



Richmond County

Fiscal Year 2019-2020 Mid-Year Budget Review
and Fiscal Year 2020-2021 Budget Preview



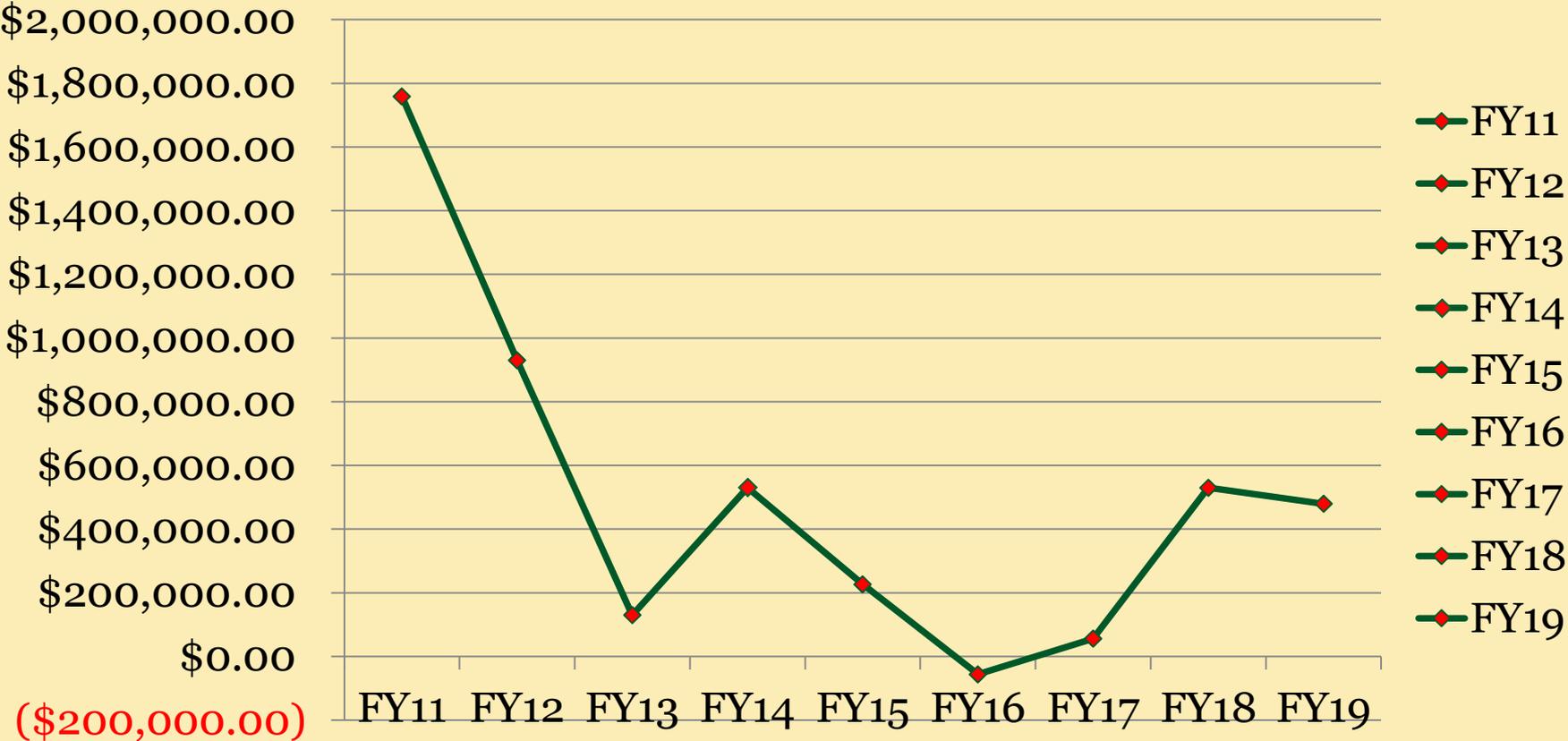
