

# **County Executive's Recommended FY 25 Budget**

## **Work Session #5: Propose Tax Rate & Budget for Public Hearing**

March 27, 2024



# FY 25 Budget Calendar

## March

### Work Sessions

27<sup>th</sup> Proposed Budget &  
Tax Rates

## April

### Public Input

10<sup>th</sup> TBD Work Session?  
17<sup>th</sup> Public Hearing – Board’s  
Proposed Budget & Tax Relief  
for the Elderly and Disabled  
24<sup>th</sup> Public Hearing – CY 24 Tax  
Rates & Transient Occupancy  
Tax

*Continuing Town halls,  
March 28 – April 13*

## May

1<sup>st</sup> Adoption &  
Appropriation

# **Agenda**

**Updates from Prior Work Sessions**

**Finalize tax rates for advertisement**

**FY 25 Proposed Budget for advertisement**

# Recap of March 25 Work Session

- Completed review of the FY 25 Recommended Budget & FY 25-29 CIP
  - Staff provided technical updates
- Board Discussion & Direction
  - Board prioritized a group of expenditure & funding source changes for further discussion on March 27

# Updates from Prior Work Sessions

- General Fund
- School Fund
- Capital Budget
- FY 25 – 29 Capital Improvements Program (CIP)

## FY 24

- Schools capital and operating
- Safety & Well-being
- Workforce Stabilization
- Rising Capital costs
- Rising partner agency costs

**-\$4.9 M**

***One-Time***  
**Capital Transfer**

## FY 25

- Courts operations
- SAFER grant wind-down
- Transit grants wind-down
- IT systems
- Revenue sharing
- Workforce

## FY 26

- SAFER & Transit grant wind-downs
- Court operations
- Jail renovation debt service
- Strategic priorities
- Operating impacts of capital projects
- Capital needs

**FY 27+**

# FY 25 General Fund Ongoing Revenue Summary

Sources	Total	Capital & Debt (10%)	Public School Operations (54%)	County Government Operations (36%)
<b>Shared Revenues:</b> Transient Occupancy Tax, 1% increase + Personal Property and Machinery & Tools, 54 cent increase	\$5,381,267	\$538,127	\$2,905,884	\$1,937,256
<b>Non-Shared Revenues:</b> Department of Human & Social Services	\$16,221	\$0	\$0	\$16,221
Total	\$5,397,488	\$538,127	\$2,905,884	\$1,953,477

# Summary from March 25: County Government Shares Only

General Fund	FY 25 (March 25 Direction)	FY 26 (without FEMA SAFER grant)
Total Revenues	\$1,953,477	\$1,882,658
Total Expenditures	\$1,953,477	\$1,505,441
Balance (Revenues - Expenditures)	\$0	\$377,217

\*If FEMA SAFER Grant is awarded, revenue and related expenditures would be appropriated mid-year FY 25.

- FY 25 is balanced
- FY 26 is a highest cost scenario: full year impacts for FY 25 mid-year additions, no FEMA SAFER grant, and 24/7 staffing at North Garden & Berkmar ambulance
- By using some of ongoing FY 25 revenue for one-time purposes in FY 25, it positions the Board in FY 26 to begin to address other obligations



# Revenue Summary from March 25: County Government Shares Only

Revenue	FY 25 (March 25 Direction)	FY 26 ( <b>without</b> FEMA SAFER grant)
Non-Shared Revenues: Dept. of Human & Social Services	\$16,221	\$32,443
Transient Occupancy Tax increase from 8% to 9%	\$313,917	\$324,276
Personal Property Tax increase from \$3.42 to \$3.96	\$1,623,339	\$1,525,939
<b>Total</b>	<b>\$1,953,477</b>	<b>\$1,882,658</b>

\*If FEMA SAFER Grant is awarded, revenue and related expenditures would be appropriated mid-year FY 25.

# Expenditure Summary from March 25

**Includes:**

- North Garden staffing & Berkmar ambulance, 16 FTE (24/7 Coverage)
  - Pursue FEMA SAFER grant for North Garden
- HART Expansion, 3 FTE (Human Services, Fire Rescue, Police)
- Sheriff: Temporary Detention Orders, 1 FTE
- Police Officer, 1 FTE

	FY 25 (March 25 Direction)	FY 26 (without FEMA SAFER Grant)
One-time	\$558,714	\$0
Ongoing	\$812,930	\$2,005,441
Ongoing Service Reductions	(\$250,000)	(\$500,000)
One-time Reserve for Contingencies	\$831,833	\$0
<b>Total</b>	<b>\$1,953,477</b>	<b>\$1,505,441</b>

\*If FEMA SAFER Grant is awarded, revenue and related expenditures would be appropriated mid-year FY 25.

