

Issue Analysis Form

Date: May 12, 2020
Public Hearing – FY2021
Item: Budget
County Administration /
Lead Department(s): Finance
Betsy Drewry, Finance
Contact Person(s): 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 25, 2020. The budget called for no increase in the real estate tax rate, machinery and tools rate, or in the personal property tax rate. The Real Estate Tax rate was proposed to remain at 86¢ of \$100 in assessed value, the same as in FY 19-20. The Personal Property and Machinery and Tools Tax Rates remained unchanged from FY 19-20 at \$4.25 and \$1.50 per \$100 of assessed valuation respectively.

Increases were proposed in business license taxes (BPOL), permit fees and the water rate (3%) and the sewer rate (1%) for FY2021 **and were subsequently withdrawn because of economic impacts of the COVID-19 pandemic.**

A Public Hearings was held for the equalization rate on April 14, 2020 with no board action following that public hearing. A Public Hearing on the tax rates is being held on May 12, 2020.

The FY2021 General Fund Budget proposed on February 25, 2020 totaled \$61,720,893 and was a \$3,959,405, 6.85% increase over the adopted FY2020 General Fund Budget. The total FY2021 budget proposed on February 25, 2020 totaled \$129,748,493 (net of transfers) and was a \$6,679,535, 5.43% increase over the FY2020 adopted total budget.

Since February 25, 2020 reductions have been discussed with the board due to COVID-19 impacts, withdrawal of the proposed BPOL tax, permit fee and utility rate increases and to make a correction in the School Resource Officer grant revenues.

Reductions to the General Fund Budget of \$1,396,657 and to the total Budget of \$3,507,898 were approved by consensus on April 29, 2020.

See ATTACHMENT A for details on reductions.

The revised budget for adoption is:

General Fund - \$60,324,236; \$2,562,749 or 4.44% increase over FY2020
 Total Budget - \$126,240,596; \$3,171,596 or 2.58% increase over FY2020

Despite reductions to the proposed budget, there are prior operating and capital commitments that must be honored and some mandated increases. **Highlights of the REVISED FY2020-21 budget FOR ADOPTION include:**

Description:	Amount	Notes
Capital / Debt Reserve Transfer	1,262,500	New Elementary School & Other County/School Projects
Increase to Debt Fund Transfer	122,788	
FY2020 Mid-Year Positions	216,071	Deputy Sheriff, Asst Commonwealths Atty, Appartus Technician
School Resource Officers (3)	198,792	Grant Revenue = \$159,789 (approved Mid-Year FY20)
VRS & Group Life Increases	56,012	
Worker's Comp & LODA Increases	67,493	
Riverside Regional Jail Increase	156,904	
Crater Detention Increase	25,818	
E-Mail Exchange On-Line (Cloud)	64,512	
Virtual Server Replacement	20,000	
E-911 Maintenance Contract Increases	48,779	
CSA Increase	55,300	
Expected Utility Cost Increases	29,070	
Increase in Cleaning & Lawn Care Contracts	21,785	
Increase in Auditing Contract	6,500	
Expanded Cyber Coverage	16,000	
Contingency Increase (over FY20)	203,754	Offsets one-time permit revenue of \$241,000
TOTAL	2,572,078	

CONTINUED

The capital reserve transfer of \$1,262,500 shown above will fund in FY2021 the capital projects proposed below.

Project Description	Category	Total Cost	FY Timing
New Walton Elementary School Design Phase	School	\$ 845,432	2021
New Walton Elementary School	School	\$ 31,108,719	2021
Prince George High School Generator	School	\$ 179,220	2021
Zoll X Series Monitors / Defibrillators	Public Safety	\$ 157,276	2021
Fleet Garage Bay Expansion	County	\$ 2,100,000	2021
School Technology Infrastructure	School	\$ 328,000	2021
School Buses	School	\$ 412,000	2021
Prince George Company 1 Fire Station Renovations	Public Safety	\$ 2,500,000	2021
Police / County Vehicles	County / Public Safety	\$ 400,000	2021
		\$ 38,030,647	

The board will evaluate postponing Fire Station 1 renovations until FY2022 and will also discuss inclusion of the Zoll Monitors / defibrillators upon budget adoption.

School Board Budget:

The School Board adopted its proposed FY2021 budget on March 2, 2020 and requested \$324,122 in additional local funding to fund a larger pay increase for teachers (5%). The school budget adopted totals \$74,028,451 and is \$824,122 higher than the budget proposed by the County Administrator on February 25 due to increased state revenue projections (\$500,000) and an increase in local funding request (\$324,122).

The School Superintendent and staff have also updated revenue projections due to the projected COVID-19 pandemic impacts, and the budget as revised for inclusion in the County's total adopted budget will be \$71,714,978.

Additional Considerations:

Staff is evaluating details of possible changes to **Compensation Board revenues** and is working with the Director of Social Services to evaluate **updated DSS State Revenue information**. Additionally, the Board will consider revisions to the Proposed CIP to include the delay of renovations to Fire Company 1 and Zoll Monitors / Defibrillators.

Budget adoption is targeted for May 26, 2020.

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 (May 12 Public Hearing; with budget adoption proposed on May 26, 2020)

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 May 3, 2020. A copy of advertisement is attached.

Fiscal Impact Statement

The FY2021 budget as proposed by the County Administrator on February 25, 2020:
Overall budget of \$129,748,493 which is \$6,679,536 (5.4%) more than FY20;
General Fund budget of \$61,720,893 which is \$3,959,405 (6.85%) more than FY20

The FY2021 budget for adoption is as follows:

Overall budget of \$126,240,594 which is \$3,171,636 (2.58%) more than FY20; and (\$3,507,899 less than originally proposed

General Fund budget of \$60,324,236 which is \$2,562,749 (4.44%) more than FY20; and (\$1,396,657) less than originally proposed

These totals and percentages can change with final approved Board budget for FY2021.

County Impact

The adopted budget will become the financial roadmap for operations and capital improvements for FY2021.

