

Revenue

As we discussed at the budget committee hearing on November 17th, a variety of methodologies are used to estimate various revenue line items, depending on the nature of the revenue stream and the underlying activities that comprise each revenue stream. Per your request to discuss why and how each of the line items that was changed from original budget as of the 10/31/08 estimate, we'll walk you through each line item working our way down the revenue chart.

Bank Deposits & Life Insurance Shares was revised based on the actual assessments Metro received from the state.

Deed Taxes were revised based on recording activity at the County Clerk's Office wherein the actual year-to-date total through October was added to a projected contraction for the remainder of the year to arrive at the new estimate.

Employee Withholdings took into account the current economic environment of ongoing job losses nationally and locally, timing differences in payroll cycles, the impact of tax standardization, and the impact of inducements approved by the Metro Council to arrive at a contraction of 0.4% for the remainder of this year and then added this projection to the year-to-date totals through October.

Net Profits took into account the current economic environment including a lack of access to credit for business expansion opportunities, the impact of large filers adjusting their profitability estimates, as well as the nature of refunds being requested to arrive at a contraction of 2.4% for the remainder of this year and then added this projection to the year-to-date totals through October.

Insurance Premiums took into account the timing difference of collections through October 31st given that this is a quarterly deadline wherein more returns were processed this year at this time than last year. Although Metro has collected more to date through 10/31 than in the previous year, the timing of second quarter payments is projected to result in a net decrease from the first two quarters of last year. Once this was taken into account we arrived at a contraction of 10.4% for the remainder of this year and then added this projection to the year-to-date totals through October.

Net Interest, Fees & Expenses took into account adjusted debt service payment needs by the Revenue Commission, reduced commissions on lower collections, reduced investment income due to a lower interest rate environment, and a reduced level of penalties received to arrive at the estimate.

Alcohol Beverage Licenses took into account the current trend of payments to arrive at modest growth for the remainder of this year and then added this projection to the year-to-date totals through October.

Building Permits took into account the current level of activity and applications to arrive at a contraction for the remainder of this year and then added this projection to the year-to-date totals through October.

IPL Civil Penalties took into account the current trend of collections to arrive at a slight contraction for the remainder of this year and then added this projection to the year-to-date totals through October.

Truck License Fees were based on the prior year's actual collections once received from the state. At the time the budget was developed, Metro had not received any payments from the state. Subsequent to the budget development, Metro received an FY08 payment of \$165,157. The revised estimate is based on that level of license fees at \$170,000 for FY09.

Parking Fines took into account booting activities and current collections to arrive at a slight contraction for the remainder of this year and then added this projection to the year-to-date totals through October.

Investment Income Interest took into account the current interest rate environment for relatively short-term periods of investment as well as Metro's anticipated account balances to arrive at the estimate.

Waste Reduction Facility fees took into account current activity levels and projected approximately \$52,000 per month for the remaining eight months of FY09 to arrive at the estimate.

Tow-in-Lot Fees took into account the current trend of activity and projected growth for the remainder of this year and then added this projection to the year-to-date totals through October.

Police Records Report took into account the current level of requests through the first four months of FY09 and then projected the remaining eight months of FY09 to arrive at the estimate.

Fire Protection, Outside USD was based on the actual billing for FY09 at \$186,800.

Metro Corrections was based on a state inmate daily average population of 250 per day for FY09.

Election Expense Refund was based on a \$200 per precinct level of state reimbursement to Metro.