

Issue Analysis Form



Date: June 9, 2020
Item: Appropriation of FY2020-2021 Budget
Lead Department(s): County Finance
Contact Person(s): Betsy Drewry

Description and Current Status

The Prince George County Board of Supervisors adopted the FY2020-21 Budget and Capital Improvement Plan on May 26, 2020. The Board adopts a resolution annually to appropriate and authorize spending by fund.

Board Action Requested:

Approve attached resolution authorizing appropriation of and spending in the FY2020-2021 Budget beginning July 1, 2020 and through June 30, 2021.

The **Total Adopted** budget is \$126,187,775, \$3,118,818 2.53% more than the FY19/20 adopted budget.

- There were no tax rate or fee increases in the adoption of the FY20/21 budget.

The **General Fund** budget is \$60,271,416, \$2,509,928, 4.35% greater than the FY19/20 adopted budget.

ATTACHMENT A provides highlights of the adopted FY2021 budget.

Due to the continuing **financial downturn created by the coronavirus pandemic, revenues and expenditures will be continually monitored throughout the upcoming fiscal year.** It may be necessary to take action during the year to reduce spending appropriations in response to actual revenues being less than projected / adopted amounts. If revenues are more favorable than projected, the board can also consider increasing spending appropriations. Language was included in the draft resolution to this effect.

Board Action Requested: Approve enclosed resolution appropriating the FY2021 budget as adopted on May 26, 2020.

Does this require IDA action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this require BZA action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does This require Planning Commission Action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this require Board of Supervisors action?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does this require a public hearing?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If so, before what date?

Yes No

Fiscal Impact Statement

Authorizes expenditure of adopted FY2020-2021 budget beginning July 1, 2020 and through June 30, 2021.

County Impact

Notes

BUDGET-IN-BRIEF

Budget Highlights

The **Total Adopted** budget is \$126,187,775, \$3,118,818, 2.5% more than the FY19/20 adopted budget.

- There were no tax rate increases in the adoption of the FY20/21 budget.
- Assessed values did increase and resulted in an increase in Real Property Tax revenues, which is largely being devoted to increased capital / debt reserve contribution to construct a new Walton Elementary School and other School and County capital projects
- Because of COVID-19 impacts to citizens and businesses, some proposed rate and fee increases **were eliminated prior to budget adoption**; those eliminated increases were:
 - Permit Fee Increases
 - Business & Professional Occupational License Tax Increases
 - Utility Water and Sewer Rate Increases (3% and 1% respectively)

The proposed total budget was \$129,748,493, \$3,560,718 more than the budget ultimately adopted. The County and school division made reductions of over \$3,560,718 to balance to diminished FY2021 revenue projections. These reductions were largely related to the COVID-19 pandemic.

The pandemic is expected to impact revenues within multiple funds during FY2021 as follows:

General Fund – Real Estate Tax Revenues; Personal Property Tax Revenues; Mobile Home Tax Revenues; Sales Tax Revenues; Business and Professional Occupational License Tax Revenues; Motor Vehicle License Revenues; and Lodging Tax Revenues (\$1,079,532)

Tourism Fund – Lodging Tax Revenue (\$135,660)

Economic Development Fund – Meals Tax Revenue (\$260,000)

The **General Fund** budget is \$60,271,416, \$2,509,928, 4.35% greater than the FY19/20 adopted budget.

A recap of General Fund increases is shown below.

Description:	Amount	Notes
Capital / Debt Reserve Transfer	1,244,686	New Elementary School & Other County/School Projects [Reduced from \$1,262,500]
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	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 upgrade
Virtual Server Replacement	20,000	Needed server replacement
E-911 Maintenance Contract Increases	48,779	State mandated dual authentication
Children's Services Act 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)	232,972	Offsets one-time permit revenue of \$241,000
TOTAL	2,583,482	

The adopted General Fund budget is \$1,449,477 less than the proposed General Fund budget of \$61,720,893. Reductions amounting to \$1,449,477 were made following the proposal in response to reduced revenue projections, most of which were created by the Coronavirus pandemic fiscal impacts.

