



Shenandoah County

County Administrator's Presentation

Fiscal Year 2017 Proposed Budget

Tuesday, February 23, 2016

Agenda

- Fiscal Year 2015 Financial Highlights
- Fiscal Year 2017 Proposed Budget
 - Fiscal Year 2017 Proposed Expenditures
 - FY 2017-2021 Capital Improvement Program (CIP)
 - Fiscal Year 2017 Proposed Revenues



Award for Excellence in Financial Reporting

Shenandoah County received the
Government Finance Officers' Association
(GFOA) Award for Excellence in Financial
Reporting for its
Fiscal Years 2012, 2013 and 2014
Comprehensive Annual Financial Report (CAFR)



FY 2015 Financial Highlights

- General Fund Budgeted Expenditures underspent by \$218,879
- General Fund Actual Revenues outpaced Budgeted Revenues by \$361,982
- Fund Balance of the General Fund increased by \$375,311
- Debt Service decreased by \$3,969,466
- \$22.9 million or 45.4% of General Fund Expenditures for Education
- \$13.8 million or 25.2% of General Fund Expenditures for Public Safety

Administrative Budget Team

- An Administrative Budget Team was formed to review all fiscal year 2017 departmental budgetary requests
- The Administrative Budget Team was comprised of the following staff members:
 - Mandy Belyea, Director of Finance
 - Cindy George, Treasurer
 - Evan Vass, Assistant County Administrator
 - Mary T. Price, County Administrator



Key Dates in Budget Process

- Fiscal Year 2017 Budget Kick-Off meeting held in November 2015
- Departmental budget requests due in December 2015
- Administrative Budget Team meetings held in January 2016
 - Budget deliberations among the Administrative Budget Team
- FY 2017 Proposed Budget presented by County Administrator on February 23, 2016
 - FY 2017-2021 Capital Improvement Program (CIP) summary presented along with the FY 2017 Proposed Budget
 - Director of Finance to present CIP detail at Budget Work Session on March 1, 2016
- Budget Work Sessions to be held with Board of Supervisors during the months of March and April 2016
- Public Hearing for public commentary on April 7, 2016
- Adoption of FY 2017 Budget and Tax Rate on April 19, 2016



FY 2017 Expenditure Requests

Expenditure Requests total

\$75,343,105

Represents an increase of \$12,624,702
over the FY 2016 Adopted Budget of
\$62,718,402

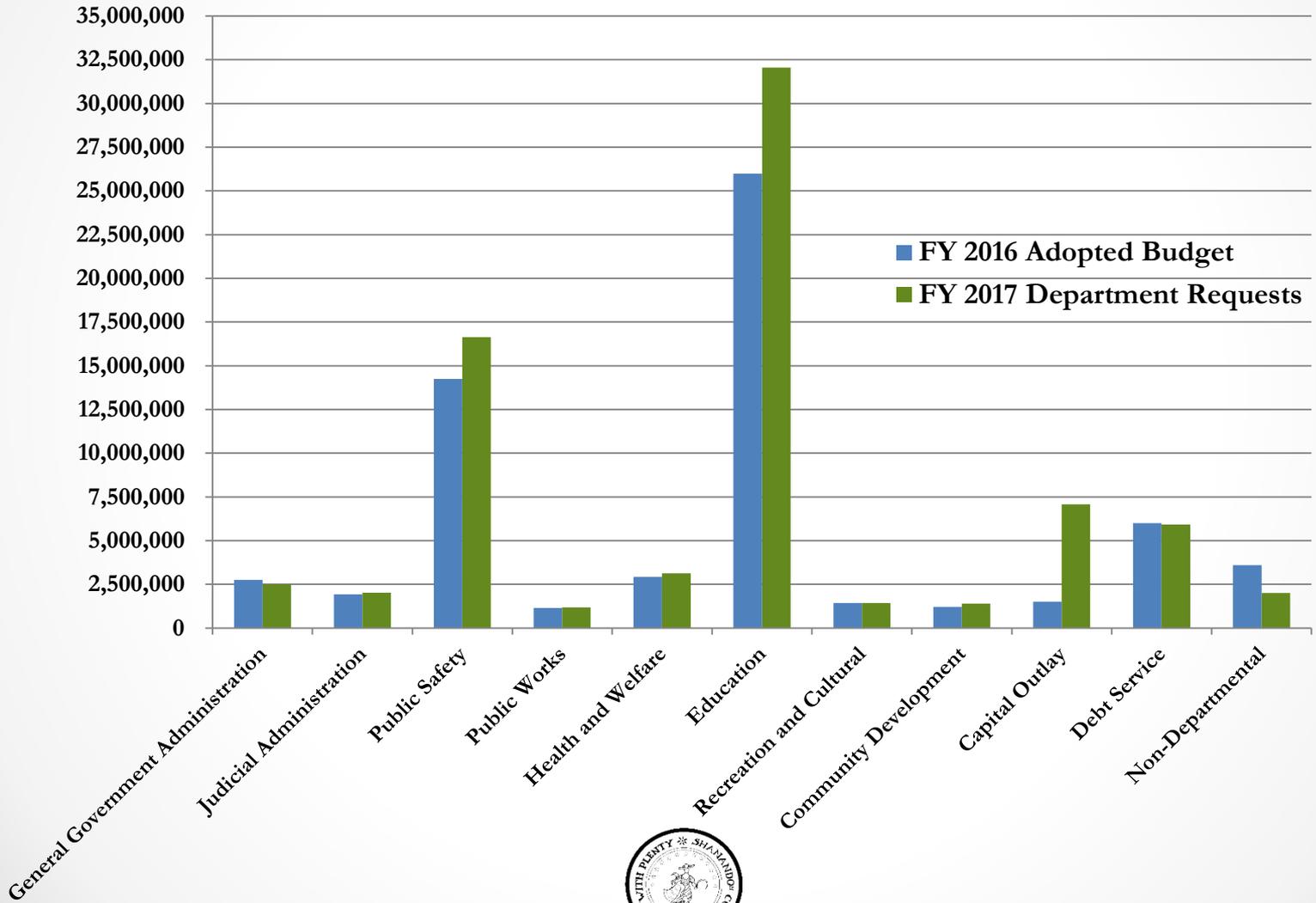


FY 2017 Expenditure Requests

	FY 2016 Adopted Budget	FY 2017 Department Requests	\$ Increase (Decrease)	% Increase (Decrease)
<u>GENERAL FUND EXPENDITURES:</u>				
General Government Administration	2,749,976	2,510,317	(239,659)	-8.71%
Judicial Administration	1,929,240	2,027,404	98,164	5.09%
Public Safety	14,245,060	16,626,657	2,381,597	16.72%
Public Works	1,148,368	1,178,178	29,810	2.60%
Health and Welfare	2,929,212	3,130,375	201,163	6.87%
Education	25,987,881	32,048,875	6,060,994	23.32%
Recreation and Cultural	1,430,993	1,433,836	2,843	0.20%
Community Development	1,206,364	1,395,530	189,166	15.68%
Capital Outlay	1,500,207	7,066,991	5,566,784	371.07%
Debt Service	5,997,660	5,922,577	(75,083)	-1.25%
Non-Departmental	3,593,441	2,002,365	(1,591,076)	-44.28%
TOTAL GENERAL FUND EXPENDITURES:	62,718,402	75,343,105	12,624,702	20.13%



