

The background of the slide features a large, faint, circular seal of Gloucester County, Virginia. The seal is light blue and contains a central emblem of a plow and a sheaf of wheat. The text "GLOUCESTER COUNTY" is arched across the top, "VIRGINIA" is arched across the bottom, and "ESTAB. 1651" is on the right side.

County Administrator's Proposed Budget

Fiscal Year 2022

J. Brent Fedors

Agenda

- Introduction – Setting the stage; Objectives; Guidance from the Board
- FY 2022 Proposed Budget Highlights
- Budget Approach; Compensation Challenge, History and Opportunity
- Facilities Maintenance Repair & Replacement (FMRR)
- General Fund: Request → proposed; Prior year → proposed
- A look at individual funds
 - Education Funds, Social Services Funds, Capital Fund, Debt Service Fund, Schools' Sales Tax Fund (NEW - proposed), Enterprise Funds
- FY2022 Revenue Outlook; Proposed use of Fund balances
- The FY 2022 Proposed Budget
- Capital Improvement Plan Recommendations
 - Deep dive on use of Schools' Local Option Sales Tax funding for eligible CIP debt service
- Local Sales Tax Option – Leveraging outside investment for GCPS' CIP
- Suggested Tax Rate Advertising



Administrator's Personal Goals

To listen, observe, and become intimately familiar with the Board's (and its members') priorities and inclinations.

To carry forward lessons learned from prior years and leverage them to create enhanced value in the future.

To continuously engage with the Board in efforts to better anticipate its (and its members') changing expectations.

To acknowledge community influences and be sensitive to the needs of each Board Member's constituencies.

To propose a budget that perfectly aligns with the Board's intent, requiring little or no change by the Board prior to adoption.



Objectives

To propose a balanced budget that:

- Aligns with Board guidance and strategic priorities
- Delivers enhanced value to County citizens
- Aligns resources with needs; promotes resource productivity
- Accurately projects anticipated expenditures, revenues, and vacancy / transfer credits
- Best leverages taxpayer dollars and our local economic engine for the benefit of the citizens and businesses in our community
- Best leverages State funding to support local compensation actions needed to keep up with inflation / SSA COLA
- Sets up a resilient operating budget beyond the current year
- Supports the current and future needs of our community



Guidance from the Board

- Produce a budget that:
 - Is lean, but sustainable
 - Incorporates no real estate tax increase
 - Does not reduce service levels
 - Does not eliminate programs



Board Strategic Priorities

1. Compensation improvements (County & School)
2. Capital to improve/protect public infrastructure
3. Economic development/growth
4. Expanded broadband availability
5. Long term solution for local jail overcrowding
6. Protection of potable groundwater supply
7. Upgraded public water/sewer infrastructure
8. Enhanced public recreation/waterway access

FY 2022 Budget Highlights

The FY22 Proposed Budget provides for:

- Maintenance of the County and Schools' established Compensation Plans
- Support for GVFRS' A&E; 1.85 retirement multiplier for Sheriff's sworn staff
- Other incremental funding for only the most critical/mandatory obligations
- Cash funding of only highest priority, non-bondable CIP & FMRR requests
- VPSA financing for qualifying GCPS projects

The FY22 Proposed Budget incorporates:

- **1% local option sales tax to support debt service on all eligible projects**
- No increase to the real estate tax rate; Elimination of need for real estate tax rate increase next year to support CIP ineligible for funding with sales tax
- Full leverage of State funds for compensation – no dollars left on the table
- No increase in Health Insurance costs (County & GCPS); potential reduction
- Five years of lessons learned; Aggressive revenue/expense forecasting
- Expenditure underspend projections; Substantial vacancy/transfer savings



Budget Approach - Operating

- Start working from the FY22 request – the stated need
 - NOT from the FY21 base, and NOT from the identified gap
- Evaluate costs by function, unit and type
 - Determine base needs, compare to FY18, FY19, and FY20 actuals and FY21 trend, and adjust
- Identify and capture cost savings opportunities
 - Enterprise fund overhead support, resource sharing, cost compression
- Leverage vacancies in areas of greatest need
 - Hiring “frost” / vacancy reallocations, position eliminations, resource reassignments, FT → PT conversions
- Identify and capture year-end unassigned funds
 - Vacancy savings, year-end under-transferred funds, budget over-estimates, committed fund rebalancing
- Evaluate funding sources
 - Compare to FY18, FY19, and FY20 actuals and FY21 trend, identify influencing factors and adjust
- Leverage enhanced knowledge of specific departmental needs
 - Second, and in some cases third or more meetings with directors / constitutional officers
- Exercise best judgement – balance needs vs. funding



Compensation Challenge

\$ 547K	GCPS 3.4% Carryforward Compensation Deficit (Support staff only)
\$ 453K	GCPS 1.6% Carryforward Compensation Deficit (Teachers only)
\$ 629K	County 3.4% Carryforward Compensation Deficit (Includes DSS)
<hr/>	
\$ 1.63M	Prior Years' Compensation Funding Deficits
\$ 577K	GCPS 1.3% FY22 COLA (based on SSA; 0.2% more than request)
\$ 509K	GCPS 1.8% Market Adjustment – Teachers Only
\$ 241K	County 1.3% FY22 COLA (based on SSA) (Includes DSS)
<hr/>	
\$ 2.96M	Total Compensation Challenge (to keep up with SSA)

Result: 4.7% increase for all County & GCPS personnel = PAR



Salary Increase History

	County:	Schools:
FY10	None	\$400 “gratuity” (contract EEs ½ time +)
FY11	None	None
FY12	None	None
FY13	2%	2%
FY14	4.85% (band & compression only)	2%
FY15	3% bonus (Gr 2-8)	3% bonus (lower grade EEs)
FY16	None	None
FY17	4% catch-up	4% catch-up; 2% bonus (net FY18 step increase Δs)
FY18	2% bonus	0.355% equivalent – step increase (teachers only)
FY19	~8% Market Adjustment; 2% COLA	~7% Overall: 5.25-13.34% (teachers); 4% (support staff)
FY20:	2% COLA (3.8% requested by CA)	~6% Overall: 3.8% (teachers); 10.5% (support staff) (3.23% and 10.75%, respectively, requested by SB)
FY21:	0.9% bonus	\$900 bonus

- Note: Does not include one-off increases for select staff (County or Schools) or VRS offsets
- Social Security Administration CPI increases by year: 2019 = 2.8%; 2020 = 1.6%; 2021 = 1.3%
- Missed increases: FY19 (1% - All except teachers); FY20 (0.8% - All except teachers); FY21 (1.6% - All)
- **As of FY21, County employees & GCPS support staff remain (1% + 0.8% + 1.6% =) 3.4% below par, while Teachers remain 1.6% below par (not accounting for current market driven competition / compensation needs)**



Proposed FY22 Pay Plan

FY22 Request:

Schools: All personnel – 4.5%

County: 1.3% COLA (aligned w/ 2021 SSA)
3.4% Carryforward compensation deficit
4.7% Total

FY22 Proposed:

Schools: 5.0% (minimum required to retain full anticipated add'l State funding)

County: 5.0% (minimum required to retain full anticipated add'l State funding)

Note: HMP expected to be neutral or decrease; VRS is neutral (2-year)



Compensation Opportunity

\$ 2.96M	Total Compensation Challenge (to keep up with SSA)
\$ 30K	Constitutional Officers 5% COLA (mandatory)
\$ 57K	County 0.3% increment to 5% ($4.7\% + 0.3\% = 5\%$) (Includes DSS)
<u>\$ 133K</u>	<u>GCPS 0.3% increment to 5% ($4.7\% + 0.3\% = 5\%$)</u>
\$ 3.18M	Total for 5% across the board (County, GCPS, COs)
\$ 1.18M	Expected from the State (\$999K GCPS; \$183K County)
<u>\$ 575K</u>	<u>County – HMP Claims Trend Savings / Premium Credit</u>
\$ 1.43M	Net Local Cost for \$3.18M Complete Compensation Fix

Result: 5.0% increase for all County & GCPS personnel = PAR + 0.3%



Department	Facilities Maintenance Repair Replacement	FY2022	FY2023	FY2024	FY2025	FY2026
Animal Control	Interior Kennel Repair	\$ 2,350				
Animal Control	Roof replacement in Animal Shelter Bldg			\$ 14,825		
Animal Control	Gravel for New Office Parking Lot Area	\$ 11,022				
Animal Control	Office/Conference Room Furniture	\$ 5,268				
Animal Control	Horse Pasture Barn & Fencing		\$ 16,618			
Emergency Mgt.	Vehicle replacement		\$ 40,000			
Facilities Mgt.	Vehicle replacement	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Facilities Mgt.	Building modification	\$ 30,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Facilities Mgt.	Fuel station concrete pad replacement	\$ -	\$ 9,200	\$ -	\$ -	\$ -
Facilities Mgt.	FM Shop Building Roof		\$ 36,000			
Facilities Mgt.	Floor replacement Colonial Courthouse	\$ 12,000				
Facilities Mgt.	Building-1 LED upgrade		\$ 37,300			
Facilities Mgt.	Building-2 LED upgrade		\$ 77,700			
Facilities Mgt.	02 Courthouse LED upgrade			\$ 171,000		
Facilities Mgt.	Stewart Building exterior Paint	\$ 20,000				
Finance-Purch	Copier	\$ 10,000	\$ -	\$ -	\$ -	\$ -
IT	Annual PC Replacement	\$ 30,000	\$ 35,000	\$ 40,000	\$ 45,000	\$ 45,000
IT	VM Server Host Replacement/upgrade	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
IT	UPS Replacement for Computer Room	\$ -	\$ -	\$ -	\$ 35,000	\$ -
IT	Call Mgr hardware replacement/upgrade	\$ 55,000				\$ 55,000
Sheriff	Vehicle Replacement	\$ 306,000	\$ 295,350	\$ 295,350	\$ 295,350	\$ 295,350
Sheriff	Toughbook's	\$ -	\$ -	\$ -	\$ -	\$ 253,257
Sheriff	Jail and LE Building cameras upgrade	\$ 24,926				
Sheriff	AED replacements		\$ 45,480			
PRT	Soccer Goal Replacement	\$ 4,000	\$ -	\$ 3,000	\$ -	
PRT	Gymnastics Equipment Replacement	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ -
PRT	Master Planning	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 5,000
PRT	Ark Park Improvements	\$ -	\$ -	\$ -	\$ 40,000	\$ 15,000
PRT	Brown Park Improvements	\$ -	\$ 3,000	\$ -	\$ -	\$ 45,000
PRT	Gravel Parking Lot Repairs	\$ 23,500	\$ 18,500	\$ 11,000	\$ 11,800	\$ -
PRT	Maintenance Shelters	\$ 17,000	\$ 10,000			
PRT	Roof Replacement	\$ 17,000		\$ 8,000	\$ 8,000	
PRT	Playground Shade Structures		\$ 25,000			
Administration	Gloucester Point Beautification Project	\$ 25,000	\$ 18,000	\$ 40,000		
GIS	GIS server upgrade and replacement	\$ 30,000				
Treasurer	Replace Printers	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ -
Total		\$707,066	\$752,148	\$687,175	\$540,150	\$843,607

