

The background of the slide features a large, faint watermark of the Gloucester County seal. The seal is circular and contains the text "GLOUCESTER COUNTY" at the top, "1651" on the right side, and "MARGINALIA ESTAB." at the bottom. In the center of the seal is a crest depicting a figure holding a staff, standing on a green field.

# **Acting County Administrator's Proposed Budget**

**Fiscal Year 2023**

**Carol Steele**

**Acting County Administrator**

# Agenda - Carol

- Introduction – Board Guidance, Budget Objectives and the Starting Point
- FY 2023 Proposed Budget Highlights and Lowlights
- Tax Rate Information
- Employee Retention Challenge and Proposed Pay Plan
- Facilities Maintenance Repair & Replacement (FMRR)
- A look at individual funds
  - Education Funds, Social Services Funds, Capital Fund, Debt Service Fund, Schools' Enterprise Funds
- FY 2023 Revenue Outlook; Proposed use of Fund balances
- The FY 2023 Proposed Budget
- Capital Improvement Plan Recommendations
- Suggested Tax Rate Advertising



# Guidance from the Board

- Produce a budget that:
  - Incorporates as small of a real estate tax increase as possible
  - Maintains personal property tax rate



# Acting County Administrator's Objectives

To propose a balanced budget that:

- Aligns with Board guidance and strategic priorities
- Maintains services and programs for County citizens
- Is transparent and easy to understand
- Leverages all funding sources appropriately
- Cares for the most important asset of the County and Schools – our staff
- Puts the County on a path forward to recover from a funding gap and strives for improvements to keep Gloucester as *The Land of the Life Worth Living*



# FY23 Budget Starting Point

- School Sales Tax deficit – Avoided a \$.05 tax increase last year – now starting with a large gap and major challenges
  - Inflation – construction projects, supplies and fuels
  - Personnel – High turnover rate and difficulty filling positions
  - Neighboring communities proposing significant salary increases
- State coffers are providing the GA the opportunity to consider providing funds back to citizens, more money to schools, a 5% raise proposed for both years of the biennium, etc.
- Gloucester’s revenues are strong – sales tax, meals tax and overall tax collections
  - Many businesses need more employees, but are doing well with long lines



# FY23 Current Status

- Good things are happening in Gloucester – Capital Projects are underway and included in the budget
  - County
    - Social Services Addition completed - parking lot and a few small fixes
    - ADA access from Main Street to the parking lot behind Building 2
    - County-wide Broadband Project
    - Courthouse and court circle access project
    - Paving of Beaverdam Parking Lot
  - Schools
    - Transportation Facility (MOA completed)
    - Page Athletic Field
    - Bus Loop at Achilles
    - Playground Equipment
    - HVAC and Lighting Improvements
    - GHS Renovation



# FY 2023 Budget Highlights

The FY23 Proposed Budget provides for:

- Priority for retention of employees through compensation plan
- Selective staff changes to address customer service needs
- Support for GVFRS and AVFR

The FY23 Proposed Budget incorporates:

- A 3¢ real estate tax increase
- An increase in revenue from sales, meals and lodging taxes
- VRS rate increase
- Growth of 1% and an additional 1% increase to the June 2023 payment (based on expected FY23 Assessment) - using funds for operating budget rather than 1 time or CIP expenses
- Level funding for existing external organizations
- Proposed increase in Health Insurance costs - 8%



# FY 2023 Budget *Lowlights*

## The FY23 Proposed Budget Risks and Shortfalls

- Tax increase will be a burden for some families, especially with increased inflation rate (247 elderly and disabled RE relief applicants in 2021)
- High target for Vacancy and Transfer Savings (\$1,019,104 which is a \$303,104 increase over FY22)
- Limited capital improvements
- More than ½ of FMRR budget cut
- Doesn't fully fund school request (\$772,302 short)
- 6 FT position requests denied
- Anticipated increase in Health Insurance costs for employees
- Doesn't achieve a minimum pay standard of \$15 per hour (\$50K)
- Doesn't fund increase in external organization requests





# Personal Property Taxes

- The proposed budget includes an increase in personal property tax because of the high values on vehicles right now.
- Recommend that we not lower the rate and instead – weather the ups and downs. Heavy trucks seeing an increase this year, may drop in value significantly next year because of fuel expenses.
- We need the additional revenue to balance the budget.
- Gloucester has the 2<sup>nd</sup> lowest rate in the region.

Locality	Tax Rate
Hampton	\$4.50
Newport News	\$4.50
Poquoson	\$4.15
Isle of Wight	\$4.50
James City	\$4.00
York County	\$4.00
King and Queen	\$3.94
New Kent	\$3.75
Mathews	\$3.70
Williamsburg	\$3.50
Gloucester	\$2.95
Middlesex	\$2.60



# TAX RATES AND ASSESSMENTS

	YEAR	TAX RATE
Assessment	1998	\$ 0.910
	1999	\$ 0.910
Tax Increase	2000	\$ 0.920
Tax Increase	2001	\$ 0.950
Assessment	2002	\$ 0.950
	2003	\$ 0.950
	2004	\$ 0.950
	2005	\$ 0.950
Assessment and Tax Increase	2006	\$ 0.570
	2007	\$ 0.570
Tax Increase	2008	\$ 0.610
	2009	\$ 0.610
Assessment - Equalized	2010	\$ 0.580
	2011	\$ 0.580
Tax Increase	2012	\$ 0.650
	2013	\$ 0.650
	2014	\$ 0.650
Assessment - Equalized	2015	\$ 0.680
Tax Increase	2016	\$ 0.695
Assessment - Not Equalized	2017	\$ 0.695
	2018	\$ 0.695
	2019	\$ 0.695
Assessment - Not Equalized	2020	\$ 0.695
	2021	\$ 0.695

**Last tax increase  
was in 2016**



# What's a Penny Worth?

\$475,157 in additional revenue

Locality	Tax Rate	Average Home Value	Taxes Paid per Avg. Home
Hampton	\$1.24	\$231,600	\$2,871.84
Newport News	\$1.22	\$241,370	\$2,944.71
Poquoson	\$1.13	\$395,073	\$4,464.32
Isle of Wight	\$0.850	\$325,000	\$2,762.50
James City	\$0.840	\$397,403	\$3,338.19
York County	\$0.795	\$371,447	\$2,953.00
New Kent	\$0.790	\$336,949	\$2,661.90
Gloucester	\$0.695	\$295,470	\$2,053.52
Williamsburg	\$0.64	\$390,103	\$2,496.66

It's important to remember how localities are different from one another.