FY 2017 Expenditure Requests



FY 2017 Expenditure Requests

Expenditure Requests were reduced
by **\$4,188,301** million

Proposed Expenditures total
\$71,154,804

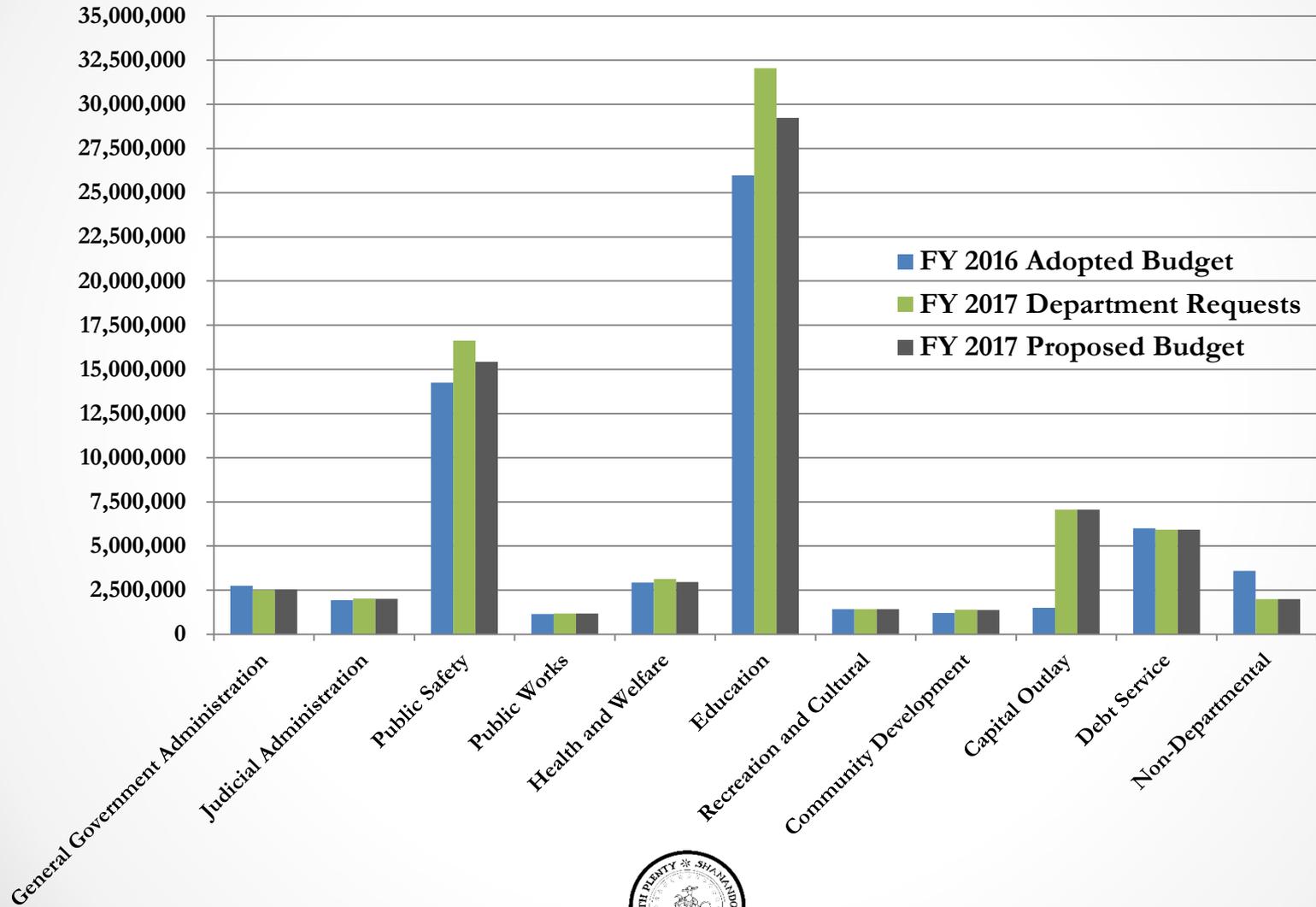


FY 2017 Expenditure Requests and Recommendations

	FY 2016 Adopted Budget	FY 2017 Department Requests	FY 2017 Proposed Budget	\$ Increase (Decrease)	% Increase (Decrease)
<u>GENERAL FUND EXPENDITURES:</u>					
General Government Administration	2,749,976	2,510,317	2,539,146	(210,830)	-7.67%
Judicial Administration	1,929,240	2,027,404	2,014,734	85,494	4.43%
Public Safety	14,245,060	16,626,657	15,431,819	1,186,759	8.33%
Public Works	1,148,368	1,178,178	1,176,598	28,230	2.46%
Health and Welfare	2,929,212	3,130,375	2,957,304	28,092	0.96%
Education	25,987,881	32,048,875	29,232,187	3,244,306	12.48%
Recreation and Cultural	1,430,993	1,433,836	1,429,856	(1,137)	-0.08%
Community Development	1,206,364	1,395,530	1,381,227	174,863	14.50%
Capital Outlay	1,500,207	7,066,991	7,066,991	5,566,784	371.07%
Debt Service	5,997,660	5,922,577	5,922,577	(75,083)	-1.25%
Non-Departmental	3,593,441	2,002,365	2,002,365	(1,591,076)	-44.28%
TOTAL GENERAL FUND EXPENDITURES:	62,718,402	75,343,105	71,154,804	8,436,402	13.45%