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 26, 2020.



**COUNTY OF PRINCE GEORGE
NOTICE OF PUBLIC HEARING
MODIFIED PROPOSED ANNUAL FISCAL PLAN FOR THE YEAR ENDING JUNE 30, 2021**

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 modified proposed Prince George County Annual Fiscal Plan (the "Budget") during its regular meeting of Tuesday, May 12, 2020, 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, 2020 and ending June 30, 2021.

A brief synopsis of the FY 2020-2021 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. The budget as advertised has been modified since the County Administrator's budget was proposed on February 25, 2020. Fiscal impacts from the COVID-19 pandemic necessitated reductions in both the County and School Division proposed FY 2020-2021 budgets. The advertised budget is \$3,507,899 less than the budget proposed on February 25, 2020. The budget adopted by the Prince George County Board of Supervisors may differ from this advertised budget.

A copy of the proposed FY 2020-2021 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:	<u>Modified Proposed FY21</u>	<u>Adopted FY20</u>
Local Sources	\$58,832,670	\$56,348,197
State Sources	54,986,005	54,411,867
Federal Sources	11,340,386	11,046,323
Other Sources	1,081,553	1,265,871
Total Anticipated Income:	\$126,240,594	\$123,068,958

ESTIMATED EXPENDITURES (not of transfers):	<u>Modified Proposed FY21</u>	<u>Adopted FY20</u>
Administration	\$1,167,556	\$1,179,411
Constitutional Officers	3,589,428	3,429,059
Community Development	1,238,383	1,253,531
Financial Services	2,487,078	2,324,079
Operations	3,634,883	3,776,929
Public Safety	12,670,075	12,211,451
Social Services	5,098,623	5,054,087
Other	30,228,211	28,532,940
Community Corrections	1,082,683	1,054,417
LDSAP	181,500	181,500
Education	71,714,978	71,477,254
Adult Education	898,048	979,187
Economic Development & Tourism	1,311,319	1,585,000
Stormwater	490,000	485,000
Water & Sewer	8,502,513	8,538,263
Capital Projects	887,733	582,537
Debt Service	9,650,871	7,987,412
Special Welfare	15,000	15,000
<i>(less Transfers)</i>	<i>(28,616,265)</i>	<i>(27,518,100)</i>
Total Anticipated Expenditures:	\$126,240,594	\$123,068,958

The levies, per \$100 of assessed valuation, which appear below, are the County Administrator's proposed for the Fiscal Year beginning July 1, 2020 and ending on June 30, 2021. The rates adopted by the Prince George County Board of Supervisors may be lower than the rates advertised.

	<u>Modified Proposed FY21</u>	<u>Adopted FY20</u>
Real Estate	\$0.86	\$0.86

The levies, per \$100 of assessed valuation, which appear below, are the amounts proposed for the Calendar Year beginning January 1, 2020 and ending on December 31, 2020. The rates adopted by the Prince George County Board of Supervisors may be lower than the rates advertised.

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

By Authority of
Percy C. Ashcraft
County Administrator

All proposed amounts and tax rates are subject to revision by the Board of Supervisors and final tax rates and total budget will be published upon adoption by the Prince George County Board of Supervisors.

PROOF O.K. BY: _____ **O.K. WITH CORRECTIONS BY:** _____

PLEASE READ CAREFULLY • SUBMIT CORRECTIONS ONLINE

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County of Prince George
 FY2021 Budget - Tourism Fund Balancing and Changes [04-29-2020]

ITEM #	Page	Description	Revenues	Expenditures	Running Total / Balancing	Notes	DH	AC	FB	MW	TW
Tourism Fund Budget - CA Proposed			\$ 678,298	\$ 678,298							

ROUND 1 CUTS - COVID-19 IMPACT, LODGING TAX INCREASE REMOVAL (2%)

Revenues:											
1	89	0213-312010	COVID-19 Estimated Impact on Lodging Tax Revenues	(135,660)	542,638		Y	Y	Y	Y	Y
2	89	0213-312010	Remove Lodging Tax Increase 2%	(271,319)	271,319	Removed until board considers	Y	Y	Y	Y	Y
				(406,979)	271,319		Y	Y	Y	Y	Y

Total Changes (406,979)
 Revised Tourism Fund Budget \$ 271,319
 Available Resources / (Resource Reductions) from Proposed Budget (406,979) -60.00%

Expenditure Action & Impact:											
3	90	0213-2131-41300 + 42100	Remove PT Sports Tourism Coordinator Wages (Resigned effective 3/20/2020)	(37,593)	(369,386)		Y	Y	Y	Y	Y
4	90	0213-2131-43600	Eliminate Advertising	(1,000)	(368,386)		Y	Y	Y	Y	Y
5	90	0213-2131-45540	Eliminate Convention & Education	(1,000)	(367,386)		Y	Y	Y	Y	Y
6	90	0213-2131-45648	Reduce Contribution to Regional Heritage Center (7.5% of Tax)	(30,523)	(336,863)		Y	Y	Y	Y	Y
7	90	0213-2131-45652	Reduce Ball Tournaments [\$40,000 to \$1,865]	(38,135)	(298,728)		Y	Y	Y	Y	Y
8	90	0213-2131-45653	Eliminate Fire/EMS Museum Planning Contribution	(40,000)	(258,728)		Y	Y	Y	Y	Y
9	90	0213-2131-46014	Eliminate Operating Supplies	(1,200)	(257,528)		Y	Y	Y	Y	Y
10	90	0213-2131-46007	Reduce Exit 45 Oper & Maint Budget [\$20,000 to \$10,000]	(10,000)	(247,528)		Y	Y	Y	Y	Y
11	90	0213-2131-49199	Eliminate Tourism Fund Contingency	(247,528)	0		Y	Y	Y	Y	Y
				0	0						
Total Expenditure Changes				(406,979)	271,319						

