



County of Culpeper
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April 17, 2020

The Honorable Members of the Board of Supervisors
County of Culpeper
302 North Main Street
Culpeper, VA 22701

Dear Members of the Board:

I am pleased to submit the attached proposed FY21 (2020-2021) Annual Fiscal Plan for the County of Culpeper. Included are my recommendations for Schools and General Government.

This budget represents the culmination of a great deal of effort on the part of our staff and input from our County Agencies. We believe the format of this budget document serves the informational needs of our citizens by providing complete and accurate information about the proposed budget.

Challenges for the FY21 Budget

- ◆ Dating back to FY06, we began a “zero-based” budget process. During the budget call, all departments and Constitutional Officers are asked to zero out and justify all individual line items in their budget to verify real needs. We continue this process through the FY21 budget.
- ◆ The County will always strive to maintain a reasonable tax structure by effectively and responsibly balancing the increasing demands for services with available resources in order to ensure that Culpeper County citizens get the maximum return from their tax dollars.

- ◆ Regardless of the state of the economy throughout the years, the County has worked to avoid raising taxes and to remain cognizant of our established fund balance policy, which is to maintain an amount equal to between 10% and 15% of the operating budget within the General Fund. This budget requires use of some fund balance for capital projects (one-time costs), while adhering to the fund balance policy.
- ◆ The County will always monitor the local economy as well as the economy of the Commonwealth and the national economy to ensure that a sustainable budget is prepared. Initially the local economy was doing well and building & zoning permit revenue continue to indicate that the economy was steady. Further, the School Superintendent had and still continues to project a modest 3.87% increase in enrollment figures from FY20 to FY21.
- ◆ For the fiscal year ended June 30, 2019, the Commonwealth of Virginia ended with a revenue surplus of approximately \$778M. Virginia finished 2019 with its fifth straight year of economic growth and its second straight year of growth exceeding 2%. For 2019, Virginia was at the top of CNBC's 2019 ranking of America's Top States for Business. This was evidenced by Amazon's decision to locate a portion of its business in northern Virginia.
- ◆ The Commonwealth's economy grew at a slightly higher rate than the national economy, at 2.5% vs 2.3%. As of the end of the 3rd quarter of 2019, personal income grew 2.51 percent in Virginia compared to 3.05 percent in the U.S. Housing prices in Virginia rose 3.5 percent compared to 5.7 percent nationally. Virginia's unemployment rate in January 2020 was at 2.7%, down 0.3% from a year ago, as compared to the US unemployment rate at 3.6% holding steady for the past 6 months. The County's unemployment rate in January 2020 was 2.9% compared to January 2019, when it was at 3.1%.
- ◆ The 2020 session of the Virginia General Assembly passed a two-year spending plan on March 12, 2020, for the biennium 2021-2022. The budget then goes to the Governor for possible amendment or veto. That budget includes 2% across the board raises for teachers and a 2% one-time bonus for all Constitutional Officers and their staff. The General Assembly is set to return on April 22 to consider the Governor's proposed amendments and/or vetoes to the budget.
- ◆ Due to the recent events surrounding the coronavirus outbreak, and the effects of it weighing on the economy in the near term, the federal reserve lowered the target range for federal funds rate to 0% to 0.25%. The federal reserve expects to maintain that rate until the economy is back on track from the outbreak.

- ◆ The County's economic projections are good, with the unemployment rate in January 2020 at 2.9% compared to January 2019, when it was at 3.1%. The median household income for Culpeper is \$69,693, while the median household income for Virginia is \$71,564 and for the US is \$61,937. The County's population has grown approximately 12% from 2010 to 2019. With the growth continuing in the County, the economy for Culpeper appears vibrant and sound.
- ◆ While the COVID-19 pandemic is a source of uncertainty, Culpeper County is ideally located for development of data centers, which produce substantial revenue for the County and which are mostly unaffected by the economic uncertainty we currently face. The size of the County, its agricultural base and its rural character should also minimize the impacts of the COVID-19 crisis. The County's largest employers are primarily those that will continue to operate through this crisis as well. Looking beyond the immediate concerns, in the long-term Culpeper County's economy is projected to be strong. The housing market is thriving, and we are a business-friendly community.
- ◆ Due to the COVID-19 outbreak, many changes have occurred since the we first began the FY21 budget development. The CPI was steadily increasing around .1% to .2% each month; however, as of March the CPI has fallen by .4%. Unemployment has drastically increased as non-essential businesses are closed and Virginia continues a stay at home order. As of February, the most recent available information, the County's unemployment rate was 2.8%, with expectations of a much higher percentage for March. For March the unemployment rate for Virginia was 3.3% while the national rate was 4.4%.
- ◆ The initial draft of the FY21 budget maintained our established practice of calculating salary adjustments as outlined in the Personnel Management Plan. That process includes a two-fold approach, taking into account a COLA for employees as well as a pay for performance increase based upon annual evaluation results.
- ◆ One of the budget changes implemented due to COVID-19, is the removal of the pay for performance portion of employees' raises; the budget does still include a COLA increase, however, that increase is a mid-year increase. This will allow the Board of Supervisors time to review any revenue reduction impacts to the County after the December 5th deadline for tax payments and decide whether the mid-year COLA is still feasible.
- ◆ Initially the FY21 proposed budget included five (5) new full-time positions; one (1) new part-time position and two (2) changes of part-time to full-time positions. However, again due to the pandemic, these positions have been removed, with the exception of Sheriff's Office positions.

- ◆ The budget now eliminates a full time Criminal Justice Services position as well as the request to transition two (2) existing part-time positions to full-time. One of these positions was in the Commissioner of the Revenue's Office which has had no additional staff added for several years. With the auditing of businesses and the proration of personal property taxes, the volume of transactions continues to grow with the population in the County. The other part-time to full-time position request was in the Options Program. This position was to continue as a Community Services worker, aiding in servicing the increased number of Youth coming through the program.
- ◆ Further, the budget also now eliminates the request of the Clerk of the Circuit Court for a part-time employee to assist with the day-to-day duties of the Clerk's Office, which have increased due to additional court days; and also to assist with the scanning of records for the office.
- ◆ At this time, the FY21 proposed budget maintains the request of the Sheriff's Office for two (2) new deputies for the Jail and two (2) new deputies for Law Enforcement. An independent assessment and the Department of Corrections continue to agree that the number of inmate bookings and transports by Culpeper Jail require additional staffing. The Jail's population and responsibility has increased by as much as 120% since the Sheriff's first term through FY19 with no additional sworn or administrative staffing. In FY20, the Board of Supervisors approved 6 new deputies for the Jail and Court Security. The additional inmates housed in outside facilities require an enormous increase in work required to take care of the movement between jails and court. The Circuit Court of Culpeper County is now scheduling cases to be heard 5 days/week, therefore there is also an increased need for additional court security. Because of the close proximity of the Courthouse and Jail, deputies can move between the two (2) locations to assist where the need is the greatest.

TAX RATES AND FEES

This proposed budget maintains the real estate tax rate of \$0.62 per \$100 of assessed value. This rate is comprised of two (2) parts, the Fire & Rescue levy at \$.09 per \$100 of assessed value, and the General fund real estate tax rate to \$.53 per \$100 of assessed value.

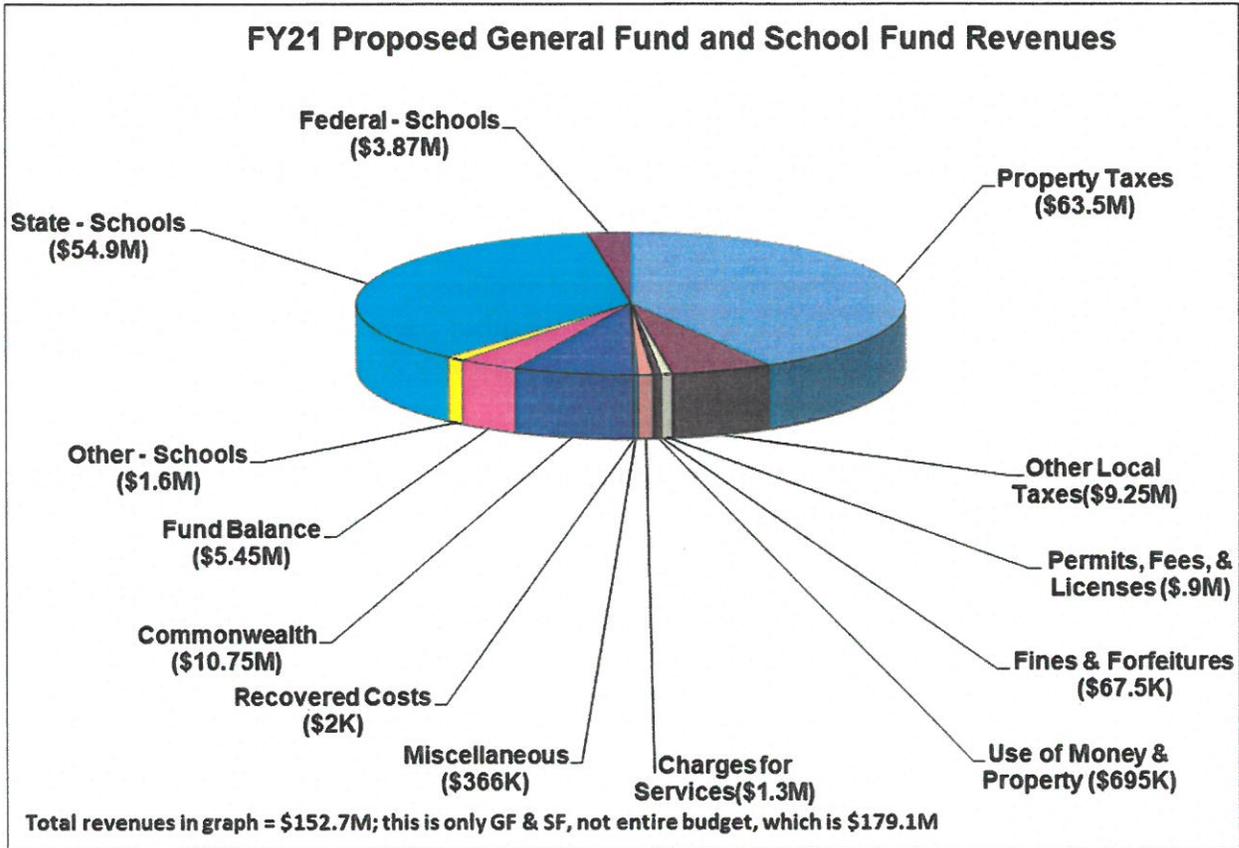
The proposed budget also maintains the current personal property tax rates of:

- \$1.50 per \$100 of assessed value for recreational personal property;
- \$1.00 per \$100 of assessed value for Passenger Carrier vehicles (30 or more passengers);
- \$.0001 per \$100 of assessed value for airplanes;
- \$3.50 per \$100 of assessed value for all other personal property; and
- \$2.00 per \$100 of assessed value for Machinery & tools.

The remainder of this letter is largely broken down into a discussion of **Total Revenues**, followed by **Total Expenditures**.

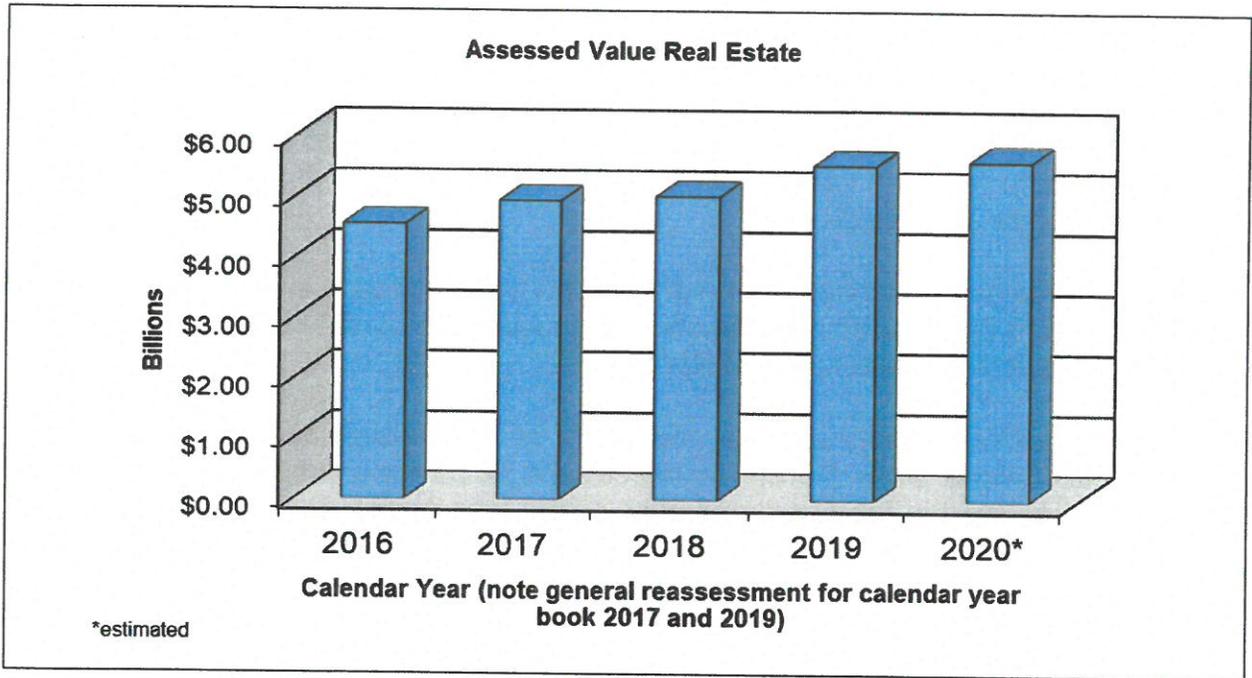
TOTAL REVENUES

The following chart depicts the fiscal year 2021 total revenues. Major sources include property tax, sales tax, utility tax and funds from the Commonwealth of Virginia.