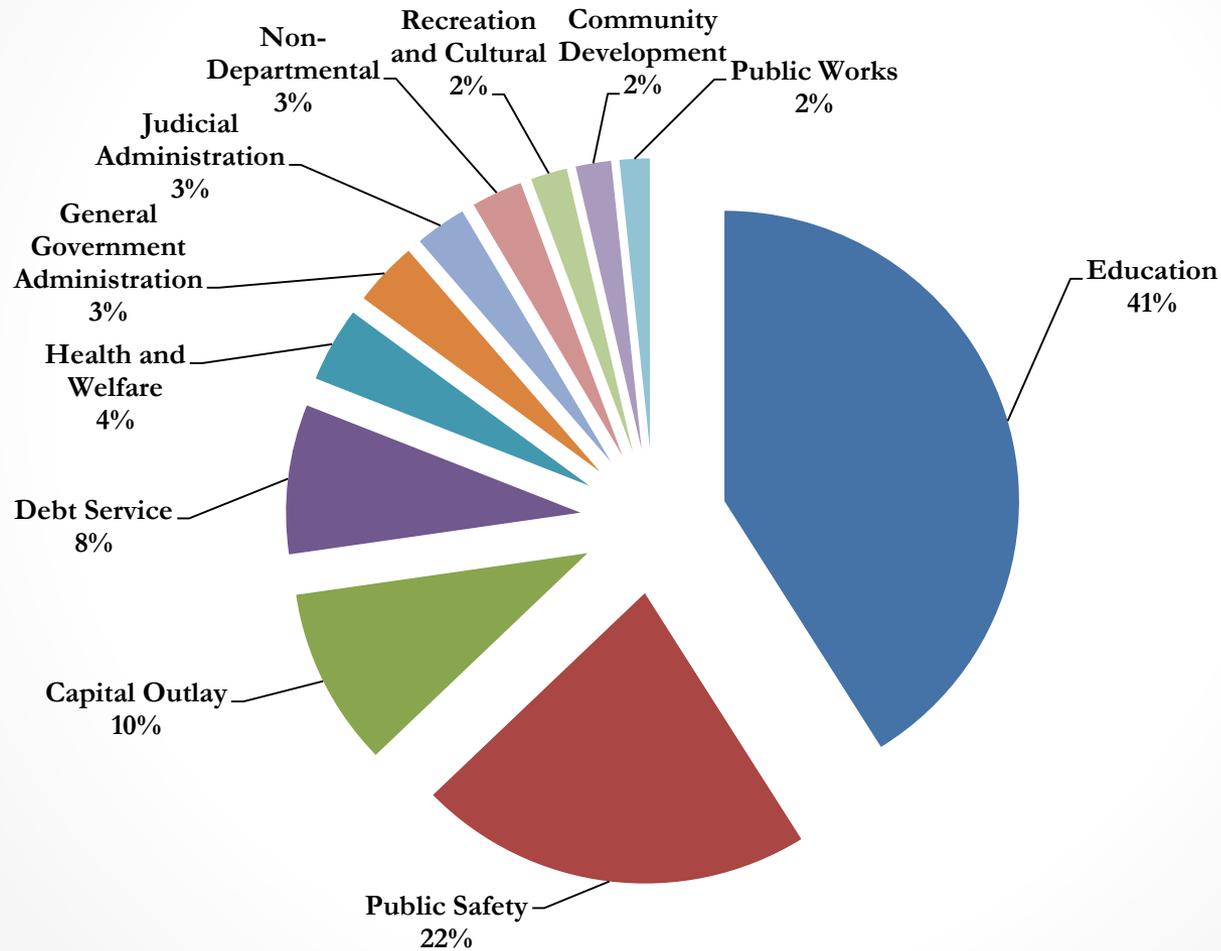


FY 2017 Proposed Expenditures



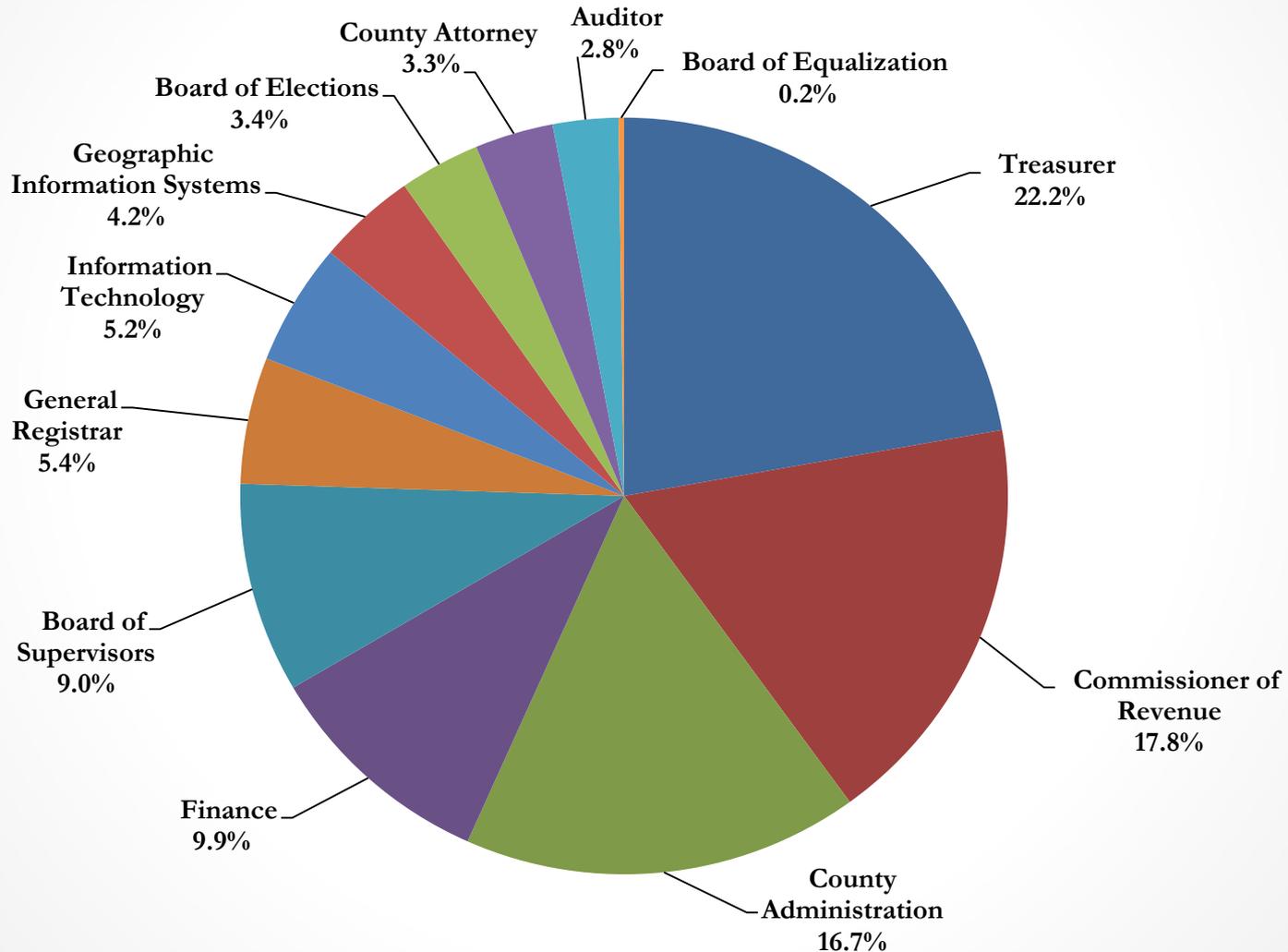
FY 2017 Proposed Expenditures

Proposed Expenditures - \$71,154,804



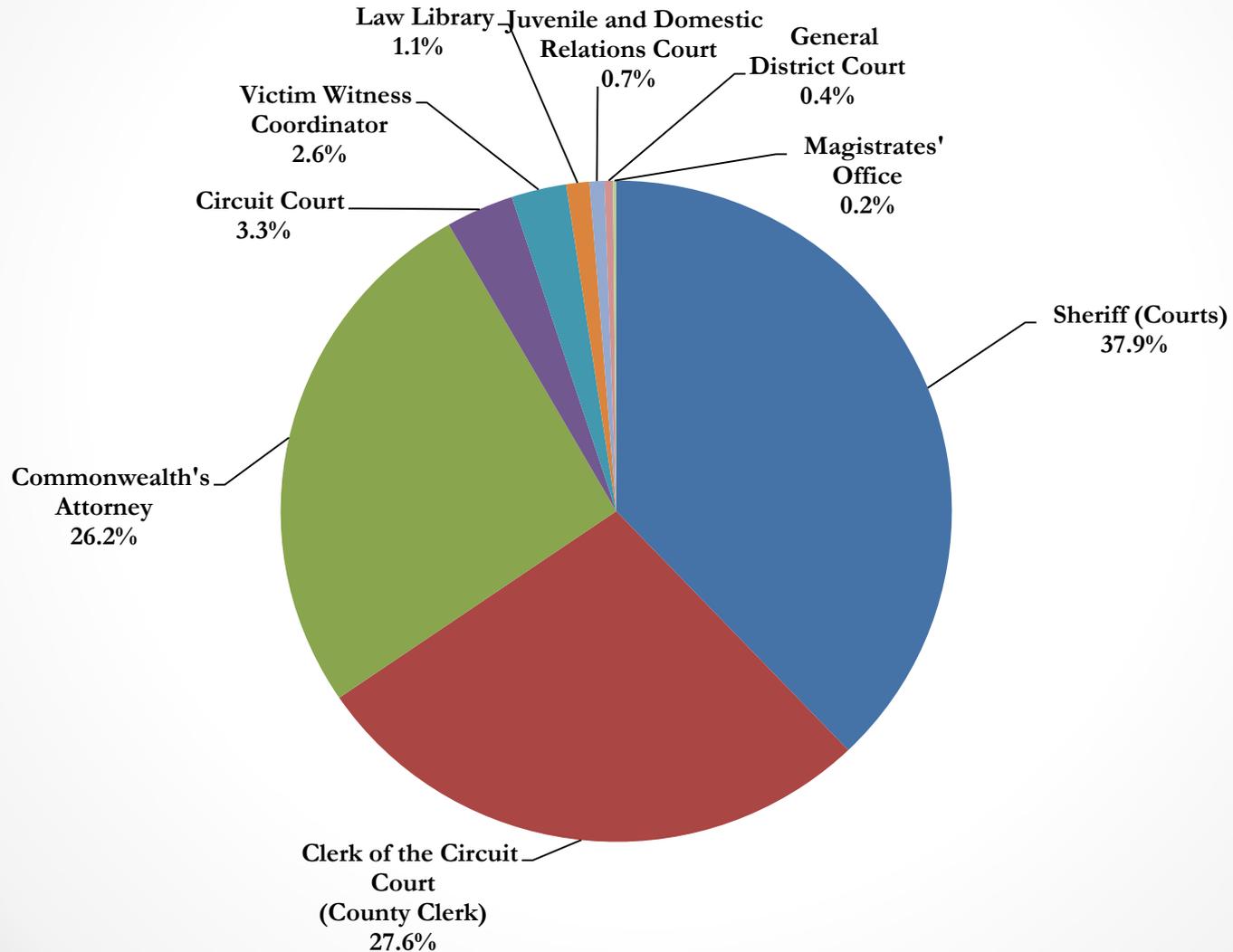
FY 2017 Proposed Expenditures

General Government Administration - \$2,539,146



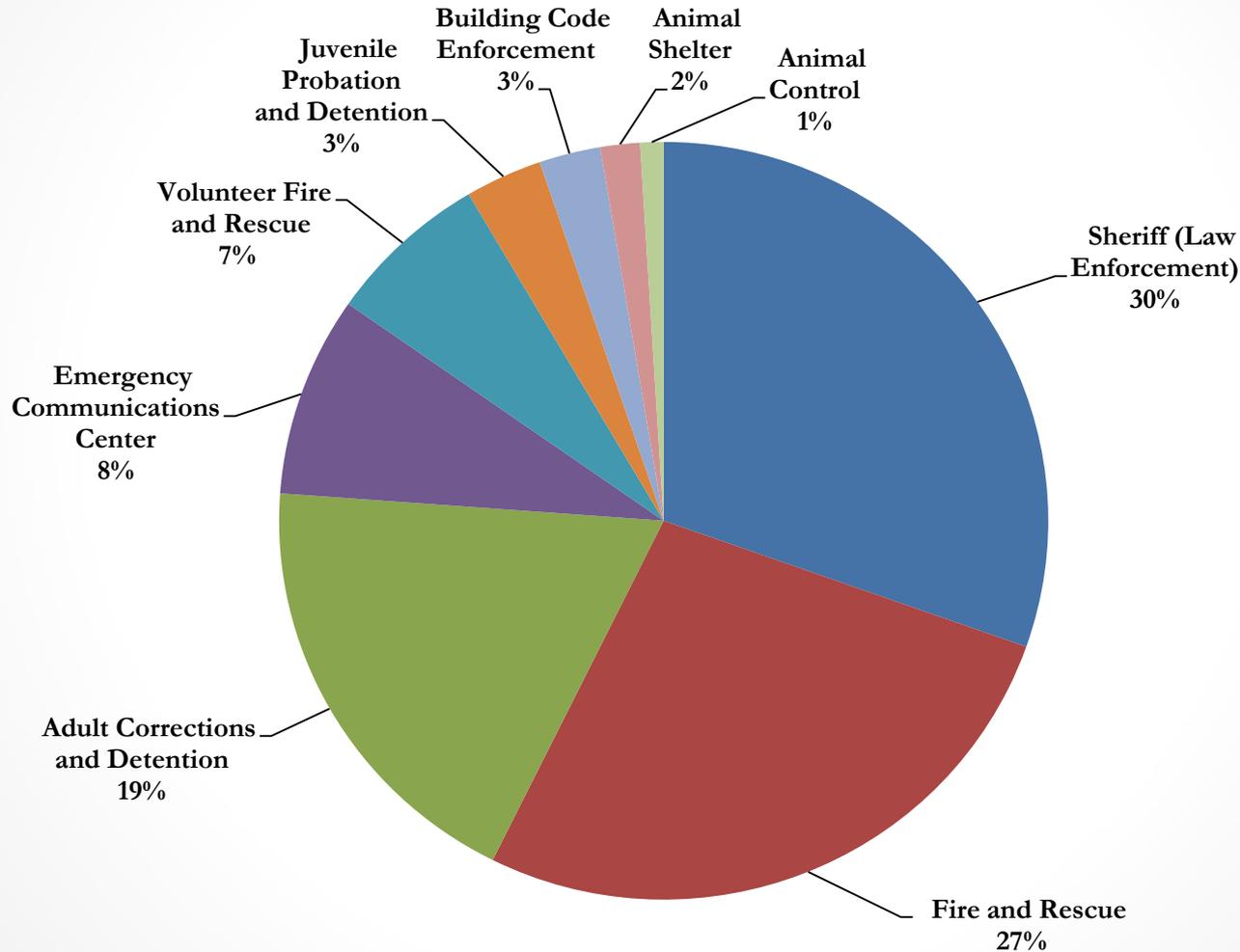
FY 2017 Proposed Expenditures

Judicial Administration - \$2,014,734



FY 2017 Proposed Expenditures

Public Safety - \$15,431,819



FY 2017 New Personnel Requests

- Sheriff's Department
 - Courts/Civil Process:
 - One (1) Civil Process Deputy (*Part-Time to Full-Time*)
 - Law Enforcement:
 - Two (2) Full-Time Law Enforcement personnel
 - One (1) Full-Time Narcotics Investigator
 - Triple-time holiday compensation for sworn staff
 - Part-Time Criminal Investigator
 - *Increase in Part-Time Wages*
 - Animal Control:
 - Part-Time Animal Control Officer



FY 2017 New Personnel Requests, cont.

- Fire & Rescue

- Two (2) additional Full-Time Firefighter/EMTs for Orkney Springs Volunteer Fire & Rescue
- Seven (7) Full-Time Firefighter/EMT's for Conicville Volunteer Fire & Rescue
- Assistant Fire Marshal (Captain)
- Training Assistant (Captain)
- Increase in Advanced Life Support (ALS) Compensation
 - *Enhanced (from \$1,000 to \$3,000), Intermediate (from \$2,000 to \$5,000), and Paramedic (from \$3,000 to \$6,000)*
- Add a Master Firefighter/EMT classification
 - *Five current staff*



FY 2017 New Personnel Requests, cont.