ROUND 1 SUMMARY:
 TOTAL REDUCTIONS (406,979)
 REVISED TOTAL - TOURISM FUND \$ 271,319

County of Prince George
FY2021 Budget - Economic Development Fund Balancing and Changes [04-29-2020]

ITEM #	Page	Description	Revenues	Expenditures	Running Total / Balancing	Notes	DH	AC	FB	MW	TW
		Economic Development Fund Budget - CA Proposed	\$ 1,300,000	\$ 1,300,000							
ROUND 1 CUTS - COVID-19 IMPACT											
Revenues:											
1	91	0215-312111 COVID-19 Estimated Impact on Meals Tax Revenues	(260,000)		1,040,000		Y	Y	Y	Y	Y
					0						
Total Changes											
Revised Econ Dev Fund Budget			\$ 1,040,000								
Available Resources / (Resource Reductions) from Proposed Budget			(260,000)		-20.00%						

Expenditure Action & Impact:

				Running Total / Balancing						
2	92	0215-2151-41100 + Benefits	(609)	(259,391)		Y	Y	Y	Y	Y
3	92	0215-2151-43101 Eliminate Professional Services [\$5,000 to \$0]	(5,000)	(254,391)	Business Attraction; Engineering Requests	Y	Y	Y	Y	Y
4	92	0215-2151-43600 Eliminate Advertising [\$5,000 to \$0]	(5,000)	(249,391)	Marketing Brochure	Y	Y	Y	Y	Y
5	92	0215-2151-45530 Reduce Subsistence & Lodging [\$5,000 to \$1,000; 80%]	(4,000)	(245,391)		Y	Y	Y	Y	Y
6	92	0215-2151-45540 Reduce Convention & Education [\$20,000 to \$10,000; 50%]	(10,000)	(235,391)		Y	Y	Y	Y	Y
7	92	0215-2151-45600 Reduce Contributions [\$51,830 to \$29,091]	(22,739)	(212,652)	Virginia Gateway Region offered 50% reduction (\$22,739)	Y	Y	Y	Y	Y
8	92	0215-2151-45660 M&T Tax Rebates (planned reduction based on actual rebates); \$216,630 to \$112,395	(104,235)	(108,417)		Y	Y	Y	Y	Y
9	92	0215-2151-46001 Reduce Office Supplies [\$3,000 to \$100]	(2,900)	(105,517)		Y	Y	Y	Y	Y
10	92	0215-2151-46002 Eliminate Food Budget [\$500 to \$0]	(500)	(105,017)		Y	Y	Y	Y	Y
11	92	0215-2151-46008 Reduce Fuel Budget [\$600 to \$200]	(400)	(104,617)		Y	Y	Y	Y	Y
12	92	0215-2151-46009 Reduce Vehicle Equip/Supplies [\$300 to \$100]	(200)	(104,417)		Y	Y	Y	Y	Y
13	92	0215-2151-48205 Eliminate Vehicle Purchases (2)	(55,000)	(49,417)	Planned Transfers to CDCC & Assessor; Evaluate January 2021	Y	Y	Y	Y	Y
14	92	0215-2151-41400 + FICA Eliminate Expansion of Career Development	(1,076)	(48,341)	Similar to General Fund	Y	Y	Y	Y	Y
15	92	0215-2151-49199 Reduce Econ Dev Contingency to Balance [\$56,461 to \$8,120]	(48,341)	0		Y	Y	Y	Y	Y
Total Expenditure Changes			(260,000)	1,040,000						

ROUND 1 SUMMARY:		(260,000)	(260,000)
TOTAL REDUCTIONS			
REVISED TOTAL - ECONOMIC DEVELOPMENT FUND		\$ 1,040,000	1,040,000

County of Prince George
 FY2021 Utilities Budget - Balancing and Changes [04-29-2020]

ITEM #	Page	Description	Revenues	Expenditures	Running Total / Balancing	Notes	DH	AC	FB	MW	TW
		Utility Fund Budget - CA Proposed	\$ 8,759,034	\$ 8,759,034							
		Interfund Transfers	\$ (1,827,956)	\$ (1,827,956)							
		Utility Fund Budget - Proposed, Net of Transfers	\$ 6,931,078	\$ 6,931,078							
ROUND 1 CUTS - COVID-19 IMPACT, UTILITY RATE INCREASE REMOVAL, UPDATED TREND											
Revenues:											
1	154	0600-316901	(98,850)		8,660,184		Y	Y	Y	Y	Y
2	154	0600-316902	(41,850)		8,618,334		Y	Y	Y	Y	Y
3	154	0600-316901	26,850		8,645,184		Y	Y	Y	Y	Y
4	154	0600-316902	(20,000)		8,625,184		Y	Y	Y	Y	Y
5	154	0600-316903	(15,000)		8,610,184		Y	Y	Y	Y	Y
6	154	0600-316904	(10,000)		8,600,184		Y	Y	Y	Y	Y
7	154	0600-316905	(7,500)		8,592,684		Y	Y	Y	Y	Y
8	154	0600-399999	(18,000)		8,574,684		Y	Y	Y	Y	Y
9	156	0620-399106	(72,171)		8,502,513		Y	Y	Y	Y	Y
		Total Changes	(256,521)								
		Revised Utilities Fund Budget	\$ 8,502,513								
		Available Resources / (Resource Reductions) from		(256,521)							
		Proposed Budget									-2.93%

County of Prince George
 FY2021 Utilities Budget - Balancing and Changes [04-29-2020]

