

Issue Analysis Form



Date: April 26, 2022
Public Hearing – FY2023
Item: Budget
County Administration /
Lead Department(s): Finance
Betsy Drewry, Finance
Contact Person(s): Director

Description and Current Status

The budget is prepared 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 with 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 introduced FY2023 budget was presented to the Board of Supervisors and to the public on March 22, 2022. There has been growth in assessed property values (real estate and personal property), and reductions in the tax rates and elimination of the Motor Vehicle License fee (decal fee) were proposed in the introduced budget.

On March 29, the Board of Supervisors further reduced the Real Estate and Personal Property Tax rates to advertise. The advertised tax rates were:

Real Estate - \$0.82 [\$0.04 drop from current \$0.86 rate]
Personal Property - \$3.90 [\$0.35 drop from current \$4.25 rate]
Machinery & Tools - \$1.50 [no change from current rate]
Mobile Homes / Tangible PP - \$0.82 [\$0.04 drop from current \$0.86 rate]

There is a proposed increase in water and sewer rates for FY2023 to address inflationary increases in the Utilities Fund budget, a self-supporting enterprise fund. Proposed is the use of \$6.2M in Utilities Fund cash reserves to complete several major capital projects. Proposed is also leveraging \$6M in ARPA funding for Utilities capital infrastructure projects; ARPA funding is not included in the budget proposal and will be appropriated separately following receipt of the second tranche of funding.

The FY2023 General Fund Budget introduced on March 22, 2022 totaled \$69,069,370 and was a \$6,478,675, 10.35% increase over the adopted FY2022 General Fund

Budget. The FY2023 General Fund Budget as modified on March 29, and advertised totals \$68,951,487 and is \$6,360,793, 10.16% higher than the adopted FY2022 General Fund Budget.

The Total FY2023 budget introduced on March 22, 2022 totaled \$160,135,263 (net of transfers) and was a \$25,744,800, 19.2% increase over the FY2022 adopted total budget. **The FY2023 Total Budget as modified on March 29, and advertised totals \$160,013,389 and is \$25,622,927, 19.1% higher than the adopted FY2022 Total Budget.** The total budget increase is 52.6% attributable to School Budget growth, 30% attributable to Utilities budget growth and 14.5% attributable to General Fund growth.

See ATTACHMENT A for Budget Public Hearing Advertisement.

See ATTACHMENT B for a Power Point presentation that provides more detailed information on budget changes and major initiatives.

Additional Considerations:

Staff is evaluating details of possible budget changes that will need to be included for budget adoption now targeted for May 24 (originally targeted for May 10).

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 26 Public Hearing; with budget adoption proposed on May 24, 2022)

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 4, 2022. A copy of advertisement is attached.

Fiscal Impact Statement

The FY2023 budget as modified and advertised is:*

- The FY2023 General Fund Budget as modified on March 29, and advertised, totals \$68,951,487 and is \$6,360,793, 10.16% higher than the adopted FY2022 General Fund Budget.
- The FY2023 Total Budget as modified on March 29, and advertised, totals \$160,013,389 and is \$25,622,927, 19.1% higher than the adopted FY2022 Total Budget.

*Subject to revision - these totals and percentages can change with final approved Board budget for FY2023.

County Impact

The adopted budget will become the financial roadmap for operations and capital improvements for FY2023.

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 now proposed for May 24, 2022.

Mayor accuses retreating Russians of civilian massacre

aying soldiers shot without any appar-

o refused to give his his safety, said that t building to build- e out of the base- were hiding, check- any evidence of an- and taking them em.

another resident, shot a neighbor who er wood for heating, ome wood when all Russians) started aim a bit above the bone, and he fell "Then they shot off tely, with the boot. all over (the chest). went slightly below a controlled shot to

wo bodies, that of a wrapped in plastic they had covered ft until a proper fu- ged.

o refused to be iden- was killed as he left

slept. Inside the pit, AP journalists saw four bodies of people who appeared to have been shot at close range. The mayor's husband had his hands behind his back, with a piece of rope nearby, and a piece of plastic wrapped around his eyes like a blindfold.

Ukrainian Deputy Prime Minister Iryna Vereshchuk said Sunday that the mayor was killed while being held by Russian forces.