- Animal Shelter
 - Full-Time Animal Caretaker
- Department of Emergency Communications
 - Four (4) Full-Time Communication Officers
 - One additional per shift
- Comprehensive Services Act Coordinator
 - Part-Time to Full-Time
- Social Services
 - Full-Time Benefit Program Specialist for Medicaid Services
- Solid Waste - Refuse Disposal
 - Reclassify Laborer (Grade 7) to Equipment Operator (Grade 13)



FY 2017 New Personnel Requests, cont.

Department	Status	Position	Total Salaries and Benefits Costs	Salaries and Benefits Costs to County (<i>net</i>)
Courts	FT	Civil Process (<i>currently PT status</i>)	56,390	12,490
Law Enforcement	FT	Narcotics Investigator	57,400	57,400
Law Enforcement	FT	Two (2) Sheriff's Deputies	99,395	99,395
Law Enforcement	PT	Criminal Investigator	37,800	37,800
Law Enforcement	--	Holiday Compensation	85,330	85,330
Animal Control	PT	Animal Control Officer	29,450	29,450
Fire and Rescue	FT	Nine (9) Firefighters/EMTs	482,940	482,940
Fire and Rescue	FT	Assistant Fire Marshall (Captain)	57,780	57,780
Fire and Rescue	FT	Training Assistant (Captain)	57,780	57,780
Fire and Rescue	--	Five (5) Master Firefighters/EMTs	16,400	16,400
Fire and Rescue	--	Increased ALS Compensation	119,000	70,000
Animal Shelter	FT	Animal Caretaker	35,700	35,700
Emergency Communications	FT	Four (4) Communications Officers	166,100	166,100
CSA	FT	CSA Coordinator (<i>currently PT status</i>)	59,100	32,315
Social Services	FT	Benefit Program Specialist	52,000	52,000
Refuse Disposal	--	Reclassification of Equipment Operator	4,920	4,920
TOTAL REQUESTED NEW PERSONNEL:			\$1,417,485	\$1,297,800



FY 2017 New Personnel Recommendations

- Sheriff's Department
 - Courts/Civil Process:
 - One (1) Civil Process Deputy (*Part-Time to Full-Time*)
 - Note that approximately \$32,400 is currently paid by the State Compensation Board
 - Law Enforcement:
 - One (1) Full-Time Narcotics Investigator
- Fire & Rescue
 - Two (2) additional Full-Time Firefighter/EMTs for Orkney Springs Volunteer Fire & Rescue
 - Provides for 24/7 coverage
 - Three (3) Full-Time Firefighter/EMT's for Conicville Volunteer Fire & Rescue
 - Provides for daylight coverage (10-hours, five days per week)



FY 2017 New Personnel Recommendations, cont.

- Fire & Rescue, cont.
 - Increase in Advanced Life Support (ALS) Compensation
 - *Enhanced (\$2,000), Intermediate (\$3,000), and Paramedic (\$4,000)*
- Comprehensive Services Act (CSA) Coordinator
 - Part-Time to Full-Time
 - Reduction in CSA funds
 - *No net increase in CSA budget*
- Solid Waste - Refuse Disposal
 - Reclassify Laborer (Grade 7) to Equipment Operator (Grade 13)



FY 2017 New Personnel Recommendations, cont.

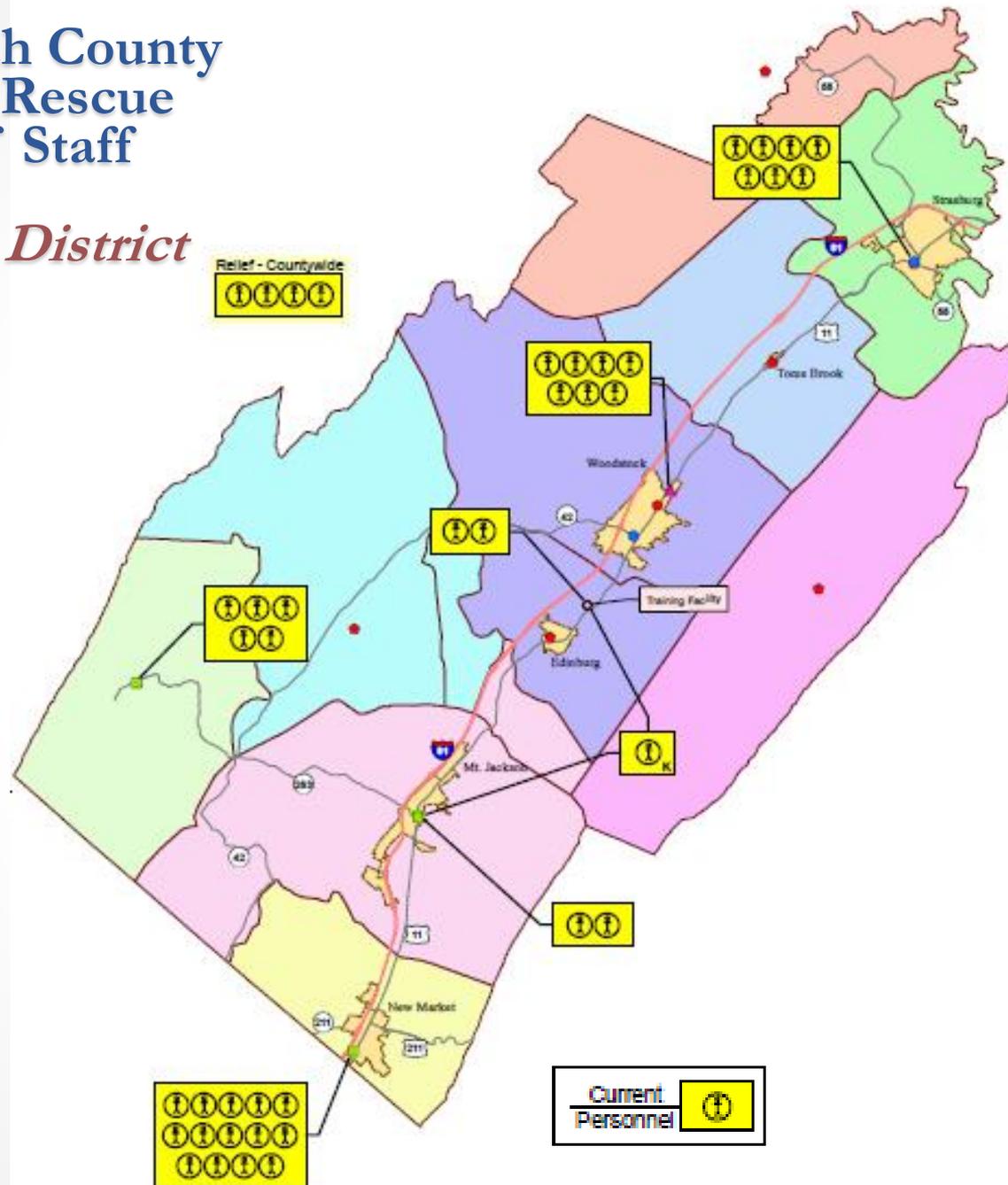
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Courts	FT	Civil Process (<i>currently PT status</i>)	56,390	12,490
Law Enforcement	FT	Narcotics Investigator	57,400	57,400
Law Enforcement	PF	Two (2) Sheriff's Deputies	99,395	99,395
Law Enforcement	PF	Criminal Investigator	37,800	37,800
Law Enforcement	--	Holiday Compensation	85,330	85,330
Animal Control	PF	Animal Control Officer	29,450	29,450
Fire and Rescue	FT	Five (5) Firefighters/EMTs	278,650	278,650
Fire and Rescue	PF	Assistant Fire Marshall (Captain)	57,780	57,780
Fire and Rescue	PF	Training Assistant (Captain)	57,780	57,780
Fire and Rescue	--	Five (5) Master Firefighters/EMTs	16,400	16,400
Fire and Rescue	--	Increased ALS Compensation	77,000	28,000
Animal Shelter	PF	Animal Caretaker	35,700	35,700
Emergency Communications	PF	Four (4) Communications Officers	166,100	166,100
CSA	FT	CSA Coordinator (<i>currently PT status</i>)	59,100	32,315
Social Services	PF	Benefit Program Specialist	52,000	52,000
Refuse Disposal	--	Reclassification of Equipment Operator	4,920	4,920

TOTAL RECOMMENDED NEW PERSONNEL: \$533,460 \$413,775



Shenandoah County Fire and Rescue Map of Staff

Per EMS District



FY 2017 Personnel Recommendations, cont.

- Cost of Living Adjustments (COLA)
 - Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) resulted in no increase in Social Security benefits for calendar year 2016
 - CPI is calculated on a monthly basis by the Bureau of Labor Statistics
 - No COLA included in the FY 2017 Proposed Budget
 - No Merit Increase included in the FY 2017 Proposed Budget



FY 2017 Personnel Recommendations, cont.

- Proposed “One-time” Bonus for Performance
 - Successful over the past two years to include a performance-based merit pay increase for county employees and employees on the county pay scale
 - Important to award employees for performance based on their calendar year evaluation
 - Include a “one-time” bonus for performance as part of the annual employee evaluation process
 - Effective January 1, 2017 and would not affect ongoing salary, pay scale or retirement compensation



FY 2017 Personnel Recommendations, cont.

- Proposed “one-time” bonus for performance impact to FY 2017 proposed budget:

Bonus	Employees	Bonus Amount
\$1,000	163	\$163,000
\$750	163	\$122,250
\$500	163	\$81,500



FY 2017 Personnel Recommendations, cont.

- One-Time Bonus requires public notice
- *§ 15.2-1508. Bonuses for employees of local governments. Notwithstanding any contrary provision of law, general or special, the governing body of any locality may provide for payment of monetary bonuses to its officers and employees. The payment of a bonus shall be authorized by ordinance.*
- An ordinance requires public notice by the local governing body



FY 2017 Personnel Recommendations, cont.

