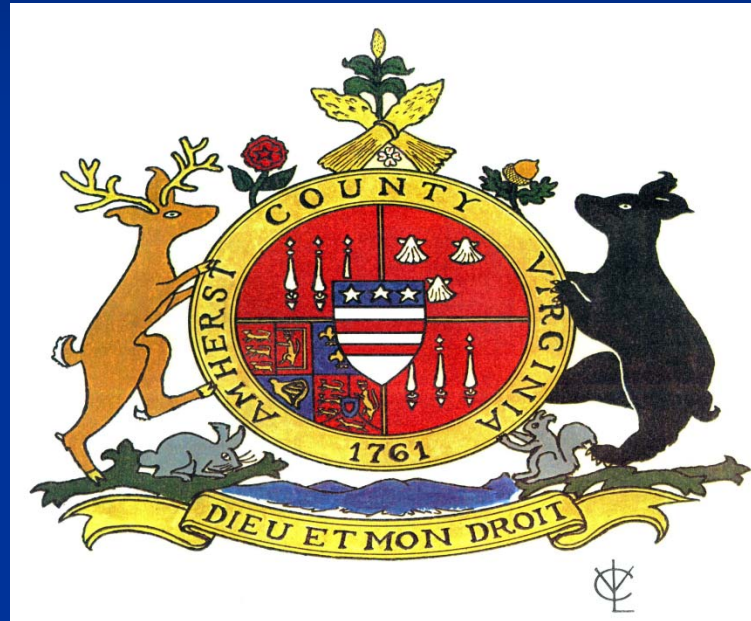


County of Amherst



**FY 2014-2015
Proposed Budget**

Part I

General Budget Information and Facts

In This Section

- General Budget Information and Facts
- What Has Impacted the Budget
- What We See Now at the Local Level
- Summary

Special Thanks to...

Brenda Campbell

The Accounting Staff

Belinda Cockrell

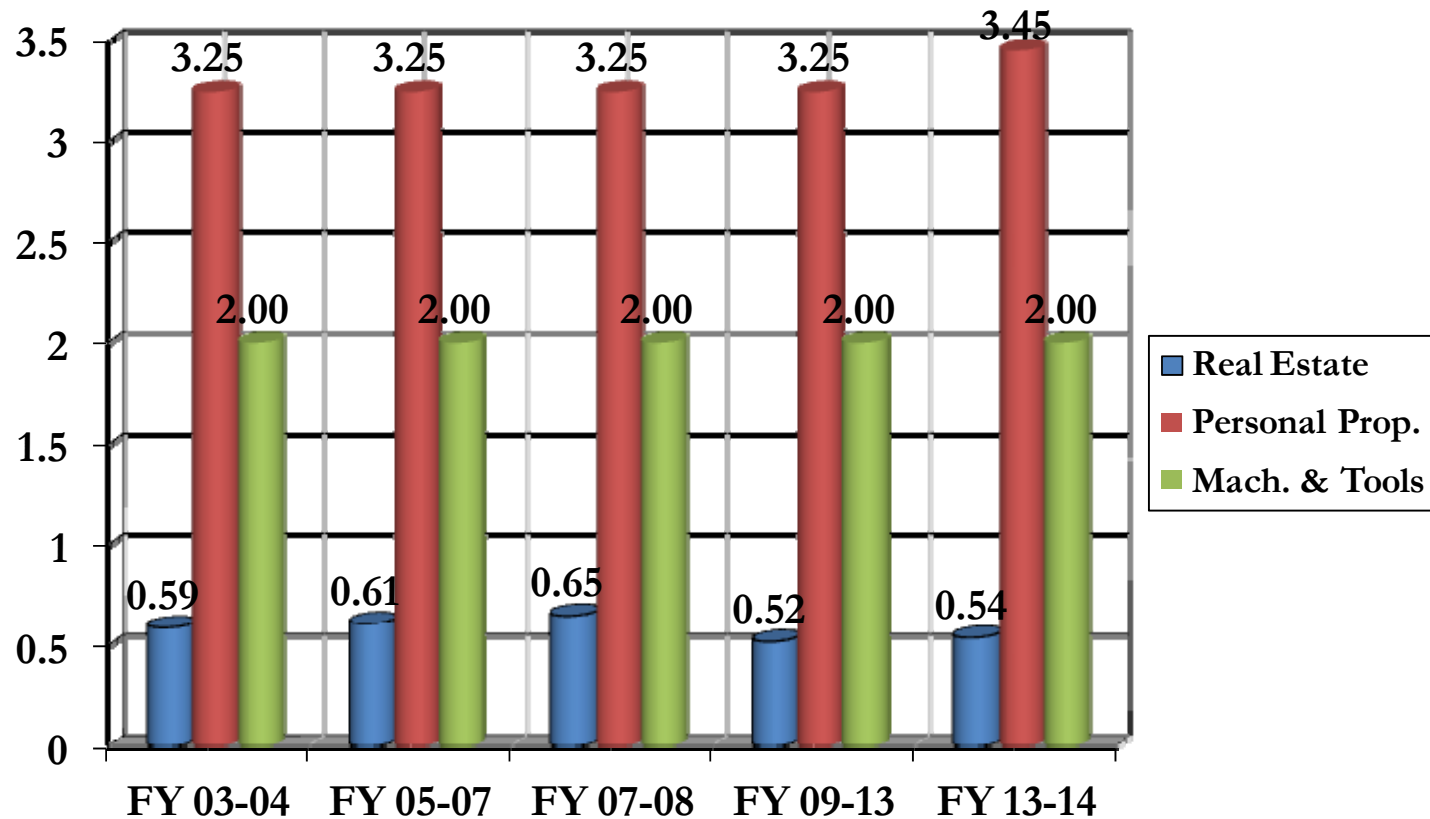
Rae Hart

Objectives

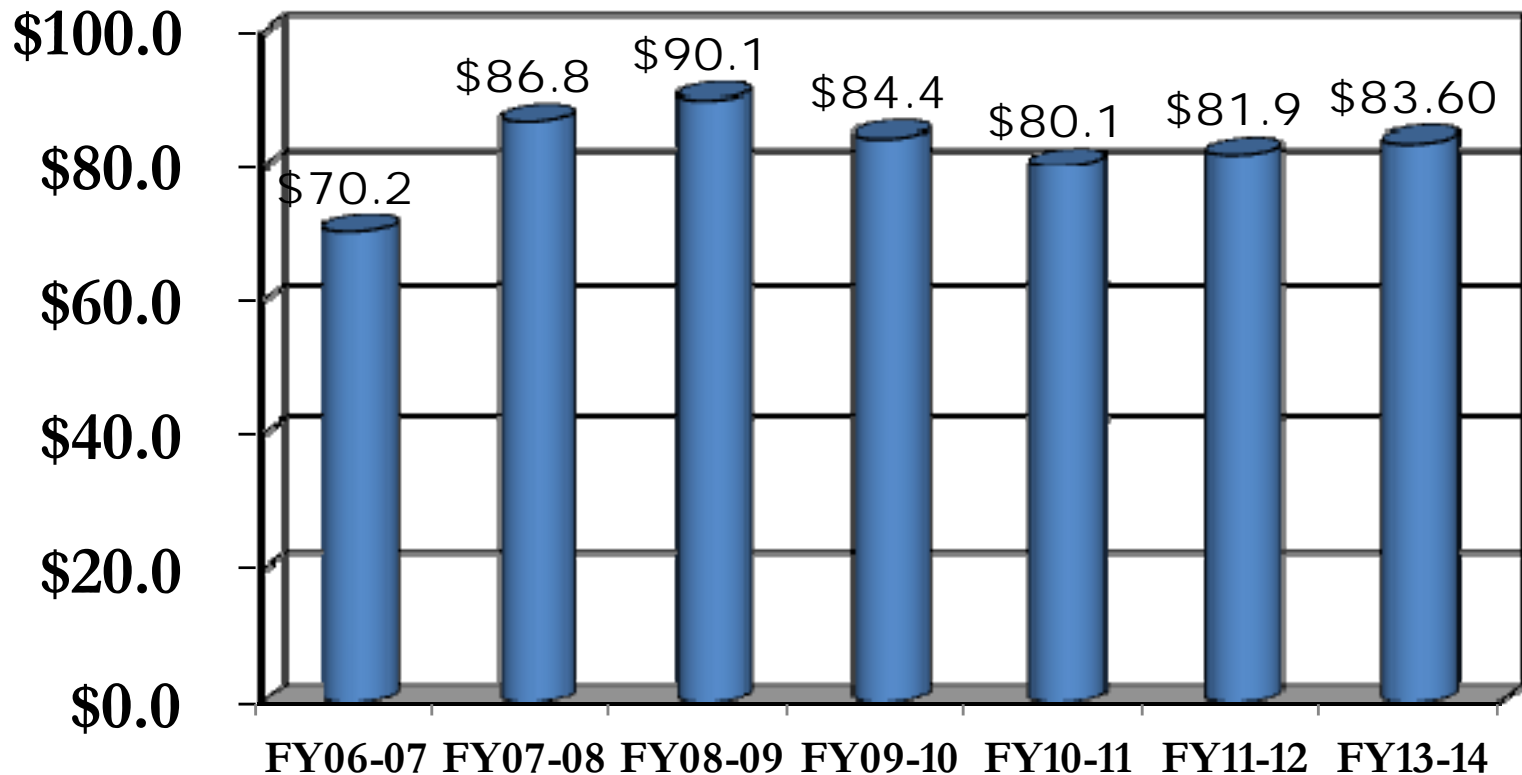
- Provide relevant information to the BOS and public regarding the FY15 County budget.
- Prepare the public so citizens are better prepared to offer input on the budget.
- Provide useful information to the BOS so Board Members are better prepared to act on the County budget.

