

# Prince George County 2021-22 Budget





Presentation to the Prince George County  
Board of Supervisors

March 9, 2021





# Budget Process

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- Most important activity the BOS goes through in County Government
  - Roadmap for financial planning for FY '22 and beyond
  - Budget must be balanced in accordance with State Code
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# Budget Process – New for FY '22



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- FY '22 Budget is introduced after six pre-budget work sessions with members of the Board of Supervisors
  - Department Head / Constitutional Officer meetings with Administration – recorded and provided to Board members for review
  - Board assessed and determined budget priorities contained in FY '22 Introduced Budget
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# Good Financial Management

- AA Bond Ratings received in December '20 from
  - Moody's Ratings – Aa2
  - S&P – AA+
- Refinanced Existing Debt resulting in savings of \$3.7M
- Unmodified FY '20 Audit
- Received Certificate of Achievement for Excellence in Financial Reporting for 2019 [2020 application submitted]

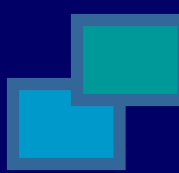


# Building Fund Balance

- Fund Balance Policy is 12.5 Percent of General Fund Expenditures
  - Fund Balance was 26.4 Percent in FY '20 Audit
  - Projection for June 30, 2021 is 20.9 Percent; June 30, 2022 is 20 Percent
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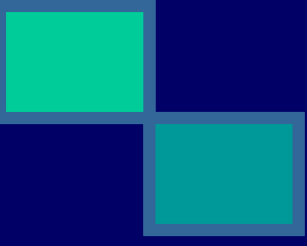



# Budget Provisions

1. No increase in Tax Rates for FY '22
  2. Real estate tax revenue will increase – Mainly related to New Construction and Improvements
  3. Other revenues including Personal Property, Sales Tax and Public Service Taxes expected to increase
  4. Inflationary increases necessary for Permit Fees
  5. Machinery & Tools tax, EMS Transport and Recreation fees expected to decrease; State Tax on Deeds revenue eliminated
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# Budget Provisions

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6. Continued cost increase at Riverside Regional Jail expected
  7. Increase in Children's Services Act expenditures
  8. Continued funding for Capital projects are included in the FY'22 budget headlined by construction of a new elementary school (initial funding in FY '21)
  9. Health Insurance premiums will increase
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# Budget Provisions

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- 10. Continuation of vehicle replacement plan
  - 11. Provides funding to Schools in accordance with a revised Revenue Sharing Calculation
  - 12. Advancing Utility Projects as outlined in Master Plan
  - 13. Continued need to address maintenance upgrades to County Buildings
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# Budget Provisions

