

# Budget and Capital Projects Workshop

December 5, 2023  
6:30 p.m.

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# FY 23 Year in Review Report

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## **Accomplishments:**

Administrative Cost Savings: ~\$860,000. Two year total of \$2,325,200. \* Grants, in-house project completion, and consultant work.

Balanced Budget with initial shortfall of \$ 2.9 million dollars between projected revenues and requested expenditures. Including an additional \$600,000 from the schools. Two year total of ~\$2,000,000 increase. General Fund Revenues and Expenditures as Projected. Waiting until CAFR for final numbers.

Received 2023 VACO Excellence Award for the development of the Parks and Recreation Master Plan.  
Received 2022 VACO Excellence Award for public safety efforts. Two years running as the smallest locality in Virginia to be recognized.

Comprehensive Plan, Public Facility Master Plan planned for consideration 12/12/23.

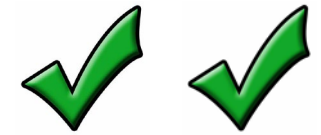


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# FY 23 Budget Year in Review

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County Fund Balance: ~\$8.1 Million Dollars or 42% of total general fund revenues for FY 24.



Standard industry practice is 20-25% or ~\$3.9-4.8 million dollars for Cumberland County.

In September of 2022 the Board authorized County staff to utilize the surplus of FY 22 to fund multiple capital improvements in addition to what had been identified and prioritized through ARPA funding and the use of general fund dollars.

Many projects completed had been identified as a need for close to 15 years including fencing upgrades, parking lot improvements, etc.

Projects completed without additional debt service or bringing the County fund balance into an unhealthy position.

Diverse projects that served/expanded public safety, protected county assets, and improved quality of life of residents.



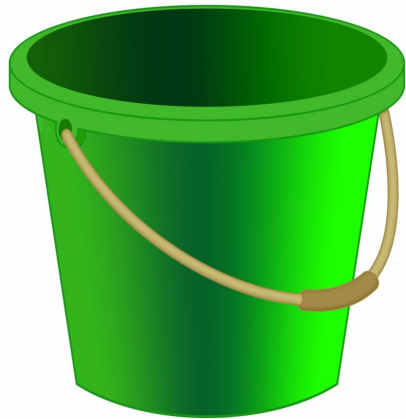
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# Capital Projects Update

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(31) Capital or Special Projects Completed or are in process since 2022.

Three Buckets of Funding



ARPA



Rollover/Fund Balance



FY 24 CIP



ARPA Funding: \$1,958,510.80

<b>Expenditures:</b>					
ARPA Funds Committed/Spent:	Cost:	Spent:	Committed:		Project complete?
Broadband					
<i>Firefly</i>	\$ 386,250.00	\$ 43,258.37	\$ 342,991.63		
<i>Kimex</i>	\$ 200,000.00	\$ 157,417.85	\$ 42,582.15		
Safety Signs	\$ 16,450.00	\$ 16,450.00	\$ -		yes
Randolph Fire Department Renovations	\$ 514,928.11	\$ 514,928.11	\$ -		yes
Cascade System for air tanks	\$ 36,871.00	\$ 36,871.00	\$ -		yes
Maintenance work order system	\$ 29,720.80	\$ 29,720.80	\$ -		yes
Museum porch	\$ 13,400.00	\$ 13,400.00	\$ -		yes
Courthouse BCU Upgrade	\$ 29,875.00	\$ 29,875.00	\$ -		yes
IT - Servers	\$ 81,547.75	\$ 75,212.75	\$ 6,335.00		
Piedmont Regional Jail (Security Tower - 1/6)	\$ 33,333.34	\$ 33,333.34	\$ -		yes
Utility Rate Study	\$ 10,825.00	\$ 10,825.00	\$ -		yes
Extension office roof	\$ 21,058.00	\$ 21,058.00	\$ -		yes
Crane Truck for Utility Dept.	\$ 97,050.75	\$ 97,050.75	\$ -		yes
Generator - Pump Station 12	\$ 46,156.00	\$ -	\$ 46,156.00		ordered
Courthouse Roof	\$ 122,540.00	\$ 122,540.00	\$ -		yes
Randolph Transfer Station Fencing	\$ 28,388.00	\$ 28,388.00	\$ -		yes
Maintenance Shop/Impound Lot Fencing	\$ 35,283.43	\$ 35,283.43	\$ -		yes
Additional Signage	\$ 15,000.00	\$ -	\$ 15,000.00		estimate
Incinerator	\$ 34,127.00	\$ 34,127.00	\$ -		yes
Water/Sewer Infrastructure	\$ 162,004.67	\$ 162,004.67	\$ -		
Extension office basement repair	\$56,642.00	\$0.00	\$56,642.00		
	\$1,971,450.85	\$1,461,744.07	\$ 509,706.78		
<b>Balance:</b>			\$ (12,940.05)		CIP

