



BUDGET & MANAGEMENT SERVICES

CITY OF DURHAM

FY21 Budget

Special Meeting April 24, 2020

Agenda

- FY2020-21 Budget Projections Update
- FY2020-21 Budget Development Guidelines – Revised
- Other Related Budget Matters



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General Fund Revenue Assumptions for FY21

Revenue	Reduction from Original Budget	% Change from Original Budget
Property Tax	-\$1,106,749	-1%
Sales Tax	-\$7,211,403	-10%
Occupancy Tax	-\$297,972	-9%
Powell Bill	0	0%



Property Tax

	Adopted FY2019-20	Original FY2020-21	Revised FY2020-21	Delta
Appropriated to:				
General Fund	\$ 107,192,426	\$ 110,779,631	\$ 109,672,882	\$(1,106,749)
Dedicated Housing Fund	\$ 6,953,774	\$ 7,186,483	\$ 7,114,686	\$ (71,797)
Transit Fund	\$ 13,038,326	\$ 13,474,655	\$ 13,340,036	\$ (134,619)
Solid Waste Fund	\$ 19,435,798	\$ 20,086,219	\$ 19,885,547	\$ (200,672)
Debt Reserve fund	\$ 38,245,757	\$ 39,525,655	\$ 39,130,772	\$ (394,883)
Total				\$(1,908,720)

Changes:

- Decrease collection rate from 99.6% to 99.0%.
- Keep vehicle tax portion flat compared to FY20 budget. Original FY21 Budget is 7% over FY20 Budget.



Sales Tax Scenarios

(Estimated based on League of Municipalities March 2020 Revenue Memo scenarios)

	FY20	FY21*
Original Budget	\$ 68,711,111	\$ 73,556,609
Scenario		
Most Conservative		
\$ Difference from Budget	\$ (791,171)	\$ (15,692,775)
% Difference from Budget	-1%	-21%
Severe		
\$ Difference from Budget	\$ 996,195	\$ (7,211,403)
% Difference from Budget	1%	-10%
Moderate		
\$ Difference from Budget	\$ 1,889,879	\$ (2,047,739)
% Difference from Budget	3%	-3%

*FY21 figures are compared to the projected budget presented to Council at the February 28th retreat.



Other Revenues

	<u>FY20</u>	<u>FY21 Original</u>	<u>%</u>	<u>Delta</u>	<u>FY21 Revised</u>	<u>%</u>	<u>Delta (over original)</u>
Hotel / Motel Occupancy	2,987,717	3,196,057	7%	208,340	2,898,085	-3%	(297,972)
Franchise Tax Telecomm	1,894,555	1,894,555	0%	-	1,724,045	-9%	(170,510) *
Utility Franchise Video	2,252,328	2,252,328	0%	-	2,214,038	-2%	(38,290) *
Gas (Powell Bill)	6,285,588	6,285,588	0%	-	6,285,588	0%	- *
Beer and Wine	1,235,142	1,259,845	2%	24,703	1,235,142	0%	(24,703) *
DPR charges for services	1,247,281	1,263,000	1%	15,719	1,000,000	-20%	(263,000)
Totals:				248,762			(794,475)

