

Financial Matters

March 7, 2023

Discussion Overview

- Highlights of January 27, 2023 retreat
- Follow-up memos
- FY2023 Items of interest
- FY2024 Expectations

All slides and follow-up memos are publicly available on our website

FY 2022 Year End Results

(exclusive of ARPA Surplus)

FY 2022 General Fund Surplus (Exclusive of ARPA Surplus)

Sources of Surplus

Consumer Taxes	\$ 7,470,000
Personal Property Taxes	5,130,000
Real Estate Taxes	400,000
Other Revenue Sources	1,300,000
Expenditure Surplus	1,749,000
Total Sources of Surplus	<u>\$ 16,049,000</u>

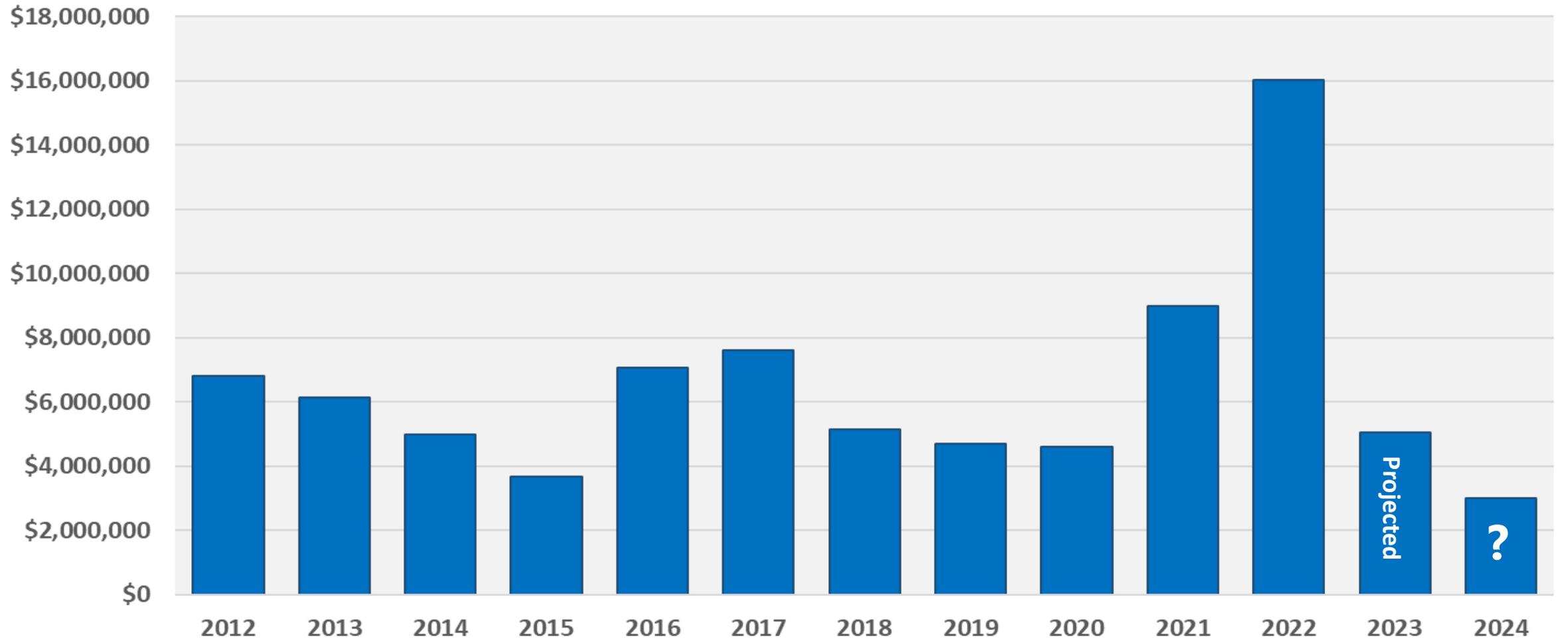
Uses of Surplus

Capital Contributions	\$ 7,585,600
Personal Property Tax Rebate	3,500,000
Internal Services	2,350,000
January compensation adjustment (School & County)	1,300,000
Ongoing Operational Expenses	770,400
Mandated/Restricted Funding	543,000
Total Uses of Surplus	<u>\$ 16,049,000</u>

