



Board of Supervisors Budget Workshop

March 14, 2022

6:00 p.m.

Board of Supervisors Agenda 3/14/22

1. **Call to Order**
2. **Roll Call of Members**
3. **Welcome and Pledge of Allegiance**
4. **Approval of Agenda**
5. **New Business**
 - a. **Presentation of County Administrator's Proposed Budget and Capital Improvement Program**

Motion



Board of Supervisors Agenda 3/14/22

6. New Business

b. Authorization to Advertise for Public Hearing the County Administrator's Proposed FY2023 County Budget, the Proposed FY2023-FY2027 Capital Improvement Program, Proposed School Board FY2023 Budget, and Proposed 2022 Tax Rates

7. Adjourn to regularly scheduled Board of Supervisors meeting – April 12, 2022



County Administrator's Recommended Budget

- 1. Review of the County's Budget Process**
- 2. Priorities and Decision Making Parameters**
- 3. Budget Recommendation – Operating**
- 4. Budget Recommendation – Capital**
- 5. Tax Rates and Public Hearing Requests**
- 6. Future Challenges and Situational Awareness**
- 7. Next Steps in the County Budget Process**



County Administrator's Recommended Budget

1. Review of the County's Budget Process

- December 18, 2021** **Director of Finance prepares budget instruction and estimate forms. Instruction and estimate forms are issued to departments and agencies.**
- January 2022** **County Administrator and Treasurer prepare revenue estimates.**
- January 5, 2022** **Deadline for submission of budget requests to the Director of Finance.**
- February 1, 2022** **Director of Finance presents budget requests to County Administrator.**



County Administrator's Recommended Budget

1. Review of the County's Budget Process

February 15, 2022 **School Board and Board of Supervisors hold joint public budget meeting.**

March 8, 2022 **Regular BOS Meeting – Presentation and adoption of updated Budget Calendar**

March 10, 2022 **Budget Workshop 6 p.m. – General Administration, Judicial, Public Works, Community Development, Public Safety, Recreation, Health, and Education**



County Administrator's Recommended Budget

1. Review of the County's Budget Process

- | | |
|-----------------------|---|
| March 14, 2022 | Budget Workshop - Presentation of County Administrator's Recommended Budget, approval of budget, tax rates, and capital improvement program for publication. |
| April 12, 2022 | Regular BOS Meeting - Public Hearing on the proposed budget, tax rates, and capital improvement program. |
| April 19, 2022 | Adoption of fiscal year 2022-2023 budget, tax rates, and capital Improvement plan. |
| June 2022 | Appropriation of funds for the adopted fiscal year 2022-2023 budget. |



County Administrator's Recommended Budget

2. Identify Priorities, Constraints, and Decision Making Parameters

- Budget requests in November of 2021 for FY 23 over adopted FY 22 totaled: **\$3,141,198**
- Request included increase of **\$1,408,335** on Schools side and **\$1,624,243** on County side.
- Projected revenues were only anticipated to increase by approximately **\$575,000**.
- **Delta between FY 23 requests and anticipated revenue was ~ (\$2.56 million).**



County Administrator's Recommended Budget

2. Identify Priorities, Constraints, and Decision Making Parameters

- Composite Index (ability to pay) from VDOE increased.
- Cumberland County's minimum funding level increased by over \$1.4 million dollars annually.
- Sheriff's Office compensation is lagging behind other jurisdictions.
- Public Safety has been impacted from a recruitment and retention perspective.
- Fire and Rescue contracts are expected to increase significantly.



County Administrator's Recommended Budget

2. Identify Priorities, Constraints, and Decision Making Parameters

- Employee compensation is a focus. Salary survey completed. Cumberland does lag behind surrounding jurisdictions for a majority of its positions. Sometimes as high as 29%.
- Aging County infrastructure needs to be maintained, repaired, or replaced.