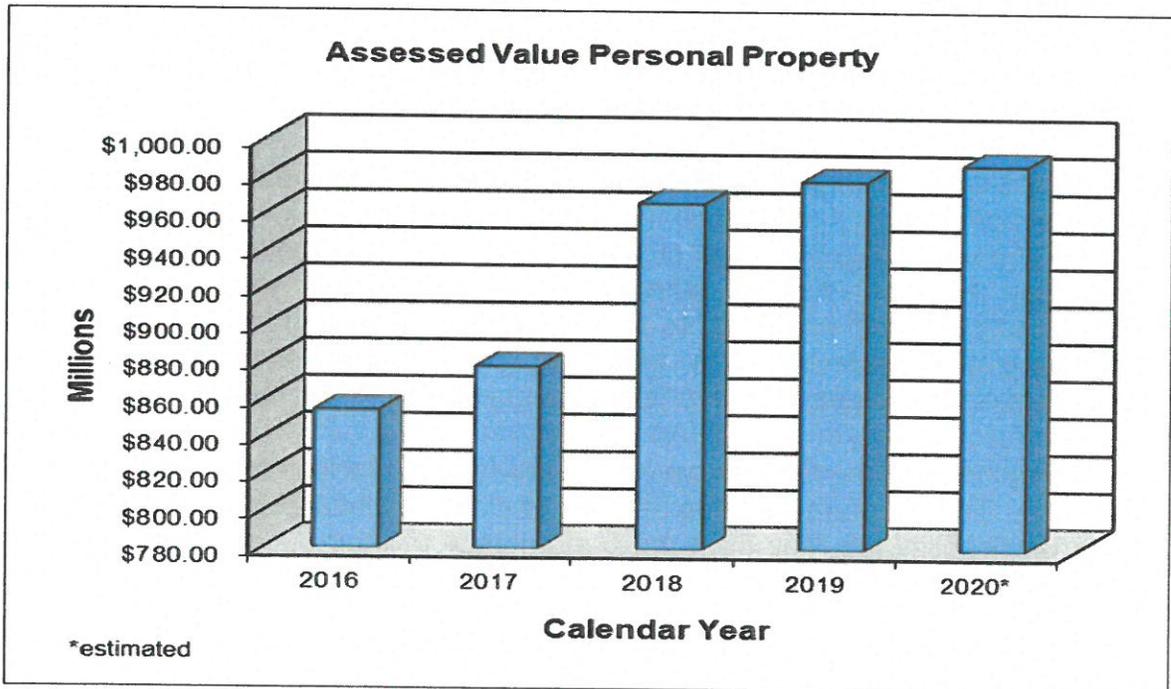


The following table reflects budgeted and projected growth rates for the major revenues.

Major Revenue Sources	FY21 Projected Growth Rates	FY20 Projected Growth Rates
Property Tax	(0.38%)	1.79%
Sales Tax	(15.00%)	3.85%
Commonwealth of Virginia	(3.36%)	0.32%



The bar graph above shows the total assessed value of real property in the County. The overall value of real property in the County (excluding public service corporations) increased from \$5.02 billion to \$5.54 billion as of January 1, 2019. Real property taxes constitute 39.44 percent of the County's projected revenues for fiscal year 2021.



The bar graph above shows the total assessed value of personal property in the County. Personal property tax is levied on the tangible property of individuals and businesses. For individuals, this is primarily associated with automobiles. For businesses, examples include motor vehicles, machines, fixtures and tools.

In calendar year 2019, the assessed value of personal property in the County totaled \$978.11 million. This was an increase of 1.24% percent over the \$966.10 million in calendar year 2018. This is depicted in the bar graph above. The calendar year 2019 book collections occur during FY20, and are normally used as a starting point for projections for the upcoming FY21 budget. The fiscal year 2021 budget is based on maintaining the current tax rates.

The revenue generated from a personal property tax increase in FY07, which increased the rate from \$2.50 to \$3.50, was and continues to be used to offset debt taken on for the construction of Eastern View High School.

During the FY14 budget process, the Board of Supervisors approved the proration of personal property taxes, thereby taxing citizens for personal property only for the period of time they lived in the County or only for the time-period citizens actually owned the subject property. This approach has generated additional revenue for the County.

The FY21 proposed budget, does consider a 10% reduction in collection of personal property taxes, due to COVID-19; due to unemployment rising and the stay-at-home order of the Governor of the Commonwealth of Virginia, many people are currently not working or working limited hours. Therefore, we made the assumption collections would be reduced until such time as residents are back to work and able to pay.

Local Sales Tax – The proposed FY21 budget projects that sales tax revenue will decrease by approximately \$1M or 15% from FY20. Again, due to COVID-19, many stores are closed as well as restaurants. Sales tax payments to the County are on a 2-month lag from the month collected and submitted to the Commonwealth, thus it is estimated sales tax revenue will be down for much of FY21.

Commonwealth of Virginia – Revenue from the Commonwealth of Virginia, excluding school funding and Human Services funding, is projected to decrease from FY20 to FY21. When the County budget process began, the Governor's budget did not include raises for the Constitutional officers. Then information was provided the State Compensation Board was going to provide a 1-time bonus of 2% to the Constitutionals and their staff in December 2020. However, that language has now been removed from HB30, which was released by the State Compensation Board on April 16, 2020.

Beginning in FY12, the Commonwealth passed on to localities the cost of LODA (Line of Duty Act). This program provides benefits to state and local public safety officers due to death or disability resulting from the performance of their duties. The LODA program continues in the FY21 budget.

The Commonwealth of Virginia, as part of its biennium budget for FY13-14, initiated retirement program reform. Therefore, for FY13, the Commonwealth mandated that all localities and school systems begin withholding 5% of employee salaries, pretax, to go toward the employee's pension. The mandate further included that all localities would increase all Plan I employees' creditable compensation by 5%. Localities had an option to phase in the 5% increase over the course of 5 years. The Phased approach was intended to cover the increased cost to localities of FICA and Workers Compensation

insurance on the higher creditable compensations. These expenses were not fully recognized by the Commonwealth when the initiative first began. The County of Culpeper assumed the entire 5% in FY13 in order to eliminate the need for further changes in successive years. Beginning in January 2015, the VRS began its hybrid plan, in which all new hires must enroll if they have never worked under the Virginia Retirement System previously, and if they are not eligible for either Plan I or Plan II.

SPECIAL REVENUE FUNDS

Carver Center Fund – For fiscal year 2021, the budget includes funding of \$148,044 for the maintenance of buildings at the Carver Center. This fund has projected revenues totaling \$24,000 from charges for rent. The County's General Fund will contribute the remaining \$124,044.

Human Services Fund - Revenues total \$12,928,375 and are primarily State and Federal aid to Social Services programs with matching funds of \$1,786,822 from the County for operations. In addition to the operations of the Social Services Department, this fund also accounts for the operations of the Day Care Program, Cosmetology Program, Head Start and Early Head Start.

E911 Fund - This fund includes projected E911 tax revenues totaling \$1,132,435. In addition, the County's General Fund will contribute \$895,494, the Town of Culpeper contributes \$386,500, and the Commonwealth of Virginia contributes \$159,572 for total revenue of \$2,574,001.

ENTERPRISE FUNDS

Airport Fund – The estimate of airport revenues for FY21 is \$1,026,652. This amount includes rental of hangars, sale of aviation fuel and maintenance grants from the Virginia Department of Aviation. Due to the implementation of GASB 34, the airport fund is an enterprise fund as opposed to a special revenue fund. Further, because of GASB 34, capital improvement projects related to the airport are now budgeted within the airport fund as opposed to the County CIP fund. The FY21 budget includes two (2) new CIP projects. These projects consist of the Greenhouse Road extension construction and a Stormwater Pollution Prevention Plan. The projects total \$5.585M, and all but \$115,305 is funded through the FAA and the DOAV. This number may be reduced pending further design considerations but is included in the budget to insure adequate funding. Additionally, due to the federal CARES Act, the FAA may absorb the County share of these costs, saving \$115,305.

For FY18, the operating budget for the Airport was self-sustaining and did not require any General Fund assistance for operations. However, for FY19 and continuing into FY20, the Airport fund will not be self-sustaining. The reason for this is a revenue shortfall caused by pavement rehabilitation around the hangars, which began in FY18 and is continuing through FY19 and into FY20. There will be displacement of various aircraft while the pavement is rehabilitated; therefore, with the displacement of aircraft, hangar rent during those periods will not be charged for the affected aircraft.

Consequently, for FY19, the General Fund provided \$77,095 to offset operations and for FY20 the General Fund will provide 32,415.

For FY21, the Airport continues to be non-self-sustaining, with assistance from the General Fund of \$15,473 for operations. The main driver behind this General Fund assistance is the large increase in health insurance.

Landfill Fund – The estimate of fees generated at the solid waste transfer station for FY21 are decreasing from \$1,980,000 to \$1,600,000, a \$380K or 19% decrease. Further, the estimated revenue for rental of space will again be \$15,000 for FY21. The reason for the decreased estimate of fees is due to a projected decrease in volume of waste to be collected. The utility tax collected and transferred from the General Fund will be \$1,382,429, bringing the total revenue to \$2,997,429. Similar to the airport fund, due to GASB 34, all capital improvement projects related to the solid waste transfer station are now budgeted within the landfill fund as opposed to the County CIP fund. For fiscal year 2021, there are no CIP projects scheduled to occur. As part of the FY21 budget, we are proposing to utilize \$32,500 from the Landfill fund balance to cover some capital costs, a recycling container costing approximately \$25,000, and some ADP costs, both of which are shown in the operating budget.

Water and Sewer Fund - This fund also operates as an enterprise operation, which means that the County recovers its costs of providing services from those who use the services. The estimate of fee revenue for FY21 is \$546,490 from fees collected from sale of water and sewer services. An additional \$557,068 will come from revenue proffered for the Clevenger's Village water and wastewater system as an offset to operating losses until the system can be self-sustaining. The balance of the revenue will come from the General Fund to offset operating costs for \$548,733, bringing the total revenue for the Water and Sewer Fund to \$1,652,291. There was one capital project in the Water and Sewer Fund for FY17 and FY18. Funds in the amount of \$1,200,000 and \$750,000, respectively, will come from the Landfill fund balance to continue the construction of a public water supply system (Cherry Hill) near the closed landfill in order to provide an alternate water supply to residences. Otherwise there are no CIP projects scheduled to occur in FY21.

COMPONENT UNIT SCHOOL FUNDS

State revenues will provide \$54,891,379 or 60 percent funding for Culpeper County Public Schools (CCPS) for the fiscal year 2021 budget. These revenues are divided into several categories:

Sales tax – Revenue from a one and 1/8 percent portion of the State sales tax returned to localities is designated for public school education. This component of State sales tax is distributed based on a locality's school age population. The fiscal year 2021 estimated amount of sales tax is \$10,600,631.

State Categorical Funds – This funding stream is offered as an offset to specific services provided by the local school district. Funds are provided in direct relation to the cost and level of services provided. Projected state revenues for FY21 total \$44,290,748.

Standards of Quality – State funds are largely distributed based upon an “equalized” formula that takes into account a locality’s ability to pay. This “composite index” is applied to various revenue accounts to ensure an equitable distribution of State funds to all school districts. The State assumes a 50/50 sharing of the costs to fund Standards of Quality (SOQ). Culpeper’s Composite Index is .3741. Therefore, the State provides 62.59 percent of the estimated SOQ costs, with Culpeper County providing 37.41 percent. For each SOQ item, the State has established a per pupil cost for each locality based upon the school district’s cost experience and the State’s established staffing levels for the specific initiative. State revenue is established by multiplying the number of students in the average daily membership by the per pupil amount, and then by the composite index.

Federal Revenue -- Amounts in this section of the revenue budget represent the Federal offset of certain specific programs. Some of these programs require a local funding match, while other programs are fully funded (self-sustaining). Most of the self-sustaining programs are mandated or are grant initiatives. It is expected that at the end of the year these programs will be cost/revenue neutral. Federal funds will provide \$3,871,223 of the school’s estimated revenue. Federal funding declined for FY20 but has increased slightly for FY21.

Other Revenue – Revenue in this section is derived from non-government sources. These funds come primarily from fees for services and specific cost recoveries. Other Revenues will provide \$1,619,622 of the school’s budget.

Local Revenue – Local funds are provided for regular school operation, including the local share of the State Standards of Quality. Additional local funds are appropriated for debt service. Local revenues will provide \$31,587,772 or 34 percent of the school operating budget. This is a decrease from FY20 of 4.07%. These figures do not include debt service or CIP.