Neighboring localities with greater populations offer additional services such as trash service, community centers and paid fire and rescue departments that Gloucester doesn't offer.

Note: Smithfield inside of Isle of Wight county also has a Town Real Estate Tax Rate of 0.19  
Home Rates generated from Zillow and Redfin home values

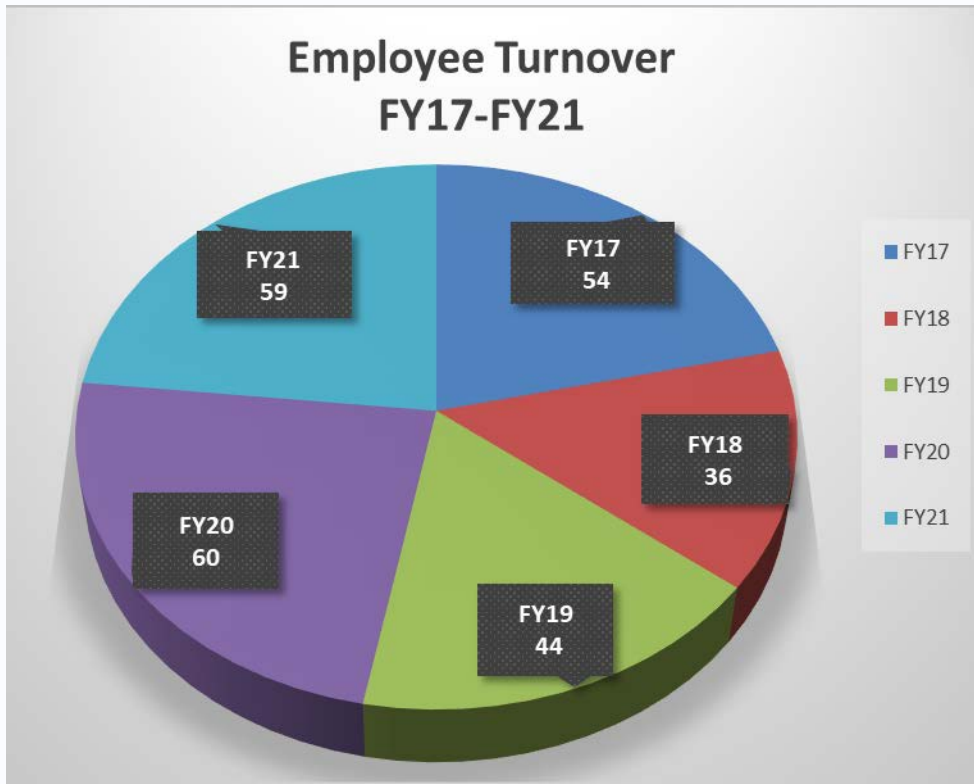


# What does \$.03 mean?

Home Value	Current Rate		Potential Rate - .03¢ Increase			
	0.695		0.725			
	Annual Cost	Monthly Cost	Annual Cost	Annual Increase	Monthly Cost	Monthly Increase
\$ 100,000	\$695.00	\$57.92	\$725.00	\$30.00	\$60.42	\$2.50
\$ 200,000	\$1,390.00	\$115.83	\$1,450.00	\$60.00	\$120.83	\$5.00
\$ 300,000	\$2,085.00	\$173.75	\$2,175.00	\$90.00	\$181.25	\$7.50
\$ 400,000	\$2,780.00	\$231.67	\$2,900.00	\$120.00	\$241.67	\$10.00
\$ 500,000	\$3,475.00	\$289.58	\$3,625.00	\$150.00	\$302.08	\$12.50
\$ 600,000	\$4,170.00	\$347.50	\$4,350.00	\$180.00	\$362.50	\$15.00
\$ 700,000	\$4,865.00	\$405.42	\$5,075.00	\$210.00	\$422.92	\$17.50
\$ 800,000	\$5,560.00	\$463.33	\$5,800.00	\$240.00	\$483.33	\$20.00
\$ 900,000	\$6,255.00	\$521.25	\$6,525.00	\$270.00	\$543.75	\$22.50
\$1,000,000	\$6,950.00	\$579.17	\$7,250.00	\$300.00	\$604.17	\$25.00



# Hiring and Retention Challenge



54 Employees resigned/retired between July 1 – March 5<sup>th</sup>. Only 25 in same time period in FY20 and 32 for FY21. Turnover across 23 out of 32 Departments.

Currently Recruiting for 17 Positions

Impact of state employee increases and neighboring localities providing raises from compensations studies and COLAs . **54** of our employees live across the Coleman Bridge

# The cost of employee turnover is high

- Recruiting costs
- Onboarding costs
- Lost productivity
- Lost engagement – lower morale
- Customer service and errors
- Training costs
- Cultural impact

Source: Gabrielle Smith,  
Employee Retention: The Real Cost of Losing an Employee



# Proposed FY23 Pay Plan

## FY23 Request:

Schools: 5.9% overall to fund 5% minimum for all employees

Teachers 5%, Paraprofessional 6.4%-6.7%,  
Groundskeeper/Lead Groundkeeper 6.3%-11.6%,  
Office Associates 5.9%, Custodial 8.4%-15.5%,  
Bus Assistants 10.7%, 5% increase for all other employees

County: 5.6% (Social Security 5.9% -.3%)  
Received the .3% in FY22 to stay even with State and School employees)



# Compensation Cost

\$ 1.11M	5.6% COLA (Includes all FT, PT and WAR employees)
\$ 87K	Step (non-Directors)
\$ 132K	New positions
\$ 1.00M	GPCS Requested \$1.7M of \$2.7 needed for 5.9% increase. State expected to provide \$963K The \$1M contribution will meets the State's \$635,642 SOQ match <b>\$772,302 short</b>





