

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – General Property Tax

The property tax is one of the major revenue sources for the General Fund. It provides 28.9% of the General Fund's revenues. **Real Estate Tax:** The tax rate is 84 cents per hundred dollar valuation. The City reassesses all property bi-annually. This budget estimates a 1% increase in assessed values providing an additional \$180,000 in revenue. The difference in the increase is based on new construction and estimated collections. **Personal Property Tax:** The tax rate is \$3.60 per hundred dollar valuation. The FY 2020 Budget included a \$0.10 increase per hundred dollar valuation effective January 1, 2020. The second half of the increased will be realized in the FY 2021 Budget and that increase is reflected below as well as natural growth. **Machine and Tolls Tax:** This tax is set at \$1.50 per hundred dollar valuation and is imposed upon industry. **Public Service Tax:** The revenues for this group are set by the State Corporation Commission and represent taxable utility property within the City limits. **Regional Partnership Shared Tax:** The City and Pittsylvania through the Regional Industrial Facility Authority owns two industrial parks, one in the City (Cyber Park) and one located in the county (Cane Creek Industrial Park). This revenue source reflects the shared revenue from the Cane Creek Industrial Park. **Other:** This group includes Aircraft, and Mobile Homes taxes as well as penalties and interest on delinquent taxes.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Real Estate Tax	\$ 17,642,927	\$ 18,094,098	\$ 18,713,750	\$ 18,950,000	\$ 236,250
Personal Property Tax	10,476,561	12,011,548	11,975,480	12,290,000	314,520
Machine & Tools Tax	1,602,558	1,644,796	1,606,000	1,761,500	155,500
Public Service Taxes	377,172	427,543	373,000	426,000	53,000
Regional Partnership	299,999	303,981	300,000	300,000	-
Penalties & Interest	671,372	791,337	650,000	750,000	100,000
Other	283,773	297,997	270,720	286,920	16,200
Totals	\$ 31,354,362	\$ 33,571,300	\$ 33,888,950	\$ 34,764,420	\$ 875,470

FY 2021 City Council Introductory Budget
General Fund
Revenues – Other Local Taxes

Other Local Taxes is comprised of seven major revenues and represents 24.7% of General Fund Revenues. **Local Sales Tax:** A 1% local origin sales tax generates an anticipated \$9,150,000 for the new year. **Business Tax:** The Business and Professional License Tax is levied on businesses operating within the City. The rate is based on the business class (whole merchants, retail merchants, professional occupations, services, etc.). **Meals Tax:** The tax rate is 7%. **Hotel/Motel Tax:** This tax rate was increased effective July 1, 2019 from 7% to 8%. In addition a \$2.00 per day tax was adopted to support the increased support for the Danville Life Saving Crew. **Auto License Registration:** Vehicles registered in the City are required to pay a registration fee based on the weight of the vehicle (\$25 for vehicles up to one ton and \$175 for vehicles 3.5 ton and over). This revenue reflects a flat revenue stream. **Bank Stock Tax:** This revenue reflects Bank Franchise Tax of the net capital of banks located with the City. The rate is \$0.40 on each \$100 of taxable value. **Utility Taxes:** There are two categories for this revenue: Utility Consumption Tax (tax on consumers of utility electric services and based on kilowatts consumed), Consumer Utility Tax (monthly tax imposed on each purchase of electricity delivered to consumers by a services provider). **Other:** Included in this category are Recordation Taxes, Daily Property Rental Tax, and Motor Vehicle Tax.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Local Sales Tax	\$ 8,888,192	\$ 8,930,854	\$ 9,150,000	\$ 9,150,000	\$ -
Bus & Occup License	5,044,176	5,242,488	5,200,000	5,250,000	50,000
Prepared Meals Tax	7,721,153	8,483,880	8,400,000	8,645,000	245,000
Utility Consumption Tax	191,752	191,070	193,000	192,000	(1,000)
Consumer Utility Tax	785,572	769,173	782,000	775,000	(7,000)
Hotel/Motel Tax	1,016,889	1,107,335	1,514,250	1,600,000	85,750
Auto License Registration	957,982	973,801	990,000	990,000	-
Bank Stock Tax	924,322	904,043	900,000	900,000	-
Other	350,382	346,479	363,400	370,000	6,600
Totals	\$ 25,880,420	\$ 26,949,123	\$ 27,492,650	\$ 27,872,000	\$ 379,350