General Budget Information and Facts

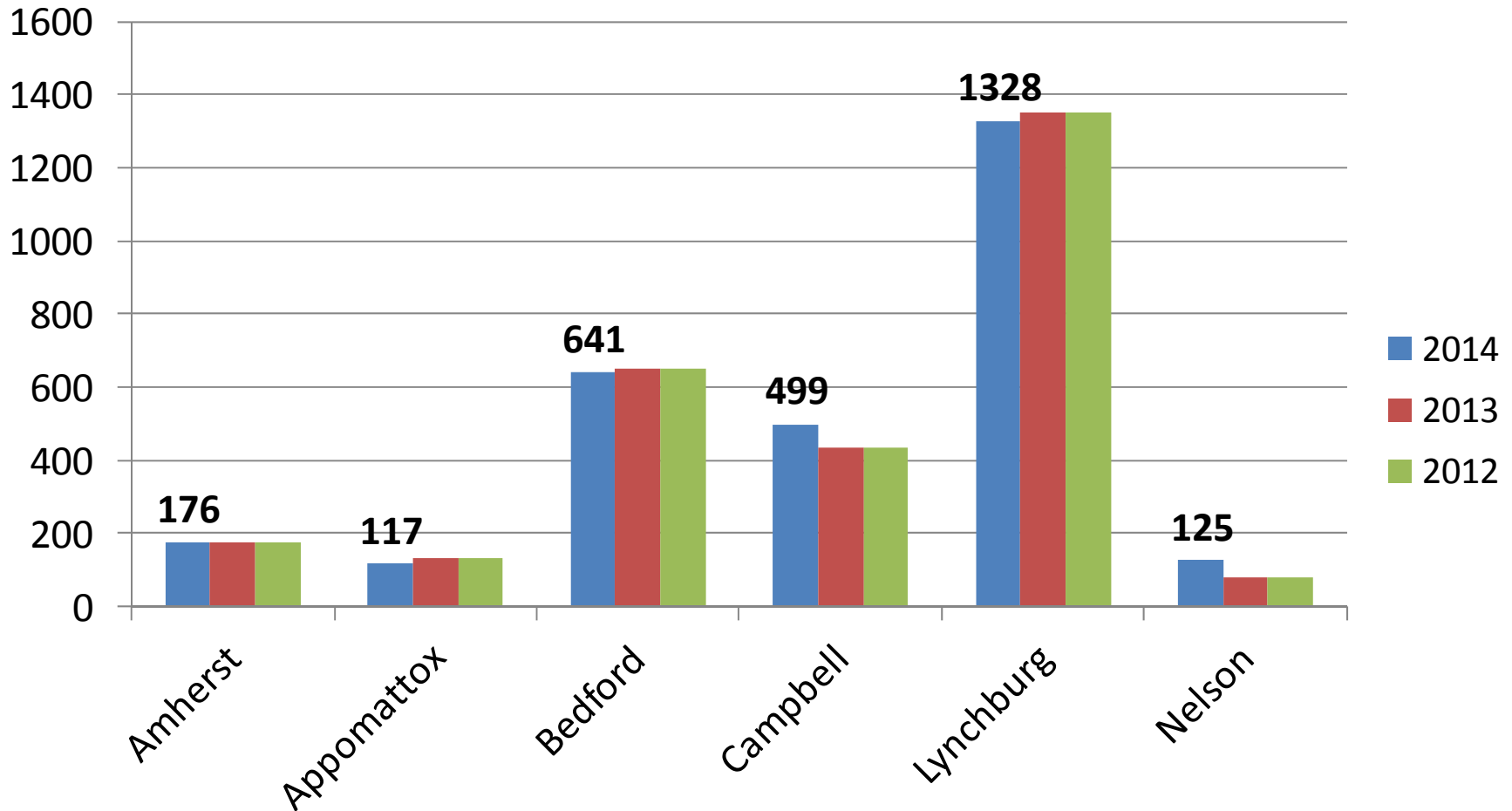
Tax Rate Trend by Category



General Gov't Expenditure Trend



Changes in Employee Staffing Over Past Three Years



History of Local and State Funds for Education

Fiscal Year	Local Funds*	State Funds
FY09	\$13,834,398	\$26,685,951
FY10	\$14,125,249	\$23,441,658
FY11	\$14,125,249	\$20,370,190
FY12	\$14,125,249	\$20,892,092
FY13	\$15,103,979	\$20,358,524
FY14	\$15,853,979	\$20,000,205

**As Approved during regular budget process*

What Has Impacted the Budget?



Unemployment Rates

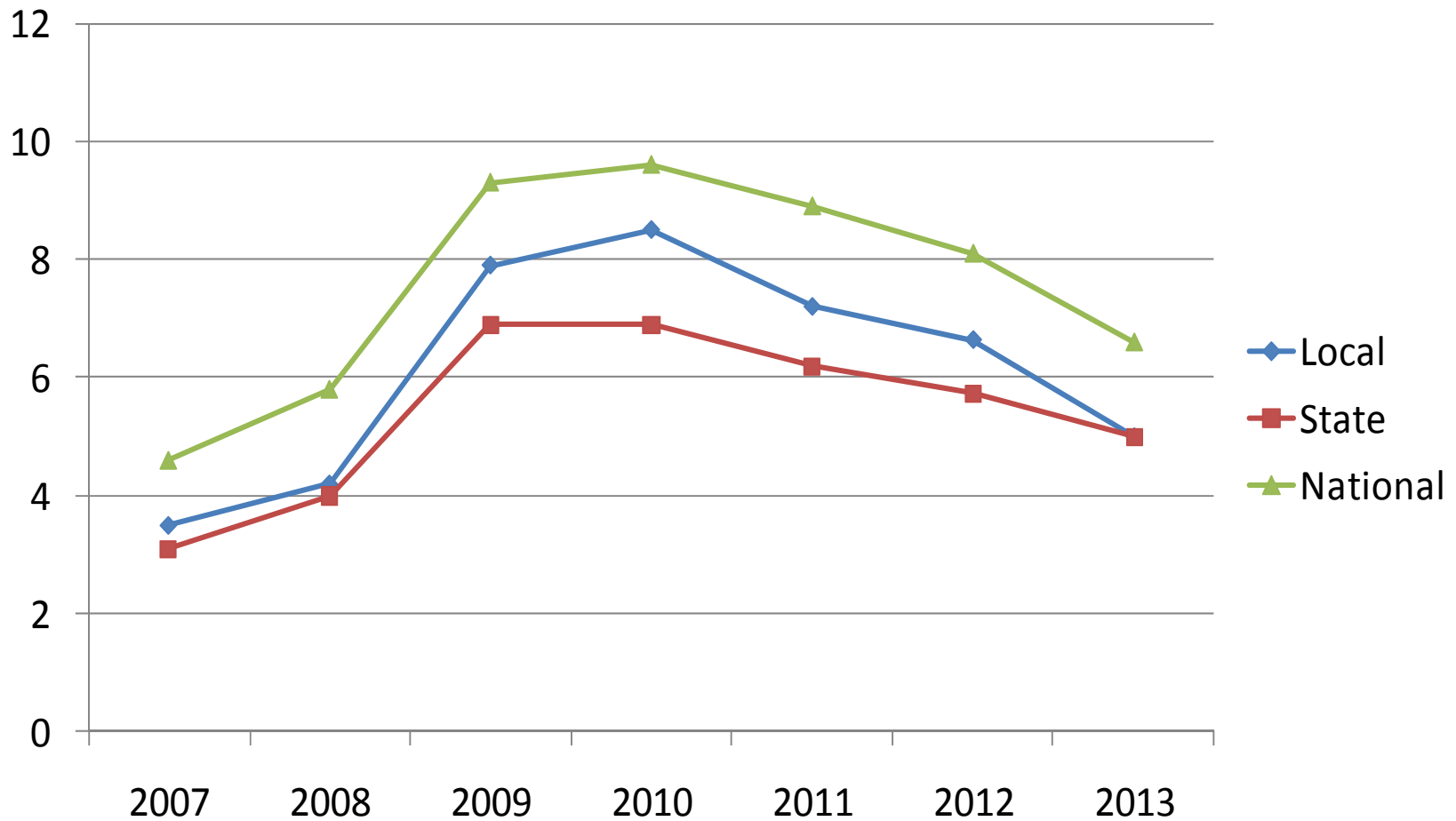
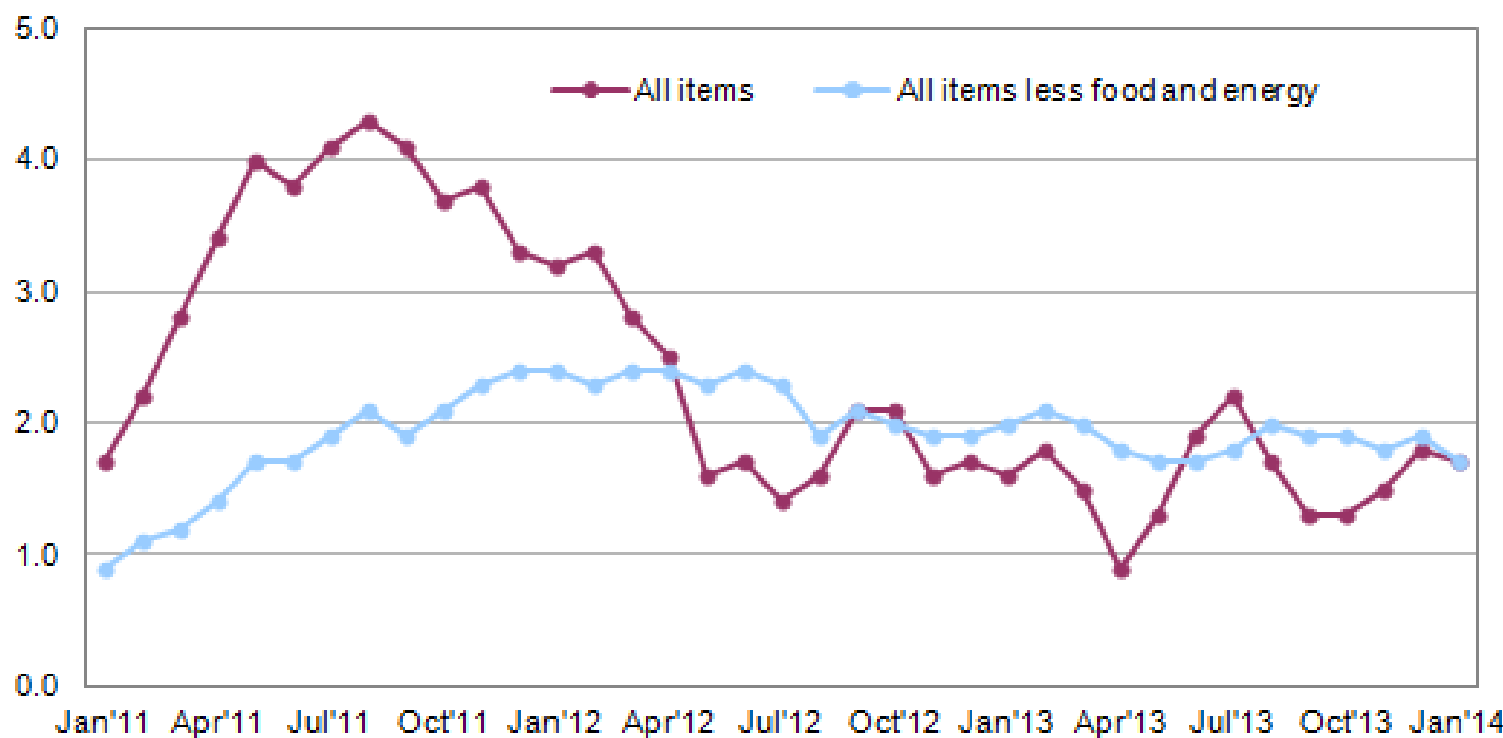