# Limited Personnel Changes

## New Positions - \$131,756

- Three full-time positions - FT Custodian and new Park Maintenance Tech (with reduction in part-time hours) and Sr Utility Maintenance Tech
- Part-time position in Clerk's Office
- PT to FT in Sheriff's Office
- Increase in WAR in Treasurer's Office

### Example of need

#### Gloucester Circuit Court

Calendar Year 2020 - Total Instruments Processed 9,923

Calendar Year 2021 - Total Instruments Processed 12,416

Revenue Generated in 2020 \$842,594

Revenue Generated in 2021 \$1,014,039

Workload Need per Comp Board 7.31 With new 16-hour position, they will be a 7.0



# FMRR

Original Request  
**\$1,131,713**  
 Cut to  
**\$750,000**  
 for level funding

Proposed FY23 Budget  
**\$350,000 -**  
an additional \$400,000 cut

Department	Facilities Maintenance Repair and Replacement Items	FY 2023
IT	Annual PC Replacement	\$ 30,000
IT	VM Server Host Chassis Sever card Replacement/upgrade	\$ 60,000
Animal Control	Storm Drain Slip Lining Repair	\$ 18,000
Animal Control	Supplemental Air Flow Fans Installed in Animal Shelter	\$ 8,045
PRT	Abingdon Softball Field - fix drainage	\$ 9,000
PRT	Roof & Siding - Ark, Abingdon, Beaverdam Shelters & Lodge	\$ 46,000
PRT	Zero Turn Mower 997 to replace 2006 model with 2,400 hours	\$ 25,000
Central Purchasing	County Copier Replacements	\$ 11,000
Engineering	Fencing Closed Landfill	\$ 40,000
Animal Control	Replacement of unit #71 FY23	\$ 70,000
Park Ops	Replacement of unit #600 Chevy 3500 HD ext cab 4X4 w/lift gate	\$ 60,000
Fac Mgmt.	Building Officials - Replace Unit #19 Ford Ranger w/SUV	\$ 25,000
Fac Mgmt.	EXE Fleet -Replace Unit #52 Mini Van w/ Mini Van	\$ 30,000
Fac Mgmt.	BLDG-2 Replace wooden light poles in parking area and front of building	\$ 14,000
Fac Mgmt.	Paint all windows and soffit on BLDG-2	\$ 7,500
Court Circle	Pump our residual fuel oil and fill 2 underground tanks w/foam	\$ 4,800
Fac Mgmt.	BLDG-1 Paint windows and soffit	\$ 5,000
Fac Mgmt.	Demo and replace broken concrete next to fuel station	\$ 10,000
Fac Mgmt.	Demo and replace broken concrete next to shop	\$ 11,000
Fac Mgmt.	Building remodel - CA Approval	\$ 30,000
Fac Mgmt.	Replacement of specific HVAC systems.	\$ 40,000
Fac Mgmt.	Roof replacement	\$ 36,000
Fac Mgmt.	Tree replacement	\$ 2,000
Fac Mgmt.	Duress alarm in Registrar B-1	\$ 3,500
Fac Mgmt.	Install Fire alarm in BLDG-1	\$ 15,000
Safety	Purchase Fall Prevention Equipment for Roofs	\$ 30,000
GIS	Plotter replacement	\$ 11,000
GIS	GPS - Primary	\$ 8,550
Fac Mgmt.	Demolition of B&G Auto Shop	\$ 50,000
PRT	Gloucester Point Gateway Sign	\$ 15,000
County Admin	Contingency	\$ 24,605
<b>General Fund Total Requests</b>		<b>\$ 750,000</b>
Mosquito Control	Vehicle and Relocate to old Page site	\$ 60,000
Cable	Equipment Replacement and Upgrades	\$ 30,000
Tourism	Exhibits in Museum and Court Circle Buildings	\$ 15,000
<b>Total Reserve Fund Requests</b>		<b>\$ 105,000</b>



# General Fund

General Fund	FY2021 Actual	FY2022 Amended Budget	FY23 Proposed	Dollar Change	% Change
<b>General Fund (10) Total Budget</b>	<b>65,140,012</b>	<b>74,800,970</b>	<b>73,397,812</b>	<b>(1,403,158)</b>	<b>-1.9%</b>
<b>Transfers:</b>					
Schools - Operating	25,597,700	27,742,836	28,742,836	1,000,000	3.6%
Social Services	1,439,956	1,905,752	1,838,029	(67,723)	-3.6%
Children's Services Act	468,659	650,000	650,000	-	0.0%
Capital Improvements	1,291,714	4,953,441	1,121,978	(3,831,463)	-77.3%
Debt Service	3,625,623	4,052,441	4,186,450	134,009	3.3%
Utilities	11,266	-	-	-	
<b>General Fund w/o Transfers</b>	<b>32,705,094</b>	<b>35,496,500</b>	<b>36,858,519</b>	<b>1,362,019</b>	<b>3.8%</b>

## FY23 General Fund Operating Budget

Overall decrease from FY22

Increase in GF without transfers – Main reason pay increase and \$177,814 Increase in GVFR & AVFR contributions



# Schools' Operating / Debt Service

Revenue	FY2022 Revised			Dollar Change	% Change
	FY2021 Actual	Budget	FY2023 Proposed		
Local Revenue	199,202	300,596	300,596	-	0.0%
Local Transfer	25,597,700	27,742,836	28,742,836	1,000,000	3.6%
State Revenue	32,334,527	32,872,469	34,882,039	2,009,570	6.1%
Federal Revenue	3,910,551	6,772,788	6,772,788	-	0.0%
<b>Total revenue</b>	<b>62,041,979</b>	<b>67,688,689</b>	<b>70,698,259</b>	<b>3,009,570</b>	<b>4.4%</b>
<b>Debt Service from County GF</b>	<b>3,489,352</b>	<b>4,052,441</b>	<b>4,186,450</b>	<b>134,009</b>	<b>3.3%</b>
<b>Total County GF For Schools</b>	<b>29,087,051</b>	<b>31,795,277</b>	<b>32,929,286</b>	<b>1,134,009</b>	<b>3.6%</b>

## FY23 General Fund Proposed Transfer

- Includes \$1M increase in Local Transfer (over level funding toward 5.9% FY23 compensation action). Meets State requirement for match.
- Accounts for increases in funding from State (Governor's proposed budget).