FMRR

General Fund – Ask vs. Proposed

\$ 76.14M	FY22 GF Operating Baseline budget request (ASK)
(\$ 1.90M)	GCPS Local Funding Request (see details following)
(\$ 3.54M)	Debt Service - 1% Local Option Sales Tax relief to GF
(\$ 685K)	Personnel expense County HMP RFP results (\$565K); Animal Control - 1/1 FTE (\$62K); Building Inspections - 1/1 FTE (\$66K); Sheriff Vacancy Savings - (\$40K); Constitutional Officer 5% Comp and County 0.3% COLA - \$82K; Other Misc. - (\$34K)
(\$ 99K)	Level fund / no new civic contributions Gloucester Housing Partnership (\$29K); Tidewater Soil & Water Cons. District (\$4K); Puller Center (\$2K); Bay Transit – Hive 3 Hrs / CH Circulator 4 Hrs (\$28K); Bay Aging (\$300); GMHS (\$36K)
(\$ 221K)	County HMP Premium Credit (estimate)
(\$ 381K)	FMRR rebalancing / deferrals
(\$ 87K)	Other individual line item puts / takes (net)
\$ 69.23M	FY22 GF operating budget funded (PROPOSED)
(\$ 69.58M)	FY21 (current fiscal year) budget (as revised)
(\$ 351K)	FY22 Proposed GF budget is \$351K lower than prior year



General Fund (Incremental)

\$ 69.58M

FY21 (current fiscal year) budget (as revised)

\$ 851K

General Fund operating budget (net) increase funded

- Major priorities funded: \$958K 5% COLA; \$315K Volunteer F&R Increase (incl. GVFRS' Station 1 A/E request); \$158K FMRR increase; \$108K Sheriff Sworn Retirement 1.70 → 1.85 Retirement Multiplier; \$68K Pictometry; \$59K Public Safety Radio (full 12 mos.); \$58K NG911 Connectivity; \$50K Tyler Munis (full 12 mos.); \$41K PR&T Staffing (Safety Enhancement); \$25K EDA Business Incentive Program
- Major offsets include \$354K reduction in HMP costs; \$221K HMP premium credit; \$201K decrease in vacancy / transfer savings estimate; \$219K reduction associated with closure of Colonial Group Home

\$ 1.22M

General Fund transfer increase – GCPS (\$26.48M basis)

\$ 139K

General Fund transfer increase – Social Services/CSA

(\$ 851K)

General Fund transfer decrease – Capital Fund

(\$ 1.71M)

General Fund transfer decrease – Debt Service

\$ OK

General Fund transfer – Utilities / Enterprise

\$ 69.23M

FY22 GF operating budget funded (PROPOSED)

(\$ 69.58M)

FY21 (current fiscal year) budget (as revised)

(\$ 351K)

FY22 Proposed GF budget is \$351K lower than prior year



General Fund

General Fund	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
General Fund (10) Total	\$70,881,959	\$65,762,010	\$69,582,242	\$69,582,242	\$69,231,530	(\$350,713)	-0.5%
School Operating Fund	\$26,930,277	\$26,651,150	\$26,481,726	\$26,481,726	\$27,703,331	\$1,221,605	4.6%
Social Services	\$1,711,314	\$1,374,595	\$1,829,559	\$1,829,559	\$2,030,497	\$200,938	11.0%
Children Services Act	\$613,000	\$370,712	\$613,000	\$613,000	\$650,000	\$37,000	6.0%
Capital Fund	\$4,326,928	\$1,540,279	\$2,573,718	\$2,573,718	\$1,722,609	(\$851,109)	-33.1%
Debt Service Fund	\$3,969,539	\$4,053,912	\$3,998,804	\$3,998,804	\$2,287,820	(\$1,710,984)	-42.8%
Utilities Fund	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
General Fund w/o Transfers	\$33,330,901	\$31,771,362	\$34,085,435	\$34,085,435	\$34,837,273	\$751,837	2.2%

\$34.84M

FY22 General Fund operating budget funded

- Major priorities funded: \$958K 5% COLA; \$315K Volunteer F&R Increase (incl. GVFRS' Station 1 A/E request); \$158K FMRR increase; \$108K Sheriff Sworn Retirement 1.70 → 1.85 Retirement Multiplier; \$68K Pictometry; \$59K Public Safety Radio (full 12 mos.); \$58K NG911 Connectivity; \$50K Tyler Munis (full 12 mos.); \$41K PR&T Staffing (Safety Enhancement); \$25K EDA Business Incentive Program
- Major offsets include \$354K reduction in HMP costs; \$221K HMP premium credit; \$201K decrease in vacancy / transfer savings estimate; \$219K reduction associated with closure of Colonial Group Home



Schools' Transfer Request



Supt's Budget
Recommendation

REQUEST FOR ADDITIONAL COUNTY FUNDING

Contributions for Operations

Full
Presentation

2020-21 Current

\$26,481,726

2021-22 Request

\$29,602,488

This represents a local contribution increase of
*\$3,120,762

Note: Image taken from the School Superintendent's proposed budget presentation to the School Board



Schools' Operating / Debt Service

School Operating Fund	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Revenue							
Local	\$300,596	\$333,575	\$300,596	\$300,596	\$300,596	\$0	0.0%
Local Transfer	\$26,930,277	\$26,651,150	\$26,481,726	\$26,481,726	\$27,703,331	\$1,221,605	4.6%
Commonwealth	\$32,084,006	\$31,567,976	\$31,724,401	\$31,724,401	\$31,777,176	\$52,775	0.2%
Federal	\$2,486,238	\$2,327,126	\$4,184,049	\$4,184,049	\$4,279,240	\$95,191	2.3%
Total Revenue	\$61,801,117	\$60,879,827	\$62,690,772	\$62,690,772	\$64,060,343	\$1,369,571	2.2%
Debt Service from County GF	3,230,828	3,212,421	3,256,082	3,256,082	46,290	(\$3,209,792)	-98.6%
Total County GF for Schools	30,161,105	\$29,863,571	\$29,737,808	29,737,808	\$27,749,621	(\$1,988,187)	-6.7%

\$27.70M

FY22 General Fund transfer funded (funding suggestion)

- Includes \$1.22M increase in Local Transfer (over level funding / short-appropriated \$26.48M baseline) toward 5% FY22 compensation action (to maximize anticipated State funding contribution)
- Accounts for \$53K increase in funding from State (Governor's proposed budget)
- Assumes ~\$999K incremental funding from State for compensation (at-risk w/ final State budget)
- Assumes neutral HMP expense; VRS is flat (2-year cycle)
- Incorporates \$1.79M in Federal "ESSER II" funding



Education Funds

Education Funds	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Local	\$300,596	\$333,575	\$300,596	\$300,596	\$300,596	\$0	0.0%
Local Transfer	\$26,930,277	\$26,651,150	\$26,481,726	\$26,481,726	\$27,703,331	\$1,221,605	4.6%
Commonwealth	\$32,084,006	\$31,567,976	\$31,724,401	\$31,724,401	\$31,777,176	\$52,775	0.2%
Federal	\$2,486,238	\$2,327,126	\$4,184,049	\$4,184,049	\$4,279,240	\$95,191	2.3%
Subtotal Operating Revenue	\$61,801,117	\$60,879,827	\$62,690,772	\$62,690,772	\$64,060,343	\$1,369,571	2.2%
Cafeteria Fund	\$2,688,473	\$2,216,311	\$2,772,032	\$2,772,032	\$2,806,277	\$34,245	1.2%
Special Education	\$734,686	\$617,399	\$720,216	\$720,216	\$622,302	(\$97,914)	-13.6%
Total Education Funds	\$65,224,276	\$63,713,537	\$66,183,020	\$66,183,020	\$67,488,922	\$1,305,902	2.0%

\$27.70M

FY22 General Fund transfer funded (funding suggestion)

- Includes \$1.22M increase in Local Transfer (over level funding / short-appropriated \$26.48M baseline) toward 5% FY22 compensation action (to maximize anticipated State funding contribution)
- Accounts for \$53K increase in funding from State (Governor's proposed budget)
- Assumes ~\$999K incremental funding from State for compensation (at-risk w/ final State budget)
- Assumes neutral HMP expense; VRS is flat (2-year cycle)
- Incorporates \$1.79M in Federal "ESSER II" funding



Social Services Funds

Social Services	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Local	\$0	\$0	\$0	\$0	\$0	\$0	0%
Local Transfer	\$1,711,314	\$1,374,595	\$1,829,559	\$1,829,559	\$2,030,497	\$200,938	11%
Commonwealth	\$1,561,348	\$1,289,856	\$1,594,986	\$1,594,986	\$1,585,634	(\$9,352)	-1%
Federal	\$1,971,050	\$2,057,666	\$2,057,977	\$2,057,977	\$2,224,078	\$166,101	8%
Total Revenue	\$5,243,712	\$4,722,117	\$5,482,522	\$5,482,522	\$5,840,209	\$357,687	7%
Children's Services Act Fund	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Local	\$3,720	\$6,425	\$3,720	\$3,720	\$3,720	\$0	0%
Local Transfer	\$613,000	\$370,712	\$613,000	\$613,000	\$650,000	\$37,000	6%
Commonwealth	\$789,280	\$563,587	\$789,280	\$789,280	\$852,280	\$63,000	8%
Federal	\$18,000	\$35,491	\$18,000	\$18,000	\$18,000	\$0	0%
Total Revenue	\$1,424,000	\$976,215	\$1,424,000	\$1,424,000	\$1,524,000	\$100,000	7%

\$ 2.68M

FY22 General Fund transfer funded

- Includes splits / offsets to accommodate proposed FY22 5% COLA



Capital Fund

Capital Fund	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Local	\$263,974	\$194,802	\$0	\$0	\$651,943	\$651,943	0%
Local Transfer	\$4,326,928	\$1,540,279	\$2,573,718	\$2,573,718	\$1,722,609	(\$851,109)	-33%
Commonwealth	\$652,291	\$13,750	\$9,302,492	\$9,302,492	\$6,660,000	(\$2,642,492)	-28%
Federal	\$2,668,246	\$612,726	\$2,563,120	\$2,563,120	\$0	(\$2,563,120)	-100%
Loan Proceeds	\$5,629,916	\$0	\$5,283,077	\$5,283,077	\$53,521,426	\$48,238,349	913%
Committed FB	\$182,345	\$245,734	\$20,710	\$20,710	\$0	(\$20,710)	-100%
Total Revenue	\$13,723,700	\$2,607,291	\$19,743,117	\$19,743,117	\$62,555,978	\$42,812,861	217%

\$ 1.72M

FY22 General Fund transfer funded

- \$660K from Cable Committed Fund Balance for Broadband grant match
- \$413K from Unassigned Fund Balance
- \$650K from Current Revenues
- Potential to supplant \$660K Broadband grant funds expectation with Unassigned FB
- Cash funding of only highest priority, non-bondable CIP requests
- \$52.52M - VPSA financing for bondable GCPS projects; \$1M PS Radio "Loan" (York)



L/O Sales Tax & Debt Service

\$ 5.00M	FY22 Local Option Sales Tax collections (estimated)
(\$ 3.54M)	<i>Transfer to Debt Service (for existing sales-tax eligible debt)</i>
\$ 1.46M	Debt Service Reserve (for future sales tax eligible debt)
(\$ 4.93M)	FY22 Debt Service requirements (typically GF supported)
\$ 238K	QSCB interest offset (Federal funding)
\$ 350K	Bond issuance costs (funded by bond proceeds)
\$ 3.54M	<i>Transfer from Local Option Sales Tax collections</i>
\$ 2.29M	<i>Transfer from General Fund</i>
\$ 1.49M	Debt Service Reserve (for future non-sales tax eligible debt)
\$ 802K	FY22 Debt Service supported by General Fund