- State-Supported Local Employee Pay Increases
 - Included in the Governor's recommended Budget for FY 2017 is salary compensation for Sheriff's and Regional Jails
 - Proposal includes \$80 for each full year of service, up to a maximum of thirty years
 - Effective January 1, 2017 for sworn deputies and regional jail officers with three or more years of continuous service
 - Proposal includes \$65 for each full year of service, up to a maximum of thirty years for all non-sworn employees of sheriffs and regional jails
 - Proposal is to address salary compression



Health Insurance Rate Trends

- The County has experienced favorable health insurance rate trends over the last six fiscal years:
 - Fiscal Year 2012: 0.00% Increase
 - Fiscal Year 2013: 1.44% Increase
 - Fiscal Year 2014: 2.03% Increase
 - Fiscal Year 2015: 1.99% Increase
 - Fiscal Year 2016: 3.00% Increase
 - **Fiscal Year 2017: NO INCREASE**
- Any increases or decreases experienced in the fiscal year 2017 budget relate to changes in the selection of coverage (e.g., single, dual or family)



Other Employee Fringe Benefits

- The County's Virginia Retirement System (VRS) rate decreased from 11.59% to 9.71% of covered payroll
- The County's Group Life Insurance rate (through VRS) increased from 0.48% to 0.52% of covered payroll
- The unemployment tax rate decreased from 0.92% to 0.50% (of first \$8,000 of wages)



Change in Re-appropriations

- Both revenues and expenditures may show slight increases as we attempt to reduce the number of re-appropriation requests presented to the BOS on a quarterly basis
- These items include grants and other reimbursements for which we can reasonably anticipate and estimate

Treasurer	Credit Card Convenience Fee (3-100-1501-0002)	Bank Service Charges (4-100-12410-5897)	7,849.94	Convenience fees associated with online payments for the months of October, November, and December
		Total Treasurer	7,849.94	



Increase in Fire and Rescue Volunteer Contributions

- As requested by the Volunteer F&R Association, the FY 2017 Proposed Budget includes an increase in monetary support of \$2,000 per volunteer company
 - This totals \$535,000 and represents an increase of \$25,000 over the \$510,000 FY 2016 Adopted Budget
- The Volunteer Association also requested an additional increase of \$2,000 per company in repairs and maintenance that is not included in the FY 2017 Proposed Budget



School Resource Officers Expenditures

FY 2017 Costs to County are \$120,000

School Resource Officer Startup FY 2013		
Asset Forfeiture	County	Fiscal Year
80%	20%	FY 2014
60%	40%	FY 2015
50%	50%	FY 2016
40%	60%	FY 2017
20%	80%	FY 2018



RSW Regional Jail

- The County makes quarterly payments to the RSW Regional Jail, which includes contributions to both operations and debt service
- Shenandoah County's share is currently 32.38% for Fiscal Year 2016
 - Shenandoah County's average daily population (ADP) is trending at approximately 36 percent of total ADP for the first six months of FY 2016
 - The RSW Regional Jail Authority is beginning the development of its FY 2017 budget this month
 - Contributions may change from the amount in the County's FY 2017 Proposed Budget based on the ADP and the FY 2017 RSW Regional Jail Budget
- Shenandoah County's share of the RSW Regional Jail debt service is slated to increase from \$994,023 in Fiscal Year 2016 to \$1,081,579 in Fiscal Year 2017 (based on an estimated 36% share)



RSW Regional Jail

- As part of their *Pro Forma Financial Model Update* presented to the RSW Regional Jail Authority on November 21, 2013, Davenport & Company recommended the following tax increases for Shenandoah County to support the costs of the regional facility:

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Estimated Shenandoah Net Per Diem Tax Impact									
Authority Cash Flow Before Per Diems Net of Local Jail Budget	n/a	n/a	(222,754)	(1,075,879)	(1,319,440)	(1,338,001)	(1,358,756)	(1,378,024)	(1,398,897)
2014 Value of 1¢	n/a	443,000	443,000	443,000	443,000	443,000	443,000	443,000	443,000
Total Tax Equivalent	n/a	n/a	0.5¢	2.4¢	3.0¢	3.0¢	3.1¢	3.1¢	3.2¢
Annual Incremental Tax Impact	n/a	n/a	0.5¢	1.9¢	0.5¢	0.0¢	0.0¢	0.0¢	0.0¢

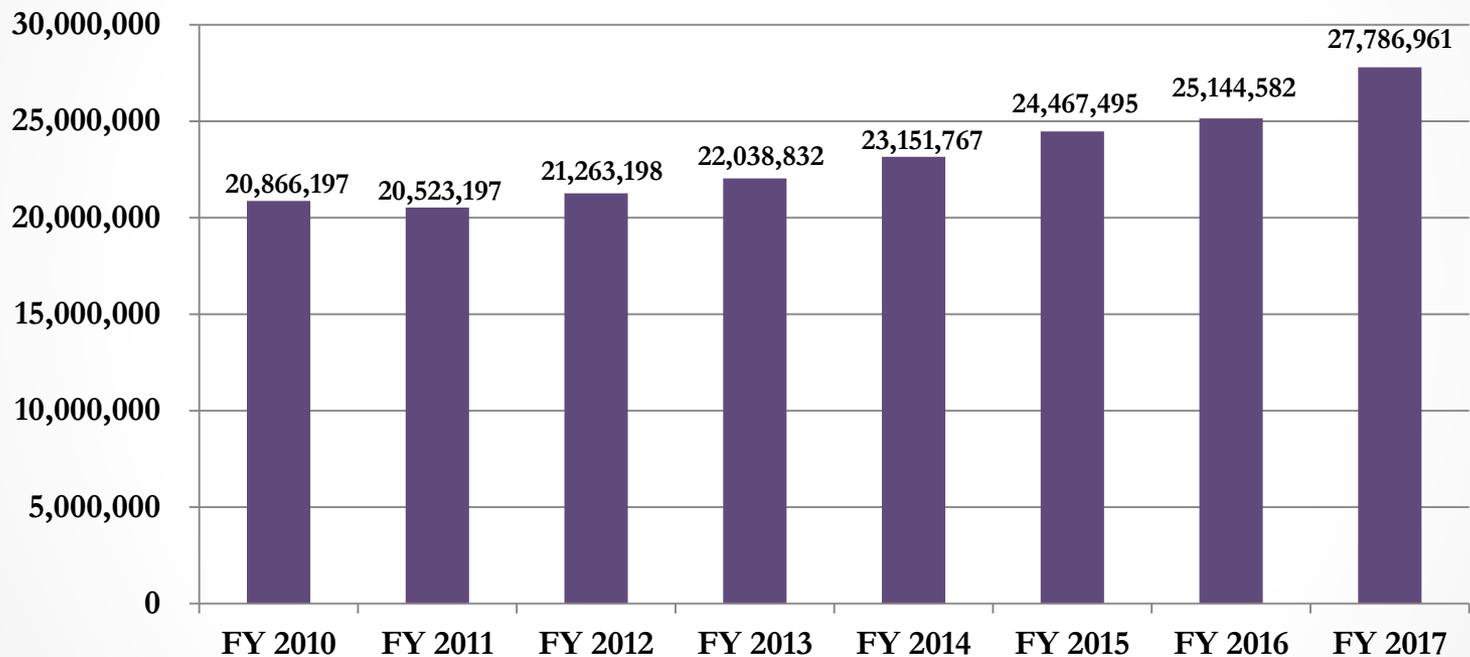
Fiscal Year 2015 required a half-cent tax increase

Fiscal Years 2016 and 2017 require a two-cent and a half-cent tax increase, respectively



Shenandoah County Public Schools

Budgeted Local Funding to SCPS*



*Exclusive of capital improvement project funding



FY 2017 Capital Expenditures

Capital Project Description	Department	Total Project Cost	Average Ranked Scores
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GENERAL FUND - FACILITIES AND MAINTENANCE PROJECTS

Radio Upgrade Project – Phase 1	Emergency Communications	100,000	34.00
Handicap Push Buttons – Gov’t Center	General Properties	5,128	32.00
Sheriff's Office Facilities	Sheriff (Law Enforcement)	6,000,000	26.00
County Farm Outbuildings Repairs	General Properties	<u>15,000</u>	15.00

