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Nelson County Budget Overview June 9, 2020 Public Hearing

Fiscal Year 2020/2021

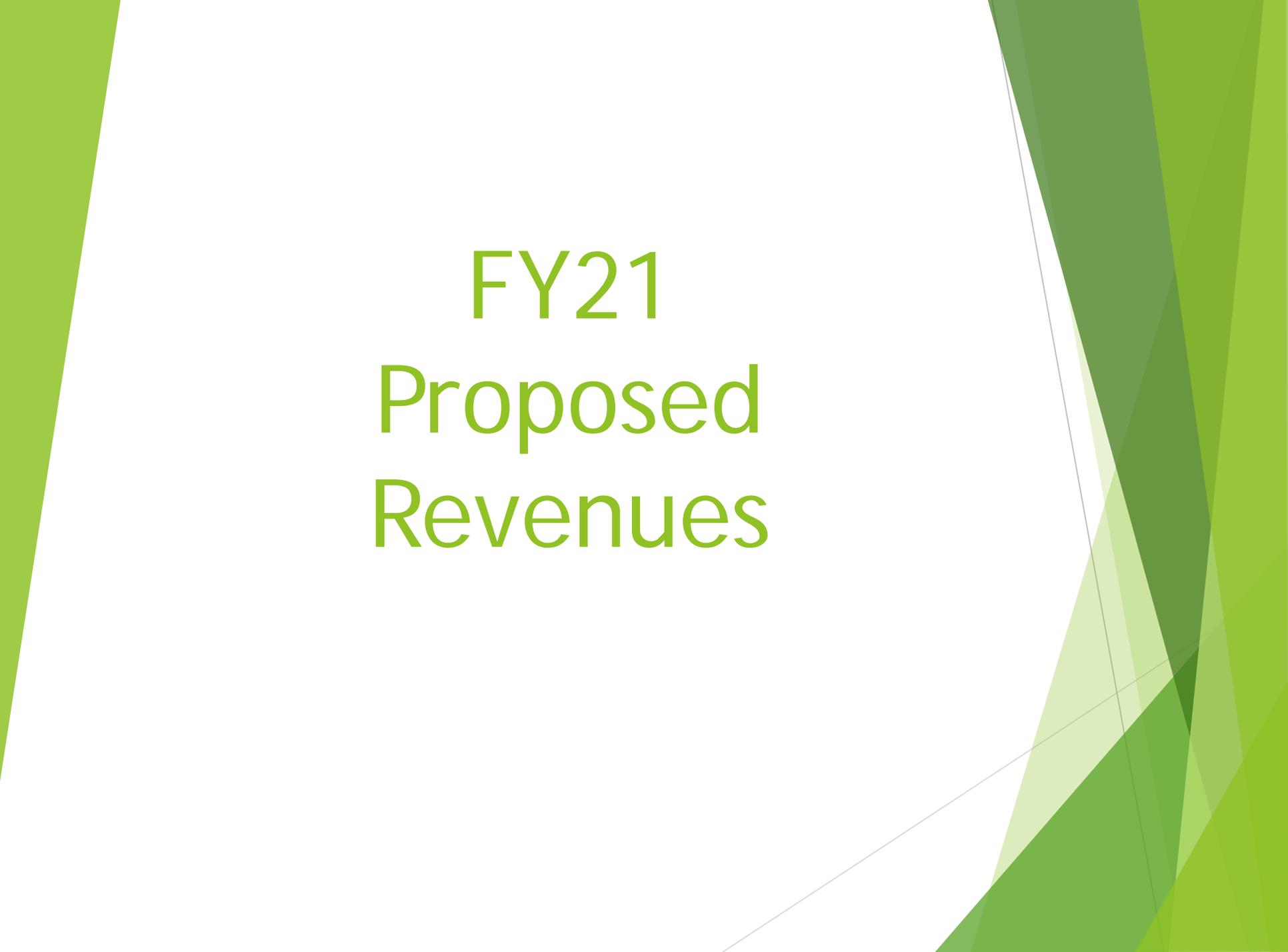
July 1, 2020 - June 30, 2021

2020 Tax Rates

- ▶ No change in tax rates.
- ▶ All tax rates are levied per \$100 of assessed value
- ▶ Real Estate and Mobile Home tax rate \$0.72
- ▶ Personal Property tax rate \$3.45
- ▶ Machinery & Tools tax rate \$1.25

