

Legislation Details (With Text)

File #: 2019-2631 **Name:**

Type: Presentation **Status:** Filed

File created: 3/7/2019 **In control:** Finance and Budget Committee

On agenda: 3/13/2019 **Final action:** 3/13/2019

Title: Review of preliminary FY20 General Fund Revenue Forecast (F&BC 3-13-19)

Sponsors:

Indexes:

Code sections:

Attachments: 1. FY20 Revenue Forecast Presentation

Date	Ver.	Action By	Action	Result
3/13/2019	1	Finance and Budget Committee	received and filed	

Review of preliminary FY20 General Fund Revenue Forecast (F&BC 3-13-19)

Issue/Request:

Review of preliminary FY20 General Fund Revenue Forecast

Key Issues:

Each year as part of the budget process staff provides a forecast of the General Fund revenues for the upcoming fiscal year. The preliminary revenue forecast for FY20 General Fund revenues is estimated at \$74,659,934. This is greater than the FY19 Budget estimate amount by \$2,842,404 (or 3.96%) and greater than the FY19 Projection estimate by \$1,175,447 (or 1.60%). The following are the five largest revenue sources, with some information about each one, which make up approximately 84% of the total revenues:

-Property tax revenues are forecasted at \$22,706,099. This is an increase over FY19 Budget estimates by \$1,041,622 (or 4.81%) and FY19 Projection estimates by \$722,675 (or 3.29%).

-Sales tax revenues are forecasted at \$18,405,282. This is an increase over FY19 Budget estimates by \$1,284,006 (or 7.50%) and FY19 Projection estimates by \$595,805. (For Gross Sales Tax, a preliminary growth rate of 3.50% over FY19 Projections was assumed.)

-Franchise tax revenues are forecasted at \$12,625,326. This is an increase over FY19 Budget estimates by \$94,776 (or 0.76%) and a decrease of \$267,391 (or -2.07%) from FY19 Projections. Franchise tax revenues are made up of four different sub-categories: natural gas, telephone, electric, and cable TV. Natural gas and electric franchise taxes are impacted by weather and utility rates. With rate increases being unknown at this time and the unpredictability of the weather from year to year, a 3 year average was used to forecast those revenues. The telephone franchise tax has been on a consistent decline over the past several years. To forecast the telephone franchise tax revenue a -6.8% decrease from FY19 Projections was assumed. (-6.8% is the average rate of decline over a five year period). Cable TV franchise tax assumed a -1.0% decrease from FY19 Projections. (-1.0% is the four year average rate of decline over prior years.)

-Charges for services revenues are forecasted at \$9,314,305. This is an increase over FY19 Budget estimates by \$488,081 (or 5.53%) and FY19 Projection estimates by \$413,118 (or 4.64%). The majority of this increase is due to the forecasted increase in ambulance fee revenues.

Proposed City Council Motion:

N/A

Background:

N/A

Chris Clubine, Management Analyst