

COUNTY OF SUSSEX, VIRGINIA

County Administrator's Recommended Fiscal Year 2013 Budget

Thomas E. Harris, County Administrator

Budget Presentation May 17, 2012

**Public Hearing
Thursday, May 31, 2012**

Sussex County Board of Supervisors

Mission Statement:

The Mission of the Sussex County Board of Supervisors is

“To provide open and responsive leadership, to retain an honest and efficient staff, to insure an effective Government, and to improve the opportunities and quality of life for all citizens of Sussex County”



“In all your official acts, self-interest shall be cast aside. You shall look and listen to the welfare of the whole people and have always in view not only the present but the coming generations - the unborn of the future Nation.”

Dekawidah (Cherokee - 1720)

Sussex County Vision

While Sussex County currently has not adopted a formal “Community Vision,” there are in fact values that are, and have been, identified and universally supported in Sussex for many years and continue to this day to resonate with our citizens:

Community Character: Sussex County is defined by its natural environment and the values, diversity and behavior of its people. Sussex remains in 2012 a beautiful, safe and environmentally conscious community with friendly, hospitable and caring citizens.

Economic Prosperity: Our people support the economic prosperity of our County and Region and therefore embrace policies, programs, services and investments that enhance the economic future of our children and our community ... especially at this time of economic uncertainty!

Education: Sussex residents are committed to an education system that is second to none. This commitment is further augmented by our emphasis on workforce development, higher education needs and regional educational programs.

Sussex County Vision Cont'd.

Governmental Excellence: Our people are committed to a government that delivers in a consistent, fair and equitable manner, programs and services through effective policies, trained and honest employees and efficient stewardship of fiscal and human resources.

Environmental Stewardship: The people of Sussex value the natural and scenic serenity of our County and Region, and furthermore see, value, and want to maintain the direct link between these natural assets, our aesthetic beauty, our rich history and our economic future.

Social Equity: Sussex values its ethnic, cultural, religious and racial diversity while promoting a respectful, cohesive and prosperous community.

Community Goals

- **A healthy and improved quality of life for our citizens**
- **A viable work environment with employment opportunities for our people**
- **Quality Services at a minimum cost to our taxpayers**
- **A financially secure, progressive and stable local government**
- **A friendly, professional, pro-active, creative and properly compensated public workforce**

Budget Focus

It has become a long standing practice of mine to find an applicable quote to both focus the Annual Budget on community and organizational objectives, as well as, to lighten the serious nature of an annual budget discussion. To this end, for 2013 I feel that Albert Einstein best reflects the financial, personnel and political position that the County finds itself in ...

Three rules of Work: “Out of clutter find simplicity; from discord, find harmony; in the middle of difficulty, lies opportunity”.

Albert Einstein

... which is further exacerbated this year as the County, the Commonwealth and the Nation itself continue to face economic Chaos not seen since the Great Depression ... yet still, as public leaders we must bring financial order, fiscal accountability, a nurturing work environment and stable programs and service delivery to the FY 2013 Budget.

To this end I believe that this year’s Budget work can be best described in the profound wisdom of the I - Ching ...

Before a great dream can become reality there may be difficulty. Before a person begins a great endeavor, they may encounter chaos. As a new plant breaks the ground with great difficulty, foreshadowing the huge tree, so must we sometimes push against difficulty in bringing forth our dreams, “Out of Chaos, Brilliant Stars are Born.”

I - Ching

Budget Focus continued

- So as we embark on the mission and to find simplicity, harmony ,opportunity and most importantly to collectively bring forth our dreams.
- Let each of us in FY 2013, the Board of Supervisors, our staff and our Administration, strive to build on our successes and become the brilliant stars that bring forth from the chaos of a world gone mad, a focused yet comprehensive Financial Plan (budget) that puts Sussex County, Virginia at the forefront of planned development , program and service accountability and a friendly, progressive and transparent Local Government.
- Let us continue to focus our collective and individual attention on our community goals and more importantly to meet our peoples program and service needs in a fiscally responsible and prudent manner.
- And finally, let us understand that growth and increased delivery costs, while inevitable, must be addressed in such a way that preserves the highest dreams, aspirations and priorities of the people and community that we so proudly represent and serve.

SUSSEX COUNTY, VIRGINIA

Fiscal Year 2012-2013

FISCAL PROGRESS

- ❑ While it would appear that Sussex County's fiscal condition, over the past several years, has been relatively healthy, the County has to a large extent, retained its aesthetic appearance, has increased regional cooperation and collaboration, and has worked to expand and improve the quality of its programs and services ...
- ❑ One must also understand that Sussex, like the Commonwealth and Nation continues to face financial limitations and conditions at an unprecedented level and further, that years of budget surpluses or positive fund balances cannot alone offset the cost of future capital projects, deferred vehicle replacements, quickly deteriorating infrastructure, development pressure, a sharp decline in revenues and our tax base or constantly growing service demands
- ❑ The County Administrators Recommended FY 2013 Budget reduces overall spending by over \$900,000 from FY 2012 while including all increased costs for the VRS Mandate from Governor McDonnell and the General Assembly, was developed in concert with County Department's and Constitutional Officers, School Superintendent et.al.

