

FY  
2021



# Spotsylvania County



Budget Adoption  
April 28, 2020

# Approaching Adoption

## Revenue Adjustments –

- Factor in last assessment update (+\$380K)
- DSS State revenue increase (+\$1,23K)  
- Recalc of Comm. Sales & Personal Property taxes (+\$242K)
- \$3.9M reduction in projection for consumption-based revenues as a result of virus emergency (sales, meals, business license, transient occupancy & interest earnings)
- Use of \$3.9M from Budget Stabilization Reserve to backfill what is anticipated to be a temporary reduction in consumption-based revenues
- Use forfeiture/seizure reserves for ½ of one-time Sheriff's Office equipment/items orig. planned to be funded with one-time \$

# Approaching Adoption

## Revenue Adjustments –


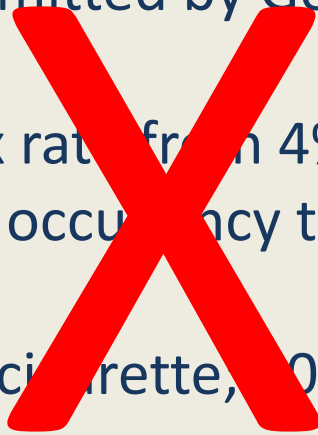
- Reduce RE tax rate to \$0.8094 - slightly below equalized rate (-\$11.3M in on-going funding and -\$5.6M in one-time funding)

Breakdown of Real Estate Rate in This Scenario	
Base rate	\$0.7709*
Public Safety compensation (\$6.2M)	\$0.0384
Total	\$0.8094

\*3.91¢ less than equalization

# Approaching Adoption

## Revenue Adjustments –

- Implement \$100 annual fee for use of landfill and convenience sites (+\$1.5M) ★ 
- Increased tax rate permitted by General Assembly action this session: ★ 
  - Increase meals tax rate from 4% to 5% midyear (+\$750K)
  - Increase transient occupancy tax rate from 5% to 7% midyear (+\$200K)
  - Implement \$0.02/cigarette, \$0.20/pack cigarette tax midyear (+\$100K)
- Use Tourism Reserve for Board-requested \$ to Rail Museum (\$10K)

FY  
2021

# Approaching Adoption

## Revenue Adjustments –

- Friday, mid-afternoon, learned that Governor's revisions to State budget for FY 2021 removed half of the \$40M in statewide recordation funding allocated to localities, and then redistributed the first \$20M of the remainder – which is all of it – to the Hampton Roads Regional Transit Fund. (-\$600K) ★

# Approaching Adoption

## Expense Adjustments –

- Eliminate all COLAs, merits, Public Safety steps & related adjustments (-\$3.4M)
- Eliminate added positions with exception of Social Services positions and financial system admin backup (3/4 yr on financial system position) (-\$386K) ★
- Eliminate funding for salary study (policy calls for every 3 years; FY 2021 would have been 5 years) (-\$81K)
- Eliminate tuition reimbursement funding & all travel/training/mileage other than mandates & requirements for maintaining staff certifications (-\$317K)


# Approaching Adoption

## Expense Adjustments –

- Reduce payments to Jail, Juvenile Center, and level-fund Library (-\$354K + -\$688K = \$1.042M) ★
- Level-fund other regional agencies (-\$284K) ★
- Reduce regional tourism (revised request) (-\$101K)
- Reduce volunteer per diems by one-half (-\$107K)
- Reduce F/R & Sheriff's Office added overtime (-\$159K)
- Update calculations of vehicle/equipment fuel, and electricity (-\$29K)
- Recalculate transfer to approved incentives (-\$50K)
- Delay next 1/5<sup>th</sup> of OPEB until FY 2022 (-\$504K)

# Approaching Adoption

## Expense Adjustments –

- Delay update of GPS monuments one year (-\$70K)
- Delay consulting for landfill, solid waste GPS & fixed asset ID by one year (-\$40K)
- Remove one-time planning/market analysis study (-\$75K)
- Delay Legion Field irrigation/grading of various fields one year (-\$32K)
- Eliminate on-going \$700K transfer to Transportation
- Remove one-time \$700K transfer to Transportation
- Remove \$1.9M one-time transfer to capital projects & decreased on-going transfer by \$1.4M to policy minimum 



# Approaching Adoption

## Expense Adjustments –

- Level-fund Schools + \$200K ongoing for debt service (-\$3.8M) ★
- Board member request – add \$10K for Rapp. Railroad Museum
- Board member request – add \$100K one-time for YMCA
- Use State Fire Programs \$ for replacement gear (-\$214K) ★
- Remove departments' tech requests from IS budget (-\$91K) ★
- Reduce IS' budget for A/V support & broadcasting (-\$9K) ★
- Reduce industrial park maintenance expenses (-\$38K) ★
- Reduce HVAC system repairs & maintenance (-\$40K) ★
- Reduce repairs & maintenance supplies (-\$40K) ★