- Seven (7) newly proposed General Fund positions were eliminated
- The local transfer to schools was reduced due to projected decreases in revenue sources included in the revenue sharing calculation as approved in August 2019
- Blanket reductions were made to training, travel and food budgets
- Part-Time and Overtime wages were trimmed
- Requested increases for technology equipment were eliminated
- Requested IT software was removed
- Compression Pay increases for impacted employees were removed
- Reductions were made in the General Services department in Repairs and Maintenance
- Parks & Recreation supplies were reduced
- Contributions to community colleges and FOLAR were eliminated
- Requested increases in Fire/EMS turnout gear were removed
- Employee recognition and special event budgets were trimmed
- Career Development expansion and participation will be halted for FY2021

The adopted **School System** operating budget is \$65,627,488 with a local transfer in the amount of \$16,688,835 [\$16,525,450 for operations; \$163,385 for textbook fund] calculated in accordance with the modified Revenue Sharing Calculation approved by the Board of Supervisors in August of 2019. The School System Federal Programs, Textbook, and School Nutrition budgets are \$2,265,345; \$662,283; and \$3,167,952 respectively. The School System’s total budget of \$71,723,068 grew by \$245,814, 0.34% overall, and eliminated is \$650,000 in use of fund balance within the Textbook Fund.

The **Utilities** budget is \$8,502,513, \$35,749 less than the FY19/20 adopted budget. Proposed water and sewer rate increases, of three percent and one percent respectively, were removed prior to adoption in response to the COVID-19 pandemic. One of two newly proposed positions was eliminated and fuel, training and other supply budgets were reduced from proposed amounts. Planned capital borrowing to accommodate \$5.2 million in capital maintenance and expansion projects has been deferred until the economy stabilizes. Only capital projects that can be cash funded will be accomplished during FY 2021. Ultimately, there are no Utility Fee increases included for FY2021 and no projected use of Utilities fund balance.

There is no planned use of General Fund Balance in the adopted FY20/21 budget. The board is committed to eliminating dependence on Fund Balance for operations.

The capital projects to be completed through borrowing / debt service as included in the adopted budget are:

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
Police / County Vehicles	County / Public Safety	\$ 400,000	2021
		\$ 35,530,647	

} \$31,954,151

Excludes \$1,000,000 of Fund Balance appropriated during FY2020 for design work

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Prince George County Administration Building, 6602 Courts Drive, Prince George, Virginia this 9th day of June, 2020:

<u>Present:</u>	<u>Vote:</u>
Donald Hunter, Chairman	
Alan R. Carmichael, Vice Chairman	
Floyd M. Brown, Jr.	
Marlene J. Waymack	
T. J. Webb	

On motion of _____ seconded by _____, which carried a vote of _____ the following resolution was adopted:

RESOLUTION; APPROPRIATION OF FUNDS FOR FISCAL YEAR 2020-2021 FOR PRINCE GEORGE COUNTY.

BE IT RESOLVED by the Board of Supervisors of the County of Prince George this 9th day of June, 2020 that the Budget for Prince George County in the sum of \$126,187,775, for Fiscal Year 2020-2021 be and is hereby approved as set forth below; and that such sums be and are hereby appropriated to the funds indicated, which monies are to be expended for purposes authorized and approved by the Board of Supervisors of the County of Prince George. Due to the continuing financial downturn created by the coronavirus pandemic, revenues and expenditures will be continually monitored throughout the upcoming fiscal year. It may be necessary to take action during the year to reduce spending appropriations in response to actual revenues being less than the projected / adopted amounts shown below. If actual revenues are more favorable than projected, the board can also consider increasing spending appropriations above amount shown below.

ESTIMATED REVENUE

<u>Fund</u>	<u>Source/Fund Description</u>	<u>Amount</u>
100	General Property Taxes	\$ 38,094,360
	Other Local Taxes	6,984,445
	Permits, Privilege Fees & Licenses	679,017
	Fines & Forfeitures & Uses of Money & Property	1,031,463
	Charges for Services	1,224,524
	Miscellaneous & Recovered Costs	236,226
	State, Federal and Other Sources	12,021,381

TOTAL GENERAL FUND	\$	60,271,416
217	Community Corrections	\$ 1,082,693
218	Adult Education	996,046
213	Tourism	271,319
215	Economic Development	1,040,000
220	Storm Water	490,000
227	LOSAP	181,500
311	Capital Projects	887,733
401	Debt Service	9,633,057
500	School Operating	65,627,488
510	Federal Programs (formerly Title I)	2,265,345
520	School Textbooks	662,283
540	School Cafeteria	3,167,952
600	Utilities Operating	6,495,000
610	Utilities Replacement Reserves	384,000
620	Utilities Capital	1,623,513
960	Special Social Services	15,000
	TOTAL NON-GENERAL FUND REVENUES	\$ 94,822,929
	Less: interfund transfers	(28,906,571)
TOTAL BUDGETED REVENUE - ALL FUNDS FY2020-2021	\$	<u>126,187,775</u>