Kyiv Mayor Vitali Klitschko called on nations to immediately end Russian gas imports, saying they were funding the killings.

In a turnaround, Germany's defense minister said that the EU should consider doing just that. Ministers "would have to talk about halting gas supplies from Russia," Defense Minister Christine Lambrecht said Sunday night on German public broadcaster ARD. "Such crimes must not go unanswered."

Officials in France, Germany, Italy, Estonia and the U.K. separately condemned what was being described and vowed that Russia would be held accountable.

"This is not a battlefield, it's a crime scene," Estonian Prime Minister Kaja Kallas tweeted.



COUNTY OF PRINCE GEORGE NOTICE OF PUBLIC HEARING INTRODUCED ANNUAL FISCAL PLAN FOR THE YEAR ENDING JUNE 30, 2023

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 26, 2022, 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, 2022 and ending June 30, 2023.

A brief synopsis of the Introduced FY 2022-2023 Budget, as modified at a work session on March 29 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 adopted by the Prince George County Board of Supervisors may differ from this advertised budget.

A copy of the introduced FY 2022-2023 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:	Introduced FY23 as Modified*	Adopted FY22
Local Sources	\$69,091,953	\$81,273,329
State Sources	65,931,133	58,599,698
Federal Sources	18,339,897	13,481,467
Other Sources	6,650,406	1,035,968
Total Anticipated Income:	\$160,013,389	\$134,390,462

ESTIMATED EXPENDITURES (net of transfers):	Introduced FY23 as Modified*	Adopted FY22
Administration	\$1,254,015	\$1,182,810
Constitutional Officers	4,014,514	3,857,270
Community Development	1,339,775	1,261,494
Financial Services	2,841,457	2,609,290
Operations	4,187,849	3,936,593
Public Safety	14,551,275	13,435,171
Social Services	6,201,482	5,463,460
Other	34,561,120	30,844,606
Community Corrections	1,106,406	1,060,619
LOSAP	181,500	181,500
Education	91,150,334	77,670,915
Adult Education	974,715	990,115
Economic Development & Tourism	2,042,857	1,756,322
Stormwater	490,000	490,000
Water & Sewer Fund	17,299,621	8,876,350
Capital Projects	1,359,388	1,081,667
Debt Service	9,130,815	9,127,376
Special Welfare	15,000	15,000
(less Transfers)	(32,688,734)	(29,450,096)
Total Anticipated Expenditures:	\$160,013,389	\$134,390,462

The levies, per \$100 of assessed valuation, which appear below, are the County Administrator's proposed for the Fiscal Year beginning July 1, 2022 and ending on June 30, 2023.

	Introduced as Modified FY23	Adopted FY22
Real Estate	\$0.82	\$0.86

The levies, per \$100 of assessed valuation, which appear below, are the amounts proposed for the Calendar Year beginning January 1, 2022 and ending on December 31, 2022.

Tangible Personal Property	\$3.90	\$4.25
Machinery & Tools	\$1.50	\$1.50
Tangible Personal Property / Mobile Homes	\$0.82	\$0.86

By Authority of
Jeffrey D. Stoke
Interim 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.

GEORGE COUNTY, VIRGINIA



ICE OF PROPOSED REAL OPERTY TAX INCREASE

rges proposes to increase property tax levies.

Total assessed value of real property, excluding assessments due to new construction property, exceeds last year's total assessed value of real property by 14.3 percent.

ry to Offset Increased Assessment: The tax rate which would levy the same amount of ear, when multiplied by the new total assessed value of real estate with the exclusion ld be \$0.75 per \$100 of assessed value. This rate will be known as the "lowered tax

s: The County of Prince George proposes to adopt a tax rate of \$0.82 per \$100 of difference between the lowered tax rate and the proposed tax rate would be \$0.07 t. This difference will be known as the "effective tax rate increase." The current real 96 per \$100 of assessed value.

ay, however, increase at a percentage greater than or less than the above percentage. t as Modified Increase: Based on the proposed real property tax rate and changes in al budget of Prince George County will exceed last year's by 10.16 percent.

crease will be held on May 10, 2022 beginning at 7:30 p.m. in the Board of Supervisors r of the County Administration Building, 6602 Courts Drive, Prince George, Virginia, 1 of Laurel Springs Road and Courts Drive in the County Government Complex.