BOARD OF SUPERVISORS
FEBRUARY 13, 2020



Historical Un-Assigned Fund Balance

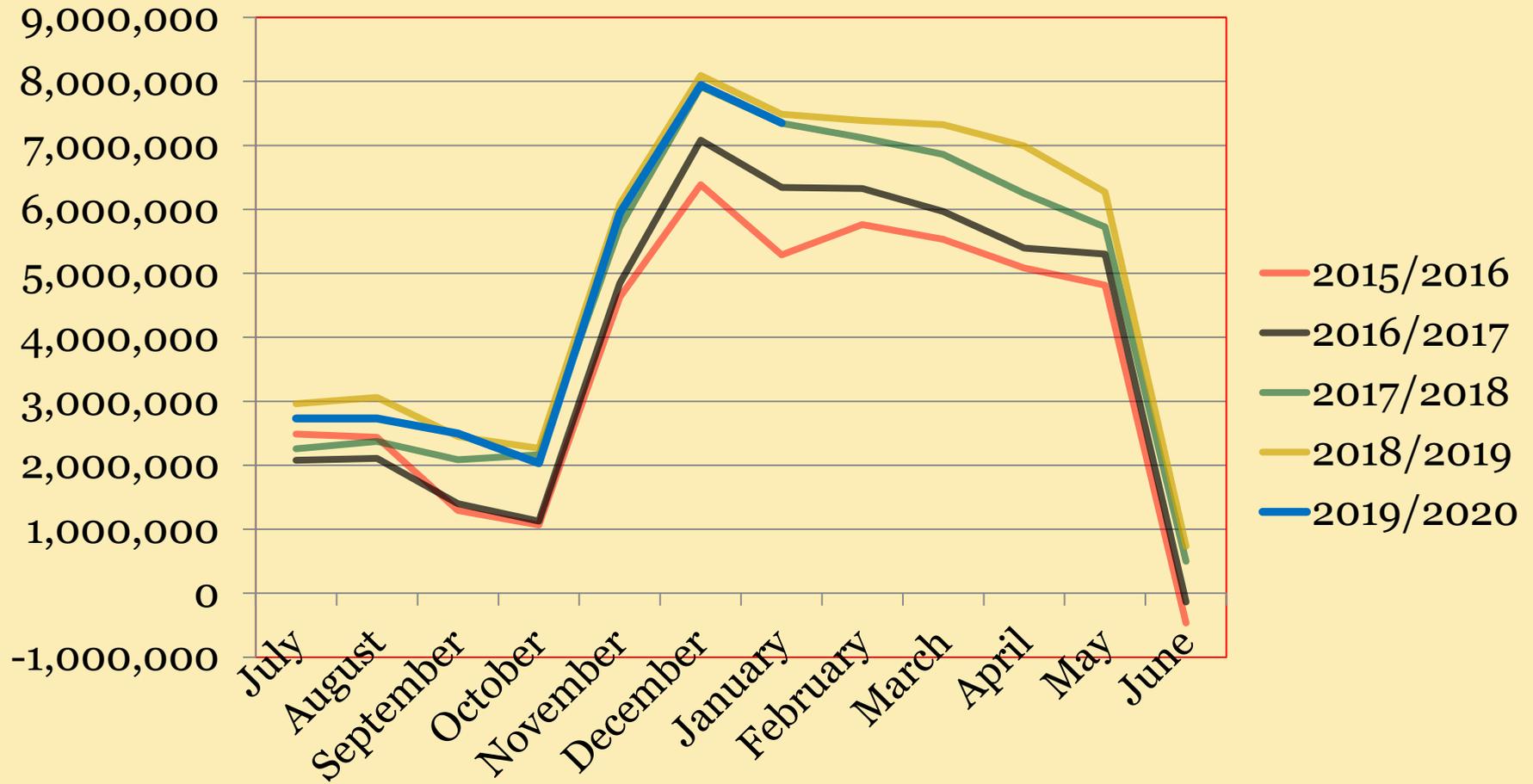


Balance

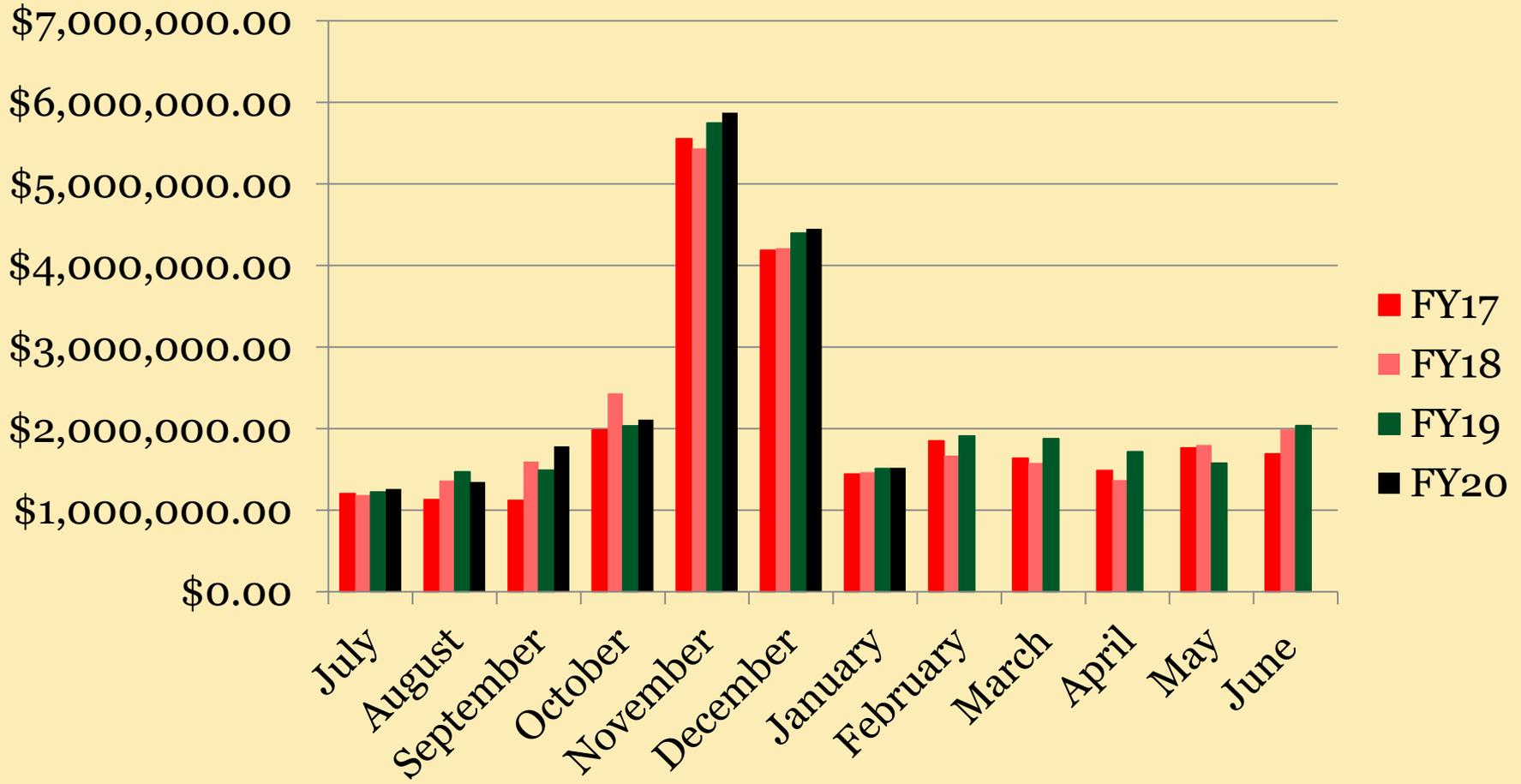


