

Issue Analysis Form



Date: April 23, 2019
Item: Public Hearing – FY2020 Budget
Lead Department(s): County Administration / Finance
Contact Person(s): Betsy Drewry, Finance Director

Description and Current Status

The budget is submitted to assist the Board of Supervisors in making policy decisions that are geared to meet the challenges of the community, as well as lend itself to public scrutiny through input from taxpayers and the media. The Budget is also designed to incorporate extensive financial controls and pursue goals of efficiency and effectiveness by balancing short-term and longer-term community interests.

Ultimate approval of the annual Budget is seen as one of the most important actions of the Board of Supervisors. The Budget serves as a financial roadmap for what programs and services are offered in Prince George County.

The Budget is balanced in accordance to State Code and is proposed to reflect accurate revenue and expenditure projections with the best information that is available at the time of presentation. Furthermore, it is proposed to continue providing a high level of service to the citizens and businesses of Prince George County.

The County Administrator's budget was proposed to the Board of Supervisors on February 26, 2019. The budget called for no increase in the real estate tax rate or any other established tax rates. The Real Estate Tax rate was proposed to remain at 86¢ of \$100 in assessed value, the same as in FY 18-19. The Personal Property and Machinery and Tools Tax Rates remained unchanged from FY 18-19 at \$4.25 and \$1.50 per \$100 of assessed valuation respectively.

There was no increase proposed in water rates or sewer rates for FY2020. The Public Utility is a self-supporting enterprise fund. Budgeted revenues will cover some capital expenditures to maintain existing utility systems and infrastructure, and to cover cost of sewer services purchased from multiple service providers.

Public Hearings were held for the equalization rate and tax rates on April 9, 2018 and the proposed rates were approved.

Highlights of the proposed FY2019-20 budget include:

1. Large increase in contributions to Riverside Regional Jail of \$676,886 (50%).
2. Large increase in Comprehensive Services Act spending for educational placements of \$690,000 (54.8%).

3. Funding of **Employee Health Insurance** Increase (proposed at an estimated 15.7% increase; modified renewal provided at a work session of 9.35%).
4. Funding for a pay increase for County employees and partial implementation of Phase II of a **Salary Study** for County employees - \$399,869. This includes placement of paid Fire/EMS staff on a separate pay plan similar to scales approved for sworn police officers in FY2018-19.
5. Funding for two additional positions (Sheriff Deputy and Assistant Commonwealth's Attorney), contingent on additional Compensation Board funding, and a reclassification for one employee.
6. Expansion of Career Development plans to encompass five (5) additional County Departments.
7. Funding of the modified Memorandum of Understanding (**MOU**) between the County and **Public School Division**.
8. Compensation for Industrial Development Authority members.
9. General Fund **Equipment, Vehicles & Projects**:
 - a. One (1) Vehicle Purchase DSS - \$20,996
 - b. Maintenance Projects for County Buildings - \$300,000
 - c. Various Information Technology Projects, Software & Upgrades - \$109,650
 - d. High Density Filing Cabinet for Clerk of Circuit Court - \$10,000
 - e. Recreation Items - \$20,115
10. **Utility Capital Improvements** totaling \$1.53 Million
11. **Extremely Limited Capital Improvement Projects and Debt Issuance** only for continuing replacement of Police Vehicles.

The board continued to evaluate details of the proposed FY2020 budget and considered revisions to the proposed budget at work sessions held on March 7, March 18, and April 3.

The changes presented at work sessions and approved by consensus were:

General Fund Revenues:

Increase in DSS Welfare Administration Funds - \$94,869 [Funds 1 DSS position]
 Increase in Medical Transport Rates - \$168,198 [Funds 2 Fire/Medic Lieutenants]

General Fund Expenditures:

Addition of DSS Administrative Support Specialist II - \$50,837
 Addition of 2 Fire/EMS Lieutenants - \$166,368
 Reduction in Health Insurance renewal [15.7% to 9.35%] – \$(39,718)
 Increase of 2 Pay Grades for Communications Officers - \$42,670
 Increase in LOSAP contribution - \$6,000
 Increase in Judge's Office Expense due to addition of one judge - \$2,500
 Expansion of Volunteer Accident and Sickness insurance payment duration - \$744

School Board Budget:

The School Board adopted its FY2020 budget on March 22, 2019. The school budget adopted totals \$71,477,254 and is \$306,414 higher than the budget proposed by the County Administrator on February 26 due to increased state revenue projections. This change will be incorporated into the adopted County total budget.

