

Public Hearing

1. Due to COVID-19, the Proposed FY21 Budget presentation is being given in an electronic format.
2. Email, voice message and written comments were accepted through 10:00 a.m. this morning.
3. All comments received after 10:00 a.m. this morning will continue to be provided to the Board at least through 10:00 a.m., May 11, 2020, with adoption of a budget anticipated on May 12, 2020.
4. Voice Message Comments: 540-727-3444
5. Email Comments:

PublicComment@culpepercounty.gov

FY21 BUDGET PRESENTATION

May 5, 2020

FY21 PROPOSED OPERATIONAL BUDGET COMPARED TO CURRENT YEAR FY20

FY20 (Current Year): \$171,549,067 TOTAL BUDGET

Portion of FY20 Budget supported by local general funds:

\$ 81,590,278 less CIP & Debt = **\$68,505,008**

FY21 (Proposed): \$179,088,736 TOTAL BUDGET

Portion of FY21 Budget supported by local general funds:

\$ 81,907,530 less CIP & Debt = **\$66,945,338**

FY21: Understanding Increases

- ▶ The FY21 Budget includes new federal funding for Airport CIP projects: \$5,008,711
- ▶ The FY21 Budget includes new state funding for the schools: \$3,479,656
- ▶ These funds do not impact how much funding comes from our locality – our tax payers – to support our operational budget. As such, they skew the reality that the proposed FY21 budget is reduced from the current year in terms of local spending.

FY21 Locally Supported Spending

- ▶ The FY21 Budget includes locally supported spending in the amount of \$ 81,907,530
- ▶ This supports operations and CIP projects broken down as follows:
 - Schools Operations – \$31,587,772
 - Schools CIP & Debt – \$10,027,401
 - County Government – \$33,686,049
 - County CIP & Debt – \$4,819,486
 - Human Services – \$1,786,822
- ▶ Debt is outside of our control, however CIP projects, for the most part, will not move forward without further Board approval.

FY21 Planning for Revenue Shortfall Due to COVID-19 (Coronavirus)

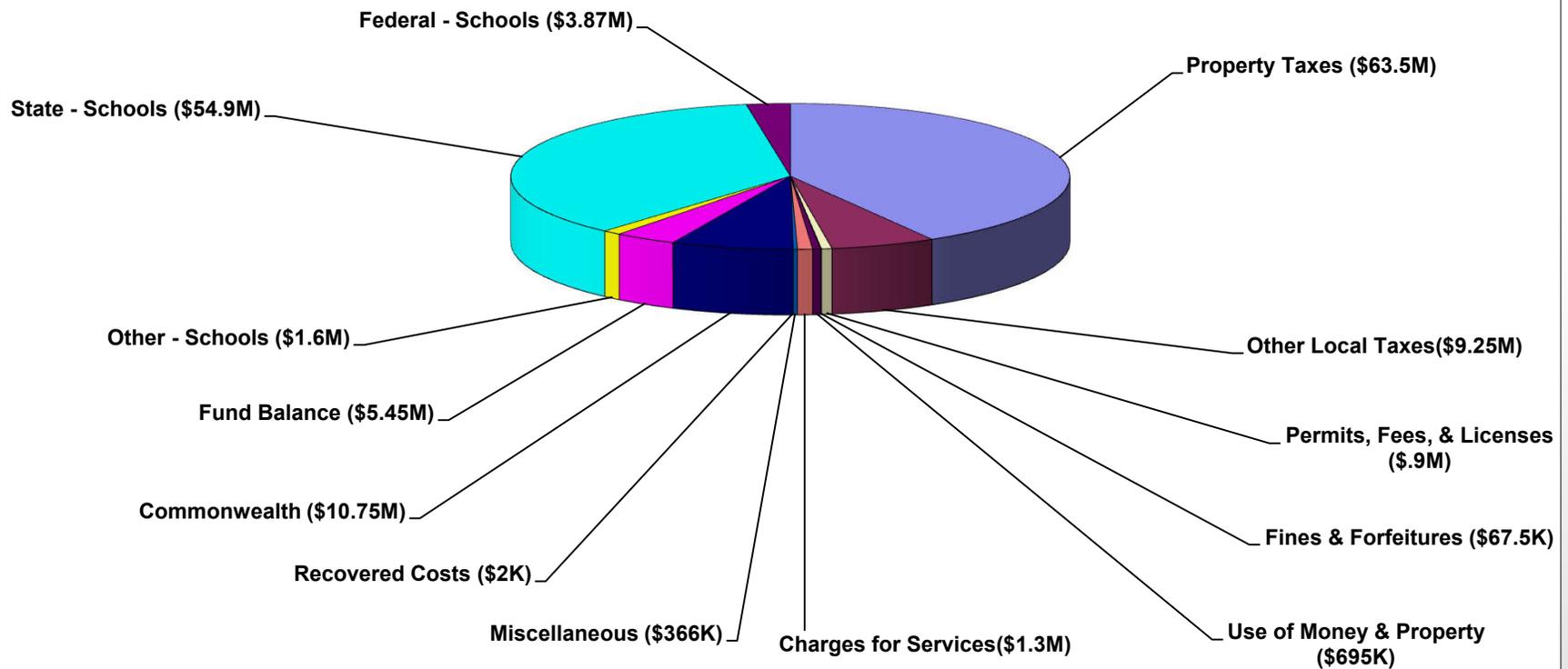
- ▶ Budgeted locally supported spending including CIP is \$419,419 less than the current year.
- ▶ Revenue projections have been cut in the areas of permitting fees, personal property tax and sales tax.
- ▶ Even after reducing revenue projections, the budget includes set aside funds of \$681,725.
- ▶ FY21 CIP projects, which are on hold and will be subject to Board appropriation total \$5,619,100. (Assumes no hold on \$400K to CCVFRA or \$115K to Airport)
- ▶ Mid-year COLA increases are also subject to future Board appropriation totaling \$738,901.