Fiscal Year 2017 General Fund Facilities and Maintenance Total \$6,120,128

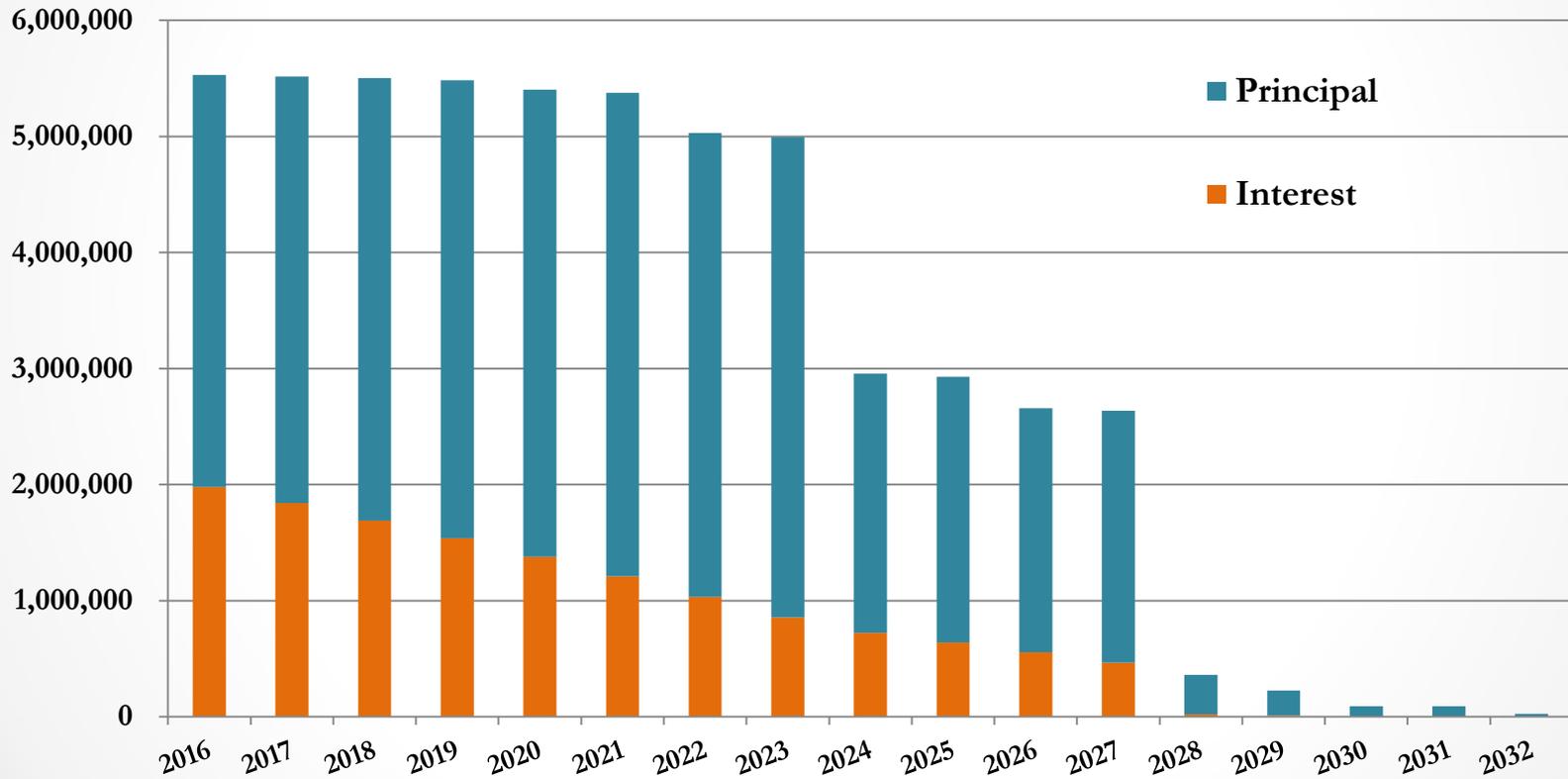


FY 2017 Capital Expenditures

Capital Project Description	Department	Total Project Cost	Average Ranked Scores
GENERAL FUND - VEHICLE AND EQUIPMENT PROJECTS			
Two (2) Roll-Off Trucks	Solid Waste – Refuse Collection	291,000	37.00
Ambulance Replacement	Fire and Rescue	250,000	36.00
Six (6) Patrol Vehicles	Sheriff’s Department	310,644	33.00
Welding/Maintenance Truck	Solid Waste – Refuse Disposal	55,000	33.00
Aeration No. 2 Mixer	North Fork Wastewater Treatment Facility	11,500	33.00
Inspection Vehicle	Building Code Enforcement	21,800	32.00
Personal Protective Equipment	Fire and Rescue	14,800	31.00
Circuit Courthouse Security Cameras	Sheriff’s Department	28,031	26.00
Replacement of Computers (20)	Information Technology	22,800	25.00
Replacement of Office Computers (6)	Sheriff’s Department	15,768	25.00
Records Management System Upgrade	Sheriff’s Department	<u>282,220</u>	23.00
Fiscal Year 2017 General Fund Vehicles and Equipment Total		1,303,163	
TOTAL GENERAL FUND CAPITAL PROJECTS		7,423,291	

FY 2017 Debt Service

Existing Debt Service



FY 2017 Debt Service

- Fiscal Year 2017 Debt Service, including principal and interest, is as follows:
 - Shenandoah County - \$2,364,899
 - Shenandoah County Public Schools - \$3,557,678
 - North Fork Wastewater Treatment Facility - \$88,559
 - Landfill - \$64,376
- Fiscal Year 2017 debt service for the RSW Regional Jail is not illustrated on the previous graph but results in principal and interest payments of \$1,081,579 (based on estimated 36% share for fiscal year 2017)
- The County's portion of total principal outstanding for the RSW Regional Jail is \$16,023,150 (based on estimated 36% share for fiscal year 2017)



Charterhouse School

Charterhouse Edinburg School					
	FY 14	FY 15	FY 16	FY 17	FY 18
Expenses					
Debt payment	\$162,343	\$162,343	\$250,737	\$251,947	\$247,578
Utilities	42,969	43,000	43,000	43,000	43,000
Janitorial/Maint	20,913	21,000	21,500	22,000	22,500
Total Expenses	\$226,225	\$226,343	\$315,237	\$316,947	\$313,078
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; background-color: #f4a460;">Based on 30 students</div> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; background-color: #6699cc;">Based on 40 students</div> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; background-color: #996666;">Based on 50 students</div> </div>					
Revenues					
UMFS - Charterhouse	\$300,000	\$300,000	\$300,000	\$320,000	\$340,000
SAAA	4,800	4,800	4,800	4,800	4,800
Parks & Rec	3,555	5,000	5,000	5,000	5,000
Total Revenues	\$308,355	\$309,800	\$309,800	\$329,800	\$349,800
Revenue over Expenses	\$82,130	\$83,457	-\$5,437	\$12,853	\$36,722

\$209,725
 Estimated 5-Year Net Gain

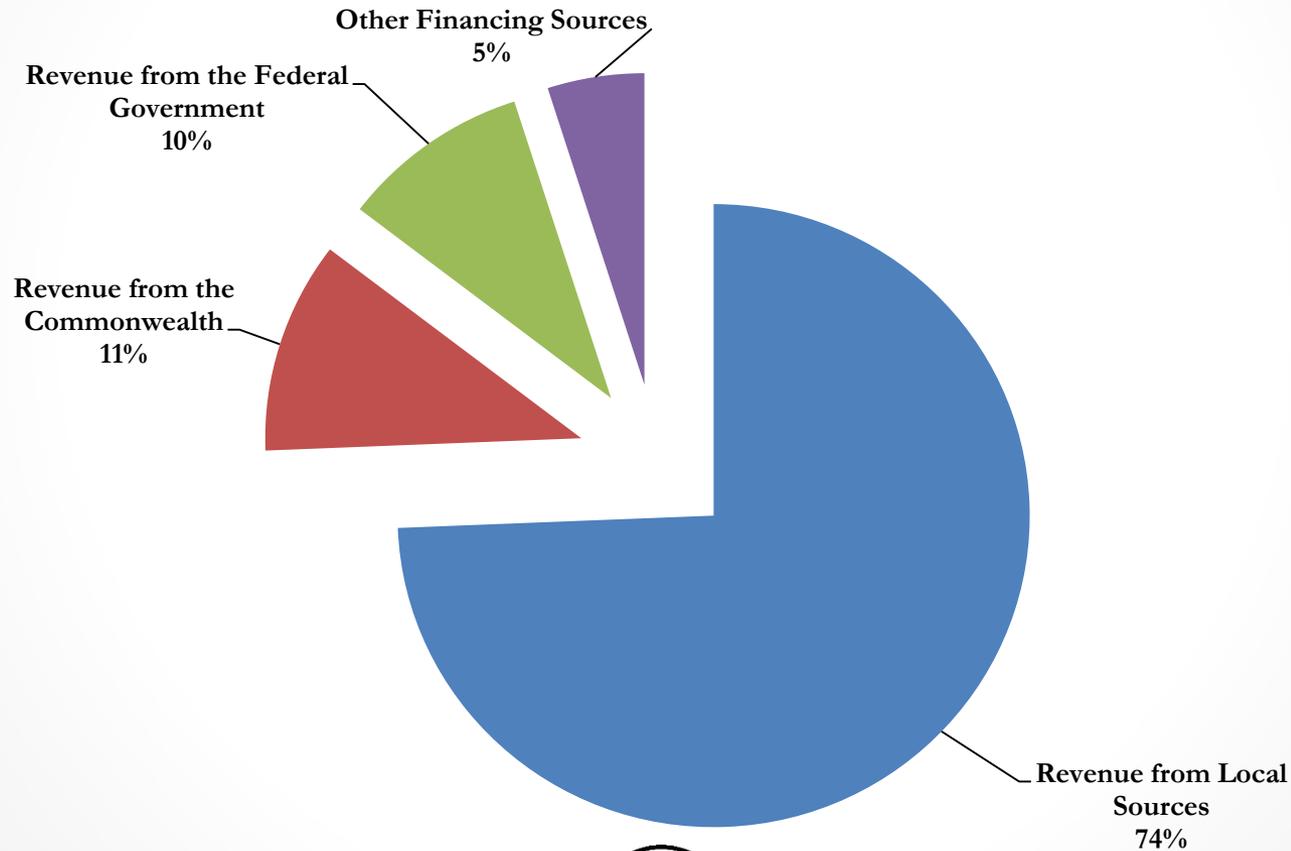
Fiscal Year 2017 Proposed Revenues

Account Name	FY 2013 Actual Revenues	FY 2014 Actual Revenues	FY 2015 Actual Revenues	FY 2016 Adopted Budget	FY 2017 Proposed Budget	\$ Increase (Decrease)	% Increase (Decrease)
<u>GENERAL FUND REVENUES:</u>							
Revenue from Local Sources	46,904,223	48,424,682	49,272,756	48,296,430	48,907,403	610,973	1.27%
Revenue from the Commonwealth	7,658,647	7,977,582	7,004,614	7,068,562	7,233,101	164,539	2.33%
Revenue from the Federal Government	978,965	838,961	727,894	1,411,502	6,367,165	4,955,663	351.09%
Other Financing Sources	0	0	511,935	5,941,908	3,256,054	(2,685,854)	-45.20%
TOTAL GENERAL FUND REVENUES:	55,541,835	57,241,225	57,517,199	62,718,402	65,763,723	3,045,321	4.86%



