



Richmond County County Administrator's FY16 Recommended Budget



**BOARD OF SUPERVISORS BUDGET WORKSESSION
MARCH 23, 2015**

FY16 Budget Challenges



- Declining Revenues Vs. Increasing Expenditures
 - Departmental Budget Requests
 - Future Capital Needs
 - Current Capital Needs
 - Budget Cuts and Where
 - Tax Increases
 - Ways to Protect and Enhance Fund Balance
 - Employee Raises and Benefit Options
 - Impacts of State Funding
 - Impact From 2015 General Reassessment

Richmond County Employee Statistics



- 68 Full-Time Employees
- 26 Part-Time Employees
- Total Payroll FT - \$2,611,899
- Total Benefits FT - \$891,021
- Overall Total FT/PT - \$3,650,000
- Average FT Salary- \$36,000

Richmond County Employee Statistics



- Employees by Department

	<u>Full-Time</u>	<u>Part-Time</u>
○ Administration	1	
○ Development Services	1	
○ Building Inspections	1	
○ Planning, Zoning, E/S	2	
○ Finance	1	
○ IT	1	
○ Maintenance	2	1
○ Registrar	1	1
○ Emergency Services	10	15
○ Sheriff	22	10
○ Commissioner of Revenue	3	
○ Treasurer	4	
○ Clerk of the Circuit Court	4	
○ Commonwealth Attorney	4	
○ Social Services	11	1
○ Total	68	28

Health Insurance Changes



- Richmond County received a renewal increase of 5.3% for the upcoming year from Anthem.
- This would result in an approximate \$15,000-\$20,000 increase to the County's portion of insurance for the employee.
- County Staff as well as the Richmond County School Board is recommending that the County drop the current Key Advantage Expanded plan and offer Key Advantage 250.
- Local Choice plans:
 - Key Advantage Expanded
 - Key Advantage 250
 - Key Advantage 500
 - Key Advantage 1000
 - Key Advantage High Deductible Plan

Health Insurance Changes



- We currently offer KA Expanded and KA500
 - **Key Advantage Expanded**
 - Key Advantage 250
 - **Key Advantage 500**
 - Key Advantage 1000
 - Key Advantage High Deductible Plan
- We recommend we offer KA 250 and KA500
 - Key Advantage Expanded
 - **Key Advantage 250**
 - **Key Advantage 500**
 - Key Advantage 1000
 - Key Advantage High Deductible Plan

Health Insurance Changes



- Differences between KA Expanded and 250:

	<u>KA Expanded</u>	<u>KA250</u>
• Annual Deductible	\$100/200	\$100/200
• Annual Out of Pocket	\$2,000/\$4,000	\$3,000/\$6,000
• Office Visits/Specialists	\$15/25	\$20/35
• <u>Difference in Employee Rates (Monthly)</u>		
	(Current FY15)	(Proposed)
• Single	\$170 (\$130)	\$120
• Dual	\$612 (\$538)	\$507
• Family	\$1,040 (\$932)	\$883

Health Insurance Changes



- **Bottom Line...**
 - Key Advantage Expanded is the top plan, Key Advantage 250 is the second place plan.
 - Key Advantage 250 is still a very good option and a rich plan.
 - By moving to KA 250, the Employee will see a slightly reduced benefit; however, they will also see reduced monthly premiums.
 - Richmond County will experience a slight decrease in premiums as well.
 - **Key Advantage Expanded is no longer affordable for either the County or the Employee.**

Employee Raises



- The State of Virginia has proposed a 2% salary increase to all State Employees and State Supported Local Employees effective September 1, 2015.
- A 2% raise would cost Richmond County between \$60,000 and \$70,000.
- I have not recommended that Richmond County give a 2% raise this year.
- All of our State Supported Local Employees are paid a higher salary than required by the Compensation Board; therefore, we are not required to pass through the 2%.

