

Nelson County Budget Overview May 10, 2022 Public Hearing

Fiscal Year 2022/2023
July 1, 2022 - June 30, 2023

FY23 Budget

- ▶ The presented FY23 Budget is based upon budgetary information at the time of the advertisement.
- ▶ State budgetary decisions are still pending which will affect the final General Fund budget and the School Division operating budget presented for the Board's approval. The School Division Budget presented is based upon former Governor Northam's recommended budget.
- ▶ The FY23 General Fund budget presented is based upon an increase in Transient Occupancy Tax from 5% to 10%. A public hearing has been held on the increase and a decision by the Board is pending.

Tax Year 2022 Tax Rates

- ▶ All tax rates are levied per \$100 of assessed value
- ▶ Real Estate and Mobile Home tax rate \$0.65
- ▶ Personal Property tax rate \$2.79
- ▶ Machinery & Tools tax rate \$1.25
- ▶ *Transient Occupancy Tax revenue budgeted is at a rate of 10%. The final rate is pending decision by the Board of Supervisors.*

Budget Funds

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

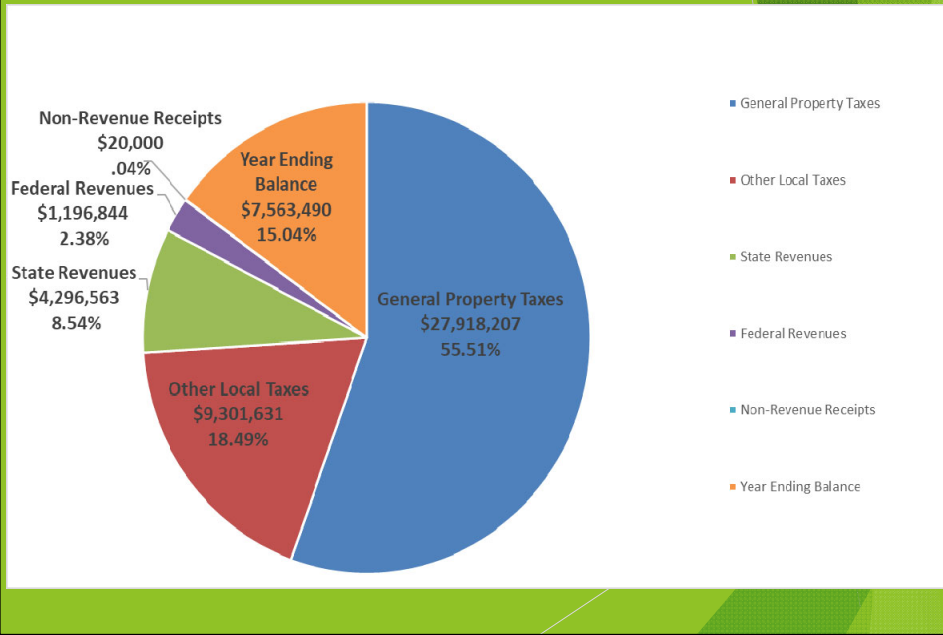
FY22-23 GENERAL FUND BUDGET
COMPARED TO FY21-22 AMENDED
BUDGET AS OF APRIL 2022

▶ FY21-22	\$44,049,449
▶ FY22-23	<u>\$50,296,735</u>
Increase	\$6,247,286
% Change	14.18%

FY23
Proposed Revenues

\$50,296,735

FY23 Proposed Revenues By Major Category



Local Revenue

▶ FY22 Budget	\$32,384,954
▶ FY23 Estimates	<u>\$37,219,838</u>
Overall Increase	\$ 4,834,884
Percent Change	+14.93%

Significant Local Revenue Factors

- ▶ **General Property Taxes: +\$2,227,731**
 - ▶ Real Estate Taxes: + \$2,201,260
 - ▶ Public Service Taxes: +\$24,040
 - ▶ Personal Property Taxes: +\$0
 - ▶ Machinery & Tools: +\$2,431

- ▶ **Other Local Revenue: +\$2,607,153**
 - ▶ Local Sales & Use Taxes: +\$573,173
 - ▶ Recordation Taxes: +\$181,080
 - ▶ Meals & Lodging: +\$1,635,262 (Includes TOT Rate of 10%)
 - ▶ Permit Fees: +\$85,450
 - ▶ Court Fines & Forfeitures: +\$37,500
 - ▶ Interest on Investments: (\$95,000)
 - ▶ Miscellaneous (Net): \$189,688

State Revenue

▶ FY22 Budget	\$4,468,981
▶ FY23 Estimates	<u>\$4,296,563</u>
Overall Decrease	-\$172,418
Percent Change	-3.86%

Federal Revenue

▶ FY22 Budget	\$ 4,145,848
▶ FY23 Estimates	<u>\$ 1,196,844</u>
Overall Decrease	(\$ 2,949,004)
Percent Change	-71.13%

FY22 included receipt of \$2,921,411 in COVID-19 American Rescue Act Funding not reoccurring in FY23.

