3/3/2020

FY20-21 Draft General Fund Budget as of March 5, 2020

$37,714,610 Balanced Budget

Summary

FY20 EOY Projections:

FY20 Projected Revenues:	$44,287,544
FY20 Projected Expenditures:	$43,404,585
FY20 Carryover:	**$ 882,959**

FY21 Proposed Revenues and Expenditures (Including Staff Changes):

FY21 Estimated Revenues:	$37,714,610
FY20 Estimated Expenditures:	$37,714,610
Difference:	**$ 0**

Maintenance of 2019 (Current) Tax Rates Per $100 of Assessed Value:

Real Property & Mobile Home Tax	$.72
Tangible Personal Property	$3.45
Machinery & Tools	$1.25

FY21 Total Revenue Growth:	**-14.5%**	**($6,390,752)**
FY21 Total Expenditure Growth:	**-14.5%**	**($6,390,749)**
FY21 Revenue Growth Less Capital Projects & Non-Revenue Receipts:	**-0.1%**	**($54,831)**
FY21 Expenditure Growth Less Capital Projects:	**0.8%**	**$302,288**

FY21 Contingencies & Reserves:

Recurring Contingency (FY21 Revenues Exceeding Expenditures):	$740,548
Non-Recurring Contingency (FY20 Carryover):	$882,959
Total Contingencies:	**$1,830,639**
School Resource Officer Reserve:	$207,132

FY21 EXPENDITURES (Including Staff Changes)

Note: Funding for the School Division was included at the same level as FY20 pending a formal request from the School Board.

FY21 Total Expenditures:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$44,105,362	$37,714,610	($6,390,752)	-14.5%

FY21 Total Expenditures Less Tunnel and Library Projects:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$37,412,322	$37,714,610	$302,288	0.8%

Net Departmental Operational Changes Requested:	$229,052
Departmental Capital Outlay Requests (Dept. 91050):	$383,739
Total:	$612,791
Total Staff Reductions:	($59,149)
Recommended:	**$553,642**

SALARIES & BENEFITS *Note: These funds are lumped in the Employee Benefits line and transferred out to departments during the fiscal year.*

Total Annual Full Time Salaries All County and Constitutional Offices: $4,344,264

Total Annual Payroll is Approximately $5.9 Million

FY21 Increase in Benefits Costs (2.38% VRS, 0.03% Group Life Insurance, 0.11% VLDP & 1.5% Health Insurance) *Only applies to FT Employees:*	**$119,687**
FY21 Proposed 3% Salary Increase and final 33% of 2016 market FT & PT employees:	**$192,515**
FY21 Total Proposed Salary & Benefits Increase:	**$312,202**

**Note a 1% Salary Increase and final 33% of market study for FT & PT employees= $88,135*

New Positions Requested:

FT Buildings & Grounds (Maintenance)	$60,409 Salary & Benefits
PT Parks & Recreation Aid	$ 1,421 Wages & Benefits
PT Parks & Rec Field Maintenance Seasonal	$10,015 Wages & Benefits
FT Planner Promotion (Placeholder)	$10,000 Wages & Benefits

New Vehicles Requested: None (included 2 Sheriff's Vehicles & Equipment in Motor Pool budget)

COUNTY DEPARTMENTAL OPERATIONS (includes operational transfers)

FY21 Departmental Operations Expenditures (including staff changes):

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$19,107,307	$18,592,591	($514,716)	-2.7%

FY21 Departmental Expenditures Less FY20 Piney River Debt Payment:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$18,216,257	$18,592,591	$376,334	2.1%

FY21 Departmental Operations Includes:

- Funding for 2 Sheriff's Vehicles and Equipment (included but not requested – no Sheriff's Department budget received)
- New Positions Recommended for funding: $60,409 including benefits for FT Buildings & Grounds (Maintenance) position and $10,000 for implementation of a Planner Position that would absorb the current salary and benefits of the Planning Secretary III position
- $135,000 for anticipated Year 1 of 2 in Reassessment costs for Assessments effective January 2023
- 16.2% $119,331 increase Regional Jail
- 9% $42,901 increase in E911 Program
- 6.8% $33,176 increase for Commonwealth Attorney not including CA pay adjustment
- 10.9% $25,399 Increase in Parks and Recreation offset by increased revenues
- 19.1% $11,317 increase in VA Cooperative Extension for FT Agricultural Agent
- Increases in benefits costs of 2.38% VRS, 0.03% Group Life Insurance, VA Long Term Disability Program of 0.11%, and 1.5% Health Insurance ($119,687) and 33% of 2016 pay study or 3% salary adjustment ($192,515). Total ($312,202) FY20 original budget was approximately $167,000. *Note: These funds are lumped in the Employee Benefits line and transferred out to departments during the fiscal year.*
- 9.3% $145,000 in Department of Social Services Transfer (funded primarily with State/Federal funds)
- No Transfer of funds proposed for Piney River Debt and Operations; a ($891,050) reduction
- Various departmental increases and decreases

CAPITAL OUTLAY & NON-RECURRING EXPENSES FY21 estimated expense total of $741,842 shows a decrease of 51.7% or ($795,547) from the FY20 Amended Budget amount of $1,537,389 Primarily due to the anticipated completion of the radio system upgrade, CAD System replacement, and microwave network upgrade in FY20.