(\$200,000.00)

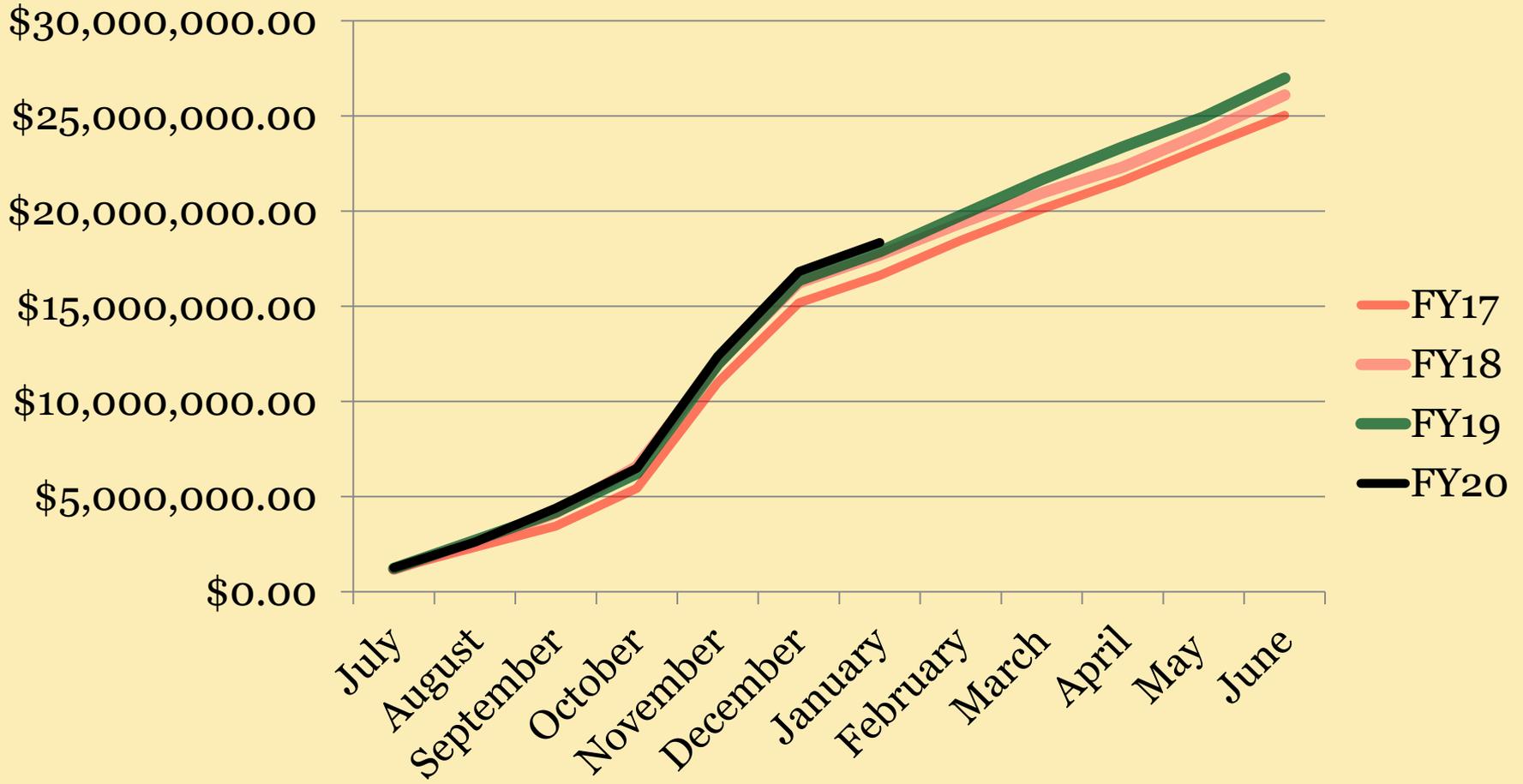
2015/2016 - 2016/2017 - 2017/2018 - 2018/2019 - 2019/2020 Cash Comparison