ITEM #	Page	Description	Revenues		Expenditures		Running Total /		Notes	DH	AC	FB	MW	TW
							Running Total /	Running Total /						
Expenditure Action & Impact:														
10	158	0600-7001-41100 + Benefits		(104,439)			(152,082)			Y	Y	Y	Y	Y
		Removed Newly Proposed Engineering Technician												
11	158	0600-7001-41100 + Benefits		(16,000)			(136,082)			Y	Y	Y	Y	Y
		Remove Proposed Compression Increases												
12	157	0600-7000-45540 Reduce Convention & Education (50%)		(4,500)			(131,582)			Y	Y	Y	Y	Y
13	157	0600-7000-45810 Reduce Dues & Memberships		(500)			(130,082)			Y	Y	Y	Y	Y
14	157	0600-7000-46002 Reduce Food Expenditures (50%)		(500)			(130,582)			Y	Y	Y	Y	Y
15	157	0600-7000-46008 Reduce Fuel Expenditures		(4,000)			(126,582)			Y	Y	Y	Y	Y
		Predicated on not borrowing and completing maintenance prioritized maintenance projects and planning												
16	157	0600-7000-49178 Reduce Transfer to Capital Reserves		(72,171)			(54,411)			Y	Y	Y	Y	Y
17	158	0600-7001-49199 Increase Payroll Contingency		8,260			(62,671)			Y	Y	Y	Y	Y
		Do not issue debt in FY2021 [do projects and planning that can be "cash funded" in priority order]; see #s 20 & 21												
18	171	0620-7004-49140 2020 Borrowing Principal		(525,000)			462,329			Y	Y	Y	Y	Y
		Do not issue debt in FY2021 [do projects and planning that can be "cash funded" in priority order]; see #s 20 & 21												
19	171	0620-7004-49140 2020 Borrowing Interest		(420,000)			882,329			Y	Y	Y	Y	Y
		Complete projects and planning that can be cash funded in FY2021												
20	173	0620-7016-48407 Sewer Projects / Rehabs		650,000			232,329			Y	Y	Y	Y	Y
		Complete projects and planning that can be cash funded in FY2021												
21	173	0620-7016-48406 Water Facility Improvements		600,000			(367,671)			Y	Y	Y	Y	Y
22	173	0620-7016-48403 Water Meter Replacements		(150,000)			(217,671)			Y	Y	Y	Y	Y
23	173	0620-7016-49199 Capital Contingency		(227,171)			9,500			Y	Y	Y	Y	Y
24	157	0600-7000-49199 Operating Contingency - Increase to Balance		9,500			0			Y	Y	Y	Y	Y
		Remove capital contingency					0							
				0			0							
				0			0							
				0			0							
		Total Expenditure Changes		(256,521)			8,502,513							
0														

ROUND 1 SUMMARY:
 TOTAL REDUCTIONS (256,521)

REVISED TOTAL - UTILITIES FUNDS \$ 8,502,513
 REVISED TRANSFERS (1,755,785)
 REVISED TOTAL UTILITIES, NET OF TRANSFERS \$ 6,746,728

ITEM #	Page	Description	Revenues	Expenditures	Running Total / Balancing	Notes	DH	AC	FB	MW	TW
General Fund Budget - CA Proposed			\$ 61,720,893	\$ 61,720,893		FY20 Adopted GF Budget \$57,761,488					
ROUND 1 CUTS - COVID-19 IMPACT, BPOL INCREASE REMOVAL, PERMIT FEE INCREASE REMOVAL, SRO GRANT CORRECTION											
Revenues:											
1	1	Multiple [311101; 311301; 311303; 312101; 312301; 312303; 312308; 312309; 312310]	(1,079,532)		60,641,361	COVID-19 Reductions (Gen Fund) [RE Tax; PP Tax; Mobile Home Tax; Sales Tax; BPOL Taxes; Motor Vehicle Licenses; Lodging Tax GF Portion]	Y	Y	Y	Y	Y
2	4	324104 SRO Gr	(53,263)		60,588,098	SRO Grant Correction	Y	Y	Y	Y	Y
3	1	312302; 312303; 312304; 312309; 312310	(189,499)		60,398,599	Remove BPOL Tax Increase	Y	Y	Y	Y	Y
4	1-2	313308; 313310; 313312; 313334; 313338	(74,363)		60,324,236	Remove Permit Fee Increase Concealed Weapon Permit - Reduction - from \$35 local; \$30,000 budgeted [\$857 per \$1]	Y	Y	Y	Y	Y
5	3	316110	0		60,324,236	SRO Grant Correction	Y	Y	Y	Y	Y
Total Changes			(1,396,657)								
Revised General Fund Budget			\$ 60,324,236								
Available Resources / (Resource Reductions) from Proposed Budget			(1,396,657)								-2.26%