Capital Improvement Plan



- I have recommended that the FY16 Budget include \$55,000 to be dedicated towards the CIP and future Capital needs.
- The CIP is something that the County has worked very diligently on over the past three years, and has funded only a small amount to date.
- These projects that have been vetted and placed on the CIP were done for good reason - either because they are severely needed, or are in need of future replacement.
- By failing to properly plan, it will only cost us more in the long term.

Increased Expenditures



EXPENSE	AMOUNT
VRS Year 4	\$12,000
EMS Retention Plan – Year 2	\$18,000
Sheriff’s Office Retention Plan	\$3,300
School Resource Officer Program	\$20,000
Debt Service Increase	\$18,000
Sheriff’s Vehicles	\$12,000
Capital Improvement Plan	\$55,000
Health Insurance	\$15,000
County Attorney	\$10,000
Misc. Expenditure Increases (Juv. Detention, Library, Etc.)	\$20,000

Decreased Revenue



Decrease	Amount
IDA Yearly Transfer	(\$75,000)
RCPS Carry Over Funds	(\$145,000)
EMS Billing Revenue	(\$20,000)
Interest on Deposits	(\$10,000)
Communications Tax	(\$8,000)
Misc. Revenue Decreases (Fines, Permits, Refunds, Etc.)	(\$20,000)

Recommendations for a Balanced FY16 Budget



- **\$.02/\$100 increase to the RE Tax = \$150,000**
 - \$.67/\$100 to \$.69/\$100
- **\$.25/\$100 increase to the PP Tax = \$145,000**
 - \$3.50/\$100 to \$3.75/\$100
- **\$150,000 cut in Local Funding to the Richmond County Public Schools**

Recommendations for a Balanced FY16 Budget



- Does not include 2% Raise for Employees
- Does not create any new positions
- Does not increase the Fund Balance position

- Does discontinue the use of carry over funds
- Does change insurance benefits
- Does include funding into the CIP
- Does increase both Personal Property Taxes and Real Estate taxes
 - First RE tax increase since FY12 and first PP tax increase in over 20 years.

Recommendations for a Balanced FY16 Budget



- **Effect of Real Estate Tax Increase**
 - \$100,000 residence
 - ✦ \$.67 = \$670/Year
 - ✦ \$.69 = \$690/Year + \$20.00
 - \$150,000 residence
 - ✦ \$.67 = \$1,005/Year
 - ✦ \$.69 = \$1,035/Year + \$30.00
 - \$200,000 residence
 - ✦ \$.67 = \$1,340/Year
 - ✦ \$.69 = \$1,380/Year + \$40.00
 - \$250,000 residence
 - ✦ \$.67 = \$1,675/Year
 - ✦ \$.69 = \$1,725/Year + \$50.00

Recommendations for a Balanced FY16 Budget



- **Effect of Personal Property Tax Increase**
 - **\$7,500 of Value**
 - ✦ $\$3.50 = \262.50
 - ✦ $\$3.75 = \281.25 + \$18.75
 - **\$15,000 of Value**
 - ✦ $\$3.50 = \525
 - ✦ $\$3.75 = \$562.$ + \$37.00
 - **\$25,000 of Value**
 - ✦ $\$3.50 = \875
 - ✦ $\$3.75 = \938 + \$63.00
 - **\$50,000 of Value**
 - ✦ $\$3.50 = \$1,750$
 - ✦ $\$3.75 = \$1,875$ + \$125.00
 - **\$100,000 of Value**
 - ✦ $\$3.50 = \$3,500$
 - ✦ $\$3.75 = \$3,750$ + \$250.00
 - **\$150,000 of Value**
 - ✦ $\$3.50 = \$5,250$
 - ✦ $\$3.75 = \$5,625$ + \$375.00

FY16 Projected Expenditures



Category	Approved FY15	Recommended FY16	Difference
• General Government	\$2,189,687	\$2,469,247	\$279,560
• Judicial Admin	\$635,411	\$643,162	\$7,751
• Public Safety	\$2,473,347	\$2,529,481	\$56,134
• Public Works	\$884,668	\$880,493	(\$4,175)
• Health and Welfare	\$2,305,809	\$2,371,266	\$65,457
• Education	\$13,822,828	\$14,056,112	\$233,284
• Parks/Rec/Culture	\$144,789	\$146,789	\$2,000
• Community Development	\$270,617	\$271,520	\$903
• Nondepartmental	\$79,063	\$84,317	\$5,754
• TOTAL	\$22,806,218	\$23,479,387	\$673,169