County Administrator's Recommended Budget

3. Budget Recommendation: The Recommended FY 23 Cumberland County budget is:

- A balanced budget with revenues meeting expenditures despite preliminary budget development showing a \$2.56 million dollar shortfall between projected revenues and expenditures.
- No recommended adjustment to the real estate tax rate.
- A one year adjustment to personal property related to how PP is valued and collected at 85% value. Tax rate equivalent of \$3.83/current rate of \$4.50. Tax relief to the residents of \$655,788.
- County is assuming a 98% collection rate on real estate and 94-96% on personal property. Neither conservative nor aggressive. Realistic snapshot based on previous year collections averages and consultation with Treasurer and Commissioner of Revenue. Original revenue projections increase of \$575,000 further increased to \$950,351.



County Administrator's Recommended Budget

3. Budget Recommendation: The Recommended FY 23 Cumberland County budget will:

- Include a Market Rate Adjustment to Sheriff's Office to bring into alignment with surrounding jurisdictions totaling \$108,868 (including fringes).
- Fully fund anticipated Fire and Rescue contracted services increases. ~\$250-275k annually
- A 6% across the board pay increase for County staff. Recent pay study shows significant deficits in employee compensation from a market standpoint. Assumes State Comp Board covers costs of their proposed pay increases.
- County absorbs increase on employee health insurance.
- County reimbursed ~\$400,000 annually by the School system for Maintenance Function.



County Administrator's Recommended Budget

3. Budget Recommendation: The Recommended FY 23 Cumberland County budget will:

- Increase funding for the schools by \$1.4 million dollars per the VDOE composite index.
- Carry Forward/Fund Balance transfer of \$223,233 proposed to be utilized to balance the budget. Projecting \$700,000 surplus for FY 22. Fund balance currently \$8,091,000 (accrual based).
- Utilize ARPA funds used to offset requested facility and capital improvements to County facilities and utilities during FY 23 for infrastructure totaling \$96,000. Additional ARPA funds will be used for broadband and other needed County infrastructure identified in the County's CIP program.

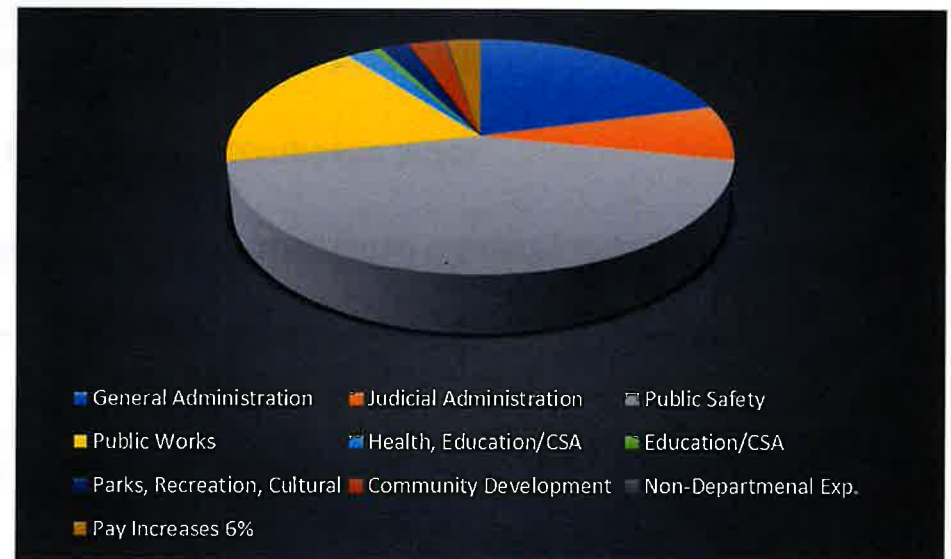


County Administrator's Recommended Budget

3. Budget Recommendation – Operating

Cumberland County General Fund Expenditures for FY 2023

General Administration	\$1,865,978	21%
Judicial Administration	\$690,906	8%
Public Safety	\$3,931,063	43%
Public Works	\$1,611,449	18%
Health	\$173,963	2%
Education/CSA	\$61,994	1%
Parks, Recreation, Cultural	\$195,191	2%
Community Development	\$238,609	3%
Non-Departmental Exp.	\$20,500	>1%
Total Estimated General Fund Expenditures	\$8,789,652	