ITEM #	Page	Description	Revenues		Expenditures		Running Total / Balancing	Notes	DH	AC	FB	MW	TW
Expenditure Action & Impact:													
6	73	0100-0917-45150			121,595		(1,518,252)	See blue shaded notes below	Y	Y	Y	Y	Y
Increase School Transfer (Public Safety Carve Out changes)													
7	73	0100-0917-49150			(351,033)		(1,167,219)	School Transfer Proposed at \$16,910,183 (\$222,532 increase over FY20); for adoption \$16,680,745 (-\$6,906 reduction from FY20 transfer of 16,687,651)	Y	Y	Y	Y	Y
COVID-19 Revenue Reductions - Decrease in School Transfer from Proposed [Net \$229,438 reduction from Proposed]													
8	Multiple	Multiple [All GF Budgets with WC]			40,606		(1,207,825)	Increase in Worker's Compensation Insurance (net of any new positions) over what was proposed (VACORP)	Y	Y	Y	Y	Y
9	Multiple	0203; 0601; 0610 42701			3,826		(1,211,651)	Increase in LODA Insurance Coverage from Proposed Budget (VACORP)	Y	Y	Y	Y	Y
10	24	0402-43101			6,500		(1,218,151)	Finance (0402) Audit Services Increase	Y	Y	Y	Y	Y
11	Multiple	45530			(2,500)		(1,215,651)	All General Fund Departments - Subsistence & Lodging (50% Reduction)	Y	Y	Y	Y	Y
12	Multiple	45540			(85,558)		(1,130,093)	All General Fund Departments - Convention & Ed (50% Reduction) [Impacts ALL departments with Convention & Education Budgets]	Y	Y	Y	Y	Y
12a	54	0703-45540			1,600		(1,131,693)	Local Administrative CSA - Total Budget must be \$15,000 will have to restore reduction of \$1,600 somewhere (if not 45540)	Y	Y	Y	Y	Y
12b	62	0906-45540			1,539		(1,133,232)	Victim Witness (grant funded) - must restore convention and education part of grant as prepared	Y	Y	Y	Y	Y
13	Multiple	45541			(81,505)		(1,051,727)	All General Fund Departments - Training (50% Reduction) [Impacts ALL departments with Training Budgets]	Y	Y	Y	Y	Y
13a	50	0615-45541			22,500		(1,074,227)	SAFER Recruitment & Retention Grant - This is grant funded (100%) and will have to restored; part of approved four-year grant; funds training of new recruits [\$22,500]	Y	Y	Y	Y	Y
14	Multiple	46002			(10,617)		(1,063,611)	All General Fund Departments - Food (50% Reduction) [Impacts ALL departments with Food Budgets; Animal Shelter pet food preserved at proposed level]	Y	Y	Y	Y	Y
14a	54	0703-46002			35		(1,063,646)	Local Administrative CSA - Total Budget must be \$15,000 will have to restore reduction of \$35 somewhere (if not 46002)	Y	Y	Y	Y	Y
14b	63	0907-46002			250		(1,063,896)	Board and Care of Prisoners - may need to restore - this is for prisoner food purchased during transport [\$250]	Y	Y	Y	Y	Y
15	31	0504-46007			(16,500)		(1,047,396)	General Services - Repair Maint Supplies (0504)	Y	Y	Y	Y	Y
16	29	0504-43310			(100,000)		(947,396)	General Services - Repairs & Maint (0504)	Y	Y	Y	Y	Y
17	32	0505-46049			(10,645)		(936,751)	Parks & Recreation - Park & Facility Supplies (Refinish CWC Gym Floor (0505))	Y	Y	Y	Y	Y

ITEM #	Page	Description	Revenues	Expenditures	Running Total / Balancing	Notes	DH	AC	FB	MW	TW
18	26	Information Technology - Info Tech Equipment (0405) [Increasing # of annual replacements; switch replacements]		(50,000)	(886,751)		Y		Y	Y	Y
19	68	Contribution to Colleges (0912) - Richard Bland - Eliminating Contribution		(20,000)	(866,751)		Y	Y	Y	Y	Y
20	68	Contribution to Colleges (0912) - John Tyler - Eliminating Contribution		(4,567)	(862,184)		Y	Y	Y	Y	Y
21	Multiple	Fuel (All Departments)		(49,577)	(812,607)		Y	Y	Y	Y	Y
22	Multiple	All Departments - Eliminate Compression Pay Increases		(76,499)	(736,108)		Y	Y	Y	Y	Y
23	46	Fire/EMS - Eliminate newly proposed Deputy Director Fire/EMS (0610)		(127,122)	(608,986)	Restored \$54,000 in funding from former "carve out" to schools	Y	Y	Y	Y	Y
24	46	Eliminate Increase for Turnout Gear as Proposed (0610)		(23,945)	(585,041)	Restored \$10,172 in funding from former "carve out" to schools	Y	Y	Y	Y	Y
25	46	Eliminate PT Wages Fire/EMS (0610) earmarked / increased for Paramedic Certifications		(35,266)	(549,774)		Y	Y	Y	Y	Y
26	23	Assessor - Eliminate newly proposed Senior RE Appraiser (0401)		(95,354)	(454,420)		Y	Y	Y	Y	Y
27	25	IT - Eliminate newly proposed Info Tech Specialist (0403)		(76,257)	(378,163)		Y	Y	Y	Y	Y
28	34	PD - Eliminate newly proposed Police Officer (0601)		(67,588)	(310,575)	Restored \$28,711 in funding from former "carve out" to schools	Y	Y	Y	Y	Y
29	34	PD - Eliminate newly proposed Police Officer (0601)		(67,588)	(242,987)	Restored \$28,711 in funding from former "carve out" to schools	Y	Y	Y	Y	Y
30	32	Parks & Recreation - Eliminate newly proposed Senior Grounds Maintenance Worker (0505)		(56,937)	(186,050)		Y	Y	Y	Y	Y
31	13	County Administration - Reduce Special Events (0101)		(7,000)	(179,050)		Y	Y	Y	Y	Y
32	15	Human Resources - Reduce Employee Recognition Events (0103)		(8,000)	(171,050)		Y	Y	Y	Y	Y
33	34	PD Overtime (0601) - Eliminate increase for Overtime - level funding		(21,530)	(149,520)		Y	Y	Y	Y	Y
34	25	Information Technology - Eliminate newly requested Big Fix Software (0403)		(19,713)	(129,807)		Y	Y	Y	Y	Y
35	12	Board of Supervisors - Reduce Professional Services (0100) [not presently earmarked for any purpose]		(5,000)	(124,807)		Y	Y	Y	Y	Y
36	32	Parks & Recreation - Athletic Supplies & Equipment (0505) - cut 15%		(15,926)	(108,881)		Y	Y	Y	Y	Y
37	32	Parks & Recreation - Special Activities (0505) - cut \$10,000 proposed at \$25,000		(10,000)	(98,881)		Y	Y	Y	Y	Y
38	21	CDDC (0300) - Reduce Part-Time Wages		(10,765)	(88,116)		Y	Y	Y	Y	Y
39	12	Board of Supervisors (0100) - County Contributions - Eliminate contribution to FOLAR		(9,300)	(78,816)		Y	Y	Y	Y	Y
40	Multiple	Career Development - Newly Expanded Departments = \$5,500 + FICA = \$5,920		(5,920)	(72,896)	Impacted Departments - Assessor; HR; Garage; Attorney; Planning [Non-General - Economic Development]	Y	Y	Y	Y	Y