FY16 Projected Revenues



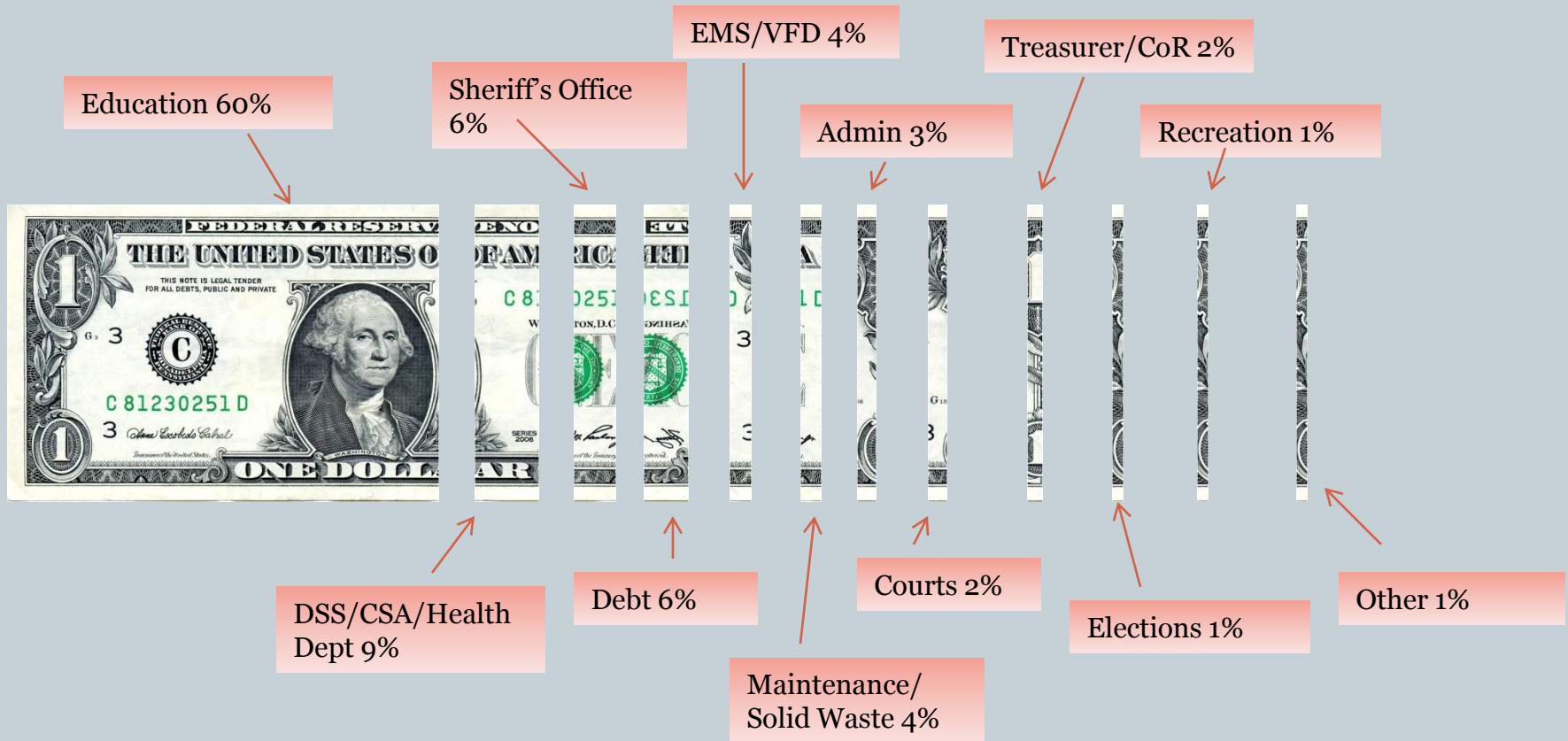
• <u>Category</u>	<u>Approved FY15</u>	<u>Recommended FY16</u>	<u>Difference</u>
• Local Sources	\$9,832,384	\$10,091,170	\$258,786
• State Sources	\$10,362,614	\$10,731,509	\$386,895
• Federal Sources	\$1,321,923	\$1,355,286	\$33,363
• <u>Non Rev/Transfers</u>	<u>\$1,291,293</u>	<u>\$1,301,422</u>	<u>\$10,129</u>
• TOTAL	\$22,808,214	\$23,479,387	\$671,173