Sources of Surplus

Sources of Surplus	Actual FY2022	Projected FY2023
Consumer Taxes	\$7,470,000	\$2,112,000
Personal Property Taxes	5,130,000	1,050,000
Real Estate Taxes	400,000	(1,140,000)
Other Revenue Sources	1,300,000	1,337,000
Expenditure Surplus	<u>1,749,000</u>	<u>1,700,000</u>
Total Sources of Surplus	<u>\$16,049,000</u>	<u>\$5,059,000</u>

Total Surplus History



General Fund

- FY2022-Revenue uncertainty due to pandemic
 - Reduced cash capital funding
 - Employee compensation was limited
 - Limited additional locally funded positions
- FY2023-Increased inflationary dollars and stronger consumer revenues
 - Increased cash capital funding
 - Meaningful compensation package
 - Needed public safety positions increase
- FY 2024-Inflationary dollars and slowing down of consumer revenues
 - Maintain increased cash capital funding
 - Compensation package commensurate with labor market
 - No increase in total general fund positions

Cash Capital Funding

- Prior to FY2019, Cash Capital Funding was limited.
- The introduction of new Historic Triangle Tax and Cigarette Taxes provided additional cash for Capital Projects.
- Allowed us to “ramp up” Cash Capital Commitment from <\$1M in FY2019 to \$4.0M in FY2023.

Recent Cash Contributions

- \$6.3M for Law Enforcement Building
- \$4.3M for Fire Station Number 7
- \$2.8M in Highway and Transportation Improvements
- \$2.5M Regional Radio Lifecycle
- \$2.0M Records Management System

3 Years = \$17.9M

Vehicle Values 2021-2022

- Market supply disruptions caused used vehicle values to increase significantly in CY2022.
- The increase in values was not uniform.
- Rebate issued with December 2022 tax bill.