# County Government Technical Updates

<b>General Fund</b>	
<b>Revenues</b>	
Jaunt (One-time)	+ \$257,505
State Revenue - Compensation Board (ongoing)	+ \$114,295
<b>Expenditures</b>	
Rivanna Solid Waste Authority (ongoing)	+ \$100,268
<b>Reserve for Contingencies</b>	<b>+\$257,505 one-time &amp; +\$14,027 ongoing</b>

# Summary from March 25: School Fund

School Board Funding Request Gap	-\$13.3 M
Preliminary State Revenue Update	+ \$4.8 M*
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Preliminary Funding Request Gap	- \$8.5 M
Revised Transfer to Schools	+\$2.9 M
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Revised Preliminary Funding Request Gap	- \$5.6 M

*\*The state revenue update will be included in the Adopted Budget on 5/1, not part of today's Proposed Budget. School Board budget discussion continues March 28*

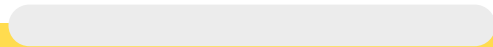
# Summary from March 25: FY 25 Capital Budget Updates

Capital Fund	
<b>Expenditures</b>	
Community Capital: Blue Ridge Area Food Bank	- \$165,000
RSWA: Ivy Landfill Remediation	+ \$74,178
Community Capital: Earlysville Volunteer Fire Company	+ \$800,000
Community Capital: Seminole Trail Volunteer Fire Company	+ \$230,000
<b>Revenues</b>	
Increased Revenues for FY 25 Tax Assumptions	+ \$538,127
Use of Capital Fund's Fund Balance	+ \$401,051

# **Summary from March 25: Years 2-5 of CIP (FY 26-29)**

- Revenue update based on tax rate changes provides +\$0.5 M annually to support cash projects in years FY 26-29
- Staff recommends the Board consider programming this amount in the FY 26-30 CIP due to the pending outcome of the bill for a referendum on 1% sales tax for school capital projects

# **Set Tax Rate for Advertisement**



# Transient Occupancy Tax

If the rate is increased from 8% to 9%, effective 7/1/24 = +\$871,992

## Next steps:

- No action today
- April 3: Consent Agenda for Action to Schedule Public Hearing
- April 24: Public Hearing
- May 1: Board action as part of FY 25 budget adoption & appropriation



# Real Estate Property Taxes

- Calculated at the current rate of \$0.854 per \$100 of assessed value
- Each penny on the real estate tax rate = \$2.9 M in estimated collectable tax revenues
- Calendar Year 2024 overall reassessments had a 4.07% increase over Calendar Year 2023
- “Lowered” or “Effective” Tax Rate would be \$0.821 per \$100 of assessed value

# Personal Property Taxes

- Rate applies to individual vehicles, motorcycles, boats, as well as business tangible personal property & machinery and tools
  - Calculated at the current rate of \$3.42 per \$100 of assessed value
  - Each penny on personal property tax rate = \$0.1 M
- CY 22: car values increased significantly; Board of Supervisors decreased rate 86 cents
- CY 23: as car values fall, rate recommended to remain at \$3.42 per \$100 valuation
- CY 24: values projected to further decrease, \$1.2 million from FY 24 Adopted

# Funding Options

## Personal Property and Machinery & Tools Tax Revenue

- If rate increases from \$3.42 to \$3.96, per \$100 assessed value, effective 1/1/24
  - FY 25 revenues would approximately equal previous peak, \$36.6 M in FY 22
  - 54-cent rate increase would generate +\$4,509,275

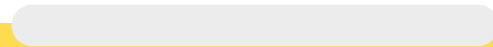
Category	Split	Revenue
Capital & Debt	10%	\$450,927
Public School Operations	54%	\$2,435,008
County Government Operations	36%	\$1,623,339