Fiscal Progress *(continued)*

And finally, that in times of distress Sussex should not recklessly spend – but it most assuredly must “invest in it’s future” because while fund balances and a “no spend” policy may reflect a positive cash position, it does not provide for the health of our children, the joy of their play or the quality of their lives. It is indifferent to the decency of our community, the safety of our streets, and cannot determine the intelligence of our public debate, while conversely, no fiscal controls, a lack of short and long range planning and/or resorting to callous spending will inevitably lead to a financial collapse reminiscent of the debacle currently facing the Commonwealth of Virginia and this Nation. Consequently, we as public leaders must clearly understand and objectively factor into our decisions the delicate balance of these everyday realities:

- ❑ Our people are facing unprecedented hardships from the economic downturn and need to be helped where possible.
- ❑ The County will again face increased development pressure and demand for additional water and sewer
- ❑ While Sussex currently maintains an Undesignated Fund Balance that exceeds 20% we have no Undesignated Reserve Fund Policy or Investment Policies
- ❑ We have large and growing infrastructure needs
- ❑ Debt service requirements are large and will continue to increase
- ❑ All long term planning and the resulting Capital expenses have yet to be identified and funded
- ❑ Competition for professional employees continues to result in higher personnel salary and benefit costs
- ❑ The State and Federal Governments continue to transfer more and more costs to Local Governments and local taxpayers

Fiscal Year 2013

“There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things”

Niccolo' Machiavelli

For FY 2010 the County of Sussex, must *“lead by example”*. Bravely facing the perils and uncertainties of leadership and an unknown future economy! We must implement and provide programs and services as efficiently as possible, as well as, continuously providing a level of service that reflects the ever changing needs and desires of our people. In this leadership, however, we must do so with an eye towards financial scrutiny, fiscal austerity, service excellence and in maintaining and improving public confidence in our leadership, staff, service delivery and programs.

In essence we must be willing to balance programs and services with limited fiscal resources, to do so in a compassionate and professional manner that builds public trust and confidence in our local and regional governments and county staff ... and to do so with a keen and observant eye to future program and service needs, as well as, the financial future of our County, Region and State.

Financial Management

While Sussex County currently operates with no Board approved Financial Management Policies, every effort has been made in the development of the FY 2013 Budget to both meet public needs while adhering to sound financial management principles. In so doing, we hope that we have:

- 1) Focused on the total financial (*and service delivery*) picture of the County rather than single issues, Departments, programs, and/or services.
- 2) Linked long-term financial planning with short term, day-to-day programs, services and operations.
- 3) Insured that Sussex County is sufficiently resourced to professionally and efficiently perform essential and/or mandated services and responsibilities.

Financial Management Cont'd.

- 4) Significantly contributed to the County's ability to insulate and protect itself from future fiscal crisis and/or economic disruption by maintaining a 20% undesignated Reserve Fund Account ... and not simply relying on vacillating monthly Fund Balances.**
- 5) Enhanced short-term and long-term financial stability to help achieve the highest credit and/or bond ratings possible.**
- 6) Provided the Board of Supervisors, Constitutional Officers, staff and citizens of Sussex County a framework for objectively measuring the fiscal impact of governmental programs, services, operations and capital investments.**
- 7) Provided a foundation for evaluating future financial conditions, personnel needs, fiscal accountability and operational requirements.**

GOVERNMENTAL BUDGETARY OBJECTIVES

ALTHOUGH NOT A “POLICY”

The Annual Budget ... most clearly reflects the commitment, values, and importance of the local government’s community vision, priorities and annual service efforts.”

County Needs

New School



**Continued development of the
Sussex County Industrial Park**



Water/sewer upgrades

The Annual Budget Dilemma

.....in a world increasingly rushed to death, the long-range waits on the immediate. What is urgent takes priority over what is merely important, So that what is important will be attended to only when it becomes urgent, which may be too late.

Louis J. Halle

Budgetary ... Common Sense!

“Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuance of that habit means the poorhouse.”

Franklin Delano Roosevelt

ANNUAL BUDGETARY OBJECTIVES

And because the “*poorhouse*” is not an option for Sussex there were two budgetary realities that I focused on in the development of the recommended FY 2013 Sussex County Annual Budget that need to be elaborated:

1. As much as I would like to enhance our commitment to our staff and adequately reward a truly exceptional work force ... I had to be realistic ... because these are truly extraordinary times, and not recommend overspending existing revenues ...

... consequently while there are unfortunately, no proposed raises in the FY 2013 Budget, I am proud to say that I am recommending a 1% salary adjustment and am very much relieved to report that there are no recommended layoffs!

2. The Annual Budget should not be perceived as merely a financial competition between agencies, departments or functions of local government, but rather viewed as a composite that identifies the immediate and long-term needs of the community and allocates appropriate levels of funding in an integrated manner to address the broad mosaic of these public service needs today, and further, lays the foundation for meeting these program and service needs in a fiscally responsible manner for tomorrow.”

Budget Development

(Budgeting 101)

In developing this or any Local Government Budget one must take time to understand basic finance terminology and their impacts as they relate to the organizations Fiscal position.

- ***Local Revenue:*** Anticipated revenues derived from taxes, fees, charges and interest that are the fiscal basis for operating expenses for the upcoming fiscal year (**July 1, 2012 - June 30, 2013**).
- ***Unexpended Local Funds:*** Annual local dollars that were projected to be spent and were not and/or unanticipated annual increases in revenue. In many organizations these funds are referred to as the “fund balance”.

Budget Development

(Budgeting 101 continued)

Reserve Funds: These funds fall into two designations or categories:

1. **Designated reserves:** Funds set aside and designated for specific purposes or projects.
 - a. **Capital/Future Projects**
 - b. **Debt Service**
 - c. **Vehicle replacement**

2. **Undesignated reserves:** These are the funds used for emergency purposes and/or for as yet undetermined Capital, investment or operational needs. Furthermore these are the funds that are used to assure sound fiscal management of the local government during extended periods of fiscal constraint ... like those we have now faced for the past four years!

Budget Development

(Budgeting 101 continued)

- ***Contingency Funds:*** Annually budgeted funds that are available to address unforeseen expenditures, grant opportunities and/or to address increases in service needs or costs.
- *Additionally there remains an area that needs to be discussed as it relates to the “construction” of the budget. This item is:*
- ***Deficit Spending:*** Defined as merely spending more money annually than is collected annually.