How Are Your FY16 Tax Dollars Spent?



<u>Category of Service</u>	<u>Percentage</u>
• Education	60%
• Dept. of Social Services/CSA/Health Department/Other	9%
• Sheriff's Department	6%
• Debt Service	6%
• Dept. of Emergency Services/VFD/Other	4%
• Maintenance/Solid Waste	4%
• Admin/Building Inspections/Planning/Finance/IT	3%
• Richmond County Courts/Clerk/Comm. Attny.	3%
• Treasurer/Commissioner of Revenue	2%
• Elections	.75%
• Recreation	.75%
• Other	1%

How Are Your Tax Dollars Spent?



Where Does Our Revenue Come From?

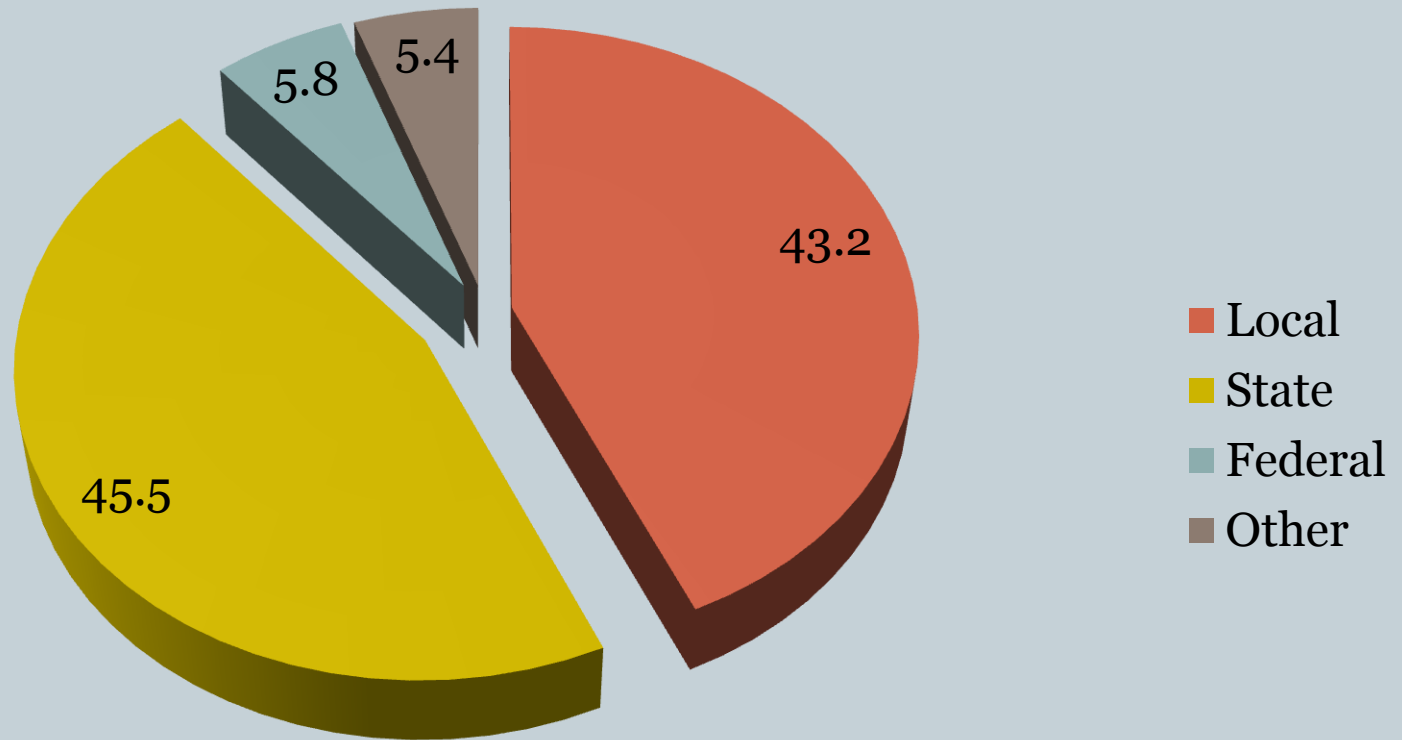


• Local Sources		
○ RE Tax	\$5,360,000	
○ PP Tax	\$1,526,000	
○ Local Sales Tax	\$1,250,000	
○ Misc and Recovered Costs	\$1,040,750	
○ Pub. Service Corp. Tax	\$415,000	
○ Other	\$410,820	
○ Permits/License/Fees/Etc	\$55,600	\$10,091,170 Total
• State Sources		
○ School Funding	\$7,694,856	
○ PPTRA Funding	\$803,954	
○ Other State Funding	\$1,659,849	
○ Public Assistance	\$572,850	\$10,731,509 Total
• Federal Sources		
○ School Funding	\$923,924	
○ Public Assistance	\$400,000	
○ Other Federal Funding	\$31,360	\$1,355,284 Total
○ <u>Other</u>	\$1,301,562	\$1,301,562 Total
• Total	\$23,479,387	\$23,479,387 Total

Where Does Our Revenue Come From?



Percentage



Recommended Budget Requests



Expense	Amount
Richmond County Public Library	\$2,000
Purchase of Vehicle for Animal Control (From CIP Money)	\$15,000
MP-NN CSB	\$1,500
Asst. Registrar Wages	\$1,000
Northern Neck Food Bank	\$1,000
The Haven	\$500

Budget Requests Not Recommended



Request	Amount