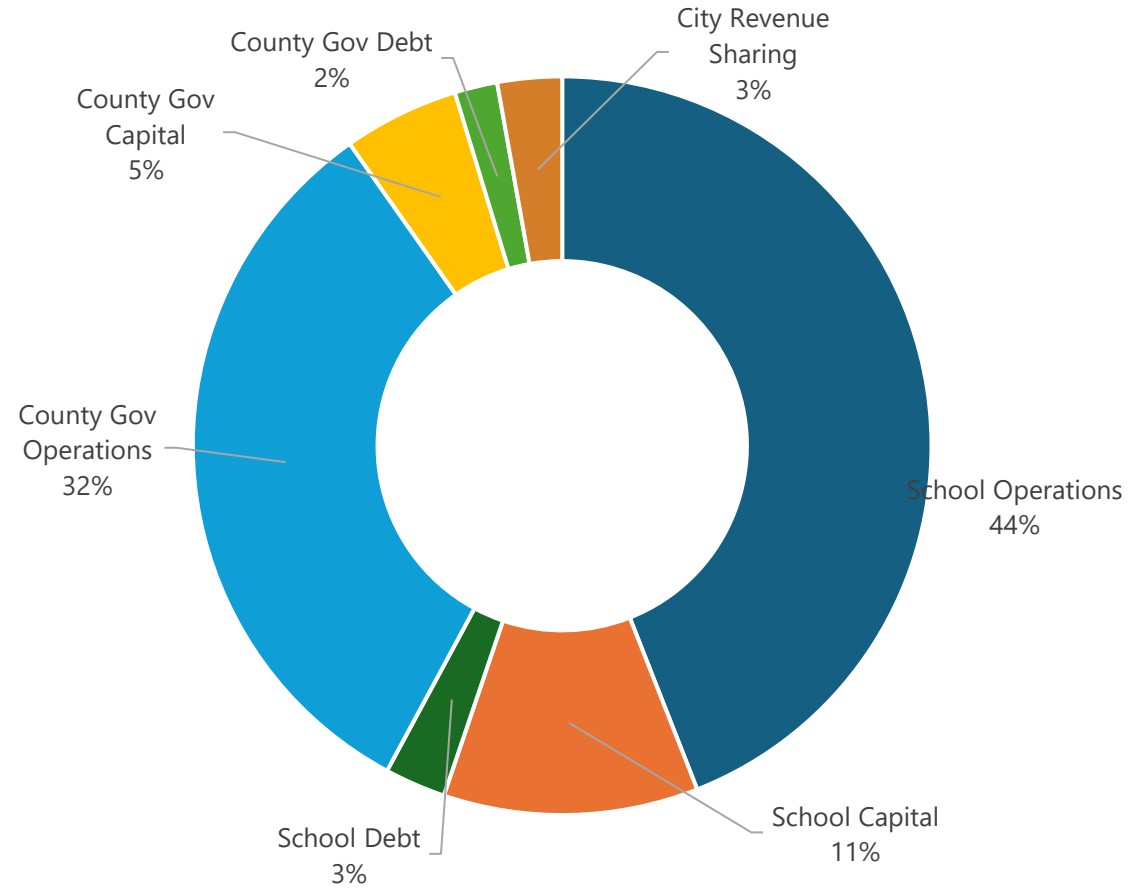
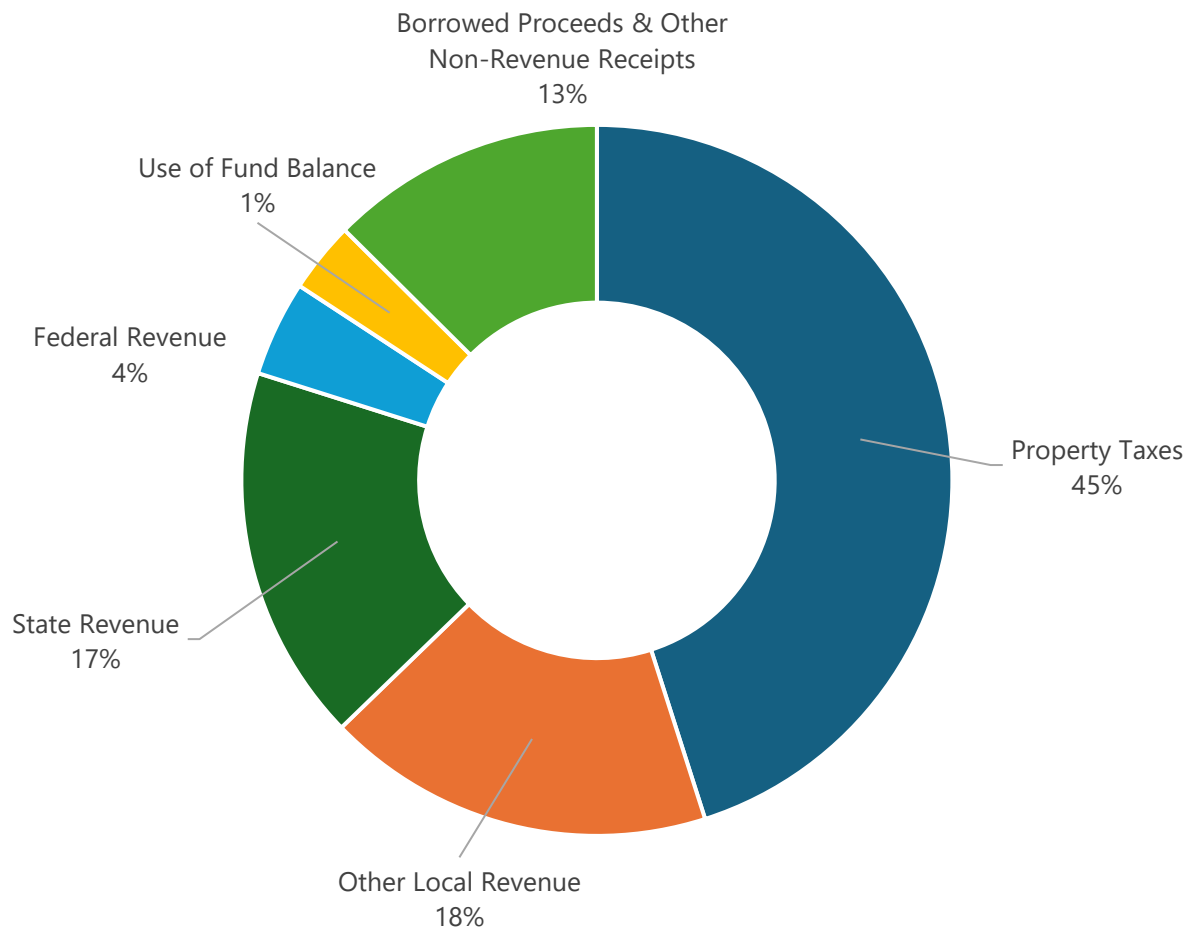
# Motion to Advertise the 2024 Tax Rates for Public Hearing