Fund Balance

- ▶ The set aside funds and the CIP projects to remain unappropriated until further action by the Board total \$9,749,276 to cover potential revenue shortfalls which may occur due to COVID-19.
- ▶ Additionally, above and beyond those funds, the County fund balance is projected to be at 15.20%, well above our minimum policy. This fund (\$31.6m) can be utilized to some degree if necessary.
- ▶ Current year FY20 CIP Funds are also “on hold” and being held in reserve totaling \$3,448,451.

REVENUE: WHERE IT COMES FROM

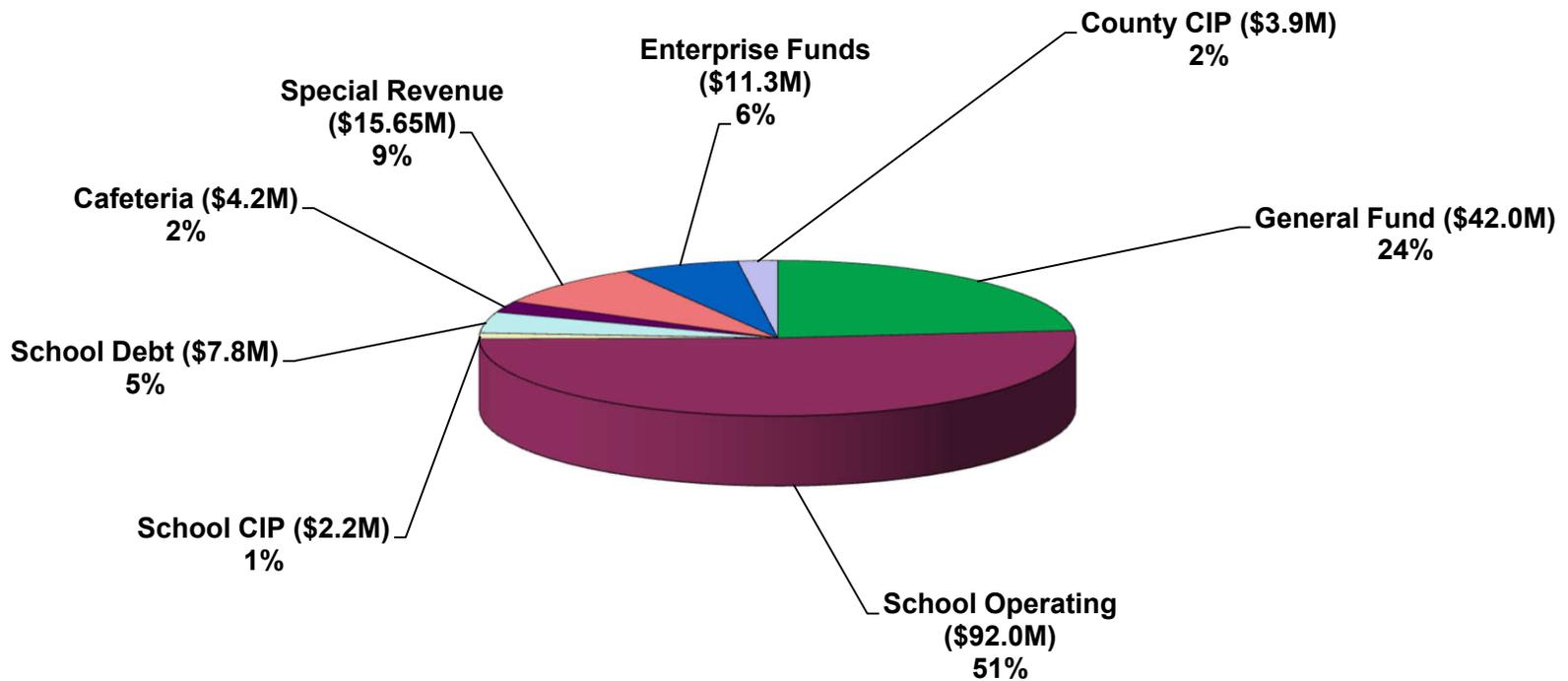
FY21 Proposed General Fund and School Fund Revenues