available for review in the Office of the County Administrator/Clerk to the Board of hird Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia. om 8:30 a.m. until 5:00 p.m.; Tel. 722-8600. All interested persons shall be given an

Prince George County 2022-23 Budget

Budget Summary for Public Hearing
April 26, 2022

ATTACHMENT B

FY2023 Introduced Budget presented to the Board of Supervisors and Public March 22, 2022

SOME
ADJUSTMENTS/
CHANGES



FY23 GENERAL FUND BUDGET INTRODUCED:

\$69,069,370 (\$6,478,675; 10.35% Increase over FY2022)

FY23 TOTAL – ALL FUNDS BUDGET INTRODUCED:

\$160,135,263 (\$25,744,800, 19.2% Increase over FY2022)

FY2023 Modified Budget with changes approved by the Board of Supervisors at March 29, 2022 Work Session

FY23 GENERAL FUND BUDGET MODIFIED / ADVERTISED:
\$68,951,487 (\$6,360,793; 10.16% Increase over FY2022)

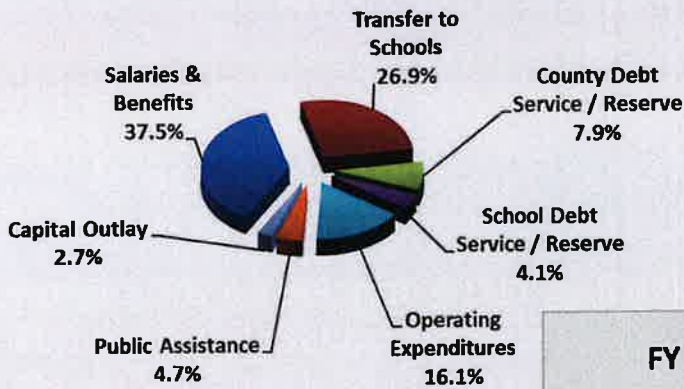
FY23 TOTAL – ALL FUNDS BUDGET MODIFIED / ADVERTISED :
\$160,013,389 (\$25,622,927, 19.1% Increase over FY2022)

Interim RE Assessor provided updated higher Assessed Values on March 28 and the Board received updated revenue projections on March 29. They took action to reduce the RE Tax Rate to advertise by \$0.01 and PPT Tax Rate to advertise by \$0.05

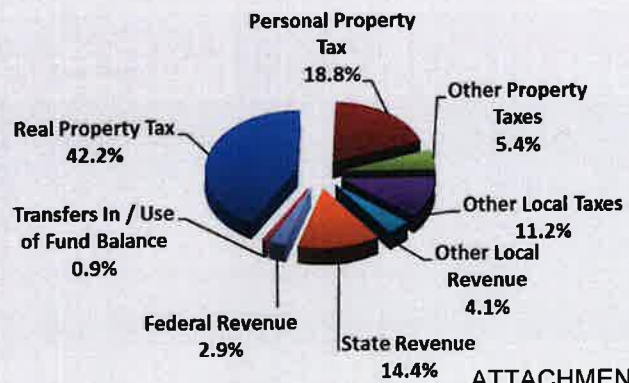
ATTACHMENT B

General Fund - As Modified / Advertised

FY 2023 Introduced Budget as Modified General Fund Expenditures \$68,951,487



FY 2023 Introduced Budget as Modified General Fund Revenues \$68,951,487



ATTACHMENT B

General Fund Modified Proposal Includes

- Revenues – Tax Rates**

Tax	2021-22 Rate	2022-23 Rate Advertised	Difference in Rate
Real Estate	\$0.86	\$0.82	(\$0.04)
Personal Property	\$4.25	\$3.90	(\$0.35)
Machinery & Tools	\$1.50	\$1.50	\$0
Mobile Homes/Tangible PP	\$0.86	\$0.82	(\$0.04)

Requesting approval of PPT & M&T Tax Rates on April 26, 2022 {tonight};
AND approval of RE and Mobile Homes Tax Rates on May 10, 2022

Public Hearing Held on Tax Rates on April 26, 2022 {Tonight}

Public Hearing on Effective RE Tax Increase to be held on May 10, 2022 {Increase in Assessed Values}