# Education Funds

Education Funds	FY2022 Revised			Dollar Change	% Change
	FY2021 Actual	Budget	FY2023 Proposed		
Local Revenue	199,202	300,596	300,596	-	0.0%
Local Transfer	25,597,700	27,742,836	28,742,836	1,000,000	3.6%
State Revenue	32,334,527	32,872,469	34,882,039	2,009,570	6.1%
Federal Revenue	3,910,551	6,772,788	6,772,788	-	0.0%
<b>Subtotal Operating Revenue</b>	<b>62,041,979</b>	<b>67,688,689</b>	<b>70,698,259</b>	<b>3,009,570</b>	<b>4.4%</b>
Cafeteria Fund	2,163,832	2,856,277	3,075,279	219,002	7.7%
Special Education	568,627	659,600	738,268	78,668	11.9%
<b>Total Education Funds</b>	<b>64,774,438</b>	<b>71,204,566</b>	<b>74,511,806</b>	<b>3,307,240</b>	<b>4.6%</b>

School Operating Budget with Cafeteria Fund and Special Education Fund total to \$74,511,806 in Education Funds



# Social Services Funds

Social Services					
Revenues	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Local	234	-	-	-	0%
Local Transfer	1,439,956	1,905,752	1,838,029	(67,723)	-4%
State	1,342,116	1,664,213	1,714,569	50,356	3%
Federal	2,271,139	2,384,118	2,450,148	66,030	3%
<b>Total revenues</b>	<b>5,053,444</b>	<b>5,954,083</b>	<b>6,002,746</b>	<b>48,663</b>	<b>1%</b>
Expenditures	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Social Services	5,053,445	5,954,083	6,002,746	48,663	0%
<b>Total expenditures</b>	<b>5,053,445</b>	<b>5,954,083</b>	<b>6,002,746</b>	<b>48,663</b>	<b>1%</b>
Children Services Act					
Revenues	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Local Revenue	3,873	3,720	3,720	-	0%
Local Transfer	468,659	650,000	650,000	-	0%
State Revenue	670,135	852,280	852,280	-	0%
Federal Revenue	49,872	18,000	18,000	-	0%
<b>Total revenues</b>	<b>1,192,538</b>	<b>1,524,000</b>	<b>1,524,000</b>	<b>-</b>	<b>0%</b>
Expenditures	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Children's Services	1,192,538	1,524,000	1,524,000	-	0%
<b>Total expenditures</b>	<b>1,192,538</b>	<b>1,524,000</b>	<b>1,524,000</b>	<b>-</b>	<b>0%</b>



# Sanitary Districts

Gloucester Sanitary District					
Revenues	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Local Revenue	25,585.66	19,203.00	25,585.00	6,382.00	33%
Use of Fund Balance	-	6,647.00	-	(6,647.00)	-100%
<b>Total Revenues</b>	<b>25,585.66</b>	<b>25,850.00</b>	<b>25,585.00</b>	<b>(265.00)</b>	<b>-1%</b>
Expenditures	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Operating	19,597.82	25,850.00	25,585.00	(265.00)	-1%
<b>Total Expenditures</b>	<b>19,597.82</b>	<b>25,850.00</b>	<b>25,585.00</b>	<b>(265.00)</b>	<b>-1%</b>
Gloucester Point Sanitary District					
Revenues	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Local Revenue	25,267.13	20,842.00	25,267.00	4,425.00	21%
<b>Total revenues</b>	<b>25,267.13</b>	<b>20,842.00</b>	<b>25,267.00</b>	<b>4,425.00</b>	<b>21%</b>
Expenditures	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Operating	20,237.83	20,842.00	25,267.00	4,425.00	21%
<b>Total expenditures</b>	<b>20,237.83</b>	<b>20,842.00</b>	<b>25,267.00</b>	<b>4,425.00</b>	<b>21%</b>

Recommendation: Consider eliminating current districts and reform with correct boundaries at time of zoning ordinance change.



# Mosquito Control

Revenues	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Property Taxes	125,081	98,390	125,081	26,691	27%
Use of Fund Balance	-	15,935	54,031	38,096	239%
<b>Total revenues</b>	<b>125,081</b>	<b>114,325</b>	<b>179,112</b>	<b>64,787</b>	<b>57%</b>
Expenditures	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Operating	95,626	96,550	157,600	61,050	63%
Personnel	12,525	17,775	21,512	3,737	21%
<b>Total expenditures</b>	<b>108,151</b>	<b>114,325</b>	<b>179,112</b>	<b>64,787</b>	<b>57%</b>

\$60K (total) FMRR for vehicle replacement and move to old Page site anticipated FY23, consuming significant fund balance.

Revenues no longer supporting ongoing expenditures, considering the increased cost associated with effective chemical treatments.

District tax rate increase likely recommendation this time next year.





# FY23 Revenue Outlook Summary

General Fund Revenues	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Budget Change FY23 to FY22	% Change
General Property Taxes	\$44,251,884	\$43,430,884	\$46,630,474	\$3,199,590	7%
Other Local Taxes	\$13,433,651	\$11,742,000	\$14,522,110	\$2,780,110	24%
Licenses, Permits, & Fees	\$440,781	\$451,795	\$459,651	\$7,856	2%
Fines & Forfeitures	\$44,321	\$91,900	\$48,219	-\$43,681	-48%
Use of Money & Property	\$151,810	\$241,986	\$136,335	-\$105,651	-44%
Charges for Services	\$936,965	\$1,099,750	\$920,375	-\$179,375	-19%
Miscellaneous	\$232,454	\$220,870	\$98,245	-\$122,625	-53%
Recovered Costs	\$445,384	\$606,378	\$466,768	-\$139,610	-31%
Commonwealth	\$8,808,934	\$9,345,150	\$9,312,528	-\$32,622	0%
Federal	\$346,109	\$301,105	\$323,439	\$22,334	7%
Loan Proceeds	\$122,756	\$0	\$0	\$0	0%
Fund Balance	\$0	\$7,269,152	\$479,667	-\$6,789,485	-93%
<b>Total General Fund Revenues</b>	<b>\$69,215,050</b>	<b>\$74,800,970</b>	<b>\$73,397,812</b>	<b>-\$1,403,158</b>	<b>-2%</b>