FY21 Capital Outlay & Non-Recurring Expenses (including staff changes):

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$1,537,389	$741,842	($795,547)	-51.7%

FY21 Capital Outlay includes:

- Fixed Asset Software $2,500
- Comprehensive Plan Update $100,000
- ProVal Server replacement $26,000
- DVR Servers for Johnson Controls $15,000
- Buck's Elbow Tower Equipment Replacement$ 15,000
- Radio Console Upgrade $239,000
- Emergency services vehicles $312,794 (80% Faber Rescue/Pumper $390,993)
- Emergency Communications Center (ECC) upgrades carried over from FY20 $23,309
- Resurfacing of the Animal Shelter Epoxy Floor $6,000
- Animal Shelter K-9 Beds $2,239

AGENCIES AND NON-DEPARTMENTAL (See Agency Worksheet) Staff recommended funding $1,454,716 ($91,394) less than the requested amount of $1,546,110 for a net recommended decrease in Non-departmental expenditures of -4.3% or ($65,790).

FY21 Agencies & Non-Departmental (including staff changes):

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$1,520,506	$1,454,716	($65,790)	-4.3%

CAPITAL PROJECTS:

Both the Blue Ridge Tunnel Project and the Nelson Memorial Library Expansion projects are anticipated to be completed in FY20.

SCHOOL FUNDING:

School operational funding remains at FY20 levels pending a formal funding request from the School Board.

FY21 REVENUES

FY21 Revenues All Funding Sources:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$44,105,362	$37,714,610	($6,390,752)	-14.5%

FY21 Revenues All Funding Sources Less Tunnel & Library Projects and Non-Revenue Receipts:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$36,866,482	$36,811,651	($54,831)	-0.1%

FY21 LOCAL REVENUE

FY21 Total Local Revenue:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$31,949,134	$31,994,371	$45,237	0.14%
FY20 Projected Budget	FY21 Estimated Budget	$ Change	% Change
$31,872,473	$31,994,371	$121,898	0.38%

Real Estate Taxes: The COR has not yet provided actual Book Value information for 2020; FY21 is estimated using a growth rate of 0.7582% and a collection rate of 99.1% applied to the actual 2019 Book Value and the estimated 2020 Book Value.

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$17,819,027	$17,844,479	$25,452	0.1%
FY20 Projected Budget	FY21 Estimated Budget	$ Change	% Change
$17,705,456	$17,844,479	$139,023	0.78%

Personal Property & Mobile Home Tax: The COR has not yet provided actual Book Value information for 2020. FY21 tax revenues are estimated using a growth rate of 101.7%, a current tax collection rate of 98%, and a prior tax collection rate of 3% applied to the actual 2019 audit collections less the Personal Property Tax Relief amount of $1,708,030, in order to estimate 2020 and 2021 Tax revenue.

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$5,950,018	$5,888,743	($61,275)	-1.0%
FY20 Projected Budget	FY21 Estimated Budget	$ Change	% Change
$5,860,095	$5,888,743	$28,648	0.49%

The following estimates affected the overall increase in **FY21 Estimated Local Revenue** as compared to the FY20 Amended Budget:

- 0.1% or $25,452 increase in Real Estate Tax revenue. Total FY20 Real Estate Tax revenue of $17,844,479 yields a per penny tax rate equivalent of **$247,840**.
- -1.0% or ($61,275) decrease in Personal Property and Mobile Home Tax revenues.
- 1.1% or $7,926 increase in Motor Vehicle License Fees.
- 4.2% or $27,128 increase in Meals and Lodging Taxes.
- 900% or $99,000 increase in Land Use Application Fees. 2021 is a re-application year.
- -10.8% or ($16,031) decrease in Building Permit Fees.
- -61.1% or ($110,000) decrease in Court Fines and Forfeitures.
- 22.6% or $95,000 increase in EMS Revenue Recovery funds.
- Local Sales Tax, Late Tax Penalty and Interest, Business Licenses, and Recordation Taxes are expected to be relatively flat or have a slight decrease.