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – License, Permits, Privilege

This group of revenues is directly linked to the local economy and reflects growth within the community. The FY 2021 Budget reflects moderate increases in category.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Inspection Fees	\$ 169,026	\$ 161,808	\$ 156,760	\$ 182,940	\$ 26,180
Concealed Weapon Permits	21,081	16,126	20,000	20,000	-
Dog Tags	16,412	16,612	16,400	16,600	200
Stormwater Mgt Permit Fee	10,224	6,589	13,700	12,500	(1,200)
Planning Commission Fees	5,250	1,070	7,200	10,800	3,600
Other	13,632	19,277	14,910	15,510	600
Totals	\$ 235,625	\$ 221,482	\$ 228,970	\$ 258,350	\$ 29,380

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Fines and Forfeitures

The main category is General District Court fines and fees and reflects a mixed trend of ups and downs.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
General District Court	\$ 218,916	\$ 253,366	\$ 250,000	\$ 250,000	\$ -
Circuit Court	12,334	14,786	15,000	15,000	-
Courthouse Security	48,520	59,692	50,000	55,000	5,000
Court Cost-Bldg Maint	20,266	21,323	20,000	20,000	-
Court Cost Law Library	30,721	22,529	25,000	25,000	-
Parking Tickets	16,700	19,605	16,500	18,000	1,500
Other	63,955	63,554	27,550	27,550	-
Totals	\$ 411,412	\$ 454,855	\$ 404,050	\$ 410,550	\$ 6,500

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Revenue From Use of Money and Property

This group of revenues provides approximately 1.00% of General Fund revenues and is comprised of two main categories as follows: **Interest on Investments:** All of the City's funds are invested in secured accounts in an attempt to earn the highest possible return. Investment earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates. **Facility Rentals and Concessions:** The revenue group reflects the rental of recreational facilities and other municipal properties.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Investments-Interest	\$ 798,339	\$ 1,025,669	\$ 872,760	\$ 734,500	\$ (138,260)
Rental Income	307,561	348,675	324,320	324,660	340
Concession Rentals	85,776	97,947	85,770	89,430	3,660
Sale-Salvage & Surplus	14,265	13,334	10,000	10,000	-
Totals	\$ 1,205,941	\$ 1,485,625	\$ 1,292,850	\$ 1,158,590	\$ (134,260)

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Charges for Services

This group of revenues provides approximately 2.9% of General Fund revenues and is comprised of two main categories as follows: **Charges for Detention:** The City receives per diem from the Commonwealth of Virginia for state inmates at the City Jail and at the adult detention facility. The W.W. Moore Juvenile Detention Facility provides for detention of juveniles. The Detention Home serves the cities of Danville and Martinsville, the town of South Boston, and the counties of Pittsylvania, Henry, Patrick, Halifax, and Mecklenburg. The partner localities are charged per diem based on actual cost of operation. **Fines and Fees:** This category consists of recreation fees for a variety of programs to citizens and non-citizens.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Court Fees	\$ 25,144	\$ 29,917	\$ 27,000	\$ 28,300	\$ 1,300
Charges for Detention	2,692,344	2,679,242	2,853,580	2,768,260	(85,320)
Charges for Collection	144,322	148,292	150,000	150,000	-
Recreation Fees	372,428	311,335	371,690	367,180	(4,510)
Fire Dept Fees	6,273	4,020	5,800	5,800	-
Other	4,712	4,223	9,520	8,820	(700)
Totals	\$ 3,245,223	\$ 3,177,029	\$ 3,417,590	\$ 3,328,360	\$ (89,230)

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Miscellaneous Revenues

This group of revenues as the title suggests provides for miscellaneous revenues including gain on disposal of property. This revenue is not dependable and fluctuates annually. **Unanticipated Grants:** This revenue is a contra account with a matching appropriation in the Non-Departmental section of the budget. This provides the Administration a method of posting revenue budget for unanticipated grants and donations less than \$20,000 without an additional appropriation ordinance.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Gain on Disposal of Prop	\$ 19	\$ 1,172	\$ -	\$ -	\$ -
Unanticipated Grants	-	-	100,000	100,000	
Other	31,793	26,763	25,350	25,400	50
Totals	\$ 31,812	\$ 27,935	\$ 125,350	\$ 125,400	\$ 50

This major revenue group provides approximately 5.47% of General Fund revenue and reflects estimated 5% growth.