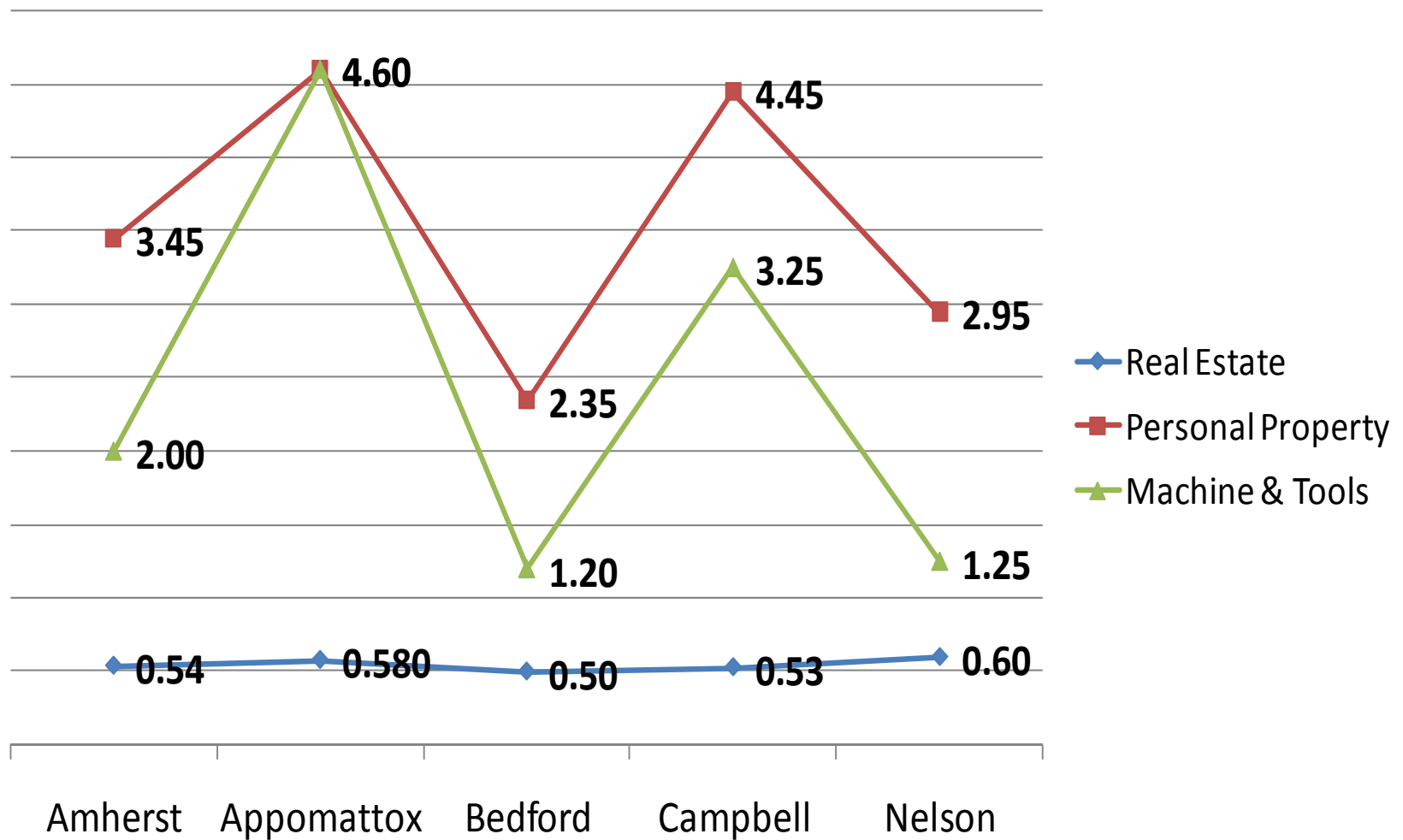
Chart 1. 12-month percent change in CPI for All Urban Consumers (CPI-U), South region, January 2011–January 2014