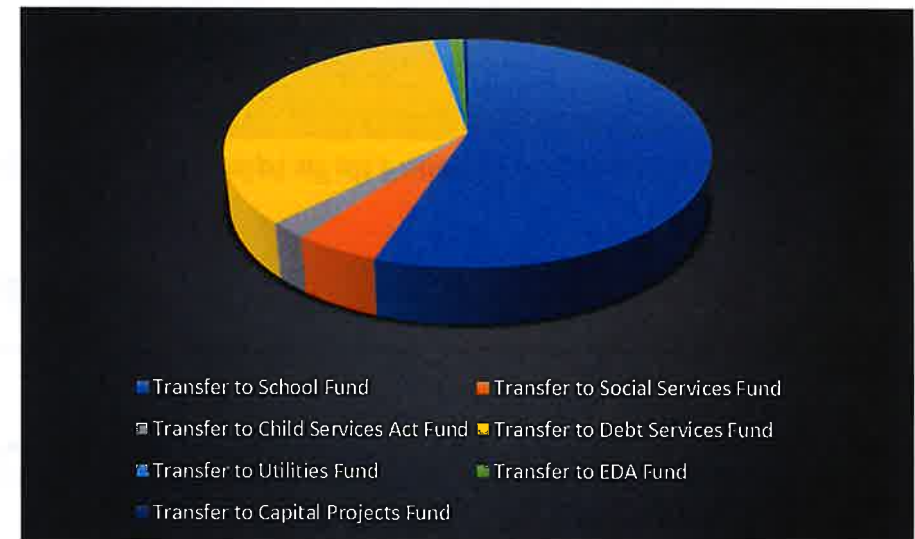


County Administrator's Recommended Budget

3. Budget Recommendation – Operating

Cumberland County General Fund Transfers to other Funds FY 23

Transfer to School Fund	\$4,881,738	55%
Transfer to Social Services Fund	\$425,097	5%
Transfer to Child Services Act Fund	\$200,000	2%
Transfer to Debt Services Fund	\$3,095,731	35%
Transfer to Utilities Fund	\$123,823	1%
Transfer to EDA Fund	\$91,624	1%
Transfer to Capital Projects Fund	\$30,100	>1%
Total Estimated Transfers	\$8,848,113	
Total Estimated GF Expenditures	\$8,789,652	
Total:	\$17,637,766	



County Administrator's Recommended Budget

3. Budget Recommendation – Operating

Cumberland County General Fund Revenue Breakdown- Contingent Upon Receipt of all Federal, State, and Local Revenue.

General Property Taxes	\$11,152,719	63%
Other Local Taxes	\$1,325,000	8%
Permits, Fees, and Licenses	\$79,400	>1%
Fines and Forfeitures	\$70,000	>1%
Use of Money and Property	\$38,000	>1%
Charges for Services	\$308,160	2%
Miscellaneous/Recoveries	\$2,774,335	15%
State Revenue	\$1,539,872	9%
Federal Revenue	\$86,333	>1%
Total Revenues	\$17,637,766	



County Administrator's Recommended Budget

3. Budget Recommendation: The Recommended FY 23 Cumberland County budget will not recommend the following requests as it relates to general government operations:

- Fund full request for EDP equipment for IT.
- Fund P/T position in Commonwealth's Attorney's Office
- Fully fund contribution requests to Volunteer Fire and Rescue Departments



County Administrator's Recommended Budget

3. Budget Recommendation: The Recommended FY 23 Cumberland County budget will not recommend the following requests as it relates to general government operations:

- Eliminate all small capital requests from Public Works, utilizing ARPA funding instead
- Not fund vehicle replacement requests for Public Works
- Not fund a F/T Biosolids/Code Enforcement Officer and related start up costs
- Not fund a lift truck as part of the Utilities budget



County Administrator's Recommended Budget

Questions Prior to the Capital Improvement Plan Recommendation?