APPROPRIATIONS

<u>Fund</u>	<u>Department</u>	<u>Title</u>	<u>Amount</u>
100	0100	Board of Supervisors	\$ 210,099
	0101	County Administration	280,560
	0102	County Attorney	362,468
	0103	Human Resources	324,850
	0200	Commissioner of the Revenue	482,659
	0201	Treasurer	595,452
	0202	Clerk of Circuit Court	601,462
	0203	Sheriff	1,160,150
	0204	Commonwealth's Attorney	712,510
	0300	Community Development, Code Compliance	945,130
	0301	Planning	293,253
	0401	Assessor	582,768
	0402	Finance	850,630
	0403	Information Technology	591,645
	0405	County-Wide Information Technology	472,036
	0502	County Garage	536,752
	0503	Refuse Disposal	61,162
	0504	General Properties	2,275,474
	0505	Parks & Recreation	999,375
	0506	County Engineering	3,000
	0601	Police Department	6,127,483

0602	Grants/Law Enforcement	-
0603	Emergency Communications Center	1,465,445
0604	Prince George Fire Department	58,675
0605	Disputanta Fire Department	40,435
0606	Carson Fire Department	75,018
0607	Burrowsville Fire Department	33,592
0608	Jefferson Park Fire Department	54,256
0617	Route 10 / Merchant's Hope Fire Department	13,600
0609	Prince George Emergency Crew	10,100
0610	Fire and EMS	3,606,126
0611	Animal Control	507,418
0612	Emergency Management	74,099
0614	Fire and EMS Grants	-
0615	SAFER Recruitment Grant	227,639
0616	SAFER Hiring Grant	372,183
0701	Welfare Administration	2,239,504
0702	Public Assistance (incl. SLH)	601,403
0703	CSA/At Risk Youth	15,000
0704	CSA State Reimbursed	2,005,300
0706	Tax Relief for Elderly/ Disabled	155,000
0901	Registrar	336,254
0902	Circuit Court	142,209
0903	General District Court	47,270
0904	Magistrate	2,540
0906	Victim Witness	116,935
0907	Board and Care of Prisoners	2,511,807
0908	Court Services	4,500
0909	Juvenile Services VJCCCA	89,511
0910	Local Health Department	222,377
0911	Dist.19 MHMR Services Board	117,374
0912	Contributions to Colleges	-
0913	Regional Library	604,127
0914	Soil & Water Conservation	21,000
0915	Resource Cons. & Develop. Council	3,000
0916	Cooperative Extension Office	83,550
0917	Other Functions	93,008
0918	Farmer's Market	11,709
	Contingencies	343,999
	Transfer to Schools-Operating	16,688,835
	Transfer to LOSAP Fund	141,000
	Transfer to Countywide Debt Service	7,283,294
	Transfer to Debt / Capital Reserves	1,244,686
	Transfer to Economic Development	-
	Transfer to Community Corrections	62,986
	Transfer to Capital Projects Fund	<u>75,733</u>

	TOTAL GENERAL FUND	\$	60,271,416
	Less: Transfers to Other Funds		(25,496,534)
	Total General Government, less transfer	\$	<u>34,774,882</u>
217	Community Corrections	\$	1,082,693
218	Adult Education		996,046
213	Tourism		271,319
215	Economic Development		1,040,000
212	Stormwater		490,000
227	LOSAP		181,500
311	Capital Projects		887,733
401	Debt Service		9,633,057
500	School Operating		65,627,488
510	Federal Programs (formerly Title 1)		2,265,345
520	School Textbooks		662,283
540	School Cafeteria		3,167,952
600-630	Utilities - Water and Sewer		8,502,513
960	Special Social Services		15,000
	TOTAL NON-GENERAL FUND	\$	94,822,930
	TOTAL ALL FUNDS	\$	155,094,346
	Less: Interfund Transfers		(28,906,571)
	TOTAL BUDGETED EXPENDITURES ALL FUNDS FY2020-2021	\$	<u>126,187,775</u>

BE IT FURTHER RESOLVED that for the fiscal year beginning on the first day of July 2020, and ending on the thirtieth day of June 2021, the following shall be adopted:

The Treasurer of the County of Prince George be and is hereby authorized to transfer from FUND 100 – General OPERATING as funds become available.

The County Administrator may increase appropriations for non-budgeted revenue items not to exceed \$5,000 per occurrence.

Appropriations designated for capital projects will not lapse at the end of the fiscal year but shall remain appropriated until the completion of the project or until the Board of Supervisors, by appropriate ordinance or resolution, changes or eliminates the appropriation. This section applies appropriations in the FY2020-2021 budget as adopted or amended by the Board of Supervisors.

A Copy Teste:

Percy C. Ashcraft
County Administrator