Budget Development

(Budgeting 101 Continued)

Zero Based Budgeting:

Unlike more common practices where “*Annual Budgets*” are predicated on “*last years budget*” plus inflation, new equipment and supplies, raises etc. Zero based budgeting requires the budget request to be justified in complete detail by each Department/Agency Director starting from zero. Consequently the Budget focuses on outcomes and the cost to provide those outcomes in annual personnel, operational, equipment and capital costs, without regard to whether the total budget is increasing or decreasing.

As such, each Department/Agency must start at zero and “build” an annual budget to meet and/or to address those desired outcomes (Annual Priorities).

Annual Priorities:

The specific outcomes identified prior to developing the annual budget. These priorities are derived hierarchically from the Governing Body (top) through Departments and ultimately individual employees in a systematic and focused attempt to determine specific outcomes (programs, services etc.). As such the development of these priorities follow a descending order:

Budget Development

(Budgeting 101 Continued)

While not there yet – it is my sincere hope that we can begin the process (in this Budget) to establish a more formal, less political and outcome based Annual Budget Development. To this end I would recommend that in the future we would follow these guidelines and task each of us with it's development.

To this end, I would recommend that this practice begin in January/February of each year in anticipation of the Annual Budget.

Governing Body: The desired annual outcomes (priorities) formally established and approved by the Sussex County Board of Supervisors.

Department/Agencies: The Department/Agencies goals and objectives that relate to the established Board outcomes and how the Department/Agency will meet each identified and applicable outcome and/or expectation.

County Personnel: The individual evaluations of core duties (as related to the BOS/Department priorities) as well as the level and quality of service (merit) sustained by each employee throughout the evaluation period.

Budget Development

(Budgeting 101 Continued)

Carryover Funds (Fund Balances)

The carry over funds or fund balances are simply the positive budgeted cash balances at the end of the fiscal year (June 30th) that have not/were not spent in the prior year's Annual Budget.

Tax Support (Local/State/Federal Revenue)

These are the funds derived from various taxes and use of funds that I recommend be used solely for annual operational expense and debt service.

Landfill Revenues

These are the funds derived from the County's contract with Waste Management that I recommend for use in capital, debt services and operations (as needed and available) ... until we can wean ourselves off of their use for operations.

FY 2013 Budget Process

Taking these terms Mr. Woodruff and I have developed, with the assistance of and our Sussex Staff a Recommended Budget that:

Provides “conservative” revenue estimates for FY 2013

County Administrator and Treasurer reviewed and evaluated each Agency/Department Budget Request and made a list of items for review and discussion (modified Zero-based budgeting)

Departments, Agencies and Constitutional Officers then reviewed their respective Budgets and met with the County Administrator before final modifications/ recommendations were compiled

The County Administrator compiled 5 years (FY 2007 – FY 2011) of Annual General Fund Revenues (table 4) and Expenditures (table 3) from Annual Audit

Regional Tax Survey

<u>County</u>	<u>Real Estate</u>	<u>Personal Property</u>
Chesterfield	\$.95/\$100	\$3.60/\$100
Dinwiddie	\$.87/\$100	\$4.90/\$100
Greensville	\$.47/\$100	\$4.50/\$100
Prince George	\$.80/\$100	\$4.25/\$100
Southampton	\$.77/\$100	\$5.00/\$100
Surry	\$.73/\$100	\$4.00/\$100
Sussex	\$.54/\$100	\$4.85/\$100

FY 2013 Tax Rate Impact

The following graph depicts Sussex County Real Estate and Personal Property Taxes for the past four Years
To help the residents of Sussex better understand how the recommended FY 2013 Budget will impact them from a tax perspective we have included some general information

Fiscal Year	2010	2011	2012	2013
County Real Estate	\$.54 per \$100			
County Personal Property	\$4.85 per \$100	\$4.85 per \$100	\$4.85 per \$100	\$4.85 per \$100

Sussex County Median House Value in 2012 was \$120,000 which equals a Real Estate Tax of \$ 648.00.

The FY2013Budget includes no tax increase therefore the 2013 Real Estate Tax will also be \$648.00

Personal property taxes remain the same as FY 2012 for FY 2013

Sussex County

Summary of Revenues and Expenditures

Fiscal Year 2007 thru Fiscal Year 2013

<u>Year</u>	<u>Revenue</u>	<u>Expenditures</u>	
<u>Balance</u>			
2007	\$38,977,829	\$35,371,914	\$3,605,915
2008	\$36,897,793	\$34,367,292	\$ 2,530,500
2009	\$36,065,912	\$35,110,785	\$ 955,127
2010	\$34,558,370	\$33,208,467	\$1,349,903
2011	\$33,851,616	\$32,960,428	\$ 891,188

Sussex County Fiscal Year 2013

“Budgeting 201”

The obvious need to be focused and strategic about the current and future decisions and investments made by any successful business (or government) can be reduced to the words of Robert Heinlein who said,

“In the absence of clearly defined goals, we become strongly loyal to performing daily trivia until ultimately we become enslaved by it”.

Sussex County need not be loyal to daily trivia or overly committed to the way we have always done things.

The world is changing, the demands for programs and services is growing exponentially and the resources in revenue and personnel is being scrutinized by citizens, regulators, and elected leaders alike ... and to address these issues in a professional, proactive and fiscally responsible manner, I have tried to focus on acceptable and proven financial management principles while addressing Department and Agency *Budget needs and priorities.*

Sussex County FY 2013 Budget Priorities and Guidelines

- To provide both clarity of purpose and fiscal focus on County goals and objectives
- To support and implement the Board of Supervisors Vision and Annual Priorities
- No increase in County 2013 Tax Rates

No (or minimal) increase in County Fees/Rates

- Develop and maintain cooperative and collaborative working relationships with Sussex's Constitutional Offices, School Division, Registrar and Department of Social Services
- Maintain or improve current level of County programs and services
- Provide level (FY 2012) local funding for the Sussex County School Division, Departments and Outside Agencies if and where practicable
- Maintain all current County Employee positions
 - Provide fair, equitable and market competitive employee compensation
 - Maintain current level of employee benefits