# FY23 Revenue Outlook Detail

Property Taxes	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Budget Change FY23 to FY22	% Change
Revenue					
CURRENT REAL ESTATE	\$31,076,178	\$31,242,884	\$33,073,215	\$1,830,331	6%
DELINQUENT REAL ESTATE	\$1,189,802	\$850,000	\$1,070,648	\$220,648	26%
PUBLIC SERVICE CORP	\$1,062,377	\$1,034,000	\$901,157	-\$132,843	-13%
CURRENT PERS PROP	\$9,387,596	\$8,935,000	\$9,765,198	\$830,198	9%
DELINQUENT PERS PROP	\$906,270	\$780,000	\$1,110,028	\$330,028	42%
MANUFACTURED HOME	\$61,033	\$47,000	\$60,817	\$13,817	29%
PENALTIES	\$368,015	\$350,000	\$408,942	\$58,942	17%
INTEREST	\$200,615	\$192,000	\$240,469	\$48,469	25%
<b>Total</b>	<b>\$44,251,884</b>	<b>\$43,430,884</b>	<b>\$46,630,474</b>	<b>\$3,199,590</b>	<b>7%</b>
Other Local Taxes	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Budget Change FY23 to FY22	% Change
Revenue					
LOCAL SALES TAX	\$6,262,576	\$5,500,000	\$6,863,773	\$1,363,773	25%
CONSUMER UTILITY TAX	\$757,551	\$740,000	\$761,787	\$21,787	3%
BUSINESS LICENSE TAX	\$2,011,717	\$1,843,000	\$2,011,717	\$168,717	9%
MEALS TAX	\$2,699,399	\$2,439,000	\$3,138,414	\$699,414	29%
LODGING TAX	\$234,217	\$221,000	\$353,006	\$132,006	60%
OTHER LOCAL TAXES	\$1,468,190	\$999,000	\$1,393,412	\$394,412	39%
<b>Total</b>	<b>\$13,433,651</b>	<b>\$11,742,000</b>	<b>\$14,522,110</b>	<b>\$2,780,110</b>	<b>24%</b>



# Capital Reserve Fund Balance

- Initiated in 2012/13 with proceeds from Personal Property tax increase.
- Split 50/50 County Schools (used for county vehicles and school buses).
- 2016 – FMRR created for vehicles and other needs under \$50,000. School buses moved under CIP and funded annually.
- Recommend a fresh start – consider starting in FY24 funding school reserve account with end of year balance of operating funds and capital funds (with possible maximum limit) to seed the account.



# Proposed use of Fund Balances

\$ 30K	Cable Committed Fund (for Broadband)
\$ 0	FMRR Committed Fund (for FMRR) Balance \$518,974 Hold for emergencies
\$ 265K	Tourism Committed Fund (for CIP and FMRR)
\$ 54K	Mosquito Control Committed Fund (for FMRR)
\$ 2K	General Fund Balance
\$ 183K	Assigned Fund Balance (for CA Contingency)
\$ 0	\$ 518,974 Balance in Capital Committed Fund Balance for <b>School Buses</b> – Any portion can be assigned in FY 23
\$ 534K	Total Fund Balance Supporting FY23 proposed General Fund budget