Debt Service Fund

Debt Service Fund	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Local	\$0	\$0	\$0	\$0	\$0	\$0	0%
Local Transfer	\$3,969,539	\$4,053,912	\$3,998,804	\$3,998,804	\$5,828,842	\$1,830,038	46%
Federal	\$277,839	\$222,975	\$233,269	\$233,269	\$238,096	\$4,827	2%
Loan Proceeds	\$0	\$0	\$0	\$0	\$350,000	\$350,000	0%
Total Revenue	\$4,247,378	\$4,276,887	\$4,232,073	\$4,232,073	\$6,416,938	\$2,184,865	52%
Expenditure						\$0	0%
Debt Service	\$4,247,378	\$4,172,307	\$4,232,073	\$4,232,073	\$4,929,561	\$697,488	16%
Debt Service Reserve	\$0	\$104,580	\$0	\$0	\$1,487,377	\$1,487,377	0%
Total Expenditure	\$4,247,378	\$4,276,887	\$4,232,073	\$4,232,073	\$6,416,938	\$2,184,865	52%

\$ 2.29M

FY22 General Fund transfer funded

- Debt Service increasing w/ 1st payment on Fall 2020 financing (\$336K), Spring 2022 bond issuance costs (\$350K), and PS Radio 5-year Plan (up \$10K)
- \$1.49M Debt Service Reserve established to fund future planned **non-sales tax eligible** CIP debt service – This multi-year debt service reserve program eliminates the need for a Real Estate tax rate increase to support non-sales tax eligible CIP debt service in the 5-year plan
- \$802K Debt Service supported by General Fund for PS Radio 5-Year Plan (\$200K), 2002 Courthouse (\$547K), non-sales tax eligible school projects (\$46K), fiscal agent fees (\$8K)
- Federal reimbursements of \$238K for Series 2011 School Bond Interest



Schools' Local Option Sales Tax

School L/O Sales Tax	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Revenue							
Local Revenue	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000	0%
Use of Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	0%
Total Revenue	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000	0%
Expenditure							
Debt Service	\$0	\$0	\$0	\$0	\$3,541,022	\$3,541,022	0%
Debt Service Reserve	\$0	\$0	\$0	\$0	\$1,458,978	\$1,458,978	0%
Total Expenditure	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000	0%

\$ 5.00M

FY22 Revenue and Expense projected

- \$3.54M Debt Service supported by Schools Local Option Sales Tax for existing sales tax eligible debt (New Construction: Page Middle School; Major Renovations: Various elementary schools)
- \$1.46M Debt Service Reserve established to fund future planned **sales tax eligible** CIP debt service – This multi-year debt service reserve program banks sales tax revenues to support all prospective sales tax eligible CIP debt service in the 5-year plan



Enterprise Funds

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

Utilities Fund	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Revenue							
Charges for Services	\$4,312,700	\$4,145,644	\$4,269,000	\$4,269,000	\$4,121,730	(\$147,270)	-3%
Local Transfer	\$0	\$0	\$0	\$0	\$0	\$0	0%
Development/Connection Fee	\$500,000	\$220,988	\$695,000	\$695,000	\$425,900	(\$269,100)	-39%
Loan Proceeds/DSRF	\$0	\$0	\$0	\$0	\$0	\$0	0%
Use of Fund Balance/Other	\$200,000	\$0	\$526,488	\$526,488	\$385,909	(\$140,579)	-27%
Total Revenue	\$5,012,700	\$4,366,632	\$5,490,488	\$5,490,488	\$4,933,539	(\$556,949)	-10%
Expenditure							
Personnel (includes PT WAR)	\$2,083,467	\$1,758,111	\$2,192,720	\$2,192,720	\$2,002,890	(\$189,830)	-9%
Operating	\$1,467,288	\$2,356,255	\$1,345,404	\$1,345,404	\$1,245,618	(\$99,786)	-7%
Capital	\$600,000	\$79,244	\$1,111,350	\$1,111,350	\$848,000	(\$263,350)	-24%
Debt Service	\$861,945	\$173,022	\$841,014	\$841,014	\$837,031	(\$3,983)	0%
Total Expenditure	\$5,012,700	\$4,366,632	\$5,490,488	\$5,490,488	\$4,933,539	(\$556,949)	-10%

(\$ 158K)

FY22 Revenue to General Fund proposed

- \$158K 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% COLA



Sanitary Districts

GSD Fund	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Revenue							
Local Revenue	\$19,340	\$19,411	\$19,340	\$19,340	\$19,203	(\$137)	-1%
Use of Fund Balance	\$14,660	\$4,983	\$11,660	\$11,660	\$6,647	(\$5,013)	-43%
Total Revenue	\$34,000	\$24,394	\$31,000	\$31,000	\$25,850	(\$5,150)	-17%
Expenditure							
Operating	\$34,000	\$24,394	\$31,000	\$31,000	\$25,850	(\$5,150)	-17%
Total Expenditure	\$34,000	\$24,394	\$31,000	\$31,000	\$25,850	(\$5,150)	-17%
GPSD	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Revenue							
Local Revenue	\$22,300	\$20,554	\$22,900	\$22,900	\$20,842	(\$2,058)	-9%
Use of Fund Balance	\$1,370	\$733	\$100	\$100	\$0	(\$100)	-100%
Total Revenue	\$23,670	\$21,287	\$23,000	\$23,000	\$20,842	(\$2,158)	-9%
Expenditure							
Operating	\$23,670	\$21,287	\$23,000	\$23,000	\$20,842	(\$2,158)	-9%
Total Expenditure	\$23,670	\$21,287	\$23,000	\$23,000	\$20,842	(\$2,158)	-9%

Recommendation: Move forward with action to eliminate current Sanitary Districts as proposed last year, but suspended by COVID



Mosquito Control

Mosquito Control	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Revenue							
Local Revenue	\$98,390	\$97,290	\$98,390	\$98,390	\$98,390	\$0	0%
Use of Fund Balance	\$30,000	\$16,543	\$15,935	\$15,935	\$15,935	\$0	0%
Total Revenue	\$128,390	\$113,833	\$114,325	\$114,325	\$114,325	\$0	0%
Expenditure							
Personnel (includes PT WAR)	\$17,775	\$4,827	\$17,775	\$17,775	\$18,071	\$296	2%
Operating	\$110,615	\$109,006	\$96,550	\$96,550	\$96,254	(\$296)	0%
Total Expenditure	\$128,390	\$113,833	\$114,325	\$114,325	\$114,325	\$0	0%

\$60K (total) FMRR for vehicle replacements anticipated FY22 – 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



FY22 Revenue Outlook Summary

General Fund Revenues	FY2020 Final Budget	FY2020 Actual	FY2021 Revised Budget	FY2021 Expected	FY2022 Proposed	Dollar Change Requested to Proposed	% Change
General Property Taxes	\$41,883,391	\$41,264,764	\$42,980,146	\$42,980,146	\$43,430,884	\$450,738	1.0%
Other Local Taxes	\$11,277,114	\$11,647,256	\$10,406,153	\$10,406,153	\$11,742,000	\$1,335,847	12.8%
Licenses, Permits, & Fees	\$476,535	\$458,428	\$407,580	\$407,580	\$451,795	\$44,215	10.8%
Fines & Forfeitures	\$120,200	\$59,632	\$100,400	\$100,400	\$91,900	(\$8,500)	-8.5%
Use of Money & Property	\$379,295	\$369,377	\$488,619	\$488,619	\$241,986	(\$246,633)	-50.5%
Charges for Services	\$1,138,463	\$897,667	\$1,135,376	\$1,135,376	\$1,099,750	(\$35,626)	-3.1%
Miscellaneous	\$183,194	\$120,854	\$232,947	\$232,947	\$125,870	(\$107,077)	-46.0%
Recovered Costs	\$639,746	\$571,175	\$655,517	\$655,517	\$606,378	(\$49,139)	-7.5%
Commonwealth	\$9,141,054	\$8,845,750	\$8,896,545	\$8,896,545	\$9,078,291	\$181,746	2.0%
Federal	\$386,207	\$296,362	\$303,420	\$303,420	\$298,125	(\$5,295)	-1.7%
Loan Proceeds	\$0	\$0	\$80,000	\$80,000	\$0	(\$80,000)	-100.0%
Fund Balance	\$5,256,760	\$1,230,745	\$3,895,539	\$3,895,539	\$2,064,551	(\$1,830,988)	-47.0%
Total General Fund Revenues	\$70,881,959	\$65,762,010	\$69,582,242	\$69,582,242	\$69,231,530	-\$350,712	-0.5%



FY22 Revenue Outlook Detail

Property Taxes	FY2020 Final Budget	FY2020 Actual	FY2021 Revised Budget	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Revenue							
CURRENT REAL ESTATE	\$30,073,531	\$29,503,729	\$30,839,793	\$30,839,793	\$31,242,884	\$403,091	1%
DELINQUENT REAL ESTATE	\$740,000	\$524,540	\$740,000	\$740,000	\$850,000	\$110,000	15%
PUBLIC SERVICE CORP	\$1,100,000	\$1,030,696	\$1,100,000	\$1,100,000	\$1,034,000	-\$66,000	-6%
CURRENT PERS PROP	\$8,509,860	\$8,847,991	\$8,935,353	\$8,935,353	\$8,935,000	-\$353	0%
DELINQUENT PERS PROP	\$800,000	\$784,608	\$800,000	\$800,000	\$780,000	-\$20,000	-3%
MANUFACTURED HOME	\$50,000	\$56,860	\$50,000	\$50,000	\$47,000	-\$3,000	-6%
PENALTIES	\$400,000	\$353,054	\$285,000	\$285,000	\$350,000	\$65,000	23%
INTEREST	\$210,000	\$163,286	\$230,000	\$230,000	\$192,000	-\$38,000	-17%
Total	\$41,883,391	\$41,264,764	\$42,980,146	\$42,980,146	\$43,430,884	\$450,738	1%
Other Local Taxes	FY2020 Final Budget	FY2020 Actual	FY2021 Revised Budget	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
Revenue							
LOCAL SALES TAX	\$4,872,013	\$5,469,912	\$4,531,498	\$4,531,498	\$5,500,000	\$968,502	21%
CONSUMER UTILITY TAX	\$760,000	\$743,181	\$760,000	\$760,000	\$740,000	-\$20,000	-3%
BUSINESS LICENSE TAX	\$2,000,000	\$1,867,032	\$1,813,670	\$1,813,670	\$1,843,000	\$29,330	2%
MEALS TAX	\$2,400,101	\$2,346,997	\$2,068,865	\$2,068,865	\$2,439,000	\$370,135	18%
LODGING TAX	\$205,000	\$184,993	\$192,120	\$192,120	\$221,000	\$28,880	15%
OTHER LOCAL TAXES	\$1,040,000	\$1,035,141	\$1,040,000	\$1,040,000	\$999,000	-\$41,000	-4%
Total	\$11,277,114	\$11,647,256	\$10,406,153	\$10,406,153	\$11,742,000	\$1,335,847	13%