Food Service - Fees charged for meals eaten in the cafeteria and State and Federal reimbursements provide the sources of funding for the Food Service Program. FY21 revenues are projected at \$4,224,276, an increase of \$199,370 from fiscal year 2020.

TOTAL EXPENDITURES

The proposed fiscal year 2021 Budget is \$179,088,736, including \$106.2 million for School expenditures and \$72.9 million for all other operations. This represents an increase of \$7.5M or a 4.4 percent increase from the fiscal year 2020 budget. The entirety (and more) of this increase consists of \$3.5M additional school revenue from the Commonwealth of Virginia for operations as well as \$5.3M increase in the Enterprise section of the budget, for the capital projects in the Airport Fund.

The County's budget is financed through a number of sources for its operations. Outlined below is a summary of major expenditure areas:

Major Expenditure Category	FY2021 Annual Budget	Change from FY2020
General Government	\$42,003,075	(\$375,650)
School Operations	\$104,008,673	\$1,658,723
Special Revenue	\$15,650,420	(\$263,450)
Enterprise Fund	\$11,347,468	\$5,088,247
Set-Aside Future Capital	\$0	(\$1,039,489)
School Capital Fund	\$2,213,000	\$1,433,188
County Capital Fund	\$3,866,100	\$1,038,100
Total	\$179,088,736	\$7,539,669

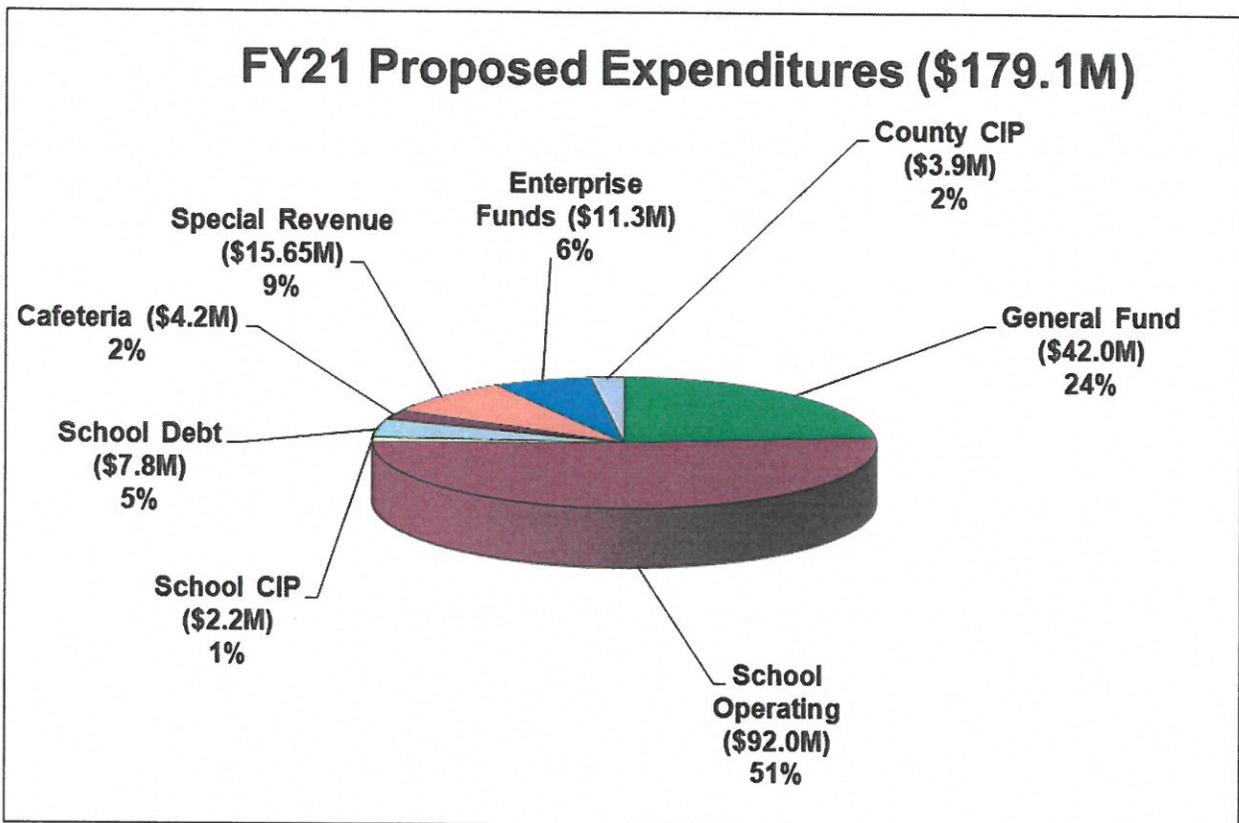
As the table above indicates, (\$375,650) is the proposed decrease for General Government. The primary decreases in the budget are a hiring freeze implemented in March 2020, which included six (6) positions; and the reduction of other amounts as identified by County Department directors; the budget does include the new positions, and some salary treatments as discussed earlier. Additionally, health insurance is slated to increase by approximately 21% in FY21 over FY20. Currently this budget does partially "hold harmless" the employees from this increase, which means the County, including the School System, will absorb 10% of the 21% increase, and pass on to the employees only 11% of the total increase.

There is a budget increase for school operations. Primarily the increase addresses salary adjustments and the health insurance increase. The Commonwealth of Virginia is providing funding for a 2% increase in salaried SOQ positions effective July 1, 2020, with local funding provided to match the state funding and a step increase to provide an overall 3.6% increase to teachers. The increase in school operations is split approximately 67% - 33% between the State and the County, respectively. However, local funding for the schools has been reduced by \$1,339,918 because of anticipated reductions in local revenues.

The Special Revenue funds are projected to remain essentially flat; a reduction in the E911 Fund for FY21 due to elimination of maintenance costs for the new radio system for the next three years, offsets an increase in the Department of Human Services for raises for all Eligibility and Social Workers. They are anticipating receipt of up to 10%

salary increases from the Commonwealth of Virginia. The pay scales for these positions are significantly behind across the state, and the Governor and General Assembly have recognized that, thereby including additional state funding which must be matched by the County.

As mentioned earlier, Enterprise Funds are increasing primarily due to Airport capital projects for the construction of the Greenhouse Road extension, as well as a Stormwater Pollution Prevention Plan.



GENERAL GOVERNMENT

Employee Compensation

As discussed previously, the FY21 proposed budget includes salary adjustments for County employees based on providing a mid-year COLA increase but no pay for performance increases. Under normal circumstances, employees would have received a 2.1% increase based upon a three-year rolling average for cost of living and employees would have been eligible for up to 2% additional pay for performance increases, as described in the Personnel Management Plan. This does not include the School System or the Department of Human Services. It does include Constitutional offices.

Employee Health Insurance

In prior years, the County's health insurance plan experienced some very large increases in premiums due to large claims experience. Therefore, in plan year 2016-17 to avoid a much larger increase of over 20%, the County opted to switch from a fully funded to a self-funded status for the health insurance plan. For this plan year, the County continues with the same insurance options of a high deductible HMO product and an HSA product for employees to choose from with several plan changes. Until FY20, the change from fully funded to self-funded created an environment where the County was able to experience lower claims and thus lower increases in premiums. However, in FY20, the County and School System have begun to experience some larger claims again; for the FY21 proposed budget, the health insurance is anticipated to experience a 21% increase for both the County, including the Department of Human Services and the Schools. The County is currently in process of rebidding the health insurance to determine if there are any carriers willing to indicate a lower increase; however, the FY21 proposed budget does include a 21% increase combined with higher copays, higher deductibles, higher pharmacy costs and higher out-of-pocket limits.

New Positions

The proposed fiscal year 2021 budget includes 4 new positions as previously discussed, within the Sheriff's Office.

GENERAL GOVERNMENT ADMINISTRATION

In most cases, department budgets are reducing or remaining flat, with only increases as previously stated for health insurance.

SPECIAL REVENUE FUNDS

Special Revenue Funds include the Carver Center, the Human Services Fund, and the E-911 Fund. Projected Special Revenue Funds total \$15,650,420, which represents a decrease of \$263,450 or 1.66 percent under the current fiscal year budget.

Carver Center Fund - For fiscal year 2021, the operating budget for the Carver Center includes funding of \$148,044. The budget is primarily for the utilities and maintenance of the buildings on the campus.

Human Services Fund - The Human Services Department operating budget totals \$12,928,375. The funding for this budget is comprised primarily of State and federal aid to Social Services programs with matching funds of \$1,786,822 from the County. In addition to the operations of the Social Services Department, this fund also accounts for the operations of the Day Care Program, Cosmetology Program, Head Start and Early Head Start.

E911 Fund - The E911 operating budget of \$2,574,001 is funded partially by revenue generated by the E911 tax, as well as rent paid by cellular providers for space on the County's towers and through a small amount of state funding. The combined funding sources are not sufficient to fund the E911 Center without a local funding contribution.

The County proposes to appropriate \$895,494 and the Town is expected to appropriate \$386,500 to fully fund the program.

ENTERPRISE FUNDS

Airport Operations - The Airport budget totals \$6,665,248, which includes the continuation of principal and interest payments on a USDA loan obtained for new hangar construction. As stated previously, the FY21 budget includes two (2) new CIP projects. These projects consist of the Greenhouse Road extension construction and a Stormwater pollution prevention plan. The projects total \$5.585M, and all but \$115,305 is funded through the FAA and the DOAV.

Landfill - The budget recommended for next fiscal year is \$2,997,429. The budget reflects costs for solid waste transfer, hauling and disposal by our contractor. Also included are funds for hauling services from County solid waste convenience sites. As previously stated, for fiscal year 2021, there are no CIP projects scheduled to occur in FY20.

Water and Sewer - This budget totals \$1,652,291. Included are funds for engineering services. There was one capital project in the Water and Sewer Fund for FY17 and FY18. Funds in the amount of \$1,200,000 and \$750,000, respectively, will come from the Landfill fund balance to continue the construction of a public water supply system near the closed landfill in order to provide an alternate water supply to residences. There are no CIP projects scheduled for the Water & Sewer fund for FY21, other than continuation of current projects.

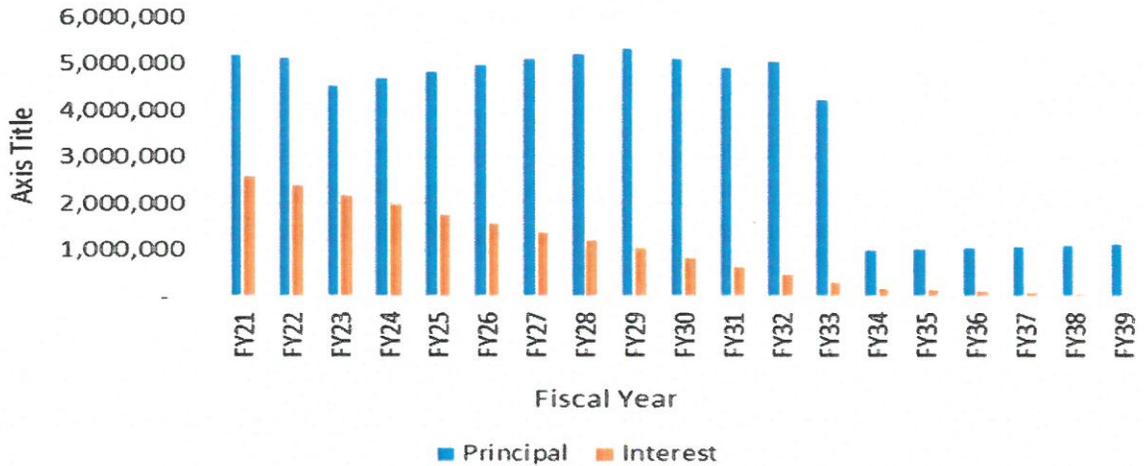
COMPONENT UNIT SCHOOL FUNDS

The local contribution to the Culpeper County Public School System, which includes funding for ongoing operations, CIP and debt service for school facilities, is \$41,615,173. This represents 23.24 percent of the County's proposed budget, and is a 1.18 percent decrease from the fiscal year 2020 contribution of \$42,113,805. The reason for the decrease, is due to the COVID-19 pandemic and anticipation of reduced local revenues being collected. The Culpeper County Public School budget may be found online at the following link: https://www.culpeperschools.org/division/budget/2020_2021_budget

SCHOOL DEBT SERVICE

The total School Debt Service budget for FY21 is \$7,814,401, which is a decrease of \$591,902 from the current fiscal year. Below is a bar graph "snap-shot" of principal and interest for FY21 and a table depicting the principal and interest numerically.

Existing School Debt FY21 to FY39



School Debt Service

	FY19 Actual	FY20 Adopted	FY21 Proposed
Principal	\$4,871,141	\$5,502,286	\$5,214,094
Interest	\$2,424,219	\$2,904,017	\$2,600,307
Total	\$7,295,360	\$8,406,303	\$7,814,401

CAPITAL PROJECTS

Included in the proposed fiscal year 2021 budget is \$3,806,100 for General Government capital projects. This funding includes \$2,000,000 for the paving of secondary roads in the County. These funds reflect a 50-50 match from the Virginia Department of Transportation through its Revenue Sharing Program, as such only \$1,000,000 is included in the County budget. These funds are sent to VDOT and then leveraged with the state funds for the paving of the designated roads.