ATTACHMENT B

General Fund Modified / Advertised-Revenues

➤ Impact of Tax Rate Changes

- Lowering RE Tax Rate to \$0.82 from \$0.86 – Revenue Impact (\$1,511,035)
 - Real Estate Taxes - Lowered Tax Impact to Citizens / Not taxing collecting \$1,392,000 in revenues
 - Public Service Taxes – Lowered Tax Impacts to Businesses / Not taxing collecting \$111,628 in revenues
 - Mobile Home Taxes - Lowered Tax Impact to Citizens / Not taxing collecting \$7,407 in revenues
- Lowering Personal Property Tax Rate to \$3.90 from \$4.25 – Revenue Impact (\$1,406,478)
- Elimination of Motor Vehicle License Fee (Decal Fee) – Revenue Impact (\$1,100,000)

General Fund Modified / Advertised-Revenues

- Growth in Real Estate Tax Revenues of \$2,886,000, 11%
 - Growth in assessed values
 - Limited Inventory, Lowered Interest Rates, Spike in Home Prices
 - 1% growth in Real Estate Values attributable to new construction and improvements
 - Reduction in Real Estate Tax Rate As Modified - \$0.04 reduction [\$0.86 to \$0.82 per \$100 of Assessed Value]

MAJOR GENERAL FUND REVENUE CHANGES			
Revenue Type	Change from FY2022	% of Total Change	Notes
Real Estate Tax Revenue - Residential	\$ 2,047,538	32.19%	Growth in Assessed Values, net of \$0.04 reduction in Real Estate Tax Rate
Real Estate Tax Revenue - Commercial Industrial	\$ 419,300	6.59%	Growth in Assessed Values, net of \$0.04 reduction in Real Estate Tax Rate
Real Estate Tax Revenue from New Construction and Improvements	\$ 261,236	4.11%	Revenue Increase due to New Construction and Improvements
Real Estate Tax Revenue - Ag 20 > 100	\$ 102,885	1.62%	Growth in Assessed Values, net of \$0.04 reduction in Real Estate Tax Rate
Real Estate Tax Revenue - Multi Family	\$ 115,620	1.82%	Growth in Assessed Values, net of \$0.04 reduction in Real Estate Tax Rate
Real Estate Tax Revenue - Ag > 100	\$ 64,421	1.01%	Growth in Assessed Values, net of \$0.04 reduction in Real Estate Tax Rate
Delinquent Real Estate Tax Revenue	\$ (125,000)	-1.97%	Reduction in estimate based on trend and prior year actual collections

ATTACHMENT B

General Fund Modified / Advertised-Revenues

- Growth in Personal Property Tax Revenues of \$3,252,201, 37%
 - Growth in assessed values
 - Inventory Shortages, Supply Chain Issues, Inflation
 - Reduction in Personal Property Tax Rate Proposed - \$0.35 reduction [\$4.25 to \$3.90 per \$100 of Assessed Value]
- Elimination of Motor Vehicle License Fee Proposed [Decal Fee]; **(\$1,100,000)** revenue reduction

MAJOR GENERAL FUND REVENUE CHANGES			
Revenue Type	Change from FY2022	% of Total Change	Notes
Personal Property Tax Revenue - Motor Vehicles (Personal and Business)	\$ 2,738,823	43.06%	Growth in Assessed Values, Net of \$0.35 reduction in Personal Property Tax Rate
Personal Property Tax Revenue - Business Furniture & Fixtures	\$ 477,024	7.50%	Growth in Assessed Values, Net of \$0.35 reduction in Personal Property Tax Rate
Personal Property Tax Revenue - Boats	\$ 34,708	0.55%	Growth in Assessed Values, Net of \$0.35 reduction in Personal Property Tax Rate
Personal Property Tax Revenue - Military Leased Vehicles	\$ 1,088	0.02%	Growth in Assessed Values, Net of \$0.35 reduction in Personal Property Tax Rate
Motor Vehicles - Volunteers	\$ 558	0.01%	Growth in Assessed Values and/or number of volunteers; tax remains at \$0.10

ATTACHMENT B

General Fund Modified / Advertised-Revenues

• Other Changes in Revenues (FY2023 from FY2022)

