



FY 2026

PROPOSED BUDGET

BUDGET PROPOSAL GUIDELINES

1. Departments should provide a budget with no service increases, if possible.
2. Program expansions were to be fully justified with a funding plan.
3. Line by line department reviews with County Administrator, Finance Director, and Department Head.
4. CIP expenditures were selected by importance or mandate.



FACTORS IN PREPARING THE FY 2026 BUDGET

REVENUE CHANGES

1. Real estate value assessments

- At the **current tax rate**, the new values are estimated to generate an additional **\$4.4 million** annually.
- The new values will go into effect in calendar year 2026; therefore, the first half of the real estate revenue in FY 2026 will be based on the current, lower values.



FACTORS IN PREPARING THE FY 2026 BUDGET

REVENUE CHANGES (CONTINUED)

2. Tax rate changes

- To reduce the increase in bills caused by higher real estate values, the Board may choose to lower the CY 2026 tax rates.
- For planning purposes, the estimated real estate and personal property tax revenues are based on the lower tax rates of \$0.68 and \$4.30, respectively.
- These lowered tax rates and higher values will generate \$1,257,187 in FY 2026.



FACTORS IN PREPARING THE FY 2026 BUDGET

REVENUE CHANGES (CONTINUED)

3. Transient occupancy tax (TOT)

- Lodging revenue has not been negatively impacted by the increased tax rate.
- Conservative budget of \$3.6 million was adopted for FY 2025.
- TOT revenue is expected to exceed \$4 million in FY 2025.
- Revenue budget has been increased to \$4 million for FY 2026, which will provide an additional \$280,000 to the General Fund and \$120,000 to the Tourism Fund.



FACTORS IN PREPARING THE FY 2026 BUDGET

REVENUE CHANGES (CONTINUED)

4. Public service corporation tax

- Switch to **billing once a year**, starting in calendar year 2026, to increase efficiency and reduce billing confusion.
- Currently, bills are manually created. Bills for the first half use estimates, which are corrected in the second half of the year.
- This change will **delay collecting \$300,000** in the second half of FY 2026 to the first half of FY 2027. This one-time delay in revenue can be funded with the General Fund Balance.



FACTORS IN PREPARING THE FY 2026 BUDGET

EXPENDITURE CHANGES

1. Personnel changes

- Restructured Fire-EMS positions to manage State-mandated drug program and improve employee attraction, **\$99,296 net cost**
- Sheriff's Office mid-year raises for academy graduations and retention purposes, **\$95,111**
- Mid-year raise to the Sheriff for animal control services, **\$12,000** raise and **\$2,437** for related taxes and benefits



FACTORS IN PREPARING THE FY 2026 BUDGET EXPENDITURE CHANGES (CONTINUED)

1. Personnel changes (continued)

- Raises for certifications and an additional employee in Planning & Community Development, **\$52,354**
- Deputy registrar became full-time in FY 2025, **\$43,694 net cost**

2. 3% COLA pay raise for all departments and additional 3% for ECC, **\$276,097** County-funded, **\$134,683** State-funded



FACTORS IN PREPARING THE FY 2026 BUDGET

EXPENDITURE CHANGES (CONTINUED)

3. 1.5% bonus for all departments, **\$142,651** County-funded, **\$58,585** State-funded
4. Health insurance increase of 5.3%, **\$132,239**
5. Sheriff's Office contractual services increase of **\$170,240** for IT services, Tasers, body-worn cameras, and drones.



FACTORS IN PREPARING THE FY 2026 BUDGET EXPENDITURE CHANGES (CONTINUED)

6. ECC budget increases related to new radio system
 - Contractual services increase of \$125,948 for L3Harris annual fees
 - Telecommunications to increase \$29,007 for expenses previously State-funded
7. Landfill equipment repair cost increase, \$80,000
8. Increased cost of CSA cases, \$183,742



FACTORS IN PREPARING THE FY 2026 BUDGET

REMAINING UNALLOCATED REVENUE

\$495,132 remains to be allocated, which can be used toward the following requests:

1. School Board local contribution increase, **\$2,734,020**
 - Compensation increases, additional positions, health insurance increase, O&M budget increase, and contractual services increase
2. Sheriff's Office JMAT program, **\$283,522** (Grant ends in Sept.)
3. Increase County-funded Economic Development budget