As part of the FY20 CIP, funding of \$300,000 was included for a 900 sq. ft. addition to add bunk, storage and day room to the existing EMS building to house additional new staff requirements. However, that funding along with an additional \$950,000 in the FY21 CIP will potentially be used for the expansion of the current Emergency Operations Center (EOC). Provisions were made when the Emergency Operations Center was designed to build an addition on the North side. The equipment room of the dispatch center will need to be expanded as the center modernizes its equipment and call volumes grow. This expansion will involve 5,000 square feet to include new dispatch stations, storage and office space.

Funding of \$200,000 is included in the FY21 CIP for a new shared parking lot at the Emergency Operations Center (EOC); Emergency Medical Services (EMS); and Sheriff's Office. A 40-space lot for employees' and training event overflow is needed at the Public Safety Complex.

Funding is included in the CIP for FY21 as a contribution to the Fire & Rescue Association (F&RA) which will aid with capital needs for the Association. The funds included in the FY21 budget are for \$400,000 evenly distributed amongst eight companies. The needs of the volunteer companies are numerous. An additional \$200,000, is again being set-aside in FY21, for future needs to be determined by the County. The F&RA has implemented a compassionate billing system for rescue squad patients, as is the current practice of the career staff.

\$100,000 is included in the FY21 CIP to fund a request by the Office of Emergency Services (EMS) to replace three (2) Lifepak-12 units, which are 20 years old. The manufacturer states that they will not be able to service the older Lifepak-12 units much longer as parts are becoming harder to find and are no longer being manufactured. The old lifepaks will be replaced with two (2) new Lifepak-15 units. Each unit costs approximately \$50,000. The initial request was for three (3), however due to the COVID-19 pandemic, the County received a grant from the Culpeper Wellness Foundation for funding to purchase one (1) of the Lifepak-15 units.

\$63,500 in funding is included under the IT section of the CIP. This funding is for the Commissioner of the Revenue's Office for the purchase of the FEITH software and necessary hardware to aid in the scanning of paper records to help maintain their files in an electronic manner. This is the same software currently used by Finance and Human Resources.

\$150,000 in funding is again included to replace the rubber membrane roof on the main building at the Carver Center. Funding is being accumulated over the course of years, FY21 through FY23 so that adequate funding is available.

\$169,600 of funding is included to replace and install four (4) new KW40 generators at the 4 County owned tower sites, which operate the E911 radio equipment. The existing generators are 20 years old and the potential for failure increases; it has also become more difficult to locate replacement parts on the older models. Modern generators also emit lower exhaust emissions and reduce undesirable noise. The generators are essential for continuity of emergency communications.

\$83,000 of funding is included to install eight (8) new HVAC units at the four (4) transceiver communication sites (one at each tower site). The shelters house the E911 public safety radio equipment; the current HVAC units are 20 years old. Replacing the aging, inefficient HVAC units will help provide a longer useful life to the radio equipment which will decrease chances of potential downtime of the emergency equipment. The newer units will also provide significant savings on electricity.

\$90,000 of funding is included in the FY21 CIP to replace second story windows on the front of the main building at the Carver Center. The first-floor windows have recently been replaced.

\$100,000 in funding is included to renovate 3,000 sq.ft. of existing office space currently occupied by the VA Cooperative Extension Office. Those offices are in process of relocating to the Carver Center Campus. Once the move of the Extension Office is complete, renovations to the space will occur once a use is identified. No structural changes are required.

\$50,000 in funding is included for a pickle ball court at the Sports Complex and various improvements including but not limited to installation a youth playground.

In FY20 a new section was added to the CIP. It has been labeled as Miscellaneous, and one of the sections included under Miscellaneous is "grant matching funds." This money would be used at the discretion of the Board of Supervisors and would be designated as grant matching funds. Grant opportunities can arise in which other sourced monies can be leveraged with a County match to advance certain capital projects. During FY20, \$50,000 was included, and again for FY21, another \$50,000 has been included.

The balance of the CIP funds, \$5,585,235 under the Airport, have been previously discussed under the Enterprise Funds section.

Lastly, there is a set-aside of \$699,159 from additional revenue in the FY21 budget. These funds will be used for debt service on the borrowing required to construct the Career and Technical Education School in the County.

The Board of Supervisors will be asked to adopt the five-year Capital improvement Plan for FY21 – FY25 on May 5, 2020, barring any change in schedule.

The CIP process begins with project requests submitted annually at the beginning of the CIP cycle to the Planning Director from all County departments and other agencies. These requests are reviewed with Department and Agency directors prior to Planning Commission review. The Planning Commission reviews the proposed CIP and makes any necessary changes. Once the Planning Commission has completed their review, the County Administrator makes final changes prior to making a recommendation to the Board of Supervisors.

The CIP is a five-year plan, with the 1st year acting as the capital budget request for the upcoming budget. The Board adopts the CIP in conjunction with its adoption of the County's annual operating budget in May of each year.

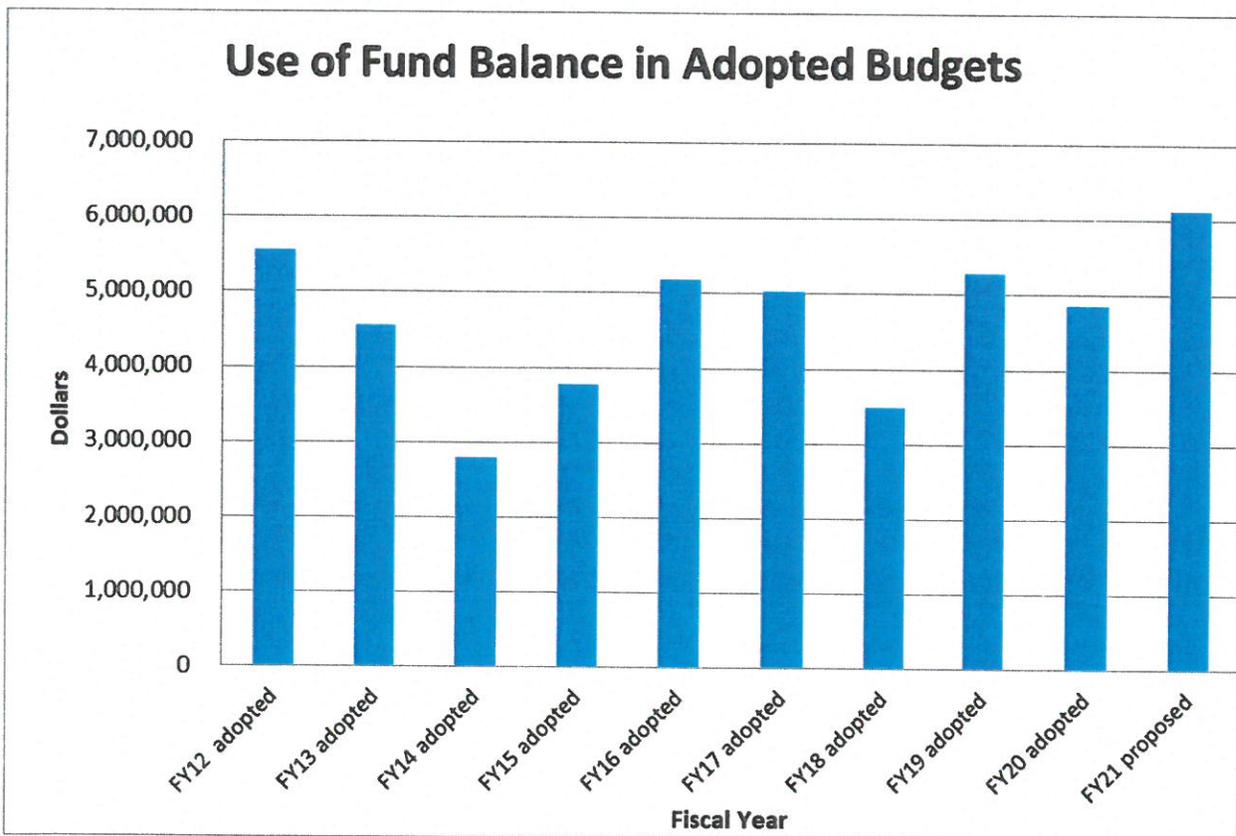
It is intended that all CIP project funding, with the exception of \$400,000 for Fire and Rescue Association volunteers be appropriated case by case. The Board may opt to hold the vast majority of these funds in reserve in case of greater than anticipated revenue shortfall due to coronavirus.

CHANGES IN FUND BALANCE

Included in the proposed fiscal year 2021 budget is the use of some funds from the General Fund balance. The funds drawn would pay for capital projects only, and would total \$6,134,405 from the fund balance of the General Fund. Also included in the proposed FY21 budget is \$32,500 to come from the Landfill Fund balance (enterprise fund). The use of the fund balance will be primarily for County, School and Airport fund capital items. Use of the General Fund for one-time purchases has been a standard practice for many years. Bond rating agencies approve of this practice. In FY09 through FY12, because of the economic conditions, the fund balance was used to supplement operational costs. However, beginning in FY13 through the present, the fund balance has only been used for capital items. The use of the General Fund for operational, or ongoing costs, is something that should be strenuously avoided.

The County's adopted fiscal policies include a section regarding fund balance. The County's policy is to maintain 10-15% of its operating budget in the unreserved fund balance for operations. The proposed FY21 budget will not only meet established policy; it will exceed it, with a projected fund balance of 15.20%.

Below is a chart showing the budgeted use of the fund balance for the past 10 years.



GFOA DISTINGUISHED BUDGET AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) is an organization which recognizes budgets each year that meet certain rigorous standards. GFOA presented an Award of Distinguished Budget Presentation to Culpeper County for its annual budget for the fiscal year beginning July 1, 2019. The award recognizes a budget document that meets program criteria as a policy document, as an operations guide and as a communications medium. We believe our current budget continues to conform to program requirements and we will submit it to GFOA to determine its eligibility for the award again this year.

In closing this letter, I would like to extend my heartfelt thanks to our staff for their many hours of hard work in the development of this budget. I also wish to thank the members of the Board of Supervisors for your essential input in establishing priorities and your patience in attending numerous work sessions to arrive at this point. I look forward to a highly successful year.

Sincerely,



John C. Egertson, AICP
Culpeper County Administrator

REVENUE ANALYSIS

Description

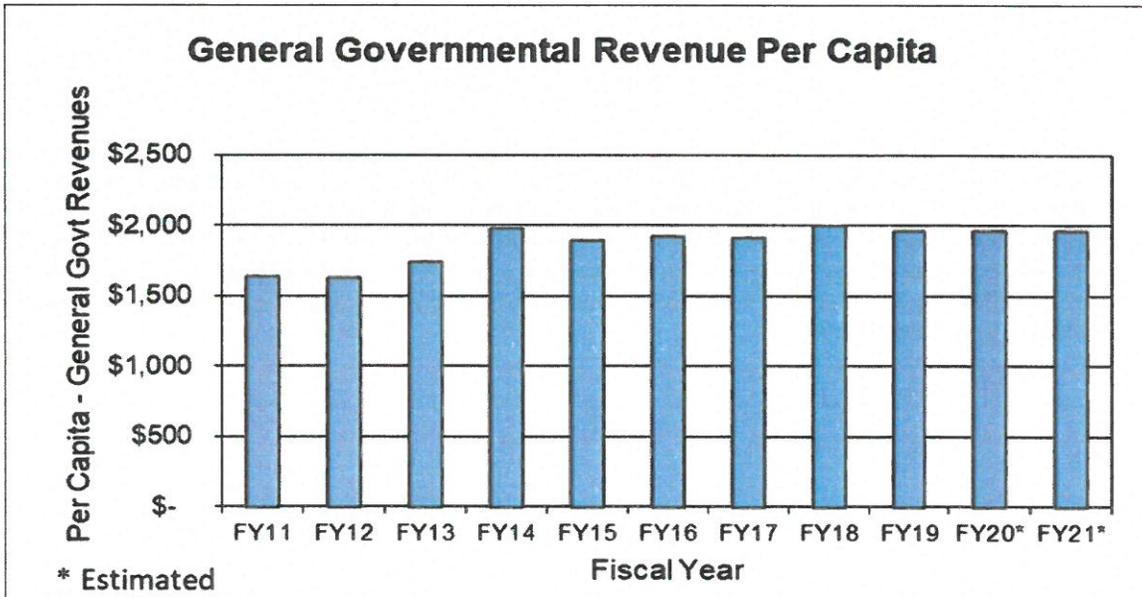
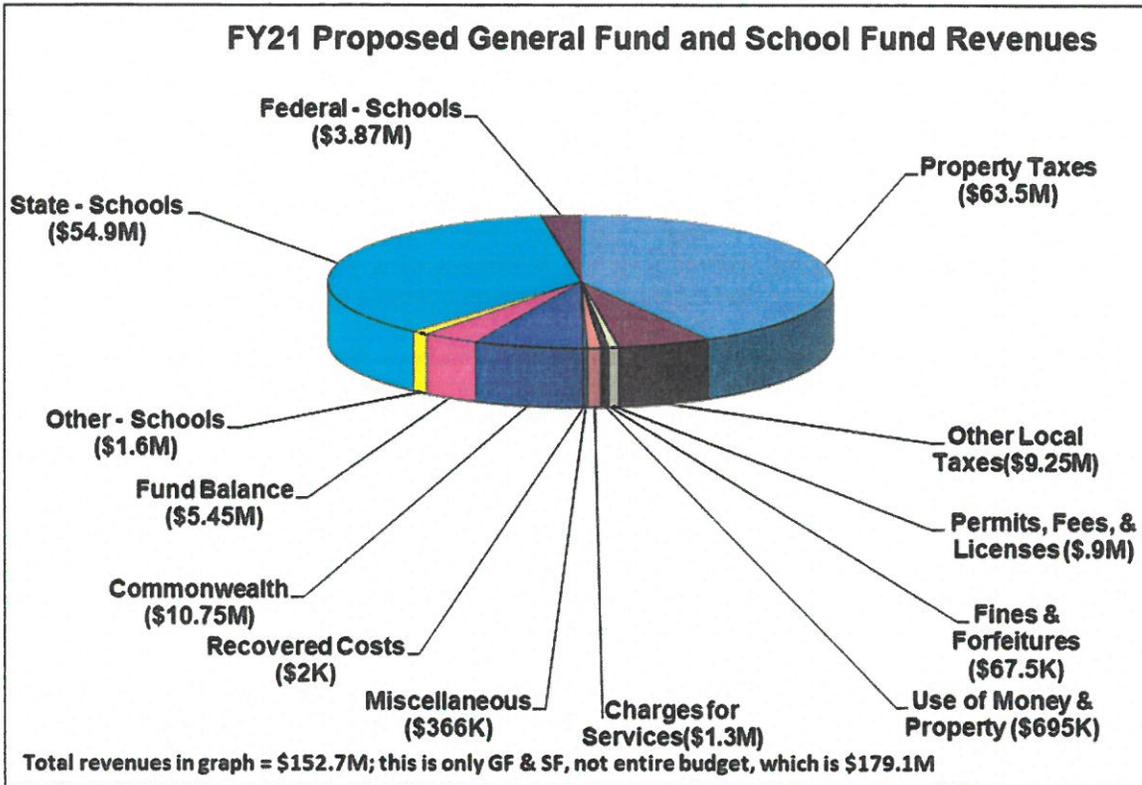
The fiscal health of Culpeper County has an effect on the levels of service provided to the residents of the County. From FY08 through FY12 numerous cuts and reductions were made in the budget to reduce spending in order to remain in line with the revenue stream that was available during the economic downturn. During FY13 through FY15, new positions began to be added back into the budget as well as slight tax increases to cover some contingent liabilities created from FY08 to FY12. Further, salary adjustments were added back into the budget as the revenue began increasing, allowing for the fulfillment of a pay and classification study in an attempt to bring employees back up to, or as close as possible to market rate.