Budget Funds

- ▶ General Operating Fund
- ▶ School Operating, Textbook & Cafeteria Funds
- ▶ Debt Service Fund
- ▶ Capital Fund
- ▶ Piney River Water/Sewer Enterprise Fund

The background features abstract, overlapping green geometric shapes in various shades, including light lime green, medium green, and dark forest green. These shapes are primarily located on the left and right sides of the page, framing the central text. The central area is white.

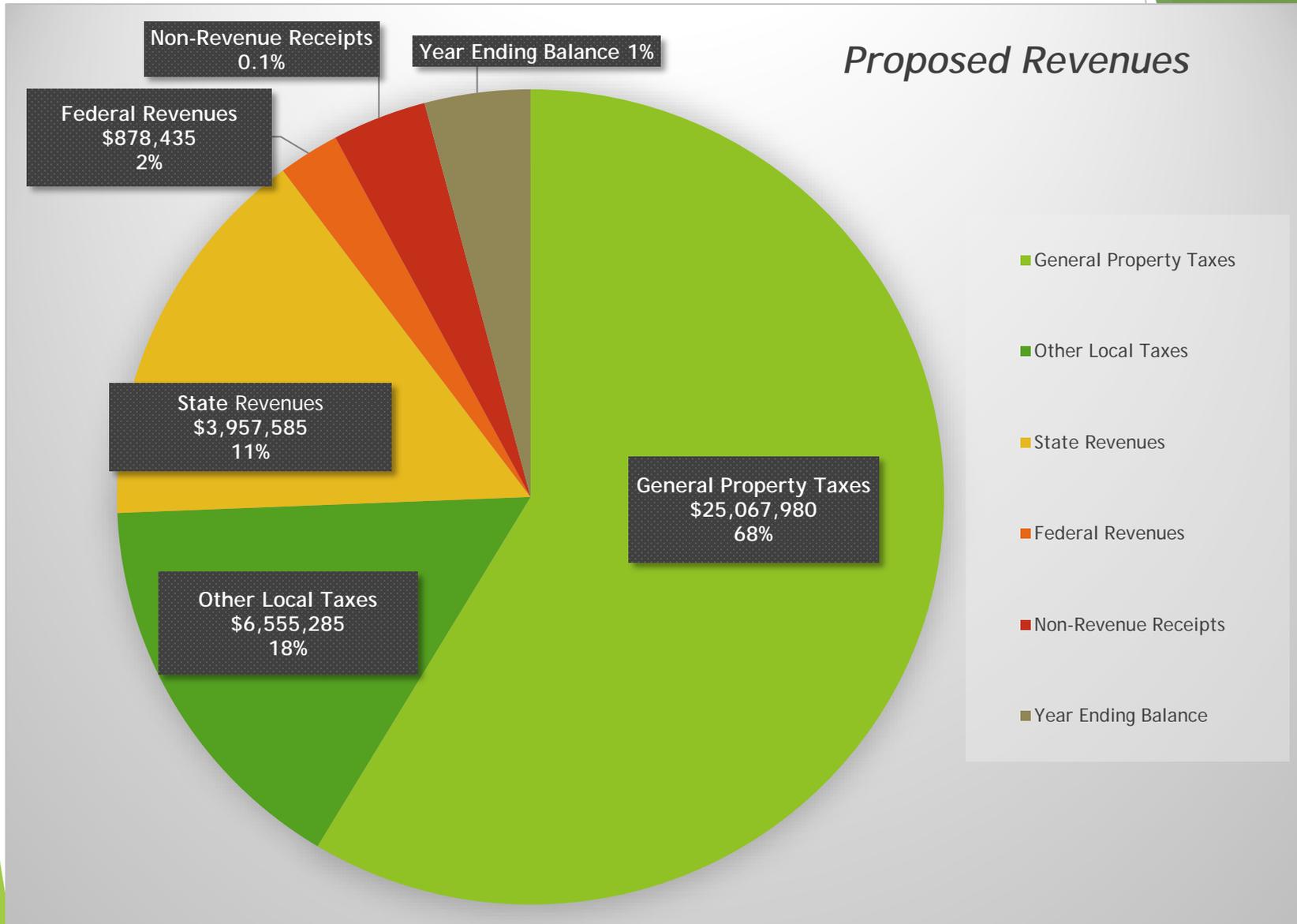
FY21 Proposed Revenues

FY20-21 GENERAL FUND BUDGET COMPARED TO FY19-20 As of May 2020

▶ FY19-20	\$44,449,452
▶ FY20-21	<u>\$36,943,981</u>
Decrease	- \$7,505,471
% Change	-16.89%

Excluding FY20 Capital Project Funds and Prior Year Balances Used to Offset COVID-19 Tax Relief, Overall Revenues for FY21 Decreased -\$363,278 or -1.0%.

FY21 Proposed Revenues By Major Category



Local Revenue

▶ FY20 Budget	\$29,897,592
▶ FY21 Estimates	<u>\$31,623,265</u>
Overall Increase	\$ 1,725,673
Percent Change	+5.77%

Excluding FY20 COVID-19 Personal Property & Machinery & Tools Tax Relief, there is an overall decrease in Local Revenue of **-\$325,869 or **-1.02%** from FY20 to FY21.**

Significant Local Revenue Factors

- ▶ **General Property Taxes** reflect a budgetary increase of \$1,996,063 (8.0%) in FY21; however without FY20 COVID-19 Personal Property and Machinery & Tools tax relief, General Property Taxes decrease -\$55,479 or -0.2%
- ▶ **Local Sales Tax** is expected to decrease by -\$246,106
- ▶ **Meals & Lodging Taxes** are projected to increase slightly (+\$27,128) from FY20; however the effects of COVID-19 on the last quarter of FY20 and FY21 are indeterminate at this time.
- ▶ **Court Fines & Forfeitures** are projected to decrease -\$111,000
- ▶ **Interest Earnings** are also expected to decrease by -\$110,000
- ▶ **Non-revenue Receipts** are decreasing -\$1,811,623 primarily due to use of bond proceeds in FY20 related to the Nelson Memorial Library expansion and renovation project that will not re-occur in FY21.

State Revenue (Excluding Non-recurring Grants)

▶ FY20 Budget	\$4,052,689
▶ FY21 Estimates	<u>\$3,957,585</u>
Overall Decrease	-\$95,104
Percent Change	-2.3%