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14. Salary Increases or one-time bonuses for full-time and part-time regular and part-time salaried employees
  15. Some increases for part-time temporary Recreation employees due to increase in Minimum Wage rate
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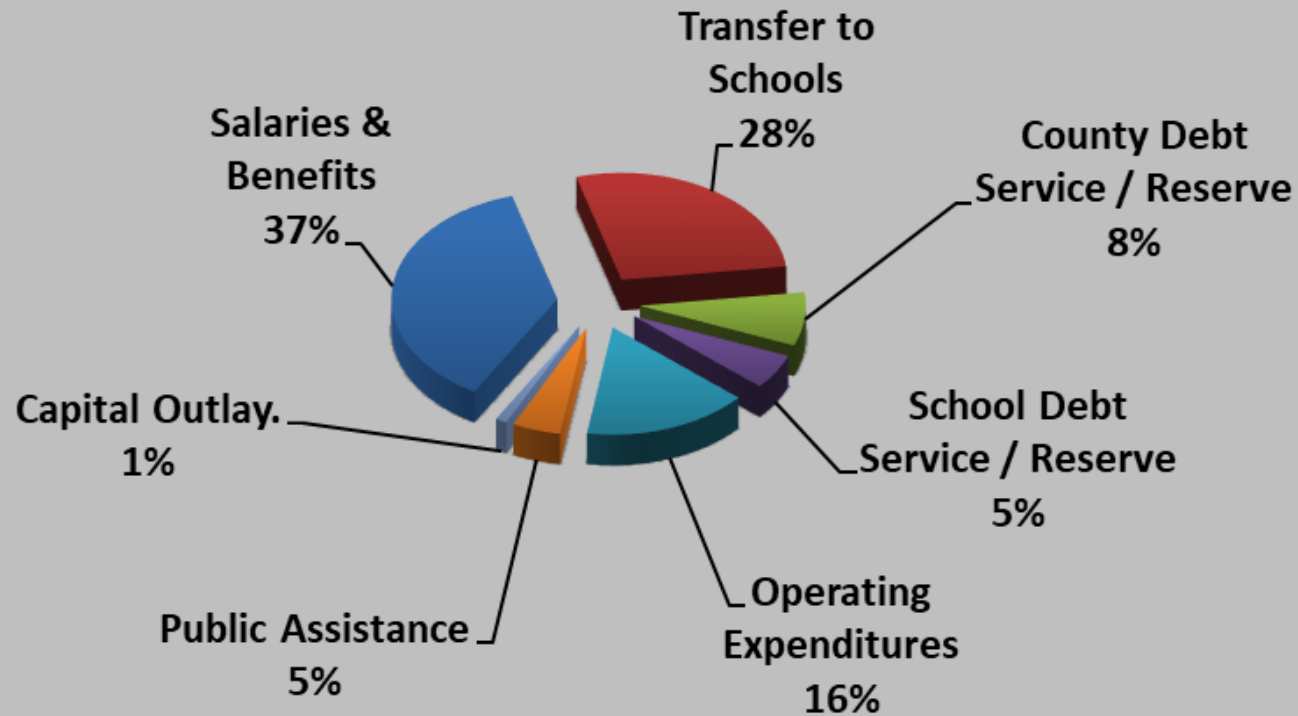


# Expenditures

- \$132,844,071 Overall Budget (5.27% Increase)
- \$62,288,849 General Fund (3.35% Increase)

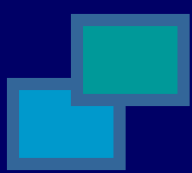
# Expenditures

## FY 2022 Introduced General Fund Budget Expenditures \$62,288,849





# Expenditures

- 272 full-time & 8 part-time regular positions funded
  - One new position added to the Position Control Chart; two employee reclassifications
    - New Position
      - Social Services – Manager III, Case Management (84.5% state funded)
    - Reclassifications
      - Clerk of Court – Deputy Court Clerk I to Deputy Court Clerk II
      - Social Services – Office Manager to Manager II, Social Services Administration (84.5% state-funded)
- 




# Expenditures

Salary increases for all full-time and part-time salaried & part-time regular employees



➤ **Police – Sworn Officers**

- Placement on improved pay ranges based on years of DCJS certified Law Enforcement years at 65%
  - Cost - \$353,915 (General Fund)
- 



# Expenditures

- Fire – Fire/Medics, Lieutenants and Captains
  - Placement on existing ranges based on \*certification level and years of experience (Prince George and comparable outside) at 65%
  - Cost - \$302,453 (General Fund)

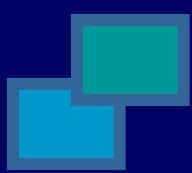
\*Certification Levels –

Recruit  
BLS Minimum

ALS / Intermediate Enhanced  
Paramedic

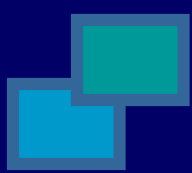


# Expenditures

- Other County Employees – 2% pay raise
    - Full-Time, Part-Time Salaried and Part-Time Regular
    - Cost - \$240,000 (General Fund)
  - One-time bonus for Police Officers and Fire/Medics receiving less than a 2% increase with public safety pay improvement plans
  - Some increases for certain part-time temporary Recreation employees to adhere to increased State Minimum Wage rates
    - Cost - \$14,946 (General Fund)
- 