Initially it appeared the local economy was holding steady. The revenue generated by building permits and zoning permits had been increasing year over year, for the past 3 years. However, both Building permit revenue and Zoning permit revenue for FY20 may not meet budget projections. The School enrollment for FY21 is estimated to increase over FY20, slightly at 3.87%. The unemployment rate for Culpeper has stayed fairly steady, at 2.9% in January 2020, as compared to 3.1% in January 2019; and the Virginia unemployment rate, as also stayed steady at 2.7% in January 2020, down .3% from January 2019. Nationally, the unemployment rate as of January 2020 was at 3.6%, which has remained steady for the past 6 months; however due to the onset of the coronavirus (COVID-19), the federal reserve has elected to reduce the rate to nearly 0% and unemployment is rising rapidly.

In March 2020, with the COVID-19 pandemic nationwide, we have begun to see changes and have attempted to implement changes to both the FY20 and FY21 budgets to mitigate those impacts on both budgets. Those changes which have occurred are the CPI as of March has fallen by .4% and unemployment has begun to rise rapidly as non-essential businesses are closed and Virginia continues a stay at home order. As of February, the most recent available information, the County's unemployment rate was 2.8%, with expectations of a higher percentage for March. For March the unemployment rate for Virginia was 3.3% while the national rate was 4.4%. Therefore, vacant positions have been frozen; non-essential spending curtailed and CIP projects are on a case-by-case with Board of Supervisors approval required to begin.

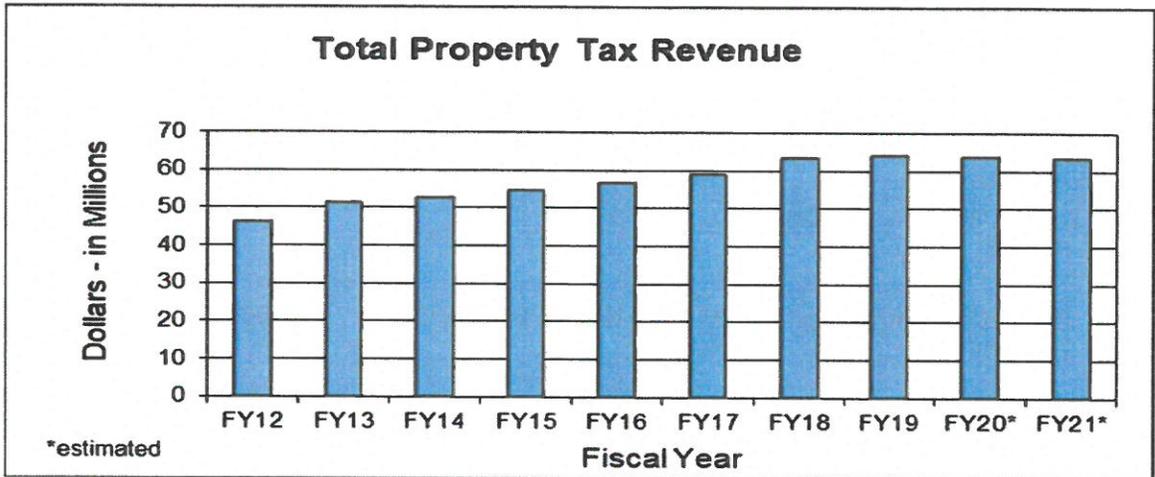
There are many factors used to assess and monitor financial condition. One of the primary factors influencing financial condition is revenue. The following several charts provide a part of the financial picture for determining the County's overall financial condition. Under ideal conditions, revenues grow at a rate equal to or greater than the combined effects of inflation and expenditures, and should be flexible to allow for adjustments to changing conditions. Below is a graph showing the General Fund Revenues as adopted and the percentage of the General Fund budget they comprise:

REVENUE ANALYSIS



Examining revenue per capita shows how revenues are changing relative to the changes in the level of population. As population increases, the expectation is that revenues and the need for services would increase proportionately and therefore the level of per capita revenue should remain constant as reflected in the chart entitled General Governmental Revenue Per Capita. Culpeper had exhibited a healthy, positive trend up through FY08; however, during FY08 and continuing through FY11, revenues were down, as well as population remaining flat or even decreasing due to the impact of foreclosures on homes in Culpeper County. During FY12, the

REVENUE ANALYSIS



This proposed budget maintains the real estate tax rate of \$0.62 per \$100 of assessed value. This rate is comprised of two (2) parts, the Fire & Rescue levy at \$.09 per \$100 of assessed value, and the General fund real estate tax rate to \$.53 per \$100 of assessed value.

The Board of Supervisors in FY13 adopted proration of personal property taxes. The first-time proration occurred was with the January 1, 2013 assessments, and those collections were first apparent in the FY14 budget. This approach has generated additional revenue for the County.

In the County Administrator form of government, the Commissioner of the Revenue assesses all property and the Treasurer is responsible for the collection of all taxes and payments made to the County. The County's major revenue categories are described in the pages that follow and the explanations are intended to provide a brief description of each major revenue type in the fiscal year 2021 budget.

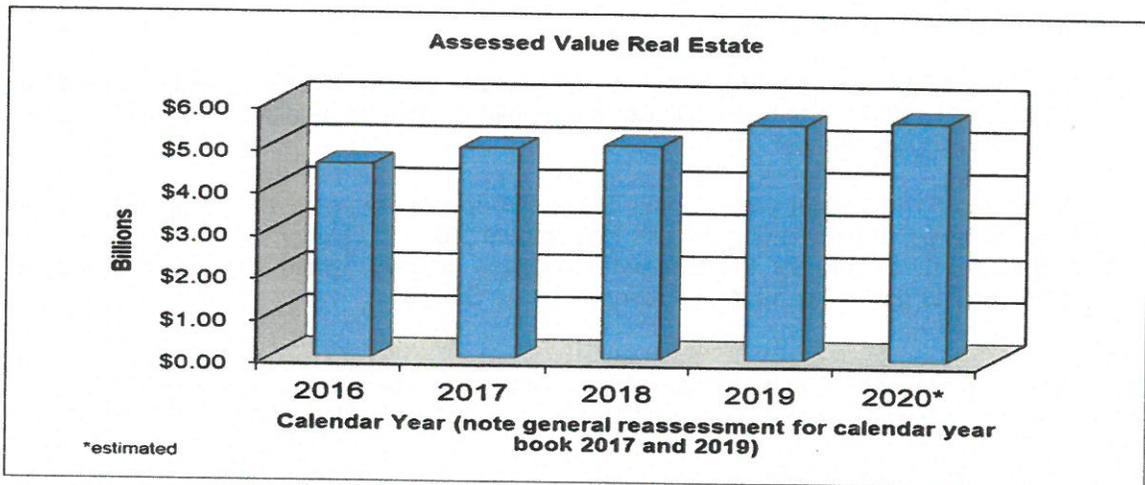
REVENUE ANALYSIS

I. LOCAL REVENUE

	2017	2018	2019	2020	2021
	ACTUAL	ACTUAL	ACTUAL	ADOPTED	PROPOSED
Real Estate Tax	35,200,655	35,053,579	35,662,962	36,655,077	37,246,114
% Of Total Local	49%	45%	45%	48%	49%
Personal Property Tax	24,063,708	28,314,340	29,268,750	27,068,419	26,235,841
% Of Total Local	33%	37%	37%	35%	34%
All Other Local Taxes	3,639,095	3,596,629	3,527,999	3,545,775	3,510,755
% Of Total Local	5%	5%	4%	5%	5%
Local Sales Tax	6,432,081	7,087,572	6,537,678	6,750,000	5,737,500
% Of Total Local	9%	9%	8%	9%	8%
Other Local Revenue	2,901,169	3,519,503	3,866,806	2,868,289	3,361,102
% Of Total Local	4%	5%	5%	4%	4%
TOTAL LOCAL	72,236,708	77,571,623	78,864,195	76,887,560	76,091,312
%	100%	100%	100%	100%	100%

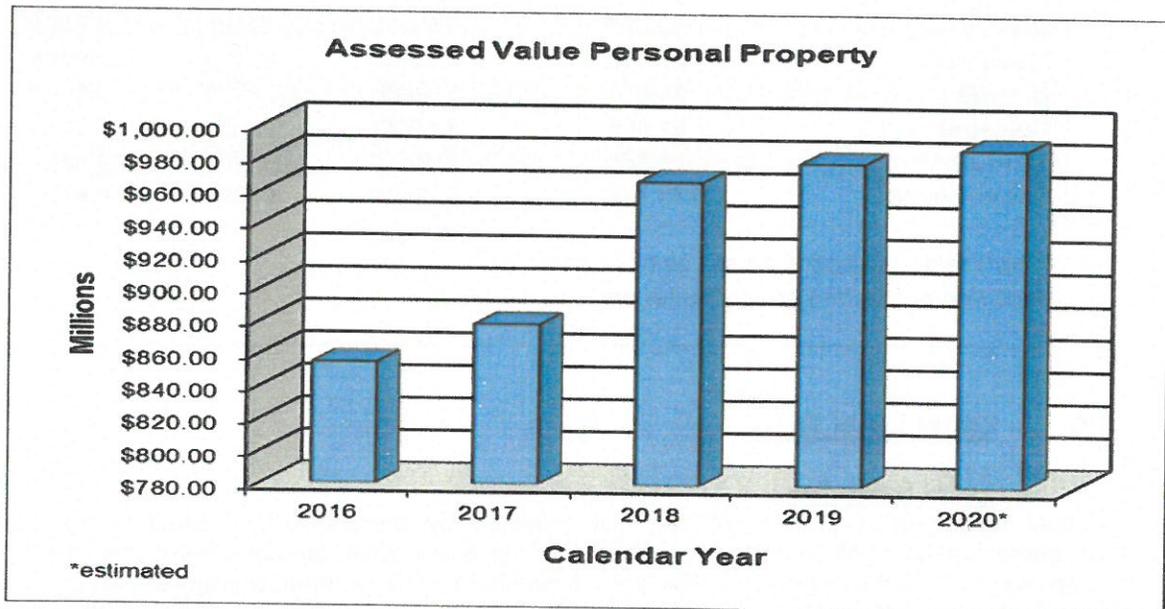
REVENUE ANALYSIS

A. Real Estate



The bar graph above shows the total assessed value of real property in the County. The overall value of real property in the County (excluding public service corporations) increased from \$5.02 billion to \$5.54 billion as of January 1, 2019. Real property taxes constitute 37.75 percent of the County's projected revenues for fiscal year 2021.

B. Personal Property



The bar graph above shows the total assessed value of personal property in the County. Personal property tax is levied on the tangible property of individuals and businesses. For individuals, this is primarily associated with automobiles. For businesses, examples include motor vehicles, machines, fixtures and tools.