FY 2013 Budget Priorities

(Continued)

- **Minimize as soon as possible the use of landfill revenues for annual operating expenses**
- **Provide adequate funding and then complete approved and adopted Capital Projects**
- **Focus on the long range facility (capital) and operational (organizational) needs of our departments, agencies and commissions through improved utilization of annual (state/local) revenues, capital improvement funds, and the implementation of functional and contemporary policies and procedures.**
 - **Properly maintain/replace existing County facilities, equipment and fleet**
 - **Develop formal financial policies for undesignated reserve and contingency accounts**
 - **Strengthen Fund Balances and Fiscal Accountability (as recommended maintain a 20% Undesignated Reserve Fund)**
 - **Maintain adequate funding for Debt Service**

FY 2013 Budget Priorities and Guidelines

The proposed FY 2013 Budget attempts to categorically address each of the outlined priorities and guidelines, however, the poor revenue picture both nationally and locally, the Commonwealth's cutting of over three (3) Million dollars in identified state aide over the past four years, along with the need for new and diverse programs, services and equipment, further compounded by inflation and ever increasing material and operational costs clearly presented an extraordinary challenge to our ability to meet these most important objectives.

As such, it should be made perfectly clear that the County Administrator's recommended FY 2013 Budget does not, and can not, fund every personnel, operational or Capital request made by our School Division, Departments or Outside Agencies. It does however, meet all defined Budgetary Objectives in a fiscally responsible manner ... and was done openly and in collaboration with our staff . And finally, please understand that every effort has been made to meet the most urgent needs of Sussex County, the School Division, Department of Social Services, the Registrar and each requesting Department, Constitutional Office and Outside Agency.

Sussex County Fiscal Year 2013 Recommended Budget



**“We have a choice: to plow new ground
or let the weeds grow”**

Jonathan Westover

THE SUSSEX COUNTY

FISCAL YEAR 2013

Recommended Budget includes:

School Division Budget

General Operations Budget (All County Departments)

Capital Improvements Plan (General Fund and School)

SUSSEX COUNTY

School Division FY 2013 Budget

INTRODUCTION

The Superintendent's 2012-2013 Proposed Budget document has been developed with the input from staff, schools, as well as a Budget Advisory Committee that consisted of parents, teachers, and administrators. The development of the budget continues to occur as revenue continues to decline, the state's priorities for education requirements, and the state's legislative influence on local school divisions appears to be at an influx. However, our school division's emphasis on improving student performance continues to be paramount. This continues to create more of a local challenge of maintaining programs and services to reach higher expectations among ever changing regulations beyond the localities governance.

Every effort has been made to construct and present a reasonable and responsible budget that is respectful of what the local economy and tax revenue is projected to be while focusing on the needs of our students at Sussex County Public Schools. This effort maintains the focus of dollars on teaching and learning for maximum student achievement. It is also important to note that this budget's support for many regular student programs and services must be again funded by one-time appropriated remaining federal funding. This budget will continue to reduce services to students to the point that it will began with imminent future reductions to deeply cut programs to students and schools.

SUSSEX COUNTY

School Division FY 2013 Budget

This budget proposal addresses the REGULAR OPERATING BUDGET while projecting our Self Sustaining Revenue. The REGULAR OPERATING BUDGET supports the major portions of our operations and is dependent, for the most part, upon Local and State Revenue. Our REGULAR OPERATING BUDGET should be our major focus because it funds for the most part our day-to-day operation of the school division while the Self-Sustaining Grant Funds are restricted targeted funds that come with specific federal regulations to be reimbursed to the school division once appropriately used. The Self-Sustaining Funds are not to be construed as regular annual funding and may easily allow one to assume that the daily school division's operations are soundly supported. These Self-Sustaining Funds may disappear within this year and many of our projected dollars built into this budget will not reappear next year. In addition, Food Services is a self-supporting department with support through the state and local funds targeted only for their services.

The No Child Left Behind (NCLB) regulations have become increasingly strenuous as the expected scores to achieve Adequate Yearly Progress continue to rise and even with a waiver presented to the U. S. Department of Education for adjustments to the NCLB standards, it continues to place a burden on our local efforts to continue to maintain the same levels of success. Our efforts to have all schools reach and/or maintain accreditation through the Virginia Standards of Learning continue even though changes to the state's Standards of Learning which adds more "rigor" to the curriculum creates more of a challenge. Our school division must continue to raise expectations for student achievement and provide every available resource for our students to be prepared to meet these ever changing standards and meet expectations to be our "Leaders of Tomorrow."

Charles H. Harris, III, Ed.D.,

Division Superintendent

SUSSEX COUNTY

School Division FY 2013 Budget

Budget Goals
July 2012 – June 2013

Sussex County Public Schools recognizes the potential lack of revenue arising from the continuous lack of increase in State and Local Revenue in the current economy with the discontinuation of the AARA funds. The school division's goal will be to maintain a level of services as outlined below during our 2012-2013 budget development which was based on our 2010-2011 services.

I. Instructional Goals

- a. Maintain class size among our elementary, middle, and high schools.
- b. Preserve staffing in accordance with the State's K – 3 Initiative guidelines.
- c. Provide appropriate levels of instructional materials and supplies.
- d. Provide appropriate levels of transportation services.
- e. Assure that health and school safety resources are provided.

II. Personnel Goals

- a. Provide salary/fringe benefit proposals that attract and retain employees based on our area competition.

III. Program Support

- a. Stay abreast of Curriculum Development with the added *RIGOR* and changes to the Standards of Learning.
- b. Professional Development must increase to develop instructional strategies to address the added *RIGOR* of the Standards of Learning.

SUSSEX COUNTY

School Division FY 2013 Budget

- c. Continue with current Reading and Mathematics Support.
- d. Provide services to address added *RIGOR* in the Standards of Learning and the *flexibility* requirements of the No Child Left Behind Benchmarks.
- e. Maintain Technology Integration.