# Expenditures

- Increase in the health insurance contribution – 10% (\$206,002 GF)
  - No change in VRS or Group Term Life Insurance Contributions
  - Increase in Worker's Compensation experience rating (\$20,507 GF)
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# Expenditures

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- Transfer to Public School Division is \$17,056,643; \$367,808 (2.2%) increase per Revenue Sharing Calculation approved by Board of Supervisors in August 2019
  - Cooperative Extension & 4-H - \$84,975
- 



# Expenditures

- 
- Funds Police budget at \$6,518,650 (6.4% increase)
  - Line of Duty Act - \$25,203
  - Also requested for Police & Administrative vehicles is debt issuance of \$400,000 for next round of replacements
- 

# Expenditures

- Funds Fire & EMS budget at \$4,509,629\*  
(7.2% increase)
- Volunteer Budgets - \$287,172 in addition to \$4,509,629 from Fire & EMS Administration & SAFER
- Line of Duty Act - \$35,000
- Length of Service Program for Volunteers - \$141,000
- Fire & EMS Apparatus & Equipment
  - Apparatus - Debt payment \$473,871 with \$86,129 transferred to CIP fund for other replacements [\$560,000 / Dedicated \$0.02 RE Tax; §74-4]
  - Equipment – Debt payment \$96,462 (SCBA) with \$183,538 transferred to CIP fund for other replacements [\$280,000 / Dedicated \$0.01 RE Tax; §74-6]





# Expenditures

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- Contributions to Riverside Regional Jail - \$2,238,443; \$49,763 or 2.27% increase
  - Crater Youth Care Commission - \$338,825 increase of \$17,798 or 5.54%
- 

# Expenditures


- Funds the Children's Services Act mandate at \$2,163,720; County's share is \$804,038 [Total Increase \$158,420 or 7.9%]
- Social Services is budgeted at \$2,370,766 for operations and the County's share is \$902,250





# Capital Projects & Equipment

Proposed in FY '22 is continuation of a \$1,244,686 contribution to debt reserves started in FY '21 for School and County CIP projects



# Capital Projects & Equipment

## Adopted FY '21 Projects

<b>FY2021 Projects - In FY2021 CIP Plan Adopted FY2021 Budget Scenario 3</b>			
Project Description	Category	Total Cost to Finance	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
<b>TOTALS</b>		<b>\$ 35,530,647</b>	
<b>VPSA Borrowing Spring 2021 for New Elementary School</b>			
<b>Summer 2021 Borrowing for Other Projects</b>			

\*Excludes \$1M in A/E fees appropriated by Board & \$1M of school "carryover" appropriated for Road & Utility Improvements

# Capital Projects & Equipment

## Proposed FY '22 Projects

<b>FY2022 Projects - In FY2021 CIP Plan Adopted FY2021 Budget Scenario 3</b>			
<b>Project Description</b>	<b>Category</b>	<b>Total Cost to Finance</b>	<b>FY Timing</b>
Fire Company 1 Renovations**	County / Public Safety	\$ 2,500,000	2022
School Buses	School	\$ 412,000	2022
Police / County Vehicles	County / Public Safety	\$ 400,000	2022
<b>TOTALS</b>		<b>\$ 3,312,000</b>	
<b>Spring 2022 Borrowing</b>			

\*\*Awaiting evaluation and updated estimate



# Equipment & Maintenance – General Fund Budget

## Information Technology

- \$29,694 in increases for enhanced software support

## Recreation

- \$10,770 for purchase of one lawn mower (same as in FY '21)

## Fire/EMS



- Contribution of \$86,129 to Capital Fire/EMS Apparatus Account (Dedicated 2¢ RE Tax Revenue; §74-4)
- Contribution of \$183,538 to Capital Fire/EMS Equipment Account (Dedicated 1¢ RE Tax Revenue; §74-6)