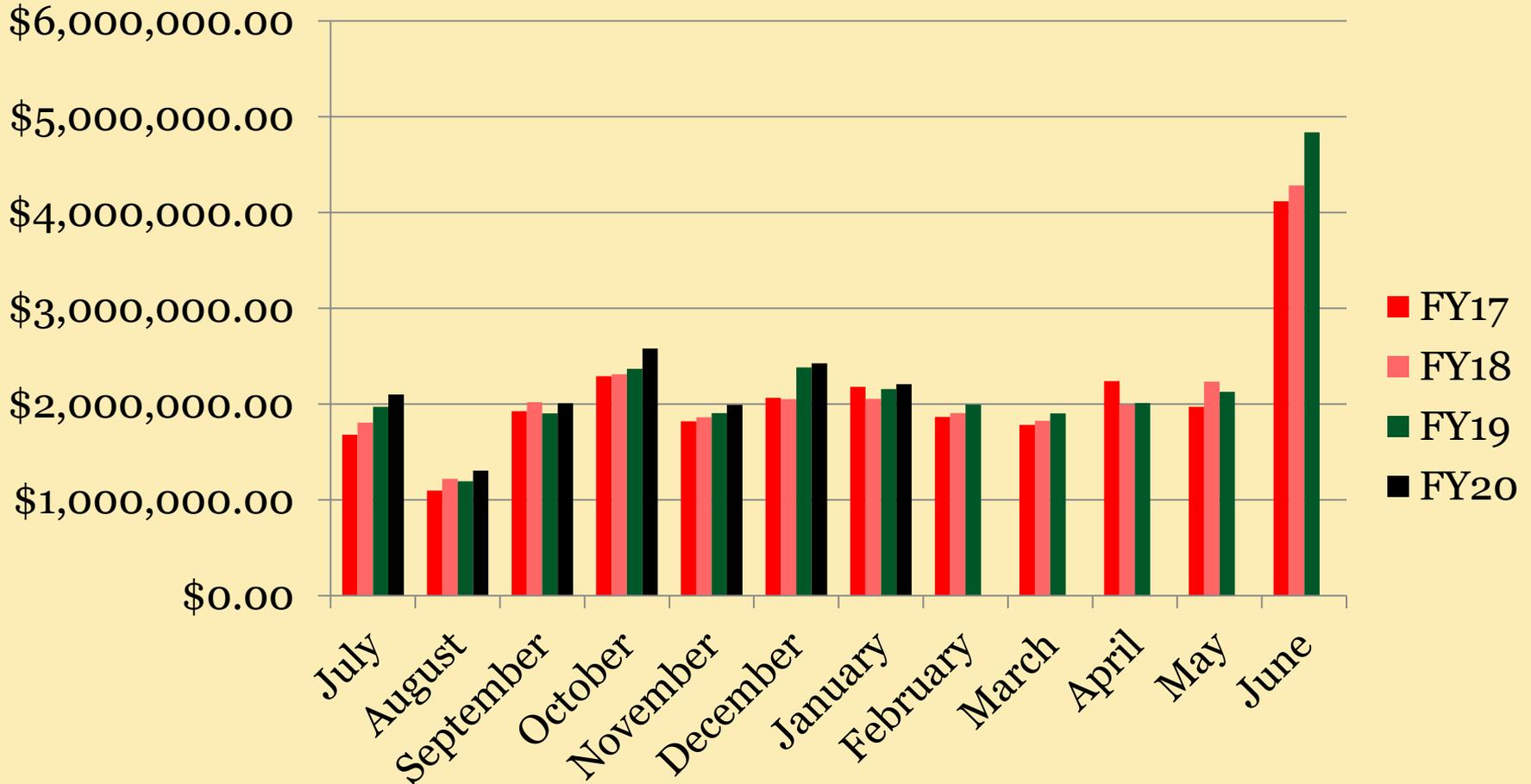
Revenue by Month (FY17/18/19/20)