COUNTY CAPITAL IMPROVEMENT PROJECTS

1. Circuit Court Judge's chambers remodel \$300,000
2. DSS interior painting \$17,000
3. Ambulance and related equipment \$450,000
4. Fire-EMS office buildout in Stanley Plaza \$400,000 (carry over from FY 2025 budget)
5. Computer replacements \$30,000
6. Replace boardroom televisions \$6,000
7. Replace Government Center gutters \$14,000
8. Stanley Plaza generator \$200,000



COUNTY CAPITAL IMPROVEMENT PROJECTS

- 9. Vehicle for zoning administrators \$30,000
- 10. Replace six compactor site gates \$30,000
- 11. Landfill litter fence \$75,700
- 12. Landfill track loader \$404,600

TOTAL CIP COST \$1,957,300

COUNTY-FUNDED \$1,557,300

CIP FUND BALANCE CARRYOVER \$400,000

The School Board's staff requests \$2,278,000 for some of the capital improvement projects mentioned during the recent joint board meeting. These projects will be discussed during the School Board's staff's upcoming presentation.



TAX RATES

Tax	Current Rate	Proposed Rate	Value per Penny
Real Estate	0.73	0.73	215,068
Personal Property	4.40	4.40	21,521
Machinery and Tools	1.50	1.50	2,573
Motor Carriers	1.50	1.50	26
Mobile Homes	0.73	0.73	1,356
Aircraft	0.50	0.50	777
Transient Occupancy	10%	10%	N/A

The proposed rates are for calendar year 2025 and the bills will be collected in the second half of FY 2025 and the first half of FY 2026.

These bills will not reflect the property values determined by the reassessment.



TAX RATES

Calendar Year	Real Estate	Personal Property	Machinery and Tools	Motor Carriers	Mobile Homes	Aircraft
2019	0.73	4.59	2.00	2.00	0.73	0.50
2020	0.73	4.40	1.50	1.50	0.73	0.50
2021	0.73	4.40	1.50	1.50	0.73	0.50
2022	0.73	4.40	1.50	1.50	0.73	0.50
2023	0.73	4.40	1.50	1.50	0.73	0.50
2024	0.73	4.40	1.50	1.50	0.73	0.50
2025 (Proposed)	0.73	4.40	1.50	1.50	0.73	0.50
2026 (Proposed)	0.68	4.30	1.50	1.50	0.68	0.50

Adopt in April 2025. Affects second half of FY 2025 and first half of FY 2026.

Bills will reflect reassessment. Adopt in April 2026. Affects second half of FY 2026 and first half of FY 2027.



TAX RATES

Using savings and debt, the County has been able to fund the following recent expenses while **eliminating landfill fees** for residents and **maintaining the same or lowering tax rates**.

1. Increased annual local funding amount to School Board by **\$2,446,963** since FY 2019.
2. Courthouse restoration, 2020, **\$292,900**
3. Major landfill equipment purchases, 2020 to 2024, **\$2,032,604** (excluding ARPA funds)
4. Various school-related capital projects, 2021 to 2024, **\$2,416,543**
5. Fire-EMS staff expansion and additional coverage, 2021 to 2025, **\$594,159** (excluding ARPA funds)
6. Fire-EMS building, renovations, and ambulances, 2022 to 2025, **\$668,612** (excluding grant funds)
7. Cell 11 at Battle Creek Landfill, 2023, **\$6,532,000**
8. Emergency radio communication system, 2023, **\$6,266,030**
9. Last-mile broadband project, 2025, **\$4,196,323** (excluding ARPA funds)

The County's savings amount, or General Fund Balance, has allowed the County to borrow on more favorable terms.



EXPENDITURES PER FUND

Fund	FY 2025 Adopted	FY 2026 Proposed	Change	%
General	33,921,063	34,756,687	835,624	2%
Virginia Public Assistance (DSS)	5,037,323	4,953,407	(83,916)	-2%
Children's Services Act	2,606,995	2,612,532	5,537	0%
Tourism (Restricted TOT)	1,080,000	1,200,000	120,000	11%
County CIP	2,730,192	1,957,300	(772,892)	-28%
School Operating	42,641,640	44,385,861	1,744,221	4%
School Cafeteria	2,137,171	2,137,171	-	0%
Recreation	30,000	30,000	-	0%
VJCCCA	30,076	30,076	-	0%
Victim Witness	94,787	96,460	1,673	2%
Water Quality	6,000	6,000	-	0%
Total	90,315,247	92,165,494	1,850,247	2%

Unallocated revenue of \$495,132 included temporarily.

County, + \$3,760
State, - \$154,314
Federal, + \$66,638

Local transfer increase of \$255,180 given during FY 2025 after the budget was adopted. State estimated to provide an additional \$1,489,041.