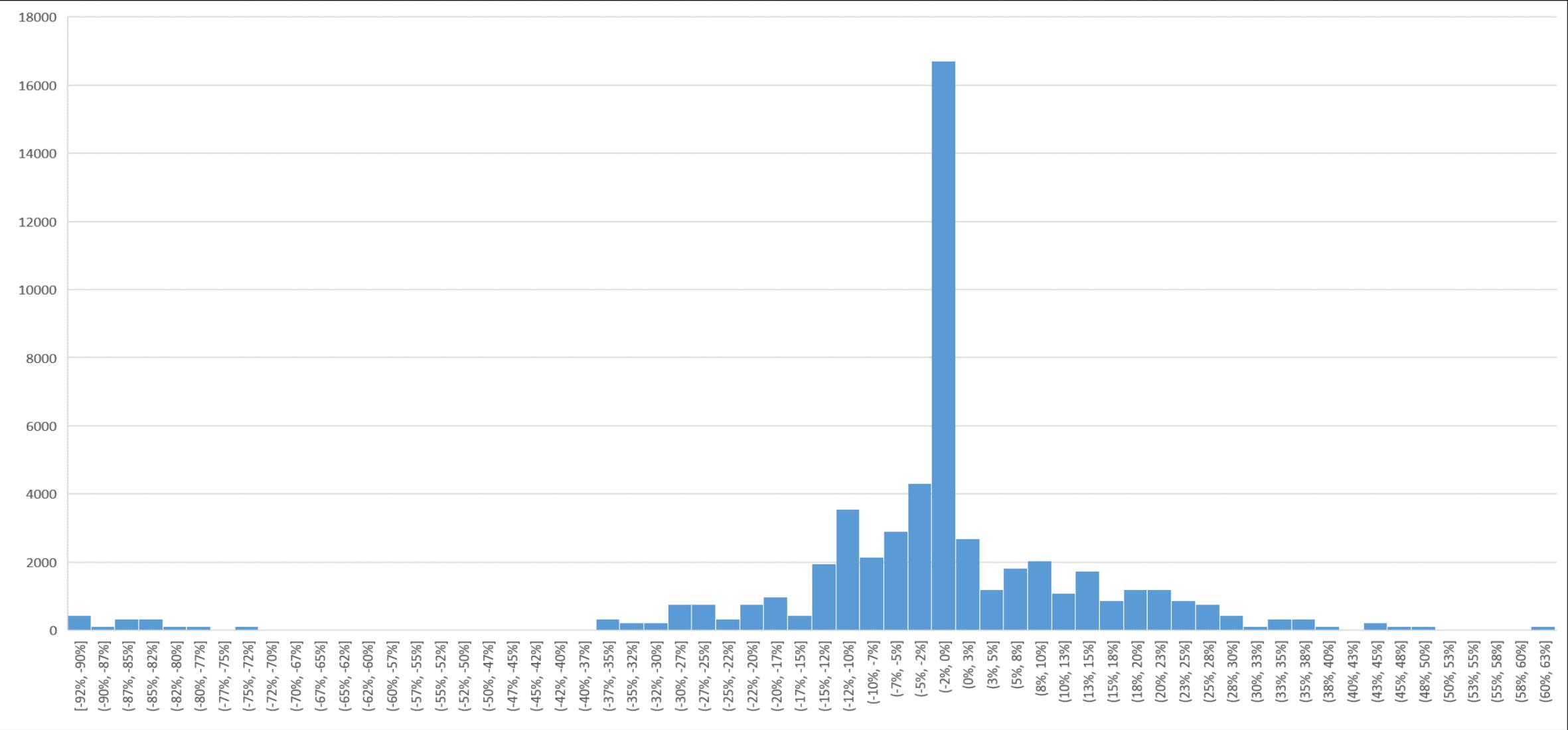
Current Trend

- Sampled ~5,000 vehicles from December 2021 tax rolls and used J.D. Power to value as of November 2022.
- Commissioner of Revenue manually valued ~ 100 of the 5,000 in January to confirm the trend.
- Values have begun to normalize, but change varies widely from vehicle to vehicle.

Current Trend (cont.)

- On average, values increased 22.8% from 2021 to 2022, with the majority of owners seeing increases between 6% and 39%.
- Estimate January 2023 values will be significantly lower than 2022, but still ~1.7% higher than in 2021.
- Some vehicles will still have elevated values relative to 2021.

Percentage Change in Assessed Value January 2021 to January 2023



Examples

	December 2021 Bill	June 2022 Bill	June 2023 Bill (est.)
2013 Dodge Ram			
Assessed value	11,075	13,975	9,998
Gross tax	221.50	279.50	199.96
PPTRA	-	-	-
Tax to be paid	221.50	279.50	199.96
2020 Ford F-250			
Assessed value	38,325	47,925	39,394
Gross tax	766.50	958.50	787.88
PPTRA	-	-	-
Tax to be paid	766.50	958.50	787.88

Examples (cont.)

	December 2021 Bill	June 2022 Bill	June 2023 Bill (est.)
2020 Kia Sorento			
Assessed value	18,600	25,400	19,952
Gross tax	372.00	508.00	399.04
PPTRA	(180.42)	(162.00)	(159.62)
Tax to be paid	191.58	346.00	239.42
2015 Chevy Silverado			
Assessed value	22,875	25,425	18,420
Gross tax	457.50	508.50	368.40
PPTRA	(194.00)	(162.00)	(147.36)
Tax to be paid	263.50	346.50	221.04

Examples (cont.)

	December 2021 Bill	June 2022 Bill	June 2023 Bill (est.)
2019 Subaru Forester			
Assessed value	24,225	29,175	22,299
Gross tax	484.50	583.50	445.98
PPTRA	(194.00)	(162.00)	(178.39)
Tax to be paid	290.50	421.50	267.59
2017 Chevy Volt			
Assessed value	10,100	15,075	14,742
Gross tax	202.00	301.50	294.84
PPTRA	(97.97)	(122.11)	(117.94)
Tax to be paid	104.03	179.39	176.90

Personal Property FY2024 Budget

- Any changes effect the FY2023 revenue
- Recognize “normal” inflation and growth
- Minimize the impact on as many taxpayers as possible
- Any change should be transparent and easy to understand

FY2024 Revenue

- Positive Outlook
- Real Estate Assessments
- Interest Income
- Concerns
- Slowing down of consumer taxes
- Possible recession
- Power plant closure