IV. Address the Goals of the Comprehensive School Improvement Plan and the revision of the Comprehensive School Plan

V. Maintenance and Operational Goals

- a. Maintain a system to address building maintenance, custodial services, furniture/equipment replacement, and other operational needs.
 - 1. Identify maintenance needs and projected costs.
 - 2. Provide appropriate levels of furniture/equipment and their replacement.
 - 3. Refine and maintain other operational needs.
- b. Maintain a responsive and efficient level of transportation services.

Sussex County School Division

Recommended Fiscal Year 2013 Budget

County (Local) Funds

	FY 2012	FY 2013	Difference
Operation	\$ 7,823,609	\$7,823,609	0
<u>Textbook Match</u>	<u>\$ 20,561</u>	<u>\$ 20,561</u>	<u>0</u>
Total County Funds	\$7,844,170	\$7,844,170	0

Non-County Funds

			Difference
State Funds	\$ 7,502,948	\$ 7,338,783	(-164,165)
Federal Funds	\$ 2,917,323	\$ 2,639,510	(- 277,813)
<u>Other Funds</u>	<u>\$ 873,103</u>	<u>\$ 895,378</u>	<u>+ 22,275</u>
Total Non County Funds	\$11,293,374	\$10,873,671	(- 419,703)

Sussex County School Division

Recommended FY 2013 Budget (Continued)

FINAL RECOMMENDED FY 2013 SUSSEX COUNTY SCHOOL DIVISION BUDGET

F Y 2012 BUDGET

\$19,137,544*

FY 2013 BUDGET

\$ 18,717,841**

*** Excluding \$50,000.00 FY2012 Carryover**

**** A REDUCTION OF (419,703)**

FY 2013 – General Fund Budget Revenues

General Fund Revenue	FY 2012	FY 2013	Difference
General property taxes	\$ 8,808,919	\$ 9,094,700	285,781
Other local taxes	\$ 942,425	\$ 1,046,831	104,406
Permits, privilege fees, reg. licenses	\$ 265,249	\$ 276,799	11,550
Landfill Revenue	\$ 6,000,000	\$ 5,500,000	500,000
Fines and forfeitures	\$ 850,000	\$ 725,000	125,000
Revenues from use of money & property	\$ 157,050	\$ 100,050	57,000
Charges for services	\$ 215,615	\$ 224,365	8,750
Other Local Revenues	\$ 315,845	\$ 266,166	49,679
Total Local Revenue	\$ 17,555,103	\$17,233, 911	321,192
Revenue from the Commonwealth	FY 2012	FY 2013	Difference
Non categorical Aid	\$ 368,800	\$ 347,000	21,800
Shared expenses	\$ 2,009,210	\$ 1,991,786	17,424
Other Categorical Aid	\$ 241,232	\$ 294,127	52,895
Social Services	\$ 1,716,889	\$ 1,716,889	0
Comprehensive Services	\$ 617,436	\$ 617,000	436
Grants VHDA Housing	\$ 100,000	\$ 100,000	0
Total Revenue from the Commonwealth	\$ 5,053,567	\$ 5,066,802	13,235
Revenue from Federal	\$ 1,700	\$ 1,700	0
Other Revenue			
School Funds	\$ 11,293,374	\$10,873,671	419,703
Proceed from indebtedness	\$ 5,072,603	\$ 0	5,072,603
Designated Reserve (carryover) Funds	\$ 238,309	\$ 601,128	362,819
Grants and/or Designated Funds	\$ 8,227,842	\$12,771,061	4,543,219
Total Other Revenues	\$ 24,832,128	\$24,245,860	586,268
Total Fiscal Year Revenues	\$ 47,442,498	\$ 46,548,273	894,225

* Includes "new" Contingency Line Item

2013 EXPENDITURE RECOMMENDATIONS

Outside Agencies

Name of Agency	FY 2012 Approved Budget	FY 2013 Agency Request	FY 2013 Recommendation
Adult Activity Services	0	11,700	2,500
Airfield 4-H Center	5000	10,000	7,500
Blackwater Regional Library	162882	151,557	151,557
Chesterfield County Med Flight	2100	2,300	2,300
Chowan Soil & Water Conservation District	3355	3,355	3,355
Cooperative Extension	68721	61,287	61,287
Crater Criminal Justice Academy	16787	16,153	16,153
Crater District Area Agency on Aging	5999	13,00	13,000
Crater Health District	169693	178,131	178,131
Crater Planning District Commission	9801	9,790	9,790
Crater Small Business Development Center	1898	3,900	3,000
District 19 Community Services Board	61339	62,775	62,775
Improvement Association	62943	64,000	64,000
Jarratt Recreation Association	1455	3,000	3,000
Senior Navigator	0	2,500	2,500

Outside Agency FY 2013 Recommendations

Name of Agency	FY 2012 Approved Budget	FY 2013 Agency Request	FY 2013 Recommendation
John Tyler Community College	904	900	900
Miles B. Carpenter Museum	10000	10,500	10,500
Old Dominion Emergency Medical Services Alliance	485	951	951
Senior Citizens of Eastern Sussex County	3000	10,000	10,000
Sixth Judicial District Court Service Unit	3321	3,321	3,321
South Centre Corridor Resource & Development Council	1455	3,000	2,000
Southside Area Red Cross	970	2,000	2,000
Southside Virginia Education Center	3950	18,840	7,840
Sussex County Young Men's Athletic Club	970	980	980
Sussex Youth and Adult Recreation Association	1455	10,000	10,000
Town of Waverly Parks & Recreation	10000	25,000	10,000
Virginia Legal Aid Society	970	1,009	1,009
Virginia's Gateway Region	27050	27,050	27,050
Virginia State University	1000	1,000	1,000
Wakefield Foundation	10000	10,000	10,000
Waverly Youth Association	4000	12,000	10,000
Surry Area Free Clinic	0	5,000	2,500
Job Connection/Information Site	0	15,278	2,778
Total	\$651,503.00	\$734777	\$693,677