Percent change

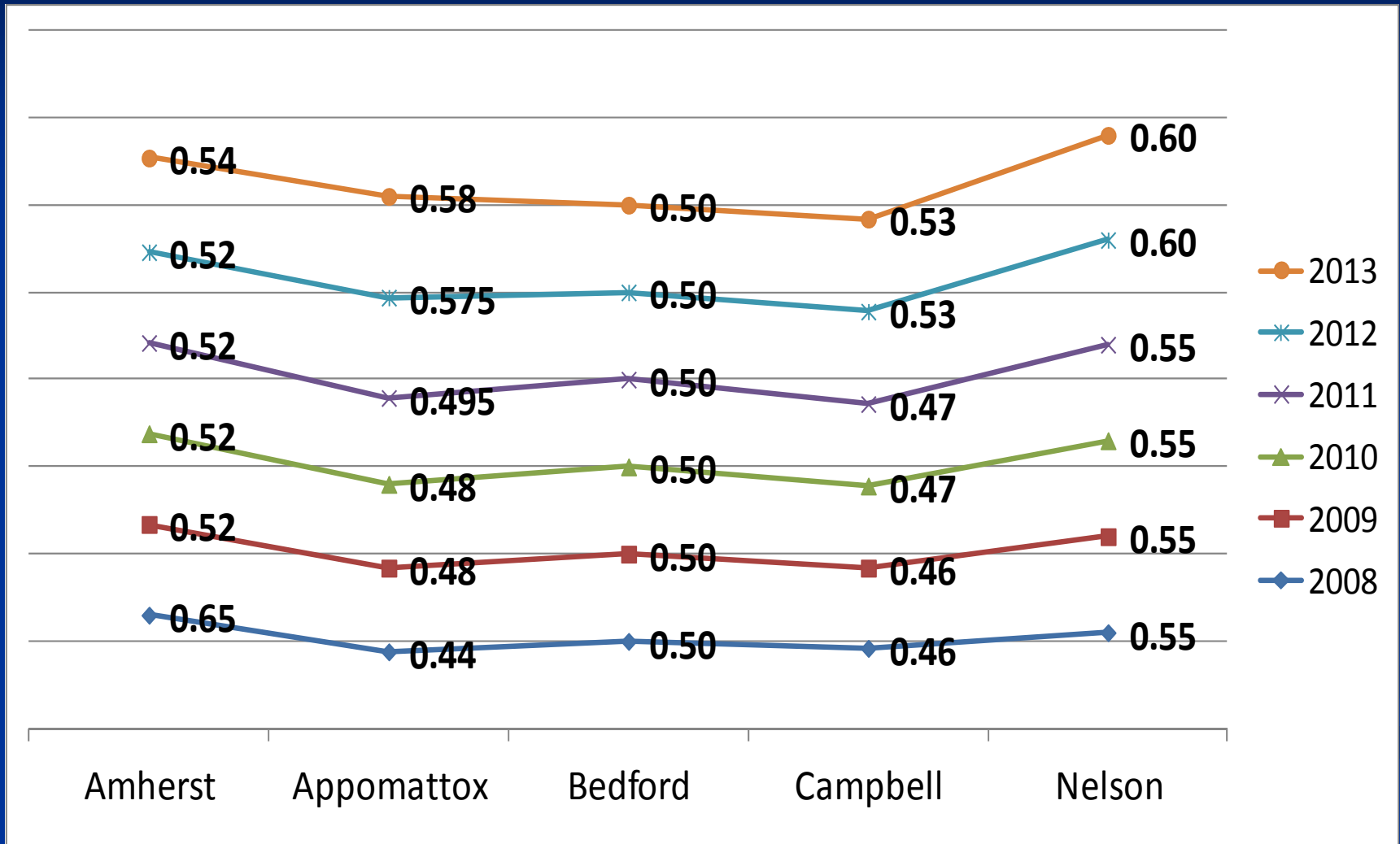


Source: U.S. Bureau of Labor Statistics.

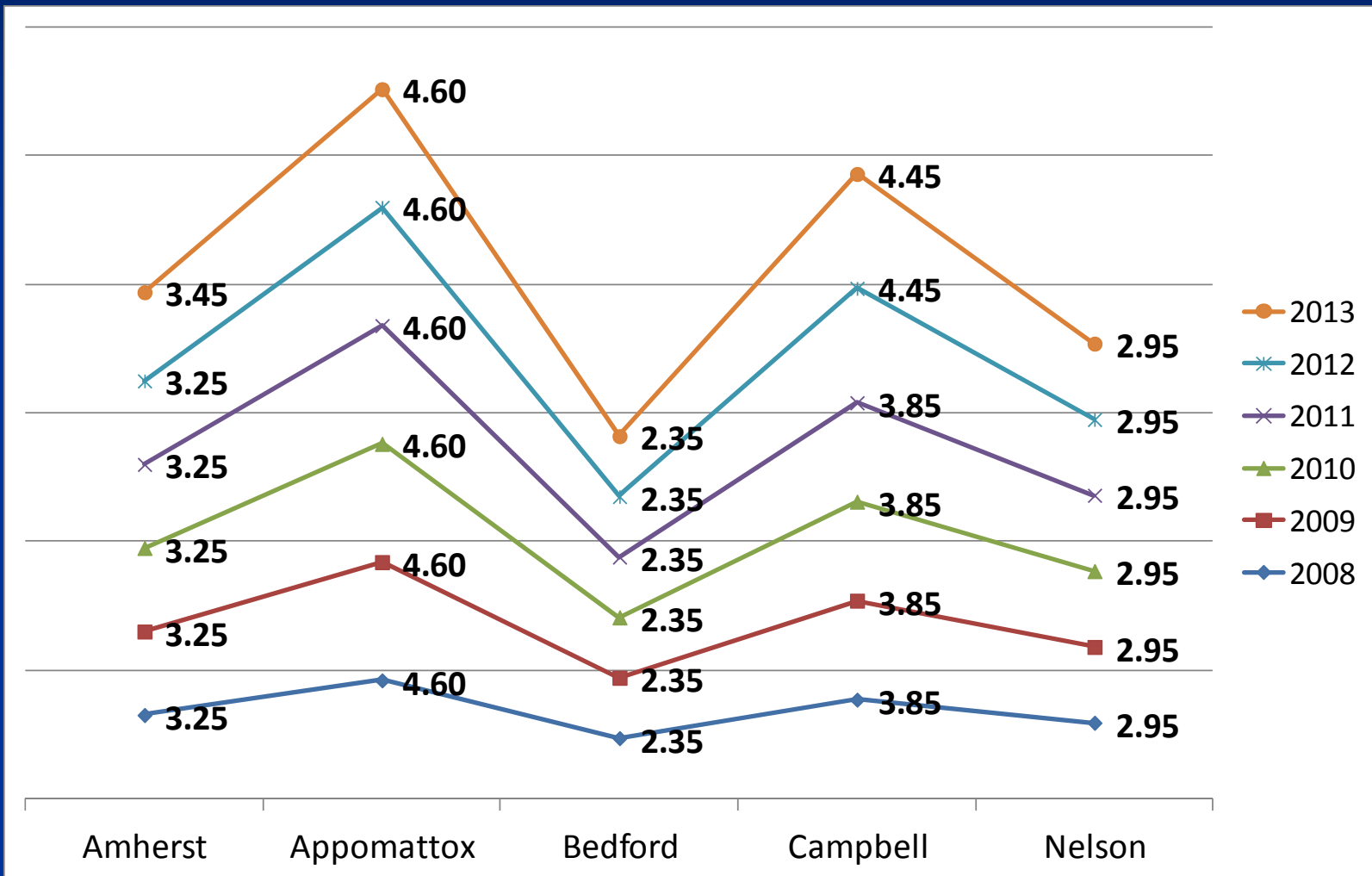
Localities and Tax Rates



Real Estate Tax Rates



Personal Property Tax Rates



The Value of a Penny in Terms of Local Tax Revenue

Tax	Amount Generated
Real Estate	\$230,317
Personal Property	\$15,119
Machinery & Tools	\$8,985

Based upon 2014 assessments and FY14 tax rates

What Has Impacted the Budget?

- Minimal revenue growth
- Interest revenue is nearly non-existent
- State funding...fiscal pressures pushed down to local governments
- Increases in VRS and related personnel costs
- Expected Inflationary factors
- General reassessment with lower taxable property values