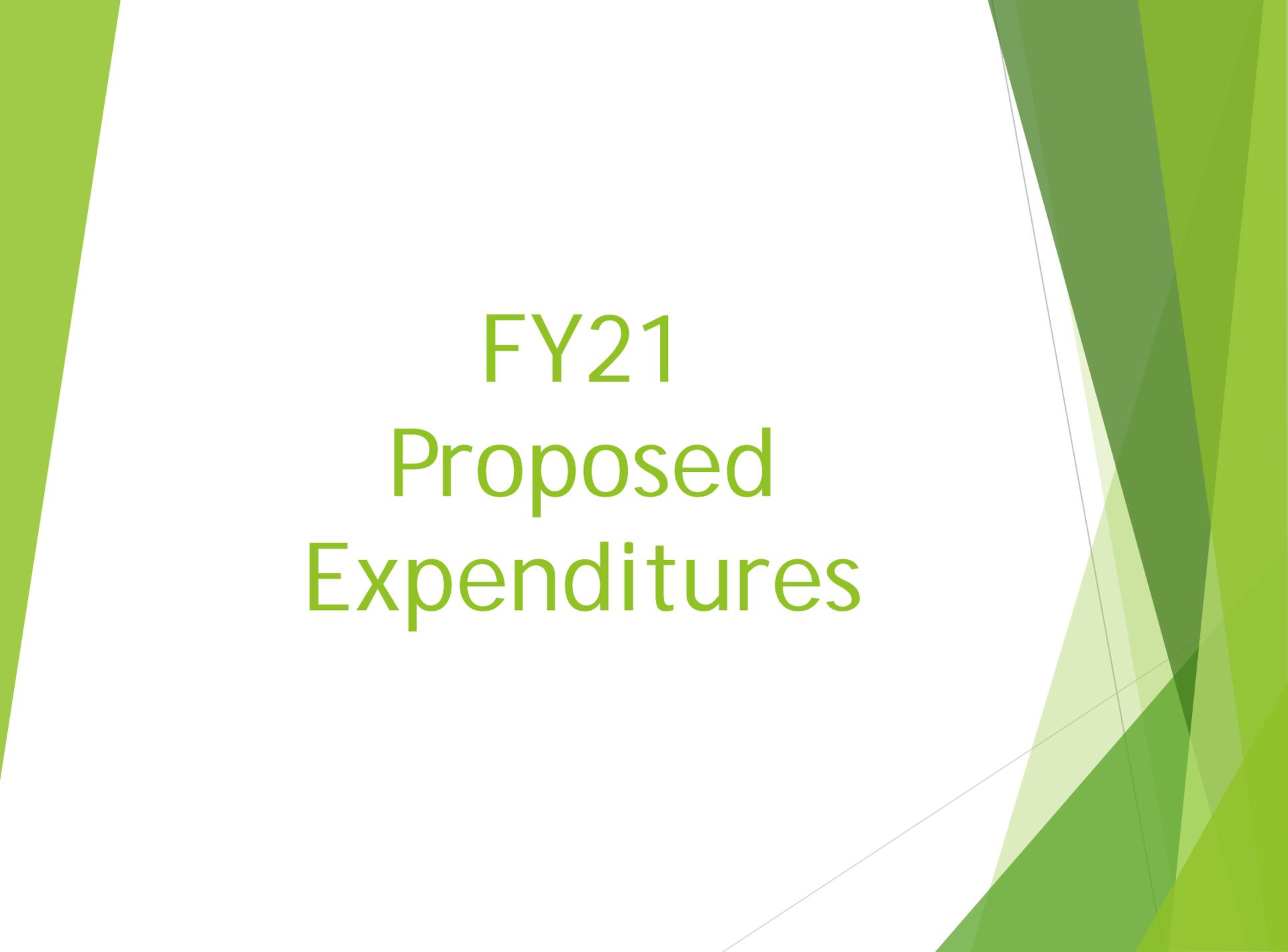
Federal Revenue (Excluding Non-Recurring Grants)

▶ FY20 Budget	\$ 802,641
▶ FY21 Estimates	<u>\$ 878,435</u>
Overall Increase	\$ 75,794
Percent Change	9.4%

All Sources of Revenue

▶ Local	\$31,623,265
▶ State	\$ 3,957,585
▶ *Federal	\$ 878,435
▶ Non-Revenue Sources	\$ 20,000
▶ Year Ending Balance	<u>\$ 464,696</u>
Total	\$36,943,981

*Up to \$1.3M in CARES Act COVID-19 Stimulus Funding Is Anticipated to Be Added to FY21 Revenue.

The background features abstract, overlapping green geometric shapes in various shades, including light lime green, medium green, and dark forest green, creating a modern, layered effect.