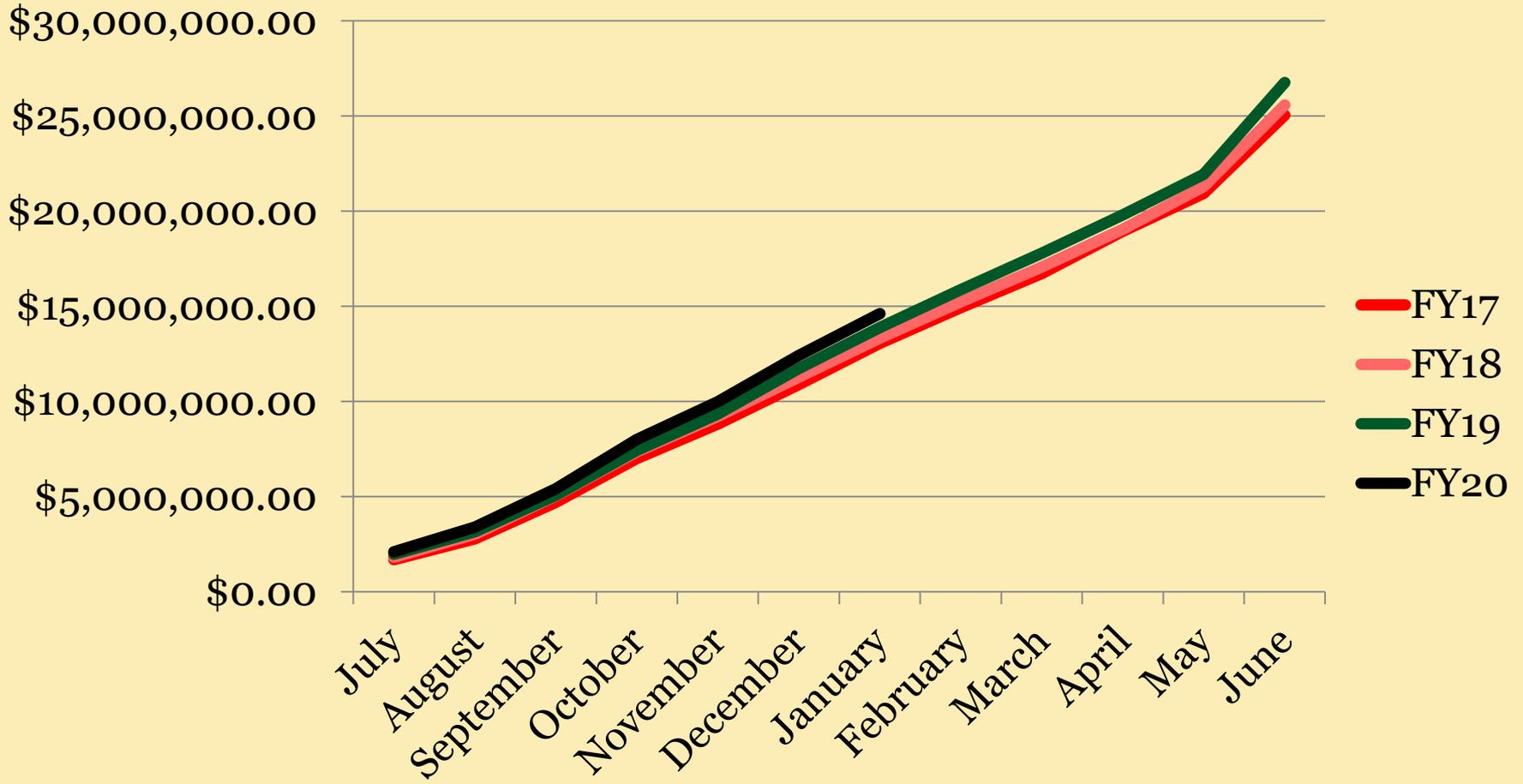
Total Revenue Trend Line (FY17/18/19/20)



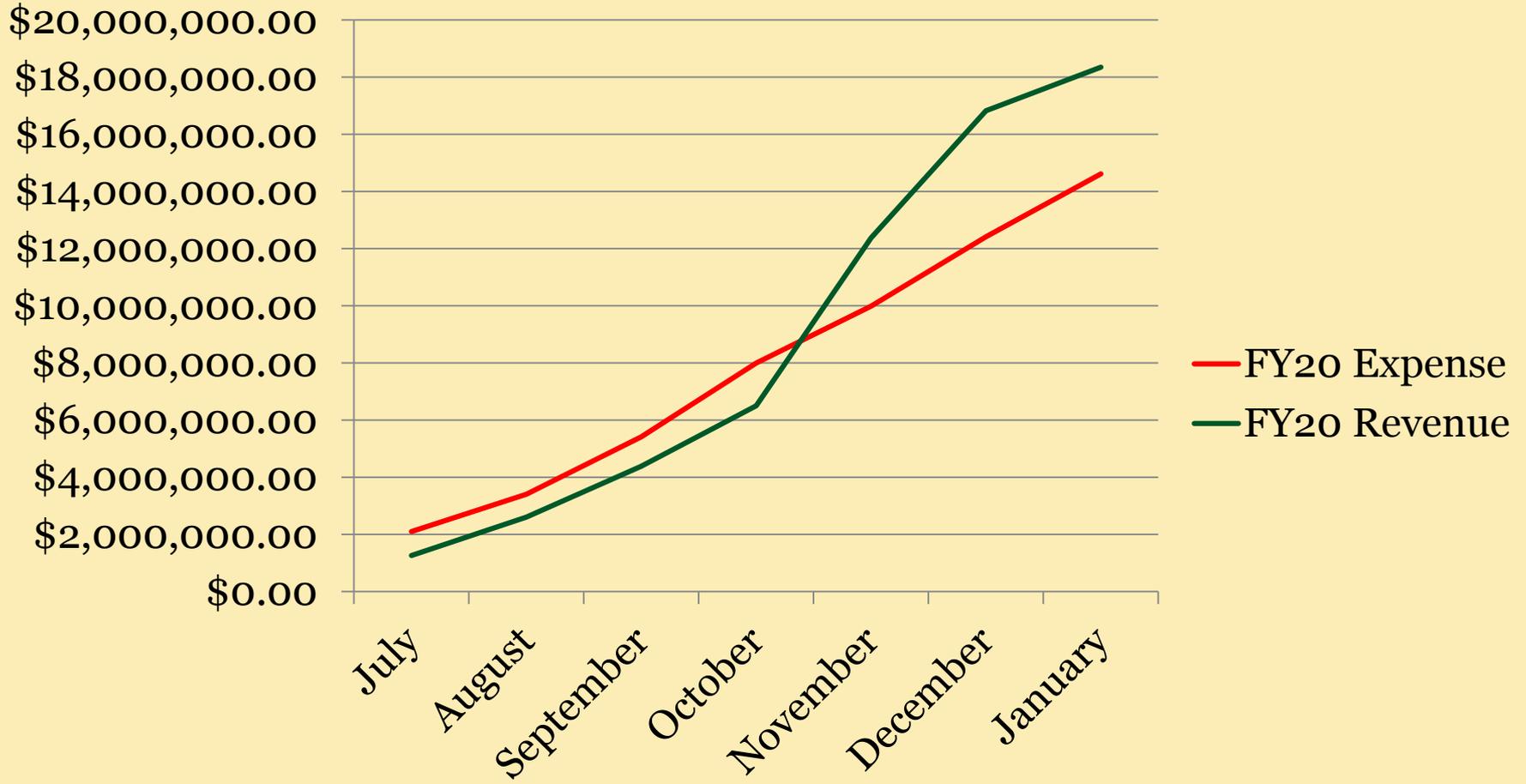
Expenditures by Month (FY17/18/19/20)



