



# Richmond County County Administrator's FY17 Recommended Budget



**BOARD OF SUPERVISORS BUDGET WORKSESSION  
MARCH 21, 2016**

# FY17 Budget - Challenges



- **Flat Local Revenues**

○ Local Sales Tax -	\$1,250,000	+/--\$0
○ Personal Property Tax	\$1,526,000	+/--\$0
○ Real Estate Tax-	\$5,210,000	+/--\$0
○ Fines, Fees, Permits, Etc...		+/--\$0

- **Loss of \$124,800 in Revenue from Northumberland County**

- Repayment – Northern Neck Regional Jail

- **Employee Morale**

- Health Insurance Continues to Rise...
  - ✦ ...mixed with fewer benefit plans
- Lack of Cost of Living Raises (FY15 and FY16)
- Salaries that severely trail the regional averages

# FY17 Budget - Challenges



- **Capital Projects/Maintenance Funding**
  - Not being adequately funded for future projects, repairs and improvements
- **Budget Cuts**
  - Departments over the past few years have been cut to unattainable levels
    - ✦ Can not afford continued cuts
- **Unknown Variable Costs**
  - Expenses such as Comprehensive Services Act, At-Risk Youth, Department of Social Services, Juvenile Detention Facilities...
    - ✦ We can budget for these costs and work to manage them as best as possible, but the bottom line is we are required to fund them at whatever the costs may be.

# FY17 Budget - Challenges



- Revenues stable and/or decreasing and Expenditures increasing...
- Lack and inability to invest in ourselves for Economic Development
- Continuation of the \$3,000,000 annual Revenue Anticipation Note

# FY17 Budget - Positives



- **State Funding for Education**

- This year's top priority of both the Governor and General Assembly is more State dollars back to the localities towards education.
- Education funding was severely cut at the State level from 2008-2010, of which the localities were forced to contribute more local dollars into education to make up for those losses.
- This will be the first substantial investment into K-12 education since the recession and results in approximately \$300,000 of additional State Revenue back to Richmond County.

- **Drop in Local Composite Index (LCI)**

- Our LCI for the 2016-2018 Biennium has dropped from .3364 to .3180
- Our LCI dropped from .3599 to .3364 in the 2014-2016 Biennium, which resulted in an additional \$270,000 from the State to the County.
- This years drop is not as significant, but still equates to roughly \$200,000 of additional revenue from the State to Richmond County.

# FY17 Budget - Positives



- **Lowering of VRS Employer Rate from 10.84% to 9.14%**
  - This is the rate in which Richmond County pays into VRS on behalf of the employee. The employee also contributes an additional 5% from their paycheck.
  - This will be year 5/5 of implementing the 1% Raise and 1% employee contribution for our Plan 1 employees (Employees since July 1, 2012).
- **Recent changes to Land Use values and PPTRA percentages**
  - Last year's changes to both the PPTRA Rate and Land Use Values were very important to the County. Both of these programs we becoming a money loser for the County, but the changes were well timed, and should prevent further revenue losses.
  - Both programs need to be monitored and managed overtime to ensure their survival.

# Key Components to the Recommended Budget



## Planning for the Future

- **\$.03/\$100 increase to Real Estate Levy(\$0.70/\$100)**
  - \$.01 (\$75,000) – Dedicated to Capital Improvement Plan
  - \$.01 (\$75,000) – Dedicated to future funding of NNRJ
  - \$.01 (\$75,000) – Dedicated to Fund Balance

Until we begin investing in ourselves, it will be difficult, if not impossible, to convince others to invest in us as well; in areas such as economic development, job growth, housing growth, etc.

Why? The financial health of a locality is very important to prospective businesses and residents. The lack of promised financial stability in services, areas like Schools and Public Safety can be negative factors.

