



## BOARD OF SUPERVISORS MEETING

April 22, 2013

### BUDGET WORK SESSION & BUDGET PUBLIC HEARING

3:00 p.m. (Board of Supervisors Room)

1. Chairman Fore will call the reconvened meeting to order.
2. Request from Prospect Volunteer Fire Department – Grant Assistance from CRC
3. Review of Budget Discussions at Work Sessions (ATTACHMENT)
4. Review of Revenues
5. Review of Expenditures

7:00 p.m. (Board of Supervisors Room)

6. **PUBLIC HEARING -- FY 14 COUNTY & SCHOOL BUDGET**

Recess until April 30, 2013 at 3:00 p.m.



April 22, 2013

TO: Prince Edward County Board of Supervisors  
FROM: W.W. Bartlett, County Administrator  
SUBJECT: Review of Budget Work Sessions

ENCLOSURES: (1) Projected Fund Balance Chart for FY14  
(2) Capital/One-Time Expenditures

During the budget work sessions the Board of Supervisors has indicated a willingness to increase expenditures above the budget submitted by \$469,181 as displayed below:

\$240,148	Increase the local contribution to the School Budget
\$133,200	Restore the Employee Health Insurance Plan
\$ 38,104	Restore Library funding to FY13 level and provide an additional increase of \$12,507
\$ 24,403	Restore funding to Farmville Volunteer Fire Department to FY13 level
\$ 23,000	Restore funding to YMCA for expanded summer program
\$ 7,926	Increase funding for the Longwood Small Business Development Center
\$ 1,600	Increase funding to the Chamber of Commerce
\$ 800	Restore funding to Burkeville Volunteer Fire Department

When combining all of the County funds, with the exception of the School and Cafeteria funds, the County Administrator's proposed FY14 budget would have resulted in a decrease in the fund balance of \$2,112,756, enclosure (1). The funds included are the General Fund, Forfeited Assets, Economic Development, Retirement, Social Services, Water, Sewer, Landfill Construction, Recreation and VDOT Revenue Sharing.

The decrease of \$2,112,756 contained capital expenditures of \$1,587,787 which are displayed in enclosure (2). The work required at the landfill and the replacement of a garbage truck account for \$1,350,500 of that amount. By subtracting the capital expenditures from the total budget decrease one can approximate the recurring budget deficit when we begin the FY15 budget process. This assumes all other variables remain the same. Thus, the projected ongoing deficit is \$2,112,756 minus \$1,587,787 which equals \$524,969.

That amount assumes no expenditures on capital items. That is not realistic. The Sheriff needs to replace 4 or 5 vehicles each year, approximately 15 computers need to be replaced and Administration should replace 1 vehicle each year. With the Courthouse renovations and expansion being 15 years old we will begin to see an increase in necessary repairs such as mechanical repairs and carpet replacement. The Convenience sites are approximately --- years old. Compactors, compactor boxes, and green boxes are aging and will need to be replaced in the near future. I estimate capital costs will be \$200,000-\$250,000

each year. Adding that amount to the \$524,969 mentioned above and the ongoing operational deficit is approximately \$750,000.

Each year during the budget process I expend much effort in projecting the revenues that can be expected to be collected at the end of the current fiscal year. That knowledge not only allows a projection of the financial status of the County on June 30 of each year but it also serves as the foundation of the revenue estimates for the new budget year. Last year the actual difference between the projection and the revenue amounts actually collected in local revenues was less than one-half of one percent or about \$75,000.

After subtracting one time revenues from the sale of land I am projecting this Fiscal Year total local revenues will be \$16,000,797. I have the highest confidence that amount will be very close to the actual revenues that will be collected for FY13.

For FY14 the budget I submitted contains \$15,849,137 in local revenues. That is a difference of \$151,660 from the projected amount to be collected in FY13. The Local recordation tax accounts for almost \$58,000 of that amount with the remainder scattered throughout the various revenue streams. The point is that even collection of revenues slightly greater than budgeted will not overcome the operational deficit. At best it will pay for the necessary capital expenditures still leaving an ongoing deficit of approximately \$525,000.

If the Board of Supervisors increases expenditures by the \$469,181 mentioned above the starting operational deficit for the FY15 budget will be approximately \$994,000. Including the additional expenditures of \$469,181 the estimated fund balance at the end of FY14 is \$9,280,439. In order not to borrow funds during a fiscal year due to cash flow fluctuations and to allow funds for unexpected expenses Prince Edward County needs a minimum fund balance of \$6 million. With an operational deficit of almost \$1 million dollars in only three years Prince Edward's fund balance would fall to such a point as to require short-term borrowing to pay expenses.