What We See Now at the Local Level

Department of Social Services

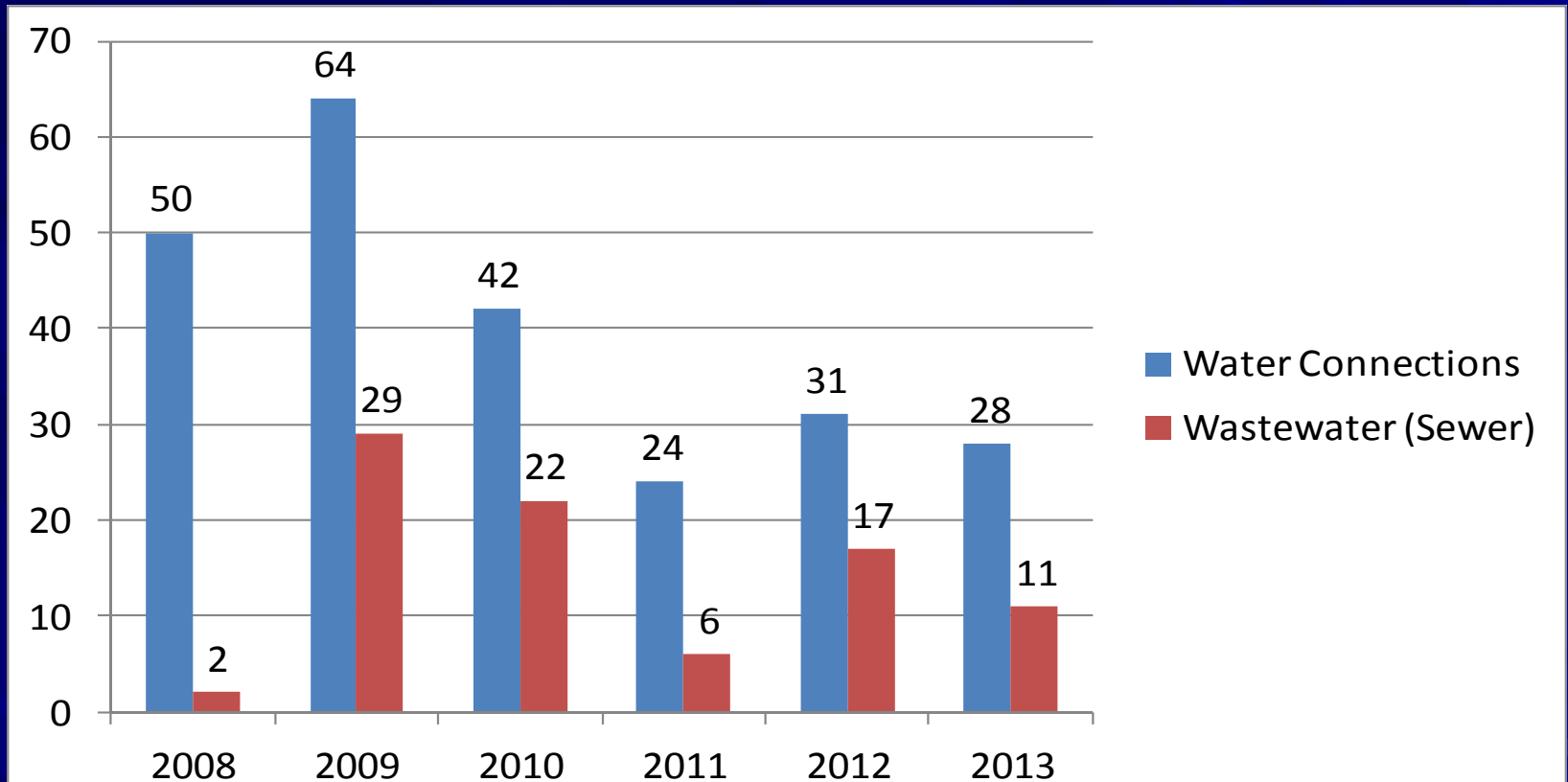
Case Load

Year	Case Load
2013	10,553
*2012	9,995
*2011	9,006
*2010	8,404

Based on Calendar Year

** Estimates*

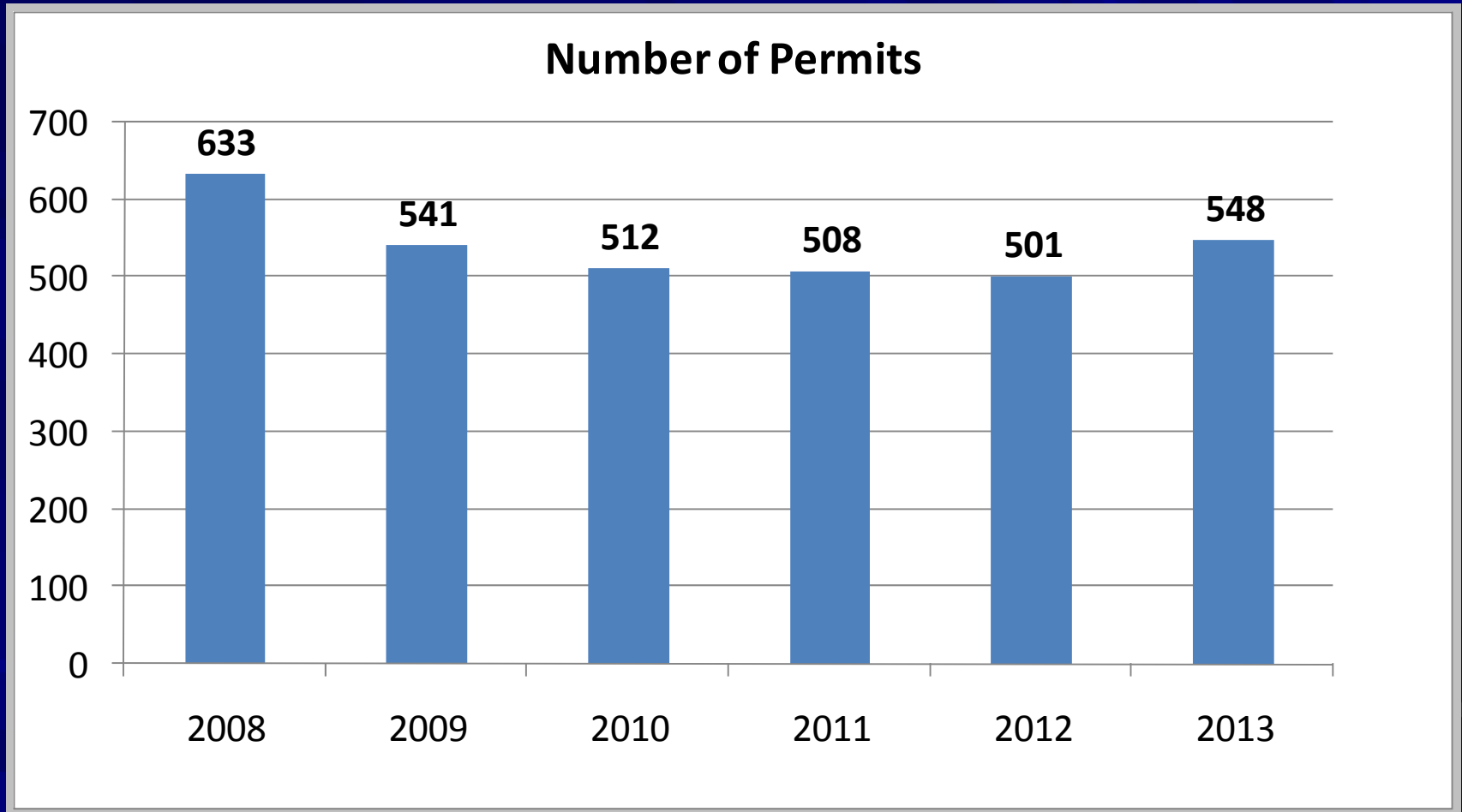
Service Authority Connections



Connections are still below normal for average of 1998 –2007;
Water Connections averaged 73 and Wastewater averaged 24.