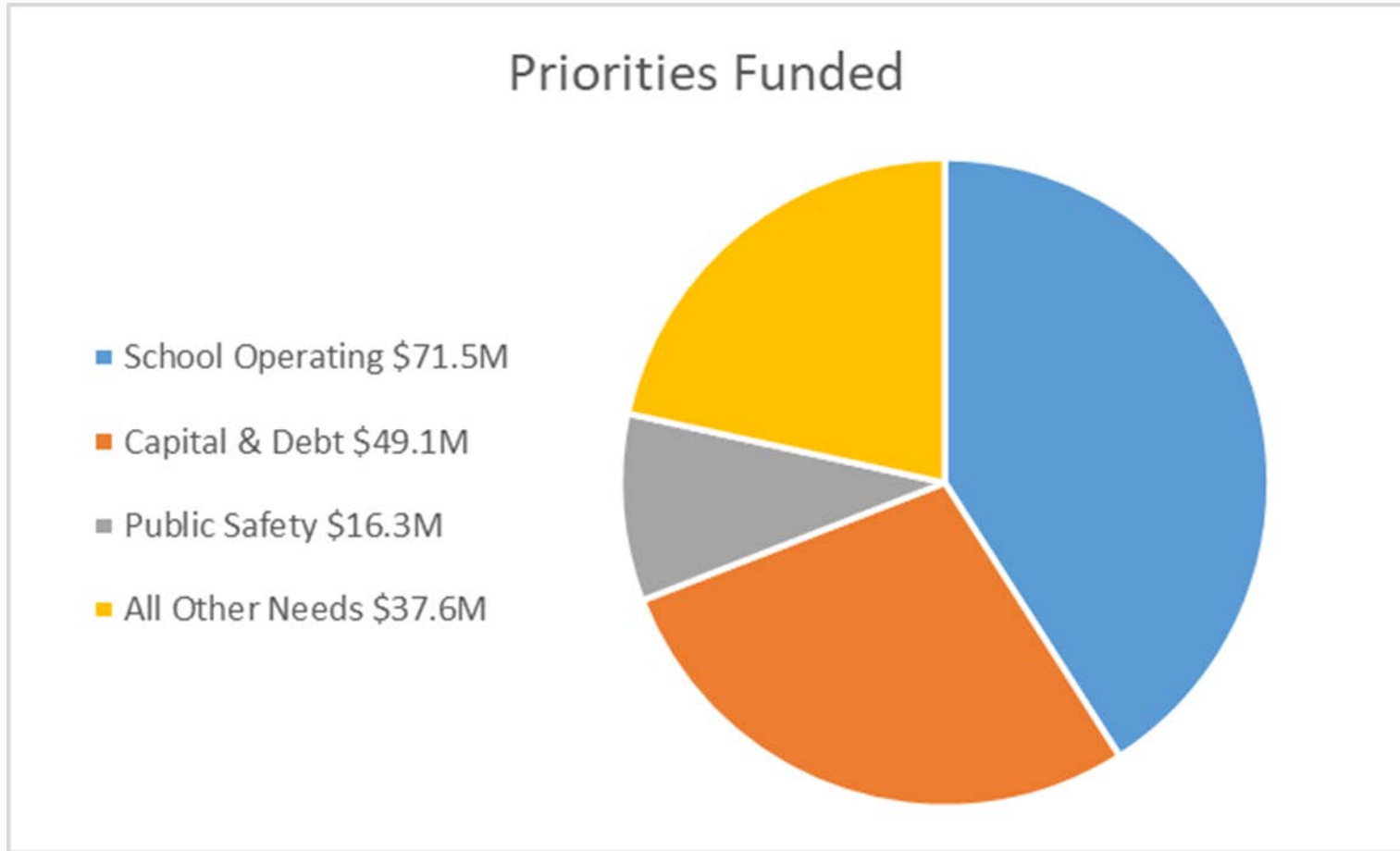
# FY 2023 Proposed Budget

Category Expenditure Summary	FY2021 Actual	FY2022 Amended Budget	FY2023 Proposed	Dollar Change	% Change
General Fund	32,705,094	35,496,500	36,858,519	1,362,019	3.8%
School Operating	62,041,979	67,688,689	71,469,461	3,780,772	5.6%
School Cafeteria	2,163,832	2,856,277	3,075,279	219,002	7.7%
School Special Education	568,627	659,600	783,268	123,668	18.7%
Social Services	5,053,445	5,954,083	6,002,746	48,663	0.8%
Children's Services Act	1,192,538	1,524,000	1,524,000	-	0.0%
Capital Fund	2,785,726	73,736,573	39,118,228	(34,618,345)	-46.9%
Debt Service Fund	9,422,323	4,929,561	5,889,360	959,799	19.5%
School Sales Tax	-	4,710,974	4,092,500	(618,474)	-13.1%
Gloucester Sanitary Districts #1	19,598	25,850	25,585	(265)	-1.0%
Gloucester Point Sanitary	20,238	20,842	25,267	4,425	21.2%
Utility Fund	4,795,820	5,041,454	5,464,810	423,356	8.4%
Mosquito Control	108,151	114,325	179,112	64,787	56.7%
<b>Total Governmental Expenditures</b>	<b>\$120,877,372</b>	<b>\$202,758,728</b>	<b>\$174,508,135</b>	<b>-\$28,250,593</b>	<b>-13.9%</b>

Proposed FY23 Budget is balanced with a 3¢ Real Estate tax rate increase.



# Priorities Funded



# 5 Year CIP Funding Plan

- 5 Year Requests (excluding dredging grant project and Community Center) total to **\$32,459,803** for General Fund.
- Recommend Prioritizing and Categorizing into:
  - Projects to keep as Pay-Go, based on cost and service life
  - Debt Financing – collectively to allow implementation faster than waiting for Pay-Go
  - Projects earmarked as needing an external funding source and/or for future borrowing (beyond 7 years)

# Pay-Go/Cash Total Requests

Department	Project Title	Total Cost	Year One FY2023	Year Two FY2024	Year Three FY2025	Year Four FY2026	Year Five FY2027	Year Six and Beyond
Schools	Schools-Bus A/C Retro	114,000	114,000					
Engineering	County-Aberdeen Pier	161,000	161,000					
Registrar	County-New Electronic Pollbooks	66,177	66,177					
Library	New Library/Library Renovation & Purchase	5,600,000	250,000					
PR&T	County-Woodville Park Fields Renovation	855,728	855,728					
PR&T	County-Historical Building Preservation	250,000	250,000					
Engineering	County-Closed Landfill Improvements	700,000	700,000					
PR&T	County-Woodville Restrooms Concessions	1,029,440		275,440	50,000	704,000		
Schools	Schools-HVAC Replacement	3,726,279	1,200,000	773,800	1,460,680	291,799		
Sheriff	County-Sheriff Patrol Toughbooks	254,000			254,000			
Schools	Schools-School Bus Replacement Program	4,038,081	716,341	759,321	804,881	853,174	904,364	
Engineering	County-Bus Garage Conversion	470,000	305,000	165,000				
IT	County-Replace Finance Plus & Community Plus Software	750,000			750,000			
PR&T	County-Beach Renovations	2,475,000	250,000	575,000	550,000	550,000	550,000	
PR&T	County-Woodville Park Utilities	2,046,500				50,000	1,996,500	
Engineering	County-Building #4 Basement Remodel	187,000		187,000				
Schools	Schools-TCWEC Exterior Remediation	674,160			674,160			
PR&T	County-Athletic Field Lighting	2,338,600	44,000	633,600	665,500	396,000	599,500	
Engineering	County-Paving Program	2,325,273	696,925	521,653	723,068	189,627	194,000	
PR&T	County-Ark Park Renovations	735,092	97,092		308,000	330,000		
PR&T	County-Woodville Support Facilities	569,750		132,000	50,000			387,750
Engineering	County-Hutchinson House	133,000			133,000			
Engineering	County-Generators	275,000			150,000	125,000		
PR&T	County-Brown Park Expansion	342,100		67,100	66,000		209,000	
PR&T	County-Woodville Park Building	2,156,830			50,000		2,106,830	
Sheriff	Jail Access Control Update/Upgrade	186,793		166,393	6,800	6,800	6,800	
<b>Total Pay-Go</b>		<b>32,459,803</b>	<b>5,706,263</b>	<b>4,256,307</b>	<b>6,696,089</b>	<b>3,496,400</b>	<b>6,566,994</b>	<b>387,750</b>