MAJOR GENERAL FUND REVENUE CHANGES			
Revenue Type	Change from FY2022	% of Total Change	Notes
Local Sales & Use Taxes	\$ 500,000	7.86%	Assumes State hold harmless if grocery tax is reduced
Public Service Tax Revenue	\$ 408,372	6.42%	Growth in Assessed Values, New Construction and Improvements, net of \$0.04 reduction in Real Estate Tax Rate
Social Services State & Federal Revenues w/ CSA	\$ 357,692	5.62%	
Business, Professional & Occupational Licenses (BPOL)	\$ 104,900	1.65%	
Compensation Board & HB 599	\$ 99,920	1.57%	HB 599 (Police) unknown
Permit & Planning Fees	\$ 80,800	1.27%	
Recovered Costs & Misc Fees	\$ 61,000	0.96%	Fort Lee, Farmer's Market, DMV Block Fees
Recordation and Wills Tax	\$ 50,000	0.79%	
EMS In-House Transport Fees	\$ 45,000	0.71%	
Lodging Tax (General Fund Portion)	\$ 40,979	0.64%	
Recreation Fees	\$ 35,000	0.55%	
Mobile Home (Current and Delinquent)	\$ 30,848	0.48%	Growth in Assessed Values, New Construction and Improvements, net of \$0.04 reduction in Real Estate Tax Rate
Interest Revenue	\$ (100,000)	-1.57%	Drop in interest rates
Charges for In-House Repairs	\$ (111,200)	-1.75%	Elimination "billing of" garage labor charges
State Communication Tax, Rolling Stock, Rental Auto Tax, and Mobile Home Titling Taxes	\$ (115,000)	-1.81%	
SAFER Grant Revenues	\$ (174,000)	-2.74%	Grant ending (Fire/EMS)
Motor Vehicle License Fee	\$ (1,100,000)	-17.29%	Elimination of Motor Vehicle License Fee

ATTACHMENT B

General Fund Modified / Advertised Budget Key Expenditure Initiatives

- **Public School System**
 - Increased General Fund transfer to the Public School Division of \$18,553,165; **\$1,496,522** more than FY2022 transfer [transfer budgeted in accordance with Revenue Sharing Calculation formula]

Total Introduced School Budget is \$91,150,334*; \$13,479,419 (17.35%) higher than the FY2022 Adopted Budget [Details on School Budget can be obtained from School Board Personnel]

*From all funding sources [State / Federal / Local] and includes some one-time state funds for FY2023

Excludes General Fund transfer to CIP Fund of \$437,091 for school bus purchases and General Fund Transfer to Debt Fund of \$2,852,330 for school debt service obligations

ATTACHMENT B

General Fund Modified / Advertised Budget Key Expenditure Initiatives

- **Increased Funding / Contributions for**
 - Riverside Regional Jail - \$365,807
 - Children's Services Act -\$294,374
 - Riverside Criminal Justice Agency - \$69,354
 - Appomattox Regional Library System - \$41,504
 - New \$29,000 – Hopewell PG Healthy Families (\$20,000) & Crater Area Agency on Aging (\$9,000)
- **Budgeting Cost of Vehicle Purchases (not borrowing)**
 - County & Public Safety Vehicles - \$450,000
 - School Buses - \$437,091
- **Inflationary Increases for**
 - Fuel - \$82,000
 - Heating - \$13,800
 - Contracted Services - \$38,821* [will increase upon adoption]

General Fund Modified / Advertised Budget Key Expenditure Initiatives

- **Personnel**

- Pay Increases for County staff - \$1,361,105
 - 5% Scale Adjustment for all County Pay Ranges to stay competitive with state mandated minimum wage increases and increases provided by our neighbors and government peers
 - Step placements for non-public safety employees based on relevant experience to address pay compression (similar to actions taken for public safety in FY2022)
 - Public Safety (Police; Fire/EMS; Sheriff) – increase of one step
 - Constitutional Officers and their employees – higher of 5% increase on Compensation Board funded salary **for funded positions** [supported through the Compensation Board; state mandated] or County step placement increase
 - State Supported Social Services employees – higher of 5% increase or County step placement increase [84.5% state funded; state mandated]
 - Riverside Criminal Justice Agency employees – higher of 5% increase or County step placement increase [state grant funds provided; state mandated]