LOCAL FUNDING OF SCHOOL BOARD

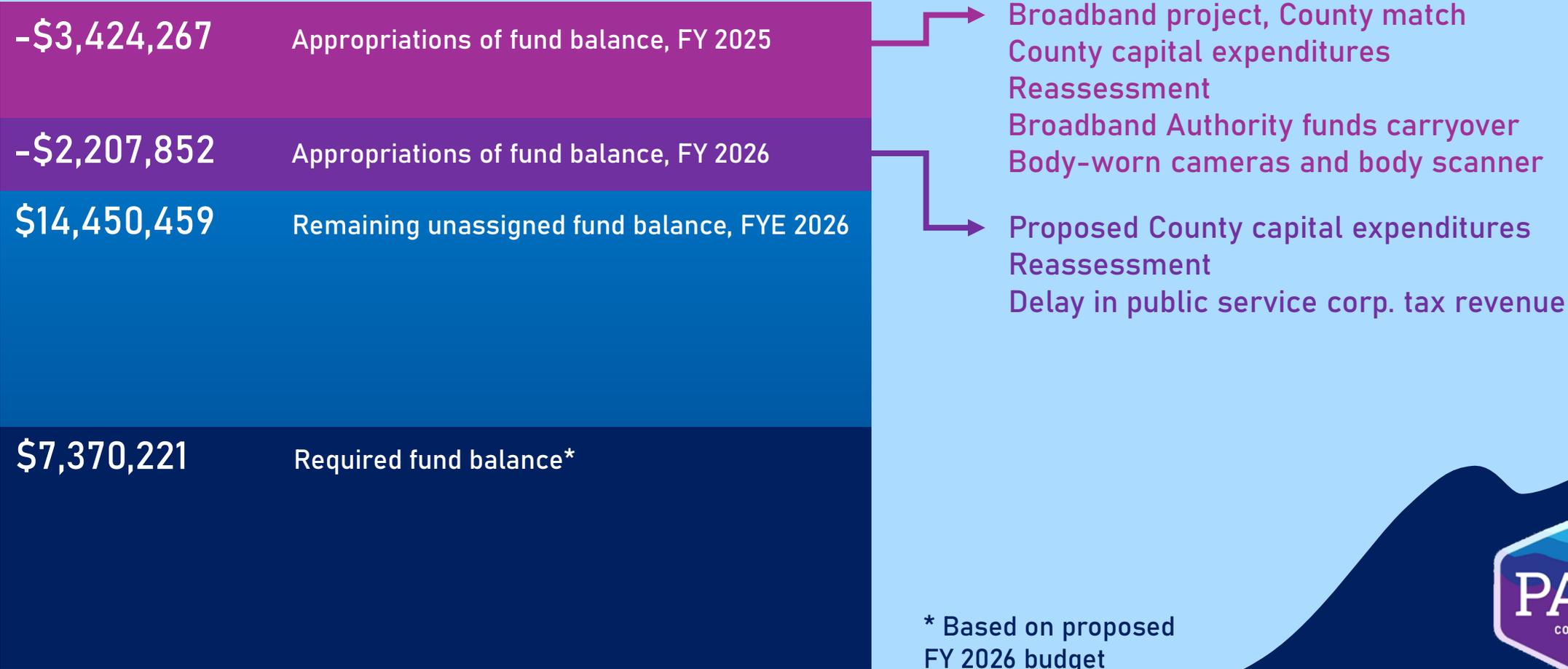
Fiscal Year	Required Local Funding	Budgeted Local Operational Funding	School-Related Debt Service	Budgeted Local School CIP Funding	Total	Savings at Year End
Proposed 2026	TBA	12,473,446	3,747,551	-	16,220,997	N/A
Adjusted 2025	11,451,538	12,473,446	3,763,199	-	16,236,645	N/A
2024	10,028,935	11,895,258	3,779,079	-	15,674,337	(376,968)
2023	8,922,815	11,330,802	3,790,298	433,655	15,554,755	176,992
2022	8,041,334	10,389,932	3,808,345	1,000,000	15,198,277	1,156,215
2021	7,842,279	10,349,540	3,902,936	856,009	15,108,485	1,776,677
2020	6,915,053	10,348,580	3,921,715	-	14,270,295	1,526,679
2019	6,846,371	10,019,643	3,942,405	-	13,962,048	563,988

For planning purposes, the proposed FY 2026 budget includes level funding, with the possibility of an increase if the unallocated revenue is transferred to the School Board.