Other Items:

Staff received direction to add a County Convenience Station as a Capital Improvement project for consideration during the next CIP cycle.

Staff received direction to issue a Request for Proposals (RFP) to purchase new county Welcome Signs using Tourism Fund Balance (no operating budget impact).

Additional Considerations:

The board will consider amount of compensation for **Career Development pay for employees in two constitutional offices** prior to budget adoption planned for May 14.

Additional information is expected on **Compensation Board revenues around May 1** and the board will evaluate the ability to keep the Deputy Sheriff and Assistant Commonwealth's Attorney positions when Compensation Board revenues are known.

Budget adoption is targeted for May 14, 2019.

Government Path

Does this require IDA action? ☐ Yes ☒ No

Does this require BZA action? ☐ Yes ☒ No

Does This require Planning Commission Action? ☐ Yes ☒ No

Does this require Board of Supervisors action? ☒ Yes ☐ No

Does this require a public hearing? ☒ Yes ☐ No

If so, before what date? Public Hearing should be held at least 7 days prior to approval of the budget (April 23 Public Hearing; with budget adoption proposed on May 14, 2019)

☒ Yes ☐ No

The public hearing was appropriately advertised one time at least 7 days prior to the public hearing. Ad was circulated in *The Progress Index* on April 10, 2019. A copy of advertisement is attached.

Fiscal Impact Statement

The budget as proposed by the County Administrator on February 26, 2019:

Overall budget of \$122,573,723 which is \$6,493,367 (5.6%) more than FY19;

General Fund budget of \$57,588,634 which is \$2,270,115 (4.11%) more than FY19

These totals and percentages will change with final approved Board budget for FY2020.

County Impact

The adopted budget will become the financial roadmap for operations and capital improvements for FY2020.

Notes

No action will occur following this public hearing. The board may not adopt/approve the budget for at least 7 days following this public hearing (per **Code of Virginia** §15.2-2506). Consideration of budget for adoption is proposed for May 14, 2019.



COUNTY OF PRINCE GEORGE

NOTICE OF PUBLIC HEARING

PROPOSED ANNUAL FISCAL PLAN FOR THE YEAR ENDING JUNE 30, 2020

Notice is hereby given pursuant to Section 15.2-2506, Code of Virginia (1950, as amended), that the Prince George County Board of Supervisors will conduct a public hearing for the purpose of receiving comments on the proposed Prince George County Annual Fiscal Plan (the "Budget") during its regular meeting of Tuesday, April 23, 2019, beginning at 7:30 p.m., in the Boardroom of the County Administration Building, Third Floor, 6602 Courts Drive, Prince George, Virginia, for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020.

A brief synopsis of the FY 2019-2020 Budget appears below. The contemplated expenditures for all purposes as contained in this budget are for informative and fiscal planning purposes only and should not be deemed to be

an appropriation. No monies shall be paid out, or be available to be paid out, for any contemplated expenditures in this budget unless and until there has first been an appropriation of such contemplated expenditures by the Prince George County Board of Supervisors.

A copy of the proposed FY 2019-2020 budget may be examined in the County Administrator's Office, Third Floor of the County Administration Building, (804) 722-8600, 6602 Courts Drive, Prince George, Virginia, during the hours of 8:30 a.m. to 5:00 p.m., Monday through Friday. It is available online at <http://www.princegeorgecountyva.gov>. The hearing is open to the public. All persons desiring to be heard will be given an opportunity to comment on the proposed budget within such reasonable time as determined by the Board of Supervisors.

