

FY 2024 Budget Planning Projections



FY 2024 Budget Planning Summary

- County Revenue Growth Positive / Expense Growth Outpacing Revenue Growth
- Preliminary Funding Gap (Base Budget) is \$35 million
 - Current tax rates & inflationary fee increases
 - Includes ongoing costs funded with one-time \$'s in FY 2023 (ARPA supported programs assumed to continue – e.g. transportation programs)
- Preparing Budget Reduction Options & Realignment of Services Options

Primary Budgetary Concerns:

- Inflation
- Wage Growth
- Transitioning from one-time funding
- Interest Rates
 - *Impact to real estate and overall economic slowing*

Summary of FY 2024 Base Budget Funding Assumptions

Revenue

Tax Revenue: Total growth up \$40.8 million, 3.4% (before sharing with Schools)

Real Estate Assessment: Up 1.9%

- Residential up 3%
- Average single family's tax bill up by \$250 for natural assessment growth
- Commercial flat: Office down / Apartments up
- Worried about last 6 months of real estate transactions and interest rate impacts on values

Other Tax Revenue: Up almost 7% (\$24.9 million before sharing with Schools) reflecting FY 2023's conservative estimates

- Personal Property: up 6.6% (\$8.8 million), vehicle values remain elevated; FY 2022 revenue trending above budget even with 88% ratio applied
- BPOL: up 4.1% (\$3.2 million), gross receipts have continued to grow throughout pandemic
- Sales: up 6.5% (\$3.0 million), pent up demand and inflation have led to record high receipts in recent months
- Meals: up 9.0% (\$3.5 million), double digit growth rates sustained for last 19 months