Projected Fund Balance Capacity

- End of FY 21 / beginning of FY22 Unassigned Fund Balance Estimate:
 - \$17.5M (excl. FY21 YE results)
- Fund Balance Policy (14-16%) target range:
 - \$15.4M - \$17.6M
- Unassigned Fund Balance available for use:
 - \$1.0M (Without pushing below 15% midpoint)
- CA recommended target
 - ~~\$1.06M~~ \$412K Unassigned Fund Balance to support FY22 PayGo CIP
- \$650K retention in Unassigned Fund Balance
 - Can bring Fund Balance up to 15.6%, or repurpose & maintain 15% (Potential to supplant Grant funds for Broadband)



Proposed General Fund \$ for CIP

- CA proposed funding for FY21 PayGo CIP:

\$ 660K Cable Committed Fund Balance

\$ 650K FY21 Current revenues

\$ 413K Unassigned Fund Balance

\$ 0K \$543K Capital Committed Fund Balance (reserve)

\$ 1.72M Total General Fund \$ supporting FY21 PayGo CIP



Proposed use of Fund Balances

\$ 660K	Cable Committed Fund (for Broadband)
\$ 750K	FMRR Committed Fund (for FMRR)
\$ 29K	Tourism Committed Fund (for FMRR)
\$ 46K	Mosquito Control Committed Fund (for FMRR)
\$ 183K	Assigned Fund Balance (for CA Contingency)
\$ 413K	Unassigned Fund Balance (For CIP)
<u>\$ 0K</u>	<u>\$543K Capital Committed Fund Balance (reserve)</u>
\$ 2.08M	Total Fund Balance Supporting FY22 proposed General Fund budget



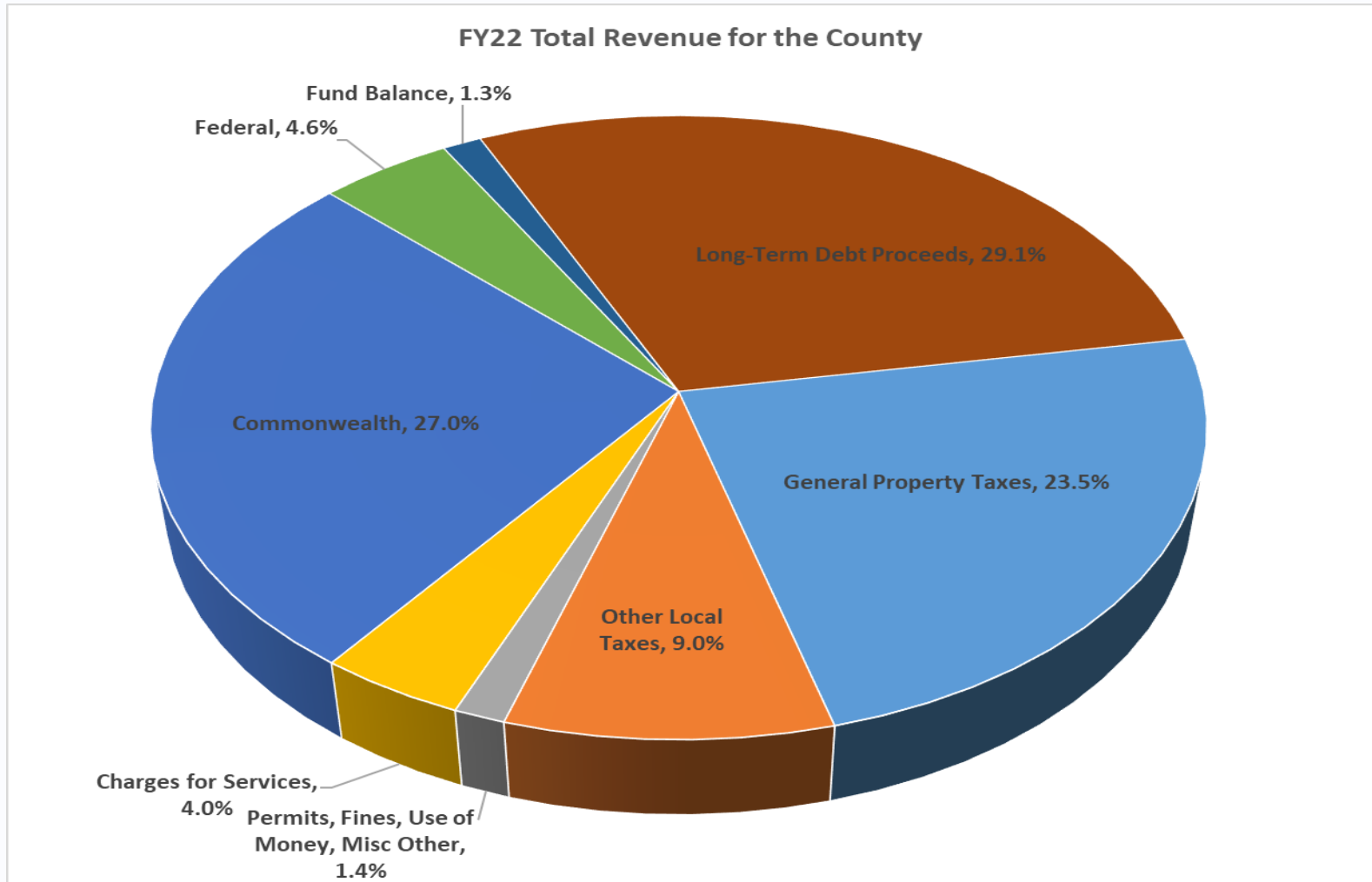
Funding the Proposed Budget

\$ 69.23M	FY22 GF operating budget funded (PROPOSED)
<u>(\$ 67.15M)</u>	<u>FY22 Projected revenue (w/o tax impact; no FB use)</u>
\$ 2.08M	Proposed budget/revenue GAP
<u>(\$ 2.08M)</u>	<u>Fund Balance supporting FY22 proposed budget</u>
\$ OK	CY2021 Real Estate tax rate impact (not needed)

Using Fund balances to support FMRR could create a “hole” to start the following year’s budget process – CA proposes continuation of current practice, filling this gap with recurring prior year underspend allocation to FMRR Committed Fund as needed to support recurring obligation at 5-year run-rate level moving forward



Projected Revenues by Source



96% of budget growth is attributed to Capital

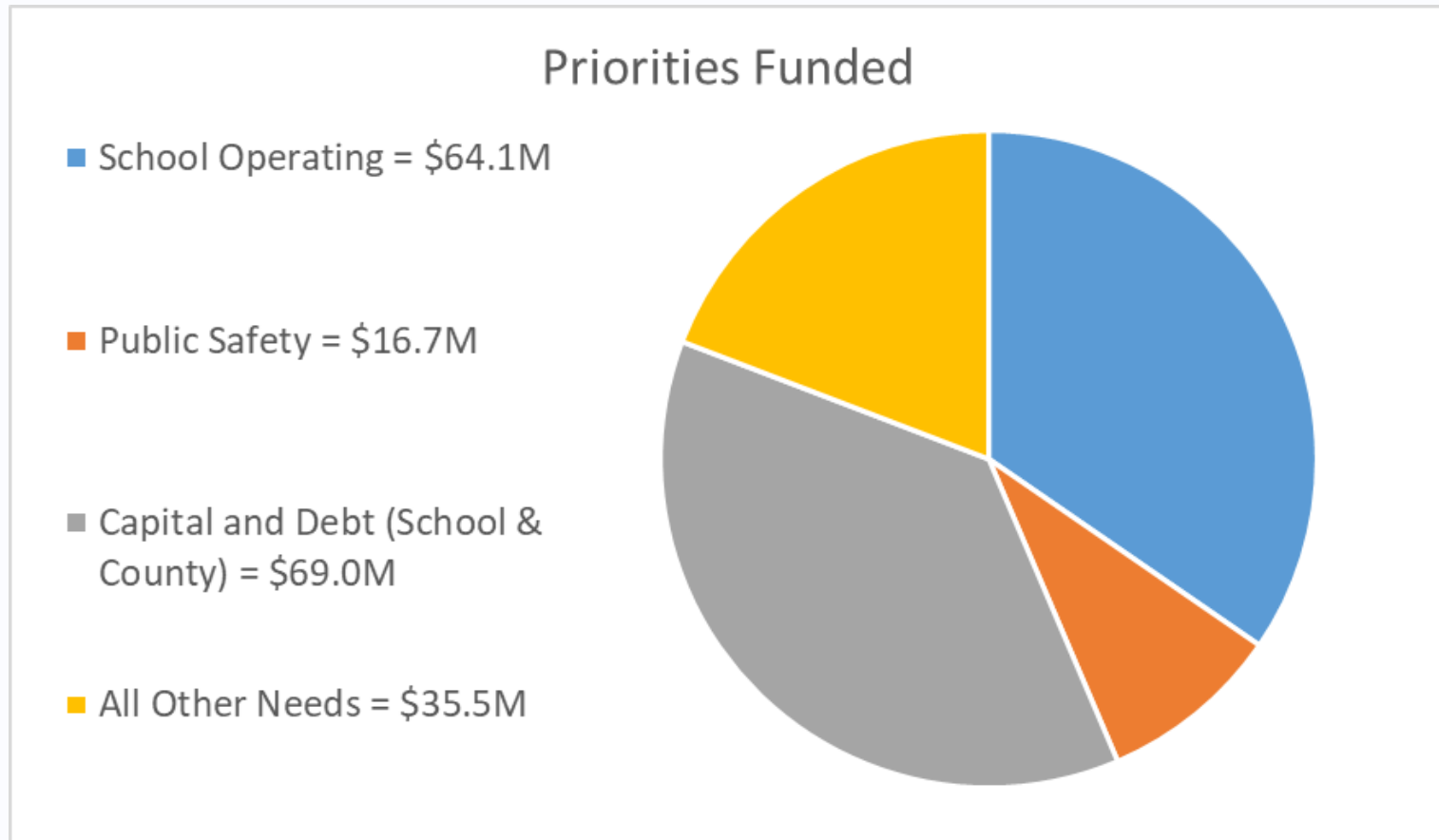
FY 2022 Proposed Budget

Category Expenditure Summary	FY2020 Final	FY2020 Actual	FY2021 Revised	FY2021 Expected	FY2022 Proposed	Dollar Change	% Change
General Fund	\$33,330,901	\$31,771,362	\$34,085,435	\$34,085,435	\$34,837,273	\$751,837	2.2%
School Operating	\$61,801,117	\$60,879,817	\$62,690,772	\$62,690,772	\$64,060,343	\$1,369,571	2.2%
School Cafeteria	\$2,688,473	\$2,216,311	\$2,772,032	\$2,772,032	\$2,806,277	\$34,245	1.2%
School Special Education	\$734,686	\$617,399	\$720,216	\$720,216	\$622,302	(\$97,914)	-13.6%
Social Services	\$5,243,712	\$4,722,117	\$5,482,522	\$5,482,522	\$5,840,209	\$357,687	6.5%
Children's Services Act	\$1,424,000	\$976,215	\$1,424,000	\$1,424,000	\$1,524,000	\$100,000	7.0%
Capital Fund	\$13,723,700	\$2,607,291	\$19,743,117	\$19,743,117	\$62,555,978	\$42,812,861	216.8%
Debt Service Fund	\$4,247,378	\$4,276,887	\$4,232,073	\$4,232,073	\$6,416,938	\$2,184,865	51.6%
School Sales Tax	\$0	\$0	\$0	\$0	\$1,458,978	\$1,458,978	0.0%
Gloucester Sanitary Districts #1	\$34,000	\$24,394	\$31,000	\$31,000	\$25,850	(\$5,150)	-16.6%
Gloucester Point Sanitary	\$23,670	\$21,287	\$23,000	\$23,000	\$20,842	(\$2,158)	-9.4%
Utility Fund	\$5,012,700	\$4,366,632	\$5,490,488	\$5,490,488	\$4,933,539	(\$556,949)	-10.1%
Mosquito Control	\$128,390	\$113,833	\$114,325	\$114,325	\$114,325	\$0	0.0%
Total Governmental Expenditures	\$128,392,727	\$112,593,545	\$136,808,980	\$136,808,980	\$185,216,853	\$48,407,873	35.4%

Proposed FY22 Budget is balanced with no Real Estate tax rate increase and no Real Estate tax rate increase to support CIP debt service is expected / projected in coming years (as was initially contemplated). Proposed 1% Local Option Sales Tax supports all existing eligible debt service and prospective eligible debt service associated with the proposed 5-year CIP. Moderated use of fund balances supports continued lean budget performance, excise taxes are conservatively projected to taper and plateau, and the projected Real Estate tax delinquency rate is conservatively estimated slightly above current.