Total revenues in graph = \$152.7M; this is only GF & SF, not entire budget, which is \$179.1M

EXPENDITURE: WHERE IT GOES

FY21 Proposed Expenditures (\$179.1M)



FY17-21 FIVE YEAR LOOKBACK

Fiscal Year	Adopted Budget w/o CIP & Debt	Total School Operating Budget	Total DHS Budget	Total Public Safety Budget*	Balance of Budget Remaining
FY17	141,897,832	86,779,672	11,430,174	17,838,250	25,849,736
FY18	146,578,171	89,313,834	12,406,260	18,168,422	26,689,655
FY19	150,516,928	90,975,318	12,669,044	18,634,968	28,237,598
FY20	157,154,308	93,943,647	12,653,314	21,378,585	29,178,762
FY21**	158,596,614	96,194,272	12,928,375	21,717,285	27,756,682
NOTES:					
* Public Safety budget includes:					
Sheriff; Outside Jail Services; F&R Assn; Emergency Services; E911					
** Proposed					

BUDGET 2021

NO REASSESSMENT / EQUALIZATION

NO REASSESSMENT THIS YEAR

- ▶ The County performs a reassessment every two (2) years.
- ▶ A reassessment occurred for the FY 2020 Budget. Increasing land and improvement values allowed us to lower the tax rate from 0.67 to 0.62 in FY20.
- ▶ Land values for the purpose of tax assessment did not change for this budget year.

EQUALIZATION & TAX RATE SINCE 2012

<u>YEAR</u>	<u>BUDGET M</u>	<u>EQ</u>	<u>ADOPTED</u>
▶ FY12	\$130.7	.75	.74 (Tax Cut)
▶ FY13	\$159.8	N/A	.80 (CCHS)
▶ FY14	\$146.3	.83	.83
▶ FY15	\$150.3	N/A	.83
▶ FY16	\$154.1	.73	.73
▶ FY17	\$158.8	N/A	.73
▶ FY18	\$164.6	.67	.67
▶ FY19	\$182.6	N/A	.67
▶ FY20	\$171.6	.61	.62 (Set Aside)
▶ FY21	\$179.1	N/A	.62*

* Proposed rate

BUDGET 2021

WHAT YOUR TAX DOLLARS GENERATE

**FOR EVERY PENNY ON THE REAL
ESTATE TAX RATE, HOW MUCH
REVENUE IS GENERATED?**



Current Year FY20: \$552,206

**County of Fairfax, VA: 1 Penny = \$26.5 million
FY20 Rate: \$1.15 / \$100 value
Total Budget over \$4.5 Billion**

**FOR EVERY PENNY ON THE PERSONAL
PROPERTY TAX RATE (PERSONAL VEHICLES),
HOW MUCH REVENUE IS GENERATED?**



= \$ 95,395

Current Rate (personal property): \$3.50 per \$100 value

Current Rate (machinery & tools): \$2.00 per \$100 value

No changes proposed

FY 21 BUDGET

BUDGET – OPERATIONS

FY 21 BUDGET – Operations

- ▶ SCHOOLS
- ▶ PUBLIC SAFETY
 - SHERIFF
 - FIRE & RESCUE
- ▶ DEPARTMENT OF HUMAN SERVICES
- ▶ GENERAL GOVERNMENT

FY 21 BUDGET – SCHOOLS

FY20: \$89,830,258

FY21: \$91,969,996

\$ 2,139,738

\$3,479,656 Additional State Revenue

\$1,339,918 Reduction of Local Dollars

FY21 Local Contribution: \$31,587,772, which is a 4% decrease from FY20.