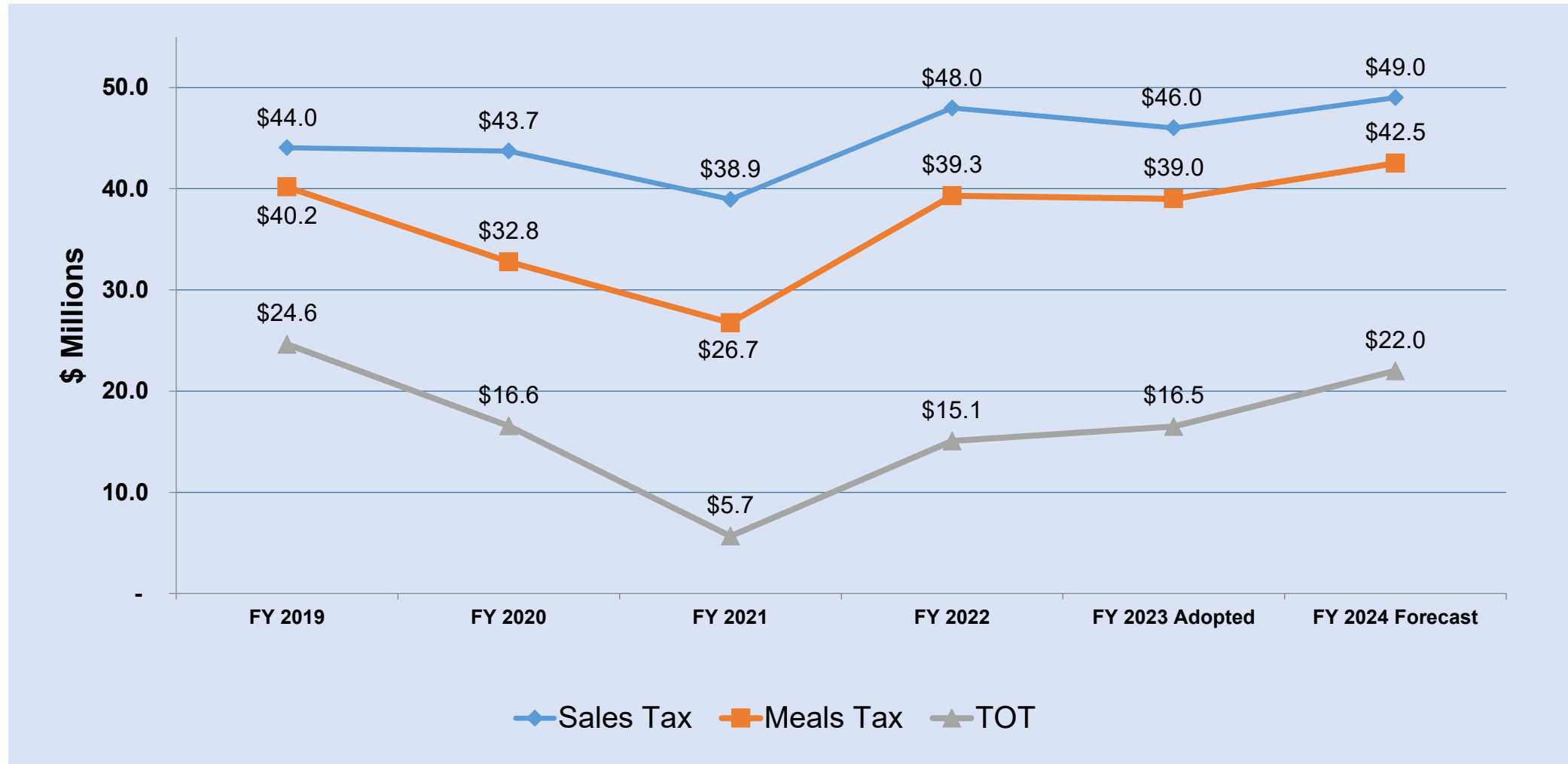
Fees & Charges for Services: Variable

Continuing to adjust both positively and negatively as we adjust expectations post-pandemic

State & Federal

Relatively flat from historical norms

Sales / Meals / Hotel Tax Recovery

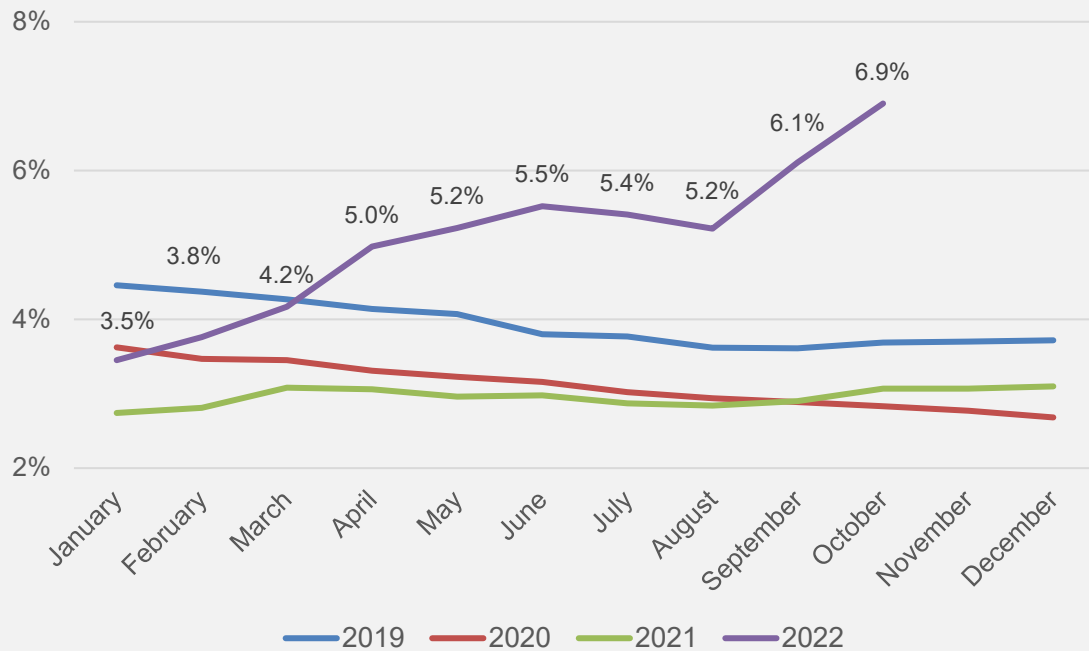


Continuing Revenue Pressures

Real Estate Revenue

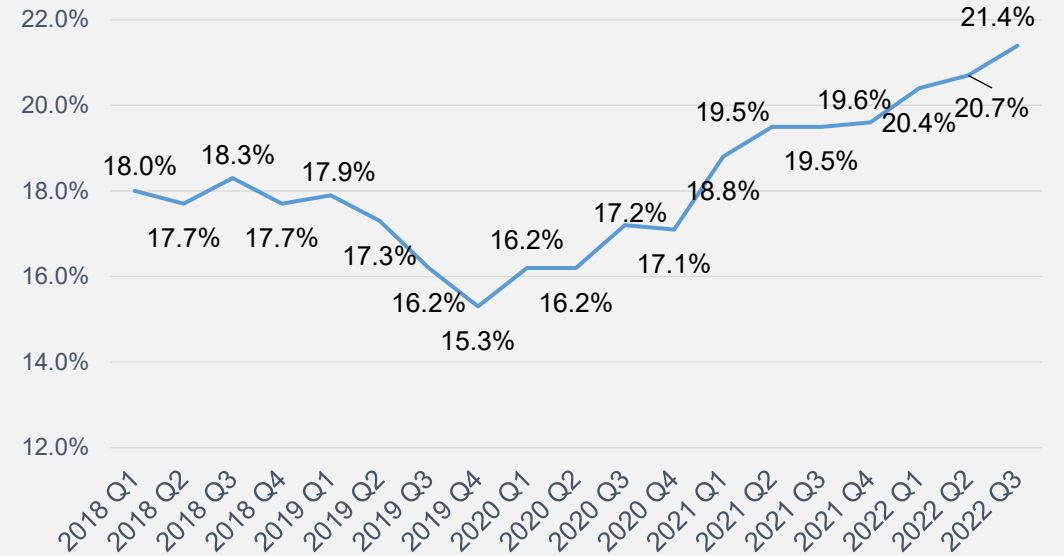
Real estate taxes provide 57% of total County revenue