Sussex County — List of Proposed Capital Projects

Project Description	Total Project Cost	Funding Source			Current FY 2012-13	Projected Projects			
		County	Grant	Other		FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
<i>New Construction, Addition, or Renovation</i>									
Elementary School Construction	\$ 8,142,969.00	X		X	\$ 8,142,969.00				
Courthouse Addition	\$ 1,200,000.00	X				\$ 1,200,000.00			
Animal Control Office									
Administrative Office Building	\$ 2,500,000.00	X							\$ 2,500,000.00
Secure Evidence Room	\$ 10,000.00	X				\$ 10,000.00			
Public Safety Training Facility	\$ 450,000.00	X				\$ 450,000.00			
Public Safety Station # 1	\$ 500,000.00	X	X			\$ 500,000.00			
Public Safety Station #2	\$ 500,000.00	X	X			\$ 500,000.00			
Public Safety Station #3	\$ 500,000.00	X	X			\$ 500,000.00			
Public Safety Station #4	\$ 500,000.00	X	X			\$ 500,000.00			
New air conditioning units for Commissioner of Revenue, Treasurer & Social Services	\$ 31,000.00	X				\$31,000.00			
Replace of High School Track	\$ 300,000.00	X				\$ 300,000.00			
School Board Office Renovation	\$ 735,600.00	X					\$ 735,600.00		
Relocate Technology Department to School Board Office	\$ 275,000.00	X					\$ 275,000.00		
Jail electrical/plumbing systems renovations	\$ 100,000.00	X				\$ 100,000.00			

Sussex County — List of Proposed Capital Projects

Project Description	Total Project Cost	Funding Source			Current FY 2012-13	Projected Projects				
		County	Grant	Other		FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	
Technology Infrastructure										
Geographic Information System	\$ 125,000.00	X				\$ 125,000.00				
Radio Communication Systems Upgrade	\$ 8,000,000.00	X				\$ 4,000,000.00	\$ 4,000,000.00			
Security Cameras for all Schools - County	\$ 75,000.00	X				\$ 75,000.00				
Upgrade Schools IT Infrastructure - (Server Replacement)	\$ 120,000.00	X						\$ 120,000.00		
(Student and Staff Upgrades)	\$ 240,000.00	X					\$ 240,000.00			
(Network Wiring, Gateways, & Routers)	\$ 250,000.00	X								\$ 250,000.00
Vehicles										
Fire apparatus/ambulance replacement (2-year cycle)	\$ 945,000.00	X				\$ 230,000.00	\$ 235,000.00	\$ 240,000.00	\$ 240,000.00	
County Administration Vehicle Replacement	\$ 80,000.00	X				\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
Wakefield Fire Truck	\$ 460,000.00	X			\$ 230,000.00	\$ 230,000.00				
Waverly Fire Truck	\$ 450,000.00	X					\$ 450,000.00			
Waverly Ambulance	\$ 92,500.00	X	X		\$ 46,250.00	\$ 46,250.00				
Stony Creek Ambulance	\$ 80,000.00	X	X				\$ 80,000.00			
Social Services Vehicle	\$ 18,000.00	X				\$ 18,000.00				
Sheriff Patrol Vehicles	\$ 556,176.00	X			\$ 98,088.00	\$ 98,088.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	

Sussex County — List of Proposed Capital Projects

Project Description	Total Project Cost	Funding Source			Current FY 2012-13	Projected Projects			
		County	Grant	Other		FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Industrial Park Sites									
Route 602 (Cabin Point Road) Industrial Park— Phase I	\$ 1,022,793.00	X	X	X	\$ 1,022,793.00				
Route 626 (Beef Steak Road) Mega Site Project	\$ 5,130,000.00	X	X		\$ 3,577,207.00	\$ 1,552,79.00			
Henry Technology Park and Commerce Center	\$ 1,150,000.00	X	X			\$ 400,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
Miscellaneous Projects									
Replace Food Service Equipment	\$ 16,300.00	X				\$ 16,300.00			
Comprehensive Plan Update	\$ 35,000.00	X				\$ 35,000.00			
Economic Development Plan	\$ 60,000.00	X				\$ 60,000.00			
Animal Control Office Generator	\$ 25,000.00	X							\$25,000.00
Housing and Community Needs Assessment	\$ 30,000.00	X	X			\$30,000.00			
Debt Service- Schools	\$ 9,959,339.00	X			\$1,845,571.00	\$2,098,894.00	\$2,053,630.00	\$ 2,005,974.00	\$ 1,955,295.00
Totals	\$ 46,639,677.00				\$14,962,878	\$13,126,325	\$8,459,230	\$ 2,755,974	\$ 5,335,270

Sussex County

FY2013 – General Fund Budget Expenditures

<u>General Fund Expenditures</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Difference</u>
Board of Supervisors 6,400	\$112,508	\$106,108	
County Administrator/Finance	\$647,681	\$555,793	91,888
Building and Grounds	\$552,615	\$537,496	15,119
Housing	\$211,469	\$208,040	3,429
Planning	\$172,390	\$183,674	11,284
Building Inspections	\$247,367	\$245,252	2,115
Zoning	\$ 6,350	\$ 2,850	3,500
Fire and Rescue	\$126,972	\$130,974	4,000
Ambulance and Rescue	\$618,236	\$619,736	1,500
Emergency Services	\$181,796	\$198,733	16,937
W911	\$ 0	\$ 18,000	18,000
Forest Extinction	\$ 23,403	\$ 23,403	0
Animal Control	\$183,791	\$204,020	20,229
Environmental Inspections	\$192,967	\$196,297	3,330
General Works	\$ 66,206	\$ 66,206	0
Refuse Disposal	\$221,985	\$221,985	0
County Attorney	\$122,876	\$ 64,590	58,286
Registrar	\$ 157,157	\$157,157	0