FY2024 Expenditure Priorities

- Employee Compensation
- School Division
- Capital Contribution

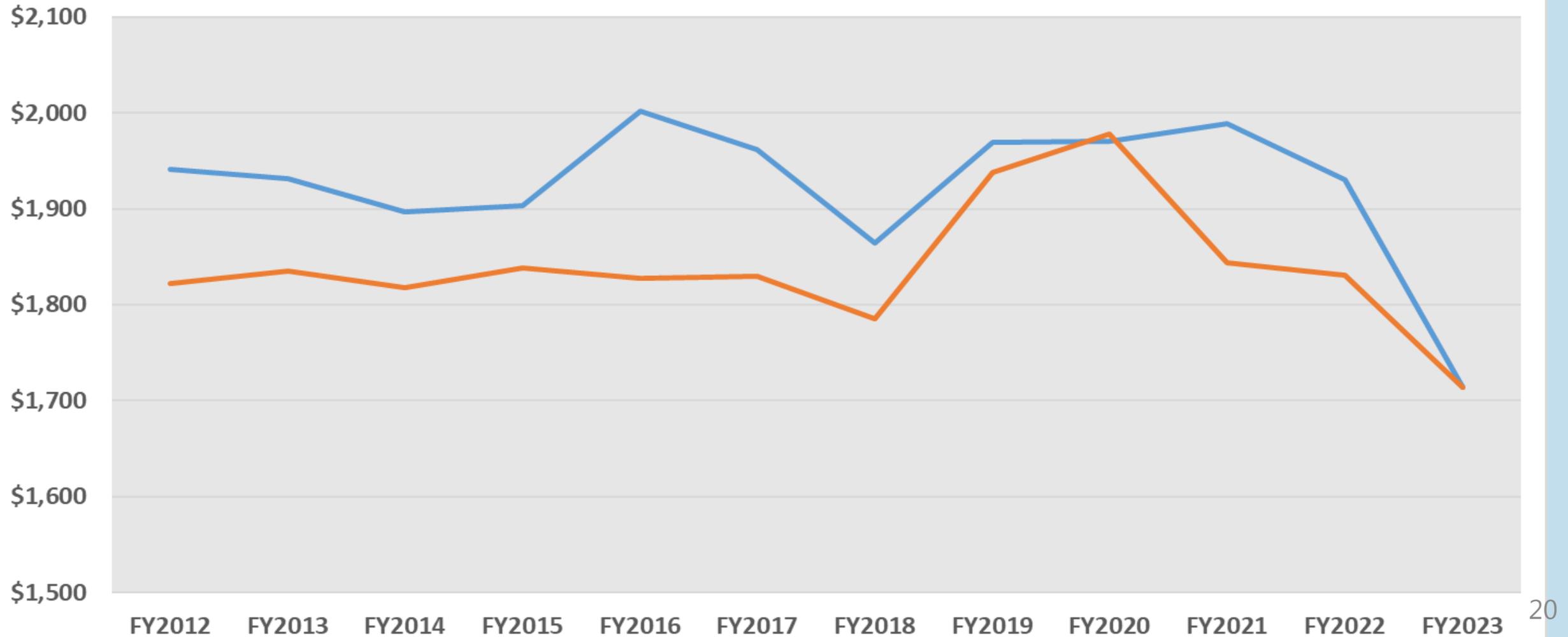
General Fund Trend

	FY2012 <u>Actual</u>	FY2013 <u>Actual</u>	FY2014 <u>Actual</u>	FY2015 <u>Actual</u>	FY2016 <u>Actual</u>	FY2017 <u>Actual</u>	FY2018 <u>Actual</u>	FY2019 <u>Actual</u>	FY2020 <u>Actual</u>	FY2021 <u>Actual</u>	FY2022 <u>Actual *</u>	FY2023 <u>Adopted</u>
Revenues unadjusted												
Total Revenues unadjusted	<u>\$ 128,068,280</u>	<u>\$ 130,672,400</u>	<u>\$ 132,322,456</u>	<u>\$ 133,490,128</u>	<u>\$ 142,790,907</u>	<u>\$ 143,174,579</u>	<u>\$ 140,425,124</u>	<u>\$ 149,604,285</u>	<u>\$ 151,662,974</u>	<u>\$ 162,532,970</u>	<u>\$ 172,388,938</u>	<u>\$ 165,821,600</u>
Expenditures unadjusted												
Total Expenditures	<u>\$ 120,183,166</u>	<u>\$ 124,185,519</u>	<u>\$ 126,741,160</u>	<u>\$ 128,943,022</u>	<u>\$ 130,346,466</u>	<u>\$ 133,581,572</u>	<u>\$ 134,412,237</u>	<u>\$ 147,223,074</u>	<u>\$ 152,170,677</u>	<u>\$ 151,756,754</u>	<u>\$ 165,935,590</u>	<u>\$ 165,821,600</u>
Revenues, adjusted for inflation	\$ 128,068,280	\$ 128,288,463	\$ 127,044,233	\$ 128,299,555	\$ 136,175,230	\$ 134,523,033	\$ 128,462,749	\$ 135,336,000	\$ 136,805,434	\$ 138,517,138	\$ 133,750,214	\$ 122,528,437
Per capita revenues unadjusted	\$ 1,941	\$ 1,967	\$ 1,976	\$ 1,981	\$ 2,099	\$ 2,088	\$ 2,038	\$ 2,177	\$ 2,185	\$ 2,318	\$ 2,452	\$ 2,319
Per capita revenues, adjusted for inflation	\$ 1,941	\$ 1,931	\$ 1,897	\$ 1,904	\$ 2,002	\$ 1,961	\$ 1,865	\$ 1,969	\$ 1,971	\$ 1,975	\$ 1,902	\$ 1,714