Total Expenditure Trend Line (FY17/18/19/20)



Total Expenditure/Revenue Trend Line (FY20)



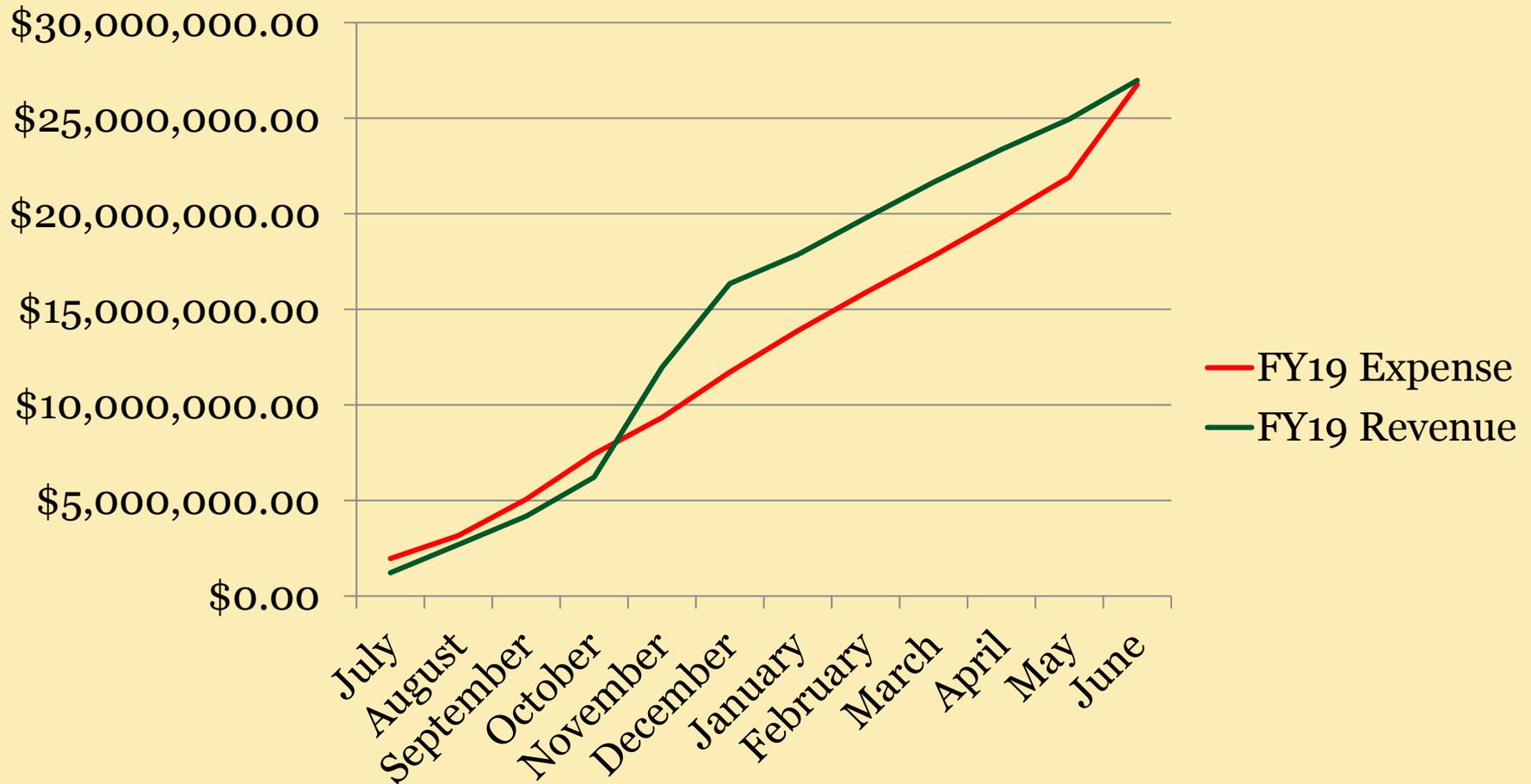
Revenue/Expenses Through First Seven Months