NN Soil and Water	\$5,000 Increase
General Registrar	\$6,000 Increase
Electoral Board	\$5,000 Increase
Health Department	\$14,194 Increase
Commonwealth's Attorney	\$70,000 Increase
NN Tourism Commission	\$3,000 Increase
NN-CB Regional Partnership	\$2,000 Increase
NN Food Bank	\$5,000 Increase
NN Free Health Clinic	\$14,577 Increase
Tappahannock Free Health Clinic	\$2,000 Increase
Menokin Foundation	\$750 Increase

Budget Requests Not Recommended



Request	Amount
Sheriff's Office	\$55,000 Increase
YMCA	\$10,000 Increase
RC Little League	\$5,000 Increase
RC Public Library	\$5,000 Increase
NN Community Services Board	\$4,365 Increase
Social Services	\$29,000 Increase
Rappahannock Community College	\$10,500 Increase

Key Budget Requests Not Recommended



- Approximately \$250,000 in Departmental funding requests not recommended for funding.
 - An additional Tax Increase of \$.035 would be required to fund all departmental requests.
 - Although funding requests were higher than revenues are able to fund, overall requests were down from the past few years.

Other Considerations?



- Increase to the Machinery and Tools Tax?
- CIP Funding?
- Further spending reductions?
- Greater Tax Increase?
- Lesser Tax Increase?
- Requests not recommended?
- Other Budget Scenarios to consider?

Remaining FY16 Budget Schedule



- Monday, March 30th @ 6PM
- Thursday, April 9th @ 1PM or 6PM
- Monday, April 13th @ 6PM
- Thursday, April 23rd @ 7PM (Proposed Public Hearing)
- Thursday, May 14th @ 7PM (Proposed Adoption)

Questions and Discussion