Sussex County

FY2013 – General Fund Budget (Continued)

General Fund Expenditures	FY 2012	FY 2013	Difference
Commissioner of the Revenue	\$ 269,187	\$ 225,528	43,659
Treasurer	\$ 312,604	\$ 313,725	1,442
License Bureau – Treasurer	\$ 44,619	\$ 44,619	0
Sheriff – Courtroom Security	\$ 149,556	\$ 150,962	1,406
Sheriff – Field Operations	\$1,392,775	\$ 1,261,82	130,951
Sheriff – SPOT Operations	\$ 10,765	\$ 16,148	5,383
Sheriff – Selective Enforcement 5,000	\$ 242,213	\$ 237,213	
Sheriff – Wakefield Patrol	\$ 57,658	\$ 58,278	620
Sheriff – E911	\$ 172,013	\$ 173,455	1,442
Sheriff – School Officer #1	\$ 51,658	\$ 50,170	1,488
Sheriff – School Officer #2	\$ 51,658	\$ 46,108	5,550
Sheriff – Confinement of Inmates	\$1,648,704	\$1,598,662	50,042
Circuit Court	\$ 28,940	\$ 28,490	450
General District Court	\$ 18,610	\$ 25,210	6,600
Magistrates	\$ 4,818	\$ 4,818	0
Juvenile and Domestic Court	\$ 7,553	\$ 8,941	1,388
Clerk of Circuit Court	\$ 284,921	\$302,390	17,469
Commonwealth’s Attorney	\$ 420,096	\$420,096	0
Victim/Witness Program	\$ 63,996	\$ 64,788	792
Total Department Expenditures	\$ 9,078,115	\$ 8,781,039	\$ 297,076

Sussex County

FY2013 – General Fund Budget (continued)

<u>Miscellaneous (Non-Departmental)</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Difference</u>
Local Health Department	231,517	241,857	10,340
Community Support Services	144,898	179,692	34,731
Library/Culture	182,882	172,057	10,825
Educational	5,854	1,900	3,954
Recreational	25,880	70,980	45,100
Economic Development	39,307	40,740	1,433
Total Contributions to Non-Departmental Agencies	630,338	707,163	76,825
Social Services	2,143,389	2,136,352	7,037
Comprehensive Services	775,436	775,000	436
SUBTOTAL	2,918,825	2,911,352	7,473
Grant and Trust Funds	131,900	149,000	17,100
Contingency Line	0	209,300	200,000
Debt Service – Schools	1,745,776	1,845,571	99,795
Capital Improvements Plan (CIP)	0	4,974,338	4,974,338
Capital Projects	13,800,000	8,142,696	5,657,031
SUBTOTAL	15,677,676	15,321,178	382,898

Sussex County

FY 2013 – General Fund Budget (continued)

<u>General Fund Expenditures</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Difference</u>
School Operations (Local Funds)	7,844,170	7,844,170	0
School Operations (Other Funds)	10,310,565	9,876,607	433,958
Food Service	982,809	997,064	14,225
Total School Division	19,137,544	18,717,841	419,703
TOTAL Non-Departmental*	0	119,000	119,000

TOTAL – ALL FUNDS FISCAL YEAR

FY 2012 BUDGET

\$ 47,442,498

FY 2013 BUDGET

\$ 46,858,273**

* Includes “new” Contingency Line Item and ATL

** BUDGET REDUCTION FOR FISCAL YEAR 2013 = \$584,225.00

General Fund

I hope that the FY 2013 Budget, as presented, clearly and adequately conveys the fiscal (*revenue and expenditure*) concerns that continue to face our Nation, the Commonwealth and most importantly the County itself.

Sussex County Fiscal Year 2013 Recommended Budget



“We do not display greatness by going to one extreme, but in touching both at once ...”

Blaise Pascal

The Sussex County Fiscal Year 2013 Budget

Executive Summary of Recommended Budget

BALANCED BUDGET

(All fund accounts revenues and expenditures are balanced)

- **Focuses annual financial (Budget) investments on performance outcomes, community values, cooperative, collaborative and professional programs and services**
- **Reflects the Board of Supervisors commitment to fiscal austerity**
- **Maintains fiscal accountability**
- **Provides detailed information for each revenue and expenditure category by Department**
- **Summarizes the changes for each fund account for FY 2013**
- **Local Tax Revenue estimates are conservative**
- **No increase in Real Estate or Personal Property taxes**
- **No increases in fees**

The Sussex County

Fiscal Year 2013 Budget

Executive Summary of Recommended Budget

(continued)

Includes a one (1%) percent salary adjustment for County Personnel to cover the VRS Changes mandated by Governor McDonnell and the 2012 General Assembly with a commitment to assist the School Division so that all Sussex County Employees will not see a reduction in their take home pay.

- ❑ Constitutional Officers and employees**
- ❑ Sanitary District staff**
- ❑ Department of Social Services**
- ❑ Registrars Office**
- ❑ All County part-time employees**
- ❑ All School division personnel**

The Sussex County Fiscal Year 2013 Budget

Executive Summary of Recommended Budget (continued)

- ❑ Reduces Operational Expenditures by approximately \$300,000 (County) and \$419,000 (Schools)
- ❑ Includes the investment of \$401,128 of Reserve Funds for FY 2013
- ❑ Includes a FY 2013 CIP of \$14,962,878 (including School Capital Project)
 - ❑ Includes a Fleet Replacement Component to the CIP
- ❑ Includes a \$200,000 Contingency Line Item
- ❑ Includes level funding for outside agencies (except where noted)
- ❑ Includes a 5% increase for the cost of Employee Retirement Contributions (VRS)
- ❑ Recommends funding for four additional Outside Agencies: *Adult Activity Services, Surry Area Free Clinic, Job Connection/Information Office and Senior Navigator*
- ❑ Recommends the immediate adoption and implementation of a “Pay for Performance Personnel Management System” as part of the County’s new “Personnel Policy” for FY 2010

The Sussex County Fiscal Year 2013 Budget

Executive Summary of Recommended Budget (continued)

Includes a \$200,000.00 Contingency with designated funds for:

Any Emergency expenses not foreseen in FY 2013 (i.e. Technology needs, Personnel needs, County Jail, Animal Shelter etc.)