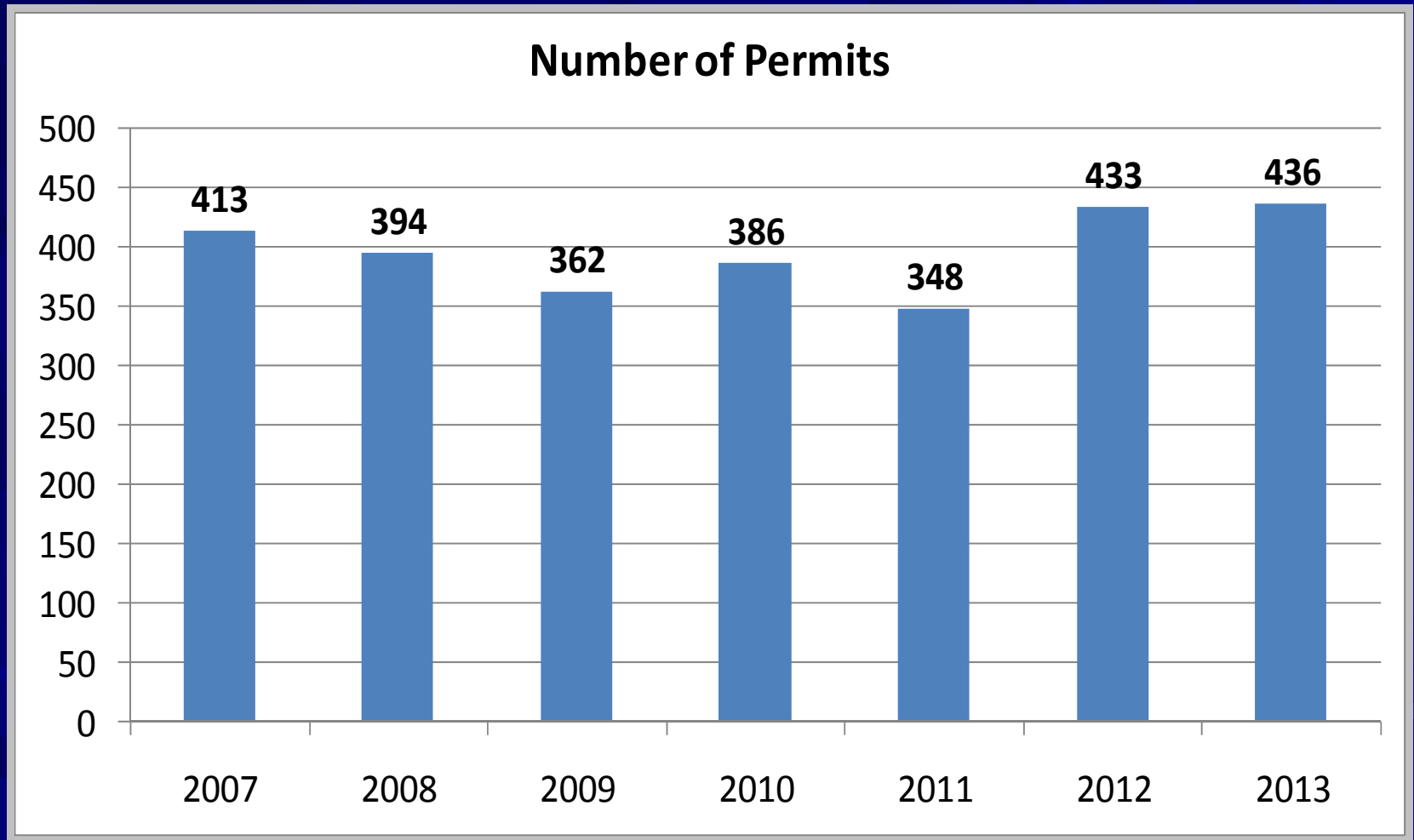
Based on Calendar Year

Building Safety & Inspections



Based on Calendar Year

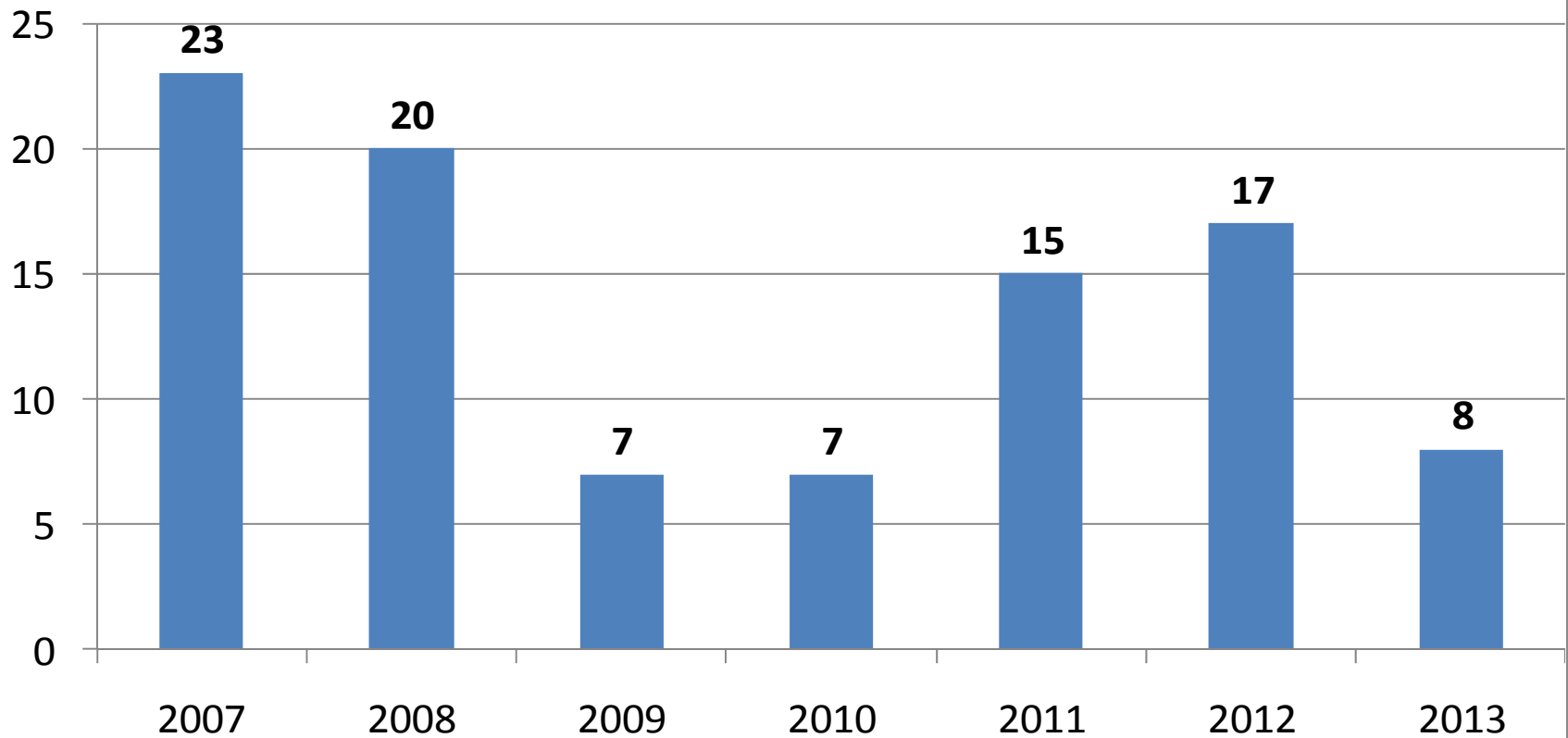
Zoning Permits



Based on Calendar Year

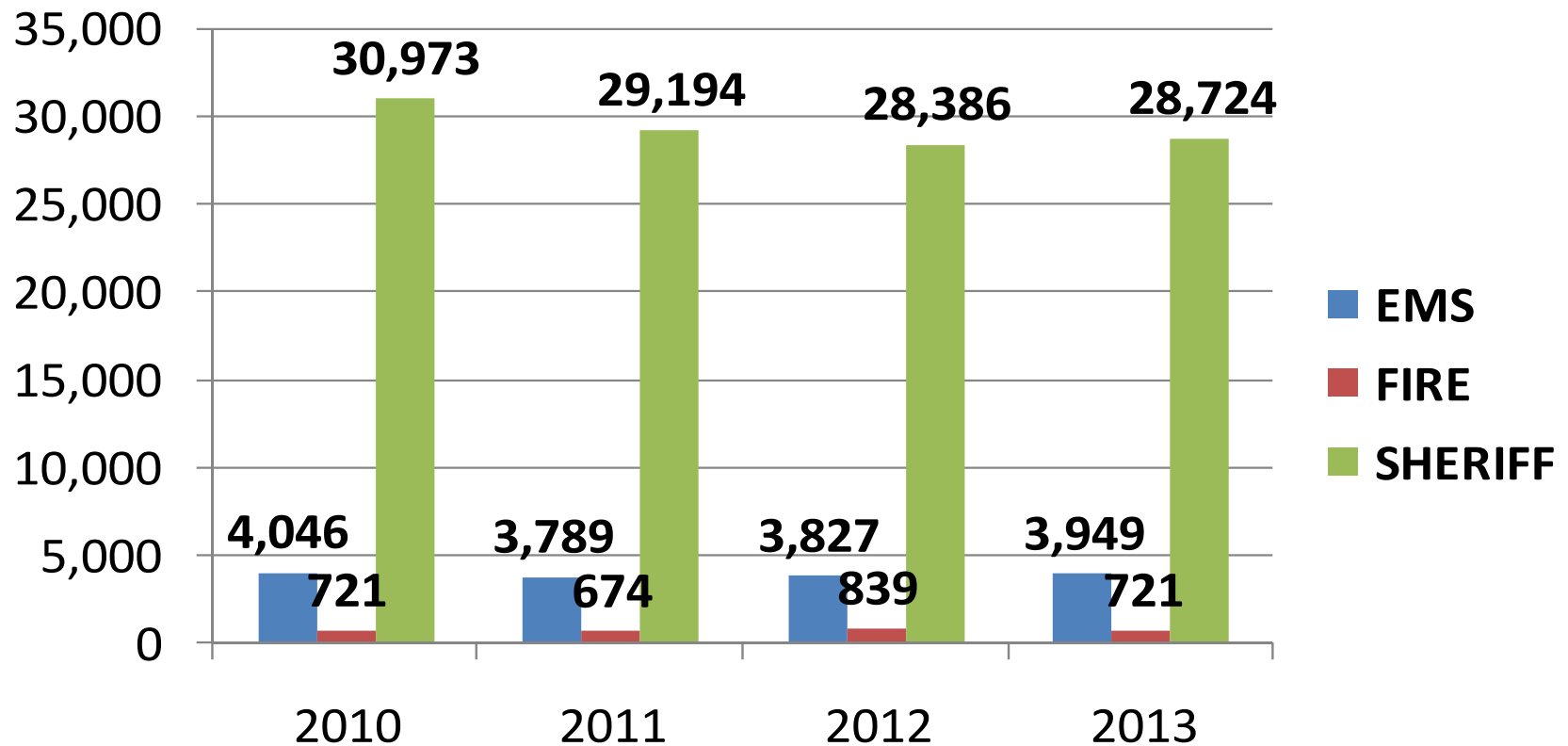
Site Plans

Number of Plans



Based on Calendar Year

Emergency Services Call Volume



General Fund Balance

	Unassigned/ Undesignated Fund Balance	Fund Balance Classifications Changed in FY11
FY 2009	\$11,934,389	
FY 2010	12,732,719	
FY 2011	12,697,550	First year of this designation
FY 2012	16,012,025	
FY 2013	*16,566,956	*Prior to payments of ongoing projects and 15% approved Financial Policy

Strategic Direction Established by the BOS

- Planning Retreat September 2012
- Core Vision for the year 2022
- (6) 10-Year aspirations established
 - Natural/historic resources
 - Economic development
 - Rural character
 - Responsive governing process
 - Infrastructure
 - Effective County services
- Resulting in 34 specific goals

County's Five-Year CIP

Fiscal Year	Amount Identified by Departments
FY15	\$17,284,183
FY16	\$8,410,705
FY17	\$6,260,330
FY18	\$3,737,723
FY19	\$3,612,739

Last Pay Increase

Locality	%	When
Amherst	3%	2013-2014
Appomattox	3%	2013-2014
Bedford	3%	2013-2014
Campbell	2%	2013-2014
Lynchburg	3%	2013-2014
Nelson	3%	2013-2014

Pay Increase

Cost of 3% Raise

County Full-Time	\$287,997
School	\$940,562
TOTAL	\$1,228,559

Board Financial Policies

- As approved by the BOS January 2012
- Annual Budget Objective (C) 3
“Provision of adequate employee compensation including pay-for-performance increases for county employees and selective salary increases for positions significantly below market.”
- Not funded in FY13, FY14, or recommended for funding in FY15