Fiscal Year 2017 Proposed Revenues

FY 2017 Total Proposed Revenues - \$65,763,723



Fiscal Year 2017 Proposed Revenues

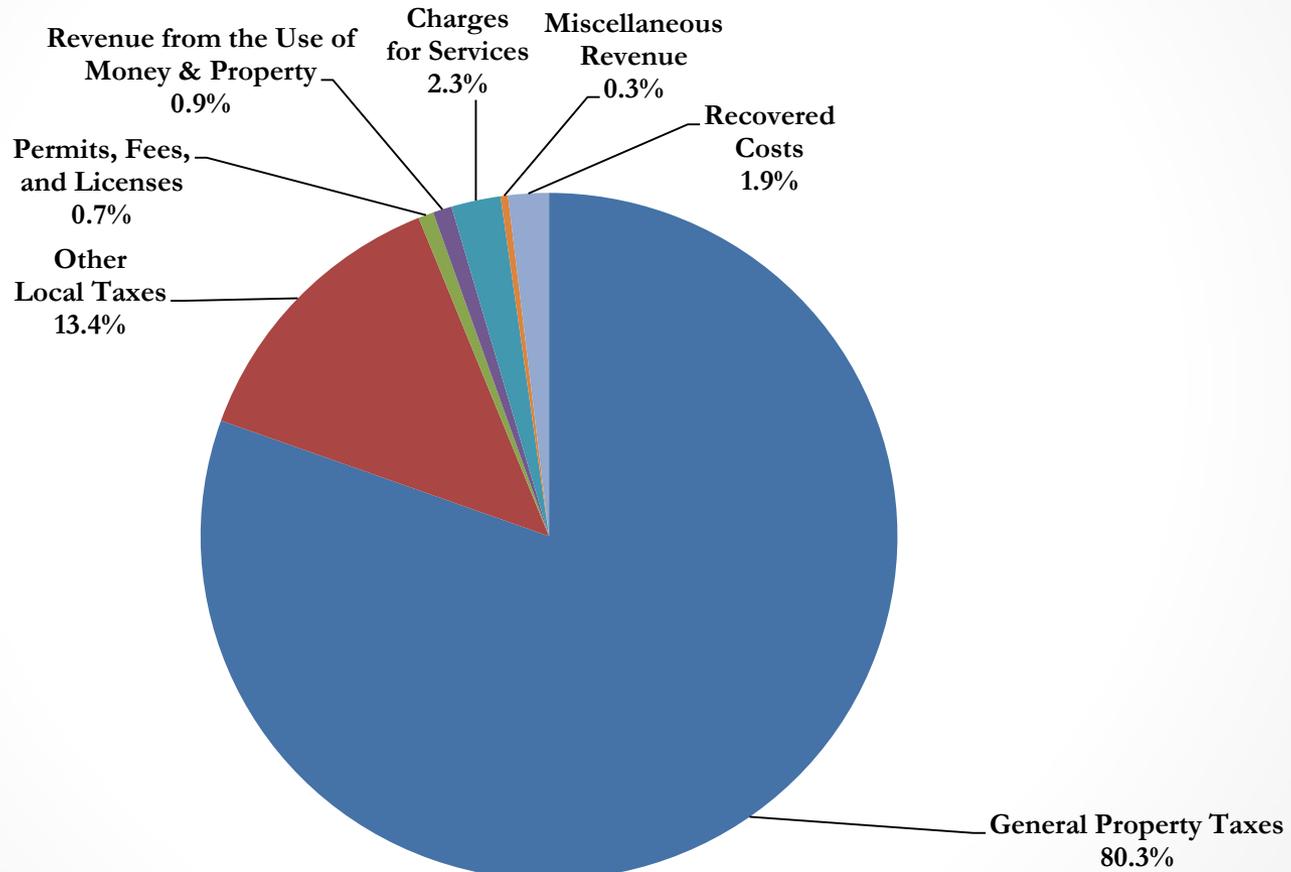
FY 2017 Revenue from Local Sources

Revenue Category	FY 2013 Actual Revenues	FY 2014 Actual Revenues	FY 2015 Actual Revenues	FY 2016 Adopted Budget	FY 2017 Proposed Budget	\$ Increase (Decrease)	% Increase (Decrease)
<i>Local Revenues:</i>							
General Property Taxes	35,693,366	37,482,790	39,515,732	38,714,600	39,293,100	578,500	1.49%
Other Local Taxes	6,495,383	6,498,009	6,540,796	6,628,200	6,556,800	(71,400)	-1.08%
Permits, Fees, and Licenses	347,305	349,335	445,278	334,778	347,678	12,900	3.85%
Fines and Forfeitures	78,423	71,259	83,303	75,000	75,300	300	0.40%
Revenue from the Use of Money & Property	127,245	355,859	451,702	347,000	427,300	80,300	23.14%
Charges for Services	1,492,415	1,461,071	1,143,470	1,488,737	1,120,071	(368,666)	-24.76%
Miscellaneous Revenue	199,880	500,975	259,210	100,000	168,000	68,000	68.00%
Recovered Costs	2,470,206	1,705,384	833,267	608,115	919,154	311,039	51.15%
Total Revenue From Local Sources	46,904,223	48,424,682	49,272,756	48,296,430	48,907,403	610,973	1.27%



Fiscal Year 2017 Proposed Revenues

FY 2017 Revenue from Local Sources - \$48,907,403



Fiscal Year 2017 Proposed Revenues

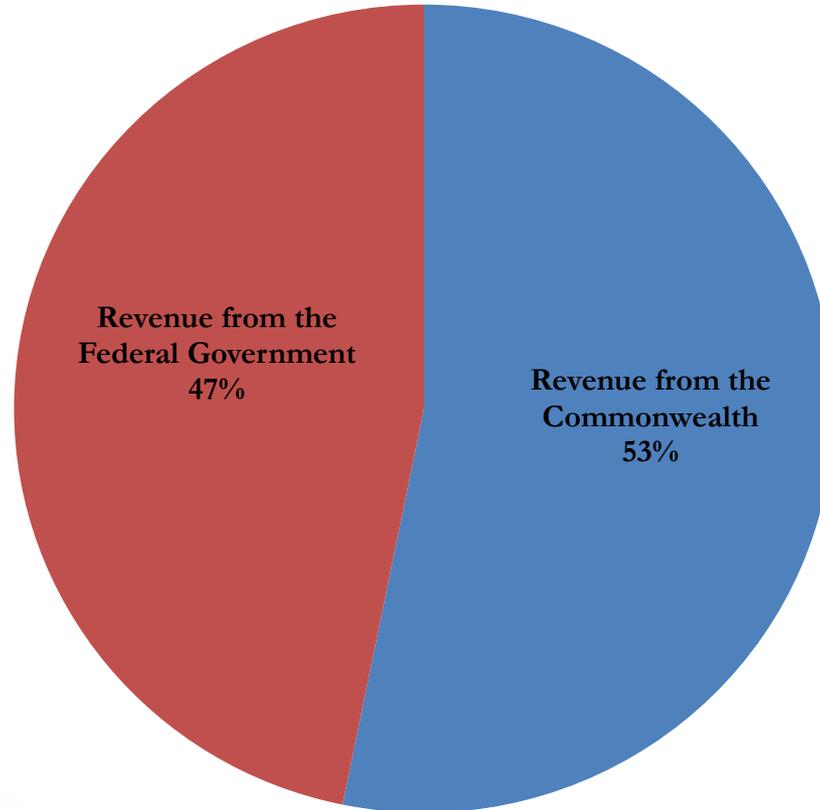
FY 2017 Intergovernmental Revenues

Revenue Category	FY 2013 Actual Revenues	FY 2014 Actual Revenues	FY 2015 Actual Revenues	FY 2016 Adopted Budget	FY 2017 Proposed Budget	\$ Increase (Decrease)	% Increase (Decrease)
<i>Intergovernmental Revenues:</i>							
Revenue from the Commonwealth:							
Commonwealth - Non-Categorical Aid	3,710,318	3,963,651	3,875,611	3,922,729	3,896,229	(26,500)	-0.68%
Commonwealth - Categorical Aid (Shared Expenses)	3,355,274	3,444,694	2,667,880	2,715,137	2,746,573	31,436	1.16%
Commonwealth - Other Categorical Aid	593,055	569,237	461,123	430,696	590,299	159,603	37.06%
Revenue From the Commonwealth	7,658,647	7,977,582	7,004,614	7,068,562	7,233,101	164,539	2.33%
Federal Revenues:							
Federal - Non-Categorical Aid	163,852	103,276	160,707	103,276	160,700	57,424	55.60%
Federal - Categorical Aid	815,113	735,685	567,187	1,308,226	6,206,465	4,898,239	374.42%
Revenue from the Federal Government	978,965	838,961	727,894	1,411,502	6,367,165	4,955,663	351.09%
Total Intergovernmental Revenue	8,637,612	8,816,543	7,732,508	8,480,064	13,600,266	5,120,202	60.38%