- **Personnel**

- Four and one-half New General Fund Positions
 - 1 Police Officer
 - 1 Information Technology Technician
 - 1 Victim Witness Advocate [makes part-time program assistant full-time]
 - 1.5 Benefit Program Specialists III for Social Services (84.5% state funded)
- Three position reclassifications and one career development increase to a Deputy Commissioner of Revenue are also proposed. One Assistant Commonwealth's Attorney will become a Deputy Commonwealth's Attorney; one ECC Manager V will become a Manager VI; and the Victim Witness Coordinator III will become a Coordinator IV
- Increase in VRS Rate [14.93% to 16.44%]

Utilities Budget - FY2023 - Revenues

- The Utilities budget calls for an increase in Water and Sewer rates for FY2023 [30% and 3% respectively]
 - Public Hearing held on Utility Rates - 4/26/2022
 - Results in increased revenues of \$732,600
 - Residential Impact \$8.78/mo. [\$7.05/mo. water; \$1.73/mo. sewer] – using average residential use of 5,000 gallons/month
- Utilities Budget includes use of \$6.2M in Utilities Cash Reserves {For Capital Projects}
- Also, request for use of \$6M in ARPA funding for capital projects which is not included in budget – appropriation request for 2nd Tranche will be performed upon receipt of funding following a public hearing

Utilities Budget - FY2023 - Expenditures

- Reflects first year of Debt Service on borrowing for two proposed large Capital Projects – Blackwater Regional Interceptor [\$10.6M] and 3 MGD Pump Station & Force Main [\$17.7M]; Annual Debt Payment estimated at \$1.85M P&I
- One additional permanent part-time Utility Worker
- Pay and Benefit increases for existing employees
 - 5% scale adjustment and step placement
 - VRS and Health Insurance increases
- One replacement vehicle
- AMI Meter Program
- Annual Tank Maintenance

Total Utilities Modified FY2023 Budget = \$17,299,621; \$14,528,419 net of inter-fund transfers; \$7,694,259, 112.6% increase over FY2022
\$6.2M use of cash reserves for capital projects

Utilities Budget - FY2023 - Expenditures

There are five major capital projects currently under development to improve capacity and conveyance within the County. They are:

- ▶ New Water Line under Appomattox River connecting to Appomattox Regional Water Authority System [\$2M Cash Reserves]
- ▶ New Tank and Booster Station in the Temple Avenue area [\$3.5M ARPA Funding]
- ▶ New Tank and Booster Station in the Route 156 area near Hopewell [\$3.5M - \$2.5M ARPA Funding & \$1M Cash Reserves]
- ▶ New Sewer Line from Southpoint Business Park heading towards the South Central Waste Water Treatment facility via a City of Petersburg connection [\$2M – Cash Reserves]
- ▶ Water Line Expansion to Route 10 [\$3.2M Federally-Funded project Congressman McEachin; \$1M local match using Utility cash reserves]

Budget Included Debt & Capital Expenditures

Debt Service

- There is no increase in Debt Service Contribution from the General Fund in FY 2023.
- There are no proposed new General Fund supported capital projects for completion in FY 2023 that will require the issuance of debt.
- Prince George County's rating with Moody's is Aa2 and our rating with S&P is AA+.

Capital Improvement

- Prince George County will receive \$7,449,621 in American Rescue Plan Act (ARPA) funding that can be spent over the next two fiscal years on certain types of capital projects. At least \$6 million of this funding is proposed for utility infrastructure improvements throughout the County.
- The County will make capital vehicle and school bus purchases using available general fund resources instead of borrowing the funds.
- Contributions will be made to the Capital Improvement Fund to fully devote \$0.02 of Real Estate Tax Revenues for Fire/EMS Apparatus and \$0.01 for Fire/EMS Equipment in accordance with County Ordinances §74-4 and §74-6.
- The Board can consider use of fund balance for future projects in lieu of borrowing.