County Administrator's Recommended Budget

4. Budget Recommendation – Capital Improvement Program

- 14 Total Projects Requested from School and County Staff
- \$4,010,000 in funding for all requested projects
- Planning Commission has rank ordered and recommended projects by priority



Cumberland County Capital Improvements Program: FY 2022-2023 through FY 2026-2027

Project Description	Department making request	Requesting departments priority ranking	Reference page number	Total Estimated Cost	CIP Committee Ranking	Planning Commission Ranking
County Administration						
Server Refresh	IT	2	8-9	\$ 200,000	16	1
Radio Equipment Replacement	IT	2	10-13	\$ 2,000,000	22	1
Administrative Building Front Entrance	General Properties	1	14-15	\$ 54,000	21	3
Older portion Admin Bldg ceiling/HVAC/lights	General Properties	2	16-17	\$ 75,000	16	3
Fencing - Animal Control/Public Works	General Properties	3	18-19	\$ 53,000	18	3
Additional Administrative Parking Lot	General Properties	3	20-21	\$ 160,000	19	4
Pump Station Generators	Public Works	3	22-23	\$ 60,000	18	3
Education						
Removal or Repair of Pods Behind MS/HS Complex	Cumberland Schools	2	24-25	\$ 180,000	22	2
Football Grandstands Replacement	Cumberland Schools	2	26-27	\$ 300,000	24	5
Replacement of IT Building Roof	Cumberland Schools	3	28-29	\$ 60,000	20	3
Track - Widen and Resurfacing	Cumberland Schools	3	30-31	\$ 400,000	18	5
Replacement of Roof - CMS Gym	Cumberland Schools	1	32-33	\$ 298,000	18	1
Department of Social Services - EDA						
Paving DSS Parking Lot	Dept. of Social Services	1	34-35	\$ 120,000	19	4
HVAC Replacement	Dept. of Social Services	1	36-37	\$ 50,000	16	2

FY 22-27
Recommended
CIP per the
Planning
Commission

CIP Commission Evaluation: Score of 7-35 with 35 being the most urgent

PC Ranking: (1) Required & Urgent, (2) Highly desirable, (3) Desirable, (4) Marginally beneficial, (5) Not justified



Cumberland County Capital Improvements Program: FY 2022-2023 through FY 2026-2027

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CIP Commission Evaluation: Score of 7-35 with 35 being the most urgent						
PC Ranking: (1) Required & Urgent, (2) Highly desirable, (3) Desirable, (4) Marginally beneficial, (5) Not justified						

It is recommended that the proposed CIP be adopted as presented with the exception of reranking the DSS parking lot to a priority of 2.

The Current FY 23 budget does not fund these projects.

It is recommended that remaining ARPA funds be potentially utilized to address the School CIP as well as the following items from the County's CIP:

- Server Refresh
- Admin Office Front Entrance
- Admin Building
- Ceiling/HVAC/Lights
- Pump Station Generators
- Parking Lot of DSS
- HVAC Replacement

Estimated Total: \$559,000

Recommended that Radio System be financed.



County Administrator's Recommended Budget

5. Tax Rate – Real Estate

The required revenues and expenditures balances are: \$17,637,766

This budget was developed utilizing a real estate tax and public service rate of \$0.75 per \$100 of assessed value.



County Administrator's Recommended Budget

5. Tax Rate – Personal Property

This budget included personal property tax relief for Cumberland County residents on a one year basis.

Valuation Methodology Changed – previous valuation was based on clean trade in value, FY 22 and FY 23 are using the average trade in value.

FY 23 will tax personal property at 85% of the value.

Tax rate equivalent of \$3.83 versus the adopted rate of \$4.50.

This is just for one year as we continue to monitor market conditions.



County Administrator's Recommended Budget

5. Tax Rate

Minor adjustments may be made to the budget once the state completes their budget process.