# Key Components to Recommended Budget



## Investment in Personnel

- 2% raise for County Employees – December 1, 2016
- Teacher Salary Scale Step Increases – July 1, 2016
- Teacher/Employee 1% Raises – December 1, 2016
- Bus Driver 2% Raise – December 1, 2016



# FY17 Recommended Expenditures Estimates



<u>Category</u>	<u>Approved FY16</u>	<u>Recommended FY17</u>	<u>Difference</u>
General Government	\$2,462,030	\$2,746,360	\$284,330
Judicial Admin	\$634,823	\$565,592	<b>(-\$69,231)</b>
Public Safety	\$2,528,481	\$2,602,814	\$74,333
Public Works	\$876,058	\$918,174	\$42,116
Health and Welfare	\$2,365,266	\$2,366,766	\$1,500
Education	\$14,006,112	\$14,188,924	\$182,812
Parks/Rec/Culture	\$146,789	\$148,789	\$2,000
Community Development	\$273,520	\$255,844	<b>(-\$17,676)</b>
Non-departmental	\$81,988	\$89,317	\$7,329
<b>TOTAL</b>	<b>\$23,375,067</b>	<b>\$23,882,581</b>	<b>\$507,514</b>

# FY17 Recommended - Richmond County Public Schools



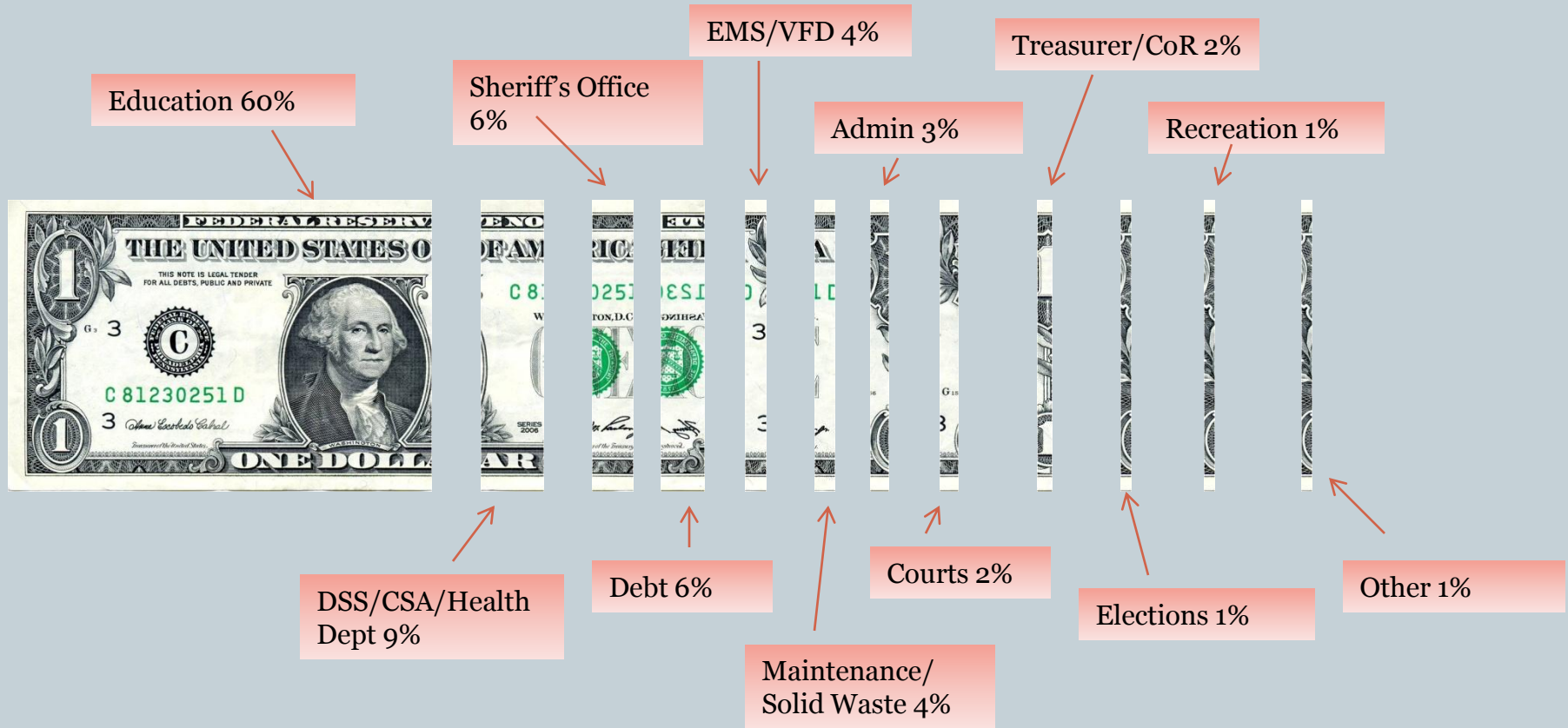
	<u>FY16 Approved</u>	<u>FY17 Requested</u>	<u>FY17 Recommended</u>	<u>Difference</u>
School Operation Budget	\$13,356,690	\$13,732,397	\$13,544,894	\$188,204
Food Service	\$639,775	\$634,383	\$634,383	-\$5,392
<b>OVERALL BUDGET</b>	<b>\$13,996,465</b>	<b>\$14,366,78</b>	<b>\$14,179,277</b>	<b>\$182,812</b>

