

Budget 101- County

JOINT FINANCE COMMITTEE

NOVEMBER 2, 2023



Fiscal Year Overview

- Fiscal Year set by Code of Virginia
 - **§ 15.2-2500** – First day of July through last day of June.
- Budget- ~2 year process for one Fiscal Year
 - September- CIP letters sent to Departments
 - November- Budget letters sent to Departments & CIP requests due
 - January- Department and Outside Agency Budget requests are due
 - March/April- Board receives school budget
 - April-June- Board receives budget, budget work sessions, Budget Public Hearings (School and County), CIP Public Hearing, & pre-audit begins for current fiscal year
 - July – June managing budget of current fiscal year
 - June- pre- auditing begins
 - July-December- Audit of FY and presentation to the Board by Auditor

Fiscal Year Overview

- November 2023-
- Audit processing for FY23
- Managing current FY24 Budget
- Starting process of FY25 Budget



Capital Improvement Plan (CIP)

■ § 15.2-2239

- A local planning commission may, and at the direction of the governing body shall, prepare and revise annually a capital improvement program...
- 5 year plan
- Includes projects of large size, non-recurring, fixed in nature, and having a long usable life.
- Includes: Vehicles and any project with a minimum cost of \$50,000 or more.
- Reviewed annually
- Prioritizes projects, time table, and how those projects are to be funded (grant, loan, pay-as-you-go)

Capital Improvement Plan (CIP)

- Letters sent mid September, 2023
- CIP requests due Nov. 15, 2023
- Planning Commission sub-committee review & Planning Commission review (Jan-Mar)
- Two Public Hearings (Planning Commission & Board of Supervisors)
- The plan does not fund the project(s), approved projects are included in the County Budget.

Budget

- Budget Requests
- Budget Information Gathering (Expenditures & Revenues)
- Budget Review
- Budget Challenges
- Budget Public Hearings
- Budget Recommendation
- Finalizing the Budget
- Budget during the FY



Budget Requests

■ § 15.2-2503-

- All officers and heads of departments, offices, divisions, boards, commissions, and agencies of every locality shall, on or before the first day of April of each year, prepare and submit to the governing body an estimate of the amount of money needed during the ensuing fiscal year for his department, office, division, board, commission or agency.
- Northumberland Budget Requests
 - Letters will be sent in November to Departments and Outside Agencies
 - Budget requests are due January 30 (does not include the schools).
- New program ClearGov and working on forms for Departments and Outside Agency to provide supporting documentation.

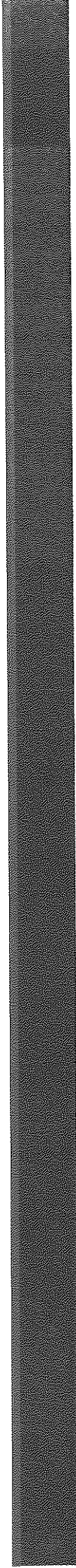
Budget Information Gathering (Expenditures)

- County Departments and Outside Agencies:
 - Provide information by completing line item budget for the upcoming FY on needs and requests for funding by Departments and Outside Agencies. School Division is by categories.
 - Departments use current fiscal year to build their budget.
 - Provide supporting documentation by letter/spreadsheet explaining funding requests or larger-than-normal funding requests.
 - Is the increase mandated (ordinance, State, etc.), staffing issues/work load requirements

- Examine Health Insurance Costs
- VRS Costs
- Workmans Comp and other Insurance Costs
- Debt obligations
- CIP Costs
- Contract Increases, anticipate any contract negotiation changes (ex. Regional Radio)

Budget Information Gathering (Revenues)

- Obtain information from:
 - Treasurer – Undesignated General Fund Balance
 - Commissioner of the Revenue- Real Estate, Personal Property, Machinery & Tools etc.
 - State Funding
 - Federal Funding
 - Grant Funding
 - Estimate
 - EMS Billing
 - Cigarette Tax- new
 - Short Term Rental Tax - new