GENERAL FUND BALANCE

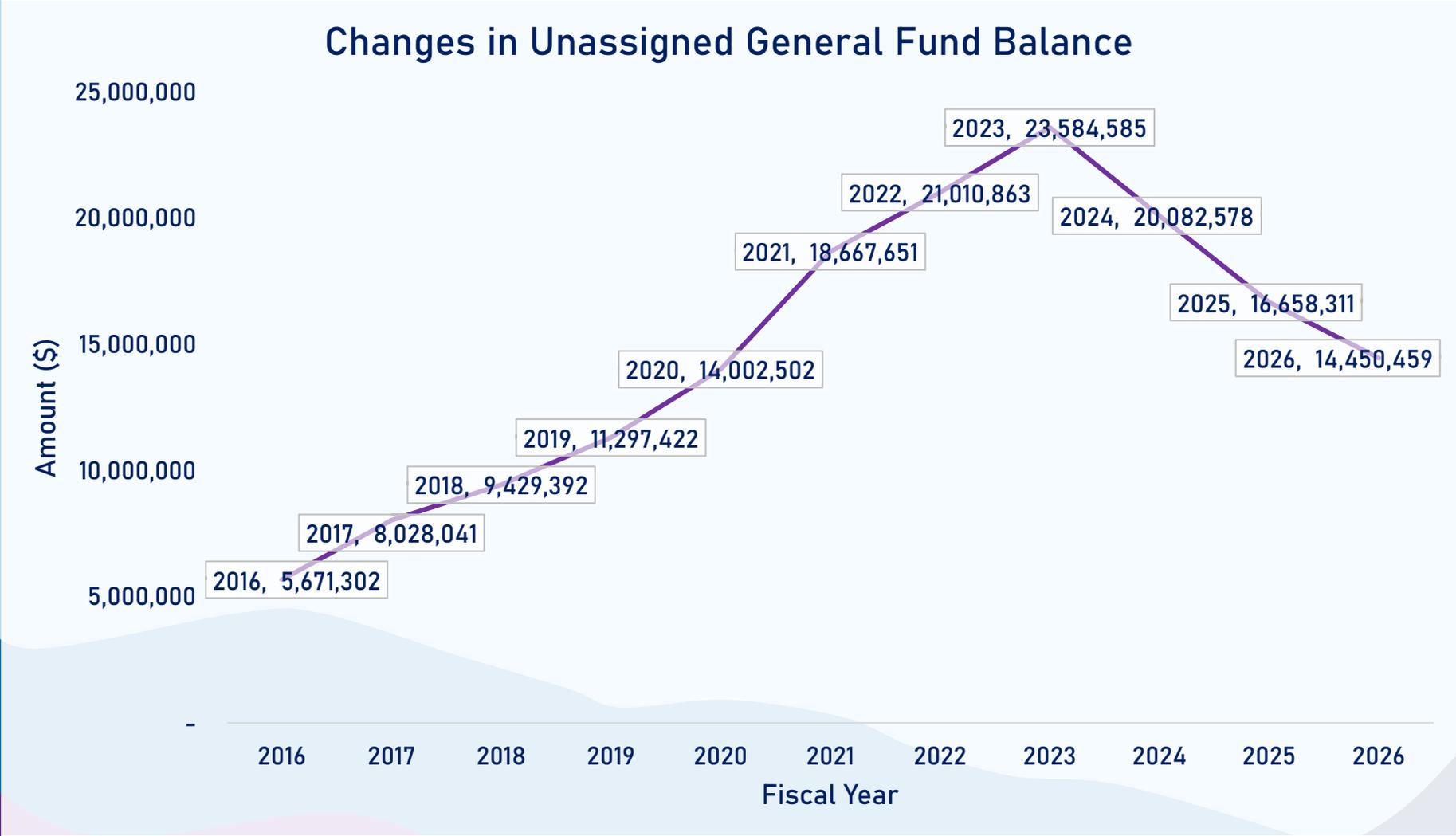
\$20,082,578 Unassigned fund balance, FYE 2024



* Based on proposed FY 2026 budget



GENERAL FUND BALANCE (CONTINUED)



BUDGET CALENDAR

Thursday, March 20, 2025	6:00 PM	Budget Work Session JMAT Presentation School Board Budget Presentation
Monday, March 24, 2025	6:00 PM	Budget Work Session
Thursday, March 27, 2025	6:00 PM	Budget Work Session (If Needed)
Monday, April 21, 2025	7:00 PM	Tax Rate Hearing and Adoption County and School Budget Hearing