In calendar year 2019, the assessed value of personal property in the County totaled \$978.11 million. This was an increase of 1.24% percent over the \$966.10 million in calendar year 2018. The calendar year 2019 book collections occur during FY20, and are normally used as a starting

REVENUE ANALYSIS

The calendar year 2019 book collections occur during FY20, and are normally used as a starting point for projections for the upcoming FY21 budget. The fiscal year 2021 budget is based on maintaining the current tax rates.

The revenue generated from a personal property tax increase in FY07, which increased the rate from \$2.50 to \$3.50, was and continues to be used to offset debt taken on for the construction of Eastern View High School.

During the FY14 budget process, the Board of Supervisors approved the proration of personal property taxes, thereby taxing citizens for personal property only for the period of time they lived in the County or only for the time-period citizens actually owned the subject property. This approach has generated additional revenue for the County.

Below is a comparison of the surrounding counties, with their population and tax rates:

County	Population*	Current PPTX	Current Real Estate Tax	Proposed Real Estate Tax
Rappahannock	7,285	4.2500	0.6700	0.6700
Madison	13,251	3.6000	0.7000	0.7200
Clarke	14,360	4.4960	0.7100	0.6400
Greene	20,097	5.0000	0.8200	0.8400
Fluvanna	27,038	4.3500	0.9250	0.9450
Orange	35,921	3.7500	0.8040	0.8000
Culpeper	51,998	3.5000	0.6200	0.6200
Fauquier	70,580	4.6500	0.8550	0.8740
Spotsylvania	135,715	6.5500	0.8474	0.8797

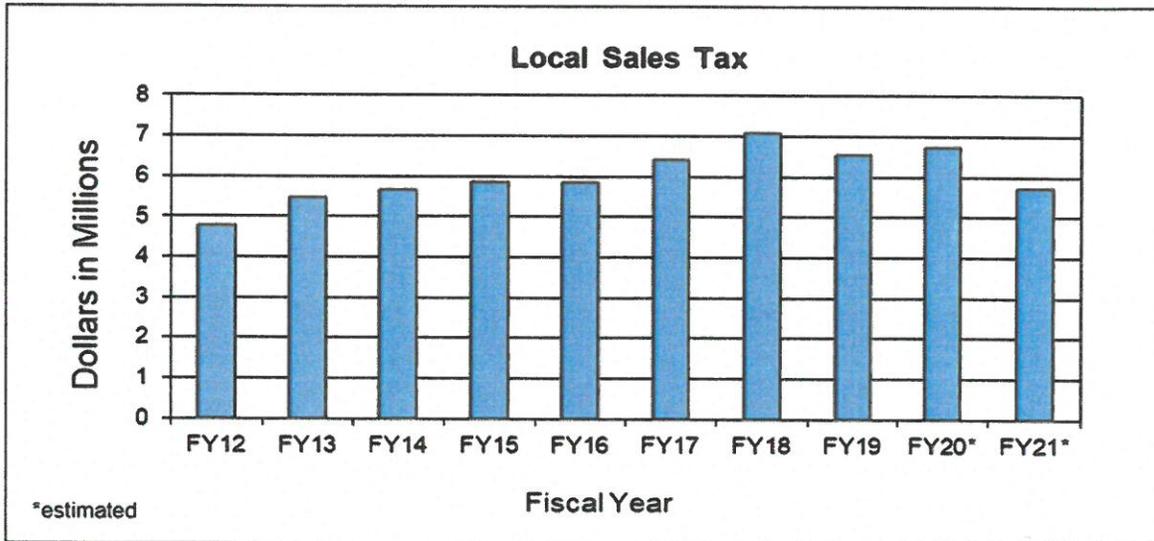
* Per Weldon Cooper Center - as of 7/1/19
<https://demographics.coopercenter.org>

C. Other Local Taxes

➤ Local Sales Tax

Local sales tax is a point of sale tax collected by merchants and remitted through the Commonwealth of Virginia to the locality. Of the 5.3% sales tax collected on each sale, 1% represents the local share and 4.3% is the state share. This revenue is projected to decrease by approximately 15%, or from \$6,750,000 to \$5,737,00 from FY2020 to FY2021. The estimated decrease is due to the COVID-19 pandemic, which has created stay-at home orders and the shut down of non-essential businesses.

REVENUE ANALYSIS



➤ Motor Vehicle Tax

A license tax is charged on every motor vehicle, trailer or semi-truck trailer normally garaged, stored or parked in the County. The cost of the license varies and is based on the type and weight of the vehicle. Projections are normally based on revenue history and expected rates of growth in car registrations. The Motor Vehicle License revenues are collected in accordance with Section 46.1-65 of the Code of Virginia (1950), as amended. The rates since fiscal year 2017 have been at Twenty-five Dollars (\$25) for vehicle licenses and Fifteen Dollars (\$15) for motorcycle licenses and these rates will be maintained again in fiscal year 2021.

For fiscal year 2010, \$750,000 was estimated to be collected for the fee imposed for motor vehicles in the County. For fiscal year 2011 revenues were projected to decline to \$650,000. This was a 13% decrease from fiscal year 2010. The primary reason for this is the reduced number of vehicles registered in the County. For fiscal years 2012 through 2015 revenues were projected to remain flat. Going into fiscal year 2016, revenue projections were projected to increase by 15% to \$720,000. The increase was due to the increased number of vehicles in the County. For FY20 the projection was estimated to increase slightly to \$750,000, over the \$720,000 projection for FY19; and for FY21, the projection is estimated to increase to \$775,000, or 3.33%.

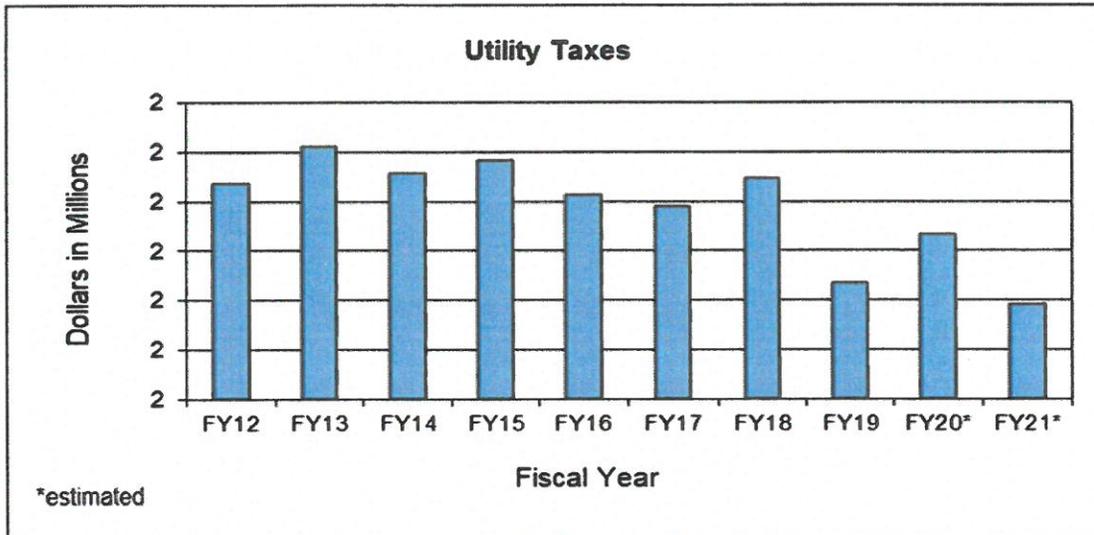
➤ Recordation Tax

Recordation Taxes are levied on deeds of trust, mortgages, leases and contracts. These revenues are collected by the Clerk of the Circuit Court and remitted to the County. Fees charged for recording these documents are based on the size of the transactions (i.e., sales price). Projections for this revenue are based on historical and current year collections, as well as current community activity. Recordation taxes are estimated to increase from \$865,000 for FY20 to \$875,000 for FY21 a 1.16% increase.

➤ Consumer Utility Tax

This tax is applied to all telephone, gas and electric service recipients residing within the County. Revenues from this utility tax are expected to decrease from \$1.917M to \$1.846M, a \$71,520 or 3.73% decrease. Revenue projections for Consumer Utility tax are based on historical and current collections.

REVENUE ANALYSIS



D. Other Local Revenue

This category includes all other local revenue not included above. Specifically, Permits and Fees, Fines and Forfeitures, Use of Money and Property, Service Charges and Miscellaneous Revenue are included in this category. This category represents 4 percent of total local General Fund revenue or \$2.87 million. Listed below are descriptions of the large revenues in this category. Projections for these revenues are based on historical and current year collections, as well as current community activity. For investment revenue, the County has had some recent debt issuances and those investments are earning interest until the funds are depleted.

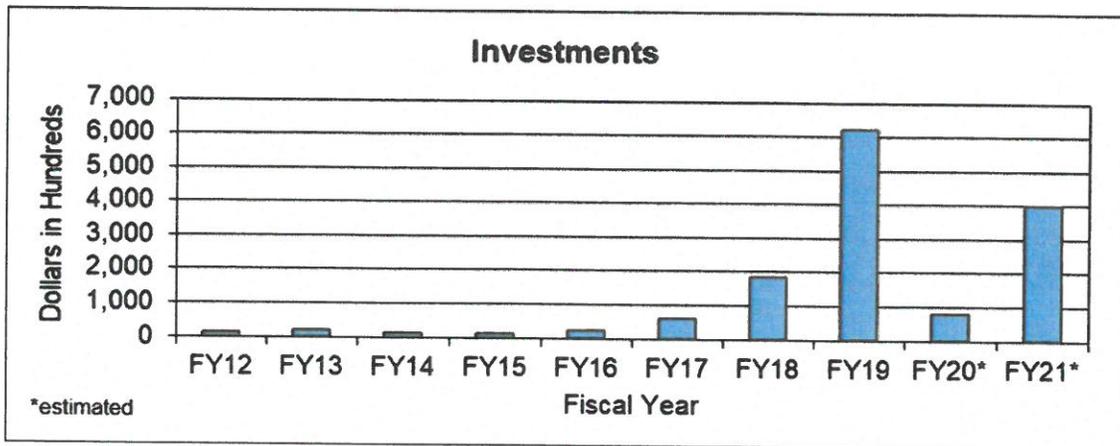
➤ Building Permits

This category includes all building, electrical, plumbing and HVAC permit fee revenue. Fees are based on the determined or calculated "value" of construction. During FY19, the Board of Supervisors approved an increase in the fee structure for the Building Department. The fiscal year 2020 budget included collections of fees for residential building, residential accessory building permits, Certificates of Occupancy, plan review, re-inspection fees for a total of \$850,000 in estimated revenue. This revenue projection is slightly lower for FY21, which is estimated at \$722,500, a 15% reduction due to the economic conditions.

➤ Interest on Investments

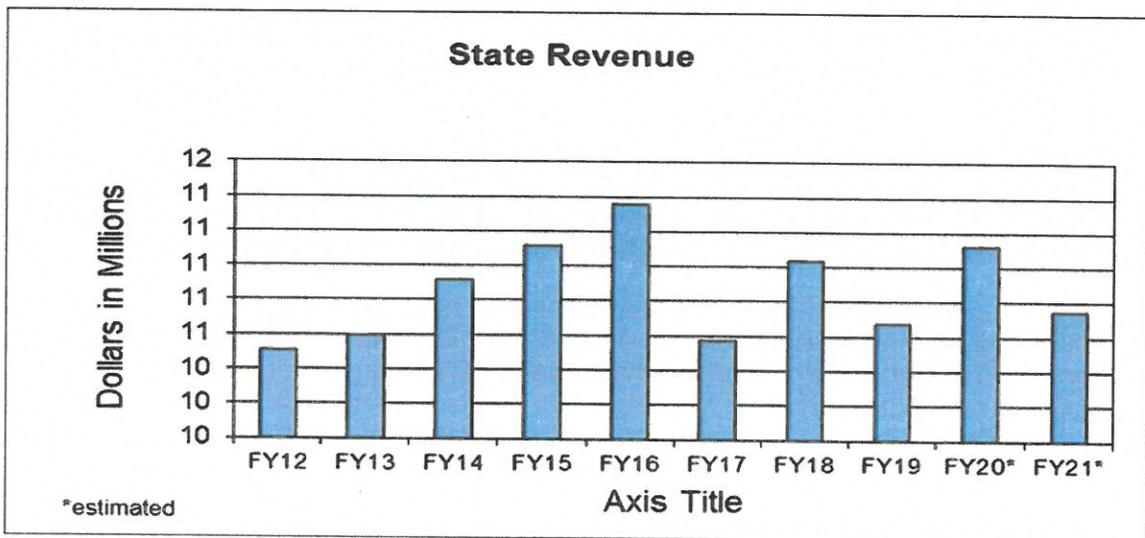
The fiscal year 2020 General Fund budget included \$80,000 in General Fund investment interest; however, it is projected to come in well over \$400,000. As such, the revenue estimate for FY21 is increasing by 400% for fiscal year 2021. The Treasurer is responsible for the County's Investment program. Funds are invested in securities, as outlined in the Virginia Public Deposits Act and the Code of Virginia. Investment tools primarily consist of certificates of deposit, treasury bills, the Virginia State Treasurer's Investment Pool and repurchase agreements. Investment earnings are a function of interest rates and the amount of cash available for investment purposes. During FY19 the Treasurer began having the General Fund, Cash Management Account "swept" each night. By doing so, the County's primary bank increased by earnings credit rate by nearly double, thereby allowing the county more revenue for the use of its money.