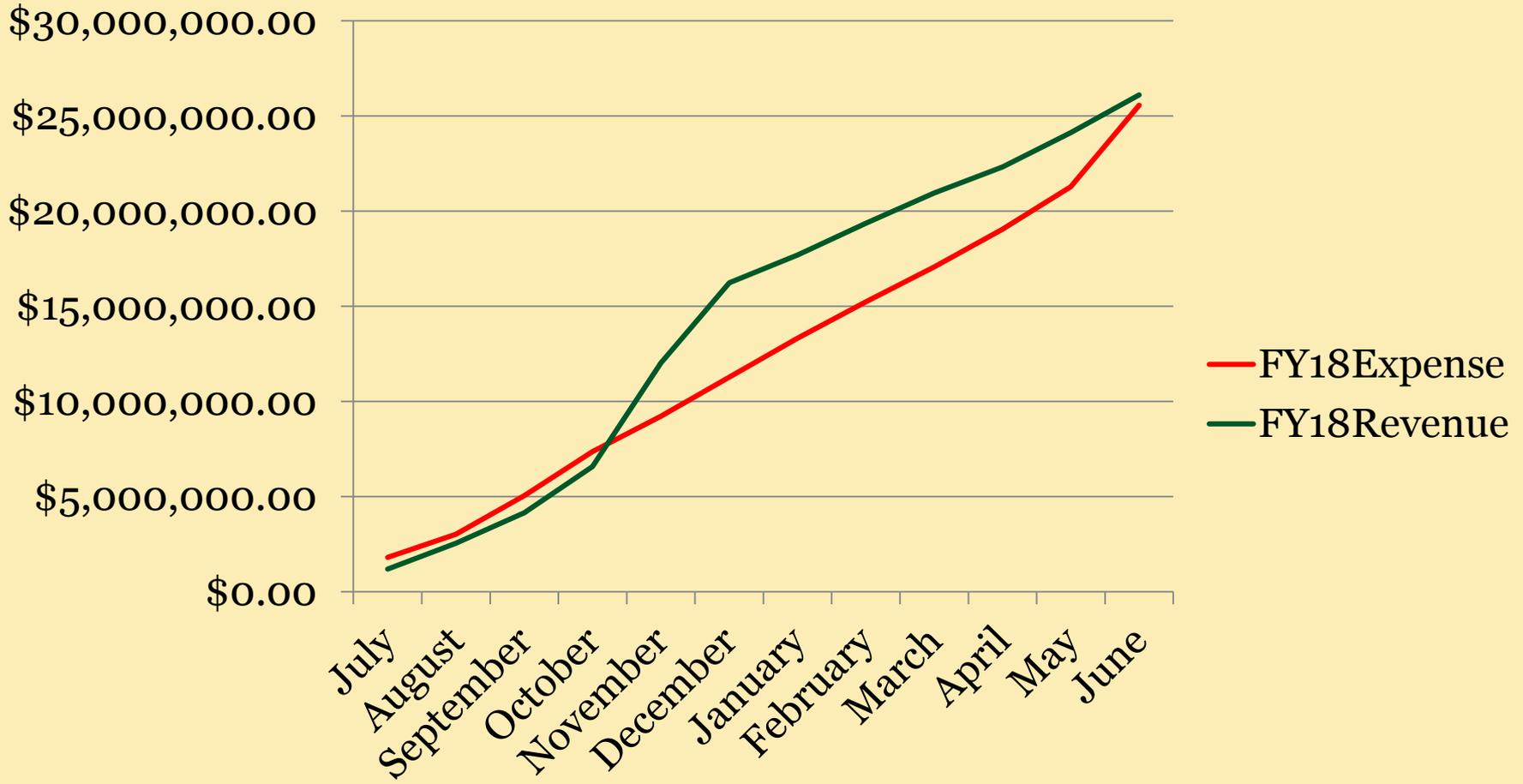
- Expenses through 7 months (FY20) – 56.14%
- Revenue through 7 months (FY20)– 70.47%

- Expenses through 7 months (FY19) - 54.77%
- Revenue through 7 months (FY19) - 70.48%

Total Expenditure/Revenue Trend Line (FY19)



Total Expenditure/Revenue Trend Line (FY18)