## General Services

- \$250,000 budgeted for building maintenance (same as in FY '21)



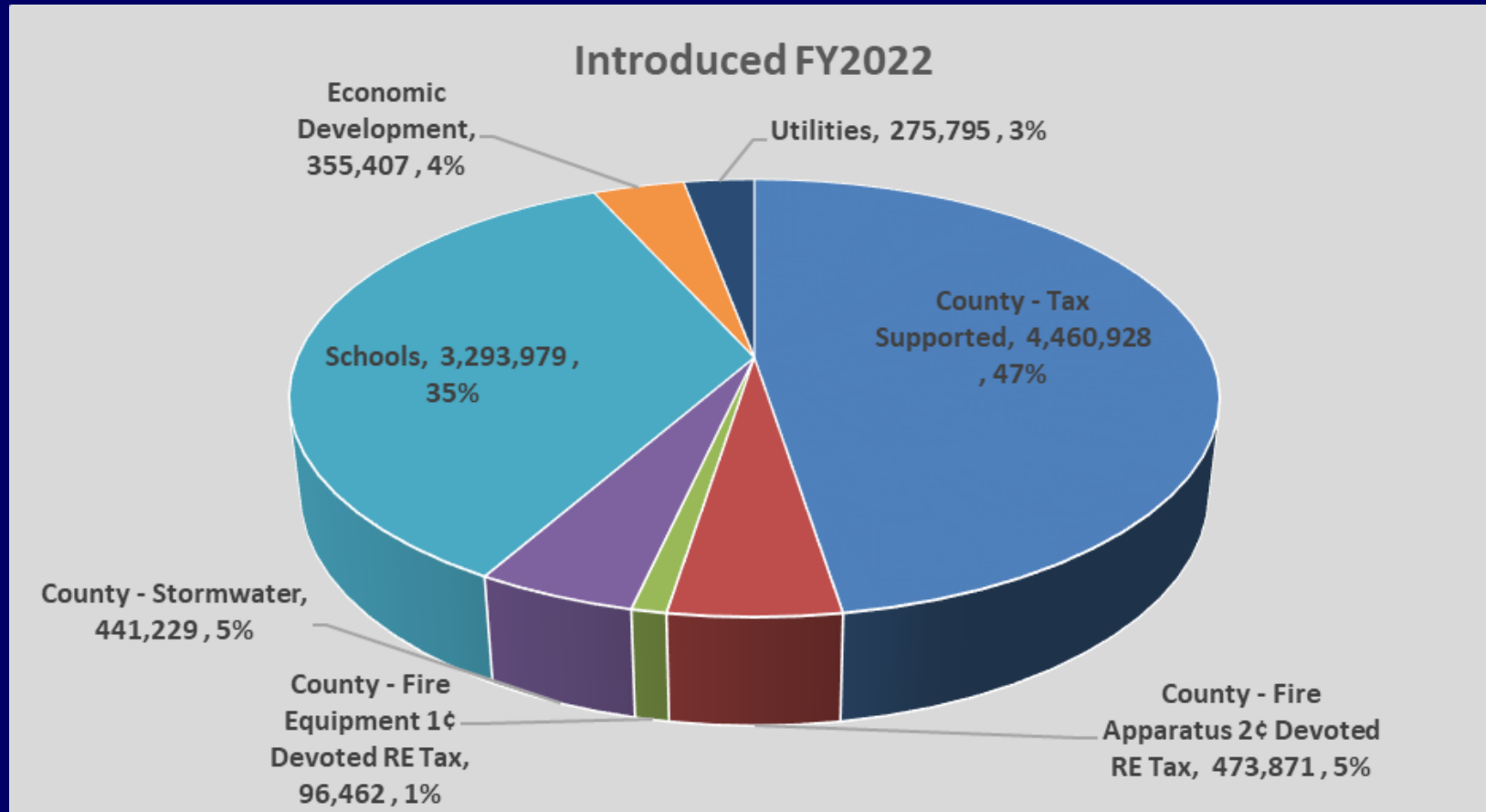
# Debt Service

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- General Fund transfer for debt payments and for debt reserves for FY '22 introduced at \$8,330,740, or \$197,240 less than FY '21
  - Includes a \$1,244,686 contribution to debt reserves for continued funding of County and School projects
  - Construction of a new elementary school creates instances of non-compliance with the County's 10-Year Payout Ratio Debt Policy
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# Debt Service