Enterprise Funds: These revenues represent recovery of administrative costs from the City’s five utility funds and the Sanitation Fund. The Cost Allocation Plan is performed annually with this revenue based on the Plan on expenditures from three prior fiscal years (the FY 2021 Recoveries are based on expenditures from FY 2018 with 5-10% added to compensate for increases).

The Utility’s activity, Customer Services, has been transferred to the General Fund, Finance Department. However, the Electric Fund transfers to the General Fund the cost of this activity since it handles Utility customer accounts. The amount of this budgeted transfer for FY 2020 is \$1,327,670. Also there is a transfer to the General Fund to cover a portion of the cost for the General Fund’s River City TV activity in the amount of \$50,000.

Other: This category of recoveries represent contra revenues for Social Services and Juvenile Detention which also include Cost Allocation appropriations. These revenues are shown in order to receive funding for administrative costs from the State for Social Services and the Library, and from the City’s Juvenile Detention partner localities. Also included is the recovery of Customer Accounts from Utilities which in the past was an expenditure activity in Utilities. Other recoveries reflect various recoveries and cannot be planned on as a stable revenue source on a year to year basis.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Enterprise Funds	\$ 3,969,040	\$ 4,427,980	\$ 6,335,920	\$ 4,781,430	\$ (1,554,490)
Recoveries & Rebates	1,805,303	1,711,164	1,672,240	3,176,820	1,504,580
Totals	\$ 5,774,343	\$ 6,139,144	\$ 8,008,160	\$ 7,958,250	\$ (49,910)

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Non-Categorical Aid State

This major revenue group provides approximately 5.47% of General Fund revenue and reflects and overall decrease. There are two majority categories as follows: **State Aid to Localities-599:** This state revenue is provided to localities with paid public safety departments. The State has indicated an intent to increase this revenue; therefore, this line item has been increased. **State Telecommunications Tax:** This was previously a local tax levied on telephone, cell phone, and cable television companies. A number of years ago these companies lobbied the State to take over collection and levy a flat fee for all companies. The State collects the proceeds and distributes to localities based on the number of customers each company has in the locality. This revenue has experienced a reduction due to consumers disconnecting their land lines in lieu of cell phones and decreased costs related to cell phones. **Other:** The other revenues include Motor Vehicle Carriers Tax, Mobile Home Titling Tax, and Recordation Tax – State and reflects moderate growth. The State provides \$100,000 annually toward the operation and maintenance of the Welcome Center.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Motor Vehicle Carriers Tax	\$ 42,596	\$ 67,319	\$ 42,500	\$ 50,000	\$ 7,500
Mobile Home Titling Tax	4,331	7,564	4,000	5,000	1,000
Recordation Tax-State	101,206	100,317	120,000	100,000	(20,000)
State Aid to Localities 599	2,606,200	2,702,628	2,606,200	2,860,000	253,800
State Telecommunications	2,943,679	2,742,920	2,900,000	2,750,000	(150,000)
Welcome Center-State Aid	100,000	100,000	100,000	100,000	-
Totals	\$ 5,798,012	\$ 5,720,748	\$ 5,772,700	\$ 5,865,000	\$ 92,300

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Categorical Aid State Shared

This revenue group provides approximately 4.5% of General Fund revenue. This category provides for reimbursement of a portion of the salary and benefits of Constitutional Officers. The State does not provide for operating costs of these offices. Each office is reimbursed based on a formula as set by the State Compensation Board. For example, the State reimburses 100% of Sheriff deputies salaries, but only 2/3 of the salary for Sheriff office nurses. The reimbursement for the Commissioner of the Revenue and the City Treasurer is less than 50% of salaries and the City also provides a supplement for most of the personnel in the Commissioner of the Revenue. Most of the employees in the Commonwealth Attorney's Office are funded at 100% of Compensation Board approved salaries. However, the City provides supplemental funding which is distributed at the discretion of the Commonwealth Attorney. The City also provides a supplement of \$1,000 for each employee in the Sheriff's Office. This is a standard practice for localities throughout the State. The Clerk of Circuit Court receives 100% State funding based on Compensation Board approved salaries.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Commonwealth Atty	\$ 953,141	\$ 935,539	\$ 972,380	\$ 972,380	\$ -
Sheriff's Office	3,136,371	3,193,306	3,404,900	3,404,900	-
Commissioner of Rev	147,760	148,018	150,180	150,180	-
Treasurer	120,677	120,911	123,650	123,650	-
Clerk of Circuit Court	478,755	477,762	481,830	481,830	-
Registrar/Electoral Brd	42,321	42,436	42,000	42,000	-
Other	-	-	-	-	-
Totals	\$ 4,879,025	\$ 4,917,972	\$ 5,174,940	\$ 5,174,940	\$ -