REVENUE ANALYSIS



II. STATE REVENUE

Revenues from the Commonwealth of Virginia are projected to decrease from FY20 to FY21, excluding revenue for schools and Human Services. For the FY20 budget, the State Compensation Board applied an increase of 2% to all Constitutional Officers' and staff salaries in July 2019. For the FY21 budget, when the County budget process began, the Governor's budget did not include raises for the Constitutional officers. Then information was provided the State Compensation Board was going to provide a 1-time bonus of 2% to the Constitutionals and their staff in December 2020. However, that language has now been removed from HB30, which was released by the State Compensation Board on April 16, 2020. The revenues from the Commonwealth are projected to decrease by \$374K or 3.36%.



III. FEDERAL REVENUE

For fiscal year 2021 there is not any anticipated federal revenue to be received in the general fund.

REVENUE ANALYSIS

	TOTAL REVENUE				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>
Local Revenues	72,236,708	77,571,623	78,864,195	76,887,560	76,091,312
% Of Total	87%	88%	88%	87%	88%
State Revenues	10,572,689	10,844,380	10,505,523	11,124,398	10,748,656
% Of Total	13%	12%	12%	13%	12%
Federal Revenues	219,546	187,057	166,433	0	0
% Of Total	0%	0%	0%	0%	0%
Total Revenue	83,028,943	88,603,060	89,536,151	88,011,958	86,836,968
	100%	100%	100%	100%	100%

SPECIAL REVENUE FUNDS

Carver Center Fund – For fiscal year 2021, the budget includes funding of \$148,044 for the maintenance of buildings at the Carver Center. This fund has projected revenues totaling \$24,000 from charges for rent. The County’s General Fund will contribute the remaining \$124,044.

Human Services Fund - Revenues total \$12,928,375 and are primarily State and Federal aid to Social Services programs with matching funds of \$1,786,822 from the County for operations. In addition to the operations of the Social Services Department, this fund also accounts for the operations of the Day Care Program, Cosmetology Program, Head Start and Early Head Start.

E911 Fund - This fund includes projected E911 tax revenues totaling \$1,132,435. In addition, the County’s General Fund will contribute \$895,494, the Town of Culpeper contributes \$386,500, and the Commonwealth of Virginia contributes \$159,572 for total revenue of \$2,574,001.

ENTERPRISE FUNDS

Airport Fund – The estimate of airport revenues for FY21 is \$1,026,652. This amount includes rental of hangars, sale of aviation fuel and maintenance grants from the Virginia Department of Aviation. Due to the implementation of GASB 34, the airport fund is an enterprise fund as opposed to a special revenue fund. Further, because of GASB 34, capital improvement projects related to the airport are now budgeted within the airport fund as opposed to the County CIP fund. The FY21 budget includes two (2) new CIP projects. These projects consist of the Greenhouse Road extension construction and a Stormwater Pollution Prevention Plan. The projects total \$5.585M, and all but \$115,305 is funded through the FAA and the DOAV. This number may be reduced pending further design considerations but is included in the budget to insure adequate

REVENUE ANALYSIS

funding. Additionally, due to the federal CARES Act, the FAA may absorb the County share of these costs, saving \$115,305.

For FY18, the operating budget for the Airport was self-sustaining and did not require any General Fund assistance for operations. However, for FY19 and continuing into FY20, the Airport fund will not be self-sustaining. The reason for this is a revenue shortfall caused by pavement rehabilitation around the hangars, which began in FY18 and is continuing through FY19 and into FY20. There will be displacement of various aircraft while the pavement is rehabilitated; therefore, with the displacement of aircraft, hangar rent during those periods will not be charged for the affected aircraft. Consequently, for FY19, the General Fund provided \$77,095 to offset operations and for FY20 the General Fund will provide 32,415.

For FY21, the Airport continues to be non-self-sustaining, with assistance from the General Fund of \$15,473 for operations. The main driver behind this General Fund assistance is the large increase in health insurance.

Landfill Fund – The estimate of fees generated at the solid waste transfer station for FY21 are decreasing from \$1,980,000 to \$1,600,000, a \$380K or 19% decrease. Further, the estimated revenue for rental of space will again be \$15,000 for FY21. The reason for the decreased estimate of fees is due to a projected decrease in volume of waste to be collected. The utility tax collected and transferred from the General Fund will be \$1,382,429, bringing the total revenue to \$2,997,429. Similar to the airport fund, due to GASB 34, all capital improvement projects related to the solid waste transfer station are now budgeted within the landfill fund as opposed to the County CIP fund. For fiscal year 2021, there are no CIP projects scheduled to occur. As part of the FY21 budget, we are proposing to utilize \$32,500 from the Landfill fund balance to cover some capital costs, a recycling container costing approximately \$25,000, and some ADP costs, both of which are shown in the operating budget.

Water and Sewer Fund - This fund also operates as an enterprise operation, which means that the County recovers its costs of providing services from those who use the services. The estimate of fee revenue for FY21 is \$546,490 from fees collected from sale of water and sewer services. An additional \$557,068 will come from revenue proffered for the Clevenger's Village water and wastewater system as an offset to operating losses until the system can be self-sustaining. The balance of the revenue will come from the General Fund to offset operating costs for \$548,733, bringing the total revenue for the Water and Sewer Fund to \$1,652,291. There was one capital project in the Water and Sewer Fund for FY17 and FY18. Funds in the amount of \$1,200,000 and \$750,000, respectively, will come from the Landfill fund balance to continue the construction of a public water supply system (Cherry Hill) near the closed landfill in order to provide an alternate water supply to residences. Otherwise there are no CIP projects scheduled to occur in FY21.

COMPONENT UNIT SCHOOL FUNDS

State revenues will provide \$54,891,379 or 60 percent funding for Culpeper County Public Schools (CCPS) for the fiscal year 2021 budget. These revenues are divided into several categories:

Sales tax – Revenue from a one and 1/8 percent portion of the State sales tax returned to localities is designated for public school education. This component of State sales tax is distributed based on a locality's school age population. The fiscal year 2021 estimated amount of sales tax is \$10,600,631.

REVENUE ANALYSIS

State Categorical Funds – This funding stream is offered as an offset to specific services provided by the local school district. Funds are provided in direct relation to the cost and level of services provided. Projected state revenues for FY21 total \$44,290,748.

Standards of Quality – State funds are largely distributed based upon an “equalized” formula that takes into account a locality’s ability to pay. This “composite index” is applied to various revenue accounts to ensure an equitable distribution of State funds to all school districts. The State assumes a 50/50 sharing of the costs to fund Standards of Quality (SOQ). Culpeper’s Composite Index is .3741. Therefore, the State provides 62.59 percent of the estimated SOQ costs, with Culpeper County providing 37.41 percent. For each SOQ item, the State has established a per pupil cost for each locality based upon the school district’s cost experience and the State’s established staffing levels for the specific initiative. State revenue is established by multiplying the number of students in the average daily membership by the per pupil amount, and then by the composite index.

Federal Revenue -- Amounts in this section of the revenue budget represent the Federal offset of certain specific programs. Some of these programs require a local funding match, while other programs are fully funded (self-sustaining). Most of the self-sustaining programs are mandated or are grant initiatives. It is expected that at the end of the year these programs will be cost/revenue neutral. Federal funds will provide \$3,871,223 of the school’s estimated revenue. Federal funding declined for FY20 but has increased slightly for FY21.

Other Revenue – Revenue in this section is derived from non-government sources. These funds come primarily from fees for services and specific cost recoveries. Other Revenues will provide \$1,619,622 of the school’s budget.

Local Revenue – Local funds are provided for regular school operation, including the local share of the State Standards of Quality. Additional local funds are appropriated for debt service. Local revenues will provide \$31,587,772 or 34 percent of the school operating budget. This is a decrease from FY20 of 4.07%. These figures do not include debt service or CIP.

Food Service - Fees charged for meals eaten in the cafeteria and State and Federal reimbursements provide the sources of funding for the Food Service Program. FY21 revenues are projected at \$4,224,276, an increase of \$199,370 from fiscal year 2020.

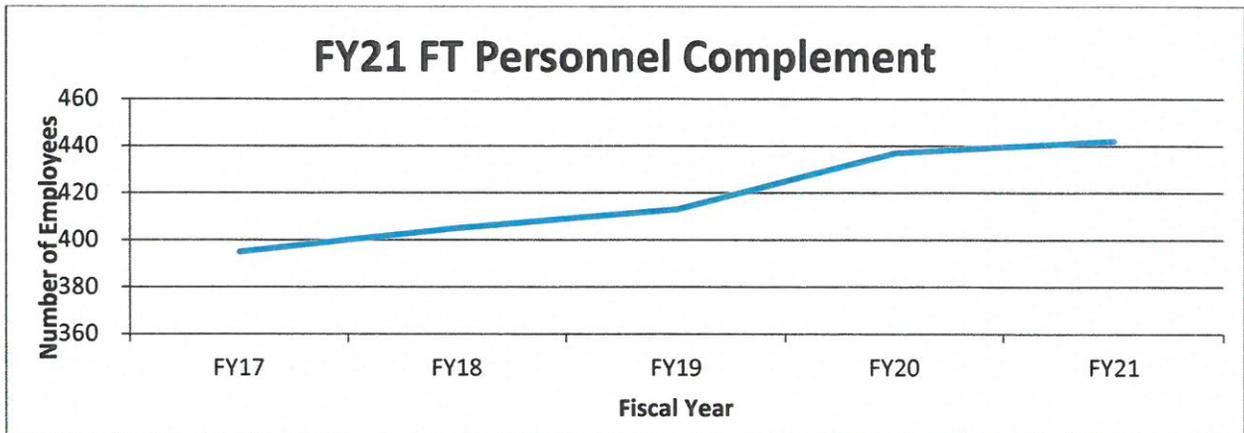
**SUMMARY OF FULL TIME PERSONNEL COMPLEMENTS FROM
FY17 THROUGH FY21**

(NOTE: Does not include part time approved positions
All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
General Fund:						
<i>Administration</i>	3	4	4	4	4	0
<i>County Attorney</i>	2	2	2	3	3	0
<i>Human Resources</i>	2	2	2	2	2	0
<i>Procurement/Communications</i>	2	2	2	2	2	0
<i>Commissioner of Revenue</i>	9	9	9	9	9	0
<i>Real Estate Assessment</i>	6	6	6	6	6	0
<i>Treasurer</i>	7	7	8	8	8	0
<i>Finance</i>	5	5	5	5	5	0
<i>Information Technology(Incl Records Mgmt)</i>	5	5	5	6	6	0
<i>Registrar</i>	2	2	2	2	2	0
<i>Office Support to Circuit Court Judge</i>	1	1	1	1	1	0
<i>Office of Clerk to Circuit Court</i>	11	11	11	11	11	0
<i>Crime Victim Assistance Program</i>	2	2	2	2	2	0
<i>Court Security</i>	14	14	14	14	12	(2)
<i>Office of Commonwealth's Attorney</i>	9	10	10	12	12	0
<i>Criminal Justice Services</i>	5	5	4	4	4	0
<i>Pretrial Services</i>	4	2	3	3	3	0
<i>Office of the Sheriff</i>	57	58	58	58	60	2
<i>Adult Detention</i>	29	29	29	35	39	4
<i>Building Inspections</i>	7	7	8	8	8	0
<i>Animal Services</i>	7	8	8	8	8	0
<i>Office of Emergency Services</i>	24	25	24	33	33	0
<i>General Property / Maintenance</i>	6	5	6	6	6	0
<i>Community Youth Services</i>	2	2	2	2	2	0
<i>Options Program (Juvenile crime control)</i>	3	3	3	3	3	0
<i>Parks and Recreation</i>	5	7	8	9	9	0
<i>Library</i>	7	7	7	7	7	0
<i>Planning and Zoning</i>	5	5	6	6	6	0
<i>Economic Development</i>	2	2	2	2	2	0
Total General Fund	243	247	251	271	275	4
Other Funds:						
<i>Carver Technical Center</i>	0	0	0	0	0	0
<i>Department of Human Services</i>	115	120	121	125	126	1
<i>Airport</i>	2	2	2	2	2	0
<i>Emergency Communications Center (E911- Dispatch)</i>	26	26	26	26	26	0
<i>Environmental Services</i>	9	10	13	13	13	0
Total Other Funds	152	158	162	166	167	1
TOTAL FULL TIME EMPLOYEES	395	405	413	437	442	5

SUMMARY OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions
All full-time positions in individual departments cross-referenced to this document)



Changes:

Court Security: *(decrease in positions is from moving 2 Court Security Officers to the Jail for transport of inmates)*

Office of the Sheriff: *(increase is approval of 2 new local deputy positions)*

Adult Detention: *(increase is approval of 2 new local deputy positions & transfer of 2 from Court Security)*

Department of Human Services: *(creation of new position – Disabilities Supervisor Head Start).*

DETAIL OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions)