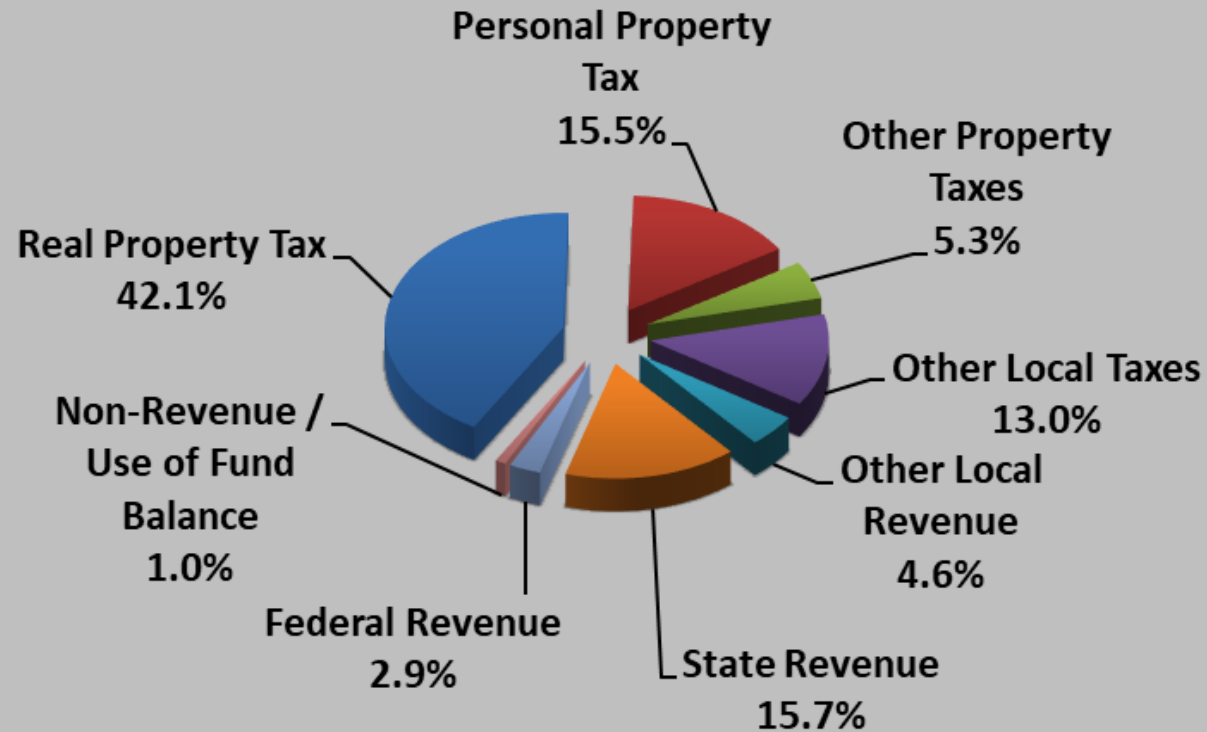
Debt Service				
		Annual Debt Payments & Amounts Reserved		
Category	Outstanding Principal as of 12/31/2020	Introduced FY2022	Adopted FY2021	Actual FY2020
County - Tax Supported	36,766,552	4,460,928	4,611,936	4,136,021
County - Fire Apparatus 2¢ Devoted RE Tax	1,892,971	473,871	484,267	337,462
County - Fire Equipment 1¢ Devoted RE Tax	-	96,462	-	-
County - Stormwater	1,766,604	441,229	451,818	440,989
Schools	10,527,605	3,293,979	3,693,417	2,635,862
Economic Development	3,562,882	355,407	386,119	385,916
Utilities	1,321,533	275,795	275,795	34,467
Excludes Administrative Fees; Excludes Principal payments made 7/1/2020-12/31/2020				

