



FY 2019 COUNTY ADMINISTRATOR'S RECOMMENDED BUDGET

March 26, 2018

Bobbie H. Tassinari, County Administrator

ACCOMPLISHMENTS

FY 2018

- Refinanced three loans with a Present Value savings of \$436,817
- Within this refinancing process the County paid off portion of Wastewater debt in the amount of \$251,000 to clear the path for HRSD transfer
- The County also made the final payment on the 1995B debt service in the amount of \$113,300
- Successfully financed the Hamilton Holmes Middle School Expansion and Renovation Project
- The construction bid came in under the projected loan amount thus setting up the County and the Schools to strategically utilize the balance of funds

ACCOMPLISHMENTS

FY 2018

- New playground equipment is being installed at the County Park
- County continues to make progress in the drainage project at County Park to improve the usefulness of the grounds
- Resealed and restriped New Courthouse parking lot/road
- Replacing two HVAC units at Administration Building
- Procured six replacement vehicles for Sheriff's Office, Planning, Utilities and Social Services
- Assisted Mangohick VFR with additional capital funds for ambulance outfitting
- Procured ambulance, fire engine and water craft from WPVFR
- Procuring new ambulance and equipment through RSAF grant

FY 2019 REVENUE PROJECTIONS

- There is continued growth in both the residential and business areas
- County values have increased \$13,678,848 since last year's booked values
- The Town's values have increased \$2,001,131 within the same time period
- There continues to be ongoing construction in Kennington, McCauley Park, Central Crossing, King William Place, Fontainbleau Industrial Park, and other areas within the County

King William County Tax Levies

TAX RATES PER \$100 OF ASSESSED VALUES

	<u>School Fund</u>		<u>General Fund</u>		<u>Total Levy</u>	
Real Estate	\$ 0.50		\$ 0.40	=	\$ 0.90	No Change
Mobile Home	\$ 0.50		\$ 0.40	=	\$ 0.90	No Change
Mines and Minerals	\$ 0.50		\$ 0.40	=	\$ 0.90	No Change
Public Service Real Estate	\$ 0.50		\$ 0.40	=	\$ 0.90	No Change
Public Service Personal Property	\$ 2.00		\$ 1.65	=	\$ 3.65	No Change
Personal Property	\$ 2.00		\$ 1.65	=	\$ 3.65	No Change
Machinery & Tools	\$ 1.25		\$ 1.00	=	\$ 2.25	No Change
Aircraft	\$ 1.30		\$ 0.00	=	\$ 1.30	No Change

For property owners within the Town of West Point the levies will result in the following rates:

TAX RATES PER \$100 OF ASSESSED VALUES

		<u>General Fund</u>	
Real Estate	\$	0.40	No Change
Mobile Home	\$	0.40	No Change
Mines and Minerals	\$	0.40	No Change
Public Service Real Estate	\$	0.40	No Change
Public Service Personal Property	\$	1.65	No Change
Personal Property	\$	1.65	No Change
Machinery & Tools	\$	1.00	No Change
Aircraft	\$	\$1.30	No Change

FY 2019 REVENUE PROJECTIONS

PROJECTED GENERAL FUND REVENUE SUMMARY FY 2019 COUNTY ADMINISTRATOR'S RECOMMENDED BUDGET			
DESCRIPTION	FY18 ADOPTED	FY19 RECOMMENDED	FY18 TO FY19 PERCENTAGE CHANGE
REAL PROPERTY	\$ 12,013,445	\$ 12,551,200	4.3%
SALES TAX	\$ 1,230,000	\$ 1,286,400	4.4%
MEAL TAX	\$ 363,000	\$ 439,300	17.4%
MACHINERY AND TOOLS	\$ 1,552,000	\$ 1,648,300	5.8%
CONSUMER UTILITY	\$ 200,000	\$ 215,500	7.2%
PERMITS AND FEES	\$ 254,750	\$ 297,250	14.3%
OTHER	\$ 1,776,850	\$ 1,835,000	3.2%
PERSONALPROPERTY	\$ 2,711,500	\$ 3,205,800	15.4%
BUSINESS LICENSE	\$ 350,000	\$ 350,000	0.0%
FUND BALANCE	\$ 515,200	\$ 1,242,848*	58.5%
OTHER STATE AID	\$ 513,000	\$ 496,500	-3.3%
COMPENSATION BOARD	\$ 1,303,430	\$ 1,303,430	0.0%
PPTRA	\$ 1,204,000	\$ 1,204,131	0.0%
TOTAL	\$ 23,987,175	\$ 26,075,659	8.0%