Priorities Funded



The background of the slide features a large, faint, circular seal of Gloucester County, Virginia. The seal has a blue outer ring with the text "GLOUCESTER COUNTY" at the top and "VIRGINIA ESTAB. 1651" at the bottom, separated by two small yellow stars. In the center of the seal is a green landscape with a white path leading to a small building, all under a yellow sun.

Budget Questions?

CIP Objectives / Approach

- ✓ Identify needs for capital improvement
- ✓ Document needs
- ✓ Assess alignment with BOS Strategy / Comp Plan
- ✓ Prioritize needs
- ✓ Evaluate funding options
 - Balance needs with available funding
 - Evaluate, modify (if needed) & adopt a plan of action
- Appropriate funding
- Execute projects that meet the stated needs

FY22 CIP Summary (Excl. Utilities)

GHS Roof
Option 2

Department	Project Title	Year One FY2022	Funding
Schools	RENOVATION of Gloucester High School	41,663,275	Debt
Radio O&M	Public Services Radio Tower and Microwave Upgrades	1,000,000	Debt
Schools	Bus Compound	5,035,000	Debt
PR&T	ADA Improvements	108,075	Paygo
Engineering	ADA Accessibility Improvements	270,000	Paygo
Schools	HVAC Replacement	2,532,362	Debt
Schools	Roofing Replacement/Recoating	236,250	Debt
Engineering	Aberdeen and Timberneck Dredging	6,000,000	Debt - 100% Grant
Schools	Playground Equipment Replacement	748,431	Debt
Engineering	Court Circle Site Improvements	150,000	Paygo
Admin	Broadband Initiative	1,971,943	Paygo - Grant - PPP
PR&T	Toro Groundmaster 4000 Mower	65,600	Paygo
Schools	Lighting Replacement	717,458	Debt
Schools	Paving Project	1,588,650	Debt
Engineering	County Paving Program	397,434	Paygo
PR&T	Support Facilities	71,500	Paygo
Total FY 2022 Non-Enterprise CIP (Excluding Prior Year Carryforwards)		62,555,978	



FY22 CIP Summary

\$ 3.03M	FY22 Non-enterprise PayGo CIP, w/o carryforwards
\$59.52M	FY22 Non-enterprise debt funded CIP
\$ TBD	FY21 → FY22 carryforwards
<hr/>	
\$62.55M	Total Proposed FY22 CIP (Capital Fund)

\$ 782K
Proposed FY22
Enterprise CIP
(Utilities) – All
cash funded

Department	Project Title	Year One FY2022	Funding
Public Utilities	Water System Risk and Resilience Assessment	75,000	Paygo
Public Utilities	PS #13 Sewer Rehab/Repair	155,000	Paygo
Public Utilities	PS #11 Sewer Rehab/Repair	200,000	Paygo
Public Utilities	Surface Water Treatment Plant Façade Repairs	100,000	Paygo
Public Utilities	Radio Read Conversion	100,000	Paygo
Public Utilities	Gloucester Street and Clements Avenue Water Improvements	52,000	Paygo
Public Utilities	Water Treatment Plant SCADA Upgrade	100,000	Paygo
Public Utilities	Building #4 Basement Repairs / Renovation	0	Paygo
Total FY 2022 Enterprise CIP		782,000	



FY22 CIP Funding (Excludes Enterprise CIP)

FY22 CIP (Non-Enterprise) Proposed Funding Sources		
GCPS Bondable Projects - VPSA Borrowing	\$	52,521,426
Dredging Projects - Grant (short term financing needed to avoid cash flow issues)	\$	6,000,000
Radio O&M - Inter-Governmental Debt (5 year) with York County	\$	1,000,000
Broadband - Grant (short term financing needed to avoid cash flow issues)	\$	660,000
Broadband - Other (In-Kind, Private Sector Investment, etc.)	\$	651,943
Broadband - Carryover of FY20 VATI Match Commitment (From Cable Committed)	\$	660,000
Unassigned Fund Balance	\$	412,551
Current Revenues	\$	650,058
Total FY22 CIP Funding	\$	62,555,978



FY22 CIP Funding (Excludes Enterprise CIP)

\$ 660K	Cable Committed Fund balance
\$ 650K	FY22 Current revenues
\$ 413K	Unassigned fund balance
<u>\$ 0K</u>	<u>\$543K Capital Committed Fund balance (reserve)</u>
\$ 1.72M	Total General Fund \$ supporting FY22 PayGo CIP
\$ 1.00M	PS Radio Agreement w/ York County
\$52.52M	VPSA debt proceeds
<u>\$ 7.31M</u>	<u>Grants / private investment (May require short term borrowing)</u>
\$ 62.55M	Total FY22 CIP funded



Pay-Go / Cash Project Plan

Department	Project Title	CA Quartile	Schools 1-9 Ranking	Dept Dir Wtd	CIP Team Wtd	Plan Com Wtd	Average Wtd
PR&T	ADA Improvements	4	N/A	5.3	6.5	5.0	5.6
Engineering	ADA Accessibility Improvements	4	N/A	4.5	6.5	5.7	5.6
Engineering	Aberdeen Creek Pier Rehabilitation	3	N/A	5.0	5.7	4.5	5.1
Engineering	Court Circle Site Improvements	3	N/A	6.0	4.5	4.5	5.0
Admin	Broadband Initiative	3	N/A	4.9	5.2	4.1	4.8
IT	Replacement Finance Plus & Community Plus Software	3	N/A	5.0	3.3	3.9	4.1
PR&T	Lift-Wing Field Mower	3	N/A	2.3	3.4	2.4	2.7
PR&T	Restrooms/Concession Building	2	N/A	7.1	7.1	3.9	6.0
Schools	Bus Replacement	2	7	6.8	6.8	4.3	6.0
PR&T	Woodville Park Irrigation	2	N/A	7.1	5.3	2.3	4.9
PR&T	Athletic Field Lighting	2	N/A	5.3	5.3	3.9	4.9
PR&T	Athletic Field Regrading	2	N/A	5.1	4.1	3.2	4.1
Engineering	County Paving Program	2	N/A	3.3	3.7	4.7	3.9
FM	Generator Installation - Building 1	2	N/A	2.4	3.8	3.0	3.1
FM	Generator Installation - Building 2	2	N/A	2.4	3.8	3.0	3.1
PR&T	Support Facilities	1	N/A	5.4	5.4	2.9	4.6
PR&T	Beaverdam Park New Lodge	1	N/A	3.0	3.0	3.0	3.0
Engineering	Hutchinson House Demolition	1	N/A	2.5	2.7	3.4	2.9



Pay-Go / Cash Project Plan

Department	Project Title	Total Cost	Year One FY2022	Year Two FY2023	Year Three FY2024	Year Four FY2025	Year Five FY2026	Year Six and Beyond
PR&T	ADA Improvements	108,075	108,075	0	0	0	0	0
Engineering	ADA Accessibility Improvements	270,000	270,000	0	0	0	0	0
Engineering	Aberdeen Creek Pier Rehabilitation	132,000	0	132,000	0	0	0	0
Engineering	Court Circle Site Improvements	150,000	150,000	0	0	0	0	0
Admin	Broadband Initiative	1,971,943	1,971,943	0	0	0	0	0
IT	Replacement Finance Plus & Community Plus Software	644,000	0	644,000	0	0	0	0
PR&T	Lift-Wing Field Mower	65,600	65,600	0	0	0	0	0
PR&T	Restrooms/Concession Building	637,000	0	0	637,000	0	0	0
Schools	Bus Replacement	1,820,569	0	0	577,500	606,375	636,694	0
PR&T	Woodville Park Irrigation	152,776	0	152,776	0	0	0	0
PR&T	Athletic Field Lighting	1,592,800	0	37,400	0	565,400	440,000	550,000
PR&T	Athletic Field Regrading	516,000	0	516,000	0	0	0	0
Engineering	County Paving Program	3,275,670	397,434	428,888	756,653	723,068	189,627	780,000
FM	Generator Installation - Building 1	125,000	0	125,000	0	0	0	0
FM	Generator Installation - Building 2	150,000	0	150,000	0	0	0	0
PR&T	Support Facilities	71,500	71,500	0	0	0	0	0
PR&T	Beaverdam Park New Lodge	754,000	0	0	0	0	754,000	0
Engineering	Hutchinson House Demolition	133,000	0	0	0	0	133,000	0
Total Pay-go		12,569,933	3,034,552	2,186,064	1,971,153	1,894,843	2,153,321	1,330,000



GCPS Focus – CA Proposes:

Department	Project Title	School Rankin	Comments
Schools	RENOVATION of Gloucester High School	1	
Schools	Bus Compound	2	
Schools	HVAC Replacement	3	Accelerate all to FY22 - Convert to Debt Financing
Schools	Bus Safety Communication System	4	Propose Accelerate to FY2021 \$300,514
Schools	Lighting Replacement	5	Accelerate all to FY22 - Convert to Debt Financing
Schools	Playground Equipment Replacement	6	Accelerate all to FY22 - Convert to Debt Financing
Schools	Bus Replacement	7	Suspended First Year \$400K and Second Year \$550K
Schools	Roofing Replacement/Recoating	8	Convert to Debt Financing on sub-Amortization Schedule
Schools	Paving Project	9	Accelerate all to FY22 - Convert to Debt Financing

- Acceleration of GCPS' out-year requests into larger projects – bundle with VPSA Financing to reduce reliance on Unassigned Fund Balance
- Use sub-amortization schedules for projects with lifespans < 20 years
- Use sub-amortization schedules to segregate out projects that qualify for sales tax funding



