



Cumberland County Fiscal Year 2021 Recommended Budget

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County Administrator
April 14, 2020



Topics

- Background Facts and Constraints
- Estimated General Fund Expenditures and Transfers
- Estimated General Fund Revenue Available
- Capital Improvement Plan (CIP)
- Options
- Next Steps
- Questions and Discussion



Background Facts and Constraints

- **Current FY 2020 Budget**
 - **A One time** \$500,000 payment to Cumberland County was applied to FY2020 budget revenue to cover FY2020 expenditures
 - This means the FY2021 revenue estimate is a **minimum** \$500,000 less than last year's FY2020 estimated revenues, this is a severe constraint on the FY2021 budget planning process
- **Real Estate Appraisals and Reassessments conducted this year for the first time in 6 years**
 - Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by **10.87 percent** overall
 - The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be **\$.70 per \$100** of assessed value. Current FY2020 tax rate is .78 per \$100
- **VRS costs increased 1% for FY2021, Medical Plans for employees increased 4.7% for County Employees, 12.9% for School employees**
- **The Governor has asked the General Assembly to revisit the approved State Budget to factor in the costs of State COVID-19 response and make adjustments. State funding levels approved for Cumberland in March are expected to decrease.**



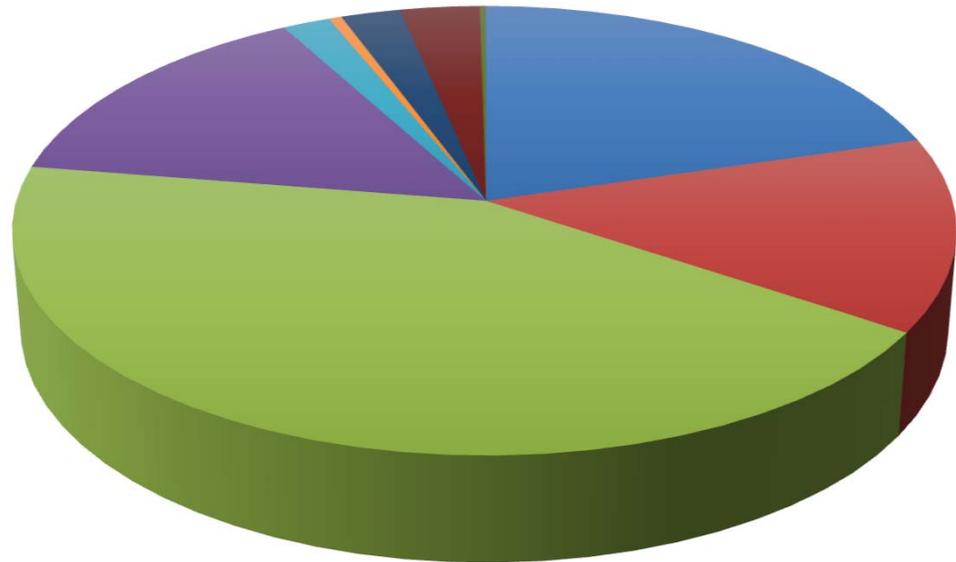
Background Facts and Constraints

- The FY2021 budget expenditure requests submitted by all County Departments, including Schools, Social Services, EDA, CSA, and Debt Services Fund was \$1,095,371 higher than what was approved in the FY2020 Budget.
 - FY2020 approved – \$15,548,441
 - FY2021 requested - \$16,643,812
- County Administrator was able to work with all Departments to **reduce** the initial budget requests **\$722,477 less** than originally requested, any cuts lower would severely impact County services to our citizens and fail to meet County obligations
 - Reduced the requests from \$16,643,812 down to \$15,921,335
 - The County Administrator and Finance Director met with all Departments and went over all submitted budget requests, worked together with Departments to determine where reductions could be made
 - Multiple new purchase requests were tabled to future budget years
 - Several programs were reduced in funding and scope
 - Several contributions to outside organizations were reduced
 - Several vacant critical positions are now unfunded due to the revenue shortfall
 - The Capital Improvement Plan is unfunded again this year



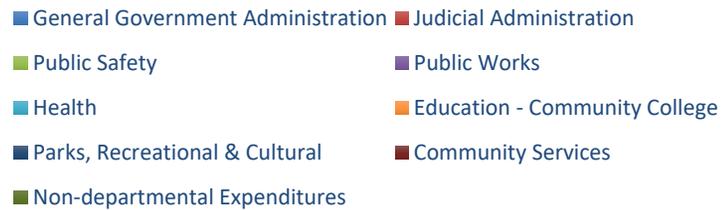
Estimated General Fund Expenditures for FY2021

General Government Administration	\$1,652,298
Judicial Administration	\$615,830
Public Safety	\$3,500,665
Public Works	\$1,715,414
Health	\$150,076
Education – Community College	\$40,199
Parks, Recreational & Cultural	\$187,512
Community Services	\$250,116
Non-Departmental Expenditures	\$19,300