# ARPA Funding Recommendation

- Available Funds - \$593,842 and \$3,627,206 = \$4,221,048
- \$305,000 Phase One Bus Garage Work
- \$250,000 Library Renovation
- \$2,896,800 Abingdon and Gloucester Fire and Rescue
- \$769,248 – Hold for other needs



# Remaining Pay-Go Projects

- Prioritize and fund as monies are available

Hutchinson House	\$ 133,000
Bus Garage Conversion Part 2	\$ 165,000
Finance Plus and Community Plus Software	\$ 750,000
Jail Access Control Update/Upgrade	\$ 186,793
County Generators	\$ 275,000
Building 4 Basement Repair	\$ 187,000
Sheriff's Department Toughbooks	\$ 254,000
TC Walker Exterior Remediation	\$ 674,160
Total	<b>\$ 2,624,953</b>

Based on FY23 cost estimates



# Considerations for a Future Work Session

- Borrow funds in Fall 2022 for FY24 for multiple projects.

<b>1st Borrowing - FY24 Spending</b>	
Radio System - Public Safety Portable Radios	\$ 3,224,630
Woodville Restroom and Concession Building	\$ 935,000
Woodville Utilities	\$ 1,911,750
Woodville Lighting	\$ 677,600
Beach - Partial Project	\$ 750,000
	<b>\$ 7,498,980</b>

ACA Reduced Woodville Restroom and Concession budget because of sewer installation



# Additional Borrowing Scenario

- Next CIP Borrowing in FY26

## 2nd Borrowing - FY 27 Spending

County-wide Paving	\$ 2,325,273
Brown Park	\$ 342,100
Woodville Community Building	\$ 2,156,830
Woodville Sewer Extension for new Building	\$ 134,750
Additional Field Lighting	\$ 1,661,000
	<b>\$ 6,619,953</b>

Pushing the paving projects to FY27 may mean additional FMRR funds are needed to keep sites safe

# Outside Funding or Future Borrowing ( Balance of 5 Year CIP)

1. Closed Landfill Improvements \$700,000 (grant)
2. Achilles Security Vestibule \$250,000 (grant)
3. Woodville Support facilities \$569,750 (fundraising, sponsorships, grants)
4. Gloucester Point Beach – Phase 2 Development \$1,725,000 (grant and future borrowing)
5. Botetourt 1973 Wing \$3,233,000, GHS Sports Complex \$8,104,304 and School Division Restroom Renovation \$8,010,877 (State funding, sales tax extra proceeds or future borrowing)



# Additional Other Potential Funding Sources

- APRA
- Siting agreement contribution of \$330,000
- Sale of County and/or school land
- General Assembly School Construction Funding
- Proffer Fund

# Capital Fund –

Revenues	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Local Revenue	75,153	7,188,108	-	(7,188,108)	-100%
State Revenue	627,478	749,884	3,058,750	2,308,866	308%
Federal Revenue	220,967	2,298,107	-	(2,298,107)	-100%
Fund Balance	-	16,000	-	(16,000)	-100%
Long Term Debt	5,447,128	58,531,033	34,937,500	(23,593,533)	-40%
Local Transfers	1,296,018	4,953,441	1,121,978	(3,276,463)	-66%
<b>Total revenues</b>	<b>7,666,744</b>	<b>73,736,573</b>	<b>39,118,228</b>	<b>(34,063,345)</b>	<b>-46%</b>
Expenditures	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Capital Projects	2,785,726	73,736,573	39,118,228	(34,618,345)	-47%
<b>Total expenditures</b>	<b>2,785,726</b>	<b>73,736,573</b>	<b>39,118,228</b>	<b>(34,618,345)</b>	<b>-47%</b>





# Debt Service Fund

Revenues	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	% Change FY23 to FY22
Local Transfer	3,625,623	4,052,441	4,186,450	1,898,630	47%
Local Transfer-School Sales Tax	-	289,024	1,157,500	(2,383,522)	-825%
Federal	357,122	238,096	237,295	(801)	0%
Loan Proceeds	5,335,000	350,000	308,115	(41,885)	-12%
<b>Total revenues</b>	<b>9,317,744</b>	<b>4,929,561</b>	<b>5,889,360</b>	<b>(527,578)</b>	<b>-11%</b>
Expenditures	FY2021 Actual	FY2022 Revised Budget	FY2023 Proposed	\$ Change FY23 to FY22	
Debt Service	9,422,323	4,929,561	5,889,360	(527,578)	-11%
<b>Total expenditures</b>	<b>9,422,323</b>	<b>4,929,561</b>	<b>5,889,360</b>	<b>(527,578)</b>	<b>-11%</b>



# Enterprise Funds

No proposed increase in water / sewer rates. Rate increase study recommended for future consideration.

Revenues	FY2021	FY2022	FY2023	\$ Change	% Change
	Actual	Revised Budget	Proposed	FY23 to FY22	FY23 to FY22
Development/Connection Fees	621,040	402,100	621,040	218,940	54%
Charges for Services	4,247,854	4,106,340	4,816,688	710,348	17%
Use of Fund Balance/Other	33,132	533,014	27,082	(505,932)	-95%
Federal and State Grants	5,253	-	-	-	0%
Local transfer	11,266	-	-	-	0%
<b>Total revenues</b>	<b>4,918,545</b>	<b>5,041,454</b>	<b>5,464,810</b>	<b>423,356</b>	<b>8%</b>

Expenditures	FY2021	FY2022	FY2023	\$ Change	% Change
	Actual	Revised Budget	Proposed	FY23 to FY22	FY23 to FY22
Debt Service	155,445	837,031	811,656	(25,375)	-3%
Capital	286,525	890,220	1,011,000	120,780	14%
Operating	2,322,840	1,312,489	1,629,272	316,783	24%
Personnel	2,031,011	2,001,714	2,012,882	11,168	1%
<b>Total expenditures</b>	<b>4,795,820</b>	<b>5,041,454</b>	<b>5,464,810</b>	<b>423,356</b>	<b>8%</b>

(\$ 140K)