All Sources of FY23 Revenue

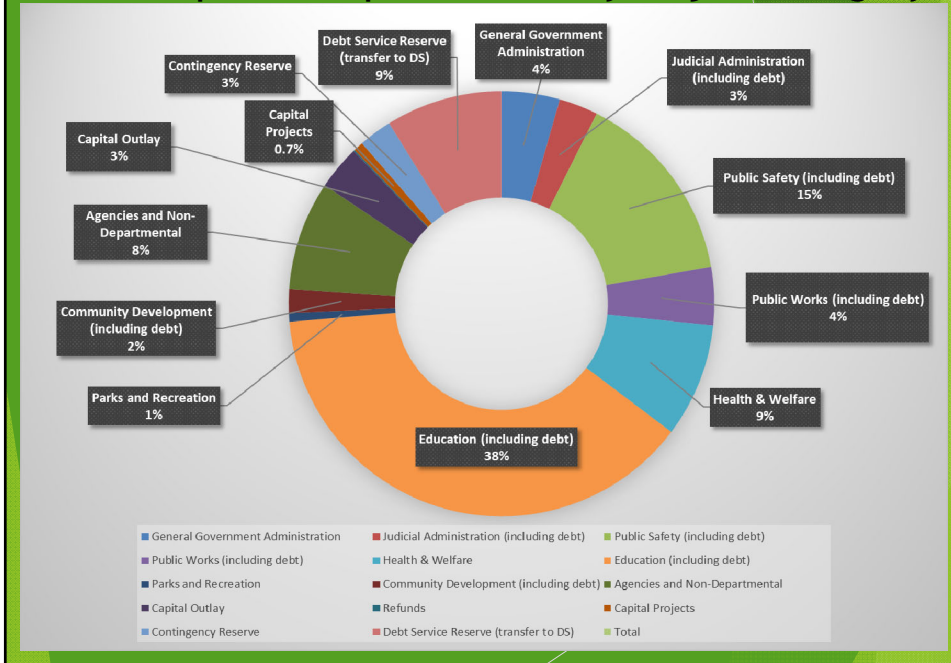
▶ Local	\$37,219,838
▶ State	\$ 4,296,563
▶ Federal	\$ 1,196,844
▶ Non-Revenue Sources	\$ 20,000
▶ Year Ending Balance	<u>\$ 7,563,490</u>
Total	\$50,296,735

FY23
Proposed Expenditures
\$50,296,735

**FY22-23 GENERAL FUND BUDGET
COMPARED TO FY21-22 AS OF
APRIL 2022**

▶ FY21-22	\$44,049,449
▶ FY22-23	<u>\$50,296,735</u>
Increase	\$6,247,286
% Change	14.18%

FY23 Proposed Expenditures By Major Category



FY23 Expenditures By Major Category (% of Total Budget)

▶ School Division- Operations and Debt (38.30%)	\$19,280,549
▶ Governmental Operations Including Debt (14.26%)	\$ 7,176,938
▶ Public Safety Including Debt (14.8%)	\$ 7,460,410
▶ Health and Welfare (8.7%)	\$ 4,361,819
▶ Agency & Non-Departmental (including PVCC) (8.3%)	\$ 4,176,819
▶ Capital Outlay (3.4%)	\$ 1,689,335
▶ Capital Projects (0.7%)	\$ 375,000
▶ Refunds & Unallocated Reserve (2.6%)	\$ 1,321,750
▶ Debt Service Reserve (8.9%)	\$ 4,454,115
Total	\$50,296,735

Expenditure Highlights:

Personnel:

- ▶ 5% Salary & Benefit Adjustment Included
- ▶ 0% Increase in Health Insurance Premiums
 - ▶ Due to adjustment in plan offerings
- ▶ New Positions Included:
 - ▶ Full Time Dispatch Supervisor
- ▶ 4 Full-time School Resource Officers Maintained (Includes State SRO Grant Position)