FY21 STATE REVENUE (Updated State revenue & Compensation Board reimbursements are pending)

FY21 Total State Revenue:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$7,447,211	$3,906,152	($3,541,059)	-47.5%
FY20 Projected Budget	**FY21 Estimated Budget**	**$ Change**	**% Change**
$7,652,723	$3,906,152	($3,746,571)	-49.0%

FY21 Total State Revenue Less Tunnel Project:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$4,111,006	$3,906,152	($204,854)	-0.05%
FY20 Projected Budget	**FY21 Estimated Budget**	**$ Change**	**% Change**
$4,023,738	$3,906,152	(115,586)	-0.03%

The following were notable estimates that affected the overall decrease between **FY21 Estimated State Revenue** and FY20 Amended Budget:

- -5.5% or ($34,886) in Non-Categorical State Aid such as Motor Vehicle Carriers Tax, Mobile Home Titling Tax, Tax of Deeds, and Communications Sales and Use Tax.
- 51.1% or $18,895 increase in State Reimbursement for the State Board of Elections due to expected full reimbursement of Registrar's Salaries.
- 10.2% or $48,792 increase in Public Assistance & Welfare to provide for a Medicaid expansion position.
- -8.8% or ($4,832) in anticipated Wireless E-911 Funds.
- -62.0% or ($2,069,405) in State Blue Ridge Tunnel Grant Funds.
- Other changes in Categorical State Aid (mostly grant funds) will be appropriated as received in FY20. This includes Asset Forfeiture proceeds, Four for Life Grant funds, Fire Program Funds, and

other various grants. *Note that Victim Witness Grant funds are being split between State and Federal fund budget categories as of FY21 to account for those sources. This split is 25% State and 75% Federal.*

FY21 FEDERAL REVENUE

FY21 Total Federal Revenue:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$1,056,342	$911,128	($145,214)	-14.6%
FY20 Projected Budget	FY21 Estimated Budget	$ Change	% Change
$1,101,350	$911,128	($190,222)	-20.9%

FY21 Total Federal Revenue Less Tunnel Project:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$806,342	$911,128	$107,786	13.0%
FY20 Projected Budget	FY21 Estimated Budget	$ Change	% Change
$858,842	$911,128	$52,286	6.48%

The following estimates affected the overall increase between **FY21 Estimated Federal Revenue** and FY20 Amended Budget:

- 10.2% or $73,188 in Public Assistance and Welfare. Estimate is provided by the Department of Social Services.
- 100% or $52,500 in Victim Witness Grant funds now being accounted for as federal revenue in FY21. Funds are split 25% State and 75% Federal.

FY21 NON-REVENUE RECEIPTS:

FY21 Non-Revenue Receipts:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$1,656,169	$20,000	($1,636,169)	-98.8%
FY20 Projected Budget	FY21 Estimated Budget	$ Change	% Change
$1,664,492	$20,000	($1,644,492)	-98.8%

FY21 Total Non-Revenue Receipts Less Library Project Bond Proceeds:

FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$77,177	$20,000	($57,177)	-71.4%
FY20 Projected Budget	FY21 Estimated Budget	$ Change	% Change
$85,500	$20,000	($65,500)	-76.6%

FY21 Non-Revenue Receipts (Insurance recoveries, cancelled checks, bond proceeds, and transfers from other funds) decreased primarily due to the expected completion of the Nelson Memorial Library expansion project and full use of the FY20 budgeted bond proceeds secured to finance the project. Additionally, the estimated FY21 insurance recoveries were reduced from the FY20 Amended budget amount, however additional funds are anticipated to be appropriated as received in FY21.

FY21 YEAR ENDING BALANCE

FY21 Year Ending Balance:			
FY20 Amended Budget	FY21 Estimated Budget	$ Change	% Change
$1,996,506	$882,959	($1,113,547)	-55.8%
FY20 Projected Budget	FY21 Estimated Budget	$ Change	% Change
$1,996,506	$882,959	($1,113,547)	-55.8%

FY21 Year Ending Balance (Prior Year Funds) consists of FY20 Revenues that exceed FY20 Expenditures by $882,959 and are referred to as Carryover funds.

FY21 Contingency Details (Expenditures)

FY21 Non-Recurring Contingency

FY20 Revenues-FY20 Expenditures (Carryover)	$	882,959
Total Non-Recurring Contingency	**$**	**882,959**

FY21 Recurring Contingency

FY21 Revenues Exceeding Expenditures	$	740,548
Total Recurring Contingency	**$**	**740,548**
Total Contingency	**$**	**1,623,507**

FY21 School Resource Officer Reserve

Total SRO Reserve	**$**	**207,132**

FY21 Year Ending Balance Details (Revenues)

FY20 Revenues -FY20 Expenditures (carryover)	$	882,959
Total Year Ending Balance	**$**	**882,959**

FY20 Projected Year Ending Balance	**$**	**1,996,506**