ITEM #	Page	Description	Revenues	Expenditures	Running Total / Balancing	Notes	DH	AC	FB	MW	TW
41	Multiple	MULTIPLE-41400 Career Development - Existing Departments - Suspend new participation for FY2021. (Some already taking courses and completing other requirements for January 2021) \$87,000 + FICA = \$93,656		(93,656)	20,760	Impacted Departments - Police; Fire/BMS; Animal Services; ECC; CDD; Social Services; Finance; General Services; Info Technology; Parks & Recreation (Non-General - Community Corrections; Utilities)	Y	Y	Y	Y	Y
42	73	0917-49199 Other Functions (0917) - General Fund Contingency - Reduce		20,760	(0)		Y	Y	Y	Y	Y
Total Expenditure Changes				(1,396,657)	60,324,236						

ROUND 1 SUMMARY:
TOTAL REDUCTIONS (1,396,657) -2.26%
 County General Fund Spending Reduction from Proposed, Net of
 School Transfer (1,088,403)
 School Transfer Decline, From Proposed (229,438)

Prince George County 2020-21 Budget

Budget Summary for Public Hearing
May 12, 2020

County Administrator's Budget presented to the Board of Supervisors February 25, 2020

FY21 GENERAL FUND BUDGET PROPOSED:

\$61,720,893 (\$3,959,405; 6.85% Increase over FY2020)

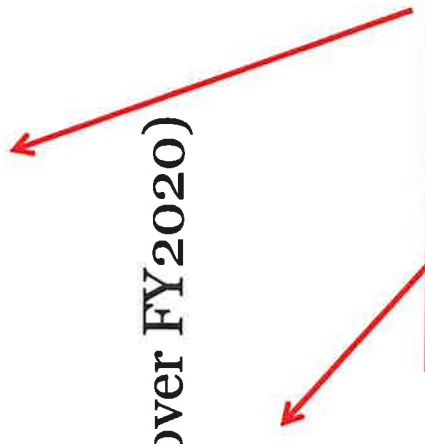
FY21 TOTAL – ALL FUNDS BUDGET PROPOSED:

\$129,748,493 (\$6,679,535, 5.43% Increase over FY2020)

No increase in Tax Rates proposed

**Significant changes discussed due to COVID-19
Pandemic and withdrawal of proposed
increased in BPOL tax rates; Permit Fees and
Utility Fees**

**SIGNIFICANT
ADJUSTMENTS/
CHANGES**



General Fund - Revisions (\$1,396,657) Approved by Consensus 4/29/2020

Expenditure Action & Impact:	Expenditures
Change in Proposed Local School Transfer; New Transfer \$16,680,745 [\$6,906 less than FY20]	(229,438)
Increase in Worker's Comp & LODA {Changes to benefits for first responders - State Law}	44,432
Finance (0402) Audit Services Increase	6,500
Reductions in Convention & Education, Training & Subsistence and Lodging Budgets	(143,924)
Reductions to Food Budgets	(10,332)
Reductions to General Services Repairs including Supplies	(116,500)
Parks & Recreation Reductions [Supplies & Events]	(36,571)
IT Software and Equipment Reductions	(69,713)
Reductions in Contributions to Colleges & FOLAR	(33,867)
Reductions to Fuel	(49,577)
Elimination of Proposed Pay Increases for Compression	(76,499)
Elimination of 6 Newly Proposed General Fund Positions	(490,846)
Elimination of Part-Time & Overtime Wage Increases [CDCC, Fire/EMS & Police]	(67,561)
Suspension of Career Development Advancement and Expansion to new departments	(99,576)
Eliminate Increase for Turnout Gear as Proposed	(23,945)
Reduction in Employee Recognition and Special Events	(15,000)
Reduction in Professional Services	(5,000)
Contingency Increase - Balancing Amount	20,760
Total Expenditure Changes	(1,396,657)

General Fund Budget as Adjusted

- **General Fund Recap**
 - Total FY2021 Proposed Budget - \$61,720,893
 - Total FY2021 Budget for Adoption - \$60,324,236
 - (\$1,396,657) REDUCTION FROM PROPOSED
 - Total FY2020 Adopted Budget - \$57,761,488
 - FY2021 OVER FY2020 \$2,562,749; 4.44%**

General Fund Budget as Adjusted

Includes

Description:	Amount	Notes
Capital / Debt Reserve Transfer	1,262,500	New Elementary School & Other
Increase to Debt Fund Transfer	122,788	County/School Projects
FY2020 Mid-Year Positions	216,071	Deputy Sheriff, Asst Commonwealths Atty, Appartus Technician
School Resource Officers (3)	198,792	Grant Revenue = \$159,789 (approved Mid-Year FY20)
VRS & Group Life Increases	56,012	Established by VRS Board
Worker's Comp & LODA Increases	67,493	Largely due to expanded benefits for first responders
Riverside Regional Jail Increase	156,904	Increase in per diem [\$43 to \$46]
Crater Detention Increase	25,818	
E-Mail Exchange On-Line (Cloud)	64,512	Recurring cost of approved FY2020 updgrade
Virtual Server Replacement	20,000	Needed server replacement
E-911 Maintenance Contract Increases	48,779	State mandated dual authentication
CSA Increase	55,300	
Expected Utility Cost Increases	29,070	
Increase in Cleaning & Lawn Care Contracts	21,785	
Increase in Auditing Contract	6,500	
Expanded Cyber Coverage	16,000	
Contingency Increase (over FY20)	203,754	Offsets one-time permit revenue of \$241,000
TOTAL	2,572,078	

General Fund Budget as Adjusted

- **Recap**
 - No pay increases [eliminated small increase proposed to address compression]
 - 1 Remaining Additional General Fund Position [6 newly proposed positions eliminated]
 - Department of Social Services – **If State Funding is eliminated, will be eliminated prior to adoption**
 - Suspension of Career Development – new awards and planned expansion
 - Reductions to Food, Training and Travel Budgets
 - Reductions to Repair and Supply Budgets
 - Reductions to proposed IT software and equipment purchases
 - Reductions to Employee Recognition and Special Events budgets
 - Elimination of contributions to community colleges and FOLAR
 - Reductions to Fuel Budgets