30-Year Fixed Mortgage Rates



Anticipating declines in commercial assessments

Office Vacancy



Other Pressures

- Continued uncertainty in office real estate market
- Slower tourism recovery
- Inflation/rising interest rates
- Transit ridership revenue

Summary of FY 2024 Base Budget Funding Assumptions

Expenses

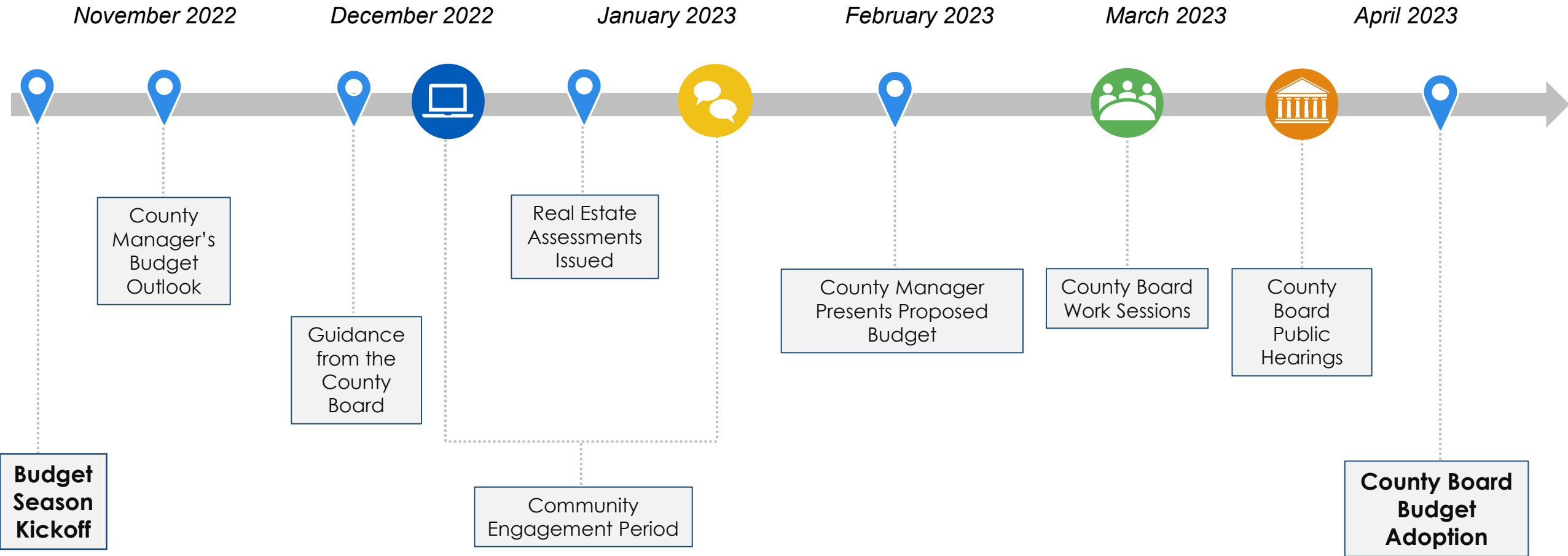
Personnel

- Salaries: Normal salary increases and consistent with labor agreements
- Healthcare: Up 4%
- Retirement: Increasing with wage growth plus increase to public safety actuarial % increase


Non-Personnel

- Contractual & Inflationary Increases: Up 5%
- Housing Grants: FY 2023 ongoing level (\$11.9 million), does not continue one-time funding of \$2.4 million
- Metro: Able to keep relatively flat, mitigating growth with use of NVTC balances
- Debt Service: Flat due to structure of debt
- AHIF: Set at ongoing funding level (\$8.9 million), does not continue one-time funding of \$9.2 million included in the FY 2023 adopted budget
- School Transfer: Up 3.7% at Revenue Sharing percentage of 46.8%
 - *Revenue sharing percentage adjusted in the adopted FY 2023 budget from 47% to 46.8%*

Budget FY 2024 Timeline



 **Key Milestones**
Important points in the budget development process.

 **Online Feedback**
Share your opinions with the Manager or the Board.

 **Public meetings and pop-ups**
Ask questions and share your thoughts with County leadership

 **Board Work Sessions**
Watch for a detailed look at each department's budget proposal.

 **Public Hearings**
Share your thoughts with the County Board.

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