\$58,000 for one (1%) percent salary adjustment for County employees and \$31,000 to assist the School Division to offset mandated VRS payments

Due to financial uncertainty the County Administrator recommends a six month review (December 2012) of County goals, objectives, personnel needs and actual revenues and expenditures

Sussex County Fiscal Year 2013 Budget Recommendations

Along with the FY 2013 Budget, there are several additional recommendations I would make that I believe would further enhance the operations and fiscal strength and operational efficiencies of Sussex County:

Biennial Budget

Sussex County should incorporate a “Biennial” Budgeting process

Capital Projects

To adopt a Capital Improvements Plan (CIP) annually as part of the Annual Budget.

Sussex County Fiscal Year 2013 Budget

Recommendations

(continued)

Financial Management Policy Recommendations

- I. To establish Financial, Investment and a Fund Balance Policy for the County and School Division where practicable.
- II. In the development of a new Fiscal Year Budget, unspent operating funds from the previously completed fiscal year would be placed into a “Designated Reserve Account” as follows:

Sussex County Fiscal Year 2013

Recommendations (continued)

GENERAL FUND

- 1) **General Fund Balance (carry over dollars):** To Fund County Capital Projects, Designated programs/services and/or Debt Service (to be appropriated after completed annual audit)
 - a. **First hundred thousand (\$100,00) dollars (if needed) of any operational fund balance to maintain/build Sussex's "Undesignated Reserve Fund" to 20% of the Annual Operating Budget**
 - b. **The next twenty-five thousand (\$25,000.00) dollars to be placed into a Sussex County Community Grant Match Program (C.A.R.E. Program: Community Action Resource Effort**
 - c. **Next fifty thousand (\$50,000.00) dollars to be placed into a Personnel Reserve Fund**
 - d. **The next twenty-five thousand (\$25,000.00) dollars to be placed into a Contingency Reserve Fund.**
 - e. **The balance to be used for meeting Capital needs**

Sussex County Fiscal Year 2013 Budget

Recommendations

(continued)

SCHOOL DIVISION

- I. **School Fund Balance:** To Fund School Division Capital Projects and/or designated programs/services. *(To be appropriated once final audited numbers are provided)*

- II. **Carryover Funds:** Ten percent (10%) of the Sussex School Divisions annual unspent operating budget*, based on the last completed audit, will be returned to the Sussex County General Fund while ninety (90%) percent shall be returned to the “County’s Capital Improvements Plan” (budget) to be used exclusively to accelerate the completion/purchase of approved School Capital expenses.

- III. **Grant Funding:** To assist the School Division when requested in submitting and obtaining Grant Funding when available

* Please note that “Operating Budget” does not include the Text Book or Cafeteria Funds

Sussex County

Fiscal Year 2013 Budget Recommendations

(continued)

Sussex County Revenue Funds/Financial Policies:

I. The General Fund Undesignated Reserve Account:

The Sussex County Undesignated Reserve Account (unencumbered funds) shall be set annually at twenty percent (20%) of the total approved annual operating budget.

II. The Annual Contingency Fund (line item):

The annual contingency fund shall be set at 1% of the total operating budget or \$350,000.00 (excluding designated funds) whichever is less.

III. Annual Landfill Revenue:

It shall be the policy of the Sussex County Board of Supervisors to appropriate and use annually landfill revenue (host fees) for the funding of the Sussex County Capital Improvements Plan and/or Debt Service. Said amount to be recommended by the County Administrator and designated and appropriated upon Budget approval by the Board of Supervisors

Sussex County

Fiscal Year 2013 Budget Recommendations

(continued)

IV. Landfill Mitigation Fund:

The Sussex County Landfill Mitigation Fund, with concurrence from Waste Management of Virginia, shall be reviewed annually by the County Treasurer and placed in such an account as to provide the largest and safest financial return on these investments.

V. COMMUNITY GRANT PROGRAM:

Recommends establishment of a \$25,000.00 dollars local “Community Grant Program” to match dollar for dollar civic/community and/or non-profit organizations that are doing projects that “benefit the public”. These projects would be justified by the requesting organization, recommended by the County Administrator and approved by the Board of Supervisors. Each Grant would be limited to a maximum of five thousand (\$5,000.00) dollars from the County.

Sussex County Fiscal Year 2013 Budget

Recommendations

(continued)

- VI. Recommends the full implementation of the “*Sussex County Pay for Performance Personnel Management System*” for 2013
- VII. Recommends consolidation of all Capital Projects (CIP) and establishment of a Capital Fund
- VIII. Recommends monthly Graph Summary Report of Monthly Revenue and Expenditures for the County.
- IX. Recommends the development and implementation of guidelines and procedures for management and replacement of County Vehicle Fleet (County, Sheriff, School, Fire and Ambulance).
- X. Recommends that the County actively pursue and utilize any available Grants that meets current or future County’s needs where available.

Acknowledgements

Dr. Charles Harris, School Superintendent

Ellen Boone, Commissioner of Revenue

Paul Lee, Auditor

Chequila Fields, Director of Social Services

Constitutional Officers/Registrar

Department Heads

County Staff

The Sussex County Board of Supervisors

And a special thanks to

Onnie Woodruff, Treasurer

Deborah A. Davis, Assistant to the County Administrator

Shannon D. Fennell, Assistant to the Director of Planning