1,743,156	80.5%	77.6%
Registrar	81,037	483,654	402,617	83.2%	83.8%
<b>Total</b>	<b>\$10,363,997</b>	<b>\$27,845,747</b>	<b>\$17,481,750</b>	<b>62.8%</b>	<b>64.6%</b>

\*The Sheriff is also projected to receive reimbursements of \$1,746,851 from the State Department of Corrections and other locally generated revenue, that is included in the Recovered Costs Category. Funding for the Regional Jail in the amount of \$2,819,625 is included in the Sheriff's operating budget.

## CATEGORICAL AID

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 Recommended</b>	<u>Variance</u>	<u>Percent</u>
Categorical Aid	\$40,575,144	<b>\$42,333,599</b>	\$1,758,455	4.3%
Adopted FY 2009	\$40,575,144			

Categorical Aid revenues are generally comprised of pass-through funds from either the Federal government or the Commonwealth of Virginia, and are designated for specific purposes. This category, often affected by State budget reductions, includes the following sources of revenue.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Amount</u>	<u>Percent</u>
Social Services	\$30,204,155	\$32,292,244	\$2,088,089	6.9%
Law Enforcement (HB599)	9,984,329	9,666,166	(318,163)	(3.2%)
Emergency Management	52,408	52,408	0	0.0%
State Aid to Libraries	209,252	197,781	(11,471)	(5.5%)
EMS Funds/License Tax	<u>125,000</u>	<u>125,000</u>	<u>0</u>	<u>0.0%</u>
<b>Total</b>	<b>\$40,575,144</b>	<b>\$42,333,599</b>	<b>\$1,758,455</b>	<b>4.3%</b>

The Social Services revenue category has been increased \$2,088,089 in estimated reimbursement. This additional reimbursement will be generated by increased expenditures for State-mandated programs and services (including foster care and adoptions).

## NON-REVENUE RECEIPTS

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 <u>Recommended</u></b>	<u>Variance</u>	<u>Percent</u>
Non-Revenue Receipts	\$10,000,000	<b>\$10,000,000</b>	\$0	0.0%
Adopted FY 2009	\$10,000,000			

The Non-Revenue Receipts category is comprised of one revenue source for FY 2010: Return on Investment from the Public Utilities Fund. The Return on Investment from Public Utilities is recommended to remain level with the FY 2009 amount of \$10,000,000. No General Fund reserves are recommended to be used as revenue for FY 2010.

## PAYMENTS FROM OTHER FUNDS

	<u>Revised FY 2009 Budget</u>	<b>FY 2010 <u>Recommended</u></b>	<u>Variance</u>	<u>Percent</u>
Payments from Other Funds	\$588,943	<b>\$553,758</b>	( <b>\$35,185</b> )	( <b>6.0%</b> )
Adopted FY 2009	\$588,943			

The Payments from Other Funds category represents payments from other funds to the General Fund. In the prior year, the Payments from Other Funds category was comprised of two revenue sources: the payment from the Applied Research Center (ARC), that is used to pay part of the debt service on the Applied Research Center project, and revenue to support city-wide tuition assistance from other funds. However, city-wide funding for tuition assistance has been removed for FY 2010; therefore, revenue for this category is comprised of only one source.

<u>Source</u>	<u>FY 2009 Revised Estimate</u>	<u>FY 2010 Estimate</u>	<u>Amount</u>
Applied Research Center	\$553,758	\$553,758	\$ 0
Transfer In - Tuition Assistance	<u>35,185</u>	<u>0</u>	<u>(35,185)</u>
<b>Total</b>	<b>\$588,943</b>	<b>\$553,758</b>	<b>(\$35,185)</b>