**Incorporates General Fund Balance for Capital Items*

FY 2019 EXPENDITURE PROJECTIONS

PROJECTED GENERAL FUND EXPENDITURE SUMMARY FY 2019 COUNTY ADMINISTRATOR'S RECOMMENDED BUDGET			
DESCRIPTION	FY19		FY18 TO FY19
	FY18 ADOPTED	RECOMMENDED	
GENERAL GOVERNMENT	\$ 1,844,224	\$ 1,752,440	-5.2%
JUDICIAL ADMINISTRATION	\$ 680,066	\$ 700,558	2.9%
PUBLIC SAFETY	\$ 5,090,800	\$ 5,359,220	5.0%
PUBLIC WORKS	\$ 1,583,959	\$ 1,626,698	2.6%
HEALTH & WELFARE	\$ 897,218	\$ 742,466	-20.8%
PARKS, RECREATION & CULTURAL	\$ 626,456	\$ 654,808	4.3%
COMMUNITY DEVELOPMENT	\$ 561,456	\$ 595,027	5.6%
NON-DEPARTMENTAL	\$ 150,822	\$ 225,198	33.0%
CONTINGENCY	\$ 105,000	\$ 105,000	0.0%
EDUCATION	\$ 8,783,744	\$ 9,241,390	5.0%
TRANSFER TO WEST POINT CAPITAL/DEBT SERVICE (COUNTY & SCHOOLS)	\$ 383,015	\$ 449,554	14.8%
	\$ 3,280,415	\$ 4,623,300	29.0%
TOTAL	\$ 23,987,175	\$ 26,075,659	8.0%

Information to Consider

FY 2019 Budget

- County Departments operational activities comprise 28% of the recommended FY 2019 budget
- Funding of Regional Agreements is 13% of the recommended FY 2019 budget
- 40% of the FY 2019 recommended budget is directed toward external organizations
- The balance, or 19%, is directed toward capital, debt service, radio support and contingency funding
- To further breakdown the information just presented:
 - Salaries and Benefits for County departments comprise \$5,480,227 (75%) of the \$7,295,416 total budgeted
 - Debt service comprises 13% of the recommended FY 2019 budget
 - Capital requests comprise 4% of the recommend FY 2019 budget
 - KWCPS comprises 35% of the recommended FY 2019 budget

FY 2019 RECOMMENDED EXPENDITURES

- **Assessors Office:**

- One (1) Full-time Assessor's Position – Base Salary - \$65,000
- Paid Part-time Staff and/or Seasonal Part-time Staff As Needed - \$24,000
- Benefits - \$26,958
- Operational Costs - \$48,300

Total Annual Expenditure: \$164,258

- Funding mechanism – General Fund

FY 2019 RECOMMENDED EXPENDITURES

- **Fire & EMS Operations Department:**
 - Six (6) Fire Medics – Base Salary + OT - \$251,000
 - Paid Part-time Staff As Needed - \$10,080
 - Benefits - \$106,495
 - Operational Costs - \$44,449

Total Annual Expenditure: \$412,024

- Funding Mechanism – EMS Billing Revenue + General Fund

FY 2019 RECOMMENDED EXPENDITURES

- **Staffing Adjustments**

DEPARTMENT	POSITIONS IMPACTED	FUNDING SOURCE	DESCRIPTION
General Registrar Office	One (1) Full-time	General Fund Base Salary: \$30,910 Plus Benefits	Position will serve as Assistant Registrar (F/T) supporting the General Registrar. Existing P/T salary monies will be redistributed toward this new position.
Sheriff's Office/KWCPS	One (1) Full-time	General Fund Base Salary: \$35,000 Plus Benefits	Position will serve as School Resource Officer (SRO) F/T providing support to the HHMS, Cool Springs and Acquinton School Complex.
Parks and Recreation	One (1) Full-time – Reclassification of Existing Position	General Fund Adjustment to Current Base Salary: \$2,611	Existing position within the Parks and Recreation Department serving as F/T Recreation Assistant. Requesting position be reclassified to Recreation Specialist to address expanded role and program needs.
Regional Animal Shelter	One (1) Full-time – Reclassification of Existing Position	General Fund/K&Q Share of Program Costs/Donations/Fees Adjustment to Current Base Salary: \$5,503	Existing position within the Regional Animal Shelter serving as F/T Animal Care Technician. Requesting position be reclassified to Animal Care Technician/Office Assistant to address expanded role and program needs.
General District Court	Three (3) Full-time – Salary Supplement	General Fund Adjustment to Budget: \$12,066	Requesting salary supplement of 10% to address base salary levels of Court staff. Staff travel between King William and King & Queen counties.
Juvenile Domestic Relations District Court	Two (2) Full-time – Salary Supplement	General Fund and Reallocation of Current Budget Funds: \$6,524	Requesting salary supplement of 15% to address base salary levels of Court staff.