County Administrator's Recommended Budget

5. Future Challenges, Situational Awareness, & Recommendations:

- Evaluate and Purchase Radio System Upgrade
- Countywide Space Plan
- Ongoing Monitoring of Personal Property Tax Impacts to Residents
- Debt Service and Restructuring Opportunities
- Monitoring of Composite Index and Future Impacts to County Budgets
- Reassessment Process begins in FY 23
- Revisiting County Wide Fee Structure for All Services including Utilities
- Implement 2 Year County Budget Process



County Administrator's Recommended Budget

8. Authorization to Advertise for Public Hearing the County Administrator's Proposed FY2023 County Budget, the Proposed FY2023-FY2027 Capital Improvement Program, Proposed School Board FY2023 Budget, and Proposed 2023 Tax Rates

Board Action Requested: The Board is requested to authorize staff to advertise the schedule of budgets and tax rates for public hearing on April 12, 2022.



County Administrator's Recommended Budget

5. Next Steps

April 12, 2022 - Regular BOS Meeting - Public Hearing on the proposed budget, tax rates, and capital improvement program.

April 19, 2022 - Adoption of fiscal year 2022-2023 budget, tax rates, and capital Improvement plan.

June 2022 - Appropriation of funds for the adopted fiscal year 2022-2023 budget.



COUNTY OF CUMBERLAND
NOTICE OF PUBLIC HEARINGS
TAX RATE EFFECTIVE 2022 CALENDAR YEAR
BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2022
5-YEAR CAPITAL IMPROVEMENTS PROGRAM
COMMENCING JULY 1, 2022

This budget synopsis is prepared and published for information and fiscal planning purposes only. The inclusion in the budget of any item or items does not constitute an obligation or commitment on the part of the Board of Supervisors of this County to appropriate any funds for that purpose. There is no allocation or designation of any funds of this County for any purpose until there has first been an appropriation for that purpose by the Board of Supervisors. The Board of Supervisors will continue to monitor changes in County revenues, including state funding sources, and make every effort to reduce expenditures wherever appropriate.

A **PUBLIC HEARING** will be held by the Board of Supervisors on April 12, 2022 at 7:00 p.m., or as soon thereafter as may be heard, in the Cumberland Courthouse Circuit Courtroom at Cumberland, Virginia to consider the proposed tax levies for the calendar year beginning January 1, 2022.

A **PUBLIC HEARING** will be held by the Board of Supervisors on April 12, 2022 at 7:00 p.m., or as soon thereafter as may be heard, in the Cumberland Courthouse Circuit Courtroom at Cumberland, Virginia to consider proposed budget estimates for the fiscal year beginning July 1, 2022.

A **PUBLIC HEARING** will be held by the Board of Supervisors on April 12, 2022 at 7:00 p.m., or as soon thereafter as may be heard, in the Cumberland Courthouse Circuit Courtroom at Cumberland, Virginia to consider the 5-Year Capital Improvements Program for the fiscal years beginning July 1, 2022 and ending June 30, 2027.

GENERAL FUND REVENUE ESTIMATES

GENERAL FUND REVENUES

REVENUE FROM LOCAL SOURCES	
General Property Taxes	\$ 11,152,719
Other Local Taxes	\$ 1,325,000
Permits, Privilege Fees & Reg.	\$ 79,400
Fines & Forfeitures	\$ 70,000
Revenue from Use of Money & Property	\$ 38,000
Charges for Services	\$ 308,160
Miscellaneous Revenue	\$ 2,978,992
 TOTAL REVENUE FROM LOCAL SOURCES	 \$ 15,952,271
 REVENUE FROM THE COMMONWEALTH	 \$ 1,599,162
 REVENUE FROM FEDERAL	 \$ 86,333
 TOTAL GENERAL FUND REVENUE	 <u>\$ 17,637,766</u>

GENERAL FUND EXPENDITURE ESTIMATES

GENERAL FUND EXPENDITURES

General Government Administration	\$	1,865,978
Judicial Administration	\$	690,906
Public Safety	\$	3,931,063
Public Works	\$	1,611,449
Health	\$	173,963
Education - Community Colleges	\$	61,994
Parks, Recreational & Cultural	\$	195,191
Community Services	\$	238,609
Non-departmental expenditures	\$	<u>20,500</u>
TOTAL GENERAL FUND EXPENDITURES	\$	8,789,653