Increased overall funding helps cover health insurance increases but not much else.

FY 21 BUDGET – PUBLIC SAFETY: SHERIFF

FY20: \$12,763,825

FY21: \$13,342,041

Largest Single Increase: Positions:

2 New Jail positions \$145,066

2 New Law Enforcement \$145,066

Total Jail increase: \$203,572

Total Law Enforcement Increase: \$257,468

Total Court Security Decrease: (\$119,824)

Cost of outside jail services increased by \$237,000

(to \$1,337,000)

Increases also result from health insurance costs and \$240,000 included for 6 new vehicles

FY 21 BUDGET – PUBLIC SAFETY: FIRE & RESCUE (VOLUNTEERS)

FY19: \$2,072,957	(\$1,669,957 Local)
FY20: \$2,341,996	(\$1,919,996 Local)
FY21: \$2,656,435	(\$2,126,435 Local)

Budget increase reflects rising operational costs for volunteer departments.

Our volunteers save the County taxpayers tens of millions of dollars annually versus an all-career staff.

FY 21 BUDGET – Department of Human Services (Local Fund Request)

FY20: \$1,651,850

FY21: \$1,786,822

Increases required are primarily for health insurance costs and VRS increase.

Salary increases of up to 10% initially proposed by the state were unallotted. As such, a 2.1% COLA at mid-year has been programmed.

FY21 BUDGET – GENERAL GOVERNMENT

FY20: \$42,378,725

FY21: \$42,003,075

21% increase in Health Insurance (employees absorbing 11% of their share)

As the impacts of COVID-19 became evident, numerous amendments were made to the original budget proposal:

- COLA increases of 2.1% beginning January 1, 2021 subject to availability of funding (\$105,000)
- Pay for performance increases eliminated (\$275,000)
- Most New Positions Cut (Except Sheriff) (\$216,000)
- Vacant Positions Frozen (\$393,000)
- Departmental Funding Cut (\$666,000)
- Airfest Funding Cut (\$25,000)
- Culpeper Quarterly Newsletter Cut (\$45,000)

FY 21 BUDGET

BUDGET – CAPITAL IMPROVEMENTS

Categories and Funding Requests for FY 2021

- ▶ **Airport**: \$5,585,235 Total - \$115,305 - General Fund, \$5,469,930 – Other Sources
- ▶ **Buildings & Grounds**: \$600,000 Total - \$540,000 - General Fund, \$60,000 – Other Sources
- ▶ **Education**: \$2,213,000 – General Fund
- ▶ **Information Technology**: \$63,500 – General Fund
- ▶ **Miscellaneous**: \$50,000 Total – General Fund
(Potential Matching Funds from Other Sources)



Categories and Funding Requests for FY 2021

- ▶ **Parks and Recreation**: \$50,000 - General Fund
- ▶ **Public Safety**: \$2,102,600 - General Fund
- ▶ **Public Works (Landfill)**: \$0
- ▶ **Public Works (Roads)**: \$2,000,000 Total
\$1,000,000 - General Fund, \$1,000,000 - VDOT
- ▶ **Public Works (Water & Sewer)**: \$0