General Fund Proposal Included

- **Revenues – Tax Rates**

Tax	2019-20 Rate	2020-21 Rate Proposed	Rate Approved
Real Estate	\$0.86	\$0.86	TBD
Personal Property	\$4.25	\$4.25	TBD
Machinery & Tools	\$1.50	\$1.50	TBD
Mobile Homes/Tangible PP	\$0.86	\$0.86	TBD

All tax rates proposed at the same rates as in

FY2020

RE rate equalization to \$0.80 not proposed;

PH Held April 14 with no Board action

Public Hearing Held on Tax

Rates on May 12, 2020

General Fund Proposal School Funding & School Budget

- **School Funding – AS PROPOSED**
 - In accordance with BOS modified Revenue Sharing Calculation - \$16,910,183 [\$222,532 Increase over Transfer for FY2020]
- **School Funding – FOR ADOPTION**
 - In accordance with BOS modified Revenue Sharing Calculation - \$16,680,745 [(\$6,906) Decrease from Transfer for FY2020] – COVID-19 Impacts & Public Safety carve out changes

(\$1,489,351) Reduction from FY2021 COVID-19 Impact

	FY19-20 Adopted Budget	FY20-21 Department	FY20-21 County	FY20-21 For Adoption	Increase (Decrease)	
SCHOOL OPERATING	64,678,314	67,173,659	67,009,359	65,619,398	941,084	1.46%
SCHOOL GRANTS	2,364,080	2,265,345	2,265,345	2,265,345	(98,735)	-4.18%
SCHOOL TEXTBOOK FUND	1,266,908	662,283	662,283	662,283	(604,625)	-47.72%
SCHOOL NUTRITION FUND	3,167,952	3,267,342	3,267,342	3,167,952	-	0.00%
TOTAL SCHOOL	71,477,254	73,368,629	73,204,329	71,714,978	237,724	0.33%

School Board will be evaluating expenditure reductions following County budget adoption

Budget Proposal Included Expenditures

- **General Fund Debt Service [NO CHANGES]**
 - **General Fund Transfer for Debt & Debt Reserves = \$8,545,794**
 - **County = \$4,834,011**
 - **School = \$3,711,783**
- **Non-General Debt [NO CHANGES]**
 - **Utility = \$368,513**
 - **Economic Development = \$486,119**
 - **Storm Water = \$451,818**

Capital Projects - Debt Issuance 2021

Project Description	Category	Total Cost	FY Timing
New Walton Elementary School Design Phase	School	\$ 845,432	2021
New Walton Elementary School	School	\$ 31,108,719	2021
Prince George High School Generator	School	\$ 179,220	2021
Zoll X Series Monitors / Defibrillators	Public Safety	\$ 157,276	2021
Fleet Garage Bay Expansion	County	\$ 2,100,000	2021
School Technology Infrastructure	School	\$ 328,000	2021
School Buses	School	\$ 412,000	2021
Prince George Company 1 Fire Station Renovations	Public Safety	\$ 2,500,000	2021
Police / County Vehicles	County / Public Safety	\$ 400,000	2021
		\$ 38,030,647	

Spring 2021 Borrowing Planned

Possible separate issuance for new elementary school

Discussion of delaying Fire Company 1 renovations and purchase of Zoll monitors / defibrillators

Other Funds - Minimal Changes from FY2020

- Community Corrections – Offers Pretrial, Probation and Drug Court services for offenders and defendants - Supported by **State Grants and support from localities served**
 - Total FY2021 Proposed Budget - \$1,082,693
 - Total FY2021 Budget for Adoption - \$1,082,693
 - NO CHANGES FROM PROPOSED
 - Total FY2020 Adopted Budget - \$1,054,417
FY2021 OVER FY2020 \$28,276; 2.68%

- LOSAP – Length of Service Awards Program (Fund 227) – Defined benefit pension plan for volunteers approved by board in 2001 (supported by General Fund Transfer of \$141,000)
 - Total FY2021 Proposed Budget - \$181,500
 - Total FY2021 Budget for Adoption - \$181,500
 - NO CHANGES FROM PROPOSED
 - Total FY2020 Adopted Budget - \$181,500
FY2021 OVER FY2020 \$0; 0%

Other Funds - FY2021

- Economic Development – Fully funded by Meals Tax & Pays salaries and benefits for 3 FT employees and debt service for Crosspointe Improvements
 - Total FY2021 Proposed Budget - \$1,300,000
 - Total FY2021 Budget for Adoption - \$1,040,000
 - (\$260,000) Reduction from Proposed – COVID-19 estimated impact
 - Total FY2020 Adopted Budget - \$1,125,000
FY2021 from FY2020 (\$85,000); -7.56%

Reductions of \$260,000 from the FY2021 budget originally proposed include: elimination of compression pay increase; suspension of career development expansion; elimination of two planned vehicle purchases; reductions to convention & education, food, supplies, contributions and rebates

Other Funds - FY2021

- Tourism – Supported by Lodging Tax
 - 7.5% Contribution to Regional Heritage Center
 - PART & Chamber of Commerce Contributions
 - Pays debt service for Exit 45 Water System
- Total FY2021 Proposed Budget - \$678,298**
- Total FY2021 Budget for Adoption - \$271,319
 - (\$406,979) Reduction from Proposed
 - COVID-19 (\$135,660)
 - 2% Lodging Tax Increase** (\$271,319)
- Total FY2020 Adopted Budget - \$440,000
FY2021 from FY2020 (\$168,681); -38.34%

Reductions of \$406,979 from the FY2021 budget originally proposed include: elimination of part-time wages; reduction of contributions to the Regional Heritage Center, elimination of Fire/EMS Museum planning funds; reduction in sports tourism events (ball tournaments); reductions to convention & education, supplies, and the elimination of any contingency