FY 2019 OPERATING HIGHLIGHTS

- Employee Benefits
 - Health insurance costs increasing 9.1% in FY 2019 (Changing coverage programs to help offset increase)
 - Virginia Retirement System (VRS) costs increasing from 8.11% to 8.484%
 - Group Life Insurance costs remaining level at 0.0131%
 - Worker's Compensation experience modifier dropped from 1.47 to 1.10%

FY 2019 OPERATING HIGHLIGHTS

- King William County Public Schools
 - Requested a \$797,646 increase in operational costs over FY 2018
 - Recommending remove the pay adjustment increase of \$340,000
 - Increase includes health insurance cost increase of \$254,590
 - New staffing request in academics and financial oversight
 - FY 2018 operational funding level of \$8,783,744 as compared to \$9,241,390 for FY 2019

FY 2019 CAPITAL IMPROVEMENTS

○ *Deferred Maintenance*

- Carpet Replacement at Administration Building – Phase I \$30,000
- Resealing & Restriping Parking Lots \$20,000
(McAllister Building & VJCCCA Building)
- HVAC Replacement \$55,000
(McAllister Building)
- General Repairs and Replacement at Historical Buildings \$86,261
(HVAC, Sealing & Repair of Museum Basement, Plumbing, Plaster and Painting, etc.)
- Fontainbleu Well and Pump House \$550,000
- Project for Drainage Issues at New Courthouse and McAlister Building \$20,000

○ *Fleet Replacement*

- Sheriff's Office – Two vehicles \$60,000
- Maintenance Division – One vehicle \$25,000
- Assessor's Office – One vehicle \$25,000
- Building Department – One vehicle \$25,000

FY 2019 CAPITAL IMPROVEMENTS

- *Fire and Emergency Services*

- Emergency Services/Fire Equipment Misc. \$30,000
- KVVFR Emergency Services/Fire Equipment \$30,000
- Mangohick VFR Emergency Services/Fire Equipment \$30,000
- WPVFR Emergency Services/Fire Equipment \$30,000

- *Information Technology*

- Server, Router, Peripheral Equipment \$60,000

- *Special Requests*

- Voting Machines (Year 4 of 5) \$22,200
- Regional Animal Shelter Isolation Room \$25,000

TOTAL RECOMMENDED CAPITAL EXPENDITURES

\$1,123,461

Options to Consider as we Move Forward in the Budget Process

Utilize General Fund Balance to better position the County through a **two-pronged approach**

1. Utilize \$3 million of General Fund Balance and additional funding from HHMS Bond Savings to reduce annual debt service up to \$1.1 million
2. Utilize \$2 million of General Fund Balance to commit to the Capital Fund as part of a “good faith” approach to address future economic development, infrastructure, and business development within the County. The Economic Development Authority and the Board of Supervisors working together can develop a strategic approach for the use of these funds as business opportunities arise

GENERAL FUND BALANCE

- King William County currently has \$10 million in unassigned general fund balance
- The General Fund Balance is not a “slush” fund but rather an opportunity for the County to reinvest back into the community without taking on additional long term debt
- These funds are also an opportunity for the County to reposition itself financially
- The Government Finance Officers Association (GFOA) recommends as a reserve **no less** than 2 months of regular general fund operating revenues or regular general fund operating expenditures.
 - Two months of revenue/expenditure would equate to \$4,333,333 or 16.67% of the overall budget
 - With the current level of General Fund Balance the County has approximately 38.5% capacity or 4 ½ months of operational funding

DEBT SERVICE

- Debt service will comprise 13% of the FY 2019 projected budget
- In FY 2019 two loans will be paid off in the amount of \$293,393
- If Loan 2002B VPSA were to be paid off early the cost would be \$2,015,645
- If Loan 2002A VPSA were to be paid off early the cost would be \$1,877,673
- Utilizing \$3 million of the General Fund Balance and approximately \$1 million of the HHMS bond savings to pay off these long term debts would reduce the County's annual debt service from \$3,499,839 to \$2,372,288

CAPITAL INVESTMENT

- But to make this investment worthwhile the County should consider a two pronged approach by dedicating \$2 million of the General Fund Balance to capital improvements
- The County and the EDA are working toward a strategy for managed economic development
- Designating these funds within the Capital Plan as future investments in infrastructure and growth sends the message that the County is committed to business development

IMPORTANT DATES

- April 2 – Budget and Tax Rate Public Hearing
(7:00 PM – Board Room)
- April 9 – Budget Work Session Meeting
(7:00 PM – Board Room)
- April 13 – Budget Work Session Meeting
(9:00 AM – 4:00 PM – Board Room)
- April 23 – Adoption of FY2019 Budget
(7:00 PM – Board Room)

Thank You