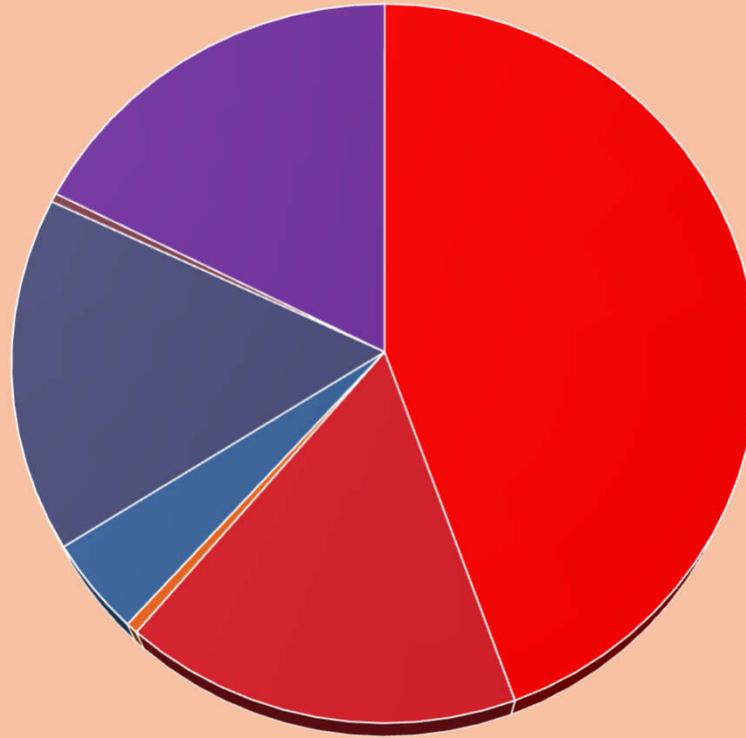


Totals FY 2021

- ▶ **General Fund Total: \$6,134,405**
- ▶ **Landfill Fund: \$0**
- ▶ **Debt Funded: \$0**
- ▶ **Other Sources: \$6,529,930**
FAA/DOA/VDOT/DHS
- ▶ **Grand Total: \$12,664,335**



FY 2021 Funding Requests



■ Airport (\$5,585,235)

■ IT Computer (\$63,500)

■ Roads (\$2,000,000)

■ Landfill (\$0)

■ Education (\$2,213,000)

■ Public Safety (\$2,102,600)

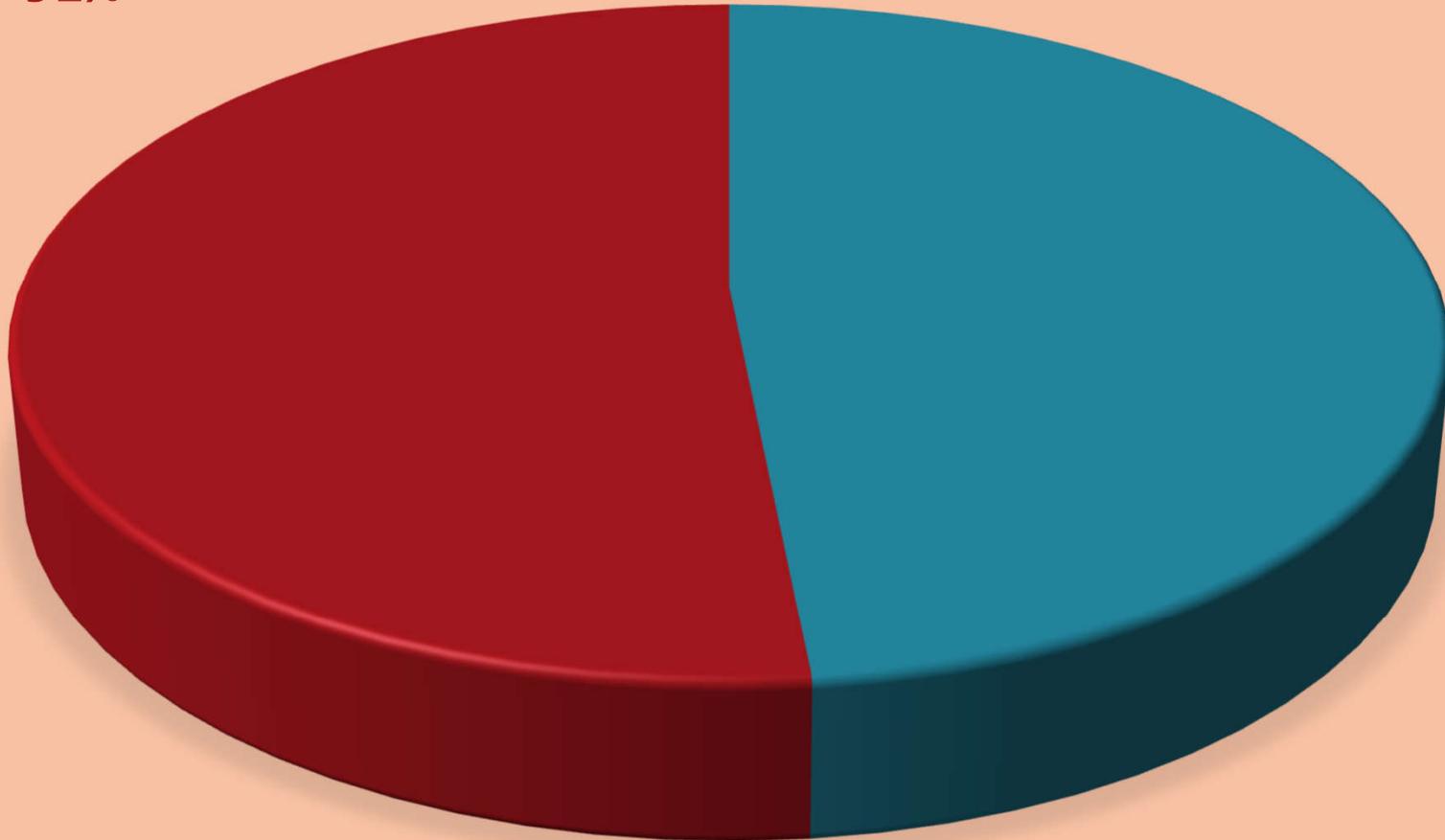
■ Buildings & Grounds (\$540,000)