<i>Additional Capital Projects: (Rollover Funds)</i>			
	<b>\$1,883,000</b>	* included the \$100,000 donation from GR	
	<b>Approved</b>	<b>Spent to date</b>	
Building Access Controls	\$84,499	\$84,499	<i>complete</i>
Juvenile Detention Facility	\$467,000	\$467,000	<i>complete</i>
Building Inspections Vehicle	\$33,894	\$33,894	<i>complete</i>
Admin Building Doors	\$32,219	\$32,219	<i>complete</i>
Comprehensive Plan	\$61,330	\$50,194	<i>in progress</i>
EDA Parking lot - paving	\$436,201	\$145,000	<i>in progress</i>
Sheriff's vehicles	\$197,225	\$154,342	<i>in progress</i>
Courthouse Analysis	\$173,096	\$0	<i>in progress</i>
	<b>\$1,485,464</b>		
Projected Rollover Balance (Unspent)	<b>\$ 397,536</b>		

<b>FY 24 CIP</b>	<b>\$300,000</b>		
Transfer Station Concrete	\$ 20,000.00	approved/complete	
Mower Replacement	\$ 8,000.00	approved	
Painting - SO, DSS	\$ 20,000.00	approved	
SO Fire Alarm	\$ 17,000.00	approved	
EDP Equipment - IT	\$ 30,000.00	approved	
ACO Vehicle	\$ 45,000.00	approved	
Maintenance and Refuse Disposal Vehicle	\$ 80,000.00	approved	
ARPA Deficit (Extension office basement repair)	\$ 12,940.05	approved	
	<b>\$ 232,940.05</b>		
Balance CIP - FY '24 Adopted Budget	<b>\$67,059.95</b>		

<i>Additional Capital Projects: On hold</i>	
Radio System	\$ 400,000
Connector Trail	\$ 218,000
Old Jail Envelope	\$ 80,000
Utility line repair - road bore on Rt. 60	\$ 250,000
	<b>\$ 948,000</b>

- Staff is recommending a hold on projects identified with rollover funds and completing FY 24 CIP Projects as presented leaving a balance of \$67,059.95
- Staff will monitor FY 24 budget expenditures and come back to the Board in the future with project recommendations.

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# Operating Budget Recap & Outlook

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FY 23

Fund Balance  
~\$7.1 Million (40%)

\*does not include County surplus\*

Net Impact of State Budget  
+\$108,964

Includes Carry Over  
\$204,657

FY 24

~\$8.1 million (42%) dollar fund  
balance.

Utilized ARPA and a portion of  
County Surplus to complete  
much needed infrastructure  
improvements.

Not all identified projects  
completed.