# Debt Service



# Revenues

## FY 2022 Introduced General Fund Budget Revenues \$62,288,849



# Revenues

- Growth in Real Estate Revenues at \$658,000
  - 1.1% growth in Real Estate Values based mainly on and new construction and improvements (not increased assessed values for existing properties)

City/County	FY2021 RE Rate
Sussex	0.58
Surry	0.71
Dinwiddie	0.79
Isle of Wight	0.85
Prince George	0.86
Chesterfield	0.95
Hopewell	1.13
Colonial Heights	1.20
Petersburg	1.35

Per assessed \$100 of value

Prince George County 2021-2022 Budget

FY2022 Projected	
Res/Ag	79.8%
MF	3.8%
<u>Com/Ind</u>	<u>16.3%</u>
Total	100.0%

## NO Real Estate Tax Rate Increase Proposed

83.7% Residential /  
Agricultural & Multi-Family  
16.3% Commercial / Industrial

# Other Revenue Changes

## GENERAL FUND INCREASES

- Local Sales & Use Tax - \$962,350 [Preliminary Estimate]
- Motor Vehicle Licenses - \$38,500
- Public Service Tax - \$292,000
- Taxes on Recordation & Wills - \$25,000
- Lodging Tax - GF Portion - \$35,284
- Consumer Utility Taxes - \$31,000
- Plan Review Fees - \$19,000
- Courthouse Security Fee - \$47,000
- DMV Block Revenues - \$26,000
- New Credit Card Convenience Fee - \$130,000
- Transfer from Schools for CSA Education Related Services - \$27,679

# Other Revenue Changes

## GENERAL FUND INCREASES (CONTINUED)

- State & Federal Revenues
  - CSA - \$102,407
  - Public Assistance - \$40,480
  - Welfare Administration - \$19,302
  - State Communication Taxes - \$25,000
  - Drug Court Treatment Grant - \$90,000 (moved from Special Revenue Fund)



# Other Revenue Changes

## GENERAL FUND DECREASES

### ■ Local Revenues

- Machinery & Tools Tax – (\$759,797)
- Interest Revenue – (\$250,000)
- Building & Trades Permit Fees – (\$124,667)\*
- In-House EMS Transport Fees – (\$108,198)
- Recreation Fees & Gym Memberships – (\$52,600)
- Police Security Recovered Costs – (\$30,000)

### ■ State / Federal Revenues

- Tax on Deeds – (\$89,000)
- FEMA SAFER Grants – (\$102,899)

\*Increase in Permit Fees less loss of FY '21 one-time revenues

# Public Utilities

- Enterprise Fund that is self-supporting
- Serves 4,490 customers
  - 4,121 residential; 369 non-residential
  - 2,754 water and sewer
  - 431 water only
  - 1,305 sewer only





# Public Utilities

- \$373,837 increase over FY '21
  - Projected use of \$42,337 in cash reserves
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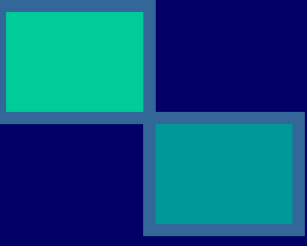