FY21 Proposed Expenditures

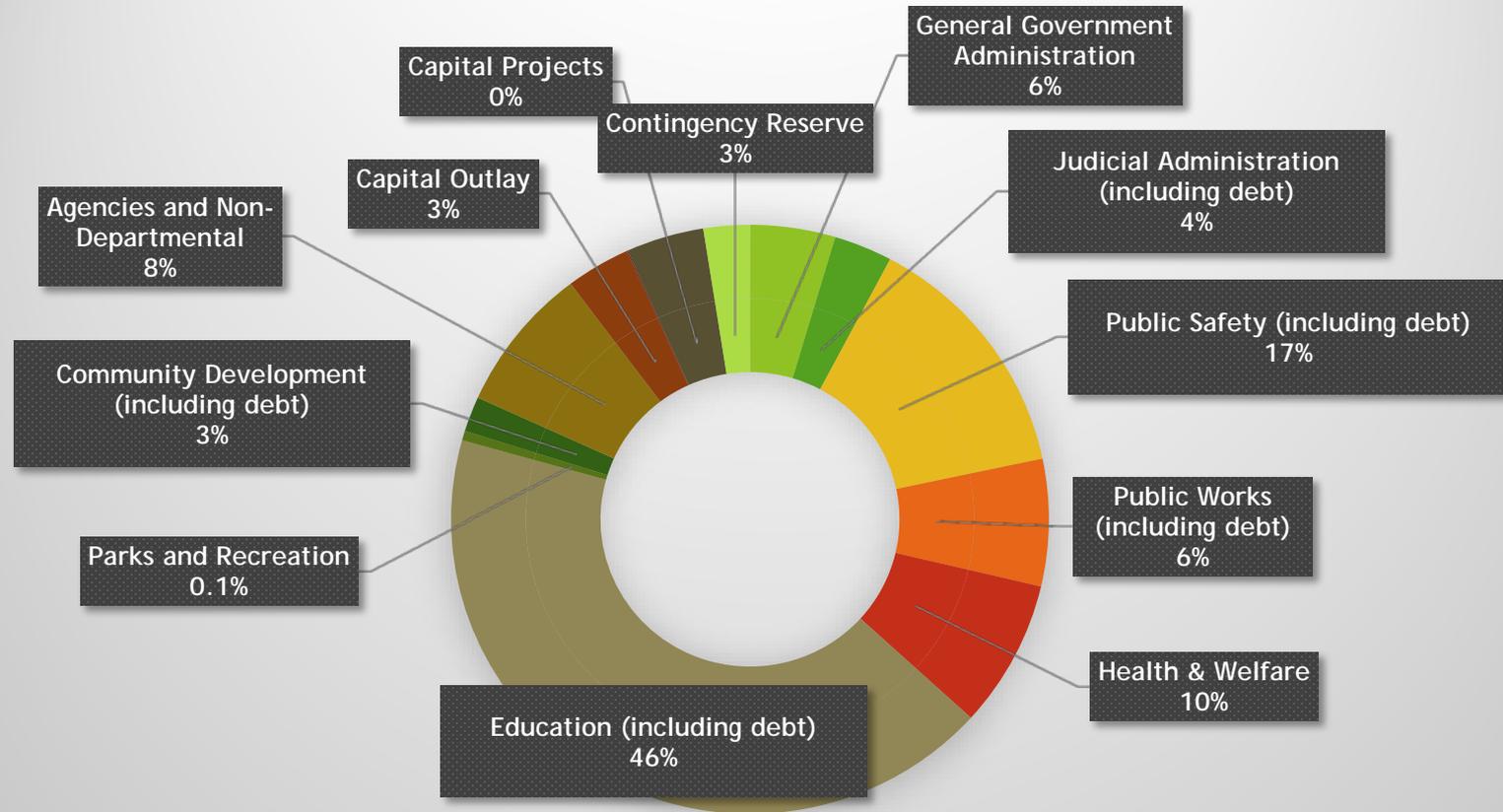
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Decrease	- \$7,505,471
% Change	-16.89%

Excluding Capital Projects and major Non-recurring expenditures, FY21 Expenditures are -\$636,978 or -1.7% less than in FY20.