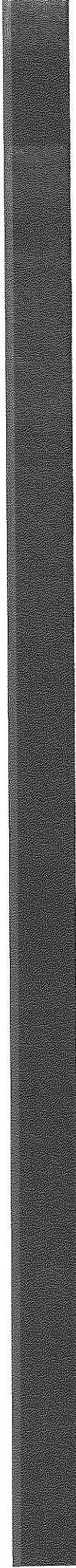


Budget Review

- Review actual revenue estimates in prior years carefully to determine if revenue estimates can be increased or if they should be decreased.
- Review expenditures, line by line, and reduce budget requests where funds have not been utilized in past budget cycles or the previous year was a one-time expense.
- Forecasting Revenues
 - Additional revenue streams this year
 - Short Term Rental
 - Cigarette Tax

Budget Challenges

- Challenges include:
 - Receiving delayed information
 - Ex. health insurance information
 - Delayed General Assembly which can impact budget timing

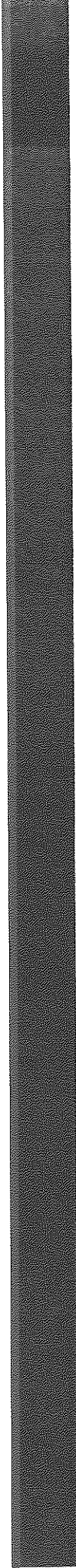


Budget Public Hearing(s)

- **§ 15.2-2506**
- notice given of one or more public hearings, at least seven days prior to the date set for hearing, at which any citizen of the locality shall have the right to attend and state his views thereon.
- The hearing shall be held at least seven days prior to the approval of the budget as prescribed in § 15.2-2503. With respect to the school division budget, which shall include the estimated required local match, such hearing shall be held at least seven days prior to the approval of that budget as prescribed in § 22.1-93.
- In no event, including school division budgets, shall such preparation, publication, and approval be deemed to be an appropriation.

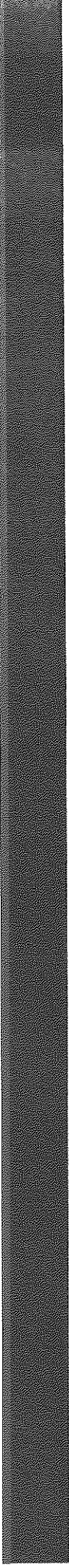
Budget Public Hearing(s)

- Public Hearing for School Budget and County Budget can be held separately.
- Still have to adhere to advertising and adoption guidelines (7 days before and 7 days after) for both.



Budget Recommendations

- Staff provides Board with options based on Public Comment, needs of the community and departments.
- Minimize the increase of any potential real estate tax increase.
- Evaluate large expenses (Regional Radio System & Reassessment) start placing monies in the budget to prepare for those expenses ahead of time.



Finalizing the Budget

- Approve Budget (The budget is just a plan on how the monies are to be spent)
- Approve Appropriation Resolution-
 - Funds cannot be expended until appropriated by the Board
 - Separate action from Budget adoption
- Budget approval process
 - Approve the Budget
 - Approve the Tax Rate
 - Approve the Appropriation Resolution
 - Approve the Personal Property Tax Relief (PPTR)

Budget during the Fiscal Year

- Monitor expenditures and revenues during the year.
- Based on the level of the General Fund Balance:
 - Revenue Anticipation Note (Board Resolution)
 - Budget Amendments:
 - **§ 15.2-2507. Amendment of budget.** A. Any locality may amend its budget to adjust the aggregate amount to be appropriated during the current fiscal year as shown in the currently adopted budget as prescribed by § 15.2-2504. However, any such amendment which exceeds one percent of the total expenditures shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and a public hearing once in a newspaper having general circulation in that locality at least seven days prior to the meeting date.

Policies

- Undesignated General Fund Balance
- Line item balance Policy
- Staff looking into other policies as well

- By practice, One time revenues are not typically used for long term expenses.