Bond / Financed Project Plan

Department	Project Title	CA Quartile	Schools 1-9 Ranking	Dept Dir Wtd (/10)	CIP Team Wtd (/10)	Plan Com Wtd (/10)	Average Ranking
Radio O&M	Public Safety Radio Portable & Mobile Replacement	4	N/A	8.4	8.4	5.4	7.4
Schools	RENOVATION of Gloucester High School	4	1	8.6	8.9	4.0	7.2
Radio O&M	Public Services Radio Tower and Microwave Upgrades	4	N/A	7.7	7.9	5.6	7.1
Schools	Bus Compound	4	2	7.9	7.9	2.9	6.2
Schools	HVAC Replacement	3	3	7.5	7.5	4.1	6.4
Schools	Roofing Replacement/Recoating	3	8	7.2	7.2	4.1	6.2
Engineering	Aberdeen and Timberneck Dredging	3	N/A	5.9	7.7	4.1	5.9
Schools	Playground Equipment Replacement	3	6	6.2	6.2	3.9	5.4
Library	Construction of County Library	3	N/A	6.0	5.2	3.4	4.9
Schools	Lighting Replacement	2	5	9.4	9.4	3.1	7.3
Schools	Paving Project	2	9	4.3	5.0	3.5	4.3

- Aberdeen and Timberneck Creek (grant funded) dredging project costs will need to be financed (short-term) to avoid cash-flow issues
- Cedarbush Creek (grant funded) dredging project cost still TBD (under development); may be added to this (or a subsequent) CIP at a later date



Bond / Financed Project Plan

Department	Project Title	Total Cost	Year One FY2022	Year Two FY2023	Year Three FY2024	Year Four FY2025	Year Five FY2026	Year Six and Beyond
Radio O&M	Public Safety Radio Portable & Mobile Replacement	3,224,630	0	0	0	0	0	3,224,630
Schools	RENOVATION of Gloucester High School	41,663,275	41,663,275	0	0	0	0	0
Radio O&M	Public Services Radio Tower and Microwave Upgrades	1,000,000	1,000,000	0	0	0	0	0
Schools	Bus Compound	5,035,000	5,035,000	0	0	0	0	0
Schools	HVAC Replacement	2,532,362	2,532,362	0	0	0	0	0
Schools	Roofing Replacement/Recoating	236,250	236,250	0	0	0	0	0
Engineering	Aberdeen and Timberneck Dredging	6,000,000	6,000,000	0	0	0	0	0
Schools	Playground Equipment Replacement	748,431	748,431	0	0	0	0	0
Library	Construction of County Library	5,600,000	0	5,600,000	0	0	0	0
Schools	Lighting Replacement	717,458	717,458	0	0	0	0	0
Schools	Paving Project	1,588,650	1,588,650	0	0	0	0	0
Total Financed (Non-VPsA)		15,824,630	7,000,000	5,600,000				3,224,630
Total Financed (VPsA)		52,521,426	52,521,426					

- GHS Renovation Project: Add-Alt for roof Option 2 included in the table above. Estimated cost increase: \$1.78M



Overview | Additional Local Sales & Use Tax



- The General Assembly passed SB No. 224 in the spring of 2020, which gave the County the ability to move forward with a referendum process in which its constituency could vote on an Additional Local Sales & Use Tax of up to 1.0% in order to fund capital projects for the construction and/or renovation of schools.
- The Board of Supervisors took formal action in August 2020 to move forward with the referendum in the fall of 2020.
- County voters approved the Additional Local Sales & Use Tax in an amount up to 1.0% through the referendum in November 2020.
 - The Board of Supervisors is now considering formal action to implement the Additional Local Sales & Use Tax.
 - The County could begin collecting revenues dedicated to school capital projects as early as July 1, 2021.
- Based on the legislation passed by the General Assembly and guidance from legal counsel, only projects related to the construction and/or renovation of schools may be supported by the Additional Local Sales & Use Tax ("Eligible Schools Projects").
 - The analysis reflected on the following pages separates the Eligible Schools Projects from the Schools' projects that are not related to construction or renovation ("Ineligible Schools Projects") as well as the non-School-related projects.
- This analysis contemplates the affordability of the Eligible Schools Projects with an Additional Local Sales & Use Tax rate increase of 1.0% taking effect on July 1, 2021. Based upon prior Board actions, this tax could be collected through July 31, 2040.
 - The 1.0% Additional Sales & Use Tax in this analysis is assumed to produce \$5.0 Million in FY 2022, \$5.25 Million in FY 2023, and \$5.5 Million per year thereafter until July 31, 2040.



Summary | 5-Year CIP | Debt-Funded Projects



Bond/Financed Project Plan		Term (Years)	2022	2023	2024	2025	2026	Total
1	County Projects							
2	Public Services Radio Tower & Microwave Upgrades	5	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
3	County Library Construction	20	-	5,600,000	-	-	-	5,600,000
4	Subtotal County Projects		\$ 1,000,000	\$ 5,600,000	\$ -	\$ -	\$ -	\$ 6,600,000
5	Eligible Schools Projects							
6	Gloucester High School Renovation	20	\$ 41,663,275	\$ -	\$ -	\$ -	\$ -	\$ 41,663,275
7	Gloucester High School Renovation (Add-Alt)	20	3,487,206	-	-	-	-	3,487,206
8	School HVAC Replacement	20	2,532,362	-	-	-	-	2,532,362
9	School Paving Project	20	1,588,650	-	-	-	-	1,588,650
10	Playground Equipment Replacement	20	748,431	-	-	-	-	748,431
11	Subtotal Eligible Schools Projects		\$ 50,019,924	\$ -	\$ -	\$ -	\$ -	\$ 50,019,924
12	Ineligible Schools Projects							
13	Bus Compound	20	5,035,000	-	-	-	-	5,035,000
14	School Lighting Replacement	10	717,458	-	-	-	-	717,458
15	School Roofing Recoating	10	236,250	-	-	-	-	236,250
16	Subtotal Ineligible Schools Projects		\$ 5,988,708	\$ -	\$ -	\$ -	\$ -	\$ 5,988,708
17	Total Projects		\$ 57,008,632	\$ 5,600,000	\$ -	\$ -	\$ -	\$ 62,608,632
18	Sources							
19	2022 VPSA Spring Pool (10-Year Term)	10	\$ 953,708	\$ -	\$ -	\$ -	\$ -	\$ 953,708
20	2022 VPSA Spring Pool (20-Year Term)	20	55,054,924	-	-	-	-	55,054,924
21	Agreement with York County ⁽¹⁾	5	1,000,000	-	-	-	-	1,000,000
22	2023 VRA Spring Pool	20	-	5,600,000	-	-	-	5,600,000
23	Total Sources		\$ 57,008,632	\$ 5,600,000	\$ -	\$ -	\$ -	\$ 62,608,632

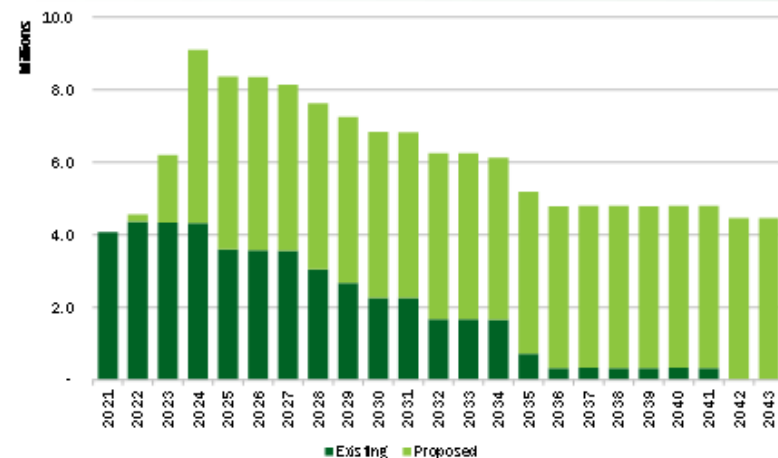
(1) York County is expected to finance the Public Services Radio Tower & Microwave Upgrades with the County making payments to York County over 5 years.

Note: The County CIP also includes various cash-funded projects and a grant-funded Dredging Project as well as a Public Safety Radio Portable & Mobile Replacement in 5+ years; this analysis does not include any financing related these projects.

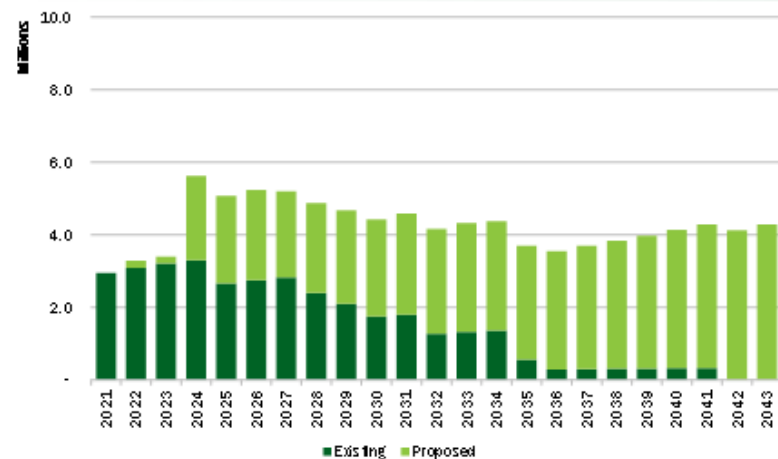
CIP Analysis | Summary of Assumptions & Debt Service



Proposed Debt Service



Proposed Principal



Financing Assumptions

■ VPSA Spring Pool 2022 – Level Debt Service

– First Local Interest	1/15/2023
– First Local Principal	7/15/2023
10-Year Amortization	
– Project Amount (10-Year Amortization)	\$953,708
– 10-Year Interest Rate	3.0%
– Final Local Maturity	7/15/2032
20-Year Amortization	
– Project Amount (20-Year Amortization)	\$55,054,924
– 20-Year Interest Rate	4.0%
– Final Local Maturity	7/15/2042

■ Public Services Radio Tower & Microwave Upgrades

– Project Amount	\$1,000,000
– Term	5 Years
– Estimated Annual Payment	\$200,000
– First FY with Payment	FY 2022
– Final FY with Payment	FY 2026
* Assumes level payments with no interest (20% of project amount each year for 5 years). Final structure TBD.	