TRANSFERS TO OTHER FUNDS

Transfer to School Fund	\$	4,881,738
Transfer to Social Services Fund	\$	425,097
Transfer to Comprehensive Services Act (CSA) Fund	\$	200,000
Transfer to Debt Services Fund	\$	3,095,731
Transfer to Utilities Fund	\$	123,823
Transfer to EDA Fund	\$	91,624
Transfer to Capital Improvements Program Fund	\$	<u>30,100</u>
TOTAL TRANSFERS TO OTHER FUNDS	\$	8,848,113

GRAND TOTAL GENERAL FUND EXPENDITURES **\$ 17,637,766**

SCHOOL OPERATING FUND

Revenue		
Local Funding	\$	4,881,738
Miscellaneous Funding	\$	140,568
State Funding	\$	14,751,874
Federal Funding	\$	3,333,201
Total	\$	<u>23,107,381</u>
Expenditures	\$	23,107,381

GOVERNOR'S SCHOOL FUND REVENUES

Revenue		
Local Funding	\$	425,000
State Funding	\$	647,852
Miscellaneous Funding	\$	466,418
Total	\$	<u>1,539,270</u>
Expenditures	\$	1,539,270

DEBT SERVICE FUND

Revenue - Local	\$	3,095,731
Expenditures	\$	3,095,731

UTILITIES OPERATING FUND

Revenue - Local	\$	552,393
Expenditures	\$	552,393

EDA FUND

Revenue - Local	\$	136,624
Revenue - State	\$	-
Total	\$	<u>136,624</u>
Expenditures	\$	136,624

ASSET FORFEITURE FUND

Revenue - Local	\$	25,000
Expenditures	\$	25,000

SPECIAL WELFARE FUND

Revenue - Local	\$	23,500
Expenditures	\$	23,500

CHILD SERVICES ACT

Revenue		
Local Funding	\$	200,000
State Funding	\$	575,000

		Total	\$ 775,000
SOCIAL SERVICES FUND		Expenditures	\$ 775,000
Revenue			
Local Funding	\$	425,097	
State Funding	\$	683,557	
Federal Funding	\$	921,944	
Total	\$	<u>2,030,598</u>	
Expenditures	\$	2,030,598	

CAPITAL IMPROVEMENTS PROGRAM

Local Funding	\$	30,100
Expenditures	\$	30,100

TOTAL PROPOSED BUDGET
\$40,105,250

<u>Levy</u>	<u>2021 Actual Levy</u>	<u>2022 Proposed Levy</u>
Real Estate & Manufactured Homes	\$ 0.75	\$ 0.75
Personal Property	\$ 4.50	\$ 4.50
Personal Property - Emergency Services	\$ 4.50	\$ 4.50
Personal Property - Disabled Veterans	\$ 0.01	\$ 0.01
Airplanes	\$ 0.50	\$ 0.50
Machinery & Tools	\$ 3.75	\$ 3.75
Heavy Construction Machinery	\$ 3.75	\$ 3.75
Public Service Corporations	\$ 0.75	\$ 0.75

All interested citizens will have the opportunity to give written or oral comment until April 19, 2022 by contacting the office of the County Administrator at 804-492-3625. All public meetings are accessible to persons with disabilities. Any person requiring auxilliary aids, including sign language interpreters, or other assistance in connection with the public hearing should notify the office of the county administrator at least five (5) days prior to the hearing.

Derek Stamey, County Administrator
BY ORDER OF THE BOARD OF SUPERVISORS
Cumberland County, Virginia

Cumberland County Tax Rates:

Levy	2021 Actual Levy	2022 Proposed Levy
Real Estate & Manufactured Homes	\$ 0.75	\$ 0.75
Personal Property	\$ 4.50	\$ 4.50
Personal Property - Emergency Services	\$ 4.50	\$ 4.50
Airplanes	\$ 0.50	\$ 0.50
Machinery & Tools	\$ 3.75	\$ 3.75
Heavy Construction Machinery	\$ 3.75	\$ 3.75
Public Service Corporations	\$ 0.75	\$ 0.75