Fiscal Year 2017 Proposed Revenues

FY 2017 Intergovernmental Revenues - \$13,600,266



Fiscal Year 2017 Proposed Revenues

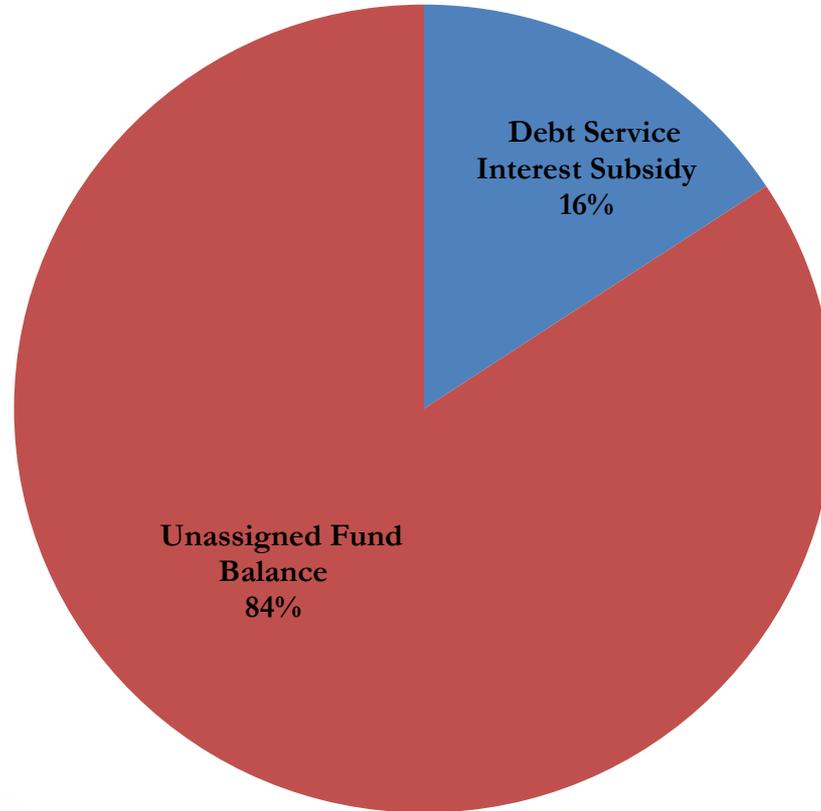
FY 2017 Other Financing Sources

Revenue Category	FY 2013 Actual Revenues	FY 2014 Actual Revenues	FY 2015 Actual Revenues	FY 2016 Adopted Budget	FY 2017 Proposed Budget	\$ Increase (Decrease)	% Increase (Decrease)
<i>Other Financing Sources:</i>							
<u>Non-Revenue Receipts:</u>							
Debt Service Interest Subsidy	0	0	511,935	566,000	511,900	(54,100)	-9.56%
Unassigned Fund Balance	0	0	0	5,375,908	2,744,154	(2,631,754)	-48.95%
Total Non-Revenue Receipts	0	0	511,935	5,941,908	3,256,054	(2,685,854)	-45.20%
Total Other Financing Sources	0	0	511,935	5,941,908	3,256,054	(2,685,854)	-45.20%



Fiscal Year 2017 Proposed Revenues

FY 2017 Other Financing Sources - \$3,256,054



Fiscal Year 2017 Proposed Revenues

- Unassigned Fund Balance has been allocated for one-time, non-recurring expenditures as follows:

Proposed Use of Unassigned Fund Balance:

General Fund Capital Projects	\$866,191
Shenandoah County Public Schools "Urgent" Capital Projects	1,399,880
Board of Equalization Costs	5,833
One-Time Bonus for County Employees	122,250
Reserve for Contingencies	350,000
Total Unassigned Fund Balance	\$2,744,154

Note that proposed General Fund capital projects with other funding sources (e.g., grant and asset forfeiture) have been included in the corresponding revenue source categories.



Unassigned Fund Balance

Current FY 2016 Expenditures
include the use of **\$5,375,908**
of Unassigned Fund Balance



2016 General Reassessment

- In accordance with the § 58.1-3252 of the Code of Virginia, “*there shall be a general reassessment of real estate every four years. Any county which, however, has a total population of 50,000 or less may elect by majority vote of its board of supervisors to conduct its general reassessments at either five-year or six-year intervals.*”
- The last general reassessment for the County occurred in 2010
- The County engaged Wampler-Eanes Appraisal Group to conduct the general reassessment for 2016
 - Assessment is effective on real property as of January 1, 2016
 - Impact to both the current fiscal year (FY 2016) as well as the upcoming fiscal year (FY 2017)
 - First-Half bills due on June 5th are revenue in FY 2016
 - Second-Half bills due on December 5th are revenue in FY 2017



2016 General Reassessment

- The 2016 general reassessment resulted in a decrease in assessed values compared to 2015

<i>Assessed Values:</i>	2015	2016	Net Change (\$)	Net Change (%)
Land	2,411,512,600	2,143,541,500	(267,971,100)	-11.11%
Improvement	2,737,454,300	2,792,200,400	54,746,100	2.00%
Total Value	5,148,966,900	4,935,741,900	(213,225,000)	-4.14%
<i>New construction in 2015:</i>	--	(23,060,100)	--	--
	5,148,966,900	4,912,681,800	(236,285,100)	-4.59%

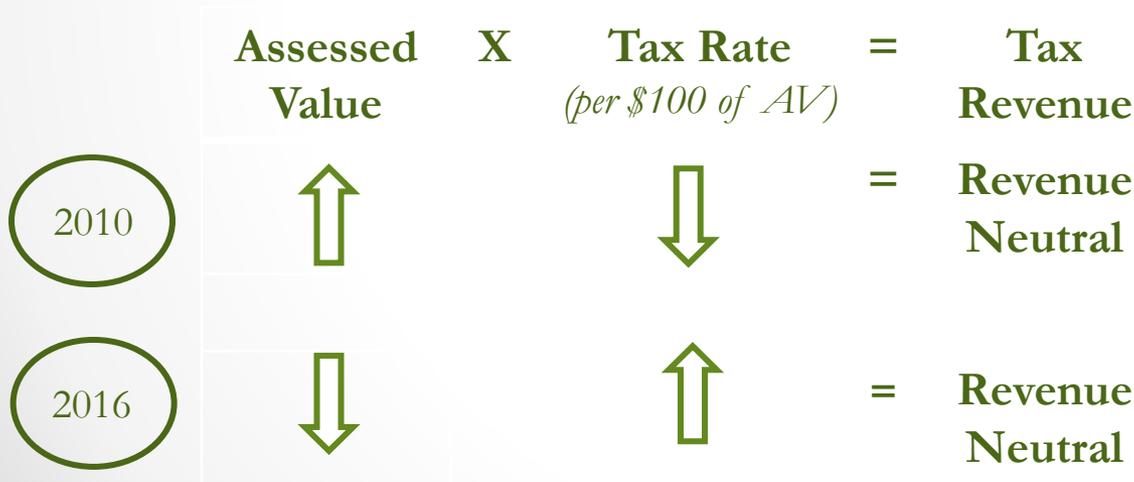
- New construction that occurred during the calendar year 2015 has been deducted from the 2016 assessed values in an effort to provide more parity for comparison purposes



2016 General Reassessment

- The last general reassessment in 2010 resulted in an increase in the assessed values, which caused the County to adjust the tax rate downward to equalize revenues in accordance with §58.1-3321 of the Code of Virginia
- The formula for deriving tax revenues is as follows:

Tax Year	Real Property Tax Rate <i>(per \$100 of assessed value)</i>
2005	0.68
2006	0.51
2007	0.51
2008	0.51
2009	0.51
2010	0.47
2011	0.47
2012	0.51
2013	0.54
2014	0.57
2015	0.57



2016 Tax Rate Adjustment

- Based on preliminary estimates, the real property tax rate would need to be adjusted from \$0.57 to \$0.60 per \$100 of assessed value to be revenue neutral (i.e., for the County to levy the same amount of revenue that it had levied in the previous year)
 - Followed the language outlined in §58.1-3321 of the Code of Virginia in calculating the tax rate adjustment
 - This proposed rate may change as we gather more accurate information (e.g., land use deferral values, changes in value as a result of Board of Equalization hearings, additional new construction in 2015, Board of Supervisors deliberation and direction)
 - Changes to the tax rate adjustment may impact the FY 2017 Proposed Revenues (estimated based on an adjusted revenue-neutral \$0.60 tax rate) and our FY 2016 Adopted Revenues
 - If the tax rate is not adjusted, we stand to lose an approximate \$1,300,000, half of which (\$650,000) would impact our current budget



2016 Property Tax Examples

Example: A residence that had a prior assessment of \$203,900 and a 2016 reassessment of \$181,600

	2015 Taxes Due at \$0.57 <i>(per hundred)</i>	2016 Taxes Due at \$0.57 <i>(per hundred)</i>	2016 Taxes Due at \$0.60 <i>(per hundred)</i>
Assessed Value	\$203,900	\$181,600	\$181,600
Tax Rate	\$0.57	\$0.57	\$0.60
Taxes Due	\$1,162.23	\$1,035.12	\$1,089.60
Net Change		- \$127.11	- \$72.63



2016 Property Tax Examples

Example: A residence that had a prior assessment of \$260,500 and a 2016 reassessment of \$319,500

	2015 Taxes Due at \$0.57 <i>(per hundred)</i>	2016 Taxes Due at \$0.57 <i>(per hundred)</i>	2016 Taxes Due at \$0.60 <i>(per hundred)</i>
Assessed Value	\$260,500	\$319,500	\$319,500
Tax Rate	\$0.57	\$0.57	\$0.60
Taxes Due	\$1,484.85	\$1,821.15	\$1,917.00
Net Change		<i>+ \$336.30</i>	<i>+ \$432.15</i>



FY 2017 Real Estate Tax

With the Adjusted Real Estate Tax Rate of \$0.60:

Each Penny  = \$430,000

Budget Shortfall

Fiscal Year 2017 Proposed Revenues:	\$65,763,723
Fiscal Year 2017 Proposed Expenditures:	<u>\$71,154,804</u>
Budget Shortfall:	\$(5,391,081)

Budget Shortfall

Significant Expenditure Increases:

• Public Safety	\$1,186,759
• Education	\$2,642,379
• Recurring Costs funded through Unassigned Fund Balance in FY 2016*	<u>\$1,627,933</u>
	\$5,457,071

* Includes \$118,823 for General County operations, \$515,087 for SCPS operations, and \$994,023 for RSW Regional Jail debt

Next Steps

- Budget Work Session on the Recommended Capital Improvement Plan (CIP) on Tuesday, March 1 at 5:30 p.m. in the Board conference room

Thank you to the Administrative Team of
Mandy, Evan, and Cindy

Thank you to the Finance and Administrative Staff of Courtney
Barnhart, Heather Williams and Chris Sherman

THANK YOU!