FY 25 & Beyond

Reassessment Impacts +/- 30%

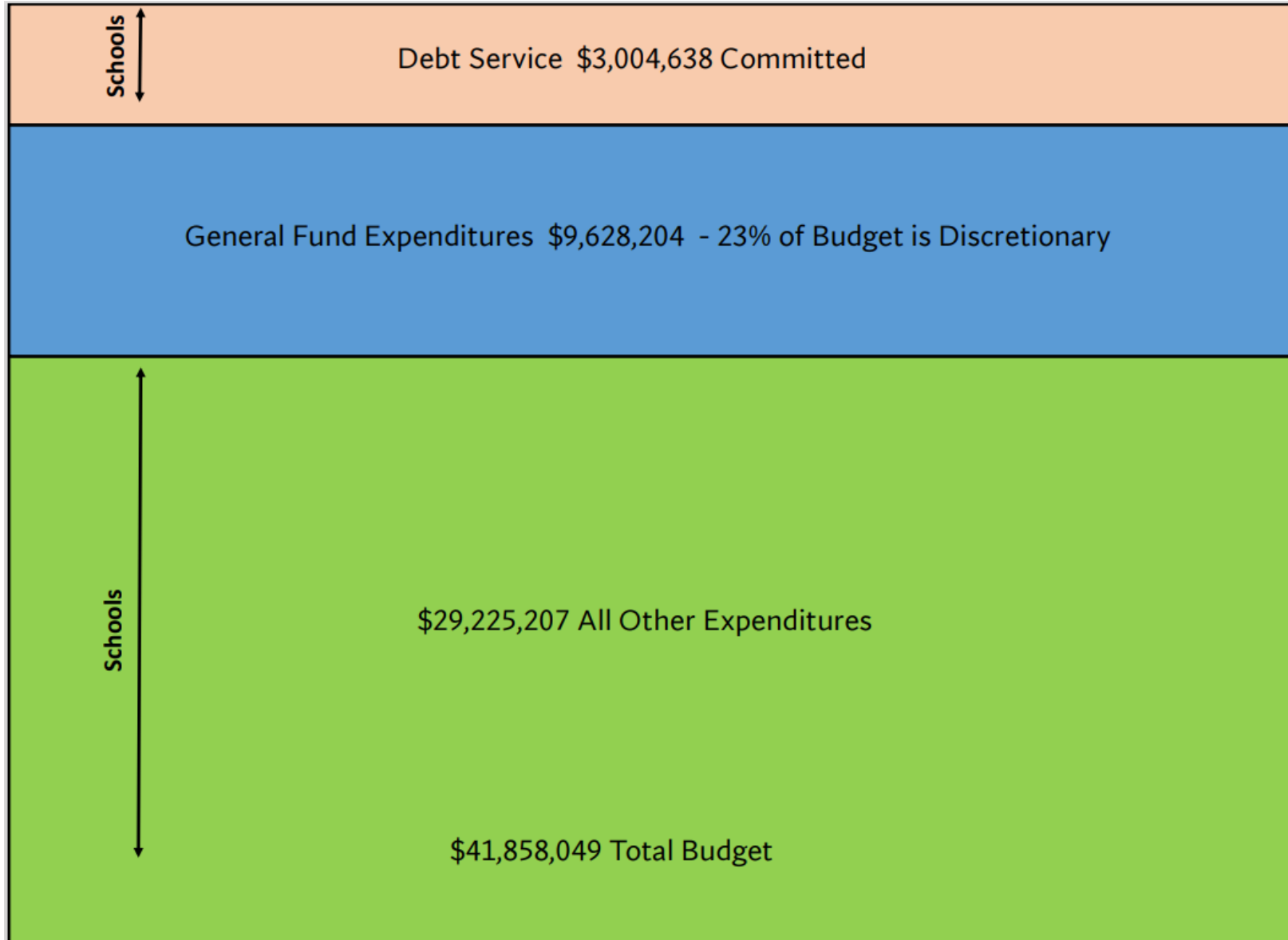
Cost Increases to Public Safety

Composite Index Increase for  
Schools

Potential Debt Service: Radio  
System and Courthouse



# FY 24 Budget Make Up



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# FY 25 & Beyond Budget Outlook

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## Upcoming Operational Budgetary Challenges:

Cost Increases to Public Safety – annual increases for contracted EMS have seen a significant jump. Remaining competitive for Deputy salaries will continue to be a challenge.

