



FY2018 FIRST DRAFT BUDGET

REVENUE ASSUMPTIONS AND PROJECTIONS

- **Income Tax**—In consultation with Board Treasurer Mr. Gary Crockett and Village Finance Director Mr. Demetri Protos, we have maintained the income tax revenue estimate—the Village’s primary source of income—at \$2.2 million.

As Mr. Crockett advised the Board during his Treasurer’s Report earlier this month, the income tax revenues remain extremely difficult to forecast, which has been exacerbated by recent errors by the State Comptroller’s office. Mr. Crockett intends to have a fuller conversation regarding this forecast during the work session.

- **Property Tax**—The State of Maryland has reported that the constant yield real property tax rate for FY2018 is \$.0819, which is based upon the Village’s 2017 net assessable real property base of \$1,054,006,712. If the Board adopts this rate, it will yield approximately \$862,747 in revenue in FY2018 (see Tab 2).

I have held the personal property tax rate at the current \$.66 per \$100 of assessed value, for a yield of approximately \$95,000.

- **SafeSpeed Program**—During the current fiscal year, we have experienced a consistent slight decrease in the number of issued citations, not attributable to weather or roadway construction. We can only surmise that this is a result of increased driver awareness and a behavioral shift toward compliance given the proliferation of speed cameras across Maryland (specifically along Connecticut Avenue between the Kensington and the Village) and the District of Columbia. Therefore, the FY2018 budget reflects an approximate 15% decrease of \$200,000 from the FY2017 budget for a total estimated revenue of \$1.3M.
- **Montgomery County Property Tax Duplication**—At the annual meet-and-confer with municipal officials last week, County Executive Isiah Leggett said that he intends to hold the budgeted amount for tax duplication at the FY2017 level. The County Council has maintained this level for the past several years; therefore, we have increased the estimated revenue from \$85,000 (budgeted amount in FY2017) to \$100,000 in the draft FY2018 budget.
- **Other Revenues**—Discussions regarding formulas for restoration of the highway user and police aid grants at the state level are ongoing. Both the county and state budgets remain pending, and despite early indications of increases, we have maintained revenue projections in these areas. All other revenue areas remain flat.
- **Reserves**—The draft FY2018 operating and capital budget presented herein will

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generate an approximate \$700,928 draw on reserves; however, reserve balances as of June 30, 2018 are still estimated to total \$7,344,622 (pending additional budget amendments authorized by the Board in the current and next fiscal years). Reserves are estimated to be \$8,045,550 at June 30, 2017.

