



Finance Department
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TO: Board of Supervisors

FROM: Kris Tierney, County Administrator

DATE: January 22, 2019

SUBJECT: Budget update

During our last budget work session, the Board decided to advertise the reassessment at the current tax rate, which would generate an additional \$3.4 million in property tax revenue. The resulting allocation of the reassessment funds to the general fund is estimated at \$1.46 million. This amount, in addition to a local growth allocation of \$2.88 million, would provide a total of \$4.34 million in new revenue to the general fund to address the \$15 million in requests.

Attached is a brief listing of funding priorities and needed budget cuts that the general fund would experience based on the current tax rate of .61 and the revenue neutral rate of .58. Neither of these lists include any capital requests. Additional funding sources such as fund balance could be used for large capital projects such as the Albin Convenience site relocation. This could be done either during the budget process, or outside of the process as a supplemental appropriation.

In addition to fund balance funding, staff is proposing that we utilize the various contingency funds in the current fiscal year budget to fund those vehicles identified as eligible for immediate replacement in the adopted replacement policy. Staff would request that the Board authorize us to move forward with those replacements.

A cost of living adjustment and meaningful merit increase to our employees remain a priority of Administration.

It should be mentioned that while we have a 10 percent health insurance increase included in our operating costs, we anticipate the increase could be significantly higher based on this year's claim history.

Items for Possible Funding			
\$2.88 million (local tax economic growth only)		\$4.34 million (economic growth and reassessment)	
COLA/Merit	\$2,100,000	COLA/Merit	\$2,100,000
Health increase	\$700,000	Health increase	\$700,000
		9 SRO's	\$1,079,370
		Switch – IT	\$200,000
		2 positions – Soc. Svcs.	\$190,000
		(leaves \$73,000)	

OR

Items for Possible Funding			
\$2.88 million (local tax economic growth only)		\$4.34 million (economic growth and reassessment)	
COLA/Merit	\$2,100,000	COLA/Merit	\$2,100,000
Health increase	\$700,000	Health increase	\$700,000
		6 SRO's	\$719,580
		6 Firefighters	\$518,634
		Switch – IT	\$200,000
		Family Services Supr.	\$99,000

Items Not Being Funded	
\$2.88 million (local tax economic growth only)	\$4.34 million (economic growth and reassessment)
All 55 requested new positions	42 remaining new requested positions
All requested capital items	All requested capital items (except Switch)
All operating expense increases (except health increase)	Most operating expense increases (except health increase)