## Public Utilities - Capital Repair & Expansion Projects - \$1,720,000

- New/Updated Water & Wastewater Master Plan - \$250,000
- Purchase and Installation of Radio Read Meters - \$220,000 (1<sup>st</sup> of six year payment schedule)
- Water Tank Maintenance & Repairs - \$200,000
- Continue Design & Easement Acquisition for Water Line Extension to Route 10 Corridor - \$150,000

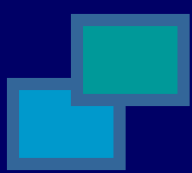


## Public Utilities - Capital Repair & Expansion Projects - \$1,720,000 (Continued)

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- Continue Temple Avenue Tank & Booster Station design - \$150,000
  - Preliminary Design of Wastewater Improvements (Hopewell FM or WWTP) - \$700,000
  - Continue Permitting Efforts for Water Intake Permit - \$50,000
  - Route 301 Water Facility Improvements – Planning & PER - \$150,000
- 

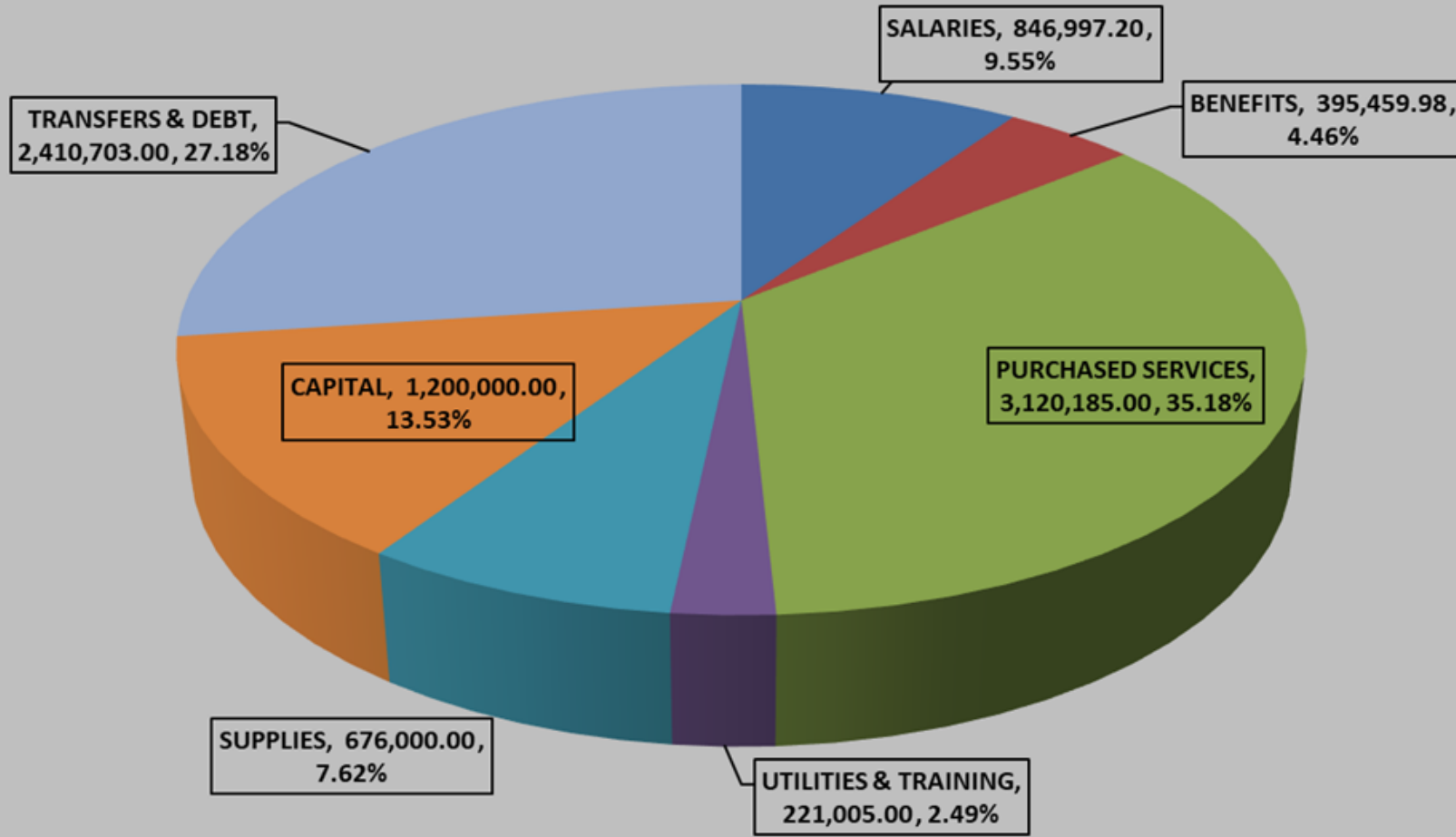


# Public Utilities

- No Water or Wastewater Fee Increases Proposed
  - Total Introduced Utilities Budget – FY '22 is \$8,876,350; \$6,834,160 net of inter-fund transfers
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# Public Utilities

## 2021-2022 UTILITIES INTRODUCED BUDGET







# Economic Development

- 
- Economic Development remains fully supported by Meals Tax
  - \$355,407 debt related to construction at Crosspointe Centre
  - Strategic Plan & Exit 45 Plan proposed for FY '22 (\$200,000)
  - Purchase of 2 vehicles
  - Total Budget is \$1,215,911
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# Tourism

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- Tourism funded by Lodging Tax
  - Funds included for Regional Heritage Center, PART and Chamber of Commerce
  - Funds debt service payment for Exit 45 water system - \$149,410 (FY '22 Final Year)
  - Funds maintenance for improvements at Exit 45 - \$20,000
  - Total Budget is \$540,411
- 

# Conclusion


- No increases in any RE or PP tax rates for FY'22
- Increase in Real Estate property values of over 1.1%
  - Mainly based on new construction and improvements
- Increases in Building Permit fee schedule proposed for FY'22