I move that the Board advertise the following rates for public hearing for the 2024 tax year:

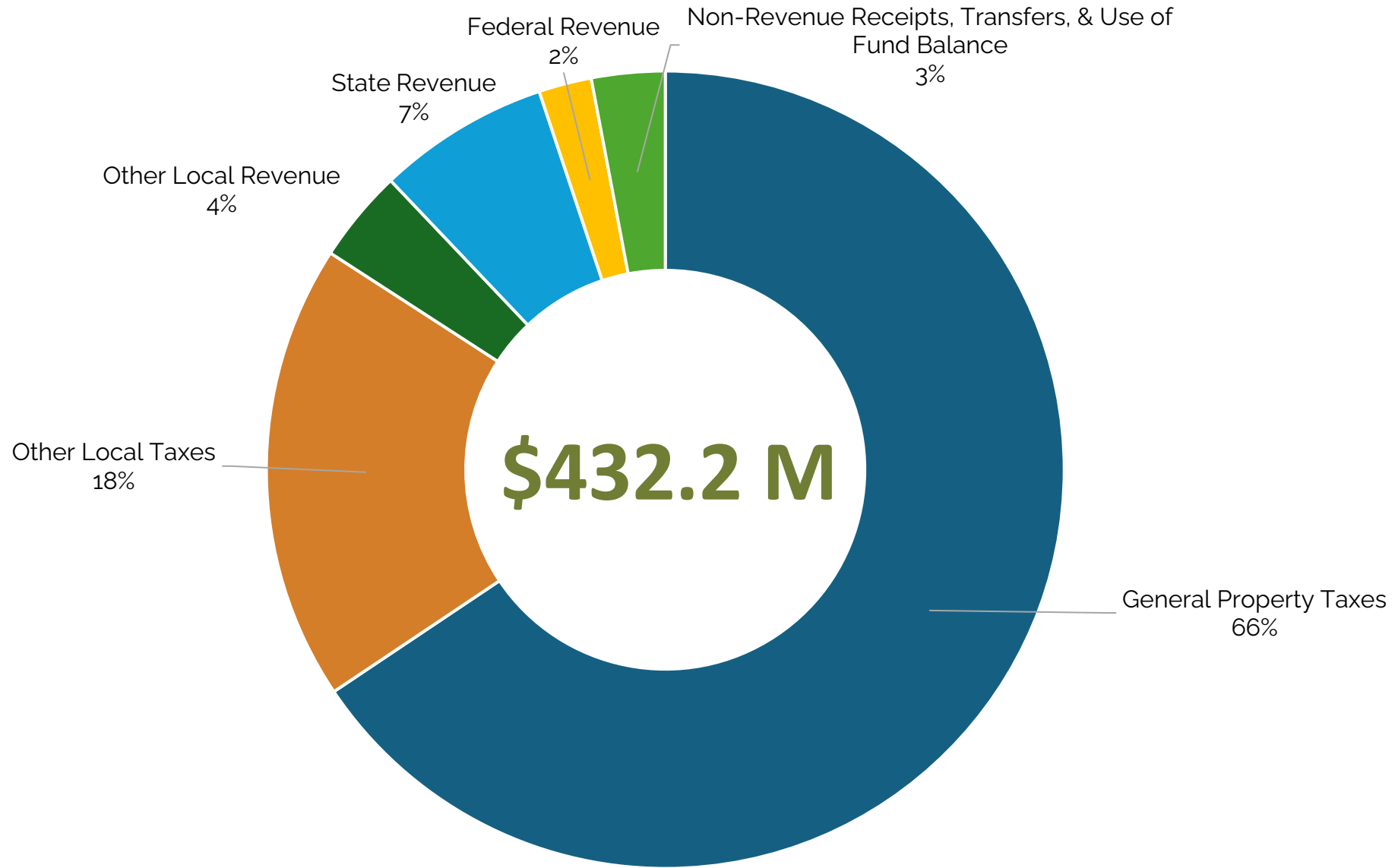
- **\$0.854/\$100** of assessed value for real estate, public service property, and manufactured homes;
- **\$3.96/\$100** of assessed value for tangible personal property;
- **\$3.96/\$100** of assessed value for miscellaneous and incidental tangible personal property employed in a trade or business that is not otherwise classified as machinery and tools, merchants' capital, or short-term rental property, and that has an original cost of less than \$500; and
- **\$3.96/\$100** of assessed value for machinery and tools.