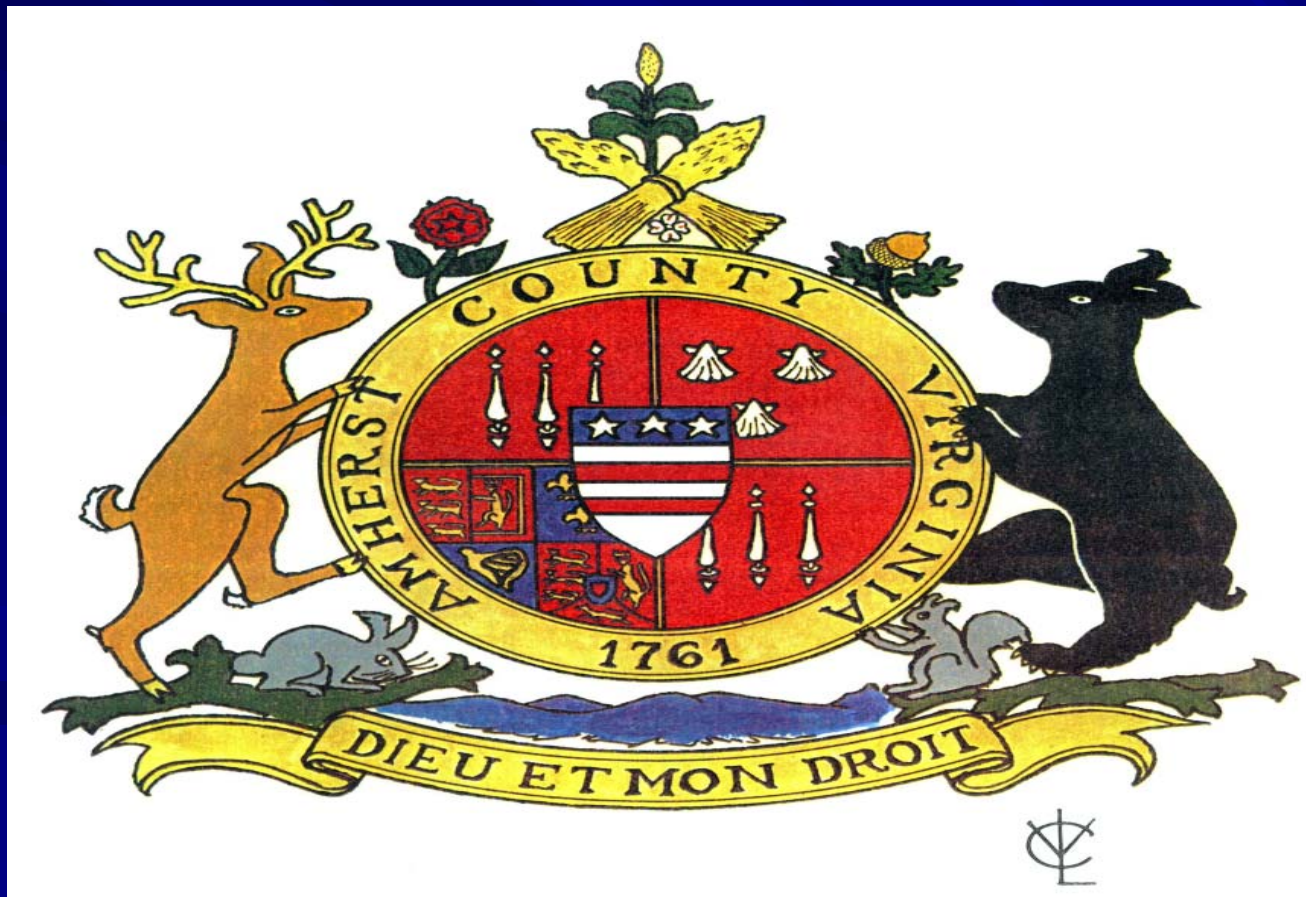
Summary

- Approximately 80% of the County General Fund budget funds Education and Public Safety.
- The last increases in Amherst County was in FY13-14, resulting in 2¢ increase in Real Estate Taxes and 20¢ increase in Personal Property Taxes.
- State funding for education has been reduced while there has been increases in local County funding.

Summary

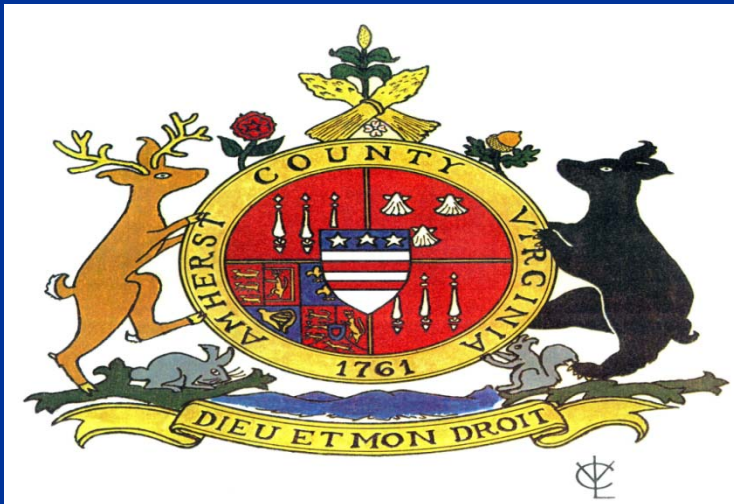
- The County's Fund Balance is at a stable level and has increased over the past few years due to sound fiscal management and cautious revenue forecasting.

End of General Budget Information and Facts



Part II

FY 2014-2015 Proposed Budget



Clarence C. Monday
County Administrator

In This Section

- General Budget Information and Facts
- What Has Impacted the Budget This Year
- Developing the Proposed Budget
- Budget Development Goals and Strategy
- Fund Balance
- Proposed Budget
- Budget Summary
- Next Steps

Special Thanks to...

Brenda Campbell

The Accounting Staff

Belinda Cockrell

Rae Hart

General Budget Information and Facts

Information / Facts

- Approximately 80% of the County's General Fund goes towards the local share of Education and for Public Safety.
- FY13-14, Amherst County increased the following tax rates
 - Real Estate from .52 to .54
 - Personal Property from 3.25 to 3.45
- County's revenue growth is minimal at this time
- General property reassessment has lowered the taxable property values

What Has Impacted the Budget This Year

Budget Impact

■ Normal line item inflation	
■ Major expenditures carried forward from FY14	
■ Jail per diem	\$195,929
■ 3% employee raises	330,000
■ School Appropriation	750,000
■ Health Insurance Increase	53,000
■ Property reassessment	<u>(\$432,897)</u>
Total	\$1,761,826

Budget Impact

	Assessment at 2008 Rates	2014 Reassessment	\$ Difference	% Change
Total Assessed Value	\$3,189,627,300	\$3,091,894,200	(97,733,100)	-3.2%
Non –Taxable Property	\$511,371,500	\$496,887,800	(14,483,700)	-2.9%
Taxable Property	\$2,678,255,800	\$2,595,006,400	(83,249,400)	-3.2%

Based solely on reassessments, Revenue impact (\$432,897)

Significant FY15 Budget Changes

Department	Project/Item	Operating or Capital	Increase/Decrease Over FY14
All	VRS	Operating	\$55,139
	Group Life		\$9,557
	Health Insurance Credit		\$10,293
	Total Across Payroll		\$74,989
All	Employee Health Insurance	Operating	\$55,000
Tourism	Required Expenditure	Operating	\$19,800
Revenue	General Reassessment from new assessed values		(\$432,897)
Board of Equalization	Board Related Expenses	Operating	\$36,750

Significant FY15 Budget Changes

Department	Project/Item	Operating or Capital	Increase /Decrease Over FY14
Blue Ridge Regional Jail Per Diem	Contract Services	Operating	\$195,929
Sheriff	Academy Dues	Operating	\$1,825
Sheriff	Telephone Services	Operating	\$13,000
All	Telecommunications – Phone Service Expenses	Operating	

Significant FY15 Budget Changes

Department	Project/Item	Operating or Capital	Increase/Decrease Over FY14
Fire	Fire Training	Operating	\$15,000
EMS	EMS Training	Operating	\$7,500
Fire/EMS	Volunteer Insurance Coverage	Operating	\$21,000
Dispatch	Communications Equipment	Capital	\$200,000 150,000 Grant 50,000 Local
EMS	EMS Supplies	Operating	\$4,000
EMS	Fuel Costs	Operating	\$8,000
EMS	Uniforms	Operating	\$5,000

Significant FY15 Budget Changes

Department	Project/Item	Operating or Capital	Increase/Decrease Over FY14
Landfill Close-Out	Contract Services	Operating	\$17,000
Ground Maint.	Professional Svc-Engineer	Operating	\$8,000
	Contracted Services	Operating	\$8,000
	Dam Inundation Zones	Operating	\$26,000

Developing the Proposed Budget

Steps Taken

- Departments submitted operating and capital requests
- Executive Management meeting with Department Heads to review budget requests
- Reviewed history of revenues and expenditures
- Forecasted revenues for FY15
- Developed budget goals and priorities
- Initial Trial Balance
- Analyzed options to balance the budget
- Proposed budget completed and presented to the BOS

FY14 Budget Calendar

- November 4, 2013 – CIP Instruction Distributed
- December 16, 2013 – CIP Requests Due
- December 2013 – Budget Instructions Distributed and Outside Agency Applications Distributed
- January 6, 2014 – Outside Agency Applications Due
- January 22, 2014 – Department Budgets Due
- February 2014 – Department Budgets Reviewed
- February 19, 2014 – BOS & School Board Pre-Budget Work Session
- March 8, 2014– 2014 General Assembly Adjourned
- March 12, 2014 –Budget Presented to Board of Supervisors
- March 21, 2014 – Budget Advertised for two weeks; Tax Increase Advertised (if necessary)
- April 8, 2014 - Budget Public Hearing, Special Meeting 7:00 PM
- April 28-30, 2014 – Budget Adopted and Appropriated, Tax Rates Set

Budget Development Goals and Strategy

Budget Goals & Strategy

- Perform a careful examination of projected revenues and departmental expenditures.
- Provide adequate funding for core government services.
- Provide funding for only necessary capital projects, specifically those requiring immediate attention.
- Maintain adequate Fund Balance for unanticipated & emergency needs, and for future strategic uses.
- Recommend tax increases only when necessary for on-going operating costs.