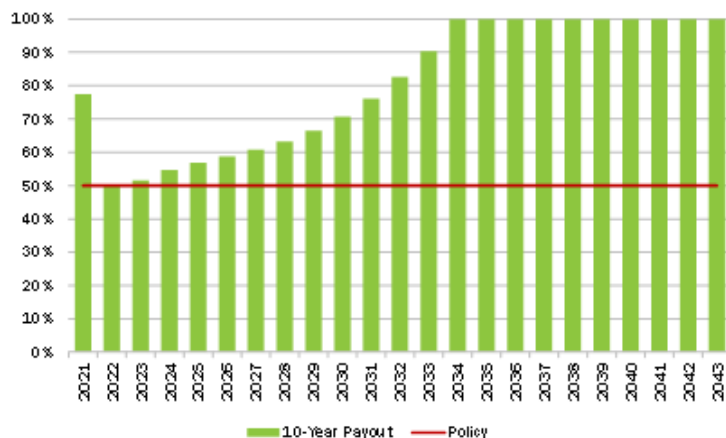
■ Library – VRA Spring Pool 2023 – 20-Year Level Debt Service

– Project Amount	\$5,600,000
– Interest Rate	4.0%
– First Local Principal & Interest	10/1/2023
– Final Local Maturity	10/1/2042

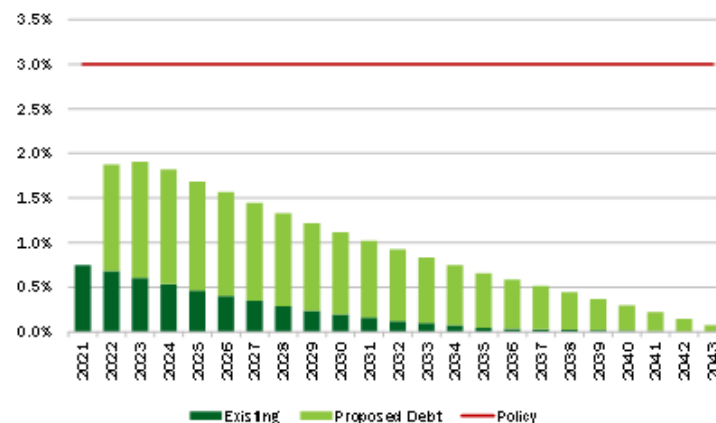
CIP Analysis | Key Debt Ratios



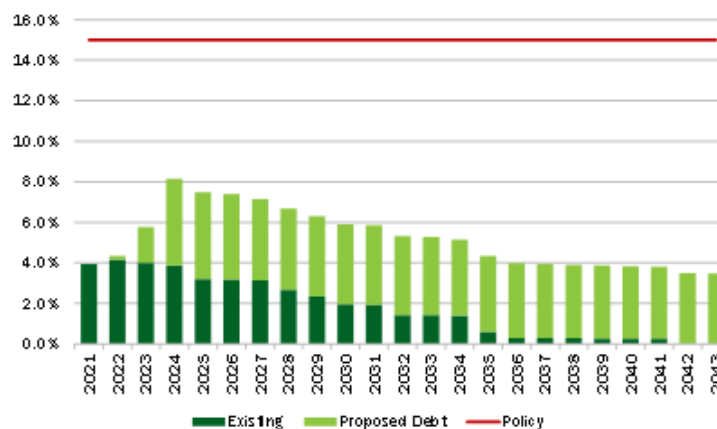
10-Year Payout



Debt to Assessed Value



Debt Service vs. Expenditures





Debt Affordability Analysis | County & Ineligible Schools

Assumes Existing School Construction/Renovation Debt Service is Eligible

- The analysis below contemplates the effect of the County's existing school construction/renovation debt service being deemed Eligible.
- Assuming the County continues to make available the same General Fund Budgeted Debt Service (Column H), utilizing the 1.0% Additional Local Sales & Use Tax revenues to pay the existing schools debt service could reduce or eliminate the need for a tax increase associated with the County & Ineligible Schools projects and provide capacity for additional pay-go or debt-funded capital projects.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
Debt Service Requirements								Revenue Available for DS					Debt Service Cash Flow Surplus (Deficit)						
FY	Existing County & Ineligible Schools Debt Service (Excluding Radio)	Potential Eligible Existing Schools Debt Service ⁽¹⁾	Existing Radio-Related Debt Service	County Library Existing Lease Payments ⁽²⁾	New CIP Debt Service	Unassigned General Fund Revenues	Total	General Fund Budgeted Debt Service	General Fund Budgeted Radio Lease	General Fund Budgeted Library Lease	Credits for Series 2011 & 2012 QSCBs ⁽³⁾	Other Revenues/ Fund Balance ⁽⁴⁾	Total Revenues Available	Surplus/ (Deficit) N - H	Revenue From Prior Tax Impact ⁽⁵⁾	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent ⁽⁶⁾	Capital Reserve Fund Balance
2021	404,772	3,489,351	190,015	211,481	-	-	4,295,620	3,656,829	19,001.15	211,481	237,295	-	4,295,620	-	-	-	-	-	-
2022	592,343	-	-	215,076	200,000	1,764,822	2,772,540	3,844,341	20,000.00	215,076	-	-	4,260,017	1,487,377	-	-	1,487,377	-	1,487,377
2023	589,174	-	-	218,732	372,508	1,764,822	2,945,037	3,811,400	20,000.00	218,732	-	-	4,230,222	1,285,186	-	-	1,285,186	-	2,772,562
2024	586,982	-	-	222,451	1,094,346	1,764,822	3,668,380	3,802,285	20,000.00	222,451	-	-	4,224,736	556,356	-	-	556,356	-	3,328,918
2025	592,500	932,103	-	-	1,094,346	1,764,822	4,383,570	3,068,074	20,000.00	222,451	-	-	3,400,525	(893,045)	-	(89,304.5)	-	-	2,435,874
2026	592,761	931,831	-	-	1,094,346	1,764,822	4,383,559	3,053,870	20,000.00	222,451	-	-	3,476,321	(907,238)	-	(90,723.8)	-	-	1,278,636
2027	591,129	915,579	-	-	894,346	1,764,822	4,166,675	3,040,057	-	222,451	-	-	3,262,508	(903,167)	-	(90,316.7)	-	-	605,469
2028	592,982	406,200	-	-	894,346	-	1,893,628	2,532,718	-	222,451	-	-	2,755,169	861,541	-	-	861,541	-	1,487,009
2029	589,253	34,656	-	-	894,346	-	1,518,255	2,153,664	-	222,451	-	-	2,376,115	857,860	-	-	857,860	-	2,344,870
2030	590,625	-	-	-	894,346	-	1,484,970	1,742,303	-	222,451	-	-	1,964,754	479,783	-	-	479,783	-	2,824,253
2031	593,710	-	-	-	894,346	-	1,488,056	1,744,468	-	222,451	-	-	1,966,919	478,663	-	-	478,663	-	3,303,516
2032	46,168	-	-	-	894,346	-	940,514	1,166,937	-	222,451	-	-	1,389,388	448,874	-	-	448,874	-	3,752,390
2033	45,919	-	-	-	894,346	-	940,265	1,168,687	-	222,451	-	-	1,391,138	450,873	-	-	450,873	-	4,203,263
2034	45,791	-	-	-	782,542	-	828,333	1,164,158	-	222,451	-	-	1,386,609	558,277	-	-	558,277	-	4,761,540
2035	46,281	-	-	-	782,542	-	828,823	325,560	-	222,451	-	-	548,011	(280,812)	-	(28,081.2)	-	-	4,480,728
2036	45,744	-	-	-	782,542	-	828,286	45,744	-	222,451	-	-	268,195	(560,091)	-	(56,009.1)	-	-	3,920,637
2037	46,274	-	-	-	782,542	-	828,818	46,274	-	222,451	-	-	268,725	(560,091)	-	(56,009.1)	-	-	3,360,546
2038	46,095	-	-	-	782,542	-	828,637	46,095	-	222,451	-	-	268,546	(560,091)	-	(56,009.1)	-	-	2,800,455
2039	45,901	-	-	-	782,542	-	828,443	45,901	-	222,451	-	-	268,352	(560,091)	-	(56,009.1)	-	-	2,240,364
2040	46,319	-	-	-	782,542	-	828,861	46,319	-	222,451	-	-	268,770	(560,091)	-	(56,009.1)	-	-	1,680,273
2041	45,970	-	-	-	782,542	-	828,512	45,970	-	222,451	-	-	268,421	(560,091)	-	(56,009.1)	-	-	1,120,182
2042	-	-	-	-	782,542	-	782,542	-	-	222,451	-	-	222,451	(560,091)	-	(56,009.1)	-	-	560,091
2043	-	-	-	-	782,542	-	782,542	-	-	222,451	-	-	222,451	(560,091)	-	(56,009.1)	-	-	-
2044	-	-	-	-	-	-	-	-	-	222,451	-	-	222,451	222,451	-	-	222,451	-	222,451
Total Tax Effect																	0.00%		
Total	6,777,254	6,709,839	190,015	867,741	17,941,383	10,587,730	43,073,962	36,552,344	1,190,015	5,316,759	237,295	-	43,296,413	Total	-	(7,464,990)			

- Assumed FY 2021 Value of a Penny⁽⁶⁾: \$449,905
- Assumed Growth Rate: 1.0%

- Includes the County's 2003 VPSA Bonds (Achilles & Botetourt), 2006 VPSA Bonds (Abingdon), 2007 VPSA Bonds (Abingdon), 2011-2 QSCBs (Page), 2012-1 QSCBs (Page), and 2013 VPSA Bonds (Page).
- The County's library lease grows annually at the December year-over-year increase in the South Region CPI (all items, all urban consumers). For this analysis, the 10-year average of 1.7% is utilized.
- QSCB debt service is shown per sinking fund requirements, gross of earnings and with gross interest expense. At issue, interest expense should be fully subsidized by the Federal Government. Due to sequestration, a reduction in subsidy was implemented. The sequestration rate is assumed to be 5.7%.
- The County may utilize additional one-time revenues from real estate tax rate increases (see footnote 4) or Unassigned Fund Balance to offset the peak debt service and reduce the required real estate tax increase.
- The tax rate implemented as part of the FY 2023 budget process will generate 6 months of revenue in FY 2022. For purposes of this analysis, those funds are assumed to be used for pay-go capital.
- Provided by Staff.