Other Funds - Minimal Changes from FY2022

Fund Description	Source	Use	FY2022 Budget	FY2023 Budget	Change
Economic Development	Meals Tax	Salaries & Benefits for 3 FT employees; debt service for Crosspointe Centre improvements; Contributions to JTCC and RBC	1,215,911	1,400,000	184,089
Tourism	Lodging Tax	7.5% Contribution to Regional Heritage Center; PART, HPG Chamber & FOLAR	540,411	642,857	102,446
Community Corrections	State Grant Funding + Local Support from served localities	Pretrial & Probation Services for offenders and defendants; serves PG, Hopewell and Surry; Elimination of 1 vacant Pretrial Officer position for FY2023	1,060,619	1,106,406	45,787
LOSAP	General Fund Contribution (\$141,000) and Investment Earnings	Annuity Program for Volunteers	181,500	181,500	-
Stomwater	Stomwater Fees (established 3/25/2014)	Capital Projects - borrowing every 5 years	490,000	490,000	-
Adult Education	State / Federal Funding + Local Support from served localities	Adult Education Programs [Fiscal Agent only; no overall impact on County's budget]	990,115	974,715	(15,400)

- FY2023 Budgets reflect pay increases and benefit increases [5% scale adjustment and step placement for non-public safety employees, and VRS increase]

ATTACHMENT B

Total All Funds Budget - Modified / Advertised

FY2023 BUDGET ALL FUNDS AS MODIFIED / ADVERTISED	\$	160,013,389	
FY2022 ADOPTED BUDGET		134,390,462	
FY2023 OVER FY2022	\$	25,622,927	19.07%
			% OF CHANGE
SCHOOL FUNDS, NET OF TRANSFERS		13,479,419	52.6%
UTILITIES FUNDS, NET OF TRANSFERS		7,694,259	30.0%
GENERAL FUND, NET OF TRANSFERS		3,705,196	14.5%

Budget Changes Since Introduced - Total All Funds

DESCRIPTION	TOTAL BUDGET
ALL FUNDS BUDGET - INTRODUCED	\$ 192,857,624
TRANSFERS - INTRODUCED	(32,722,361)
TOTAL ALL FUNDS - NET OF TRANSFERS	\$ 160,135,263
ALL FUNDS BUDGET - INTRODUCED	\$ 192,857,624
GENERAL FUND CHANGES	(117,882)
SCHOOL FUND CHANGES	(41,747)
RCJA / COMMUNITY CORRECTIONS FUND CHANGES	(13,760)
CAPITAL FUND CHANGES	15,000
UTILITIES FUND CHANGES	2,889
TOTAL CHANGES	(155,500)
REVISED TOTAL BUDGET ADVERTISED / MODIFIED	\$ 192,702,123
TRANSFERS MODIFIED / ADVERTISED	(32,688,734)
ALL FUNDS FOR ADOPTION - NET OF TRANSFERS	\$ 160,013,389

Changes – March 29 Work Session:

- Received Updated Higher RE Assessed Values
- Dropped RE Tax Rate to Advertise to \$0.82
- Dropped PPT Tax Rate to Advertise to \$3.90
- Adjusted School Transfer based on tax rate changes / Revenue Sharing Calculation
- Removed Increase for Health Insurance
- Updated Employees Years' Service [All Funds]
- Increased Capital Transfer for Fire/EMS Apparatus and Equipment – Increased Value of \$0.01

ATTACHMENT B

Budget Board Consideration

- Since the Budget was Introduced
 - March 22 – Adopted Resolution to extend Tax Due Date to June 24
 - March 29 - Board Budget Work Session
 - April 26 Public Hearings
 - Utility Rates
 - Tax Rates {Recommended Adoption of PPT & M&T Rates}
 - Elimination of the Motor Vehicle License Fee
 - FY2023 Budget
 - ~~May 3 – Budget Work Session - CANCEL~~
 - May 10 Public Hearing
 - Effective RE Tax Increase {Growth in Assessed Values}
 - May 10 RE and Mobile Home Tax Rate Adoption
 - **May 17 – Budget Work Session [shift May 3 WS to this date]**
 - **May 24 Updated Target Date** for Budget Adoption (originally targeted for May 10); State revenues will not be available
 - The board may not adopt/approve the budget for at least 7 days following this public hearing (per *Code of Virginia* §15.2-2506)