Fund Balance

General Fund Balance

	Unassigned/ Undesignated Fund Balance	Fund Balance Classifications Changed in FY11
FY 2009	\$11,934,389	
FY 2010	12,732,719	
FY 2011	12,697,550	First year of this designation
FY 2012	16,012,025	
FY 2013	*16,566,956	*Prior to payments of ongoing projects and 15% approved Financial Policy

Proposed Budget

Starting Point – Revenue vs. Expenditures

- Scenario #1: Level Funding to Schools

(\$2,157,543)

- Scenario #2: Additional funds to balance the School Budget as discussed on February 19, 2014 in amount of \$2,065,117

(\$4,222,660)

Proposed Capital Budget

County's Five-Year CIP

Fiscal Year	Amount Identified by Departments
FY15	\$17,284,183
FY16	\$8,410,705
FY17	\$6,260,330
FY18	\$3,737,723
FY19	\$3,612,739

Capital Projects Requested, Not Recommended for Funding

Department	Project	Amount
Grounds Maintenance	Tractor	\$63,000
Grounds Maintenance	Truck	60,000
Landfill	Closure Reserve	40,000
Maintenance	Former Amherst Baptist Church	230,000
Maintenance	Painting County Buildings	35,000
Maintenance	Goodwin Building HVAC	50,000
Maintenance	Parking Lot Sealing	25,000
Maintenance	Recreation Building Carpet & Painting	12,000
Library	Madison Heights, Sign & Lights	25,000
Library	Amherst, Windows & Doors	150,000
Total Not Recommended for Funding		<u>\$690,000</u>

Proposed Local School Funding

School Budget Request Components

- Mandated increases combine to add almost \$41 million to the budget
- 3% raise for all employees
- Adding only a Guidance Position to the Alternative School and secretary to Monelison Middle School
- Providing coaching support in math to reflect emphasis in state testing program (SOLs)
- Providing more opportunities for students in advanced programs including CVCC, Governor's School, and STEM Academy
- Safety and Security: Upgrading radio communications to eliminate "dead spots" along the Rt 60 corridor
- Continuing efforts to replace aged roofs (roofs approaching 20 years of age)

School Funding

- FY14 Local Appropriation \$15,853,979
- Included in the proposed FY15 budget
 - Local appropriation \$16,153,979
 - Maintains current funding (as increased in FY14) and adds additional \$300,000 in local funds.
 - No Capital funding in proposed budget.

County Employees

Department Requests - Personnel

Department	Position
Commonwealth's Attorney	Administrative Assistant
Library	Assistant Librarian (PT to FT)
Solid Waste	Landfill Attendant (PT to FT)
Grounds	(PT to FT)
Fire/EMS	Paramedic for Day Response
Human Resources	HR Director (PT)

Personnel Recommended

Department	Position
Human Resources	HR Director (PT)

County Employees

- **Cost of 3% raise, County only positions**

\$288,997

- **No proposed raises included in this budget**

Tax Rate Comparison and Proposed Tax Rates

Real Estate Tax Comparison

Locality	Real Estate Tax Rate
Amherst County	.54
Appomattox County	.58
Bedford County	.50
Campbell County	.53
Nelson County	.60
Average (With Amherst County)	.55
Average (Without Amherst County)	.55

Personal Property Tax Comparison

Locality	Personal Property Tax Rate
Amherst County	3.45
Appomattox County	4.60
Bedford County	2.35
Campbell County	4.45
Nelson County	2.95
Average (With Amherst County)	3.56
Average (Without Amherst County)	3.59

Combined RE & PP Tax Rate Comparison

Locality	Real Estate	Personal Property	Combined Rates
Amherst County	.54	3.45	3.99
Appomattox County	.58	4.60	5.18
Bedford County	.50	2.35	2.85
Campbell County	.53	4.45	4.98
Nelson County	.60	2.95	3.55
Average (With Amherst County)	.55	3.56	4.11
Average (Without Amherst County)	.55	3.59	4.14

Revenue Generated from Taxes

- Diligent efforts were taken to accurately forecast the amount of revenue generated from changes in tax rates.
- There are trends in the percentages of tax revenue collected, varying by tax type, aggressiveness of collection efforts, growth of tax base, etc.
- “Best” estimates are projected by the increase per penny in the tax rate and may not be actual revenue received from increases.

Proposed Changes In Tax Rates

Real Estate Tax	Personal Property Tax	
Current Rate .54	Current Rate 3.45	
Proposed Rate .56	Proposed Rate 3.55	
Proposed Increase .02	Proposed Increase .10	
Current Average RE Tax Rate .55	Current Average PP Tax Rate 3.59	
Revenue Generated by Increase \$460,634	Revenue Generated by Increase \$151,190	Total Revenue Generated by Increases <u>\$611,824</u>

Proposed tax rates were determined in order to provide the necessary revenue to balance the budget.

RE & PP Tax Rate Comparison

Locality	Real Estate	Personal Property	Combined Rates
<u>Amherst County</u> <u>Now</u>	<u>.54</u>	<u>3.45</u>	<u>3.99</u>
Average (Without Amherst County)	.55	3.59	4.14
Appomattox County	.58	4.60	5.18
Bedford County	.50	2.35	2.85
Campbell County	.53	4.45	4.98
Nelson County	.60	2.95	3.55
<u>Amherst County</u> <u>After Proposed</u> <u>Increases</u>	<u>.56</u>	<u>3.55</u>	<u>4.11</u>

The Gain in Local Tax Revenue

Real Estate Tax Incremental Increases	Amount Generated (based on total assessed value)
.01	\$230,317
.02	\$460,634
.03	\$690,951
.04	\$921,268
.05	\$1,151,585
.10	\$2,303,170
.15	\$3,454,755
.20	\$4,606,340
.25	\$5,757,925

The Gain in Local Tax Revenue

Personal Property Tax Incremental Increases	Amount Generated (based on total assessed value)
.01	\$15,119
.05	\$75,595
.10	\$151,190
.20	\$302,380
.25	\$377,975

Adjustments to Balance

- **Scenario #1:** (\$2,157,543)
- Add in additional funds for Schools \$300,000
- County Administrator Adjustments \$892,357
- Initial efforts focused on taking half of remaining shortage from FB and other half from revenue increases; however
- FB \$953,362 Revenue Increases \$611,824

Outstanding Issues

The School Board is still considering their budget.

Outstanding Issues

- 2013 General Assembly
- Unexpended bond proceeds
 - What additional funding, if any, will be required from the County to finish project(s)?
- Fire/EMS
 - Cost of Fire/Rescue Building unknown
 - Additional expenses for implementing recommendations
- Social Services space needs
- Landfill Expansion
- Landfill Operations
- School Capital
- Energy Efficiency Project

Budget Summary

Proposed Budget Summary

- Only vital capital projects recommended for funding
- Local appropriation for Education increased by \$300,000
- Only increase in personnel recommended is for part-time Human Resources Director
- No employee raises
- Tax Rate increases
 - .02 Real Estate and .10 Personal Property
 - \$611,824 in additional revenue generated
- \$953,362 Fund Balance used to balance budget

Next Steps

Next Steps

- The budget Public Hearing is April 8 at 7:00 PM, Amherst High School.
- To give proper notice, staff needs direction on the proposed tax rates to advertise. Action required!
- Set dates for budget work sessions.
 - Review school budget request, department budgets, outside agencies, etc.
- Monitor the unknowns at this time such as General Assembly action, etc.
- Adopt the county budget and set tax rates the last week of April.

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Starting Point – Revenue vs. Expenditures

- Scenario #1: Level Funding to Schools
(\$2,157,543)
- Scenario #2: Additional funds to balance the School Budget as discussed on February 19, 2014 in amount of \$2,065,117
(\$4,222,660)
- Tax Rates to advertise for Public Hearing???
 - Proposed .02 RE and .10 PP

End of the FY14-15 Proposed Budget