# Approaching Adoption

## Expense Adjustments –

- Reduce Refuse Disposal stone & hauling (-\$10K) ★
- Reduce Refuse Disposal groundwater monitoring (-\$9K) ★
- Transfer contracted mowing & grounds maintenance in-house for one year (-\$193K) ★

FY  
2021

# Approaching Adoption

General Fund	FY 2020 Adopted	FY 2021	Change
\$ in millions			
<b>Revenue -</b>			
Revenue	\$281.7	\$283.5	\$1.8
Transfers In	3.5	3.5	-
Use of Fund Bal.	5.2	5.0	(0.2)
<b>Total Revenue</b>	<b>\$290.4</b>	<b>\$292.0</b>	<b>\$1.6</b>
<b>Expenditures -</b>			
Approp. Exp.	\$141.0	\$148.6	\$7.6
Tax Relief	1.3	1.3	-
Transfers Out	148.1	142.1	(6.0)
<b>Total Exp.</b>	<b>\$290.4</b>	<b>\$292.0</b>	<b>\$1.6</b>

Revenue

\$1.7M = DSS/CSA State rev.

\$4M use of BSR factored in

Expenditures

\$6.2M = P.S. Compensation

\$2M inc. in DSS/CSA progs.

Decrease in others = \$0.6M

## Other Funds –

- Adjustments commensurate with those made to General Fund for areas such as compensation, fuel, electricity, training, new positions removed
- Removed assumed mid-year adjustments to water/sewer rates & fees as part of Recommended Budget. Will come back to the Board with rate proposals in Fall.
- Delayed \$8.7M in FY 2021 cash-funded capital projects ... \$3.3M for reduced decrease in transfer from General Fund and \$5.4M for flexibility within the Capital Projects Fund in FY 2021 should we need it if revenues drop more than the BSR-backfilled \$4M.

## Delayed Cash-Funded Projects –

- Co. 3 station replacement
- Adjustments to timing of fire apparatus replacements
- Portion of landfill development project
- Methane gas collection project at landfill
- Maintenance's replacement bucket truck
- Certain Facility Asset Management projects
- Extension of public water & add'l improvements at Lick Run
- Personal Property system replacement add'l funds
- FOIA software
- Code Compliance software replacement

# Approaching Adoption

## Shift of Available Transportation Funding –

- Shift of available funding between projects reduces FY 2021 need for Connector Road funding by \$1.3M
- Shift of available funding between projects reduces FY 2021 need for local funding on Old Plank/Andora roundabout by \$600K
- Associated decreases in Transportation Fund debt service

# Approaching Adoption

## From Top of Next Year's Budget? –

### FY 2022 Added Revenue Requirements

<p><b>Transfer to Transportation</b> – Will need to add back the removed \$1.4M plus more to sustain the fund in the near term</p>	<p>~\$2.2M</p>
<p><b>OPEB</b> – Delay in FY 2021 creates need to fund two years' worth of on-going increases in FY 2022 to meet policy goal</p>	<p>~\$1.0M</p>
<p><b>Cash to Capital</b> – Restart of policy-level increases to continue offset of a portion of financed projects (5 yrs behind)</p>	<p>~\$1.0M</p>

# Approaching Adoption

## From Top of Next Year's Budget? –

### FY 2022 Added Revenue Requirements

<p><b>Replenish ½ of Budget Stabilization Reserve -</b> Policy calls for any use to be replenished in two years</p>	<p>\$2.0M</p>
<p><b>COLA &amp; Merit/Step</b> – Reduction of the recommended COLA in FY 2020 and elimination in FY 2021 puts us at risk of falling behind market. While others are dealing with the same declining economic conditions as we are for FY 2021, we are aware that others made significant changes in pay in FY 2020</p>	<p>~\$755K for 1% COLA  \$750K – P.S. step  \$640K – G.G. merit</p>



# Approaching Adoption

## From Top of Next Year's Budget? –

FY 2022 Added Revenue Requirements	
Salary Study – FY 2022 will be sixth year since the Evergreen study was completed. Policy calls for studies to occur every three years	~\$82K
<b>Total to this point</b>	<b>\$8.4M</b>
School Transfer	TBD
Jail, Juvenile Cntr payments (significant reductions in FY 2021)	TBD
Library & other regional partners (significant reductions in FY 2021)	TBD

# Approaching Adoption

## From Top of Next Year's Budget? –

### FY 2022 Added Revenue Requirements

Normal operational adjustments such as fuel, electricity, supplies, maintenance, technology & equipment replacements (some deferred in FY 2021)	TBD
Replace portions of staff training	TBD
Debt service increase because of reduced availability of cash for projects	TBD

# Next Steps

Date	Next Steps
April 28	Adopt FY 2021 Budget and first year of CIP (FY 2021)
May	Appropriation of FY 2021 Budget (Hold backs will be in place for County and Schools operating budgets. % TBD)
May/June	Adopt FY 2022 – FY 2025 CIP (out-years)