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Revenue Summary <i>Base Operations</i>	FY '10 <i>Actual</i>	FY '11 <i>Actual</i>	FY '12 <i>Actual</i>	FY '13 <i>Actual</i>	FY '14 <i>Actual</i>	FY '15 <i>Actual</i>	FY '16 <i>Actual</i>	FY '17 <i>projected</i>	FY '18 <i>Proposed</i>
Income Tax:	\$1,557,096	\$1,414,503	\$1,949,829	\$2,466,517	\$2,668,924	\$2,135,739	\$2,681,733	\$2,762,700	\$2,200,000
Property Tax:									
Individual Property	\$4	1,894	\$59	\$0	0				
Corporate Property	110,538	3,458	173,073	94,588	96,714	116,289	122,719	112,642	100,000
Corporate Utilities	13,722	18,896	17,127	17,246	12,376	4,823	17,414	15,000	15,000
Real Estate	961,676	972,057	968,623	984,403	996,069	876,804	865,608	845,000	845,000
Prior Years Collections	823	5,802	753	202	1,360	0	0	500	500
Subtotal	\$1,086,763	\$1,002,107	\$1,159,635	\$1,096,439	\$1,106,519	\$997,916	\$1,005,741	\$973,142	\$960,500
WSSC/Wash Gas Reimbursement				\$170,506	\$306,639	\$1,101,637		\$35,000	
W.Newlands Repaving Reimbursement							\$28,042		
One Time Income Tax Adjustment							\$161,741		
Investment & Misc. Income:									
Cable TV Franchise Fee	\$10,151	\$16,956	\$21,667	\$24,431	\$26,305	\$26,907	\$25,363	\$25,000	\$25,000
Interest Income	63,257	23,914	19,259	23,417	23,201	19,234	83,064	15,000	15,000
Sale of Property	850	0	6,220	425	80	10,144	22,368	0	0
Misc.	4,636	2,570	3,309	4,538	4,311	5,488	3,742	3,000	3,000
Subtotal	\$78,894	\$43,440	\$50,455	\$52,811	\$53,897	\$61,773	\$134,537	\$43,000	\$43,000
Cost Recoveries/Grants:									
County Tax Duplication	\$105,837	\$89,961	\$89,961	\$100,524	\$100,524	\$100,524	\$100,524	\$100,524	\$100,000
Martin's Addition-PCS	37,450	3,400	0	0	0	0	0	0	0
Ilage of Chevy Chase Sec 3-PCS	9,775	500	0	0	0	0	0	0	0
Ilage of Chevy Chase Sec 5-PCS	8,650	875	0	0	0	0	0	0	0
Chevy Chase View-PCS	20,325	1,500	0	0	0	0	0	0	0
Other/Trials/Section 5		0	0	0	0	0	0	0	0
Grants/Reimbursements	13,023	28,895	13,338	39,267	776	868	0	1,600	1,600
Recycling Revenue	1,327	532	700	859	551	1,284	518	500	500
State Police Grant	108,352	108,352	108,356	108,401	109,484	110,831	98,230	108,000	108,000
Fines-Parking	4,511	6,409	3,008	4,616	3,836	8,656	5,051	3,000	4,000
Fines-Ordinance	625	450	350	150	2,600	50	650	250	250
Fingerprinting	8,322	6,065	1,775	2,268	1,325	475	125	250	250
Licenses-Other/R-O-Way	550	6,215	3,300	6,030	1,350	2,885	1,635	3,000	2,000
Permits-Building	27,715	24,880	18,321	23,905	16,513	24,425	26,775	15,000	14,000
Tree Removal Permit	8,650	12,820	9,143	12,261	9,650	5,480	8,610	6,000	8,000
Permits-Sign	228	190	267	222	226	130	85	100	100
Permits-Other	340	0	450	350	0	0	0	0	0
Belmont Buffer Stipend	18,586	18,962	19,639	19,974	20,246	20,677	20,669	20,880	19,500
Reimbursements-Post Office	3,937	0	0	0	0	6,117	0	8,000	8,000
Rental Income-Post Office	84,562	71,444	71,552	71,552	78,057	78,057	78,207	78,057	78,057
Rental Income-Hall	9,135	10,925	9,120	17,335	14,612	9,936	13,576	10,000	10,000
Highway User Fees	11,898	8,354	21,505	\$18,816	54,902	60,538	66,853	70,000	70,000
Subtotal	\$485,081	\$402,129	\$371,952	\$427,580	\$414,652	\$433,733	\$421,508	\$426,661	\$425,757
Total Revenue	\$3,207,834	\$2,862,179	\$3,531,871	\$4,213,853	\$4,550,631	\$4,730,798	\$4,433,302	\$4,240,503	\$3,629,257

Revenue Summary

Safe Speed

Speed Camera Citations	\$2,569,428	\$2,083,703	\$1,751,390	\$1,354,136	\$1,231,542	\$1,416,212	\$1,231,825	\$1,000,000	\$1,100,000
Citations-Collections			\$101,727	\$229,840	\$113,945	\$89,080	\$94,780	\$60,000	\$60,000
Speed Camera Interest	\$11,900	\$8,431	\$4,270	\$4,091	\$1,215	\$1,043	\$2,952	\$2,500	\$2,500
Total Revenue	\$2,581,328	\$2,092,134	\$1,857,387	\$1,588,067	\$1,346,702	\$1,506,335	\$1,329,557	\$1,062,500	\$1,162,500
Total Combined Revenue	\$5,789,162	\$4,954,313	\$5,389,258	\$5,801,920	\$5,897,333	\$6,237,133	\$5,762,859	\$5,303,003	\$4,791,757