Expenditures, adjusted for inflation	\$ 120,183,166	\$ 121,919,927	\$ 121,685,570	\$ 123,929,257	\$ 124,307,355	\$ 125,509,698	\$ 122,962,081	\$ 133,181,893	\$ 137,263,400	\$ 129,333,213	\$ 128,743,299	\$ 122,528,437
Per capita expenditures unadjusted	\$ 1,822	\$ 1,869	\$ 1,893	\$ 1,913	\$ 1,916	\$ 1,948	\$ 1,951	\$ 2,142	\$ 2,192	\$ 2,164	\$ 2,360	\$ 2,319
Per capita expenditures, adjusted for inflation	\$ 1,822	\$ 1,835	\$ 1,817	\$ 1,839	\$ 1,828	\$ 1,830	\$ 1,785	\$ 1,938	\$ 1,978	\$ 1,844	\$ 1,831	\$ 1,714

* FY22 revenues include School Division reversion of \$5.5M.

General Fund Trend

Historical Inflation Adjusted Revenue/Expenditure Per Capita



Williamsburg Regional Library (WRL)

- Operating contribution at least back to 1986
- Formal agreement since 2010 based on usage
- 7,141 York County cardholders, circulation 10,000 monthly
- 56,100 total cardholders, circulation 82,000 monthly
- Two locations, City of Williamsburg & James City County
- FY2023 Adopted Budget \$7.8M
- Staffing : 60 Full-time; 37 Part-time; 15 On-call

Williamsburg Regional Library Contribution History

Fiscal Year	Amount	Percent Change
FY2010	\$425,000	
FY2011	\$450,500	6.00%
FY2012	\$477,530	6.00%
FY2013	\$506,182	6.00%
FY2014	\$536,553	6.00%
FY2015	\$536,553	0.00%
FY2016	\$581,520	8.38%
FY2017	\$581,245	(.05%)
FY2018	\$575,741	(.95%)
FY2019	\$609,350	5.84%
FY2020	\$644,301	5.74%
FY2021	\$644,301	0.00%
FY2022	\$676,847	5.05%
FY2023	\$690,815	2.06%
FY2024 Proposed	\$807,665	16.91%

York County Library

- Two locations, Yorktown and Tabb
- 48,000 card holders, monthly circulation 38,000
- FY2023 Adopted budget \$3M
 - net of WRL contribution
- Staffing
 - 23 Full-time
 - 20 Part-time
 - 20 Work as Required

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