FY21 New and Existing Expense Overview



- VRS – We have been notified of an increase to our Virginia Retirement System (VRS) rate of 2.1% from 10.42% to 12.52%.
 - ✦ Although I was expecting an increase to our VRS rate based off of reports from the VRS Board in the fall regarding the lowering of their return projection from 7% to 6.75%, I was not expecting such a large increase.
 - This rate change will be an approximate \$90,000 cost to the County.
 - The rate to the employee will remain the same, at 5%

- County Health Insurance – Still an unknown, I am estimating the County will see an increase to Health Insurance of between 5%-10%.
 - ✦ Our experience data throughout the past 4 quarters has been very good, and actually supports the County seeing a decrease in insurance rates, however Anthem is considering formula changes to the program that will affect our overall plan.
 - ✦ A 5% increase is an additional cost of approximately \$20,000, while a 10% increase would be an additional \$40,000.
 - ✦ This increase would also affect the individual premiums for our employees.

- Group Life Contribution – An increase from 1.31% to 1.34%
 - ✦ Cost - \$2,500

FY21 New and Existing Expense Overview



- Property Insurance/Line of Duty Act/Workers Comp-
 - ✦ Expecting an increase across these three programs of \$15,000 - \$20,000 in additional expenses.
 - Changes at the State Level to increased eligibility for certain public employees, mainly along the lines of Public Safety, are contributing to increased rates under LODA and Workers Comp.

- Employee Compensation –
 - ✦ The Governor's introduced Budget in December did not include raises for State Supported Local Employees. I am not anticipating the General Assembly to introduce additional compensation at this time.
 - ✦ At this time, there is no consideration in the preliminary budget for across the board raises for FY21.
 - A 2% raise is approximately a \$75,000 cost to the County.
 - Retention Plans for EMS and Sheriff's Office will be included, along with proposed merit and realignment increases for certain employees and offices.
 - Under consideration is a December bonus for all FT and PT employees of \$250/\$125 as done in December 2018. This cost is approximately \$22,500.

FY21 New and Existing Expense Overview



- Debt Service - \$86,000 increase
 - New Land Purchase in 2019
- Professional Services - \$15,000 - \$20,000 increase
 - Engineering Services
 - Attorney Services
 - Audit Services
- Capital Improvement Plan – Increase by \$25,000
- Broadband Contribution – Level Funding of \$25,000
- Economic Development Funding – Increase of \$20,000
- CSA – Increase of \$20,000 - \$30,000
- EMS PT Budget – Increase of \$20,000 - \$30,000
- IT Budget – Increase of \$35,000 - \$40,000 for newly approved IT position
- Solid Waste – Increase of \$5,000 - \$10,000

Preliminary Revenue Projections – FY21



- Personal Property Taxes -
 - ✦ Projecting an increase of 5% over 2019 values, we should be able to budget an additional \$75,000 - \$150,000

- Machinery and Tools Taxes –
 - ✦ Looking at an early projection of an increase of between \$10,000 - \$20,000 annually based off of increased value in reported M/T values from across the County

- Merchants Capital Taxes -
 - ✦ Looking at an early projection of an increase of between \$5,000 - \$10,000 based off of 2019 numbers and historical growth over the last several years.

- Local Sales Taxes -
 - ✦ Local Sales Taxes continue strong results as the economy continues to thrive. Early projections show an increase of between \$20,000 - \$40,000

- Public Service Taxes –
 - ✦ No anticipated changes to our Public Service Taxes.

- Additional State Funding
 - ✦ The only area in which we are expecting additional State revenue at this time comes from the State committing to fund the Voter Registrar Position and Electoral Board 100%
 - ✦ Anticipate roughly \$15,000 in additional funds

Preliminary Revenue Projections – FY21



- Real Estate Property Taxes –
 - ✦ Real Estate Value since our General Reassessment is up approximately 1.3%
 - 2019 Taxable Real Estate Value - \$807,813,135
 - 2020 Taxable Real Estate Value post General Reassessment - \$818,102,655
 - ✦ Increase in budget amount should increase between \$75,000 - \$125,000.
 - 2019 RE Taxes Billed - \$5,654,691
 - 2020 RE Taxes Billed (Fall 2020) - \$5,726,718

- Equalization after General Reassessment
 - ✦ The Code of Virginia requires equalization of the Tax Rate after General Reassessment, should the overall increase to the County be greater than 1%.
 - ✦ The purpose is that the County not be able to use a General Reassessment for the purpose of creating additional revenue greater than 1%, without Public Notice and Public Hearing.
 - Options include equalizing the tax rate to a rate that would bring in no more than 1% more revenue than the previous year, or
 - That the County advertise through separate Public Hearing, other than the annual Budget Public Hearing that the County does not intend to equalize the rate, and accept the additional revenue generated due to the General Reassessment.
 - Based off of our new total value County wide, our equalized Tax Rate, should the Board wish to equalize, would be \$0.698, compared to our current rate of \$0.70.
 - This would impact revenue projections approximately \$16,000 downwards.

Final Thoughts



- Questions and Comments from Board-
 - Specific areas Board Members would like to see extra attention throughout the budget process.
 - Thoughts on equalization of the Real Estate Tax Rate post General Reassessment.