



FY 2013 Proposed Budget



February 1, 2012

OVERVIEW

- Process
- Priorities set forth in this budget
- Proposed summary
- Revenue highlights
- Expenditure highlights
- General assembly bills monitoring
- Other items to consider
- Conclusion



PROCESS

- Operational budgets by departments were submitted on 12/21/11. Most Departments entered budget requests directly into Munis.
- County administration met with Dept Heads 1/5-17/12 to review budget requests and make any changes.
- Board of supervisors appointed a budget subcommittee on 1/4/12 to work with the County Administrator on recommendations presented.



PRIORITIES

- Balance levels of service with financial constraints of a tax increase
- Maintain department budgets at viable levels
- Create a capital reserve for county and school assets
- Create a formula for funding school operations at consistent levels
- Adopt a consistent funding approach for capital projects (CIP)
- Address animal control structure and service provision



CONTINUE PRIORITIES

- Create a replacement/maintenance schedule for fire/rescue services/equipment
- Examine attorney costs for County (county and schools)
- Commit to a schedule of reassessing every 3 years, not 6 years as a default
- Fund debt service to reduce principal
- Build fund balance
- Examine possible revenue sources for implementation in either FY 13 or 14



BASIS FOR PROPOSED BUDGET

- BOS directed budget committee to determine a steady-state real estate tax rate.
- A No Change Budget for FY 13 was created with modifications.
- This Budget was projected for 3 years (FY 13 + FY 14-16) with inflation rates for medical insurance, VRS, contracting out EMS, CVRJ, and Not for Profits.
- An equilibrated Real Estate Tax Rate of .68 cents was calculated.





BUDGET SUMMARY

ASSESSED VALUES FOR PROPERTY TAXES

- Tax value information from the
Commissioner of the Revenue

	<u>FY12</u>	<u>FY13</u>
Real Estate	\$3.080B	\$3.120B
Personal Property	\$176M	\$184M
Public Service	\$540M	\$534M
Collection rate	(95%)	(96%)



BUDGET INCLUDED

- Adjustments to VRS rates from 15.57% to 17.85% (\$111,082)
- Refinancing the \$2.7 million note maturing on 1/1/2013
- Increases from the CVRJ
- Add IT position (\$49,777)
- Adjustments to salaries for the lowest paid employees (\$100,000)
- Additional professional services for BOS (\$100,000)
- Level funding for Not for Profit Agencies
- Additional funding for Animal Control moving under the Sheriff (\$50,000)



CONTINUE BUDGET INCLUDED

- **Reductions to:**
 - Commissioner of Revenue (\$42,096)
 - Treasurer (\$39,098)
 - Parks & Recreation (\$41,248)
 - Social Services (\$50,000)
 - Schools (\$1,150,000)
- **Funds for employee bonuses (\$88,000)**
- **Increases for employee medical insurance cost 15% (\$117,938)**
- **Contracting out EMS (\$150,000)**
- **Fire and Rescue Vehicles (\$225,000)**
 - ALS (\$65,000)
 - Ambulance (\$85,000)
 - Fire Command (\$55,000)
 - Water Rescue (\$20,000)
- **Elimination of Convenience Center (\$142,185)**



BUDGET NOT INCLUDED

- Any additional positions as requested by departments
 - Assistant County Administrator
 - Parks & Recreation Athletic Director
 - Treasurer part-time
 - Registrar part-time temporary
 - Sheriff's 2.5 part-time Bailiffs
- Merit increases for employee performance
- Cost of living adjustments for employees
- Building the fund balance
- Setting aside funds for debt reserve



PROPOSED FY13 BUDGET SUMMARY

	Adopted FY 2012	Proposed FY 2013	Variance Positive <Negative>
General & Debt Service Funds			
Revenues & Fund Balance	\$ 43,548,488	\$45,612,513	\$ 2,064,025
Expenditures	38,698,155	39,096,325	398,170
Capital Fund			
Revenues & GF Transfers	1,290,000	45,000	<1,245,000>
Expenditures	5,888,000	6,432,324	544,324
Enterprise Funds (Utility & FUSD)			
Revenue & GF Transfers	431,400	571,595	140,195
Expenses	683,733	700,459	16,726
Grand Total Budgets	45,269,888	46,229,108	959,220