* Projections from the NCLM

Multi-Year Plan

Fiscal Year	2020	2021	2022	2023	2024	2025
Revenues						
General Property Taxes	\$ 107,192,426	\$ 109,672,882	\$ 112,963,069	\$ 116,351,961	\$ 119,842,520	\$ 123,437,795
Taxes: Prior Year Levy/Interest	1,272,715	1,289,802	1,253,303	1,299,949	1,325,285	1,351,244
Other Local Taxes	72,063,828	69,668,291	74,525,951	77,228,018	80,032,254	82,942,768
State-Shared Revenues	11,962,793	11,749,817	11,859,102	11,970,573	12,084,272	12,200,246
Licenses and Permits	354,500	451,300	453,200	455,138	457,115	459,131
Rental Income	114,263	117,001	117,001	117,001	117,001	117,001
Charges for Current Services	9,278,749	9,251,717	9,432,940	9,565,055	9,700,128	9,838,236
Intragovernmental Services	6,520,126	7,050,644	7,240,590	7,535,703	7,818,511	8,149,909
Other Revenues	1,151,550	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Additional Revenues	5,896,006	-	4,608,099	4,000,000	4,608,099	4,000,000
Total Revenues	\$ 215,806,956	\$ 210,426,454	\$ 223,628,255	\$ 229,698,398	\$ 237,160,185	\$ 243,671,330
		\$ (13,220,920)				
Appropriations						
Personal Services	\$ 165,657,357	\$ 175,441,698	\$ 181,432,350	\$ 186,549,488	\$ 191,175,400	\$ 196,071,165
Operating	37,261,266	38,812,602	40,623,780	41,459,595	43,406,103	45,446,558
Capital Outlay	1,191,448	946,775	983,577	1,021,851	1,061,656	1,103,054
Others	856,519	45,000	45,000	45,000	45,000	45,000
Transfers to Other Funds	10,840,366	6,946,741	10,741,454	10,743,777	10,746,217	10,748,779
Total Appropriations	\$ 215,806,956	\$ 222,192,816	\$ 233,826,161	\$ 239,819,711	\$ 246,434,377	\$ 253,414,558
Property Taxes Needed	\$ 107,192,426	\$ 121,439,244	\$ 123,160,975	\$ 126,473,274	\$ 129,116,712	\$ 133,181,023
Projected Levy	107,192,426	109,672,882	112,963,069	116,351,961	119,842,520	123,437,795
Surplus/(Shortfall)	\$ -	\$ (11,766,362)	\$ (10,197,906)	\$ (10,121,313)	\$ (9,274,192)	\$ (9,743,228)



Revised Budget Guidelines

[Link to revised budget guidelines](#)



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Enterprise Funds

Transit

- The fund is projected to operate within the FY21 tax allocation of 3.75 cents
- Should changes to the tax assumption occur, FY21 budget would have a loss of \$134K in property tax revenue.
- There is an impact on operating revenues/expenditures related to COVID-19; however there are some additional revenues available from the federal CARES Act.
- Loss Revenues from Fares and License and Vehicle Fees.
- As of 6/30/19, the Transit Fund had no fund balance.



Solid Waste

- Fund is projected to operate within the FY21 property tax allocation of 5.59 cents.
- Should changes to the tax assumption occur, FY21 budget would have a loss of \$201K in property tax revenue.
- Solid Waste Disposal Tax could be impacted in FY21.
- Current Loss of Revenue from Transfer Station and Yard Waste.
- Employees currently receiving premium pay.
- FY20 Projected fund balance (pre-COVID) was \$6M.



Parking

- Future revenue projections could be impacted.
- There is no property tax impact.
- Better outlook will be determined with Q3 projections.
- FY20 Projected fund balance (pre-COVID) was \$8.3M.



BID

	<u>7 Cents</u>	<u>6 Cents</u>	<u>5 Cents</u>	<u>5.73 Cents</u>
Total Assessed Value	\$ 1,759,703,658	\$ 1,759,703,658	\$ 1,759,703,658	\$ 1,759,703,658
Tax Rate	0.0700	0.0600	0.0500	0.0573
BID Property Tax	1,231,793	1,055,822	879,852	1,008,310
1% uncollected	12,318	10,558	8,799	10,083
Revenues				
Budget for BID Property	\$ 1,219,475	\$ 1,045,264	\$ 871,053	\$ 998,227
Transfer from General Fund	250,000	250,000	250,000	250,000
Total Revenues	1,469,475	1,295,264	1,121,053	1,248,227
Expenses				
1.15% collection fee	\$ 14,024	\$ 12,021	\$ 10,017	\$ 11,480
DDI Contract	1,181,500	1,181,500	1,181,500	1,181,500
Solid Waste Transfer	82,422	82,422	82,422	82,422
Solid Waste Compactors - 3	0	0	0	0
Total Expenses	1,277,946	1,275,943	1,273,939	1,275,402
Surplus/(deficit)	\$ 191,529	\$ 19,321	\$ (152,886)	\$ (27,175)



Other Issues

- Water & Sewer rates
- Stormwater rates
- Dedicated Housing Fund



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Questions?



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