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Categorical Aid State/Federal

This revenue group provides approximately 8.6% of General Fund revenue and provides funding for a variety of functions. There two majority categories as follows: **Welfare:** This revenue source provides approximately 80% of the operating cost for the Social Services office. **Dept of Juvenile Justice Block Grant:** This revenue provides funding for the W.W. Moore Juvenile Detention Facility and is dependent on State funding. **Other:** Various funding includes grants for Emergency Services, Fire Service, and support of the Library.

In addition, the Introductory Budget includes federal funding for the Airport from the CARES Act based on legislation in Congress for the COVID-19 impact on localities.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues: Categorical Aid - State					
Social Service	\$ 6,692,685	\$ 6,635,635	\$ 7,511,600	\$ 7,399,750	\$ (111,850)
Fire Service Grant	143,939	149,026	140,000	149,000	9,000
Wireless E911 State Funds	173,519	238,473	174,000	174,000	-
Emergency Response Prog	30,000	30,000	30,000	30,000	-
Emergency Medical Svc	34,254	34,076	34,260	34,260	-
Emergency Svcs Grant	27,013	27,013	27,020	27,020	-
Dept of Justice Block Grnt	1,340,990	1,369,307	1,340,990	1,369,300	28,310
Juvenile & Domestic Rel	5,513	7,336	6,000	6,500	500
Library	149,495	151,058	149,500	151,000	1,500
National Guard Maint	12,590	14,291	20,000	15,000	(5,000)
Totals	\$ 8,609,998	\$ 8,656,215	\$ 9,433,370	\$ 9,355,830	\$ (77,540)
Revenues: Categorical Aid - Federal					
Federal Aid - CARES Act	\$ -	\$ -	\$ -	\$ 69,000	\$ 69,000
Totals	\$ -	\$ -	\$ -	\$ 69,000	\$ 69,000

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Interfund Transfers

This interfund transfers from the five Utility Funds represent 13.2% of General Fund Revenues and is a major source of income for the General Fund. The City Utilities shares its profits with the owners, the taxpayers, thereby affording a lower real property tax rate and enhanced local services. The transfer is determined by a council approved policy and is reviewed bi-annually along with the Utility Rate Study.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Transfer In Wastewater	\$ 693,760	\$ 693,760	\$ 705,760	\$ 705,760	\$ -
Transfer In Water	942,300	942,300	950,300	950,300	-
Transfer In Gas	3,059,330	3,059,330	3,186,330	3,186,330	-
Transfer In Electric	10,071,610	10,071,610	10,429,610	10,429,610	-
Transfer In Telecommun	302,000	81,000	81,000	81,000	-
Totals	\$ 15,069,000	\$ 14,848,000	\$ 15,353,000	\$ 15,353,000	\$ -

FY 2021 City Council Introductory Budget
 General Fund
 Revenues – Transfer From Fund Balance

The transfer from Unreserved Fund Balance is limited to one-time expenditures such as Economic Development Incentives and capital projects. Use of fund balance is not recommended to fund recurring expenditures. Transfer from Reserved Fund Balance in FY 2018 was used to repay the Virginia Tobacco Indemnification and Community Revitalization Commission for grants made to companies who failed to meet the required investment per the grant award. The increase proposed for the FY 2021 Budget reflects an increase for Economic Development Incentives and Economic Development projects and other General Fund capital projects. The use of Unreserved Fund Balance for Capital Projects has been proposed for FY 2021 in order to avoid other tax increases. This has the impact of a significant decrease in current revenue supported capital projects.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Introductory	Increase/ (Decrease)
Revenues:					
Transfer From Reserved FD	\$ 386,250	\$ -	\$ -	\$ -	\$ -
Transfer From Unreserved FB	2,759,650	-	2,050,000	3,957,610	1,907,610
Totals	\$ 3,145,900	\$ -	\$ 2,050,000	\$ 3,957,610	\$ 1,907,610