- Addition of a 1.4% Credit Card Convenience Fee to offset rising third-party costs
- No increase in Water or Wastewater rates
- Funds Public School Division based on modified Revenue Sharing Calculation (approved by Board of Supervisors August 2019)

# Conclusion

- Funds annual debt payments and continues a \$1,244,686 contribution to debt reserves started in FY '21
- Funds volunteer programs
- Funds one new General Fund position (mostly state-funded)
- Pay increases for all County employees [full-time; part-time regular and part-time salaries]
- Hourly increase for certain Recreation part-time temporary positions to meet increased state minimum wage requirements

# Conclusion

- Ten percent increase in Health Insurance premiums
- Increases in Worker's Compensation premiums
- Provides continued funding for building maintenance
- Funds Children's Services Act
- Increases contributions to Riverside Regional Jail
- Very little added funding for maintenance projects & equipment out of the General Fund
- Funds Utility projects
- Keeps Fund Balance above 12.5% policy at 20%



# Budget Schedule – Work Sessions

- Wednesday, March 31<sup>st</sup> – 5:00pm
  - Tuesday, April 6<sup>th</sup> – 5:00pm
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# Budget Schedule

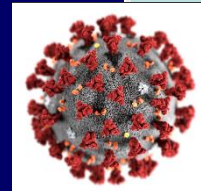
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- Tuesday, April 13<sup>th</sup> – Public Hearing and Adoption of Tax Rates
  - Tuesday, April 27<sup>th</sup> – Public Hearing on Budget
  - Tuesday, May 11<sup>th</sup> – Budget Adoption
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# Thank You!

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- Many thanks to Accounting Supervisor Lori Robertson; Financial Reporting Accountant Ashley Talmage; Deputy County Administrators Jeff Stoke, Julie Walton and Betsy Drewry
  - Additional information can be found in the Budget Message
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# Prince George County Government "Surpassing Success to Achieve Significance"







# Questions and Comments!