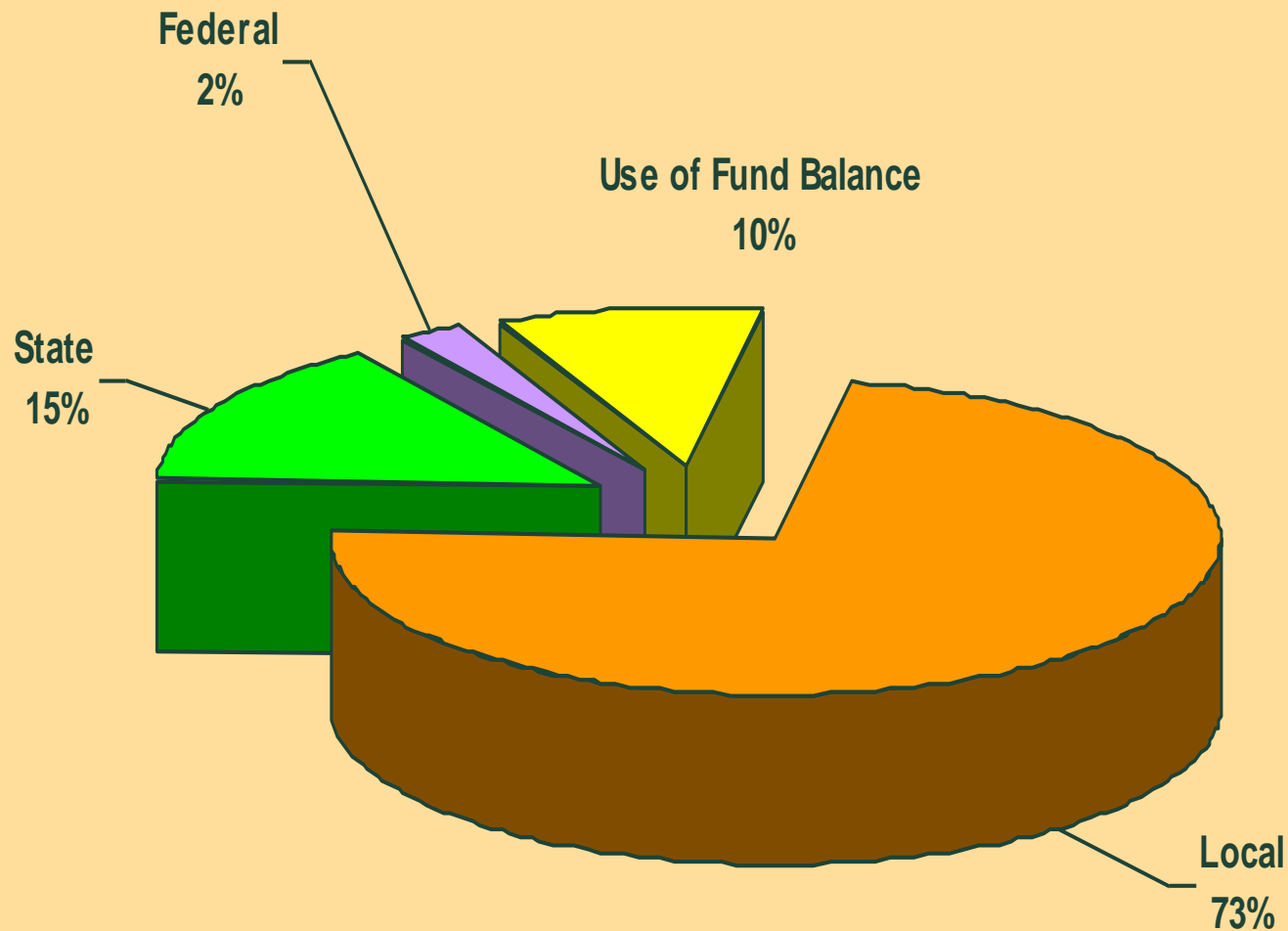


OPERATING REVENUES

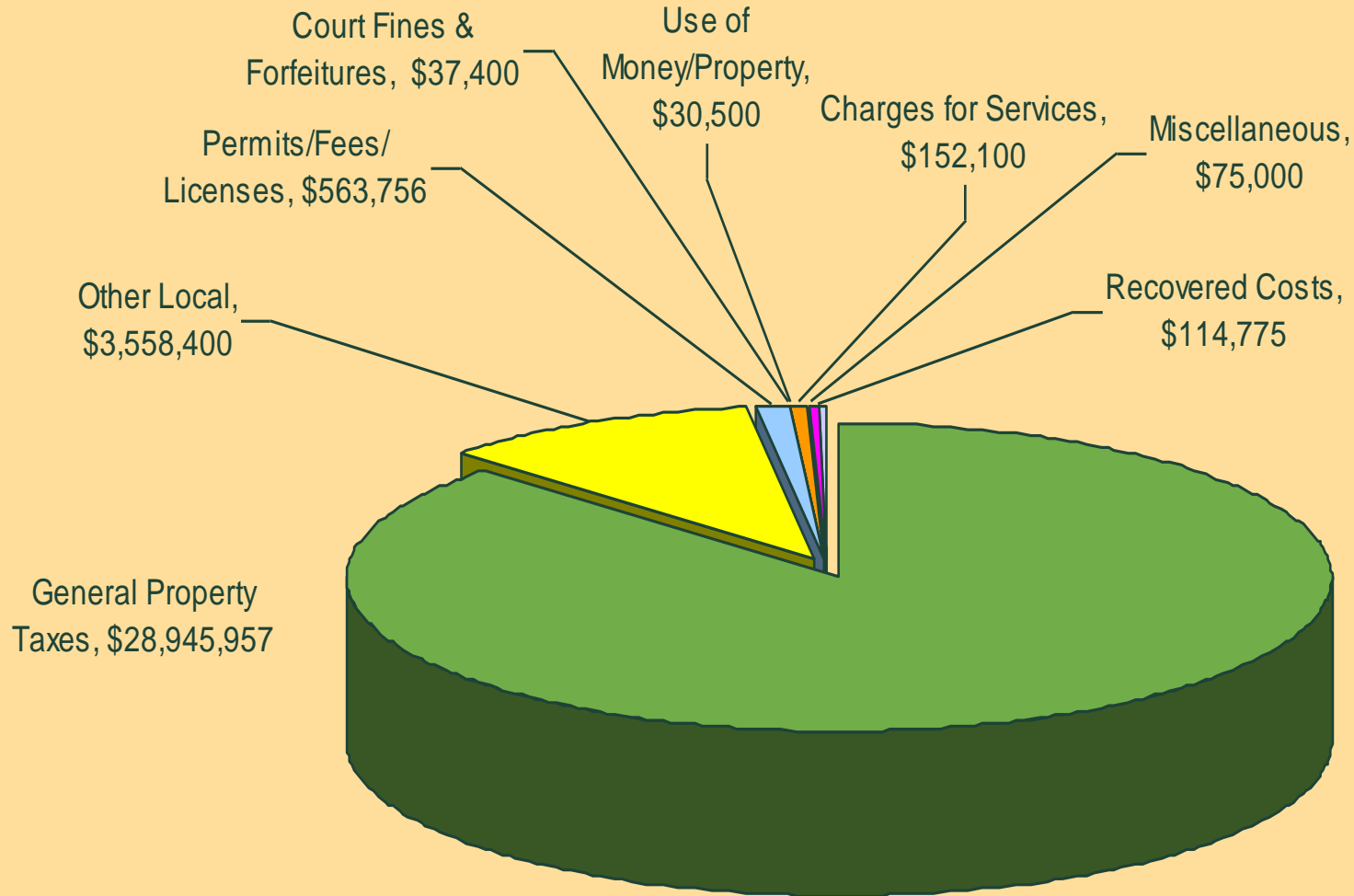


	Adopted FY 2012	Proposed FY 2013	Variance Positive <Negative>
Local	\$ 29,060,954	\$ 33,266,165	\$ 4,205,211
State	6,834,289	6,843,550	9,261
Federal	1,125,245	1,012,798	<112,447>
Use of Fund Balance	6,528,000	4,490,000	<2,038,000>
Total	43,548,488	45,612,513	2,064,025

