



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of October 24, 2009

SUPPLEMENTAL REPORT

DATE: October 23, 2009

SUBJECT: Fiscal Year (FY) 2011 Financial Forecast and Budget Guidance

DISCUSSION: The originally distributed FY 2011 Financial Forecast and Budget Guidance Board report contained a table on page 3 ("Revenue Projections as of October 24, 2009") with several errors. A copy of the corrected table is provided on the following page. In addition, a paragraph on page 2 should be updated as follows:

Overall, Arlington revenues are expected to decrease approximately \$44 million from the FY 2010 adopted budget (as noted in the introduction a range of \$40 to \$50 million is possible). Local tax revenue at current tax rates would decline by 5.5% or \$42.3 million while non-tax revenue is projected to decline 1.0% or \$1.8 million. The County share of the tax and non-tax revenue decline is approximately ~~\$23.3~~ 24.6 million. The Schools share, based on the current revenue sharing agreement, is \$19.5 million. The projections do not reflect revenues that the Schools may lose from sources other than the County, including state and federal funds. The table on the following page outlines revenue estimates for FY 2010 Revised and FY 2011 Projected.

County Manager: 

Staff: Mark Schwartz, Director, Department of Management and Finance
Richard Stephenson, Budget Director, Department of Management and Finance

38. B.

Revenue Projections as of October 24, 2009
Adopted FY 2010, Revised FY 2010, and Projected FY 2011
(\$'s in millions)

| | FY 2010 Adopted Budget | FY 2010 Revised | \$ Change FY 2010 Adopted – FY 2010 Revised | FY 2011 Projected | % Change FY 2010 Adopted – FY 2011 Projected | \$ Change FY 2010 Adopted – FY 2011 Projected |
|--|---------------------------------------|--|--|------------------------------|---|--|
| LOCAL TAXES | | | | | | |
| Real Estate Tax | \$494.1 | \$471.7 | (22.4) | \$448.7 | (9.2%) | (\$45.4) |
| Personal Property | 92.5 | 92.5 | - | 95.0 | 2.7% | 2.5 |
| Business Tax (BPOL) | 58.3 | 58.3 | - | 58.9 | 1.1% | 0.6 |
| Sales Tax | 36.5 | 36.5 | - | 37.1 | 1.8% | 0.6 |
| Transient Occupancy Tax | 22.2 | 22.0 <u>21.8</u> | (0.2) <u>(0.4)</u> | 22.2 | 0.0% | 0.0 |
| Meals Tax | 30.5 | 29.7 <u>29.5</u> | (0.8) <u>(1.0)</u> | 29.4 | (3.6%) | 1.1 <u>(1.1)</u> |
| Other Taxes | 35.4 | 35.7 <u>35.5</u> | 0.3 <u>0.1</u> | 35.8 | 1.1% | 0.4 |
| Sub-total taxes | \$769.4 | \$746.4 <u>\$745.7</u> | (23.0) <u>(23.7)</u> | \$727.1 | (5.5%) | (\$42.3) |
| Impact of Lower Tax Revenue - County Share | | | (13.0) | | | (21.5) <u>(22.8)</u>* |
| Impact of Lower Tax Revenue - School Share | | | (10.7) | | | (20.8) <u>(19.5)</u>* |
| NON-TAX REVENUE | | | | | | |
| License, Permits & Fees | \$8.4 | \$8.4 | - | \$8.1 | (3.0%) | (0.3) |
| Fines, Interest, Misc. | 24.0 | 24.0 | - | 23.8 | (0.9%) | (0.2) |
| Charges for Services | 42.3 | 42.3 | - | 42.4 | 0.3% | 0.1 |
| State | 64.3 | 62.6 | (1.7) | 62.6 | (2.7%) | (1.7) |
| Federal | 18.2 | 18.2 | - | 18.6 | 1.9% | 0.4 |
| Sub-total non-taxes | \$157.2 | \$155.6 <u>\$155.5</u> | (1.7) | \$155.4 | (1.0%) | (\$1.8) |
| Total County Impact | | | (12.3) <u>(14.7)</u> | | | (23.3) <u>(24.6)</u> |
| TOTAL (Excluding Fund Balance) County & Schools | \$926.6 | \$901.9 <u>\$901.2</u> | (24.7) <u>(25.4)</u> | \$882.5 | (4.8%) | (\$44.1 million) |

* Revenue impact based on FY 2010 revenue sharing percentage of 50.9% County / 49.1% Schools. In FY 2011 enrollment projections change the revenue sharing percentage to 50.0% for County and Schools. The School share is increased by \$6.1 million. The increased enrollment will need to be funded from increased taxes or reductions in County services.