ANTICIPATED REVENUE:

Local Sources
State Sources
Federal Sources
Other Sources

Proposed FY20
\$ 56,176,999
54,195,366
10,951,454
1,249,904
\$ 122,573,723

Adopted FY19
\$ 54,386,264
51,516,305
9,523,787
654,000
\$ 116,080,356

Total Anticipated Income:

ESTIMATED EXPENDITURES (net of transfers):

Administration
Constitutional Officers
Community Development
Financial Services
Operations
Public Safety
Social Services
Other
Community Corrections
LOSAP
Education
Adult Education
Economic Development & Tourism
Stormwater
Water & Sewer
Capital Projects
Debt Service
Special Welfare
(less Transfers)

Proposed FY20
\$ 1,178,507
3,588,504
1,261,476
2,327,779
3,780,140
12,013,724
5,019,812
28,418,692
1,054,417
175,500
71,170,840
978,187
1,565,000
465,000
8,522,236
562,537
7,987,412
15,000
(27,512,100)

Adopted FY19
\$ 1,189,672
3,313,079
1,202,192
2,181,641
3,668,306
11,203,550
4,085,124
28,464,955
1,003,086
175,500
67,275,263
815,129
1,781,112
442,000
8,278,606
475,010
8,049,557
15,000
(27,648,426)

Total Anticipated Expenditures:

\$ 122,573,723

\$ 116,080,356

The levies, per \$100 of assessed valuation, which appear below, are the County Administrator's proposed for the Fiscal Year beginning July 1, 2019 and ending on June 30, 2020.

Proposed FY20
\$0.86
Adopted FY19
\$0.86

Real Estate

The levies, per \$100 of assessed valuation, which appear below, are the amounts proposed for the Calendar Year beginning January 1, 2019 and ending on December 31, 2019.

Tangible Personal Property \$4.25
Machinery & Tools \$1.50
Tangible Personal Property / Mobile Homes \$0.86

By Authority of Percy C. Ashcraft County Administrator

§ 15.2-2506. Publication and notice; public hearing; adjournment; moneys not to be paid out until appropriated

A brief synopsis of the budget which, except in the case of the school division budget, shall be for informative and fiscal planning purposes only, shall be published once in a newspaper having general circulation in the locality affected, and notice given of one or more public hearings, at least seven days prior to the date set for hearing, at which any citizen of the locality shall have the right to attend and state his views thereon. Any locality not having a newspaper of general circulation may in lieu of the foregoing notice provide for notice by written or printed handbills, posted at such places as it may direct. The hearing shall be held at least seven days prior to the approval of the budget as prescribed in § 15.2-2503. With respect to the school division budget, which shall include the estimated required local match, such hearing shall be held at least seven days prior to the approval of that budget as prescribed in § 22.1-93. With respect to the budget of a constitutional officer, if the proposed budget reduces funding of such officer at a rate greater than the average rate of reduced funding for other agencies appropriated through such locality's general fund, exclusive of the school division, the locality shall give written notice to such constitutional officer at least 14 days prior to adoption of the budget. If a constitutional officer determines that the proposed budget cuts would impair the performance of his statutory duties, such constitutional officer shall make a written objection to the local governing body within seven days after receipt of the written notice and shall deliver a copy of such objection to the Compensation Board. The local governing body shall consider the written objection of such constitutional officer. The governing body may adjourn such hearing from time to time. The fact of such notice and hearing shall be entered of record in the minute book.

In no event, including school division budgets, shall such preparation, publication and approval be deemed to be an appropriation. No money shall be paid out or become available to be paid out for any contemplated expenditure unless and until there has first been made an annual, semiannual, quarterly or monthly appropriation for such contemplated expenditure by the governing body, except funds appropriated in a county having adopted the county executive form of government, outstanding grants may be carried over for one year without being reappropriated.

Code 1950, § 15-577; 1956, Ex. Sess., c. 67; 1959, Ex. Sess., c. 69; 1962, c. 623, § 15.1-162; 1976, c. 762; 1978, cc. 126, 551; 1984, c. 485; 1997, c. 587; 2009, c. 280; 2014, cc. 360, 589.