**Includes 2% increase in Lodging Tax – Board has not evaluated

Utility Fund - FY2021

Self-Supporting Enterprise Fund

- NO Rate Increases for Adoption (Eliminated Proposed 3% Water Rate and 1% Sewer Rate Increases)
 - Total Proposed FY2021 Budget - \$8,759,034; \$6,931,078 net of inter-fund transfers
 - Total FY2021 Budget for Adoption - \$8,502,513; \$6,746,728 net of inter-fund transfers
 - (\$256,521) Reduction from Proposed
 - COVID-19 and trend
 - Total FY2020 Adopted Budget - \$8,535,263; \$6,832,861 net of inter-fund transfers
- FY2021 from FY2020 (\$158,303); -2.32%**

Reductions of \$256,521 from the FY2021 budget originally proposed include: elimination of one newly proposed position; elimination of compression pay increases; suspension of career development advancement; reductions to convention & education, food, supplies and fuel

Capital maintenance projects and planning for expansion projects only supported by operations for FY2021 (eliminated planned borrowing)

Budget Board Consideration

- Since the Budget was Proposed
 - 5 Board Budget Work Sessions
 - March 5
 - March 12
 - April 9
 - April 22
 - April 29
 - Public Hearing Tax Rate Equalization held on April 14 (no Board action)
 - Public Hearing on Tax Rates – May 12
 - Budget Adoption – Targeted for May 26

Budget Changes Since Proposal - General Fund Revenues

Description	Revenues
General Fund Budget - CA Proposed	\$61,720,893
Revenues:	
COVID-19 Reductions (Gen Fund) [RE Tax; PP Tax; Mobile Home Tax; Sales Tax; BPOL Taxes; Motor Vehicle Licenses; Lodging Tax GF Portion]	(1,079,532)
SRO Grant Correction	(53,263)
Remove BPOL Tax Increase	(189,499)
Remove Permit Fee Increase	(74,363)
Concealed Weapon Permit - Reduction - from \$35 local; \$30,000 budgeted [\$857 per \$1]	0
Total Changes	(1,396,657)
Revised General Fund Budget	\$60,324,236

Some Sources Shared with Schools
[\$728,499 County; \$351,033 School]

Budget Changes Since Proposal -

Expenditures

General Fund

Expenditure Action & Impact:	Expenditures
Change in Proposed Local School Transfer; New Transfer \$16,680,745 [\$6,906 less than FY20]	(229,438)
Increase in Worker's Comp & LODA {Changes to benefits for first responders - State Law}	44,432
Finance (0402) Audit Services Increase	6,500
Reductions in Convention & Education, Training & Subsistence and Lodging Budgets	(143,924)
Reductions to Food Budgets	(10,332)
Reductions to General Services Repairs including Supplies	(116,500)
Parks & Recreation Reductions [Supplies & Events]	(36,571)
IT Software and Equipment Reductions	(69,713)
Reductions in Contributions to Colleges & FOLAR	(33,867)
Reductions to Fuel	(49,577)
Elimination of Proposed Pay Increases for Compression	(76,499)
Elimination of 6 Newly Proposed General Fund Positions	(490,846)
Elimination of Part-Time & Overtime Wage Increases [CDCC, Fire/EMS & Police]	(67,561)
Suspension of Career Development Advancement and Expansion to new departments	(99,576)
Eliminate Increase for Turnout Gear as Proposed	(23,945)
Reduction in Employee Recognition and Special Events	(15,000)
Reduction in Professional Services	(5,000)
Contingency Increase - Balancing Amount	20,760
Total Expenditure Changes	(1,396,657)

Budget Changes Since Proposal - Total All Funds

Description	TOTAL BUDGET
ALL FUNDS BUDGET - PROPOSED	\$ 158,966,397
TRANSFERS - PROPOSED	\$ (29,217,904)
ALL FUNDS - NET OF TRANSFERS PROPOSED	\$ 129,748,493
ALL FUNDS TOTAL PROPOSED	\$ 158,966,397
GENERAL FUND CHANGES	(1,396,657)
SCHOOL FUND CHANGES	(1,489,351)
TOURISM FUND CHANGES	(406,979)
ECONOMIC DEVELOPMENT FUND CHANGES	(260,000)
UTILITY FUND CHANGES	(256,521)
TOTAL CHANGES	(3,809,508)
REVISED TOTAL BUDGET	\$ 155,156,889
TRANSFERS AS PROPOSED	\$ 29,217,904
REDUCTION IN LOCAL TRANSFER TO SCHOOLS	\$ (229,438)
REDUCTION IN UTILITIES INTERFUND TRANSFERS	\$ (72,171)
REVISED TOTAL TRANSFERS	28,916,295
ALL FUNDS FOR ADOPTION (PRELIMINARY)	\$ 155,156,889
TRANSFERS FOR ADOPTION (PRELIMINARY)	\$ (28,916,295)
ALL FUNDS FOR ADOPTION (NET OF TRANSFERS)	126,240,594
NET CHANGE PROPOSED TO ADOPTED	\$ (3,507,899)

Budget Changes Since Proposal - Total All Funds

TOTAL FY2021 BUDGET FOR ADOPTION	126,240,594
TOTAL FY2021 BUDGET PROPOSED	129,748,493
CHANGES SINCE PROPOSED	(3,507,899)
TOTAL FY2021 BUDGET FOR ADOPTION	126,240,594
TOTAL FY2020 ADOPTED BUDGET	123,068,958
FY2021 OVER FY2020	3,171,636 2.58%

Budget Adoption

- No action will follow this public hearing
- Adoption is being considered on May 26, 2020 with potential changes as noted below
 - To Do:
 - Reflect impact of postponing Fire Company 1 Renovations until FY2022 (Debt/Capital Transfer and School Operating Transfer)
 - Consider potential impact of removing Zoll Monitors / Defibrillators from CIP (Debt/Capital Transfer and School Operating Transfer)
 - Eliminate DSS Case Manager III Position – State Funding unknown likely until July (state revenue projections) **AND** Fine tune DSS Welfare Administration Revenues (0100-333504)
 - Evaluate possible revenue revisions from Compensation Board

QUESTIONS?