Debt Affordability Analysis | County & Ineligible Schools

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A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
Debt Service Requirements								Revenue Available for DS								Debt Service Cash Flow Surplus (Deficit)			
FY	Existing County & Ineligible Schools Debt Service (Excluding Radiol)	Potential Eligible Existing Schools Debt Service ⁽¹⁾	Existing Radio-Related Debt Service	County Library Existing Lease Payments ⁽²⁾	New CP Debt Service	Unassigned General Fund Revenues	Total	General Fund Budgeted Debt Service	General Fund Budgeted Radio Lease	General Fund Budgeted Library Lease	Credits for Series 2011 & 2012 QSCBs ⁽³⁾	Other Revenues/ Fund Balance ⁽⁴⁾	Total Revenues Available	Surplus/ (Deficit) N - H	Revenue From Prior Tax Impact ⁽⁵⁾	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent ⁽⁶⁾	Capital Reserve Fund Balance
2021	404,772	3,489,351	190,015	2,111,481	-	-	4,295,620	3,656,829	19,001.15	211,481	237,295	-	4,295,620	-	-	-	-	-	-
2022	592,343	-	-	2,15,076	200,000	1,764,822	2,772,540	3,844,341	20,000.00	215,076	-	-	4,260,017	1,487,377	-	-	1,487,377	-	1,487,377
2023	589,174	-	-	2,18,732	372,508	1,764,822	2,945,037	3,811,400	20,000.00	218,732	-	-	4,230,222	1,285,186	-	-	1,285,186	-	2,772,562
2024	586,962	-	-	2,22,451	1,094,346	1,764,822	3,668,380	3,802,285	20,000.00	222,451	-	-	4,224,736	556,356	-	-	556,356	-	3,328,918
2025	592,500	932,103	-	-	1,094,346	1,764,822	4,383,570	3,068,074	20,000.00	222,451	-	-	3,400,525	(893,045)	-	(89,304.5)	-	-	2,435,874
2026	592,761	931,831	-	-	1,094,346	1,764,822	4,383,359	3,053,870	20,000.00	222,451	-	-	3,476,321	(907,238)	-	(90,723.8)	-	-	1,528,835
2027	591,129	915,579	-	-	894,346	1,764,822	4,166,675	3,040,057	-	222,451	-	-	3,262,508	(903,167)	-	(90,316.7)	-	-	605,469
2028	592,962	406,207	-	-	894,346	-	1,893,628	2,532,718	-	222,451	-	-	2,755,169	861,541	-	-	861,541	-	1,487,009
2029	589,253	34,656	-	-	894,346	-	1,518,259	2,153,664	-	222,451	-	-	2,376,115	857,860	-	-	857,860	-	2,344,870
2030	590,625	-	-	-	894,346	-	1,484,970	1,742,303	-	222,451	-	-	1,964,754	479,783	-	-	479,783	-	2,824,653
2031	593,710	-	-	-	894,346	-	1,488,056	1,744,468	-	222,451	-	-	1,966,919	478,863	-	-	478,863	-	3,303,516
2032	46,168	-	-	-	894,346	-	940,514	1,166,937	-	222,451	-	-	1,389,388	448,874	-	-	448,874	-	3,752,390
2033	45,919	-	-	-	894,346	-	940,266	1,168,687	-	222,451	-	-	1,391,138	450,873	-	-	450,873	-	4,203,263
2034	45,791	-	-	-	782,542	-	828,332	1,164,158	-	222,451	-	-	1,386,609	558,277	-	-	558,277	-	4,761,540
2035	46,281	-	-	-	782,542	-	828,823	325,560	-	222,451	-	-	548,011	(280,812)	-	(28,081.2)	-	-	4,480,728
2036	45,744	-	-	-	782,542	-	828,286	45,744	-	222,451	-	-	2,68,195	(560,091)	-	(56,009.1)	-	-	3,920,637
2037	46,274	-	-	-	782,542	-	828,818	46,274	-	222,451	-	-	2,68,725	(560,091)	-	(56,009.1)	-	-	3,360,546
2038	46,095	-	-	-	782,542	-	828,637	46,095	-	222,451	-	-	2,68,546	(560,091)	-	(56,009.1)	-	-	2,800,455
2039	45,901	-	-	-	782,542	-	828,443	45,901	-	222,451	-	-	2,68,352	(560,091)	-	(56,009.1)	-	-	2,240,364
2040	46,319	-	-	-	782,542	-	828,861	46,319	-	222,451	-	-	2,68,770	(560,091)	-	(56,009.1)	-	-	1,680,273
2041	45,970	-	-	-	782,542	-	828,512	45,970	-	222,451	-	-	2,68,421	(560,091)	-	(56,009.1)	-	-	1,120,182
2042	-	-	-	-	782,542	-	782,542	-	-	222,451	-	-	2,22,451	(560,091)	-	(56,009.1)	-	-	560,091
2043	-	-	-	-	782,542	-	782,542	-	-	222,451	-	-	2,22,451	(560,091)	-	(56,009.1)	-	-	-
2044	-	-	-	-	-	-	-	-	-	222,451	-	-	2,22,451	222,451	-	-	222,451	-	222,451
Total Tax Effect																	0.00%		
Total	6,777,254	6,709,839	190,015	867,741	17,941,383	10,587,730	43,073,962	36,552,344	1,190,015	5,316,759	237,295	-	43,296,413	Total	-	(7,464,990)	-	-	-

- Assumed FY 2021 Value of a Penny⁽⁶⁾: \$449,905
- Assumed Growth Rate: 1.0%

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- The tax rate implemented as part of the FY 2023 budget process will generate 6 months of revenue in FY 2022. For purposes of this analysis, those funds are assumed to be used for pay-go capital.
- Provided by Staff.

Not Contemplated in 5yr Plan

Department	Project Title	CA Quartile	Schools 1-9 Ranking	Dept Dir Wtd (/10)	CIP Team Wtd (/10)	Plan Com Wtd (/10)	Average Ranking
Schools	Bus Safety Communication System	4	4	6.6	4.9	4.4	5.3
FM	Arc Flash	4	N/A	4.1	5.9	4.5	4.8
Schools	Bus Replacement	2	7	6.8	6.8	4.3	6.0
Engineering	County Paving Program	2	N/A	3.3	3.7	4.7	3.9
PR&T	Support Facilities	1	N/A	5.4	5.4	2.9	4.6
PR&T	Community Center	1	N/A	4.3	4.3	2.6	3.7

Department	Project Title	Total Cost	Year One FY2022	Year Two FY2023	Year Three FY2024	Year Four FY2025	Year Five FY2026	Year Six and Beyond
Schools	Bus Safety Communication System	300,514	300,514	0	0	0	0	0
FM	Arc Flash	87,150	87,150	0	0	0	0	0
Schools	Bus Replacement	950,000	400,000	550,000	0	0	0	0
Engineering	County Paving Program	55,440	55,440	0	0	0	0	0
PR&T	Support Facilities	5,889,000	0	0	0	0	0	5,889,000
PR&T	Community Center	40,370,000	0	0	0	0	0	40,370,000

- Bus Radios and Arc Flash accelerated into FY21
- Bus replacements proposed to resume in FY24
- Also not contemplated: Economic Development land investments



Utilities – Enterprise Funded

Average Ranking	Department	Project Title	Total Cost	Year One FY2022	Year Two FY2023	Year Three FY2024	Year Four FY2025	Year Five FY2026	Year Six and Beyond
8.5	Public Utilities	Water System Risk and Resilience Assessment	75,000	75,000	0	0	0	0	0
8.0	Public Utilities	PS #13 Sewer Rehab/Repair	1,655,000	155,000	180,000	180,000	180,000	180,000	780,000
7.9	Public Utilities	PS #11 Sewer Rehab/Repair	1,000,000	200,000	200,000	200,000	200,000	200,000	0
7.8	Public Utilities	PS # 13 Replacement - Courthouse South	1,260,000	0	0	0	260,000	500,000	500,000
7.8	Public Utilities	PS # 11 Replacement - Courthouse North	1,155,000	0	0	155,000	640,000	360,000	0
7.2	Public Utilities	Replace Water Treatment Plant Motor Control Center	360,000	0	0	0	0	0	360,000
7.1	Public Utilities	South St/Martin St/Carriage Ct	260,000	0	0	0	53,000	207,000	0
7.1	Public Utilities	Surface Water Treatment Plant Façade Repairs	100,000	100,000	0	0	0	0	0
7.1	Public Utilities	Radio Read Conversion	700,000	100,000	100,000	100,000	100,000	100,000	200,000
7.0	Public Utilities	PS # 12 Replacement - Summerville	928,000	0	0	0	0	155,000	773,000
6.9	Public Utilities	Chiskiake Village Waterline Replacement	375,000	0	0	65,000	310,000	0	0
6.8	Public Utilities	Cedar Lake/Holly Springs Waterline Replacement	930,000	0	0	0	0	85,000	845,000
6.7	Public Utilities	Surface Water Treatment Plant Roof Replacement	100,000	0	100,000	0	0	0	0
6.7	Public Utilities	Independence Road Waterline Improvements	135,000	0	0	135,000	0	0	0
6.7	Public Utilities	George Washington Mem Highway Widening (Water)	105,000	0	55,000	0	50,000	0	0
6.7	Public Utilities	Gloucester Street and Clements Avenue Water Imp	100,000	52,000	48,000	0	0	0	0
6.6	Public Utilities	Water Treatment Plant SCADA Upgrade	300,000	100,000	100,000	100,000	0	0	0
6.6	Public Utilities	Sawgrass Point Waterline Replacement	160,000	0	35,000	125,000	0	0	0
6.6	Public Utilities	George Washington Mem Highway Widening (Sewer)	185,000	0	35,000	0	150,000	0	0
6.5	Public Utilities	Terrapin Cove Road Waterline Improvements	515,000	0	0	0	0	55,000	460,000
6.5	Public Utilities	Tillage Heights Subdivision Waterline Replacements	165,000	0	0	0	35,000	130,000	0
6.5	Public Utilities	Belroi Rd/Main St/Roaring Springs Rd Waterline Imp	1,030,000	0	0	0	80,000	650,000	300,000
6.5	Public Utilities	Berkeley Point Subdivision Waterline Improvements	255,000	0	0	0	0	0	255,000
6.5	Public Utilities	Azalea Pt Rd & Shane Rd Waterline Improvements	310,000	0	0	0	0	0	310,000
6.4	Public Utilities	Bellehaven Subdivision Waterline Replacement	180,000	0	0	30,000	150,000	0	0
6.4	Public Utilities	Riverdale & Holly Cove Subdivision Waterlines	320,000	0	0	0	0	30,000	290,000
6.2	Public Utilities	Lewis Avenue Waterline Replacement	370,000	0	0	0	0	0	370,000
5.8	Public Utilities	Wyncote Avenue Waterline Replacement	500,000	0	0	0	0	75,000	425,000
4.9	Public Utilities	Utility Yard	1,500,000	0	0	0	0	50,000	1,450,000
4.8	Public Utilities	N Waltons Lane Waterline Loop	80,000	0	0	0	0	80,000	0
3.8	Public Utilities	Building #4 Basement Repairs / Renovation	143,000	0	143,000	0	0	0	0
Total Utilities (Enterprise Funded Through FY26)			15,251,000	782,000	996,000	1,090,000	2,208,000	2,857,000	7,318,000



The background of the slide features a large, faint, circular seal of Gloucester County, Virginia. The seal has a blue outer ring with the text "GLOUCESTER COUNTY" at the top and "VIRGINIA ESTAB. 1651" at the bottom, separated by two small yellow stars. In the center of the seal is a green landscape with a river and a large, striped, conical object, possibly a cornucopia or a stylized mountain.

CIP Questions?

Sales Tax vs. Real Estate Tax

	Sales Tax	Real Estate Tax
Who pays?	Everyone shopping in Gloucester	Only Gloucester County property owners – 100%
Who funds more of the incremental need?	People who spend more in Gloucester	Only Gloucester County property owners – 100%
Retail “sticker” prices	No change	Retail prices escalate to cover added expense
Business profitability	No change	...and/or Business profitability reduced to cover added expense
Consumer discretionary income:	Negligible change	Reduced, as Gloucester property owners (only) pay more in RE taxes
P&L event for businesses?	No	Yes



Debt Service Funding Source

Conclusions

Gloucester County received General Assembly authorization to ask Gloucester County citizens (by referendum) if they would approve a sales tax increase (up to 1%) to fund school capital needs. The Board authorized the referendum and it passed.

Sales tax approach – Leverages our local economic engine (retail) to bring revenues into our County from other areas, creating **better outcomes** for Gloucester businesses and residents

Real Estate tax approach – creates **greater challenges** for Gloucester businesses and residents by placing the entire burden on their shoulders for school system construction / renovation

Recommendation: Approve the 1% Local Option Sales Tax effective July 1, 2021 to support construction / renovation of schools



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Funding Source Questions?

Proposed Tax Rate Advertising

	CY 2020	Suggested Advertising (CY 2021)
Real Estate	\$0.695	\$0.745
Manufactured Home	\$0.695	\$0.745
Public Service Corporation	\$0.695	\$0.745
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 10	Budget Work Session
March 16	Joint Work Session w/School Board
TBD ?	Chair / Vice Chair Budget Town Hall
March 24	FY21 Budget & Tax Rate Public Hearings
April 6	Regular Meeting w/ potential Budget items
April 7	Possible Budget Work Session
April 12	Possible Budget Work Session
April 15	Possible Budget Work Session
April 19	FY21 Budget Adoption

Note: All meetings at 7PM unless otherwise noted





THE END