FY21 Proposed Expenditures By Major Category

Proposed Expenditures



- General Government Administration
- Public Safety (including debt)
- Health & Welfare
- Parks and Recreation
- Agencies and Non-Departmental
- Capital Projects
- Judicial Administration (including debt)
- Public Works (including debt)
- Education (including debt)
- Community Development (including debt)
- Capital Outlay
- Contingency Reserve

FY21 Expenditures By Major Category (% of Total Budget)

▶ School Division- Ops, Debt, SROs and Capital Funds (46%)	\$17,163,971
▶ Departmental Operations Including Debt (18%)	\$ 6,687,902
▶ Public Safety Including Debt (17%)	\$ 6,121,316
▶ Health and Welfare (10%)	\$ 3,688,029
▶ Agency & Non-Departmental (including PVCC) (3%)	\$ 1,133,617
▶ Capital Outlay (3%)	\$ 1,101,799
▶ Refunds & Unallocated Reserve (3%)	<u>\$ 1,047,347</u>
Total	\$36,943,981

Expenditure Highlights:

Personnel:

- ▶ No Salary Adjustment Included
- ▶ Includes Required Benefit Increases of \$119,687
- ▶ No New Positions Included
- ▶ 3 Full-time School Resource Officers Maintained

Expenditure Highlights:

Public Safety & Emergency Services:

- ▶ No Public Safety Vehicles Included
- ▶ 7.0% increase in Regional Jail Costs
- ▶ Emergency Services Vehicle - Faber Fire Rescue/Pumper
- ▶ Emergency Communications and 911 Center Upgrades
- ▶ Public Safety Microwave Network Upgrade

Other Highlights:

- ▶ Level Funding of Most County Departments
- ▶ Level Funding of Most Agency Contributions & No New Agency Funding
- ▶ Miscellaneous Capital Outlay
 - ▶ Epoxy Animal Shelter Floor
 - ▶ Replacement of Water Tank for Tye River System
 - ▶ Software and IT Related Items
- ▶ Recurring Contingency Reserve of \$1.02 Million

Local Contribution to Schools

▶ School Operations	\$14,929,887	no change
▶ School Nursing Program	\$164,935	no change
▶ 3 SRO's (General Fund)	\$207,132	no change
▶ Reserve for Capital (General Fund)	<u>\$ 0.00</u>	-\$859,913
Total Contribution	\$15,301,954	
▶ School Debt	\$ 1,862,017	
* TOTAL SUPPORT	<u>\$17,163,971</u>	

*95% of FY21 Local Real Estate Taxes Supports Local Education; the equivalent of \$.68 cents out of every \$.72 cents in Real Estate Tax Rate.

Local Contribution to Schools Additional Funding

In Recent Fiscal Years the BOS Approved Additional Funding For:

- ▶ Replacement of NCHS Tennis Courts and Other Capital Projects
- ▶ 3 School Resource Officers (continued in FY21)
- ▶ FFA National competition travel and championship jackets/rings
- ▶ NMS and NCHS FFA Teaching/Advising Positions
- ▶ Elementary School Destination Imagination Team(s) National competition travel
- ▶ Matching funds for a School Security grant
- ▶ Use of end of year savings for capital needs.

Required Local Contribution to Schools for Enrollment of 1,589

- ▶ Local Composite Index (LCI) - The formula by which the State determines the percentage split between State and Local Funding for education.
- ▶ Nelson County's LCI for 2020-2022 is 0.5604
- ▶ Based on enrollment of 1,589 students, the County's required local contribution to Schools for FY21 is **\$7,491,081**.
- ▶ FY21 Local Contribution for operations (\$15,094,822) exceeds the required local contribution by **\$7,603,741**.
- ▶ Board of Supervisors provides the local contribution to the School Division; however the School Board and Administration decide how to budget and spend those funds.

Other School Fund Revenues

▶ State:	\$8,899,418
▶ Federal:	\$1,900,211
▶ Other:	\$ 868,352
Total School Fund	\$26,762,803

FY20-21 Proposed SCHOOL FUND BUDGET COMPARED TO FY19-20

FY19-20	\$27,556,718
FY20-21	\$26,762,803
<u>Decrease</u>	\$ 793,915
% Change	-2.8%

*Operations Budget only (excludes capital, debt & SRO's)

Summary By Fund

■ General Fund	\$36,943,981
■ School Fund	\$26,762,803
■ Textbook Fund	\$644,000
■ Cafeteria Fund	\$274,838
■ Capital Fund	\$705,251
■ Piney River Water/Sewer	\$350,235
■ Debt Service Fund	<u>\$3,176,552</u>
	\$68,857,660