Composite Index for Public Schools – previous increase for FY 22 and FY 23 totaled approximately \$2,000,000. We will not know new CPI until January 2024. This could greatly impact the County's budget.

Remaining Competitive for County Personnel. Additional Broadband Grants - \$250,000 match.

Unfunded Mandates – Personnel, Electoral Board, Public Schools

**Funding the County's CIP program as requested – DEBT SERVICE AND BORROWING**



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# FY 25 & Beyond Budget Outlook

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## Upcoming Capital and Debt Service Budgetary Challenges:

Capital Improvement Projects – only \$300,000 was approved in FY 24, \$1.895 million was requested. Deferred to future years.

Radio System Project - ~\$2.6 – 4.0 million dollars depending on final product. Annual maintenance costs are estimated at \$150,000 - \$200,000.

Courthouse Construction – mandated – estimates are \$600-\$800/square foot. Construction costs alone (will run ~22 million not including design, permitting, and project management costs. **THIS COULD CHANGE.**

Admin Complex Renovation/Relocation – identified in Public Facility Master Plan for ~\$5.5 million.



# FY 25 & Beyond Outlook

## Options for CIP and Future Debt Service:

1. Diversify revenue streams for the county. Courthouse Construction Fee
2. Seek out grant funding.
3. Utilize one time/non-reoccurring funding for CIP and debt service.
4. Debt Service
  - a. Restructure current debt
  - b. Multiple borrowings with different terms – may provide savings as revenue streams ramp up.

Solar Revenue Operating and Capital Projections							
* Currently approved solar							
Fiscal Year	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Total
One Time	400,000.00	501,350.00	1,053,100.00	150,000.00	-	-	\$2,104,450
Revenue Share	-	22,400.00	323,400.00	347,200.00	347,200.00	347,200.00	\$1,387,400
							\$3,491,850

For Example: Approved Solar Project Revenue Streams



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# FY 25 & Beyond Outlook

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Debt Service for FY 24: \$3,004,638, set to expire in FY 30.

Total General Fund Expenditures for FY 24: \$9,628,204

As a general rule – debt service ratio targets should be 10-12% of debt service expenditures/general fund expenditures.

Cumberland County = 31% Debt Ratio

Current Debt Service and Impacts to County Budget: \$86,000 = 1 penny on real estate tax rate.

Current Debt Service of \$3,004,638 = \$0.35 on the County real estate tax rate



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# FY 25 & Beyond Outlook

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Future Debt Service: Radio System, Courthouse Construction, Admin Relocation/Renovation

~\$30 million dollars funded over 25 years. Current VRA Rates of 4.95%

Equates to additional debt service of \$2,094,051.

Impacts to Operating Budget and Tax Rates: Equivalent to \$0.24 cents on the real estate tax rate in debt service.

Figures do not include ongoing maintenance and operation costs associated with new building square footage.

As we work through the FY 25 Budget process, we will need to balance these items as part of the process.