■ Parks & Recreation (\$50,000)

■ Water & Sewer (\$0)

FY 2021 REVENUE SOURCES

Other Sources –
VDOT/Grants
52%



General Fund
48%

FY 21 BUDGET

BUDGET – DEBT PAYMENTS

FY 21 Debt Payments

- ▶ **School Debt** **\$7,814,401**
 - 2012 issue of \$21M – CCHS
 - 2014 refunded lease revenue bond of \$49M – EVHS
 - 2019 New CTE School \$16.45M

- ▶ **County Debt** **\$1,013,386**
 - Giles Miller Bldg., Sheriff's Office, DHS

- ▶ **Airport Debt** **\$124,656**
 - Includes fourth year of P&I – USDA loan

SUMMARY

PROPOSING ALL TAX RATES FLAT
REDUCTION IN PROJECTED REVENUES AND
EXPENDITURES OF LOCALLY FUNDED OPERATIONS

The Big Picture

<u>FUNDING SOURCE</u>	<u>FY 20 ADOPTED</u>	<u>FY 21 PROPOSED</u>	<u>DIFFERENCE</u>
Local GF support	81,590,278	81,907,530	317,252
Other Local revenue support	7,222,232	6,005,556	(1,216,676)
Commonwealth	65,625,058	68,996,825	3,371,767
Federal	11,585,239	16,693,645	5,108,406
Net Use of fund balance (less Set Aside for future capital)	<u>5,526,260</u>	<u>5,485,180</u>	<u>(41,080)</u>
Total	<u>171,549,067</u>	<u>179,088,736</u>	<u>7,539,669</u>

The Big Picture – Summary

- ▶ The FY21 Budget has been reduced from FY20 in local spending by \$419,419.
- ▶ The FY21 Budget includes reduced revenue projections and cuts to County Government and School funding.
- ▶ The FY21 Budget also includes CIP project funding which can be held in reserve totaling \$5,619,100.
- ▶ The FY21 Budget anticipates a strong fund balance of 15.20%, or \$31.6M.

FY21 PROPOSED TAX RATES

	<u>2020</u>	<u>2021</u>
▶ REAL ESTATE ▶	\$0.53	\$0.53
▶ FIRE AND RESCUE LEVY ▶	\$0.09	\$0.09
▶ PERSONAL PROPERTY ▶	\$3.50	\$3.50
▶ PP RECREATIONAL ▶	\$1.50	\$1.50
▶ AIRCRAFT ▶	\$0.0001	\$0.0001
▶ MACHINERY AND TOOLS ▶	\$2.00	\$2.00
▶ MOTOR VEHICLES (30+ Passengers) ▶	\$1.00	\$1.00
▶ MOTOR VEHICLES (Qualifying volunteers) ▶	\$0.0001	\$0.0001

	County	Population*	Current PPTX	Current Real Estate Tax	Proposed Real Estate Tax
	Culpeper	51,998	3.5000	0.6200	0.6200
	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
	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				

THANK YOU

- ▶ MANY THANKS TO OUR COUNTY FINANCE DEPARTMENT
- ▶ THANK YOU TO THE COUNTY DEPARTMENT HEADS AND CONSTITUTIONAL OFFICERS
- ▶ THANK YOU TO DR. BRADS & THE SCHOOL BOARD
- ▶ THANK YOU TO LISA PEACOCK AND THE HUMAN SERVICES BOARD
- ▶ THANK YOU TO THE BOARD OF SUPERVISORS
- ▶ THANK YOU TO THE CITIZENS OF CULPEPER

PUBLIC HEARING

“EFFECTIVE GOVERNMENT BEGINS WITH ENGAGED CITIZENS”

FY21 PROPOSED TAX RATES

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