**PRINCE EDWARD COUNTY  
ESTIMATED FUND BALANCE 06/30/2014**

	<u>Projected Fund Balance 06/30/13</u>	<u>Estimated Revenues FY14</u>	<u>Estimated Exp/ Transfers FY14</u>	<u>Estimated Fund Balance 06/30/14</u>	<u>Net (Decrease) Increase</u>
GENERAL	\$7,660,623	\$21,078,653	\$21,330,341	\$7,408,935	-\$251,688
FORFEITED ASSETS	\$109,383	\$550	\$74,543	\$35,390	\$ (73,993)
POPLAR HILLS CDA	\$46,794			\$46,794	\$0
GRANITE FALLS CDA	\$0	\$1,545	\$1,545	\$0	\$0
DARE	\$2,982	\$40	\$0	\$3,022	\$40
ECONOMIC DEVELOPMENT	\$743,464	\$0	\$0	\$743,464	\$0
RETIREMENT	\$5,479	\$12,582	\$12,582	\$5,479	\$0
SOCIAL SERVICES	\$171,009	\$2,761,176	\$2,761,176	\$171,009	\$0
<b>TOTAL GENERAL GOVERNMENTAL</b>	<b>\$8,739,734</b>			<b>\$8,414,093</b>	<b>-\$325,641</b>
WATER	\$549,214	\$777	\$240,560	\$309,431	\$ (239,783)
SEWER	(\$182,843)	\$1,644	\$92,757	(\$273,956)	(\$91,113)
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$366,371</b>			<b>\$35,475</b>	<b>\$ (330,896)</b>
LANDFILL CONSTRUCTION	\$1,468,538	\$325,000	\$1,150,500	\$643,038	\$ (825,500)
RECREATION FUND	\$27,236	\$100	\$0	\$27,336	\$ 100
VDOT - REVENUE SHARING	\$1,260,497	\$0	\$1,100,000	\$160,497	\$ (1,100,000)
<b>TOTAL CAPITAL FUNDS</b>	<b>\$2,756,271</b>			<b>\$830,871</b>	<b>\$ (1,925,400)</b>
<b>Subtotal</b>	<b>\$11,862,376</b>			<b>\$9,280,439</b>	<b>\$ (2,581,937)</b>
SCHOOLS	\$0	\$24,856,987	\$24,856,987	\$0	\$ -
CAFETERIA	\$408,493	\$1,021,805	\$1,181,676	\$248,622	\$ (159,871)
SCHOOL CONSTRUCTION	\$0			\$0	\$ -
UNDERGROUND STORAGE TANK	\$20,000	\$0	\$0	\$20,000	\$ -
<b>TOTAL SCHOOL FUNDS</b>	<b>\$428,493</b>			<b>\$268,622</b>	<b>\$ (159,871)</b>
<b>TOTAL ALL FUNDS</b>	<b>\$12,290,869</b>			<b>\$9,549,061</b>	<b>\$ (2,741,808)</b>

NOTES:

1. Revenues do not contain draws from Fund Balances
2. Expenditures do not contain deposits to Fund Balances
3. Exenditures do not contain the non-cash Expense of Depreciation
4. Contains \$469,181 in additional expenditures above County Administrato's recommended budget

**AGENCY & INTERNAL SERVICE FUNDS**

PIEDMONT COURT SRVS	\$328,180	\$545,452	\$563,883	\$309,749	\$ (18,431)
IDA	\$183,056	\$146,486	\$47,020	\$282,522	\$99,466

Enclosure (1)

# FY14 CAPITAL/ONE-TIME EXPENDITURES

FUND	DEPARTMENT	AMOUNT	DESCRIPTION
General			
	Clerk Circuit Court	\$ 5,000	Copier
	Clerk Circuit Court	\$ 8,000	Filing System
	Sheriff	\$ 5,000	ADP Equipment
		\$ 54,000	Vehicles
	Animal Control	\$ 3,000	Shelter Improvements
		\$ 30,000	Vehicle
	Refuse	\$ 13,000	Compactor boxes
		\$ 200,000	Garbage Truck
	General Properties	\$ 15,000	Carpet Replacement
	Various	\$ 17,000	ADP Equipment
	Planning	\$ 11,500	GIS/Plotter
<b>Subtotal</b>		<b>\$ 361,500</b>	
Forfeited Assets			
	Sheriff	\$ 36,000	Vehicles
	Commonwealth Atty	\$ 15,000	Case Mgmt System
<b>Subtotal</b>		<b>\$ 51,000</b>	
Landfill			
	Landfill	\$ 1,150,500	Closure of Cell
Piedmont Court			
		\$ 24,787	ADP Equipment
<b>GRAND TOTAL</b>		<b>\$ 1,587,787</b>	

Enclosure (2)