## **Operational Budget \$188,204 increase from FY16...may include:**

- +\$71,650 (Additional mandatory VRS Contribution)
- +\$23,260 (Teachers 1% Raise December 1, 2016)
- +\$34,767 (All Others 1% Raise December 1, 2016)
- +\$3,308 (Bus Drivers 2% Raise December 1, 2016)
- +\$47,179 (Teachers Step Only – July 1, 2016)
- +\$8,040 (Regional Governors School)

\$188,204

# How Are Your Tax Dollars Spent?



# FY17 Recommended Revenue Estimates



<u>Category</u>	<u>Approved FY16</u>	<u>Recommended FY17</u>	<u>Difference</u>
Local Sources	\$9,950,850	\$10,009,850	\$59,000
State Sources	\$10,707,509	\$11,230,990	\$523,481
Federal Sources	\$1,355,286	\$1,385,511	\$30,225
Non Rev/ Trans	\$1,361,422	\$1,256,230	<b>(-\$105,192)</b>
<b>TOTAL</b>	<b>\$23,375,067</b>	<b>\$23,882,581</b>	<b>\$507,514</b>

# FY17 Recommended Tax Rates



\$0.70/\$100 –	Real Estate
\$3.75/\$100 –	Personal Property
\$0.40/\$100 -	Machinery and Tools
\$3.50/\$100 -	Merchants Capital

# FY17 Recommended Tax Rates -



- \$100,000 residence
  - ✦ \$.67 = \$670/Year
  - ✦ \$.70 = \$700/Year + \$30.00
- \$150,000 residence
  - ✦ \$.67 = \$1,005/Year
  - ✦ \$.70 = \$1,050/Year + \$45.00
- \$200,000 residence
  - ✦ \$.67 = \$1,340/Year
  - ✦ \$.70 = \$1,400/Year + \$60.00
- \$250,000 residence
  - ✦ \$.67 = \$1,675/Year
  - ✦ \$.70 = \$1,750/Year + \$75.00

# FY2020 Financial Plan – Getting Healthy!



## **FY 2020 Financial Plan – Fund Balance** **(Current Fund Balance – Est. \$200,000)**

	<u>Addition</u>	<u>Balance</u>
End FY16 (June 30, 2016) -		\$200,000
FY17 Contribution -	\$75,000	\$275,000
FY17 Surplus-	\$100,000	\$375,000
FY18 Contribution-	\$75,000	\$450,000
<b>Twice/Year RE Collection (June 2018)-</b>	<b>\$2,500,000</b>	<b>\$2,950,000</b>
FY18 Surplus-	\$100,000	\$3,050,000
FY19 Contribution-	\$75,000	\$3,125,000
FY19 Surplus-	\$100,000	\$3,225,000
FY20 Contribution-	\$75,000	\$3,300,000
FY20 Surplus	\$100,000	\$3,400,000

**Projected End FY20 Undesignated Balance - \$3,400,000 (15%)**

# FY2020 Financial Plan – Getting Healthy!



## **FY2020 Financial Plan – Capital Balance** **(Current Capital Balance \$67,413)**

	<u>Addition</u>	<u>Spend</u>	<u>Balance</u>
End FY16 (June 30, 2016) -			\$67,413
FY17 Contribution-	\$75,000	\$25,000	\$117,413
FY18 Contribution-	\$75,000	\$25,000	\$167,413
FY19 Contribution-	\$75,000	\$25,000	\$217,413
FY20 Contribution-	\$75,000	\$25,000	\$267,413

**End FY20 Balance - \$267,413**



# Remaining Scheduled Budget Worksessions



- Monday, March 28, 2016 – FY17 Budget Worksession (6:00 PM)
- Thursday, April 14, 2016 – FY17 Budget Worksession (1:00 or 6:00 PM)
- Thursday, April 21, 2016 – FY17 Budget Public Hearing (7:00 PM)
- Thursday, May 12, 2016 – FY17 Budget Adoption (7:00 PM)