Total Estimated General Fund Expenditures:

\$8,131,410





General Fund Transfers to other Funds FY2021

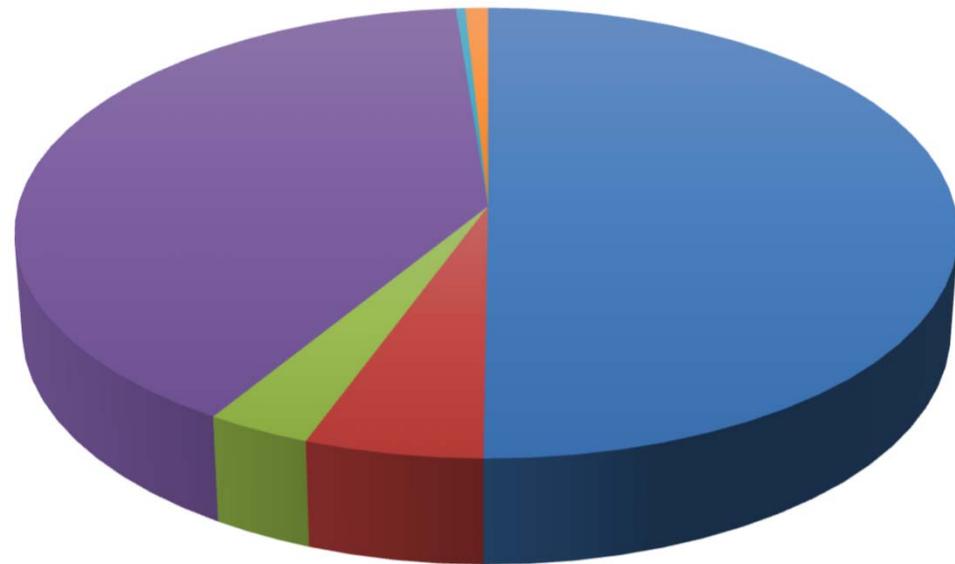
Transfer to School Fund	\$3,905,419
Transfer to Social Services Fund	\$425,242
Transfer to Child Services Act Fund	\$250,000
Transfer to Debt Services Fund	\$3,114,179
Transfer to Utilities Fund	\$27,621
Transfer to EDA Fund	\$67,464
Transfer to Capital Projects Fund	\$0

Total Estimated General Fund Transfers:

\$7,789,925

Total Estimated General Fund Expenditures and Transfers Equal:

\$15,921,335



- Transfer to School Fund
- Transfer to Social Services Fund
- Transfer to Child Services Act Fund
- Transfer to Debt Services Fund
- Transfer to Utilities Fund
- Transfer to EDA Fund
- Transfer to Capital Projects Fund



General Fund Revenue Breakdown

Contingent upon receipt of all Federal, State, and Local Revenue

General Property Taxes	\$10,078,821
Other Local Taxes	\$1,132,000
Permits, Privilege Fees & Registrations	\$84,500
Fines & Forfeitures	\$135,000
Revenue from use of Money and Property	\$64,000
Charges for Services	\$286,900
Miscellaneous Revenue	\$1,152,800

Total Revenue from Local Sources:

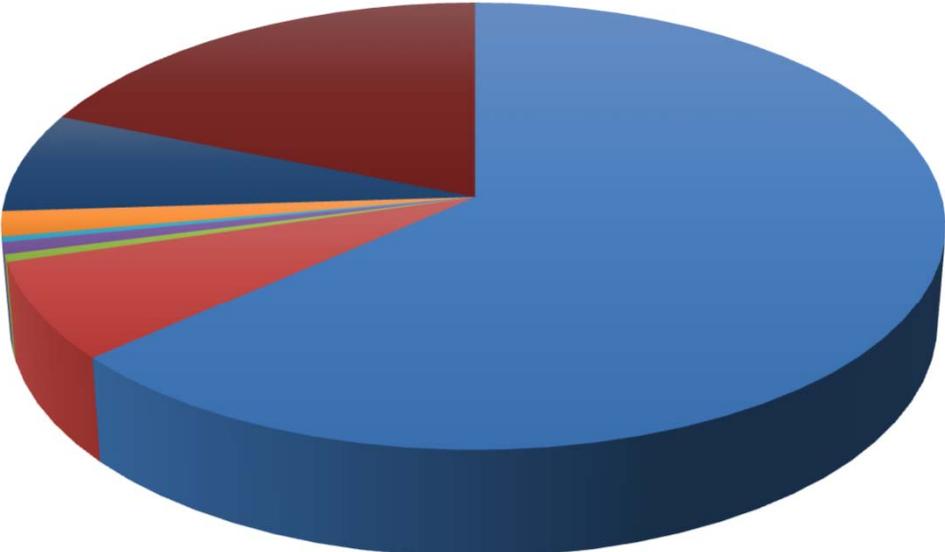
\$12,934,021

Revenue from Commonwealth:

\$2,987,314

Total Estimated General Fund Revenue:

\$15,921,335



- General Property Taxes
- Other Local Taxes
- Permits, Privilege Fees & Reg.
- Fines & Forfeitures
- Revenue from Use of Money & Property
- Charges for Services Provided
- Miscellaneous Revenue
- Revenue from Commonwealth



Capital Improvement Plan

Cumberland County Capital Improvements Program: FY 2020-2021 through FY 2024-2025											
Project Description	Department making request	Requesting departments priority ranking	Reference page number	CIP Commission Evaluation	Planning Commission Ranking	Total Estimated Cost	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
						County Administration					
Server Refresh	IT	3	2	11	3	\$ 150,000			\$ 150,000		
Landfill Fencing	Solid Waste Dept.	N/A	3	20	1	\$ 35,000	\$ 35,000				
Admin/Old Jail Parking Lot Repair/Seal/Strip	General Properties	3	4	12	3	\$ 30,000			\$ 30,000		
Climate Control Program for the Courthouse	General Properties	2-3	5-11	15	1	\$ 21,415	\$ 21,415				
Additional Administrative Parking Lot	General Properties	3	13	16	4	\$ 126,000			\$ 126,000		
Older portion Admin Bldg ceiling/HVAC/lights	General Properties	2	14	19	2	\$ 75,000	\$ 75,000				
						Education					
Replacement of IT Building Roof	Cumberland Schools	3	15-16	13	3	\$ 23,850			\$ 23,850		
						Emergency Services					
Rescue 21 Replacement	Cumberland Vol. Fire Dept.	1	20	17	3	\$ 500,000			\$ 500,000		
Air Pack Replacement	Randolph Vol. Fire Sept.	1	20	16	1	\$ 127,500	\$ 127,500				
Improve reliability and safety of ambulance 552	Cartersville Vol. Rescue Squad	2	22-23	21	3	\$ 20,403			\$ 20,403		
						Utilities					
Pump Station Generators	Public Works	N/A	24	18	2	\$ 85,000		\$ 85,000			
Route 13 Waterline	Public Works	N/A	25	19	1	\$ 35,000	\$ 35,000				
Slip line 8" sewer line	Public Works	N/A	28	19	1	\$ 20,000	\$ 20,000				
							\$ 313,915	\$ 85,000	\$ 850,253	\$ -	\$ -
CIP Commission Evaluation: Score of 7-35 with 35 being the most urgent											
PC Ranking: (1) Required & Urgent, (2) Highly desirable, (3) Desirable, (4)Marginally beneficial, (5) Not justified											



Options

**The required Revenue and Expenditure balances are
\$15,921,335**

- For the County to **fully fund** the FY2021 Budget with **only** FY2021 collected revenues the FY2021 Real Estate Tax Rate and Public Service Corporations Rate would have to be **\$.77 per \$100** of assessed value
 - This is **after** the \$722,477 in cuts were made
 - At \$.70 per \$100 of assessed value Real Estate Tax Rate the overall revenue collected will total **\$15,242,573**
 - At \$.70 per \$100 of assessed value we will need to use **\$678,762** from the Reserve Fund to meet our requirements



Options

Bottom Line: The Board of Supervisors will have to set a Real Estate Tax (RET) Rate somewhere from .70 to .77

- Every penny levied **above** \$.70 per \$100 of Assessed Value is a **tax increase** to the taxpayers
- Every penny levied **below** .77 is less of an increase to the taxpayers, and more from the **Reserve Fund**

Examples:

- At \$.77 per \$100 of Assessed Value the revenue balance will be **even** with expenditures balance, this is the highest rate that can be levied – Total RET collected = **\$6,586,321**
- At \$.73 per \$100 of Assessed Value the revenue balance will be **\$387,144** short, meaning the Reserve Fund will have to be relied upon to cover the **\$387,144** shortfall – Total RET collected = **\$6,244,177**
- At \$.70 per \$100 of Assessed Value the revenue balance will be **\$678,762** short, meaning the Reserve Fund will have to be relied upon to cover the **\$678,762** shortfall – Total RET collected = **\$5,897,294**



Next Steps

- April 28, 2020 – Public Hearing regarding the Real Estate Tax Rate, 7PM
 - Electronic public participation, unless notified otherwise
 - Written public comments can be sent in via email prior to the 28th, for inclusion in the overall public comments to the Board
- Board will vote on a tax rate following public comments
- Board will then vote on the FY2021 Budget based on the tax rate set by the prior vote



Questions and Discussion