REVENUES BY SOURCE



LOCAL REVENUES SOURCES

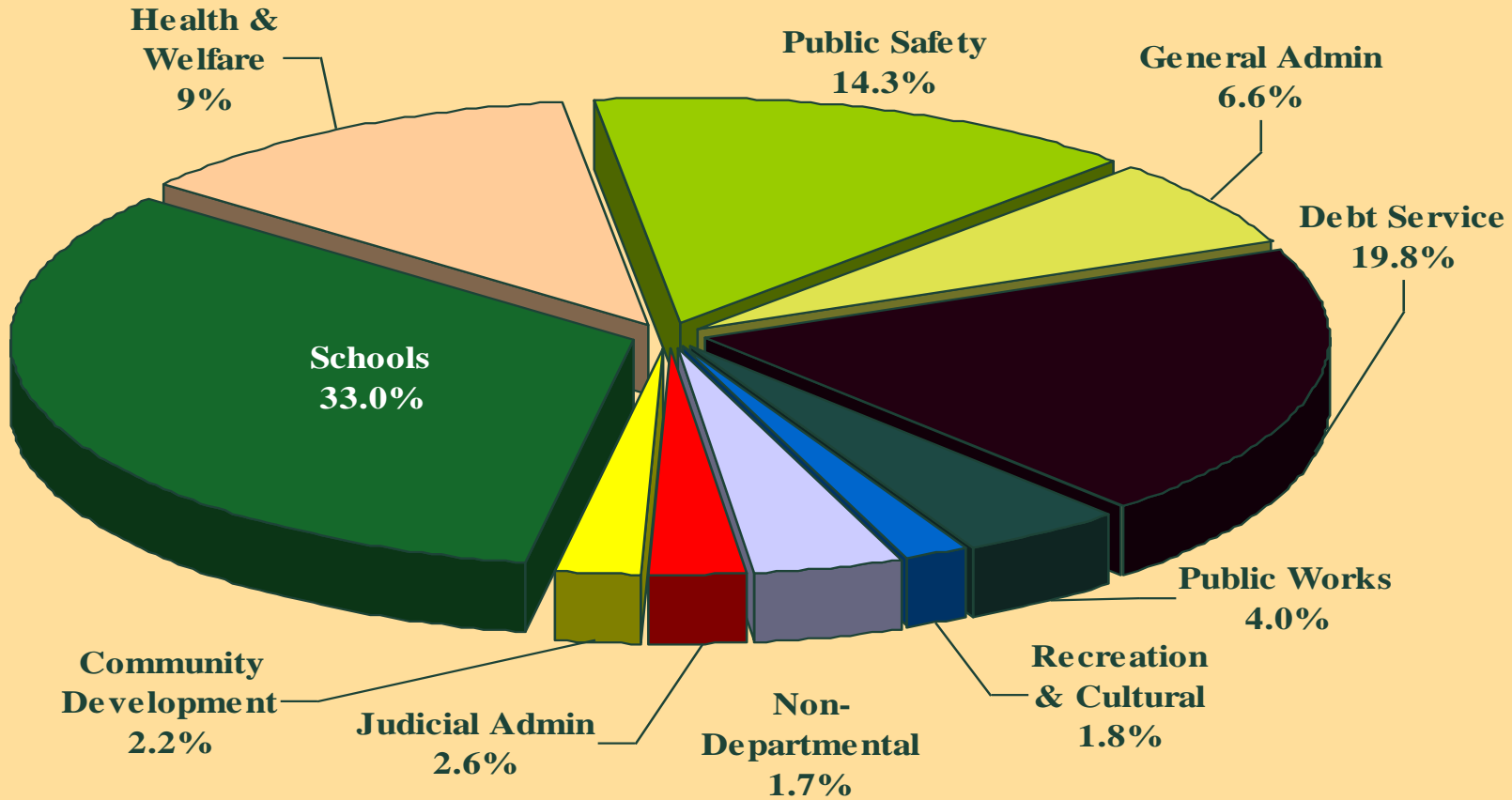


OPERATING EXPENSES

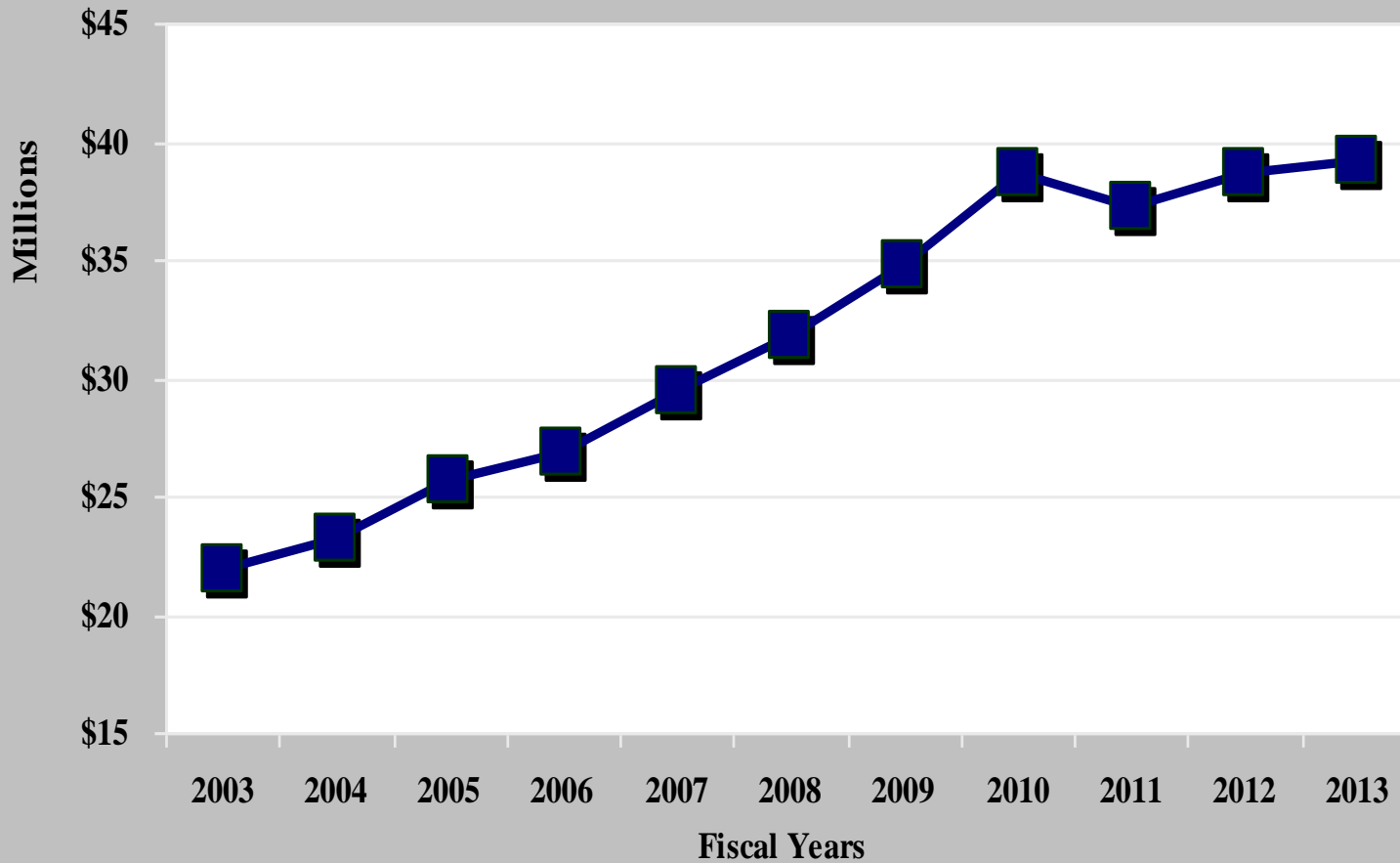
	Adopted Budget FY12	Proposed Budget FY13	Increase/ (Decrease)	% Change
General Government	\$ 2,359,009	\$ 2,547,466	\$ 188,457	7.9%
Judicial Administration	958,398	991,883	33,485	3.5%
Public Safety	4,727,059	5,548,714	821,655	17.4%
Public Works	1,567,765	1,557,138	(10,627)	(0.7%)
Health and Welfare	4,730,830	4,682,436	(48,394)	(1.0%)
Education	13,950,000	12,800,000	(1,150,000)	(8.2%)
Parks & Recreation and Library	652,942	632,813	(20,129)	(3.0%)
Community Development	637,096	853,738	216,642	34.0%
Non-departmental	1,020,236	1,546,002	525,766	51.5%
Debt Service	8,094,820	7,936,135	(158,685)	(2.0%)
TOTAL	\$ 38,698,155	\$ 39,096,325	\$ 398,170	1.0%