## FY23 Revenue to General Fund proposed

- \$140K Enterprise transfer back into GF at rate of 4% of expenditures (less debt service) to offset GF investment in HR, recruiting, finance, purchasing, IT, Admin support, etc.
- Enterprise Fund self-supports proposed 5.6% COLA



# Utilities – Enterprise Funded CIP Projects FY2023

Project Title	Total Cost	Year One FY2023
PS#13 Collection System Rehab/Repair	1,500,000	180,000
Replacement of Old Meters	810,000	100,000
PS#11 Collection System Rehab/Repair	1,000,000	200,000
Gloucester Street and Clements Avenue Water Improvements	381,000	43,000
Water Meter Radio Read Conversion	540,000	100,000
PS #15 Replacement Control Panel	85,000	85,000
Surface Water Treatment Plant Roof Replacement	100,000	100,000
Repair Leak Filter #1 Wall/Replace Media in Filters	102,000	102,000
Sawgrass Point Waterline Replacement	175,000	35,000
Water System Security	1,015,000	66,000
<b>Total Utilities (Enterprise Funded Through FY23)</b>	<b>5,708,000</b>	<b>1,011,000</b>



# Proposed Tax Rate Advertising

	CY 2021	Suggested Advertising
Real Estate	\$0.695	\$0.755
Manufactured Home	\$0.695	\$0.755
Public Service Corporation	\$0.695	\$0.755
Tangible Personal Property	\$2.95	\$2.95
Boats	\$0.0000000000000001	\$0.0000000000000001
Gloucester Sanitary District #1	\$0.01	\$0.01
Gloucester Point Sanitary District	\$0.01	\$0.01
Mosquito Control	\$0.01	\$0.01

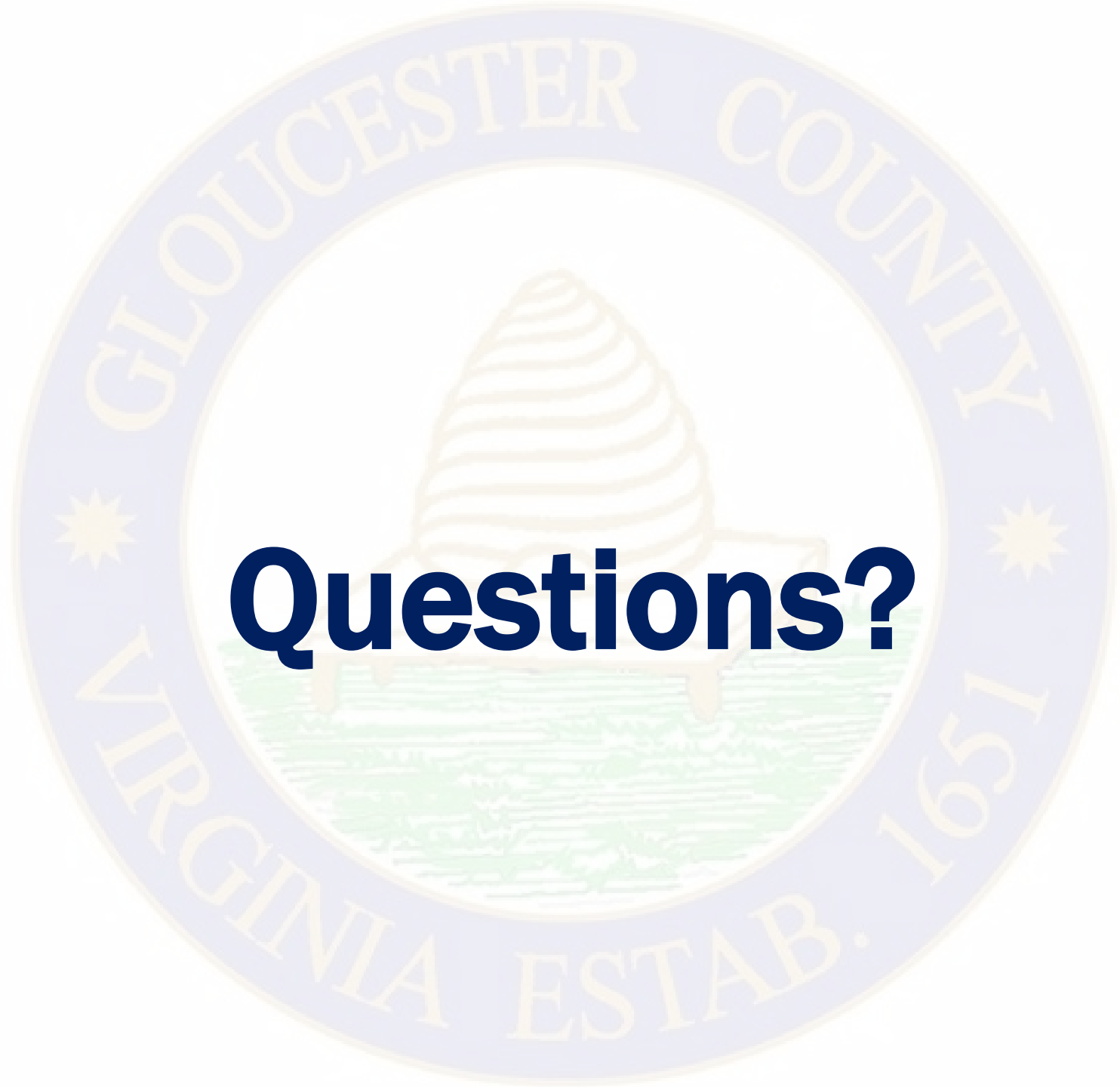


# Budget Calendar

March 15	Joint Work Session w/School Board
March 16	Budget Work Session
TBD ?	Chair / Vice Chair Budget Town Hall
March 23	FY23 Budget & Tax Rate Public Hearings
April 5	Regular Meeting w/ potential Budget items
April 6	Possible Budget Work Session
April 11	Possible Budget Work Session
April 14	Possible Budget Work Session
April 18	FY23 Budget Adoption

Note: All meetings at 7PM unless otherwise noted





**Questions?**