Identify One Time Sources of Revenue to Fund CIP 

# Retire Debt Service



	FY 24	FY 25	FY26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
<b>Department</b>										
<b>Community Operations</b>										
General Facility Improvements	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Vehicle Replacements	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Equipment - Skid Steer	\$50,000									
Extension Office Repairs	\$60,000									
Courts HVAC Replacement/Repair	\$125,000									
Fence Improvements		\$50,000								
Paving - Hamilton	\$125,000									
Roof Replacement Cycles			\$250,000		\$140,000	\$120,000			\$60,000	
HVAC Replacement Cycles	\$50,000		\$150,000				\$15,000			
Animal Control Renovations			\$60,000							
Consolidated Generator -PW					\$50,000					
Administration Parking Lot	\$250,000									
PW Shop Remodel					\$500,000					
LPJ Facility Renovations						\$500,000	\$4,500,000	\$500,000		
<b>Total Community Operations</b>	<b>\$785,000</b>	<b>\$175,000</b>	<b>\$585,000</b>	<b>\$125,000</b>	<b>\$815,000</b>	<b>\$745,000</b>	<b>\$4,640,000</b>	<b>\$625,000</b>	<b>\$185,000</b>	<b>\$125,000</b>
<b>Public Utilities</b>										
Public Utilities General	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Sewer Line Repair - Route 60	\$200,000									
Pump Station Generators		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000
<b>Total Public Utilities</b>	<b>\$250,000</b>	<b>\$110,000</b>	<b>\$50,000</b>	<b>\$110,000</b>	<b>\$50,000</b>	<b>\$110,000</b>	<b>\$50,000</b>	<b>\$110,000</b>	<b>\$50,000</b>	<b>\$110,000</b>
<b>Judicial Administration</b>										
Renovation/Expanson of CH								\$500,000	\$21,500,000	
<b>Judicial Admin Total</b>								<b>\$500,000</b>	<b>\$21,500,000</b>	
<b>Fire/Rescue</b>										



Issue Debt/Cash Fund Future Projects



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# Proposed FY 25 Budget Calendar

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## CUMBERLAND COUNTY FISCAL YEAR 2024-2025 BUDGET CALENDAR

October 2023	Budget Instruction and estimate forms are issued to departments and agencies.
December 2023	Budget requests are submitted to County Administration/Finance for consideration.
December – January 2023	County Administrator meets with all departments to discuss requests.
January 2023	County Administration and Treasurer prepare revenue estimates.
February 2023	School Board and Board of Supervisors hold a joint budget public meeting.
February – March 2023	Budget and Board Orientation Workshops held.



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# Proposed FY 25 Budget Calendar

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## CUMBERLAND COUNTY FISCAL YEAR 2024-2025 BUDGET CALENDAR

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|----------------|--|
| April 9, 2024  | Regular BOS Meeting – Public hearing on proposed budget, tax rates, and capital improvement program. |
| April 16, 2024 | Adoption of fiscal year 2023-2024 budget, tax rates, and capital improvement program.                |
| June 2024      | Appropriation of funds for the adopted fiscal year 2024-2025 budget.                                 |

\* This calendar is subject to change at any time at the direction of the Board of Supervisors.



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# Questions?

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# FY 23 Budget Year in Review

<b>REVENUES - GENERAL FUND</b>					
	<b>Budgeted</b>	<b>Actual</b>	<b>Actual over (under) Budgeted</b>	<b>% Used</b>	
Real Estate Taxes	\$ 7,064,815	\$ 7,149,447	\$ 84,632	101%	
Real/Personal Public Service Taxes	\$ 950,000	\$ 808,771	\$ (141,229)	85%	
Personal Property Taxes	\$ 2,953,712	\$ 3,050,525	\$ 96,813	103%	
Machinery & Tools	\$ 210,000	\$ 227,390	\$ 17,390	108%	
Penalties & Interest	\$ 290,000	\$ 341,479	\$ 51,479	118%	
Local Sales & Use Tax	\$ 726,900	\$ 806,428	\$ 79,528	111%	
Consumer Utility Tax	\$ 162,000	\$ 173,920	\$ 11,920	107%	
Business License	\$ 109,000	\$ 114,487	\$ 5,487	105%	
Bank Franchise Tax	\$ 14,000	\$ 18,033	\$ 4,033	129%	
Motor Vehicle License Tax	\$ 238,000	\$ 250,409	\$ 12,409	105%	
Taxes on Recordation and Wills	\$ 102,000	\$ 125,099	\$ 23,099	123%	
Animal Licenses	\$ 6,000	\$ 3,402	\$ (2,598)	57%	
Permits & Other Licenses	\$ 152,400	\$ 176,780	\$ 24,380	116%	
Court Fines & Forfeitures	\$ 70,000	\$ 78,482	\$ 8,482	112%	
Revenue from Use of Property & Money	\$ 302,000	\$ 367,737	\$ 65,737	122%	
Court Costs/Comm. Att. Fees	\$ 30,860	\$ 49,756	\$ 18,896	161%	
Charges for Services	\$ 345,112	\$ 355,555	\$ 10,443	103%	
Miscellaneous	\$ 2,943,404	\$ 1,531,416	\$ (1,411,988)	52%	
Payment in Lieu of Taxes	\$ 62,000	\$ 62,955	\$ 955	102%	
Non-Categorical Aid	\$ 1,177,235	\$ 1,190,675	\$ 13,440	101%	
Shared Expenses - Commonwealth	\$ 1,473,671	\$ 1,483,892	\$ 10,221	101%	
Grants - State	\$ 153,320	\$ 179,022	\$ 25,702	117%	
Grants - Federal	\$ 90,472	\$ 94,020	\$ 3,548	104%	
	<b>\$ 19,626,901</b>	<b>\$ 18,639,680</b>	<b>\$ (987,221)</b>		