All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
General Fund:						
Administration	3	4	4	4	4	0
County Administrator	1	1	1	1	1	
Administrative Support	1	1	1	1	1	
Deputy Clerk to the Board	1	1	1	1	1	
Assistant Deputy Clerk to the Board (approved not funded)	0	0	0	0	0	
Special Project Coordinator/grant writer	0	1	1	1	1	
County Attorney	2	2	2	3	3	0
County Attorney	1	1	1	1	1	
Assistant Attorney	0	0	0	1	1	
Legal Assistant	1	1	1	1	1	
Human Resources	2	2	2	2	2	0
Director, Human Resources	1	1	1	1	1	
Benefits Coordinator	1	1	1	1	1	
Procurement/Communications	2	2	2	2	2	0
Director, Procurement & Communications	1	1	1	1	1	
Buyer/Communications Assistant	1	1	1	1	1	
Commissioner of Revenue	9	9	9	9	9	0
Commissioner of Revenue	1	1	1	1	1	
Chief Deputy Commissioner	1	1	1	1	1	
Deputy Commissioner III	2	2	2	2	2	
Deputy Commissioner II	4	4	4	4	4	
Auditor	1	1	1	1	1	
Real Estate Assessment	6	6	6	6	6	0
Real Estate Assessor	1	1	1	1	1	
Land Use / Tax Relief Programs Administrator	1	1	1	1	1	
Real Estate Data Entry Clerk	1	1	1	1	1	
Real Estate Appraiser	2	2	2	2	2	
Real Estate Transfer Specialist	1	1	1	1	1	
Treasurer	7	7	8	8	8	0
Treasurer	1	1	1	1	1	
Deputy Clerk IV	1	1	1	1	1	

DETAIL OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions)

All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
General Fund (cont):						
Treasurer (cont):						
Deputy Clerk II	3	3	4	4	4	
Collections Assistant	1	1	1	1	1	
Accounting Technician	1	1	1	1	1	
Finance	5	5	5	5	5	0
Director, Finance	1	1	1	1	1	
Accounting Mgr	1	1	1	1	1	
Accounting Technician – A/P	1	1	1	1	1	
Accounting Technician - Payroll	1	1	1	1	1	
Office Support III	1	1	1	1	1	
Information Technology (Incl Records Mgmt)	5	5	5	6	6	0
Director, Technology & Applications	1	1	1	1	1	
System Administrator	1	1	1	2	2	
Web Services/Software Coordinator	1	1	1	1	1	
Network Administrator	1	1	1	1	1	
Records Manager	1	1	1	1	1	
Registrar	2	2	2	2	2	0
Registrar	1	1	1	1	1	
Assistant Registrar	1	1	1	1	1	
Office Support to Circuit Court Judge	1	1	1	1	1	0
Office of Clerk to Circuit Court	11	11	11	11	11	0
Clerk of Circuit Court	1	1	1	1	1	
Deputy Clerk IV	1	1	1	1	1	
Deputy Clerk III	3	3	3	3	3	
Deputy Clerk II	3	3	3	3	3	
Deputy Clerk I	2	2	2	2	2	
Administrative Specialist III	1	1	1	1	1	
Crime Victim Assistance Program	2	2	2	2	2	0
Program Director	1	1	1	1	1	
Administrative Specialist III	1	1	1	1	1	

DETAIL OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions

All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
General Fund (cont):						
Court Security	14	14	14	14	12	(2)
Captain, Court Security Officers	0	1	1	1	1	
Lieutenant, Court Security Officers	1	1	1	1	1	
1st Sgt, Court Security	0	0	1	1	1	
Sgt, Court Security Officers	1	1	1	1	1	
Corporal, Court Security Officers	1	1	0	0	0	
Court Security Officers	11	10	10	10	8	
<i>(decrease in positions is from moving 2 Court Security Officers to the Jail for transport of inmates)</i>						
Office of Commonwealth's Attorney	9	10	10	12	12	0
Commonwealth's Attorney	1	1	1	1	1	
Legal Assistant	1	1	1	1	1	
Paralegal	1	1	1	1	1	
Office Support	1	1	1	2	2	
Deputy Commonwealth's Attorney	1	1	1	1	2	
Assistant Commonwealth's Attorneys (incl VSTOP)	3	3	3	4	3	
Locally Funded Assistant Commonwealth's Attorney	1	2	2	2	2	
Criminal Justice Services	5	5	4	4	4	0
Director of Criminal Justice Services	1	1	1	1	1	
Local Probation Officers	4	4	3	3	3	
Pretrial Services	4	2	3	3	3	0
Deputy Director	1	0	1	1	1	
Local Pre-trial Officers	2	2	2	2	2	
Administrative Support	1	0	0	0	0	
Office of the Sheriff (increase is approval of 2 new local deputy positions)	57	58	58	58	60	2
Sheriff	1	1	1	1	1	
Administrative Support	1	1	0	0	0	
Chief Administrative Officer	1	1	1	1	1	
Office Support, Investigations	1	1	1	1	1	
Chief Deputy (Captain/Major)	1	1	1	1	1	
Captain, Operations	1	1	1	1	1	
Captain, Support Services	1	1	1	1	1	
Lieutenant, Investigations	1	1	1	1	1	

DETAIL OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions)

All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
General Fund (cont):						
Lieutenant, Professional Standards	0	0	2	2	2	
2nd Liutenant, Patrol	0	0	1	1	1	
2nd Liutenant, SRO	0	0	1	1	1	
1 st Sergeant, Investigations	1	1	0	0	0	
1st Sgt, Professional Standards	1	1	0	0	0	
Sergeant, Professional Standards	1	1	0	0	0	
Sergeant, Patrol	4	4	3	3	3	
K-9 Officers, Sergeant	2	2	2	2	2	
Sergeant, Crime Prevention	1	1	2	2	2	
Corporal, Patrol	4	4	0	0	0	
Corporal, Civil Process	0	0	0	0	0	
Corporal, Crime Prevention	1	1	0	0	0	
Detectives	4	4	4	4	4	
Drug Task Force Investigator (including Supervisor)	1	1	3	3	3	
Deputy, Patrol	13	13	15	15	17	
Deputy, Civil Process	1	1	0	0	0	
Deputy, Crime Prevention	3	4	5	5	5	
Deputy, Professional Standards	1	1	3	3	3	
Evidence Clerk/Crime Analyst	0	0	1	1	1	
Motor Officers	2	2	0	0	0	
K-9 Officers, deputy	2	2	2	2	2	
Supervisor, Joint Records	1	1	1	1	1	
Clerk, Joint Records	3	3	3	3	3	
Public Information Officer	1	1	0	0	0	
Equipment Manager	1	1	0	0	0	
Adult Detention (increase is approval of 2 new local deputy positions & transfer of 2 from Court Security)	29	29	29	35	39	4
Lieutenant, Adult Detention (also LIDS Tech)	1	1	1	1	1	
1 st Sergeant, Adult Detention	1	1	1	1	1	
Sergeant, Adult Detention	4	4	5	5	5	
Corporals, Adult Detention	4	4	0	0	0	
Adult Detention Deputies	11	11	16	22	26	
HEM/Admin Deputies	2	2	0	0	0	
Jail Nurse	2	2	2	2	2	
Office Support	1	1	2	2	2	
LIDS Technician	1	1	0	0	0	
Food Service / Cooks	2	2	2	2	2	

DETAIL OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions)

All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
General Fund (cont):						
Building Inspections	7	7	8	8	8	0
Building Official	1	1	1	1	1	
Building Inspections Technician/Office Manager	1	1	1	1	1	
Permit Technician	1	1	1	1	1	
Combination Building Inspectors	4	4	5	5	5	
Animal Services	7	8	8	8	8	0
Director of Animal Service/Chief Animal Control Officer	1	1	1	1	1	
Animal Control Operations Manager	1	1	1	1	1	
Shelter Operations Manager	1	1	1	1	1	
Deputy Animal Control Officers	2	3	3	3	3	
Administrative Support	0	0	0	0	0	
Animal Caretakers	2	2	2	2	2	
Office of Emergency Services	24	25	24	33	33	0
Director, Emergency Services	1	1	1	1	1	
Captain	1	1	2	2	2	
Lieutenant	4	4	4	4	4	
Office Mgr.	1	1	1	1	1	
F&R Administrative Assistant	0	1	0	0	0	
Firefighters/Emergency Medical Technicians	16	16	16	25	25	
Training Coordinator	1	1	0	0	0	
General Property / Maintenance	6	5	6	6	6	0
Maintenance Technicians Supervisor	0	0	0	0	0	
Maintenance Technician II	1	1	2	2	2	
Maintenance Technician I (FY18 added 1 new FT)	3	2	2	2	2	
Maintenance Technician I (FY18 2 transferred to P&R)						
Senior HVAC Technician	1	1	1	1	1	
Facilities Maintenance Manager	1	1	1	1	1	
Community Youth Services	2	2	2	2	2	0
Culpeper Youth Network Coordinator	1	1	1	1	1	
Administrative Support	1	1	1	1	1	

DETAIL OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions)

All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
General Fund (cont):						
Options Program (Juvenile crime control)	3	3	3	3	3	0
Program Director	1	1	1	1	1	
Community Services Officer	1	1	1	1	1	
Community Service-Assessment Specialist	1	1	1	1	1	
Parks and Recreation						
Director, Parks and Recreation	1	1	1	1	1	0
Programs and Facilities Supervisor	1	1	1	1	1	
Administrative Support	1	1	1	1	1	
Recreation Coordinator	0	0	0	1	1	
Parks Superintendent (Community Complex)	1	1	1	1	1	
Field maintenance tech II (Community Complex)	1	1	1	1	1	
Field maintenance technician (Community Complex)	0	2	3	3	3	
						(FY18 2 transferred from B&G)
Library						
Library Director	1	1	1	1	1	0
Assistant Library Director	1	1	1	1	1	
Youth Services Coordinator	1	1	1	1	1	
Adult Services/Reference Coordinator	1	1	1	1	1	
Library Associates	3	3	3	3	3	
Planning and Zoning						
Director, Planning and Zoning	1	1	1	1	1	0
Administrative Support	1	1	1	1	1	
Zoning Administrator	1	1	1	1	1	
GIS Coordinator	1	1	1	1	1	
Planner I	1	1	1	1	1	
Planning Technician	0	0	1	1	1	
Economic Development						
Director, Economic Development	1	1	1	1	1	0
Administrative Support	1	1	1	1	1	
Total General Fund	243	247	251	270	275	4

DETAIL OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions)

All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
Other Funds:						
Carver Technical Center	0	0	0	0	0	0
Maintenance Coordinator	0	0	0	0	0	
Department of Human Services	115	120	121	125	126	1
Director of Human Services	1	1	1	1	1	
Assistant Director of Human Services	1	1	1	1	1	
Administrative Manager	1	1	1	1	1	
Administrative Coordinator	1	1	1	4	4	
Fiscal Manager	1	1	1	1	1	
Fiscal Assistant	2	2	2	0	0	
Information Technology Specialist	0	2	2	2	2	
Department Supervisors	6	6	6	7	7	
Benefit Program Specialists	18	18	18	18	18	
Fraud Investigator II	1	1	1	2	2	
Family Services Specialists	15	16	17	16	16	
Human Service Assistants	2	3	3	5	8	
Office Support	7	7	9	7	3	
Self-Sufficiency Specialists	1	2	2	5	6	
Family Support Workers-FF	3	3	3	4	4	
Specialists in various groups	2	2	3	3	2	
Program Manager for Child Care	1	1	1	1	1	
Staffing Manager for Child Care	1	1	1	0	1	
Director HS/Early Childhood & Adolescent Programs	1	1	1	1	1	
Fiscal Coordinator	1	1	1	1	1	
Quality Control Coordinator	1	1	1	1	1	
Family Services Manager	1	1	1	1	1	
Family Services Workers	6	10	9	5	5	
Health Manager	1	1	1	1	1	
Operations Manager for Head Start	1	1	1	1	1	
Head Start Teachers	18	24	20	17	20	
Head Start Teachers' Aides	18	9	11	15	12	
Education Supervisor	1	1	1	1	1	
Education Manager	0	0	0	1	1	
Disabilities Supervisor Head Start <i>(creation of new position)</i>	0	0	0	0	1	
Full Time Driver – Full Circle Thrift	1	0	0	0	0	
Custodian	0	0	0	1	1	
Infant/Toddler Specialist	1	1	1	1	1	

DETAIL OF FULL TIME PERSONNEL COMPLEMENTS FROM FY17 THROUGH FY21

(NOTE: Does not include part time approved positions)

All full-time positions in individual departments cross-referenced to this document)

	FY17	FY18	FY19	FY20	FY21	Chg
Other Funds (cont):						
Airport	2	2	2	2	2	0
Assistant Airport Manager	1	1	1	1	1	
Operations Manager	1	1	1	1	1	
Emergency Communications Center (E911- Dispatch)	26	26	26	26	26	0
Center Director	1	1	1	1	1	
Shift Supervisors	5	5	5	5	5	
Communications Operators II	5	5	5	5	5	
Communications Operators I	14	14	14	14	14	
Deputy Director	1	1	1	1	1	
Environmental Services	9	10	13	13	13	0
Director, Environmental Services	1	1	1	1	1	
Office Manager	1	1	1	1	1	
Transfer Station Scale Operator	3	3	4	4	4	
Convenience Site Attendant	0	0	0	0	0	
Chief Water/Wastewater Operator	1	1	1	1	1	
Water / Wastewater Plant Operator	2	2	4	4	4	
Lab Manager	0	0	0	0	0	
Maintenance Technician II	0	1	1	1	1	
Project Manager	1	1	1	1	1	
Total Other Funds	152	158	162	166	167	1
TOTAL FULL TIME EMPLOYEES	395	405	413	437	442	5