Expenditure Highlights:

Public Safety & Emergency Services:

- ▶ 21.08% increase in Regional Jail Costs
- ▶ Operational funding for a second 24/7 Paid EMS Crew
- ▶ Emergency Services Vehicle - Nelson EMS Ambulance and Equipment
- ▶ Emergency Communications and 911 Center Upgrades
- ▶ Additional Funding for Local EMS Council Above Request
- ▶ 4 Sheriff's vehicles and equipment and cell phone investigation software
- ▶ 1 Animal Control Truck and equipment

Other Highlights:

- ▶ Increases to Agency Contributions
- ▶ Capital Project Funding of \$375,000
- ▶ Miscellaneous Capital Outlay - Total \$1,689,335
- ▶ Transfers to Other Funds of \$27,362,455
 - ▶ Reassessment Fund - \$85,000
 - ▶ DSS- \$2,234,515
 - ▶ School Nurses and Operational Funding - \$17,301,622
 - ▶ Debt Service -\$7,741,318
- ▶ Contingency Reserves of \$1,269,750
 - ▶ Recurring \$881,750
 - ▶ Non-Recurring \$388,000

FY23 School Fund
\$36,986,935

FY22-23 Proposed SCHOOL FUND
BUDGET COMPARED TO FY21-22
Approved Budget

FY21-22	\$27,487,335
FY22-23	<u>\$36,986,935</u>
Increase	\$ 9,499,600
% Change	34.5%

FY23 School Fund Revenue

▶ Local:	\$17,301,622 +\$1.5M
▶ State:	\$10,619,158 +\$1.7M
▶ *Federal:	\$ 8,649,690 +\$24K
▶ Other:	<u>\$ 416,465 +\$124K</u>
Total School Fund	\$36,986,935 + \$1.8M

* Federal Funding includes \$6.1 Million in Covid-19
Stimulus Funding Carried Over from FY22

FY23 Local Contribution to Schools

▶ School Operations	\$17,136,687	+\$1.5M
▶ School Nursing Program	\$164,935	no change
▶ 4 SRO's (General Fund)	\$207,132	no change
▶ Reserve for Capital	\$ 0.00	no change
▶ Transfer to School Capital (General Fund)	\$ 0.00	-\$704,895
Total Contribution	\$17,508,754	
▶ School Debt	\$ 1,979,212	
* TOTAL SUPPORT	<u>\$19,487,966</u>	

*96.4% of FY23 local Real Estate Taxes supports the Total Local Contribution to Schools above; the equivalent of \$.63 cents out of every \$.65 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 Track and Other Capital Projects
- ▶ 4 School Resource Officers (continued in FY23)
- ▶ 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 grants
- ▶ Use of end of year savings for capital needs.

Required Local Contribution to Schools for Enrollment of 1,454

- ▶ 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 2022-2023 is 0.5888
- ▶ Based on enrollment of 1,454 students, the County's required local contribution to Schools for FY23 is **\$9,047,419**.
- ▶ FY23 Local Contribution for operations (\$17,301,622) exceeds the required local contribution by **\$8,254,203**.
- ▶ 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.

Proposed School Fund Expenditures by Major Category As Requested

▶ Instruction	\$20,144,690	+ \$2,178,642
▶ Administration	\$1,531,228	+ \$252,000
▶ Transportation	\$3,234,964	+ \$639,624
▶ Maintenance	\$3,310,206	+ \$496,799
▶ Food Services	\$1,441,881	+ \$214,255
▶ Facilities	\$1,324,290	+ \$1,324,290
▶ Debt Service	\$186,584	+ \$5,434
▶ Technology	\$1,426,265	+ \$162,995
▶ Fund Transfer	\$192,481	+ \$30,524
*Total:	\$32,792,590	+ \$5,305,255

*** Excludes \$6,125,719 in Covid-19 Stimulus Funding**

Summary By Fund

■ General Fund	\$50,296,735
■ School Fund	\$36,986,935
■ Textbook Fund	\$490,167
■ Cafeteria Fund	\$260,301
■ Capital Fund	\$705,251
■ Piney River Water/Sewer	\$181,093
■ Debt Service Fund	<u>\$7,741,318</u>
	\$96,661,800