<b>Transfers</b>	<b>Budgeted (inc. BS)</b>	<b>Actual</b>	<b>Balance</b>
Transfer to School Fund	\$ 4,881,738	\$ 3,463,507	\$ 1,418,231
Transfer to Capital Projects Fund	\$ 1,138,799	\$ 1,138,799	\$ -
Transfer to Social Services Fund	\$ 396,097	\$ 375,532	\$ 20,565
Transfer to Economic Development	\$ -		\$ -
Transfer to School Contingency	\$ -		\$ -
Transfer to Special Welfare	\$ -		\$ -
Transfer to Utilities Fund	\$ 142,343	\$ 142,343	\$ -
Transfer to Water Fund	\$ -		\$ -
Transfer to Comp. Services Act	\$ 200,000	\$ 200,000	\$ -
Transfer to EDA	\$ 112,163	\$ 112,163	\$ -
Transfer to Debt Services Fund	\$ 3,092,731	\$ 3,087,844	\$ 4,887
Transfer to ARP Fund	\$ -		\$ -
Transfer to CARES Fund	\$ -		\$ -
	<b>\$ 9,963,871</b>	<b>\$ 8,520,188</b>	<b>\$ 1,443,683</b>

Revenue was strong and hit projections.



# FY 23 Budget Year in Review

<b>EXPENDITURES - GENERAL FUND</b>						
		<b>Budgeted</b>	<b>Actual</b>	<b>Actual over (under) Budgeted</b>	<b>% Used</b>	
General Government Administration		\$ 2,013,958	\$ 1,969,006	\$ (44,952)	98%	
Judicial Administration		\$ 687,777	\$ 652,771	\$ (35,006)	95%	
Public Safety		\$ 4,221,339	\$ 4,178,869	\$ (42,470)	99%	
Public Works		\$ 2,016,450	\$ 1,994,099	\$ (22,351)	99%	
Health		\$ 173,963	\$ 164,278	\$ (9,685)	94%	
CSA/Community Colleges		\$ 29,994	\$ 25,221	\$ (4,773)	84%	
Recreation/Cultural		\$ 267,500	\$ 265,369	\$ (2,131)	99%	
Community Services		\$ 231,550	\$ 221,524	\$ (10,026)	96%	
Non-Departmental		\$ 20,500	\$ 14,145	\$ (6,355)	69%	
Transfers		\$ 9,963,871	\$ 8,520,188	\$ (1,443,683)	86%	
		<b>\$ 19,626,902</b>	<b>\$ 18,005,470</b>	<b>\$ (1,621,432)</b>		
<b>Actual Revenues minus Actual Expenditures:</b>			<b>\$ 634,210</b>			
			\$ (784,021)	change in FB if 100% of budgeted transfer to school		