# **FY 25 Proposed Budget for Advertisement**

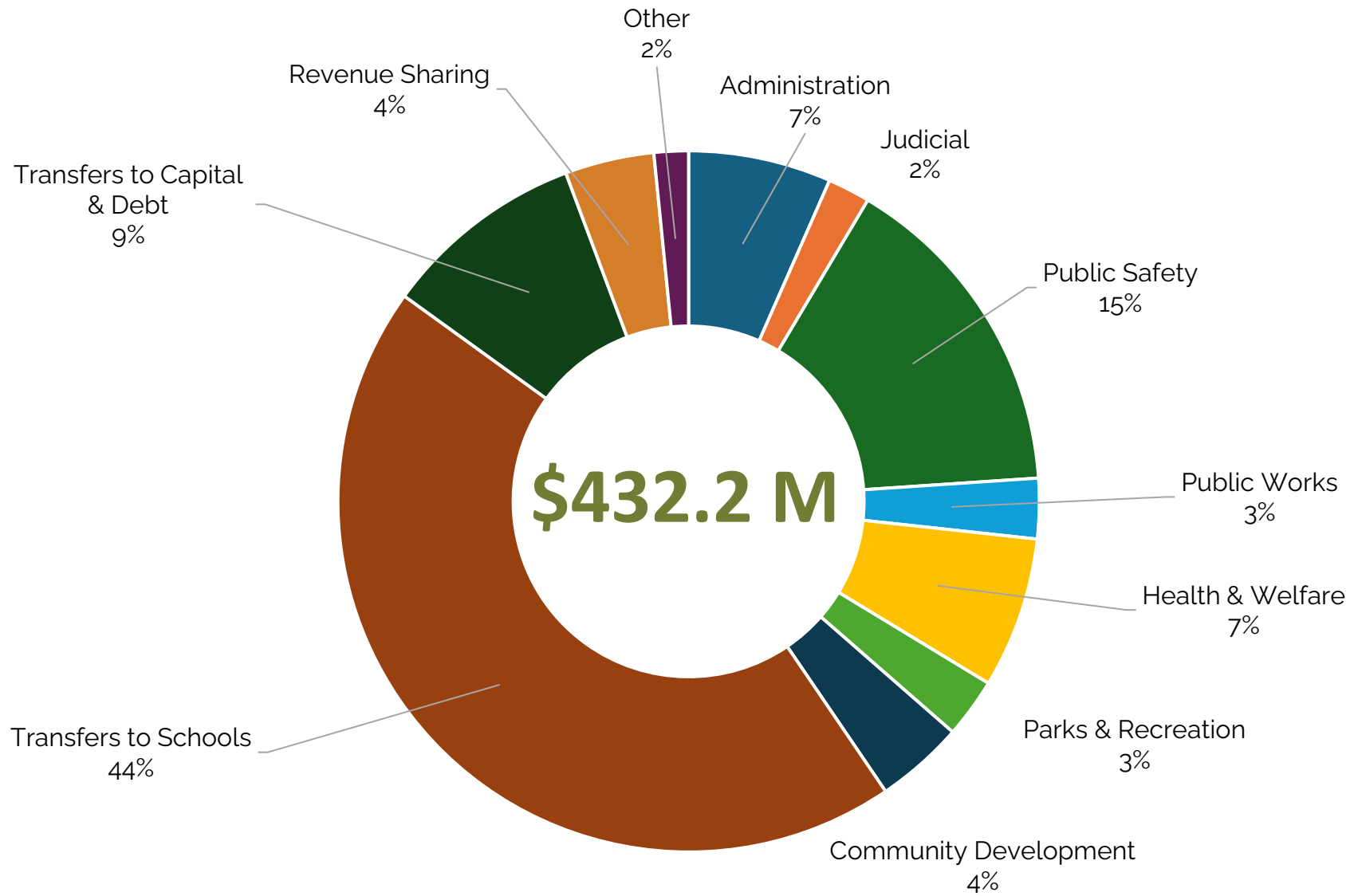




**Total (All Funds) FY 25 Recommended Budget: \$629.1 M** <sup>22</sup>



# FY 25 Recommended General Fund Revenues



# FY 25 Recommended General Fund Expenditures



# FY 25 Capital Budget Projects

Southern Elementary School Construction	\$45.5 M
High School Capacity – Center 2	\$6.0 M
School Renovations	\$2.9 M
Core Systems Modernization	\$0.1M
Courts Facilities Addition/Renovation	\$6.0 M
Transportation Leveraging Program	\$5.1 M
County Office Building Space Renovations	\$1.4 M
Biscuit Run	\$6.2 M
Urban Pocket Park	\$0.2 M
Darden Towe Athletic Field Rebuild	\$0.7 M
Woolen Mills Trailhead ADA Compliance	\$0.6 M
Northern Convenience Center Design	\$0.5 M
Fire Rescue Station Renovations	\$0.5 M
Community Non-Profit Capital Process Projects	\$1.1 M

FY 25 Capital Budget also includes maintenance/replacement, obligations, and ongoing expenses that total \$29.1 M

# Budget Amendments

## County Executive Recommended Technical Adjustments

### General Fund Revenues:

- State revenues
- Jaunt

### General Fund Expenditures:

- Rivanna Solid Waste Authority (RSWA)
- Reserve for Contingencies

### Capital Fund Expenditures:

- Blue Ridge Area Food Bank
- Rivanna Solid Waste Authority

## Board recommended adjustments, if any

- Options identified on March 25 and discussed further on March 27

# **Motion to Advertise the Proposed FY 25 Budget**

I move that the Board authorize staff to advertise for public hearing the FY 25 proposed budget which is the same as the County Executive's Recommended Budget, including any staff recommended changes (and any additional amendment(s) made by the Board of Supervisors).



# FY 25 Budget Calendar

## April

- 10<sup>th</sup> TBD Work Session?
- 17<sup>th</sup> Public Hearing – Board’s Proposed Budget & Tax Relief for the Elderly and Disabled
- 24<sup>th</sup> Public Hearing – CY 24 Tax Rates & Transient Occupancy Tax

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- 1<sup>st</sup> Adoption & Appropriation