Budget Board Other Consideration

- To date, no consensus to consider **waiving penalty and interest** on taxes due June 24 through August 31 as in prior two fiscal years
- Staff will poll board for input by email, and if there is sufficient Board support – will place emergency ordinance on May 10 agenda
- Potential large personal property tax increases for certain taxpayers whose vehicle values have risen [despite drop in PPT Tax Rate to \$3.90 from \$4.25]

Budget Adoption - To Do

Adoption [Updated Date for Consideration -May 24, 2022; with discussion and direction on May 17]

- Fine-Tune State Revenues
 - *Compensation Board*
 - *Social Services*
 - *HB599 Police (if available)*
- Review and update state mandated pay increases if General Assembly approves less than 5% increase
- Adjustment General Fund Debt Payments / Reserves based on March 2022 bond closing documents [no overall change]
- School Budget Adjustments (state revenues – General Assembly actions)
- Victim Witness [separation of federal, state and local expenditures; structural change; no dollar impact]
- Adjust contracted services – Janitorial Services contract

Budget Public Hearing Advertised

The FY2023 Budget Public Hearing was advertised in the April 4, 2022 edition of *The Progress Index*

PROGRESS-INDEX.COM | MONDAY, APRIL 4, 2022 | 3A

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**COUNTY OF PRINCE GEORGE
NOTICE OF PUBLIC HEARING
INTRODUCED ANNUAL FISCAL PLAN FOR
THE YEAR ENDING JUNE 30, 2023**

Notice is hereby given pursuant to Section 13.2-2006, Code of Virginia (1996), as amended, that the Prince George County Board of Supervisors will conduct a public hearing for the purpose of receiving comments on the proposed budget for the year ending June 30, 2023, at the Board Room of the County Administration Building, Third Floor, 46102 South Lakes, Prince George, Virginia, on the fiscal year ending July 1, 2022 and ending June 30, 2023.

A final version of the proposed FY 2023-2025 Budget, as modified at a public hearing in March, FY 2022, is available for review at the County Administration Building, 46102 South Lakes, Prince George, Virginia, during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday. It is available online at <http://www.princegeorgeva.gov>. The hearing is open to the public. All persons desiring to be heard will be given an opportunity to be heard on the proposed budget within such reasonable time as determined by the Board of Supervisors.

APPROXIMATE REVENUE	Revised FY22 as Modified	Adopted FY23
Local Income Tax	\$60,091,950	\$61,272,124
State Income Tax	\$2,831,123	\$2,566,463
Federal Grants	10,348,869	15,405,484
Other Revenues	3,056,000	3,200,000
Total Approved Revenue	\$76,327,942	\$82,444,071

ESTIMATED EXPENDITURES (net of transfers)	Revised FY22 as Modified	Adopted FY23
Administration	\$1,354,015	\$1,354,015
Capital Construction	4,014,274	3,865,274
Community Development	1,338,775	1,261,491
Financial Services	2,841,457	2,702,250
Operations	43,187,868	43,692,512
Public Safety	14,551,373	15,426,271
Public Works	8,291,462	8,162,000
Other	14,961,120	13,844,918
Community Services	1,148,400	1,000,819
Library	161,600	161,600
Reserve	\$1,180,334	77,070,515
Adult Education	514,713	514,713
Consumer Development & Support	2,542,837	1,798,322
Information	463,000	410,000
Major & Minor Fund	17,240,051	8,835,462
Public Property	1,358,200	1,281,447
Public Services	8,120,015	8,120,120
Special Services	15,000	15,300
State Transfers	22,823,740	22,823,740
Total Approved Expenditures	\$160,010,261	\$174,381,402

The fees, and 87.1% of assessed valuations, which appear below, are the County Administration's estimate for the Fiscal Year beginning July 1, 2022 and ending on June 30, 2023.

Year Ending	Revised as Modified FY22	Adopted FY23
Real Estate	\$1.00	\$1.00
Transfer Personal Property	\$1.00	\$4.25
Motor Vehicle Tax	\$1.20	\$1.50
Transfer Personal Property (Motor Vehicle)	\$1.20	\$1.00

By Authority of
Julius B. Isaacs
County Clerk/Assessor

All government records and the terms are subject to review by the Board of Supervisors and that the terms of said budget will be published upon issuance by the Prince George County Board of Supervisors.

ATTACHMENT B

No action tonight following 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)

QUESTIONS?