EXPENDITURES BY FUNCTION



EXPENDITURE GROWTH



GENERAL ASSEMBLY (GA) BILLS

- **BPOL**
 - HB 10 Provides that a locality that decides on or after July 1, 2012 to impose a BPOL tax on the VA taxable income of a corporation, the net income of a sole proprietorship, or the net income of a pass-through entity.
- **Wireless E-911 Services**
 - HB 455 Provides that beginning in FY 13, the 60 percent of the Wireless E-911 fund distributed each month to Public Safety Answering Points (PSAPs) would be allocated based on each PSAP's average a pro rata distribution from the Wireless E-911 Fund for fiscal years 2007 through 2012.



CONTINUE GA BILLS

- **Virginia Retirement System**

- HB 1129 makes changes to the calculation of average final compensation and cap cost-of-living increases for future retirees. The bill also lowers the multiplier used in the computation of the pension benefit from the current 1.7 percent to 1.6 for people hired after Jan. 1, 2013.



CONTINUE GA BILLS: VRS HB 1129

Provision	Teachers	Political subdivisions	
		General	Hazardous Duty
Reduce multiplier for new hires to 1.6% (effective 1/1/13)	X	X	
Base average final compensation on highest 60-month average (effective 1/1/13)	X	X	X
Increase member contribution to 6% (phased in over 2 yrs for current employees; effective 7/1/12 for new hires)			



CONTINUE GA BILLS

- **Machinery and Tools Tax**
 - SB 549 machinery and tools purchased on or after July 1, 2012 would be classified as intangible personal property for a period of three years. Intangible property is subject to state and not local taxation. After the three-years grace period expires, the machinery and tools would be re-classified as tangible personal property and could be taxed by local governments.



Additional Items to Consider

- Proposed reduction to level of services v. real estate tax rate
- Examining ways to increase revenues
- Success of a steady-state real estate tax rate is contingent on getting it right in FY 2013
- Five year financial forecast based on budget recommended at the March 21st BOS meeting.
- Equilibration of a .68 cent real estate tax rate, assuming a 30% decline in assessed property values, is equivalent to .91 cents.

